

Vagabond Ski Club - Information for Prospective Members

Club Structure & Membership

- Vagabond is set up as an Incorporated Association under Victorian law.
- The constitution satisfies the criteria for a non-profit, tax exempt, incorporated association.
- There are 43 debentures (members), this number being unchanged since 1982. The club constitution provides for more memberships only if approved by a general meeting, and then presumably only for funding developments that benefit existing members in terms of access (ie member to bed ratios etc) or facilities.
- The club started in Melbourne in the late '70s, and has members with a wide range of talents and interests. About a quarter of members live outside Victoria. The nearby airport makes Hotham the most accessible ski resort from Sydney.
- The Membership is relatively active.
- The club operates on a non-profit basis and does not make distributions to members.
- Debenture holders must be an individual person over 16 (no company names, no joint ownership), but the booking policy (see below) makes sharing a membership feasible.
- A Committee elected at the AGM operates the club on a day to day basis.

Lodge

- The lodge is located at the southeast end of Mt Hotham Alpine Resort, in Davenport Drive, with stunning views to the south over the Dargo River valley wilderness.
- The 520+ m², cedar clad, timber framed, split level building was built over 2 summers and opened for the 1982 season.
- The lodge is generally accepted as one of the best club lodges at Hotham.
- Annual maintenance and continuous improvement ensures the lodge is in excellent condition.
- The lodge sleeps 32 guests in 6 rooms, all with ensuite, ideally configured for families.
- 2 new small rooms, each with a double + single, are under construction to provide added flexibility for couples and small families.
- Additional rooms are planned over an improvement program expected to take several years.
- There is accommodation for the live-in managers.
- A large living room, with wood heater & pool table, a sauna / spa, and kitchen / dining on a separate level provide spacious and comfortable shared areas.
- Bring your laptop & use the Wireless internet for a nominal fee.

Site Lease

- The lodge is sited on leasehold land. When Vagabond Lodge was constructed the Club was granted a 21 Year lease, which expired at the end of 2002.
- In 2003 Vagabond was granted a 40 year lease renewal. The long lease period offered reflects the standing of the club in the eyes of the resort management, considering the quality of accommodation, the condition and ongoing enhancement of the lodge, and the management practices.
- With many lodges out of, or about to come out, leases established in the club boom of the 70's & 80's, the renewal of leases is a broad problem in the resort. In some cases lodges have been granted leases, often for much shorter periods than Vagabond has achieved, but with significant capital investment conditions. In evaluating clubs to join, ensure you understand the status of the lease and any conditions that may result in significant 'calls' on members, or the need to sell additional memberships to fund developments.

Finance

- The club aims to finance its operations, maintenance and ongoing improvements from annual subscriptions and booking receipts.
- At present, the club is debt free but does not have a large surplus.
- Our tax-free, non-profit status does not allow cash distributions to members.
- The booking policy identifies benefits and obligations for members, and reflects a balance between the obligation to maintain the asset, and a user-pays philosophy.

- Income is augmented by selling accommodation, after a member's preferential period, to non-members. This has the benefit of reducing costs per membership, but does limit flexibility in accessing accommodation at the last minute.
- The club aims to operate with a surplus to allow for the vagaries of the Australian ski seasons.
- Capital improvement could require the club to evaluate a range of financing options ranging from a loan to a call on members. This would be discussed and agreed by the members in general meeting.
- The current room expansion is being financed by a call of \$2000 per member (final instalment due March 08).
- The club retains external auditors who review the accounts annually.
- Prospective members may like to contact the Treasurer for additional financial information – see 'Contacts' section below.

Booking Policy – the key for Members

The policy is reviewed and rates etc set annually by the Committee, but the key principles have been in place for many years, namely:

- All debentures have equal value on an annual basis (ie no open ended 'member rates').
- An annual subscription is payable each year, even for inactive members as it represents a contribution to the maintenance of the asset. Unpaid subs become a liability on the debenture.
- Members have the option of attending working bees or paying in lieu. In 2007 and 2008 the obligation was for 4 work days, or \$165 per day in lieu.
- The advertised accommodation rates reflect high / low demand rather than member / non-member status.
- Member bookings are then discounted from the "rack" rates.
 - An initial amount (\$1900 in 2008) attracts a 50% discount, and
 - All additional bookings receive the 15% discount (this matches commercial commissions).
- This means the value can be used for fewer expensive peak season nights, or more nights in low season or in summer.
- The discount bookings can be shared with family or friends. The club does not care whether a member or non-member is occupying a bed booked through a member account, unlike some clubs where there are member & non-member rates.
- Members have a preferential booking period for about a month, after which the club accepts bookings from non-members via a commercial booking service (Altitude Accommodation).
- Member benefits are per financial year (1 Oct to 30 Sept) - unused discounts are lost.
- Cash balances (positive or negative) are carried forward. Negative balances and unpaid levies are treated as liabilities on the debenture and transfer with ownership. **Make sure you understand if there is anything owing on the debenture you are considering.**
- The booking policy is reviewed annually to consider changes in usage and encourage maximum usage of the lodge.
- Bookings are nominally for individual beds (i.e. rooms may be shared), but families generally prefer exclusive rooms, and are prepared to pay a 'room rate' to secure the room.

Value of Membership

Club membership does not mean cheap skiing. It should be viewed as a lifestyle investment with preferred access to a superior holiday facility for both winter and summer.

The non-profit club structure provides the most economic way to access accommodation of Vagabond's standard.

Many people value the club experience over apartments, given the opportunity to bring a group or to meet others. Membership provides the preferential access to this accommodation.

Process to Transfer Debenture

Each membership / share has an associated debenture which is reassigned from seller to buyer.

The Club constitution has a process for transfer, which can be paraphrased as:

1. Departing member writes to the Secretary advising proposed sale of the debenture, and sending their current debenture certificate.
2. Prospective member writes to the Secretary to apply for membership. The Committee will consider the application. It is suggested you tell the club something about yourself / family.
3. If the application is accepted, the buyer is advised and pays the seller the agreed price, and the Secretary is informed that the transaction has been completed. (Note 1)
4. The Secretary cancels the old debenture and issues a new one (which takes a little while to arrange the printing & signing etc).
5. Booking Secretary is advised & outstanding liabilities and benefits are transferred to the new member's account (Note 2)

Note 1

As this is a private transaction which may take some time depending on timing of Committee meetings, and the acceptance of the membership application etc, and a considerable amount of money is at stake, it is recommended that the buyer and seller prepare and sign a simple contract/agreement that recognises the conditions in the process.

Note 2

It is important a prospective member contacts the booking secretary to ensure they understand any liabilities attached to the debenture before committing to a price. Liabilities may include unpaid subscriptions, unpaid accommodation, outstanding levies, etc. All amounts owing need to be paid to become a 'financial' member able to make bookings. Information about an account will only be provided if the selling member authorises it.

Web Site

The club has a web site which members & guests find useful – go to www.vagabondski.com.

Staying at Vagabond even if you don't become a member

Contact Altitude Accommodation Services
see the links etc on the web site – to check availability and make bookings.

Contacts

Secretary	Peter Ghys	03 9523 4602	secretary@vagabondski.com
Booking Secretary	Ian Bartley	03 9807 3543	bookings@vagabondski.com