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Annual General Meeting

Treasurer's Report for 2021 Fiscal Year

By Gemma McMillan - May 2022

We retained a net surplus of **\$116,806** for the fiscal period ending 31 December 2021. This was through the work of outgoing General Manager Mr. Nick Rankin and former Treasurer Ms. Deborah Meehan, as well as the tireless voluntary work of the APSI Board of Directors and operational staff.

We achieved a surplus through a range of initiatives, including:

- Income and pricing plans
- Significant government grants and subsidies
- Several large expenses carrying over into 2022 and therefore not being incurred in 2021
- Responses to challenging economic conditions, including steps to improve financial governance and management of creditors
- Management of business operations
- Planning for investment in the future and our members, as well as reinvesting funds into research and development and attendance at the 2023 Interski Congress, and
- Firm supervision and management of expenses while addressing environmental concerns

Improved income and pricing

We introduced a new pricing model to increase revenue by approximately \$25 per participant on Level 2 through to Level 4 courses and exams, and an overall increase of \$100 on Public Level 1 courses.

Income raised in 2021 can also be attributed to:

- Receipt of government covid grants valued at \$31,366.07
- Receipt of Jobkeeper subsidies valued at \$19,200

Response to challenging economic conditions

The economic environment changed considerably from the start of the season. Government lockdowns and resort closures resulted in business operations spanning only 2½ months of the 2021 year.

Not only did we experience a reduction in the number of returning members the new pricing model was short-lived and a huge number of refunds were provided to members, due to resort closures and lockdowns.

The Board were responsive, as was the General Manager, and gains were made through providing credit to a number of members, who opted to transfer their course & exam fees into courses in 2022. As a result, our creditor liability entering the new fiscal year was \$25,742.50. While this is a burden on the business in 2022, it enabled us to improve our income and surplus last year.

Also due to the uncertainty in travel restrictions up to and including December 2021, the Board made the decision not to run any courses in Japan. Planning and paying for this prior to returning an income would have also affected the net surplus significantly.

Resourceful management of business operations in 2021 included:

- Introducing an Employee Assistance Program for the health and well-being of employees
- Reviewing the price of home-study to make more cost beneficial for members
- Addressing significant unplanned expenses of approximately \$20,000 in relation to legal and consulting fees - for investigation, management, and finalisation of a complaint
- Attending to matters brought to the Board by the Australian Women in Snowsports (AWS)
- Listening to the needs of Technical Directors and supporting summer projects
- Commencing a review of the APSI By-Laws by way of project funding
- Improving the APSI website and back-end computing

Re-investment of funds:

The APSI has re-invested funds into the business as follows:

- Interski Fund = \$29,201.50, and
- Discipline Allocation = \$29,201.50 (to remain in consolidated revenue).

In 2014, the members moved a motion at the Annual General Meeting to annually commit 25% of net surplus to the Interski Fund, to ensure APSI attendance at Interski.

Funds committed over the last 3 years (including contributions from the 2021 surplus) provide a grand total thus far of \$66,935.47. The Interski Funds are to support the APSI National team attend the conference.

The Discipline Allocation was initiated by a previous Board, to provide Technical Directors with access to funds for research and development purposes. Each year

25% of surplus has been assigned to this Discipline Allocation. However, investment is not always possible and varies depending on how well the APSI has managed in the previous year. Currently, the Discipline Allocation with reinvestment from 2021 would create a massive financial liability. Steps were implemented to ensure appropriate corporate and financial governance surrounding the use of Discipline Allocations.

Funds are normally held in consolidated revenue and Technical Directors have accessed these funds at their discretion. While spending was limited against the allocations, the outbreak of Covid and measures to restrict spending were implemented. Confusion ensued as to how the funds could be accessed. What followed was a proposal at the August 2021 meeting of the Board, suggesting all requests for spending from Discipline Allocations to be submitted for approval. This limited the ability for Technical Directors to access funds directly and created potential to restrict research and development, as well as the autonomy of Technical Directors.

Therefore, at the End of Season meeting of the Board (November 2021), a proposal was tabled for discretionary funding to be reopened as a temporary measure to allow Technical Director spending to a maximum amount of \$3,000 per year from consolidated revenue (without approval from the Board). The idea behind the proposal was to provide Technical Directors with the ability to act quickly and with greater autonomy when needed. This proposal was a reasonable stop-gap measure to maintain prudent financial governance and risk management, especially during times of so much economic uncertainty. The proposal was agreed by the Board as an interim policy until the April 2022 meeting - to follow the annual financial audit at which time further considerations could be tabled.

Management of expenses included:

- Releasing SnowPro in digital format only, saving approximately \$16,000 and the environment
- Improving our carbon footprint by removing the use of plastic membership cards – now available digitally, and
- Reducing the number of trainers required to travel, mostly resulting from border closures

There were also several large-scale budget amounts which were not spent during the 2021 fiscal year, which will ultimately impact the financial result for 2022 - although allowed us to return a greater surplus, including:

- The cost of reprinting manuals = \$33,054.54,
- New Trainer Jackets ≈ \$5,000 (final invoice awaited at time of writing).

We are now remaining positively optimistic for the future, and banking on the prospect of 2022 being a better year. General Manager - Mr. Paul Lorenz is steering the ship, and while things are potentially looking bright, Mr. Lorenz has a massive job in front of him, including managing a budget with the added cost of approximately \$63,797.04 in expenses carried over from 2021.

How are we situated for the year ahead?

The APSI could be in a far worse position. In the scheme of things, with everything thrown at us in 2021, we did incredibly well. We've made significant contributions to discipline allocations and an enormous investment towards sending a team to the Interski Congress in Levi, Finland 2023.

This has left us with limited funds remaining from the 2021 surplus for use by the Board and General Manager in 2022, although we have reserves in consolidated revenue which will assist us with the daily operations of the business and manage any large-scale expenditure items during the year.

Our Financial Auditors have reported the APSI financial risk as low.

Therefore, it's safe to say our position remains stable for the year ahead. We may not see the same level of surplus this year as we did for the 2021 fiscal year, although we remain positively optimistic for the 2022 fiscal year.



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