

Tēnā koutou katoa,

As New Zealand continues to adjust to life under the COVID-19 alert level 4 and as we head into week three of lockdown, we want to update you on what our teams have been working through and the potential impact this could have on our business.

We have been busy modelling the potential impact COVID-19 may have on the coming winter using various scenarios based on the government's Alert Levels. The worst-case scenario of not being able to open for winter would mean a loss, and an increase in debt for RAL that is unacceptably high for both us and our Bank. The current uncertainty around lockdown levels means that we are currently working on whether it is possible to commit to the pre-winter costs of contracting labour and preparing the mountain, to at least keep the option open of skiing when we can. This is a month by month judgement that we will make in tandem with our Bank.

With the current lockdown and uncertainty around the reduction in alert levels we have paused as much expenditure as is practical whilst keeping the business operating. Our team has made sacrifices themselves to set RAL up for success in the future; a number of our team are on discretionary leave, are working reduced hours from home and have on average taken a 40% reduction in pay as we navigate through this period of uncertainty.

We have also been able to apply for, and have been granted, the wage subsidy. This has allowed us to keep all our current staff engaged with the business during this lockdown period.

One thing that is certain, if we do manage to open for winter 2020, our operations will be significantly different to what our guests have experienced in the past. This lockdown period puts us behind in our scheduled maintenance and, with the closure of borders and some of the skill sets we were going to engage from overseas, it is likely that not all facilities will be operational for winter 2020.

We have made the decision to defer our AGM until later this year with an update to be provided once we have certainty around a date.

We want to thank you all for your patience. We acknowledge that this is a difficult and uncertain time for our employees and all those in our region exposed to our uncertain outlook. When we have relevant new information, we will update as soon as we are able.  
Stay safe and take care!

Nāku iti noa, nā  
Murray Gribben & the RAL Board of Directors