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SLOPES - OEH/NPWS - Perisher Range resorts governance review

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Dear SLOPES Members

In our email of 29 April we foreshadowed a review of governance arrangements covering the Perisher Range resorts (PRR).

On 14 May SLOPES (Bill Coombes and Frank Zipfinger) met with Ann King and Stuart Schramm at their request.

Ann is the Head - National Parks & Wildlife Service, Office of Environment & Heritage (OEH), Department of Premier & Cabinet.

Stuart is the NPWS Director - Park Assets. Clubs will recall that Stuart attended our AGM last year.

In summary:

1. the meeting was reassuring regarding the process to be adopted by OEH/NPWS in relation to the upcoming governance review regarding the PRR. We were informed:

"The governance review is about securing the long term sustainability of the Perisher Range Resorts and ensuring that organisations delivering services into the future are appropriate and best placed to deliver them."

2. Cabinet has given OEH/NPWS authority to look at the governance options for the PRR and to engage in a process of consultation about that.

3. the meeting was called to reassure us that SLOPES will be a part of the consultation process in recognition of the key role of our Clubs as stakeholders in the PRR

4. OEH will engage an external facilitator to design and implement the consultation process

5. the timetable is not clear yet - once the consultation process is designed we will be informed

6. SLOPES (and other stakeholders) will be consulted as part of the process: Government will NOT be making a decision and then consulting simply on its implementation. OEH/NPWS are committed to a transparent, consultative process and want to avoid conflict

7. we were asked about the kinds of concerns SLOPES and the Clubs would have on a governance review. We canvassed a range of issues including: certainty re lease tenure and administration; recognition of club heritage and history and the family and the community ethos of the lodge experience; Club control over lodge usage by members and visitors; the long term financial viability of Clubs; optimising the vision for and the efficiency of the PRR operations; and the impact of cost increases on Club costs.

8. it was confirmed the shortfall in PRR capital funding is an issue for NPWS/OEH (in our earlier email to Clubs we estimated this to be about \$55m). While this shortfall is a consideration OEH needs to deal with, it is not (and should not be) the driver behind the governance review. The key driver is that direct resort management (running PRR as a snow resort and tourist operation with all that that involves, including providing municipal services and managing scores of leases, is not a core competency of government. NPWS does not undertake this kind of role elsewhere in the parks it administers (FYI it administers 9% of NSW by area, some \$4.5bn of assets and over 850 parks). Put simply, the OEH/NPWS aim is to find a suitable governance arrangement which will separate:

a) the direct resort management of the PRR assets (which is not a core NPWS competency) from

b) the management of KNP (preservation and parks visitation - which are core NPWS competencies).

9. under the NPWS Act, preservation and visitation have equal standing now. Accordingly, NPWS is open to "partnering with other people re the running of the parks" to optimise the visitation function.

10. ultimately any governance decision will be made by Government (probably Cabinet) and not by OEH/NPWS. Input from stakeholders (including SLOPES) via the consultation process will be taken into account. Government then will decide the way forward. The views of the new Minister (Rob Stokes) are unclear at this stage.

11. on possible alternative governance options (ie alternative to the current arrangements), reference was made to the Walker Report commissioned by NPWS in the early 2000s which listed about 6 options, and quickly dismissed most. The main options from that Report (and probably those still most relevant today) appear to be:

a) a headlease or

b) some combination of contractual arrangements to outsource resort management functions (essentially leasing and municipal services).

12. it was agreed there is merit in having the discussion and consultation about the issues facing PRR and seeking to find a satisfactory way forward. A 'heads in the sand' approach to the issues is not a good option. In that regard, OEH/NPWS have been in contact also recently with Perisher and the Perisher Chamber of Commerce on the governance review, as has SLOPES.

SLOPES will continue to closely monitor this governance review and will keep our Members informed.

Regards

Frank Zipfingher
President
SLOPES