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SLOPES - Perisher Snowfield Accommodation Website - Governance and taxation issues

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23 June 2015 at 15:24

Dear SLOPES Members

In our email of 2 December 2014 we alerted Clubs to the existence of the Perisher Snowfield Accommodation Website (see below the relevant parts extracted from that email).

We also foreshadowed an update would be issued for Clubs.

That update on potential governance and taxation issues is now attached to this email.

Regards

Frank Zipfinger
President
SLOPES

From: **SLOPES** <slopes.au@gmail.com>
Date: 2 December 2014 at 11:30
Subject: SLOPES - AGM 2014 update - Important dates to diarise in 2015
To:

Dear SLOPES Members and Associates

By way of update:

1. AGM 2014

The AGM last week was very successful.

We had an excellent attendance of around 77 people representing some 55 of our 88 Clubs.

Full details will be set out in the AGM Minutes which we will distribute shortly.

In summary:

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b) Perisher snowfield accommodation website

Perisher presented their new snowfield accommodation on-line website (Stay On snow):
see <http://www.perisher.com.au/accommodation/collection/6/?date=18-Nov-2014>

The website was launched in 2014 for Perisher and commercial operators and is now offered to Clubs

While early days, it may be a game changer for some Clubs: on-line bookings to help fill holes in occupancy and maybe repeat bookings, and identify potential new members.

But this is not without challenges that need to be worked through e.g. cost, confidentiality of information, implications for club income tax status etc.

SLOPES is in discussions with Perisher and will update Clubs in due course.

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Regards

5/6/2017

Gmail - SLOPES - Perisher Snowfield Accommodation Website - Governance and taxation issues

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President
SLOPES

 **SLOPES Update re Perisher Booking System.pdf**
98K

UPDATE FOR SLOPES MEMBERS - PERISHER CENTRALIZED ACCOMODATION SYSTEM

POSSIBLE GOVERNANCE AND TAXATION CONSIDERATIONS

1 BACKGROUND

At the SLOPES AGM held on 27 November 2014 a representative of Perisher Resorts discussed the introduction of an internet based centralized booking system for commercial accommodation and, potentially, the member clubs (**Clubs**) of SLOPES. This booking system was referred to in a recent email from Perisher that quoted as follows:

Book Your Snow Accommodation Online...



Perisher's Accommodation Finder is the easiest way to research and book accommodation for your 2015 snow holiday.

You now have the largest range of properties in Perisher Valley, Guthega and Smiggins Holes as well as Jindabyne at your fingertips.

Select from a range of lodges, hotels and self-contained apartments that suit every budget, and then book directly with the property to save time and money!

Book Online

In short, the booking system allows organizations to advertise the availability of accommodation at their hotels, apartments and Club lodges on the Perisher accommodation website. For example, a Club lodge may have vacancies in a particular week. If that Club wished it could upload information about the available accommodation onto the Perisher website which members of the public would be able to view and, if they choose, then book that accommodation.

The obvious advantage of this arrangement is the potential for Clubs to generate important additional income by filling unused bed spaces.

2 ISSUES

There are potentially pros and cons for Clubs in taking advantage of this arrangement. Obvious considerations are the ethos of the Club (eg is it primarily operated around family bookings?) and whether or not the lodge is managed.

Clubs will need to make their own assessment of the benefits or otherwise of this booking system. SLOPES does not have a particular view either way on the merits of the booking system (and it should be observed that the arrangement may be the subject of review by Vail Resorts, the incoming Perisher owner).

The purpose of this Update is to alert Clubs to the possibility that there may be governance and taxation implications as to the arrangement which should be considered by each Club in light of their circumstances.

In particular, those Clubs which enjoy a non profit status which attracts various taxation concessions or benefits might be putting that status at risk by, in effect, advertising to the world at large and accepting guests on a commercial basis. Charging such guests at a higher rate than Club members may accentuate the problem. Governance issues might arise depending upon a particular Club's circumstances, e.g. whether advertising accommodation to non-members is consistent with the Club's objectives as set out in its Rules or other constituent documents.

SLOPES strongly recommends that any Clubs which are considering using the booking system carefully review their constituent documents and any rulings etc provided by the Australian Taxation Office concerning their tax status **and** seriously consider obtaining professional advice from a suitably qualified lawyer , accountant or tax agent which is tailored to their individual situation.

Clubs that do go down this path and obtain the requisite specialist advice as to their situation are requested to let SLOPES know. While the particular advices to a Club are confidential to it, a broad summary of the issues considered and the general outcomes could usefully be included in a database maintained confidentially by SLOPES to allow SLOPES to help other Clubs that may be interested in exploring this option.

3 CONCLUDING COMMENTS

SLOPES is aware that two of our Clubs are now advertising the availability of accommodation on the Perisher website. Interestingly, both Clubs have substantially larger membership bases than many other Clubs and both also have full time managers – which may have been factors in their decision making.

As the circumstances of each Club (legally, financially, operationally and aspirationally) will be different in each case, it is not possible for SLOPES to give more specific guidance on this topic. Please note that this Update is general in nature only and should not be relied upon as legal or tax advice.