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SLOPES: OEH - Governance and Capacity Reviews - Update

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Dear SLOPES Members

The purpose of this email is to update Clubs regarding the ongoing OEH/NPWS reviews affecting Perisher, Smiggins and Guthega (the Perisher Range Resorts – PRR),

These reviews are relevant to ALL our Clubs.

The Reviews

There are two reviews:

- 1 Governance Review (more recently also referred to by OEH as the Management Review); and
- 2 Capacity Review.

The Governance Review relates to the management and operation of the PRR. Key elements are: OEH wants NPWS to cease having overall management responsibility for the PRR and for the provision of municipal services such as water, garbage and sewer. OEH wants to promote summer use of the PRR and the growth and quality of the resort year round. OEH also wants a solution to the debt (estimated at about \$50m) it says was incurred by NPWS to NSW Treasury in carrying out capital works at PRR over the last decade or so.

The Capacity Review relates to the capacity of the infrastructure assets in the PRR (including Club lodges) and the environmental impacts of that capacity. Currently this issue is managed in our case via NPWS specifying maximum bed numbers for each lodge.

The two Reviews are being run in parallel by OEH generally under Stuart Schramm, the OEH Director of Park Assets. OEH has separate teams running the Reviews and, for example, to date has held separate consultation meetings. However, the Reviews are connected eg capacity will be a critical element of the financial model under the Governance Review; any additional development allowed under a new governance model will impact on capacity and the environment etc.

The Role of SLOPES

Early this month, SLOPES met with the senior representatives of OEH on the two Reviews. Some key points from that meeting:

- 1 as requested by SLOPES, OEH has set up websites to make available all relevant documents and updates re the Governance Review. The website addresses are set out at the bottom of this email.
- 2 OEH has agreed to our request, recognising SLOPES' role in representing our 88 Clubs, that OEH meet with SLOPES and other key stakeholders to progress the Review discussions on a direct round table basis.

Consultation meetings

As previously advised, OEH recently has convened public consultation meetings. The Capacity Review meeting was on 3 March in Jindabyne. The Governance Review meetings were held on 7 March (Jindabyne) and 10 March (Sydney). Attached is a copy of the agenda issued by OEH for the Governance Review meetings which lists the 3 questions discussed at the meetings.

These meetings were convened by OEH to receive feedback from interested parties. A lot of feedback was collected as the meetings were quite well attended. OEH has undertaken to put on their website a summary of that feedback. We will draw this to your attention in due course once available. Suffice to say that a wide range of comments and suggestions was given to OEH.

More relevant to us is to try and ascertain where OEH is heading with these Reviews. No real guidance was given at the consultation meetings. But a few points are clear from our discussions so far.

1 OEH wants to consider all options for the Governance Review – not just the Head Lease option which was the ultimate recommendation of the Walker Report in 2001-2. Possibilities mentioned by OEH include: contract out all services; management agreement; hybrid of head lease and management agreement; status quo plus IPART review; some other option coming from stakeholder consultation.

2 As announced the Governance Review relates to PRR and the Charlotte Pass Village (CPV). OEH is open minded as to whether an outcome of the Governance Review would cover PRR and CPV together or separately, eg a separate Head Lease for each. It is worth noting that the CPV tenants (both the resort operator and all the lodges) have a specific issue, in that their lease tenure expires in late 2017. That is **not** an issue which we share as we understand Perisher Blue has tenure until 2068 and most of our Clubs have leases until 2058.

3 There is no clear path forward on the Capacity Review. Background papers have been issued. OEH confirmed that the intention is not to reduce bed numbers. Equally, it is unlikely the Review will recommend an increase in bed numbers. Rather they will most likely come up with a better way to assess how to adjust the numbers over time ie a better monitoring system than bed numbers which all concede is a crude measure at best. No doubt capacity and future changes to it will be a point for significant debate between OEH and potential tenderers under the Governance Review in due course. SLOPES has emphasized that any outcome of the Capacity Review must take into account the impact of day trippers / summer users who should bear a fair share given their impact on the environment and use of PRR infrastructure.

Next Steps

1 From the OEH viewpoint the next step is for OEH to provide a summary of the outcomes of the first round of stakeholder meetings, ahead of a second round of meetings foreshadowed to be held in about mid-April. The questions for discussion at the April meetings may change depending on the feedback received.

2 SLOPES will continue to liaise with OEH/NPWS, and with other key stakeholders (especially Perisher Blue and the Chamber of Commerce) regarding the Reviews and particularly to identify matters of common interest.

3 OEH has outlined the following stages for the Governance Review:

- (a) Stage 1 – stakeholder engagement.
- (b) Stage 2 – market engagement – look at potential operators, identify deal breaker issues.
- (c) Stage 3 – expressions of interest.
- (d) Stage 4 – request for tender – binding.

4 OEH has outlined the following stages for the Capacity Review:

- (a) Stage 1 – consultation phase
- (b) Stage 2 – put out a potential model for comment – expected May/June
- (c) Stage 3 – formal plan of management involving a statutory process (ie probably a revision of the 2006 Plan of Management for KNP).

5 SLOPES looks forward to participating in direct representative stakeholder meetings with OEH soon, which hopefully will provide more clarity to both Reviews.

6 SLOPES asks Clubs to keep us informed of any comments, concerns and views they have or develop throughout the stages of the Reviews.

SLOPES will keep our Member Clubs fully informed and will convene meetings as necessary (probably once we have some clarity around OEH's intentions re the Reviews).

The key areas of concern for SLOPES remain to monitor closely the possible outcomes of the Reviews which could impact on the operations and lives of our Member Clubs and to determine what regimes we would advocate, if any, to protect the ongoing rights and opportunities of our Clubs in the PRR.

Regards

Frank Zipfinger
President

Capacity Review

See this link provided by NPWS with background on the Capacity Review: <http://www.environment.nsw.gov.au/alpineresorts/alpine-carrying-capacity-consult.htm>

Governance Review

Below are two links to the web pages that have been prepared for the Perisher Range and Charlotte Pass Resort management review.

The pages will be expanded throughout the consultation process.

<http://www.environment.nsw.gov.au/alpineresorts/perisher-charlotte-mgmt-review.htm>

<https://engage.environment.nsw.gov.au/perisher-range-and-charlotte-pass-resorts-management-review>

 **Agenda Straighttalk.pdf**
83K

AGENDA

Event	Perisher Range and Charlotte Pass Resorts Management Review Stakeholder Workshop
Date	<ol style="list-style-type: none"> Monday 7 March 2016 Thursday 10 March 2016
Venue	<ol style="list-style-type: none"> Rydges Horizon Function Centre, Jindabyne SMC Function Centre, Sydney
Time	<ol style="list-style-type: none"> 4.00 to 6.00pm 6.30 to 8.30pm
Purpose	<ul style="list-style-type: none"> To inform stakeholders about the management review and its parameters, and how their feedback will inform the review To collect feedback from stakeholders about: their concerns about the review; ideas for making the resorts work; and factors that should be considered during the review and in the final decision

	Item	Speaker
1.	Welcome	Lucy Cole-Edelstein, Straight Talk (ST) Stuart Schramm, National Parks and Wildlife Service (NPWS)
2.	Stakeholder expectations	Lucy Cole-Edelstein, ST
3.	Management review presentation	Stuart Schramm, NPWS
4.	Management review Q&A session	Lucy Cole-Edelstein, ST
5.	Stakeholder feedback: <ul style="list-style-type: none"> What are your concerns about changing management arrangements? To be worth coming back to, what do the resorts need? What factors does Government need to consider when making the decision about new management arrangements? 	Lucy Cole-Edelstein, ST
6.	Stakeholder feedback report	Lucy Cole-Edelstein, ST
7.	Next steps and session close	Stuart Schramm, NPWS