



Frank Zipfinger <frank.zipfinger@gmail.com>

SLOPES - Governance Review - Submission to OEH

SLOPES <slopes.au@gmail.com>
Bcc: frank.zipfinger@gmail.com

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Dear SLOPES Members

As previously advised, OEH has called for submissions regarding the Governance Review and SLOPES intends to lodge a submission on behalf of our Clubs.

The Executive Summary below sets out the key points of the proposed SLOPES submission.

By way of background:

1. the submissions have been drafted following extensive analysis and discussions over the past 6 months with OEH and other key stakeholders including attendance by SLOPES at the various rounds of OEH consultation meetings and the consultation meeting with our Clubs held on 11 April. The submissions reflect earlier emails to Clubs setting out the views of SLOPES on the issues as this process has unfolded. The submissions have been reviewed and agreed by the SLOPES Committee and are unanimously recommended to our Clubs
2. it is proposed that a joint submission - "on relevant points on which they agree in principle" - be lodged by SLOPES, Perisher Blue and the Perisher Resorts Chamber of Commerce. Agreement has been reached with Perisher Blue and the Chamber to proceed jointly, subject to final consultation by the Chamber and SLOPES with their respective members
3. the benefits of a joint submission are set out in paragraph 1.3(f) below - which we think are compelling. The submission will make clear that, if down the track there are issues where interests conflict, each group is free to separately represent and promote the views of its particular group.
4. the submissions refer to the Walker Reports of 2001-02 prepared by Brett Walker QC. Those reports concluded that a head lease was the best available approach for the Perisher Range Resorts, subject to addressing the legitimate concerns of stakeholders. The SLOPES submissions reflect those conclusions which in our view remain valid today - in fact more so given factors like extended lease tenure granted to our Clubs since the Reports were handed down.

Consistent with the role of SLOPES in representing all 88 of our Clubs, it is proposed to lodge the submission on behalf of all Clubs.

Clubs of course may lodge their own submissions to OEH. However, in matters like this there is considerable merit in presenting a united front to OEH. For that reason we encourage Clubs to raise any issues or concerns they may have first with SLOPES.

Submissions are due by 31 May but SLOPES has requested an extension to 14 June.

SLOPES now invites comment from Clubs on the submissions.

It would be helpful in finalising this process if any comments could be provided this week.

Regards

Frank Zipfinger
President
SLOPES

PS Any Club wishing to obtain a copy of the full submission should please let us know and this can be arranged.

1 EXECUTIVE SUMMARY

1.1 OEH has initiated the Governance Review (also known as the Management Review) in respect of the Perisher Range Resorts and the Charlotte Pass Village. The OEH vision behind the Government Review (“**Vision**”) is expressed by OEH as follows:

Vision

NSW Government has a vision for the Perisher Range and Charlotte Pass Resorts to create a world-class tourism destination with year-round visitor activities, that is financially sustainable and, given its location in Kosciuszko National Park, environmentally responsible.

1.2 Perisher, SLOPES and the Chamber between them represent 3 of the major stakeholder groups within the Perisher Range Resorts, being respectively the snow resorts operator, the 88 club lodges and the commercial accommodation and food and beverage operators.

1.3 Perisher, SLOPES and the Chamber:

(a) welcome and support the initiative of the Governance Review because, in their view:

(i) co-operation rather than competition between the relevant PRR stakeholders should achieve a better result for all, and

(ii) the current model is not conducive to delivering the co-ordinated, visionary sustainable future for the PRR which can be optimally achieved (and is inherent in the Vision),

(b) broadly support the Vision, including the goal of year round activities in PRR but acknowledge that in order for this to succeed any governance model must be conducive to investment in and operation of such activities, recognising that summer activities yield lower revenue and margins and require significant investment,

(c) in principle support a head lease governance model along the lines of the Walker Reports, provided the head lease arrangement in Walker’s words *“adequately copes with the different kinds of strain which it would create, as between the different stakeholders, and addresses appropriately the justified concerns expressed by opponents or critics of any head-lease arrangement”* (noting this model at OEH’s recent stakeholder consultation meetings was referred to as “Option 1” and that the StraightTalk, “Second workshop outcomes” report of May 2016 concludes *“For both Perisher Valley and Charlotte Pass participants option one was the most strongly supported management model.”*,

(d) make no specific submissions in relation to the Governance Review insofar as it impacts on the particular circumstances of the Charlotte Pass Village,

(e) strongly oppose a recommissioning of IPART on the same or similar terms of reference as in the 2005 IPART Review as, in our view, that process (as the passing of time and actual results in revenues and expenses have demonstrated) was flawed on various grounds but, in particular, in not taking proper account of all revenue streams to the NSW government including the above market rentals paid by stakeholders, KNP park use fees, proceeds from NPWS bed sales in 2008 and lease extension premiums, all of which are underpinned by MSU charges imposed on stakeholder organisations and their members and guests and from which the government and NPWS (in its broader NSW operations) benefit to the detriment in many cases of the Perisher Range Resorts, and

(f) in this joint submission set out a statement of certain relevant points on which they agree in principle in the hope that, by doing so, this will expedite, clarify and facilitate the processes and the successful outcomes of the Governance Review.
