



The Ski Lodges Organisation of Perisher, Smiggins, and Guthega

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**Fourteenth Annual general meeting  
8<sup>th</sup> November 2005  
PRESIDENT'S REPORT**

Ladies and Gentlemen,

Welcome to the SLOPES 2005 AGM . On behalf of the Committee I thank you for your attendance here tonight, and your support over the last twelve months.

At the risk of repetition I say again that our strength as SLOPES is that we talk for ALL the Club Lodges in Perisher, Smiggins and Guthega. The whole 88. It is our claim to fame, and we must have your continued support .

One of our problems is that we are not recognized for the size of our operations. Our insured value is over \$100 million. Recently if the press is correct, Perisher Blue went on the Market with a "For Sale " Notice, and was withdrawn as the top bidder was around \$150m. So comparatively speaking we are well rated as the second major stakeholder in the area.

**LAND OF THE NEVER NEVER:**

When I started to write this report I felt very frustrated, as there was so much action going on with so few results or answers. Stagnation only leads to one direction, and I was very concerned as to the future of the snow fields we all love.

However just last Saturday the doors started to open with the IPART report being released. More action will follow.

**YOUR COMMITTEE:**

We have to record our sincere thanks to Christine Wild and Keith Rodda for their work with us on our Committee. Christine came on Board in 1997 as a Guthega representative. She retires this meeting with our thanks.

We also farewelled earlier this year Keith Rodda who represented Smiggins to us for many years. Keith dropped down to Jindabyne many times as he lived in Canberra, and this service helped us a lot with the travel problems.

We were pleased to have join us Gerald Lynch of Kalyvaro in North Perisher and Andrew Cutler of Kandahar of North Perisher.

At this meeting we also welcome to our Committee Paul Schott of Clancy Lodge in Smiggins. Paul is very much involved with the Willow Rd snow clearing and parking project.

We now have 2 Guthegarians, 1 Smigginsian, 4 North Perishians and 2 South Perishians on the Committee so we get a good feed in.

## IPART REPORT:

The basic reason for the IPART report was to add up the expected costs over the next 30 years to keep the resort running, and to catch up on the factors needed to lift the environment. Then the project was to ascertain just how these costs can be funded, and who should do the funding.

Relationships with Treasury for NPWS became difficult last year when the State Govt Budget ran negative. All departments were hit. The ski fields of NSW have been at a strong disadvantage for many years to those of Victoria where all income is spent in the snow without Govt rakeoffs. We asked for this type of break from Govt, but it was refused.

The premise that now overrides is that the Government insists that the Area has to be self funded, including the large capital works required to lift the environment. We and others submitted that for many years Government has collected good rentals on the land, and has made us also pay for the development of the asset. Both in gate fees and rentals Government has collected some \$50m over the last ten years, but insists that this income be continued to be siphoned off in contrast to Victoria.

The IPART report introduces a new era in that an entry fee surcharge to the park has been introduced that will go to the MSU costs. This means that the day tripper will carry directly 40% of the total costs of the area. The day share will be paid by everyone including ourselves that enters the park.

The overnight share, except for water/sewage, will now be paid only on a common bed rate for the three areas. The application of this common bed rate, independent of location, will hit hardest with our Guthega members where increases in MSU will be of the order of 75%. Previously the bed rates were biased towards the areas where the major monies were actually being spent, so Guthega has always paid much lower "rates" than Smiggins or Perisher. There does seem to be a problem now with the application of a common universal rate. Of course if Guthega were to be lowered, the other two areas would have to increase. Still in all fairness we will raise this issue with NPWS. Guthega are not much interested in sharing in medical or freight shed costs for example.

Another major change is that water/sewage, the two main components of MSU cost to date, will be charged for separately on a basis of metered rates for the water supply. The costs will be high, about 7 times Sydney costs, to encourage conservation. This conservation is needed to avoid the necessity of a new dam. The fixed charge for connection will mean sharp increases for smaller lodges. Those areas who operate "customer" toilets will be charged for their water/sewage similar to Sydney shopping centres, but this cost will be more than offset by the savings on "business levies".

The new bed rate is \$301 per year which is far lower than the old bed rate. But the old bed rate included water/sewage. So you have to add to the new bed rate \$2,963 for water connection, and then pay for the water at \$7 per kL. The average water usage for the valley was 261 L/head per night, so if you are an 18 bed lodge with say 900 bed nights, the water bill would be \$1644 per year.

So your total bill will be  $301 \times 18 + 2963 + 1644 = \$10,025$ .

Your current bills are Perisher \$500 per bed, Smiggins \$570 per bed, Guthega \$315 per bed, so your current charges are Perisher \$9,000, Smiggins \$10,260 and Guthega \$5670 for the an 18 bed lodge.

The unseen extra bill will be the extra \$650 odd paid by your members in the increase in ski tube fees to include the levy.

The new charges will hit some Club Lodges heavily, particularly the smaller ones, and some more lightly. The Commercials will pay less than they did before. The new processes mean that the 32% of the MSU charges that the Commercials previously paid for the rights to run "businesses" such as lifts, bars, restaurants, foods, will now be waived and paid by the day trippers. This is a transfer of about \$950,000 in who pays. We hope for a reduction in prices for lift tickets?? I wouldn't get too excited as it is only about \$1.50 per lift ticket.

So that Lodges can budget for the future, NPWS will be sending out shortly to all lodges a Model of the new charges applicable to your lodge, based on the same water usage as last year. This will give your new starting point.

**The real sting in the IPART report is in table 5.4 on page 49 of the report. It shows that the cost recovery from Lessees has to increase from \$2.8m to \$5.2m in 10 years. To this must be added 25% for CPI increases, so the real increase will be to \$6.5m, which is an increase of 130% in cash dollars.**

It is no joy telling you that it would be a lot worse if the gate levy had not come in.

#### **BED ALLOCATIONS:**

Now IPART is released NPWS will be circulating the details of the new 520 bed availability and the terms in the immediate future and calling for expressions of interest.

#### **HEAD LEASE:**

Regrettably there is no sign that Government is listening to our requests for a Victorian type of operation where a town Council in each region operates the whole area for the common good.

We have registered strongly our dislike of a Head Lease proposal unless it is on the Victorian Model where the management is by an independent Council. Regrettably there is strain between ourselves and Perisher Blue, as on some matters our interests are opposed. They must work for today's profits for their organization and extract the maximum price for their services. We operate to provide our Lodges at the minimum prices and maximum enjoyment for our members.

The answer on a head lease is a political one, and we do not underestimate the power of the Perisher Blue group and their owners. Now the initial IPART question has been resolved we expect a much stronger pressure by Perisher Blue for a head lease as the stumbling block of the MSU costs will be decided by IPART in the future.

We continue to hope that Govt will recognize that the Victorian model will

#### **NEW VILLAGE CENTRE:**

Here there is silence. We suspect it is all part of the bargaining going on.

#### **DEPARTMENT OF PLANNING:**

We have made representations to DIPNR concerning the silly 10:1 car park ratio and are optimistic that they will bear fruit. It is not easy to reverse documents that have already been approved. It all hinges on the long awaited release of the amended ARP, which is the Resorts plan of management.

We made strong submissions on the snowbound village policy situation, and felt that the answer would have to be favourable, as the only party who wants to change are Perisher Blue. However no answer has been issued and we fear now that there will be no firm resolution on this question.

Members seem to be getting a fair treatment from DIPNR Jindabyne, and Jim Corrigan is here tonight to address us.

#### **PERISHER BLUE SALE:**

As we anticipated, Perisher Blue announced that their business was up for sale but we must admit that we had not expected this until their DA was granted. However after two months it was announced that the business was withdrawn from sale. This may well be part of the bargaining process with Government.

## **INSURANCES:**

This has been a major success story. The 60 lodges that have joined have show considerable reductions in premiums, of an average of over 30% since the Sentinel days. During our education process it became obvious that Once Sentinel insisted on only dealing through further brokers, there were one too many parties in the chain, and this was the first reduction possible through the SLOPES pool. Then by better bargaining the brokers All Class obtained better terms and lower rates than we had before.

During a very bad storm in mid season the roof lifted off one member lodge leading to a claim of well into 5 figures. Due to the size of the All Class pool it would appear unless some other tragedy strikes this event should not adversely affect our premium ratings. It is ironical that the first major claim for many many years occurs in our first year of group action. All Class were proactive in getting the claim assessed. It is not all over yet, but appears to be going satisfactorily.

Steve Randall who handled out initial policies had to retire from All Class due to ill health, and our pool is now being handled by Leroy Bowmaker , the MD of All Class. He is here tonight to answer any queries.

## **SKI LIFT DISCOUNTS:**

We are pleased that Perisher Blue has continued the September ski lift ticket discounts to SLOPES members that are available to Commercial lodges.

## **WILLOW RD SNOW CLEARING:**

This has continued this year, but NPWS are insisting that irregularity in some lease positioning, and defined car parks be sorted out, and made it a condition of this years usage. A Committee of the Willow Rd Lodges has been formed and is very active in obtaining a Consultants design and approach on the whole car parking issue in Willow Rd. There is a tight deadline on getting things done, and action is progressing.

## **SNOW BOUND VILLAGE:**

There are some interesting technology movements which could end up suiting the Perisher Range. Charlotte Pass are apparently going to a new type of people mover which has 4 articulated rubber tracks replacing the wheels. They can tolerate either snow or asphalt roading much better, and could be the answer to the start and end of season problems.

Hans Oversnow is applying the technology to a small 4 wheeler skidoo sized machine, which could give good oversnow capability without the risk factor of the overfast skidoos.

## **PLAN OF MANAGEMENT:**

This is expected to be released by Xmas having been through the Minister's advisory Council for review.

Graeme Anderson  
PRESIDENT SLOPES