



SLOPES

(ABN: 97 748 239 046)

The Ski Lodges Organisation of Perisher, Smiggins, and Guthega Incorporated
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24th November 2010

Eighteenth Annual General Meeting

PRESIDENT'S REPORT

Ladies and Gentlemen,

Welcome to the SLOPES 2010 Annual General Meeting. I am Frank Zipfinger, your new President. I succeeded Graeme Anderson as President on the first of June this year. I am honoured to lead SLOPES in this role.

Graeme Anderson

I would like to begin tonight by paying tribute to Graeme Anderson who has been an icon for over a decade at SLOPES and is a daunting act to follow.

I wrote to SLOPES members on 2 June 2010 about Graeme and his terrific contribution over the last 11 years as President. But I think that a note dated 16 July 2010 from Ian Webb, President of Brindabella Ski Club, succinctly sums up what should be said tonight as follows:

“I am writing on behalf of all Members of the Brindabella Ski Club to congratulate Graeme Anderson on his retirement from the presidency of SLOPES and wish him well. Brindabella Ski Club is proud to be a member of SLOPES and as one of the oldest and largest ski clubs in the mountains we greatly appreciate the work undertaken on our behalf by SLOPES.

Graeme has every right to be proud of his many achievements as president and feel considerable satisfaction that his efforts over the years have significantly benefitted SLOPES members. We thank him for his hard work, expert negotiating skills and persistence in successfully resolving a wide range of challenges and issues.

On behalf of our members would you please pass on our thanks to Graeme for a job incredibly well done...”.

I also would like specially to note that one of Graeme's enduring legacies – a deep commitment to the environment - was recognised earlier this year by the National Parks & Wildlife Service (NPWS) when it presented Graeme with its Environmental Advocate Award for his work in “assisting with the development and implementation of a practical and workable tool in managing

environmental risk and promoting a shared environmental vision” for the Perisher Range Resorts (ie PRREMS – as to which see later comments in this Report) .

Graeme is here tonight. On behalf of us all, Graeme, I thank you for the enormous contribution that you have made to SLOPES both as President and prior to that as a Committee Member.

The Strength of SLOPES

As we do each year, I remind you that our strength as SLOPES is that we speak for ALL the Club Lodges in Perisher, Smiggins and Guthega. The whole 86. It is our claim to fame.

The 100% membership figure of ALL Clubs and the 55,000 people who are our members, associates and visiting friends give us the right to be heard. We need and look forward to your continued support.

Your Committee

This year we have maintained our spread across the three basic areas of Perisher, Smiggins and Guthega. I welcome Bill Coombs who joined as a new member of the SLOPES Committee in June 2010. Bill is a member of Hus-ski Lodge in Perisher Valley.

During the year a long term Committee member, Frank Walker, resigned. Frank was with SLOPES from the beginning in 1992 and was Vice President for many years. His involvement on the Board of Snow Revellers Club over the years gave him wide knowledge as to how a "typical" club would react to events. Frank’s engineering background and professional experience meant that, when he spoke on the many SLOPES/NPWS committees with which he was involved, he was listened to with respect. And to all those discussions Frank brought his trademark sense of humour and wit. Thank you Frank for your many years of outstanding service to SLOPES.

Back to Perisher Weekend

Over Easter 2010, we held our second Back to Perisher Week in conjunction with NPWS. Dave Read, who isn’t able to be here tonight, did a great job of organising this event for SLOPES. The weekend went extremely well. In particular the “duck race” was exceptionally popular, with the number of plastic ducks (50) needing to be at least doubled for next year.

In 2011 the Back to Perisher event will be better than ever. In particular:

- a) it will be run over a weekend rather than a week to make it more accessible – the dates are Friday 22 April to Monday 25 April – so please diarise!
- b) in addition to past events such as the Fun Run and the Duck Race, there will also be some new events, including “The Guthega Super Sleuth Treasure Hunt” and a Mountain Bike Tour between Perisher Valley and Guthega – both on Sunday 24 April 2011.

The **Guthega Hotel** will be open all Easter and **JAX** will be open for drinks, finger food and the “Perisher Fun Run” presentation on the Saturday evening. **Charlotte Pass Resort** will also open **The Chalet** for lunches and beverages over Easter and the **Kosciuszko Triple Chair** will be running up to the Kangaroo Ridge scenic platform.

So, please think about making Perisher Range Resorts a destination with family and friends in Easter 2011 – and please encourage others in your Lodge to do the same.

For more information and to register your interest with any of these activities, contact Dave Read from SLOPES on 0418 419 938 or email djread@bigpond.com or Dave Woods from NPWS on (02) 6450 5616 or dave.woods@environment.nsw.gov.au .

Village Centre

The Village Centre development is in a state of limbo although we understand there are ongoing negotiations.

Sustainability Conference at Mt Buller

Graeme Anderson and I represented SLOPES at this conference held at Mt Buller over 6-8 May 2010. It was well worthwhile with NPWS also being well represented. The contrast between the financial and administrative arrangements for the Victorian snowfields and Perisher/Smiggins/Guthega is stark. In Victoria, not only are all snowfields entry fees spent on improving the infrastructure, but each resort is managed by a town council type committee and, in the event of a financial shortfall, the Victorian Government provides supplementary funding as required. By comparison, the Perisher/Smiggins/Guthega resorts are the only major Australian ski resorts to pay land rental.

The 2011 Sustainability Conference will be held at a resort in NSW (venue to be advised) on 5 and 6 May 2011 with the theme "Diversity beyond the Boundaries". SLOPES Member Clubs are encouraged to attend. More details will be provided in due course.

Perisher Music Festival

Perisher's own Music Festival was held over the June long weekend organised by the Chamber of Commerce with over 35 musical events. It was a great success. The Music Festival is on again over the long weekend in June 2011 - please try it.

NPWS

Tonight we have with us Andrew Harrigan who was recently appointed to the role of Manager, Visitor and Business Services at NPWS – congratulations Andrew on your appointment. Andrew is a key liaison person for SLOPES on such major matters as the new leases and bed numbers as well as on all operational aspects such as waste transfer, roads etc.

Andrew (with Andrew Logan who usually attends our AGM but is on long service leave this year and sends his apologies) has a multi-faceted role involving responsibility for the Kosciuszko National Park, including Perisher, Smiggins and Guthega Resorts. Importantly, he has a team of engineers who are charged with getting the IPART monies spent properly in putting in all the new Perisher Resorts infrastructure. The MSU team includes the people who run the water supplies, sewage handling, road supervision and controls. They are effectively our Town Council.

Another of Graeme Anderson's legacies as President is the excellent state of our stakeholder relationships, including those with NPWS, Perisher, the Department of Planning and the Chamber of Commerce. As evidence of that, tonight we have representatives present from each of those organizations – and I welcome them all.

Income Tax and Ski Clubs

In past years we told the story of the tax challenge to a Member Club and the threat of loss of exemption. Key to retaining this exemption is the need for all Clubs to "ENCOURAGE SPORT". SLOPES has appointed one of our Committee to work on an encouragement program to provoke

Clubs in their thinking. We strongly recommend that each Club appoint one of its committee as their "Encouragement" Officer". Clubs actually do a lot to encourage sport but they often do not think about it that way – nor do they keep records of their activities. Participation in The Perisher Cup is an example as is the School Events Week and promotion of it in the Clubs. Please take this issue seriously as you never know when it might emerge in the context of your Club.

Department of Planning

We welcome Daniel James who is with us tonight and Scott Reid (who was a late apology). Daniel is the Team Leader of the Alpine Resorts Team and Scott is a Senior Building Surveyor with the Department. The Department has overall planning responsibility for development in the Perisher Range Resorts (including fire safety and building audits). We encourage all SLOPES members to consult with the Department early on in relation to all development proposals affecting lodges. As Graeme said in his Report last year: "Ring Department of Planning and drop in to see them and talk about where you stand BEFORE YOU SPEND THE MONEY".

Perisher Resorts

In 2010 the snow guns made a valuable contribution to our skiing pleasure and greatly extended the season. Tonight we welcome Peter Brulisauer, the CEO of Perisher. Peter will enlarge on the way he sees the future for the Perisher Resorts (Guthega, Smiggins Hole, Perisher Valley and Blue Cow) and on some new developments that will affect ticketing.

X-Country Skiing

Once again the NSW Cross Country Committee did a great job in informing us daily as to the skiing conditions and generally in promoting the sport of cross country skiing.

Gas Supply and Heating Oil

Plans are going ahead to install reticulated gas services to both Smiggins and Perisher from a central tank at Smiggins. However, there are problems associated with reticulating gas to the North Perisher lodges.

Guthega has up until recently been considered by Elgas as too isolated and small to service but this appears to have changed. A significant proportion of the mains required for a reticulated service has now been installed. Preliminary talks with NPWS staff have identified a possible site for a bulk tank to service the Village located below the day car park at Guthega. Elgas is now saying that providing reticulated gas to Guthega is possible but, naturally, it will be contingent upon the aggregate gas load of the lodges to be serviced that are prepared to change over. Several lodges and the Hotel have indicated interest in connecting up and Guthega is fortunate to have Ross Calvert from Brindabella Club, who has a background in the industry, assisting the Guthega SLOPES representative Noni de Carvalho in pursuing the matter. The Guthega lodges are urged to give serious consideration to switching over to gas as the aggregate usage is what will determine whether supply to Guthega proceeds or not. Please contact Noni to indicate your interest or Ross is happy to talk to lodges who wish to discuss the matter further before making a decision (Noni can provide Ross' details).

The use of gas for space and water heating is preferred for cost, efficiency and environmental reasons. Heating oil and electricity costs are rising making gas increasingly the viable option for Guthega as it is for the rest of the Perisher Range Resorts.

Note also that NPWS is pushing the removal of heating oil fired units. The other option is electricity powered heating units that are also an expensive alternative.

Insurances

Generally, our progress on Club insurances – both the range and cost of cover – has been outstanding. In this, SLOPES has been greatly assisted by Leroy Bowmaker, the Managing Director of All Class Insurances. The breakthrough came from being able to write cover and negotiate advantageous premiums on behalf of a large group of lodges.

However, there has been a very poor uptake of the Directors & Officers (D&O) insurance. It appears that our Member Clubs have not recognised the value and importance of taking out this insurance. SLOPES was offered an extremely competitive premium on D&O insurance by All Class Insurance on the expectation that it would be taken up by at least 40 lodges. For example, the cost of D&O insurance to one of our member lodges dropped from around \$3000 to about \$800. At the present low uptake of this insurance, it is not possible for All Class Insurance to continue to maintain the low premium originally offered (and in fact this year premiums have risen as a result). Hopefully, next year we can reverse that situation.

Leroy Bowmaker from All Class Insurance Brokers is present tonight and will be addressing the meeting on the importance of having D&O insurance – and will be available to answer questions generally on the sometimes difficult topic of insurances.

Water Harvesting

Last year we reported that, with funding from a Canberra grant, a pilot plant had been installed at CSIRO Club lodge to collect roof water during the season and use this for toilets etc. The latest report from the Club on this project is as follows:

“The water harvesting project has passed the initial test of successful installation. The system has discovered a number of areas that will need careful management to ensure a carefree utilisation. There have been some problems related to the construction of the tank and the integrity of the plumbing connections that need to be specified clearly to ensure that the user ends up with a stable system. An example of the issues that need to be catered for is what happens when a pipe bursts and the tank is emptied before the mains supply cuts in and a solution needs to be found how to connect the "floating gutter" to the downpipes. The Club is not finding any operational problems relating to the harvesting project and is happy to continue to work with NPWS to work out a system that might deliver all the environmental expectations. The Directors consider the effort worthwhile and valuable for all the stakeholders.”

Perisher Waste Transfer Station

There has been some active discussion on the proposed location of a Waste Transfer Station (WTS) in what has become known as the Perisher Services Precinct adjacent to the rear of the Catholic Church and the Fire/Ambulance stations. Essentially, we all seem agreed that a WTS is required. What is uncertain is where it is to be placed and what costs are tolerable. The concept of a WTS has been around since well before 2004. What has been going on for some time is a process to find a suitable location and to refine what is essential in a WTS. SLOPES has contributed throughout the process to ensuring that we get an effective facility in terms of cost and delivery of objectives.

We are conscious that many lodge members and their guests are X-C skiers and use the tracks adjacent to the nearby Nordic Hut. Generally, we do not see this as being an insuperable objection to the proposed location, especially as the most recent discussions with NPWS indicate that some adjustment to the WTS footprint can be effected to help alleviate concerns. Also, it seems probable

that access to the Hut area will actually be improved by snow farming measures as we are aware that the current path to the Hut is badly rutted and icy for most of the time.

Having said all of that, SLOPES remains generally neutral on the location of a WTS provided that costs are not disadvantageous to our members from moving to a location other than the service area proposed by NPWS. What is of interest to us is that a WTS and a collection system is not to be a wedge in the door to abandonment of the *snow clad village* concept. We see this as a separate issue which we shall be pursuing with NPWS parallel with the WTS approval process. Plus as always we are concerned about cost implications and the impact in terms of the environment and visual amenity of the WTS and of any proposed collection facilities.

At this stage it is clear that no work will start on the WTS until summer 2011/12 at the earliest and only after the planning approval process has been completed which will provide the opportunity for further review and input.

Solar Panel Electricity Generation

With the State Government reducing their payments from 60 cents to 20 cents per KWH of power fed into the grid, the introduction of solar panels to SLOPES Member lodges is no longer a cost effective proposal. The environmental impact of installing solar panels is still a valid consideration but the cost for the installation is expected to make this initiative prohibitive for most lodges.

In late March this year, the Sundeck Hotel installed a 10 KW solar system consisting of 60 panels. Cliff Wallis there is extremely pleased with the system and is happy to discuss his system with any interested lodges.

A reminder also that in the President's Report last year we noted:

“Naturally enough some Clubs are thinking of putting up panels. We submit that a lot of thinking should enter this process. They are not objects of beauty and sun reflection to others must be considered. Current designs are being improved on very rapidly in USA and large strides being made in efficiency. Units will become much smaller in size quite quickly. To many, panels are not attractive, and do not score as a plus in the view environment.”

More material on this important topic is available and will be distributed to Member Clubs by circular over the next few months.

SLOPES Finances

Our finances are in good shape since our expenses were lower than last year by \$14,666 as we did not have any legal expenses (last year we paid legal fees in connection with the successful opposition to the Australian Taxation Office re the application of the sporting exemption for Member Clubs). Matters look quiet at present, but they generally do until something goes wrong!! The key is to have reasonable reserves available at all times to fund initiatives in support of the interests of Member Clubs as they arise. As things currently stand, we appear to be in that position. Given this and that there appears to be no major issue on the immediate horizon, the Committee decided that there was no need to raise the subscription for 2011.

SLOPES Emails

Too often SLOPES is advised that people do not know about events or EMS or happening/issues that it is working on. SLOPES relies on the contact people for each SLOPES Member Club

passing on information to their membership where it is of interest and should be known to Club Members generally and not just the Board of Directors of the Club.

Communication of key issues is an important part of what we do and helps to ensure coordinated action in the interests of all SLOPES Member Clubs – be it reducing insurance premiums or supporting Back to Perisher Weekend.

We ask that all Member Clubs please promptly circulate to their members relevant SLOPES bulletins and emails, especially on events and general information.

NPWS MSU/EMS Meetings 16 and 17 November 2010

The latest round of these regular 6 monthly meetings convened by NPWS was held last week in Perisher Valley and Sawpit Creek. Items discussed and not commented on elsewhere in this Report included:

1. **Smiggins Water Supply** – following the problems experienced in the 2009 winter season, turbidity meters were installed in the UV purifying system and were tested satisfactorily over the 2010 winter season.
2. **Premises addressing project** – NPWS is proposing to roll out a project under which all lodges will be given a number and street name. This is in accordance with LPMA guidelines – see www.lpma.nsw.gov.au (Rural Addressing for NSW) – and guidelines of the Geographical Names Board of NSW – see www.gnb.nsw.gov.au (Guidelines for the naming of roads).
3. **IPART Review** – the 2005 IPART review recommended that the matter be revisited in five years. So far it has not been listed for consideration by IPART in 2011, but we should expect that the issue will come up again in the near future. The matter is of vital interest to lodges/clubs. Our experience of the previous process, some of its assumptions and the implications of variation in application of recommendations, will ensure that SLOPES will be monitoring developments closely on behalf of Member Clubs
4. **Stage 6 Road Works at Perisher** – these works are proceeding and it is expected concrete will be laid in March 2011. NPWS has been in contact with affected Clubs.
5. **Lodge re-cladding** – a good proportion of development approvals is for Clubs wanting to re-clad their lodge and in some cases double glaze windows. There are good reasons to do both. NPWS is looking at ways to encourage all Clubs to consider doing both. Possible assistance could involve streamlined approval processes. More details will be provided when available.
6. **Bed numbers** – of the 520 extra beds offered by NPWS in recent years, only 470 were taken up by lodges. Details of bed numbers in the various resorts can be found in Schedule 8 of the Kosciuszko National Park Plan of Management, a copy of which is on the NPWS website – see www.environment.nsw.gov.au/parkmanagement/KNpMgmtplan.htm
7. **Energy efficiency audits** – see savepower.nsw.gov.au for details of the NSW Government's "Energy Efficiency for Small Business Program". NPWS is looking at ways of adapting this program to benefit Member Clubs. More details will be provided when available.

8. **PRREMS** – reporting under the Perisher Range Resorts Environmental System (PRREMS) is mandatory and is part of the lease obligations of Member Clubs. Generally, compliance has been excellent but more can be done. Earlier this year NPWS established an Awards program to acknowledge exceptional performance in this area. Inaugural winners were The Sundeck Hotel and the Waratah and Edelweiss ski lodges (with Highly Commendable Certificates awarded to Hus-Ski and Yeti lodges). Congratulations to them all. The Awards will be made again in 2011. Nominations are due by 14 April 2011 and the Award recipients will be announced on the June long weekend (11 June 2011).

Perisher Historical Society (PHS)

Members should be aware of this Society which is generally dedicated to recording the history of the Perisher Range Resorts. The PHS has recently engaged an author to write a book on the history of those Resorts. Work will start on this project in early 2011. Members interested in contributing memorabilia or in obtaining more information about PHS or in assisting with this project are asked to contact PHS on phsadmin@iprimus.com.au or on (02) 9488 7475.

Graeme Anderson – parting words

I have enjoyed very much so far the role of President and I look forward to working with all SLOPES Member Clubs in the years ahead.

I think it is appropriate to end this report with some parting words from Graeme Anderson:

“Just a few words from a past president: When you get as involved as I have been for the last 15 years you look to a handing over with relief on one hand, and with trepidation on the other. Like most volunteers I did not set up a strong indexed set of files with all the data carefully laid out and accessible to the next generation. No, I was normal with half a wall covered with files and relying on my memory as to what was there!! So handing over was.....????

I am pleased that Frank and I seem to have developed a system that works in that I stay well in the background, do not attend Committee Meetings, but by seeing the email traffic I can step in with background knowledge when asked, or when I see an older subject recycling. Frank of course has the boxes of files, and I have no doubt that he is categorizing them in detail.....???

It was good fun to be involved in a constantly challenging picture and, as I got to know the people we dealt with, it just became easier and easier. A far cry from the early 1990s when, if we met with anyone in Government, there always had to be a witness present.

The strength of SLOPES has been and will be forever the solidarity of the Member Clubs. All Clubs go through internal committee changes, generally quietly, sometimes with fireworks, but more and more the knowledge is being passed on that a solo club can achieve little, but 86 Clubs with balance sheets totaling some \$120-150m can, by working together, maintain a structure enjoyed and benefited by many thousands of participants of all ages. It was a pleasure and I was proud to be involved.”

Frank Zipfinger
President
SLOPES
24 November 2010