

John Grinham  
PO Box 744  
Crows Nest 2065  
Tel: 438-2528 (W)  
411-4687 (H)

10th May 1991

Dear Sir/Madam,

### **Threat to Leaseholders in Perisher-Smiggin and Guthega**

As members of a club lodge in Perisher Valley we are gravely concerned about the current proposal of the National Parks and Wildlife Service to assign our leases to a head lessee (in the case of Perisher-Smiggin, this would be Kosciusko Alpine Resorts).

This desire was first announced in Ski 2000, a document published by the NP & WS in early November 1990. This document, as you may be aware, discussed various planning proposals for the ski resorts and it contained a number of worthwhile objectives. On page 36, however, in discussing various leasing structures it was stated in bold type "The Service will pursue head lease options for Perisher-Smiggin and Guthega". For a document that was purported to be a discussion paper that statement appeared to be fairly definitive and not subject to honest discussion.

Our initial concern on reading Ski 2000 was greatly increased at a meeting between Directors of our Club and officials of the Service; this was followed by a meeting of the NSW Ski Association that was addressed by Service officials. At the former meeting one of the officials did nothing to conceal his personal dislike of and hostility towards club lodges, a view that was apparently based on a perception of elitism. It was also admitted at both meetings that the Service had not given any consideration to the protection of existing leaseholders nor did it appear disposed to initiate any such consideration. It was stated in general terms that the Service favoured the head lease arrangement currently operating in Thredbo.

The current arrangement in Thredbo is that any sub-lessee wishing to renew a lease has to pay to the head lessee a premium equal to 25% of the capital gain experienced by the sub-lessee over the term of the previous lease. This premium would, of course, vary from lodge to lodge but it would, as a minimum, be a six figure amount. The payment of an amount of this order to a head lessee (in addition to annual charges) for the continued use of a lodge that has been built by the efforts and capital of the members of the individual lodges is, by any measure, iniquitous. It would cause the total collapse of many lodges and impose great financial hardship on others. At this stage we cannot say that this principle would apply to Perisher-Smiggin and Guthega but having been established as a precedent it is probably reasonable to assume that it or some variation of it would be adopted.

Other options open to a head lessee at the expiration of a lease would be to put the lease of the lodge out to open tender or to retain the property for his own commercial use. A head lease arrangement would obviously place the head lessee in a position of enormous power and privilege and it is almost beyond belief that any public authority would place any corporation or person in such an advantageous position at the expense and disregard of so many.

Page 2:

The next stage in this process is the publication of a document called "Amendments to the Draft Plan of Management for the Kosciusko National Park". This again is supposed to be a discussion paper. In early February we were told that it would be published in 10 working days; in March we were told that it would be published by the end of the month. Last week we were told by a Service official at Sawpit Creek that it has still not been published and that its delay has "something to do with the forthcoming State election".

An Act (The National Parks and Wildlife Service Leases Bill) has been passed by both Houses of State Parliament. It is our understanding that the Act covers broad principles only; the fine details of the assignation of our various leases will be executed by regulations determined by the NP & WS.

We feel that the current leaseholders have been treated very poorly by the Service. On a matter of such fundamental importance one would have thought that the Service would have advised each leaseholder of their intentions by way of direct correspondence instead of being concealed in a document that many clubs have not received. A document that was published well after the end of the skiing season when the thoughts of the skiing fraternity were directed to other activities.

We object strongly to the bias shown against club lodges in Ski 2000. For example, it is proposed to increase the actual bed numbers in Perisher by 944 but the "Service will not allocate additional beds to ski clubs". On page 41, it is stated that Price Waterhouse considered 50 beds to be the minimum required for the commercial viability of existing commercial lodges and Ski 2000 allows the addition of 385 beds to existing commercial lodges for this purpose. Club lodges have also faced heavy cost increases over recent years - do they not deserve some consideration for an increase in bed numbers to maintain their viability?

We believe that club lodges have played an extremely important part in the history of skiing in Australia and continue to do so today; we do not appreciate the imposition of the threat that we are facing. We believe that the time has come to fight back.

To this end we are sending a copy of this letter to every lodge in Perisher-Smiggins and Guthega with the desire of ensuring that all lodges are fully aware of the threat to their future and the hope that we may, as a united body, come to act with strength and effect. If the response is strong enough we would like to organise a meeting in the very near future to determine a course of action.

If you have any questions or comments please do not hesitate to call myself on the above telephone numbers or one of the following Club members:

Michael Briody	958-0440 (H & W)
Bruce Henry	949-7091 (H)
	225-5859 (W)
Noel Pearse	949-2663 (H)
	955-6177 (W)

This letter has been written with the full endorsement of the Board members of our Club.

Yours faithfully



John Grinham