

19th November 2018
Twenty-sixth Annual General Meeting

PRESIDENT'S REPORT 2018

Welcomes

Welcome to the SLOPES 2018 Annual General Meeting - our 26th.

I am Frank Zipfinger, President of SLOPES.

I particularly welcome our Stakeholder Speakers tonight - Peter Brulisauer from Perisher, Stuart Schramm and Ryan Petrov from NPWS, Daniel James from Department of Planning and Environment and Bob Tait the new President of the Perisher Chamber of Commerce. I am pleased that this year we have continued to maintain excellent relations with all our key stakeholders, many of whom are represented by our speakers.

I also welcome, and thank on your behalf, the Committee Members of SLOPES who have again done a terrific job this year in ensuring that SLOPES focuses on our principal task of representing the interests of our Member Clubs.

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 88. 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 of Committee representation across Perisher, Smiggin Holes and Guthega and there have been no changes to the Committee.

All current members of the Committee have nominated for re-election. There being no other nominations, they will continue to serve after the AGM. I thank them all for their outstanding contributions and their support.

The Committee members are listed on the SLOPES website and they can be contacted via the SLOPES email address: slopes.au@gmail.com.

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I thank particularly our Secretary Lucille Back, our Minutes Secretary Noni de Carvalho and our Treasurer John Pinkerton. This team bears the brunt of the administration of SLOPES and continues to work extremely well.

SLOPES Finances

Our finances are in good shape as shown by the audited accounts. Our revenues this year were slightly down at \$25,457 (last year \$26,196) reflecting the decision to maintain Club membership fees at \$275 (the difference is mainly timing of payments).

Expenses reduced very materially year on year from \$32,253 to \$14,613 due to:

- (a) timing differences in the payment of snowsports sponsorship awards costs of \$1,000 (last year \$5,750),
- (b) the significant reduction in website costs from \$9,796 to \$1,104 as the new website was launched in July 2017,
- (c) a reduction in travel costs (\$3,757 compared to \$4,749) due to a change in the method of calculation of these costs (a lower mileage rate) despite an increased number of travel events, and
- (d) the one off \$3,045 legal costs incurred last year in connection with the (now concluded) NPWS Governance Review.

The key to budgeting the SLOPES finances is to have reasonable reserves available at all times to fund initiatives in support of the interests of our Clubs as they arise. We appear to be in that position, holding \$70,234 cash at bank as at 30 June 2018. In the circumstances, the Committee decided not to change the members fee for 2017/18, keeping it at \$275 (unchanged since 2014/15).

Highlights of 2017/18

The year since our last AGM has seen many interesting events affecting the Perisher Range Resorts and our Clubs. These have included

- New Leichhardt Quad Chairlift. In December 2018 Perisher announced the replacement of the Leichhardt T-Bar with a new quad chairlift to be ready for the 2019 winter. The investment includes a significant snowmaking project bringing the total cost to \$4.2 million with the work planned for the 2018/2019 summer.
- Dave Woods. In January 2018, after 18 years at NPWS working with our Clubs, Dave Woods retired from NPWS and his successor as Resorts Environmental Liaison Officer, Tim Scanlon, was appointed. Dave in particular was a terrific supporter of our annual Back to Perisher events and Tim stepped into that role in 2018 and did a great job.
- Paddy Pallin Jindabyne. Also in January the end of an era was announced with the closing of the Paddy Pallin shop in Jindabyne. The Perisher Cross Country website noted:
The XC community has been privileged to be looked after by generous, knowledgeable retailers who have been integral parts of the community for decades. We have been so used to being able to consult with and be looked after by these retailers that it came as a shock when the oldest of those shops - the Paddy Pallin/Mountain Adventure Centre at the Thredbo turn-off - announced closure by the end of January due to the non-renewal of the lease for the shop.
A ski shop has been located in that position since Johnny Abbotsmith moved the Snowline Caravan Park from the Creel in Old Jindabyne to the current position when Lake Jindabyne was first filled in the early 60s. A lot of skiing history is associated with that location.
John will continue to provide some services, which he will advertise when he is resettled.
- Hakuba Valley - Epic Australia Pass. In March 2018 Perisher announced that Hakuba Valley Japan would join the Epic Australia Pass as a result of Vail Resorts entering into a long-term

alliance with Hakuba Valley. The Epic Pass now gives access to 24 mountain resorts in 4 countries.

- HHIMS register. In April many Clubs were contacted by NPWS notifying them that their premises were listed on the Historic Heritage Information Management Register (HHIMS). There are close to 60 entries in that register affecting most SLOPES Clubs and spread across Perisher, Smiggins and Guthega. This register dates back to work done in 1997/98 and its existence was news to SLOPES – and probably to most, if not all, of our Clubs who were notified. In the interests of clarifying the situation SLOPES put certain questions to NPWS and the answers were provided to Clubs in our emails of 18 and 27 April 2018.
- AASHA Conference. The Australian Alpine & Snowsports Association (AASHA) Conference over 4-6 May 2018 was hosted by the Perisher Historical Society. This conference was a gathering of people from the historical societies of all the major Australian ski resorts and included a conference day proper at the Perisher Skitube building on the Saturday and on Sunday a Field Trip with presentations at Charlotte Pass, Guthega and the site of the Hotel Kosciusko.
- Back to Perisher Weekend 2018. Over Easter Back to Perisher Weekend 2018 was held successfully, our 10th in consecutive years. The event has been jointly sponsored by SLOPES and NPWS since 2009.
- Kosciuszko Iconic Walk. In April NPWS announced that it had been granted \$27 million funding from the NSW Government's Regional Growth - Environment and Tourism Fund to be spent on creating an iconic multi-day walk and extension of the Thredbo Valley mountain biking trail. NPWS noted:
These projects are aimed at encouraging significantly more year-round park visitation. Of particular note is that the multi-day walk will be designed to encourage hikers to stay in existing resort lodges each night. The suggested itinerary will be starting at Thredbo, with the existing resort areas of Charlotte Pass, Guthega, Perisher Valley and Lake Crackenback being the target destinations at the end of each days walk.
- JLT Insurance Program renewal. In April the JLT Insurance Program renewal details were announced with another successful outcome for participating Clubs. The Program has been operating since 2003. In 2018 we experienced our highest ever number of Clubs participating, 70 out of 88.
- Trades and Services website page. In response to feedback in the SLOPES 2017 Clubs survey, SLOPES announces that a new section will be added to its website called "Trades and Services" to create a database covering Club needs from accountants to workplace health and safety, with others like builders, cleaners, electricians and plumbers in between. Clubs were asked for recommendations to help build this database. The new section will be launched at the 2018 AGM.
- Energy Action Program. In response to feedback in the SLOPES 2017 Clubs survey, SLOPES announces in July/August 2018 a new initiative to pursue savings on energy use for Club lodges through a group purchase arrangement. Energy Action (an energy broker) is engaged by SLOPES to act on behalf of participating Clubs. Clubs that participate may expect to see a significant reduction in energy costs (hopefully of around 20% although some very small Clubs may not benefit greatly). Associates of SLOPES are invited to participate if they wish and quite a number from Charlotte Pass and other locations sign up.
- Leichhardt Quad chairlift works. In October 2018 Perisher announced:
"Farewell Leichhardt T-Bar!" Construction of the NEW Leichhardt Quad Chairlift is underway! We said goodbye to Leichhardt T-Bar with some final laps and claps. The Mountain Operations team flicked the switch and went to work making the start of the \$4.2 million investment for the 2019 winter".
- Cladding of lodges. SLOPES' email of 20 October 2018 reports that "*following a recent legal change in the definition of 'external combustible cladding' to take effect on 22 October 2018 ... some Clubs have received correspondence from the Department of Planning & Environment informing them that it no longer proposes to take any action regarding the cladding on the exterior façades of their buildings.*" The decision appears to be limited to

cladding which is solely made of timber (and not any composite materials). SLOPES understands the Department is still working on interpreting the directive.

- Perisher View Ski Lodge. In October SLOPES lodged a submission with the Department of Planning and Environment objecting to the Development Application in respect of the proposed Perisher View Ski Lodge on Front Valley. SLOPES update emails note that "*Clubs, their members and others associated with them are encouraged to lodge individual objections in relation to the proposal*". SLOPES is informed that over 200 separate objections were lodged with the Department by the closing date in late October. SLOPES also writes to OEH raising the issue of the subdivision to create the Perisher View lot in the first place with no notification during that process.

Back to Perisher Weekend (BtP)

Reasonable weather favoured the 2018 Back to Perisher Weekend.

The weekend is jointly sponsored by SLOPES and NPWS - this year was the 10th such event in 10 years and again it was a success.

Back to Perisher will be on again in 2019 with a similar format. Please circulate and diarise the dates: **20 to 22 April 2019**.

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 slopes.au@gmail.com.

Peak Music Festival

The Peak Music Festival ("*the only music festival in Australia in the snow*") was held over the June long weekend organised by the Perisher Chamber of Commerce. The Festival was well attended. We expect the Festival will be on again next year - over the long weekend **8-10 June 2019**: see www.peakfestival.com/.

SLOPES again in 2018 was a sponsor of the Festival - for the 4th year in a row - and made a contribution of \$2,500 plus GST. The Festival celebrated its 10th year in 2018.

Clubs are encouraged to participate and use the Festival as an opportunity to promote the use of accommodation in their lodges.

Perisher Resorts – Perisher, Smiggin Holes, Guthega and Blue Cow

Tonight we welcome Peter Brulisauer, the Perisher COO. Peter will speak about the Perisher Range Resorts and update us on some new developments. The biggest events in 2018 were the announcement of the \$4.2 million replacement of the Leichhardt T-bar with a new quad chairlift and the inclusion of Hakuba Valley Japan in the Epic Australia Pass as a result of a long-term alliance entered into by Vail Resorts and Hakuba Valley.

National Parks & Wildlife Service (NPWS)

Tonight we have with us two key SLOPES liaison contacts at NPWS – Stuart Schramm, Director of Property and Commercial and Ryan Petrov, Manager, Southern Ranges Services.

NPWS has a multi-faceted role involving responsibility for the Kosciuszko National Park including the Perisher, Smiggin Holes and Guthega resorts. From a SLOPES perspective, this includes key issues such as lodge leases and bed numbers, village development proposals and operational matters such as waste transfer and roads.

Ryan co-ordinates the team charged with getting the IPART monies spent properly in maintaining the Perisher Range Resorts infrastructure. The MSU team includes the people who run the water supplies, sewage, road supervision and controls. They are effectively our Town Council.

From the perspective of SLOPES, the most significant NPWS issue continues to be achieving a new and optimal governance structure for the Perisher Range Resorts.

Perisher Range Resorts - Governance

The current governance structure for the Perisher Range Resorts (**PRR**) has been in place since the 1950s. It has been apparent for decades that this PRR structure is not optimal as it results in ineffective operating arrangements and fosters competition rather than co-operation between major stakeholders. But most importantly and detrimentally the PRR structure is an obstacle to the significant investment needed to make the PRR a world class tourism destination delivering optimal facilities and revenues for the people, businesses and government of NSW.

The negative impact on investment due to the current structure is clear from the fact that under NPWS management of the resort village, no material improvement has been made in village facilities, no investment in new recreation facilities, no improvement in parking and no improvement in transport have been made over decades. For the PRR to achieve government's vision for the resort to be a "*world-class tourism destination*", these facilities have to be realised and they require significant investment.

The solution to the problem of the PRR governance structure was identified as early as 2001 in the NSW government commissioned Walker Report in which the principal recommendation was that "*the best available approach to leasing for the Perisher Range Resorts is a head-lease arrangement which removes the State (thus NPWS) from direct landlord engagement with all levels of tenure, occupation and business at those resorts*".

In 2016 OEH initiated a review of the PRR governance arrangements with a vision "*to create a world-class tourism destination ...that is financially sustainable and ... environmentally responsible*". At the time OEH acknowledged that a new governance model would "*allow it to withdraw from the delivery of municipal services and lease management, and encourage private sector investment*"

A two year consultative and international EOI process followed with government advised by external consultants. In an unprecedented and welcome example of PRR major stakeholder collaboration, SLOPES, Perisher and the Chamber of Commerce lodged a joint submission with OEH supporting the head lease structure.

On 26 June 2017 OEH announced that the review had "*concluded ... without offering a head lease to any proponent*" and confirmed that "*the stakeholder engagement, market engagement and EOI revealed that a head lease is the preferred management model for resorts within Kosciuszko National Park*".

As nearly all the existing PRR leases operate until 2058 and the key Perisher lease runs to 2048 and potentially until 2068, the obvious head lessee candidate is Perisher as the incumbent snow resorts operator. This conclusion is reinforced by the outcome of the Governance Review which did not identify an alternative head lessee entity.

SLOPES sees the common sense in the resort operator having the security of a head lease – subject to appropriate environmental, historical and existing user safeguards being incorporated.

SLOPES supports the concept of direct negotiations between OEH and Perisher to explore achieving that outcome. SLOPES has and continues to actively pursue this significant once in a generation change needed to the current arrangements. The lack of progress to date has been frustrating and disappointing to say the least.

Department of Planning and Environment

We welcome Daniel James who is with us tonight. Daniel is the Team Leader of the Alpine Resorts Team at the Department and is based in Jindabyne. 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. The key message here is: "*Ring the Department of Planning and drop in to see them and talk about where you stand BEFORE YOU SPEND THE*

MONEY". An important planning decision awaits in relation to the Development Application lodged in respect of the Perisher View Ski Lodge in Front Valley at Perisher, details of which were notified to Clubs in October 2018. We expect the implications of this for Clubs generally to be discussed at the AGM.

JLT Insurance Program

The insurance program for our Clubs arranged and managed by Jardine Lloyd Thompson (JLT) was renewed in 2018 and continues to be very successful. SLOPES thanks Clubs for their support which has been critical to this result. SLOPES encourages Clubs not currently on the JLT program to consider joining the program when convenient in terms of their particular insurance arrangements.

SLOPES website

The SLOPES website is: www.slopes.org.au. The website includes all our contact details and links to related sites of relevance to Clubs. For the benefit of all there is a section containing the website addresses of our Member Clubs which are known to SLOPES. If you launch a new website for your Club please let us know.

We continually update our website to keep it current and make it the easy go-to point for SLOPES emails and commentary generally on issues of interest to our Clubs. Please use the website and give us feedback. We are especially interested in your views on what additional material we can put on the website that will be relevant to you.

At the AGM this year SLOPES will launch the latest new section titled "Trades and Services" containing a database of trades and service providers relevant to Clubs and Associates covering topics from accountants and tax to work, health & safety.

Perisher Range Resorts EMS Reporting (PREEMS)

Reporting under PRREMS is mandatory as part of the lease obligations of Clubs. Generally, compliance has been excellent but not always at 100% of Clubs. This year only 94% of lodges completed their report on time. Please remember to comply by the due date next year - usually a date in April nominated by NPWS.

The NPWS PRREMS Awards program each year acknowledges exceptional performance in this area in environmental lodge management. Congratulations go to the 2018 Award winners, Guthega Ski Club and Blue Cow Ski Club, both being SLOPES member Clubs from Guthega

SLOPES Sports Encouragement Awards 2018

Since 2015 SLOPES, on behalf of Clubs, has provided annual financial support for inter club racing as part of our goal to encourage sport consistent with the objectives of our Clubs - see the background material on this topic later in this report under the heading "Income Tax and Encouragement of Sport".

The maximum awards agreed in principle by SLOPES for distribution in respect of the 2018 winter season are set out in the following table (including comparative figures actually distributed for 2017). Final award amounts in 2018 will depend on submissions received from the relevant event sponsors.

Sports Event	2018	2017
Balmain Cup	\$500	\$500
Perisher Cup*	\$500	\$900
Brian Donegan Memorial Inter Club* (Senior and Junior events)	\$1000	\$1000
Smiggins Bowl	\$500	\$500
Guthega Inter Club	\$500	\$500
Total	\$3000	\$3,400

* includes a special grant for 2017

+ two separate events run on different days

X-Country Skiing

Once again the NSW Cross Country Committee did a great job informing us as to the skiing conditions and generally in promoting the sport of cross country skiing. SLOPES thanks them for that and the work they do in helping us all to encourage sport.

Other Items - Reminders

Each year we remind Clubs about the following important issues:

- 1 NPWS KNP Season Passes
- 2 Perisher Valley Fire Station
- 3 Income Tax and Encouragement of Sport
- 4 Member email details

More detail on these items appears at the back of this Report.

Frank Zipfinger
President
SLOPES
16 November 2018

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CHAIRMAN'S REPORT – REMINDERS RE IMPORTANT ISSUES FOR CLUBS

NPWS, KNP Season Passes

Reminder to all members and friends of Clubs: it is much better to buy your season pass at the National Parks entry station on the Kosciuszko Road at Sawpit Creek. This is because 95% of the amount you pay goes towards the running of the Perisher Range Resorts. It is only 35% if you buy the pass from the Jindabyne NPWS office or online!

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Perisher Valley Fire Station

The current arrangements at the Perisher Valley Fire Station have now operated for the last 5 winter seasons. A reminder the critical thing for all Clubs is:

- A. to do what they can to maximise fire safety in their own lodges, including availing themselves of the service provided by FARNSW to provide guidance on shut down procedures at the end of the snow season, regularly checking fire and smoke alarms, checking the combustibility of lodge fittings and furnishings before installation, properly maintaining gas bottles, managing surrounding vegetation, notifying FARNSW if activities like welding will occur at your lodge etc
- B. to be fully informed of the call procedures in the event of a fire emergency - **ALWAYS CALL 000 and NOT the Perisher Valley Fire Station**. And at all times keep the FARNSW notices with details clearly posted in your lodge
- C. make sure Club contact details are kept up to date with NPWS and FARNSW - and put the current Club contact details on the fire panel in your lodge, and

- D. be aware of the significant cost (at least \$1,250) which can be imposed by FARNSW in connection with responses to false alarms and of the greater likelihood now of charges being imposed and not waived. Clubs should also take steps with their service providers to minimise the incidence of false alarms from their lodges and take rapid remedial action after the occurrence of any false alarm.

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Income tax and Encouragement of Sport

SLOPES reminds all Clubs of the importance of continually taking actions to support retention of the exemption from income tax through the "ENCOURAGEMENT OF SPORT". SLOPES has appointed a Committee Member (Bill Coombes – slopes.au@gmail.com) to work on an encouragement program to promote and assist Clubs in their thinking. We strongly recommend that each Club appoint one of its committee as their "Sports Encouragement' Officer" to do the same.

On our SLOPES website there is a dedicated section with useful information and links to other organisations which can assist you to promote sport within your Club.

Clubs actually do a lot to encourage sport but they often do not think about it that way – nor sometimes do they keep records of their activities. Participation in The Perisher Cup is an example. As are the School Events Week and promotion of it in the Clubs. Another example is recording the hours of ski and snowboard instructions – paid and unpaid – each week engaged in by lodge users: it is useful for weekly club captain's reports to keep a record of these hours.

For a self-assessment guide for non profit sporting clubs issued by the ATO see <https://www.ato.gov.au/Non-profit/your-organisation/in-detail/income-tax/income-tax-exemption-and-sporting-clubs/>. For background on these issues see this material issued by Clubs Australia: http://taxwatch.org.au/ssl/CMS/files_cms/246_treasury-nfp-tax-reforms-submission---final.pdf.

Please take this topic seriously as you never know when it might emerge as an issue for your Club.

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SLOPES Emails

SLOPES relies on the contact people for each SLOPES Club passing on to their membership information we send out which is of interest to Club members generally and not just the Directors of the Club. Communication of key issues is an important part of what we do and helps to ensure co-ordinated action in the interests of all SLOPES Clubs – be it reducing insurance premiums or energy costs or supporting events like Back to Perisher Weekend or the Perisher Peak Festival.

We ask all Clubs please to circulate promptly to their members relevant SLOPES emails, especially on events and general information. Please also let your members know that information on SLOPES and our initiatives can best be found on the SLOPES website: www.slopes.org.au.

A reminder also to please notify us promptly if your designated email addresses change (usually where there are director or office bearer changes).

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