

18th November 2019
Twenty-seventh Annual General Meeting

PRESIDENT'S REPORT 2019

Welcomes

Welcome to the SLOPES 2019 Annual General Meeting - our 27th.

I am Frank Zipfinger, President of SLOPES.

I particularly welcome our Stakeholder Speakers tonight - Peter Brulisauer from Perisher, Ryan Petrov from NPWS and Daniel James from Department of Planning and Environment. Bob Tait the President of the Perisher Chamber of Commerce sends his apologies. 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.

The Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc. ABN: 97 748 239 046

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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.

I thank particularly our Secretary Lucille Back, our Minutes Secretary Noni de Carvalho and our Treasurer John Pinkerton. To them I add Roland Everingham who leads the SLOPES initiatives on our insurance and energy programs for our Clubs. 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 up at \$26,074 (last year \$25,467) reflecting the decision to maintain Club membership fees at \$275 (the difference is mainly timing of payments).

Expenses increased year on year from \$14,612 to \$18,648 due to:

- (a) timing differences in the payment of snowsports sponsorship awards costs of \$2,536 (last year \$1,000),
- (b) an increase in website costs from \$1,104 to \$2,451 as the website was enhanced over the year (including the addition of pages covering “Trades & Services” and “Environment Issues”),
- (c) an increase in meeting costs (\$3,170 compared to \$1,093) due to timing differences (eg in FY17 the number was \$4,749) and increased AGM costs.

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 \$77,660 cash at bank as at 30 June 2019. In the circumstances, the Committee decided not to change the members fee for 2019/20, keeping it at \$275 (unchanged in fact since 2014/15).

Some Highlights of 2018/19

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

- Vail Resorts. In December 2018 Vail Resorts announced “a long-term alliance with one of the most renowned resorts in the world for deep powder and tree skiing, Rusutsu Resort, located in Hokkaido, Japan. Beginning with the 2019-20 season, the Epic Australia Pass will offer five consecutive complimentary days with no blackout dates at the three unique, interlinked mountains that make up Rusutsu Resort. The addition of Rusutsu to the Epic Australia Pass, brings total pass access to 29 mountain resorts in four countries in the 2019-20 season”.
- Back to Perisher Weekend 2019. In April Back to Perisher Weekend 2019 was held successfully, our 11th in consecutive years. The event has been

jointly sponsored by SLOPES and NPWS since 2009. For more detail see later in this Report.

- Falls Creek and Hotham resorts in Victoria. In May Vail Resorts announced it would acquire Falls Creek and Hotham resorts for a purchase price of approximately AU\$174 million and with that acquisition Vail Resorts would operate three of the largest ski resorts in Australia including Perisher Ski Resort in New South Wales.
- AASHA Conference. The Australian Alpine & Snowsports Association (AASHA) Conference over 3-5 May 2019 was hosted by the Northern Tasmanian Alpine Club (NTAC) at Ben Lomond in Tasmania. This conference was a gathering of people from the historical societies of all the major Australian ski resorts and was very successful.
- Perisher's longest ski season in memory. Due to excellent snow the season opened on 31 May and ran until 13 October, resulting in the 2019 season being Perisher's longest ski season in memory at 136 days.
- New Leichhardt Quad Chairlift. In early June Perisher announced that the new Leichhardt Quad Chairlift was open for business for the 2019 winter. The investment included a significant snowmaking project bringing the total cost to \$4.2 million. The official opening of the Chairlift took place on 26 July 2019.
- Kosciuszko Iconic Walk. NPWS has 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. In August NPWS advised that the Review of Environment factors regarding the Iconic Walk would be placed on public exhibition. In October on behalf of Members and Associates SLOPES submitted to NPWS a paper titled "*A short guide to NPWS' Walking Tracks Strategy and the Snowies Iconic Walk 2019*". The paper is intended to help appreciate the scale, importance and some practical aspects of preparing for the great walk network. A high resolution copy of the paper can be found on the SLOPES website here: <https://slopes.org.au/wp/wp-content/uploads/2019/10/737-191022a-Snowies-iconic-walk.pdf>.
- Lease Clause 7.9 Services Certifications. The lease clause 7.9 certification process required each Club to provide by 30 June 2019 certificates by qualified contractors stating as regards their lodge premises that electrical and gas installations are safe and in good working order and the premises are free from any pests capable of causing damage to the premises. Certification templates were provided by NPWS for use by contractors. In June NPWS extended the Compliance Date to 30 November 2019. For more detail see the SLOPES website Information Hub under the topic Lease Clause 7.9.
- Trades & Services website page. A new section on the SLOPES website called *Trades & Services* was launched at the last AGM 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 are asked for ongoing recommendations to help build this database. The new section has been expanded during the year.
- Energy Action Program. SLOPES announced 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) was engaged by SLOPES to act on behalf of participating Clubs and a program was put in place late in 2018. Participating Clubs have seen a significant reduction in energy costs - on average about 18% or \$2,200 per site per annum. Around 60 SLOPES Members and Associates are in the program. The current program expires at the end of 2020. A renewal process will commence mid 2020 when we expect others will be able to join if they wish.

Back to Perisher Weekend (BtP)

Excellent weather favoured the 2019 Back to Perisher Weekend. With non registered runners, onlookers, NPWS and support crews there were about 140 people involved. This year for the first time the Fun Run was conducted over a new course – from the Perisher car park to the Blue Cow summit chair base via the lower Perisher road (past the North Perisher lodges) and returning via the upper Perisher road (past the Sundeck). This course was judged to be harder and steeper in sections than the old route to Charlotte Pass – and was highly rated by participants.

The profit of \$676 from the sale of the ducks at the highly popular afternoon Duck Race went to the Burns Unit at Westmead Children's Hospital, the charity nominated by the NSW Fire Brigades.

The weekend is jointly sponsored by SLOPES and NPWS - this year was the 11th such event in 11 years and again it was a success.

Back to Perisher will be on again in 2020 with a similar format. Please circulate and diarise the dates: **10 to 13 April 2020.**

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 2020**: see www.peakfestival.com/.

SLOPES again in 2019 was a sponsor of the Festival - for the 5th year in a row - and made a contribution of \$2,500 plus GST. The Festival celebrated its 11th year in 2019.

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. Some big events in 2019 were the opening of the new Leichhardt Quad Chairlift, the new alliance with Rusutsu Resort in Japan and the acquisition of Falls Creek and Mt Hotham resorts in Victoria (both extending the Epic Australia Pass program) and a planned capital works program including a new six seat chairlift for Mt Perisher.

National Parks & Wildlife Service (NPWS)

Tonight we have with us our key SLOPES liaison contact at NPWS – 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 (see next item).

NPWS also of course administers Club leases. This year the most important issue has been the clause 7.9 services certifications.

The obligation to provide certifications (electrical, gas and pest) under clause 7.9 of each Club lease has been well flagged over the past year and is commented on above under the Highlights section. Key points to note:

- 1, 30 November 2019, is the due date for compliance
2. the obligation to provide the certifications arises under your Club's lease and is legally binding
3. non-compliance with clause 7.9 is a breach of the lease entitling NPWS to issue a notice of default, a process which could involve the payment of costs and compensation and ultimately lead to termination of the lease, and
4. if for some reason you won't make the 30 November 2019 deadline we recommend you engage ASAP with NPWS as to your circumstances. The NPWS contact is Karen Field on 0421 275 955.

For more background go to the SLOPES website here: <https://slopes.org.au/club-tools/information-hub/> under the topic Lease clause 7.9.

Perisher Range Resorts – Governance – Head Lease

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*”.

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 of a head lease and actively pursued this significant once in a generation change needed to the current arrangements.

These efforts were rewarded at our AGM last year as noted in our report of the AGM as follows:

Deputy Premier John Barilaro announced at the meeting that the NSW Government had approved NPWS entering into direct negotiations with Perisher in relation to a possible head lease over the Perisher Range Resorts of Perisher, Smiggin Holes and Guthega.

This is an important and historic step which we hope will lead to the once in a generation changes needed to optimise the governance of the Perisher Range Resorts.

Since 2015 SLOPES, in conjunction with the Chamber of Commerce, has lead the way on this initiative as a head lease to Perisher is critical to facilitating the significant investment needed to make the Perisher Range Resorts world class – a result which will benefit all our Clubs, as well as towns such as Jindabyne, tourism generally and the State of NSW ...

For more history on the governance issue and how we got to this point, see the SLOPES website: <https://slopes.org.au/governance-capacity-reviews-perisher/>

A reminder that our existing Club leases will remain in place should a head lease be granted.

There will need to be existing user safeguards incorporated into any head lease arrangements.

This has been emphasised throughout by SLOPES, including in our 2015 joint submission with the Chamber and Perisher to OEH.

Stuart Schramm of NPWS and Peter Brullisauer of Perisher both confirmed to the meeting that they acknowledged that and there would be stakeholder consultation at appropriate points as the head lease negotiations progress.

The May 2019 MSU meeting was informed that the Head Lease negotiations with Perisher were ongoing and would most likely take 12-18 months; and NPWS again confirmed there will be engagement with key stakeholders (including SLOPES and the Chamber) during the process. There has been no subsequent news.

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”.*

Marsh/Jardine Lloyd Thompson (JLT) Insurance Program

The insurance program for our Clubs arranged and managed by JLT was renewed in 2019 and continues to be very successful with a record number of Clubs and some Associates participating this year. The program has operated since 2003.

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.

However, for 2019/20 the cost of the property damage policy (called Industrial Special Risks) increased substantially. This reflected a number of factors including the high number of catastrophic losses worldwide over the last 12 months and premiums across all insurance classes and Insurers tending to increase.

In addition three Clubs in the program suffered substantial water damage in the past 12 months as a result of flexible braided rubber hoses failing and causing flooding while the lodges were unoccupied after the close of the winter season.

Many Club buildings will have flexible braided rubber hoses connecting pipes to sinks and other units in their bathrooms, kitchens and laundries. It is now accepted that these hoses have a limited life and need to be replaced every five years.

In light of these developments, as part of the latest renewal the program insurer placed the following conditions on each policy:

1. an annual plumbing inspection must be completed for each lodge;

2. all flexi hoses must be replaced if older than 5 years or unable to prove age (records and proof of age must be kept);
3. water damage caused by the failure of a flexi hose more than 5 years old while a building is unoccupied attracts an excess of \$25,000; and
4. water damage while unoccupied (excluding flexi hoses) attracts an excess of \$5,000. [*Note in this context unoccupied means unattended ie no one in the lodge at the time of the incident.*]

Replacing flexi hoses is NOT expensive or difficult but should be done by a licenced plumber. See here the SLOPES website Trades and Services page for information regarding possible plumbers to consider: <https://slopes.org.au/trades-services/>

SLOPES strongly recommends that each Club (whether in the JLT program or not) undertakes an audit to determine the number and location of flexible rubber hoses. If there is uncertainty about the age of hoses they should be replaced forthwith and records kept.

SLOPES is particularly concerned to warn Program participants of the risk of a possible excess of \$25,000 if a flexi hose that is more than 5 years old fails while the lodge is unoccupied.

The cost of replacing hoses is a straightforward and simple measure against the risk of a very substantial excess being applied.

A few additional points to note:

- 1 often flexi hoses are integrated into machines/appliances of different kinds eg dishwashers. It should be assumed that the above comments apply equally to these flexi hoses.
- 2 Clubs should consider as an additional protective measure in this context shutting off the water at the main over summer or whenever your lodge is unoccupied.
- 3 there is no doubt insurers will be raising premiums as a result of property damage claims from the current fires in NSW. It would be prudent to expect an increase in premium on the renewal of the JLT program in 2020.

For more on these issues see: <https://slopes.org.au/club-tools/information-hub/> under the topic Insurance.

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 last year SLOPES launched 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. It can be found here: <https://slopes.org.au/trades-services>

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. 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 2019 Club Lodge Award winner, Muniong Ski Club, SLOPES member Club from Smiggin Holes.

SLOPES Sports Encouragement Awards 2019

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 2019 winter season are set out in the following table (including comparative figures actually distributed for 2017). Final award amounts in 2019 will depend on submissions received from the relevant event sponsors.

Sports Event	2019	2018	2017
Balmain Cup	\$500	\$500	\$500
Perisher Cup*	\$275	\$500	\$900
Brian Donegan Memorial Inter Club+ (Senior and Junior events)	\$1000	\$1000	\$1000
Smiggins Bowl	\$750	\$500	\$500
Guthega Inter Club	\$500	\$500	\$500
Total	\$3025	\$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
15 November 2019

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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 6 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: <https://slopes.org.au/encouragement-of-sports/>.

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

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