

23rd November 2020
Twenty-eighth Annual General Meeting

PRESIDENT'S REPORT 2020

Welcomes

Welcome to the SLOPES 2020 Annual General Meeting - our 28th.

I am Frank Zipfinger, President of SLOPES.

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

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

President: Frank Zipfinger
Tel: 0418 612 206
frank.zipfinger@gmail.com

Vice President: Andrew Cutler
Tel: 0423 244 444
acutler01@hotmail.com

Vice President: David Macdonald
Tel: 0415 253 222
mac@pnc.com.au

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

Despite the impact of COVID-19, our finances remain in good shape as shown by the audited accounts. Our revenues this year were slightly up at \$26,698 (last year \$26,065) reflecting the decision to maintain Club membership fees at \$275 (the difference is mainly timing of payments and additional interest accrued).

The makeup of this result though was materially impacted by COVID-19. Expenses increased year on year from \$18,648 to \$25,633 due to:

- (a) **legal expenses** – these were \$14,502 (FY19 \$nil) due to the extensive legal advice obtained on many issues on behalf of all Clubs to fully understand how to respond to the COVID-19 environment, and
- (b) **Clubs survey** – \$600 (FY19 \$nil). This survey was prompted by COVID-19. The results assisted SLOPES to better understand the situation of our Clubs and to support Clubs to get through the winter season.

Reductions in some costs were also achieved as follows:

- (i) **Sponsorships** - Music Festival sponsorship \$nil (FY19 \$2,750) and Back to Perisher donation \$255 (FY19 \$700) as those events unfortunately were cancelled due to COVID-19. On the other hand, sadly for the first time, we decided to trial some media advertising to promote Back to Perisher 2020 in the Snowy Mountains Magazine costing \$440 before the effects of COVID-19 hit,
- (ii) **Website** - a reduction from \$2,451 to nil following the major enhancements made to the website in FY19, and
- (iii) **Meetings and travel** - \$1,901 compared to \$3,170 in FY19. This was due to the reduction in the number of face to face meetings, cancellation of the May MSU/EMS meeting in Jindabyne and the use of Webex for SLOPES Committee meetings.

In passing it is worth noting that our reserves built up over time are there to cover an eventuality such as the legal costs incurred this year due to COVID-19 without the need to ask Clubs for specific financial support. The benefit to us all of SLOPES coordinating our efforts on issues of common concern like COVID-19 to Clubs can also be seen – while spending some \$20,000 on legal advice looks like (and is) a lot

of money, in context it represents only \$227 per Club (and might be compared with 88 Clubs each spending say \$5,000 on their individual advices).

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 \$86,104 cash at bank as at 30 June 2020. In the circumstances, the Committee decided not to change the members fee for 2020/21, keeping it at \$275 (unchanged in fact since 2014/15).

2019-20 and COVID-19: 'a year like no other'

This was a year of two halves. The 2019 winter season ran its course as usual.

But later in the year the catastrophic bushfires struck NSW and Victoria, at their height even putting the Perisher Range Resorts at risk. Fortunately there was no impact on property nor life in those Resorts. But of course there were wholesale evacuations of Kosciuszko National Park and prohibitions on access for several months. And, to illustrate the devastating risks of the situation, very sadly the Selwyn Snow Resort, located not all that far away from us as the crow flies, was completely destroyed by the bushfires.

Then, starting in March 2020, the full effect of the COVID-19 pandemic was unleashed on NSW including the Perisher Range Resorts. Early indications were that the 2020 winter season would be a total failure with the Resorts unable to operate at all. Over time, tentatively and step by step and as the uncertainty slowly reduced, the situation improved as restrictions were eased and ways of operating safely were identified.

Clubs had to navigate a complex list of regulations and protocols including the need to put in place COVID Safe Operating Plans. Perisher decided it could open the Perisher Range Resorts on a reduced basis. And most SLOPES Clubs (we estimate around 85%) then opened for the winter season, most at reduced capacity, often at around the 50% occupancy level.

The complexity of the regulatory and compliance landscape was reflected in the number of SLOPES emails to Clubs. The first email to mention COVID-19 was sent to Clubs on 13 March 2020 and simply stated:

Coverage and commentary of the Covid-19 issue is ubiquitous.

SLOPES has received emails from a number of Clubs asking about the issue.

SLOPES Is currently looking into the impact in the context of our lodges and the upcoming winter season.

We plan to issue some guidelines shortly to help Boards in managing their Club's response.

What followed was a torrent of SLOPES emails announcing, disappointingly, the cancellation of one event after another and updating Clubs on how to respond to the latest impact of COVID-19. In all, 87 emails were sent to Clubs between mid-March and the end of September. In the corresponding period in 2019 the number was 35. In the usually quiet pre-season March/April/May period, 36 emails were sent to Clubs in 2020 - compared with 7 in 2019! If it felt like you were receiving daily emails from SLOPES, then you were right – in the 30 days of June, some 25 emails were sent to Clubs!

In the result the resorts and the Clubs that chose to open operated successfully and safely over the entire season – no cases of COVID-19 were encountered so far as we know. This was due to the leadership, hard work and commitment of many stakeholders including Perisher, NSW Health, NPWS and our SLOPES Clubs and their leadership team and boards. Thanks are due to them all. But we especially thank Perisher, their COO Peter Brulisauer and all their staff for keeping things open and running as smoothly as possible in the very challenging circumstances faced due to COVID-19.

As Perisher said in one of its wrap up emails – “*Here’s to a season like no other!*”.

Some Specific Highlights of 2019/20

A reminder of some of the key events since our last AGM affecting the Perisher Range Resorts and our Clubs follows:

- Back to Perisher Weekend 2020 and Peak Music Festival. On 18 March 2020 the Back to Perisher Weekend 2020 was cancelled. This was disappointing after we had held this event successfully for 11 consecutive years since 2009, jointly sponsored by SLOPES and NPWS. The Peak Music Festival also was cancelled on the same day.
- Falls Creek and Hotham resorts in Victoria. In April 2019 Vail Resorts acquired the Falls Creek and Hotham alpine resorts. In response to the COVID-19 lockdown in Melbourne, Vail announced on 9 July 2020 that it had shut those 2 ski fields. They were not to be reopened for the rest of the season.
- AASHA Conference. The Australian Alpine & Snowsports Association (AASHA) Conference to be held over 3-5 April 2020 at Falls Creek was postponed (ie cancelled for 2020) on 14 March 2020. The AASHA conference is a gathering of people from the historical societies of all the major Australian ski resorts.
- One of the worst Perisher ski seasons in memory. Due to the lowest early snow conditions in 20 years the season opened later than usual on 24 June (in 2019 the opening date was amazingly 31 May!). However, late snow meant the season continued into early October, but in very warm conditions.
- Lease Clause 7.9 Services Certifications. The lease clause 7.9 certification process required each Club to provide by the final due date of 30 November 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.
- Trades & Services website page. This new section on the SLOPES website called *Trades & Services* was launched at the 2018 AGM to create a database of Club needs from accountants to workplace health and safety, with others like builders, cleaners, electricians and plumbers in between. Clubs are invited to provide 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. Around 60 SLOPES Participating Clubs have seen a significant reduction in energy costs. In October 2020 a new Energy Bill Buster Program was offered to all Clubs.

- 2019 – SLOPES AGM. More than 80 Club representatives and speakers attended our AGM on 18 November. A couple of key points were presented at the 2019 AGM.
 - Head Lease. NSW Government released a document titled “Perisher Negotiation Update”. This document confirmed it was in head lease negotiations with Perisher/Vail and had agreed on a two-stage process now in progress. It is in Phase 2 that “consultation with key stakeholder groups will be critical” – with specific reference to SLOPES (which has been and will monitor this process very closely on behalf of Clubs – especially as regards the existing user safeguards which need to be put in place as part of a Head Lease). [Note: In September 2020 advice was received that the Head Lease negotiations had come to an end with the issue deferred pending the ongoing SMSAP process - see below.]
 - Iconic Walks Project. Senior Project Officer, Maggie Sutcliff, outlined the concept and vision for various 3 to 5 day walks around the Kosciuszko National Park linking the villages and key attractions.
- Bushfires. January saw KNP closed and wildfires threatening the Perisher Range Resort villages. SLOPES liaised with the authorities to keep members informed, safe and ready.
- COVID-19. The onset of the coronavirus pandemic in March started a whole new level of engagement by SLOPES with and on behalf of Clubs. This included keeping up with the constantly changing rules and restrictions, liaising with NSW Health, NPWS, doctors, testing clinics and others, working through rent and MSU charges relief, JobKeeper and JobSeeker, issues with opening or closing lodges and commercial accommodation, keeping close to Perisher/Vail and seeking extensive legal advice on behalf of Clubs on the best direction for our members on many issues.
- Snowy Mountains Special Activation Precinct (SMSAP). SLOPES has two representatives on the SMSAP community advisory group which is putting forward ideas to create a Masterplan by 2021. The SMSAP vision is “*to increase year-round tourism and make the region an unmissable place to visit any season, any time*”.
- Insurance Review. The 2020/21 renewals under the Marsh program saw major increases in Premiums (on average around 200%) and more limits on coverage. The outcome was even worse in other resorts e.g. Thredbo, Falls Creek and Mt Hotham. SLOPES has commissioned an independent consultant to review the group insurance scheme which has operated successfully since 2003 and to check for value and best conditions for our Clubs. SLOPES will review all possible options, on behalf of Clubs.

Snowy Mountains Special Activation Precinct (SMSAP)

In January 2020 the NSW Department of Planning Industry and Employment (DPIE), initiated the "Snowy Mountains Special Activation Precinct" project (the SMSAP). The project has the potential to lead to substantial investment in public infrastructure in Jindabyne and the resorts, following a master planning process to be undertaken during 2020. The Department has established a Community Advisory Group to provide stakeholder input to the process, SLOPES is represented on the Community Advisory Group.

The SLOPES focus will be to:

- (a) observe, monitor and comment on the process given the various governmental authorities involved and the potential importance of the outcomes to the SMSAP
- (b) assess any likely impacts of development proposals on our Member and Associates, and
- (c) ensure that the interests of our Members and Associates are represented in the master planning process.

By way of reminder see below Q&A material from an earlier SLOPES update email.

To assist in your consideration of this matter please refer to the notes below:

1 What is a Special Activation Precinct (SAP)?

Special Activation Precincts are a new way of planning and delivering infrastructure projects in certain regional locations in NSW, to attract and grow businesses, stimulate the local economy and provide more local employment opportunities. SAPs are unique to regional NSW, and bring together planning and investment to focus on growing jobs and economic activity in an area. Precincts will support industries in line with the competitive advantages and economic strengths of each area. SAPs are unique to regional NSW.

2 Where is a SAP?

So far there is one at Parkes and one at Wagga Wagga. The Snowy Mountains SAP is the third. There may be one or two more.

3 Funding

Importantly SAPs will be delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund (acquired by NSW from the sale of their share of the Snowy Scheme to the Commonwealth).

4 What area is covered by the Snowy Mountains SAP?

The boundary for the SAP is currently defined as Jindabyne and "high visitation areas in Kosciuszko National Park including Thredbo, Perisher and Charlottes Pass" (the reference to Perisher includes

Smiggins and Guthega). This boundary may change as the master planning process proceeds.

5 What is the main goal?

The goal of the Special Activation Precinct is "to increase year-round tourism and make the region an unmissable place to visit any season, any time".

6 What are the key elements?

- *Once a SAP is in place, changes to the planning provisions (by way of a State Environment Planning Policy, a SEPP) will apparently allow fast track approvals for development proposals complying with the SAP master plan. These will be by the Department of Planning, rather than the current responsible authority (Council or Department of Planning)*
- *A master planning and economic analysis process will identify infrastructure investment that can be funded from the Snowy Hydro Legacy Fund. A development corporation is being established to manage this. The focus will be on infrastructure that will facilitate private investment.*
- *The Government will lead a series of studies:*
 - *site master planning to ensure land is being used in the most effective and valuable way*
 - *identifying infrastructure needs*
 - *market analysis and economic forecasts that will uncover opportunities for industry specialisation*
 - *tailored planning instruments.*
- *Government may invest in development, e.g to activate land*
- *A "business concierge" service will be provided by the Government to facilitate business development and investment in the SAP.*

7 Process and timing:

The intent is to have a master plan complete by early 2021 and the SAP, including legislation and funding, in place later that year. Accordingly, this process will take some years to have an impact on aspects like visitor numbers to the region.

8 The "Go Jindy" project

A master planning process for Jindabyne (later extended to include the resorts) titled "Go Jindy" commenced about a year ago. This has been

overtaken by the SAP proposal. Work done on the Go Jindy project provides good background and a running start. It will be absorbed into the SAP process.

9 SLOPES role

- *SLOPES is one of a number of stakeholders (about 30) who are being engaged with the SAP process.*
- *This process is likely to lead to the expenditure of possibly hundreds of millions of dollars. SLOPES, on behalf of its Members and Associates, has an opportunity to participate on their behalf in decision making on this expenditure.*

10 Further information

<https://www.nsw.gov.au/improving-nsw/regional-nsw/snowy-hydro-legacy-fund/activation-precincts/>
<https://www.planning.nsw.gov.au/Plans-for-your-area/Jindabyne>

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

At our AGM we welcome Peter Brulisauer, the Perisher COO. Peter will speak about the Perisher Range Resorts and update us on the difficult and challenging winter 2020 season due to COVID-19 including lessons learned and prospects for 2021.

National Parks & Wildlife Service (NPWS)

At our AGM we will 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 and NPWS also, of course, administers our Club leases.

Department of Planning Industry and Environment (DPIE)

At our AGM we welcome Daniel James who 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”.*

Snowy Mountains Special Activation Precinct (SMSAP) – Special Guest Speaker

As mentioned above the SMSAP is of major importance to our Members.

At our AGM we welcome as our Special Guest Speaker, Rukshan de Silva, Principal Planner at the NSW Department of Planning, Industry and Environment. Rukshan has been leading the Snowy Mountains Special Activation Precinct (and previously, the Go Jindabyne Masterplan). Although he has recently taken up a new appointment as the Director for Regional NSW with the Department's new Planning Delivery Unit, Rukshan has kindly agreed to attend our AGM and speak about the SMSAP.

Marsh/Jardine Lloyd Thompson (JLT) Insurance Program

The insurance program for our Clubs arranged and managed by JLT was renewed in 2020 – despite significant industry and global challenges - and continues to be very successful with a record number of Clubs and some Associates participating this year. The program has operated since 2003. See above for additional comments.

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.

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.

SLOPES Sports Encouragement Awards 2020

In 2020 no awards were made as all racing was cancelled due to COVID-19.

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
6 November 2020

* * * * *

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!

* * * * *

Perisher Valley Fire Station

The current arrangements at the Perisher Valley Fire Station have now operated for the last 7 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.

* * * * *

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.

* * * * *

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).

* * * * *