

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: SLOPES - The Ski Lodges Organisation of Perisher, Smiggins
and Guthega Inc.

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SLOPES

The Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc.

(ABN: 97 748 239 046)

Secretary: Bill Coombes

Mail:

Email: slopes.au@gmail.com

President: Frank Zipfinger

Vice President: David Read

Vice President: Andrew Cutler

SUBMISSION ON THE INQUIRY TITLED "TOURISM IN LOCAL COMMUNITIES" BY THE GENERAL PURPOSE STANDING COMMITTEE No. 3 OF THE LEGISLATIVE COUNCIL OF NSW PARLIAMENT.

**PREPARED BY THE SKI LODGES ASSOCIATION OF PERISHER SMIGGINS AND
GUTHEGA (SLOPES)**

Introduction

SLOPES represents the 88 club ski lodges located the Perisher Range of Kosciuszko National Park. It represents more than 55,000 members of those clubs who participate in and enjoy the sport of skiing. Our member clubs are active promoters of the sport of skiing in NSW.

NSW Alpine Resorts

The NSW ski resorts of Perisher including Smiggins, Blue Cow and Guthega, Thredbo, Charlottes Pass and Selwyn are all located in the Kosciuszko National Park (KNP) in the Monaro district of southern NSW. The club lodges operate under leases from the NSW Minister for the Environment. The leases are administered by the NSW Office of Environment and Heritage.

Of the 690,000 hectares of land in KNP the ski resort areas occupy 2,926 hectares which is only 0.42% of its total area and the resorts are well separated from each other. From that relatively small part of the total land area the activity of skiing attracts over 1 million visitor days annually to the area.

The most recent research into the economic contribution of the alpine area to the local communities of the Monaro and South-East NSW was carried out by the National Institute of economic and Industry Research. In the report dated June 2013 titled The Economic Significance of the Australian Alpine Resorts found that the NSW resorts contributed \$1.2 billion in total gross state product to the NSW economy and created over 9,299 jobs per annum. Most of that income was enjoyed by the Monaro and South-east NSW regions. In fact the KNP Plan of Management and the Walker Report in 2000 following the Thredbo land slide recognise that the alpine resorts are a key regional economic driver.

The economic contribution to the area is not just the support of the visitor days in winter for skiing and in summer for camping and walking in providing accommodation, food and drink services and ski equipment and maintenance services but it is also the maintenance year round of the buildings and facilities that supports a thriving building and building local industry.

Club Lodges

The member Lodges of SLOPES are not for profit sporting clubs. To enable access to the sport of skiing the club lodges provide basic accommodation facilities to which club members and their guests can stay. More importantly it provides for the formation of communities of people with a shared interest in the sport of skiing to meet and enable promotion and enjoyment of the sport and the alpine area generally. Most lodges are self-catering and require members to maintain and clean the lodges. Work parties to the lodges are a common feature of the calendar for the members of club lodges.

Contribution of the Club Lodges to Local Tourism

The more than 55,000 members of the club lodges and their guests contribute significantly to the visitor days in KNP in both summer and winter. They support and contribute to the viability of the commercial operations within KNP including the Alpine Resort Operators such as Perisher Blue Pty Ltd and the many food and drink outlets, the support services such as medical professionals, shopping including grocery lines, ski equipment supply and repair and so on.

The Club Lodges support and contribute to the maintenance of the KNP in the payment of levies and lease fees. Members of Club Lodges pay the entry fees for their regular visiting of the lodges. A core of Office of Environment and Heritage staff are based at Jindabyne and within the Park are supported by the existence of the Club Lodges within the Park.

Climate Change

There is much written on the issue of climate change and its inevitable effects on the sport of skiing. The Club Lodges are aware of the uncertain future but nevertheless seek to maintain their presence in KNP and continued investment in their lodge facilities.

Changes to the Operation of the Club Lodges

In recent years the cost of maintaining a Club Lodge in KNP has been rising out of all proportion. The ever rising costs are resulting in the Club Lodges increasingly being no longer an affordable way in which to enjoy the sport of skiing. The increasing costs are threatening the very reason for their existence to make available the opportunities of the alpine area to a broad range of people. These costs are not just in the levies, lease fees and municipal service charges but also in the increasing demands to upgrade buildings, many of which are more than 50 years old, to standards that are required of new buildings. While upgrade and continued repair and maintenance is essential there are demands placed on club lodges that do not adequately consider the practicalities of both the location and

constraints in KNP. At times a logical interpretation and application of standards is appropriate rather than a slavish impost without adjustment for the circumstances that arise in KNP. For example, in the case of fire safety requirements the priority must be to get people out of the building in an emergency and only secondarily to save the building as distance and topography means emergency services are unlikely to arrive in time.

In addition where once the clubs had a lease with Office of Environment and Heritage for the land on which their lodge was constructed such that they owned the asset of the building through a series of lease changes the clubs no longer own their buildings with the Minister assuming ownership of all improvements. The consequence of this is that the Club lodges have limited financial borrowing capacity to carry out improvement to the lodges. Further the most recent leases have introduced a Turnover tax into the leases which for the most part does not apply to the club lodges but if the club needs to raise funds to carry out improvements to their facilities by way of a levy on members as they cannot borrow the necessary funds the levy income becomes part of turnover and is then taxed.

The circumstances are increasingly testing the viability of the club lodges and the ability of the clubs to improve their facilities. This is compounded with climate change.

Message of this Submission to the Inquiry

SLOPES represents the communities of Club Lodges in the Perisher Range Resorts. Those Club Lodges make a very significant contribution to the local economy of the area in the provision of facilities, the promotion of the sport of skiing and the contribution to tourism visitor days in the area.

The Inquiry must ensure that the very basis of the tourism industry is not undermined by continued government imposts on the sport of skiing and the increasing cost and management impost on the Club Lodges. The viability of the Club Lodges and retention of their role in alpine resorts is essential to tourism in snow sports and other recreational activities in KNP and the subregion generally. The Club Lodges must be recognised as a resource and their role as a key operator in tourism in the area promoted. Their needs to enable them to continue operating and contributing in the area must be acknowledged rather than being viewed as an ongoing "cash cow" for government.

Frank Zipfinger
President
SLOPES