

Guthega Ski Club

PO Box 675, MAWSON ACT 2607

22 October, 2004

Submission to the IPART Review of Infrastructure Pricing at the Perisher Range Resorts

This submission is on behalf of Guthega Ski Club (GSC), a small club which has a 29 bed lodge at Guthega. The lodge was built in 1962 and the Guthega area has now been incorporated into the Perisher Range Resorts.

We take this opportunity to congratulate you on -

- recognising the economic importance of winter visitations to the area;
- promoting an equitable distribution of fees between residential lease holders, commercial lease holders, day visitors and other parties who benefit from Perisher infrastructure;

these two issues are something that we have been trying to highlight for some time.

You are seeking comment on

The appropriateness of the level and structure of current infrastructure fees and charges at Perisher

As you recognise yourself, the snow season is short and therefore the fees are already quite high. At the same time we recognise that the infrastructure is there for the whole of the year, even if not operating at capacity. However, what we would like you to consider is that the club lodges -

- paid a premium when negotiating the first lease,
- paid rent,
- paid another premium when the lease was renewed, and
- continue to pay rent
- pay ongoing municipal services charges, and
- paid, only recently, a levy towards the cost of upgrading the sewerage facilities

In a normal commercial situation, should the payment of rent not entitle the lessee to the infrastructure necessary to enjoy the premises they are leasing?

As well as the above charges members pay for the park entry fees and lift tickets. It is therefore not surprising that we feel that we are paying on 3 fronts, i.e. rent/premium, municipal services fees, and park entry/lift tickets, not to mention the levy when infrastructure is upgraded.

Day visitors meanwhile are merely paying for park entry/lift tickets – and we trust there is an infrastructure/municipal services component in those charges – and if not how are these charges recovered for day visitors? We suspect club lodges make a disproportionate contribution to the provision of the facilities and services available to all.

Likely visitor numbers at Perisher and the factors which influence these visitor numbers

On page 9 under Recommend Prices and Charges –

(i) you ask whether existing customers are “willing-to-pay” and have an “ability-to-pay”

While we appreciate that, as you state, “there are few locations for snow-sports in Australiathe general assumption is that demand for snow-sports is less price-sensitive.....”. There is a limit to this and there is a trend towards spending a winter holiday in NZ, Canada, Europe or the USA. While price-wise a week in NZ compares favourably with a similar holiday in the Australian snowfields, similar stays at other overseas destinations are more expensive and in some cases the choice is a snow holiday every two years, instead of every year. The holiday every two years wins out on many occasions because at these overseas resorts there is more certainty of snow quality/quantity AND visitors are made to feel welcome. There is no monumental queue at a park entry gate and there is easy, convenient transport to the snowfields, or parking. Here, as you have recognised yourself, the road has reached its capacity and in the current review of the Plan of Management for Kosciuszko National Park, consideration of an upgrade of the road was just “blocked” by the comment that it had previously been decided not to upgrade the road. Is a review not there to consider what amendments are required to a previous decision?

There is also mention of “removal and rehabilitation of the former Sawpit Creek Service Station and environs”, if this includes the current overnight parking area that would be very negative as far as creating a welcome environment for visitors. We recognise that we are in a National Park, however, if an increase in visitor numbers and therefore revenue from the snowfields is what you are looking for; facilities to provide an enjoyable experience do need to be provided and visitors need to be made to feel welcome. Entry queues, difficult access and lack of parking are the first impressions.

Other factors relevant to the “ability-to-pay” are the fact that all fees for lodge based accommodation have increased considerably over recent years due to the incredible insurance charges and the fact that most club lodges are getting older and require substantial building maintenance. This together with the increase in charges for municipal services etc are influencing skiers to seek overseas experiences.

On page 8. – 2 Develop Pricing Principles

“e) establish the value of existing infrastructure assets and expenditure by the NSW Government used in the delivery of municipal services, and whether recovery of such value should be reflected in municipal service charges.”

As stated previously, as a club lodge we believe we have already paid for these, by the premiums, rent and levies paid. If this did not cover the costs then we do not believe that fees should be able to be charged retrospectively.

Guthega Ski Club does not have the resources to research what capital works may be necessary for the infrastructure services. We are therefore not able to comment on this and trust that the above comments from the perspective small family oriented club lodge will be of some assistance.

Yours sincerely,



Gisela Thaurer
Secretary – Guthega Ski Club