

HUS - SKI LODGE LTD

ACN 000 286322

ALL CORRESPONDENCE TO:

HUS-SKI LODGE LTD

IPART

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Review of Infrastructure Pricing at the Perisher Range Resorts.

The Hus-Ski Lodge has a family membership of around 100, totalling approximately 400 individuals and the comments in this submission represent the views of our members.

General Comments:

Our costs have risen heavily over the last 10 years, and the proportion of our income that now goes to Rental and MSU charges as well as Insurance and Fire protection does not leave room for further increases. As Lodges get old they have to be heavily maintained and reserves have to be built up to allow for this maintenance work. The building has been in Perisher valley for close to 50 years and maintenance demands must be catered for. Hus-Ski is a family oriented Lodge who serves mainly the family market, this group are looking for lower cost holidays, particularly if they have children to pay for.

We also feel that we pay a disproportionate share of the total costs of running the valley, whereas day trippers just pay their entry fee, with none or little of this going to the MSU costs. We are aware that in Victoria ALL income goes to the snow area. Rents, access gate fees, MSU charges, in total go to the area for development. Some \$6-9m per year. We are a non profit Lodge and work hard to keep costs to the lowest possible to ensure that our members and visitors can enjoy an inexpensive holiday in the snow.

At Thredbo, all RENT, MSU charges, go to the operator. Kosciusko Thredbo for the resort infrastructure. This amounts to some \$4m per year. Gate fees however go to Government. In Perisher, only MSU charges go to the development of the area. Some \$2.5m peryear which the Lodges and the Commercials pay. The rest, rent and gate fees adding up to \$5m/yr go to Government.

We have all being paying rent at 6% a year on land that was supposedly fit for use, with services provided. But now we have to pay for roads, water supplies, sewage plants etc which means that the capital services were not actually provided. Running costs we agree we should pay for, but capital costs are for the benefit of the land owners, the government, and should be paid by the government, not the current users. Add up the differences over 30 years and you have a lot of money that has been treated by NPWS as revenue and diverted to other NSW Parks.

Whilst the Tribunal has placed caveats on comments about lift ticket pricing, expansion of the Perisher Resort, Tenure and Governance and NPWS Policies on entry fees we feel that you cannot adequately address the pricing issues in an unbiased manner unless you take into account these caveats. A fundamental problem relating to this pricing issue is the short sighted and narrow minded policies of both the NPWS and the NSW Government. Two examples are:

Long term diversion of park entry fees to fund up less profitable national parks in NSW, and

The short tenure of leases within the Park, when compared to the typical length of leases in Victoria.

It has been too easy for the NPWS and the Govt to turn a blind eye to the infrastructure requirements for an expanding resort over the last 30 years and at the same time simply divert funds that should have been spent on the Perisher Infrastructure. This same lack of long term forward planning by the Govt is the cause of our current water and energy problems.

We would like to point out that some of the “proposed” Capital works are not, if at all required immediately. WE are firm in the belief that ALL costs for the development of the new Village centre and the additional beds should be well and truly met by the developers and the purchasers of new beds. If they can't meet the costs then they shouldn't be asking to develop/purchase in the first place. We also believe that there is an obligation on State Governments to provide basic services for use by the community and where possible leave a legacy for future generations.

The PRRISS Report

Page 2 states that there is an estimate of \$160 mill over 30 years required for capital and operating expenditure, all Leases in Perisher Valley run out in 2025. There is no guarantee of any Lease renewal past 2025 and if this does not happen then surely any pricing increase to cover this projected expenditure should be capped to the amount of work that **WILL** be achieved in this period. We say “**WILL**” here as the NPWS has been talking about new road surfaces for over ten years but has achieved very little progress. We would strongly object to increased prices that are not immediately reflected in the capital works program.

Page 2 -Issues. The report states that Govt Policy is that costs of municipal infrastructure should be recovered from beneficiaries of that infrastructure. The major beneficiaries of the Perisher Range infrastructure are the winter day visitors, yet their entry fees are channelled off by the NPWS. Based on this Govt policy all money raise in the Park should be spent in the Park.

Page 3. States that the Tribunal will take into account differences between snow resorts. Yet the Tribunal refuses to consider comments on how the Victorian resorts operate. This would appear a little contradictory.

Page 4. Costs to replace the current car park and NPWS office/workshop should all be meet by the developer. Referring back to Govt Policy, the developer will be the sole beneficiary on the new development so the developer should pay.

Page 5. We agree that there should be an equitable distribution of fees and charges but this has never happened to date.

The report on Page 6 regarding variable charges; we operate a Waste Management Room during winter for recyclable material which we then remove ourselves in the summer. This minimises our waste removal costs during winter and if more Lodges operated on this principle there would be no reason for any waste removal increases.

Page 6 also mentions fixed charges; in our opinion these should be based on bed numbers.

P7 The answer to the last bullet point would have to be, not much, if we consider what we have at the moment to be minimum standards.

Page 7 – To provide comments on the appropriateness and structure of fees and charges the Tribunal will have to accept comments on how other ski resorts operate, eg in Victoria.

Page 7 – The members of Hus-Ski are not willing to pay for paved roads within the valley area and will fight to the bitter end to stop any internal roads being cleared in winter.

Page 7 – Factors which are likely to influence visitor numbers. A major factor is the quality and cost of the service provided by the Resort Operator. In the case of Perished Blue the way they operate and run the resort leaves much to be desired.

Yours sincerely

W. Coombes
Secretary,
HUS-SKI Lodge Ltd.