KIANDRA PIONEER SKI CLUB (1870) LIMITED

29 September 2004

The Independent Pricing & Regulatory Tribunal of NSW PO Box Q290 QVB POST OFFICE NSW 1230



Dear Sir/Madam

Review of Infrastructure Pricing at the Perisher Range Resorts

Kiandra Pioneer Ski Club is one of the oldest Ski Clubs in the world, having been established in Kiandra during the Gold Rush in the 1860's. As no one is certain precisely when the Club was established 1870 was adopted as the date by which it had definitely come into existence. In the 1960's it was relocated to Perisher Valley.

The Club is a family based Club with membership based primarily in Sydney and Canberra. Some of its Members worked on the Snowy Mountains Scheme.

The Club Lodge is small with sleeping accommodation for 11 persons only. The Club Lodge is self-managed and Members using the Lodge are required to do all their own cooking and to clean the Lodge before leaving. The Lodge building is a basic timber structure with shared bathrooms, laundry, kitchen and lounge/dining room. Minor repairs and maintenance are carried out by Club Members on a voluntary basis including an annual working bee to carry out painting and other maintenance prior to the commencement of the snow season. Extensions to the Lodge building have in the past been carried out by Club Members on a voluntary basis. Two years ago major extensions were carried out by a licensed builder at the Club's expense.

All Officers of the Club carry out their functions on a voluntary basis and are refunded actual out-of-pocket expenses only. Many expenses, including the cost of telephone calls, postage etc, are not claimed.

The Club's financial philosophy is that all fixed expenses such as rent, community service charges and insurance are paid from an annual subscription payable by all Club Members whether or not they use the Club Lodge. Running costs, in particular heating, water, garbage etc, are payable from accommodation charges payable by Club Members and guests of Club Members who book the Lodge during the year. Major extensions are paid for by the admission of new Members including the admission as members of non-member spouses of existing Members.

Downhill skiing is an expensive sport. The greatest cost is the cost of lift tickets. Lifts are provided by the Resort Operator, which has a monopoly in the Resort in which it operates. Other substantial costs for Members of the Club include accommodation charges, ski tube or park entry and the cost of travelling from home to Perisher Valley. The Club competes with accommodation offered by private Resort Operators in Perisher Valley and private accommodation in Jindabyne and surrounding towns.

As mentioned the sleeping accommodation able to be offered by the Club Is strictly limited. It is a condition of the Club's lease that the Club provide accommodation for no more than eleven (11) Members or their guests and the Club risks forfeiting its lease if it exceeds that number. Private accommodation provided is not usually subject to such restrictions resulting in cheaper accommodation charges per person. Further, accommodation provided by the Resort Operator and commercial lodges usually includes a discount on lift tickets, which the Club, despite the best efforts of the Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc on behalf of the Clu, has not been able to obtain.

The Club has been putting money aside for a number of years in the hope of obtaining either one or three new bed entitlements. The Club has no idea on what basis this may be offered or that the Club will be able to afford to purchase those bed entitlements.

The Club has little difficulty in filling the Lodge from mid-July to the end of August but Members' bookings for September and later are normally delayed until the Members are able to ascertain the quality of the ski season in July/August. Filling the Lodge out of the ski season is difficult and the Club offers substantial discounted accommodation rates out of the ski season. Apart from walking and possibly fishing there is little to do at Perisher Valley out of the ski season.

The provision of accommodation by the Lodge is extremely price sensitive and the Committee of the Club is concerned that any increases will result in the Members and their guests not using the Lodge but being attracted to private accommodation in Perisher Valley, Jindabyne and surrounding towns. Whilst the Club is presently financial the Committee considers that even a small increase in charges may result in Members not using the Lodge and resigning their Membership.

The Committee understands that whilst Thredbo receives most of the monies collected by National Parks and Wildlife Service, particularly from visitors who do not stay in the Park overnight, it is not returned to Perisher Valley and forms part of National Parks and Wildlife Service consolidated revenue.

Yours sincerely

IAN DWYER President