

**TECHNOLOGY SKI CLUB
CO OPERATIVE LIMITED**

TECHNOLOGY LODGE
PERISHER VALLEY
KOSCIUSZKO NAT. PK.
NEW SOUTH WALES

CORRESPONDENCE:
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Perisher Review
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Dear Sirs

Re the Review of infrastructure Pricing at the Perisher Range Resorts

This submission is made on behalf of Technology Ski Club Co-operative Limited (TSC) who operate a 28 bed ski lodge in Perisher Valley. TSC is a tax exempt sporting club devoted to promoting the sport of skiing and is almost 50 years old.

TSC does not in principle disagree with government policy requiring the costs of municipal infrastructure being recovered from the beneficiaries of that infrastructure. However this is clearly not currently occurring in regard to Perisher Valley infrastructure costs. It is our understanding that the costs associated with providing Perisher Valley infrastructure are recovered only via MSU charges from lodges and businesses with leaseholds in Perisher Valley. There is no current recognition in the recovery of infrastructure costs that Perisher Range ski fields host a large number of day visitors, particularly in winter, and that these visitors place a much greater load on most of the infrastructure than lodges. On peak days in excess of 30,000 skiers may be using the Perisher Blue ski fields and it's infrastructure. Of these 30,000 skiers approximately 3-4000 may be accommodated in Perisher Valley itself with the balance being day visitors using either vehicles or the ski tube to travel to Perisher Blue. These visitors (as well as those accommodated in Perisher Valley) pay National Park entry fees in the form of a vehicle fee or as part of their ski tube ticket but no part of these fees are used to provide or support the necessary infrastructure these visitors require. We understand this is not the case with Thredbo or Victorian ski fields.

TSC makes the following summary points for the Tribunal to consider:

- Lodges such as TSC pay 6% of their land valuation as a rental. This is supposed to be for land fit for purpose as a ski lodge site and with provision of services. This should be meeting TSC's share of the capital costs for the provision of infrastructure.
- The very large number of day visitors, which actually cause the peaks, "super Sundays" as mentioned on page 4 of your issues paper, do not make any contribution to infrastructure capital or operating costs.

- Lodges such as TSC and other Perisher lessees currently appear to be solely responsible for meeting infrastructure costs (operating and capital) via MSU charges. This is clearly inequitable. It is pleasing to see that one of the generally adopted principles of the Tribunal as described on page 5 of the issues document is “equity”.
- On page 5 of your issues paper you raise the possibility of introducing a visitor surcharge as per Victorian snow resorts. There is already a surcharge on entry to the Kosciuszko National Park compared to other NSW National Parks with an additional \$20 required for an annual pass and the daily rate of \$16 by far the highest for any park in NSW. Before considering further surcharges it would be useful to understand if the existing revenues raised by the Kosciuszko National Park entry fees (also including proceeds from ski tube tickets) are spent on the Kosciuszko Park.
- TSC believes that portion of the entry fee to the Kosciuszko National Park should be used to provide and maintain infrastructure as described in your issues paper. There is no doubt that infrastructure requirements are visitor driven and it is reasonable for all visitors to contribute to their costs. Note that members of TSC who are accommodated in the ski lodge in Perisher Valley also have to pay the same Kosciuszko entry fees as day visitors. Suggested car parking fees ignore the very large number of visitors that come via the ski tube.
- On page 5 of your issues paper you state that Perisher visitor numbers are mainly concentrated in a very small portion of the year. Note the ski season traditionally runs from the June Queens Birthday long weekend to the Labour day weekend in October with peak numbers in July and August. We do not consider this is a “very small portion of the year”.
- TSC’s annual rental and MSU charges currently represent approximately 20% of its total income. In 2005 GST will be applied to the current rental as part of a rent review. TSC does not make a profit and has to be cost competitive with Victorian and New Zealand ski fields. There is very limited ability to absorb additional cost imposts and offer competitive rates.
- In regard to the proposed Perisher Resort expansion TSC has two comments:
 - Any changes/expansion to infrastructure requirements directly linked to the resort expansion must be paid by the resort as part of the expansion.
 - TSC believes that prima facie the proposed expansion is designed to expand resort occupation during summer and is not likely to dramatically change infrastructure requirements which as stated above we believe are largely driven by day visitors during the ski season.

Technology Ski Club is happy to further elaborate on the above points in any way.

Yours Sincerely

Andrew Dunn
 Director
 Technology Ski Club Co-operative Limited