



Alpine Resorts Working Group
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Alpine Resorts Working Group recommendations arising from Minister Jennings' 'Framework for Discussion' paper

The ARWG met with Minister Gavin Jennings in December 2008 to discuss the State Services Authority report ("**the SSA Report**") into governance of Victorian alpine resorts. While the ARWG representatives were advised by the Minister at that time of some recommendations in the report, the report itself was not released until the end of May 2009. At that time the Minister released his response in a "Framework for Discussion" paper ("**the Paper**").

The ARWG thanks the Minister for his considered response and shares the goals outlined in the Overview of the Paper.

The ARWG suggests that while the current overall structure for management of Victoria's alpine resorts should remain, the powers and funding for the constituent bodies must be urgently reformed through amendment of the Alpine Resorts (Management) Act. We are firmly of the view that without appropriate legislative and regulatory reform, the key goals will not be achieved. These include:

- 1. Lowering the cost to stakeholders in financially viable resorts;**
- 2. The participation by all socio-economic groups in alpine activities; and**
- 3. Community ownership of decision-making.**

The ARWG's response is as follows:

Policy making: To remain with the Department of Sustainability and Environment ("**DSE**") and the Minister.

Governance of alpine resorts: The ARCC to be restructured and given greater legislative authority to create operational efficiencies in the Alpine Resort Management Boards (ARMB). The ARCC should have responsibility for industry development, environmental management, systems, 'umbrella' marketing, setting of social policy and equity including access to and use of the resorts and the provision of resort infrastructure. Government departments (such as DSE & Department of Planning & Community Development (DPCD)) are to take over functions at resorts that can be centralised to reduce costs. For example, legal issues, finance (approval of budgets of each board), insurance matters and issue and renewal of leases.

Composition of ARCC: The ARCC board should consist of chairs of the 4 major resorts and 5 independent members appointed by the Minister in consultation with the Alpine industry and resort stakeholders. The ARWG wishes to work with the Minister in developing open and transparent criteria and procedures for selection of the independent members.

Composition of ARMBs: ARMBs should comprise individuals with both the requisite skills and who are representative of the sport, resort community, ratepayer and chamber of commerce groups and chaired by a professional person appointed by ARCC / Minister. ARMB members to be appointed by the Minister with an open and transparent selection criteria including consultation with resort based stakeholder groups including the lift Companies and VSA.

Role for ARMBs: Collection of rent and service charges, administration of the resorts generally including water and sewerage infrastructure. Close liaison should be encouraged between the ARCC and the ARMBs in marketing (see later recommendation). The boards are to manage and promote the resorts, appoint staff and be responsible to the ARCC for resort administration, services and local resort finances.

Planning: The DPCD should work with DSE to ensure consistency in planning approval processes and provide certainty for all stakeholders including developers about long term planning and development matters at alpine resorts. The DPCD should have responsibility for development plans, strategic planning and the issue of planning permits. The ARMBs should have an advisory role only and no formal role in the planning approval process whether as a referral authority or indirectly through the development approval process (lease tenure).

Day visitor resorts of Lake Mountain and Mt Buffalo: To be managed and funded by the Government, and administered by Parks Victoria.

Infrastructure: All infrastructure costs for the resort should be met by government.

Participation by all socio-economic groups in alpine activities: We support the development of comprehensive policy options and mechanisms "to facilitate equitable access and use of the resorts by people from diverse cultural and socio-economic backgrounds".

As suggested in the SSA Report, the policy should consider rental discounts to provide low cost access to alpine resorts through lower accommodation costs. In addition, all means of support including discounted gate entry fees and programs for school groups should be considered. After collating information on the nature of pricing as suggested in the SSA Report along with other forms of assistance, policy options should be discussed in a position paper.

The ARWG believes the ARCC is best placed to deal with this topic, given its recent dealings with the ARWG and VSA. A Working Group should be set up as soon as possible to steer this important process. The ARWG must be part of the Working Group.

Reviewing of leasing policy: The ARWG supports development of a common model for determining equitable annual service charges and an equitable rental model common across all resorts to take effect when the leases incorporating the ARC/VSA agreement end. The current Minister's leasing policy to be reviewed and to take into account the policy options and mechanisms developed to achieve the key Goal No 2 from the first page of this recommendation document..

Accountability: The ARCC and ARMBs should proactively work in the interests of the community as well as managing and implementing DSE and the Minister's policies. Meetings should be open to the public on the same basis as councils.

Marketing: The ARWG believes the 'umbrella' marketing of the Victorian alpine resorts could be significantly improved by legislative amendments to remove the restrictive policy that currently dictates resort financial contributions and limits the resort input and control of creative strategy which we believe would be better co-ordinated by the ARCC. The competitive marketing of each resort is to be the responsibility of the ARMBs.

Cross subsidy: There should be no cross-subsidy between resorts and the costs of the DSE and ARCC should be financed by the government.

Timetable: With the end of the current boards' tenure in April 2010:

1. Legislation – spring session 2009
2. 2009 set up and appoint ARCC – October 2009
3. Set up and appoint ARMBs – November 2009
4. Change over 1st December 2009

Existing staff members and operations are to continue to 1st December 2009, and then be redeployed if essential to the new structure's plans and operations.



R B Anderson
Chairman
Alpine Resorts Working Group
24th July 2009