

SLOPES - PRCPR management review -online submission additional points.txt
From: Frank Zipfingler <frank.zipfingler@gmail.com>
Sent: Friday, 10 June 2016 10:02 PM
To: OEH NPWS Resort Consultation Mailbox
Cc: Stuart Schramm
Subject: Re: SLOPES - Perisher Range and Charlotte Pass Management Review
-
Joint Submission by SLOPES, Perisher and the Chamber

Dear Stuart

Thank you for acknowledging receipt of the Joint Submission.

There are 2 additional points to be made at this stage by SLOPES on behalf of our Clubs:

1. NPWS 'debt' to NSW Treasury

This issue has been mentioned in the various consultation meetings - and on other occasions eg MSU meetings with NPWS over the past few years.

The amount has never been officially confirmed by OEH. But indications are that it exceeds \$40m.

As you heard, for example at our AGM last year, there is considerable disquiet and concern about this 'debt', why it arose, the accounting treatment behind it, the allocation of relevant revenue and expense streams, how it was created etc.

There is nothing specific in the Joint Submission on this issue.

Although clauses 1.3(e) and 4.2 address some of the concerns in this area.

At the last Sydney consultation meeting my recollection is that you confirmed that the debt recovery objective had been removed from the outcome objectives of the management review.

On that basis no specific reference to the 'debt' has been included in the Joint Submission.

Were it to come back into consideration, SLOPES would have material and strongly felt concerns about that and the implications for the whole management review process.

2. Operation of Club leases under a head lease - sub lessee protections

Were a head lease to be proposed, a major issue for Clubs will be the operation of their leases under a head lessee rather than the NSW government as at present ie what Walker calls the "Inseparable Subsidiary Recommendation".

The Joint Submission addresses this important issue in various places, notably clauses 1.3(c), 2.4(c), 3 and 4.

Clause 3.4 in particular notes that, while lease tenure is satisfactory for most Clubs on the 'new lease' (but by implication not for those which are not);

"the terms and conditions of that tenure under a head lease arrangement are of
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concern and
remain to be considered in detail and satisfactorily resolved".

As clause 2.4(c) states, SLOPES would expect that there would be proper
consultation and
negotiation at the relevant time on such issues.

By way of example, clause 2 of the typical new lease deals with various
circumstances from
resumptions to work performed which are detrimental to the tenant which
detriment does not
give a right to compensation, only to the possibility of a surrender of the
lease. In most
circumstances Clubs and their members could be expected not to want to forego
the lease. And
to want fair compensation as a minimum if the detriment is to apply.

Another example given is the regime under clauses 11.4 and 11.5 dealing with the
lessor's
entitlement to insurance monies and reinstatement of the lodge in the event the
lodge is
destroyed or substantially damaged etc. These clauses manifestly favour the
interests of the
landlord over the tenant and arguably would not be acceptable in an ordinary
commercial
environment.

walker canvasses a range of issues that he identifies as examples falling within
his concept of
Inseparable Subsidiary Recommendation (see attachment 2 of the Joint
Submission).

The walker list is not exhaustive.

And walker's discussion on this point and the list of items he raises, of
course, predate by a
number of years the new leases with their particular terms and conditions.

At this time it is the general principle of the Inseparable Subsidiary
Recommendation that is
clear and supported by SLOPES.

The detailed resolution of it's application to our Clubs' leases remains to be
addressed (by proper
consultation and negotiation) down the track if the head lease option is to be
pursued by OEH.

Regards

Frank Zipfinger
President
SLOPES

On 7 June 2016 at 11:36, Frank Zipfinger <frank.zipfinger@gmail.com> wrote:
Dear Stuart

Attached is the SLOPES submission regarding the Management Review.

It is a joint submission with the Chamber and Perisher.

SLOPES has consulted widely with the 88 Clubs which it represents.

Only one Club has indicated that it disagrees with the SLOPES position and that
it will lodge
it's own submission on that account.

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In broad terms, as communicated to SLOPES, we understand that Club says it is happy with the status quo, considers that the governance review is not a good initiative and is opposed to a head lease.

Apart from that, SLOPES considers that the submission now lodged with OEH is strongly supported by the remainder of our Clubs.

If you have any questions or need anything else from SLOPES, please let me know.

Regards

Frank Zipfinger
President
SLOPES