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STRAIGHTTALK

STAKEHOLDER AND COMMUNITY ENGAGEMENT

Online submissions analysis

Report

November 2016



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Document

Stakeholder and community engagement: online submissions analysis

Client

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1. INTRODUCTION

The NSW National Parks and Wildlife Service (NPWS) has a responsibility to manage more than 850 protected areas in NSW, covering over seven million hectares and representing around eight per cent of the land area of the state. This includes national parks, nature reserves, World Heritage areas, rainforests, beaches, alpine areas, and sites of great cultural and historic significance. Management of these areas involves a wide range of responsibilities, including plant and animal conservation, fire management, sustainable tourism and visitation, research, education, volunteering programs and more.

In relation to Kosciuszko National Park, NPWS has some additional responsibilities, specifically the overall management and day-to-day operational responsibilities for the Perisher Range Resorts. These responsibilities include: lease management (for 126 club and commercial lodge leases, and the Consolidated Mountain Lease over the resorts' ski lifts and other infrastructure); and the delivery of community, municipal and utility infrastructure services, such as water, sewerage and storm water services, internal roads, and solid waste collection and disposal. NPWS also provides waste disposal services to Charlotte Pass Resort.

None of these activities are seen as core business for NPWS in the future. Government is looking to the private sector for a model to deliver these important services and increase investment and visitation, through additional year-round activities. Consequently, a review of the management arrangements for the Resorts is underway, following the NSW Government's approval of the commencement of a three-stage market process to identify a private sector proponent to take on the day-to-day operational responsibilities for the resorts.

The first stage of the management review is stakeholder and community engagement, to ensure their views are known and inform Government's decision on the proposed management model it will take to the market. To that end, three workshops were undertaken in early March, one with local community members and two with stakeholders. During these workshops participants provided feedback on their general views of, and concerns about, the review and the factors Government should consider in its decision making. A report of this first round of consultation is available on the project webpage at:

<http://www.environment.nsw.gov.au/resources/protectedareas/perisher/stakeholder-and-community-workshop-outcomes-mar2016.pdf>.

In order to capture more specific feedback about Government's vision for the resorts and the potential management models that could apply, a second round of stakeholder workshops were held in mid-April. A concise report which provides a summary of the stakeholder feedback received during the April workshops is also available on the project webpage at:

<http://www.environment.nsw.gov.au/resources/protectedareas/perisher/stakeholder-workshop-two-outcomes-may-2016.pdf>.

Finally, online submissions were open to all stakeholders via the project webpage to ensure stakeholders who were unable to attend the workshop sessions could provide feedback into the review. Submissions were accepted from Monday 18 April until Friday 10 June 2016.

This concise report provides a summary of the stakeholder feedback received from these online submissions.

2. METHODOLOGY

2.1. Feedback collection

In order to capture feedback from stakeholders who were unable to attend a workshop and/or wanted to make additional comment, an online submissions portal was opened on the project webpage. Initially, the intention was for the submissions portal to be open from Monday 18 April until Tuesday 31 May 2016, however the deadline for submissions was extended until Friday 10 June 2016.

Participants were invited to answer the following five questions via the portal:

1. What are your concerns about changing management arrangements?
2. To be worth coming to, what do the resorts need?
3. What factors does Government need to consider when making the decision about new management arrangements?
4. The Vision Statement is: NSW Government has a vision for the Perisher Range and Charlotte Pass Resorts to create a world class tourism destination with year-round visitor activities that are financially sustainable and, given its location in Kosciuszko National Park, environmentally responsible. Is the vision still valid? Has anything been left out of the vision?
5. What are the key characteristics that you would need to see for each option? (details of option provided)

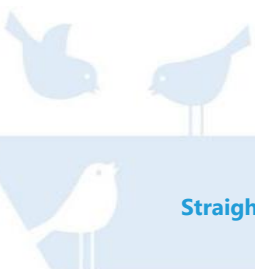
The portal also provided the opportunity for participants to provide 'other comments' and to upload attachments.

A total of 36 submissions were received, including six which had been emailed directly to the project team. Of the 36 submissions, 20 responded directly to some or all of the above questions and one did not contain any content. A further 15 submissions were made via attachments (which, in the most part, did not directly respond to the above questions).

Feedback was received from 14 organisations, including lodges, ski clubs, representative groups and an environmental group. The remaining submissions were received from community members and individual lessees.

2.2. Feedback analysis

All feedback was reviewed to identify the key points being made and these points were then summarised under the five questions. Although the submissions made by attachments did not, in the most part, directly address the five questions, the key points that aligned to questions were allocated against those and the remaining key points were summarised under 'other comments'. This allowed for all submissions to be assessed collectively and for any themes in comments and concerns to be identified.



3. SUMMARY OF SUBMISSIONS

3.1. Introduction

When considering this summary of the online submissions received it is important to be aware of two significant matters.

Firstly, in many cases the online submissions received addressed some specific issues related to individual leases, circumstance or interests in the resorts, and provided quite detailed information about those specific concerns. The very specific nature of some of the content made summarising the feedback challenging.

Similarly, in some circumstances, this content also contained material that could be considered to be of a commercial-in-confidence nature or provided details that could identify the respondents.

Given the online submission process is a 'one-way' communication process, rather than a moderated 'two-way' communication process like the earlier workshops, the content often provided personal opinions, which may contain factual inaccuracies. Consequently, the summary provided below has been drafted to provide a 'flavour' of the feedback provided and the views expressed by online respondents, rather than specific detail.

Secondly, when it was reviewed the feedback received through the online submission process was seen to reflect two general approaches to the management review itself. These were:

- 👉 Those whose comments imply they support the management review
- 👉 Those who explicitly identified that they do not support the underlying assumptions of the review, its intent and the extent of the stakeholder engagement that has been undertaken to-date in support of it.

For the purposes of this report, these two general views will be treated separately.

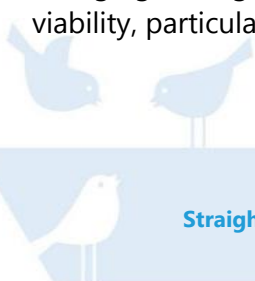
3.2. Feedback supporting review

Of the submissions received, 22 provided feedback which implied respondents generally supported the review. These respondents included representative groups, clubs and lodges, and individuals who appear to be current lessees or resort users. A few of these respondents identified they were from Charlotte Pass.

Following is a summary of the views and opinions these respondents provided.

3.2.1. What are your concerns about changing management arrangements?

Although a range of different concerns were raised, the most commonly raised concern was related to how changing management arrangements would impact on costs and the effect this would have on financial viability, particularly for smaller lodges.



For Charlotte Pass, lease uncertainty and delays in lease renewal were the most commonly raised concern.

- 🔥 Increased costs and the financial viability of smaller lodges
- 🔥 Management responsibilities need to be identified
- 🔥 NPWS should still control the area and receive funds from leases
- 🔥 Transparency of 'fee for service' arrangements
- 🔥 Clarity about the implications of year round activities
- 🔥 Operating efficiency and commercial approach
- 🔥 Increased reporting requirements
- 🔥 Ongoing role of SLOPES
- 🔥 Not focusing on the core issue of best governance model and getting side-tracked by other, lesser issues
- 🔥 Ongoing affordability of snow sports
- 🔥 The debt and how and why it arose, particularly if it came back into consideration as part of this review.

Concerns specifically related to Charlotte Pass:

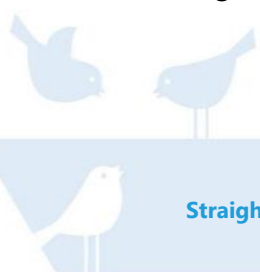
- 🔥 Impact of bed limit on the viability of Charlotte Pass Village
- 🔥 Lease uncertainty and its impact on club membership, and their financial capacity
- 🔥 Aligning delivery of services at Perisher with the head lease renewal at Charlotte Pass
- 🔥 Delays in lease renewal and its impact.

3.2.2. To be worth coming to, what do the resorts need?

A number of ideas were raised by respondents in relation to making the resorts worth coming back to, a significant proportion of which related to increased facilities and improved amenity.

Following is a summary of the views and opinions these respondents provided:

- 🔥 Significant investment
- 🔥 Better and/or expanded facilities and amenities:
 - Open mountain/back country, better lifts, large car parks at base of lifts for Perisher and Guthega
 - Non-snow facilities:
 - Golf, tennis, cycle lane, accessible nature trail, eco-trails, roller-ski track on XC trail, mountain bike trails, biathlon range (including shooting range)
 - Summer chairlifts
 - Amenities:
 - Grocery store, fishing outlets, public toilets, cafes, NBN, 5-star hotel, bars
 - Evening entertainment



- Transport:
 - Free shuttle bus
 - Year-round road to Charlotte Pass Village

🔥 Year-round activities

- Horse riding, rafting, astronomy

🔥 Removal of infrastructure as patronage drops due to climate change impacts and use accommodation for other purposes

🔥 NPWS staff on-site to provide information

🔥 More snowmaking

🔥 Opportunities for all levels of athlete (ability), including schools' competitions

🔥 Remaining affordable, and providing reliable, affordable services

🔥 Smaller lodges

🔥 New village at Island Bend

🔥 Nuanced, sophisticated, coordinated planning and implementation of a balanced development/environment approach.

3.2.3. What factors does Government need to consider when making the decision about new management arrangements?

A wide-range of factors for consideration were identified by respondents. The majority of these factors, but not all, can be allocated to four categories, as indicated below:

🔥 Financial impact

- Ensuring year-round activation is not cost-prohibitive for clubs
- Cost baseline to change governance and measure future success
- Fees and charges to be consistent with cost of delivery, not profit making
- Greater use of facilities will reduce operational and maintenance unit costs, and summer visitation will enable new services
- Concrete roads have lower annual maintenance costs

🔥 Impact on clubs

- Livelihood of small clubs
- Lease certainty to grow club membership
- Recognition of role of clubs, the uniqueness of snow businesses and their expertise

🔥 Strategic outcomes

- No hidden agendas, allow lessee, SLOPES, peak body and snow sport association input and involvement in decision making, and focus on long-term vision not political, financial and other considerations

- An implementable outcome
- Need to ensure long-term development and financial sustainability
- New entity to have the capacity to sustain services at appropriate standard and undertake urgent repairs

👉 Leasing arrangements

- Head lease and sub-lease arrangement most appropriate for CP
- Walker report remains relevant to this review, particularly his 'Inseparable Subsidiary Recommendation'

👉 Balancing environmental protection with public access

👉 Focus on what NPWS does well

👉 Affect changes will have on XC trail and nordic shelter.

3.2.4. Is the vision still valid? Has anything been left out of the vision?

The vast majority of these respondents supported the vision and, to a lesser extent, year-round activation. However, in most cases, the support was conditional on a range of provisos. A number of issues were also raised about the vision which as summarised below.

👉 Support for the vision and year-round activation but it needs:

- A realistic timeframe
- To be financially viable
- To be supported by sustainable development
- A governance model that is conducive to investment

👉 The vision:

- Is missing the historic importance of the KNP resorts
- Needs to ensure the area's unique assets and heritage are retained

👉 Summer visitors are valuable but yield lower revenue margins

👉 Park's primary purpose is protecting the environment

👉 Year-round activation is not financially sustainable and requires significant long-term investment

👉 A more appropriate vision for CP would be a sustainable operation for this unique destination.

3.2.5. What are the key characteristics that you would need to see for each option?

This question sought feedback on the four potential management options being considered. These options are:

Option 1 – head lease

- 👉 Head lessee would take on single accountability for integrated planning and delivery of all operations
- 👉 Existing lessees will become sub-lessees

- 👉 Would need to meet requirements (KPIs) set by OEH as part of contract (ie year-round activation, operational improvements, environmental outcomes)
- 👉 Could be two head lessees.

Option 2 – management agreement

- 👉 Leases and municipal services would still sit with OEH
- 👉 Partner(s), through a contract, would manage the Perisher Range Resorts and Charlotte Pass Village
- 👉 Would deliver year-round activation and potentially improvements to the village as a whole.

Option 3 – hybrid head lease/management agreement

- 👉 Potentially a head lease over current leases and a management agreement over the Perisher village development and some other activities, where OEH steps back from day to day management of leases and municipal services
- 👉 Could still deliver the year-round activation and improvements required, depending on the arrangement.

Option 4 – Status quo

- 👉 Should the market show no appetite, or should there be no offer that Government finds attractive, the status quo will prevail
- 👉 This will mean OEH will continue to remain responsible for leases and municipal services
- 👉 OEH will reconvene the IPART process and this is likely to recalibrate prices for those services.

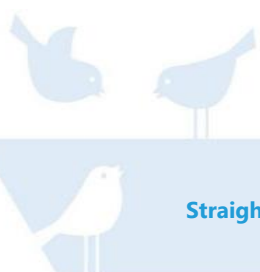
Generally speaking, the feedback received indicated the key characteristics participants thought needed to be addressed by the final management option, rather than the characteristics participants thought were needed for each specific option.

Some respondents did indicate a preference for a particular option or identified the option/s they did not think appropriate. Of those respondents who did indicate their support, or otherwise, for one of the four options, option one (head lease) was the most supported option, while option four (status quo) was identified as being unacceptable by a number of respondents.

The majority of respondents were silent about option two (management agreement) and three (hybrid head lease/management agreement), although support for these two options was identified by one respondent each.

Feedback related to option key characteristics can be summarised as:

- 👉 Environmental considerations:
 - Right mix of year round activities and environmental protection
 - Reliable environmental monitoring
 - Balance expansion with environmental protection
 - KPIs to benchmark performance



🔥 Financial implications:

- Sustainable non-winter activities
- Full transparency of financial components, both revenue from KNP and leases, and municipal services costs, and a more equitable distribution of costs
- Access to snowfields to remain at an affordable level, with no negative impact on snow sport participation, especially schools' competitions
- More affordable shuttle service
- Option not to increase administration costs
- Ideas demonstrated to be not viable by the market engagement process not to be forced onto operator
- No recommissioning of IPART or reconsideration of the debt

🔥 Lease arrangements:

- Head lease considerations as per the Walker Report
- Sub-lessees to input to critical terms and conditions of lease/sub-leases
- Simple, cost effective dispute resolution mechanism
- Non-government proponent, private enterprise to allow future development
- Head lease not to direct part of sub-lessees' revenue

🔥 Facilities to be developed and maintained

🔥 Promote to world market.

Feedback relating directly to Charlotte Pass can be summarised as:

- 🔥 Expansion of bed numbers to allow redevelopment and expansion of facilities
- 🔥 Lease security to ensure club/lodge viability
- 🔥 End inequity of treatment and provide similar conditions and lease terms as lease/sub-leases at Perisher
- 🔥 One head lease over both Perisher and Charlotte Pass is not appropriate.

3.2.6. Other comments

Generally speaking, the feedback provided in 'other comments' reinforces key points made in response to previous questions. This feedback can be summarised as:

🔥 Delivery of vision:

- Current model is not conducive to delivering vision, and is inadequate and dysfunctional
- Head lease is the only model to deliver the vision
- NPWS should be a business partner, and not 'big brother' in the delivery of the vision
- Summer activation has been a long-term vision and nothing has eventuated, NPWS/OEH to focus on what they are good at and outsource the rest and partner to make resorts year-round



👉 Financial implications:

- Day trippers to share burden of cost sharing
- Cost should be transparent and justified on a fair commercial basis
- Smaller lodges barely able to survive the cost compliance impost
- Leaseholders should know cost to run park (is KNP funding other parks?)

👉 Lease arrangements:

- The Walker Report remains valid
- Must seriously consider previous undertakings by NPWS about reasonable sub-lease terms against which business decisions have been taken
- Separate head lease for Perisher and Charlotte Pass will allow a focussed approach and support competition
- This review has impacted negatively on Charlotte Pass lessee and sub-lessees unfairly, the combined review process has created an impractical timeframe and means bookings cannot be taken for the 2018 season during 2017 while matter is being resolved
- Charlotte Pass lease renewal process has been ongoing for seven years and requirements have continued to change; lack of resolution has created uncertainty for all

👉 Strongly oppose the recommissioning of IPART which is demonstrably flawed

👉 Potential proponents to be made aware of stakeholder views for consideration in their response to EOI/tender.

3.3. Feedback questioning review

In total, 13 submissions were received which raised questions and concerns about the management review and its intent, and the lack of open community consultation that has been undertaken to-date in support of the review. These submissions appear to be from community members who are not lessees and who have a strong concern for the environment and protecting the environmental values of Kosciuszko National Park (KNP).

In the main, respondents did provide their comments under the five questions on the submissions portal. However, the following summary of the points they raised is not presented in those terms, as it would be an artificial categorisation of their feedback. Instead, this summary of the feedback received is based on the key concerns and issues raised in the submissions.

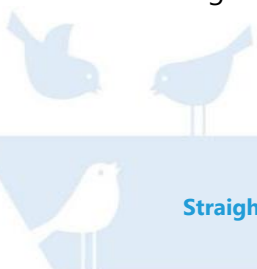
Following is a summary of the views and opinions provided by respondents who questioned the review.

Proposal to expand the resorts

A number of comments related to the potential expansion of the resorts, which can be summarised as:

👉 Plans to expand the resorts:

- Endanger the current balance between environmental protection and human activity



- Are not acceptable and are contrary to NPWS policy about urban villages in national parks. The current exception of resorts in KNP was driven by snow-based recreation and now that the snow is disappearing the exception ceases to be valid
- 👉 As per current NPWS policy, accommodation will not be provided on reserve land when facilities are available in nearby areas
- 👉 There should be no expansion of the resorts or development of non-snow recreational facilities - such as a golf course (which requires high levels of fertiliser and pesticide use) or tennis courts, which are not appropriate and are contrary to the National Parks and Wildlife Act 1974 (NSW)
- 👉 The resorts should be contracting, not expanding. Facilities with high environmental impact should be removed and lessees should fully fund the cost of their environmental impact
- 👉 KNP resorts should not compete with those overseas
- 👉 Status quo should be maintained until snow resorts are no longer viable and are phased out.

Inappropriateness of vision

Respondents also expressed views about the proposed vision:

- 👉 The vision is not an appropriate one for a national park as it ignores its primary purpose. The vision is missing a future focus - what we are leaving for the next generation
- 👉 The vision is outdated and not ecologically sustainable. Ecosystems are already under threat, and the impact of climate change will only exacerbate the threat. Their protection should be the number one priority in KNP and the effect of climate change and extreme weather should be constantly monitored
- 👉 The vision should be to repair environmental damage and better manage biodiversity.

Opposition to a commercial approach to KNP

Concern about taking a commercial approach to KNP was also raised by respondents:

- 👉 KNP should not be financially sustainable as it compromises its purpose as a national park
- 👉 National parks are not for sale. No national park should be used to raise revenue at the expense of the environment it is there to protect
- 👉 Placing national parks in the hands of developers destroys safe areas for preservation
- 👉 Do not support going to market and seeking attractive offers
- 👉 There should be no leases or concessions to expand the resort boundary or the development envelope, including extended ski areas or expanding snowmaking
- 👉 No head lease or resource security provisions being granted in KNP
- 👉 Resorts must accept conservation and heritage values.

Appropriate priorities for KNP and park management

Respondents also provided comments about priorities for KNP and its management:

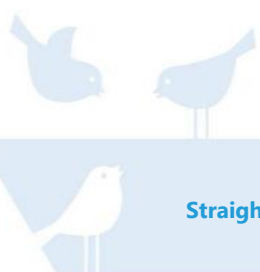
- 👉 The impact of climate change and increased stressors on alpine flora and fauna must be considered
- 👉 NPWS/OEH should remain responsible for the resorts (no head lease), and they should be about safety, accessibility and the fair treatment of lessees, and not about profit

- 🦋 As a significant public asset, the planning and management of KNP must be in the public interest, as per the NSW Public Sector Governance Framework
- 🦋 Maintain pristine environment to attract visitors and offer low impact activities, provide the right mix of sustainable, year-round activities and environmental protection
- 🦋 Viability of ecosystems, including threatened species and communities must be prioritised in KNP
- 🦋 OEH to continue to manage and give national park values proper attention
- 🦋 IPART should be reconvened to assess the economic future of resorts in KNP, including the cost/benefits of the ecological consequences of proposed uses
- 🦋 All legislation and policy relating to the resorts must be reviewed to:
 - maximise the ability of ecosystems to survive (increasing negative impacts of climate change)
 - maximise intergenerational equity - governance must protect natural environment for future generations
- 🦋 Perisher Range Resorts Masterplan must be reviewed as it is out of date and does not reflect current scientific evidence, particularly in relation to climate change
- 🦋 Masterplan does not address the impacts of climate change and the reduction of snow cover (which has been displaying a downward trend over past 60 years) on alpine ecosystems and the resultant changes in fire regimes, feral animals and weeds.

Concerns about the management review process

Finally, respondents also raised their concerns about the review process itself:

- 🦋 Public sessions should be held about the review for community participation and the definition of 'stakeholder' must be expanded, to include those with broader interests, and their full participation must be included in stakeholder sessions
- 🦋 Key dates of review:
 - Presumes community support of expansion plans and do not provide sufficient time for appropriate review of contrary positions
 - Influenced by legal requirements of Perisher Blue P/L (PB), and the lapsing of its DA
- 🦋 Reviews seems to be setting up resource security for PB, which is not in the public interest
- 🦋 Government is short-sighted and greedy
- 🦋 Process lacks transparency, participation has been by invitation only and is based on private interests
- 🦋 Acting in the public interest is a fundamental principle of responsible government.



4. CONCLUSION

The online submissions received provided a range of different views about the management review and the potential management options under consideration. In many cases, submissions contained quite specific information about stakeholder concerns which reflect the nature of their business and/or interest in the resorts. In the case of lessees and sub-lessees, some of the submissions received contained information which could be considered to be of a commercial-in-confidence nature. Consequently, the feedback received was quite disparate, which made summarising comments for this report challenging.

However, the feedback received through the online submissions did demonstrate that:

- 👉 Respondents had a variety of different concerns about changing management arrangement and ideas for making the resorts worth coming back to
- 👉 Respondents had a number of different ideas about how to make the resorts to be worth coming back to. Most commonly, these were related to investing in the resorts to improve and/or expand the facilities and amenities that are available, and the type of year-round activities that could be offered
- 👉 The most commonly raised factors that respondents identified government should consider when making a decision about new management arrangements were the:
 - Financial impact of new arrangements
 - Impact new arrangements would have on clubs
 - Strategic outcomes that would be achieved by the new arrangements
 - Leasing arrangements under the new management option
- 👉 Questions were raised by respondents about the proposed vision for the resort, particularly in relation to its feasibility and the timeframe in which it could realistically be achieved. Participants also identified some aspects they believed the vision should address
- 👉 No potential management option was universally supported, although those respondents who did indicate a preference most commonly identified option one (head lease) as most preferred; and option four (maintaining the status quo) was identified as the least preferred option by some. A range of different characteristics of the management option were also identified by respondents
- 👉 A number of respondents questioned the review itself and indicated that they did not support its intent or the assumptions and the proposed vision upon which it is based. Fundamental to this was the view that the review was contrary to the purpose of the national park. These respondents also raised concerns about the amount of community engagement about the review that has been undertaken to date.

