

**Name: David Walsh**

**Organisation: Kiewa View (Self-catering accommodation Mount Beauty)**

Phone: 03-9337-7700

Address: Postal address

69 Mc Cracken St

Essendon

Vic 3040

Accommodation Location

Lakeside Ave

Mount Beauty

Email: admin@kiewaview.com

Comments:

There is a problem in Victoria in the way the alpine resorts are managed. They appear to be run by the on-mountain operators for the benefit of the on-mountain operators. The people who are running the resorts appear to forget they are essentially on public land with a franchise from the government to operate and to a large extent have been developed with public funds through the old SEC, Lands Department and Forest Commission, government funded access roads and decades of government grants.

Even compared to New South Wales resorts the key Victorian resorts are very exclusive of off-mountain accommodation where as NSW resorts are very inclusive of off-mountain accommodation which is demonstrated by the high proportion of visitors staying at towns such as Jindabyne yet using the resorts.

Some symptoms of these policies are;

- Highest resort entry charges in the world.
- Lift prices double comparative overseas levels
- Lack of seasonal pricing

The alpine resort policies are the old airline industry model before discount airline competition. It is one of high margin low volume. Airline competition has now given us an industry model across the world of low margin high volume. Just like it was changes to government regulation which broke-up the airline closed shop and created open skies, it will take government legislative changes to open up and expand Alpine Tourism in Victoria.

Example

On-Mountain Daily Cost

Lift Ticket = \$136

Accommodation & Lodge Meal = \$140

Total = \$276

Off-Mountain Daily Cost

Lift Ticket = \$136

Accommodation & Self-cater meal = \$30

Total = \$166

Notes.

The falls Creek lift company eliminated high and low season lift ticket pricing in 2006 and went to flat high season pricing across the whole season. They provided discounted lift ticket sales to on-mountain accommodation operators to package with accommodation deals but refused to sell these to off-mountain accommodation operators. Even if the lift company did make the package deals available to off-mountain accommodation operators many would

have difficulty using them as most sell their accommodation per night for a house or flat and not per person.

Impacts.

Because there are absolute limits on the total number of on-mountain beds a high margin low volume model has some attraction to on-mountain operators. Current policies make it difficult for off-mountain accommodation operators to make their optimum contribution to expanding the alpine tourism market. For example the accommodation component of the \$166 per day when staying off-mountain may be \$15. If an off-mountain operator cuts their price component by 50% in a low season promotion it is a saving to the tourist of \$7.50 in a total cost of \$166 a negligible half percent saving to the tourist. Whereas if the on-mountain operator cuts their accommodation component by 20% the lift company will let them sell a discounted lift ticket so the cost to the tourist may be 25% lower than high season.

There are not the same physical and environmental constraints restricting the expansion of off-mountain accommodation. Victorian off-mountain accommodation operators could make a much greater contribution to expanding the tourism industry if more open and competitive structures and pricing existed within the alpine resorts.

Formal: Formal