

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### Inquiry into rural and regional tourism

Mansfield — 30 August 2007

#### Members

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Research Officer: Dr C. Hercus

#### Witnesses

Mr P. Nunn, chief executive officer, and

Mr G. Plant, senior manager, marketing and strategic growth, Mount Buller and Mount Stirling Alpine Resort Management Board; and

Mr L. Blampied, general manager, Buller Ski Lifts Pty Ltd.

**The CHAIR** — This is the Victorian Parliament Rural and Regional Committee inquiry into rural and regional tourism. All evidence given today is protected by parliamentary privilege and that is afforded to you under the Committees Act 2003, the Constitution Act 1975 and also the Defamation Act 2005. Any evidence given outside the hearings is not covered by parliamentary privilege, so we need to be careful about repeating anything that you say today, outside. Before we get started, I ask you to give us your full names and addresses, the name of the organisation you are representing here today, and then I hand over to you.

**Mr BLAMPIED** — I live at [detail removed] and I am the general manager of Buller Ski Lifts.

**Mr NUNN** — I live at [detail removed] and I am the chief executive officer of the Mount Buller and Mount Stirling Alpine Resort Management Board.

**Mr PLANT** — I live at [detail removed] and I am the senior manager of strategic growth and marketing for the Mount Buller and Mount Stirling Alpine Resort Management Board.

**Mr NUNN** — First of all, thank you for the invitation to participate in this process. We have gathered three of the people primarily responsible for tourism into the Mount Buller resort to speak to you this afternoon. We hope the inquiry understands the importance of Mount Buller. We attract something like 360 000 visitors per year to the resort — or resorts, because we are also responsible for Mount Stirling. We are going to focus a little on Mount Buller today rather than the Mount Stirling aspect of it, because to be honest the resort management board is still grappling with the challenges that Mount Stirling provides to us. We are not ready yet to share our wisdom about that, but we look forward to developing a strategy over the near future and look to the growth or the better use of that resort for tourism in this region.

Most of our visitors come to Mount Buller during the snow season. The 10-year average shows that we get about 230 000 visitors during the snow season and that translates into about 425 000 visitor days. If you translate that through to the economic importance of Mount Buller to the region, the economic impact study conducted by the Alpine Resorts Coordinating Council in 2006 showed that that visitation contributes about \$49 million to the gross domestic product of Victoria; so we are a very significant stimulator of economic activity and we would like that to continue. We think we can do that notwithstanding the challenges of climate change and the alternate tourism offers.

We, as a resort management board, have been fortunate that we have been able to work very cooperatively with our major leaseholder, Buller Ski Lifts — but not only Buller Ski Lifts, also the other people who operate on the mountain as well: the various individual commercial operators, whether they be accommodation providers, alternate leisure activity providers or restaurant owners, and also all of the people who own private clubs and apartments. We have got what we think is a very constructive relationship to enhance Mount Buller as a tourism destination. Laurie will speak more about his company's commitment to Mount Buller a little later

I think I have covered very broadly how the economic benefits are provided to Victoria from Mount Buller. We see the major challenges facing Buller being the impact of climate change, the shorter snow season, but we believe that we have got on the front foot with that and through the investment by ourselves, and to a greater extent the lift company and snowmaking infrastructure, we can ameliorate the impact of that loss of snow through snowmaking. Last year, the worst season in about 30 years, we still managed to ski about 100 days when, if we had just relied on natural snowfall, we would have skied about 4 days.

If you look at the visitation numbers we were still at about 75 per cent of the 10-year average last year, when, if you had gone back to four days of skiable snow, it would have decimated not only the Mount Buller economy but also the regional economies. Those regional economies are not just Mansfield, it is that whole feeder zone, whether people come up through the Yarra Valley, through Yea, or via the Hume freeway. People stop in those towns and spend money, whether it be on petrol, food, or lodgings.

**The CHAIR** — Just while you are on that, has that ever been quantified, as a nearly direct spin off to those towns on the way through?

**Mr NUNN** — That \$49 million that I alluded to earlier, my understanding is that is — —

**The CHAIR** — A proportion of that? Sure.

**Mr NUNN** — And that economic impact study actually does allocate spends between Buller, Mansfield and the broader catchment.

**The CHAIR** — Sorry to interrupt you.

**Mr NUNN** — That is okay. We have alluded to snowmaking being one of the things that we are trying to do to protect our tourism base because that is important during winter, but what we are trying to do as a resort management board, is to follow the government's 2020 strategy and develop the place as a year-round tourism destination. In the last 12 months or so the resort management board has acquired the La Trobe University building. La Trobe closed its campus, which had a fairly severe impact on the year-round population for Mount Buller. We self-funded the purchase of that and we are looking to continue the operation of that building as a base for the provision of education on Buller, whether it be through the winter season for the primary school and for a secondary tutoring service that operates from there, but also to have it seen as an occasional campus for students wanting to come for an alpine adventure experience. One of the uses for that building is to continue to promote educational tourism into the region.

It also provides lots of community benefit and it adds to the array of offer that we are able to make during the snow season so that if people get sick of skiing, there is something else to do: go to the gym, the cinema, the sports hall. It is a huge building that provides a lot of opportunity for us. We think that acquisition has been a positive in terms of the long-term tourism strategy for the resort, but we are also looking at developing, and we have developed, an arts culture and heritage strategy in conjunction with the Mansfield shire to provide an array of cultural activity that people enjoy. For instance, we have had a couple of small concerts this year in the chapel featuring very well-known artists, and people have actually come during the winter season, not to ski but to enjoy those artists. We see that as being at a very early stage of what could be a significant add to the snow tourism. That sort of cultural activity can go on year round. We are working with our friends at Mansfield shire to continue to promote that.

On top of that we have developed what we think is a very comprehensive leisure activity program featuring cycling and mountain biking. We have invested heavily in the design of a comprehensive mountain bike trail network, and we are just starting on the construction of that this year. We see a fairly significant network of mountain biking trails that will go from Buller across towards Stirling, and that will complement the downhill offer that Laurie and his lift company provide.

There are some downhill mountain biking trails. The significant competitive advantage we have over other mountain biking venues is the capacity for us to use a lifting system to get the people back up rather than jumping on the back of a ute or whatever to get the people back up the mountain. Again, we think with the increasing popularity of cycling and mountain biking and so on, we can position ourselves to be a really iconic destination for that sort of activity which we believe is growing. In terms of what might impede our capacity to do these things, the resort management board has a lot of local government and water authority-type responsibilities. Unlike the local shire council here, we do not participate in the federal government-local government grant — —

**The CHAIR** — Like the Roads to Recovery program.

**Mr NUNN** — We can participate in that sort of program, but we do not get to participate in the recurrent grant program for our community. It was just recently announced that Mansfield shire, I think, is getting \$2.2 million from the federal government for the provision of services and roads and whatever for its community. We get no federal funding for that. It means that all of the services we provide have to be at cost. We charge people on the mountain — the site-holders — for that, so their costs for operating are significantly higher than they would otherwise be if we could participate in that federal funding program. Obviously the government funding is one aspect of costs, but even just getting labour and materials up onto Buller is more expensive because of the logistics involved. That is one of the big challenges we face. For a relatively short winter season, until we can get more summer activity, there are high operating costs and a relatively short period in which people can get an economic return. As the leader of our organisation one of my great challenges is to deliver the services more effectively at a lower cost so I do not have to pass those on.

The material that I have provided to you shows that we have a whole range of things we would like to do to enhance our community, which in turn would promote tourism. I will not necessarily go through those now. One of the other questions we were asked was how effective are national, state and local programs to promote tourism?

We have got a pretty good relationship with Tourism Victoria through the regional NEVT organisation and through BART (Board for Alpine Resorts Tourism), which we participate in, firstly because we are required to under the legislation, but secondly because we think it can provide a good opportunity for us to promote alpine tourism, and therefore there will be a flow-on effect to Buller. Again it probably relates more to the federal government than to state government-type activity, but we believe Tourism Australia should be playing a more active role in promoting Ski Australia, both in international markets and in our own interstate markets, to stop people from going to New Zealand or Canada or wherever to ski. If we had an Australian national campaign to promote tourism then we believe it would be of great assistance to us.

We have been proactive through BART and through the Buller Ski Lifts company in trying to stimulate that next generation of people using the Alps. One of the challenges of the ski industry is that we have an ageing demographic of skiers. That is not just in Australia; it is a worldwide position. Through some initiatives that Buller Ski Lifts has taken in conjunction with the resort management board and the chamber, we have been successful in staging the interschools ski program over a number of years, and that is a cornerstone of our tourism market. This week we have over 6100 children entered for the event. The benefit is that it is not just for this week. The families lock into Buller because that is where the kids are going to compete. They come up for practice and dah de dah. It all goes a long way to developing tourism for us. The lift company has also shown initiative in providing discounts for tertiary students, and that has promoted visitation on a Tuesday, which is the discount day. Again, those little initiatives are looking to help establish Buller as the preferred place to ski.

I have moved on to some other initiatives. I have already covered looking at the next generation. We have talked about Ski Australia. We have talked about year-round product development with arts, cultural and adventure activities. The other issue that I would like to raise, because Laurie will say some things as well, is the efficacy of the funding mechanisms at the moment through Tourism Victoria. At the moment we just wonder whether or not we are getting sufficient return through the activity of BART given that everything flows through Tourism Victoria, rather than agreeing on a program and then allowing some of the resorts to actually deliver on that program — the creative design and the actual placement of the ads and so on. We just wonder whether or not we might on occasion — not all the time but on occasion — be better placed to get a better return from the investment. We would like to continue to look at that. I am a member of the BART board so I have to take some personal responsibility for it. We are looking at improving that but there are some stakeholders at Buller who worry about the return which that provides to the resort.

With regard to point 6, the opportunities to leverage private investment, the vast majority of activity on Buller is based around the investment on the mountain. Laurie's organisation has invested millions and millions of dollars in creating a tourism icon up there. Arguably, we are the biggest tourism destination in north-eastern Victoria. We believe we are sophisticated in our approach and knowledgeable of the market, and we would like to be able to stimulate investment from people like Laurie and other significant stakeholders on the mountain. We support a bottom line or a pro-profit culture. People need to get a return, and given these people are investing their money we just have to be wary that we do not get too focused on regional benefits — community benefits — because we will not stimulate the investment if these people do not generate a bottom line.

Damian, thank you for this opportunity. I think Laurie might like to say a couple of things if we still have some time to do that.

**The CHAIR** — Yes. Just make sure you leave some time for us to ask you some questions, Laurie.

**Mr BLAMPIED** — I will be very brief. I think Phil was very comprehensive in what he said. To put it in context, the level of investment of the Buller Ski Lifts company, which is a wholly owned company owned by the Grollo family from Melbourne if you are not aware of that, is something in excess of \$100 million. That is a massive investment: private Victorian money, jobs for Victorians. I think when we talk about tourism we need to appreciate that without support of investors like that the sorts of things that we see at Mount Buller are very difficult to achieve, particularly in the face of an investment climate that talks a lot about climate change and all the negative outcomes. All of that discussion, that debate, is hardly healthy for investors and particularly private investors. You would have spoken to representatives from our colleagues at Hotham and Falls Creek — large corporate entities with funds management but their investors are probably even more acutely aware of those impacts, and very, very sensitive to the sorts of debates that go on in the press in particular about the effects of climate change and the propensity to focus on the alps rather than the broader community where the impacts will be far more severe. That is something we see as very important.

Phil has talked about the management model. That is a real issue for all operators in the alps. We talk about sustainable development. Sustainability in environmental senses is essential but economic sustainability is also of paramount importance. With the management models that we have in the Victorian alps that is very difficult to achieve. The management models are not like normal communities, the businesses that operate at Mount Buller are not competing on an even playing field with resort operators at the other resorts and indeed in the towns here. Their cost structures are significantly higher. If we are to have a sustainable tourism industry in the alps that is something that government really needs to get its head around. That has a whole lot of manifestations in terms of the barriers to entry for new businesses. Every community needs start-up businesses with young people who are energetic and prepared to take financial risks. When the bar is so high or when the economic climate is so tough it is very hard to introduce new people and get some vitality into the resort.

I will just say two other things. I think Phil mentioned it very well in his discussion. I think for too long the ski industry in Mansfield and Mount Buller and Victoria and the other resorts has been too myopic, and then in Australia as well. We have all sort of operated as little fiefdoms. That was fine for a long period of time, but the world has changed. I think we have to work as a collective. Phil is talking about doing things not only with BART but I think also with New South Wales; it is essential. If that line that separated Victoria was either 15 degrees further north or further south all of the ski fields in Australia would be in one jurisdiction. We would have a far healthier industry if that was the case because of the impact of regulators; it does not matter which area, whether it is WorkSafe, tourism or employment relations. In our industry it is very, very difficult for us to work cooperatively and as one, and yet we are competing against a very vibrant and cohesive industry in New Zealand. The growth rate of the New Zealand ski industry over the last 10 years is tenfold that of the Australian resorts. There is a whole bunch of reasons for that, but the reason that I see contributes mostly to it is that they have a very cohesive and a very effective marketing strategy. They are in one jurisdiction, they are dealing with one level of government, and the New Zealand government has been very, very supportive for inbound tourism.

The final thing I would like to say, and I think it is important in this forum, is that I think it is essential for members of Parliament from both sides of politics to have a full appreciation of the joys and the benefits of alpine tourism. There has been a lot of negative press in recent times. We are alleging that that is inappropriate. From an industry perspective we see that as being very damaging. The last thing that our industry can afford is to see parliamentarians not wanting to go to the snow, not wanting to see what happens in the alps because of concerns from what is going to happen from the other side of politics or the press. I think a more mature view needs to prevail.

**The CHAIR** — Thanks very much. Geoff, are you right to answer a few questions or do you want to make a few statements?

**Mr PLANT** — No, I am happy to answer questions.

**The CHAIR** — That is great. Philip, you have just mentioned one of the perhaps disadvantages of operating as an alpine management board as opposed to being a part of local government. What are the advantages? Why would you not look for Mansfield shire actually taking over control of the mountain? Would that offer advantages? Can you tell me now the advantages of being your own management group?

**Mr NUNN** — We are in quite a distinct regional position. We have our own challenges. Our stakeholders are not just local people. We have got something like 100 permanent people up there and our electorate, if you like, is right around Victoria. To establish an electoral, you know, sort of college if you like that would elect people onto Buller would be really difficult. I think the management of that land — my role is as a land manager. It is not just a community-based type of situation I find myself in. I guess in answer to the question, which I had not expected, we think we are fairly unique and sort of a different type of community structure to that in other municipalities.

**The CHAIR** — Are you aware of the level of government subsidy from the New Zealand government to their program?

**Mr NUNN** — No, I am not.

**The CHAIR** — We heard yesterday that they are experiencing growth up around that 10 per cent, whereas our growth is in the very low single digits. That level of investment from the New Zealand government would be interesting for us to get our hands on. That way we would then be able to compare apples with apples as opposed to saying — —

**Mr BLAMPIED** — If I can respond to that question, Damian, I suggest you have received a submission from Andrew Ramsey who is the executive director of the Australian Ski Areas Association.

**The CHAIR** — Yes.

**Mr BLAMPIED** — He would be the best person I believe to be able to give you a response to that.

**The CHAIR** — Yes. Finally, Philip, could you just explain how the funding from Tourism Victoria is handed down, the sort of communication and consultation that takes place between the regional tourism organisations and Tourism Victoria and just how that does find its way into the on-the-ground programs?

**Mr NUNN** — There are three flows from Tourism Victoria that provide reasonably direct benefit to Mount Buller. One is through BART. They contribute in the order of \$320 000 to what is about an \$850 000 budget for BART. Those moneys are then allocated through the work of that board. The people sitting around that board are primarily alpine resorts such as ourselves. That is a partnership and we get to spend the moneys, albeit, as I said earlier, one of the issues is the contractual arrangements between Tourism Victoria and their marketing service providers. We are locked in in that organisation to using those providers, which tend to be more expensive than those we might directly use. That works okay.

**The CHAIR** — Yes.

**Mr NUNN** — The second element of funding that we enjoy the benefit of is through NEVT, which is North East Victoria Tourism — that bit of the Jigsaw puzzle. Mount Buller has got no direct representation on that committee, albeit that the manager of the local High Country Reservations, which we have got an interest in, is on that committee. From time to time that committee seeks submissions from us as to what we would like them to be doing on our behalf or on behalf of the region, and we provide those submissions. Sometimes we are happy with the decisions of allocations that they make, because obviously they have competing wants for their funds. At other times we are less than satisfied, but that is just how life is in them trying to balance things up.

The third aspect is that from time to time we do get to apply directly, and often with Mansfield shire, as a subregion directly to Tourism Victoria for a particular purpose. It might be to fund a series of events or a particular event, or to assist in high country reservations. That works fairly effectively, providing we can show a business case that will provide a return for Mount Buller and/or Mansfield.

**The CHAIR** — What sort of money would be available on those specific requests?

**Mr NUNN** — I am speaking from memory here, but typically to subsidise events — Geoff, you can jump in when you can help me here — we are talking about \$10 000 quantum for an event program subsidy. My understanding is that through the bushfire recovery funding Tourism Victoria has allocated about \$33 000 or thereabouts — sorry, it might be \$30 000 — to the acquisition of an online booking system for high country reservations, which will be of benefit to us because people are booking more and more through the internet. The other thing I was thinking of earlier is that Tourism Victoria or the Victorian government did help in the construction of the new information centre in Mansfield with a significant grant, which has obviously given us a home to promote regional tourism.

**Ms TIERNEY** — Philip, you mentioned the closure of the La Trobe University campus and that it had negative impacts on the local community. Can you just step us through what they have been?

**Mr NUNN** — There were in the order of 100 students who were there for, say, eight months a year. They were living on Buller for all of their in-semester time, so that has taken a lot of vibrancy and some spending out of the resort during the non-snow season. Obviously there were lecturers and other staff involved as well who have to be re-employed either on Buller or somewhere else. Some of those people have stayed on; others have moved on. The other issue is that that group of students provided quite a high-quality level of winter staff for our resort; and the ability to get good quality people for that short period of time is an issue. What La Trobe used to do was to have quite a long winter recess so that their students could, if they wished, stay on Buller and provide a ready form of employment. They are the two primary aspects: the lack of spending and the loss of that labour source. Not having those people around has been felt on the mountain this year.

**Mr NORTHE** — The point that comes through there is basically that obviously with the redevelopment of Buller you are trying to enable it to be a year-round resort. Certainly in previous public hearings we have heard about the difficulties of seasonal tourism staffing and expertise in that area. While making it a year-round resort would be one way to improve the situation, I guess you will still have your peaks and troughs. So how do you overcome the staffing issues and the loss of expertise in tourism and hospitality? Do you have any suggestions on that, or do you experience those issues?

**Mr NUNN** — We certainly experience the issues. I am sure Laurie will jump in because he employs about 1300 or — —

**Mr BLAMPIED** — Eight hundred.

**Mr NUNN** — Eight hundred people. One of the main issues that we have during the winter period particularly is to provide affordable accommodation for the staff within reasonable distance of Mount Buller. That is one of the big issues we need to try to address. In terms of trying to address the seasonality, I am not sure how you do that unless you can form some sort of sister relationship with another resort. Perhaps if we had a closer relationship with, say, the Great Ocean Road tourism authority or operators down there, maybe people could be transferred between Buller and down there. But most of the people are pretty itinerant and are looking for a bit of an experience. I am not sure that they really want to be locked into that formalisation of seasonality. A lot of our employees are suited by the transient nature of the employment offer.

**Mr BLAMPIED** — Certainly that is the case with hospitality employees. Hospitality employees have a very high churn rate no matter which workplace or which environment you work in. In regard to the more skilled staff, for the other types of skills that we need in terms of things like ski school we have to rely on using a lot of imported labour, particularly at the high end, while at the same time developing resources in our local community. Our company is being very proactive in that approach. You are not hearing any representations from the Mansfield Secondary College, but it was the first school in the state to introduce a VCAL program where we have something like 30 young kids in years 10 and 11 — I believe that is when they start that program — working in ski hire, retail and ski school to try not only to give them the skills to form a workforce at Mount Buller but give them more reason to stay in our region, so that they do not all have to go to Melbourne to do this study or work. That has been a particularly successful program. But that in itself is not enough. We are very dependent, as are the other Australian ski resorts, on importing labour from North America and also Europe to fill those demands in the top end.

One of the problems we have been having in recent years is that, with lower unemployment rates in Australia, people are getting scarcer and scarcer there, but also immigration and 457 visas are very controversial. They are the sorts of visas that we have been relying on in the past, and that is a bit of a hot potato at the moment as well. There is a lot of uncertainty in the industry. Our labour agreements were not renewed by the federal government this year because it is conducting an inquiry into those visas, and with an election pending I think that will be in limbo for a good time yet to come.

**Ms MARSHALL** — I was interested to hear from any of you what your thoughts were about the greatest single piece of infrastructure that could be invested in by the state government that would have the greatest impact in terms of creating a year-round resort. What is it that is missing at the moment that you think would make a big difference?

**Mr NUNN** — We might have two different view on it.

**Mr BLAMPIED** — Year-round tourism is what everyone is talking about, but you cannot lose sight of the reality that 98 per cent of the money is generated by winter. So without a winter you are not going to have a summer. Winter is the biggest game in town and the thing that winter is dependent on more than anything else is snow. We cannot rely on natural snow as much as we would like, so therefore we are dependent on water. So we need increased availability of water to sustain the village if we want the village to grow. Also snowmaking to me it is the no. 1 priority for the future wellbeing of Mount Buller, and the management model that we talked about before makes it very, very difficult for our resort management board, because it is also our local water authority and utility, and therefore it does not have access to federal government funding and has limited access to state government funding for those sorts of projects. So I would say it is water.

**Mr NUNN** — Water is critical to our winter offer. We would like to get some financial assistance for what we are trying to do with our mountain-biking. We have already received assistance to help in our touring offer. The state government, through the bushfire recovery funding, has allocated \$1.55 million for the construction of a road that would serve to link Mount Buller and Mount Stirling, which will have some great advantage in terms of emergency response during winter and ensure we can access the mountain should something untoward happen with the one route there. Given we already have that which is going to be beneficial, I would like to see some funding for two things, if I can ask: our mountain-biking track network, but also the development of some space for arts and cultural offers. There has been talk of a regional art gallery on Buller which would complement what we are doing with our Easter art show which is now in the top three or four art prizes in Australia. There is a \$50 000 art prize that occurs each Easter which is now getting Australia-wide recognition, and that is drawing people to Buller.

**Mr VOGELS** — It seems to me that one of the biggest problems you have got is when Laurie wants something he has to talk to Philip, and then Philip has got his management problems. No doubt Philip then has to go to DPI and DSE and every other state government authority before you achieve anything. That would take time and money, and you must bang your head against the wall. Have you any thoughts about how you could streamline this because that is one of the biggest issues you have got. There are too many people involved before you can build anything or do anything. That is probably one of the reasons why New Zealand is leaping ahead, as you mentioned, because it does not have those problems. They can get on with the job, while we seem to be stagnating around too many little empires. Have you thought about how we could streamline this? Should we have it all in one government department instead of three or four different ones? I do not know.

**Mr NUNN** — We have thought about whether or not the resort management board should continue to be placed within the environment department rather than in, say, tourism or regional development because each of those three departments has a significant role to play for us. From our point of view, since the planning unit was relocated to Benalla about 18 months or two years ago, we believe we are getting a quicker response and a more hands-on response to particular development issues. From time to time other developers, including BSL, are frustrated by the process, and I am sure Laurie can talk about that himself. I think it is being rationalised slowly, but my personal view is that I am not sure that the best fit for us as a tourism destination is with the environment department. At the minute I am wearing two or three hats. I have to be a responsible land manager, and the alps are pristine and we need to ensure that continues, obviously. On the other hand we are also a real economic driver. I have not got an answer to your question. We are really aware of the number of issues that we have to contend with when we are dealing with things, and it is not easy to cut through that stuff to say, ‘Yes, we can just do things’ because it is not — —

**Mr VOGELS** — It is something we should be looking at.

**Mr BLAMPIED** — My answer to that would be that we would like to see more of a normalisation. The alps are special, but there are things which you can do that can preserve that and not have such a bureaucratic process.

**Mr VOGELS** — Yes.

**Mr BLAMPIED** — If you talk to a lot of the commercial operators and people who live and have their businesses at Mount Buller, they have no democratic representation either. They are not elected people who represent their interests on these resort management boards, and they find that quite disheartening.

**Mr PLANT** — You might like to look at some of the different alpine jurisdictions around the world. You could look at an area that I have some experience in which is commonly regarded as being one of the most proactive jurisdictions for alpine resorts, which is British Columbia in Canada. You could look at their model and see how their tenures and their land management is processed through government.

**Mr VOGELS** — We should probably take the committee there, Damian.

**Ms TIERNEY** — What do you mean ‘probably’?

**The CHAIR** — It is a good point. We have a management structure up there which is unique, and I think it up to this committee to make sure that our recommendations reflect a good understanding of how that is working. I was not even aware that you sit under the umbrella of environment.

**Ms LOVELL** — Yesterday we heard from people at Falls Creek and Mount Hotham that the New Zealanders are stealing our domestic ski market. They told us that what we offer here in Australia compared to what they offer in New Zealand is a very different experience. We have a village atmosphere here where people stay on the mountain. In New Zealand you stay off the mountain and you are just transported up to the ski fields. I was wondering what you think is contributing to the exit of skiers to New Zealand. Is it price? Is it that they think New Zealand offers a more extreme skiing experience? Is it because they are looking for something different, or is it just good marketing by New Zealand?

**Mr BLAMPIED** — There is no simple answer to all these things. I think it is a combination of things. Firstly, the New Zealand ski industry has built a unified and very well-established brand and that has affected their marketing. I think you have to give it to them for that. Secondly, their costs of doing business are significantly less. Their compliance costs and their management models make it more cost effective for them to do that as well. I think they have a cost advantage also. Thirdly, I do not think we have done it well enough. We do not have a coordinated, cohesive industry, so we have been our own worst enemies. We have thought that it was all going to be okay and that life would go on as it always has, and that is simply not proving to be the case.

**The CHAIR** — Geoff, do you have something to add to that?

**Mr PLANT** — I think you can add into the mix the fact that there is certainly some appeal in terms of the scale of resorts and, I suppose, the quality and reliability of snow. Add that to the complicated list that Laurie alluded to.

**The CHAIR** — Thanks very much for your time. A transcript will be available in the next few weeks for you to check to make sure that what is in there is what we said. All the best. Thanks for your time.

**Witnesses withdrew.**