

Alpine Resorts Governance Reform Discussion Paper Overview

The Victorian Government is committed to ensuring that the alpine resorts maximise the economic and social benefits to surrounding regions and Victorians generally.



Why is change needed?

Climate change will significantly impact on Victoria's alpine resorts, including reduced snow cover, a contraction in conditions suitable for snowmaking and increased bush fire risk.

Victoria's six alpine resorts are currently governed by four Alpine Resort Management Boards (ARMBs) and the Alpine Resorts Co-ordinating Council (ARCC). This structure is complex, inefficient and ineffective.

The resorts require a collaborative sector-wide strategic approach to determine and implement effective measures to adapt to climate change. This will support maintaining alpine visitor numbers and regional economies.

What won't change ...

Victoria's alpine resorts are popular recreational and tourism destinations, generating substantial social and economic benefits. The alpine ecosystems provide the foundation for these benefits and have intrinsic value.

The alpine resorts are areas of Crown land set aside by legislation primarily for alpine recreation and tourism in all seasons of the year by persons from varied cultural and economic groups. This will not change.

The operational functions of the new entity/ies will be largely the same as the current ARMB functions. They will:

- plan for the development, promotion, management and use of each alpine resort,

- provide services such as water, sewerage, gas, roads and fire protection,
- collect fees, and
- attract investment to improve resorts.

Scope of Governance Reform

The Alpine Resorts Governance Reform Project includes **Board level governance arrangements** for all Victorian alpine resorts (including ARMBs and the ARCC).

The project's scope does not include: leasing policy, climate adaptation measures for the alpine resorts (the Alpine Resorts Climate Adaptation Project, and Southern Alpine Resorts Futures Project will address this), or financial sustainability of the southern alpine resorts.

Visit www.engage.vic.gov.au for a copy of the Discussion Paper and to provide your feedback until 1 March 2017.

The Discussion Paper

The Alpine Resorts Governance Reform Discussion Paper outlines the need for change, the criteria to determine the best model to meet the future needs of

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the alpine resort sector and proposes two possible management options for the alpine resorts:

1. a single Alpine Resorts Authority, or
2. separate Northern and Southern authorities.

Under both options the legal form of the new entity/ies is likely to be identical to the current legal form of an ARMB (a statutory body corporate with board and CEO administration).

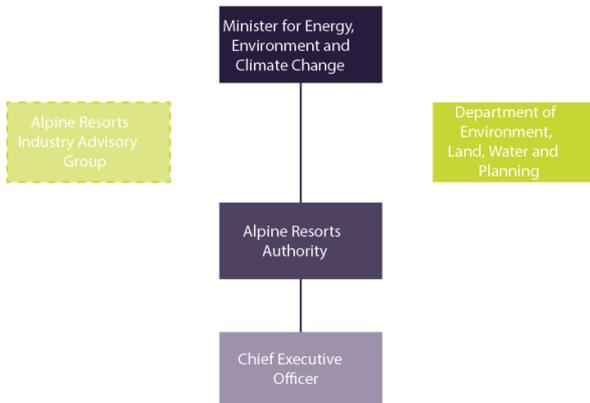
Government is seeking feedback on these options.

Option 1: A single Alpine Resorts Authority

A single Alpine Resorts Authority to provide sector-wide strategic planning and management across all the resorts. Offices may be retained at individual resorts for day-to-day operation and management matters. DELWP would provide the policy and planning framework in which the entity and sector would operate and provide oversight of the entity on behalf of the Minister

This option would deliver a consolidated and integrated responsibility for alpine management and service delivery across Victoria.

Figure 1 –Single Alpine Resorts Authority



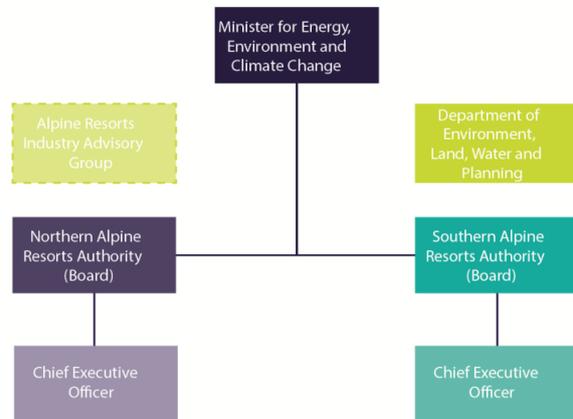
Option 2: Separate Northern Alpine and Southern Alpine Resorts Authorities

Day-to-day operation and management would be undertaken by a consolidated Northern Alpine Resorts authority (Falls Creek, Mount Buller, Mount Stirling and Mount Hotham) and a Southern Alpine Resorts authority (Mount Baw Baw and Lake Mountain). This model would have site operations and management reporting to the corresponding authority. DELWP would provide the policy and planning framework in which the two entities and sector would operate and provide oversight of the entities on behalf of the Minister.

Merging the existing structures into two entities would build capability and scale to undertake integrated strategic planning, and recognises the common issues faced by the 'larger northern' and the 'smaller southern'

resorts by virtue of their location, size, financial and operating environments.

Figure 2. Separate Northern and Southern Alpine Resorts Authorities



The State Government is seeking feedback on:

- What factors are important to consider in implementing the transition to the new governance model for the alpine resorts sector?
- Are there any relevant drivers for reform that have not been identified?
- Are there any relevant criteria for determining the new governance model and legal entity/ies that have not been identified?
- Is a single Alpine Resorts Authority or separate Northern and Southern authorities more appropriate to meet the future needs of the alpine resort sector?

Responses can be provided via written submission at <https://engage.vic.gov.au> until 1 March 2017.

Next steps

Government will consider stakeholder feedback in deciding the most appropriate governance model.

Implementing government's decision will involve a range of critical activities, including:

- legislative amendments;
- transitional arrangements;

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- resources to effectively implement the proposed changes; and
- ongoing engagement with stakeholders.

It is business as usual in the alpine resorts. Each entity will continue to undertake its normal functions. Legislative change will ensure that the transition to the new entity will be seamless. This includes consideration of new leases and planning approvals.

The new entity/ies will make decisions such as organisational structure and locations of offices and facilities once the new Board/s are in place.

Criteria for assessment of options:

1. Is there a role for government? If so, to what extent?
2. What degree of autonomy from the Department for Environment, Land, Water and Planning (DELWP) and Minister for Energy, Environment and Climate Change is required?
3. What is the appropriate form of entity/entities that will:
 - a. enhance the economic benefit to community
 - b. enhance the social benefit to community
 - c. facilitate collaboration
 - d. facilitate community engagement
 - e. provide flexibility to address climate adaptation and sector transition needs
 - f. improve the financial sustainability of the resorts and reduce reliance on external funding?
4. Can the functions be performed by existing/alternate entity/entities?

Frequently Asked Questions

What is the Alpine Resort Futures Project?

The Alpine Resort Futures Project delivers on government's commitment to support the alpine resorts to adapt to climate change.

The Alpine Resort Futures Project includes the following sub-projects:

1. **Alpine Resorts Governance Reform Project** – reform of the legal entities that govern the alpine sector to enable effective response to current issues and challenges
2. **Alpine Resorts Climate Adaptation Project** – the consideration of the specific risks, impacts and adaptation pathways to address the effects of climate change
3. **Southern Alpine Resorts Futures Project** – investigation into the sustainable future of Lake Mountain and Mount Baw Baw alpine resorts.

How will a change in the Alpine Resorts governance structure impact resort stakeholders?

In the short term nothing will change. The new Board/s will take over the existing operations of the alpine resort management boards.

Once in place the new Board/s will determine the organisation structure and locations that best meet the needs of the organisation, stakeholders and visitors.

Government will ensure that the new governance structure includes strong mechanisms for engagement and consultation between stakeholders and the new Board/s.

What is Government's message to private sector investors considering the Alpine Resorts?

For the moment it is business as usual and any applications will continue to be processed as per the current arrangements.

In future the scope of this project together with the Climate Adaptation project will mean that private enterprise will have greater transparency from Government on the future direction of the alpine resorts. This will assist with investment decisions and private and public partnerships.

What is Government's timing for decision-making and implementation?

Government understands this needs to be a relatively quick process and is planning to introduce legislation to parliament in 2017. The new governance structure may be in place early 2018.

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Where can I get more information about the impacts of climate change on Victoria's alpine resorts?

The ARCC commissioned a report entitled *The Potential Impacts of Climate Change on Victorian Alpine Resorts, 2016* from the University of Tasmania. It provides a description of the immediate, medium and long-term impacts of climate change. The report can be found at <http://www.arcc.vic.gov.au/publications-and-research>.

Why is the current structure not an option?

The resorts require a sector-wide strategic and collaborative approach to determine and implement effective incremental and transformational measures to adapt to climate changes.

The governance structure of the alpine resorts has been the subject of a number of reviews, including the State Services Authority (SSA) Review of Alpine Resort Areas (2008). The SSA review proposed structural changes to the governance arrangements to reduce fragmentation of roles and structures and drive a more integrated, long-term, strategic approach in key areas such as planning, marketing, infrastructure and service delivery requirements.

Following feedback from stakeholders, the government of the day attempted to address the issues identified in the SSA review within the existing governance structure through the Alpine Resorts Strategic Plan 2012.

This approach has had limited success. Fundamental structural reform and legislative amendment is required to realise the full potential of Victoria's alpine resort areas now and into the future.

Why is Government only presenting two governance options?

A variety of legal forms were considered, however it became clear that most would not deliver both the government objectives and good governance for Victoria's alpine resorts. A summary of the options assessed as inappropriate are provided in Appendix 4 of the Discussion Paper.

How does the Governance Reform Project affect current ARMB and ARCC day-to-day operations including implementation of Corporate Plans and Master Plans?

It is business as usual at ARMBs and the ARCC until a new governance structure is implemented. This includes implementation of Master Plans and Corporate Plans (subject to the usual statutory approval processes).

Will there be job losses under the proposed reforms?

The Victorian Government is committed to growing tourism and recreation opportunities in the alpine resorts to provide important benefits to regional economies through jobs and improved local services.

The broader Alpine Resort Futures Project will assist the alpine sector adapt to climate change by broadening recreational and tourism opportunities and growing local and regional economies.

The Alpine Resorts Governance Reform Project is focused on consolidating sector governance arrangements to improve the success of the sector.

With ARMBs and the ARCC disbanding under both options, what does this mean for jobs?

Legislation to effect the transition from the current to the future sector structure will preserve employment arrangements and obligations. Employees will be transferred into the new entities. They will not have to apply for their job.

Following the transition, any recruitment to new or vacant roles will be undertaken by the new entity in accordance with public sector merit and equity principles.

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