

Executive summary

Introduction

The *Alpine Resorts (Management) Act 1997* ('the Act') requires the preparation of an Alpine Resorts Strategic Plan and its review by the Alpine Resorts Co-ordinating Council (ARCC) every five years. This new *Alpine Resorts Strategic Plan 2012* ('2012 Plan') has been endorsed by the Victorian Government, following consideration of the outcomes of an extensive consultation process run by the ARCC.

Context for the 2012 Plan

A review of the previous plan (*Alpine Resorts 2020 Strategy*) has shown:

- winter visitor days spent in alpine resorts are growing slowly but more quickly than Victorian domestic and regional tourism overall
- green season visitor numbers are small but growing
- alpine resorts continue to make significant economic and associated financial contributions to Victoria and to the regions in which they are located
- current roles and responsibilities of Alpine Resort Management Boards (ARMBs) are not well aligned with their financial capabilities
- ARMB costs have been seen by users as having increased too quickly in recent years
- there is no industry level plan for public investment opportunities, with supporting business cases, to help promote further development and visitor growth
- cost pressures are a major problem for many on-mountain businesses and site holders
- current key performance indicator processes for environmental and social indicators are not achieving their purpose and need to be reviewed
- the roles of key government agencies need to be clarified and better integrated, and accountabilities improved, to deliver the best outcomes for Victoria.



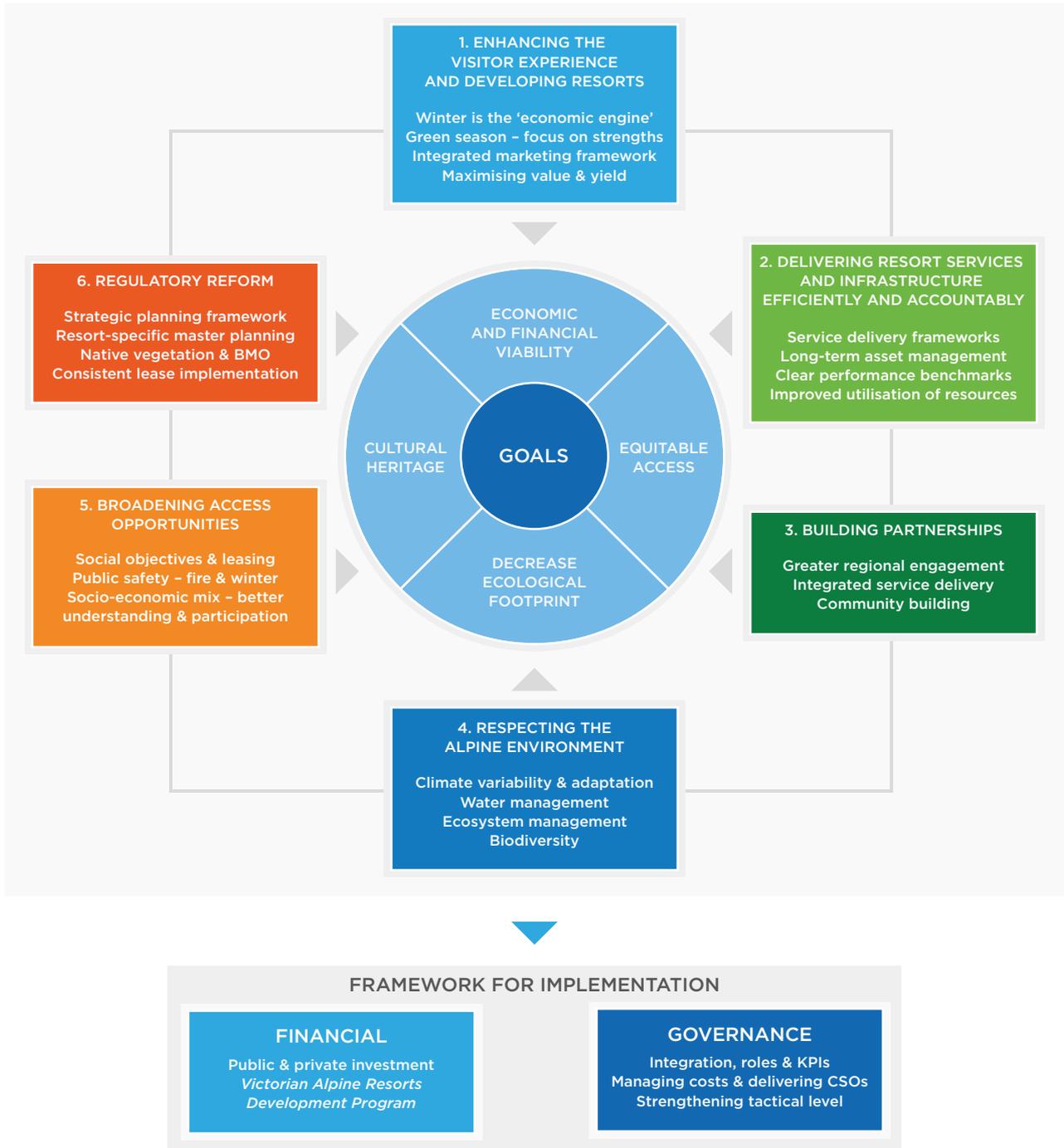
Alpine Resorts Strategic Plan 2012

The vision of the 2012 Plan is:

Victoria's alpine resorts will be vibrant, growing and sustainable places, delivering alpine recreational and tourism experiences that are available to all.

Six strategic objectives support pursuit of this vision, together with a financial and governance implementation framework and a series of actions (see figure 1).

Figure 1: Framework for Alpine Resorts Strategic Plan 2012



Strategic Objectives

Strategic Objective 1: Enhancing the visitor experience and developing resorts

The alpine resorts' economic significance to the state/regions, the scale of private and public investment and visitation growth all support continued efforts to further grow visitation. The strategic focus for alpine resorts will be on maximising yield from their current asset bases (private and public) and enhancing their capacities to exploit their unique competitive strengths, particularly the 'village in the snow' experience, complemented by the unique alpine environment. Investments in snow-making capacity have provided increased resilience to climate variability and will be important in supporting future commercial opportunities.

The critical role of winter as the driver of economic and financial outcomes is strongly supported, with a carefully targeted approach being taken to the green season (for example, supporting a small number of hero experiences). More integrated marketing approaches are an important element of supporting visitor growth.

Strategic Objective 2: Delivering resort services and infrastructure efficiently and accountably

ARMBs, as public land managers, will operate efficiently, effectively and in a financially viable manner, to fulfil their mandates. ARMBs also fund some loss-making activities required under legislation ('Community Service Obligations' or CSOs). Funding CSOs places financial pressures on ARMBs and on those to whom higher charges are subsequently passed. Greater role clarity, with a linked funding model, will enable ARMBs to better manage their affairs.

Greater use of contracting out, resource sharing with other entities, use of lead agency delivery models, moving some service delivery responsibilities to the private sector and shedding some non-core functions will assist ARMBs in containing costs.

To complement investment by the private sector and help grow visitation to ensure that the substantial economic benefits attributable to alpine resorts continue to be realised, this plan provides for the establishment of a Victorian Alpine Resorts Development Program (VARDP), a supporting program of private and public investment.



Strategic Objective 3: Building partnerships

Co-operative approaches to tackling many of the challenges and opportunities of alpine resorts are central to maximising prospects for successful outcomes. Future partnerships will be important in areas such as: master planning; aligning public and private sector investment programs; developing an alpine industry perspective on public infrastructure priorities; lowering ARMB costs; building industry marketing capability; working with local government and regional communities to strengthen the importance of the alpine resorts to their regions; working with Indigenous communities; working with Parks Victoria and catchment management authorities on environmental management issues; and working with Tourism Victoria and regional tourism boards on tourism opportunities.

Strategic Objective 4: Respecting the alpine environment

The rich natural environment of the alpine resort areas is a key element of their competitive advantage. The ARMBs recognise the links between the natural environment, tourism and the economy. They aim to ensure that unique alpine environmental values, and the character that is shaped by those values, continue to be retained for the benefit of current and future generations, while supporting economically and socially sustainable alpine resort communities. Further development and use of alpine resorts will respect biodiversity, ecological and catchment values and take into account climate variability. Measurement of environmental performance will be improved.

Strategic Objective 5: Broadening access opportunities

Victoria's alpine resorts are required to provide opportunities for experiences for people from varied cultural and socio-economic backgrounds and with different capabilities. This plan recommends the access, equity and diversity objective be pursued at an industry level.

Availability of low priced accommodation opportunities is an important part of meeting this objective. At the expiry of any lease, existing policy provides for site rentals to be based on market rent. New provisions, arising out of this plan, will set out eligibility criteria for a discount for accommodation that meets access, equity and diversity objectives. The ARCC will consult with the Department of Sustainability and Environment (DSE) and alpine stakeholders to develop suitable eligibility criteria.

Strategic Objective 6: Regulatory reform

Regulatory reform will ensure the realisation of economic opportunities in alpine resorts. Master plans will be completed for each alpine resort, as a matter of urgency, incorporating precinct development plans, infrastructure plans, native vegetation management plans fire and emergency management plans, to provide certainty for further use and development.

Funding model and investment opportunities

The VARDP will be established to implement infrastructure projects that can be shown to produce significant public benefits. The pursuit of non-commercial environmental and social goals by ARMBs will be explicitly agreed with government and, where beyond the legal requirement, will be identified in corporate plans as CSOs, to remove policy ambiguity. More generally, the funding model for ARMBs will include:

- the larger ARMBs being expected to continue to deliver operating surpluses and make a contribution to their capital requirements
- financial viability for the two smaller ARMBs, meaning operating strictly within financial limits that are agreed with government in return for delivering services that are agreed with government
- government funding assistance being provided (through the VARDP) towards the capital cost of some projects that are expected to deliver significant economic, social and/or environmental benefits, subject to the usual budget approval processes.

Governance

Institutional arrangements will be strengthened to ensure effective alpine outcomes. DSE will take a stronger lead policy role, including monitoring performance of the ARCC and ARMBs. The ARCC will focus on industry level roles in marketing, investment, access/equity, research and advocacy. Performance expectations will be included in ARCC and ARMB corporate plans that are approved by government and results will be monitored by DSE at an industry level and alpine resort level. ARMB roles will be clarified to ensure the focus is on land management functions. Commercial roles will only be undertaken by ARMBs where there is demonstrable market failure that is holding back alpine resort development. ARMBs will be required to report annually on performance and plans for the coming year to their stakeholders. The ARCC will establish a peak industry group to assist it in performance of its expanded industry level role.

The Minister will issue annual statements of expectations to the ARCC and ARMBs, setting out key requirements for these entities.