



Hon Lily D'Ambrosio MP

Minister for Energy
Minister for Environment and Climate Action
Minister for Solar Homes

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Ms Ali Wastie
Chairperson
Alpine Resorts Victoria
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Ref: MBR048557



Dear Ms Wastie

LETTER OF EXPECTATIONS - ALPINE RESORTS VICTORIA

I am pleased to provide you with this letter outlining my expectations for Alpine Resorts Victoria and its performance priorities.

The establishment of Alpine Resorts Victoria marks a significant milestone in the Victorian Government's reform of the alpine sector. The board will be instrumental in leading the establishment of the new entity and helping achieve the government's objective to create economic resilience and financial sustainability for Victoria's alpine sector given its importance to the state's visitor economy.

This letter of expectations applies from the date of issue and remains in effect until otherwise amended and should be read within the context of the *Alpine Resorts (Management) Act 1997* (the ARM Act). In the interests of transparency and accountability, I ask that this letter is made publicly available on the Alpine Resorts Victoria website within twenty-eight days from the date of receipt.

1. Implementing the transition to Alpine Resorts Victoria

I recognise that Alpine Resorts Victoria in its formative phase will need to implement significant operational and organisational changes to bring together the staff, systems and processes of the four previous alpine resort management boards.

Settling a new operational and financial model for Alpine Resorts Victoria is a key priority requiring the application of a significant and sensitive change management process, the success of which is largely dependent on it being undertaken collaboratively with relevant stakeholders, employees and government representatives.

In order to minimise disruption, I ask that consideration is given to finalising any changes in the organisation's structure ahead of the 2023 snow season having regard to the consultation requirements contained in any applicable enterprise agreements.

I ask that you prepare a transition plan detailing the steps that will be taken to amalgamate organisational systems and processes, including interim milestones against which you can report progress. I ask that you provide me with a transition plan by 31 March 2023.

2. Community and stakeholder engagement

I expect that Alpine Resorts Victoria's approach to community and stakeholder engagement will enable stakeholders to directly communicate with Alpine Resorts Victoria on the strategic and operational matters that affect them at each resort.



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It is a requirement of the ARM Act that Alpine Resorts Victoria establish and appoint stakeholder consultative committees for each of the six resorts by 1 October 2023 within 12 months. I expect Alpine Resorts Victoria to prioritise this task and to seek nominations to those committees by no later than 30 November 2022, and for each committee to convene by no later than 1 March 2023. Whilst the composition of each committee may vary, at a minimum I expect Alpine Resorts Victoria will seek nominations from relevant Traditional Owner groups, adjoining municipal council(s), chambers of commerce, ratepayer associations and tenants of the alpine resorts (where applicable).

The legislative requirement to establish stakeholder consultative committees should be considered a minimum requirement and Alpine Resorts Victoria should consider establishing additional stakeholder consultation forums as it determines necessary.

3. Financial sustainability

I ask that you continue to work in collaboration with the Department of Environment, Land, Water and Planning (DELWP) to develop a sustainable funding model for Alpine Resorts Victoria. This work should be informed by previous analysis including, but not limited to, the Deloitte report (2022) on future operating and funding models for Alpine Resorts Victoria that has previously been shared with the board.

I expect Alpine Resorts Victoria to provide a report on the board's consideration of pathways to financial sustainability by 1 October 2025. This report should:

- include a review of alpine resort service provision (and benchmarking of those costs with industry service standards);
- quantify realised and potential operational efficiencies associated with the reform and identify associated implementation risks;
- identify new or enhanced visitor experiences that will attract investment and grow revenue;
- determine the appropriate delivery of core (legislated) and non-core services at each resort, and whether it is appropriate for each or all resort to be providing any core or non-core services; and
- include any other information or analysis the board deems appropriate.

4. Integrating climate change adaptation into decision-making across the business

I expect Alpine Resorts Victoria will assume a leadership role in supporting alpine communities to adapt to the impacts of climate change and integrate climate change adaptation into decision-making across the business.

I expect that Alpine Resorts Victoria's Corporate Plan for the 2023 financial year is consistent with *Victoria's Climate Change Strategy* to reduce emissions and build resilience to the impacts of climate change (www.climatechange.vic.gov.au/victorias-climate-change-strategy). This should include baseline reporting of climate risk. Alpine Resorts Victoria is expected to lead climate change adaptation planning for the alpine resort sector informed by the Alpine Resorts Futures Vulnerability Assessment delivered by DELWP in 2017.

5. Partnerships with Traditional Owners, developing cultural competency and self-determination

I expect Alpine Resorts Victoria to work in partnership with the Traditional Owners of alpine country as they determine their own destiny, and for Alpine Resorts Victoria to operate in accordance with the principles of *Pupangarli Marnmarnepu - DELWP's Aboriginal Self-Determination Reform Strategy* to recognise and support Aboriginal cultural values and economic inclusion in the alpine sector (www.delwp.vic.gov.au/aboriginalselfdetermination/self-determination-reform-strategy).

I expect Alpine Resorts Victoria Board members and staff to respectfully acknowledge the Traditional Owners of Country in all internal and external forums and communications and Alpine Resorts Victoria's commitment to Traditional Owners and self-determination to be publicly communicated.

I encourage Alpine Resorts Victoria to provide meaningful and tangible opportunities for Traditional Owners to implement their Country Plans and to heal country in accordance with the *Advancing the Treaty Process with Aboriginal Victorians Act 2018*.

I also expect Alpine Resorts Victoria to build the cultural competence of all board members and staff and to engage with Traditional Owner groups for alpine resorts, including the three Registered Aboriginal Parties for alpine resorts and those Traditional Owner groups without formal recognition who assert rights and interests in the affected Country.

6. Sector wide strategic planning and leadership

Alpine Resorts Victoria must continue to act in accordance with the *Alpine Resorts Strategic Plan 2020-2025*. Actions that were due to commence before the 2022 corporate planning period ends and which have been postponed due to the impacts of COVID-19 or governance reforms should be identified in Alpine Resorts Victoria's 2023 Corporate Plan.

In accordance with the ARM Act, Alpine Resorts Victoria will lead the review of the existing *Alpine Resorts Strategic Plan 2020-2025* and develop a new strategic plan for my consideration. The new plan must include long-term strategic objectives for the alpine resorts; set out the challenges to be faced by, and opportunities presented to, the alpine resorts; identify the priorities for the protection, management and use of each alpine resort and set out the actions that may be taken to achieve the object of the ARM Act. The next iteration of the plan must set out management plans for each alpine resort that address the specific needs and characteristics of each resort.

7. Public entity governance and relationship with DELWP

I expect Alpine Resorts Victoria to have a development program in place to build the contribution and performance of individual board directors and to ensure the collective accountability of board directors for the Alpine Resorts Victoria's performance. I ask that the Board pay particular attention to modelling constructive and collaborative governance and industry leadership during the foundational years of Alpine Resorts Victoria. This will be important to the confidence of staff and stakeholders in the strategic direction of the new entity and its contribution to Victoria's community and environment.

I expect that you will periodically evaluate the performance of the board and that the evaluation will include an assessment of the extent to which these expectations have been fulfilled.

I expect you to familiarise yourself with the responsibilities of a public entity board, with particular reference to sections 13A and 81 of the *Public Administration Act 2004*.

I expect Alpine Resorts Victoria to have a productive and collaborative relationship with DELWP so it can properly support me to perform my functions, including in the administration of the ARM Act and the governance and oversight of your performance.

I expect that Alpine Resorts Victoria will collaborate with and provide information to DELWP when requested with the aim of improving reporting systems, processes and performance and demonstrating outcomes of government investment.

I ask that you acknowledge receipt of this letter and that you provide a brief report of your initial progress in meeting these expectations by 31 March 2023. Reports on progress after that time should be incorporated into your annual reporting process. I also look forward to receiving verbal updates about your progress when we meet from time to time.

If you wish to discuss this matter further, please call Alix Rhodes, Executive Director Land Management Policy DELWP on 0417 337 165 or email alix.rhodes@delwp.vic.gov.au.

Yours sincerely



Hon Lily D'Ambrosio MP
Minister for Energy
Minister for Environment and Climate Action
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24 / 10 / 2022

cc. Amber Gardner, Chief Executive Officer, Alpine Resorts Victoria