

Report into Australian ski disaster lets developers off the hook

Gabriel James
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Some three years after 18 people died in a landslide at the Thredbo ski village in the Australian snowfields, a coroner's report has effectively paved the way for even greater commercial development of the fragile region. The report blamed state government authorities for permitting the unsafe conditions that created the tragedy, yet excused the resort's private owners and developers.

The New South Wales State Coroner found that the immediate trigger for the landslide of July 30, 1997 was a leaking or fractured water main under the Alpine Way, an unstable road running above the Thredbo village. Water saturated the road's embankment, setting off the first stage of the avalanche directly above the Carinya Lodge, where one victim died. The Carinya Lodge slid downhill, crashing into the Bimbadeen Lodge below it, killing another 17 people.

The Coroner, Derek Hand, pointed to the role played by the National Parks and Wildlife Service (NPWS), the main authority responsible for the care, control and management of the National Park in which Thredbo is located. The NPWS has been in charge of the Alpine Way since 1967. Hand's recommendations were also directed at the NSW Roads and Traffic Authority, formerly the Department of Main Roads, previously responsible for the road.

When Hand released his report, the NSW state parliament witnessed a highly unusual event. Premier Bob Carr and his state Labor government immediately accepted liability. Emergency Services Minister Bob Debus rose in parliament house to announce that the government would accept all the findings and negotiate compensation payments for the victims and their families.

Moreover, Debus said that the government had already spent \$50 million to upgrade the Alpine Way

near the disaster site and would be spending a further \$11 million this financial year. The owners and developers of Thredbo and other nearby Alpine resorts could hardly have wished for a better outcome. Not only has the government offered to foot the bill for the tragedy but also the ongoing costs associated with upgrading the road system to service the resorts.

Some of Australia's largest companies, which have substantial investments in the area, are now free to continue expanding their businesses unhampered, including further real estate subdivisions at Thredbo and thousands of new apartments at the nearby Perisher resort, also in the National Park.

These property developments have mushroomed during the 40-year history of the Thredbo resort. In the 1950s it was a tiny village and the Alpine Way was a narrow road only built as a temporary construction track to service the Snowy Mountains Hydro-Electric Scheme.

Today, a year's trade in the Alpine park can involve 350,000 to 400,000 customers, generating revenue of over \$200 million. Thredbo's real estate is estimated to be worth over \$400 million, with small one-bedroom apartments selling for more than \$300,000.

Thredbo's owner, Amalgamated Holdings, is one of the country's largest hospitality and entertainment companies. It owns the Rydges Hotel chain, Greater Union Cinemas and one-third of Village Roadshow. In recent years Amalgamated has been locked in fierce competition with rival resort consortiums, such as Perisher Blue, where Kerry Packer, a media magnate, is building a giant new accommodation complex.

The evidence presented to the Coroner's Inquest provided a grim example of how planning, construction and building rules and regulation are bent, twisted and flouted under capitalism to meet the immediate profit

demands of the market.

All the authorities and private developers involved in the approval and building of the Carinya Lodge had long known that its extremely steep site was unsafe. As far back as 1962 a plan of the area marked the site as “an unbuildable slip area”. Later, after building commenced, it had still been marked as a designated “reserve”.

Coroner Hand made this clear in his report but declined to comment any further: “My examination of the history of the road has left me with no choice but to come to the conclusion that the propensity of the Alpine Way to landsliding which could lead to destruction of lodges and serious injury to persons within them was known to those authorities throughout the relevant period.

“Despite this, no specific recommendation was ever made by those directly responsible for the road that would have led to the reconstruction of the road above the Village. **I have been unable to resolve satisfactorily in my mind how this occurred**”(emphasis added).

Thus, despite finding that the government agencies were well aware that lives were being placed at risk, the Coroner refused to answer the most obvious and pressing question: why was this state of affairs allowed to continue?

To have dealt with this question would have meant examining how the investors pursued their immediate business interests despite building laws, geological reports, planning bureaucracies and even the threat to life and limb. The Coroner chose to leave the underlying causes in the realms of the unexplainable.

The same vested interests were at work throughout Hand's inquest. Lawyers for the former owners of Thredbo, the Lend Lease Corporation, argued that how the lodges came to be built upon “an unbuildable slip area” was irrelevant. A battery of barristers applied continuous pressure on Hand to limit the scope of his investigation and condemned the extension of the inquiry over two-and-a-half years as a waste of taxpayers' money.

Chris Gee QC, representing Kosciusko Thredbo Pty Ltd, insisted that the location of the lodges was “not related to the cause of death”. The landslide was simply an “Act of God,” he submitted. “If Carinya had been struck by lightning or some major conflagration had

broken out, you would not be asking why it was there, you would just take it as given.”

The developers were concerned that the longer the inquest proceeded the more damaging would be the evidence revealed. Roger Gyles QC, representing the Lend Lease Corporation, which owned Kosciusko Thredbo Pty Ltd from 1961 to 1987, told Hand that his inquest was putting people “to the sword”.

Much was at stake, including the possibility of multi-million dollar damages claims, criminal charges, the collapse of profits in the resorts and the blocking of future development projects.

While Hand resisted the pressure to shut down his inquiry early, his final report—for all its 200 pages and mountain of evidence, submissions and testimonies—has dispersed these fears.

And by volunteering to shoulder the responsibility and financial liability for the Thredbo tragedy, the Carr government has given the green light for the continual expansion of investment in the area, dominated by the same developers, and driven by the same economic considerations that gave rise to this entirely preventable disaster.



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