



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

12th December 2006

DCCS11 REVIEW OF FEES FOR HOLIDAY PARKS FILE: 120 SJR

SUMMARY:

Reporting on review of fees to determine future tariffs and pricing structures to be applied as from 1st July 2007.



The Manager Business Services has worked in conjunction with Family Holiday Experiences Pty Ltd as contract managers of the 4 Shore Holiday parks, to review future tariffs.

Family Holiday Experiences P/L has undertaken a comprehensive study of numerous holiday parks. Neighbouring holiday parks that provide similar visitor experiences as well as parks of a higher standard were researched to compare tariffs.

Key Tariff Changes

This year's review of fees is based on;

- Detailed analysis of competitors and comparing apples with apples
- Understanding that the parks compliance works to date has assisted in the elevation of AAA Tourism Ratings of the parks.
- Recognising the beachside location of our parks is a major advantage over some parks within our comparison tables
- Industry trends and CCIA recommendations
- Increasing costs associated with day visitors to the parks
- The installation of two new two bedroom cabins at Hat Head, one of which will feature two bathrooms including one with a corner spa.

As has occurred previously Family Holiday Experiences Pty Ltd need the ability to gain approval from the Manager Business Services or Director Corporate and Community Services to implement identified "special offers" as a promotional tool, to build off season visitation which is tailored to current market deals and prevailing conditions. Appropriate advance notice of fees for these special offers can be provided.

A detailed copy of the proposed fee restructure is attached at [\(Appendix K\)](#).

REPORT IMPLICATIONS:

- *Environmental*

No implications.

- *Social*

The increased income derived from the fee review will maintain profitability levels for Council and assist in raising the amenity of the day visitor areas adjoining the caravan parks for the benefit of residents and visitors to the Macleay Valley Coast.

- *Economic (Financial)*

Note: The CPI increase for the preceding twelve months to September 2005 is 3.9%. It should be noted that the fees are for the period 1 July 2007 through to 30th June 2008. Estimates of the CPI trends over that period have been incorporated into the setting of these fees.

Each park experiences varying occupancy trends and attracts varying clientele and this has been incorporated into the following recommendation. Minimal increases have been applied to Grassy Head Holiday Park commensurate with demand and occupancy. No increase has been applied to the extra person rate. More substantial increases have been applied to holiday vans as demand far exceeds supply.

A bottom line return to Council is estimated at \$50 - 60,000pa.

- *Policy or Statutory*

This fee review is consistent with policy to adopt new tariffs at this time of year to allow confirmation of future fees for park clients who wish to re-book their sites at the end of their Christmas holiday.

- *Directors Review*

Tariff proposals reflect the considerable investment by Council in raising the standard of the caravan parks. The increase represents approximately 4% across the board.

RECOMMENDATION

1. That the proposed fee structure as set out in the Director's report be adopted for the period effective from 1st July 2007.
2. That the Manager Business Services be empowered to approve of discounts on the standard fees for "special offers" as a promotional tool.

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G B Snape
DIRECTOR CORPORATE & COMMUNITY SERVICES