



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

11th December 2007

DCCS15	REVIEW OF FEES FOR HOLIDAY PARKS
FILE: 120	SJR {Folio No. *}

SUMMARY:

Reporting on review of fees to determine future tariffs and pricing structures to be applied as from 1st July 2008.

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DESCRIPTION:

The Manager Business Services has worked in conjunction with Family Holiday Experiences Pty Ltd as contract managers of the four 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 is equipped 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.

Due to the growth in online bookings and the fact that consumer decision making is changing there is a requirement to have the flexibility to offer discounted rates where feasible on internet booking sites such as

www.lastminute.com.au and www.wotif.com.au marketing campaigns will be undertaken to more fully optimise occupancy rates through marketing on these well used sites.

A detailed copy of the proposed fee restructure is attached at [\(Appendix F – Page J20 - 25\)](#).

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *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)*

The CPI increase for the preceding twelve months to June 2007 is 3.2%. It should be noted that the fees are for the period 1st July 2008 through to 30th June 2009. 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 an additional \$60 - 65,000 pa.

- *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.

- *Director's Review*

Tariff proposals reflect the considerable investment by Council in raising the standard of the caravan parks. The increase represents approximately 4.5% 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 2008.

2. That the Manager Business Services be empowered to approve of discounts on the standard fees for "special offers" and last minute internet bookings as a promotional tool.

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G B Snape
DIRECTOR CORPORATE AND COMMUNITY SERVICES