

ITEM 5

POLICY REVIEW - WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS POLICY

The Wollongong City Tourist Parks' Discounting and Promotions Council Policy has been revised as part of the Council policy review process. The Policy has been amended to reflect administrative and operational changes and to align with Council's new Policy Framework.

The revised Wollongong City Council Tourist Parks Discounting and Promotions Policy is presented to Council for adoption.

### RECOMMENDATION

- 1 Council adopt the revised Wollongong City Council Tourist Parks Discounting and Promotions Policy.

### REPORT AUTHORISATIONS

Report of: Lucielle Power, Manager Property + Recreation

Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

### ATTACHMENTS

- 1 Draft Wollongong City Tourist Parks Discounting and Promotion Council Policy
- 2 Draft Wollongong City Tourist Discounting and Promotions Council Procedure

### BACKGROUND

Council's Tourist Parks' Discounting and Promotions Council Policy was due for review in May 2020.

Council's Tourist Parks operate as commercial businesses within a competitive marketplace and provide a return to Council through its operations. A Market Pricing method is used to determine Tourist Parks' Fees and Charges. This method is based on analysis of competitor pricing and market fee structures. Within the industry, it is standard practice for businesses to participate in discounting and promotional activities to attract customers in quieter periods and remain competitive within the crowded marketplace.

The Wollongong City Tourist Parks Discounting and Promotions Policy provides Council with the ability to remain competitive within the market and quickly respond to changing market conditions and consumer demands. The provision of discounts and participation in promotional activities in lower occupancy periods have proven vital in attracting customers and enabling the businesses to achieve occupancy and revenue targets.

The Wollongong City Tourist Parks Discounting and Promotions Policy and associated procedures provides a consistent and transparent approach with respect to the provision of discounts and participation in promotional activities and robust administrative and reporting framework to manage compliance. The existing policy has been reviewed and amended to reflect administrative and operational changes and to align with Council's new Policy Framework.

The key changes are:

- 1 Removal of procedural components of the Policy and development of a stand alone Procedure.
- 2 Addition of Roles and Responsibilities associated with the Policy.

### PROPOSAL

The reviewed Wollongong City Tourist Parks Discounting and Promotions Policy be adopted.

## CONSULTATION AND COMMUNICATION

Consultation was undertaken with:

- 1 Property and Recreation Staff
- 2 Governance Staff

## PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 Goal 2 “We have an innovative and sustainable economy”. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2022-2026	Operational Plan 2022-23
Strategy	4 Year Action	Operational Plan Actions
2.7 Promote the Wollongong Local Government Area as an event, conference and visitor destination.	2.7.2 Operate an efficient, well managed business providing a return to Council.	Contribute to the promotion of tourism in the Wollongong Local Government Area through the management of Council's three tourist parks at Bulli, Corrimal and Windang.

## RISK ASSESSMENT

The risk in relation to this Policy is considered low based on Council’s risk matrix.

## FINANCIAL IMPLICATIONS

There is no proposed increase in the level of discounting provided under changes to this Policy. The continuation of existing provisions enables the Tourist Parks to remain competitive within the market and increase revenue potential during quieter periods.

## CONCLUSION

The revised Wollongong City Tourist Parks Discounting and Promotions Policy provides Council with the ability to continually build on current occupancies and an effective framework for the management of discounting and promotional activities.



## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS COUNCIL POLICY

ADOPTED BY COUNCIL: : [TO BE COMPLETED BY GOVERNANCE]

### PURPOSE

This policy sets out a consistent and transparent approach Council will take when considering discounts of fees and charges at Council's Tourist Parks. This policy also provides framework for participation in industry standard promotional activities to ensure alignment with industry norms and best practice for the commercially viable operation of the Tourist Parks.

### POLICY INTENT

Council relies on Fees and Charges to fund services and facilities for our community. However, as the Tourist Parks operate as commercial businesses, Council acknowledges it is necessary to participate in industry standard promotional activity in order to ensure prominent market placement in a competitive marketplace.

The main objectives of this policy are to:

1. Establish consistency in the application of discounts at Council's Tourist Parks
2. Enable the Tourist Parks to participate in industry standard promotional activities.

### WOLLONGONG 2028 OBJECTIVES

Promote the Wollongong local government area as an event, conference and visitor destination.

### SCOPE

This policy applies to all adopted fees and charges for products and services provided to customers at Council's Tourist Parks.

### POLICY

#### Discounting and Promotional Pricing

The maximum discount amount that can be applied to fees and charges at Council's Tourist Parks is 30%. This is included in the annual review of Fees and Charges adopted by Council.

Although Council's general policy is not to offer any discounts in relation to Tourist Park Fees and Charges, Council acknowledges that circumstances arise from time to time where it is appropriate to discount such Fees and Charges.

Such circumstances can include, but are not exclusive, to:

1. Customers that are part of the Tourist Parks' loyalty program
2. Customers that may book large group bookings
3. Customers that may book long stays
4. Customers that may wish to book up to 12 months in advance
5. Corporate, value adding, marketing packages
6. Low season/low demand periods.

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS

## COUNCIL POLICY

The following factors will be considered when determining whether a discount should be provided and form the basis of the decision to discount:

1. Current or anticipated occupancy rates for the period compared to corporate targets (60% cabins and 50% sites)
2. Client booking history or forecast; and
3. Factors of cost, competitors and profit objectives.

### Loyalty Member Discount

1. To encourage repeat visitation, all customers of Wollongong City Tourist Parks are able to join the Tourist Park Loyalty Program
2. Customers who sign up to the Tourist Park Loyalty Program may have access to specials and discounts up to 10% of the value of each booking after joining (excluding peak season)

### Other Promotional Activities

Council acknowledges that it is necessary to compete in a commercial environment and undertake various promotional activities.

Such activities can include, but are not exclusive, to:

1. The payment of commissions to third party agents and websites from accommodation payments
2. The donation of accommodation nights for promotional or charitable events including free of charge (FOC) room nights for marketing or agent familiarisations.

### Third party agents

1. Commissions payable to the third parties in this manner will be up to a maximum of 17% or market rate (whichever is higher)
2. The commission payable to the third party will be over and above any discount otherwise applied to the reservation as per the maximum 30% discount
3. Commercial arrangements that require commissions to be paid on invoice after guest departure will be paid as a fee from operational costs.

### In Kind Promotions

1. A total of 30 accommodation nights per financial year at each site will be allocated for promotional use at the discretion of the Manager Property and Recreation
2. Each request will be assessed on its individual merit in each period and participation in a prior period does not guarantee participation in a future period
3. Requests may include accommodation nights for promotional activity. Examples include, in-house competitions, contra deals for professional services such as photography or advertising, compassionate donations to charitable causes or for any other purpose that promotes the Tourist Parks in a positive light and as the Manager Property and Recreation deems suitable.

## LEGISLATIVE REQUIREMENTS

1. *Local Government Act 1993*
2. *Competition and Consumer Act 2010*
3. *Competition and Consumer Regulations 2010.*

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS

## COUNCIL POLICY

### REVIEW

This Policy will be reviewed every two years from the date of each adoption of the policy, or more frequently as required.

### REPORTING

#### Recording of Transactions

1. All transactions will be recorded in Council's financial system to recognise both income and expenditure and associated GST for each transaction
2. Discounting transactions will be recorded and available for auditing by Council's Commercial Business Manager to ensure all discounting transactions are applied correctly.

### ROLES AND RESPONSIBILITIES

#### All Staff

1. Complying with the Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures.

#### Tourist Park Supervisor

1. Reviewing, determining suitability of and authorising one off corporate discounts of up to 10%
2. Creating full and accurate records of approved discounts in the property management system
2. Extracting discount reports on a monthly basis to ensure compliance with Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures
3. Reporting non-compliance with Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures to the Operations Manager Tourist Parks.

#### Operations Manager - Tourist Parks

1. Reviewing, determining suitability of and authorising discounts of up to 30%.
2. Creating full and accurate records of approved discounts in the property management system.
3. Extracting discount reports on a quarterly basis to ensure compliance with Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures.
4. Assist the Commercial Business Manager with investigating reports of non-compliance with Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures and providing findings to Divisional Manager.
5. Assess suitability of and formalise proposals for promotional campaigns and entering into commercial arrangements with third party agents for review and approval by the Commercial Business Manager (up to 17%) or Divisional Manager (greater than 17%).
6. Assessing requests for complimentary nights or in-kind promotions and preparing recommendations to the Manager Property and Recreation.

#### Commercial Business Manager

1. Reviewing, determining suitability of and authorising discounts of up to 30%.
2. Undertaking regular sample audits of discounts to ensure compliance with Wollongong City Tourist Parks Discounting and Promotions Policy and related procedures.
3. Review and approve requests from Operations Manager - Tourist Parks for participation in promotional campaigns and entering into commercial arrangements with third party agents of up to 17%.

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS

## COUNCIL POLICY

4. Assessing requests for complimentary nights or in-kind promotions and preparing recommendations to the Manager Property and Recreation.

### Divisional Manager

1. Reviewing and approving recommendations from Operations Manager - Tourist Parks and/or Commercial Business Manager for complimentary nights or in-kind promotions.
2. Reviewing and approving recommendations from Operations Manager - Tourist Parks for commercial arrangements with third party travel agents greater than 17%.
3. Review any outcomes of auditing process for further investigation.

### RELATED PROCEDURES

1. Wollongong City Tourist Parks Discounting and Promotions Procedure.

WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS	COUNCIL POLICY
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APPROVAL AND REVIEW		
Responsible Division	Property and Recreation	
Date/s adopted	<i>EMC</i> [updated by policy owner]	<i>Council</i> [To be inserted by Governance]
Date/s of previous adoptions	29 May 2017; May 2012, May 2020	
Date of next review	[Not more than two years from last adoption]	



## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE

ADOPTED BY MANAGER [DIVISIONAL MANAGER] | DATE: [DATE]

### CONTEXT

Council's general policy is not to offer any discounts in relation to Tourist Park Fees and Charges, however, circumstances arise from time to time where it is appropriate to discount such Fees and Charges as detailed in the Wollongong City Tourist Parks Discounting and Promotions Policy.

These Procedures are to be read in conjunction with the Wollongong City Tourist Parks Policy (the Parent Policy). The purpose of this procedure is to:

1. Detail the types of discounting permitted and establish clear and consistent criteria to be used when determining whether a discount may be provided
2. Outline the approval process for authorisation to provide discounts of Council's adopted fees and charges to customers of Wollongong City Tourist Parks
3. Detail the record keeping practices and reporting requirements required when a discount has been provided.

### DEFINITIONS

**Loyalty Member** means the customer of Wollongong City Tourist Parks who is an active member of the Tourist Parks customer loyalty program.

**One-off Corporate Discount** is a corporate discount approved by the Park Supervisor (or higher) on an individual basis applicable to corporate/business clients of Wollongong City Tourist Parks with extended stay or multiple cabin/site bookings.

**Recurring Corporate Discount** is a corporate discount approved by the Park Supervisor (or higher) for a period of up to 12 months applicable to corporate/business clients of Wollongong City Tourist Parks with a recent history or expectation of frequent extended stays or multiple cabin/site bookings.

**Group Discount** is a discount applicable to medium to large group clients of Wollongong City Tourist Parks customers involving ten (10) or more simultaneous cabin/site bookings and approved by the Park Supervisor (or higher) on an individual basis.

**Elevated Discount** is a discount approved on an individual basis by the Operations Manager - Tourist Parks (or higher) based on merit and in line with operations and strategic objectives.

**Promotional/Campaign Rates** is a discount rate pre-approved by the Operations Manager - Tourist Parks (or higher) as part of a seasonal or targeted promotional/marketing campaign and added to the Tourist Parks property management software as an available rate or accessible using a campaign code.

**Third Party Agents/Online Travel Agents** are the online and physical third party travel agencies, engaged by the Tourist Parks

**FOC/In Kind Promotions** relates to the yearly discretionary allotment of complimentary accommodation nights, the Manager Property and Recreation may approve.

### STATEMENT OF PROCEDURES

**WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE** **PROCEDURE DOCUMENT**

Discount Types and Delegated Approvers

Table 1

Discount Type	Discount Amount	Approval Required	Approving Officer
Loyalty Member Rate	Maximum 10% Discount (Low and Shoulder Season Only)	No additional approvals if membership is verified	Not applicable
One-Off Corporate Discounts	Maximum 10% Discount	On each occasion	Park Supervisor level or higher
Recurring Corporate Discounts	Maximum 10% Discount	Recurring approval of up to 12 months possible	Operations Manager level or higher
Group Discounts	Maximum 10% Discount	On each occasion	Park Supervisor level or higher
Elevated Discounts	Maximum 30% Discount	On each occasion	Operations Manager level or higher
Promotional/Campaign Rates	Up to 30%	Pre-approved only and loaded in Newbook (eg Marketing or Seasonal Pricing Campaign). No additional approval is required	Operations Manager level or higher

**Discounts**

Discount Requests

1. If a customer requests a discount, the Tourist Park employee handling the booking/enquiry will first review the reservation management system in order to confirm:
  - a. Whether there is an active promotion applicable to the booking, or
  - b. Whether a current recurring discount exists on the client account.
2. If one of the above conditions (1a-b) are met, the Tourist Park employee may apply the discount subject to applicable/noted conditions, without further approval.
3. If there is no active promotion or recurring discount the employee will assess the booking and reservation management system to determine whether:
  - a. The booking/s meets the criteria for discounting (eg group, corporate, compelling circumstances)
  - b. The booking stay falls in low or shoulder season
  - c. The booking is being made less than 21 days prior to arrival and occupancies are below the corporate target of 60% for cabin and 50% for sites.
4. Where the above conditions (3a-c) are all met, the employee will provide these details to the relevant approving officer in writing for advice/review and approval.

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE

## PROCEDURE DOCUMENT

### Discount Approvals

5. All discounts (other than Loyalty Member Rates) must be approved by a delegated Approving Officer as detailed in Table 1.
6. Discounts can be applied to the current Council endorsed fee or charge, up to the maximum limits outlined in Table 1.
7. Other than recurring discounts, approval must be obtained and provided for each stay.
8. When considering discounting, the Approving Officer will take into account all the following factors:
  - a Length and volume of stay
  - b Current or anticipated occupancy rates for the period compared to corporate targets (60% cabins and 50% sites)
  - c Client booking history or forecast
  - d Factors of cost, competitors, and profit objectives; and/or
  - e For elevated discounts (Operations Manager or higher) the basis of decision in line with operations and strategic objectives.
9. If a one-off discount is applicable, notes shall be entered into the Tourist Parks reservation management system directly by the Approving Officer. The notes are to be added to the applicable booking and include all the following:
  - a The discount amount approved
  - b Rationale for the discount being approved based on factors detailed in 8(a-e).
10. If a recurring discount is applicable, notes shall be entered into the Tourist Parks reservation management system directly by the Approving Officer. The notes are to be added to the applicable **corporate/guest account** and include all the following:
  - a The recurring discount amount approved
  - b The start and end date of the recurring discount (up to a maximum of 12 months)
  - c Rationale for the discount being approved based on factors detailed in 8(a-e).

### Discount Processing

11. Once a discount has been approved by the delegated Approving Officer, the Tourist Park employee handling the booking/enquiry will:
  - a Confirm relevant notes relating to the discount have been the client/booking account
  - a Apply the discount to the relevant booking by either selecting the relevant discount type in the reservation management system or entering an applicable discount code (if provided).

### Discount Reporting

12. At the conclusion of each month, Tourist Park Supervisors are to print, review and sign the discount report for the period. These are to be appropriately stored in the corporate records management for future auditing purposes.
13. Where non-compliance with this procedure has been identified, the Tourist Park Supervisor will provide a report to the Operations Manager - Tourist Parks on the identified issues and action taken to address identified issues.
14. At the conclusion of each quarter, the Operations Manager - Tourist Parks is to print, review and sign the discount report for the period. These are to be appropriately stored in the corporate records management for future auditing purposes.
15. Where serious or repeated non-compliance with this procedure has been identified, the Operations Manager - Tourist Parks will provide a report to the Commercial Business Manager on the identified issues and action taken to address identified issues or whether further investigation is required.

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE

## PROCEDURE DOCUMENT

### Promotional Pricing

16. To achieve occupancy targets, remain competitive and ensure prominent market placement, it is necessary for the Tourist Parks to participate various marketing campaigns that involve promotional pricing and/or value adding. The types of promotional pricing and value adding may include, but is not limited to, the following:
  - a Discounted mid-week stays during low occupancy periods (eg 20% off midweek)
  - b Stay and Save Deals (eg stay 7, pay 5 nights)
  - c Reduced rate for additional nights (eg Save 30% on third night)
  - d Complimentary late check-out.
17. Promotional pricing may be available to either all customers or only select audiences. Examples of this include, but are not limited to, the following:
  - a As part of Local and/or Regional Tourism Board Campaigns
  - b As part of Online Travel Agency Campaigns
  - c As part of targeted marketing campaigns
  - d As part of a general pricing campaign in response to periods of low occupancy.
18. When considering whether to participate in promotional pricing or campaign pricing activities, the Operations Manager - Tourist Parks consider all the following factors:
  - a Activity alignment with the Tourist Parks Marketing Strategy
  - b Factors of cost, competitors, and profit objectives
  - c Current or anticipated occupancy rates for the period compared to corporate targets (60% cabins and 50% sites).
19. If the Operations Manager - Tourist Parks determines there to be benefit in promotional/campaign pricing activities, they will prepare a recommendation for the Commercial Business Manager to review and approve with rationale based on factors 18(a-c).
20. All Promotion/Campaign Pricing is to include all the following terms and conditions:
  - a Defined starting and ending dates in which bookings can be made and applicable stay dates and details and dates of any blackout or exclusion periods
  - b The types of accommodation the promotional pricing is applicable to
  - c Details of any minimum and maximum stays
  - d Whether or not the promotion can be combined with any other discount or promotion
  - e How many times the promotion may be used by one person/group
  - f How the promotion is applied or redeemed.
21. Where promotional pricing is available to all customers, details of the promotion will be published on the Wollongong City Tourist Parks website and the promotional rates added to the Tourist Parks property management system along with applicable terms and conditions.
22. The Operations Manager is to advise all relevant staff by email prior to the launch of any promotional/campaign pricing activity with all relevant details.

### Promotion/Campaign Reporting

23. At the conclusion of promotional pricing activity, the Operations Manager - Tourist Parks is to extract a report from the Tourist Parks property management software on the take-up of promotion. This report is to be appropriately stored in the corporate records management for future auditing purposes.

### Online and Third Party Agents

24. Commercial arrangements of up to 17% will be assessed and formalised by the Operations Manager Tourist Parks on approval by the Commercial Business Manager.
25. Commercial arrangements of more than 17% will be assessed and formalised by the Operations Manager Tourist Parks on approval by the Manager Property and Recreation.

## WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE

## PROCEDURE DOCUMENT

26. If commercial arrangements have been entered into with third parties that require payment of commissions direct from the customer to the third party prior to arrival, the customer will be charged the balance on arrival with the commission shown as a discount to the nightly tariff on the customer ledger.
27. The commission payable to the third party will be over and above any discount otherwise applied to the reservation as per the maximum 30% discount.
28. Commissions payable to the third parties in this manner will be up to a maximum of 17% or market rate (whichever is higher).
29. Commercial arrangements that require commissions to be paid on invoice after guest departure will be paid as a fee from operational costs.
30. Independent auditing will be carried out in line with Council's Revenue Policy.

### In Kind Promotions

31. A total of 30 accommodation nights per financial year at each site will be allocated for promotional use at the discretion of the Manager Property and Recreation.
32. Any requests for complimentary accommodation nights or promotional opportunities for approval will be assessed by the Operations Manager Tourist Parks and/or Commercial Business Manager who will then a recommendation to the Manager Property and Recreation.
33. The Manager Property and Recreation will review prepared recommendations and give final approval.
34. Each request will be assessed on its individual merit in each period and participation in a prior period does not guarantee participation in a future period.
35. Requests may include accommodation nights for promotional activity for example in-house competitions, contra deals for professional services such as photography or advertising, compassionate donations to charitable causes or for any other purpose that promotes the Tourist Parks in a positive light and as the Manager Property and Recreation deems suitable.
36. Written advice will be supplied to the site for any complimentary accommodation nights that have been approved. This advice is to be printed, noted on the reservation and held on site for future auditing purposes.

## REPORTING

### Recording of Transactions

1. All transactions will be recorded in Council's financial system to recognise both income and expenditure and associated GST for each transaction.
2. Transactions will be reported monthly to Finances Tax and Finance Accountant and Budget and Reporting Coordinator to ensure all transactions are allocated correctly.

## REVIEW

These Procedures will be reviewed every two years or in-line with the review of the parent policy (where applicable) and at other times as required. Changes to the Procedure that are consistent with the parent policy can be approved by the Manager Governance and Customer Service.

**WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTIONS PROCEDURE**

**PROCEDURE DOCUMENT**

<b>APPROVAL AND REVIEW</b>	
Responsible Division	Property and Recreation
Date adopted	[Date Adopted]
Date of previous adoptions	[Previous adoption dates]
Date of next review	[Review Date]
Responsible Manager	Manager Property and Recreation
Parent Policy	Wollongong City Tourist Parks - Discounting and Promotions Policy

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