

ITEM 7

POLICY REVIEW - WOLLONGONG CITY TOURIST PARKS DISCOUNTING AND PROMOTION 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. The revised Wollongong City Council Tourist Parks Discounting and Promotions Policy is presented to Council for adoption.

RECOMMENDATION

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

REPORT AUTHORISATIONS

Report of: Roisin OSullivan, Manager Commercial Operations + Property (Acting)
Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

- 1 Draft - Wollongong City Tourist Parks Discounting and Promotions Policy

BACKGROUND

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 an 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 management 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 with administrative amendments made as well as the inclusion of room upgrades and other loyalty programs within the Policy.

PROPOSAL

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

CONSULTATION AND COMMUNICATION

Consultation was undertaken with:

- 1 Commercial Business Staff
- 2 Governance Staff

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2035 Goal 3 – “We foster a diverse economy, and we value innovation, culture, and creativity”. It specifically delivers on the following -

Community Strategic Plan 2035	Delivery Program 2025-2029
Strategy	Service
3.11 Using community art and cultural development practices, our places and spaces reflect the creativity, history, and identity of our people	Property Services

SUSTAINABILITY IMPLICATIONS

This Policy allows the Tourist Parks to be competitive in a commercial environment where discounting of services is common and attracts people within the market to utilise our facilities. The Policy further allows a streamlined approval process that meets the needs of the customer.

RISK MANAGEMENT

The risk 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 provide 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 2035 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 an identified 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. Customers that book direct
6. Corporate, value adding, marketing packages
7. Low season/low demand periods.
8. Room Upgrades

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)
3. Customers of other identified loyalty programs may also be included

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 for 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 Commercial Operations & Property.
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 Commercial Operations & Property deems suitable.

LEGISLATIVE REQUIREMENTS

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

TOURIST PARKS DISCOUNTING AND PROMOTIONS

COUNCIL POLICY

REVIEW

This Policy will be reviewed a minimum of once every term of Council, 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 (Currently Newbook)
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 (currently Newbook).
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 Commercial Operations & Property.

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.

TOURIST PARKS DISCOUNTING AND PROMOTIONS

COUNCIL POLICY

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%.
4. Assessing requests for complimentary nights or in-kind promotions and preparing recommendations to the Manager Commercial Operations & Property.

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

Wollongong City Tourist Parks Discounting and Promotions Procedure.

APPROVAL AND REVIEW	
Responsible Division	Commercial Operations and Property
Date adopted by Council	[To be inserted by Governance]
Date/s of previous adoptions	29 August 2022, 29 May 2017, May 2012
Date of next review	[Not more than three years from last adoption]