

# Drought cancellations: Are you charging cancellation fees?

 By [Theresa Prins](#) 15 Feb 2018

Having attended a number of hospitality stakeholder meetings last week, it appears that most hoteliers in Cape Town are not planning to charge cancellation fees for reservations that are cancelled due to the drought in the Mother City. Is this really the right decision?

Many a decision is made based on emotion and the drought is a very difficult and scary time for us all. But what are the hard facts about what we are facing? Is a no-cancellation-fee policy setting a dangerous precedent for the future?



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There is a perception in the industry that there has been a spike in cancellations of late, but my investigations into CBD hotels turned up a very different result. Of the revenue managers I polled, 0% suffered cancellations, 14% weren't sure and 86% had no cancellations due to the drought.

The likelihood of booking cancellations is high, and the panic is fuelled by anxiety around 'Day Zero'. The fear of loss of business is very real. I have heard whisperings of tour operators wanting to pull their business out of Cape Town and place it further up the Garden Route, to less affected areas (to date, it doesn't seem like this has happened as yet.) We should absolutely be prepared for cancellations. But we must think long term.

## What if this is our new normal?

The water shortages in Cape Town are not unique to us and there are many other cities in the world that are constantly operating in a state of drought. Weather statistics dating back to 2013 clearly indicated a decline in rainfall year after year so this shouldn't have been a surprise to any of us. We certainly should have been better prepared, but that is a blog to be directed at politicians.

My point here is that this is not a short-term problem – and we shouldn't be looking at short-term solutions. Water shortages are something we are going to live with going forward. This is going to be business and life as we will know it in the future. It might lighten a little bit, but all facts are pointing to us not recovering from this very soon.

Should we really be waiving cancellation fees and set a precedent for cancellations due to what is set to become our new reality? Or should we instead be educating our visitors on responsible water consumption and embracing the new Cape Town experience?

Statistics tell us that on an annual basis, only 1% of water consumers in the Mother City are tourists - a very insignificant impact on the water infrastructure. Official figures also show us that tourism is a multi-billion-rand money-earner for South Africa. In 2016, 7.5% of Cape Town's GDP was generated through Tourism. We cannot simply say it is okay to not come Cape Town during this time. In fact, we need the revenue generated through tourism to support and fund the infrastructure we need to help us adjust to life in our drought-stricken city.

We should operate as normal, encourage tourists to come and enjoy the Mother City and let them experience what we are going through and embrace our survival spirits. If they cancel, they should be charged as per the contractual agreement and booking conditions.

It must be business as usual in our new normal.

## ABOUT THERESA PRINS

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