



Business Plan – Proposed Major Land Transaction
Seaspray Beach Holiday Park
Lot 94 (Reserve 25412) Church Street, Dongara

Table of Contents

1	Introduction.....	3
2	Purpose of the Business Plan.....	3
3	Background.....	3
4	Statutory Requirements.....	4
4.1	Expected effect on the provision of facilities and services by the Shire.....	4
4.2	Expected effect on other persons providing facilities and services in the district.....	4
4.3	Expected financial effect on the Shire of Irwin.....	4
4.4	Expected effect on matters referred to in the local government’s plan for the future.....	5
4.5	Ability of the Shire to manage the undertaking.....	5
4.6	Any other matter prescribed for the purpose of this subsection.....	5
5	Advertising and Submissions.....	5

1 Introduction

This Business Plan details the proposal by the Shire of Irwin ('Shire') for the disposal by lease of Reserve 25412 being Lot 94 on Deposited Plan 191394 Church Street, Dongara ('site').

Reserve 25412 is vested in the Shire for the purpose of "Caravan Park". The Shire has been granted care, control and management of the site under a Management Order with the power to lease for any term not exceeding 50 years, subject to the consent of the Minister for Lands.

The Shire currently leases the site to McWhite Pty Ltd for the use of the site as a caravan park which is operated as the *Seaspray Beach Holiday Park*. The current lease expires in 2029 and the lessee has approached the Shire seeking a new lease of the site for the maximum term of 50 years.

2 Purpose of the Business Plan

The purpose of this Business Plan is to:

1. Advise the community that the Shire proposes to undertake a Major Land Transaction for the site to be disposed of by way of a proposed new lease to the current lessee.
2. Provide the opportunity for the community to make submissions on the plan.
3. Satisfy the requirements of the *Local Government Act 1995*.

3 Background

The site is accessed from Church Street, Dongara and has a beach front location in the area commonly known as 'Seaspray'.



The site has been used as a caravan park since 1999 and has been progressively developed over time with a mix of chalets and caravan bays. The site has been leased to the current lessee since 2007.

4 Statutory Requirements

The proposed leases constitute a disposal of property under s. 3.58 of the *Local Government Act 1995* and a 'Major Land Transaction' under s. 3.59. The Shire must prepare a Business Plan and the plan is to include an overall assessment of the major land transaction and is to include details of:

- a) its expected effect on the provision of facilities and services by the local government;
- b) its expected effect on other persons providing facilities and services in the district;
- c) its expected financial effect on the local government;
- d) its expected effect on matters referred to in the local government's current plan;
- e) the ability of the local government to manage the performance of the transaction; and
- f) any other matter prescribed for the purpose of this subsection.

4.1 Expected effect on the provision of facilities and services by the Shire

The disposal of the site by lease is not expected have any adverse effect on the provision of facilities and services by the Shire. The site has been leased for a caravan park for a number of years and this would continue for the maximum term of another 50 years.

4.2 Expected effect on other persons providing facilities and services in the district

There are two other caravan parks within the Dongara / Port Denison localities, all of which have similar beach frontage and offer similar accommodation options. All sites are crown reserves with management orders to the Shire and power to lease.

The leasehold disposal of the land is not expected to have any adverse effect on the other caravan parks or persons providing facilities and services in the district. The lessee's willingness to enter into a new lease indicates that there is sufficient demand for the facilities and services offered by the caravan park. Indeed, maintaining current caravan park accommodation options is likely to attract more visitors to the area, in turn having a positive economic impact for the local community and other businesses.

4.3 Expected financial effect on the Shire of Irwin

The current lease rent was initially \$12,000 per annum and subject to an ongoing annual review being the rent paid for the previous year multiplied by the C.P.I. Increment or the Current Market Rent, whichever is the greater. Recent income generated from the lease rent is:

- 2022/23 – \$23,595.93
- 2021/22 – \$21,970.14
- 2020/21 – \$21,624.15

A licensed property valuer has recently valued the disposal on the basis of 'Market Rental Value' which was determined at \$30,000 per annum.

A positive financial effect as a result of the transaction is the continuing income received from the lease rent. It is proposed that the lease rent be modified to 4% of the Gross Revenue for the preceding year or the current market rent, whichever is the lesser. Rent reviews will be undertaken every 5 years.

The development and improvement of the site would be at the cost of the lessee and would not result in any costs being incurred by the Shire. Legal costs associated with the preparation of the lease would be recoverable from the Lessee.

4.4 Expected effect on matters referred to in the local government’s plan for the future

The proposed disposal aligns with, and would support the achievement of the following objectives, outcomes and strategies of the Shire’s Strategic Community Plan 2021 – 2031:

Objective 2 – A prosperous and diverse economy

Outcome 2.1 – Opportunities are maximized to promote economic growth and local development

Strategy 2.1.5 – Leverage opportunity and investment, and promote retail development

Objective 4 – Leading the community with engaged and progressive governance

Outcome 4.2 – Effective governance, management and prudent financial management

Strategy 4.2.1 – Ensure compliance whilst embracing innovation and better practice principles

4.5 Ability of the Shire to manage the undertaking

The Shire has sufficiently qualified and experienced staff to manage the proposed disposal by way of a new lease. The Shire has also provided budget funding to appoint professional consultants and legal representatives to assist with the transaction.

The Shire has managed previous leases on the site and currently manages the leases for the other two caravan park sites in the Dongara / Port Denison localities.

4.6 Any other matter prescribed for the purpose of this subsection

The site is located in a coastal hazard risk area as identified in the Shire’s Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The CHRMAP identifies the need to monitor the area and allow natural processes to occur. The lease will contain a disclosure notifying that the site is located in an area likely to be subject to coastal erosion and/or inundation over the next 100 years.

5 Advertising and Submissions

The Shire is required under s. 3.59 of the *Local Government Act 1995* to give statewide public notice of the Major Land Transaction under consideration and invite public submissions for a period of not less than six weeks.

A notice will be placed in the West Australian on Saturday 21st October 2023 and in the Dongara Denison Local Rag on Wednesday 25th October 2023. The Business Plan will also be available to view on the Shire’s website www.irwin.wa.gov.au and will be available for inspection at the Shire’s Administration Centre located at 11-13 Waldeck Street, Dongara.

Submissions are to be made in writing to the Chief Executive Officer and must be received no later than 4.00pm on Monday 18th December 2023.

Submissions can be emailed to reception@irwin.wa.gov.au or posted to:

Chief Executive Officer
Shire of Irwin
PMB Box 21
DONGARA WA 6525

Submissions should be clearly marked **‘Business Plan – Seaspray Beach Holiday Park’**