



SHIRE OF GINGIN

Lancelin South Caravan Park – Leasing
Proposal
Business Plan

pracsys.



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1 EXECUTIVE SUMMARY

Pursuant to the requirements of Section 3.59 of the *Local Government Act 1995*, this Business Plan has been prepared to outline the expected effects of the proposed leasing and redevelopment of the Lancelin Caravan Park (the Park) – Lot 31 Hopkins Street, Lancelin, formally and commonly known as the Lancelin South Caravan Park.

The proposed lease will see the management of the Park vested to Experience Holiday Parks Pty Ltd (the Proponent). The selection of the Proponent was based on an Expression of Interest (EOI) process undertaken by the Shire in conjunction with Tourism WA (October 2016), intended to *'add value to Lancelin as a tourism destination... by enhancing the range of accommodation and facilities to enable an experience that supports increased visitation, through the development of a high quality, contemporary tourist park'*¹.

The assessment of the proposed redevelopment (the Proposal) has concluded that:

- There is a demonstrated need for additional tourism accommodation facilities in Lancelin that will serve to capture a wider tourism market, providing significant benefits to the local community. Direct benefits to the community will be provided through shared facilities, such as a covered swimming pool made available for public use
- The expected effect on facilities and services by the Shire is neutral to positive. The primary impact of the proposed facilities will be to reduce the reliance on overnight use of public rest areas for self-drive travelers. This will reduce the impact on cleaning, maintenance and enforcement requirements managed by the Shire
- The expected effect on other persons providing facilities and services is neutral to positive as the Proposal has been designed to increase tourism visitation to Lancelin and the wider region. Based on the levels of turnover predicted by the Proponent, the total additional benefit to the local economy (above and beyond revenue generated directly by the Park) is estimated to be up to \$2.8 million by year 5 of the development
- The expected effect on Shire finances is the generation of significant additional revenue, in the order of \$1.74 million (in Net Present Value) over 21 years based on the application of a moderate (standard) risk allowance to the Proponent's projections.
- The Proposal is expected to support the vision, community aspirations, Shire objectives, outcomes and strategies in the five focus areas identified in the 2015-2025 Strategic Community Plan

The Proposal is therefore expected to be of high benefit to the Shire and local community, provide a catalyst for increased tourism visitation, provide a higher standard of publically accessible facilities and play an important role for the ongoing development of the town of Lancelin.

¹ Lancelin South Caravan Park Expression of Interest, Shire of Gingin and Tourism Western Australia (2016)



Following the release of this Business Plan, submissions will be received from the public for a period of six weeks. Further details regarding submissions are provided in Section 9 of this report.



2 INTRODUCTION

2.1 Business Plan Purpose

This Business Plan has been prepared in accordance with *Local Government Act 1995* (the Act) with respect to the proposal (Proposal) to lease the Lancelin Caravan Park (the Park)- Lot 31 Hopkins Street, Lancelin, to a private proponent (the Proponent) under 21 year plus 21 year terms. Section 3.59 of the Act requires all local governments to prepare a business plan prior to undertaking and entering into a major land transaction. The proposed redevelopment and lease is considered a major land transaction as prescribed under the Act.

The Act prescribes that the business plan is to provide details of the Proposal, including:

- Expected effect on the provision of facilities and services by the local government
- Expected effect on other persons providing facilities and services in the district
- Expected financial effect on the local government
- Expected effect on matters referred to in the local government's current plan prepared under section 5.56
- The ability of the local government to manage the undertaking or the performance of the transaction

This Business Plan demonstrates that the Proposal received from Halsall and Associates on behalf of Reginald and Donna Cocking and Christopher and Ornella Sialtsis (trading as Experience Holiday Parks Pty Ltd) promotes the future use of the site for tourism and that the redevelopment of the Lancelin Caravan Park will result in a positive outcomes for the Shire of Gingin, the local community and tourists.

2.2 Background

Lancelin Town

Lancelin is a small coastal town located 94 km north of Perth, in the Shire of Gingin (the Shire). It is home to over 700 permanent residents², and is a year-round tourist destination with especially high visitation during summer for fishing and beach activities. The sand dunes immediately north-east of the town are a popular destination for sandboarding and off-road vehicle driving. The protected waters are ideal for swimming, fishing, boating and other water-based activities. It also provides safe anchorage for fleets of cray fishing boats. Lancelin is an internationally recognised and popular destination for windsurfers due to the ideal wind and water conditions. The annual Lancelin Ocean Classic is an iconic international windsurfing event attracting over 300 competitors from Australasia, South East Asia, the Americas and Europe³.

Located on Lot 31 Hopkins Street, Lancelin Caravan Park (formally and commonly known as the Lancelin South Caravan Park) is one of seven caravan parks within the Shire, and is notable for its direct ocean frontage and undulating coastal topography (Figure 1).

² ABS Census 2016

³ Lancelin South Caravan Park Expression of Interest, Shire of Gingin and Tourism Western Australia (2016)

Figure 1. Aerial photo



Source: Google Maps 2017

Site Description

The subject land comprises two land titles, being Lots 31 and 607 Hopkins Street, Lancelin, and are identified as Reserve 21760 (see Figure 2). The current vesting order is for land use of “caravans and camping” whereby the Proposal will seek amendment to the Order to the land use of “holiday park” to include additional facilities at the site, including holiday chalets.

The majority of the land is zoned “tourist” under the Shire’s Local Planning Scheme No.9 (LPS No.9) for which the objectives of the zone are to:

- (a) Promote and provide for tourism opportunities
- (b) Provide for a variety of holiday accommodation styles and associated uses, including retail and service facilities, where such facilities are provided in support of the tourist accommodation and are of an appropriate scale where they will not impact detrimentally on the surrounding or wider area
- (c) Allow limited residential uses where appropriate
- (d) Encourage the location of tourist facilities so that they may benefit from existing road services, physical service infrastructure, other tourist attractions, natural features and urban facilities
- (e) Ensure that short stay tourist and holiday accommodation are predominant land uses in the zone

- (f) Encourage tourism development that is generally sympathetic to the natural and built features of the surrounding area.

A small area of the land in the south eastern corner abutting the adjacent Water Corporation Reserve is zoned “Conservation” under LPS No.9. The objective of this zone is to adequately protect the zoned areas from urban development and environmental degradation.

Figure 2. Site Location



Source: WAPC 2017; Pracsys 2017

The caravan park accommodation currently includes:

- 140 powered caravan sites
- 7 unpowered caravan sites
- 4 powered camp sites
- 16 unpowered camp sites
- 20 unpowered overflow camp sites

2.3 Project Need

Changing Site Management

The Park was previously under leasehold to Esther Investment Pty Ltd, which ceased on 30 September 2016. Since this time the Shire of Gingin has provided interim management of the site pending the outcome of



consideration for proposals for redevelopment of the Park. The Park currently provides limited opportunities for short-term tourists due to the large number of sites currently being leased as Fixed Term Site-only Agreements, which expire on 31 December 2017. The facilities at the site are now considered at the end of their expected life. The ablution facilities are aged and need upgrading, and recreational amenities are non-existent.

Given the unrealised commercial potential of the Park, and the extensive upgrades that are proposed, it is believed to be more appropriate for a private operator to invest in and manage the site, while the Shire maintains the lease.

Improving Local Tourism

Tourism is currently a growth industry for Western Australia and plays an important role in supporting the local Lancelin community. The need for the development of additional capacity and variety in tourism accommodation is demonstrated by the combination of a number of broad and local factors, summarised as⁴:

- The core caravan and camping cohorts; young and established families (35-54 years) and active seniors (55-69 years) are expected to grow by 21%, or an additional 250,000 people in Western Australia to 2031
- Since the opening of the Indian Ocean Drive, year round traffic passing through Lancelin has increased 31%. Moreover, traffic in the traditional off-season (winter) has increased 38% as winter travellers to the North West choose the scenic Indian Ocean Drive route over the Brand Highway
- This increase in traffic in the winter months has substantially reduced seasonal volatility at caravan parks between Perth and Geraldton. This is demonstrated by average monthly revenue growth of 42% and 30% at each of the Pinnacles and the Jurien Bay Caravan Parks respectively between 2011 and 2013
- The proportion of visitors who use caravan park accommodation in the Gingin LGA is far higher than the WA average at 24.5% across domestic and international visitor groups, versus 9% for the state.
- There is a trend towards the supply of fixed, on-site accommodation such as chalets and cabins, in order to meet increasing demand for this kind of accommodation. Between 2008 and 2012 the number of cabins/chalets rose by 749 (22%). Cabins and chalets were a very popular form of caravan and camping accommodation in Western Australia with 26% (2011) and 28% (2012) of caravan and camping visitors staying in this form of accommodation. The installation of these higher-yielding forms of accommodation provides a greater security of cash flow for caravan park operators.

The Shire (in conjunction with Tourism WA) identified the need for the Park to provide a higher number, quality and variety of accommodation options in conjunction with an upgrade to essential services and facilities. Subsequently, private investors were invited to submit proposals for the redevelopment and

⁴ Brighthouse Strategic Consulting (2014)

operation of the existing facility. This process resulted in the selection of a Proponent based on evidenced impact across a number of defined objectives.

The proposed redevelopment presents an opportunity to design and build a modern tourist park, with a variety of accommodation options catering to different budgets, that will capture a greater share of WA's growing tourism market and support wider state tourism development efforts.

The Proposal

The objectives of redevelopment under the lease are to:

- Set a high standard, in terms of quality and amenity
- Ensure the redevelopment is appropriate for the local climate
- Meet tourism market expectations now and in the future
- Complement the coastal environment
- Incorporate environmentally sustainable initiatives
- Provide a range of additional facilities and infrastructure
- Comply with Caravan and Camping Ground Regulations 1997

Given these objectives, new infrastructure proposed for the site by the proponent includes:

- A range of holiday cabins suitable for various budgets and group sizes, increasing the capacity of the Park to over 1000 visitors
- BBQ shelters, camp kitchens, laundry and sheltered clothes drying area
- Enclosed 25m swimming pool, spa and playground
- Mini Golf, jumping pillow and nature playground with rope maze and flying fox
- Refurbishment of all existing ablution blocks, plus an additional ablution block
- New Reception Office in a new location to maximise the amenity and accessibility points to the Southern end of the Park
- Express Check in bay with separate exit access
- Lock up storage shed and compound area for patrons' quad bikes, jet skis, etc.
- Tour bus parking and extensive visitor parking areas
- Landscaping to provide windbreaks and improve aesthetic appeal
- Connection to Water Corporation reticulated sewerage network

Currently, a number of long stay sites have structures that do not comply with the caravan park regulations. The proponent will ensure that these areas are either refurbished or removed from the park.

The useful life of the new facilities is likely to be between 20 to 50 years, depending on the design and construction of the facilities. Most of the infrastructure will be developed within the first 5 years with over \$7 million intended to be invested by the Proponent over this period. The proponent has substantial experience in caravan park development and operation, and is aware of all the necessary permits and regulations



regarding caravan parks. The connection to sewerage service will be beneficial given the increased number of visitors and with regards to the high water table in the Lancelin townsite generally.

Full details of the Proposal and staging of developments are provided in Appendix A and Appendix B respectively.

Community Benefits

The Proposal is expected to provide a range of wider community benefits over the short, medium and long term. These include:

- In the short term (0-5 years), the injection of investment funds to redevelop the Park are expected to provide a range of local employment benefits to the town of Lancelin.
- In the medium term (5-15 years), the reinvestment of funds to continue developing the site may provide local employment benefits as facilities are constructed, economic benefits to local businesses as additional tourists visit the town, and social benefits to the Lancelin resident population as shared facilities are able to be used by the general public (e.g. indoor swimming pool).
- In the long term (15-40 years), there is potential for additional local employment benefits as aging facilities are upgraded or replaced and the economic benefits of increased tourism and social benefits of shared facilities continue to be realised.

In their 2012 study 'Caravan, RV & Accommodation Industry of Australia Economic Benefit Report – Commercial Caravan Park to a Local Community' BDO estimated that for every \$1.00 of commercial caravan park turnover, \$1.38 of local economic activity is generated for the local area⁵. This translates to up to \$2.8 million (per annum) in additional local economic activity by 2022 as a result of the proposed redevelopment (based on the Proponent's projections).

Leasing the site on a long-term basis indicates the Proponent's commitment to investing and managing the asset over the long term. Having a stable operator with a long term vision for the Park is expected to be of substantial benefit to the wider Lancelin community as it enables continuous investment in infrastructure and facilities with long life cycles and return periods, providing a higher quality tourist attraction that will increase overall visitation to Lancelin.

⁵ Caravan, RV & Accommodation Industry of Australia Economic Benefit Report – Commercial Caravan Park to a Local Community, BDO (2012)



3 EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE SHIRE

The following section outlines the expected effects of the Proposal on relevant Shire-run facilities.

3.1 Shire Services and Facilities Potentially Affected

Relevant facilities and services identified were:

- Guilderton Caravan Park
- Shire public toilet facilities and 24 hour rest areas
- Gingin Aquatic Centre
- Foreshore Reserves

Guilderton Caravan Park

The Shire currently owns (in freehold) and operates a caravan park in the town of Guilderton, 45 km south of Lancelin. The development is not expected to directly compete for tourism visitation given the nature of these facilities compared to those proposed for the Park, the unique tourism offerings of each location and the identified demand for additional caravan park accommodation in Lancelin. The improvements in quality of the tourist accommodation and activities available in Lancelin is targeted at increasing the overall tourist visitation to the wider region, and may also increase the number of visitors to Guilderton Caravan Park as a consequence.

The Shire therefore expects the effect of the Proposal and subsequent redevelopment to be neutral to positive for visitation to Guilderton Caravan Park.

Public Toilet Facilities and 24 hour rest areas

Lancelin suffers from a significant shortage of caravan park accommodation, and as such many self drive travellers looking for a safe overnight stopover on route to other destinations are often forced to camp in designated overnight rest areas (or unofficial locations such as Council car parks). This practice has an impact on Council managed facilities such as public toilet facilities and waste management – requiring additional resources such as cleaning, maintenance and enforcement. The redevelopment of the Park will provide much needed caravan park accommodation in Lancelin and encourage travellers to stay in town, contribute to the local economy through the purchase of goods and services, and reduce the impact on these Council owned/managed facilities.

Gingin Aquatic Centre

The Shire currently provides a public swimming facility, the Gingin Aquatic Centre, at the town of Gingin, located 80 km south-east of Lancelin. The Gingin Aquatic Centre is an outdoor pool, which limits its usage to warmer periods (October to April).



The proposed new public pool at Park is to be indoor, providing the opportunity for swimming all year round. The proponent has stipulated that the pool would be available and suitable for school swimming lessons, providing additional capacity for lessons in summer and new capacity for lessons in winter.

A swimming pool at Lancelin will be an important new facility for the growing resident population. Lancelin is identified as a future service town for the other Shire coastal communities under the current Shire of Gingin Local Planning Strategy. Providing a pool at this location will provide an improved quality of life for local residents, and assist in attracting new residents to the Shire.

Given the separate catchments of the two facilities, the Shire expects the benefits to the Lancelin community from the proposed new pool will be high, with little to no impact on the utilisation of the Shire's existing public pool facility at Gingin.

Foreshore Reserve

The Shire of Gingin manages the adjacent coastal foreshore adjacent to the Park. The redevelopment of the site will enable the Shire and the Proponent to consider coastal access by the patrons of the Park and formalise coastal access points. Furthermore, the new development will consider the impacts of coastal process in the location and a Coastal Hazard Risk Management Adaptation Plan will be required to be submitted at the development application stage.

3.2 Summary of the Expected Effect

It is expected that the Proposal will have a neutral to positive effect on the utilisation of existing Shire facilities, adding to the current facilities and services provided by the Shire and providing a more attractive offering to tourists and Shire residents.



4 EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT

The following section outlines the expected effects of the Proposal on relevant privately owned facilities.

4.1 Private Services and Facilities Potentially Affected

Privately-run facilities and services provided by private operators within the Shire were assessed to determine if they are likely to be affected by the Proposal. These facilities include:

- Accommodation facilities in Lancelin
- Accommodation facilities in the rest of the Shire
- Food and beverage facilities in the Shire
- Tourist attractions in the Shire

Lancelin Accommodation

There are currently eight listed tourist accommodation facilities in Lancelin, including the Park. There are however many landowners who have historically rented out their properties for holiday homes. Notably, the Park is currently the only caravan park in Lancelin which offers sites for the self-drive visitors. Tourism in the area is largely seasonal, reaching capacity in summer and experiencing low occupancy rates in winter.

The Proposal is expected to lead to a redeveloped caravan park with improved facilities and services that create a more attractive proposition for tourists across a wider market and time period. This will increase capacity for tourists in summer, and potentially attract visitors who do not consider Lancelin for a holiday destination outside of the peak summer period.

The Proponent has highlighted that their '*...intention is to build a busy park but not compete with the businesses within and around Lancelin so that greater business strength exists and more choice and experience is available for tourists*'. The proponents have also outlined a marketing strategy for attracting more tourists to the caravan park and the Shire/Lancelin (see Appendix A). Improving the quality of the tourism offering in Lancelin will set a higher standard for tourist accommodation and facilities in the area, and is expected to attract more tourists to the region. This has potential to benefit other tourism operators in the area with increased patronage, and may instigate other operators to improve their accommodation offering in line with the new market.

The Shire therefore expects the effect on other Lancelin accommodation facilities to be neutral to positive due to an increase in attraction of Lancelin to a wider tourist visitation market.

Other Shire Accommodation



Accommodation in the Shire is spread amongst a few small towns, with a mix of caravan parks, hostels and holiday homes, with Lancelin being a key tourism destination within the region. Given the unique tourism offerings within Lancelin, the proposed facilities are not expected to compete directly with wider Shire based accommodation options. Rather it is expected that improved facilities will create a net increase in tourism visitation to the region.

Food and Beverage Facilities

It is expected that food and beverage facilities in Lancelin will be positively affected by the Proposal, particularly as the redeveloped Park does not incorporate a restaurant/cafe. The expected increase in visitation will provide greater demand for existing facilities/services, and will potentially attract new businesses to the town.

Shire Tourism Facilities/Attractions

It is expected that tourist attractions will be positively affected by the Proposal. The potential increase in visitation will provide greater demand for their facilities/ services. The Park is situated in Lancelin where many activities are undertaken and include four wheel driving, activities on the sand dunes, windsurfing, fishing and other recreation coastal activities.

4.2 Summary of the Expected Effect

It is expected that the Proposal will have a net positive effect on existing private facilities and services, adding to the existing facilities and services and providing a more attractive offering to tourists and Shire residents. The Proposal has the potential to support existing businesses and attract new businesses to the town.



5 EFFECT ON LOCAL GOVERNMENT FINANCES

The following section outlines the expected effects of the Proposal on Shire of Gingin finances.

5.1 Impact on Shire Finances

Since October 2016, the Shire has been providing interim management of the Park. Prior to this period, the Park was leased to Esther Investments Pty Ltd, with an annual lease payments of \$66,000 (plus GST). This was increased from \$44,000 in 2012. A recent market valuation (June 2017) undertaken by McGees Valuers indicates an annual market rent of \$77,000 (plus GST).

The proposed period for the new lease is 21 years, plus an optional additional 21 years. Cash flow projections have been prepared by the proponent for the first five years of operation in order to estimate the potential turnover and rent payable to the Shire.

These projections demonstrate that the project has a capacity to deliver substantial increases in turnover, leading to increased revenue for the Shire that will support wider community services.

It is proposed that for the first two years the Shire will charge a fixed rent of \$60,000 (plus GST) per annum to support the redevelopment of the Park, from which time a percentage of operational turnover (10%) will be applied and compared to market rent as a minimum fee. Additionally, the Shire will pay \$395,000 to the previous Lessee (Esther investments) based on existing improvements undertaken by the Lessee.

To establish the net effect on the Shire's finances, two levels of risk allowance were incorporated in the Net Present Value (NPV) calculation to demonstrate the effect of lower rates of return than those predicted by the Proponent.⁶ The results are summarised in Figure 3. for which:

- Baseline: provides the net present value of applying a standard market rent of \$77,000 per annum (for comparison purposes only)
- Forecast: assumes that the Shire receives \$60,000 per annum for years 1 and 2, followed by 10% of predicted turnover thereafter

Figure 3. Net Effect on the Shire's Finances

Scenario	Financial Return to the Shire	Impact Compared to Baseline
Baseline (for comparison only)	\$1.22 million	N/A
Forecast (moderate risk allowance)	\$2.96 million	+\$1.74 million
Forecast (high risk allowance)	\$1.18 million	-\$45,000

Source: Shire of Gingin 2017, Pracsys 2017

It is important to note that, under both risk allowance scenarios, the net revenue generated by the Shire is positive. Impact is assessed in terms of the potential for lost or additional income relative to the baseline comparison.

⁶ 7% discount rate was applied to account for the moderate level of risk. 15% discount rate was applied to account for the effect of the high risk. NPV is calculated over a period of 21 years.



Taking the risk allowance into consideration, the Shire is expected to receive between \$1.18 and \$2.96 million (in net present value) over the first 21 years of operation, noting that exact revenue generation is dependant on turnover generated by the Proponent and may be higher. The lease terms therefore provide the opportunity to generate significant additional revenue compared to basic market rent, with up to \$1.74 million additional revenue generated under the moderate (standard) risk allowance.

The leasing arrangement allows for the financial risks of the Proposal to be largely carried by the Proponent, rather than the Shire. This is demonstrated by the fact that the return for the Shire is only marginally lower under a high risk allowance compared to the baseline comparison (market rent). This level of risk allowance effectively considers the possibility that the revenue generated by the Proponent is below a minimum threshold required to re-invest in facilities and grow their business as expected.

The proposed Lessee is an experienced caravan site operator and has demonstrated success in other locations. The proven track record of the Lessee therefore provides additional confidence to the Shire that the financial risks are minimal and that the likely outcome is that significant additional revenue will be generated for the Shire.

5.2 Summary of the Expected Effect

It is expected that the Proposal will have a positive effect on Shire finances, providing a substantial financial return over time. While the exact return to the Shire is dependant on turnover generated by the Proponent, the Proposal is not considered to be high risk and the expected level of additional revenue generated for the Shire is expected to be in the order of \$1.74 million based on the application of a moderate (standard) risk allowance to the Proponent's projections.



6 EXPECTED EFFECT ON MATTERS REFERRED TO IN THE SHIRE’S CURRENT PLAN PREPARED UNDER SECTION 5.56

The following section outlines the expected effects of the Proposal on matters referred to in the Shire’s long-term planning documents.

6.1 Long Term Planning

Under section 5.56 of the Local Government Act 1995, a local government authority must plan for the future of the district. The current Local Government (Administration) Amendment Regulations (No. 2) 2011 require that as a minimum, each local government authority must prepare a Strategic Community Plan. A Strategic Community Plan must plan in detail for the next four years, and outline the strategic direction for the next 10 years.

The alignment of the proposal with the current Gingin Strategic Community Plan 2015-2025 is shown in Figure 4. The proposal is in alignment with identified outcomes and strategies across all five focus areas of the Strategic Community Plan. In particular, the proposal is expected to be highly supportive of local business and attracting new enterprises to the town.

Figure 4. Gingin Strategic Community Plan Alignment

Community Vision					
We are a progressive and caring community that celebrates its unique lifestyle and offers a welcoming place to live, work and visit.					
Focus Areas	Community Aspiration	Shire Objective	Outcomes	Strategies	Alignment
Community Well-being	An active and engaged community with a range of easily accessible services and facilities.	To support the Shire of Gingin’s community to be inclusive, vibrant and healthy.	1.2 Vibrant Community	1.2.1 Support local and regional events	Providing additional temporary camping and caravan sites will provide additional tourist accommodation to support local and regional events.
Natural Environment	A pristine environment which is protected for future generations.	To support a healthy natural environment.	2.1 Biodiversity conserved	2.1.1 Conserve natural environments and protect biodiversity	No vegetation of significance or protected flora or fauna species were recorded during a preliminary vegetation survey ⁷ . Preserving the vegetation for its ecological value is probably not likely to make an impact against the identified outcome.

⁷ Ecosystem Solutions Pty Ltd, 2017. South End Caravan Park, Lancelin: Fire and Environmental Advice (Shire of Gingin).

Focus Areas	Community Aspiration	Shire Objective	Outcomes	Strategies	Alignment
Built Environment	Sustainable population growth and relevant infrastructure provision in all towns.	To effectively manage growth and provide for community.	3.2 Plan for future development	3.2.1 Plan for growth by developing land use planning strategies to meet current and future community needs, and protect the natural environment.	The caravan site is identified as a “potential tourist zone expansion” node under the current Shire of Gingin Local Planning Strategy.
			3.3 High quality and well used community facilities and assets	3.3.1 Plan for the future of Community Facilities and Public Open Space	The leasing of the caravan park is intended to facilitate provision of newer and higher quality public facilities at the site.
Local Business	Strong economic growth and support with local employment opportunities.	To facilitate local business growth.	4.1 Attract new enterprise	4.1.1 Attract and develop a diverse range of tourism providers	Leasing the site is likely to provide a much higher quality tourist experience, and is therefore more likely to attract tourists to the town. The additional tourists have potential to support additional local businesses.
Leadership and Governance	Progressive and transparent leadership which is contemporary and involves the community in responsible governance.	To demonstrate effective leadership and governance.	5.1 An engaged and informed community	5.1.1 The community is appropriately engaged and informed about the Shire’s services, activities and decisions	This business plan includes a public notice to inform the community of the intended plan to lease the caravan park.

Sources: Shire of Gingin Strategic Community Plan 2015-2025; Pracsys 2017

6.2 Summary of the Expected Effect

It is expected that the Proposal will have a neutral to positive effect on the long-term planning goals of the Shire. In particular, it can be considered an implementation action in the focus areas of Community Well-being, Built Environment and Local Business.



7 THE ABILITY OF THE SHIRE TO MANAGE THE UNDERTAKING OR THE PERFORMANCE OF THE TRANSACTION

The Shire ordinarily administers large-scale financial undertakings in its day-to-day management of its assets and community facilities.

The Lancelin South Caravan Park has been vested to the Shire of Gingin by the State of WA Ministry of Lands. The Shire has the power to lease, sublease and license the site for a purpose that is consistent with the designated purpose for a term that does not exceed 21 years with the possibility of extension of an additional 21 years. The land has been leased previously to Esther Investments Pty Ltd from 1 October 1995 to 30 September 2016 under the Caravan Parks and Camping Grounds Act 1995 and Regulations 1997. As such, the Shire has the experience necessary to successfully manage the future lease arrangements.

The redevelopment and operation of the caravan park will be undertaken by the Proponent, and the Shire will oversee the operations. The Shire has the qualified and experienced staff to manage the land transactions required. Where, however, the expertise cannot be provided in house independent consultants will be engaged to undertake the specific task. For example, the required Lease documentation required will be prepared by the Shire's legal representatives.



8 CONCLUSION

The following conclusions have been made in the above Business Plan:

- There is a demonstrated need for additional tourism accommodation facilities in Lancelin that will serve to capture a wider tourism market, providing significant benefits to the local community. Direct benefits to the community will be provided through shared facilities, such as a covered swimming pool made available for public use
- The expected effect on facilities and services by the Shire is neutral to positive. The primary impact of the proposed facilities will be to reduce the reliance on overnight use of public rest areas for self-drive travelers. This will reduce the impact on cleaning, maintenance and enforcement resources managed by the Shire.
- The expected effect on other persons providing facilities and services is neutral to positive as the Proposal has been designed to increase tourism visitation to Lancelin and the wider region. Based on the turnover predicted by the Proponent, the total additional benefit to the local economy (above and beyond revenue generated directly by the Park) is estimated to be up to \$2.8 million by year 5 of the development
- The expected effect on Shire finances is the generation of significant additional revenue, expected to be in the order of \$1.74 million (in Net Present Value) based on the application of a moderate (standard) risk allowance to the Proponent's projections
- The Proposal is expected to support the vision, community aspirations, Shire objectives, outcomes and strategies in the five focus areas identified in the 2015-2025 Strategic Community Plan

The Proposal is therefore expected to be of high benefit to the Shire and local community, provide a catalyst for increased tourism visitation, provide a higher standard of publically accessible facilities and play an important role for the ongoing development of the town of Lancelin.



9 PUBLIC CONSULTATION AND ADVERTISING

In accordance with the *Local Government Act 1995* the Shire is required to give Statewide notice stating that;

- The Shire proposes to enter into a major land transaction as described in the notice;
- A copy of the Business Plan may be inspected or obtained by the public at a specified place in the notice;
- Submissions about the proposed transaction may be made to the Shire before a day specified in the notice, being a day not less than six weeks after the notice is given.

Following Public Notice the Shire is to consider all submissions made and may decide (absolute majority required) to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.

In accordance with this section the Shire will give Statewide and local public notice of this Business Plan. Notice will be provided as follows from **day month year**:

- West Australian Newspaper: 2x advertisements during submission period
- Shire of Gingin website: continual display during submission period at www.gingin.wa.gov.au

Submissions will be received from the public for a period of six weeks. All submissions must be received at the office of the Shire by **time weekday day month year** and addressed to:

Mr Jeremy Edwards

Chief Executive Officer

Shire of Gingin

7 Brockman Street

GINGIN WA 6503

Submissions should be clearly marked "Submission for Business Plan – Major Land Transaction for Lancelin Caravan Park".

All enquiries concerning this Business Plan should be directed to the Executive Manager Planning and Development, Lisa Edwards, 9575 2211.



10 APPENDIX A – CONCEPT PLAN OF REDEVELOPMENT

(Subject to a Development Application process under provisions of Shire of Gingin Local Planning Scheme No.9)



11 APPENDIX B – STAGING PLAN



12 APPENDIX C – CERTIFICATE OF TITLE NO 80816