



**Business Plan - Major Land Transaction**  
**Roebuck Bay Caravan Park**  
**Section 3.59 of the Local Government Act 1995**

## **1) Business Plan Objectives**

This Business Plan has been prepared for the lease and redevelopment of:

- Roebuck Bay Caravan Park (Crown Title 3164/464 otherwise known as portion of Lot 555 on Plan 77711)

The Business Plan is designed to:

- a) Inform the public with respect to the Shire of Broome's proposal to undertake a 'Major Land Transaction' of the above sites;
- b) Provide the opportunity for the public to made submissions regarding the Business Plan and the proposed disposal of this property; and
- c) Satisfy the requirements of Section 3.59 of the Local Government Act 1995

## **2) Background**

Roebuck Bay Caravan Park is located at 91 Walcott Street, Broome. The site zoned Special Use Site, Caravan Park, comprises of approximately 7.4643ha, and is ideally situated on the Roebuck Bay foreshore. Offering absolute beach frontage and proximity to the Broome central town site, it represents a premier tourism opportunity.

Currently vested to the Shire of Broome under Management Order 31340 administered under the Land Administration Act 1997(LAA) the Site forms part of the parcel identified under Crown Title 3164/464 otherwise known as portion of Lot 555 on Plan 77711. The purpose set out on the Management Order is for Caravan Park, Café, Recreation, Drainage, Historical and Cultural Display only.

The Roebuck Bay Caravan Park was operated by long term tenants, with the lease expiring in December 2017. Prior to the expiry the Shire of Broome went out to tender RFT17-01 for Lease and Redevelopment of the Roebuck Bay Caravan Park. All tenders were rejected and after consideration of available options, a second tender was issued RFT17-03 for a short-term management lease of Roebuck Caravan Park.

RFT17-03 was awarded to Discovery Holiday Parks Pty Limited ("Discovery") and a short-term lease was entered for a term of 2 years and 10 months from the 13 December 2017 to 12 October 2020.

The Shire of Broome in partnership with Lotterywest and the Western Australian State Government have invested significant funding in upgrading the foreshore. Creating an inclusive space that brings together people of all ages, cultures and abilities, boosting tourism and the economy while preserving Broome's history, indigenous culture and unique environment.

The staged project includes:

**Stage 1:**

- Construction of a sea wall to prevent coastal cliff erosion, coastal shared footpath and grassed terraced seating – (complete)
- Redevelopment and expansion of the parkland space including the creation of a nature playground, youth precinct and market space – (complete)
- Expansion of the existing water playground – (commencing)
- Construction of an internal road network (extension to Hamersley Street), boat trailer parking and internal carparking – (complete)
- Construction of a new ablution facility servicing the Catalina's Boat Parking, parkland and market space – (complete)

**Stage 2:**

- Construction and upgrade of the existing groyne – (commenced)
- Construction of an all access jetty (120-metre-long x 4-metre-wide)
- Upgrade of existing green space areas including Lion's Park, Pioneer Cemetery and grassed area in front of Town Beach Café

Roebuck Bay Caravan Park requires upgrades to bring it up to a four/five-star standard facility and capitalise on its exceptional coastal location. Redevelopment costs are estimated at \$8.4 million. Brighthouse Consulting were engaged by the Shire of Broome in 2013 to develop a Masterplan for the site. They were reengaged in October 2019 to update the Masterplan, which will guide the tender process for a long-term lease and redevelopment of the site.

The Shire of Broome is seeking to enter a long-term lease of the caravan park to attract a quality tenant with financial resources to upgrade the facility. This will ensure stability of rental income for the Shire and longevity of tenure for the tenant to support their investment program.

### **3) Legislative Requirements**

Section 3.59 of the Local Government Act 1995 details the process governing 'Commercial Enterprises' by local governments, including 'Major Land Transactions'.

A 'Major Land Transaction' is defined by the Act to be a land transaction that not exempt under the Act, and where the total value of:

- a) The consideration under the transaction; and
- b) Anything done by the local government for achieving the purposes of the transaction, is more, or is worth more, than \$2 million.

Before entering into a 'Major Land Transaction', the Shire is required to prepare a Business Plan that includes an overall assessment of the land transactions including:

- Expected effect on the provision of services and facilities by the Shire;

- Expected effect on other persons providing services and facilities in the region;
- Expected financial effect on the Shire;
- Expected effect on the Shire's Plan for the future;
- The ability of the Shire to manage the performance of the transaction; and
- Any other matter prescribed for the purposes of the subsection.

## **4) Assessment of Major Land Transaction**

### **a) Expected effect on the provision of services and facilities by the Shire;**

Roebuck Bay Caravan Park requires upgrade and redevelopment to meet the standards expected from a 4/5-star facility. Redevelopment costs are estimated at \$8.4 million.

The redevelopment of Roebuck Bay Caravan Park will realise the following key objectives:

- i) Maintain Broome as a key tourist destination for the caravanning and camping-based tourism sector by helping balance supply and demand
- ii) Enhance visitor satisfaction and create a positive image for the Shire of Broome through high quality facilities and superior customer service
- iii) Provide sustainable economic model that provides ongoing financial dividends to the Broome Community in the form of improved infrastructure and services
- iv) Achieve consistency with industry best practice in park design and operational procedures; and
- v) Expand the current product mix to appeal to a wider target market, improving occupancy and yield.
- vi) Provide funding to support and maintain the significant improvements to the Town Beach Foreshore and Water Park

### **b) Expected effect on other persons providing services and facilities in the region;**

The following permanent caravan parks are located within the Shire of Broome municipality:

- vii) Broome Vacation Village Caravan Park
- viii) RAC Cable Beach Caravan Park
- ix) Tarangau Caravan Park
- x) Cable Beach Caravan Park
- xi) Broome Caravan Park
- xii) Broome's Gateway Accommodation (outside of town)
- xiii) Overflow facilities are provided by the PCYC, the Broome Pistol Club and the Seventh Day Adventists, Mango Campground

The Roebuck Bay Caravan Park, has been operating in Broome for over 25 Years and therefore, has been a constant provider in the market.

In addition, a significant other number of businesses including tourism operators, cafes, restaurants, vehicle workshops, cinemas and food retailers derive a large proportion of their income from caravan park visitors. It is hoped that an upgrade of the Park will help to boost visitor numbers to the town overall leading to increased visitor spend in several sectors.

**c) Expected financial effect on the Shire;**

The Shire of Broome currently budget \$500,000 per annum for the rental income of Roebuck Bay Caravan Park.

The Shire of Broome will advertise the lease and redevelopment of the Roebuck Bay Caravan Park as a public tender for a 21 year period with an option for an additional 21 years.

In preparing this Business Plan Brighthouse Consulting were engaged by the Shire of Broome to update the 2014 Roebuck Bay Caravan Park Master Plan. The updated Master Plan estimates the following financial effect on the Shire for the length of the lease:

<b>Capital Investment</b>	
Approximately \$8.4 million excluding GST over a 5-year period	
<b>Rent / Lease Fees</b>	
One-time opportunity fee	\$500,000 excluding GST at the commencement of the lease
Variable component	7.5% of quarterly revenue
Fixed component	\$12,500 per month plus CPI

**d) Expected effect on the Shire's Plan for the future;**

In accordance with this provision, the Shire of Broome has developed the Strategic Community Plan 2019 - 2029 (SCP) that articulates the vision for the Shire and outlines key roles and functions that the Shire will be undertaking to help make that Vision a reality.

The following are a list of the goals and outcomes relevant to this proposal:

**Our People Goal – Foster a community environment that is accessible, affordable, inclusive, healthy and safe:**

Effective communication.

Affordable services and initiatives to satisfy community need.

Participation in recreational activity and leisure activities for Broome and the North West.

**Our Place Goal – Help to protect the natural and built environment and cultural heritage of Broome whilst recognising the unique sense of the place:**

Realistic and sustainable land use strategies for the Shire within state and national frameworks and in consultation with the community.

A built environment that reflects arid tropical climate design principles and historical built form.

A unique natural environment for the benefit and enjoyment of current and future generations.

Retention and expansion of Broome's iconic tourism assets and reputation.

Core asset management to optimise the Shire's infrastructure whilst minimising life cycle costs.

**Our Prosperity Goal – Create the means to enable local jobs creation and lifestyle affordability for the current and future population:**

Affordable and equitable services and infrastructure.

Affordable land for residential, industrial, commercial and community use.

Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees.

**e) The ability of the Shire to manage the performance of the transaction; and**

The management of this proposal is within the resources and capacity of the Shire of Broome. The Shire has been leasing the Caravan Park successfully for a period of in excess of twenty years and has the appropriate systems and staff in place.

Western Australian Local Government Association (WALGA) will be engaged to assist with procurement services for the tender process.

<http://www.broome.wa.gov.au/files/assets/public/about/publications-amp-reports/strategic-amp-corporate-plans/final-broome-scp-2019-2029-as-adopted-by-council-13-december-2018.pdf>

## **5) Business Plan Advertising and Submissions**

Section 3.59 of the Local Government Act 1995 requires the Shire of Broome to give a state-wide and local public notice of the Major Land Transaction inviting public submissions for a minimum period of six weeks.

A notice advertising this Business Plan and seeking public submissions will be placed in the West Australian and Broome Advertiser. The Business Plan will be available to view at [www.broome.wa.gov.au](http://www.broome.wa.gov.au) or in hard copy at the Shire Administration Office, 27 Weld Street Broome WA.

Submissions are to be addressed to:

**Chief Executive Officer**

Shire of Broome

Business Plan, Major Land Transaction Roebuck Bay Caravan Park

[shire@broome.wa.gov.au](mailto:shire@broome.wa.gov.au)