

CONFIDENTIAL DECISION REPORT

Report Title: Land Acquisition Port Germein Caravan Park
Item No: 8.3b
Date of Meeting: 16 September 2025
Author: Martin Borgas, A/Chief Executive Officer
Attachments: 1. Correspondence from Port Germein Progress Association

Officer Direct or Indirect Conflict of Interest:
In accordance with Section 120 of the Local Government Act

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Yes

No

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Status:
Information classified confidential under Section 90(2) of the Local Government Act

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Yes

No

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Confidentiality Provision:

Refer to reports 8.3a and 8.3c

1. EXECUTIVE SUMMARY

This report seeks decision from council with regards to the letter of offer from the Port Germein Progress Association to sell the parcel of land within the boundaries of the Port Germein Caravan Park

2. RECOMMENDATION

That Council:

1. receives and notes the report,
2. extends an alternate offer to the Port Germein Progress Association to purchase Lot 217 High Street at a purchase price not exceeding \$105,000; together with a land exchange at Lot 231 Ponape Street noting that 231 Ponape Street is currently listed on the Community Land Register,
3. agrees to pay land transfer conveyancing costs associated with the transfer of both properties,
4. uses existing cash reserves to pay for the site and improvements,
5. resolves that under section 193 (4) a, this parcel of land is to be excluded from the Community Land Register,
6. releases the Port Germein Progress Association from the requirement to make good any unapproved development on the Port Germein Caravan Park site; AND,
7. resolves that application be made to revoke Lot 231 Ponape Street from Community Land status prior to transfer.

3. RELEVANT CORE STRATEGIES/POLICIES

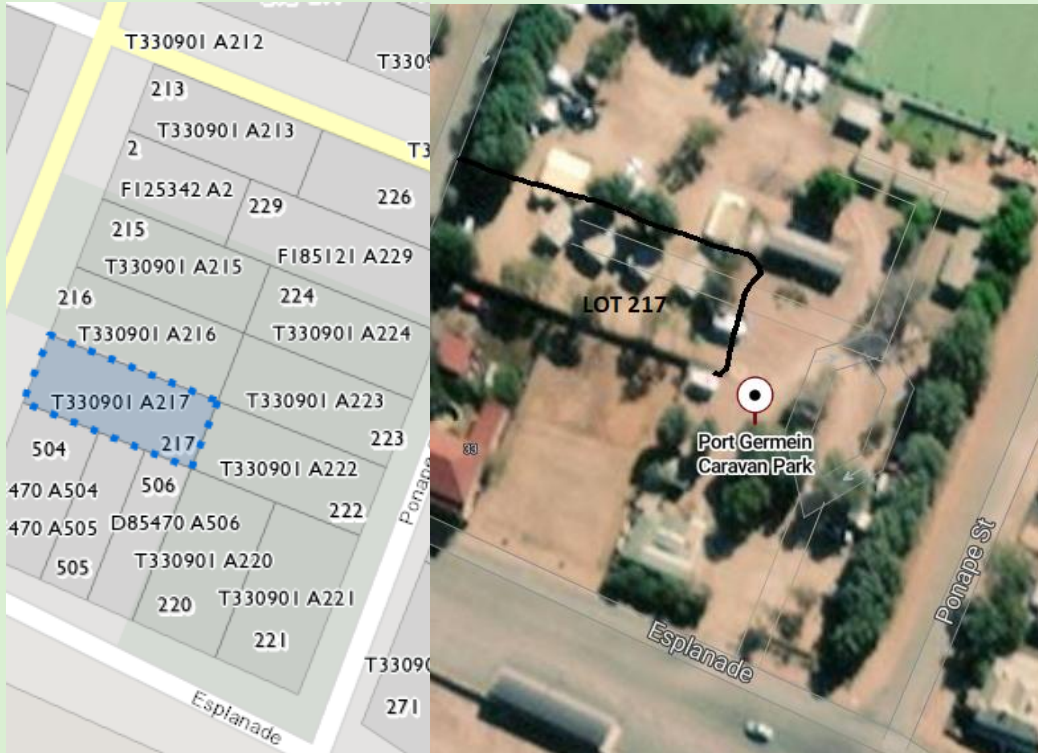
Community Plan 2021 – 2031

Respected Responsible Open and Effective Leadership

Provide Financial Sustainability

4. BACKGROUND

Council resumed operation of the Port Germein Caravan Park by resolution in October 2024. The park itself is located on the Esplanade Port Germein with street frontages to High Street and Ponape Street. The majority of the site is owned by council with the exception being Lot 217 as below which is owned by the Port Germein Progress Association.



This parcel has four cabins located on it which are owned and now operated by the Association through a user agreement with Council and has been in place with the Association in the interim to allow their continued use of these cabins.

These cabins:

- do not have a bathroom facility and therefore require patrons to utilise council owned shared facilities in the Park.
- Cabins require an upgrade investment.

5. DISCUSSION

Discussions have occurred with the Association over some time regarding the future of Lot 217, its perceived value and the critical (or otherwise) nature and opportunity that it presents to the Park. These discussions culminated in correspondence received from the Association on 4 September 2025 offering to sell this parcel to council.

The correspondence details a sale price of \$165,000 (excluding the four cabins) for Lot 217 with council paying all conveyancing fees associated with the transfer.

Lot 217 has a current site value of \$75,000 with a capital value of \$190,000 – which is consistent with numerous other parcels within the township. It provides a significant opportunity in terms of potential income and site footprint. There are various other unimproved parcels of land for sale within the immediate area that range from \$50,000 - \$200,000.

The Association's offer excludes the four existing cabins (to be removed at the expense of the PGPA with a fixed timeline), thereby enabling the installation of approximately 8 additional powered sites.

Capital investment by council required:

- Purchase price: \$165,000
- Infrastructure works: \$35,000
- Total investment: \$200,000

Forecast income:

- At current occupancy rates and fees, 8 new sites could generate ~\$43,000 per annum.
- Over 10 years non indexed, this equates to ~\$430,000, achieving full cost recovery in under 5 years.

This additional capacity significantly strengthens the caravan park's long-term financial sustainability and capacity to return value to the DCMR community.

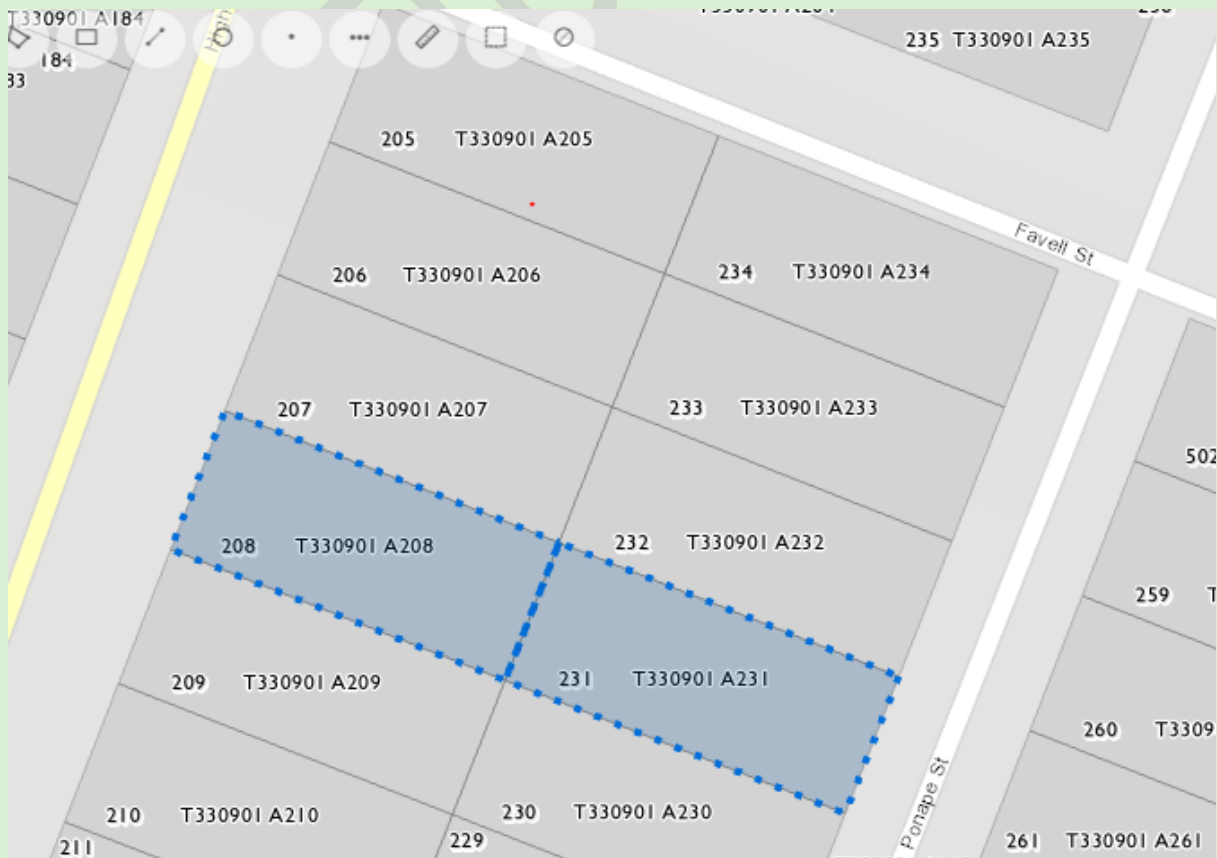
The acquisition could be funded through:

1. Existing cash reserves, or
2. External finance, subject to further investigation.

Additionally, Administration has explored a cash plus land transaction as a partial offset:

- Lot 231 Ponape Street (owned by Council) has been underutilised and is currently used for community storage ("Crab Train" and has had other users such as the Village").
- Lot 231 presents as a suitable relocation site for the Port Germein Men's Shed, mitigating risks associated with the Progress Association's potential divestment of its current "Hub" site.
- A nominal valuation of \$60,000 could be applied to Lot 231, reducing Council's net purchase cost for Lot 217 to \$105,000.

The Association have also indicated that should council not purchase the property then it will be offered on the open market.



It should be noted that Lot 231 is listed on the Community Land Register and under the provisions of section 193 of the Local Government Act will require the same consultation process and application as the Booleroo CWA Hall to effect the revocation from the register and the transfer of the title to another entity.

It is recommended that should council consent to the purchase of Lot 217 and present an alternate offer of cash plus Lot 231 Ponape Street be to the Association for consideration.

5. ANALYSIS OF OPTIONS

As per the recommendations

6. POLICY IMPLICATIONS

6.1 Financial/Budget

Potential \$200,000 unbudgeted commitment for year 1 offset with \$43,000 income in year 1.

6.2 Risk Management

A high likelihood that should council not proceed with the purchase that another entity may purchase the site for a commercial activity that may not positively impact the township nor the current Park facility.

6.3 Staffing/Work Plans

Can be accommodated within existing work plans.

6.4 Environmental/Social/Economic

Not applicable

6.5 Stakeholder Engagement

Not applicable

7. REPORT CONSULTATION

Discussions were held with the Mayor, senior staff and the current park managers.

8. REPORT AUTHORISERS

Martin Borgas	Acting Chief Executive Officer
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