

## REPORTS OF OFFICERS

<b>Report Title:</b>	<b>Melrose Caravan &amp; Tourist Park – Future Operations</b>
<b>Item No:</b>	<b>3.1</b>
<b>Date of Special Meeting:</b>	<b>24 March 2022</b>
<b>Author:</b>	<b>Sam Johnson, Chief Executive Officer</b>
<b>Attachments:</b>	<b>1. Letter from Josh Orken &amp; Rebecca Sinclair – withdrawal of expression of interest</b> <b>2. Public consultation submissions regarding the draft Community Land Management Plan - Melrose Caravan &amp; Tourist Park</b> <b>3. Proposed amended Community Land Management Plan</b>

### Confidentiality Clauses:

That Pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of Sam Johnson (Chief Executive Officer) and Jacqui Kelleher (Director Community & Corporate Services), be excluded from the meeting as Council considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will receive and consider a report containing information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council (namely, information regarding an expression of interest process related to the operation of the Melrose Caravan & Tourist Park which if made public could negatively impact the expression of interest process) and would, on balance be contrary to the public interest.

*(for resolution after consideration of the matter)*

1. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, Council orders that this report item 3.1 - Melrose Caravan & Tourist Park – Future Operations, the attachments to this report and minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(b) of the Act be kept confidential and not available for public inspection on the basis that it contains information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Council (namely, information regarding an expression of interest process related to the operation of the Melrose Caravan & Tourist Park which if made public could negatively impact the expression of interest process) and would, on balance, be contrary to the public interest. This order is to remain in force until further order of the Council, noting that it will be reviewed at least annually in accordance with the *Local Government Act 1999*.
2. Pursuant to Section 91(9)(c) of the *Local Government Act 1999*, the Council delegates to the Chief Executive Officer the power to revoke this order and any other orders made by the Council under Section 91(7) in relation to the Melrose Caravan & Tourist Park – Future Operations in whole or part. This delegation may be exercised

by the Chief Executive Officer for any purpose including, but not limited to, the of publishing information as part of the public consultation processes approved by Council at this meeting.

## 1. EXECUTIVE SUMMARY

This report to provide an update to Council in relation to the future operations of the existing Melrose Caravan & Tourist Park (MCTP) following a recent public expressions of interest process calling for expressions of interest for the lease of the MCTP.

## 2. RECOMMENDATION

That Council:

1. receives and notes the report; and
2. notes the correspondence from Josh Orken and Rebecca Sinclair advising of their withdrawal of their expression of interest to lease the Melrose Caravan & Tourist Park as presented at **Attachment 1** to the report;
3. authorises the Chief Executive Officer to request the appointed agent (Murray Fielder) to seek further expressions of interest for the lease of the Melrose Caravan & Tourist Park;
4. be presented with a further report at a future meeting to consider any such submissions received;
5. notes the public consultation responses received regarding the amended community land management plan and as it relates to the Melrose Caravan & Tourist Park as presented at **Attachment 2** to the report; and
6. approves the proposed amended community land management plan as presented at **Attachment 3** to the report.

## 3. RELEVANT CORE STRATEGIES/POLICIES

DCMR Community Plan 2021-2031

3.3 Support Local Business & Industry

4.1 Partner with Tourism Stakeholders

4.2 Develop our District Tourism Proposition

4.3 Develop our Tourism Infrastructure

5.4 Improve the Efficiency and Effectiveness of Council Services

6.3 Enact Strong Governance

6.4 Provide Financial Sustainability

6.5 Develop Organisational Capability

## 4. BACKGROUND

In 2020/2021 Council undertook a process to review the current operations, management and potential ownership of the MCTP. As a result of this review Council resolved to further progress the potential sale of a lease over the MCTP. This resulted in an industry agent, Murray Fielder, being appointed to manage an expressions of interest process for the sale of the leasehold business of the MCTP. Council received two (2) expressions of interest namely:

- (1) Peter & Tanya Robinson; and

(2) Josh Orken & Rebecca Sinclair

In January 2022, Council endorsed the expression of interest submitted by Josh Orken & Rebecca Sinclair, thereby resulting in a public consultation process being undertaken for both the proposed lease, and an amended Community Land Management Plan.

Josh Oken and Rebecca Sinclair have subsequently given formal notice on 15 March 2022 of their withdrawal of their expression of interest (**Attachment 1**).

## 5. DISCUSSION

A report setting out the full background to this matter received by the Council at its meeting in July 2021. The report concluded that the sale of the leasehold of the MCTP would provide operational savings to the Council as well as providing a one off capital injection, being the sale price, along with an ongoing income from the lease fee.

Following an expressions of interest process undertaken by the Council's appointed agent, two (2) submissions were received. The submissions were presented to the January 2022 Council meeting for consideration. At that meeting, Council resolved to support the submission submitted by Josh Orken & Rebecca Sinclair. A public consultation process was then, as is required, undertaken to advertise the proposed lease of 35 years and invited feedback on the proposed and required changes to the existing community land management plan for the Melrose Caravan & Tourist Park. Members will recall that the January 2022 resolution of Council is as follows:

"That Council:

1. receives and notes the report;
2. authorises the Chief Executive Officer:
  - a. to negotiate a business sale and lease agreement with the Council's preferred candidate Party 1 (Josh Orken & Rebecca Sinclair), such sale and lease to be subject to community consultation and final approval by the Council;
  - b. to review the current community land management plan and draft any amendments that may be required;
  - c. to undertake public consultation in accordance with the Local Government Act 1999 and the Council's Public Consultation policy (including any discretionary decision regarding consultation under the Act or policy) on:
    - i. any proposed amendments to the community land management plan; and
    - ii. the proposed lease;
  - d. if necessary, seek approval from the Minister for Environment and Water for the grant of the lease in accordance with section 22 of the *Crown Land Management Act 2009*;
3. request that, following the completion of the processes outlined in paragraph two above, Council be provided with a further report regarding the actions taken by the Chief Executive Officer, the outcomes of those processes, and any recommendations as necessary for further Council decision; and
4. invites Party 1 (Josh Orken & Rebecca Sinclair) to provide a presentation to Council which will highlight their five (5) year plan for the Melrose Caravan & Tourist park including any proposed capital expenditure plans

**Carried Unanimously [026-2022]**

Noting the subsequent lengthy negotiations with Josh Orken & Rebecca Sinclair, and noting the concerns raised by both the agent and myself about the party selected during those negotiations, the party has now advised that they do not wish to pursue the matter further and have formally withdrawn their expression of interest.

In light of Josh Orken & Rebecca Sinclair's withdrawal from further discussions, the agent has subsequently provided verbal advice to Council that a number of other

parties are interested in the Melrose Caravan & Tourist Park. This includes some parties whom sought to make a submission during the initial call for expressions of interest but did not meet the required deadline to do so. It is therefore recommended that Council formally request the agent to seek further expression of interests to enable Council to give consideration to same. It should be noted that an additional public consultation process will be required should Council choose to accept any new offer.

### **Community Land Management Plan**

As part of the process in considering a long term lease with the MCTP, the existing community land management plan requires to be updated reflecting such arrangements, and in doing so undertaking a public consultation process.

The public consultation process was advertised on Council's Facebook page and website and an advertisement appeared in the Plains Producer on 2 February 2022. The consultation period opened on 1 February 2022 and closed on 21 February 2022. Public consultation submissions received are provided at **Attachment 2** to this report.

As per the advice received from Council's lawyers, Council can now approve the proposed amended community land management plan (**Attachment 3**) as recently adopted in draft format for public consultation. Council's adoption of the draft amended community land management plan will assist in any future decisions Council may choose to make in regards to a longer terms lease of the MCTP.

## **6. ANALYSIS OF OPTIONS**

### **Option 1:**

That Council:

1. receives and notes the report; and
2. notes the correspondence from Josh Orken and Rebecca Sinclair advising of their withdrawal of their expression of interest to lease the Melrose Caravan & Tourist Park as presented at **Attachment 1** to the report;
3. authorises the Chief Executive Officer to request the appointed agent (Murray Fielder) to seek further expressions of interest for the lease of the Melrose Caravan & Tourist Park;
4. be presented with a further report at a future meeting to consider any such submissions received;
5. notes the public consultation responses received regarding the amended community land management plan and as it relates to the Melrose Caravan & Tourist Park as presented at **Attachment 2** to the report; and
6. approves the proposed amended community land management plan as presented at **Attachment 3** to the report.

This option allows Council to seek expressions of interest for the proposed sale of the lease of the MCPT through a formalised independent process. Submissions received will be presented to Council at a future meeting for consideration.

## **Option 2:**

That Council receives and notes the report.

This option allows Council to receive and note the report and the information as presented, but does not proceed with any sale options for the MCTP.

## **7. RECOMMENDED OPTION**

Option 1 is the recommended option.

## **8. POLICY IMPLICATIONS**

### **8.1 Financial/Budget**

No financial impact at this stage. Council will need to consider any increased or additional costs in the ongoing management of the park, noting that the current management agreement for the park expires on 27 April 2022.

### **8.2 Legislative/Risk Management**

Local Government Act 1999

### **8.3 Staffing/Work Plans**

Staff will be required to assist the appropriate agent in the sale process.

### **8.4 Environmental/Social/Economic**

There are potential economic impacts to the broader district and the community. Should the caravan park proceed with a sale, a significant investment is being proposed in the business and associated assets. This is likely to resolve in a greater visitor experience, and encouraging further visitors to the region as a whole.

### **8.5 Stakeholder Engagement**

Noting the confidential nature of this report, stakeholder engagement has been limited to Council Leadership Team only. In addition, the recent public consultation process has highlighted the proposed lease of 35 years and a proposed amended community land management plan.

## **9. REPORT CONSULTATION**

Discussions were held with Council's Leadership Team.

## **10. REPORT AUTHORISERS**

Sam Johnson	Chief Executive Officer
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