



# **BUSINESS PLAN**

**A business plan for the Town of Cambridge to consider a land transaction for the disposal of land at Lot 241 Brompton Road, City Beach**

Prepared by the Town of Cambridge under  
Section 3.59 of the Local Government Act 1995

Dated NOVEMBER 2022

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## 1 EXECUTIVE SUMMARY:

This business plan details the proposal by the Town of Cambridge for the disposal of the land at Lot 241 Brompton Road, City Beach Western Australia, owned in freehold by the Town of Cambridge.

The Town is proposing to dispose of the land to 3 Kilpa Crt City Beach Pty Ltd ACN 660 984 289 (Ocean Village).

The Town has prepared this business plan setting out the details of the proposed disposition, for the purpose of seeking submissions from the community before deciding whether to proceed with the proposed disposition.

Information about how to make a submission is set out at the end of this business plan.

## 2 INTRODUCTION

The purpose of this business plan is to:-

1. inform the community that the Town is proposing to undertake a Major Land Transaction for the disposal of the subject land;
2. Provide details of the proposed Major Land Transaction for the consideration by the community;
3. Provide the community with the opportunity to make submissions about the proposed Major Land Transaction; and
4. Satisfy the regulatory requirements of the *Local Government Act 1995*.

## 3 PROPERTY DETAILS AND HISTORY

### PROPERTY DETAILS

The Town owns the land to the north and west of the Ocean Village Shopping Centre (Lot 241), part of which is developed as a carpark and licenced to Ocean Village for non-exclusive use, and the remainder of Lot 241 forms Ocean Village Park (see aerial below). The shopping centre and office accommodation are owned by Ocean Village and are located on Lots 245 and 243.

<b>Current Owner:</b>	Town of Cambridge
<b>Address:</b>	1 Bold Park Drive FLOREAT WA 6015
<b>Registered Proprietor:</b>	Town of Cambridge
<b>Property Description:</b>	<p>The subject portions of the parent Lot 241 are presently used as car parking.</p> <p>The first area, known as "Area 1" includes the western portion of the parent Lot and incorporates an area of 1,511 m<sup>2</sup> and is located at the north western end of Kilpa Court cul-de-sac and adjacent to the northern boundary of Lot 245, which accommodates the shopping centre.</p> <p>The second area, known as "Area 2", incorporates an area of 2,176m<sup>2</sup> and is located diagonally opposite on the eastern side of Kilpa Court and adjacent to the church.</p>

<b>Title Particulars:</b>	There are no separate titles yet created for the two lots.  The subject properties are currently described as an estate in fee simple being part of Lot 241 Brompton Road, City Beach on Plan 11424 and being a portion of the land contained within Certificate of Title Volume 2024 Folio 470.
<b>Total Land Area:</b>	Area 1 (Western side) 1,511 m <sup>2</sup> Yet to be subdivided from Lot 241 Area 2 Eastern side) 2,176 m <sup>2</sup> Yet to be subdivided from Lot 241 <b>Total : 3,687 m<sup>2</sup></b>
<b>Zoning:</b>	Town of Cambridge: Local Centre under LPS 1.  Local Planning Strategy endorsed by the Western Australian Planning Commission
<b>Value:</b>	Lot 241 Brompton Road (refer highlighted section below), City Beach on Plan 11424, as of 30/6/2020 has a fair value of \$550,000.

**Subject Site – Aerials**



Source: Landgate



Figure 1 - Subject Lots - To be subdivided from Lot 241 Brompton Rd, City Beach

## **HISTORY**

### **Early History:**

In the 1970's, the former City of Perth developed a concept for the development of land bounded by Hale Road, Brompton Road and Perina Way, in City Beach, which included two grouped housing sites and a local centre.

In 1979, the former City of Perth entered into Deed for the construction of the Ocean Village Shopping Centre and car park. As part of that arrangement, the carpark was to remain under the ownership of the City of Perth, but would service the Shopping Centre visitors and other users.

The Shopping Centre was constructed on Lot 242 in 1980, and a Deed for Access to deliver goods was entered into in 1981 between the former City of Perth and the centre owner. This was not assignable or transferable. Over the next six years, the former City of Perth considered further development on the area to the east of the shopping centre, on Lot 243.

In 1987, a Development Agreement was entered into with the owner of the adjoining shopping centre, to purchase and construct office accommodation. The Development Agreement was assigned when the shopping centre was sold to private land owners, who remained the owners until 2017.

In conjunction with the sale and development of Lot 243, an additional 400m<sup>2</sup> of the former City's land to the north of Lot 242 was sold to the shopping centre owner, and amalgamated with Lot 242 to become Lot 245. This permitted the centre to expand its retail space by 200m<sup>2</sup>.

In 1988, the former City of Perth entered into an Agreement with the private landowners for access to the City's land (car park), which is the subject of this report.

### **Recent History:**

In 2015, Council considered a report on a proposal by the then owner, to prepare a Precinct Plan for the Shopping Centre in conjunction with the Town, which also included the surrounding land in part, owned by the Town.

In February 2017, the Ocean Village Shopping Centre was sold to Pindan and the Town of Cambridge renewed the Car Park Licence Agreement to Pindan which continues in perpetuity under certain conditions.

Later, in February 2018, Council also supported a request by Pindan to require the preparation of a Local Development Plan (LDP) for the Ocean Village Shopping Centre.

To progress this matter, in February 2018 Council authorised the Chief Executive Officer and the Town's solicitor to enter into discussions with Pindan, with the view to the possible disposal of the subject land to them, in accordance with section 3.58 and section 3.59 of the *Local Government Act 1995*.

In February 2021, Council adopted a draft Business Plan for the sale of the two lots, and the Statewide public notice of the proposed disposal to Pindan.

In May 2021, Pindan and their subsidiaries entered into external administration resulting in the discontinuation of the sale of the land.

BDD Holdings Co Pty Ltd purchased the Ocean Village Shopping Centre in or around October 2022 and notified the Town of its intentions to enter negotiations for the purchase of the subject land.

## 4 STATUTORY FRAMEWORK

### *The Town as a local government body*

The Town of Cambridge is a local government established under Division 2 of Part 2 of the Local Government Act 1995 (hereafter referred to as “the Act”).

The Town of Cambridge is a body corporate, with power to acquire, hold and dispose of property: s 2.5 of the Act.

The Act provides for, and regulates, the exercise of various executive functions of a local government.

### *Regulation of the disposing of property*

Relevantly to this Business Plan, the Act regulates the disposal of property by a local government. This regulation is consistent with the purpose of the Act in promoting greater community participation in the decisions and affairs of the local government and greater accountability of local governments to their communities (see s 1.3(2) of the Act).

Sections 3.58 and 3.59 of the Act provide for certain administrative requirements that must be complied with before disposing of property.

Section 3.58 applies generally to property, other than specified ‘excluded’ dispositions. These are set out in regulation 30 of the *Local Government (Functions and General) Regulations 1996* (hereafter referred to as “the Functions Regulations”).

Section 3.59 applies to higher value transactions, including (relevantly) any ‘major land transaction’.

A ‘major land transaction’ is a land transaction (like a sale) with a total value of more than the lesser of two amounts – either **\$10M** or **10% of the Town’s operating expenditure** (incurred from the municipal fund in the last completed financial year). See regulation 8A of the Functions Regulations.

The Town does not yet have finalised accounts for the 2021/2022 financial year. It is anticipated that the annual expenditure for the 2021/2022 financial year will be in the order of \$60,000,000. This is yet to be finalised. Ten percent of this amount would be \$6,000,000.

The total value of the proposed disposition of Lot 241 Brompton Road, City Beach will be more than this amount once the value of necessary things to be done is added on to the purchase price. This is reasonably expected to be above the amount that is ten percent of the Town’s operating expenditure for the 2021/2022 financial year. Accordingly, the proposed transaction is a “major land transaction” for the purposes of s 3.59 of the LG Act.

Prior to disposing of the land at Lot 241 Brompton Road, City Beach, the Town is required to prepare this business plan for the proposed ‘major land transaction’.

### *Interaction between s 3.58 and s 3.59 of the Act*

The Act recognises that there can be an area of overlap in the operation of sections 3.58 and 3.59 of the Act. The Act therefore provides for certain dispositions to be “excluded” from the application of s 3.58: see Functions Regulation 30(2a)(c).

Where a business plan gives the details of the names of all the parties concerned, the consideration to be received, and the market value of the proposed disposition as ascertained by a valuation carried out not more than 12 months before the proposed disposition, then s 3.58 of the Act will not apply to the proposed disposition of property.

The Town has ascertained the market value of the proposed disposition from a valuation that is not more than 12 months before the proposed disposition of the land.

In accordance with the above, the Town has prepared this business plan.

In accordance with Section 3.59 of the Act, a business plan in respect of a proposed disposition of property 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 prepared under Section 5.56;
- (e) The ability of the local government to manage the undertaking or the performance of the transaction; and
- (f) Any other matter prescribed for the purposes of this subsection.

Section 3.59 of the Act also requires the Town to –

- (a) Give State-wide public notice stating that –
  - (i) The Town proposes to enter into the major land transaction described in the notice;
  - (ii) A copy of the business plan may be inspected or obtained at any place specified in the notice; and
  - (iii) Submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given; and
- (b) Make a copy of the business plan available for public inspection in accordance with the notice.



## 5 MAJOR LAND TRANSACTION PROPOSAL

<b>Current Owner:</b>	Town of Cambridge 1 Bold Park Drive FLOREAT WA 6015
<b>Proposed Purchaser:</b>	3 Kilpa Crt City Beach Pty Ltd ACN 660 984 289 of Level 1/1050 Hay St, West Perth WA 6005 (Ocean Village)
<b>Land:</b>	Area 1 (Western side) 1,511 m <sup>2</sup> Area 2 Eastern side) 2,176 m <sup>2</sup> Total: 3,687 m <sup>2</sup>
<b>Title Details</b>	There are no separate titles yet created for the two (2) lots.  The subject properties are currently described as an estate in fee simple being part of Lot 241 Brompton Road, City Beach on Plan 11424 and being a portion of the land contained within Certificate of Title Volume 2024 Folio 470.
<b>Zoning</b>	Town of Cambridge: Local Centre under LPS 1.  Local Planning Strategy endorsed by the Western Australian Planning Commission
<b>Value:</b>	The land known as Lot 241 Brompton Road, City Beach on Plan 11424, as of 30/6/2020 has a fair value of \$550,000.
<b>Proposed Purchase Price:</b>	The purchase price is commercial in confidence. The proposed purchase price will be equal or greater than the latest valuation.

The Town is proposing to dispose of the land (part only of Lot 241) selling it to Ocean Village.

As the land currently forms part of Lot 241 under a single certificate of title, a subdivision of the lot will be required to allow the transfer of title to the land to proceed.

Under the proposed transaction, the Town would be responsible for the costs of subdivision of Lot 241 together with up to \$100,000 of a necessary capital works costs required by any relevant authority (such as water services).

The Car parking License and Access Deed currently held by Ocean Village would be terminated.

Under the proposed transaction, it is proposed that Ocean Village would have a right of assignment of its rights, subject to the Town's consent (which it would be required must not be unreasonably withheld).

As the completion of the proposed transaction would be subject to the satisfaction of a number of conditions, the proposed disposition would include sunset provisions to ensure that the transaction is brought to completion within a reasonable period of time.

## **6. ASSESSMENT OF THE MAJOR LAND TRANSACTION**

### **6.1 EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE TOWN OF CAMBRIDGE**

The disposal of the land will not have any immediate effect on the provision of facilities and services by the Town. The land to be disposed of is presently used as a carpark for the ocean Village Shopping Centre, and would continue to be so used until Ocean Village decided to put the land to another use.

The realisation of the land value into cash would enable the Town to make plans for increased provision of facilities and services.

### **6.2 EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT**

The proposed disposal by way of sale of the land is not anticipated to have a negative effect on other persons providing facilities and services within the Town of Cambridge.

Further it is expected that when the site is redeveloped it will deliver planning outcomes sought under the Town of Cambridge Local Planning Strategy.

This is expected to have a direct positive impact for the local community and businesses.

### **6.3 EXPECTED FINANCIAL EFFECT ON THE TOWN OF CAMBRIDGE**

The subject land known as the Ocean Village Car Park is currently underutilised. The sale is expected to return a value no less than the current valuation.

Costs associated with the disposal of the land to date have been approximately \$60,000.

The Town may incur up to \$100,000 by way of capital works costs in connection with carrying out the required subdivision of Lot 241. There would also be usual costs relating to subdivision, such as Landgate lodgement fees.

### **6.4 EFFECT ON MATTERS REFERRED TO IN THE TOWN'S PLAN FOR THE FUTURE**

The proposed Major Land Transaction would support the achievement of the following strategies of the Town's Strategic Community Plan 2018-2028:-

#### **Our Council**

##### **Goal 11: An efficient local government**

Strategy 11.1 Invest our wealth wisely so that current and future generations benefit.

## **Goal 12: Advocacy for the Community**

Strategy 12.3 Take actions and make decisions that adopt a “locals first” approach at all times

The proceeds from the land disposal will be placed into a Reserve Fund and used by the Town to fund other strategic projects, priority services and for the Town of Cambridge ratepayers and residents.

### **6.5 ABILITY OF THE TOWN TO MANAGE THE UNDERTAKING**

The Town of Cambridge has sufficiently qualified and experienced personnel to manage the proposed disposition by way of a purchase in fee simple. In addition, the Council has approved of a qualified lawyer, with extensive property experience, to assist the Town.

The Town of Cambridge has sufficient funding to appoint professional consultants to provide advice on the transaction. If the proposed disposition proceeds, the Town will need to make provision from its reserves to deal with costs of completing the contract, including for example subdivision costs.

## **7. BUSINESS PLAN ADVERTISING AND SUBMISSIONS**

Section 3.59 of the *Local Government Act 1995* requires the Town to give State-wide public notice of the proposal to enter into the major land transaction under consideration and invite public submissions for a minimum six-week period.

A notice will be placed in “The West Australian” (state-wide newspaper) on Saturday 26 November 2022. Although not technically required by the Act, a notice will also be placed in ‘The Post’ (local district newspaper) on 2 December 2022.

Notices will also be placed on Public Notice Boards at Town of Cambridge locations including the Administration Centre at 1 Bold Park Drive Floreat and Library located at 99 Cambridge Street Floreat.

This Notice and Business Plan will also be available to view on the Town’s Website and available to inspect at the Town’s Administration Centre upon request.

Submissions are to be made in writing to the Chief Executive Officer and to be eligible must be received by the Town no later than 5.00pm 9 January 2022.

Submissions are to be marked – ‘Ocean Village Land Disposal’ and addressed to:-

**Chief Executive Officer  
Town of Cambridge  
1 Bold Park Drive  
FLOREAT WA 6015**

**Or**

**Lodged on-line at: [Have Your Say - Community Consultation \(cambridge.wa.gov.au\)](https://www.cambridge.wa.gov.au)**