

Alexandrina Council



Customs House

Information Document



Introduction

The Goolwa Wharf Precinct is a vibrant riverfront destination brimming with culture and history, and Customs House is set to become its next cornerstone. This historic landmark, perched prominently on the hill at the Precinct's entrance, holds deep significance for the town and its people. However, it has been in disrepair for many years, and investment is needed to revitalise this iconic building and unlock its potential.

Over the last two years, the Wharf Precinct has undergone significant redevelopment, with the 2025 South Australian Wooden Boat Festival set to showcase its renewed charm to the nation. Now is the time to capitalise on this momentum and complete a significant piece of the Precinct's vision: an exceptional accommodation facility.

Council proposes the sale of Customs House for the development of hotel accommodation. This project offers an exciting opportunity to sympathetically restore Customs House, enhance its heritage, and contribute to the flourishing tourism industry in Goolwa.

Imagine the Goolwa Wharf Precinct during the 2027 SA Wooden Boat Festival: a thriving hub of hospitality, world-class tourism experiences, and a beautifully restored Customs House, now a high-end hotel offering visitors and locals alike a place to gather, stay, and connect. With the right vision, Customs House can become a beacon of Goolwa's bright future.





Why now?

This proposal addresses three urgent and interconnected needs that converge at Customs House:

A historic building in need of activation: Customs House has been sitting empty for many years. Originally the Harbourmaster's Residence, it has also been used over the years by various community groups, but it is now in disrepair and requires significant investment to restore and fit out. Unfortunately, such an investment is beyond the scope of Council funding, especially in the current economic climate. Following extensive research, Council proposes that the best way to bring this investment into the building is by selling the property for redevelopment.

A critical need for accommodation: Goolwa, and the wider Fleurieu Peninsula, faces a significant shortage of accommodation, a need recognised in the South Australian Tourism Commission's (SATC) Accommodation Analysis. More accommodation is needed to encourage visitors to extend their stays, spend more in the local economy, and travel further across the region to support tourism, and other local businesses. By providing more high-quality accommodation options, we can foster longer visits, attract investment, better manage seasonal peaks and troughs, and support the development of new tourism experiences in the region. The Customs House site, at the junction of Cadell Street and the Goolwa Wharf Precinct, is an ideal location for such a development, offering land for the hotel and scenic views over the Wharf and the river. Visitors will enjoy easy access to the Wharf's attractions, Goolwa's main street, local tours, and the opportunity to use the hotel as a base for exploring the wider region.

A key piece in the Goolwa Wharf Precinct renewal: The historic Goolwa Wharf Precinct is currently undergoing a major renewal. As a long-established tourism hub and an important heritage site, the Wharf welcomes many thousands of tourists each year, including upwards of 70,000 visitors arriving via the SteamRanger train and others embarking on river cruises. Across 2023/2024, the Wharf has received an \$18 million uplift, including the renewal of Signal Point, home to the new *Yuntulun Ku:li-war* exhibition, a new Riverboat Centre, and a new hospitality tenancy at the waterfront Wharf Shed. The Chart Room will now host visual arts attractions, and the regular markets, SteamRanger train, and historic paddle boat *PS Oscar W* continue to draw visitors. The Wharf's revitalisation will culminate in the 2025 SA Wooden Boat Festival, the largest event of its kind on mainland Australia. The only missing piece in this newly vibrant precinct is high-quality accommodation. Activating Customs House for this purpose would complete the vision for the precinct, providing a perfect complement to the existing attractions and enhancing Goolwa's status as a key destination for tourists and locals alike.

The proposed sale of Customs House for hotel accommodation development addresses these three factors to create a balanced and sustainable solution that will deliver lasting benefits to both the local community and the broader region.

Community benefits

The development of a hotel at Customs House will bring significant benefits to the local community:

For locals: The hotel will serve as a community hub, providing a space for events, gatherings, and social activities. It will be a place where locals and visitors can come together, strengthening the sense of community, and enhancing the area's liveability.

For the local economy: The hotel development at Customs House is expected to bring both direct and indirect economic benefits to Goolwa and the broader region, including:

Increased visitor spending: Tourists will spend money on accommodation, food, and local experiences, benefiting nearby businesses.

Job creation: A new hotel will provide both direct employment in hospitality and management and indirect jobs in services such as cleaning, maintenance, and administration.

Local business support: The increased number of visitors will stimulate demand for goods and services from local suppliers, boosting the wider economy.

Market demand and economic viability

There is a well-established demand for quality accommodation in Goolwa and the broader Fleurieu Peninsula. The [South Australian Tourism Commission \(SATC\) recognises a significant gap in the region for 4–5 star accommodation](#), particularly near key attractions such as the Goolwa Wharf Precinct. Demand is being driven by the increasing number of tourists visiting the region, particularly those seeking a base for exploring nearby beaches, wineries, and nature reserves.

The Fleurieu Peninsula is South Australia's most visited region, drawing nearly 2.5 million domestic day-trippers between March 2023 and March 2024. However, this impressive visitation is not reflected in overnight stay statistics, where the Fleurieu ranks third, behind the Flinders Ranges and Outback and the Limestone Coast. Enhancing the region's accommodation offerings has the potential to encourage longer stays and greater visitor engagement.

Demand for new accommodation is further supported by a hotel reconnaissance exercise undertaken by Savills Australia on behalf of Council. Conducted in 2024, the exercise engaged seven prominent operators in the Australian accommodation industry and fielded concept plans, identifying that a hotel development of 80+ rooms would be a viable and attractive investment opportunity. Operators submitted indicative five-year cash flow forecasts, detailing expected average room rates and occupancy levels upon project completion. Several submissions also included insights into the potential for complementary facilities, such as food and beverage offerings or health retreat amenities, to enhance the project's appeal and profitability.

The hotel development would ideally involve both the refurbishment and activation of the Customs House building, as well as a new, purpose-built addition to accommodate the required number of rooms. The development would make use of the approximately 5000sqm of land adjacent to Customs House, combining the preservation of the original building's historical character with a modern accommodation facility. This approach will create a unique offering in the region, blending heritage with contemporary design.



Concept only – looking northwest from the wharf



Direction for view of concept plan

Savills' recommendation is that the development of a hotel on this site would be best facilitated through a sale, rather than Council retaining ownership. This approach acknowledges that the complexities involved in land development, hotel construction, associated services, infrastructure, and ongoing site management fall outside Council's core business functions. Additionally, such a project would demand significant long-term resourcing and project management to oversee the relationship and ensure the development's success.

While the Savills research indicates that an 81-room development is likely to be the type of proposal that would attract the interest of hotel operators, Council is open to considering all investment proposals that align with the site's potential and the broader goals for the Wharf Precinct.

Heritage considerations

The heritage of Customs House and the surrounding area is central to the community's identity, and preserving this heritage is a priority. The site, in its entirety, is located within the Goolwa State Heritage Area and is therefore subject to the provisions of the State Heritage Area Overlay in the Planning and Design Code. While Customs House is not individually listed, its location within the state heritage area subjects it to much the same policies as an individually listed place.

Council has actively engaged with the Department for Environment and Water's State Heritage Branch to explore opportunities for a hotel development on the site. The State Heritage Branch has reviewed the proposal and expressed support for a sympathetically designed hotel development that respects the historical significance of the building and its surroundings. Feedback highlights that such development is possible if appropriately designed and sited.

As part of this project, Council acknowledge that the character of Customs House being preserved while accommodating modern needs is paramount. This approach aligns with successful heritage developments elsewhere, where historical buildings have been transformed into thriving tourist destinations. Furthermore, Council is progressing a Code Amendment for the Goolwa Wharf Precinct, which will enhance the vision of future developments in the area being aligned with both heritage and tourism. Public notification requirements for any development application at the site will be determined by the Planning and Design Code.

Heritage as a strength

Rather than viewing the heritage of Customs House as a limitation, we see it as a unique selling point that will attract tourists and enrich the visitor experience. Adaptive reuse of heritage buildings is a proven strategy that can boost tourism and create a stronger connection to the past. Similar developments across Australia have shown that integrating historical architecture with modern design not only preserves the past but also creates exciting new spaces for the future.

Council will honour community values around local heritage by:

- **Respecting the heritage:** It is important to Council that any development respects the history and character of Customs House. Any development will require approval from the Heritage South Australia and Council's Development Services team are happy to work closely with consultants and architects during the design phase.
- **Ensuring public access:** The development is not likely to unreasonably restrict access to the public areas of the Wharf Precinct. The surrounding open space will remain accessible, and any hotel will need be designed to blend seamlessly with the existing environment.

A vision for Goolwa's future

This proposal is about more than just a hotel—it is about creating a sustainable future for Goolwa. The development of Customs House into a hotel will bring economic growth, enhance community spaces, and preserve our heritage for future generations. Council invites you to imagine the possibilities this project will unlock—an exciting new chapter for the Goolwa Wharf Precinct that benefits everyone.

Timeline

Goolwa Wharf Precinct Activation Campaign

2020	Success in securing Federal funding for the Goolwa Wharf Precinct Upgrade
2020	Research undertaken by consultants to consider how we create the greatest positive outcome for both the visitor economy and the regional economy.
2021	Ngoppen Ngarrindjeri Ruwe – Walking Ngarrindjeri Land Cultural Tourism Plan and funding secured
2021	Place/activation gap analysis undertaken
Jul 2022	Progression of activation for Customs House accelerated
Jun 2023	Customs House was included in Wharf Tenancy Activation Strategy
Aug 2023	Investment prospectus developed

Expression of Interest

Nov 2023	ROIs presented to Council, Customs House proceeds into Phase 2 activation
Jul 2024	Targeted activation campaign undertaken by Savills Australia for the Wharf Shed and Customs House
Oct 2024	Findings presented to Council recommending sale of Customs House for a hotel development

Frequently asked questions

What was the land used for before?

Customs House was most recently occupied by the Alexandrina Centre for Positive Ageing, who relocated to a new purpose-built facility in 2016 as Customs House could not achieve the relevant Disability Discrimination Act compliance. The building has remained vacant since then.

Why has it not been activated to date?

Council progressed with a contract of sale for the building in 2017, but negotiations fell through.

Why does Goolwa need a hotel?

Goolwa is about to enter its renaissance. Our town and the Goolwa Wharf Precinct are something to be proud of and we need to be able to provide a sustainable and exceptional way for visitors to experience our heritage and lifestyle. There is a clearly documented gap in the 4–5 star accommodation sector not only in Goolwa, but across the whole Fleurieu, as detailed in the [South Australian Tourism Commission Accommodation Analysis](#).

What benefit would it bring to the region?

Enabling high-yield tourists who are already visiting our region to stay in our region, and spend more, contributing to sustainable tourism income for our region. Likewise, the development of a hotel will create local, ongoing jobs for our community and a place to come together through events, weddings, and corporate functions in our own town.

How do we know that this will be developed as a hotel?

Should Council proceed with the sale, Council will apply an encumbrance to the subject land parcels, ensuring that they can only be developed for a hotel accommodation development.

What work has been done for a hotel on the site so far?

Council has engaged the services of Savills Australia to undertake a hotel reconnaissance exercise, evaluating the hotels market to determine if a hotel is a viable form of development for the site. This exercise resulted in strong market interest and assurance in the viability of the concept.

Why did the hotel not work last time?

Although the decision was made to sell for a hotel in 2016, this project did not eventuate.

What about the heritage?

Any proposal for a hotel at Customs House will be subject to a Development Application, which will be assessed against the relevant heritage provisions of the Planning & Design Code (these provisions can be read [here](#)). Likewise, as part of any development application at the site, a referral to the Department of Environment and Water – State Heritage Unit will be undertaken.

How will this affect parking and traffic?

Any proposal for a hotel at Customs House will be subject to a Development Application, which will be assessed against the relevant car parking requirements and provisions of the Planning & Design Code (these provisions can be read [here](#)). Likewise, if there were to be any proposed impact to public carparking spaces, this would be considered during the development assessment process.

How will a hotel be respectful to the heritage of the place?

Savills's hotel reconnaissance exercise indicated that potential developers are excited about the prospect of incorporating a historic building into a hotel development. It is very 'on trend' for hotels to hero these elements as drawcards, and a point of difference, forming the identity of their offering. The impact of any development on the heritage values of Customs House would be fastidiously scrutinised during the development application process.

How will this benefit our community?

Without presenting risk to the historic significance of Customs House, the development of a hotel on the site will provide ongoing employment for our growing community, building a strong and secure local economy. Likewise, a hotel would present more than just opportunities for visitors, providing a venue for local families to be able to have events such as weddings and corporate functions at a fully serviced venue in their hometown.

But our region is already busy enough with tourists.

The development of a high-class hotel in Goolwa does not necessarily mean more tourists. Having a hotel offering allows the Alexandrina (and broader Fleurieu) to capitalise on the already considerable number of high-yield visitors travelling to the region. Currently they are in the form of day-trippers. Providing accommodation means that these visitors are able to stay longer and spend more in our communities, an option they do not currently have. This results in more sustainable long-term tourism outcomes for our region.





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