



DRAFT BUSINESS PLAN

For

Major Land Transaction

and

Major Trading Undertaking

Shire of Coolgardie

**Expansion of
Bluebush Village**

December 2022

V01

INTRODUCTION

The purpose of this Business Plan is to:

1. inform the community the Shire of Coolgardie proposes to expand the current 200 room Bluebush Village located at Reserve 47229 Lot 562 Salmon Gum Road, Kambalda West, Western Australia up to 300;
2. provide opportunity for the community to consider and make informed submissions on the Business Plan; and
3. satisfy the requirements of Section 3.59 of the *Local Government Act 1995*.

Kambalda Worker Accommodation Village

Part A: Proposed expansion of Bluebush Village up to 300 rooms on the land located at Reserve 47229 Lot 562 Salmon Gum Road, Kambalda West, vested in the Shire of Coolgardie; and

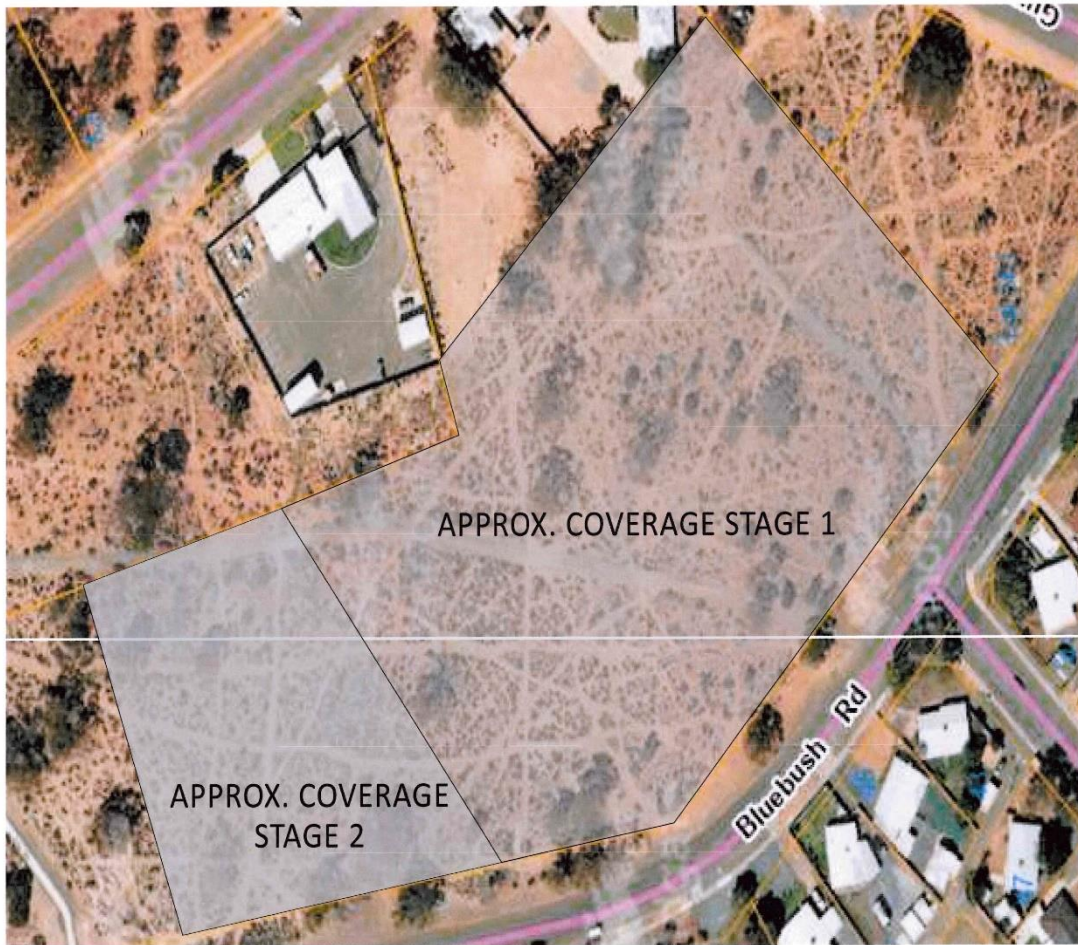
Part B: Letting of the proposed expanded worker accommodation village by the Shire of Coolgardie to the current operator..

The Shire of Coolgardie is proposing to:

- expand the current 200 room Bluebush Village up to 300;
- operate the worker accommodation village to meet the needs of the local mining industry; and
- the Reserve management order for the site already provides for the development of accommodation and power to lease.

PROPERTY DETAILS

Current Owner	Council resolved on 22nd July 2022 to request the Minister for Lands to relinquish the Management Order over that portion of Reserve 47229 that is being excised for the Crown lease and redescribe Reserve 47229 to consist of approximately 22,500 sqm (subject to survey). Council also resolved to request to convert a portion of Reserve 47229 being Lots (No 24) Salmon Gum Road, Kambalda West to Crown Lease to facilitate development on the site including Workers Accommodation
Address	Lot 562 Salmon Gum Road, Kambalda West, Western Australia
Title Particulars	Lot 562 on Plan 070932 Currently Crown Reserve 47229 vested in the Shire of Coolgardie
Total Land Area	Area approximately 7450 m2
Zoning	The site is zoned Special Use Aged Persons Accommodation and Recreation under Local Planning Scheme No 5. Workforce accommodation is an "A" – use under the Scheme, which means by Council determination of the proposal following advertising.

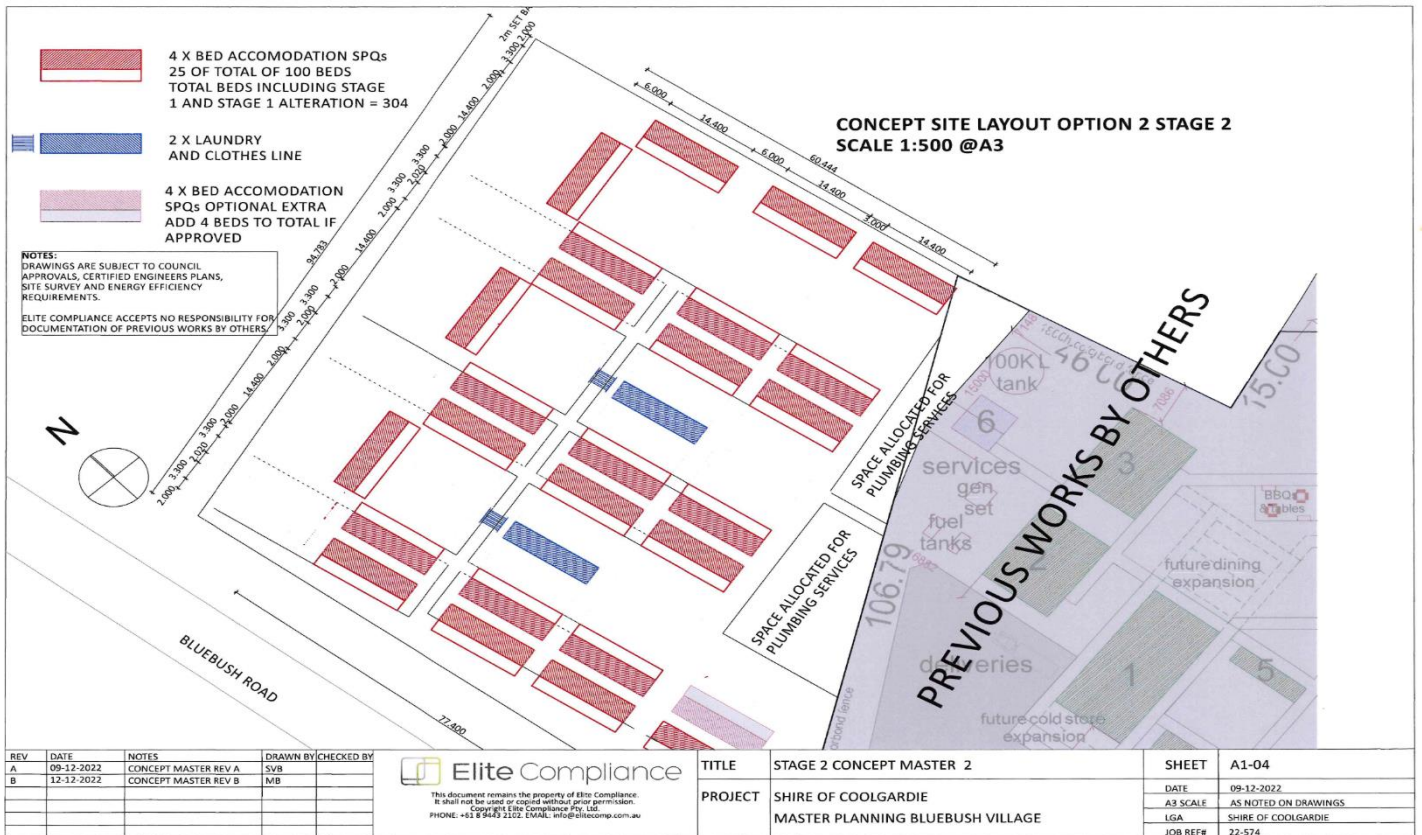


REV	DATE	NOTES	DRAWN BY	CHECKED BY
A	09-12-2022	CONCEPT MASTER REV A	SVB	


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TITLE	LOCATION PLAN
PROJECT	PRECISE MASTER PLANNING BLUEBUSH VILLAGE

SHEET	A1-01
DATE	09-12-2022
A3 SCALE	AS NOTED ON DRAWINGS
LGA	SHIRE OF COOLGARDIE
JOB REF#	22-574



BACKGROUND

Goldfields-Esperance Housing and Land Summary

The Goldfields-Esperance region of Western Australia is vast and diverse, from the rich red deserts to the iconic white sandy beaches. The Goldfields-Esperance Development Commission recently released the 2020 Housing and Land Summary, which was prepared to report on the housing market needs, supply trends and emerging issues.

Economic Output

The Goldfields-Esperance region supports approximately 31,000 jobs and produces an annual economic output of \$21.6 billion. Mining is the key industry in the region, which accounts for 61% of output and 33% of all employment. Other important industries in the region are:

- health care and social assistance;
- retail trade; and
- education and training.

The Goldfields-Esperance region's contribution to economic growth of Western Australia has been strengthened by the State's successful management of COVID-19, along with:

- high commodity prices;
- government stimulus measures; and
- strengthening population growth in 2019 and early 2020.

Falling Unemployment

Unemployment in the Goldfields-Esperance region has fallen rapidly from 5.6% to 4.4% during 2020. In the City of Kalgoorlie-Boulder, this trend is more apparent, with the unemployment rate falling from 4.4% to 3.6% over this same period.

Alongside declining rates of unemployment, businesses are reporting significant challenges attracting and accommodating staff in the region.

The labour market is expected to tighten further as the number of job advertisements continues to grow in the region. The job ads (1,957) are up 65% on the five-year average. Activity indicators suggest that population and workforce levels have been steadily increasing in the region.

Housing and Accommodation

The region's established housing market strengthened in the second half of 2020, as transactions for houses increased to the highest levels since 2013 and the median house price for the region increased by 21% over the year to December 2020.

Improving economic and labour market conditions have coincided with tightening rental market conditions. The rental vacancy rate fell from 3.3% in December 2019 to 1.6% in December 2020 and average weekly rents increased from \$320 to \$340 from June to December of 2020.

Rental markets have continued to tighten in early 2021 and the lack of rental stock is having a strong negative effect on worker attraction and retention. Appropriate housing is critical to supporting the economic development and liveability of the region and as this summary demonstrates, there are a range of housing availability challenges present.

Shire of Coolgardie

The Shire is home to an estimated 3,348 people (as at 2020). Over the 2015-20 period, the permanent population was estimated to have declined by an average of 3.02% per annum, though this does not accurately capture transient population levels.

The Shire's town of Kambalda is supported by nickel and gold mining, and the historic town of Coolgardie was developed around significant gold mining operations. Both towns have substantial non-resident workforces and a high proportion of employer-provided housing, which is not represented in housing market activity datasets.

The Shire experienced a strong increase in the median house price (+18% over 2020) and increasing transaction levels. Dwelling rents increased moderately, and the rental vacancy rate declined from 16.7% in December 2019 to 6.6% in December 2020.

City of Kalgoorlie-Boulder

Kalgoorlie-Boulder is home to an estimated 29,055 people and over the past five years estimated residential population levels declined by an average of 1.8% per annum. It should be noted Kalgoorlie-Boulder has a substantial and growing non-resident workforce which isn't reflected in population statistics, but has a significant impact on the residential market, particularly in the form of rental demand. The City has recently acknowledged the need and demand for workers accommodation.

Own-Source Income

Many rural or remote local governments in Western Australia face declining populations. The falling population has led to stagnant or declining housing and land values and lower levels of commercial activity.

The number of households, the value of housing stock, land values and the level of commercial or industrial activity all influence the level of revenue local government is able to extract from its rate base. There is significant disparity between Council capacity to rely on own-source revenue to meet their budget needs.

Local governments that are not financially self-sufficient are less likely to be sustainable across the longer term. In Western Australia, most rural and remote councils (although representing a minority of the population) are heavily dependent on state government and commonwealth grants. The majority of these local governments receive a big chunk of their revenue from grants.

Most government grants are distributed on an annual basis with some certainty, however, there are no guarantees. The grant process is open to political whims of the government of the day, making it difficult for local government to plan for the future. This is why it's important for councils to develop strong own-source income.

Service Delivery Challenge

With declining capacity to rate, councils are faced with the sustainability challenge. Smaller populations also impact on the council's ability to collect fees and charges.

The Shire has an ongoing obligation to provide and maintain significant community assets including facilities, roads, waste, and water infrastructure. Timely expenditure will ensure the Shire is not contributing to the sector's infrastructure backlog. Providing facilities and infrastructure is not cheap. Councils also need to maintain a level of amenity and service provision to be competitive in attracting new residents, new businesses, and visitations.

The Shire's rates are raised predominately from the mining sector (over 85%). Increasingly councils are moving away from relying on annual rate increases. For councils to address their sustainability challenge, they need to grow their own-source income while limiting exposure risk.

The Shire economy, like the WA economy is emerging from COVID-19 related restrictions and

faces a raft of new challenges in the form of supply chain disruptions, labour shortages and rising costs, punctuated by the 7.6% increase in the Perth Consumer Price Index (CPI) over the year to March 2022. Furthermore, the Shire has undergone a Gross Rental Revaluation, the last one occurring 6 years ago. The revaluation has resulted in gross rental valuations in Kambalda decreasing on average by 10.5% and in Coolgardie on average by 8%.

For the Shire to continue to strive to deliver improved and efficient services to the community with costs increasing as a minimum in excess of 7% and a decrease in gross rental values resulting in a decrease in rate revenue is impossible without generating other sources of revenue.

The Shire estimates the impact of the 7.6% increase in Perth CPI, increases in insurance, contractors, employee and operational costs to be in excess of \$1.3 million on the Shire annual operating and capital expenditure budget. In order to provide services to the community at the same level as it has done in 2021/2022 simply on rates revenue alone, given an estimated increase of in excess of \$1.3 million, would require a rate increase of in excess of 100% on residential, commercial, general industry and light industry rate payers. Clearly this is not an action the Council could ever consider.

In order to maintain or increase the level of services to the community, in an environment of escalating costs and a decrease in valuation of the majority of residential, commercial, general industry and light industry properties in the Shire, Council has displayed exceptional leadership in planning for and progressing new revenue generating opportunities. In doing so it was in a unique position to be able to advertise only a 5% increase in the rate in the \$ for residential, commercial, general industry and light industry rate payers in the Shire generating an estimated revenue increase of only \$81,000. The estimated increase of \$8.5 million in fees and charges associated with workers accommodation, waste facilities and the Kambalda Airport has enabled the Shire to not only improve the level of services to the community but also increase the level of expenditure on renewing and maintaining roads, footpaths, drainage, buildings, and community infrastructure. Furthermore, it has enabled the Council to consider only a 3% increase in the rate in the \$ for residential, commercial, general industry and light industry rate payers in the Shire generating an estimated revenue increase of \$48,600.

The Shire has worked extremely hard over the past three years to create strong collaborative relationships with the Mining Sector, connected businesses and industry and the State Government. Consequently, the strength of these partnerships has enabled the Shire to progress revenue generating opportunities to ensure that the residential, commercial, general industry and light industry rate payers are not burdened with massive rate increases now and into the future.

VILLAGE LIFE – COMMUNITY LIFE

Strategic Direction

The Coolgardie community's aspirations are to create an inclusive, safe, and vibrant community and a thriving local community.

The community's goals are to:

- build a sense of place and belonging;
- build a safe and healthy community; and
- celebrate our culturally diverse community.

These community aspirations and goals have been captured in the Shire of Coolgardie Strategic Community Plan.

Service Planning and Delivery

The Shire recently conducted a comprehensive review of its service levels and continued to liaise with the community during COVID to better understand their needs and expectations.

The Shire developed programs and services during COVID and delivered much-needed new services to ensure the health, safety, and connectedness of the elderly and frail members of the community.

Value of Mining to the Community

The Shire has always focused its efforts and resources on servicing the needs and meeting expectations of its community. Some of this is changing, as the Shire works to develop mutually beneficial relationships with its mining sector, which is the major ratepayer group, contributing over 80% of the Shire's rate base. The mining industry in the Shire of Coolgardie generates in excess of \$3.6 billion to State GDP.

The very care and attention the Shire has applied to servicing its community can also benefit the mining sector and its employees – residents and FIFO. The Shire is proposing to develop up to a 200 room worker accommodation village. As the owner of this village the Shire will take steps to introduce programs and activities to integrate mining workers' village life into community life.

Mining companies are going to be interested in a village model that increases the FIFO workers' morale, productivity, and retention, as long as it's within their current financial envelope.

Shire staff will regularly engage and involve the FIFO workers with a view to extending their village life into community life.

FIFO workers who are happy and feel good about their work and village life will sleep better, be safer and more productive at work and they will of course stay longer. The Shire's village model should attract and retain good FIFO workers for their mining sector.

Local Economy

The Shire's investment in the worker accommodation village will add another income-generating asset to the Shire's portfolio, which will contribute to the growth of the local economy. As FIFO workers are integrated into the community, they will contribute and value-add to community life as well as the local economy.

The current village has already demonstrated the economic value already added to the Town. Workers are spending money at the Hotel and local shops. Furthermore, the numbers at the Shire gym and pool have increased.

The Shire has identified through feedback from community survey's and conversations that the following projects are now able to be considered for funding generated from Bluebush Village;

- Lions Park Upgrade to include 0-6 year old play space and soft fall replacement
- Kambalda West Community Garden
- Construct and replace aging public ablution facilities in Kambalda and Coolgardie
- Installation of synthetic turf at the Coolgardie RSL
- Investigation of a Coolgardie Water Park
- Electrical Infrastructure upgrades to allow for better facilities at Kambalda West Oval including community garden, St Johns and the squash facility.

Three of these have been identified as projects that could be delivered in the January to June 2023 period and are being recommended to Council;

- Lions Park Upgrade to include 0-6 year old play space and soft fall replacement – estimate \$220,000
- Kambalda West Community Garden Contribution – estimate \$50,000
- Installation of synthetic turf at the Coolgardie RSL – estimate \$30,000

The other three projects will be included in budget deliberations for 2023/2024 along with other projects and initiatives.

UNDERSTANDING OUR RISK

Rich Mining History

Coolgardie is the birthplace of the great gold rush of 1892, when prospectors Bayley and Ford discovered 500 oz of gold at a site known as Fly Flat. This was the start of Coolgardie's rich mining history and growth. Coolgardie quickly became the third largest town in Western Australia, behind Perth and Fremantle.

Decades later (1954) nickel was discovered and mined in Kambalda and more recently lithium and associated precious metals have been mined. Coolgardie's mining fortunes have risen and fallen on the back of global commodities prices for over 100 years, and this will not change anytime soon. While miners have contracts to supply at a rate above the cost of production, they are in business and the Coolgardie community benefits from the economic activity and local job creation.

Housing and Accommodation

Appropriate housing is critical to support the economic development and liveability of the region. There is a range of housing availability challenges at present. Over the last decade or so, Local and State Governments have been developing and implementing initiatives to encourage miners to provide resident jobs that are based locally rather than non-resident jobs (FIFO).

With some 31,000 mining jobs in the region, it's fair to say the current gap in housing and accommodation will not be bridged any time soon and FIFO accommodation is going to be an important ingredient in the region's mix of housing for years to come.

Enabling Economic Growth

The Shire's investment in the development of worker accommodation village will go some way to meeting the region's short to medium housing and accommodation shortage, which will further enable local economic growth underpinned by mining activity.

The addition of revenue from Bluebush Village has also enabled Council to consider development of residential housing. Appropriate housing is critical to supporting the economic development and liveability of the region and there are a range of housing availability challenges present. The Shire has been in discussions with GROH and various mining / infrastructure organisations regarding the challenge in securing suitable long term residential rental accommodation, which is impacting on the delivery of services.

The proposed dwellings are being designed to meet GROH housing requirements and the Shire is in discussions with the agency to establish long term leasing and rental arrangements, that will provide a financial return to the Shire.

Preliminary costing indicates that the proposed developments, inclusive of buildings, transportation, fit out, installation and services are estimated at \$1M.

LEGISLATIVE REQUIREMENTS

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

A Major Land Transaction is defined by the Act to be a land transaction that is 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.

A Major Trading Undertaking is defined as a trading undertaking that:

- a) in the last completed financial year, involved; or
- b) in the current financial year or the financial year after the current financial year, is likely to involve; expenditure by the local government of more than \$5 million for the purposes of this definition.

The Trading Undertaking means an activity carried on by a local government with a view to producing profit.

Before the Shire enters into a Major Land Transaction or commences a Major Trading Undertaking, it is required to prepare a Business Plan that includes an overall assessment of Major Trading Undertaking and Major Land Transaction including:

- a) expected effect on the provision of facilities and services by the Shire;
- b) expected effect on other persons providing facilities and services in the district;
- c) expected financial effect on the Shire;
- d) expected effect on the Shire's Plan for the future;
- e) the ability of the Shire to manage the performance of the transactions; and
- f) any other matter prescribed for the purposes of the subsection.

The Local Government Act 1995 also requires the Shire to give state-wide public notice that:

- the Shire proposes to enter into a Major Land Transaction and Major Trading Undertaking described in the notice; and
- a copy of the Business Plan may be inspected or obtained at any place specified in the notice.

The Shire is to make a copy of the Business Plan available for public inspection in accordance with the notice. The Shire is to also publish a copy of the Business Plan on its official website.

Submissions about the proposed land transaction or undertaking may be made to the Shire before a day to be specified in the notice, being a day that is not less than six weeks after the notice is given.

After the last day for submissions, the Shire is to consider any submissions made and may decide by absolute majority to proceed with the undertaking and transaction as proposed or so that it is not significantly different from what was proposed.

ASSESSMENT OF TRANSACTION

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

The Shire's proposed expansion of Bluebush Village will be funded by a combination of municipal and loan funds, which will be serviced from the operation of the work accommodation village. If funds are required to be borrowed it will be used to pay for installation costs to local contractors. The cost of borrowed funds is at an all-time low and will not be a significant cost burden. Consideration will be given to leasing the rooms with a view to the Shire owning the rooms at the end of the lease. Therefore, the Shire's development of the worker accommodation village will not have any impact on the ongoing provision of facilities and services by the Shire.

The worker accommodation village has the capacity to generate sufficient funds to:

- cover the operating costs;
- leverage additional investment funds;
- cover the cost of servicing the loan funds; and
- provide a dividend to the community.

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

Currently the demand for accommodation far exceeds the supply. It is not envisaged that the provision of an additional workers village will impact negatively on current accommodation providers. An increased use of retail facilities in Kambalda is anticipated to add economic value. It has already been seen as anticipated a significant increase in patronage of the Kambalda Hotel, Woolworths and associated retail shops. In particular the Kambalda Hotel has had up to 100 extra people a day for meals. Furthermore, there has been an increased patronage of Shire facilities.

Therefore, it is already demonstrated the Shire's development of Bluebush Village has had a positive impact on other persons providing facilities and services in the region.

c) Expected financial effect on the Shire

Financial modelling has been undertaken for the proposed expansion of Bluebush Village up to 300 rooms in Kambalda. The proposed expansion will be funded by a combination of municipal and loan funds, which will be serviced from the operation of the work accommodation village. If funds are required to be borrowed it will be used to pay for installation costs to local contractors. The cost of borrowed funds is at an all-time low and will not be a significant cost burden. Consideration will be given to leasing the rooms with a view to the Shire owning the rooms at the end of the lease.

The modelling indicates that the proposed expansion will generate sufficient funds to:

- cover the operating costs;
- cover the cost of servicing the loan funds; and
- provide a dividend to the community.

The Proposed Financial Model is presented below;

	Yr1	Yr2	Yr3	Yr4	Yr5	Total
Revenue	\$ 5,147,064	\$ 5,147,064	\$ 5,147,064	\$ 5,147,064	\$ 5,147,064	\$ 36,029,448
Catering and Operation of Village	\$ 2,127,453	\$ 2,127,453	\$ 2,127,453	\$ 2,127,453	\$ 2,127,453	\$ 14,892,172
Gross Profit	\$ 3,019,611	\$ 3,019,611	\$ 3,019,611	\$ 3,019,611	\$ 3,019,611	\$ 21,137,276
Shire rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 420,000
Insurance	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 210,000
Electricity	\$ 204,422	\$ 204,422	\$ 204,422	\$ 204,422	\$ 204,422	\$ 1,430,957
Shire rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water usage	\$ 81,124	\$ 81,124	\$ 81,124	\$ 81,124	\$ 81,124	\$ 567,870
Sewer rates (P/S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting/Invoicing	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 140,000
Rubbish removal	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 140,000
Total Running Costs	\$ 415,547	\$ 415,547	\$ 415,547	\$ 415,547	\$ 415,547	\$ 2,908,826
Asset Leasing	\$ 1,333,333	\$ 1,333,333	\$ 1,333,333			\$ 4,000,000
Installation Loan Repayment	\$ 600,000	\$ 600,000	\$ 600,000			\$ 1,800,000
Total Finance Costs	\$ 1,933,333	\$ 1,933,333	\$ 1,933,333	\$ -	\$ -	\$ 5,800,000
Cash Profit	\$ 670,731	\$ 670,731	\$ 670,731	\$ 2,604,064	\$ 2,604,064	\$ 12,428,450
		\$ 1,341,462	\$ 2,012,193	\$ 4,616,257	\$ 7,220,321	

The Shire has engaged with mining companies and contractors in regard to take – up of additional accommodation immediately and into the future. Currently demand far exceeds supply. It is proposed that prior to the completion of any proposed expansion secured contracts will be in place for the increase of up to an additional 104 people. Consequently, any funds that may require investing from the Shire through borrowings or municipal funds are anticipated to be returned within 2-3 years.

It is anticipated that any profits made from the accommodation village will be deposited into a future fund. It is proposed the future fund will be established independently of the Shire Coolgardie Municipal Operating Account.

It is anticipated the future fund would be established for community programs, events, activities, and infrastructure into the future

2022/23 Budget

The Shire has adopted its 2022/23 Annual Budget. The 2022/23 budget concentrates on core services, efficiencies, an extensive array of community initiatives and renewal and maintenance of the Shires many assets.

The 2022/2023 Annual Budget highlights operating revenue of \$26,895,575 compared to \$13,821,180 in 2021/2022 and operating expenditure of \$24,079,858 compared to \$16,728,630 in 2021/2022. Consequently, for the 2022/2023 year the budget operating surplus is \$2,815,717 compared to an operating deficit in 2021/2022 of \$2,907,450. This extraordinary turn around estimated at \$5,723,167 is a direct result of the progression of new revenue generating opportunities. Furthermore, for the first time, the Shire will end up with an estimated positive operating surplus ratio.

The 2022/2023 Annual Budget also highlights an estimated \$7,296,251 net cash provided by operating activities. The significance of this cannot be underestimated. Very few local governments in WA would have a ratio of 74% of rates revenue contributing to the renewal of road, building, footpath, drainage, and community infrastructure.

Further highlights of the 2022/2023 Annual Budget include an ambitious estimated capital expenditure programme of \$29.7 million. This includes:

- Renewal Carins Road \$900,000
- Renewal Coolgardie North Road \$400,000
- Renewal Gnarlbine Road \$200,000
- Renewal Ladyloch/Tindals Intersection \$400,000
- Renewal Sharpe Drive Kurrawang \$300,000
- Coolgardie Sewerage Renewal \$1,600,000
- Drainage Renewal \$100,000
- Coolgardie Refuse Site Renewal \$275,000
- Processing Facility for Plastics and Tyres Coolgardie Refuse Site \$4,000,000
- Kambalda Airport Runway Renewal including lighting and fencing \$6,650,000
- EV Charging Station \$100,000
- Completion of Coolgardie Cultural and Community Hub \$640,000
- Coolgardie Cultural and Community Hub Fit Out \$150,000
- Tyre Shredder for Coolgardie Refuse Site \$1,000,000
- Completion of Kambalda Workers Accommodation Village \$7,300,000
- Land Development Planning \$80,000
- Repayment of Borrowing estimated at \$1.8 million

Operating Highlights of the 2022/2023 Annual Budget include estimated expenditure of \$10.5 million and increase of \$1.7 million from 2021/2022:

- Kambalda Resource Centre operations and activities \$148,000
- Coolgardie Resource Centre operations and activities \$234,100
- Meals on Wheels programme \$60,000
- Law and order and public safety \$244,000
- Provision of Health Services \$480,000
- Provision of mental health and wellbeing \$100,000

- Maintenance aged care accommodation \$127,000
- Provision of waste services \$1,840,000
- Coolgardie Swimming Pool operations and activities \$290,275
- Kambalda Swimming Pool operations and activities \$568,000
- Maintenance Parks, Gardens and Reserves \$1,239,000
- Coolgardie Recreation Centre operations and activities \$429,000
- Kambalda Recreation Centre operations and activities \$1,150,000
- Community Development and Heritage \$403,000
- Road, footpath, verge maintenance \$2,160,000
- Tourism and Area promotion and activities \$592,000
- Economic Development \$470,000

Direct Community Benefit

The proceeds from the Shire's investment in the worker accommodation village will be used directly to benefit the community. The proceeds will not be used to off-set the Shire's overheads or cost of bureaucracy. Profits from the operation of the worker accommodation village will be accounted separately to Shire funds and reserved in trust for community benefit to fund initiatives such as:

- Medical services – Kambalda medical service e.g., doctor/clinic; St Johns
- Allocation of funds into a Community Foundation for the purpose of community grants;
- Funding CRCs;
- Apply a rate freeze (e.g., 1.9%) over a period of time; and
- Community programmes and events
- Other infrastructure upgrades deemed necessary or important.
- provide projects, programmes and enhance services that will directly benefit the community.

d) Expected effect on the Shire’s Plan for the future

The Shire’s Vision is for *“A connected, progressive & welcoming community”*.

One of its aspirations is to establish a **thriving local economy**.

GOAL 1	GOAL 2	GOAL 3
Build Economic Capacity	Facilitate local business development and retention	Provide support for traineeship development
IT WILL BE ACHIEVED BY: <ul style="list-style-type: none"> • Encouraging and attracting new investment and advocating for local employment • Supporting local businesses in the Shire • Supporting and encouraging mining and processing industries 	IT WILL BE ACHIEVED BY: <ul style="list-style-type: none"> • Promoting and utilising the Shire Resource Centres for business support • Advocating for a Small Business Incubator model • Encouraging the development of local business education and support 	IT WILL BE ACHIEVED BY: <ul style="list-style-type: none"> • Collaborating with education providers and industry to enhance the development of local traineeships • Advocating for training and employment opportunities delivered in the Shire • Initiating training opportunities that will lead to long term employment
MEASURES OF SUCCESS: <ul style="list-style-type: none"> • Value of Gross Domestic • Product Value of Mining and Industry Rates 	MEASURES OF SUCCESS: <ul style="list-style-type: none"> • Bi-annual Community Satisfaction Survey • Number of businesses in Shire 	MEASURES OF SUCCESS: <ul style="list-style-type: none"> • Bi-annual Community Satisfaction Survey • Number of education and industry partnerships supporting trainees and youth

Until recently, the Shire focused its entire effort and resources on providing services and facilities to its residents and kept its relationships with the resource companies at arm’s length. With over \$3.8 billion worth of resources mined within the Shire during 2020, this is changing as the Shire of Coolgardie continues to engage with the mining sector.

e) The ability of the Shire to manage the performance of the transactions

The Shire will be obtaining professional support in the commercial and legal negotiations and has a project manager to oversee the process and ongoing operations. The Shire manages a range of projects, holds a substantial property portfolio, and has the capacity to oversee the proposed expansion of Bluebush Village.

f) Other matters

The Shire's proposed expansion of Bluebush Village will add to its portfolio of economic-generating assets, which will be used to directly benefit the community.

Public Consultation and Advertising

The Business Plan for the Major Land Transaction and Major Trading Undertaking for the proposed expansion will be publicly advertised, as required under the Local Government Act 1995.

Following the public advertising period, the Shire will consider all submissions and may decide (by absolute majority) to proceed with the Major Land Transaction and Major Trading Undertaking as described in this Business Plan in accordance with section 3.59 of the Local Government Act 1995.

CONCLUSION

Introduction

The Shire of Coolgardie is proposing to:

- Expand Bluebush Village up to 300 rooms on the land located at Reserve 47229 Lot 562 Salmon Gum Road, Kambalda West, vested in the Shire of Coolgardie; and
- Let the proposed operation of the expansion to the proposed current operator.

Own-Source Income and Sustainability

Increasingly councils are moving away from relying on annual rate increases. For councils to address their sustainability challenge, they need to grow their own-source income while limiting exposure risk. Local governments that are financially self-sufficient are more likely to be sustainable across the longer term.

The Shire's proposed expansion of Bluebush Village will add another income-generating asset and increase its portion of own-source income, which will also have a positive effect on its financial ratios.

The Investment

The Shire's investment estimated at \$6 million for the expansion of up to a 300 rooms at Bluebush Village will be funded by municipal funds and loans, with interest rates being at an all-time low.

Based on the current economic activity and demand for worker accommodation, it's envisaged the Shire's investment will generate sufficient return to pay back the loan within 3 years.

Investment Benefits

The benefits of the Shire's investment in a worker accommodation village are significant:

- developing another income-generating asset;
- increasing its portion of own source income;
- improving its financial ratios;
- increasing the supply of much needed worker accommodation;
- providing greater opportunity to integrate village occupants into community life and the local economy; and
- enable local economic growth underpinned by mining activity.

Shire of Coolgardie's investment in the worker accommodation village is consistent with the region's economic direction and accommodation needs of local mining companies.