



BUSINESS PLAN

For

**Major Land Transaction
and
Major Trading Undertaking**

Shire of Coolgardie
Development and Operation of
Accommodation Village

August 2022

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INTRODUCTION

The purpose of this Business Plan is to:

1. inform the community the Shire of Coolgardie proposes to develop and operate up to a 1500 room worker accommodation village located at Reserve – R36767 comprising Lot 37 on DP 175817 Goldfields Highway , Kambalda West, Western Australia;
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*.

Workers Accommodation Village

Part A: Development up to a 1500 room worker accommodation village by the Shire of Coolgardie on the land located at Reserve R36767 comprising Lot 37 on DP 175817 Goldfields Highway, Kambalda West, vested in the Shire of Coolgardie; and

Part B: Letting of worker accommodation village by the Shire of Coolgardie to an operator to be determined by request for tender process

The worker accommodation village will provide up to 1500 rooms for employees working in the mining sector. The construction of the village will be paid for by external funding sources. The Shire of Coolgardie will not be borrowing any funds for the project. Any profits made from the operation of the village will be kept by the Shire.

The Shire Coolgardie is proposing to:

- Develop up to a 1500 room worker village in stages
- Operate the worker accommodation village to meet the needs of the mining sector
- Engage a suitable skilled and experienced operator to provide the worker accommodation village and services
- Pursue Freehold or Crown Reserve. The site is currently Reserve 36767 (lot 37 on P175817) vested in the Shire of Coolgardie with power to lease for 21 years. DPLH Officers have continued to assist the Shire by undertaking various site investigations regarding the tenure and reserve background and vesting process. The advice and request to pursue Freehold or Crown Lease over Reserve 36767 current purpose of 'Golf Links' to enable workforce accommodation' is consistent facilitating additional uses and development on the site.

PROPERTY DETAILS

Current Owner	Reserve 36767, Lot 37 on P175817 vested in the Shire of Coolgardie. The land Tenure is subject to an application to Freehold ownership or Crown Lease to the Shire of Coolgardie.
Address	Lot 37 Goldfields Highway Kambalda West
Title Particulars	Lot 36767 on Plan 175817 Currently Reserve 36767 vested in the Shire of Coolgardie
Total Land Area	Area approximately 85 Hectares
Zoning	Zoned Public Open Space under Local Planning Scheme No 5 Management Order purpose to Recreation, Tourism, Community and Workforce Accommodation Workforce resolved by Council in July 2021



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. Ads (1,957) are up 65% on the five-year average. 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 2021, as transactions for houses increased to the highest levels since 2013 and the median house price for the region increased by 15% over the year to December 2021.

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 and recently approved a 300 person village.

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 and 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 escalation costs and 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 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, 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.

The Shire's development of the worker accommodation 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 Shire believes this is another opportunity to continue to future proof the economy of the Shire for the next 10-15 years.

VILLAGE LIFE – COMMUNITY LIFE

Strategic Direction

The Shire 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 now taken the lead in building strong relationships with the resource sector so that, together, they can create the lifestyle that attracts and retains the people that comprise both ratepayers and employees.

True to its commitment, the Shire has shown significant leadership. It understands the opportunity to leverage these relationships to build an enduring local economy, that is not solely dependent on the resource sector.

Under the leadership of the Shire, a strong collaboration partnership between the resource companies, their major contractors and the State Government has been formed. By working together, pooling resources where appropriate and sharing opportunities, mutually beneficial outcomes can be achieved.

When resource companies operate in proximity to regional settlements, they often deliver significant economic and social benefits to the local community and economy.

To this end, the Shire has undertaken a detailed socio-economic mapping exercise that demonstrates and quantifies the economic and social benefits that the local community and business sector enjoy as a result of the local resources industry, as well as the investment in infrastructure and services that the Shire is able to deliver as a result of that industry.

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 \$4.1 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 lease land for the development of worker's accommodation. The Shire will collaborate with the mining company to encourage programs and activities to integrate mining workers' village life into community life.

Mining companies as part of their ESG responsibilities are extremely likely 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 engage with the mining company to encourage the FIFO workers village life is extending 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 collaboration with the mining sector should assist in the attraction and retention of FIFO workers for the mining sector and their integration as part of the broader community..

Local Economy

The Shire's construction and operation of a worker's 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 continue to be integrated into the community, they will contribute and value-add to community life as well as the local economy.

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 construction and operation of a workers accommodation village will go some way to contributing to meeting the region's short to medium housing and accommodation shortage, which will further enable local economic growth underpinned by mining activity. There is now a housing and workers accommodation crisis.

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.

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ASSESSMENT OF TRANSACTION

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

The Shire's development of the worker accommodation village will be funded by external sources. The Shire will not be borrowing any funds. Any costs associated with the construction or operations will be paid for by revenue from external sources. 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; and
- provide a significant dividend to future proof the community.

Accommodation

It is proposed that the provision of workers accommodation will be high quality modular in nature. One of the points of difference with modular workers accommodation is the use of pre-cast concrete floors, steel framing, and internal plasterboard linings, as well as thermal and acoustic insulation.

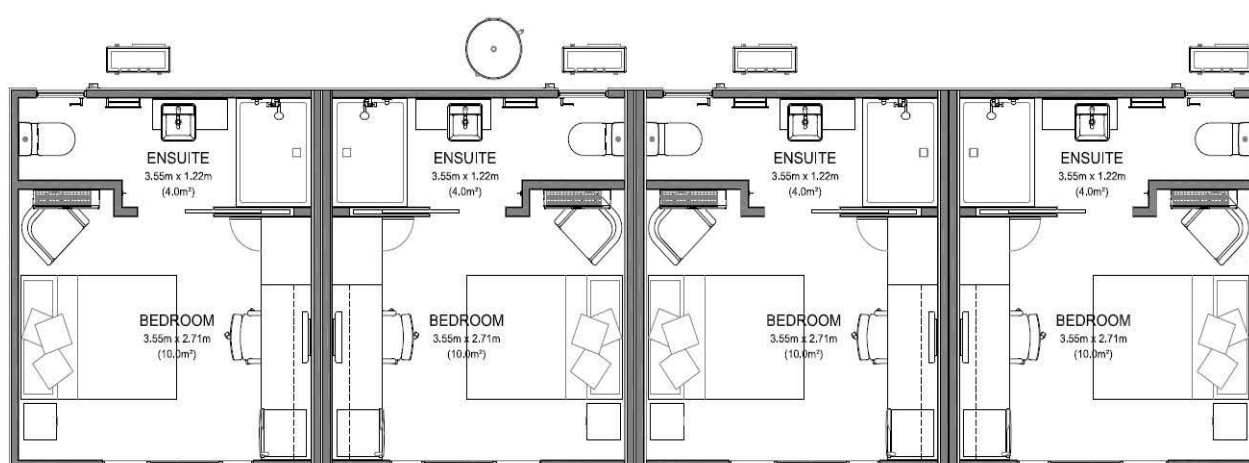
The concrete floors provide an excellent base with an extended design life. The floor is solid under foot, energy efficient, moisture resistant and low maintenance. This with a premium internal fitout and efficient fixtures and fittings delivers an exceptional quality accommodation solution.

Significantly this also means at the end of the life of the need for workers accommodation, an accommodation solution remains for tourism, short stay residential accommodation as well as the ability to easily relocate the modular accommodation into town centres for residential accommodation.

In construction consideration will be given to:

- Steel wall & roof frame system
- Fully engineered pre-stressed concrete floor
- Double or Queen Size Beds
- Thermally and acoustically insulated
- Double insulated wall system between quarters for superior noise dampening
- Colorbond Custom roof cover and exterior cladding installed over waterproof membrane and thermal break
- Fully painted flush plasterboard walls & ceilings

- Powdercoated aluminium windows & barrier screens
- Ensuites with quality ceramic wall and floor tiling
- 4-Star rated chrome mixer taps & shower heads
- Full shower, tiled with pivot glass door
- Reverse cycle inverter A/C units to each room
- Electric heat pump hot water system
- Energy efficient LED downlight fittings throughout
- Full blackout blinds to all rooms for enhanced darkening
- Low maintenance, high quality fixtures and fittings throughout.



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

Upon developing the worker accommodation village, the Shire will seek to appoint an operator to manage the village. The Shire will rely on the skills and expertise of an experienced operator to provide the worker accommodation village and services.

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. This is already demonstrated with the existing workers accommodation in Coolgardie. Furthermore, it is anticipated that the services to be provided by an experienced operator will generate local employment.

The Shire will formally seek to appoint an operator for the worker accommodation village following a Request for Tender process.

Therefore, it is envisaged the Shire's development of the worker accommodation village will have 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 option of an accommodation village of up to 1500 rooms in Kambalda.

The modelling indicates that the workers accommodation village will generate sufficient funds to:

- cover the operating costs;
- leverage additional investment funds; and
- provide a significant dividend to future proof the community.

The Shire has engaged with mining companies in regard to take – up of accommodation immediately and into the future. Currently demand far exceeds supply. Intent has been provided for the take – up of rooms for the next 5 years.

Profits made from the accommodation village will be used to repurpose and future proof the Shire for the next 10-15 year. An option likely to be considered by the Shire is to establish a future fund with someone like the Goldfields Esperance Community Trust. Under the deed of agreement separate bank accounts would be established with the big four banks. The fund or funds would be independently managed and audited. However, control of the funds and distribution of the funds will be determined by the Shire of Coolgardie.

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

Estimated Financial Scenario is presented below;

Statement of Cash Flows

	2022/23	2023/24	2024/25	2025/26	2026/27
	\$000s	\$000s	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
Revenue	4,020,000	24,120,000	24,120,000	60,300,000	60,300,000
Sub-total	4,020,000	24,120,000	24,120,000	60,300,000	60,300,000
PAYMENTS					
Food, Staffing, Cleaning	2,127,453	13,443,693	13,443,693	33,812,925	33,812,925
Utilities	500,438	3,102,630	3,102,630	7,756,576	7,756,576
Other Expenditure	376,500	795,000	795,000	2,178,000	2,178,000
Sub-total	3,004,392	17,341,324	17,341,324	43,747,501	43,747,501
Net Cash Provided by (Used in) Operating Activitie	1,015,608	6,778,676	6,778,676	16,552,499	16,552,499
CASH FLOWS FROM FINANCING ACTIVITIES					
Construction and Installation of Accommodation Village	(72,500,000)	(92,000,000)			
Proceeds from External Sources (No Borrowings)	72,500,000	92,000,000			
Net Cash Provided by (Used in) Financing Activitie	0	0	0	0	0
NET INCREASE (DECREASE) IN CASH HELD	1,015,608	6,778,676	6,778,676	16,552,499	16,552,499
Cash at Beginning of Year	0	1,015,608	7,794,285	14,572,961	31,125,460
Cash & Cash Equivalents at the end of year	1,015,608	7,794,285	14,572,961	31,125,460	47,677,959

The estimated financial scenario's presented shows that the workers accommodation village has capacity to generate funds to:

- cover the cost of operation;
- leverage additional investment funds; and
- provide projects, programmes, infrastructure and enhance services that will directly benefit and future proof the community for the next 10-15 years.

It is proposed that the construction of the workers accommodation village will be constructed in two stages.

Stage 1

It is anticipated that stage 1 will include such things as but not limited to:

- Construction of between 600 and 800 rooms
- Required road, parking and pathway infrastructure
- Genset and Turbine infrastructure and associated installation
- Sewerage, Water and Stabilisation ponds
- Waste Treatment Plant
- Kitchen, Mess Area and Administration to cater for up to 600- 800 people
- Relocation of Nullabor Links Fairway as per concept plan

Estimated Installation Costs	\$	26,620,000
Kitchen Estimate for 600 rooms	\$	11,040,000
WWTP Estimate 1500 rooms	\$	4,400,000
Rooms	\$	27,940,000
Laundries and other Buildings	\$	2,500,000
	\$	72,500,000

Stage 2

It is anticipated that stage 2 will include such things as but not limited to:

- Construction of remaining up to 700 - 900 rooms
- Remaining road, parking and pathway infrastructure
- Remaining infrastructure and installation for sewerage, water and power
- Additional Kitchen, Mess Area and Administration to cater for remaining up to 700 - 900 people

Estimated Installation Costs	\$	35,750,000
Kitchen Estimate for 900 rooms	\$	14,500,000
Rooms	\$	38,000,000
Laundries and other Buildings	\$	3,750,000
	\$	92,000,000

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 future proof 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 for community benefit .

Additional revenue from workers accommodation will assist the Shire to maintain or increase the level of services to the community, in an environment of escalation costs and decrease in valuation of the majority of residential, commercial, general industry and light industry properties in the Shire.

The Shire has an ongoing obligation to provide and maintain significant community assets including facilities roads and waste and water infrastructure and deliver services.

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

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 \$4.1 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.

The Goldfields region, and the Shire of Coolgardie in particular, has a rich mining history that has built a unique local character. The establishment of the Municipality of Coolgardie was driven by significant population growth in the years following the gold rush of 1892. With the strong influence of mining, the Shire’s activity will always be linked directly to supporting and encouraging mining activity in the area.

The Shire's investment in the worker accommodation village is consistent with its Strategic Plan. The worker accommodation village has capacity to generate funds to:

- cover operating costs;
- leverage additional investment funds; and
- provide a significant dividend to future proof the community.

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.

The Shire will work with the mining company to encourage the operator of the workers accommodation to employ local people and use local contractors, service and retail providers wherever possible.

Therefore, it is envisaged the worker's accommodation village will have a positive impact on other persons providing facilities and services in the region.

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 development and operation of the worker accommodation.

f) Other matters

The Shire's development of the workers accommodation 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 worker accommodation village 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:

- develop up to a 1500-room worker accommodation village in 2 stages;
- operate the worker accommodation village to meet the needs of the local mining industry; and
- engage a suitably skilled and experienced operator to provide the worker accommodation village and services.

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.

As we transition towards COVID-normal, and the economy strengthens, the region will experience continued employment growth and demand for worker accommodation.

Rich Mining History

Coolgardie is the birthplace of the great gold rush of 1892, when prospectors discovered 500 oz of gold. This was the start of Coolgardie's rich mining history and growth. Coolgardie quickly became the third largest town in Western Australia and a municipality following the gold rush.

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 85% of the Shire's rate base.

Enabling Economic Growth

The Shire's investment in the development of a 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.

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 will 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. As FIFO workers are integrated into the community, they will contribute and value-add to community life as well as the local economy.

Own-Source Income and Sustainability – Economic Investment

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 lease of land for worker's accommodation village will further:

- increase its portion of own-source income;
- improve its financial ratios;
- increase the supply of much needed worker accommodation;
- provide greater opportunity to integrate village occupants into community life and the local economy; and
- enable increased local economic growth underpinned by mining activity.

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