



BUSINESS PLAN

For

**Major Land Transaction and
Major Trading Undertaking**

**Proposed Disposal of Bluebush Village
to Westgold Resources Ltd.**

16 December 2025

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1.0 PURPOSE

The purpose of this Business Plan is to:

- Inform the community of the Shire of Coolgardie of the details of a proposal to dispose of the Shire owned Bluebush Accommodation Village to Westgold Resources Ltd by way of sale.
- Advise the community and any other affected parties of the proposed terms of the disposal.
- Provide opportunity for the community to consider and make informed submissions to the Shire of Coolgardie on the Business Plan; and
- Satisfy the requirements of Section 3.59 of the Local Government Act 1995.



2. BACKGROUND

2.1 Shire of Coolgardie

The Shire of Coolgardie (Shire) is a regional local government within the Goldfields region of Western Australia. The Shire is home to an estimated 3,478 people (as at 2021). 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. Current indications are that population levels have shown modest increase in recent years up to 3,779 people in 2024.

The Vision of the Shire Council (as expressed in the Strategic Community Plan) is:

To create an inclusive, safe, and vibrant community and 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.

The Shire operates a suite of 'traditional' local government services and facilities across the townships within its District. The cost of operating these services and facilities is progressively increasing and, as assets age, maintenance and asset renewal costs are increasing.

Primary sources of revenue for most Local Governments are rate income that is derived annually from property owners within the District. 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 can extract from its rate base.

Over the recent past the Shire of Coolgardie has been pursued growth in revenue from sources other than rates. This strategy actively pursued the development of business opportunities within the Shire that aimed to;

- Grow the Shire's income base,
- Support local businesses and jobs,
- Assist development of local mining industry; and
- Align with the Shire's vision.

Particular business development activities that have been undertaken include:

- Transient Workforce Accommodation Leases: Through the provision of leased land to facilitate the construction of Camp Accommodation
- Transient Workforce Accommodation Development: Through the development and operation of the Bluebush Accommodation Village in Kambalda
- Waste Facility Development: Investment in the development of a Class 3 Waste Facility
- Airport Development and Promotion: Through the development/upgrade of facilities at the Kambalda airport and the active promotion of the airstrip as safe, reliable alternate for charter flight operations.

These business undertakings have involved the Shire accessing relatively significant amounts of debt financing via bank loans with short loan durations creating an aggressive repayment schedule. The business undertakings have had varying levels of commercial success with some performing very well and others being not as financially successful.

In more recent times the Shire has been required to place far greater emphasis on its cashflow position as lower than projected cash flows were impacting on the Shire’s capacity to pay creditors and maintain its loan repayments.

Due to these outcomes, the Shire has indicated a desire to reduce its high debt levels and remove the risk of variable income. To assist in achieving this objective, the Shire is indicated a desire to dispose of one of its most significant commercial investments, the land and assets known as Bluebush Accommodation Village in Kambalda.

Throughout the second half of 2025 the Shire operated a Request for Tender (RFT) process to identify potential bidders/buyers of the Bluebush Accommodation Village along with the price that they are willing to pay and any conditions associated with a proposed purchase. As a result of this process, at the November Ordinary Meeting of Council, the Shire identified Westgold Resource Ltd (Westgold) as the preferred bidder for the potential disposal of the Bluebush Accommodation Village.

2.2 Bluebush Accommodation Village

2.2.1 Location

The Bluebush Accommodation Village occupies a significant portion of the eastern side of Bluebush Road, a primary thoroughfare through Kambalda. The site offers convenient access to key local infrastructure, including the recreation centre, local school and a shopping centre.

The Bluebush Accommodation Village is zoned Commercial and located across two properties that are owned by the Shire:

Land Description	Certificate of Title	Property Street Address	Included
Part of Lot 500 on Deposited Plan 424604	Volume 4072 Folio 66	60 Bluebush Road Kambalda West 6442	120 SPQ rooms, 2 laundries, and ancillary items
Lot 501 on Deposited Plan 424604	Volume 4072 Folio 67	44 Bluebush Road Kambalda West 6442	199 SPQ rooms, 8 executive SPQ rooms, 4 laundries, kitchen/dining, gym, recreation room and male/female toilets and ancillary items

The northern section of the Bluebush Accommodation Village has been constructed on a portion of Lot 500. The Shire was intending to excise the northern section of the camp by way of a boundary adjustment as part of the disposal process. The diagram below illustrated the land parcels in relation to the Bluebush Accommodation Village built form.

Current Lot Division**Proposed Excision and Boundary Adjustment**

2.2.2 Development History

The Bluebush Accommodation Village is a purpose-build demountable style accommodation facility developed by the Shire in response to a critical shortage of local worker accommodation when it was first planned, noting that it was expected to generate revenue for the community at that time.

The Bluebush Accommodation Village was developed in distinct Stages. At its meeting on the 22 March 2022 the Council considered a report titled '*Tender 02/2022 - Supply and Installation of Workers Accommodation Village at Kambalda.*' That report highlighted the procurement process that had been undertaken to purchase and install a 200-room accommodation village. At that meeting the Shire Council unanimously approved the tender recommendation and the subsequent development of Stage 1 of the Bluebush Accommodation Village. The relevant contract documents were executed, and the Bluebush Accommodation Village was developed with Stage 1 opening in November 2022, eight (8) months after the contract award.

At a Special Council Meeting on 14 February 2023 the Shire considered a further report titled '*RFT 12/2022 - Proposed Kambalda Accommodation Village Expansion Project.*' That report highlighted a tender process that had been undertaken to source a supplier/developer for additional rooms at Bluebush Accommodation Village. Council considered this report and unanimously resolved to support the reports recommendation which was to award a tender for the construction of the additional rooms, along with associated ancillary works. Stage 2 of the Bluebush Accommodation Village was subsequently developed with this Stage opening in October 2023. In both instances, Business Plans for the development were prepared and publicly advertised with Council considering submissions from the public prior to contract award.

The Shire currently operates the camp via a management contract with a 3rd party camp management provider. The camp management firm was selected via a competitive tendering process. The Shire's contract with the camp management firm expires on the 26th of November 2026. The contract includes an option to extend the management term by twelve months. The camp management firm is providing a number of minor assets including kitchen equipment (such as pots, pans), bed linen and towels and other non-fixed furnishings. Westgold has been advised of the nature of the contract and the assets that are owned by the camp management firm or hired from third parties.

2.2.3 Bluebush Accommodation Village Finances

2.2.3.1 Construction Cost

The Shire constructed the Bluebush Accommodation Village facilities by coordinating the purchasing and/or building a significant portion of the infrastructure and assets. The stage 1 assets (SPQs, kitchen, dining room etc) have been leased from a third party under a lease to buy option. The lease to buy contract included buy-out provisions. Since opening of the Bluebush Accommodation Village, the Shire exercised its right to buy the stage 1 assets and owns the assets outright.

While most of the assets and infrastructure are Shire owned, a financial rental agreement currently exists over the stage 2 extension assets (100 rooms and two laundry blocks) at the Bluebush Accommodation Village. The Shire confirmed the early settlement of those assets from the financing company and anticipates that this acquisition will be complete prior to the disposal process for the Bluebush Accommodation Village being completed (if the disposal transaction proceeds). If the Shire triggers the 'early settlement' provisions of the financial rental agreement before the 26 February 2026, the total payable for the acquisition of the stage 2 rooms and laundries will be \$735,318 excl. GST and the break fee will be an additional \$8,892.85 excl GST. It should be noted that the final rental payment is due in June 2026 and the Shire then acquires the stage 2 camp assets in full.

The price/s offered by Westgold when the Shire sought proposals through the RFT process all assumed that the Bluebush assets on Lot 500 and 501 would be owned by the Shire (not leased) by the time of settlement. If the disposal transaction is to proceed, the Shire has negotiated provisions with the financing company of the facilities to acquire full ownership of the stage 2 assets (100 rooms and 2 laundries) prior to the disposal contract with Westgold being fully executed/delivered.

Of note, the Bluebush Accommodation Village was initially constructed on a Crown Reserve (ie State Government owned land) that had a vesting order in favour of the Shire that permitted the Bluebush Accommodation Village development to be built. Lots 500 and 501, the land upon which the Bluebush Accommodation Village was built on, were subsequently purchased by the Shire of Coolgardie in 2025. The Shire is now Freehold owners of the land.

In total the Shire has spent \$24.88M on Capital Costs to develop the Bluebush Accommodation Village. That figure includes all development costs including the land purchase costs, construction contract costs and previously approved/undertaken lease buyouts lease provisions. It does not include lease payout provisions/purchasing for the remaining lease (ie remaining two instalments totalling \$735,318 excl. GST and the break fee of \$8,892.85 excl GST). The table below highlights the capital expenses on the Bluebush Accommodation Village via financial year.

	21/22	22/23	23/24	24/25	TOTAL
Stage 1	1,873,542	7,893,016	9,246,705	29,081	19,042,343
Stage 2		1,023,933	4,495,329		5,519,263
Land				323,092	323,092
TOTAL*	1,873,542	8,916,949	13,742,034	352,173	24,884,698

* All figures are GST Exclusive

2.2.3.2 Financing the Construction of Bluebush Accommodation Village

The Shire of Coolgardie primarily funded the construction and acquisition through loan finance that was provided to the Shire from the Commonwealth Bank and more recently the ANZ Bank. In total \$22.5M of loan funding was gained for the \$24.88M in Capital Expenditure. The gap between loan finance and the total capital costs (ie \$2.38M) was funded through Shire funds. The table below details the drawdown of the loans.

Loans	21/22	22/23	23/24	24/25	TOTAL
Stage 1	2,000,000	6,250,000	9,250,000		17,500,000
Stage 2		2,500,000	2,500,000		5,000,000
	2,000,000	8,750,000	11,750,000	0	22,500,000

Since the opening of the Bluebush Accommodation Village Shire has progressively paid down the loan balances. Additionally, in early 2025 the loans were refinanced to assist in the Shire's cashflow needs. The status of Council's loans is reported to the Council each month in the month financial report. Specifically, *Note 9 - Borrowings of the Statement of Financial Activity* highlights the loan balances. The 31 October 2025 Statement of Financial Activity (included in the 25 November 2025 Council Agenda) indicated that the principal outstanding for loans that are attributable to Bluebush Accommodation Village were/are (excluding the finance rental agreement with Vestone):

Loan	Principal Outstanding (\$)
Bluebush Accommodation Village – Stage 1 Building (CBA refinanced)	7,287,029
Bluebush Accommodation Village – Stage 1 Construction (ANZ refinanced)	4,646,000
Bluebush Accommodation Village – Stage 3 Executive Rooms (CBA refinanced)	316,757
Stage 1: Subtotal	12,249,786
Bluebush Accommodation Village – Stage 2 Construction (CBA refinanced)	1,834,724
Bluebush Accommodation Village – Stage 2 Construction (ANZ refinanced)	1,874,995
Stage 2 Subtotal	3,709,719
TOTAL	\$15,959,505

2.2.3.3 Operating Performance

The operating performance of the Bluebush Accommodation Village has been largely predicated on room occupancy rates. Occupancy rates at the Bluebush Accommodation Village have been variable since the Bluebush Accommodation Village opened some three years ago with the occupancy hitting lows of 30% for months at a time, but are currently high (over 80%) with short term projections being that occupancy will remain at or above this level in the near term.

The table below highlights the operating performance from a financial perspective for the Bluebush Accommodation Village. Note the figures exclude loan/lease repayments and depreciation but highlight that, from an operating perspective, the Bluebush Accommodation Village has been profitable in every year since it has opened.

	2022/23	2023/24	2024/25	2025/26 *	TOTAL
Gross Income (\$)	5,492,572	10,120,228	8,744,244	8,743,035	\$33,100,079
Less: Gross Operating Expenditure (\$)	2,569,305	5,132,885	5,115,454	5,114,618	\$17,932,262
Gross Profit (\$)**	2,923,267	4,987,343	3,628,790	3,630,416	\$15,169,816

* 1 July – 31 October period

** All figures are GST Exclusive

Financing of Stage 2 Assets

The table below highlights costs that have been attributed to the stage 2 finance rental.

Financing	23/24	24/25	25/26	TOTAL PAYMENTS TO DATE*
Stage 2 – 100 rooms and 2 laundries	1,213,274.70	2,022,124.50	808,849.80	\$4,044,249.00

* All figures are GST Inclusive

Like Borrowings, Lease/Financing Liabilities are reported to Council each month in the Statement of Financial Activity under *Note 10* of the Monthly Financial report. Note 10 in the 31 October 2025 Council report lists the lease liabilities relating to the Bluebush Accommodation Village as being \$1,064,172. As outlined earlier, discussions have been held with the lessor regarding the Shire paying out the lease provisions early and acquiring the rooms before the Bluebush Accommodation Village is potentially sold to Westgold. The pay-out figure is higher than the lease liability as it includes both a rental fee and a break fee of \$9,782.14 incl. GST.

2.2.3.4 Bluebush Accommodation Village – Disposal Process

The proposal to dispose of Bluebush Accommodation Village has been discussed and debated by Council on numerous occasions over the past six (6) months. The Table below summarises the processes and decisions that have been made to get this potential disposal process to the point that is at currently.

	Item	Date	Action
1	In Principal Approval	24/6/25	Council 'in-principal' approval to commence disposition process.
2	Tender Specification Approval	9/9/25	Council considers Draft RFT documents for the proposed disposition of Bluebush Accommodation Village and approves the release of the RFT.
3	Tender Period	Sept - Oct 2025	<p>Tender was advertised in accordance with section 3.58 of the Local Government Act. Tender process including site visits, addenda, clarifications and probity oversight. Tender period closed on 28/10/25.</p> <p>A total of four (4) tender bids were received from the following tenderers:</p> <ul style="list-style-type: none"> • Astral Resources • Goldfields Investments Pty Ltd • Westgold Resources Ltd (Complying offer) • Westgold Resources (Alternate offer)
4	Tender Evaluation	Nov 2025	A Council approved evaluation panel assessed all submissions against the compliance and weighted criteria and identified a recommended preferred tenderer. The tender evaluation process was overseen by an independent probity officer with a letter of probity and due diligence conformance provided as part of the tender evaluation recommendation.
5	Tender Award – Preferred Bidder Status	25/11/25	Council considered the Tender Evaluation report and resolved the following:

	Item	Date	Action
			<p><i>That Council:</i></p> <p><i>1. Award Preferred Tenderer status for Tender 01/2025 – Disposal of the Bluebush Accommodation Village to Westgold Resources Ltd (ABN 60 009 260 306), on the basis of</i></p> <p><i>a. the Alternative Offer being the designated Preferred Tender received, for the purchase price of \$22,055,000.00 (including GST), which includes the purchase of the remaining portion of Lot 500 in addition to all of Lot 501 and the Bluebush Accommodation Village,</i></p> <p><i>b. the Westgold Conforming Tender be additionally considered as the secondary preferred Tender for consideration, for the purchase price of \$20,130,000 (including GST), which only includes the existing Bluebush Village Site.</i></p> <p><i>2. Authorise the Chief Executive Officer to issue a Conditional Letter of Award and contract to Westgold Resources Ltd, requiring payment of the 2% deposit within the specified timeframe for the preferred Alternative Tender submission.</i></p> <p><i>3. Approve the preparation of the Business Plan including the Westgold preferred Alternative Tender Submission and the secondary preferred conforming Tender submission required under section 3.59 of the Local Government Act 1995 (WA) for the proposed major land transaction, for Council final consideration prior to approval for public advertising.</i></p> <p><i>4. Resolve that the proposed disposal and settlement cannot be finalised until:</i></p> <p><i>a. the Business Plan has been approved for advertising,</i></p> <p><i>b. public notice has been undertaken for a minimum of six weeks,</i></p> <p><i>c. any submissions received have been considered and responded to as required, and</i></p> <p><i>d. a further report is presented to Council seeking a final decision on the disposal.</i></p> <p><i>5. Note that, subject to final Council approval following the statutory process, settlement and land transfer are anticipated to occur in February/March 2026.</i></p>
6	Advice to Westgold	01/12/2025	Following Council endorsement, the Shire sent a conditional letter of award and contract to Westgold.
7	Draft S3.59 Business Case	5/12/2025	A Preliminary Draft Business Case was prepared.

	Item	Date	Action
8	Business Case Circulation	10/12/2025	As the Business Case may have been considered to contain commercially sensitive information, the document was sent to Westgold for review.
9	Preliminary Discussions	12/12/2025	Meeting scheduled to be held with Westgold to discuss contents of Business Plan
10	Council consideration of S3.59 Business Plan	16/12/2025	Council considers the Draft Business Plan and resolves whether it wishes to release the business plan for public comment/submissions.

Council is now seeking public comment on the S3.59 Business Plan (this document). Given that the consultation period includes the Xmas/New Year period the Shire has extended the public consultation period from the minimum prescribed period of six (6) weeks to nine (9) weeks. At the conclusion of the consultation period Council will receive and consider all submissions that are made and will decide whether to proceed with the transaction or not.

2.3 Westgold Resources Ltd

As outlined above, Westgold Resources Ltd were selected by the Shire Council as the preferred tenderer for the Bluebush Accommodation Village. Westgold is one of Australia's leading gold producers with operations concentrated in the Murchison and Southern Goldfield's regions of Western Australia. It is a publicly listed company with approx. 944M shares on offer and a market capitalisation of approx. \$5.6B.

In recent times Westgold has expanded its operations in the Goldfields with the acquisition of Karora Resources in August 2024. Westgold has well over a decade of experience owning and operating FIFO villages and currently operates five (5) villages across regional WA with a total of 1,354 rooms.

Westgold has indicated that their Board has approved expenditure to acquire a suitable existing FIFO village within the Shire of Coolgardie.

3. KEY TERMS OF PROPOSED DISPOSAL

3.1 Price

Under the terms of Westgold’s offer, it will purchase the Bluebush Accommodation Village assets on an ‘as-is-where-is’ basis from the Shire of Coolgardie. That essentially means that, if approved, on the date of settlement Westgold will legally own the land and buildings that make up the Bluebush Accommodation Village.

Two bids were submitted by Westgold – a conforming bid and an alternate bid. The RFT process stated that the disposal was on an ‘as-is-where-is-basis’ but did indicate that alternate bids could be provided if conforming bid was also submitted. The prices offered by Westgold were:

Conforming Bid	Alternate Bid
\$20,130,000 (GST Inc)	\$22,055,000 (GST Inc)

Both of Westgold’s offers are cash offers that are not conditional on finance. Westgold has advised that all internal approvals have been obtained to purchase the Bluebush Accommodation Village. The proposed payment structure for both bids is, if one is accepted:

- 2% deposit on offered price payable immediately.
- Balance of offer price payable at settlement (estimated as Feb/Mar 2026).

The primary difference between the compliant bid and the alternate bid is the amount of land that is proposed to be acquired and the additional purchase price in consideration for the additional land. The compliant bid seeks to only purchase the land that the Bluebush Accommodation Village is physically situated on (All of Lot 501 and Part of Lot 500). In the alternate bid, Westgold is proposing to purchase all of Lot 500 and all of Lot 501 from the Shire.

For clarity, the Bluebush Accommodation Village is primarily built on Lot 501 but the stage 2 assets (100 rooms and 2 laundries) have been constructed on Lot 500. The Shire owns both of these lots. Lot 500 is approximately 17,285m2 with the Bluebush Accommodation Village being built on approximately 7,450m2 of the southern portion of the lot (43% of the total lot area). Westgold’s alternate offer is seeking to add the undeveloped portion of the lot (approximately 9,835m2 or 57% of the total lot area) into the purchase.

The alternate bid indicates that Westgold will pay an additional \$1,925,000 (GST Inc) for the acquisition of the additional land, equivalent to approximately \$196/m2.

The compliant offer also includes requests to:

- Include a Due Diligence Condition that provides Westgold with 30 days to, at its cost, undertake enquiries regarding the assets, existing customer accommodation contracts/bookings, facilities management contracts and the timeline for Western Power’s delivery of mains power to the Property; and
- Inclusion of Special Condition within the contract that requires the Shire to undertake planning/approval works to with the WAPC to adjust the boundary alignments to ensure that the whole of The Bluebush Accommodation Village is contained on one land parcel.

It should be noted that should Council accept either Tender offer by Westgold, Council will earn rates on the property into the future and this is additional income outside of the disposal of the asset.

3.2 Valuation

In March 2025 the Shire commissioned an independent valuation of the Bluebush Accommodation Village from a licensed property valuation firm – Acumentis. The purpose of the valuation for internal accounting needs and to prepare for the potential/possible disposal of the asset.

The Valuation Report indicated that Valuing FIFO camps was a particularly difficult task as there are numerous methods in which a valuation could be undertaken. It should be noted that when valuing the Bluebush Accommodation Village, Acumentis were provided with the FY24 financial figures and occupancy rates for the Bluebush Accommodation Village up to March 2025. At that time the Bluebush Accommodation Village occupancy levels were lower than is currently being experienced.

The Acumentis Valuation (dated 5/8/25) put the Market Value of the Bluebush Accommodation Village on an as-is-where-is basis at \$19.8M (GST Inclusive). The Westgold bid to purchase the Bluebush Accommodation Village (conforming bid) is 1.6% higher than this figure, noting that the Bid was received on 28/10/25.

3.3 Other Commitments

Through the Shire run tender process, Westgold Resources Ltd has also confirmed that:

- It plans to continue operate the Bluebush Accommodation Village as a high-quality, well-maintained accommodation village.
- It intends on retaining the existing camp operations contract with the existing provider until the end of that contract term (18/11/26).
- It will honour all existing accommodation contracts/bookings.
- It will commit to reserving rooms at the Bluebush Accommodation Village for short term critical service providers required by the Shire including doctors, dentists and other health professionals.
- It will source supplies, logistics and maintenance services locally to ensure ongoing benefits to the Shire's economy. This includes a commitment to giving preference to suppliers in Kambalda, Coolgardie and Kalgoorlie whenever such engagements remain commercially competitive.
- It will continue to support local community groups and work with the Shire to support the delivery of the Shire's Strategic Community Plan and the Shire's Creative and Cultural Plan.
- It understands that local government rates will be due and payable annually on the Bluebush Accommodation Village once they have purchased the property.

4.0 STATUTORY PROVISIONS

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:

- The consideration under the transaction; and
- 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:

- in the last completed financial year, involved; or
- 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.

The proposed disposal of the Bluebush Accommodation Village to Westgold Resources Ltd meets the definition of a Major Land Transaction and a Major Trading Undertaking.

Before the Shire enters into a Major Land Transaction or 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:

- expected effect on the provision of facilities and services by the Shire;
- expected effect on other persons providing facilities and services in the district;
- expected financial effect on the Shire;
- expected effect on the Shire's Plan for the future;
- the ability of the Shire to manage the performance of the transactions; and
- 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.

5.0 ASSESSMENT OF TRANSACTION

5.1 Expected effect on the provision of facilities and services by the Shire

As the Bluebush Accommodation Village is an existing, operating facility within the Townsite of Kambalda and Westgold plans to continue to operate the facility much like the Shire has, the disposal of the Bluebush Accommodation Village is not expected to have any material impact on the facilities and services provided by the Shire nor adverse economic impact on local businesses. It is envisaged that, if sold, Shire administrative resources will be freed up to work on other Local Government matters.

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

As the Bluebush Accommodation Village is an existing, operating facility within the Townsite of Kambalda and Westgold plans to continue to operate the facility much like the Shire has, the disposal of the Bluebush Accommodation Village to Westgold is not expected to have any material impact on other persons providing facilities and services in the region.

If the disposal proceeds, Westgold has committed to honouring existing bookings at the facility and has indicated an intention to continue with the existing camp management contractor until at least late 2026.

5.3 Expected financial effect on the Shire

If the Shire proceeds with the disposal of the Bluebush Accommodation Village, the Shire’s financial position will be fundamentally different than it currently is. The disposal revenue of either \$20,130,000 or \$21,055,000, depending on which offer is selected, would be used to retire debt that is associated with the construction of the Bluebush Accommodation Village and paydown the remaining lease/buyout costs. These debts currently include a total of \$16,778,136.94 incl. GST:

- \$15,959,505 (Loans) and
- \$818,631.94 (early settlement and break fee for stage 2 finance rental agreement)

of the total remaining Council debt budgeted for 30 June 2026 of \$25.5 million.

Residual funds available after debt repayment could be used for a range of other purposes including:

- Paying down further Shire debts;
- Supporting the development of additional facilities and/or services in the District;
- Investing funds in other assets;
- Placing the funds into Reserve Accounts to fund future works;
- Rate relief; and/or
- A combination of the above matters.

5.4 Expected effect on the Shire’s Plan for the future

The Shire’s Vision is for ‘A connected, progressive & welcoming community.’ The following three pillars within the Plan for the Future are relevant to this decision.

PILLAR 1	PILLAR 2	PILLAR 3
Accountable and Effective Leadership	Thriving Economy	Effective Management of Infrastructure

The Shire’s Community Strategic Plan list several other informing plans that require financial resources to implement strategies listed therein. The additional revenues obtained through the proposed disposal arrangement would provide resources to assist in the achievement of goals and deliver of strategies listed in Council endorsed plans.

While not a specific component of the Shire's Strategic Planning Framework, the Shire has recently developed and adopted a Financial Recovery Plan in response to questioning and commentary by the WA State Government re the Shire's finances. That plan stated clear priorities for the Shire being:

- Protect the Shire's ability to operate
- Strengthen its financial governance
- Responsibly manage debt
- Grow income from other sources
- Keep costs under control
- Maintain or improve service levels, and
- Take care of infrastructure.

The Financial Recovery Plan specifically refers to the need/plan to reduce Shire debt levels and specifies that the proposed disposal of the Bluebush Accommodation Village is a key initiative to deliver the Recovery Plan.

5.5 The ability of the Shire to manage the performance of the transactions

The proposed disposal of the Bluebush Accommodation Village is a significant transaction for the Shire of Coolgardie. While the Shire staff have considerable skills and experience in procurement and commercial transactions, a range of external support has been bought in to assist with this proposed transaction. This has included seeking support from:

- An Independent asset/land valuer
- A consulting firm providing procurement, tendering and contract management support
- A management consultancy firm that has experience in large-scale Local Government commercial transactions
- A probity auditing service to ensure that the Tender process complied with the Local Government Act provisions.

If the Council agrees to progress with the disposal of the Bluebush Accommodation Village:

- The commercial consultant will assist in discussions/negotiations with Westgold;
- A legal firm will be engaged to review contract documentation prior to finalisation; and
- A settlement agent will be engaged to assist with the statutory land transfer processes.

5.6 Other matters

In accordance with section 3.58(4)(c) of the Local Government Act 1995, the Shire has obtained the market value of the disposition and provided to the public as part of this Business Plan.

If the transaction outlined in this Business Plan proceeds, the Shire will need to undertake a significant review of both the 2024/25 Budget and the Shire's Long Term Financial Plan as the transaction will have a fundamental impact on the financial projections for the Shire for both the short and long term. Appropriate statutory processes will be followed and the Council and the community will be appropriately informed as the process progresses.

6. OPTIONS

While the Shire has nominated Westgold as the preferred tenderer for the purchase of The Bluebush Accommodation Village, at this point in time, it has not committed to disposing the assets.

If the Shire does not proceed with the disposal of the Bluebush Accommodation Village, the asset will remain in the ownership of the Shire and the Shire will continue to operate the facility. The Shire's debt levels would remain high in the short/medium term but would likely progressively reduce as operational surpluses from the Bluebush Accommodation Village are used to pay down loan principal amounts.

If retained in the longer term, there is a potential for a financial windfall to the Shire as, once the Bluebush Accommodation Village related loans are paid off, there is potential for significant financial upside. Having said that, the facilities are progressively ageing and will require refurbishment/renewal at some point to remain contemporary, there is no guarantee that the Bluebush Accommodation Village will operate as a profit-making entity in the medium/long term and significant Shire administration resources are currently dedicated to Village related matters rather than other local government services/facilities.

Four distinct options have been developed for consideration/comment (see below). The pros and cons of each option have also been briefly listed. While Council has indicated a preference for Option 2 (alternate bid) or Option 1 (conforming bid) the other options that involve not accepting any bids remain as viable alternatives.

Option 1: Accept the compliant offer from Westgold (\$20,130,000)

Pros

- Shire disposes of the Bluebush Accommodation Village for a value that exceeds the independent valuation that it has received.
- Shire debts levels significantly reduced.
- Shire retains the undeveloped portion of Lot 500 for future use and/or development
- Residual funds available post debt repayment that can be used for other purposes
- Shire receives increased rate income as Westgold would pay rates on the Bluebush Accommodation Village
- Shire staff focus can be removed from the Bluebush Accommodation Village and placed back onto other Council business.
- Risk associated with occupancy rates and potential losses in revenue is removed
- Requirement for repairs, upkeep and facility upgrades is not an additional burden on Shire income.

Cons

- Shire permanently lose ownership of the land and loses control of the operations of the Bluebush Accommodation Village.
- Loss of any possible upside in village operational performance and or valuation increase into the future.

Option 2: Accept the alternate offer from Westgold (\$22,055,000)

Pros

- Shire disposes of the Bluebush Accommodation Village for a value that exceeds the independent valuation that it has received.
- Shire receives additional \$1.925M (GST Inc.) for the disposal of land that it purchased for significantly less than this amount and has no current or future plans to use/develop.
- Shire debts levels significantly reduced.

- Significant residual funds available post debt repayment that can be used for other purpose.
- Shire receives increased rate income as Westgold would pay rates on the Bluebush Accommodation Village and on the additional acquired land.
- Shire staff focus can be removed from the Bluebush Accommodation Village and placed back onto other Council business.
- Risk associated with occupancy rates and potential losses in revenue is removed
- Requirement for repairs, upkeep and facility upgrades is not an additional burden on Shire income.

Cons

- Shire permanently loses ownership of the land and loses control of the operations of the Bluebush Accommodation Village.
- Shire loses the ability to use/develop the undeveloped portion of Lot 500 for alternative purposes.
- Loss of any possible upside in Village operational performance and or valuation increase into the future.
- The footpath would need to be relocated to the verge for the access to the school, however the cost of relocation is a small impost compared to the additional remuneration received for the remaining portion of Lot 500.

Option 3: Do Not Accept Offer – Continue to Operate the Bluebush Accommodation Village under current arrangements

Pros

- Shire retains ownership of the land and assets
- Potential long-term upside financial gains in capital value and/or continued good occupancy leading to operational performance and financial returns to Council/community.
- Shire retains control over room pricing and can determine which companies/individuals occupy the Bluebush Accommodation Village into the future.

Cons

- Shire debt levels remain high.
- Shire retains market risk related to the ownership and operation of an accommodation village and fluctuating mining conditions.
- Shire administration time and resources spent on village activities rather than traditional local government services/facilities.
- Asset renewal will be required in future requiring additional capital expenditure.
- When current large short term occupancy contracts run out, urgent replacement contracts will need to be entered into.
- The income earned from the Bluebush Accommodation Village would need to be significant, ie current levels, to ensure that Council is able to maintain its debt, cover capital and maintenance expenses, and contribute back to Council providing a positive revenue stream.
- The retention of the debt would result in Council's Going Concern issues remaining in place for a significant period of time until the majority of the debt was repaid.
- Due to the retention of the debt, Council would also not be in a position, if needed, to borrow funds for other significant projects or actions required.

Option 4: Do not Accept Offer - Shire initiates new process to lease the land and assets in lieu of Freehold purchase.

Pros

- Shire retains the land and assets
- Alternative models of land and asset management/operation could be explored that provide guaranteed revenues with a lower risk profile than the current operating model. (ie lease payment, profit share arrangements or a combination of these items)
- Shire retains ability to develop portion of Lot 500.

Cons

- Significant Shire resources have been spent on the RFT and S3.59 Business Case development processes to date. A new process would incur similar additional costs but may not deliver better value for money outcomes for the Shire.
- Potential reputational damage to the Shire on the basis that Shire has indicated its intentions via numerous decisions that it intends to dispose of the Bluebush Accommodation Village. Bidders have responded to the Shire's RFT in good faith. Changing the proposed method of disposal at this stage could potentially be seen as poor corporate conduct.
- Alternative bids were permitted in the current Tender process, with no tenderer offering to lease the property/assets in lieu of purchasing them on an 'as is where is basis.'
- If the lessee cannot secure occupancy levels for profitability, the asset could be returned back to Council management earlier than expected.
- The Bluebush Accommodation Village asset, if leased would continue to depreciate and require capital for repairs, maintenance, upkeep and upgrades, requiring financial input from Council.
- Staff time would be required to be allocated to managing the lease and Council obligations
- The lease payment amount, currently unknown, would need to be significant to ensure that Council is able to maintain its debt, cover capital expenses, and contribute back to Council providing a positive revenue stream.
- The retention of the debt would result in Council's Going Concern issue remaining in place for a significant period of time until the majority of the debt was repaid.
- Due to the retention of the debt Council would also not be in a position, if needed, to borrow funds for other significant projects or actions required.

7.0 TIME FRAMES

The Business Plan for the Major Land Transaction and Major Trading Undertaking for the disposal of The Bluebush Accommodation Village to Westgold will be publicly advertised, as required under the Local Government Act 1995.

Following the public advertising period, the Shire will consider all submissions that are made 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 or may decide to not proceed with the transaction.

The current proposed timeframes for this transaction (should it proceed) are tabled below:

Date	Action/Outcome
16 th December 2025	Shire Council considers Business Plan
17 th December – 17 th February 2026	Advertising period. While the Local Government Act requires a six (6) week public advertising period, given that this matter is being considered over the Xmas/New Year period, the Shire is proposing to advertise and seek comments for an extended period – approximately nine (9) weeks.
24 February 2026	Shire Council considers public submissions on Business Plan and determines whether to proceed with the transaction or not.
24 th March 2026	If the Council agrees to dispose of the land and assets, settlement is scheduled to occur 28 days after the Council decision

8.0 LODGEMENT OF SUBMISSIONS

Submissions on the intended disposition are to be made in writing and to be received no later than 4.00pm, 17 February 2026. While submissions will be received in any format, submitters are encouraged to indicate which Option they would prefer Council to take, noting that four alternate options have been detailed in Section 6 of this Business Plan.

Submissions to be addressed to the:

Chief Executive Officer
Shire Coolgardie
Irish Mulga Drive
KAMBALDA, WA, 6442

Submissions may also be submitted electronically to mail@coolgardie.wa.gov.au.