



BUSINESS PLAN

MAJOR LAND TRANSACTION

Mingenew Essential Worker and Aged Persons Accommodation Project

March 2025

EXECUTIVE SUMMARY

The Shire has prepared this business plan setting out the details of a proposed Major Land Transaction, for the purpose of seeking submissions from the community before deciding whether to proceed with the proposed Major Land Transaction.

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

INTRODUCTION

The purpose of this business plan is to:-

1. Inform the community that the Shire is proposing to undertake a Major Land Transaction for the acquisition and development of essential worker and aged persons accommodation;
2. Provide details of the proposed Major Land Transaction for the consideration by the community;
3. Provide the community with the opportunity to make submissions about the proposed Major Land Transaction; and
4. Satisfy the regulatory requirements of the *Local Government Act 1995*.

PROPERTY DETAILS AND HISTORY

The expansion of workforce accommodation within the Shire of Mingeneew is vital to the economic growth of the region. The high cost of construction and lack of registered builders and tradesmen in the Mingeneew region has limited new development.

The Council has been requested by the State Government to develop GROH housing, in addition the Council has as part of its housing strategy and Long Term Financial plan (LTFP) the development of additional key worker accommodation. The Shire has also identified and applied to the Department of Communities to develop an additional 3 Aged person Units (APU) under the Government's Social Housing Stream as its current 6 APU units are all at capacity and other elderly residents awaiting placement.

The Council currently has no available key worker housing and currently houses nursing and daycare staff in addition to its own staff. Future developments and current staffing portability has identified that additional key worker accommodation will be required into the future. Council currently has 5 staff which reside outside of the shire and if these positions were to become vacant there is a high probability that additional housing resources may be required. In addition, the new daycare will require additional staff resulting in the need for more key worker accommodation in Mingeneew.

Whilst the housing of external industries such as Teachers, Nursing and Daycare staff are not a Local Government responsibility, there is very little to no potential for others to perform this function due to market forces and as a result a Council-led solution to Mingeneew's essential worker accommodation shortage is required.

There are also issues with the quality of existing housing, as dwellings age and decrease in quality and value.

STRATEGIC COMMUNITY PLAN 2023-2033

Under the Council's Strategic Community plan 2023-2033, the Shire identified 'advocate for key worker accommodation' as an action to support local business and encourage further investment in the district. The Plan also identified 'investigate available land and seek funding for staff accommodation and affordable housing for aged ' as an action to achieve a well-planned built environment and infrastructure which supports the community.

- 2.3 Advocate for and promote opportunities to external stakeholders, including the resource sector, to provide local diverse accommodation options
 - a. Partner with government agencies and stakeholders to support housing shortage and explore solutions to housing shortages
 - b. Develop a housing strategy for increasing key worker housing stock
 - c. Identify external funding sources and apply to support the expansion of quality housing stock
 - d. Advocate to Government agencies for local housing to be included in operational approvals for resource sector projects.

- 8.3 Provide and maintain affordable housing for aged and disabled residents to meet demand
 - b. Increase residential housing for aged and disabled residents

STATE GOVERNMENT EMPLOYEE NEED

The State Government makes accommodation available to selected Agency employees through the Government Regional Officer Housing (GROH) program.

There is currently only 1 GROH dwelling in the Shire, allocated by Agency.

The current volume of GROH housing is not sufficient to meet current need, and this gap is forecast to increase as teachers housing requirements grow due to portability of staff and a significant cohort of current teachers living external to Mingenew.

Current and forecast additional unmet demand for GROH accommodation, based on employment projections provided to the Shire by GROH indicates a need for an additional 2 GROH dwellings in the short term.

SHIRE STAFF ACCOMMODATION NEED

The Shire has identified a need for up to a further five (8) dwellings of accommodation to be able to offer staff, such that all supervisors and managers would be offered housing at a discount to market rents as part of their employment package. This would alleviate a current constraint to attracting employees, being a lack of available housing at affordable levels and take into consideration the risk of current staff residing external to the Shire and/or in their own housing leaving the organization resulting in the need for additional housing.

STATUTORY FRAMEWORKS

The Shire as a local government body

The Shire of Mingenew is a local government established under Division 2 of Part 2 of the Local Government Act 1995 (hereafter referred to as "the Act").

The Shire of Mingenew is a body corporate, with power to acquire, hold and dispose of property under Section 2.5 of the Act. The Act provides for, and regulates, the exercising of various executive functions of a local government.

Regulation of the disposing of property

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

Section 3.58 applies generally to disposal of property, other than specified 'excluded' dispositions. The lease of the houses to a department or agency of the Crown in right of the State is exempt under regulation 30 of the *Local Government (Functions and General) Regulations 1996*.

Sections 3.59 of the Act provides for certain administrative requirements that must be complied with before undertaking a land transaction involving the acquisition, development or disposing of land.

Section 3.59 applies to land transactions, including 'Major Land Transaction'. A 'Major Land Transaction' is a land transaction with a total expenditure of more than the prescribed lesser of two amounts.

In the case of the Shire of Mingenew as a regional local government the prescribed amount is either \$2 million or 10% of the Shire's operating expenditure (\$535,059) (incurred from the municipal fund in the last completed financial year). See regulation 8A (b) of the *Local Government (Functions and General) Regulations 1996*.

The total value of the proposed acquisition and development of the essential worker and aged persons accommodation is as follows:

- GROH Housing – 2 off 3x2 Dwellings
 - Key Worker Housing – 2 off 2x1 dwellings
 - Aged Person Units – 3 off 1x1 units
- TOTAL Investment Estimate - \$2,800,000**

This value is more than the than the lessor prescribed \$535,059. It is unclear whether the prescribed amount should be treated individually or as a whole. For the purpose of the business plan the total investment has been considered.

As a result, prior to acquiring, developing and disposing of the land via a 10 to 15 year lease for the GROH housing, supplying Key worker accommodation and Aged Persons units the Shire is required to prepare this business plan for the proposed 'Major Land Transaction'.

Interaction between s3.58 and s3.59 of the Act

The Act recognises that there can be an area of overlap in the operation of sections 3.58 and 3.59 of the Act. The Act therefore provides for certain dispositions to be "excluded" from the application of s3.58: see *Local Government (Functions and General) Regulations 1996* r.30(2a) (c).

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

In accordance with Section 3.59 of the Act, a business plan in respect of a Major Land Transaction is to include details of:

- a) Its expected effect on the provision of facilities and services by the local government;
- b) Its expected effect on other persons providing facilities and services in the district;
- c) Its expected financial effect on the local government;
- d) Its expected effect on matters referred to in the local government's current plan prepared under Section 5.56;
- e) The ability of the local government to manage the undertaking or the performance of the transaction; and
- f) Any other matter prescribed for the purposes of this subsection.

Section 3.59 of the Act also requires the Shire to –

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

MAJOR LAND TRANSACTION PROPOSAL

GROH Dwellings x 2 – 8 & 10 Spring Street, Mingenew

Current Land Owner: Shire of Mingenew
Proposed Purchaser/Developer: Shire of Mingenew
Proposed Lessee: GROH (teacher housing)
Zoning: Residential

8 (Lot 120) and 10 (Lot 119) Spring Street, Mingenew have an approximate area of 2,000m² and both lots are zoned Residential with an 'R12.5' density code under Local Planning Scheme No 4 endorsed by the Western Australian Planning Commission.

Proposed Development Price: The purchase / development price is commercial in confidence.

Proposed Development:

The Shire is proposing to construct 2 x GROH specification residential dwellings.

Both dwellings are to be leased to the State Government (Department of Communities) for a minimum period of 15 years. At the end of the lease the dwellings would revert to the care and control of the Shire of Mingenew or be re-leased depending on the circumstances.



Key Worker Dwellings x 2 – 71 Phillip Street, Mingenew (portion of)

Current Land Owner: Shire of Mingenew
Proposed Purchaser/Developer: Shire of Mingenew
Proposed Lessee: Essential workers / Shire employees
Zoning: Residential

71 (Lot 5) Phillip Street, Mingenew is zoned Residential with an 'R12.5' density code under Local Planning Scheme No 4 endorsed by the Western Australian Planning Commission. The portion of land proposed for the development (shown in red below) is approximately 800m2.

Proposed Development Price: The purchase / development price is commercial in confidence.

Proposed Development:

The Shire is proposing to construct 2 x Key Worker residential dwellings. Both dwellings will be made available to either key workers or shire staff on a leasing arrangement. At the end of the lease the dwellings would revert to the care and control of the Shire of Mingenew or be re-leased depending on the circumstances.



Aged Person Units (APU) x 3 – 15 King Street, Mingenew (undeveloped portion)

Current Land Owner: Shire of Mingenew

Proposed Purchaser/Developer: Shire of Mingenew

Proposed Lessee: Aged Persons

Zoning: Special Use

15 (Lot 43) King Street, Mingenew has an approximate area of 475m² and is zoned Special Use - allocated for 'Aged Persons' Dwelling' under Local Planning Scheme No 4 endorsed by the Western Australian Planning Commission.

Proposed Development Price: The purchase / development price is commercial in confidence.

Proposed Development:

The Shire is proposing to construct 3 x Aged Person Units. These units will be made available to aged persons under the Council's operating policies for the placement of Aged Persons under individual leasing arrangements. At the end of the lease the units would revert to the care and control of the Shire of Mingenew or be re-leased depending on the circumstances.



ASSESSMENT OF THE MAJOR LAND TRANSACTION

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

The acquisition, development and lease of the land will not have any immediate effect on the provision of facilities and services by the Shire. The Shire will obtain two additional key worker houses from the Major Land Transaction with the two proposed GROH Spec houses being available for Shire use, disposal or leasing after the 15 year lease period with the Department of Communities. The three Aged Person Units being available for the Shires Aged Population.

Effect on other persons providing facilities and services in the district

The proposed land transaction will assist in easing the current shortage of housing in Mingenew by virtue of making available to GROH employees housing which is currently not available resulting in teacher being able to accept positions in Mingenew as there are no alternative housing options with zero available rentals.

Expected financial effect on the Shire of Mingenew

The subject land is currently vacant, and the acquisition and development of the dwellings is expected to cost between \$2.5 million and \$3 million. A borrowing of \$1.6million is in place which will combine with successful grant funding to fund the land transaction. A positive net operating cashflow of \$1.56 million (GROH), \$312,000 Key worker and \$292,000 APU is expected over the life of the initial lease of the dwellings resulting in a total expected return of \$2.164 million over the first 15 years not taking into consideration the social impacts, benefits and subsidy provided by the shire for staff housing.

Effect on matters referred to in the Shire's plan for the future

The proposed Major Land Transaction would support the achievement of the following actions of the Shire of Mingenew Community Strategic plan 2023-2033:

- 2.3 Advocate for and promote opportunities to external stakeholders, including the resource sector, to provide local diverse accommodation options
 - a. Partner with government agencies and stakeholders to support housing shortage and explore solutions to housing shortages
 - b. Develop a housing strategy for increasing key worker housing stock
 - c. Identify external funding sources and apply to support the expansion of quality housing stock
 - d. Advocate to Government agencies for local housing to be included in operational approvals for resource sector projects.

- 8.3 Provide and maintain affordable housing for aged and disabled residents to meet demand
 - b. Increase residential housing for aged and disabled residents

Ability of the Shire to manage the undertaking

The Shire of Mingenew has sufficiently qualified and experienced personnel to manage the proposed acquisition, development and leasing of the lot.

The Shire of Mingenew has sufficient funding to appoint professional consultants to provide advice on the transaction if required. If the proposed land transaction proceeds, the Shire will need to make provision in its future budgets to deal with costs of completing the project of which some are already identified in its LTFP.

BUSINESS PLAN ADVERTISING AND SUBMISSIONS

Section 3.59 of the *Local Government Act 1995* requires the Shire to give state-wide public notice of the proposal to enter into the Major Land Transaction under consideration and invite public submissions for a minimum six-week period.

A notice will be placed in "The West Australian" (state-wide newspaper) on Saturday 22 March 2025.

Submissions are to be made in writing to the Chief Executive Officer and to be eligible must be received by the Shire no later than **5.00pm Monday, 5 May 2025**.

Submissions are to be marked – '**Essential Worker and Aged Persons Accommodation Major Land Transaction**' and lodged with the Shire's Chief Executive Officer via the following methods:

Mail: PO Box 120, MINGENEW WA 6522

Email: enquiries@mingenew.wa.gov.au

In person: Shire of Mingenew Administration Building, 21 Victoria Road, Mingenew WA 6522