



# Major Land Transaction – Business Plan

## Provision of Key Worker Housing

Section 3.59 of the Local Government Act  
1995

### Document Control

Version #	Date	Reference	Synopsis
1	February 2024	N/A	Draft prepared for Statewide and local public notice
2			
3			

# 1. Business Plan Objectives

This Business Plan has been prepared for the purchase of land and construction contractor services for the provision of four Key Worker dwellings.

The Business Plan is designed to:

- a) Inform the public with respect to the Shire of Broome's proposal to undertake a 'Major Land Transaction';
- b) Provide the opportunity for the public to make submissions regarding the Business Plan; and
- c) Satisfy the requirements of section 3.59 of the Local Government Act 1995

## 2. Background

The Shire of Broome (the Shire) is being impacted by a lack of access to housing for its key workers. This is affecting the Shire's ability to attract and retain key workers which in turn is having a negative impact on service delivery to the community.

At the Ordinary Meeting of Council held 31 August 2023 Council endorsed the Shire of Broome strategic intent of increasing Shire key worker housing stock from 8 to 18 properties.

### **COUNCIL RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. C/0823/026**

**Moved: Cr P Taylor**

**Seconded: Cr P Matsumoto**

**That Council:**

- 1. Endorses the Shire of Broome strategic intent of increasing Shire key worker housing stock from 8 to 18 properties;**
- 2. Endorses the approach to use the annual Long Term Financial Plan Housing Reserve allocation of \$250,000 for the purposes of loan repayments towards the construction of Shire key worker housing;**
- 3. Endorses the approach as contained within this report to purchase land and construct four (3x2) dwellings for the purposes of Shire key worker housing up to \$2,966,000;**
- 4. Authorises the Chief Executive Officer to borrow up to a maximum of \$2,966,000 from the Western Australian Treasury Corporation for a maximum period of 10 years;**
- 5. Requests that the Chief Executive Officer advertise the loan borrowings in accordance with section 6.20 (2) of the Local Government Act;**
- 6. Approves a budget amendment of \$2,966,000 to Income Account 10095900 and \$2,966,000 to Expense Account 095812;**
- 7. Requests the Chief Executive Officer reflect the addition of the loan in the next**

**review and update of Shire's Long Term Financial Plan;**

- 8. Requests the Chief Executive Officer develop a Shire key worker housing renewal strategy for existing and new properties; and**
- 9. Requests the Shire President and Chief Executive Officer continue to advocate to the State Government to:**
  - (a) construct houses on development ready sites within Broome for Government Regional Officer Housing (GROH) to ease pressure on the private rental market; and**
  - (b) provide grant funding for Local Government key worker housing.**

**CARRIED BY ABSOLUTE MAJORITY 5/1**

**For: Cr Male, Cr Mitchell, Cr Matsumoto, Cr Rudeforth & Cr Taylor**

**Against: Cr Foy**

The full agenda report from 31 August 2023 is available at [https://broome.infocouncil.biz/Open/2023/08/CO\\_31082023\\_MIN\\_3840\\_AT\\_WEB.htm](https://broome.infocouncil.biz/Open/2023/08/CO_31082023_MIN_3840_AT_WEB.htm)

### **3. Legislative Requirements**

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

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 or 10% of operating revenue.

Before entering into a 'Major Land Transaction', the Shire is required to prepare a Business Plan that includes an overall assessment of the land transactions including:

- a) its expected effect on the provision of facilities and services by the local government; and
- b) its expected effect on other persons providing facilities and services in the district; and
- c) its expected financial effect on the local government; and
- d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and
- 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.

## 4. Assessment of Major Land Transaction

### a) Expected effect on the provision of facilities and services by the local government

The provision of Shire key worker housing is considered to be a proactive approach to answering the lack of available rental properties in the Broome townsite. Provision of additional key worker housing will have a positive impact on the Shire's ability to attract and retain key workers.

The approach to purchase land and construct new dwellings is also considered a positive approach, compared to purchasing existing properties, as it adds additional housing stock to Broome and does not increase pressure on the existing housing market.

This approach also provides stimulus to the local building construction industry at a time when building approvals are slowing and trades may experience a slow down.

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

When considering the Shire's approach to housing, the Shire considered other relevant factors to determine the timing of the construction of the additional 10 properties. These factors include;

- Economic Outlook;
- Population Forecast;
- Accommodation Supply Forecast;
- Broome Rental, Land and Housing Market; and
- Current and Future Land Availability.

In doing so it was evident that the demand for housing in Broome outweighs the supply of housing. Specifically, the Shire estimates a shortfall of more than 400 dwellings in Broome by 2031 and potentially more dependant on the timing and scale of projects in the Broome and Kimberley region i.e. Kimberley Mineral Sands, Kimberley Marine Offloading Facility, Replacement/relocation Broome Custodial Facility.

Based on our assessment the Shire does not consider that the provision of key worker housing will have a detrimental impact on the Broome housing market.

### c) Expected financial effect on the local government

At the Ordinary Meeting of Council held 27 July 2023 the Shire's Long Term Financial Plan (LTFP) was adopted. Within the LTFP the Shire allocated a \$250,000 annual transfer to the Housing Reserve. The annual allocation recognises that there is an issue for Shire key worker housing and that a

longer-term approach to the issue needs to occur in order to build sufficient funds to enable a future staff housing project.

At the Ordinary Meeting of Council held 31 August 2023 the Shire endorsed the approach to use the annual LTFP housing reserve allocation of \$250,0000 for the purposes of loan repayments towards the construction of four (3x2) dwellings up to the value of \$2,966,000.

Therefore the effect of the financial commitment on the Shire is accounted for and the Shire can operate within it means to meet the loan repayments over the 10 year loan period.

**d) Expected effect on matters referred to in the local government's current plan prepared under section 5.56**

The Shire's Community Scorecard 2022 highlights 'Access to Housing' as a critical issue in Broome and ranks it as a high priority area for the Shire.

The Shire has developed the Strategic Community Plan 2023 – 2033 (SCP) that articulates the vision for the Shire and outlines key roles and functions that the Shire will undertake to achieve its vision.

The provision of Shire key worker housing is identified as an action within the Performance pillar of the Strategic Community Plan.

Performance - We will deliver excellent governance, service and value for everyone.

Outcome 15 – An engaged and effective workforce that strives for service excellence.

In more detail the Shire's Corporate Business Plan 2023 – 2027 expands on the first four years of the Shire's Strategic Community Plan. The provision of Shire key worker housing directly responds to the Action 15.1.8 of the Shire's Corporate Business Plan 2023 ;

Action 15.1.8 – Fund expansion of Shire owned housing to meet organisational needs and reduce impost on private housing market.

The Shire's approach to add four key worker properties also strengthens the Shire's position (Corporate Business Plan Action 2.1.7) to **Advocate** for the State Government to construct houses on development ready sites within Broome for Government Regional Officer Housing (GROH) to ease pressure on the private rental market.

**e) Ability of the local government to manage the undertaking or the performance of the transaction**

The management of this proposal is within the resources and capacity of the Shire. The Shire currently owns and manages 8 Shire key worker properties and

has the appropriate systems and staff in place to manage the increase in properties.

**f) Any other matter prescribed for the purposes of this subsection**

Not applicable.

## **5. Business Plan Advertising and Submissions**

Section 3.59 of the Local Government Act 1995 requires the Shire of Broome to give state-wide and local public notice of the Major Land Transaction inviting public submissions for a minimum period of six weeks.

A notice advertising this Business Plan and seeking public submissions will be placed in the West Australian and Broome Advertiser. The Business Plan will be available to view at [www.broome.wa.gov.au](http://www.broome.wa.gov.au) or in hard copy at the Shire Administration Office, 27 Weld Street Broome WA.

Submissions are to be addressed to:

**Chief Executive Officer**

Shire of Broome

Major Land Transaction – Business Plan – Provision of Key Worker Housing

[shire@broome.wa.gov.au](mailto:shire@broome.wa.gov.au)