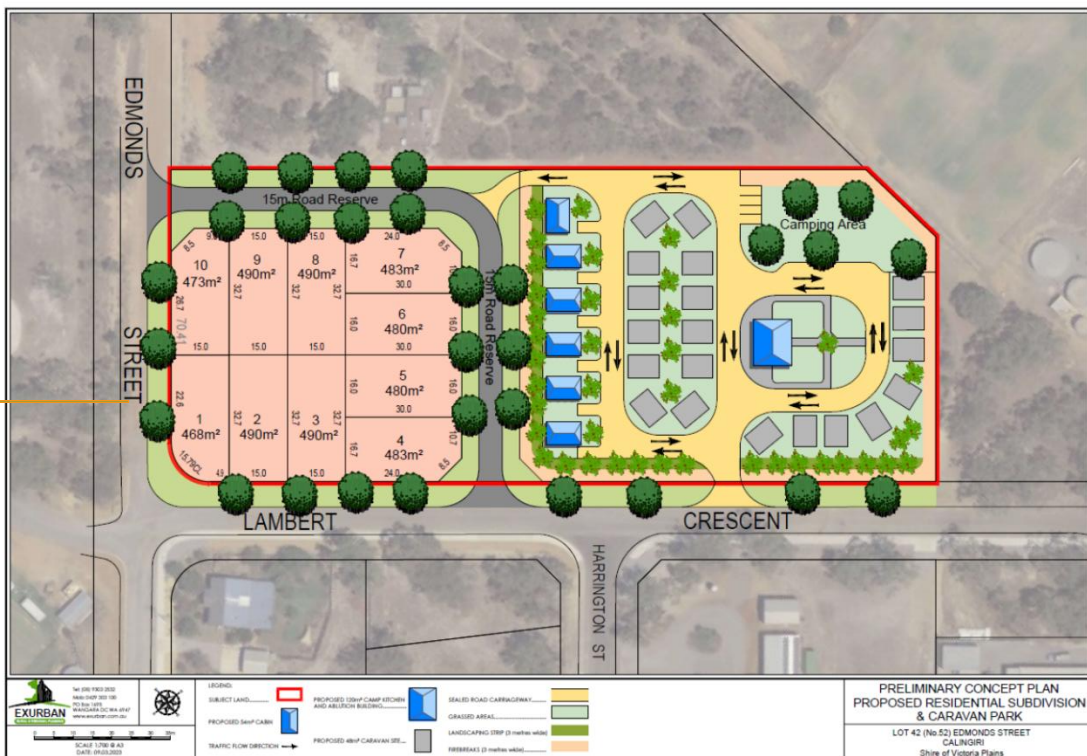


# Major Land and Trading Undertaking Business Plan

## Edmond Street Concept Plan – Shire of Victoria Plains



# Business Plan – Major Land & Trading Undertaking

## Edmond Street Concept Plan – Shire of Victoria Plains

### 1. Executive Summary

The Shire of Victoria Plains has proposed a staged development at Lot 42 Edmond Street, Calingiri, to address affordable housing shortages for key workers within the District and deliver new community facilities.

This undertaking is classified as a **Major Land Transaction** under *Section 3.59 of the Local Government Act 1995*. The plan has been prepared in accordance with the Act and the *Local Government (Functions and General) Regulations 1996* for Council consideration and subsequent public consultation.

### 2. Legislative Framework

This plan is prepared in accordance with:

- *Local Government Act 1995 – s. 3.59*
- *Local Government (Functions and General) Regulations 1996 – r. 8A*

#### Specific Requirements:

- Minimum six-week public notice period;
- Disclosure of financial, community, and operational impacts;
- Council resolution post-consultation.

### 3. Strategic Alignment

The project directly supports:

#### Shire of Victoria Plains Strategic Community Plan

Goals for housing, liveability, and economic growth. This includes being able to attract and retain staff through maintaining and increasing the Shire's housing stock and increasing the Shire's population through providing an environment that supports existing and emerging businesses.

#### Economic Development Strategy

Initiatives for workforce attraction, retention, and regional development. This development is consistent with the previous decisions of Council, including:

- ✓ Resolutions (*Confirmed Minutes – 24 July 2024*); and
- ✓ Budget allocations (*2025/26 Annual Budget Adoption – 9 September 2025*).

The Avon Region Organisation of Councils (AROC – Shires of Victoria Plains, Goomalling and Toodyay)

partnered with the Shire of Dandaragan and the Wheatbelt Development Commission (WDC) to

investigate workforce housing needs and challenges in the AROC-Dandaragan Subregion. The AROC-Dandaragan Housing Report (2024), confirmed the housing shortage revealed the following challenges and opportunities:

- The demand for workforce housing is estimated to range between an additional 514 and 599 dwellings by 2031, which correlates to a demand of 73 - 80 worker accommodation units across the Study Area per annum;
- Engagement with the Business Community reports that 62% of businesses with employees registered the need for additional workers, with an average of 1.5 workers per workplace needed to meet current business needs within the Study Area. Business owners report a lack of suitable and affordable rental housing as one of the main issues in attracting staff;
- A high-level review of existing vacant land supply points to opportunities for infill development and required servicing of existing zoned land to meet longer-term housing needs in the AROC — Dandaragan Subregion.

## 4. Project Scope – Residential Subdivision

### Stage 1 – Lot 42 (A)

- 10-lot subdivision;
- Headworks, roadworks, utilities;
- 10 modular affordable key worker dwellings (financed separately).

### Stage 2 – Lot 42 (B)

- Community facilities;
- 5 affordable key worker dwellings.

## 5. Governance & Procurement

The project will be run in accordance with the following processes, structure and decision making mechanisms:



The Shire will need to adopt a policy regarding how the housing will be allocated. This would include the following criteria:

## **Purpose**

To provide clear guidelines for the prioritisation and allocation of available Council-owned housing stock to key workers.

### **1. Prioritisation of Housing Allocation**

Housing will be allocated to key workers in the following order of priority:

1. Shire Staff
2. Regional Priority Industries such as:
  - Agricultural Workers and Associated Industries/Business Sectors;
  - Workers in the Local Renewable Energy Sector;
  - Space Capability.
3. Independent living e.g. elderly, youth (18-25).

### **2. Key Worker - Prioritisation**

Within each key worker category, applicants will be prioritised on merit and will consider:

- Ability to contribute to the vibrancy and longevity of the community.
- Applicants' unique skills, abilities, and qualifications that are relevant to the needs of the local community.

### **3. Application and Approval Process**

- All requests for Shire-owned housing must be submitted in writing to the Chief Executive Officer (or delegated officer).
- Applications will be assessed according to the prioritisation criteria above.
- The Chief Executive Officer will make the final decision on housing allocation, ensuring transparency and consistency with this policy.
- Where housing is surplus to the needs of the highest-priority group, it may be offered to the next group in priority order.

### **5. Tenancy Agreements**

- All tenants will be required to sign tenancy agreements (REIWA standard) and pay applicable bonds.
- Housing inspections will be conducted annually.

### **4. Reporting and Review**

- Housing tenancy agreements will be reviewed annually and be reported to Council.
- This policy will be reviewed annually or as required to ensure it remains relevant and effective.

### **5. Exclusions**

This policy does not cover the provision of social housing, which remains the responsibility of the State Government.

## 6. Financial Plan

### 6.1 Estimated Project Costs

Stage / Item	Description	Amount \$
<b>Stage 1 – Lot 42 (A)</b>		
Headworks & Connections	Water, power, sewer	\$692,505
Site Works & Internal Services	Roads, internal works, servicing	\$957,910
Contingency	Allowances & fees	\$610,653
Stage 1 Subtotal		\$2,261,068
<b>Stage 2 – Lot 42 (B)</b>		
Headworks & Connections	Water, power, sewer	\$465,715
Site Works & Internal Services	Roads, internal works, servicing	\$1,214,180
Contingency	Allowances & fees	\$621,561
Stage 2 Subtotal		\$2,301,456
Total – Subdivision & Servicing		<b>\$4,562,524</b>
Modular Housing (10 @ \$350k)	Separate financing required	\$3,500,000
<b>Total Project (Incl. Modular)</b>		<b>\$8,062,524</b>

### 6.2 Budget Capacity

Program	Allocation
HSP 1 – Staff Housing Development	\$27,000
HSP 2 – Staff Housing Development	\$4,567,000
<b>Total Available</b>	<b>\$4,594,000</b>

#### Assessment:

1. Subdivision & servicing works (\$4.562 M) fit within confirmed funding allocations under the Housing Support Program – Stream 1 and the Community Enabling Infrastructure Stream. In other words, there will be no cost to the Shire of Victoria Plains to undertake this work.
2. Additional financing is required to provide the build regarding the dwellings: i.e. modular type housing or kit/prefabricated homes.

### 6.3 Financing Options for Modular Construction

#### A. State/Federal housing grants.

Requires extensive advocacy and grant funding expertise. Grants are not always available for this type of housing. However, the Regional Housing Support Fund has just become available and provides an option for funding the construction of houses. This has occurred as a result of the Shire's advocacy in this matter.

Alternatively, there may be an opportunity through the Housing Australia Program for interest free loans. This would require advocacy with the Minister for Housing and Housing Australia.

B. Loan facility – WA Treasury Corporation.

Will be subject to the Shire’s Debt Service Ratio i.e. its capacity to repay the loan.

C. Staged delivery linked to revenue

The longest option in terms of delivery but keeps Shire within its means. Revenue is raised either through lease returns or the selling of a percentage of the housing stock.

D. Public-Private Partnership (PPP)

Potential opportunities exist to co-fund with major employers or builders.

## 6.4 ROI Calculations

The Return on Investment (ROI) model for the Edmond Street Housing Development assumes:

Component	Assumptions
Number of dwellings	10
Land development costs (fully grant funded, no repayment)	\$4,567,000
Construction finance required (loan, other financing, grant)	\$3,500,000
Market data: Regional WA median house price/rent	\$679,000; \$551PW
Operating costs (maintenance) etc	30%
Discount rate (low-risk local government infrastructure benchmark)	3.5%
Loan terms: 20 years (Illustrative)	5.5%

**Table One: Assumptions**

### The Importance of Net Present Value (NPV)

**NPV** calculates the present value of all expected future cash inflows and outflows, discounted back to today using a chosen discount rate (often reflecting the cost of capital or required rate of return). It shows how much an investment is worth in today’s money.

In this case the discounted rate is 3.5%

In other words, NPV is a financial metric used to assess the value of an investment, project, or cash flow stream by considering the time value of money.

**NPV > 0:** The investment is expected to generate more value than it costs, so it’s financially worthwhile.

**NPV < 0:** The investment is expected to lose money.

**NPV = 0:** The investment is expected to break even.

## Projected Revenue Streams (Based on Table One: Assumptions)

### A. Lease Only (Shire Owned and Operated) Over 10 Years

In this projection it is assumed that four dwellings will be leased to Shire staff:

- **Number of dwellings:** 10
- **Weekly rent per dwelling:** \$551
- **Annual rent per dwelling:**  $\$551 \times 52 = \$28,652$
- **Total annual rent (10 dwellings):** \$286,520
- **Operating costs:** 30% of gross rent = \$85,956
- **Net lease income:**  $\$286,520 - \$85,956 = \$200,564$
- **Loan repayment:** \$3,500,000 @ 5.5% over 20 years  $\approx$  \$291,000/year
- **Workforce retention savings:**  $\$50,000/\text{year} \times (4/10) = \$20,000/\text{year}$
- **Discount rate:** 3.5%
- **Rates revenue and sales:** Excluded

#### Annual Net Cash Flow Calculation

Net Cash Flow = Net Lease Income + Workforce Savings (4 dwellings) – Loan Repayment

i.e.  $\$200,564 + \$20,000 - \$291,000 = (\$70,436)$  per year

#### Insights

Annual net cash flow:  $(\$70,436)$  (negative)

10-year NPV:  $\approx (\$597,000)$  (negative)

1. The project runs at a deficit under these assumptions, even with workforce savings for 4 dwellings.
2. To improve viability, Shire will need to consider increasing rent, reducing operating costs, or restructuring loan terms.

Choosing one solution, if the rent (\$551) is indexed to Perth CPI of 4.5%, the increase in rents factored back to present dollars over 10 years will see:

**Cashflow path:** Negative in **Years 1–7**, turning **slightly positive** from **Year 8** as CPI-indexed rent accumulates i.e. Year 8 \$62, Year 9 \$12,345 and Year 10 \$25,180.

**10-year NPV @ 3.5%:**  $(\$245,139)$ . The loss is substantially reduced. In Years 12/13, the project will generate a surplus.

If the Shire was to dispose one of its existing dwellings for \$250,000 in addition to the annual rent increases, the NPV will see a surplus of \$12,023 in Year 10.

## B. Lease Only (Shire Owned and Operated) Over 10 Years with Loan @ 50%

In this projection it is assumed that further to Option A, the loan required will be \$1,750,000 as five dwellings will be grant funded.

- **Number of dwellings:** 10
- **Weekly rent per dwelling:** \$551
- **Annual rent per dwelling:** \$28,652
- **Total annual rent (10 dwellings):** \$286,520
- **Operating costs:** 30% of gross rent = \$85,956
- **Net lease income:** \$286,520 – \$85,956 = \$200,564
- **Loan:** \$1,750,000 @ 5.5% over 20 years
- **Annual loan repayment:** ≈ \$145,500 (calculated as an annuity)
- **Workforce retention savings:** \$50,000/year × (4/10) = \$20,000/year
- **Discount rate:** 3.5%
- **Rates revenue and sales:** Excluded

### Annual Net Cash Flow Calculation

Net Cash Flow = Net Lease Income + Workforce Savings (4 dwellings) – Loan Repayment

i.e. \$200,564 + \$20,000 – \$145,500 = \$75,064 per year

### Insights

Annual net cash flow: \$75,064 (positive)

10-year NPV: ≈ \$636,000 (positive)

With the reduced loan, the project generates a healthy surplus each year and a strong positive NPV over 10 years. If rent increases are factored in by CPI, the surplus after 10 years is \$980,000.

## C. Hybrid Model i.e. Sell Four Houses and Lease Six Houses

In this model, the sale of four dwellings, the leasing of six dwellings and the inclusion of rate income regarding the four dwellings will see a NPV over 10 years of \$1,634,821.

## D. Build to Lease Model

If a housing provider builds then leases the homes, then the Shire will only receive the rate income which is an NPV over 10 years of \$124,749.



## E. Other Variations

Option B could see the next five houses paid for by the community. The local investors would receive the rental income but the Shire receives the rate income and also the rental income from the five properties it retains. The Shire will have a negative cash flow for the first four years but after this will end up with a positive NPV of \$30,799.

Major developers may wish to purchase or underwrite a proportion of the 10 dwellings. This would see a similar result to that outlined in the above paragraph.

## 7. Impact on Community & Shire Services and Facilities

### Social

- Directly addresses the shortage of affordable housing for key workers, supporting the retention and attraction of essential staff such as teachers, health professionals, and emergency services personnel.
- Enhances community wellbeing by providing stable accommodation, which underpins the delivery of quality local services.

### Economic

- Stimulates the local economy through construction activity, job creation, and increased demand for local goods and services.
- Supports local businesses by enabling workforce growth and stability, which is critical for ongoing economic development in the Shire.

### Strategic

- Advances the Shire's goals for housing, liveability, and sustainable population growth as outlined in the Strategic Community Plan and Economic Development Strategy.

### Impact on Shire Services and Facilities

- **Waste Services:** The development will increase the volume of residential and community waste generated in Calingiri. This will require the Shire to review and potentially expand waste collection routes and frequency, as well as ensure adequate capacity at local transfer stations and landfill sites. The Shire is already progressing improvements to waste management infrastructure, including the Calingiri, Bolgart and Mogumber Transfer Stations and regional waste facility planning, which will support the increased demand from new dwellings and community facilities. Community education on waste sorting and recycling will also become more important as the population grows
- **Recreation Services:** The addition of new residents and community facilities will increase usage of existing parks, ovals, and recreation centres. The Shire will need to monitor the condition and capacity of these assets to ensure they remain fit for purpose and accessible. This may involve upgrading or expanding recreation infrastructure, increasing maintenance schedules, and ensuring compliance with accessibility standards. The Shire's Asset Management Plan highlights the importance of ongoing investment in recreation places to meet community needs and maintain high levels of satisfaction.
- **Service Planning and Integration:** The Shire will need to plan for potential increases in service delivery, including reviewing staffing levels, equipment, and budget allocations to ensure high-quality service provision as the population grows. The project also provides an opportunity to integrate new facilities with existing Shire assets, improving overall service efficiency and community access.

- **Long-Term Benefits:** Improved housing and facilities will help the Shire attract and retain skilled staff, reducing turnover and associated recruitment costs, and strengthening the delivery of core services to the community.

## 8. Risk Management

Risk management will follow the **Shire of Victoria Plains Risk Management Framework** and **AS/NZS ISO 31000:2018**.

Risk	Likelihood	Impact	Mitigation	Risk Owner
Construction delays	Medium	High	Fixed-date contracts, penalties, contingency scheduling	MWS
Cost overruns	Medium	Medium	Contingency funds, cost monitoring	DCEO
Slow housing uptake	Low	Medium	Marketing, flexible sales/lease options	CEO
Legislative changes	Low	Low	Ongoing monitoring	CEO
WHS incidents	Low	High	Contractor safety plans, audits	MWS
Community opposition	Low	Medium	Transparent engagement	CEO
Financial risks (interest rate changes, funding shortfall)	Low	Medium	Fixed-rate loans (WA Treasury), regular financial review, alternative funding options	CEO

**Table Two – Project Risks**

### Strengths:

- The table covers a broad spectrum of risks relevant to major land and housing projects, including financial, operational, regulatory, and community risks.
- Each risk is assigned a likelihood and impact, which helps prioritise mitigation efforts.
- Mitigation strategies are practical and align with industry standards (e.g., fixed-date contracts, contingency funds, safety plans).
- Reference to AS/NZS ISO 31000:2018 demonstrates commitment to best practice risk management.

## 9. Key Project Milestones

The project is expected to take approximately 18 months to deliver. However, the delivery of the dwellings is very much subject to financing becoming available.

The Housing Support Program has advised that on signing of the funding agreement with WA State Treasury, 70% of funding (\$3,193,767) will be paid up front. This was achieved on 14 November 2025.

Although the milestones indicate an RFQ process, this will only be for particular services (e.g. internal road, utilities, support engineering and planning) as Shire staff will do most of the ground (civil) works.

## Milestone Table – Residential Subdivision

Milestone	Target Timing	Notes
<b>Preparatory Works including Statutory Planning, Concept Plan and Identification of Resources</b>	Prior to Month 0	✓ Resolutions ( <i>Confirmed Minutes – 24 July 2024</i> ); and ✓ Budget allocations ( <i>2025/26 Annual Budget Adoption – 9 September 2025</i> ).
<b>Council Endorsement to Advertise</b>	Month 0	Resolution under s. 3.59 LGA 1995
<b>Public Notice Period (6 weeks)</b>	Month 0–2	Website, local media
<b>Review &amp; Assess Submissions</b>	Month 2	Report to Council
<b>Council Adoption</b>	Month 2	Post-consultation adoption
<b>Site Construction</b>	Month 2 - 12	HSP Stream 1 and HSP CEI
<b>Finalise Modular Financing</b>	Month 2–3	Loan/grant/PPP
<b>RFQ Procurement</b>	Month 3–4	In line with policy
<b>Contract Award &amp; Pre-Start</b>	Month 4–5	Contract execution, WHS plans
<b>Stage 1 Modular Build (5 Homes)</b>	Month 8–12	Off-site fabrication & installation
<b>Stage 1 Occupancy</b>	Month 12	Handover or sale
<b>Stage 2 Works Start (5 Homes)</b>	Month 13	Civil & facility works
<b>Stage 2 Completion</b>	Month 16	Final sign-off

**Table Three - Milestones**

A Gantt Chart showing the complete timeline is in the Appendices on Page 22.

## 10. Short Stay and Caravan Park Accommodation

### Background

The Shire of Victoria Plains is proactively responding to the growing demand for flexible, high-quality short-term accommodation in Calingiri and the surrounding district. This demand is being driven by several converging factors:

- **Resource Sector Growth:** The region is experiencing increased mining activity and exploration, particularly with the emergence of new projects such as the Caravel Copper Mine and renewable energy developments. These projects bring a transient workforce requiring reliable, short-term accommodation options.
- **Tourism Expansion:** Victoria Plains and the broader Wheatbelt are attracting more visitors, both for leisure and business, as regional tourism initiatives and local attractions gain prominence. The need

for visitor accommodation is expected to rise in line with these trends.

- **Energy Transition:** The shift towards renewable energy is resulting in new infrastructure projects and associated workforce movements, further increasing the requirement for short-term stays in the area.
- **Agricultural Sector Demand:** Large agricultural corporations and seasonal agribusinesses have expressed interest in local accommodation solutions to support their workforce during peak periods, such as harvest and seeding.

## Facility Overview

To address these needs, the Shire proposes the development of the Calingiri Short Term Stay and Accommodation Facility. The facility will include:

- Five self-contained cabins for visitor use
- One cabin for an on-site caretaker
- Caravan and camper van bays (20)
- Camping sites (5)
- Modern ablution facilities
- A communal camp kitchen

This facility is designed to provide flexible, affordable, and comfortable accommodation for a diverse range of users, including visiting workers, tourists, and agricultural staff. The inclusion of a caretaker’s cabin will ensure the site is well-managed and secure, supporting both operational efficiency and guest experience.

## Strategic Context

The proposed development aligns with the Shire’s broader strategy to support economic growth, workforce attraction, and community liveability. It complements other initiatives such as the Edmond Street residential subdivision and the Wheatbelt Regional Housing Initiative, which together aim to address both permanent and temporary accommodation shortages in the district.

## Ongoing Need

Current research and industry feedback confirm that the demand for short-term accommodation in Calingiri is not a temporary phenomenon. With ongoing mining, energy, tourism, and agricultural activity, the need for such facilities is expected to remain strong into the foreseeable future.

## ROI – Calculations

Component	Assumptions
Number of cabins: 5 (and 1 caretaker facility) @ 80% occupancy	\$150/night \$900/week
Caravan Park Bays – 20 @ 65% occupancy	\$35 per night
Camping Bays – 5 @ 65% occupancy	\$25 per night
Construction finance required (loan, other financing, grant)	\$2,000,000
Market data: Regional WA median house price/rent	\$679,000; \$551PW
Discount rate (low-risk local government infrastructure benchmark)	3.5%
Loan terms: 20 years (Illustrative)	5.5%

Rates based on similar facilities in Wheatbelt Towns

**Table Four - Assumptions**

## NPV Modelling

Parameter	Value
Cabin Revenue (5 Cabins @ \$150 per night)	\$177,938
Caravan Revenue (20 Powered \$35/Night)	\$166,075
Camping Revenue (5 @ \$25/Night)	\$29,655
<b>Total Revenue</b>	<b>\$373,669</b>
Operating Costs	\$112,101
<b>Net Operating Income</b>	<b>\$261,568</b>
Annual Loan Repayment	\$167,359
<b>Net Cash Flow (After Loan)</b>	<b>\$94,209</b>
ROI (Before Loan)	13.08%
ROI (After Loan)	4.71%
10 Year NPV (3.5%)	\$787,503
Break Even Occupancy Rate:	41.6%

**Table Five – NPV Modelling Over 10 Years**

### Annual Net Cash Flow Calculation Based on 65% Occupancy

Net Cash Flow = Net Sales – Loan Repayment i.e. \$261,568 – \$167,359 = \$94,209 per year

#### Insights

- The facility generates a healthy annual surplus of \$94,209 after loan repayments at 65% occupancy.
- ROI (before loan) is 13.08%. Post loan is 4.71%. 3% is considered a very good result.
- The 10-year NPV is positive @ \$787,503 indicating strong financial viability under these assumption

## 11. Consultation Process

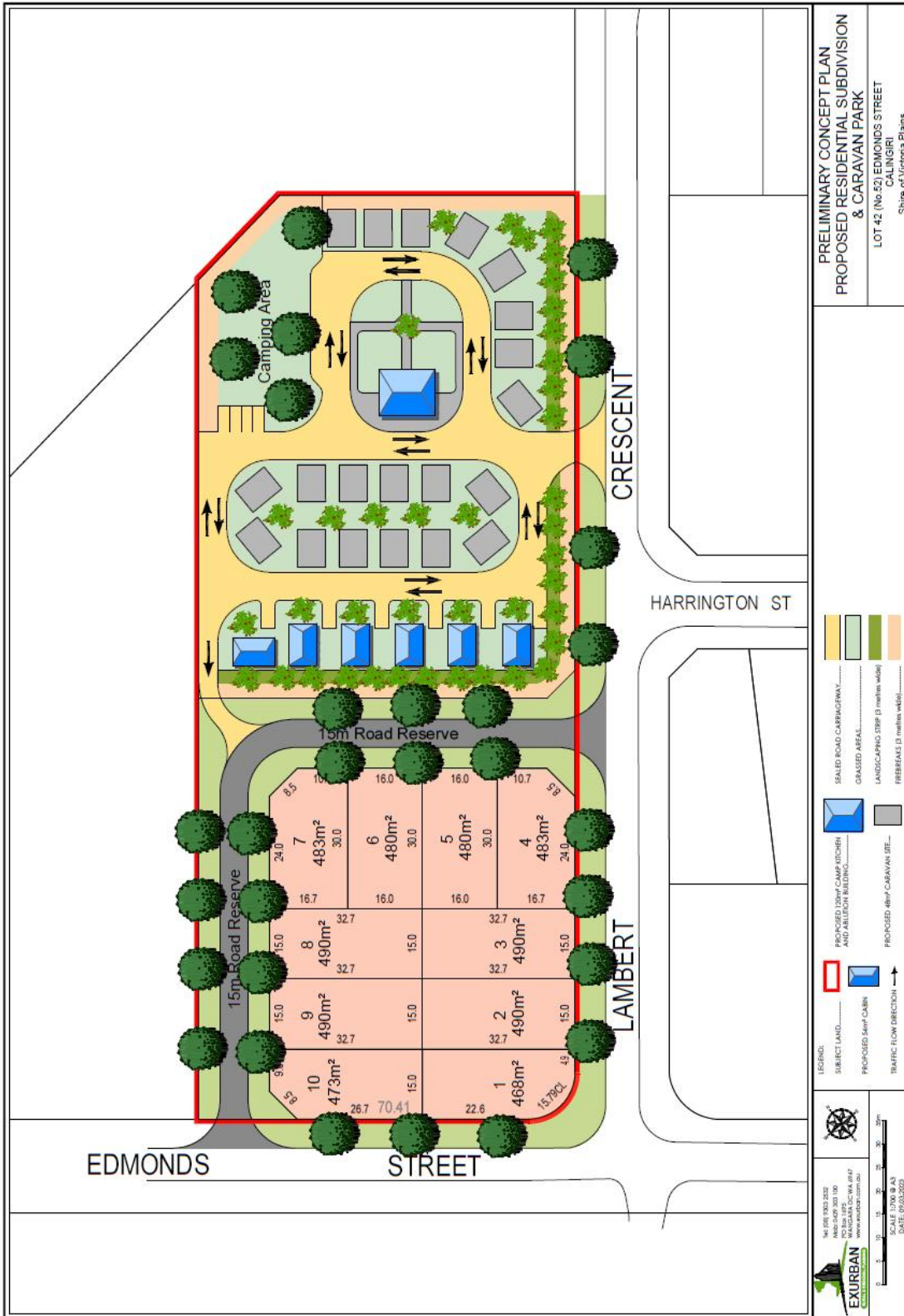
- Six-week public notice period per s. 3.59 of the *Local Government Act 1995*;
- Advertising in print (newsletter), digital (website, Facebook) and noticeboards (Libraries). Drafts of the notices are attached in the appendices;
- Compilation and reporting of submissions to Council.

## 12. Recommendation

That Council in accordance with s.3.59 of the *Local Government Act 1995*:

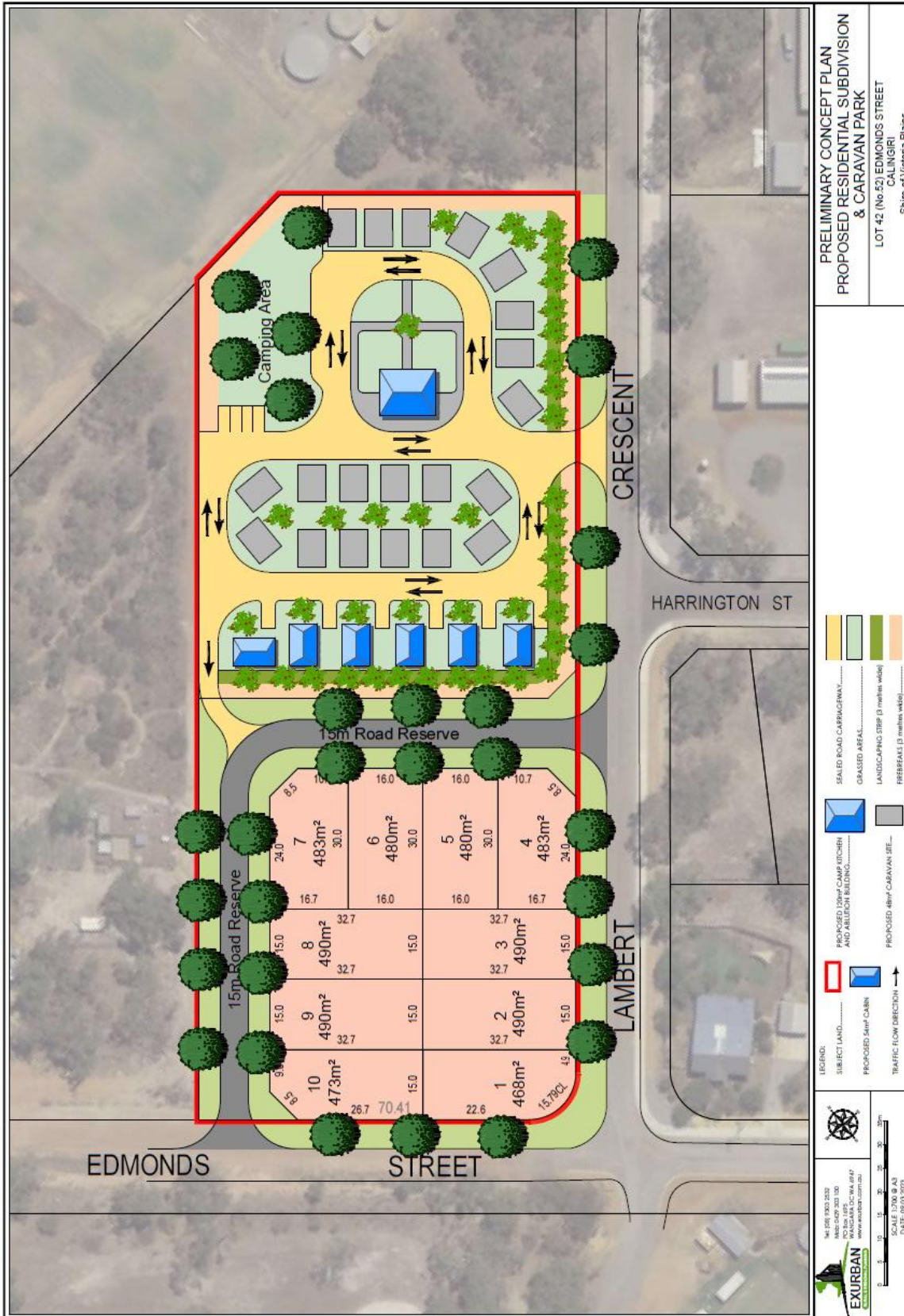
1. Endorse the Business Plan for public consultation.
2. Invite submissions for no less than six weeks.
3. Consider final adoption following the consultation period.

# Site Maps



Concept Plan – Edmond Street Development



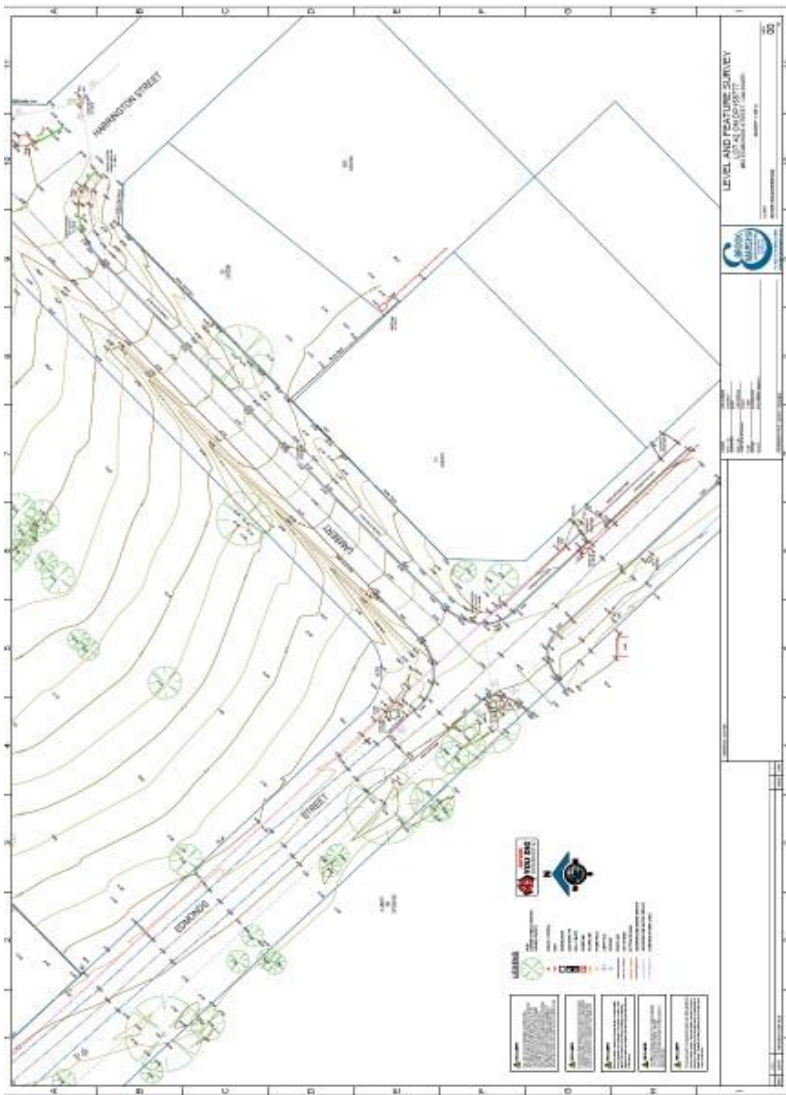


Concept Plan – Drawing and Aerial Edmond Street Development

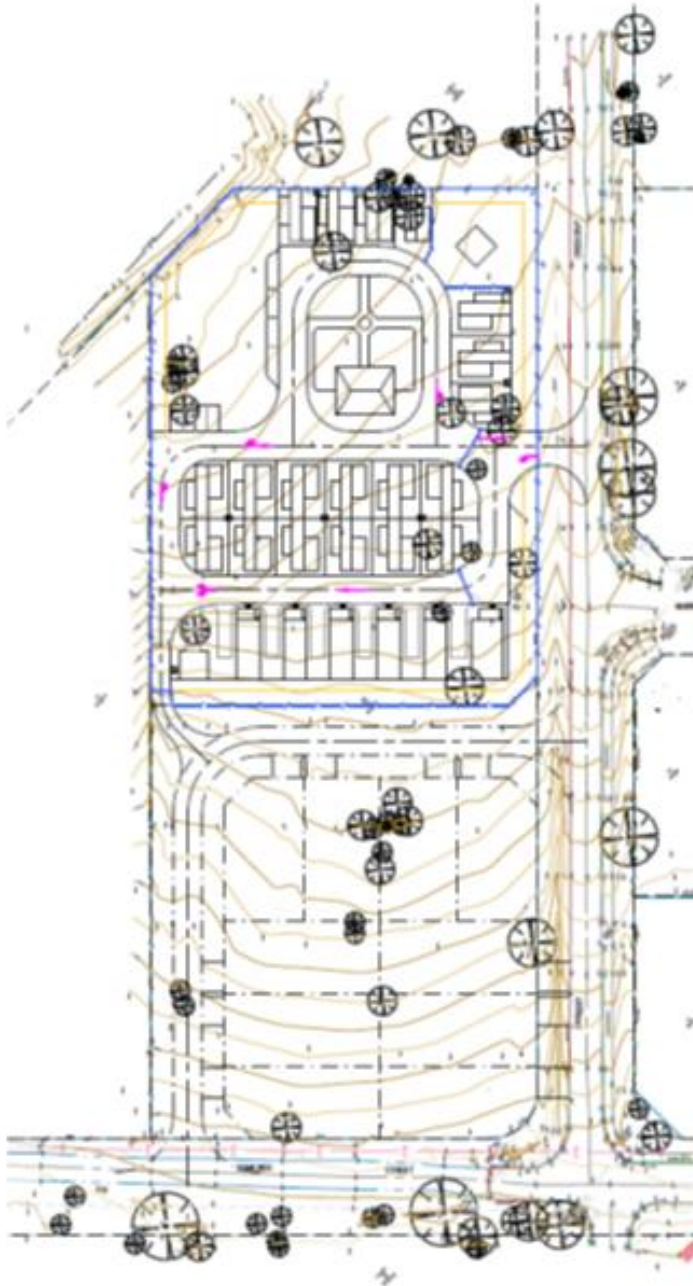


**Service Layout**





Site Contour and Feature Survey Part 1



**Site Contour and Feature Survey Part 2**

	Task	Assigned To	Start	End	Dur	%	2025				2026				2027				
							Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
							Gantt Chart												
	Edmond Street Development		19/11/25	26/11/27	526		[Gantt bar from 19/11/25 to 26/11/27]												
1	Preparatory Works	CEO CTP MWS	19/11/25	12/3/26	80		[Gantt bar from 19/11/25 to 12/3/26]												
2	Council Endorsement to Advertisises	CEO	27/11/25	28/11/25	1		[Gantt bar from 27/11/25 to 28/11/25]												
3	Public Notice	CEO PA	28/11/25	6/2/26	50		[Gantt bar from 28/11/25 to 6/2/26]												
4	Review & Assess Submissions	CEO	6/2/26	16/2/26	7		[Gantt bar from 6/2/26 to 16/2/26]												
5	Council Adoption	CEO	25/2/26	25/2/26	1		[Gantt bar from 25/2/26 to 25/2/26]												
6	Site Construction	MWS DCEO	26/2/26	16/12/26	210		[Gantt bar from 26/2/26 to 16/12/26]												
7	Modular Financing	CEO	26/2/26	8/4/26	30		[Gantt bar from 26/2/26 to 8/4/26]												
8	RFQ Procurement	PEHO	8/4/26	22/6/26	54		[Gantt bar from 8/4/26 to 22/6/26]												
9	Contract Award & PreStart	CEO	22/6/26	31/7/26	30		[Gantt bar from 22/6/26 to 31/7/26]												
10	Stage 1 Modular Build	MWS	1/8/26	5/1/27	112		[Gantt bar from 1/8/26 to 5/1/27]												
11	Stage 1 Occupancy	PEHO	6/1/27	31/3/27	61		[Gantt bar from 6/1/27 to 31/3/27]												
12	Stage 2 Modular Build	MWS	1/4/27	3/9/27	112		[Gantt bar from 1/4/27 to 3/9/27]												
13	Stage 2 Completion	PEHO	4/9/27	26/11/27	60		[Gantt bar from 4/9/27 to 26/11/27]												

# Edmond Street Project Group

