



AGENDA

BUSINESS OF AN URGENT NATURE

FOR THE

ORDINARY MEETING OF COUNCIL

29 FEBRUARY 2024

NOTICE OF MEETING

Dear Council Member,

The next Ordinary Meeting of Council will be held on Thursday, 29 February 2024 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5.00PM.

Regards,



S MASTROLEMBO
Chief Executive Officer

28/02/2024

Our Mission

"To deliver affordable and quality Local Government services."

DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions in section 5.25 of the *Local Government Act 1995* establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

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SHIRE OF BROOME
ORDINARY MEETING OF COUNCIL
THURSDAY 29 FEBRUARY 2024
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13. BUSINESS OF AN URGENT NATURE

13.1 MAJOR LAND TRANSACTION - BUSINESS PLAN - PROVISION OF KEY WORKER HOUSING

LOCATION/ADDRESS:	Varies
APPLICANT:	Nil
FILE:	LSS/GEN
AUTHOR:	Director Infrastructure
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Infrastructure
DISCLOSURE OF INTEREST:	Nil

SUMMARY:

At the Ordinary Meeting of Council (OMC) held 31 August 2023 Council resolved to borrow funds for the purchase of land and construction of four Shire key worker housing properties.

In accordance with the *Local Government Act 1995* this is considered a 'major land transaction' and a Business Plan is required to be developed and advertised via statewide public notice.

This report seeks Council approval to advertise the Business Plan for the Provision of Key Worker Housing.

The Business Plan will then be presented to Council, along with any submissions, for final consideration.

BACKGROUND

Previous Considerations

OMC 27 July 2023	Item 9.4.1
OMC 31 August 2023	Item 9.3.2

The Shire currently owns 8 residential properties in Broome for the purpose of staff housing plus holds the 'Head Lease' for a further 13 residential properties which are then 'Sub Leased' to Shire staff, allowing the rent to be salary sacrificed.

At the OMC 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 a lack of suitable 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. In 2027/28 there was a one-off project allocation of \$1,500,000 part funded by the housing Reserve and part funded by borrowings.

In addition to the adoption of the LTFP Council requested the Chief Executive Officer to consider inclusion of project funds in the next review and update of the LTFP.

COUNCIL RESOLUTION:**(REPORT RECOMMENDATION)****Moved: Cr P Taylor****Minute No. C/0723/008****Seconded: Cr C Mitchell****That Council:**

- 1. Adopt the Long Term Financial Plan 2023 – 2038;**
- 2. Requests the Chief Executive Officer undertake an annual review of the Long Term Financial Plan as part of the Corporate Business Plan review with consideration given in the December 2023 review for inclusion of project funds to construct or purchase Shire staff housing.**

CARRIED UNANIMOUSLY 6/0

Reason: To consider the inclusion of a project fund to construct or purchase Shire staff housing in the December 2023 review of the Long Term Financial Plan.

At the OMC held 31 August 2023 Council endorsed the strategic intent to increase the Shire's key worker housing stocks from 8 to 18 properties, starting with the provision of four (3x2) dwellings funded by borrowings from the Western Australian Treasury Corporation (WATC). The borrowings are offset with revenue generated from leasing.

COUNCIL RESOLUTION:**(REPORT RECOMMENDATION)****Moved: Cr P Taylor****Minute No. C/0823/026****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

In accordance with section 6.20 (2) of the *Local Government Act 1995* (the Act) the proposed \$2,966,000 borrowings were advertised. No responses were received, and Shire officers have commenced the process to loan \$2,966,000 from the WATC for a maximum period of 10 years.

COMMENT

The Shire is committed to ensuring it can attract and retain key workers that will deliver safe, effective and reliable local government services in line with the Shire's vision and strategic planning. A key component of this is the provision of key worker housing.

At the OMC held 31 August 2023 Council endorsed the Shire's strategic intent of increasing Shire key worker housing stock from 8 to 18 properties, starting with the purchase of land and construction of four (3x2) dwellings up to a value of \$2,966,000.

In accordance with section 3.59 of the Act a major land transaction is defined 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 the lesser of \$2,000,000 or 10% of the operating expenditure incurred by the local government from its municipal fund.

Initially when reviewing the *Local Government (Functions and General) Regulations 1996*, 8. *Exempt land transactions prescribed (Act s. 3.59)*, Shire officers assessed the transaction as exempt as the Shire was not intending to produce a profit. Following advice from the Western Australia Local Government Association (WALGA) the Shire became aware that the exemption does not apply as the properties will be leased to employees for exclusive use.

Therefore, in accordance with the Act the Shire, before entering into a major land transaction, is to;

- prepare a Business Plan; and
- advertise that Business Plan via statewide and local public notice stating that the Shire intends to enter into the major land transaction; and
- consider any submissions made and may decide, by absolute majority, to proceed with the major land transaction.

The draft Business Plan – Provision of Key Worker Housing is attached in **Attachment 1**.

CONSULTATION

Section 3.59 of the Act requires the Shire to provide statewide and local public notice of the major land transaction and invite 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 on the following dates:

- West Australian – Wednesday 6 March 2024
- Broome Advertiser – Thursday 7 March 2024

The Business Plan will be advertised for 6 weeks and close at 4.00pm WST on Wednesday 17 April 2024.

The Business Plan will be available to view on the Shire website 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

Following the public submission period, the Business Plan will be presented to the 24 April 2024 Ordinary Meeting of Council for consideration of public comments received and for final endorsement to proceed with the major land transaction.

STATUTORY ENVIRONMENT

Local Government Act 1995

3.59 Commercial enterprises by local governments

A Major land transaction, acquisition or disposal, is where the land transaction entered into by the local government is the lesser of \$2,000,000 or 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year.

Before entering into a major land transaction the local government is to prepare a Business Plan in accordance with 3.59 (2) of the *Local Government Act 1995* unless under the *Local Government (Functions and General) Regulations 1996* the transaction is an exempt transaction.

This land transaction is not an exempt transaction and the Shire is required to give statewide and local public notice advising of the major land transaction and inviting public submissions for a minimum period of six weeks.

The local government is then required to consider any submissions made and may decide, by absolute majority, to proceed with the major land transaction.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are minimal financial implication associated with advertising and receiving submissions for the Business Plan – Provision of Key Worker Housing. The cost to the Shire is advertising costs of approximately \$1,000 excl. GST.

Should the Shire proceed with the major land transaction the estimated project costs are \$2,966,000.

RISK

A very real and high risk for the Shire is that we are unable to provide accommodation for our key workers and as a result the delivery of services to our community may be impacted. By providing Shire key worker housing we seek to ensure that housing is not a limitation and that the attraction and retention of key workers is given priority.

Council has endorsed the Shire of Broome strategic intent to increase Shire key worker housing stock from 8 to 18 properties. The addition of four new properties will increase Shire key worker housing to 12 properties.

STRATEGIC ASPIRATIONS

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

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

Objective 15.1 Support employee wellness and foster a positive workplace culture.

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION:

That Council:

- 1. Endorse the draft Major Land Transaction – Business Plan for the Provision of Key Worker Housing (Attachment 1) for the purposes of seeking public comment; and*
- 2. Requests the Chief Executive Officer commences State-wide and local public notice of the Business Plan for a minimum of 6 weeks and request that all public comments are collated and the Business Plan presented to Council for final endorsement.*

Attachments

1. draft Business Plan - Provision of Key Worker Housing



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

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 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