

# Staff Accommodation Strategy



Prepared in accordance with  
section 3.59 of the Local  
Government Act 1995



## Business Plan

## Introduction

The provision of suitable staff accommodation as a critical component of its Employee Value Proposition (EVP), directly impacting its ability to attract and retain key personnel.

The current staff housing portfolio, with an average construction year of 1982, requires significant revitalisation. Many properties are over forty years old and no longer meet modern executive standards or the diverse needs of Shire staff.

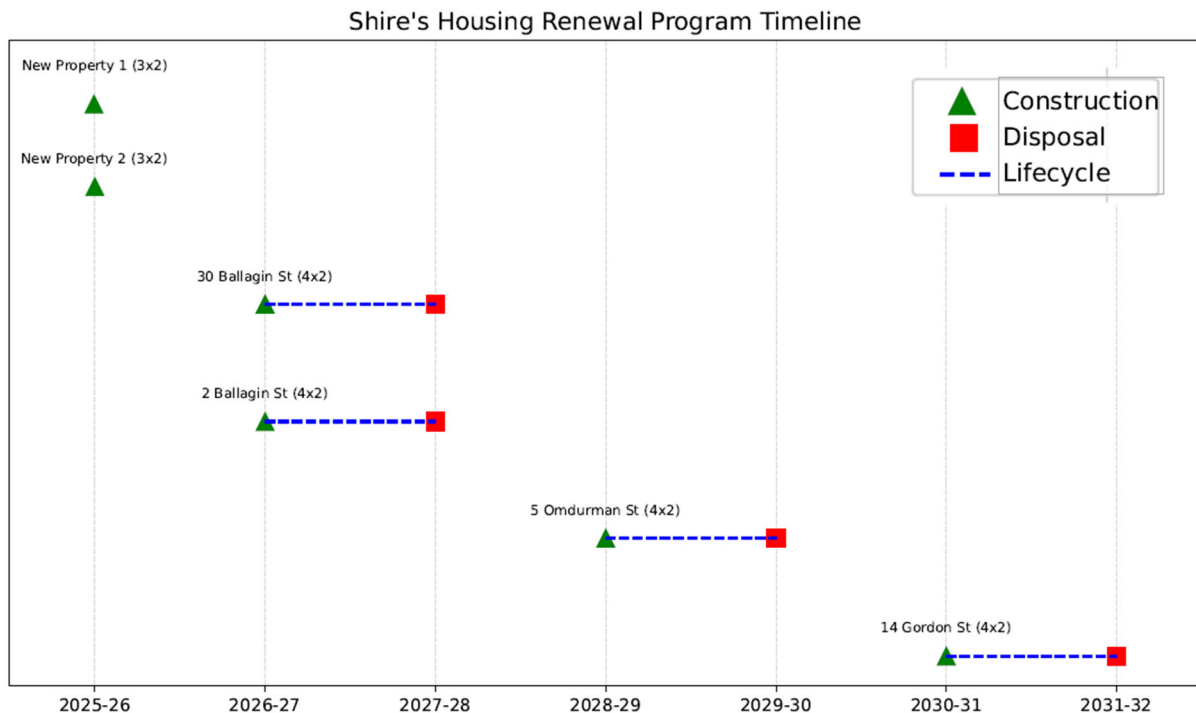
This business plan outlines a strategic, multi-year renewal and expansion program for the Shire's staff housing. The program involves the systematic disposal of older, non-executive properties and the construction of new, modern executive-level (4x2) and flexible non-executive (3x2) homes.

The program will result in six new houses being constructed and four houses being sold.

	<b>Proposed construction year for replacement</b>	<b>Replacement type</b>	<b>Disposal year</b>
New property	2025-26	3x2	-
New property	2025-26	3x2	-
30 Ballagin St	2026-27	4x2	2027-28
2 Ballagin St	2026-27	4x2	2027-28
5 Omdurman St	2028-29	4x2	2029-30
14 Gordon St	2031-33	4x2	2030-31

The renewal program is proposed to be funded through a combination of proceeds from sales and an increased annual reserve funding injection. The strategy aims to treat staff housing as a managed asset class, similar to vehicles and plant, with a defined lifecycle of acquisition (construction), operation, renewal/replacement, and disposal. This approach addresses a historical gap where housing has not been managed from an asset management perspective for a considerable period, with the last Shire house constructed in 2013.

The program proposes the replacement of five existing non-executive properties with new executive-level homes and the construction of two additional new non-executive properties over the next ten years. This is an ambitious but necessary undertaking to ensure the Shire remains competitive in the workforce marketplace and can effectively deliver services to the community.



## Legislative basis

This Business Plan has been prepared in accordance with Section 3.59 of the *Local Government Act 1995* (WA). Section 3.59(2) requires a local government to prepare a business plan before entering into a "major land transaction" or a land transaction that is preparatory to a major land transaction.

A "land transaction" is defined as an agreement under which a local government is to acquire or dispose of an interest in land, or develop land. Such a transaction is classified as "major" if the total value of the consideration and anything done by the local government to achieve its purpose exceeds a prescribed amount.

The Shire of Wagin's Staff Housing Renewal and Expansion Program, involves the construction of new residential properties and the disposal of existing ones. While the Shire does not intend to produce profit, over the course of the strategy's delivery the sale of land is anticipated to exceed the threshold where a business plan is required.

Section 3.59(3) stipulates that the business plan must include an overall assessment of the undertaking and provide details of:

- its expected effect on the provision of facilities and services by the local government
- its expected effect on other persons providing facilities and services in the district;
- its expected financial effect on the local government;
- its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and
- the ability of the local government to manage the undertaking or the performance of the transaction

Section 3.59(4) requires the local government to give Statewide public notice of the proposed transaction and the business plan, make the plan available for public inspection, publish it on the official website, and allow at least six weeks for public submissions.

### **The expected effect on the provision of facilities and services by the local government**

The purpose of the staff accommodation strategy is to provide appropriate housing as part of the Shire's EVP that will enable the Shire to attract and retain key personnel.

This will have an indirect effect on the provision of public facilities and local government services through the improved ability to attract qualified and experienced personnel.

By modernising the housing stock, the Shire is better equipped to meet its obligations and strategic goals related to its workforce.

Implementing this plan will embed a more rigorous asset management approach to staff housing. This includes better planning for maintenance, renewal, and financial sustainability of these assets, which is a service the Shire provides to itself to ensure long-term operational capability.

### **The expected effect on other persons providing facilities and services in the district:**

The implementation of the staff accommodation strategy is anticipated to have benefits for the community through local and regional builders, contractors, suppliers, and tradespeople, thereby stimulating local economic activity. It will also provide business for real estate and legal practitioners through the disposal of older Shire housing stock.

The sale of older Shire properties will add to the housing stock available for purchase in the general market, potentially benefiting private buyers.

### **The expected financial effect on the local government**

A funding strategy has been prepared based on valuations for the existing housing stock and estimates of the costs of new housing.

It is proposed to fund the renewal program through a combination of reserves, the proceeds of sale and a loan of \$1.6m. The total cost to the ratepayer is \$1,876,714.

The \$1.6m loan would be paid off in 2033-34 two years after the final completed property.

It is forecast that the new builds will cost \$3.1 million, and that the sale of stock will result in \$1.6 million offsetting the cost. The annual loan repayments commencing in 2026-27 will be \$246,692. This equates to approximately 8.3 per cent of rates forecast to be generated in 2025-26.

Council will be required to make significant investments in reserve funding over the life of the strategy to fund the loan repayments.

This includes a 58% increase in the housing reserve in 2026-27, followed by 4% increases in that reserve injection each year until 2031-32.

The cost estimates for the new modular housing are based on tenders called for in 2024. The project costs may be altered by changes in the price of modular housing or the valuation of Shire properties. As the loan figure is a constant, Council would either need to increase or decrease its annual funding injection based on the project cost escalation or de-escalation. If costs of the modular homes are greater than anticipated, Council consider revising its housing offering by constructing smaller 3x2 properties rather than 4x2 properties.

## Funding forecast

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
30 Ballagin St		-550,000	390,000						
2 Ballagin St		-550,000	430,000						
5 Omdurman St				-550,000	380,000				
14 Gordon St						-550,000	400,000		
New property (3x2)	-450,000								
New property (3x2)	-450,000								
Loan Funding	1,600,000		0	0	0	0	0	0	0
Loan Repayment	0	-246,692	-246,692	-246,692	-246,692	-246,692	-246,692	-246,692	-246,692
Reserve funding	680,503	158,080	164,403	170,979	177,819	184,931	130,000	115,000	95,000
Yearly Result	1,380,503	-1,188,612	737,711	-625,714	311,126	-611,761	283,308	-131,692	-151,692
<b>Ongoing Surplus/Deficit</b>	<b>1,380,503</b>	<b>191,891</b>	<b>929,602</b>	<b>303,888</b>	<b>615,015</b>	<b>3,253</b>	<b>286,561</b>	<b>154,869</b>	<b>3,176</b>

## **The expected effect on matters referred to in the local government's current plan prepared under section 5.56**

The Shire's Strategic Community Plan observes that a key and ongoing objective is to continue to build organisational capacity within the Shire's systems, skills and knowledge base, to be able to deliver on the objectives of this plan.

The provision of sufficient appropriate housing to key personnel as part of the Shire's EVP aligns with this objective of building organisational capacity.

The Strategic Community Plan identifies several related actions:

- Explore affordable accommodation for workers
- Aid retention and encourage more government services in Wagin
- Investigate future housing and expansion for tourist and other attractions
- Housing, Job and training especially for young people

The Shire's Corporate Business Plan includes specific reference to 'upgrade of staff housing as a recruitment and retention strategy'. This action while principally in the context of building maintenance reflects the need for effective asset management of staff housing through renewal.

## **The ability of the local government to manage the undertaking or the performance of the transaction**

The Shire recognises that the implementation of the staff accommodation strategy will require investment in respect to finances and organisational effort. The strategy has been phased in order to reduce financial impact but this phasing also means that construction is initially front loaded.

Supplementing the Shire's existing knowledge and capability may take a number of forms including the engagement of consultants or forming an advisory group or committee with community members that have knowledge or expertise in property matters.

Council has a key role in the oversight of delivering of the Strategy and with each budget determines whether to proceed on the planned course or amend the pathway.

Procurement will be conducted in strict accordance with the provisions of the *Local Government Act 1995*. This means that public tenders will be called for procurement that exceeds the \$250,000 and that purchases over \$100,000 will be resolved by Council in accordance with Council's purchasing policy.

Implementation of the accommodation strategy will be dependent on future decisions of Council including annual budget deliberations.

## **How to comment**

Comment on this Business Plan can be provided in writing to the Shire of Wagin at [shire@wagin.wa.gov.au](mailto:shire@wagin.wa.gov.au) by Friday, 12 September 2025.