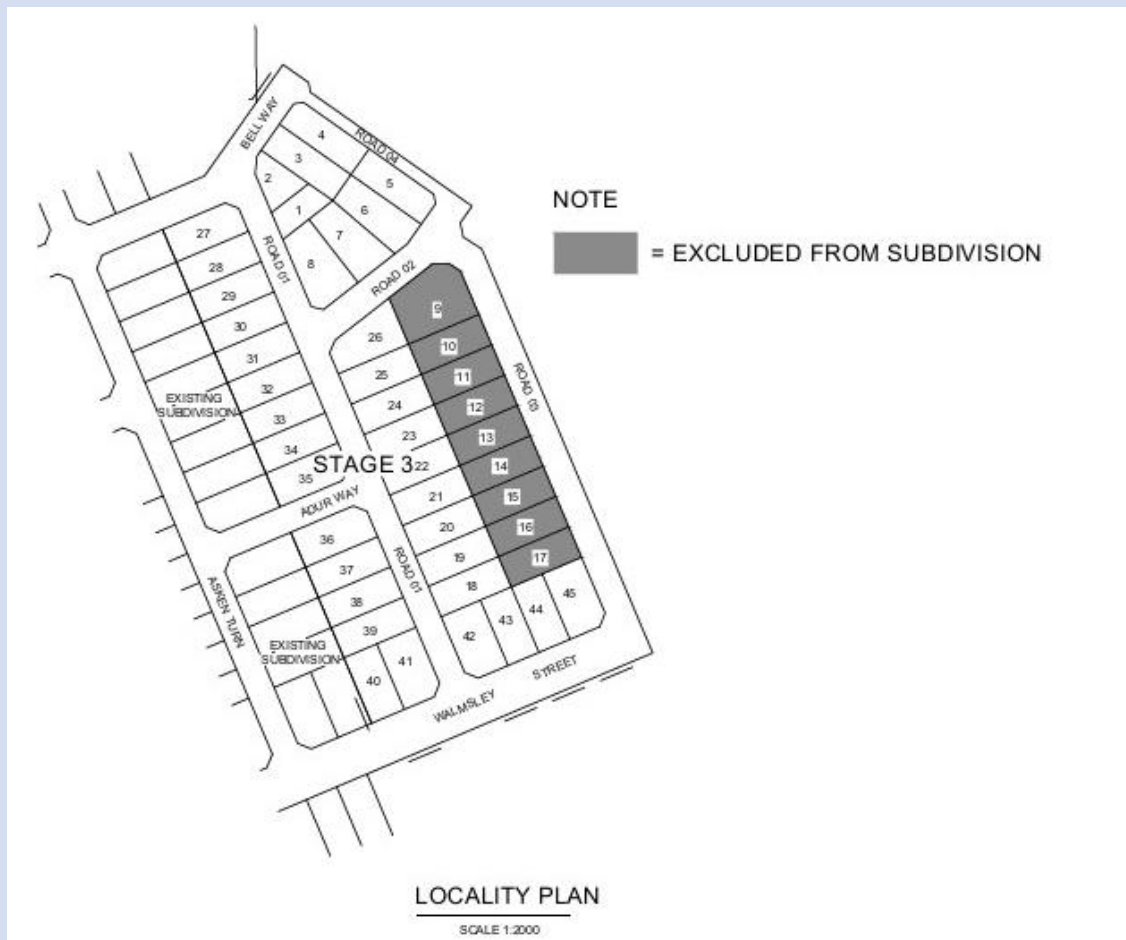




Flinders Estate Stage 3 Major Land Transaction Business Plan August 2026



Contents

Revision History	3
Acknowledgment of Country	3
Copyright and Disclaimer	3
1. Introduction	4
2. Background.....	4
3. Subdivision Proposal	4
4. Property Details	5
5. Local Government Act Compliance	5
5.1. Expected Effect on Provision of Facilities and Services by the Shire of Esperance.....	6
5.2. Expected Effect on Other Persons Providing Facilities and Services.....	6
5.3. Expected Financial Effect.....	7
5.4. Expected Effect on Matters Referred to in Plan Prepared Under S5.56..	8
5.4.1. Esperance Council Plan 2026 -2036	8
5.4.2. Long Term Financial Plan.....	8
5.4.3. Economic Development Plan 2025– 2032.....	8
5.5. Ability of LGA to Manage Undertaking and Performance of the Transaction	8
5.6. Other Matters	9
6. Submissions	9
Appendix 1 - Business Plan Financials	10

Revision History

Date	Version	CM Reference	Reason for Change	Next Review
11/8/2026	1.0		Creation	

Acknowledgment of Country

The Shire of Esperance acknowledges the Kepa Kurl Wudjari people of the Nyungar nation and Ngadju people, who are the traditional custodians of this land, and their continuing connection to land, waters and community.

We pay our respect to their Elders past, present and emerging and we extend that respect to other Aboriginal Australians today.

Copyright and Disclaimer



For Disclaimer and Privacy information, please scan the QR code or visit <https://www.esperance.wa.gov.au/disclaimer.aspx>

Requests for further authorisation should be directed to the –
Shire of Esperance
PO Box 507
Esperance WA 6450
shire@esperance.wa.gov.au

1. Introduction

The following Business Plan has been prepared to satisfy the requirements of Section 3.59 of the Local Government Act 1995 and associated legislation.

The Shire proposes to undertake a Major Land Transaction comprising of a 36-lot subdivision. The subdivision represents Stage 3 of Flinders Estate. The land is owned in freehold by the Shire. Upon completion of the subdivision, the lots will be sold for market value.

The business plan is designed to allow members of the community the opportunity to consider this proposal and provide comment, prior to Council making a decision to proceed with the project. Submissions received during the public consultation period will be considered by Council prior to any decision.

2. Background

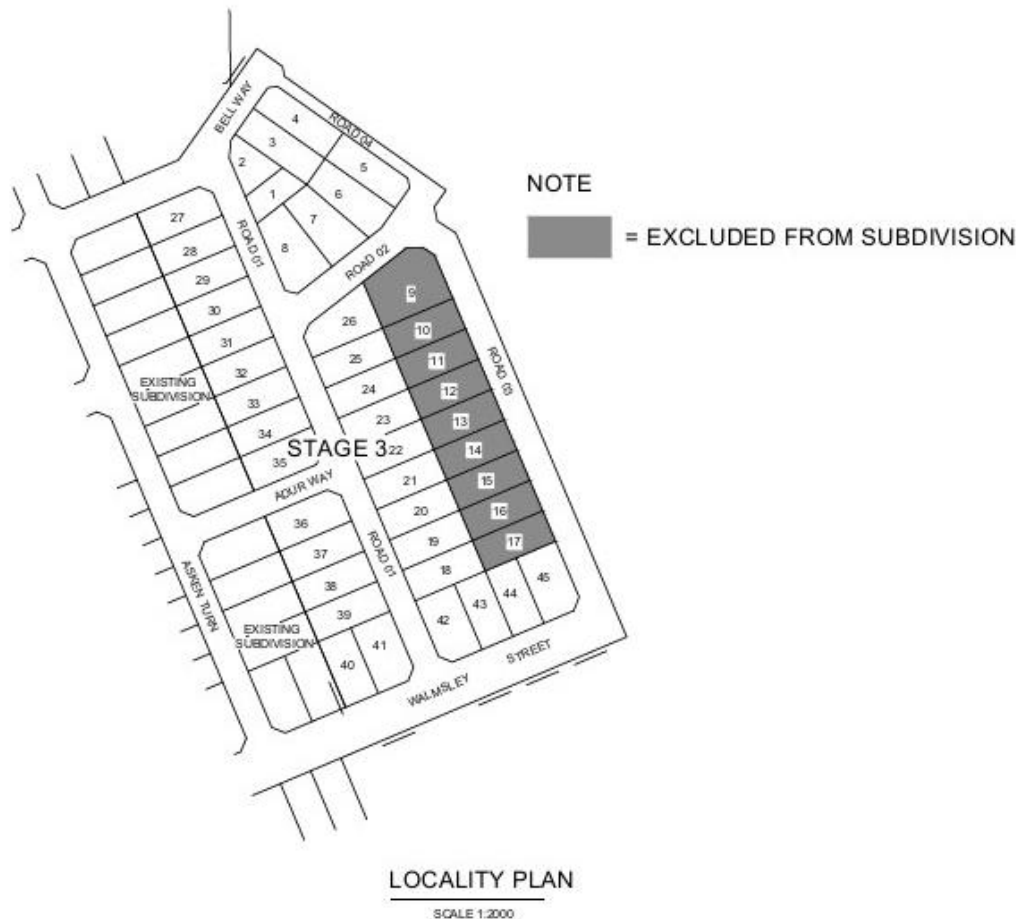
The Shire of Esperance is currently considering the development of a fourth stage of residential subdivision within the area known as Flinders Estate. Flinders is located adjacent to the coast at Bandy Creek between Ormonde Street, Goldfields Road, Daw Drive and the Bandy Creek Boat Harbour, and comprises approximately one hundred and twenty hectares of land.

Stage 1 (comprising 33 lots) was approved in 2004, Stage 2 (comprising 89 lots plus a 1ha, R40 multi-unit site) was approved in 2007 and Stage 4 (comprising 29 cottage lots) was approved in 2023. All lots have been sold.

Aboriginal Heritage has been addressed through consultation with the appropriate local Native Title representative groups during the development of the Outline Development Plan, and although the land is held in freehold title, areas of aboriginal significance have been identified and recognised in the design principles by provision of public open space areas. Additional engineering, environmental and landscape design studies will be required to progress the development of the site to meet statutory planning conditions such as drainage management plans.

3. Subdivision Proposal

The area of Stage 3 comprises approximately 5.93ha. Residential Lot areas within the subdivision range from 513m² to 1080m², with the majority of lots approximately 850m². The sale of the lots will be determined by prevailing local market conditions, with the current plan being to continue to offer the lots to the market through an open tender process each six months with private treaty sales being considered in any unsold lots between each tender process. The opportunity to offer some or all lots by auction is still being maintained and will be utilised should market conditions suggest this option provides the potential for a better return than that being received by Council through the tender process.



4. Property Details

The subject site is owned by the Shire of Esperance and is contained within Certificate of Titles Volume 2795 Folio 569, described as Lot 9002 Goldfields Road, Esperance and Certificate of Volume Title 2795 Folio 570, described as Lot 9003 Daw Drive, Esperance. The land is currently unimproved.

5. Local Government Act Compliance

Before undertaking a Major Land Transaction, the Shire under Section 3.59 of the Local Government Act 1995 is to prepare a business plan.

The business plan is required to include an overall assessment of the major land transaction and is to include details of:

- its expected effect on the provision of facilities and services by the local government; and
- its expected effect on other persons providing facilities and services in the district; and
- 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.

5.1. Expected Effect on Provision of Facilities and Services by the Shire of Esperance

The impact of disposal of this land will not create significant demand on the Shire of Esperance for the overall provision of additional facilities and services.

The Outline Development Plan identifies various additional infrastructure that will be provided as part of the future Flinders subdivision. The only infrastructure required for Stage 3 of the subdivision is additional transport links and other essential servicing on the created lots. Council will need to plan the creation of some of the bigger infrastructure requirements in future stages and as part of the redesign of the remaining Flinders Estate.

The result will be that as further development occurs after Stage 3, additional facilities and services will be provided for the community to cater for any increased demand. Members of the community located in adjacent existing residential development will also benefit from these additional facilities and services.

Council is intent on ensuring the highest standard of design and construction within the subdivision area and will be installing footpaths, lighting and underground power in the subdivision.

5.2. Expected Effect on Other Persons Providing Facilities and Services

Infrastructure services and facilities required as a result of the subdivision will be determined during the subdivision approval process and will be provided as a condition of approval of the subdivision. Most infrastructure services are already in place, and consequently other service providers are unlikely to be affected by development of the lots.

Provision of facilities and services as future development occurs, such as schools and community facilities, will be examined by the relevant Government Agencies as part of the assessment of their requirements for the area, and will be in accordance with any approval granted by the WAPC in relation to the original Outline Development Plan, now incorporated with Town Planning Scheme No. 23.

No readily subdividable land located within proximity to the coast exists within the Esperance Townsite. Consequently, the sale of the land is not considered by Council as being in direct competition with other private land developers.

5.3. Expected Financial Effect

Preliminary cost estimates have been prepared for developing this stage, totalling approximately \$12.36 M. It is anticipated that the majority of these works will be undertaken by private contractors.

The Project Budget Summary/Cash Flow Projection included within Appendix 1 details the revenue and expenditure expected from the proposed Stage 3. The Project Budget Summary/Cash Flow Projection is based on selling 17 blocks in the first year, 13 in the second year, and 6 in the third year. This is based on existing sales history in Flinders Stage 4, whereby 18 lots have sold in 4 months. Available serviced land in the Shire is extremely limited and demand is high. Obviously changes in market conditions will impact negatively or positively depending on actual sales results.

As detailed in Appendix 1, total development costs for Stage 3 are estimated to be just over \$12.36M, with a projected average sale price of \$230,000 for total revenue of \$8.34M. The remaining shortfall will be offset by the State Government grant the Shire has recently received.

For cash flow purposes, the budget allows for full finance construction development to be funded through the Shires land reserve and short-term borrowings via the WA Treasury Commission at a rate of 4.50%. Repayment of these borrowings will be extinguished with revenue generated from land sales as detailed in Appendix 1.

It is expected that the Shire will break even on the development and any additional funds for this stage, will assist in funding future development stages, some of which will be significantly more expensive due to the provision of items including public open space and major roads.

Item	Amount
Development Cost	\$12,364,969M
Sales Revenue	\$8,340,000M
RHSF Grant	\$4,024,969M
Net Position	\$0 (estimated)

5.4. Expected Effect on Matters Referred to in Plan Prepared Under S5.56

Section 5.56 of the Local Government Act 1995 requires a local government to plan for the future of its district.

5.4.1. Esperance Council Plan 2026 -2036

The Strategic Community Plan 2022 – 2032 outlines the future direction of the Shire, the proposal directly aligns with:

Outcome 6 Responsible Urban Design and Housing Diversity

Objective 6.1 Enable access to land and development opportunities to meet local needs

6.1.3. Develop and release Flinders Estate Stage 3 creating 36 standard sized residential lots. This includes applying for Government funding to cover the costs of power, water and sewerage infrastructure.

5.4.2. Long Term Financial Plan

The Shire of Esperance Long Term Financial Plan 2025/2026 – 2034/35 identifies the future subdivision of Flinders as part of the proposed capital works program.

5.4.3. Economic Development Plan 2025– 2032

This strategy is backed by the following actions within the Shire of Esperance Economic Development Plan 2025– 2032

‘Enable access to land and development opportunities to meet local needs.

5.5. Ability of LGA to Manage Undertaking and Performance of the Transaction

The Shire of Esperance employs staff with appropriate qualifications and experience to manage the project and transaction. The Shire has undertaken similar projects in the past and will supplement in-house expertise with external professional services where necessary. Demonstrated by the successful delivery of Flinders Estate Stages 1, 2 and 4.

It is intended that, due to the size of this development, the majority of the works will be contracted out. Councils’ procurement processes will govern the method behind the engagement of external contractors. Where works can be undertaken within current resources or a saving is available, Council will undertake the work in house.

The land will be disposed of in accordance with the provisions of the Local Government Act 1995. The sale of the lots will be determined by prevailing local market conditions, with the current plan being to continue to offer the lots to the market through an open tender process each six months with private treaty sales being considered in any

unsold lots between each tender process. The opportunity to offer some or all lots by auction is still being maintained and will be utilised should market conditions suggest this option provides the potential for a better return than that being received by Council through the tender process.

5.6. Other Matters

All subdivision and development will be in accordance with the Shire of Esperance Local Planning Scheme No. 23.

At this point in time, it is intended to undertake a full review of the remaining area of Flinders to ensure that future development takes the recent changes to the State Coastal Management Policy into account and continues to meet the communities' needs with regards to appropriately designed and sized residential land releases.

6. Submissions

The Local Government Act provides that the Business Plan must be advertised and that submissions may be made to the Council regarding the transaction set out in the business plan. Submissions relating to this business plan may be lodged with Council prior to the close of submissions

Submissions should be addressed to:

The Chief Executive Officer

Shire of Esperance

PO Box 507

ESPERANCE 6450

Alternatively, submissions may be emailed to shire@esperance.wa.gov.au

Appendix 1 - Business Plan Financials

FLINDERS - STAGE 3

PROJECT FORECAST

	Total Forecast	2026-27	2027-28	2028-29	2029-30								
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income													
Proceeds from sales	8,340,000	-	4,000,000	2,840,000	1,500,000								
Regional Housing Support Fund- Grant	4,024,969	4,024,969											
	12,364,969	4,024,969	4,000,000	2,840,000	1,500,000	-	-	-	-	-	-	-	-
Development Costs													
General/ Preliminaries	(1,009,673)	(1,009,673)											
Clearing, Earthworks & Dust Control	(2,845,821)	(2,845,821)											
Sewer Reticulation	(717,180)	(717,180)											
Stormwater Drainage	(500,673)	(500,673)											
Roadworks	(2,003,733)	(2,003,733)											
Service Installation & Ducting	(467,364)	(467,364)											
Water Reticulation	(391,378)	(391,378)											
Retaining Walls & Fencing	(1,359,415)	(1,359,415)											
Communications	(134,276)	(134,276)											
Provisionals & Contingency	(1,473,914)	(1,473,914)											
Utility Cost and Charges	(320,181)	(320,181)											
Tender & Contract Administration	(822,311)	(822,311)											
Financing Costs	(319,050)	(187,650)	(97,650)	(33,750)									
	(12,364,969)	(12,233,569)	(97,650)	(33,750)	-	-	-	-	-	-	-	-	-
NETT PROJECT FORECAST	-	(8,208,600)	3,902,350	2,806,250	1,500,000	-	-	-	-	-	-	-	-

In-Kind Support

Subdivision Design & QS	(151,427)												
Land Value	(295,000)	(295,000)											
Governance	(80,000)	(20,000)	(20,000)	(20,000)	(20,000)								
Sales Administration	(60,000)		(20,000)	(20,000)	(20,000)								
Business Case Development	(26,000)												
	(612,427)	(315,000)	(40,000)	(40,000)	(40,000)	-	-	-	-	-	-	-	-