

# Business Plan for Trading Undertaking

*Pursuant to the requirements of  
Section 3.59 of the Local Government Act 1995*

## Construction of Wave Rock (Katter Kich) Discovery Centre



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# 1. INTRODUCTION

## 1.1. Business Plan Purpose

This Business Plan has been prepared in accordance with Local Government Act 1995 (the Act) with respect to the proposal to construct and operate the Wave Rock (Katter Kich) Discovery Centre (the Proposal).

Section 3.59 of the Act requires all local governments to prepare a Business Plan prior to commencing a trading undertaking. The Proposal is considered a trading undertaking as prescribed under the Act.

The Act prescribes that the Business Plan is to provide details of the Proposal, including:

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

This Business Plan demonstrates that the Proposal will result in positive outcomes for the Shire of Kondinin, the local and wider communities and visitors.

## 1.2. Background

In developing the Shire's Strategic Community Plan 2022-2032, the community were extremely keen for the development of a multipurpose facility that met their needs and capitalised on cultural and tourism opportunities. This led to the specific success factor of *"Complete the Hyden Visitor Centre with additional funding"*.

In 2016, a Project Steering Group was established for this Project and includes Shire of Kondinin staff, Hyden Community Resource Centre and Hyden Progress Association members.

In 2017, the Shire engaged TPG Urban Design and Heritage Town Planners to develop the Hyden Town Revitalisation Plan. This Plan includes mention of the proposed Centre on the specific lots adjacent to Lions Park.

In 2018, the Hyden Progress Association purchased two lots of land with the intent for the Centre to be constructed on the vacant land. The Hyden Progress Association has committed to gifting the two lots of land to the Shire of Kondinin, the value of the two lots is \$250,000 as valued by Acumentis in January 2022.

At the December 2020 Council meeting the purpose of the Centre was endorsed and the Shire supported the project in principle.

In January 2021, concepts were drafted by Slavin Architects who also provided quantity surveyor costs from Wilde & Woollard. In February 2021, RPS Group undertook a Cost Benefit Analysis to model the economic and social outcomes that this Proposal will deliver.

In October 2023, the Shire commenced CCTV visitor counts at Wave Rock, which has revealed the following:

Month/Year	Visitors	Vehicles
Oct 2023	6,028	3,356
Nov 2023	6,086	3,253
Dec 2023	7,612	4,566
Jan 2024	8,257	5,027
Feb 2024	4,995	3,348
Mar 2024	9,875	4,622
Apr 2024	9,498	4,185
<b>Total</b>	<b>52,351</b>	<b>28,357</b>

In 2023, consultation and works recommenced and in November, Slavin Architects provided the concepts and floor plans as provided in this document. Collaboration has been at the forefront of this project which is evident from the involvement of community groups, local government and indigenous persons. In addition to provision of in-kind resources, the Shire and HPA have each confirmed a cash contribution of \$500,000. Foreseeing any potential for delays in construction, the Shire has established a Reserve Account to minimise the impact the delays may have on construction costs.

### The Proposal Purpose

*To create a sustainable multipurpose facility that accommodates year-round visitor, cultural, art, commercial and community activities in the Wheatbelt region of Western Australia.*

The Proposal will improve quality of life for residents and visitors to the Shire and the town of Hyden, create a vibrant space that will encourage people to meet, socialise and explore while still retaining Hyden's unique regional charm. Local and regional communities will benefit from the Proposal through:

- Establishment of an attractive 'central focal point' within the town that encourages social engagement between the local population and visitors, thereby increasing the town's vibrancy.
- Creation of a facility that will increase the attractiveness of the town for those seeking to visit Hyden or surrounding towns including Kondinin, Karlgarin and the south-west region.
- Co-location and centralisation of services which will increase opportunities for the community to access services and enable service delivery efficiencies.
- Development of a facility that combines indigenous and non-indigenous heritage, culture and art for display and enjoyment by the community and visitors.
- Enabling a prominent, main street presence for the Hyden Community Resource Centre (CRC) to provide information and services to the community and visitors.
- Attraction of new businesses to Hyden which will improve regional liveability and reduce vacant commercial premises.

The Centre includes a range of investments that aim to:

- Expand usage and awareness of local natural wonders including Wave Rock, Hippo's Yawn, Mulka's Cave, Granite & Woodlands Trail, Holland Track, McCanns Rocks and Yeerakine Rock;
- Leverage popularity of the Pathways to Wave Rock and Granite & Woodlands Trail which are the town's main visitor attractions;
- Increase awareness and knowledge of local produce, art, indigenous culture, the Kondinin Art Trail, murals and surrounds;
- Establish Wave Rock as 'must do' attraction for self-drive travellers and tour coaches/buses; and
- Increase visitor stays with provision of destination details of the region which may consequently lead to increasing visitor expenditure and boosting the local economy.

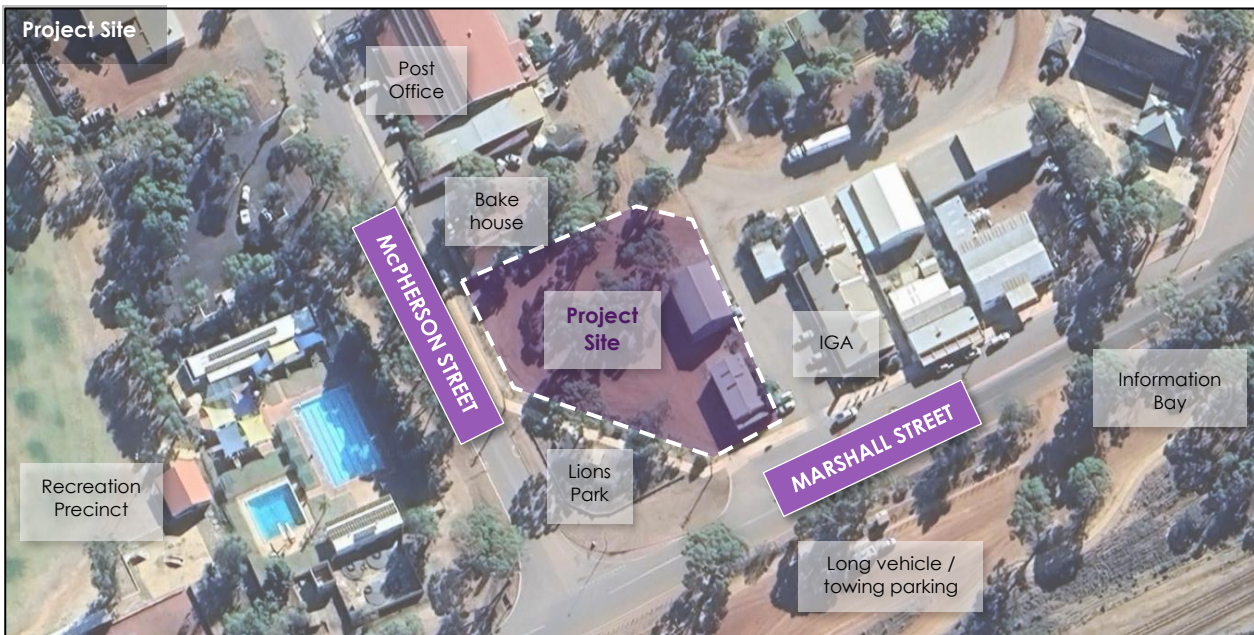
Although there is currently a small visitors centre near Wave Rock, it is privately operated by a local business, is not open year-round and is situated at Wave Rock, rather than in a prominent location on the main Highway to attract visitors to stop in Hyden when travelling the Perth to Esperance route and Kalgoorlie to Albany route. Hyden is currently positioned as a pass-through area for self-drive travellers and it is intended that the proposed Discovery Centre will be a highly visible information service that encourages visitors to stop in Hyden and boost the local economy. Additional retail space is included in the proposal which is intended to be leased to new tourism-based businesses to generate income and reduce long-term operating costs.

Dedicated visitor centres make an immediate financial contribution in their local area, and more broadly enhance the quality of visitor experiences and encourage future advocacy by visitors to the region (p. 1, *The Influence of Western Australian Visitor Centres on Tourist Behaviour*). More than 2.26 million visitors travel Australia's Golden Outback annually (Q4 2023, *Visitor Statistics, Tourism WA*). A purpose-built Centre will not only increase the quantity and quality of tourism infrastructure in the Wheatbelt region, it will also be an attraction that provides a platform to communicate the region's culture, history, environment and indigenous importance through interpretive displays, a theatre and art gallery. All of which are important methods to capturing the region's character, giving the community a sense of identity. The Wheatbelt has an extensive list of indigenous artists whom would benefit from exhibiting artwork in the gallery, with the potential for it to be sold, thus creating another income stream for indigenous artists.

## The Proposal Scope

This Proposal involves the construction of the Wave Rock (Katter Kich) Discovery Centre in the Shire of Kondinin's town of Hyden, in the Wheatbelt region of Western Australia. The Centre will be constructed on land at 36 Marshall Street in Hyden's town centre (-32.44971,118.86346).





The Wave Rock (Katter Kich) Discovery Centre Project includes:

- Constructing a 1,336sqm multipurpose community and discovery centre. The space will incorporate main foyer with entry and lounge, display space and reception/visitor information desk, gift store, gallery, discovery space, library, theatre, boardroom, workroom/studio, hot desks for visiting Shire of Kondinin staff, CRC offices, shared offices for visiting professionals and government agencies, retail floor space, commercial kitchen and amenities for staff and public amenities (including showers, ablutions, parents room) for users accessible from both indoors and outdoors.
- Constructing a landscape reflective of the rural context and local and regional influences.
- Creating a pedestrian friendly area with pathways connecting key facilities surrounding the project site including Coronation Park and the Hyden CBD.
- Creating parking with a new carpark to include regular parking bays and long vehicle/tour bus bays.

The concept design is informed by the community suggestions that the facility should be reflective of the rural context and local and regional influences. By eliminating dependence on internal load bearing walls, the building offers myriad options for internal use and function while remaining fully adaptable and open to changes of use into the future.

The roof form is pragmatic – simple forms designed to be low maintenance and derived from the building's solar orientation and the need to provide protection from harsh summer sun while maximising solar penetration in winter. Deep verandahs create 'outdoor' rooms for external activities, provide shelter from weather and offer viewing platforms to the landscaped courtyards and recreation space beyond.

The palette of materials has been chosen to reference the town's rural context. Cladding the structure with a combination of galvanised corrugated steel and large expanses of glass will offer a contemporary interpretation. Concept plans have been developed in collaboration with the Shire, Hyden Progress Association, Hyden Community Resource Centre, Katter Kich Gallery & Tours and architects as follows:

Front Entry



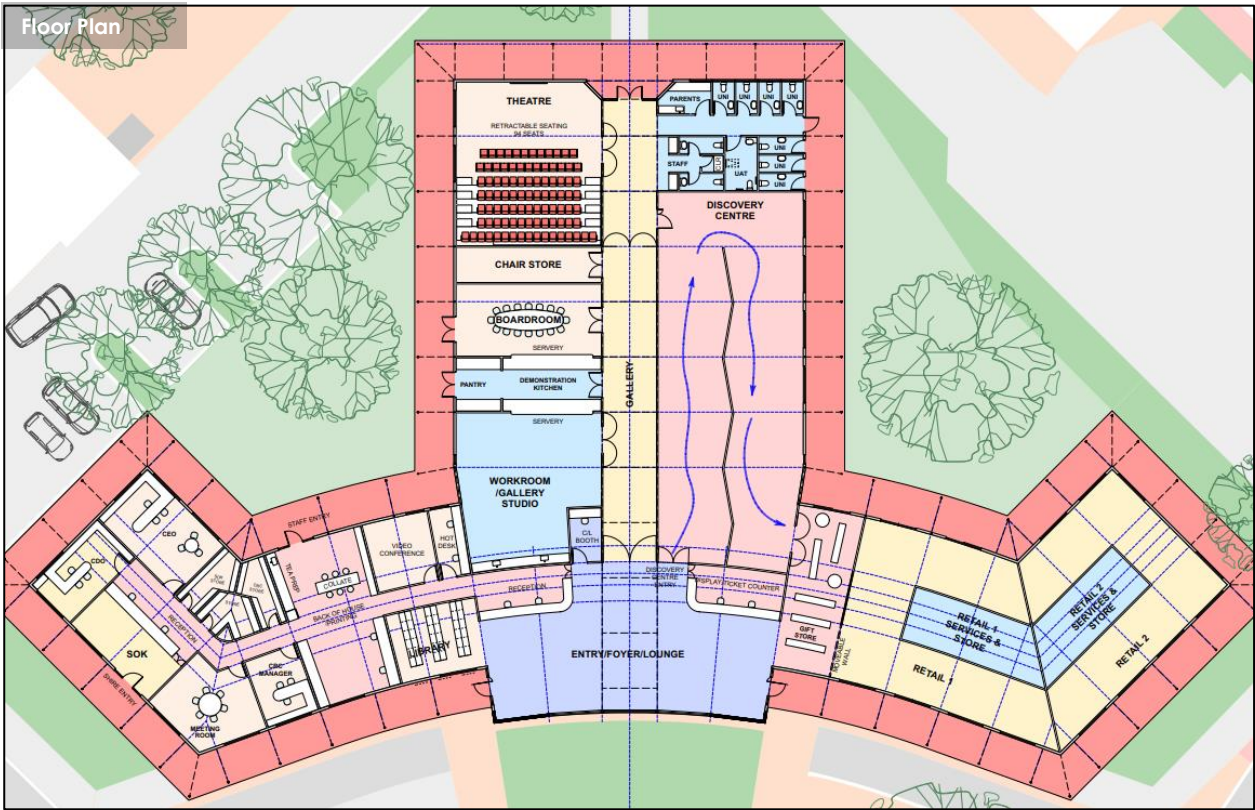
Back Entry



Front Facade







## Key Design Features

Key design features of the Centre include:

- The building form is designed to radiate around the intersection of Marshall and McPherson Streets.
- The one-way vehicle access for visitors, especially caravans, recreational vehicles, and a drop-off bay for tour buses, is safe to navigate and sufficiently distant from the intersections to avoid traffic conflict.
- Safe and clearly defined separation between pedestrian and vehicular traffic throughout the facility with pedestrian priority wherever possible.
- The central gallery provides a strong visual, sheltered, and paved connection to Coronation Park.
- The dominant main entry to the complex is readily identifiable as the heart of the facility. It will be highly visible during the day but will provide a highly visible beacon at night.
- The pavilions ensure adequate natural light, while at the same time, allowing for cross ventilation when climatic conditions permit.
- Universal access to be provided throughout the facility and to connections across the town.
- The layout of the facility would complement the installation of a public art piece at the intersection of Marshall and McPherson Streets.
- The instalment could act as a forecourt to the facility, a wayfinding element and an iconic attraction in its own right.
- The library will be accessible from the verandah, the courtyard and will be located adjacent to exhibition galleries.
- Two gallery wings suitable for accommodating multiple functions or displays. These would work in concert with the main central arcade.
- The kitchen can also serve directly out to the adjacent outdoor theatre, conference room and meeting room.
- Design for acoustic isolation between adjacent spaces and control of reverberation within individual spaces to ensure the facility provides a calm and pleasant environment without loud and unwanted noise.
- Design for occupant safety by incorporating high levels of passive supervision of public and communal areas and providing clearly defined, well-lit secure access points.
- All year weather protection for pedestrians in and around the facility.
- Solar Array prewired for future battery banks.
- All LED lighting to reduce power demand.
- Movement sensors to shut lighting down when spaces not in use.
- Reduced need for artificial lighting to providing high levels of natural daylight while minimising unwanted glare.
- Roof overhangs to control heat load and shelter against rain.
- Operable pergolas to provide shelter but have the capacity to be opened to allow direct sunlight into the building in winter.
- Traditional fixed verandahs.
- Hydronic floor heating for winter allows for floor heating whilst allowing for fresh air through the building. Indirect evaporative cooling for summer and 100% air change for healthy environment. This maximises indoor air quality and works in concert with natural ventilation to provide healthy internal environments for building occupants and visitors
- Upper clerestory along building axis. This is a traditional hot climate device to bring shaded light into the centre of the building while allowing for natural thermocycling for the removal of hot air from the building.
- Solar performance glazing to minimise energy use.

- No load bearing internal walls will enable a readily adaptable shell to suit a variety of uses and fitouts in response to new social, market and environmental changes. There is the option for open plan with mobile storage wall dividers instead of fixed partition walls. This system can allow for the immediate reorganising of rooms.
- The facility could easily be converted to function as a disaster emergency centre if required.
- Prefabricated elements can be utilised where possible to improve speed of construction and reduce on-site costs.
- External verandahs to provide a covered and protected perimeter to the building to give covered access to all areas of the building, offer shaded breakout spaces and present opportunities for sheltered outdoor alfresco for cafes.

This Project has been estimated to cost \$12,282,996 (ex gst) and it is expected that construction will be completed between 18-24 months from commencement.

The site for this Project is zoned "Commercial" under the Shire's Town Planning Scheme. Native title, environmental, vegetation clearing and heritage approval are not applicable to this Project. Currently, the land is vacant.

## 2. LOCAL GOVERNMENT ACT COMPLIANCE

In accordance with the Local Government Act 1995 Section 3.59, before it (a) commences a major trading undertaking; a local government is to prepare a business plan. The business plan is to include an overall assessment of the major trading undertaking and is to include details of – (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 the local governments planning for the future; and (e) the ability of the local government to manage the undertaking; and (f) any other matter prescribed for the purpose of this subsection.

### 2.1. Expected Effect On The Provision Of Facilities And Services By The Shire

The Proposal is not expected to impact provision of facilities and services provided by the Shire during construction as the project management will be outsourced. Post construction, the Proposal is expected to have a positive effect on the utilisation of existing Shire facilities and services through additional opportunities.

### 2.2. Expected Effect On Other Persons Providing Facilities And Services In The District

Other services and facilities operated by entities other than the Shire were assessed to determine the impact (if any) on their operations including health and medical support services, tourism operators, local produce suppliers and professional support services. It is expected that the Proposal will enable the opportunity for existing and future business ventures to positively benefit from its construction through increased revenue driven by additional visitation to the Shire.

## 2.3. Expected Financial Effect On The Local Government Finances

### 2.3.1 Development Costs

Wilde and Woollard (Cost Consultants & Quantity Surveyors) were requested by the Shire to provide a preliminary cost indication based on the concept plans prepared by Slavin Architects, as provided within this Business Plan. The development cost, including project contingency was estimated at \$12,282,996 excluding gst.

### 2.3.2 Project Funding

The Shire has budgeted \$7.5million for the period between 2026 and 2029 towards this Proposal. This contribution will leverage external funding opportunities. It is anticipated that community contributions will also be sought which will be considered favourably by funding providers. The HPA is contributing \$500,000 in cash and \$250,000 in-kind (land value) as well as other labour in-kind contributions as required.

### 2.3.3 Financial Position

The Proposal will increase the Shire's operational and maintenance expenditure however this will be offset by the hiring of meeting/conference spaces, merchandise sales and exhibition proceeds. An indicative income and expenditure statement has been developed for a ten-year timeframe with projections demonstrating a conservative return on investment. It is anticipated that the Proposal will have a positive net operating position within its first year of operation. While the exact return to the Shire is dependent on variables, the Proposal is not considered to be high risk.

Year	Expenses	Income	Net Operating Position
1	\$209,825.00	\$214,572.00	\$4,747.00
2	\$218,399.75	\$223,224.16	\$4,824.41
3	\$226,569.74	\$236,450.37	\$9,880.63
4	\$237,898.22	\$249,887.89	\$11,989.66
5	\$249,793.14	\$263,997.28	\$14,204.15
6	\$264,282.79	\$278,062.14	\$13,779.35
7	\$277,496.93	\$291,965.25	\$14,468.32
8	\$291,371.78	\$306,563.51	\$15,191.74
9	\$305,940.37	\$321,891.69	\$15,951.32
10	\$321,237.39	\$337,986.27	\$16,748.89

## 2.4. Expected Effect On Matters Referred To In The Local Government's Current Plan Pursuant To Section 5.56

Under section 5.56 of the Local Government Act 1995, a local government authority must plan for the future of the district. The current Local Government (Administration) Amendment Regulations (No. 2) 2011 require that as a minimum, each local government authority must prepare a Strategic Community Plan. A Strategic Community Plan must plan in detail for the next four years, and outline the strategic direction for the next 10 years.

The alignment of the Proposal with the current Shire of Kondinin Strategic Community Plan 2022-2032 is shown below. The Proposal is in alignment with identified outcomes and strategies across key areas of the Strategic Community Plan. In particular, the Proposal is expected to be highly supportive of local business and attracting new enterprises to the town.

## Kondinin Strategic Community Plan

Key Area	Strategic Priority	Success Factors	Alignment
Economy	2.1 Support the diverse industry across the Shire	Coordinated communication and promotion of business, employment and lifestyle opportunities occur	Undertaking the Proposal jointly will strengthen the economy through local employment and industry expansion.
	2.3 Coordinated planning and promotion of the visitor and tourist experience	RVs can access townsites and park close to amenities and businesses	The Proposal includes formalised parking areas for regular vehicles, towing vehicles and coaches.
		Visitors receive timely and up to date information on experiences, attractions and amenities	The Proposal will deliver a year-round, dedicated visitors centre to provide information.
		Complete the Hyden Visitor Centre with additional funding	The Proposal is to deliver a Community & Visitors Centre.
Community	1.1 Community members have the opportunity to be active, engaged and connected	Positive engagement and co-design of projects with young people occurs	The Proposal thus far has consulted with the community and key stakeholders, and will continue to do so through the detailed design phase.
		Showcasing local artists and attracting cultural events to communities	The Proposal enables opportunities for local produce and artworks to be exhibited as drivers for attracting events.
	1.2 Facilitate and advocate for quality health services, health facilities and programs in the Shire	Local health facilities, visiting allied health and volunteer health services are retained	The Proposal will enable the delivery of services that have previously not been able to occur due to infrastructure and accessibility barriers.
Civic Leadership	4.1 Skilled, capable and transparent team	Engage with the community on key projects and provide regular, transparent communication	The Proposal thus far has consulted with the community and key stakeholders, and will continue to do so through the detailed design phase.
	4.2 We are a compliant and resourced Local Government	External audits and reviews confirm compliance with relevant Local Government legislation	This business plan includes a public notice to inform the community of the intended plan to construct the Hyden Community & Visitors Centre.

## 2.5. The Ability Of The Local Government To Manage The Undertaking Or The Performance Of The Transaction

The Shire ordinarily administers large-scale financial undertakings in its day-to-day management of its assets and community facilities, with the assistance of suitably qualified professionals and specialist advisors as required.

The Shire has the capability and capacity to implement the Proposal as detailed in the Business Plan. The Shire's Chief Executive Officer will have overarching oversight of the Proposal, with the Proposal to be independently project managed by an external consultant. Project team members are likely to include representatives from:

- Hyden Progress Association
- Hyden Community Resource Centre
- Roe Tourism
- Hyden Business Community
- Construction Contractor

## 2.6. Any Other Matter Prescribed For The Purpose Of This Sub-Section

Nil

## 3. PUBLIC CONSULTATION AND ADVERTISING

Section 3.59 of the Local Government Act (1995) requires the Shire to advertise its intent to enter into any major land transaction and/or any major trading undertaking. The required notification must be done through State-wide advertising with a request for public submissions to be lodged with the Council.

Submissions received during a minimum six (6) week period will be considered by Council prior to any decision being made on the Proposal.

A public forum will also be convened by Council during the consultation period to field questions and provide clarification on this proposal.

All submissions must be received at the office of the Shire by 4.00pm on Friday, 30 August 2024 and addressed to:

Chief Executive Officer

Shire of Kondinin

PO Box 7

KONDININ WA 6367

Submissions should be clearly marked "*Submission for Business Plan – Trading Undertaking: Wave Rock (Katter Kich) Discovery Centre*".

Submissions may also be received across the counter at the Shire Administration Office or via email: [enquires@kondinin.wa.gov.au](mailto:enquires@kondinin.wa.gov.au)

All enquiries concerning this Business Plan should be directed to the Chief Executive Officer, David Burton, 08 9889 1006.