



MAJOR LAND TRANSACTION BUSINESS PLAN

Morawa Early Childhood Education & Family Centre

Prepared under Section 3.59, Local Government Act 1995



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1. Executive Summary

The Shire of Morawa proposes to undertake a Major Land Transaction involving the construction of the Morawa Early Childhood Education and Family Centre on Lot 409 (No.26) Prater Street, Morawa, and the subsequent lease of part of the facility to Regional Early Education and Development Inc. (REED), a not-for-profit ACECQA-approved Early Childhood Education and Care (ECEC) provider.

The project responds to long-identified community needs including:

- Critical shortage of childcare places
- High levels of developmental vulnerability (AEDC 2021)
- Lack of indoor play and family support spaces
- No permanent home for playgroup
- Workforce attraction and retention challenges
- Cultural and social inclusion needs for Aboriginal families

The project has received Development Approval (TP09/24) and is supported by a comprehensive Business Case, Needs Analysis, Cost Benefit Analysis, and Council resolutions.

The total project cost is \$4,200,000, with the Shire contributing \$1,253,225 and external grant funding of \$2,946,775 secured.



2. Legislative Framework

This Business Plan has been prepared in accordance with:

- Section 3.59 of the Local Government Act 1995
- Regulations 7 and 8A of the Local Government (Functions and General) Regulations 1996
- Section 5.56 of the Local Government Act 1995 (Strategic Community Plan and Corporate Business Plan)

This proposal constitutes a Major Land Transaction because the total value of the development and associated property transaction exceeds the prescribed threshold.



3. Description of the Proposed Transaction

3.1 Nature of the Transaction

The Shire proposes to:

1. Construct a new Early Childhood Education and Family Centre on Shire-owned land (Lot 409).
2. Lease the ECEC portion of the facility to REED under a peppercorn lease or licence (\$1 per term).
3. Retain ownership of the land and building.
4. Operate the Family Centre component as a Shire-managed community facility.

This constitutes a Major Land Transaction because:

- The capital expenditure exceeds \$2 million, and
- The lease constitutes a disposal of property under s3.58 and s3.59 of the Act.

3.2 Land Details

- Lot 409 on Deposited Plan 210931
- Certificate of Title Volume 1811 Folio 34
- Street Address: 26 Prater Street, Morawa
- Registered Proprietor: Shire of Morawa

3.3 Proposed Lease or Licence Terms (REED)

As outlined in the Partnership Agreement:

- Peppercorn rent: \$1 per term of agreement
- Shire provides:
 - Building insurance
 - Pest control
 - Fire safety testing
 - Electrical test & tag



- Basic garden maintenance
 - Maintenance of capital items
 - Access to subsidised staff accommodation
- REED provides:
 - 5-day-per-week childcare service
 - After-school care
 - Integration with Morawa District High School
 - Annual reporting to the Shire
 - Cultural engagement with MEEDAC and Aboriginal families
 - Responsibility for basic amenity maintenance such as paint refreshes, light globes, toys and consumables



4. Project Description

The Centre will include:

- Licensed Long Day Care (up to 19 children, expandable to 22)
- Out-of-School Hours Care
- Indoor play space
- Playgroup room
- Wellness room
- Consultation rooms for allied health
- Multipurpose community meeting rooms
- Culturally appropriate spaces for Aboriginal families
- Outdoor play areas
- Landscaping and shade structures

The facility is located adjacent to the Morawa Kindergarten and opposite Morawa District High School, enabling seamless early-years transition and school-readiness programs.



5. Project Cost and Funding

5.1 Total Project Cost

The final contracted construction cost is:

- \$4,200,000 (ex GST)

This figure reflects:

- Final builder contract
- Updated escalation
- Updated design and scope
- Confirmed professional fees and contingencies

5.2 Shire Contribution

Council has resolved to contribute:

- \$1,253,225

Funding source:

- Community & Economic Development Reserve: \$353,225
- WA Treasury Corporation 10-Year Loan: \$900,000

5.3 External Funding

The Shire has secured three separate grants to fund the majority of the project:

- Growing Regions Program – Round 2: Major funding component
- Lotterywest Grant: Community infrastructure and social outcomes support
- Regional Economic Development (REDs) Grant: Regional development and workforce participation support

Total external funding awarded:

- \$2,946,775

These grants collectively cover the major portion of project costs and ensure the project is fully financed.



6. Expected Effect on the Local Government

6.1 Financial Impacts

- Capital expenditure incorporated into the Long Term Financial Plan
- Operational costs limited to:
 - Building insurance
 - Pest control
 - Fire safety testing
 - Electrical test & tag
 - Basic garden maintenance
 - Maintenance of capital items
- REED responsible for all operational and staffing costs
- No negative long-term financial impact identified

6.2 Asset Management

The Centre will be included in:

- Strategic Asset Management Plan
- Asset Renewal Programs
- Long Term Financial Plan



7. Expected Effect on Strategic Planning Documents

The proposal supports the objectives of:

- Strategic Community Plan 2022-2032
- Corporate Business Plan
- Long Term Financial Plan
- Workforce and Economic Development objectives

Shire of Morawa Strategic Community Plan - 2022-2032

Enhance partnerships and alliances

Morawa will need to build and maintain strong partnerships with commercial operators, government agencies, and other large organisations to ensure the area is well connected to take advantage of opportunities as they arrive. Various alliances already exist but improvements in the way in which businesses and organisations in Morawa work with others will be paramount to generating ideas, opportunities, innovation and growth

Enhance health service provisions

To prosper a community needs strong health care services to ensure its members are healthy and able to contribute towards the success of the area. Morawa is currently well serviced as a subregional centre with quality primary health care services, doctor, District Hospital, and a regular mobile dental clinic. The Morawa lodge and aged care units offer support to aging residents but enhancements to support aging in place would be welcomed. As would increases in the availability of allied and non-critical health services. Mental health support continues to be a focal point across the district and broader region.

Ensure the Shire and its assets are well resourced and sustainable

The Shire of Morawa is essentially the major public service provider in the district. Overtime the State Government has withdrawn its physical presence from regional areas and the onus has been placed on Local Government to support the needs of the community. The Shire maintains a vast array of public use assets and infrastructure. A well run and well-resourced local government is paramount to the development of the community and district.

The benefits of a well-run and resourced local government in a remote area will go beyond the standard operational outputs but will contribute to the maintenance of the social fabric of the town. It is important that the Shire continually reviews all operations and assets with a



continuous improvement and affordability mindset to enhance value for the community wherever possible.

Foster passion and belief in younger residents

Morawa hosts quality educational facilities and the district high school's motto to grow good people seems to resonate around the community. Morawa is genuinely committed to seeing the younger generation prosper and fulfill their potential. Overcoming the alienation and dis-engagement of the younger generation will be key to achieving a vibrant and inclusive community. For families to move to or back to Morawa they must see it as a good fit for their children to grow into passionate, engaged, and proactive young adults. This goes beyond the education system and falls on to the broader community to engage and empower young people to be an integral part in the future of Morawa.



8. Ability of the Shire to Perform the Transaction

The Shire has:

- Secured all grant funding;
- Entered into a building contract;
- Obtained development approval;
- Incorporated the project into its Long Term Financial Plan;
- Established a partnership framework with REED; and
- Allocated internal project management and governance resources.

Accordingly, the Shire is satisfied it possesses the capacity and resources necessary to complete and manage the transaction.



9. Expected Effect on Other Persons Providing Facilities and Services in the District

The proposal is expected to complement rather than compete with existing service providers.

The facility will increase the availability of early childhood education and care services within Morawa and assist existing employers, including the Morawa District High School, Morawa Hospital, local businesses and government agencies, to attract and retain staff.

The Centre will provide accommodation for allied health, parenting programs and family support services which are currently delivered on a visiting basis or from dispersed locations.

No significant adverse impacts on existing providers have been identified.



10. Expected Community and Economic Benefits

10.1 Cost Benefit Analysis (Whitney Consulting, 2024)

Net Present Value (NPV):

Discount Rate	NPV
4%	\$17.10m
7%	\$13.96m
10%	\$11.81m

Benefit Cost Ratio (BCR):

Discount Rate	BCR
4%	5.78
7%	5.12
10%	4.65

10.2 Key Benefits

- Increased workforce participation
- Attraction and retention of essential workers
- Improved early childhood development outcomes
- Reduced long-term social costs
- Strong benefits for Aboriginal families
- Increased GRP and local business turnover
- Enhanced community wellbeing and social cohesion
- Indoor play and family support spaces
- Permanent home for playgroup
- Culturally safe environment for families



11. Rationale for the Transaction

The Needs Analysis (Jill Cameron & Associates, 2022) identified:

- Existing FDC service nearing end-of-life
- Insufficient childcare places
- High developmental vulnerability
- Lack of suitable indoor play spaces
- Limited support for isolated parents
- No permanent playgroup venue
- No suitable space for allied health services
- Strong demand from employers
- Aboriginal families not accessing current services

REED is the only regional not-for-profit provider specialising in small rural centres.



12. Risks and Mitigation

Risk	Mitigation
Construction cost escalation	Final contract executed; contingencies included
Workforce shortages	REED recruitment pathways; MDHS VET partnerships
Demand fluctuations	Flexible 19–22 place design; OSHC services
Operational sustainability	REED break-even model; peppercorn lease



13. Public Consultation Requirements

In accordance with s3.59 of the Local Government Act 1995, the Shire will:

1. Give statewide public notice of this Business Plan.
2. Make the Business Plan available for inspection for at least 6 weeks.
3. Invite written submissions from the public.
4. Consider all submissions at a Council meeting.
5. Decide whether to:
 - Proceed with the transaction
 - Proceed with amendments
 - Not proceed



14. Submission Details

Submissions must be lodged on or before 4:00pm, 16 November 2026.

Shire of Morawa PO Box 14, Morawa WA 6623 Email: admin@morawa.wa.gov.au



15. Attachments

1. Business Case – Morawa Child & Family Centre
2. Cost Benefit Analysis
3. Needs Analysis Report
4. Development Approval (TP09/24)
5. Partnership Agreement with REED
6. Certificate of Title – Lot 409
7. Builder Contract Summary (confidential extract)
8. Council Resolutions (20 July 2023, 18 December 2023, & 19 September 2024)



16. Council Consideration

Following the close of the public submission period, Council will consider all submissions received and determine whether to:

- Proceed with the Major Land Transaction
- Proceed with modifications to the proposal
- Not proceed with the Major Land Transaction