

21 April 2021

Joanne Soderlund  
Acting Chief Executive Officer  
Shire of Cocos Keeling Islands  
PO BOX 1094, WA 6799

Dear Joanne,

**PROPOSAL TO LEASE LAND HELD IN TRUST UNDER THE LAND TRUST 1984 LOT 18 HOME ISLAND RETAIL**

We wish to enter into a lease agreement with the Cocos (Keeling) Islands Shire Council for the below listed land.

**SITE AND LOCATION**

Part Lot 18 Home Island Retail Precinct. The purpose for this retail space is a Bakery with a total area of 22.7m<sup>2</sup>.

**LEASE TERM REQUESTED**

Baked by Zahra Bakery wish to lease this parcel of land for a period of 3 years with an option of a further 3 years.

**RETAIL OUTLET PLANS**

Items listed essential are the items we would like to seek financial assistance to purchase, which will assist us greatly with starting up the business. These will remain as permanent fixtures and property of the Shire.

<b>ITEM</b>	<b>COST</b>
<b>Essential</b>	
Tray Rack – 18 shelves	600
Rotel Oven	15,000
Chef 60cm Stove Top	600
Paramount Bread Slicer	3,000
Anvil Planetary Bowl Mixer	3,000
Woodson Pie Warmer	1,200
Skopec Glass Door Fridge	3,500
<b>TOTAL</b>	<b>26,900</b>

<b>Non-Essential – Nice to Have</b>	
Paramount Dough Divider	12,000
La Marzocco Coffee Machine	4,400
Pastry Sheeter	6,700
Miscellaneous other benchtop equipment	4,000
<b>TOTAL</b>	<b>27,100</b>

Baked by Zahra will be responsible for the purchase of any of the non-essential items listed above once the business is established and cashflow allows.

### **WASTE MANAGEMENT**

Majority of our supplies will be bought from Perth in bulk as freight delivery to the islands can become irregular and unreliable at times. Depending on quantity of our sales our supplies and ingredients will come via sea freight monthly or fortnight Toll Freighter service. Cardboard boxes will be disposed at the HI Recycling Station. Food and any general waste will be disposed in the green bin. Bottles and aluminium will be disposed off in the yellow and red recycling bins. Used cooking oil will be disposed off at collection point at HI Transfer Station.

### **ECONOMIC AND SOCIAL OUTCOMES**

**Employment** – Baked by Zahra anticipate employing residents with the daily operations of the bakery. At the commencement of the business, we are proposing to employ three locals and would possibly increase after such time when the business is more established. The bakery extends its economic benefit throughout the islands by the supply of its bakery goods to other local businesses either on West or Home Island:

**Community Benefit** – There is currently no bakery establishment on Home Island. The HI community rely heavily on imported bakery items such as bread on the fortnightly air freight service from the local supermarket. For bread that is not sold at the supermarket on the weekend will be refrigerated to be sold on another day. There is never fresh bread available unless locals make it themselves. The bakery can be a one stop shop for all bakery supplies such as bread, patisseries, and cakes.

**Tourism Benefit** – The business will provide another café dining and takeaway service whilst visiting HI.

### **OUTCOME BASED MILESTONES TO INCLUDE IN THE LEASE**

Nil

**MARKET VALUATION**

We acknowledge the Shire uses the market value as determined by an independent register valuer to determine the lease fee considering any requests for the retail space. We will be informed once the Shire receives the valuation prior to any finalisation of the lease. We understand that the lease valuation will factor in the essential bakery fixtures as part of the valuation that will remain the asset of the Shire.

Kind regards,

Azah Badlu & Siti Az-Zahra Azah