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**Boodarie Entrance Road Contribution (File No. 18/07/0002)**

Author	Manager Town Planning & Development
Authorising Officer	Chief Executive Officer
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**OFFICER'S RECOMMENDATION 1**

That Council:

1. Agrees to the request by Main Roads WA dated 20 August 2019 to provide a joint financial contribution (up to \$250,000) in collaboration with other relevant State Government agencies toward construction of the Boodarie Entrance Road project as key enabling infrastructure toward development of the Boodarie Strategic Industrial Area.
2. Delegates to the Chief Executive Officer to negotiate with LandCorp, Department of Jobs, Tourism, Science and Innovation, Pilbara Development Commission and Department of Primary Industries and Regional Development to negotiate a suitable funding arrangement to cost share the \$250,000 contribution.

*SIMPLE MAJORITY VOTE REQUIRED*

**OFFICER'S RECOMMENDATION 2**

That Council:

- 1 Adopts to amend the 2019/20 budget to include up to \$250,000 (subject to negotiation with funding partners) of operating expenditure for the Boodarie Entrance Road project to be funded from materials and contracts, to be funded by savings identified during quarter one budget review resulting in a nil impact to the current projected municipal surplus of \$875,802 as at 30 June 2020.

*ABSOLUTE MAJORITY VOTE REQUIRED*

**PURPOSE**

The purpose of this report is for Council to consider jointly contributing funds toward construction of the Boodarie Entrance Road, following receipt of a letter by Main Roads WA which states that Main Roads WA are able to construct the entrance road at a

significantly reduced cost with existing contractors on site that are currently constructing Great Northern Highway roadworks.

## DETAIL

The Town has been advocating for the State Government to construct the Boodarie Entrance Road as key enabling economic infrastructure to attract proponents to the Boodarie Strategic Industrial Area, which has been planned for but its development has stalled due to an absence of investment in infrastructure by the State Government and private sector.

Main Roads WA are currently constructing significant Great Northern Highway roadworks associated with the Roy Hill Rail Bridge, which extend to the existing Boodarie Access Road intersection.

A meeting was held on 24 July 2019 between Officers of Main Roads WA, LandCorp and the Town of Port Hedland, which indicated Main Roads WA may be able to construct the Boodarie Entrance Road with a small cost contribution from the Town and/or LandCorp. The Town received a follow-up letter dated 21 August 2019 (Attachment 1) which requests \$250,000 contribution toward funding construction of the entrance road from the Town and/or LandCorp, with a response to be provided by 6 September 2019. Preliminary discussions with LandCorp indicate they are constrained to provide the funding in the absence of a return in investment from a proponent. This constraint on LandCorp's part is a key reason why development of the estate has not commenced, as proponents have been reluctant to fund the enabling infrastructure. LandCorp have indicated there may be avenues to have the funding reimbursed through Department of Jobs, Tourism, Science & Innovation (JTSI), Pilbara Development Commission (PDC) and Department of Primary Industries & Regional Development (DPIRD) however the response timeframe set by Main Roads WA may prevent these agencies from being able to commit to provide funding in time for the 6 September 2019 date set by Main Roads WA to facilitate the construction.

The Officer Recommendation in relation to the contribution is therefore to enter discussions with LandCorp, JTSI, PDC and DPIRD with the view of jointly contributing the \$250,000 requested by Main Roads WA with contributions also being made by other State Government departments. Agreement by the Town to provide the full \$250,000 contribution in the absence of holding these discussions would represent a financial risk to the Town that may not see financial return in the short to medium term.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, as the Boodarie Entrance Road is a key enabling piece of strategic infrastructure that has the potential to unlock investment in the Boodarie Strategic Industrial Area and downstream resource processing opportunities which will in turn drive population and economic growth.

## CONSULTATION

### *Internal*

Director Corporate & Performance  
Chief Executive Officer

### *External Agencies*

Main Roads WA  
LandCorp  
Pilbara Development Commission  
Department of Jobs, Tourism, Science & Innovation

## LEGISLATION AND POLICY CONSIDERATIONS

### *Local Government Act 1995*

## FINANCIAL AND RESOURCES IMPLICATIONS

As this matter has arisen as a result of correspondence received from Main Roads WA relating to a construction project currently underway, no budget has been included in the 2019/20 annual budget. There will be minimal financial impact as the Town will be funding the project by reducing spend in other areas.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 2.a.2** Partnerships with private enterprises and government to fund projects and create jobs are pursued
- 2.d.1** Investment in key infrastructure development such as the port and logistics is pursued
- 2.d.2** The development of industry specific value chains are encouraged and supported
- 3.b.1** The present and future needs for serviced land and infrastructure provision are identified, planned and developed

There are no significant identifiable environmental or social impacts relating to this item.

There is the potential for significant economic benefit associated with this item, as investment in the Boodarie Entrance Road has the potential to stimulate interest for strategic industrial developments to locate within the Boodarie Strategic Industrial Area.

## RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this item because it is not the Town's core business to invest in main roads intersections and infrastructure projects where the Town is not the leading proponent. There is a financial risk that the Town may not be reimbursed part or all of the \$250,000 from LandCorp, PDC and/or the Department of JTSI agencies. The risk rating is considered to be medium (9), which is determined by a likelihood of possible (3) and a consequence of moderate (3).

To reduce this risk, the action plan is to discuss a joint funding contribution with LandCorp, PDC, JTSI and DPIRD to cover the \$250,000 cost contribution associated with the intersection upgrades.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

Main Roads WA currently have contractors on site constructing major road works on Great Northern Highway in the vicinity of Boodarie Strategic Industrial Area. The Town has been advocating for construction of the Boodarie Entrance Road for many years. Main Roads WA has approached the Town and stated it can construct the Boodarie Entrance Road at a substantially reduced price (\$250,000 is requested) using contractors on site, but requires a response by 6 September 2019. The intersection would otherwise cost \$4.2m if committed as a standalone project. It is recommended the Town commits to negotiating a joint funding contribution with LandCorp, PDC, JTSI and DPIRD to support Main Roads WA request to construct the Boodarie Entrance Road.

## ATTACHMENTS

1. Letter from Main Roads WA dated 21 August 2019
2. Boodarie Entrance Road Design



Enquiries: [REDACTED]  
Our Ref: 1777838  
Your Ref: N/A

20 August 2019

[REDACTED]  
Town of Port Hedland

Via Email: [REDACTED]

Dear [REDACTED],

## **BOODARIE ENTRANCE ROAD - DEVELOPMENT**

Following our meeting on Wednesday the 24<sup>th</sup> of July 2019 where we discussed the potential development of the Boodarie Entrance Rd in conjunction with additional works Main Roads WA (MRWA) are currently undertaking on Great Northern Hwy in that area, please see the below information:

- MRWA Pilbara Region are currently constructing an overtaking lane on Great Northern Hwy southbound in the vicinity of the current Boodarie Access Rd which serves as access to the TransAlta Power Station as well as other light industrial interests, and also serves as the future access for the Boodarie Industrial Estate.
- MRWA has identified there is the potential to construct a new intersection at Great Northern Hwy / Boodarie Access Rd as per the design which was completed and approved to Main Roads back in 2017.
- MRWA is willing to complete the majority of works required on the Great Northern Hwy section of the intersection, however are seeking a financial input from other interested parties such as the Town of Port Hedland and Landcorp, to assist in finalising the additional construction needed on the Boodarie Access Rd side of the intersection. This cost would be approximately \$250,000.
- The works required on the Boodarie Entrance Rd would be minor widening to the apron, pavement upgrades and sealing works. Kerbing and associated drainage would not be included in the construction as MRWA deems this unnecessary.
- Currently the works on Great Northern Hwy are progressing however, a decision as to whether the intersection upgrade works can go ahead needs to be made no later than Friday the 6<sup>th</sup> of September 2019. This will allow the current works program to be expanded to include the new works.
- It should be noted that the intersection upgrade as per the approved design, if constructed separately to the current works would cost in the vicinity of \$2,000,000 to complete, which represents a significant cost to whichever private contractor would carry out these works.
- MRWA are willing to undertake the management of the intersection upgrade in conjunction with stakeholders such as the Town of Port Hedland and Landcorp.



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- The upgrade of this intersection would also allow for safer access and egress for the power station employees, MRWA has fielded numerous near miss and incident reports from TransAlta at this intersection, which would be alleviated with the upgrade.
- Should other stakeholders not wish to financially contribute, MRWA will still construct minor upgrades to the intersection, in the form of a channelised left turn only from Great Northern Hwy into Boodarie Access Rd however, that will be the limit of the scope without additional funding.

Main Roads WA reserves the right to review and remove this proposal should circumstances change. If you require any further information, please contact [REDACTED]

Yours sincerely

[REDACTED]

[REDACTED]

PILBARA REGION

Cc: David Cooper - Landcorp

ATTACHMENT 2: BOODARIE ENTRANCE ROAD DESIGN



Red hatched areas indicate where \$250,000 will be spent on widening of aprons to enable safe heavy vehicle access