



**Town of Port Hedland**

**MINUTES**

**OF THE**

**SPECIAL MEETING  
OF THE TOWN OF PORT HEDLAND COUNCIL**

**HELD ON**

**FRIDAY 13 JANUARY 2012**

**COMMENCING AT 17:30 PM**

**IN COUNCIL CHAMBERS  
McGREGOR STREET, PORT HEDLAND**

*Purpose of Meeting: To consider:  
Proposed Development of Precinct 3 at the Port Hedland International Airport via Private  
Treaty with BHP Billiton: Consideration of Submissions on Business Plan (File No.:  
01/04/0001)*

*Paul Martin  
Chief Executive Officer*



## OUR COMMITMENT

To enhance social, environmental and economic well-being through leadership and working in partnership with the Community.

## TABLE OF CONTENTS

<b>ITEM 1</b>	<b>OPENING OF MEETING .....</b>	<b>4</b>
1.1	OPENING .....	4
<b>ITEM 2</b>	<b>RECORDING OF ATTENDANCE AND APOLOGIES .....</b>	<b>4</b>
2.1	ATTENDANCE .....	4
2.2	APOLOGIES.....	4
2.3	APPROVED LEAVE OF ABSENCE .....	4
<b>ITEM 3</b>	<b>PUBLIC TIME .....</b>	<b>5</b>
3.1	PUBLIC QUESTIONS .....	5
3.1.1	<i>Alec Lavell.....</i>	5
3.1.2	<i>Julie Matheson (Port Hedland resident for 25 years) .....</i>	5
3.1.3	<i>Penny Taylor.....</i>	6
3.2	PUBLIC STATEMENTS .....	7
3.2.1	<i>Chris Whalley.....</i>	7
<b>ITEM 4</b>	<b>QUESTIONS FROM MEMBERS WITHOUT NOTICE .....</b>	<b>7</b>
4.1.1	<i>Cr J M Gillingham .....</i>	7
4.1.2	<i>Cr G A Jacob.....</i>	8
<b>ITEM 5</b>	<b>DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING .....</b>	<b>8</b>
<b>ITEM 6</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS .....</b>	<b>8</b>
6.1.1	CARL BINNING, VICE PRESIDENT, HEALTH SAFETY, ENVIRONMENT & COMMUNITY, BHP BILLITON IRON ORE. ...	8
<b>ITEM 7</b>	<b>REPORTS OF OFFICERS .....</b>	<b>9</b>
7.1	CORPORATE SERVICES.....	9
7.1.1	<i>Proposed Development of Precinct 3 at the Port Hedland International Airport via Private Treaty with BHP Billiton: Consideration of Submissions on Business Plan (File No.: 01/04/0001) .....</i>	9
<b>ITEM 8</b>	<b>CLOSURE .....</b>	<b>109</b>
8.1	CLOSURE.....	109

Corrected at the Ordinary Meeting of the Town of Port Hedland Council on 25 January 2012 per Council Resolution 201112/287.

*NOTE: A member of the public did not rise during the opening of the meeting.*

## **ITEM 1      OPENING OF MEETING**

### **1.1          Opening**

The Mayor declared the meeting open at 5:32 and acknowledged the traditional owners, the Kariyarra people.

## **ITEM 2      RECORDING OF ATTENDANCE AND APOLOGIES**

### **2.1          Attendance**

Mayor Kelly A Howlett  
Councillor George J Daccache  
Councillor Stan R Martin  
Councillor Jan M Gillingham  
Councillor David W Hooper  
Councilor Julie E Hunt  
Councilor Gloria A Jacob

Mr Paul Martin	Chief Executive Officer
Ms Natalie Octoman	Director Corporate Services
Mr Russell Dyer	Director Engineering Services
Mr Gordon MacMile	Director Community Development
Mr Leonard Long	Acting Director Planning and Development
Miss Josephine Bianchi	Governance Coordinator

Members of staff	7
Members of the Public	15
Members of the Media	2

### **2.2          Apologies**

Councillor Arnold A Carter  
Councillor Michael (Bill) Dziombak

### **2.3          Approved Leave of Absence**

Nil

**ITEM 3 PUBLIC TIME**

5:33pm Mayor opened public question time.

**3.1 Public Questions**

*NOTE: Mayor read out questions that had been submitted by the following three members of the public prior to the meeting as they could not attend the meeting on the night.*

**3.1.1 Alec Lavell**

*Where in this Council initiative does this business plan address the social, environmental and financial costs of Council vision for 2025, loss of potential revenue to our shopping and entertainment precincts, and the impact of continuing the social divide?*

Mayor advised the following:

- This is not a Council initiative. Whilst the business plan is a document prepared by the Town of Port Hedland it is about a proposal from BHPB.
- Council's vision for the future is reflected in the Draft Pilbara's Port City Growth Plan.

**3.1.2 Julie Matheson (Port Hedland resident for 25 years)**

*Why is this Council initiative promoting the separation of potential residents from the rest of the community and encouraging self-contained, temporary accommodation that is kilometres apart from Port Hedland's amenities, shopping, entertainment and living environments?*

Mayor advised the following:

- This is not a Council initiative but is a business plan about a proposal from BHPB to the Town which the community has had an opportunity to comment upon.
- The proposal is for a construction workforce not operational staff.
- The location was identified following discussions with BHPB and the Town of Port Hedland and this use is consistent with the Draft Pilbara's Port City Growth Plan, the Airport Land Use Master Plan and is in line with other Transient Workforce Accommodation (TWA) camps already located at the Airport.

**3.1.3 Penny Taylor**

*What are the measured positive and negative outcomes from the existing camp (Port Haven Village) placed near the airport?*

Mayor advised the following:

- The lease for Port Haven returns over \$750,000 per annum and funds Council's loan for its contribution towards the Multi Purpose Recreation Centre.
- The aims of integration have not materialised as much as Council would have liked, despite our concerted efforts, hence the incorporation of a Community Integration Committee from the outset. BHPB proposed to fund \$200,000 for studies and investigations to try to get the best integration outcomes.

*The financial benefits to the TOPH for this proposal seem to be the only positive in the TOPH report, can you explain how this won't be at the expense of other local businesses?*

Mayor advised the following:

The Town of Port Hedland has successfully lobbied the State Government to amend legislation to require BHPB to prepare a "Local content plan" as part of their Pilbara operations. We understand this plan will identify positive and negative impacts on local businesses and commit to mitigation strategies.

*How has the increased population on a day-to-day basis facilitated by accommodation for 6000 people been taken into account for service provision in town and how does this increase affect the planning decision?*

Mayor advised the following:

The Town of Port Hedland has successfully lobbied the State Government to amend legislation to require BHPB to prepare a "Community Development Plan" for their Pilbara operations. This plan, which will be referred to the Council for comment, will identify impacts on the community and propose mitigation strategies.

*Why does the TOPH insist on choosing sites for FIFO camps that separate people from places such as shops, sporting facilities and residential areas where they could contribute to the local economy, sport scene, volunteering opportunities and community as a whole?*

Mayor advised the following:

- The Airport land is owned freehold by the Town of Port Hedland and developing a TWA on this parcel is consistent with the Port Hedland International Airport Land Use Master Plan, the Draft Pilbara's Port City Growth Plan and is in line with other TWA's already in existence on airport land.
- This Fly-IN-Fly-Out (FIFO) camp is for a construction workforce.

5:38 pm Mayor closed public question time.

### **3.2 Public Statements**

5:38 pm Mayor opened public statements time.

#### **3.2.1 Chris Whalley**

Mr Whalley stated that the number one issue that Council will have to deal with this year is FIFO workers. Mr Whalley believes that in order to deal with this matter Council needs to create and endorse a policy to this regard as soon as possible. The community needs to know how many FIFOs it can expect to come to town and for how long.

If the town is going to assist to an escalation of FIFO workers in a short period of time Mr Whalley has taken the decision to leave as he does not want to live in a place where FIFOs represent 50% of the population.

5:40pm Mayor closed public statements time.

### **ITEM 4 QUESTIONS FROM MEMBERS WITHOUT NOTICE**

#### **4.1.1 Cr J M Gillingham**

*Councillor Gillingham on behalf of a member of the public, queried the cost incurred to date in developing the business plan listed on page 23 of the agenda, which seems to be rather small given the extent of the plan.*

Director Corporate Services advised that the cost for the development of the plan listed on page 23 of the agenda is correct.

*Councilor Gillingham asked Council to ensure it gets the returns it truly deserves if it decides to go ahead with the proposed business plan tonight.*

*Councilor Gillingham also asked that Council keep in mind the code of conduct at all times when voting on this item tonight and that it votes on the exact information it should be receiving.*

#### **4.1.2 Cr G A Jacob**

*If it was proposed to lease rather than sell Lot 34 but the financial return to the town was to remain the same in value, would this be considered a significant change to the business plan?*

Director Corporate Services advised that in accordance with legal advice received and sections 3.58 and 3.59 of the *Local Government Act 1995* the change in transaction Councilor Jacob refers to would be considered a significant change to the business plan.

#### **ITEM 5 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING**

Mayor K A Howlett	Cr D W Hooper
Cr G J Daccache	Cr J E Hunt
Cr S R Martin	Cr G A Jacob
Cr J M Gillingham	

#### **ITEM 6 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS**

##### **6.1.1 Carl Binning, Vice President, Health Safety, Environment & Community, BHP Billiton Iron Ore.**

Mr Binning gave a presentation that outlined BHP Billiton's current position with regard to its Port Hedland outer harbor project and its urgent need for FIFO construction workforce. Mr Binning advised that although accommodation for its construction workforce is urgently required, BHPB supports the officer's recommendation included in the agenda and that it has a strong commitment to provide permanent accommodation in town. Mr Binning stated that BHPB supports the Pilbara Cities vision and will continue to engage in discussions with the Town in relation to all the issues submitted in the public submissions in relation to the advertised business plan.





This report will:

- Summarise the processes and decisions that have been made to date on this issue.
- Outline and discuss the community feedback that has been received on the Business Plan.
- Seek Council direction on the matter.

### **Background**

Council has long recognised the need for additional land to meet the needs of the Town's growing population. Council has strongly advocated for the release of land and has examined alternatives to assist in minimizing accommodation impacts of resource related growth.

One strategy that the Council has previously agreed to pursue is the development of a temporary Transient Workforce Accommodation Facility (TWA) on freehold land that the Town owns at the Port Hedland International Airport (PHIA).

#### *27 August 2008 Ordinary Meeting of Council*

At the Ordinary Meeting Council on 27<sup>th</sup> August 2008, Council adopted a Guidance Note for prospective TWA developers. The Guidance Note specifies the Key Principals that Council will consider when assessing TWA proposals. The Guidance Note also identifies the characteristics of various styles of TWA facilities and identifies preferred locations for each style of TWA.

Within this document, the PHIA was identified as the preferred location for 'Traditional Donga Camps' that are used for '*short term accommodation to address 'spikes' in construction workforce numbers with the facilities being removed at the end of the construction spike.*'

It is worth noting that since 2008 there have been a significant number of construction projects that have commenced or are planned to commence, which has dramatically increased the requirement for TWA's to enable these projects to occur.

BHPB met with Town of Port Hedland Officers and Councillors in May 2011 where BHPB presented their accommodation strategy in relation to the proposed Outer Harbor and other growth plans. Further workshops were held thereafter where the airport land was identified as a possible site for a construction workforce to be located.

*27 July 2011 Ordinary Council Meeting*

At the Ordinary Council Meeting on 27 July 2011, the Port Hedland International Airport Land Use Master Plan (PHIALUMP) was adopted, and a confidential item was also considered by Council whereby the recommendation was:-

*“That Council:*

- 1. Thanks BHP Billiton for the proposal and acknowledges it has significant benefits for both the organisation and the community;*
- 2. Indicates to BHP Billiton that it would like to see slight improvements to the proposal to warrant it being considered as private treaty arrangement in accordance with the Local Government Act in the following areas:*
  - a. Rooms available for occupation for other construction workers immediately as part of the proposal which can be managed by a third party;*
  - b. The amount of the lease fee for the 60ha needs to be improved; and*
  - c. The 10ha BHP Billiton wishes to purchase at unimproved value (for a workshop area) should be in addition to the 40ha of industrial subdivision created not as part of it.*
- 3. Requests the Chief Executive Officer (using funds from account 1210253 “Land Development Costs”) to develop the proposal for consideration of a disposal via a private treaty arrangement in accordance with the Local Government Act 1995 by:*
  - a. Preparing a business plan in accordance with section 3.59 of the Local Government Act 1995 which reflects the proposal from BHP Billiton and addresses the issues raised above;*
  - b. Obtaining independent financial modelling (to be included in the business plan) outlining the financial returns to the Council which includes but is not limited to:*
    - i. Estimates of the costs of subdivision for the industrial land including the costs of providing services to the site and any fill required;*
    - ii. Independent valuation of the land to be leased to BHP Billiton; and*
    - iii. Independent valuation of the land which will be available for sale at the end of the subdivision.*

- c. *Presenting the business plan to council for consideration prior to advertising process.*
4. *Council establish a Working group to be Chaired by Mr Ian Taylor comprising representatives from the Town of Port Hedland including the Mayor, Cr D W Hooper, Cr J W Gillingham, Cr A A Carter, and Chief Executive Officer together with representatives from BHP Billiton to ensure that communication flows between the parties as the business plan is developed.*
5. *Request the Chief Executive Officer to report to a future Council meeting on the options to publicly dispose of other land at the Airport for the purposes of construction workers facilities.”*

The PHIA Precinct 3 Working Group met 4 times throughout the period and provided a forum for negotiations to take place. The Working Group made a significant contribution towards facilitating the negotiated outcome that was presented before Council via the draft Business Plan. This group was not provided decision-making authority upon its establishment, and was more a vehicle for communication.

Negotiations in relation to the development progressed significantly from the initial proposal, and independent modelling and valuations were received by the Town and used to analyse the proposal that assisted in developing the draft Business Plan.

#### *8 November 2011 Special Meeting of Council*

At the 8<sup>th</sup> November Special Meeting of Council, the draft Business Plan for the proposal by the Town of Port Hedland to enter into a Major Land Transaction via Private Treaty with BHP Billiton Iron Ore for the Development of Precinct 3 at the Port Hedland International Airport was endorsed for advertising where the recommendation was:-

*“That Council:*

1. *Acknowledges the negotiations with BHP Billiton and thanks BHP Billiton for their final offer;*
2. *Notes the contents of the Revised Development of Precinct 3 at the Port Hedland International Airport via Private Treaty with BHP Billiton Business Plan (including attachments) and any minor amendments;*

3. *Seeks public comment on the proposed major land transaction for a minimum of six (6) weeks in accordance with section 3.59 of the Local Government Act 1995, to commence on Saturday 12 November 2011;*
4. *Requests the Chief Executive Officer, or his delegate, to investigate options for the development of key worker housing in the Balance Lot being 26.718 hectares in accordance with relevant planning legislation;*
5. *Approves to convene a Special Council Meeting on Wednesday 11 January 2012 to consider the public submissions received during the public consultation period in accordance with section 3.59(5) of the Local Government Act 1995 and decide whether to proceed with the proposed major land transaction, by way of absolute majority.*

*CARRIED 5/0*

*REASON: Council noted the content of the 'Revised' Business Plan after it underwent further revision."*

The Business Plan has been advertised for the required six (6) week period commencing 12 November 2011 to 28 December 2011 in accordance with the requirements of section 3.59 of the *Local Government Act 1995* seeking public submissions in relation to the proposal.

A total of 20 public submissions were received (17 prior to the closing time, and 3 submissions thereafter) and forwarded to Dominic Carbone & Associates (DCA) who were engaged to provide an independent report to Council. This report not only summarises the submissions, but provides Council with some advice as to what factors should be considered when assessing any proposed changes to the Business Plan based on the legislative requirements.

In accordance with section 3.59 (6) of the *Local Government Act 1985*, if Council recommends that a change be made to the Business Plan where the transaction becomes "significantly different" to what was proposed, then Council is required to re-draft and subsequently re-advertise the Business Plan for a further 6 week period, effectively starting the process over.

The timing of the proposed Precinct 3 development continues to remain critical for BHPB given the linkages with the proposed Outer Harbour project. Both projects are anticipated to be considered by the BHPB Board in late March.

### Consultation

A robust and legal process has been undertaken to date whereby the Department of Local Government and McLeods have been regularly contacted for advice and are across the proposal. Other parties consulted during the process include:

- Chief Executive Officer – Town of Port Hedland
- Executive Team – Town of Port Hedland
- Managers and Officers from the Town of Port Hedland
- Port Hedland International Airport (PHIA) – Precinct 3 Development Working Group
- BHP Billiton
- NS Projects
- Mallesons Stephen Jaques – BHPB's Law Firm
- Department of Local Government
- Corruption and Crime Commission
- McLeods Barristers & Solicitors
- Councillors

A communications consultant was engaged to assist with developing the key messages that Council used during the public submission process. This was not aimed at 'selling' the proposal but ensuring that adequate information was available to the community to allow for informed submissions to be received.

Advice was sought from the Department of Local Government which confirmed that the process was in accordance with the legislative requirements (Attachment 1).

A public consultation process was carried out in accordance with section 3.59 (4) of the *Local Government Act 1995* with a total of 20 submissions being received from the following individuals and organisations:

1. Paul Brereton
2. Bob Neville: Bloodwood Tree Association Inc.
3. Bob Neville
4. Nick Perks: Blaxland
5. Ken Brinsden: Atlas Iron Limited
6. Ross Holt: Landcorp
7. Chris Adams: Pilbara Cities
8. Darren Batty: Qantas Airways Limited
9. Evan Hall: Tourism Council WA
10. Paul McQueen: Lavan Legal
11. Camilo Blanco: Wedgefield Association
12. Ford Murray: Fortescue Metals Group
13. Serge Doumergue: Hedland First National Real Estate
14. Morag Lowe: Hedland First National Real Estate
15. John Van Uden & Arnold Carter (joint submission)

16. Zabia Chmielewski: Home and Community Care, WACHS Pilbara
17. Brendan Foley
18. Lisa Bowen: Soroptimists International Port Hedland (late submission received on 29 December 2011)
19. Rosie Vrancic & Jan Ford: Port Hedland Community Progress Association Incorporated (late submission received on 29 December 2011)
20. Jayde Hooper (late submission received 2 January 2012)

Copies of the submissions are appended to this report at Attachment 2.

The submissions were received from community representatives, businesses and government departments and raised a variety of issues. While each of the submissions has been analysed in detail as part of the independent report provided for Council consideration, the Officers wish to highlight some of the key issues that were raised:

#### 1. Industrial Subdivision

There was overall support for the industrial subdivision, recognising that the Town needs to create these opportunities for small businesses and generate more retail options for the community, although the Town was requested to be mindful of other land releases occurring and the timing of these.

#### 2. Airport Redevelopment

While there were several submissions advocating that the airport redevelopment really only provided benefit to industry and the FIFO community, other submissions were supportive of this aspect of the proposal. These submissions reflected that the airport is considered to be the first impression for many people who come to town and should be a showcase for Port Hedland, particularly with its International status, and locals do also utilise the facility therefore the airport redevelopment would be providing benefits to the local and FIFO community.

#### 3. Term of Lease

Concern that the term of the lease proposed is too long. It is perceived by the community, that the length proposed (being 10 years plus 3 x 5 year options) is not necessarily required and that the facilities would therefore be used for more than construction workers. Suggestions indicated that Council reduce the term along with clearly defining both the term 'construction workers' and how BHPB would demonstrate that a construction workforce was still required therefore necessitating the exercising of the five year option.

#### 4. Size of TWA and Location

Concerns were raised suggesting that developing the TWA at the airport is essentially creating a third town. Suggestions were made that the TWA's should be incorporated into the South Hedland CBD or the West End so that they could transition into permanent accommodation options at the end of the lease period. This would also encourage the regeneration and revitalization of the CBD as it becomes a City.

A reduction in the size of the camp could assist in addressing this issue and mitigating some of the social impacts identified.

#### 5. Conditions and Approvals

The submissions highlighted concerns such as traffic, water and drainage that have not been directly addressed in the Business Plan.

Questions were raised as to what the impacts were going to be and how these were going to be managed if the proposal goes forward.

#### 6. Sale versus Lease of Lot 34 – Identified for the Warehouse Site

There was a concern that the Town was intending to sell land to BHPB rather than lease the land, and whether or not having a warehouse next to the airport was a good planning outcome. It was suggested that Lot 34 be leased to BHPB instead.

#### 7. End of Lease Term

There was a concern that the Business Plan did not identify what would occur at the end of the lease term. Questions were raised as to whether the built infrastructure would revert to Council or whether BHPB would remove all the structures (excluding services) and the Council then determining the best options for the use of the land.

Clarification around what happens at the end of the lease term would be in the best interest of both parties to determine now prior to entering into any revised Business Plan.

Comments on each of these issues are discussed in the Officer's Comments section of this report. All other issues raised in the submissions are discussed in the independent report that is attached.



## Statutory Implications

### Local Government Act 1995

#### **3.58. Disposing of property**

*(1) In this section —*

*dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not; property includes the whole or any part of the interest of a local government in property, but does not include money.*

*(2) Except as stated in this section, a local government can only dispose of property to —*

*(a) the highest bidder at public auction; or*

*(b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*

*(3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*

*(a) it gives local public notice of the proposed disposition —*

*(i) describing the property concerned; and*

*(ii) giving details of the proposed disposition; and*

*(iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and*

*(b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

*(4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*

*(a) the names of all other parties concerned; and*

*(b) the consideration to be received by the local government for the disposition; and*

*(c) the market value of the disposition —*

*(i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*

*(ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*

*(5) This section does not apply to —*

*(a) a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*

*(b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*

- (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
- (d) any other disposition that is excluded by regulations from the application of this section.

### **3.59 Commercial enterprises by local governments**

(1) In this section —

**“acquire”** has a meaning that accords with the meaning of **“dispose”**;

**“dispose”** includes to sell, lease, or otherwise dispose of, whether absolutely or not;

**“land transaction”** means an agreement, or several agreements for a common purpose, under which a local government is to —

- (a) acquire or dispose of an interest in land; or
- (b) develop land;

**“major land transaction”** means a land transaction other than an exempt land transaction if the total value of —

- (a) the consideration under the transaction; and
- (b) anything done by the local government for achieving the purpose of the transaction,

is more, or is worth more, than the amount prescribed for the purposes of this definition;

**“major trading undertaking”** means a trading undertaking that —

- (a) in the last completed financial year, involved; or
- (b) in the current financial year or the financial year after the current financial year, is likely to involve, expenditure by the local government of more than the amount prescribed for the purposes of this definition, except an exempt trading undertaking;

**“trading undertaking”** means an activity carried on by a local government with a view to producing profit to it, or any other activity carried on by it that is of a kind prescribed for the purposes of this definition, but does not include anything referred to in paragraph (a) or (b) of the definition of **“land transaction”**.

(2) Before it —

- (a) commences a major trading undertaking;
- (b) enters into a major land transaction; or
- (c) enters into a land transaction that is preparatory to entry into a major land transaction,

a local government is to prepare a business plan.

(3) The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —

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

- (c) *its expected financial effect on the local government;*
- (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
- (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.*

(4) *The local government is to —*

- (a) *give Statewide public notice stating that —*
  - (i) *the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction;*
  - (ii) *a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
  - (iii) *submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given; and*
- (b) *make a copy of the business plan available for public inspection in accordance with the notice.*

(5) *After the last day for submissions, the local government is to consider any submissions made and may decide\* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*

*\* Absolute majority required.*

(5a) *A notice under subsection (4) is also to be published and exhibited as if it were a local public notice.*

(6) *If the local government wishes to commence an undertaking or transaction that is significantly different from what was proposed it can only do so after it has complied with this section in respect of its new proposal.*

(7) *The local government can only commence the undertaking or enter into the transaction with the approval of the Minister if it is of a kind for which the regulations require the Minister's approval.*

(8) *A local government can only continue carrying on a trading undertaking after it has become a major trading undertaking if it has complied with the requirements of this section that apply to commencing a major trading undertaking, and for the purpose of applying this section in that case a reference in it to commencing the undertaking includes a reference to continuing the undertaking.*

(9) *A local government can only enter into an agreement, or do anything else, as a result of which a land transaction would become a major land transaction if it has complied with the requirements of this section that apply to entering into a major land transaction, and for the purpose of applying this section in that case a reference in it to entering into the transaction includes a reference to doing anything that would result in the transaction becoming a major land transaction.*

- (10) *For the purposes of this section, regulations may —*
- (a) *prescribe any land transaction to be an exempt land transaction;*
  - (b) *prescribe any trading undertaking to be an exempt trading undertaking.”*

***Local Government (Functions and General) Regulations 1996  
Commercial enterprises by local governments (s. 3.59) Part 3***

*Part 3 — Commercial enterprises by local governments (s. 3.59)*

***7. Term used: major regional centre***

*(1) In this Part —*

***major regional centre*** *means a local government the district of which —*

- (a) is not in the metropolitan area; and*
- (b) has more than 20 000 inhabitants.*

*(2) Section 2.4(6) of the Act applies to determine the number of inhabitants of a district for the purposes of the definition of major regional centre.*

***8A. Major land transactions and exempt land transactions —  
s. 3.59***

*(1) The amount prescribed for the purposes of the definition of major land transaction in section 3.59(1) of the Act is —*

- (a) if the land transaction is entered into by a local government the district of which is in the metropolitan area or a major regional centre, the amount that is the lesser of —*
  - (i) \$10 000 000; or*
  - (ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year; or*

- (b) if the land transaction is entered into by any other local government, the amount that is the lesser of —*

- (i) \$2 000 000; or*
- (ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year.*

*(2) A land transaction is an exempt land transaction for the purposes of section 3.59 of the Act if —*

- (a) the total value of —*

- (i) the consideration under the transaction; and*
  - (ii) anything done by the local government for achieving the purpose of the transaction, is more, or is worth more, than the amount prescribed under subregulation (1); and*
- (b) the Minister has, in writing, declared the transaction to be an exempt transaction because the Minister is satisfied that the amount by which the total value exceeds the amount prescribed under subregulation (1) is not significant taking into account —*
  - (i) the total value of the transaction; or*
  - (ii) variations throughout the State in the value of land.*

**30. Dispositions of property to which section 3.58 of Act does not apply**

*(1) A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act....*

*(2a) A disposition of property is an exempt disposition if the property is disposed of within 6 months after it has been —*

- (a) put out to the highest bidder at public auction, in accordance with section 3.58(2)(a) of the Act, but either no bid is made or any bid made does not reach a reserve price fixed by the local government;*
- (b) the subject of a public tender process called by the local government, in accordance with section 3.58(2)(b) of the Act, but either no tender is received or any tender received is unacceptable; or*
- (c) the subject of Statewide public notice under section 3.59(4) of the Act, and if the business plan referred to in that notice described the property concerned and gave details of the proposed disposition including —*
  - (i) the names of all other parties concerned;*
  - (ii) the consideration to be received by the local government for the disposition; and*
  - (iii) the market value of the disposition as ascertained by a valuation carried out not more than 12 months before the proposed disposition.*

The Officers would like to bring to Council's attention the increase in the monetary thresholds for major land transactions put into effect from the 27 September 2011. While the new regulations may impact on some works currently being undertaken by the Town and remove the requirement of a Business Plan process, the changes have no impact on this particular proposal given the quantum of funds involved.

It is important to note that assessment of the development will go through Council's normal statutory process, and a disposal of land cannot fetter Council's role in this area.

In relation to Town Planning Scheme No. 5, the subject site is currently zoned 'Airport' with an 'AA' use which means that the development will require Council to grant planning approval.

The subdivision proposed is generally consistent with the layout and objectives of the Port Hedland International Airport Land Use Master Plan (PHIALUMP) endorsed by Council on 27 July 2011. It is also consistent with the Draft Pilbara Port City Growth Plan that provides a strategic blueprint to facilitate the sustained growth of Port Hedland.

### **Policy Implications**

Whilst not specifically Policy, the Town of Port Hedland's "Guidance Note for Potential Developers of Transient Workforce Accommodation (TWA), published in August 2008, is relevant.

Council Policy 15/0002 should also be considered in light of this proposal.

#### ***15/0002 FLY-IN-FLY-OUT POLICY POSITION***

##### ***General:***

- 1. The Town of Port Hedland's strong preference is for residentially based workforces as opposed to FIFO workforces. The Town's preference is due to fact that, in its opinion, FIFO:*
  - Is damaging to the provision of community services and facilities.*
  - Is detrimental to the establishment and continued operation of small businesses.*
  - Is more likely to promote an unsustainable demographic framework for the Town.*
  - Provides a drain on the Town's financial resources.*
  
- 2. While the Town does not support FIFO, it recognizes that the practice is:*
  - An appropriate manner of delivering large construction projects.*

- *A valid and preferred work choice of some individuals.*
- *Likely to become substantially more prevalent in the Town of Port Hedland unless combined efforts are made by all parties (industry and government) to provide affordable accommodation and better quality services and facilities for the community.*

***What the Town Council Will Do:***

*To ensure that the Town of Port Hedland is able to achieve its vision of becoming a significant regional centre where people enjoy the lifestyle and natural environment and are proud to call home, the Council will:*

- *Take a Pilbara-wide leadership position against FIFO in conjunction with other relevant stakeholders*
- *Actively discourage industry, government and businesses from using FIFO workforces in, particularly for operational workforces.*
- *Lobby for increased leadership by other levels of government and industry on the issue of building a stronger, more sustainable Town of Port Hedland. This includes seeking commitments to reduce the level of FIFO for operational workforces.*
- *Object to the construction of FIFO facilities that take infrastructure development/enhancement opportunities away from the Town such as plane landing strips and elaborate recreational and entertainment facilities in FIFO facilities.*
- *Actively lobby government to undertake legislative action that makes FIFO less attractive or available to industry, government and business. This includes, but is not limited to modifications to State Agreement Acts and Zone Tax Allowance provisions)*
- *Ensure that any accommodation facilities that are built for FIFO workforces clearly demonstrate:*
  - *Town centre focus*
  - *Whole of community benefit*
  - *Community integration*
  - *Quality development*
  - *Safety*
  - *Continue to closely partner with industry and government to build the community infrastructure and community services that are needed to help the Town achieve its vision.*

*(Adopted by Council at its Special Meeting held 2 February 2009)*

The BHPB proposal is generally consistent with Policy 15/0002 in that the site is being developed, largely to facilitate a construction project, being mainly the proposed Outer Harbor. This is a significant construction project that will see Port Hedland being the largest port in the world for many years to come. The TWA site identified for BHPB’s 6,000 workers is specifically to be used for their construction workforce only, and Officers would not be recommending the proposal to Council if it were to be used for an operational workforce.

The Policy also requires Council to ensure that if facilities are built, they will demonstrate a whole of community benefit. This is a clear outcome of the proposal, not only in a financial sense but also through the development of 33 industrial/commercial lots that will be available to the open market. The development will assist Council in achieving financial sustainability and has the potential to reduce the financial burden on ratepayers. The subdivision will also support the establishment of more diversified retail offering that will benefit the local residents and assist in attracting workers to Port Hedland.

**Strategic Planning Implications**

The development of the Airport is one of Councils top 10 priority Projects and Council has invested resources over the past few years to facilitate the development of the land at the airport.

In addition to this Officers have approached this proposal with the view to maximising the legacy outcomes for both the organisation and the community of industry expansion projects currently underway. This proposal achieves this objective.

There are many strategic plan implications for this project, namely:

Town Vision – Port and South Hedland will be integrated functionally, physically and culturally.

Key Result Area 1 Goal 2	Infrastructure Airport That the Port Hedland International Airport is recognised as a leading regional airport in the area of passenger and freight movement and customer satisfaction.
Immediate Priority 1	Complete the development of the Airport Land Development Plan and commence implementation of the key initiatives that are identified.
Key Result Area 4 Goal 2	Economic Development Mining/Roads



Immediate Priority 2	Actively pursue integration of FIFO workers into the local community.
Key Result Area 4 Goal 2 Other Actions	Economic Development Mining/Roads Ensure that integrated accommodation options are available for resource related projects that do not artificially inflate the local real estate market.
Key Result Area 4 Goal 3 Immediate Priority 2	Economic Development Business Development Review alternatives for additional business opportunities at the PHIA including air freight, aircraft maintenance, tourism and industrial uses.
Key Result Area 4 Goal 3 Immediate Priority 4	Economic Development Business Development Investigate new business/revenue streams for the Town.
Key Result Area 4 Goal 4 Immediate Priority 1	Economic Development Land Development Projects Fast-track the release and development of commercial, industrial and residential land.
Key Result Area 4 Goal 5 Immediate Priority 1	Economic Development Town Planning and Building Develop a Town Plan that identifies opportunities for the following initiatives: b. Bulky goods retail area development along Port Hedland Rd

### Budget Implications

Costs incurred to date to develop the draft Business Plan and obtain the independent advice required for the proposed development are as follows:

<b>Works Undertaken</b>	<b>Paid to Date</b>	<b>Anticipated Costs Outstanding</b>	<b>Total Anticipated Expenditure</b>
Working Group Costs	\$6,938.18	\$5,561.82	\$12,500
Valuation	\$10,140	Nil	\$10,140
Economic Analysis	\$8,000	Nil	\$8,000
Financial Modelling	\$36,394.55	Nil	\$36,394.55
Legal Advice	\$10,660.63	\$14,339.37	\$25,000
Preparation of Business Plan	\$2,500	\$7,350	\$9,850
Consolidation and Independent Report to Council for Public Submissions	Nil – Not Yet Invoiced	\$7,000	\$7,000
Communication Strategy and Marketing	\$3,403.45	\$16,596.55	\$20,000
<b>TOTAL</b>			<b>\$128,884.55</b>

These costs have been funded from account 1210253 “Land Development Costs” from within the Airport Reserve, which has a revised budget allocation of \$200,000 for the 2011/12 financial year.

Total funds held within the Airport Reserve as at the 30 November 2011 is \$11,409,341. The airport is established as a separate Business Unit and is self sufficient in that any expenditure from the Airport Reserve does not impact directly on municipal funds, or the burden on ratepayers.

There are three options that Officer’s consider Council to have in considering the public submissions and subsequently the adoption of the Business Plan that are explained in the Officer’s Comments section of this report. Each of these options will have differing budget implications that are also highlighted in the Officer’s Comments section.

**Officer's Comment**

The advertising process provided an opportunity for the community to provide Council with feedback relating to the proposed transaction. The submissions, along with an independent report regarding those submissions are now presented to Council for consideration and are the subject of this report.

After considering the public submissions, Officers have considered that Council has three options to potentially pursue regarding the proposal. It can:

1. Proceed with the Business Plan in its current form.
2. Elect not to proceed with the current Business Plan, but request that a new Business Plan be prepared that incorporates revised proposal conditions in an attempt to address some of the key concerns outlined in the public submissions.
3. Elect not to proceed with the Business Plan and advise BHP Billiton that it no longer wants to proceed with the development of Precinct 3 in any form.

**Option 1**

This option provides for Council considering the public submissions and endorsing the transaction to proceed in its current form.

This option clearly provides the best financial return for the Town and is therefore considered to represent the best financial flow-on effects to the community and ratepayers.

The financial return will not only facilitate the redevelopment of the airport, which is a critical asset for the town, but will assist in the long term financial sustainability for Council.

The financial benefits provide Council with greater opportunities to not only appropriately maintain the current community facilities and amenities of the town, but is also assists in the provision of services and facilities that the community will require as it grows into a City of 50,000.

The budget implications of the proposal, along with other possible options relating to the industrial subdivision are outlined in the Business Plan. If adopted, it is proposed that a new Business Unit for Precinct 3 be created as part of the Airport Reserve during 2011/12 in order to appropriately capture the revenue and expenditure components of this proposal.

The prepayments would be received shortly after execution of the agreements (in relation to the proposed sale of Lot 34 and lease of Lot 35) between the Town and BHPB, resulting in a positive cash inflow of \$40 million (plus GST) to the Town. Interest would also be earned by the Town until the airport redevelopment expended the \$40 million.

The revenue generated from the entire proposal over a 10 year period is projected to be in excess of \$200 million once indexation is taken into account, including an estimate of the potential rates revenue. This amount may vary depending on the disposal processes Council determines to undertake and their associated outcomes relating to the 33 industrial lots and 4 TWA sites. A separate disposal process would be entered into for these lots once Certificate of Titles are created. It will be for Council to then determine whether the lots are sold or leased at that point in time, and is not a consideration for this proposal.

While this option obviously recognises the financial benefits, it clearly does not address the concerns raised through the public submission process.

## **Option 2**

This option recommends that the current Business Plan not proceed, and that a revised Business Plan be drafted for advertising which will include amendments that would assist in addressing the concerns raised during the public submission process.

If Council considers that the financial returns are not the only critical element and that some of the key concerns outlined in the public submissions are to be addressed and subsequently re-negotiated with BHPB, then depending on the concerns addressed, the transaction may become “significantly different” to what was proposed.

In accordance with section 3.59(6) of the *Local Government Act 1995*, any change to the Business Plan that is deemed to result in the transaction being significantly different requires Council to re-draft and re-advertise the Business Plan, effectively starting the process over.

Based on the public submissions and the concerns that were identified, legal advice has been sought on a number of issues as to whether if a change was made in an attempt to address a particular concern, it would constitute a significant difference to the transaction.

The concerns most apparent in the submissions could be addressed in the following way:

- a. a reduction to the number of construction workers able to be accommodated on the TWA site;
- b. a reduction in the term of the lease to be 10 years with one 5 year option, and to establish the likely conditions BHPB are required to demonstrate to Council prior to exercising the 5 year option and in doing so, clearly defining the term 'construction worker';
- c. clarity in relation to the likely conditions that may be imposed through the subdivision process;
- d. changing the tenure of the 10 hectare warehouse site to a leasing arrangement;
- e. the potential to incorporate key worker housing into the proposal;
- f. determining what occurs to the land and built infrastructure at the end of the lease period.

The question for Council is whether it considers each of these concerns should be addressed given not only the significance of the concern, but also the recommendation in relation to the Business Plan as to whether or not it needs to be re-advertised.

Each of these potential amendments to the Business Plan are discussed below outlining whether the amendment results in a significant change to the transaction.

*A reduction to the number of construction workers able to be accommodated on the TWA site.*

Council could determine that it would prefer to see a smaller camp, but needs to recognise that BHPB may explore other TWA options in order to accommodate the construction workforce that they require. While options suggested in the public submissions include the South Hedland CBD or the West End, the Town would work with the State and BHPB to determine the best options that may be available.

The legal advice outlines that reducing the number of construction workers able to be accommodated on the TWA site would not result in the transaction being significantly different and is therefore able to be accommodated with the current Business Plan.

While this may be the case, reducing the number of construction workers accommodated may impact on the commercial viability of the transaction for BHPB. This may result in BHPB suggesting a reduced lease size which therefore impacts on the financial return to Council. The possible reduced financial return would need to be quantified with BHPB prior to determining the impacts on the Council revenue stream but if the same financial return and lease size could not be maintained, the transaction would be deemed to have significantly changed, and a new Business Plan would be required.

*A reduction in the term of the lease to be 10 years with one 5 year option, and to establish the likely conditions BHPB are required to demonstrate to Council prior to exercising the 5 year option and in doing so, clearly defining the term 'construction worker'.*

The initial projection of a \$200 million return to Council from the overall proposal outlined in the Business Plan is only representative of the financial returns over the initial 10 year period. The Business Plan has not been specific in how the additional 5 year options would be exercised other than for BHPB to demonstrate that a construction workforce would be required. This amendment is therefore not deemed to be significant and can be accommodated within the current provisions of the Business Plan.

*Clarity in relation to the likely conditions that may be imposed through the subdivision process.*

The public submissions outlined issues such as traffic impacts, water availability, sewerage management etc., and expressed concern that the Business Plan did not appear to highlight how these would be managed. However the Business Plan did indicate that any conditions imposed by the WAPC as part of the subdivision process would be funded by BHPB, and have no financial impact on the Town.

WAPC are the governing body in the subdivision process and would establish the conditions required as part of the subdivision approval. Only when the conditions had been satisfied would the Certificates of Title then be issued, unless some of the conditions could be bonded to the Title to allow the Title to be issued earlier, which would be a matter for the WAPC to determine.

Clarity could be sourced through the Town undertaking the studies now that would assist in alleviating the concerns raised through the public submission process. Undertaking these studies now could be accommodated within the current Business Plan, and therefore would not constitute a significant change.

While lodging a subdivision application would clarify these issues more specifically, lodging an application without the express approval of Council to proceed with the Business Plan would be preparatory in nature, and in contravention of the legislation.

Undertaking the studies and liaison with the relevant State Agencies would gain a similar outcome, but allow Council to undertake a revised Business Plan process consistent with the legislative requirements.

*Changing the tenure of the 10 hectare warehouse site to a leasing arrangement.*

While this may not appear to be significant in the scale of the development in terms of size (10 hectares from the total 112.9 hectares), nor in terms of the financial impact (the potential revenue stream could even be exactly the same but over a 10 year lease term for example), the purpose of section 3.59 of the *Local Government Act 1995* comes into effect.

The purpose of this section is to ensure that if a local government wishes to enter into any transaction relating to land in its ownership, that the terms and conditions are fully disclosed within the provisions of the Business Plan and that the public is provided an opportunity to comment on those terms and conditions. It is also to ensure that any transaction entered into in excess of \$2 million is transparent.

Converting the sale of Lot 34 to a leasing arrangement will have a potential impact on the financial return to Council depending on negotiations with BHPB particularly in relation to whether the prepayment amount of \$9 million would still be available for directing towards the airport redevelopment, and what the rate per square metre would be for that particular lot.

It is recognised that the rate contained within the independent valuation is of a lesser amount than that negotiated for the TWA site (lot 35), but more than the \$9 million negotiated for the sale. Negotiations would therefore need to take place with BHPB in order to be able to define the impacts on the Council's revenue stream.

Given these issues, particularly the purpose of section 3.59 of the legislation, any change to the sale or leasing arrangements are deemed to be significant and a new Business Plan would be required.

*The potential to incorporate key worker housing into the proposal.*

While the current Business Plan refers to investigating options for the development of options for key worker housing in the Balance Lot (being some 26.72 hectares), it is unclear as to how the incorporation of key worker housing in the proposal would affect the current Business Plan until these investigations were complete, and therefore provide Council with an assessment of whether this would be a significant change to the overall transaction. For example, a joint proposal could be progressed with BHPB and the State Government that incorporates key worker housing where BHPB service part of the Balance Lot, and the State Government develop it for this purpose. Officers consider this to be a significant change as it would modify the parties involved and the financial returns of the transaction.

There are many possible scenarios, therefore further negotiations will occur with BHPB and the State as to what these may be, with the possible outcomes being discussed with Council and a preferred option could then be included in the revised Business Plan.

*Determining what occurs to the land and built infrastructure at the end of the lease term.*

The Business Plan outlines that “in addition to the financial benefits, at the end of the lease, the Town receives additional return in the form of improvements on its freehold land in the form of power, water, sewer, telecommunication, landscaping and road infrastructure.” The Business Plan however was not specific in relation to the transaction that may occur with BHPB and the Town, as it was intended that this would be negotiated with BHPB and the Council of the day on the basis that 10 years is quite some time in the future, and the Council of the day would have a more informed view of the best outcomes for the town.

Through the public submissions it is clear that the community would like to see some certainty in this area. It is the Officer’s opinion that there are several possible outcomes and each would impact on the transaction differently.

If for example, the service infrastructure passed over to the Town at no cost, but that the built infrastructure was removed by BHPB also at no cost to the Town, then this would not be deemed to be significant as it was what the Business Plan had implied would occur, and could therefore be managed within the current provisions.

If for example, the Town negotiated that the built infrastructure transferred from BHPB to the Town, even if there were no funds that changed hands, this would be deemed to be a significant change to the current Business Plan. This is based on the fact that BHPB would be handing over an asset to the Town, irrespective of what it would be worth at that point in time, and the Town would then have the responsibility to either remove the structures, or to maintain them, therefore impacting on the financial returns of the overall transaction. This has not been incorporated into the current Business Plan and would therefore be a significant change to the transaction.



Table A below provides a summary of the possible amendments, and indicates whether or not a new Business Plan would be required.

**Table A**

Possible Amendment	Significant or Insignificant	New Business Plan Required?
A reduction in the number of construction workers able to be accommodated on the TWA site.	Insignificant	No
A reduction in the size and therefore financial return of the leasable area to Council as a possible outcome from reducing the number of construction workers accommodated on the TWA site.	Significant	Yes
A reduction in the term of the lease to be 10 years with one 5 year option, and to establish the likely conditions BHPB are required to demonstrate to Council prior to exercising the 5 year option and in doing so, clearly defining the term 'construction worker'.	Insignificant	No
Clarity in relation to the likely conditions that may be imposed through the subdivision process.	Insignificant	No
Change the tenure of the 10 hectare warehouse site to a leasing arrangement.	Significant	Yes
The ability to incorporate key worker housing into the revised proposal.	To be determined	To be determined
Determining what occurs to the land and built infrastructure at the end of the lease term: <ol style="list-style-type: none"> <li>1. No financial impact on Council and only service infrastructure is transferred to the Town;</li> <li>2. Built infrastructure transferred to the Town (with or without financial consideration)</li> </ol>	Insignificant  Significant	No  Yes

**Option 3**

Council could determine not to proceed with this Business Plan, or any others of a similar nature for the development of Precinct 3 in any form. This would obviously remove any financial returns to Council.

*Summary*

The draft Business Plan has been advertised with a total of 20 submissions being received. Given the significance of the transaction proposed, it could be perceived that 20 submissions is not necessarily representative of the community's thoughts, and that many of the community members are comfortable with the proposal.

Although this could be a perception, the purpose of the public submission process is to gain the community's feedback, positive or negative, and for Council to consider that feedback prior to considering whether or not to proceed with the transaction. It would therefore be remiss of Council, and in contravention of the legislation, for Council not to give due consideration to the submissions received. The independent report from DCA allows each public submission to be given that due consideration by Council in order for an informed decision to be made.

Officers have spent a considerable amount of time analysing the submissions and assessing whether the current Business Plan provides the best outcomes for the town and the organisation moving forward, given the concerns raised. This is where the Town's Vision has assisted in that process, where the Vision is for "a nationally significant, friendly City, where people want to live and are proud to call home." While all the submissions are equally important, in order for Council to achieve its Vision, it is important that it pay particular attention to those submissions received by the local community.

BHPB have indicated that 6,000 construction workers will be required to facilitate their growth plans including the proposed Outer Harbour. Whether Council wishes to accommodate the workers on Council owned land is the real question to consider.

After considering all the benefits and concerns relating to the proposal, Officers are recommending that the key issues in the public submissions be addressed.

Table B demonstrates the changes and rationale for incorporating the proposed amendments into a revised Business Plan process.

**Table B**

Possible Amendment	Rationale
A reduction in the number of construction workers able to be accommodated on the TWA site.	This will reduce any traffic and social impacts and provide for other accommodation options to be explored by BHPB.
A reduction in the term of the lease to be 10 years with one 5 year option, and to establish the likely conditions BHPB are required to demonstrate to Council prior to exercising the 5 year option and in doing so, clearly defining the term 'construction worker'.	This will provide certainty around the number of options and clarity for both parties and ensure the temporary nature of the facility.
Clarity in relation to the likely conditions that may be imposed through the subdivision process.	Undertaking the studies and liaison with State Agencies will identify the impacts and propose mitigation strategies to address them. This will allow for funding of these mitigation strategies to be negotiated with BHPB and subsequent inclusion in a revised Business Plan.
Change the tenure of the 10 hectare warehouse site to a leasing arrangement.	The terms and conditions of this change in tenure would need to be negotiated. However this would ensure that Council maintains long-term control over assets at the airport.
The ability to incorporate key worker housing into the revised proposal.	This will address issues raised in the submission process, and has the potential to go some way in alleviating shortages in accommodation for small businesses across the town.
Determining what occurs to the land and built infrastructure at the end of the lease term.	It is in the interests of both parties to have this agreed up front to ensure a complete understanding of the arrangements at that time.

While this means that a new Business Plan will be required given the amendments would significantly change the transaction, and BHPB will explore other accommodation options, it is believed that this is the best way forward to assist in alleviating the concerns raised and achieve the best outcome for the town. Option 2 is therefore the Officer's recommendation.

**Attachments**

1. Letter from Department of Local Government regarding public submission process
2. Public Submissions
3. Independent Report on Public Submissions – Dominic Cardone & Associates – under separate cover

**Officer's Recommendation**

That Council:

1. Notes the submissions that were received from the community and stakeholders regarding the Development of Precinct 3 at the Port Hedland International Airport Business Plan;
2. Resolves not to proceed with the proposal as outlined in the Business Plan in its current form based on feedback received from the public submission process;
3. Notes that BHPB will now explore other TWA accommodation options;
4. Requests the CEO to further negotiate with BHPB, with input from the PHIA Precinct 3 Working Group to determine if such an agreement could be reached, whereby the proposal would be similar to the previous proposal but includes the following amendments:
  - a. A significant reduction in the number of construction workers from 6,000 to be accommodated on the TWA site;
  - b. A reduction in the term of the lease of the TWA to a 10 year initial term with one 5 year option;
  - c. To establish the likely conditions that BHPB will be required to demonstrate to Council prior to the exercising of the 5 year options, and in doing so, clearly define the term 'construction worker';
  - d. Change the tenure of the 10 hectare warehouse site to a leasehold arrangement;

- e. To determine the ability to incorporate key worker housing into the revised proposal;
  - f. To determine what will occur to the land and built infrastructure at the end of the lease term;
5. Requests the CEO to undertake studies associated with the subdivision process (including a traffic study, hydrology study, stormwater and drainage study, and a service potential study, and any other studies identified after discussions with State Agencies) in order to gaining further clarification of the likely conditions that WAPC may impose through the subdivision application process;
  6. Notes that the studies would assist in the further negotiations with BHPB, and could be included into the revised Business Plan if a proposal can be agreed;
  7. Includes a budget allocation of \$250,000 from the Airport Reserve for the studies outlined in part (d) above as part of the second quarter budget review;
  8. Notes that these amendments are an attempt to:
    - a. recognise the value of the comments received in the public submissions;
    - b. reduce any potential impacts of such a development;
    - c. develop a more detailed Business Plan that will address many of the concerns raised by the community during the public submission process;
  9. Recognises the legacy that such a proposal could create for the town, and thanks BHPB for the opportunity to be involved in a development of this magnitude;
  10. Commits to considering a revised Business Plan for a private treaty arrangement, and looks forward to seeing the outcomes of the negotiations outlined in part 4 of this recommendation that Council believes will provide a win-win opportunity for the whole community;
  11. Requests the CEO, if such a proposal can be agreed, to submit a revised Business Plan in accordance with section 3.59 of the *Local Government Act 1995* to Council for consideration prior to commencing the advertising process.

**201112/285 Council Decision****Moved: Cr S R Martin****Seconded: Cr D W Hooper****That Council:**

- 1. Notes the submissions that were received from the community and stakeholders regarding the Development of Precinct 3 at the Port Hedland International Airport Business Plan;**
- 2. Resolves not to proceed with the proposal as outlined in the Business Plan in its current form based on feedback received from the public submission process;**
- 3. Notes that BHPB will now explore other TWA accommodation options;**
- 4. Requests the CEO to further negotiate with BHPB, with input from the PHIA Precinct 3 Working Group to determine if such an agreement could be reached, whereby the proposal would be similar to the previous proposal but includes the following amendments:**
  - a. A significant reduction in the number of construction workers from 6,000 to be accommodated on the TWA site;**
  - b. A reduction in the term of the lease of the TWA to a 10 year initial term with one 5 year option;**
  - c. To establish the likely conditions that BHPB will be required to demonstrate to Council prior to the exercising of the 5 year options, and in doing so, clearly define the term 'construction worker';**
  - d. Change the tenure of the 10 hectare warehouse site to a leasehold arrangement;**
  - e. To determine the ability to incorporate key worker housing into the revised proposal;**
  - f. To determine what will occur to the land and built infrastructure at the end of the lease term;**
  - g. Review and clarify where all proceeds from a revised proposal would be directed.**

5. Requests the CEO to undertake studies associated with the subdivision process (including a traffic study, hydrology study, stormwater and drainage study, and a service potential study, and any other studies identified after discussions with State Agencies) in order to gaining further clarification of the likely conditions that WAPC may impose through the subdivision application process;
6. Notes that the studies would assist in the further negotiations with BHPB, and could be included into the revised Business Plan if a proposal can be agreed;
7. Includes a budget allocation of \$250,000 from the Airport Reserve for the studies outlined in part (d) above as part of the second quarter budget review;
8. Notes that these amendments are an attempt to:
  - a. recognise the value of the comments received in the public submissions;
  - b. reduce any potential impacts of such a development;
  - c. develop a more detailed Business Plan that will address many of the concerns raised by the community during the public submission process;
9. Recognises the legacy that such a proposal could create for the town, and thanks BHPB for the opportunity to be involved in a development of this magnitude;
10. Commits to considering a revised Business Plan for a private treaty arrangement, and looks forward to seeing the outcomes of the negotiations outlined in part 4 of this recommendation that Council believes will provide a win-win opportunity for the whole community;
11. Requests the CEO, if such a proposal can be agreed, to submit a revised Business Plan in accordance with section 3.59 of the *Local Government Act 1995* to Council for consideration prior to commencing the advertising process.
12. Ensures that the State Government (in particular Pilbara Cities and Landcorp) are liaised with in the development of any new business plan for Precinct 3 at the Airport.

13. Indicates to BHPB that notwithstanding its willingness to consider this proposal it still has a strong preference for a residential operational workforce.

*CARRIED 4/1*

*REASON: Council believes it had to add point 4g in order to address the community concerns outlined in their submissions and look at identifying how funds are spent. Point 12 was added to ensure that the Town liaises with Pilbara cities and Landcorp, two government organizations that are closely involved in the progress of town should. Point 13 was added to support Council's policy.*

6:28pm Councillors G J Daccache and J E Hunt re-entered the room and resumed their chairs.

Mayor advised Councillors G J Daccache and J E Hunt of Council's decision.



## ATTACHMENT 1 TO ITEM 7.1.1



Government of **Western Australia**  
Department of **Local Government**

YouRef:  
OurRef:PH3-14:E1200276

Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

Dear Mr Martin

I refer to our meeting between yourself, Mayor Howlett, Ms Octoman, myself and Mr Fraser at Gordon Stephenson House, 140 William Street Perth on 12 December 2011 in relation to the Town's Major Land Transaction for Precinct 3 Port Hedland.

We have examined the information provided by the Town including the advertised notice placed in the West Australian Newspaper on 16 November 2011 and the Business Plan in accordance with section 3.59 of the *Local Government Act 1995* (the Act).

Based on that information it is determined that the Town has complied with the statutory advertising requirements of section 3.59 of the Act for the purpose of the Major Land Transaction associated with Precinct 3. The content of Business Plan provided to the Department also appears to comply with the legislative requirements under section 3.59 of the Act.

I trust this advice is of assistance to you in this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenni Law'.

Jenni Law  
MANAGER ADVICE AND SUPPORT

† January 2012

Gordon Stephenson House  
140 William Street Perth WA 6000  
GPO Box R1250 Perth WA 6844  
Tel: (08) 6552 1500 Fax: (08) 6552 1555 Freecall: 1800 620 511 (Country only)  
E-mail: [info@dlg.wa.gov.au](mailto:info@dlg.wa.gov.au) Website: [www.dlg.wa.gov.au](http://www.dlg.wa.gov.au)  
wa.gov.au

*ATTACHMENT 2 TO ITEM 7.1.1*

Paul Brereton  
P.O. box 2629  
South Hedland W.A 6722  
[paulemail@westnet.com.au](mailto:paulemail@westnet.com.au)

February 7, 2012

Paul Martin CEO Town Of Port Hedland

Dear Sir:

Re: Business Plan for the Redevelopment of Precinct 3.

The above mentioned proposal released by the Town Of Port Hedland contains material that needs to be reviewed and assessed by local stake holders.

The timing of its release I deem to be inappropriate.  
Although I hold regard for the proposals outline I would like to have the closing period for this proposal extended. The proposal lists a closing date of 28<sup>TH</sup> December 2011.

With regard to the upcoming holiday period the public's maximum allowable timeframe for submission will be dramatically reduced. Town of Port Hedland has elected the minimum timeframe of 6 weeks as per Local Government Act 1995 section 3.59 (4(A(iii)))

Question 1:

Can the submission closing time in regard to "Business Plan for the Redevelopment of Precinct 3" be extended to Tuesday 31<sup>st</sup> January 2012.

Question 2:

Can the Town of Port Hedland please release a detailed "map" for the proposal, outlining precinct 3 and its locality to other town infrastructure.

Sincerely,

Paul Brereton

**From:** Bob Neville (Manager) [<mailto:bob.neville@bloodwoodtree.org.au>]  
**Sent:** Wednesday, 14 December 2011 11:16 AM  
**To:** Martin Paul  
**Subject:** Proposed Development of Precinct 3 at the PH International Airport

Dear Paul

Please accept this as the formal submission from Bloodwood Tree Association Inc., in relation to the Precinct 3 proposed development.

Firstly, and following discussions with BHPB on this topic, we are of the belief the actual site is on the east (RH) side of the Highway from South Hedland following the Wedgefield turn-off towards the South Hedland cemetery. The maps unfortunately do not appear to clearly point out the site.

1. The main topic of discussion with the Board of Directors and the staff is in relation to affordable housing and the lack of such within the Town of Port Hedland. It is our opinion that any monetary benefits from the Precinct 3 proposal, if agreed to by Council, should be utilised in the main to ensure that a number of affordable housing units are also constructed along with any further FIFO accommodation, while a number of rooms are also made available to the NGO and small business community for temporary accommodation until time as such affordable housing is constructed for the community. These units should number upwards of 100 and be made available to both the not-for-profit and the small business sectors on a case-by-case basis.
2. A commitment should be made for local people, and in particular local indigenous people, to be trained and employed on the construction site(s) at Precinct3 and also for service provision jobs at the FIFO camp (eg cleaners, kitchen hands as well as full hospitality training).
3. Support for local community service agencies should also be made available in a wide range of community services (child-care, education, health, youth, training & employment services etc) to ensure they are able to survive the economic situation within our town, and also to help with capacity-building of the organisations for future sustainability. It is felt that if the ToPH consider they will remain sustainable from this venture, then the entire community and its invaluable services need to also be self-sufficient and sustainable to ensure a true community sustainable future.
4. Local business should be given priority to be able to expand their business and services to the FIFO camp and other areas of the Precinct.

COMMENT: "...but I do agree also that it creates profit for our town to grow too.....but I am strongly against it"

Regards

Bob Neville  
Chief Executive Officer



Tele: 9172 3622 Mob: 0419 853 160

**From:** Bob Neville [<mailto:bneville@bigpond.com>]  
**Sent:** Thursday, 15 December 2011 4:49 PM  
**To:** Martin Paul  
**Subject:** Precinct 3 proposal - BHPB

To the CEO and Councillors

My view on the Precinct 3 proposal is that it is a project that can bring a lot of economic development to the community, while the use of a 6000-strong FIFO construction workforce is obviously needed by BHPB to complete the outer harbour development which can eventually take Port Hedland to becoming a sustainable large community with a stable resident workforce.

However the community over the past 7-8 years has suffered the consequences of the current mining resources boom, and in particular the rise of median rentals by some 500% and the cost of purchasing by more than 300% in the housing market has left a lot of community people behind, and the services sector only just able to deliver to the community as the lack of staff and staff retention begins to make its mark.

With that in mind, I believe Council will need to make some very serious decisions in relation to bringing about some tangible benefits to the real community of Port Hedland, including those homeless people as well as those within the community services and small business sectors.

These benefits to the community need to be put "up front" in relation to any decisions to approve the Precinct 3 project, and should be made available in conjunction with the Precinct 3 project, and not just "planned" in the medium to long term (3-5 years). After all, the 6000-bed facility will be built within 18 months of the project go-ahead.

The upgrade of the Airport will mainly benefit the mining resources and associated sectors, and will be required to accommodate an extra 6000 FIFO workers, so this should not be seen as an immediate "community benefit".

Benefits for the community will need to of the main include a sustainable affordable housing project with the first stage up and running within 12-18 months, along with an emergency immediate accommodation measure to ensure the services sectors can attract and retain staff.

The secondary issue is the one of recreation facilities, which in relation to the Marie Marland Reserve have remained almost stagnant since it was opened in 1981, bar a small facility, upgrade of the existing and a four-bay shed, plus the maintaining of the lighting system.

The upgrade and expansion as depicted in the Active Open Space Strategy is one the sports users are keen to follow through on, utilising the recreation land immediately to the north of MM Reserve, and one which needs to be planned to be completed within the next two years.

Yours faithfully

Bob Neville



19 December 2011

Chief Executive Officer  
Paul Martin  
Town of Port Hedland  
PO Box 41  
Port Hedland WA 6721

Dear Paul,  
**Land described as Precinct 3 of Port Hedland International Airport**

On behalf of Blaxland, a land owner and residential property developer in Port Hedland, we wish to register an objection to the proposal by the Town of Port Hedland to enter into a major land transaction via private treaty with BHP Billiton Iron Ore for the development of precinct 3 at the Town of Port Hedland International Airport.

The main points of objection are:

- The direct deal with BHP Billiton may not reflect the best market result potentially achievable by the Town of Port Hedland. A public tender program for the whole site (or possibly of smaller precincts) will ensure the best financial outcome and development is achieved.

---

- BHPB is not a developer and therefore is poorly placed to provide the optimal outcome for the site. A qualified, experienced developer would be best suited to provide a premium outcome for the TOPH and the community. For example, Precinct 3 contains a bulky goods retail precinct – BHPB has no bulky goods retail development experience.
- The long term nature of TWA lease (10 + 5 yrs) over lot 35 to BHPB does not reflect the desire of the community to promote the town and integrate workers into the local community. If only construction workers are to be accommodated in the TWA's the proposed 15 year arrangement is far too long.
- 6,000 TWA's is too many in such a confined space and social issues are of major concern.



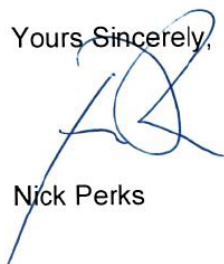
- The Business Plan does not address what facilities will be provided to the occupants of Lot 35 (i.e. shops etc). It is not possible from the information provided to determine how the BHPB TWA occupants will impact on local business etc. Further information is requested.
- The timing of lots 36 – 39 is critical and should be a priority. These TWAs will house the non-BHPB workers who will be charged with the responsibility of developing the town. These workers will ensure that the Town is able to expand at a pace that ensures Port Hedland reaps the benefit of the mining in the region whilst also reducing the cost of living. Further particulars regarding these TWA's is requested.
- The concentration of so many TWA's under one company will impact negatively on the competitive pricing of the TWA market in Port Hedland.

Due to the above reasons I believe it is impossible for the Town of Port Hedland to enter into the private treaty with BHP Billiton and not appear to be favoring one company over all other miners and developers operating in the area.

The allocation of this land must be opened up to a public tender process so the best possible outcome for the Town of Port Hedland is achieved in an equitable and fair manner for all.

Should you have any queries with the above, please do not hesitate to contact me to discuss.

Yours Sincerely,



Nick Perks





22 December 2011

Town of Port Hedland  
PO Box 41  
Port Hedland WA 6721

Attention: Chief Executive Officer

**Re: Proposed Development of Precinct 3 at the Port Hedland International Airport**

Dear Sir,

Atlas fully supports the proposed development of Precinct 3 at the Port Hedland International Airport. This will help address the current and future forecast shortage of suitable TWA (Transient Worker Accommodation) facilities in Port Hedland.

This development is timely for Atlas as it is actively growing its business and presence in the Pilbara, and in particular the Port Hedland region being the Company's major export hub. Atlas plans to increase its production and shipping of iron ore through Port Hedland from a current 6mtpa rate to 22mtpa by 2015, and in excess of 40mtpa by 2017. This includes significant infrastructure and development at Utah Point Port and South West Creek in the Port Hedland harbor precinct. To support and underpin this rapid growth Atlas has an increasing need for accommodation facilities in Port Hedland for its employees and contractors.

In particular Atlas would be interested in pursuing opportunities to develop Lot 36 or an alternative suitable parcel of land through a third party TWA provider. Rapid development of this Site would help ensure construction of Atlas projects are not threatened or compromised. Development would primarily be for the purpose of supporting construction of Atlas' projects, and not for the purpose of accommodating operational staff and contractors. As such Atlas would be prepared to seriously consider the underwriting of accommodation facilities in the order of a 300 to 400 man camp. Included in such consideration would be the option to release back to the Town of Port Hedland a certain number of such rooms to be made available to the community.

Atlas is committed to the Town of Port Hedland as the key centre for its operations and long term growth. This development provides an opportunity for Atlas to demonstrate that commitment in a tangible way, and at the same time give something back to the community in which it operates.

Yours Sincerely,

**Ken Brinsden**  
**Chief Development Officer**  
**Atlas Iron Limited**

Atlas Iron Limited ABN 63 110 396 168

Level 9 Alluvion,  
58 Mounts Bay Road Perth WA 6000

PO Box 7071  
Cloisters Square Perth WA 6850

P: +61(0) 8 9476 7900  
F: +61(0) 8 9476 7988

E: atlas@atlasiron.com.au  
W: www.atlasiron.com.au

Our Ref: A354574  
Enquiries: 9482 7424



Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO BOX 41  
PORT HEDLAND WA 6721

By email: [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

Dear Paul

**SUBMISSION RELATING TO THE PROPOSED TOWN OF PORT HEDLAND/BHPB DEVELOPMENT OF PRECINCT 3 AT THE PORT HEDLAND INTERNATIONAL AIRPORT**

I refer to the Town of Port Hedland Business Plan for the Development of Precinct 3 at the Port Hedland International Airport.

On behalf of Government, LandCorp is active in providing industrial land to the Port Hedland area with development of the Wedgefield Industrial Estate and future Boodarie development. LandCorp is also leading a number of projects in Port and South Hedland that include permanent residential development and short-stay accommodation. The Department of Housing and Pilbara Cities Office are also engaged in generating a range of development outcomes for Hedland. LandCorp's residential projects within Port and South Hedland are summarised below:

Project	Yield	Timing of Land Release
Marina	600 short-stay and 400 TWA	One to five years (three hectare site on the market)
East Port Hedland	2000 to 3000 Residential Units subject to Planning and Due Diligence	Two to ten years (200 to 300 units planned within two years)
Pretty Pool Stage 3	60	Unknown
South Hedland Town Centre	750 Dwellings (group housing sites – R40 / R160)	Within 12 months
South Hedland Residential	1500 Residential lots	One to five years

WESTERN AUSTRALIAN LAND AUTHORITY ABN 34 868 192 835  
Level 3 Wesfarmers House  
40 The Esplanade Perth Western Australia 6000  
Locked Bag 5 Perth Business Centre Perth Western Australia 6849

T (08) 9482 7499  
F (08) 9481 0861  
[landcorp@landcorp.com.au](mailto:landcorp@landcorp.com.au)  
[www.landcorp.com.au](http://www.landcorp.com.au)

With respect the advertised Precinct 3 Business Case, LandCorp raises the following points:

1. LandCorp shares the Town’s vision for growing Port Hedland into a city of 50,000 people. However, LandCorp is concerned the proposed scale of the development will discourage public and private sector investment in permanent development outcomes in Port and South Hedland. This will undermine the Pilbara Cities objectives which have informed the thinking and investment in the town over the past two years.
2. Neither LandCorp, nor the Pilbara Cities Port Hedland Steering Group have been consulted by the Town in the development of the Business Case and there has therefore not been the opportunity to provide input prior to this point.
3. LandCorp accepts that TWA’s will be required to deal with peak construction demands. However, it is essential that the volume of accommodation provided is limited so far as possible and does not detract from the demand for the take up of short, medium and long term permanent housing product. Both the scale of the camp proposed and the likely timeframe for its operation will reduce the incentive for BHPB to become involved in permanent city building projects.
4. If the Business Plan is primarily motivated by accommodating the BHPB construction workforce associated with the Outer Harbour Project, there should not be a requirement for a 25-year ground lease (10+5+5+5) for the proposed Transient Workers’ Accommodation area.
5. The proposal has potential to significantly dilute activity and investment in Port and South Hedland and there is the risk or creating a third township between the Port and South Hedland activity centres.
6. A workers’ camp of this scale will not serve to normalise the housing market and will add to the perception that Port Hedland is an Industrial town populated temporarily by fly-in/fly-out workers.
7. The Port Hedland Growth Plan Implementation Plan demonstrates a land supply timeline that is capable of releasing significant volumes of permanent development outside the current proposal as part of a planned outcome. Estimated yields are summarised below:

<b>Estimated Total Dwelling Number (Port and South Hedland)</b>				
Immediate (0- 2 Years)	Short (2-5 years)	Medium (5-10 years)	Long (10 years +)	Total
<b>2138</b>	<b>5452</b>	<b>6825</b>	<b>5040</b>	<b>19635</b>

(Source: Draft Town of Port Hedland Growth Plan – Implementation Plan)

With funding support some medium and long term initiatives may be capable of being brought forward. A camp facility should only be implemented where the planned permanent development of the new Port Hedland city cannot meet required housing supply. Where this is the case the camp facility should be limited to meet the identified accommodation shortfall.

8. LandCorp currently has five sites on the market seeking private sector support to deliver permanent development solutions that will provide accommodation and amenity consistent with the Pilbara Cities vision. These sites (and future releases) will not be developed without private sector support including from BHPB and other key resource companies.
9. LandCorp supports the Bulky Goods concept being accommodated in the airport area as this is ideally located between Port Hedland and South Hedland to provide amenity as well as aesthetic benefits.
10. More generally, LandCorp is concerned at the number of short-stay housing solutions that are being considered. It is LandCorp's view that short-stay accommodation should be encouraged in strategic locations such as the South Hedland Town Centre and Spoilbank (or other high amenity areas identified through a planning process). The well-planned development of these areas will leave a legacy of activated focused centres. However, ad hoc development will make it hard to develop these areas to their full potential and discourage permanent housing solutions. It would be disappointing and contrary to the Pilbara Cities Vision if the legacy of the housing demand boom is a proliferation of short-stay projects that are divorced from high amenity areas.

On this basis, the proposal is not supported by LandCorp. Should elements of the proposal proceed LandCorp make the following recommendations with respect to the industrial land development:

1. the Town work with LandCorp to co-ordinate land release to ensure permitted uses across estates are complementary and provide for market need;
2. the Town sell land with title restrictions that prevent further subdivision to discourage speculation and with a requirement for purchasers to build within a certain time period, similar to LandCorp's developments; and
3. the Town liaise with LandCorp to ensure the approach to releases is favourable to the orderly development of the town.

Yours sincerely



Ross Holt  
**CHIEF EXECUTIVE OFFICER**

22 December 2011



Government of Western Australia  
Department of Regional Development and Lands



Our Ref: R01975-11 / A1470661  
Enquiries: Chris Adams, 9183 5306

Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

Dear Paul

**SUBMISSION RELATING TO THE PROPOSED MAJOR LAND TRANSACTION  
ON PRECINCT 3 AT THE PORT HEDLAND INTERNATIONAL AIRPORT**

I refer to the Business Plan to enter into a major land transaction with BHP Billiton Iron Ore regarding the development of a Transient Workforce Accommodation (TWA) facility and other associated industrial developments on Precinct 3 at the Port Hedland International Airport.

The Pilbara Cities Office has reviewed the Business Plan and makes the following comments:

- **Community Legacy:** While the proposal creates a range of legacy benefits in the form of both civil infrastructure and short term cash contributions that can be utilised for community infrastructure, development at the Port Hedland International Airport in the immediate term is not consistent with the State and local government's expressed desire to concentrate development activity in Port and South Hedland. While generating legacy benefits from TWA accommodation is clearly a positive outcome from the Business Plan proposal, greater focus should be placed on concentrating those legacy benefits within the primary population areas.
- **Decentralisation of Population:** If the proposal proceeds in the manner proposed the population profile of the Town would be further dispersed with another significant population centre (i.e. the Airport) being created in addition to the primary centres of Port and South Hedland. Significant effort is being made to transform the Town of Port Hedland into a regional city. To do this, focus needs to remain on aggregation of population so that investment in infrastructure, services and facilities by both the government and the private sector is warranted.

**Pilbara Cities Office:** Ground Floor, 12 Hedland Place, Karratha WA 6714

**Department of Regional Development and Lands:** Gordon Stephenson House, 140 William Street, Perth WA 6000

**Tel: 1300 PC CALL (1300 72 2255)**

**[www.rdl.wa.gov.au/pilbaracities](http://www.rdl.wa.gov.au/pilbaracities)**



- Out of sequence development: The Business Plan indicates that the subdivided property will be utilised as a *'much needed extension to the current Wedgefield Industrial estate.'* While the need for more industrial land is undisputed, the rationale for this development in the context of other industrial developments is not clear. In addition to the current industrial uses at Wedgefield, Anderson Street Port Hedland, Bell Street Industrial Area, Redbank and 12 Mile, progress is being made on the major industrial developments at Hedland Junction, Lumsden Point and at Boodarie. The business plan does not make it clear how creating an additional industrial land at a new site (i.e. the Airport) will be complementary to current and planned industrial developments.
- Permanency: The Business Plan indicates that the TWA facilities could remain for up to 25 years. The Pilbara Cities Vision aims to develop permanent, locally based workforces. While construction related TWA facilities will undoubtedly be required, planning for TWA's to be present for up to 25 years is not consistent with the State's long term vision for the area.
- Urban Amenity: In recent years the Town of Port Hedland and the State Government has placed significant emphasis on improving the urban amenity within its primary localities. Works done in this regard is changing the perception of the Town. The development of a large TWA on a key entrance point to the Town potentially exacerbates the industrial look and feel of the Town and detracts from the vision of transforming Port Hedland into a vibrant, attractive urban centre.

While the financial package that the Town has negotiated with BHP Billiton is significantly better than historical arrangements for TWA, it is the view of the Pilbara Cities Office that the consolidation of such a large facility at the Port Hedland International Airport potentially creates an undesirable town planning and urban amenity outcome.

It is suggested that a 'hybrid model' for TWA facility development for BHP Billiton and other resource related construction projects should be progressed that includes:

- Construction of TWA facilities in high amenity areas (such as the Spoilbank and/or the South Hedland CBD) with these TWA facilities transitioning into permanent dwellings post the construction period; and
- The use/development of permanent buildings within planned residential projects as TWA/ Serviced Apartments for construction workers to underwrite such developments; and
- A scaled down version of the Precinct 3 proposal being progressed (either at Precinct 3 or another location) with a lower volume of accommodation units and a shorter length of tenure being offered.

**Pilbara Cities Office:** Ground Floor, 12 Hedland Place, Karratha WA 6714

**Department of Regional Development and Lands:** Gordon Stephenson House, 140 William Street, Perth WA 6000

**1300 PC CALL (1300 72 2255)**

[www.rdl.wa.gov.au/pilbaracities](http://www.rdl.wa.gov.au/pilbaracities)

- Temporary, short term TWA 'fly-camp' buildings on State Agreement Act Land for extreme peak construction employment periods.

The Pilbara Cities Office is willing to work closely with the Town of Port Hedland to achieve the hybrid suggestion listed above should it so wish.

Yours faithfully



**Chris Adams**  
General Manager  
Pilbara Cities

22 December 2011



23<sup>rd</sup> December 2011

Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
Port Hedland WA 6721

**Proposed Development of Precinct 3 at the Port Hedland International Airport**

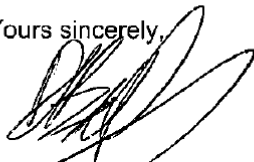
Dear Mr Martin,

Thank you for the opportunity to comment on the proposed development of Precinct 3 at the Port Hedland International Airport and for your briefing on 15 December.

Qantas Airways fully supports this development as it is consistent with the Airport Master Plan and will greatly assist funding the development of the passenger terminal and apron. The proposal is a sensible use of the land which, in our view, is surplus to aviation requirements. We presume that the development will not create any issues with obstructions for aircraft take-offs and landings.

If you require Qantas' assistance for any matters in the future with regards to this project or the proposed terminal expansion please do not hesitate in contacting me on 02 9691 4582. I will continue to discuss the proposed plans directly with your Manager Infrastructure Development, Jenella Voitkevich.

Yours sincerely,



Darren Batty  
Manager Commercial Airports Projects  
Qantas Airways Limited



**From:** Evan Hall [<mailto:EHall@tourismcouncilwa.com.au>]  
**Sent:** Friday, 23 December 2011 1:10 PM  
**To:** Records  
**Subject:** ICR22423 - Proposed Development of Precinct 3 at the Port Hedland International Airport

Paul Martin  
Chief Executive Officer  
Town of Port Hedland

Thank you for meeting with myself on 12 December to discussed the proposed development of Precinct 3 at the Port Hedland International Airport to supply 60000 bed Temporary Worker Accommodation (TWA). Since our meeting I have consulted with Tourism Council WA members and I appreciate this opportunity to provide feedback on this proposed development. Our main issues are:

- The existing short stay accommodation at the Town of Port Hedland (ToPH) has served the town for many years, bearing the cost of low occupancy and room rates when demand for rooms was lower.
- Leisure tourism demand for regional destinations is extremely weak.
- ToPH would have to make a significant investment in creating attractions and marketing the town to be able to even compete in the poor regional tourism market.
- The increasing FIFO workforce in town will push up aviation fares, hospitality costs and room rates, making ToPH a less price competitive destination.
- Leisure visitors have higher marketing and operational cost and less predictable demand than business travellers.
- Accommodation operators will struggle to compete with BHP to retain staff such as Chefs, further increasing room prices which the leisure market will not accept.

The AEC economic modelling in the Business Plan notes "*Up to 1,000 beds of the new TWA may be utilised to consolidate BHPs workforce from existing TWAs and other accommodation*". In short, the planned supply of 6,000 beds exceeds future workforce growth and would specifically remove existing patronage from the existing supply of short term accommodation. This is planned oversupply of accommodation to displace existing providers who have served ToPH for many years. Any planned oversupply of accommodation is strongly opposed by the Tourism Council WA.

Tourism Council WA strongly supports growth in leisure tourism but does not believe the current market for leisure tourism would replace the business lost to this oversupply of TWA. This would require a massive increase in leisure visitation inconsistent with recent tourism trends.

This would only be remotely possible with a massive investment in new tourism attractions and marketing to overcome the increased cost and lost destination appeal of the expanded FIFO workforce in the ToPH.

**Summary and Recommendation:**

Tourism Council WA rejects the current business plan to oversupply short stay accommodation leading to lost business by existing short stay accommodation providers. Any new development of TWA should be limited to a supply level which would not reduce current occupancy levels in the existing accommodation.

This supply level should be further modelled by AEC group and the scale and timing of TWA development discussed further with the tourism industry.

**Evan Hall**  
**Chief Executive Officer**  
Tourism Council WA  
Ph: (08) 9416 0705 Fax: (08) 9472 0111  
M: 0407 284 090  
PO Box 91 BURSWOOD WA 6100  
[www.tourismcouncilwa.com.au](http://www.tourismcouncilwa.com.au)



The information contained in this e-mail, and any attachments to it, is intended for the use of the addressee and is confidential. If you are not the intended recipient you must not use, disclose, read, forward, copy or retain any of the information. If you have received this e-mail in error, please delete it and notify the sender by return e-mail or telephone. Tourism Council Western Australia Ltd does not warrant that any attachments are free from viruses or any other defects. You assume all liability for any loss, damage or other consequences which may arise from opening or using the attachments.

The Quadrant  
 1 William Street, Perth  
 Western Australia 6000  
 GPO Box F338, Perth  
 Western Australia 6041  
 Tel +61 8 9288 6000  
 Fax +61 8 9288 6001  
 www.lavanlegal.com.au

Our ref: PMQ:1137867  
 Contact: Craig Wallace  
 Direct Line: (08) 9288 6828  
 Email: craig.wallace@lavanlegal.com.au  
 Partner: Paul McQueen  
 Direct Line: (08) 9288 6943  
 Email: paul.mcqueen@lavanlegal.com.au

**LAVAN** LEGAL  
 Leaders in Law

22 December 2011

Mr Paul Martin  
 Chief Executive Officer  
 Town of Port Hedland  
 PO Box 41  
 Port Hedland WA 6721  
**By Email:**  
**council@porthedland.wa.gov.au**

**cc via email:**  
 Mayor & Councillors of the Town of Port Hedland:  
 mayorkellyhowlett@porthedland.wa.gov.au  
 crdaccache@porthedland.wa.gov.au  
 crcarter@porthedland.wa.gov.au  
 crdziombak@porthedland.wa.gov.au  
 crgillingham@porthedland.wa.gov.au  
 crhooper@porthedland.wa.gov.au  
 crhunt@porthedland.wa.gov.au  
 crjacob@porthedland.wa.gov.au  
 crmartin@porthedland.wa.gov.au

**By Email:**  
 Dear Mr Martin, Mayor and Councillors

**RE: Business Plan for the Development of Precinct 3 - Public Comment Period**

I act on behalf of a group of ratepayers in the West End of the Port Hedland town site and have been instructed to prepare a submission to express concerns regarding the Town of Port Hedland (**Town**) proposed Business Plan for the Development of Precinct 3 at the Port Hedland International Airport (**Business Plan**) which was advertised for comment on 12 November 2011.

This submission is based on the following five premises:

1. My clients understand and accept the identified need for long term growth in the Pilbara Region as identified in the draft *Pilbara's Port City Growth Plan* dated October 2011 (**Growth Plan**) and the resulting need for the sustainable growth of Port Hedland as a commercial and tourism centre that will be located in an attractive urban environment, conducive to a harmonious society, the enhancement

Please notify us if this communication has been sent to you by mistake. If it has been, any privilege between solicitor and client is not waived or lost and you are not entitled to use it in any way.

---

of family life and of new opportunities for existing ratepayers and future generations of the Town.

2. As a fundamental principle, this submission contends that the proposed expansion of the Precinct 3 site for the purposes of Temporary Worker Accommodation (TWA) cannot result in the provision of facilities which are already provided, and which may unnecessarily duplicate or conflict with existing operations, and with appropriately zoned or approved areas in the West End or South Hedland. These outcomes would be contrary to the Town's existing statutory planning framework and the premise outlined at paragraph 1 above.
3. The Town and BHP Billiton (BHPB) should be required to provide more complete and accurate information in relation to the proposed TWA facility, in particular, clear data and statistics of the rate of occupancy and demographics profile of the 'construction workers' who will occupy the proposed site. The data is required in order to allow informed commercial decision making to be made by existing providers of goods and services, government agencies and other providers of infrastructure.
4. Further to premises 2 and 3 above, conditions should be imposed on Precinct 3, and the land proposed to be leased or sold to BHPB, in order to ensure that the existing facilities in the West End of Port Hedland are not compromised and the proposed TWA development does not inhibit in any way future government (local, state and national) and non-government enhancements or developments in the West End. My clients point out that the infrastructure in the West End of Port Hedland is currently in a poor state and requires significant budgeted investment and allocation of resources by the Town and government agencies, in order to achieve the policy objectives of the region. Any decision to develop the TWA (and similar large scale facilities) should not compromise or delay the proposed development of the West End, including the implementation of the recommendations outlined in the dust management plan and parking strategies prepared for that area.
5. The Town should endeavour to provide and report further detail to the public of the wide range of financial, social and other costs and challenges associated with the proposed development before it proceeds. The current information released by the Town is inadequate in this regard.

---

## 1 Background

- 1.1 A Business Plan has been prepared with respect to a proposal for a Private Treaty Agreement to enter into a major land transaction between the Town and BHPB for land within the area known as 'Precinct 3' under the Port Hedland International Airport Land Use Master Plan (PHIALUMP).
- 1.2 The subject site is located on the Great Northern Highway, approximately 13 kilometres south of the Port Hedland town site, and adjoining the south-west side of the Port Hedland International Airport (PHIA).
- 1.3 The Town acquired the PHIA (including the subject site) in 1985, when the land was transferred from the Commonwealth Government to the Town. The subject site contains portions of:
- Lot 31 on Plan 168968 and wholly contained within Certificate of Title Volume 1259 and Folio 730
  - Lot 2443 on Plan 212197 and wholly contained within Certificate of Title Volume 2212 and Folio 731
  - Lot 2444 on Plan 212197 and wholly contained within Certificate of Title Volume 2212 and Folio 731
  - Lot 11 on Plan 144237 and wholly contained within Certificate of Title Volume 1657 and Folio 119
- 1.4 The subject site is owned freehold by the Town as part of the PHIA. BHPB is proposing to undertake a 40 lot subdivision of this land. The rationale for the proposed subdivision is to provide a much needed extension to the current Wedgefield estate by providing a land supply for Bulky Goods/Light Industrial/Commercial land uses and TWA sites for BHPB's construction workforce, a third party operator, and also parties undertaking City building projects.
- 1.5 BHPB propose to undertake all subdivision works and cover all associated costs to service 39 of the 40 proposed lots. The remaining balance lot will be incorporated into the adjoining airport land. The subdivided lots (Lots 1-39) will range in size from approximately 1,838m<sup>2</sup> to approximately 60,000m<sup>2</sup> and will

support uses such as 'Bulky Goods'/'Light Industrial'/'Commercial' and TWA (Lot 35).

- 1.6 Upon completion of the subdivision, all of the lots (excluding proposed Lot 34) will remain in the ownership of the Town. Proposed Lot 34 will be purchased outright by BHPB.
- 1.7 The basis for this proposal is to assist in providing accommodation for BHPB's FIFO (Fly in/Fly out) construction workforce. BHPB have forecasted a peak in demand for construction worker accommodation in the order of 6,000 additional beds to support their proposed growth program, and particularly the proposed Outer Harbour project.
- 1.8 The Business Plan is currently advertised for public comment and that comment period expires on 28 December 2011.

## 2 Issues

The Town has signalled its desire not to see the Town's role as a tourism and commercial centre reduced in any way by this proposal. Accordingly, this submission is not intended to be contrary to the development contemplated in the Town, but is focused on the primary objective of the protection of the interests of ratepayers in the West End by ensuring that the TWA proposed in the Business Plan has been suitably designed and located to adapt to changing circumstances, and will provide ongoing benefits to (and not disadvantage) the wider community in the foreseeable future and beyond.

### 2.1 Principal concerns

My clients' principal concerns are in relation to the proposal in the Business Plan for the occupation and construction of the TWA on Lot 35 and in particular:

- the lack of definition/data for the total number, monthly and yearly rates of occupancy, and demographics of the construction workforce;
- the nature of the facilities to be provided and exclusions on types of accommodation facilities, as the case may be;

- the long term use of the site, due to the uncertainty in relation to the use beyond 10 years of the subject site. My clients point out that considerable anxiety will arise from duplication or unnecessary competition with facilities already existing in the town; and
- the imbalanced presentation of the proposal by the Town as a *fait accompli* and without any details provided of the clear risks, range of costs and negative aspects associated with the proposed TWA.

## 2.2 Issue 1 - Definition of the number, rate of settlement and demographic of the Construction Workforce

2.2.1 There is a lack of detail in the advertised Business Plan regarding the rate, nature and demographics of construction workers to be settled on the subject site and this, as a consequence, prevents existing providers of goods and services within the town to make informed business planning decisions, and inhibits enterprise by potential investors. In particular, the basis for the 'need' for 6000 beds to house the Outer Harbour construction workforce is questioned by my clients as the Business Plan states:

*"BHPB have forecasted a peak in demand for construction worker accommodation in the order of 6,000 additional beds to support their proposed growth program and particularly the proposed Outer Harbour project."*

2.2.2 Ratepayers, the Town, business operators and other stakeholders in the West End (and elsewhere in Port Hedland) have inadequate data to make decisions until 2015 and to plan subsequently. They are left to assume that the demand is the result of internal modelling by BHPB, which is nebulous without details. Additionally, the economic model (and assumptions therein) used to predict increases of workers in increments of 2000/2000/2000 to a maximum of 6000 by 2020 and thereafter, is not disclosed. It is unclear as to how these figures were reached. It is also unclear from the Business Plan if the modelling takes into account staffing requirements of other BHPB projects or current or existing proposals by service

providers to fulfil that need. Accordingly, the modelling that supports the assumption for the need must be clarified to ensure that BHPB have not over-estimated, and do not exploit, the use of the subject site for its non-construction operational workforce, or sub-lease out to non-construction sectors which would compete with existing and proposed accommodation suppliers appropriately located within Port Hedland's West End or the South Hedland Town Centre.

2.2.3 Similarly, there is no indication in the Business Plan regarding the demographics proposed for the TWA. For example, the age, gender and family composition of the transient workers planned to be accommodated. The Town, ratepayers and business stakeholders need to be aware of how high the male proportion is and what the Town is able to do to manage a heavily male orientated transient workforce. My clients are of the view, for example, that it would be more appropriate to attract families (rather than single males) to the Town for a whole range of social reasons. Families are far more likely to integrate and contribute to all aspects of the community.

2.2.4 Whilst the term 'Transient Workforce Accommodation' is defined under the Scheme, the terms 'Transient Worker(s)' and 'Construction Workforce' are not. This lack of clarity may allow for the unintended outcome of the use of the subject site by other members of the BHPB operational workforce, or subletting to 'non-construction' sectors.

2.2.5 It is recommended that the terms 'Transient Worker' and 'Construction Workforce' are both defined in the agreement between BHPB and the Town after consultation with stakeholders, including my clients, and that the Town also initiates a Scheme amendment and/or local planning policy, to add weight to these definitions as follows:

- The term '**Construction Worker**' should be defined as:

*'A professional, tradesman, or labourer who directly participates in the physical construction or demolition of*



---

*buildings and infrastructure, and does not include management, administrative, and staff connected with providing support services.'*

- The term '**Transient Worker**' should be defined as:

*'A temporary or intermittent worker employed on one or more finite projects in or based in the Town of Port Hedland. It does not include a worker employed in the normal ongoing operation of any business or industry.'*

- 2.2.6 Further, there appears to be no consideration of (or comparison with) other suitable sites where these facilities are also able to be constructed and where there may be greater connection with the existing social infrastructure of the Town (i.e. consistent with the Town's planning framework).
- 2.2.7 My clients submit that the Town's current planning framework requires transient workers to be accommodated closer to existing urban infrastructure, in order that they may contribute to the local economy and the local community. This is not evident in the Business Plan as it stands, indeed, the Business Plan actively discourages integration and contribution with the local community.
- 2.2.8 My clients submit that a proposal which has the potential to impact negatively upon the social environment of Port Hedland needs to be considerably more comprehensive, to respond to the issues which this submission raises. The additional information which should be fundamental to such a proposal includes:
- (a) The demographics of the population by age, gender, family structure, occupation and other relevant characteristics;
  - (b) Projected population of the TWA by year and by month;

- (c) The lengths of time that each of the categories of Transient Worker are likely to be in Town; and
- (d) What additional facilities are planned to be provided (if any) for these Transient Workers;
- (e) A comparison of other comparative sites where these facilities are also able to be constructed, and where there may be greater connection with the existing social infrastructure of the Town;
- (f) A considerably more comprehensive structure plan to be provided as part of the Business Plan, where reviewers are able to comprehensively understand the total planned facility which forms part of this Business Plan on the proposed site; and
- (g) Timing for the commencement of different stages of development.

### **2.3 Issue 2 - The nature of the facilities to be provided**

- 2.3.1 The proposed TWA, by its very nature, is intended to be temporary and accordingly, the facilities to be provided within the TWA should be limited so as not to compete with existing land uses. However, there is a lack of adequate controls and/or long term management strategy shown in the Business Plan to ensure the temporary nature of the TWA facility (i.e. a restriction to use by construction workers only, quality of accommodation and a mechanism to ensure closure or approval for change of use when the TWA is not required).
- 2.3.2 In particular, the provision of 3, 4 and 5 star hotel/motel accommodation is not expressly excluded within the TWA. The inclusion of these types of land uses within the TWA may compromise existing or planned hotels, motels, serviced apartments, and short stay accommodation within the Port Hedland West End and South Hedland Town Centre, and the nature of the accommodation types proposed should be detailed and competing hotel and tourist premises avoided.

- 2.3.3 The Business Plan provides no protection to ensure that the TWA is used to accommodate only 'Construction Workers' for the Outer Harbour, as proposed, and the provision in the lease with BHPB allowing for it to be renewed (albeit to the satisfaction of the Council) is similarly inadequate to achieve any protection or certainty for the Council against the continuation of such activities.
- 2.3.4 By way of example, if BHPB constructs the proposed accommodation, and then offer some or all of the rooms in the TWA as general accommodation to blue and white collar employees, then this will have a devastating affect on existing service providers who have invested significant resources to investigate and develop existing sites in appropriately zoned areas of the Town. Existing service providers have been and will continue to provide opportunities for workers to interact and add value to the community.
- 2.3.5 My clients note further that the infrastructure in the West End of Port Hedland requires significant investment in order to achieve the policy objectives of the region. Any decision to develop the TWA (and similar large scale facilities) should not compromise the proposed development of the West End. The Growth Plan is intended to take into consideration previous strategies, including the *Pilbara Placemaking Series*, the *Town's Land Use Master Plan* and the *Town's Strategic Plan 2010-2015*. Relevantly, the Town has already been active in commissioning reports with the focus of providing a framework for achieving the vision of transforming Port Hedland, including reports dealing with the issues of dust and traffic management/parking and a car parking study prepared for the Council by Shawmac dated 18 November 2010 in relation to the West End Town site and Port Hedland Air Quality and Noise Management Plan dated March 2010. There is little evidence, for example, of the implementation of the important observations and recommendations in the Shawmac report to date. The TWA proposal set out in the Business Plan should not compromise these developments for the development of the West End of Port Hedland.

2.3.6 It is our clients' submission that the Town should provide greater certainty regarding the nature and long term use of the site, via the initiation of planning policy and/or scheme amendment, to guide and control the development of the site prior to the Town entering into any legally binding agreement. The options for renewal in the proposed lease agreement should be converted into review provisions normally included in leases. Further, the proposed intent for the sale of remaining lots needs to be explained in more detail because it implies long-term use of the subject site.

2.3.7 In addition, my clients submit that that the Business Plan should provide for the prohibition of certain goods, services and facilities which are already provided in Port Hedland or South Hedland through a Restricted Use classification under the scheme, to ensure the development remains 'temporary' in nature and the restricted uses should include:

- Hotel and 3 star (or above) tourist quality accommodation;
- Motel;
- Entertainment venue; and
- Restaurant.

2.3.8 The Airport Precinct may also be included as a "Special Control Area" pursuant to Part VII of the Scheme (at Clause 7.6) where specific provisions are built into the Scheme to control the currently approvable uses (at the Council's discretion) within the Airport zone (which include those uses listed in this clause) for some Transient Workforce accommodation.

## 2.4 Issue 3 - Long Term Use of the Site

2.4.1 Clause 5.4.1 of the Growth Plan identifies the Airport as suitable for new TWA Accommodation. It stresses however, that this land use must be temporary and that it is to be replaced by industrial uses over the longer term.

- 2.4.2 Provisions 6.5.3 and 6.5.4 of the Scheme also require planning applications for TWA developments to provide details of how the proposal will convert to a subsequent use, or how the site will be remediated after occupation. Provision 6.5.5 of the Scheme recommends that a legally binding agreement be entered into to enforce the provisions of 6.5.3 and 6.5.4 of the Scheme. Accordingly, the Scheme requires certainty with regard to the cessation of the temporary land use, and the continuation of an approved land use into the future.
- 2.4.3 The Town's *Guidance Note for Potential Developers of TWA dated August 2008* confirms the intention of TWAs as temporary, and for utilisation by Construction Workforces only, and not for permanent residential or workforce accommodation.
- 2.4.4 It is not clear from the Business Plan what the TWA development will be used for after the proposed Outer Harbour development has been completed. The Business Plan also indicates that the lease will be for an initial term of 10 years, plus three 5-year options, which casts serious doubts about the temporary nature of the proposal. My clients request that the 'Options' electable by the lessee (BHPB) be converted to 'Reviews' and for the terms to be exercised by the Town. Additionally, the sale of the land to BHPB is incompatible with leasehold and an intention for a limited term occupancy/land use for the subject site. The sale of the land in this way should be excluded from the proposal, in the absence of a compelling rationale.
- 2.4.5 It is submitted that the agreement between the Town and BHPB should also be amended, and a local planning policy or a scheme amendment initiated, in order to ensure that all proposals for TWA within the Airport land address remediation or change of use of the land at the end of the contract period.

**2.5 Issue 4 - Perception of bias arising from imbalanced presentation by the Town**

- 2.5.1 We note that the Town will not be the decision-making body for any of the subsequent development of the land, as subdivision control and conditions will be at the discretion of the WAPC, and any development approvals, structure plans and the like will be approved by the Joint Pilbara Development Assessment Panel.
- 2.5.2 To that end, my clients note (with concern) the imbalanced manner that the Town have presented this proposal for comment, without any reference to the negatives, risks or infrastructure, social and other costs associated with the development. In particular, I refer to the Town's media release on the proposal dated 1 December 2011, which confirms Council support for the proposal, and whilst it acknowledges public concern about the long term effects of TWA developments on existing infrastructure, it does not identify the significant risk associated with the proposal.
- 2.5.3 Further, there is a paucity of information in relation to the range and scale of financial, social and infrastructure costs associated with the proposal in the Business Plan this is of significant concern to my clients. This deficiency compromises the Council's function pursuant to the *Local Government Act* in assessing or progressing any aspect of this proposal.
- 2.5.4 In order to avoid potential issues arising in the future in relation to the apprehension of bias regarding the proposed development, or in contravention of the duties and obligations ascribed to local governments, it is my clients' view that there is an expectation that the Town seek legal advice prior to entering into any agreement in relation to the proposal.

**3 Conclusion**

3.1 My clients' submissions are summarised as follows:

- 3.1.1 The proposal is based on interpretations of background data, studies and assumptions which have not been made public.

The economic analysis in support of the Business Plan is incomplete and accordingly deprives the ratepayers, the Town and other stakeholders of essential information for decision-making, forward planning and budgeting. It is requested that further details are provided including:

- i. The demographics of the population by age, gender, family structure, occupation and other characteristics;
- ii. The projected population by year and by month be reported, to allow meaningful decision-making and planning to be made by government and existing private/non-government parties;
- iii. The lengths of time that each of the categories of Transient worker are likely to be in Town;
- iv. What additional facilities (recreation reserves, facilities, shops, etc) are planned to be provided (if any) for these Transient workers;
- v. A comparison of other comparable sites, where these facilities are also able to be constructed, and where there may be greater connection with the existing social infrastructure of the Town;
- vi. A more comprehensive structure plan to be provided as part of the Business Plan, where reviewers are able to comprehensively understand the totality of the planned facility which forms part of this Business Plan on the proposed site, including the provision of appropriate infrastructure; and
- vii. Timing for the commencement of different stages of development.

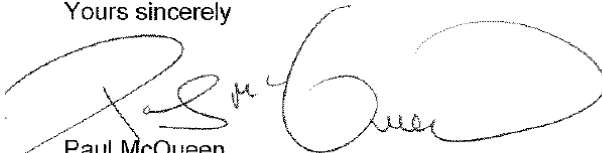
- 3.1.2 The Town currently lacks adequate mechanisms to control development on the site with regard to types of accommodation premises, and the agreement with BHPB must be modified and

a town planning scheme amendment or local planning policy initiated to ensure:

- i. The term 'Construction worker' is defined;
- ii. The term 'Transient worker' is defined;
- iii. The TWA must not be used for general workforce accommodation or sublet to non construction sectors;
- iv. The quality and nature of the TWA must be stressed to be temporary, with controls limiting the amount of time that accommodation may be inhabited by a person or group of persons;
- v. The agreement between the Town and BHPB should be amended, and a local planning policy or a scheme amendment initiated, in order to ensure that all proposals for TWA within the Airport land address remediation or change of use of the land at the end of the contract period; and
- vi. Uses on the land should be restricted to ensure the TWA facility does not compete with appropriately located facilities within the Port Hedland's West End or South Hedland Town Centre, particularly existing hotels, motels, serviced apartments and shops.

If you would like to discuss any aspects of this submission in person, please contact me on (08) 9288 6943 or my colleague, Craig Wallace, on (08) 9288 6828.

Yours sincerely



Paul McQueen  
Counsel – Planning and Environment



20 December 2011

Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
Po Box 41  
Port Hedland WA 6721

RE: Business Plan for the Development of Precinct 3 at Port Hedland International Airport

Camilo Blanco  
President Wedgefield Association

I represent the residents and ratepayers of Wedgefield. In the business plan proposal there are things that are concerning to all residing in Hedland and I believe the majority of ratepayers in Hedland will agree with me.

After reading the business plan in full, it is surprising to find very little information. The proposal has been carefully put together to eliminate any down side from the project. The advertisements have all been very positive news as well.

Before I go on I'd like to say I'm not opposed to this development I would like to see it go ahead but the down side of this project is far too great for the town to cope with. This project is going to change our town as we know it, for the worst.

The Town of Port Hedland and some counsellors are trying to push this Proposal as the biggest and best deal that has ever been attempted and a saving financial grace, but I believe that to be far from the truth.

The business plan states that the revenue is solely to be used on the airport expansion and upgrade, so how can you claim that it will be financially beneficial to ratepayers. The airport is big enough for the local people.

The expansion and upgrade of the airport is needed for the big mining companies to transform their workforce into a "fly in fly out" arrangement, that being the case they need to fund the airport expansion themselves.

In BHP's presentations they are showing maps of the outer harbour expansion. These maps are not in the business plan, it is not clear to the residents and ratepayers, that have not attended these meetings where the traffic flow is going to be concentrated.

This will have a direct impact on Wedgefield. Wedgefield's road infrastructure is in a sad state of repair, the road system is too narrow for the constant roadtrain movements. The town does not have the funds to initiate an upgrade and do not have an upgrade plan in place.

The Precinct 3 Proposal will generate a substantial amount of extra traffic to the area and there is no reference or solutions in the business plan to remedy this problem. Firstly a revised business plan needs to be issued with greater detail and clarification into all the effects that will burden the town.

As the business plan and the advertisements say, this is a privet treaty, if due care and diligence in all aspects of the planning process were followed, that being the case, answering all my questions in detail with solutions that The Town of Port Hedland and BHP have come up with, to combat the issues that will arise should not be a problem.

I am sure the town and BHP will have the best interests of the town at heart.

There are a few questions below that will need to be answered on this issue;

- Has an investigation been conducted into the dramatic increase in traffic that will take place when the precinct 3 proposal is approved?
- Have there been discussions with main roads about the traffic issues and solutions?
- If there have been discussions with main roads why have they not been presented in the proposal?
- How will the traffic be managed at the intersection entry and exit of Great Northern Highway leading in and out of the camp?
- Who will pay for the upgrade of road infrastructure if it is needed at Great Northern Highway and the entry and exit of the proposed camp?
- How will the traffic be managed at the intersection of Great Northern Highway and Pinga Street leading into Wedgefield?
- Who will pay for the upgrade of road infrastructure if it is needed at Great Northern Highway and Pinga Street?
- How will the traffic be managed at the intersection of Great Northern Highway and Finucane road leading into Wedgefield and Finucane island boat ramp?
- Who will pay for the upgrade of road infrastructure if it is needed at Great Northern Highway and Finucane road leading into Wedgefield and Finucane island boat ramp?

This proposal will exhaust the already depleted essential services the town has. There has been no mention of upgrading the numbers to suit the situation that will occur. There is no statistical modelling on; Workforce age, Male to Female ratio.

In years gone by, there was a no tolerance policy in BHP to drugs, alcohol and anti social behaviour. These issues are not mention and will need serious consideration to ease the social impact the town faces with so many men in one area.

Questions relating to that need answering, I have listed;

- What will the proposed increase in numbers, of Police for Port and South Hedland when the precinct 3 proposal is passed?
- 
- How will the Town of Port Hedland and BHP tackle the erosion of community safety with six thousand extra men in town?
- What will the proposed increase in numbers, of Doctors for Port and South Hedland when the precinct 3 proposal is passed?
- What will the proposed increase in numbers, of Nurses for Port and South Hedland when the precinct 3 proposal is passed?
- What will the proposed increase in numbers, of social services for Port and South Hedland when the precinct 3 proposal is passed?
- How will these extra service personnel be accommodated?

In the business plan it states the transient workers accommodation will be six thousand, as well as four additional TWA sites. The Town of Port Hedland is proposing to develop more TWA sites in and around Hedland, effectively changing the population base from local residents, to the majority of people being FIFO. This is damaging the revenue that can be developed by housing the workforces in our town, permanently. The proposal is for ten years + three, five year options, this is not a temporary workforce, this is a long-term project and should be integrated into the Hedland community with housing plans to suit.

Questions relating;

- How many transient persons does the town anticipate will be working in Hedland in total, taking into consideration all the other projects that are in the pipeline?
- Accelerated deterioration of our infrastructure will occur with six thousand construction workers, who will be responsible for the payment and repair of that deterioration?
- Where does the town anticipate this funding will be extracted or generated from?

- Have there been discussions with the state in the lead up to this proposal to acquire funding for the maintenance and upgrade or replacement of our ageing infrastructure?
- How does the town and BHP plan to retain the services of our dwindling number of small business?
- Will BHP be using local business to supply all aspects of the proposed camps consumable needs?
- Will there be a "buy local policy" from BHP to support local business?
- What plan is in place to open the door to more travel options for local people?
- What developments within the precinct 3 proposal are in place to develop Port Hedland as a gateway to tourism?

The town has said the Airport expansion will open the door to more travel options and develop Port Hedland as a gateway for tourists as well as diversifying our economy away from sole reliance on the resource industry. One way to achieve that inflated proposal is to push the marina project into the development stage but as you are well aware, BHP is strongly opposed to the marina development and will not support or fund, in part, the proposal. BHP's objection relates to pleasure craft or fishing boats interfering with the heavy congested traffic that will be generated by the inner and outer harbor expansion. BHP does not want anyone in that area.

Questions Relating

- Considering BHP is opposed to the Marina project on the bases of pleasure craft and fishing boats interfering with day to day operations, what will the town do about our town boat ramp that leads directly into the harbor?
- If it is going to be moved where will it end up?
- Who will pay for the relocation?

For this proposal to go ahead the compensation package needs to be significantly bigger from BHP with a plan in place for the upgrade of town facilities as well as the town actively seeking funding from the state or federal government to upgrade or replace core needs like primary schools, High schools, day care facilities

I may be going off track a little bit here but you, the town and BHP are saying Hedland is moving towards a population of 50,000 and a key element of the Town of Port Hedland's "Port City Growth Plan" is to develop land near the airport known as Precinct 3. That being the case it is all relevant when you look at the whole picture, furthermore the "Port City Growth Plan" Has not been adopted by The Town of Port Hedland to replace the "Town Planning Scheme 5" and it has not been approved by the WA planning Commission so why is it being quoted by BHP as the direction of council.

- Has the Port City Growth Plan been officially adopted by council?

- Has the Port City Growth Plan been officially approved By the WA Planning Commission?
- Has BHP been advised by The Town of Port Hedland that “The Port City Growth Plan” is the current legal document that the Town is following?

The proposed camp is directly affected by the Oil Energy Site in Wedgefield. This has been a problem for the people of Wedgefield for many years with no answers or solutions from the town or state. If you are not aware you will need to take a look for yourself, the emissions from that site blow in that direction every night you can see it plain as day.

Exposing thousands of people to the effects that are well documented and the town is fully aware of, some of those effects are; headaches, nausea, vomiting, asthma attacks, eye irritation, nose bleeding to name a few.

If you have been truthful with your answers the real scenario will be emerging, that the ratepayers of the town will be no better off, in fact I can see the price of living, our rates and services in this town inflating immensely.

Camilo Blanco

Our Ref:  
Your Ref:



Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

28 December 2011

Dear Paul

**"Business Plan for the Development of Precinct 3 at Port Hedland International Airport"**

This letter report provides the Town of Port Hedland with comment following our read of the 'Business Plan for the Development of Precinct 3' (the Plan) in Port Hedland.

Fortescue Metals Group Limited supports the concept of Transient Worker Accommodation (TWA) for construction purposes and understands the drivers behind this initiative between BHP Billiton and The Town of Port Hedland. We welcome local government's appreciation of the difference between the imperative of housing a short term construction workforce and this being different from the longer term aspiration of accommodating an operations workforce in accordance with the *Pilbara Cities Vision*.

Measures such as proposed on Lot 35 (TWA proposal) will assist in alleviating the current catch-22 nexus between increasing housing shortages and inadequate temporary housing to accommodate the workers necessary to remedy the situation.

Fortescue recommends four important items of further consideration prior to Council formalizing its decision pertinent to Lot 35:

**1. Social Impact of 6,000 person TWA:**

If TWA's are correctly operated and managed, potential social impacts can be minimal. However, the Business Paper does not elaborate in this respect.

In the normal course of events, workers residing in such facilities have shift practice and work obligations that, when linked to their fly-in and fly-out arrangements, tend to preclude them from overburdening the current urban fabric and social circumstances of a Township, which in Port Hedland's instance is already feeling the strain.

However, if proper TWA management and facilities are not satisfactory and the workers accommodated within the TWA have shift patterns including successive roster days-off; then there may be a propensity for adverse social impact.

Assessing and mitigating potential social side effects is a critical task that needs to be completed prior to approval.

**Recommendation 1:**

That Council initiates an independent social impact assessment as a condition before approval of the Development application.

**Recommendation 2:**

That the TWA Development Approval includes a condition of approval in words to the effect requiring independently certified best-practice management, accommodation, and in-house

The New Force in Iron Ore  
[www.fmgl.com.au](http://www.fmgl.com.au)

Fortescue Metals Group Limited ABN 57 002 594 872 ACN 002 594 872  
ADDRESS Level 2, 87 Adelaide Terrace, East Perth, Western Australia 6004  
POSTAL ADDRESS PO Box 6915, East Perth, Western Australia 6892  
TEL +61 8 6218 8888 FAX +61 8 6218 8880 EMAIL [fmgl@fmgl.com.au](mailto:fmgl@fmgl.com.au)

facilities sufficient to meet the needs of its resident workers. At commencement and throughout the life of the TWA facility, its operation is subject to a current certificate to operate issued by Council in accordance with independent certification.

**2. Lifespan of 6,000 person TWA:**

The life-span and operational/tenure arrangements of the TWA proposed on Lot 35 are not clearly defined.

TWA's such as proposed are acceptable only as a short-term necessity for construction purposes because of a lack of alternative worker accommodation.

Ten years appears longer than what should be necessary to remedy the current situation justifying such a measure as proposed for Lot 35.

**Recommendation 3:**

That the TWA Development Approval includes a condition of approval in words to the effect that its ongoing operation and certificate to operate is justified on an annual basis after its initial five years of operation and that this assessment is transparent and open to the public.

**Recommendation 4:**

That the TWA facility is not made available for long term FIFO operation workers.

**3. Transparency of Agreements Relating to TWA;**

Government and stakeholder alignment is critical to successfully implementing the Pilbara Cities Vision and the resultant outcomes for the Town of Port Hedland. This Business Plan for the Development of Precinct 3 is an important element in implementing the Growth Plan for Port Hedland.

Fortescue believes that all agreements between BHP Billiton and the Town of Port Hedland and/or the State Government need to be transparent to the public and other third parties that propose short term TWA developments for construction workforces are granted equal consideration by Council.

**Recommendation 5:**

Agreements between BHP Billiton and the Town of Port Hedland and/or the State Government are transparent to the public and do not provide for any preferential treatment in any respect.

**Recommendation 6:**

That other third parties which propose short term TWA developments for construction workforces are granted equal consideration by Council.



Fortescue thanks Council for this opportunity for constructive comment on this development application.

Yours sincerely

**FORTESCUE METALS GROUP**

**FORD MURRAY**

Manager Community Relations

**Subject: Valuation of Precinct 3**

23 December 2011

WITHOUT PREJUDICE

Re: Valuation of Precinct 3

Response from:

Serge Doumergue

Senior Commercial and Strata Property Manager

Director of Commercial Sales

Director of development and off the plan sales.

Hedland First National Real Estate.

To:

The CEO and elected councillors

Town of Port Hedland.

Dear Mr Martin and Councillors,

In my consideration as a long term resident of Port Hedland and I believe as the most qualified person to have an opinion on commercial property values in Port Hedland and Wedgefield, I believe this valuation is fundamentally flawed, grossly misrepresents the true commercial property market and its true value. It is also my opinion that this valuation is based on a lack of solid research, evidence and includes a degree of bias, possibly by way of instructions received and the selection of properties used as evidence.

My opinion is founded by way of expertise in the field, participation in the community and working in Port Hedland. I have specialised in commercial property management and sales in Port Hedland for 6 years. Our agency Hedland First National Real Estate is the leading and most awarded commercial agency in WA and in the top 5 nationally within the First National Group, which is the largest group of real estate agents in the nation. These awards include, the highest number of commercial listings, gross commissions, and settled sales, to name a few. We are also the lead commercial agency in Port Hedland managing and selling far in excess and the majority of commercial properties.

My participation in the community includes, but not limited to:

- The Airport Development Committee for the Town of Port Hedland
- Executive member of the Port Hedland Small Business Association
- Executive member of the Port Hedland Chamber of Commerce (second term)



The valuation draws attention to a number of sites that are either sold, for sale or leased, bar a few I am the selling agent and the property manager for all these properties, and also agent for Landcorp with a current listing as agent on LIA2 and have participated on the valuation of LIA3 TD1 and TD2. I therefore consider myself to be qualified to have an opinion in respect to this valuation.

Upon examination of the stated values in this report it is clear in my opinion that the valuation is to a degree a desk top valuation without knowledge of the subject comparative properties and I must also state at this time that the valuer Mr David Liggins, has never contacted me to discuss the comparative properties, any valuer completing a valuation of this magnitude should have spoken to the agency or person who dominates the market for evidence, trends and facts.

As a serving member of the Town of Port Hedland's Airport Development Committee, I am well aware of the transparency required by act of parliament and the requirements for accurate, factual and unbiased information, with no conflicts of interest or otherwise. This report advises that instructions were received from the CEO of the Town of Port Hedland for assessed values of 1 as is englobo valuation and 2 as if valuations. The basis of the valuations is provided by; but not limited to, The Shire of Port Hedland, Landgate and RPData.

Below is a list of concerns that I have with this report that I feel is misleading is a misrepresentation of the commercial property sector in Port Hedland:

Item 14:

States" Commercial properties are limited and tightly held"  
This is largely not true.

Commercial properties are bought and sold frequently with many selling 2 or 3 times in the last 6 years, vacant commercial property is limited, but this is not stated in this report and this situation is being addressed by Landcorp, who at this moment have the majority of LIA3 and TD1 and TD2 still available for sale. This can further be supported by the fact the Hedland First National is one of the lead listing and selling agents in the state and nationally.

Item 15 (1):

This states that the values of the 21 light industrial lots are \$252 to \$260 ex GST per meter squared and that the 19 transport lots from \$173 to \$240 ex GST.

The report fails significantly to state that these selling prices do not represent market, they represent the discounted price at which Landcorp as a government land agency sells these lots.

The report also states that only 13 of the 40 lots are sold, thus does not support the statement in clause 14 of limited commercial lots.

**Sales Evidence used:**

Lot 500 Iron Ore Street.

Sold to Landcorp for \$80/m2.

**This sale should be disregarded as it is a sale between one state of WA department and another.**

10 Peawah:

Sold for \$2.8m in August 2010.

Evidence was a year old at time of valuation and should have been revalued as a stand-alone valuation to be included as evidence. I completed an appraisal for the purpose of sale on this property on Sep 2011 and the value was \$4.5m

**Again this evidence should be disregarded.**

8 Murrena:

Sold for \$5.75m and states including transportable buildings and infrastructure.

I sold this property, it was sold as vacant land value and the buildings and infrastructure belonged to the tenant and were not part of this sale.

**Thus the square meter rate is wrong and the particulars of the sale are wrong and this evidence should also be disregarded.**

7 Trig and 16 Murrena:

Sold for \$3.3m and the report states substantial improvements and now for sale for \$4.4m

Again I sold this property and have relisted it. This property is sold for land value as the improvements are either not approved by council or they are termite ridden and the seller is about to apply for demolition of all buildings.

Again the m2 analysis is flawed and should be disregarded.

4 Trig:

A private sale, recently appraised at over \$3m

**At almost a year old this sale does not represent current market.**

30 Pinnacles:

Sold Dec 2010 at \$3m.

I sold this property, it was for auction for \$3.6M and sold for \$3m, because this site had issues and required the sheds to be completely refurbished. Essentially selling for land value and a small improvement amount.

**Again the analysis is incorrect and too old and should not be used as evidence.**

34 Pinnacles:

For sale at \$1.8M, stating a well-designed 200m<sup>2</sup> shed and care takers unit and that the m<sup>2</sup> rate seems to be in excess of market.

The analysis fails to note that the care takers unit is built partly within the shed and thus is not well designed or functional, the analysis also fails to mention the existence of a lease and that the basis of pricing included the return of that lease.

**Again a flawed analysis that should be disregarded.**

10 Sandhill:

For sale \$3.3m, price set by owner and has sold for \$2.85m returning near 10%. Buildings generally in poor condition and tenant has requested purchaser to build new buildings.

**As before a flawed analysis and this evidence should be disregarded.**

17 Manganese:

This evidence is a very strong argument of how this valuation is so flawed.

The valuation states a 19,057m<sup>2</sup> vacant block representing \$398m<sup>2</sup> sold for \$780,000

This block is actually 8002m<sup>2</sup> and sold on 21/0211 for \$3.63m and included improvements of a 500m<sup>2</sup> shed. Being an LIA1 Landcorp lot this valuer should have known that the block could not sell as vacant under the terms and conditions of the original sales contract until such time as a shed was built and Landcorp lifted its caveat on the property if a shed was not built the land had to be surrendered back to Landcorp.

**This evidence MUST be disregarded.**

Rental Evidence used:

Evidence of rental values used for this valuation was:

110 and 111 Pinnacles street and 103 Oxide Way all at \$15,000 net per month, returning up to 28%.

The valuer has missed the fact that 110 and 111 Pinnacles street are actually 110 and 111 Iron Ore Street both have plans on internet on the advertising and both have returns of 10% based on capitalized cost. As for 103 if you read the advertising it states that the owner will build a shed to your design and will negotiate the rent which will be at a capitalization rate of 10%

I also manage all three of these properties and have been assisting the new owners to develop them. If the valuer had rung me I would have advised him the only rental determination model we use for new properties is 10% of capitalized value.

If he had also studied investment properties for sale and current rentals, annualized them he would have calculated that almost everyone is at 10% other than some older properties that still have detrimental leases attached to them, such as 10 Sandhill above.

**For the purpose of this valuation the entire rental evidence presented should be disregarded.**

#### Summary

Having read the valuation and associated documents I will provide a more accurate snap shot of the commercial values in Port Hedland.

I would like to clearly state at this point that my intention is not to increase the prices of any proposed sales or leases but to draw to the attention of the CEO and councillors that the information in this valuation is in part fundamentally flawed, poorly researched and possibly laden with errors.

Response to conclusions of valuation:

A:  
considerations:

If these considerations were indeed taken the valuation would not contain so many errors.

If the valuer had called the agents involved in the sales and leases then the valuer would have known the factors in the pricing and sale price of each lot and would have made considerations for the 2 land value. If the valuer is not required to divulge to the agent what he is valuing, thus confidentiality would have been maintained.

B:  
24 Lots, recommendation \$200 - \$275 per m2.

This is at a rate less than Landcorp who are required to bring to market cheaper land and why should the Town of Port Hedland be discounting land by almost 50% of market.

Recent sales such as 13 Leehey, a 2096m2 lot with buildings to be demolished have sold and settled for \$500/m2 plus GST for the land component and 4 Yanana a 2126m2 lot with very old buildings also recently sold and settled at \$490/m2 for the land component. Both were financed both were valued and valued at that price, yet the recommendation of this valuation is to sell similar at \$200/m2. The majority of sales occur in the \$440 to \$500 price range for smaller blocks, I would recommend selling at the lower end of current market at \$440/m2

The prices DO NOT compare with lots in Wedgefield as stated.

C:

Lot 9 and 10, sell for \$200 – \$275 for sizes of 10,0162 and 29,918.

As above a lot of approx. 100002 should be sold at \$440/m<sup>2</sup> and as per other sales such a 8 Murrena St when analysed correctly at \$300/m<sup>2</sup>.

D:

Lot 12 of 29,918m<sup>2</sup> recommendation at \$150/m<sup>2</sup>, again why not at market of \$300/m<sup>2</sup>

E and F:

I believe another valuer should be appointed to revalue these lots, with precise clean instructions that do not favour any party.

G:

Lots 3,35,36 These lots are the perfect lots to transform into 20,000/m<sup>2</sup> lease sites for bulky goods such as Bunnings, a new Home Hardware or Woolworths Master Hardware and the like.

Pricing to be ideally at a 10% of capital cost to develop the site or by negotiation if needed. These lots should remain the property of the Town of Port Hedland and be an income stream for the Airport.

H and I:

As per E and F need to be revalued by another valuer.

These recommendations are purely in keeping with market, but as council is bound to adopt the recommendations of a suitably qualified valuer I think that council have been misguided and need to have the proposal revalued.

The evidence analysis provided has been demonstrated as flawed and especially in respect to 17 Manganese completely inaccurate and un-researched considering the caveat requirements on the lot by Landcorp. Council would be, I believe in breach to the Act to accept this valuation when such large errors have been highlighted. A project of such significance and great value to Port Hedland cannot be risked by such discrepancies and another valuation must be undertaken. I also believe that the Town of Port Hedland should request a refund in full for this valuation.

Serge Doumergue

27th December, 2011

Chief Executive Officer  
Town of Port Hedland

**RE: PROPOSED DEVELOPMENT PRECINCT 3 AT PH AIRPORT**

Whilst generally supportive of the proposed project there are some major concerns that have not be adequately addressed in the formal business plan presented by the Town.

**The economic impact assessment presentation is based on a methodology that measures the costs of this project not being undertaken. It appears to focus solely on potential benefits with little or no consideration evident for the potential impacts to the TOPH. I would be very surprised if it were not possible to identify and quantify some of the more easily anticipated negative outcomes. It would also have been reassuring to see some attempt at considering the impact of unintended consequences that will be a probable byproduct of such an undertaking.**

The critical flaw of the impact economic assessment is in the assumption "that the economy examined is in equilibrium at given prices" and that "no capacity constraints" exist (AEC Group report p6). The reality of the local economy in Port Hedland is that basic supply/demand imbalances already exist and the market has not adjusted in an efficient manner when needed. The addition of this development into the Hedland economy **will** undoubtedly induce further crowding out and a negative general impact on prices and availability of certain goods and services in the community. By incorporating the above assumptions into their economic modeling AEC Group may have overestimated some of their conclusions and at the very least, have at least failed to fully consider the potential negative economic and social impacts of this proposal.

Any proposal that ultimately sees the addition of 6000 persons to a town of approximately 18,000 is undoubtedly fundamentally going to change the nature of that Town. Neither of the studies commissioned focus on the social impacts of this proposal. The Paxon Group provided an assessment that is simply an analysis of the various investment decisions, and the AEC Group provided a (flawed) assessment of the economic benefits this proposal would produce. It appears as a community we are largely focused on seeing the potential benefit to the financial statement, without being ready to first expend the intellectual rigor to understand what the lasting impact of this will be to our town. It would be my recommendation that as a matter of some urgency TOPH conduct a Social Impact Assessment that appropriately focuses on analyzing the impact on at least the following;

1. Supply of essential services eg: Medical,
2. Inflationary wage pressures for key service workers,
3. Additional bottlenecks in key infrastructure eg: Broadband Internet capacity, Power, Water,
4. Potential threat to private sector investment who perceive this proposal negatively,

5. Lack of community engagement by FIFO workers (already of significant concern at present levels),
6. Impacts on social cohesion, and potential points of conflict between community and transient workers who have little or no investment in the Port Hedland community.

A very important, yet overlooked factor is the environmental impact on both the site and the town resources. The soil type/water table in the area is largely unsuitable for septic discharge and significant analysis will have to be undertaken to develop a suitable system. The issue of refuse disposal also needs to be adequately addressed. It is simply not acceptable in the 21 century to allow this issue to be a 'housekeeping' concern for the operators to manage to their satisfaction and to allow long-term environmental problems to be a legacy for a future generation of residents.

A concern that needs to be addressed is the impost on the present population of residents for the lack of previous investment in the town, and the increased costs of supplying amenities and services for the projected growth in population. The town has suffered from under-investment in essential services for decades and the huge costs of bringing these services up to standard is now being borne by the present population. Whilst the Pilbara Cities initiative will eventually address some of these issues there is a significant time-delay going to be experienced in the short-to-medium term and it is imperative that Council both acknowledge and address this inequity.

Another concern is the timeframe allowed for formal response to this proposal. What is being proposed is one of the most significant proposals to be addressed by the Town in decades yet the public comment period has been little over a month, and especially unacceptable at a time of the year when many of the key stakeholders are exceptionally busy, or even out of town for the month of December. A six-month period would be necessary for all interested parties to analysis, digest and be in a position to have arrived at a well-considered conclusion.

It should be noted that the principle of the use of public monies (as any pre-payment for the lease of Lot 35 would become) for the redevelopment of the PHIA has not been explained clearly to the Port Hedland community. While I am very much in favor of a proposed redevelopment of the airport, it is clear that the two principle beneficiaries of such an undertaking would be the airlines, and the resource companies, whose increased demand has largely necessitated the upgrade. The improved level of amenity for the public at an upgraded airport will likely be a secondary benefit to the economic rents enjoyed by the aforementioned stakeholders by this investment. I will assume that TOPH has an appropriate business model in place to ensure that the public will receive an appropriate rate of return on an investment that I believe could otherwise be brought to being by a combination of Federal Government and private sector funding.

Finally, I request that this submission is read in conjunction with the one submitted by Serge Doumergue who has provided pertinent and important comment on the valuations supporting and underpinning the Business Plan.

Morag Lowe  
Principal, Hedland First National

28 Dec 11 03:48p

Carter Agencies

0891731086

p. 1

C.E.O.  
Town of Port Hedland  
P O Box 41  
Port Hedland

Precinct 3 Proposed Development

Dear Sir,

I wish to lodge an objection against the proposed development on Town of Port Hedland land at the International Airport.

I do not agree we dispose of any airport land to developers, especially identified as a warehouse. I consider the proposal should be on the same basis as a campsite lease for ten years.

The financial benefit can still be retained as the lease valuation is indicated as \$100 per square metre which is \$1 Million more than the proposed freehold transaction, and we still have the option of 3 by 5 year extensions.

My other concerns relate to the \$40 Million payment. Is this a non-returnable payment in the event that the outer harbour is not completed, or the economic situation deteriorates in the purchase of product, and the project is delayed or deferred? What happens to the buildings and improvements at the conclusion of the ten years and BHP do not wish to extend their option? Are they removed, or willed to Town of Port Hedland, or sold to a third party?

As this project is for the outer harbour programme, I can not realistically foreshadow a TWA camp for 25 years. Why would you wish to include 3 x 5 year extensions in your business programme?

I understand these options are subject to negotiations with council, however no indication of the final distribution of these assets is shown on the business plan. A social impact study has not been implemented and is certainly a necessary requirement for such an imposition on our town's future planning.

Signed:



A.A. CARTER

December 28th 2011





**From:** Chmielewski, Zabia [<mailto:Zabia.Chmielewski@health.wa.gov.au>]  
**Sent:** Wednesday, 28 December 2011 3:53 PM  
**To:** [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au).  
**Subject:** ICR22431 - Comment on Precinct 3

Dear Port Hedland Council,

Thank you for the opportunity to comment on the Precinct 3 scheme. While the magnitude of the proposal is to be commended, im actually appalled at another huge TWA transient worker accommodation being proposed. Port Hedland already have a number of increase work camps, and while we have some new things to show for it, I think we have actually contracted in services / shops businesses closing.

I can see that the shire would like to increase options for the International airport, including a transport and bulk handling site, as well as take the opportunity to develop the land with funds from BHPB however I would like to see more permanent housing options guaranteed in the mix or as a component to the plan for the precinct to proceed.

While Port Hedland is aiming to be a city status, I fear we will be a ghost town, a facade in the midst of dust and huge compounded camps.

We might look like we have the trapping of a nice new town but we wont actually have the permanent residency here that goes to make up 'community'. As you would know, endless studies have shown that 'community' adds many things to a town including security and wellbeing as well as increased participation in regard for a living, social and cultural environment.

The shire still only has less than 6,000 rateable properties.

What happened to the idea of integrating the work force into living here in Hedland? - it wasn't that long ago that both BHP and FMG had both made huge commitments to employ and support a local workforce. These appear to be broken promises, put up at a time to gain approval for expansion projects and then changed in line with their agendas. Im also worried that the FIFO work force will actually be greater than the number of permanent residents and the pressures will that create on already limited facilities.

Regards

Zabia Chmielewski

Project Officer

Home and Community Care

WACHS PILBARA

9174 1079

0439 929 585

22 December 2011

Mr Paul Martin  
Chief Executive Officer  
Town of Port Hedland  
PO BOX 41  
Port Hedland WA 6721

VIA EMAIL: council@porthedland.wa.gov.au

Cc: mayorkellyhowlett@porthedland.wa.gov.au  
crdaccache@porthedland.wa.gov.au  
crcarter@porthedland.wa.gov.au  
crdziombak@porthedland.wa.gov.au  
crgillingham@porthedland.wa.gov.au  
crhooper@porthedland.wa.gov.au  
crhunt@porthedland.wa.gov.au  
crjacob@porthedland.wa.gov.au  
crmartin@porthedland.wa.gov.au

To Whom It May Concern,

**RE: SUBMISSION ON THE TOWN OF PORT HEDLAND BUSINESS PLAN FOR THE DEVELOPMENT OF PRECINT 3 AT THE PORT HEDLAND INTERNATIONAL AIRPORT.**

My name is Brendan Foley; I reside at 172 Sixth Avenue, Inglewood WA 6052. While I am from Perth and a town planner by trade, I am writing this letter on my own behalf as I feel strongly about developing every town in the state in an appropriate manner and have been fortunate enough to have worked recently on a number of projects in town, and have many friends and family who also benefit both directly and indirectly from mining activities in the region.

I have read the online documents in full and in the context of other Council and State legislation, regulation and policy. I have also discussed the proposal at length with a number of my friends and family before deciding to actually write this submission.

I have split my submission into two parts, potential practical problems with the proposal and potential legal problems with the proposal. I have tried to announce the issues in a manner which makes them easy to understand, however if you need any clarification on any of the points raised, please email me and I will write a response back as soon as possible.

I would like to make it clear from the outset that I am not anti development. I very much support the fast paced development that the town is promoting so long as the development in question is suitably designed and located to adapt to changing circumstances and will provide ongoing benefits to the wider community over a sustained period of time, by adding value, both economically and socially to the town.

**A. Potential Practical Problems**

- A1. Many of the community's concerns surrounding TWA's seem to stem from a long history of such uses being located in isolation from existing communities which seem to have created social and physical barriers to the workers from spending their free time and money in the local community. Reflecting this is the widely known opinion in the wider Port Hedland community that transient workers seem to see the town as their own personal ATM machine, they come to the town, make their money and leave without ever spending a cent of their money or a second of their time adding value to the community.
- A2. This is not a recent concern of the community, the Council even created a guidance note to TWA developers to alleviate some of these concerns within the community. It seems however, that the Council has been blinded by the millions of dollars on offer by BHP, so much so that officers seem to have lost focus on the bigger picture and have absolutely failed to assess the suitability of such a location for such a large development.
- A3. TWA's are meant to be temporary and for construction workforces only, not for permanent residential or workforce accommodation. The meaning of TWA in the advertised documents has been totally manipulated in this instance, 10 years (or 15, 20 or 25 years with exercisable options) should in no way be considered a temporary land use, it is a small town and should be assessed as such (i.e. Not suitable for the location.) Similarly, the sheer scale and financial outlay for each stage of the development is so large that it would be illogical to argue that the 'TWA' as proposed is intended to be temporary.
- A4. I fully support BHPB's proposal to subdivide the industrial area into industrial lots on behalf of the Council and retain some lots at the end in recognition of this significant outlay.
- A5. I also fully support the use of funds derived from the subdivision and lease of the land to upgrade the Airport, this facility is in need of upgrading and redevelopment.
- A6. I also supports BHPB's ambitious project to house up to 6000 temporary construction workers within the town, however I strongly oppose the location of such a large permanent development for a number of reasons as follows:
- i. It is isolated from town and its scale will mean that workers may never spend a cent in the wider community.
  - ii. The location of the proposed development is totally inappropriate for 2 main health reasons:
    - Construction workers will work up to 12 hr shifts, the noisy location next to the airport is a major health concern to these workers and should be a major consideration of BHPB and the Town.
    - The location of the TWA's is close to the heavy industrial area and airport pollution will inevitably affect the health of workers.
- A7. TWA accommodation is meant to be temporary and for construction workforce only, this is clearly not the case in this proposed development, 10-25 years of occupation is in no way temporary, 4 storey + developments are in no way temporary.

- A8. The extremely high cost (estimated at \$900 million (AEC Group)) of constructing so many rooms will be an absolute waste of money if these have to be removed at the completion of the lease or when construction of the outer harbour is complete. There are so many more suitable locations, particularly in South Hedland, which would allow long term transition of any proposed development to multiple dwelling residential while at the same time these locations would significantly allow for higher densities in close proximity to existing facilities, businesses and community infrastructure adding long term value to the town.
- A9. Many suitable locations for such a development have already been identified in the city's growth plan, some that come to mind that would be most suitable for a comprehensively designed accommodation village suited to long term transition to residential would be the land to the south of the South Hedland Town Centre, or land to the West of North Circular Road (both UCL). A comprehensive design of these sites would not compromise the accommodation aspirations of BHPB, but would add significant value to the wider community instead of having the money literally fly out the door.
- A10. There seem to be absolutely no protection in place to ensure that the 'TWA' development is only used to accommodate construction workers for the proposed outer harbour. The condition of lease renewal to the satisfaction of the Council is wholly inadequate to achieve any protection by the Council against such activities. If BHPB construct the proposed accommodation, but then offer some or all of the rooms as general accommodation this will absolutely devastate existing service providers who have spent significant time and money developing their sites in appropriate parts of the town and who have been and will continue to provide opportunity for workers to interact and add value to the community.
- A11. Where has the assumption of the need for 6000 additional beds actually come from? Has the city seen this modelling?
- A12. Once the proposed outer harbour development has been completed then what will the development be used for?
- A13. The balance lot in the proposed subdivision has been identified as future workers accommodation, this completely lacks vision and foresight as the location is also not suitable for such development based on same arguments as raised above.
- A14. The economic model used to predict benefit assumes increases of population in increments of 2000/2000/2000 to a max of 6000, where has this assumption come from and how does this compare to what is actually required under specific outer harbour construction workforce modelling?
- A15. How must BHPB demonstrate that they are using the development for construction workforce only to the Council of the day? (as required for lease renewal) and what happens if they break this agreement? Is the lease void, and if so who would retain control of the poorly located accommodation?
- A16. The documents as advertise blindly assume the WAPC will approve the subdivision in its current form, this is absolutely ridiculous and it is clear that whoever drew up the plan has little concept of the practical difficulties in developing in the area, particularly lack of drainage is most frightening, this shows total lack of foresight and strategic planning assessment by the Council.
- A17. The advertised documents promote that there will be 4 additional TWA sites, these will also be poorly located and would be much better adjacent to existing urban areas and designed for long term conversion into residential rather than been isolated in a noisy, polluted area of town.

- A18. What will be the purpose of the additional TWA site's, and what control's will be in place to ensure these are used for construction workforces only, if you want to house 7000+ workers within the town they should be housed in appropriate locations.
- A19. The town should not state (as they have in the advertised documents) that the balance lot will not be serviced. Subdivision is a power of the WAPC and any suggestion that the town has this power may constitute negligent misrepresentation, which may leave the Council open to litigation down the line.
- A20. Similarly, any suggestion that BHPB will only have to pay for upgrades directly related to immediate traffic demand created by the development, as promoted by the advertised documents, may also constitute negligent misrepresentation as the WAPC is the decision maker, not the Council.
- A21. Again, it is not up to the town to impose conditions of subdivision, therefore any suggestion that BHPB will only have to construct a fence along the boundary with the airport may also constitute negligent misrepresentation.
- A22. Under 5.4.1 of the Growth Plan it says 'short term demand to accommodate short stay accommodation workforce needs is considered in a large range of locations that offer the potential for longer term legacy of infrastructure provision to the city.' The inability to convert any proposal within the airport land to residential directly contradicts this objective.
- A23. The Growth Plan states that the Airport is suitable for new TWA Accommodation however it stresses that this land use must be TEMPORARY and that it is to be replaced by industrial uses over the longer term.
- A24. The subdivision plan is in itself flawed as it does not take into account the development of surrounding pieces of land and there is no provision for drainage infrastructure which may account for up to 25% of the total land area, especially given the high% of sealed areas within industrial precincts.
- A25. The analysis by AEC group is flawed as it is based on a 10 year lease when it is clear that BHPB will inevitably exercise a longer lease in light of the significant cost to construct just 2000 beds (\$300 Million) or the full 6000 beds (\$900 million) It is ridiculous for the Council and BHPB to continue to promote the development as temporary in light of these figures.
- A26. The AEC Group report says 'TWA will operate in a similar fashion to accommodation industry in terms of goods and services required' i.e. it is a full blown hotel village in everything except by name.
- A27. The AEC Group report assumes that the flow on demand of the development will be \$438 million; however this does not take into account the greater benefit of an appropriately designed and located development allowing for workers to actually spend their money in the town.
- A28. The total financial benefit of the proposal (in the AEC Group report) will be similar if the development was situated in any location; however the \$55 million value added figure for the local economy could severely increase if the proposal was located appropriately adjacent to existing facilities.

- A29. The modelling by AEC Group actually states that 1000 beds will be used to consolidate other BHP workforces. This totally contradicts the promoted intention for the development as accommodation for the outer harbor construction workforce. If this is the intention, this means that BHPB have been misleading Council or Council and BHP have been misleading the community regarding the use of the site for outer harbour Construction workforce only.
- A30. Where did the figures relied on in page 17 of the AEC Group report come from, were these pulled from the sky to make the graph look good?
- A31. On page 16 of the AEC Group report the demand shown is the BHPB operational workforce on top of the construction workforce, again indicating that the community is may be misled by BHPB, Council or both.
- A32. The Paxon valuation of the land is also void and worthless as the subdivision plan is not physically developable as it does not even have any provision for drainage.
- A33. NVP is usually assessed at 7% however Paxon Group has manipulated the figures by arguing that 15-25% is more suitable due to the 'high risk of land development' which un-coincidentally makes the BHPB proposals seem better in comparison. This manipulation is deceitful and potentially misleading. The notion that the short term development of industrial land in Port Hedland is 'highly risky' is absolute BS.

## **B. Potential Legal Problems**

### **B1. Administrative Law**

#### *i. Bias:*

The media statements released by the Mayor and CEO as published on the Town of Port Hedland website clearly give rise to a reasonable apprehension of bias on the part of the Council in their assessment of the proposal. A reasonable apprehension of bias arises when 'a fair minded lay observer might reasonable apprehend that the decision maker might not bring an impartial mind to the resolution of the question the decision maker is required to decide.'

#### *ii. Fettering of Discretion:*

By agreeing to enter into a contract for the lease, development and sale of land for a specific purpose, before that proposed land use or development has been formally assessed or approved under the Planning and Development Act, the Council is likely to be in breach of the Non Fettering of Discretion Rule. This rule is enunciated as 'whenever a decision is made there must be a real or genuine exercise of discretion.'

Explained further, if Council enter into a contract to develop the land, any subsequent development approval by the Council inevitably will be in accordance with their initial contract (for fear of breach). This therefore means that any proposal for use of the land will not truly be assessed on its merits (in light of relevant legislation, policy, location, size, timeframe and effect on the community) but will be approved solely on the provisions of the proposed contract, blind of all reasonable planning considerations. This is likely to be a clear breach of the administrative law regarding non fettering of government discretion.

### **B2. Tort Law**

iii. Misrepresentation.

If the non fettering of discretion rule as described above does not apply in these circumstances, due to the fact that the Council is unlikely to be the decision maker in any subsequent decisions (noting that the WAPC will assess any subdivision proposal, and the local DAP will assess any structure plan/DA) the wording contained within the documents advertised give the impression that the proposal for a 6000 person TWA and subdivision are a sure thing if the contract is entered into.

This is simply not the case as the Council does not have the power to assess those subsequent proposals. The Council should be very careful about the wording in the proposed contract, as the wording in the advertised documents leave Council wide open to financially devastating negligent misrepresentation litigation by BHPB if the WAPC or local DAP choose not to approve the proposal, or approve the proposal albeit in a modified state. This is particularly pertinent given the shocking location for such a large and long term accommodation facility.

B3. Statutory and Contractual Interpretation

iv. Defining Construction Workforce

There is a lack of adequate controls and/or long term management strategy to deal with the type and temporary nature of the proposed TWA facility (i.e. restriction to construction workers only, quality of accommodation and mechanism to ensure closure or approval for change of use when the TWA is closed or not needed).

The advertised proposal provides no protection to ensure that the development is only used to accommodate 'construction workers' for the outer harbor as proposed. The condition of lease renewal to the satisfaction of the Council is similarly inadequate in achieving any protection on the part of the Council against such activities as construction worker is not defined.

While Transient Workforce Accommodation is defined under the Scheme, the current scheme provisions are inadequate to ensure the proposed use and development of the TWA site will not be exploited by BHPB. The Council should initiate a scheme amendment as soon as possible, as well as include within any contract provisions a definition of key terms such as 'transient workforce' and 'construction workforce' to ensure the process is not easily manipulated.

I would strongly recommend that you seek legal advice in relation to the above points before entering into any agreements with BHPB.

Thank you for taking the time to read my submission and I hope some of the points I have raised will be taken into account in assessing this potentially town changing proposal. If you have any queries or questions please send them to sleek\_1988@hotmail.com and I will endeavour to respond as soon as possible.

Kind Regards

Brendan Foley.

To The Town of Port Hedland  
McGregor Street  
Port Hedland WA 6721

By Email – [mayor@porthedland.gov.wa.au](mailto:mayor@porthedland.gov.wa.au) and  
[ceo@porthedland.gov.wa.au](mailto:ceo@porthedland.gov.wa.au)

28<sup>th</sup> December 2011

**RE: PROPOSED 6,000 PERSON FLY IN/FLY OUT CAMP AT PORT HEDLAND AIRPORT AND PROPOSED SALE OF COUNCIL LAND VIA PRIVATE TREATY**

This Submission on behalf of Soroptimists International – Port Hedland (SIPH)

The members of the SIPH acknowledge the need for FIFO camp accommodation to support the massive expansion by BHPBIO for construction purposes, but are very disturbed about the lack of long term planning for industry needs for accommodation in Port Hedland.

BHPBIO has been planning for expansion since early 2002 and was aware of the need for extra accommodation. The Town of Port Hedland has been reviewing the town planning scheme number “5” since 2003 with the commencement of the “Enquiry by Design” followed by the “Land Use Master Plan” and now the current “Growth Plan”. Groups such as SIPH have been actively involved in public sessions run by Industry, Government and Council to ensure we planned a sustainable and functional city of Port Hedland, and did not repeat the mistakes of the 1970’s, 1980’s and the mid 1990’s from the HBI construction.

The Pilbara Development Commission has funded several enquiries and studies into “housing” in the Pilbara and the effects of FIFO on communities since the late 1990’s. These studies are now common throughout Australia as the effect of FIFO filters throughout our nation.

Although these studies and plans clearly identify the problems of FIFO communities and the need for adequate and early planning for construction workforces creating sustainable cities and communities, we are still experiencing reactive planning instead of proactive planning.

The Town of Port Hedland once had a CEO who stated he *“had seen so many planning documents on the Pilbara and did not want our planning document to become dusty documents sitting on a bookshelf. “ He insisted “Industry, Business, Community and all levels of Government be honest and upfront with their expansion plans so a collaborative approach to planning for Port Hedland could be successful.”*

The Department of Minerals and Energy has been promoting FIFO since the early 2000’s. State government departments have not invested in adequate infrastructure to support growing sustainable communities in the Pilbara. Our current tax system penalizes companies who support permanent residential workforces and encourages FIFO.



For example a FIFO worker costs a company between \$70 000 - \$90,000 per year and is a tax deductible expense. An average house for a permanent residential worker is now almost \$1,000,000, and is a capital expense on the balance sheet, reducing much needed capital for industry expansion.

Mining requires long term planning, long term investments, and long term people. BHPBIO can plan for 40-50 years of mine life, and state government must give approvals for every expansion plan, so surely the local Council can be involved in planning with BHPBIO and State Government for the most important asset.....the people to operate it. They all need to sleep, and need accomodation, so must be included in planning from the beginning, not at the end.

All of the community members SIPH have spoken to over the years understand the shortage of accomodation in Port Hedland and how it would lead to a FIFO community. So why have we failed in our plans and why are we now looking at proposals such as this one for another 6,000 person camp in town that has not been mentioned or planned in any of the above mentioned planning documents?

Effective planning requires industry, all levels of Government and council to work together and plan for a sustainable community. Both BHPBIO and government have known for over 5 yrs that they would experience a shortage of workforce accomodation. Therefore it is disappointing that a proposal for FIFO camps on the airport land and sale of part of the land by private treaty was not mentioned or addressed in Council's "future growth" planning document, when BHPBIO was actively involved in the development of the document.

The result is 6,500 houses for a town that is to become a city with a residential workforce of approximately 14,000 and an estimated construction workforce of over 10,000.

SIPH have canvassed many members of the community who state that it is imperative that we manage the future of the town, to ensure we establish diverse industries to support the north, the state and the remainder of Australia, beyond the construction boom.

SIPH agree it is too late to stop this proposed FIFO camp, so therefore request that the following areas be addressed to enhance the livability in Port Hedland during this time of massive expansion, and look toward a legacy for Port Hedland and our children's children.

The main areas of concern identified are by way of Community Benefit:-

#### Residual Use of the FIFO Camp

Council agreed to lease the original 1100 worker camp for a 10 year period in return for defined "community benefit". This included the building construction upgrade and conversion to "university student accomodation" at the end of the lease in March 2019. The ownership of the land remains with Council.

The target for student accomodation is 10,000 by 2020. This proposed development provides 6,000 single rooms which could mean 7,000 of the 10,000 target in the next 10 years, being 2021.

Please ensure a legacy of much needed accommodation remains for the Town of Port Hedland and our university becomes a reality.

#### Access to the Camp and Facilities to the Public

If we must have a FIFO camp, it is important for all residents of Port Hedland to “belong”. Interaction with locals assists in normalizing FIFO workers experiences in Port Hedland and assists with maintaining good mental health and wellbeing.

Port Hedland residents enjoy access to the dining room at Port Haven, and this has proven successful, but they are prohibited from the cinema and Gym. It would be beneficial for more public interaction between FIFO workers and residents of Port Hedland to build healthy relationships.

Please ensure interaction between local residents and FIFO workers.

#### Traffic Management at the Walkabout Hotel

The area along Great Northern Highway opposite the airport is poorly lit, and has experienced several fatalities over recent years. Please ensure this risk is assessed with the future development and the encouragement of single people in the area.

Please ensure safety is addressed in this area.

#### Overpasses for Safe Traffic Flow

The roads of Port Hedland were designed for 15,000 people. Extra road trains, vehicular traffic and FIFO transportation have created congestion particularly at the walkabout area, and the T junction intersection of the airport road and the Great Northern Highway. Safety has become a serious concern. Safe traffic flow requires over and under passes.

Please insist on safe overpasses on the roads.

#### Sale of Council Free Hold Land

The sale of the freehold land by private treaty is unnecessary and a result of short term thinking. Commercial land is commonly leased land. The Port Authority leases land to proponents on 20-50 year leases which enables the development of the land by the user or other party, yet retains the ownership of the land with the state. The user leases the land on a long term lease which gives security to the leaseholder. It is common practice for the State to lease land on long term leases to industry for development and is very common in Port Hedland.

Council could do the same with the Airport land and free up more land for similar developments. If Council retains ownership and sells the lease it provides for a long term income stream for future generations. Once the land is sold this opportunity is lost.

Do not sell land as “freehold” sell land as long term lease land.

#### Residential Land Release

SIPH understands BHPB have proposed a 6,000 person camp due to lack of suitable residential land for construction of workforce accommodation. Yet there is 100 hectares of State government held "Crown Land" by Styles Road Pretty Pool that has been requested by a private development company since 1996, so that the construction of FIFO camps on Airport land and Mining leases would not be necessary. This particular development company has proposed a new 5 star hotel, school, shopping centre and a mix of high and low density housing for a sustainable city of Port Hedland. Finance and registrations of demand for the development has been committed for over 10 years, yet State Government continuously refuses to release the land to the town for development.

Why does it take so long for permanent land development, yet so easy for a FIFO camp?

Please insist State Government releases land for residential development to private developers where demand and ability is proven

Equitable Treatment to Other Companies requiring Accommodation

Many other companies require accommodation for their workers and have been unable to obtain properties or land for construction. Does this mean that all other companies will be treated the same way? Will the Town of Port Hedland be approving unlimited FIFO camps on the Airport Land? Will this new type of development be included in the new "Growth Plan" and Town Plan 6?

Please ensure a plan is put in place and that fair and equitable treatment is given to all.

## TOURISM OPPORTUNITIES

In addition to the above issues, SIPH are keen to see a diverse and sustainable community supported by industrial Tourism and have identified the following:

- Industrial Playground
- Several Industry Leaders have indicated their desire to educate children in the mining industry by way of industrial play equipment. Children and parents could learn the terminology of the industrial equipment and encourage young people into the mining industry in the future. This industrial playground could be similar to "SciTech" in Perth City.
- Indoor Play Centre
- Many young mothers have requested an indoor play centre for children with a cafe and facilities to meet and greet. Keeping young families occupied with recreational facilities helps keep a happy workforce.
- Indigenous Artist Centre
- Suggestions have been made for a cultural art centre near the airport featuring indigenous art and as an outlet for purchases by FIFO's and Tourists.

- International Airport to Include Facility for International Passenger Trade.
- An extra 6,000 FIFO workers at the airport requires upgrade to the airport. Port Hedland International Airport is proposed as a freight hub with flights from Singapore delivering freight for short term industrial construction. As the airport is going to be upgraded it would be wise to include in the facility, the ability to accommodate international passengers to enable a tourism from Singapore.
- 5-6 Star Ocean Front International Hotel
- The people of the town of Port Hedland have been promised a 5 star hotel on the old school site next to the hospital since August 2007. The sign is still on the site, yet no progress has been made. The adjoining old hospital site has been vacant for almost 2 yrs and Port Hedland still does not have a 5 or 6 star hotel. This Government owned prime ocean front land remains vacant, while residents are pressured to rent out individual rooms to visitors, as the current 2-3 star hotels are booked out months in advance.
- In October 2011 a cruise ship visited Port Hedland carrying 2,500 passengers, many of whom were shareholders in companies operating in Port Hedland. Many of these passengers were intrigued by the industrial tourism and the cruise was so successful, the cruise company has another ship due to arrive in March 2012. Tourism is a growing industry in this town. We have unique rock art dating back 8,000 years and indigenous art, bush tucker and tourism amongst other attractions. It is important for Port Hedland to develop a diverse industry base during this construction boom and an international hotel is necessary.
- Please insist State Government releases the ocean front land and a quality 5-6 star hotel is constructed in 2012
- Marina at the Yacht Club
- A Marina has been promised at the yacht club for 2 decades. A new yacht club has been recently constructed at the cost of more than 2 million dollars. It is important to complete the Marina and construct the hotel to provide recreation for a growing town to become a city. This will also boost tourism and provide much needed recreation facilities for our residents. Plans have been finalized showing a safe boat harbor, and allows the contentious "main street jetty" to be relocated back to the yacht club, to free up the busy channel for industry shipping.
- Please insist the marina goes ahead at the yacht Club Location as per the long standing plans

SIPH appreciates not all these issues can be addressed at a planning level by Council directly, but Council does have a powerful position in the planning of Pilbara Cities. Land release to private developers and tax reform are necessary to create Sustainable Pilbara Cities. State Government and industry have a duty to include the local Councils in FIFO and development. As each approval is granted to industry, a true calculation of housing requirements must be given to the PDC and local Council, or we will be playing FIFO catch up forever!!!!

Thank you for the opportunity to comment on this proposal. SIPH spends many hours on these community concerns and hope sincerely that one day their efforts will be acknowledged and evidenced by liveable, sustainable, diverse cities created through collaborative planning and long term vision.

A copy of this submission has been sent to the Pilbara Development Commission, Pilbara Cities, and the department of State Development.

This submission has been prepared in conjunction with the Port Hedland Progress Association, members of the Chamber of Commerce, members of the Port Hedland Yacht Club, members of the Small Business Community and the Play group associations.

President Soroptimists International Port Hedland

Ms Lisa Bowen  
08 1973 1303  
SI Port Hedland [siporthedland@hotmail.com]  
December 2011

To The Town of Port Hedland  
McGregor Street  
Port Hedland WA 6721

By Email – [mayor@porthedland.gov.wa.au](mailto:mayor@porthedland.gov.wa.au) and  
[ceo@porthedland.gov.wa.au](mailto:ceo@porthedland.gov.wa.au)

28<sup>th</sup> December 2011

**RE: PROPOSED 6,000 PERSON FLY IN/FLY OUT CAMP AT PORT HEDLAND AIRPORT AND PROPOSED SALE OF COUNCIL LAND VIA PRIVATE TREATY**

This Submission on behalf of Port Hedland Community Progress Association – Port Hedland Incorporated (PHCPA Inc)

The members of the PHCPA Inc acknowledge the need for FIFO camp accommodation to support the massive expansion by BHPBIO for construction purposes, but are very disturbed about the lack of long term planning for industry needs for accommodation in Port Hedland.

BHPBIO has been planning for expansion since early 2002 and was aware of the need for extra accommodation. The Town of Port Hedland has been reviewing the town planning scheme number “5” since 2003 with the commencement of the “Enquiry by Design” followed by the “Land Use Master Plan” and now the current “Growth Plan”. Groups such as PHCPA Inc have worked with the Soroptimists International Port Hedland and have been actively involved in public sessions run by Industry, Government and Council to ensure we planned a sustainable and functional city of Port Hedland, and did not repeat the mistakes of the 1970’s, 1980’s and the mid 1990’s from the HBI construction.

The Pilbara Development Commission has funded several enquiries and studies into “housing” in the Pilbara and the effects of FIFO on communities since the late 1990’s. These studies are now common throughout Australia as the effect of FIFO filters throughout our nation.

Although these studies and plans clearly identify the problems of FIFO communities and the need for adequate and early planning for construction workforces creating sustainable cities and communities, we are still experiencing reactive planning instead of proactive planning.

The Town of Port Hedland once had a CEO who stated he *“had seen so many planning documents on the Pilbara and did not want our planning document to become dusty documents sitting on a bookshelf. “ He insisted “Industry, Business, Community and all levels of Government be honest and upfront with their expansion plans so a collaborative approach to planning for Port Hedland could be successful.”*

The Department of Minerals and Energy has been promoting FIFO since the early 2000’s. State government departments have not invested in adequate infrastructure to support growing sustainable communities in the Pilbara. Our current tax system penalizes companies who support permanent residential workforces and encourages FIFO.

For example a FIFO worker costs a company between \$70 000 - \$90,000 per year and is a tax deductible expense. An average house for a permanent residential worker is now almost \$1,000,000, and is a capital expense on the balance sheet, reducing much needed capital for industry expansion.

Mining requires long term planning, long term investments, and long term people. BHPBIO can plan for 40-50 years of mine life, and state government must give approvals for every expansion plan, so surely the local Council can be involved in planning with BHPBIO and State Government for the most important asset.....the people to operate it. They all need to sleep, and need accomodation, so must be included in planning from the beginning, not at the end.

PHCPA Inc members have spoken many community members over the years, and found they all understand the shortage of accommodation in Port Hedland and how it would lead to a FIFO community. So why have we failed in our plans for a sustainable city with permanent population? And why are we now looking at proposals such as this one for another 6,000 person camp in town that has not been mentioned or planned in any of the above mentioned planning documents?

Effective planning requires industry, all levels of Government and council to work together and plan for a sustainable community. Both BHPBIO and government have known for over 5 yrs that they would experience a shortage of workforce accommodation. Therefore it is disappointing that a proposal for FIFO camps on the airport land and sale of part of the land by private treaty was not mentioned or addressed in Council's "future growth" planning document, when BHPBIO was actively involved in the development of the document.

The result is 6,500 houses for a town that is to become a city with a residential workforce of approximately 14,000 and an estimated construction workforce of over 10,000.

PHCPA Inc have canvassed many members of the community who state that it is imperative that we manage the future of the town, to ensure we establish diverse industries to support the north, the state and the remainder of Australia, beyond the construction boom.

PHCPA Inc agree it is too late to stop this proposed FIFO camp, so therefore request that the following areas be addressed to enhance the livability in Port Hedland during this time of massive expansion, and look toward a legacy for Port Hedland and our children's children.

The main areas of concern identified are by way of Community Benefit:-

#### Residual Use of the FIFO Camp

Council agreed to lease the original 1100 worker camp for a 10 year period in return for defined "community benefit". This included the building construction upgrade and conversion to "university student accommodation" at the end of the lease in March 2019. The ownership of the land remains with Council.

The target for student accommodation is 10,000 by 2020. This proposed development provides 6,000 single rooms which could mean 7,000 of the 10,000 target in the next 10 years, being 2021.

Please ensure a legacy of much needed accommodation remains for the Town of Port Hedland and our university becomes a reality.

#### Access to the Camp and Facilities to the Public

If we must have a FIFO camp, it is important for all residents of Port Hedland to “belong”. Interaction with locals assists in normalizing FIFO workers experiences in Port Hedland and assists with maintaining good mental health and wellbeing.

Port Hedland residents enjoy access to the dining room at Port Haven, and this has proven successful, but they are prohibited from the cinema and Gym. It would be beneficial for more public interaction between FIFO workers and residents of Port Hedland to build healthy relationships.

Please ensure interaction between local residents and FIFO workers.

#### Traffic Management at the Walkabout Hotel

The area along Great Northern Highway opposite the airport is poorly lit, and has experienced several fatalities over recent years. Please ensure this risk is assessed with the future development and the encouragement of single people in the area.

Please ensure safety is addressed in this area.

#### Overpasses for Safe Traffic Flow

The roads of Port Hedland were designed for 15,000 people. Extra road trains, vehicular traffic and FIFO transportation have created congestion particularly at the walkabout area, and the T junction intersection of the airport road and the Great Northern Highway. Safety has become a serious concern. Safe traffic flow requires over and under passes.

Please insist on safe overpasses on the roads.

#### Sale of Council Free Hold Land

The sale of the freehold land by private treaty is unnecessary and a result of short term thinking. Commercial land is commonly leased land. The Port Authority leases land to proponents on 20-50 year leases which enables the development of the land by the user or other party, yet retains the ownership of the land with the state. The user leases the land on a long term lease which gives security to the leaseholder. It is common practice for the State to lease land on long term leases to industry for development and is very common in Port Hedland.

Council could do the same with the Airport land and free up more land for similar developments. If Council retains ownership and sells the lease it provides for a long term income stream for future generations. Once the land is sold this opportunity is lost.

Do not sell land as “freehold” sell land as long term lease land.



#### Residential Land Release

PHCPA Inc understands BHPB have proposed a 6,000 person camp due to lack of suitable residential land for construction of workforce accommodation. Yet there is 100 hectares of State government held "Crown Land" by Styles Road Pretty Pool that has been requested by a private development company since 1996, so that the construction of FIFO camps on Airport land and Mining leases would not be necessary. This particular development company has proposed a new 5 star hotel, school, shopping centre and a mix of high and low density housing for a sustainable city of Port Hedland. Finance and registrations of demand for the development has been committed for over 10 years, yet State Government continuously refuses to release the land to the town for development.

Why does it take so long for permanent land development, yet so easy for a FIFO camp?

Please insist State Government releases land for residential development to private developers where demand and ability is proven

#### Equitable Treatment to Other Companies requiring Accommodation

Many other companies require accommodation for their workers and have been unable to obtain properties or land for construction. Does this mean that all other companies will be treated the same way? Will the Town of Port Hedland be approving unlimited FIFO camps on the Airport Land? Will this new type of development be included in the new "Growth Plan" and Town Plan 6?

Please ensure a plan is put in place and that fair and equitable treatment is given to all.

#### TOURISM OPPORTUNITIES

In addition to the above issues, SIPH are keen to see a diverse and sustainable community supported by industrial Tourism and have identified the following:

- Industrial Playground
- Several Industry Leaders have indicated their desire to educate children in the mining industry by way of industrial play equipment. Children and parents could learn the terminology of the industrial equipment and encourage young people into the mining industry in the future. This industrial playground could be similar to "SciTech" in Perth City.
- Indoor Play Centre
- Many young mothers have requested an indoor play centre for children with a cafe and facilities to meet and greet. Keeping young families occupied with recreational facilities helps keep a happy workforce.
- Indigenous Artist Centre

- Suggestions have been made for a cultural art centre near the airport featuring indigenous art and as an outlet for purchases by FIFO's and Tourists.
- International Airport to Include Facility for International Passenger Trade.
- An extra 6,000 FIFO workers at the airport requires upgrade to the airport. Port Hedland International Airport is proposed as a freight hub with flights from Singapore delivering freight for short term industrial construction. As the airport is going to be upgraded it would be wise to include in the facility, the ability to accommodate international passengers to enable a tourism from Singapore.
- 5-6 Star Ocean Front International Hotel
- The people of the town of Port Hedland have been promised a 5 star hotel on the old school site next to the hospital since August 2007. The sign is still on the site, yet no progress has been made. The adjoining old hospital site has been vacant for almost 2 yrs and Port Hedland still does not have a 5 or 6 star hotel. This Government owned prime ocean front land remains vacant, while residents are pressured to rent out individual rooms to visitors, as the current 2-3 star hotels are booked out months in advance.
- In October 2011 a cruise ship visited Port Hedland carrying 2,500 passengers, many of whom were shareholders in companies operating in Port Hedland. Many of these passengers were intrigued by the industrial tourism and the cruise was so successful, the cruise company has another ship due to arrive in March 2012. Tourism is a growing industry in this town. We have unique rock art dating back 8,000 years and indigenous art, bush tucker and tourism amongst other attractions. It is important for Port Hedland to develop a diverse industry base during this construction boom and an international hotel is necessary.
- Please insist State Government releases the ocean front land and a quality 5-6 star hotel is constructed in 2012
- Marina at the Yacht Club
- A Marina has been promised at the yacht club for 2 decades. A new yacht club has been recently constructed at the cost of more than 2 million dollars. It is important to complete the Marina and construct the hotel to provide recreation for a growing town to become a city. This will also boost tourism and provide much needed recreation facilities for our residents. Plans have been finalized showing a safe boat harbor, and allows the contentious "main street jetty" to be relocated back to the yacht club, to free up the busy channel for industry shipping.
- Please insist the marina goes ahead at the yacht Club Location as per the long standing plans

Members of the PHCPA Inc have been extremely active in planning groups, partaking in surveys, sitting on Committees, and forming action groups to lobby Government for planning reform in Port Hedland. PHCPA Inc is represented in many community groups and works closely with the BHPBIO community consultative group.

PHCPA Inc is very aware that BHPBIO have informed Government of their plans for expansion several years ago, so it is most unusual that adequate land has not been made available to BHPBIO to fulfill their development obligations, especially with the establishment of the "Royalties for Regions " and the "Office of Pilbara Cities" PHCPA Inc understood these measures would provide adequate accommodation facilities and reduce the need for such extreme FIFO Measures. PHCPA Inc members find it quite odd that adequate planning for accommodation is so far removed from planning for industry growth and expansion.

Whilst PHCPA Inc appreciates not all these issues can be addressed at a planning level by Council directly, PHCPA Inc does believe Council has a powerful position in the planning of Pilbara Cities. Land release to private developers and tax reform are necessary to create Sustainable Pilbara Cities. State Government and industry have a duty to include the local Councils in FIFO and development. As each approval is granted to industry, a true calculation of housing requirements must be given to the PDC and local Council, or we will be playing FIFO catch up forever!!!!

Thank you for the opportunity to comment on this proposal. PHCPA Inc is a voluntary organisation and members spend many hours on these community concerns and hope sincerely that one day their efforts will be acknowledged and evidenced by liveable, sustainable, diverse cities created through collaborative planning and long term vision.

A copy of this submission has been sent to the Pilbara Development Commission, Pilbara Cities, and the department of State Development.

This submission has been prepared in conjunction with the Soroptimists International Port Hedland, members of the Chamber of Commerce, members of the Port Hedland Yacht Club, members of the Small Business Community and the Play group associations.

President  
Port Hedland Community Progress Association Incorporated

Ms Rosie Vrancic  
Spokesperson  
Ms Jan Ford  
janford@westnet.com.au  
08 1973 4597

December 2011

Late Submission  
Received  
2 January via email

**Octoman Natalie**

**Subject:** FW: Fw: port haven - comments for hopeful inclusion in Precinct 3 submission

> From: [janford@westnet.com.au](mailto:janford@westnet.com.au)  
> To: [kellyhowlett35@hotmail.com](mailto:kellyhowlett35@hotmail.com); [ceo@porthedland.wa.gov.au](mailto:ceo@porthedland.wa.gov.au); [juliechunt@bigpond.com](mailto:juliechunt@bigpond.com)  
> Subject: FW: port haven  
> Date: Mon, 2 Jan 2012 09:16:34 +0800  
>  
> HAPPY NEW YEAR GUYS,  
>  
> I Received this email regarding the FIFO submission and hope it is not too  
> late to be considered.  
>  
> All the best for 2012.  
>  
> Jan Ford  
>  
> -----Original Message-----  
> From: Jayde Hooper [<mailto:jaydehooper@bigpond.com>]  
> Sent: January-01-12 10:29 AM  
> To: Jan Ford  
> Subject: port haven  
>  
> Hey Mum, what do you think???  
>  
> 4 of us went out to Port Haven for dinner last night.  
>  
> No wonder FIFO don't come into the town and use what we have!!!  
> - great income very little expenses  
> - cheap and tasty "all you can eat" meals  
> - amazing sports and recreational programmes and facilities  
>  
> it has its own community and our town seems to have very little to offer  
> after seeing this facility  
>  
> We all wanted to become FIFO after seeing this facility...how sad for our  
> town!!!  
>  
> WHAT WOULD IT TAKE FOR LOCALS TO ENJOY FULL ACCESS FOR THESE FACILITIES  
> TOO???  
>  
> I have been in this town for over 10 years. I have watched many people get  
> rich here then buy a house or 2 and move elsewhere once they have made their  
> fortune.  
>  
> WHAT WOULD IT TAKE FOR MONEY TO BE PUT BACK INTO PORT HEDLAND????  
>  
> Jayde=  
>

*NOTE: Mayor thanked members of the public and the Town's staff for their attendance. Mayor also thanked everybody that made a submission; the input was valued and taken on board.*

**ITEM 8      CLOSURE****8.1          Closure**

There being no further business, the Chairperson declared the meeting closed at 6:28 pm.