



Late Agenda

Ordinary Council Meeting

Tuesday, 20 February 2024

Date:	Tuesday 20 February 2024
Time:	2:00pm
Location:	Council Chambers. Onslow Shire Complex, Second Avenue, Onslow
Distribution Date:	Thursday 15 February 2024



**Shire of Ashburton
Ordinary Council Meeting**

Please be informed an Ordinary Council Meeting will be held at 2:00pm on Tuesday 20 February 2024 at Council Chambers, Onslow Shire Complex, Second Avenue, Onslow.

A handwritten signature in black ink, appearing to read "Kenn Donohoe".

Kenn Donohoe
Chief Executive Officer
15 February 2024

Disclaimer

The Shire of Ashburton warns anyone who has an application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.

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17 New Business Of An Urgent Nature Introduced By Council Decision

17.1 Request to Vary Road Use Agreement - Mt Stuart Red Hill Road

File Reference	TT.02
Applicant or Proponent(s)	Not Applicable
Author	A Sheridan, Project Manager
Authorising Officer	R Miller, Director Infrastructure Services
Previous Meeting Reference	Ordinary Council Meeting 13 June 2023 - Item 14.2 – 108/2023
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	1. Road User Agreement - Mt Stuart Red Hill Road - Confidential

Report Purpose

Council is required to consider a Variation to the existing Mt Stuart Red Hill Rd Road Use Agreement (RUA) between Mineral Resources Pty Ltd (MinRes) Crushing Services International Pty Ltd (CSI), Onslow Iron Pty Ltd (Onslow Iron) and the Shire of Ashburton.

The purpose of this report is to provide details of the requested amendment and to make a recommendation regarding the proposed Variation.

Council is requested to approve the proposed Variation.

Background

The Shire entered into a RUA with MinRes, CSI and Onslow Iron on 6 July 2023 regarding the upgrading and maintenance of Mt Stuart Red Hill Road. A copy of this agreement is provided at Attachment 1. The term of this agreement is for 10 years (through to 28 March 2033).

In relation to the RUA, Clause 4(a)(ii) states:

“the parties acknowledge that when the proposed Service Road has been constructed and is open for use, or on 30 March 2024, whichever is earlier, use of the Access Road for constructing or servicing the Project will cease”.

MinRes has formally requested an extension of time from 30 March 2024 to 31 October 2024, as the Service Road will not be ready for use by 30 March 2024 and use of Red Hill-Mt Stuart Road will be required to service the Project through until 31 October 2024.

Comments

Clause 22 of the RUA provides a mechanism for varying the terms of the existing Deed, which may be formally varied by a document signed on behalf of each Party.

Consultation

Chief Executive Officer
 Director Infrastructure Services

Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	2. Place - We will provide sustainable, purposeful, and valued built and natural environment opportunities for the community.
Strategic Outcome	2.8 Safe and interconnected transport networks for the community
Strategy	2 Manage roads, pathways, and other transport infrastructure according to need and use.

Council Policy

[Council Policies » Shire of Ashburton](#)

Road Management Policy

The Shire manages its road network to minimise preventable expenditure.

Financial Implications

Current Financial Year

All costs associated with the upgrade and maintenance of the Access Road, in accordance with the terms of the existing RUA, will be borne by MinRes.

Future Financial Year(s)

There will be no financial impact in future years as any work required for the term of the RUA is at the expense of MinRes.

Legislative Implications

The *Local Government Act 1995* - Section 3.53, provides for local government to be responsible for controlling or managing thoroughfares.

The *Road Traffic Act 2008* - Section 132 permits a local government and person who may become liable for the cost of repairs to enter into an agreement providing for the person to pay a compensation to the local government.

Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Financial impact	Shire of Ashburton expending funds to maintain / upgrade the road.	Unlikely (2)	Insignificant (1)	Low (1-4)	Provisions contained within the Existing RUA that require MinRes to be responsible for all costs associated with upgrading and maintaining the road.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

Voting Requirements

Simple Majority

Officer Recommendation

That with respect to the Mt Stuart Red Hill Rd Road Use Agreement (RUA), Council:

1. Approve the request to vary Clause 4(a)(ii) of the RUA between the Shire of Ashburton, Mineral Resources Pty Ltd, Crushing Services International Pty Ltd and Onslow Iron Pty Ltd by extending the use of Mt Stuart Red Hill Road from 30 March 2024 to 31 October 2024.
2. Authorise the Chief Executive Officer to formalise this Variation in accordance with Clause 22 of the RUA.

17.2 Advocacy in relation to Tom Price Hospital construction

File Reference	GR16
Applicant or Proponent(s)	Not Applicable
Author	K Donohoe, Chief Executive Officer
Authorising Officer	K Donohoe, Chief Executive Officer
Previous Meeting Reference	Nil
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	<ol style="list-style-type: none"> 1. Media Release - \$20M Tom Price Hospital Announcement 2. Letter from the Hon Amber-Jade Sanderson MLA

Report Purpose

Council is required to consider its position in relation to its advocacy for the Tom Price Hospital.

The purpose of this report is to request direction from the Council, in relation to what direction the Council wishes to pursue in a political lobbying perspective, concerning the development of a new hospital in Tom Price and associated medical services in Paraburdoo.

Council is requested to direct the Chief Executive Officer on a direction that the Council wishes to pursue to develop an advocacy strategy or other actions to support the development of the Tom Price Hospital and medical services in Paraburdoo.

Background

In February 2021, the State of Western Australia, Rio Tinto Iron Ore (RTIO) and the Shire of Ashburton gave commitments to developing the Tom Price Hospital. A commitment of \$32.8 million was given to the construction of the project which was expected to develop in the short term after the completion of the Newman Hospital. \$20 million of this capital investment was to be committed through RTIO.

The Shire of Ashburton's contribution was to make available a portion of vacant land bordered by East Road, Poinsettia and South Street to the WA Country Health Services to build the hospital on.

Council requested the Chief Executive Officer to write to the Minister for Health in relation to Council's concerns regarding the continued lack of progress for the commissioning works of the hospital in Tom Price and the condition of the Paraburdoo Hospital.

Council has subsequently received correspondence from the Minister's office which advised the matter remains an active matter for the State Government and that the State's Departments were investigating the financial costs associated with the development attached.

In effect there is no commitment to build the hospital in the short term.

Comments

Council has consistently sought to have the matter considered through the State's Departments and then at Ministerial level. The attached correspondence indicates that the State has not allocated funds, other than preliminary costs for the development to the project.

Elected members have indicated to the Chief Executive Officer that the seriousness of this lack of commitment to the development of hospitals in Tom Price and Paraburdoo is significant and the Council needs to take a more proactive advocacy strategy to instil a sense of urgency to the State Government.

The catchment area for the hospital sites is not just the towns of Tom Price and Paraburdoo but also outlying mining settlements and upwards of 500,000 persons that visit the district annually to see the Karijini and Millstream National Parks.

The Tom Price Hospital is 57 years old.

To date staff have met with WA Country Health Service on multiple occasions who have advised that the costs have significantly increased since the project was announced in 2021. Costs have increased from \$32 million to in excess of \$70 million.

Council requested the Chief Executive Officer to write to the Minister expressing its concern that this is an important matter for Government and inviting the Minister to meet with Council and view the existing sites and levels of service.

The response received indicates that the State Government has not allocated funding to build the site even in its four year forecasts other than several million dollars allocated towards investigations.

It is highly likely that cost overruns in Metronet or other Health commitments in the metropolitan area or other country zones have been determined to be a higher health/public risk or priority than investing in community health within the Shire of Ashburton. It is assumed that pressure is being put on the resource sector to fund the State's commitments as costs continue to escalate as delays continue.

Both the Shire President and the Chief Executive Officer have spoken with senior persons from RTIO to ask whether the company would contribute further funds towards the project to support the State Government. The response being that the company has committed an allocation of \$20 million towards supporting the project. The company is not in the position to be developing that which is a State Government responsibility.

Options

1. Council could request that the Shire President write to the Minister requesting an opportunity to address the matter in person with the Minister in Perth as the Minister has not indicated any formal dates for visiting the Shire and viewing the sites attached.
2. Council could prepare a further advocacy document and develop a social media strategy to lobby the Government.
3. Council could do (point 2) above and seek to market its position into Perth directly aimed at those people that work in regional areas and call upon their support to assist the communities of Tom Price and Paraburdoo.
4. Council could wait for State's funding and build programme which is estimated to be sometime between 5-7 years.

Consultation

Minister for Health, Amber Jade – Sanderson via correspondence.

Regional Manager, WA Country Health Service via meetings with staff and correspondence.

RTIO – Staff via in person meetings.

Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	1. People - We will support opportunities for the community to be safe, socially active, and connected.
Strategic Outcome	1.1 Coordinated delivery of social services and projects for the community
Strategy	3 Provide safe and welcoming centres to help address social isolation in the community.

Council Policy

[Council Policies » Shire of Ashburton](#)

Nil

Financial Implications

Current Financial Year

Funding is available in Council’s Media and Communications budget and if Council wishes to increase a marketing option based on its instruction to the CEO then these funds could be sourced during mid-year review.

Future Financial Year(s)

Unknown at this time.

Legislative Implications

Nil

Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
People	Lack of faith in Council to not advocate for community health outcomes.	Likely (4)	Major (4)	Moderate (5-9)	Council considers an option presented or defines another strategy and advises its community that it is advocating within its powers.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be medium.

Voting Requirements

Simple Majority

Officer Recommendation

That with respect to developing an advocacy strategy for the redevelopment of the Tom Price Hospital and upgrades to the Paraburdoo Hospital, Council,

1. Instructs the Chief Executive Officer to prepare an advocacy document, inclusive of a social media strategy to lobby for the development of the Tom Price Hospital for circulation in regional and metropolitan regions of Western Australia utilising all media mixes available to the Shire.
2. Writes to the Minister for Health requesting a meeting in the metropolitan area to discuss Tom Price and Paraburdoo health services with the Shire President and staff.
3. Requests the Chief Executive Officer to prepare a business case for further funding for the development of the strategy if current budget funds are insufficient during the financial mid-year review.

Media Release

26 February 2021



Shire of Ashburton pleased with \$32.8M Tom Price Hospital Announcement

The Shire of Ashburton is pleased to be part of today's announcement of funding towards a new, modern hospital for Tom Price.

Shire of Ashburton President Kerry White said she was pleased that the hospital Council have so long advocated for, will be delivered in partnership with State Government and Rio Tinto Iron Ore.

"In 2019 Council made available in principle a 10,000 square metre vacant site bordered by East Road, Poinsettia Street and South Street to WA Country Health for the purpose of a new hospital facility", said Councillor White.

"The Shire has been working with WA Country Health the past number of months to bring health issues to the forefront in Tom Price and Paraburdoo.

"I am very pleased with the commitment from State Government to replace the 54-year-old facility and provision of \$12.8 million for the project, and Rio Tinto's contribution of \$20 million.

"Tom Price Hospital services approximately 3000 residents of Tom Price, multiple mining sites and camps and also thousands of visitors and tourists to our region each year.

"With this announcement, our community can look forward to having access to essential medical services and those that are available at other regional hospitals in Western Australia such as modern health campuses, greater emergency service capability and access medical imaging equipment and state-of-the-art telehealth technology that connect our community members with Perth-based medical specialists without having to travel long distances.

"Tourism visitors to our region have the assuredness of assistance and medical help especially with Tom Price on the doorstep of Karijini and Millstream Chichester National Parks that accommodate approximately 330,000 visitors annually.

"The Shire of Ashburton is pleased to be working with the Government of Western Australia, WA Country Health Service and Rio Tinto to deliver a state-of-the-art health facility.

"We continue to work closely with our partner Rio Tinto in progressing future growth and sustainability for our towns of Tom Price and Paraburdoo and acknowledge their \$20 million contribution to the new hospital as their continued commitment to our area".

For media information contact:

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**Hon Amber-Jade Sanderson MLA
Minister for Health; Mental Health**

Our Ref: 76-28449

Mr Kenn Donohoe
Chief Executive Officer
Shire of Ashburton
Kenn.Donohoe@ashburton.wa.gov.au

Dear Mr Donohoe

Thank you for your letter of 18 October 2023 inviting the Minister for Health to visit the Shire of Ashburton and its health sites in Tom Price and Paraburdoo. The Minister has asked that I respond to you on her behalf.

Upon receipt of your correspondence, I brought the matter of Tom Price and Paraburdoo Hospital to the attention of the WA Country Health Service (WACHS) for advice, and I note the concerns you have raised regarding the current condition of both sites, the proposed redevelopment and associated costs.

Since the State Government's initial announcement in February 2021 confirming funding of \$32.8 million for the Tom Price Hospital in partnership with Rio Tinto, changes in building market conditions have seen significant cost pressures and this has impacted a number of infrastructure projects across the industry.

I understand that on 12 July 2023, an informal meeting was held between WACHS and the Shire of Ashburton, and WACHS briefly informed the Shire of a potential funding shortfall for Tom Price Hospital redevelopment. WACHS is continuing to work closely with the Department of Health and Department of Finance to address and progress the funding needs of this project, and I am further advised that the project will progress to tender once a funding solution has been determined.

WACHS remains committed to ensuring quality healthcare is available to regional residents, including those in the Shire of Ashburton.

WACHS is always happy to meet with the Shire to discuss the ongoing healthcare needs of the local community. If you require further information in relation to this matter, I encourage them to contact Lisa Smith, Executive Director Pilbara, 0439 564 755.

The Minister plans to visit the Pilbara in 2024, with Tom Price and Paraburdoo continuing to be two of her priorities.

Thank you for bringing this matter to the Minister's attention and I trust this information will be of assistance.

Kind regards

A handwritten signature in black ink, appearing to read 'Stacey Hearn'.

Stacey Hearn
CHIEF OF STAFF
12 JAN 2024