

**10.1.9 - West Mundijong Industrial Area Discussion Paper and Infrastructure Funding (SJ1392-03)**

<b>Responsible Officer:</b>	Manager Strategic Planning
<b>Senior Officer:</b>	Director Development Services
<b>Disclosure of Officer's Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

**Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
Information	For the Council / Committee to note.

**Report Purpose**

The purpose of this report is for Council to consider endorsing (for community and stakeholder consultation) a discussion paper on what future role the Shire may take in respect of the West Mundijong Industrial Area (beyond that of a regulatory role).

The report also recommends Council consider funding some short-term infrastructure coordination improvements, now that road access needs are becoming clear in light of approval of the Local Structure Plan by the WAPC.

The short term infrastructure issues are minor fixes of Mundijong Road pavement dips, and adjustment to provide additional reinforcement to the interim roundabout at the intersection of Mundijong Road and Kargotich Road to facilitate RAV4 turning vehicles.

**Relevant Previous Decisions of Council**

<p><i>Ordinary Council Meeting – 13 December 2021 – OCM363/12/21 - COUNCIL RESOLUTION / Officer Recommendation</i></p> <p><i>That Council:</i></p> <ol style="list-style-type: none"> <li><i>ENDORSES the West Mundijong Industrial Area Business Case as attached at attachment 1.</i></li> <li><i>NOTES the Business Case will be used to advocate for funding for this development of the West Mundijong Industrial Area including future Building Better Region Fund application rounds.</i></li> <li><i>AUTHORISES the Chief Executive Officer to submit this project to future Building Better Region Fund application rounds.</i></li> </ol>
---

**Contact Us**

**Enquiries**

Call: (08) 9526 1111  
Fax: (08) 9525 5441  
Email: [info@sjshire.wa.gov.au](mailto:info@sjshire.wa.gov.au)

**In Person**

Shire of Serpentine Jarrahdale  
6 Paterson Street, Mundijong WA 6123  
Open Monday to Friday 8.30am-5pm (closed public holidays)



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



*Ordinary Council Meeting – 15 March 2021 – OCM054/03/21 - COUNCIL RESOLUTION*

*That Council:*

- 1. Pursuant to Schedule 2 Part 4 Clause 19 (1) of the Planning and Development (Local Planning Schemes) Regulations 2015, ENDORSES the schedule of submissions and comments contained within attachment 2.*
- 2. Pursuant to Schedule 2 Part 4 Clause 20 of the Planning and Development (Local Planning Schemes) Regulations 2015, recommend to the Western Australian Planning Commission that the proposed West Mundijong Industrial Area Structure Plan be APPROVED subject to the Schedule of Modifications contained within attachment 3.*
- 3. PROVIDES the West Mundijong Industrial Area Structure Plan documentation to the Western Australian Planning Commission including the following:*
  - a. List of the submissions considered by the local government, as outlined within the Schedule of Submissions contained in attachment 2;*
  - b. Any comments by the local government in respect of those submissions, as outlined within the Schedule of Submissions contained in attachment 2;*
  - c. A schedule of any proposed modifications, as outlined in the Schedule of Modifications contained within attachment 3;*
  - d. The local government's assessment of the proposal based on appropriate planning principles, as contained within this Council report;*
  - e. A recommendation by the local government to approve the proposed structure plan, subject to modifications, as contained within the Council resolution.*
- 4. AUTHORISES the CEO to update the land ownership table in part 2, section 1 of the structure plan document as contained in attachment 1.*

*Ordinary Council Meeting – 19 August 2019 – OCM176/08/19 - COUNCIL RESOLUTION / Officer Recommendation:*

*That Council:*

- 1. ENDORSES the proposal to continue with the Draft West Mundijong Structure Plan independently of the Greater Mundijong District Structure Plan to expedite development of the area.*
- 2. Pursuant to Schedule 2, Part 4, Clause 17 of the Planning and Development (Local Planning Schemes) Regulations 2015 DEEMS the Draft West Mundijong Structure Plan to be compliant with clause 16(1) and DEEMS it satisfactory for advertising in terms of clause 18 of the Regulations.*

## **Background**

The Shire has been planning for the development of the West Mundijong Industrial Area since 2008, after project consultation with the Department of Planning, Lands and Heritage. In 2018, this 440ha land parcel was zoned industrial, with the potential to create several hundred industrial lots and employ in excess of 13,600 people at full buildout. The Shire has completed a Structure Plan and development contribution plan for this area, which are approved, and the first industrial lot subdivision has recently been approved by the Western Australian Planning Commission. This is an important milestone that formally sees the project transition into delivery.



Enabling the development of the West Mundijong Industrial Area will also be supported by road infrastructure coordination (such as that through the development contribution plan), and the delivery of major State Government infrastructure (Tonkin Highway and freight rail deviation).

This will support a key competitive advantage of attracting businesses seeking larger industrial lots which see opportunity for provision of transport and logistics related development especially servicing the future Westport Outer Harbour and key freight link of Tonkin / Thomas / Anketell Roads.

Infrastructure is a key generator of change for the project, leading directly to private business investment, local employment and regional economic productivity increases. Infrastructure provision can range from major projects, like Tonkin Highway, to minor projects, such as incremental improvements to accommodate initial stages of growth.

An organisational KPI for the 2022/23 financial year requires a report to be presented to Council on the future options for the development of the West Mundijong Industrial area and the role of the Shire, by March 2023. This report is a precursor to achieving that KPI requirement, seeking Council to endorse a discussion paper to affect community and stakeholder engagement before presenting a final report in March 2023, which is required to meet the KPI.

Also, now that infrastructure challenges and opportunities are becoming better understood, this report also recommends for Council to fund two minor infrastructure improvements, that have become needed in light of approval of the local structure plan.

### **Community / Stakeholder Consultation**

Not applicable at this stage. Should Council endorse the discussion paper, it will be released for community and stakeholder consultation purposes to help inform the future report to Council on options for the Shire in respect of implementation of the West Mundijong Industrial Area.

As part of this consultation, it is also recommended that the Shire, with the assistance of the Peel Development Commission, undertake a focus group forum with current landowners within the structure plan area, to be able to supplement the discussion paper feedback. This is captured in the Officer recommendation.

### **Statutory Environment**

- *Planning and Development Act 2005*
- *Planning and Development (Local Planning Schemes) Regulations 2015*
- *Local Government Act 1995*

### **Comment**

As discussed above, an organisational KPI for the 2022/23 financial year seeks a report to be presented to Council on the future options for the development of the West Mundijong Industrial area, and the role of the Shire in this regard. This report is a precursor to achieving that KPI requirement, seeking Council to endorse a discussion paper to affect community and stakeholder engagement before presenting a final report in March 2023.



A discussion paper has been prepared, and is provided in **attachment 1**. The key aspects covered in the discussion paper are identified following:

1. Explaining the extent of the West Mundijong development area

The current West Mundijong Industrial Area has Mundijong Road as its southern border, Kargotich Road to the west, the Tonkin Highway reserve in the east and Bishop Road to the north. This industrial land will make available many industrial landholdings for businesses, with great opportunities for various scales of development to occur. The first phase of development, however, is limited to large unserviced lots (dry industry). Which is based upon lot sizes of 1.5ha. This will be ideal for those types of industries that can exist in a dry industry state, and the adopted structure plan identifies such as including transport depot, warehouse, light and service industries, certain forms of general industries, food processing, trade and construction supplies, storage etc. Once services arrive, there is the potential for up to 880 serviced lots.

2. Explaining the roles the Shire could play in the development

There are a number of potential roles that the Shire could undertake within the context of the West Mundijong area. A number of these could be undertaken simultaneously, sequentially or standalone, and could indeed come and go as roles depending on the various phases of subdivision and development that occur over time. These roles include:

- Regulatory role (particularly as required by the statutory planning and associated frameworks administered by local government);
- Project advocate and facilitator to bring interested parties together (focussing current economic development functions of the Shire for example);
- Advocating and/or sponsoring infrastructure delivery, through State and Federal Government advocacy and grants;
- Further enhancement of the strategic and statutory planning frameworks, as may be relevant over time;
- Infrastructure provider, through direct funding;
- Project partner in collaboration with an agency and/or key landowners.

These roles are not mutually exclusive. In some instances, these would overlap and complement one another. A key question to consider in this regard is how the balance between regulatory responsibilities and project facilitation responsibilities can be best struck.

3. Explaining the opportunities and advantages

Shire population is growing rapidly, and part of the Shire's objective is to increase employment opportunities within the district. Providing economic self-sufficiency is a goal that the local government is aiming for, and the West Mundijong industrial area is one of the ways that will be able to address this issue.

- Up to 13,600 new direct local jobs and as many as 40,100 indirect jobs will be created at full buildout of this project;
- Industrial rates income will top out at \$4.57 million annually;
- Economic development will be brought to the community linking to other major State projects such as Tonkin Highway;



- Self-sufficiency will lift the Shire from being a dormitory area, to being a significant local and regional industrial leader, bringing new investment, jobs, prosperity, social uplift and confidence.

#### 4. Explaining the Risks

The Shire needs to ensure that involvement with a project is considered in a balanced way. These include such matters as:

- Local governments must be mindful of carefully choosing when and how to advocate, as such opportunities to obtain State and Federal support for projects need focussed attention. It is not possible to advocate for everything at all times, given this lacks a strategic focus and basis for consideration;
- While being aware of the economic advantages of providing funding to a project, this needs to be weighed up against whether such is a core responsibility for a local government to take;
- Current residents in the area may and in some instances will be affected by the developments. The Shire also has a responsibility towards them to ensure that they are fairly treated throughout the process. This is a function that is enshrined in the various regulatory responsibilities of the Shire.

#### 5. Balancing the opportunities and risks

The Shire needs to consider the opportunities that are presented to it against the risks that are present. Whilst the economic advantages of the opportunities are noted, there are potential reputational and perception risks that need to be taken into consideration.

#### 6. Possible partnerships

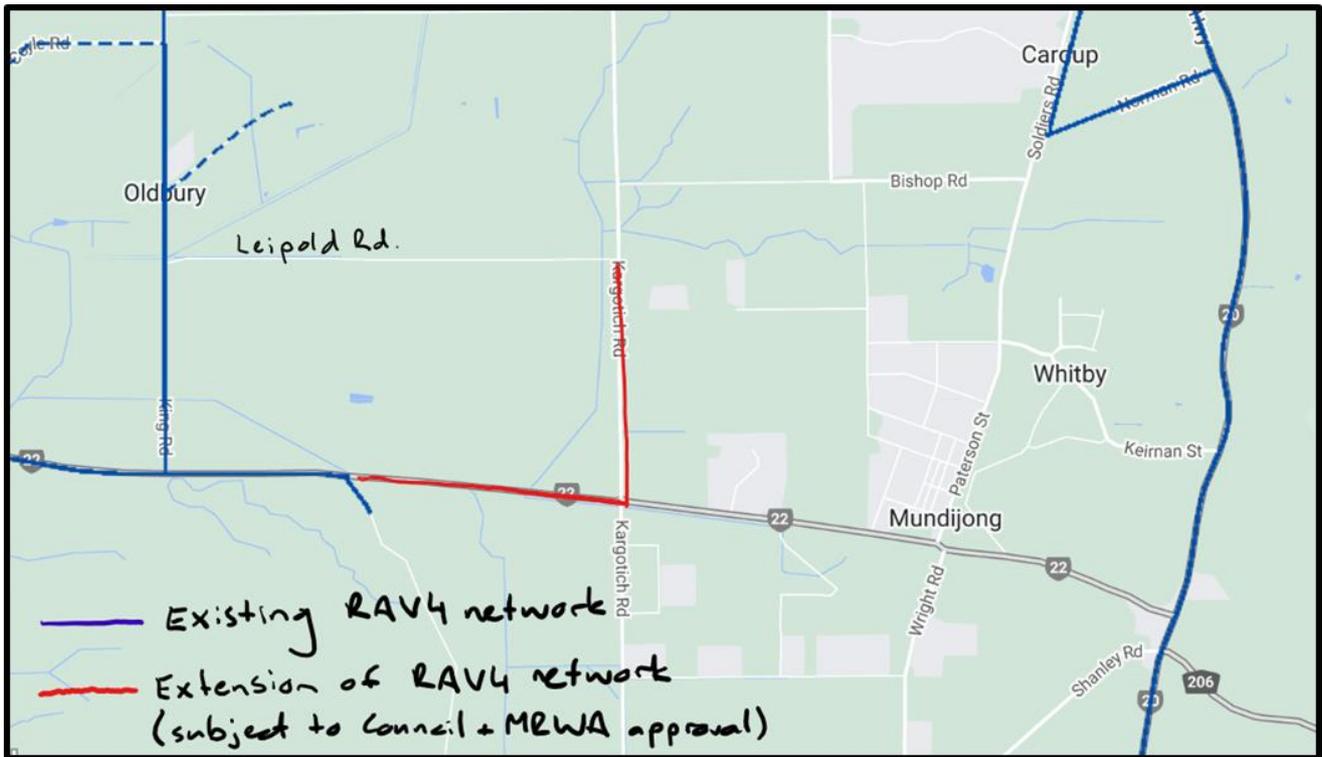
The Shire has the option to either provide assistance or promote partnership opportunities with agencies such as Development WA or project developers, to provide the necessary resources to do the project. Some of these partnering stakeholders could include:

- Landowners who will develop their own property;
- Developers who will run a project;
- State agencies such as Development WA who will run a project.

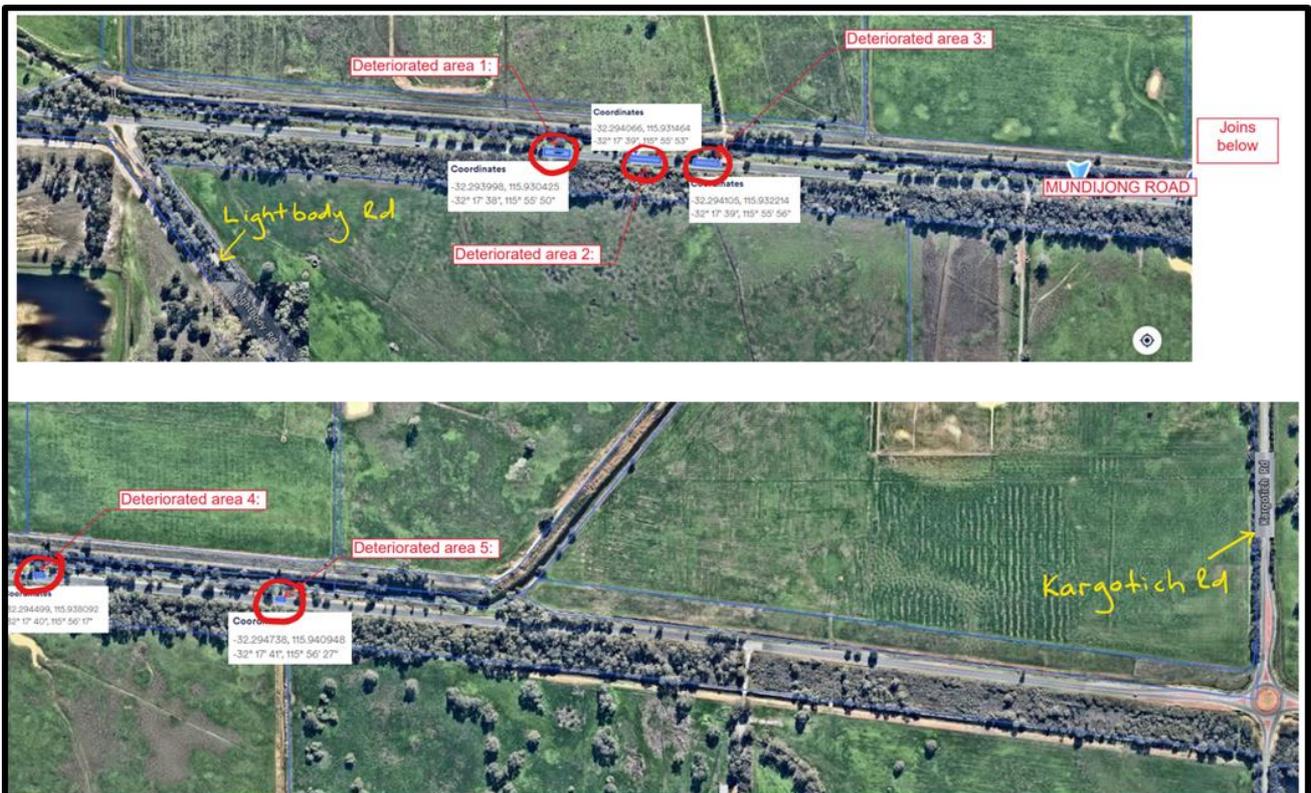
#### Upgrading of Mundijong Road

The other aspect of this report includes recent issues arising from local infrastructure improvements, that can be considered to assist in delivering enabling infrastructure for the area. This enabling infrastructure seeks to address local improvements along Mundijong Road where dips are present, and interim improvements to the new Mundijong Rd and Kargotich Rd roundabout to reinforce the central island to enable RAV4 turning movements.

Achieving a clear RAV4 access into the West Mundijong area is strategically beneficial for the area. Further, having certainty around RAV4 access through infrastructure adjustment, would assist in the implementation of the structure plan. If Council supported this infrastructure improvement, and if Council subsequently supported the RAV4 network being extended and MRWA agreed to this, the current RAV4 network would extend eastwards to service the frontage of the West Mundijong Industrial Area, as shown in red following:



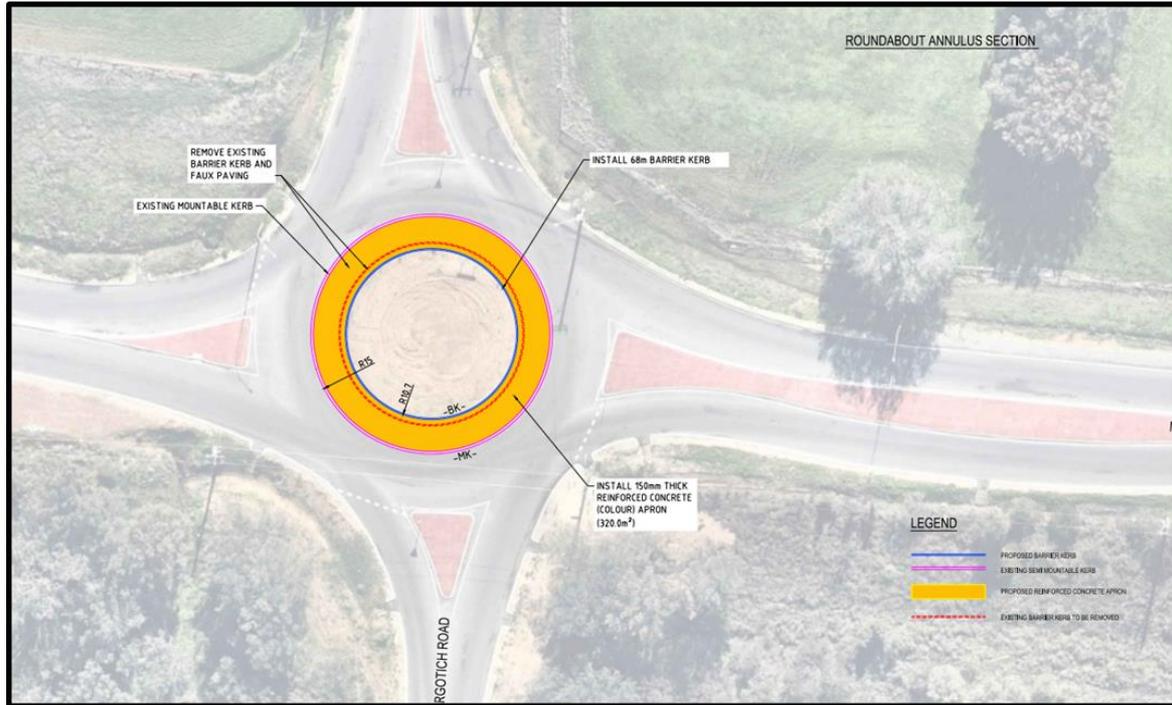
Council's support and Main Roads approval for RAV4 access, would enable developers and prospective purchasers to have confidence in respect of accessibility by these types of vehicles. In order to physically achieve this, two pieces of local infrastructure improvement are needed. The first is addressing a number of road pavement depressions along Mundijong Road, specifically in the following marked areas:



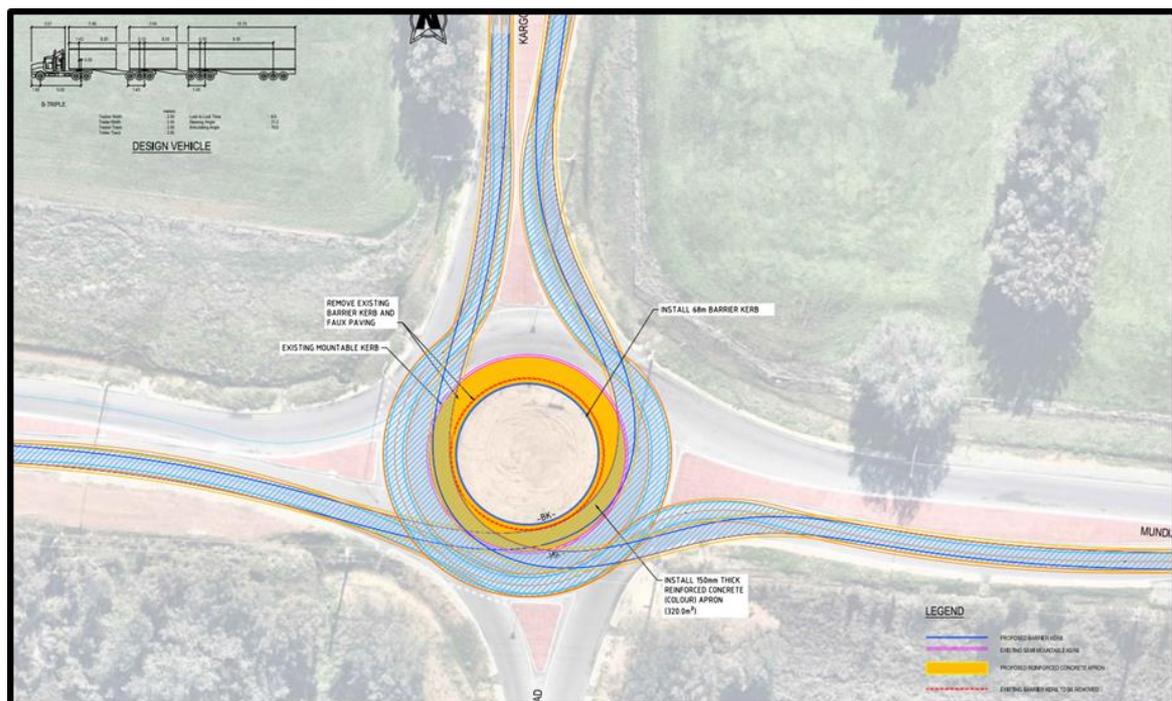


Given its responsibility for Mundijong Road, this is considered a routine safety issue that needs to be managed by the Shire. These works carries an indicative cost of \$60,000, including contingency.

For the Mundijong Road roundabout, this currently will not support turning movements for either RAV3 or RAV4 vehicles, due to the central island not comprising sufficient concrete reinforcement to handle trailers rolling across this. To enable such to occur, the central ring needs concrete reinforcing, as shown following:



Once done, this will allow turning movements for both RAV3 and RAV4 vehicles, as shown following:

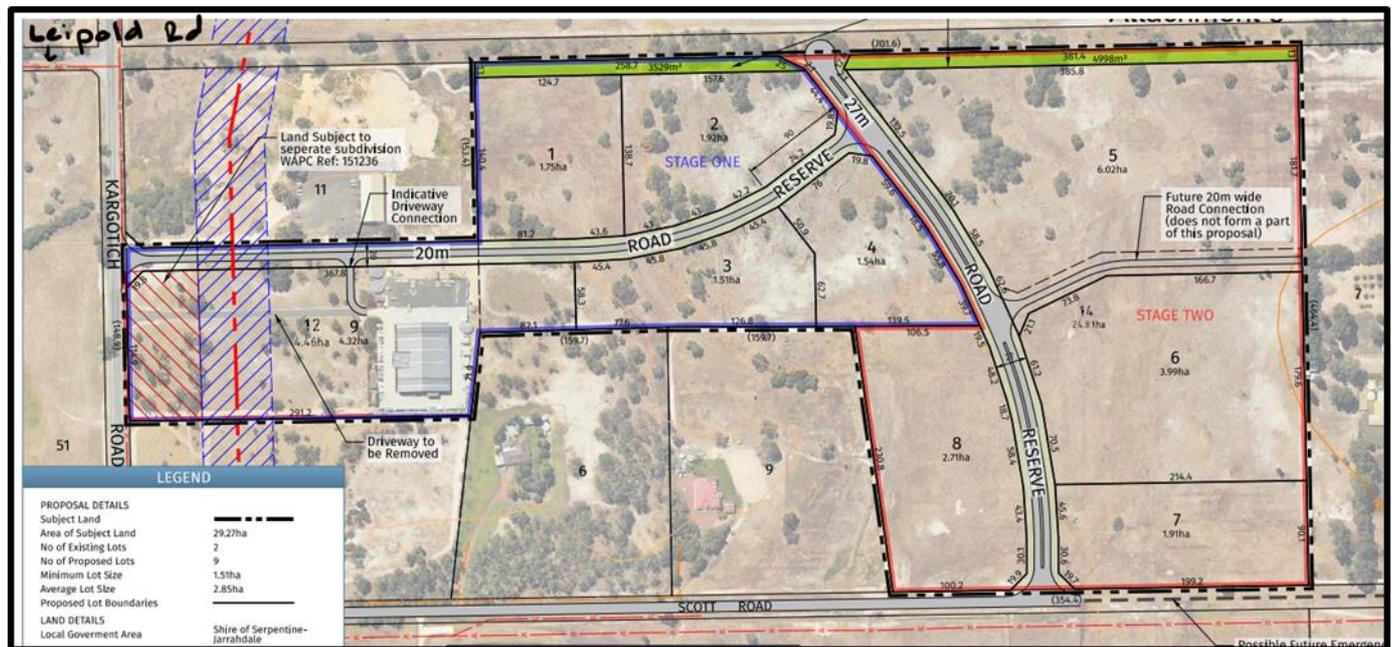




This carries an indicative cost of \$90,000, including contingency.

Although the timeframes for both upgrades to make the route suitable for RAV4 will need to be confirmed, these works would ideally occur in the first quarter of 2023, in order to avoid adverse site conditions caused by rain.

Should Council agree to these works, there will be a direct benefit to the first stage subdivider in the estate. This subdivider has approval to create nine lots, from the current two lots, central to the West Mundijong area. Council may consider that the subdivider, as a direct beneficiary, may be required to make a financial contribution to such works. The subdivision plan is shown following:



Officers do not consider this to be a preferred option as Mundijong Road works are safety measures that should be expected to be the responsibility of the road manager (in this case the Shire). Furthermore, the roundabout will provide an interim solution for RAV4 vehicle access only which will give time for a further review of DCP arrangements without halting potential West Mundijong development.

Should Council not agree, an Option 2 has been prepared to seek a 50% contribution from the subdivider to the roundabout component only (\$45,000) recognising their associated benefit from the works.

## Options and Implications

### Option1

That Council:

1. ENDORSES the discussion paper and accompanying questions as provided in **attachment 1**, which will be subject to the following engagement processes:
  - a. Your Say SJ page to promote community and stakeholder engagement for a period of 60 days;
  - b. specific focus group forum to be delivered in collaboration with the Peel Development Commission, with current landowners within the West Mundijong structure plan area.



2. AMENDS the 2022/23 statutory budget to undertake two new infrastructure projects (Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road roundabout upgrade) to a value of \$150,000 as follows:

Account Number	Type	Account Description	Debit \$	Credit \$
6400-NEW-6600-0000	Increase Expenditure	Mundijong/Kargotich Road Roundabout Upgrade – Capital Purchase	90,000	
6400-NEW-5033-0000	Increase Revenue	Mundijong/Kargotich Road Roundabout Upgrade – Transfer from Reserve – Road Asset Management Reserve		90,000
6400-NEW-6600-0000	Increase Expenditure	Mundijong Road Pavement Dip Rehabilitation - Capital Purchase	60,000	
6400-NEW-5033-0000	Increase Revenue	Mundijong Road Pavement Dip Rehabilitation – Transfer from Reserve – Road Asset Management Reserve		60,000
<p><b>Reason:</b> Funds required for to undertake two new infrastructure projects: Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road interim roundabout upgrade.</p> <p>This is to be funded from the Road Asset Management Reserve.</p>				

### Option 2

That Council:

1. ENDORSES the discussion paper and accompanying questions as provided in **attachment 1**, which will be subject to the following engagement processes:
  - a. Your Say SJ page to promote community and stakeholder engagement for a period of 60 days;
  - b. specific focus group forum to be delivered in collaboration with the Peel Development Commission, with current landowners within the West Mundijong structure plan area.
2. REQUESTS the Chief Executive Officer to write to the subdivider of WAPC reference 159480, seeking a \$45,000 contribution to be able to undertake the Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road interim roundabout upgrade;
3. AMENDS the 2022/23 statutory budget to undertake two new infrastructure projects (Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road roundabout upgrade) to a value of \$150,000 as follows:

Account Number	Type	Account Description	Debit \$	Credit \$
6400-NEW-6600-0000	Increase Expenditure	Mundijong/Kargotich Road Roundabout Upgrade – Capital Purchase	90,000	
6400-NEW-4907-0000	Increase Revenue	Mundijong/Kargotich Road Roundabout Upgrade – Capital Contribution		45,000



<b>Account Number</b>	<b>Type</b>	<b>Account Description</b>	<b>Debit \$</b>	<b>Credit \$</b>
6400-NEW-5033-0000	Increase Revenue	Mundijong/Kargotich Road Roundabout Upgrade – Transfer from Reserve – Road Asset Management Reserve		45,000
6400-NEW-6600-0000	Increase Expenditure	Mundijong Road Pavement Dip Rehabilitation - Capital Purchase	60,000	
6400-NEW-5033-0000	Increase Revenue	Mundijong Road Pavement Dip Rehabilitation – Transfer from Reserve – Road Asset Management Reserve		60,000
<p><b>Reason:</b> Funds required for to undertake two new infrastructure projects: Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road interim roundabout upgrade.</p> <p>This is to be funded from a \$45,000 developer contribution with the remainder to be funded from the Road Asset Management Reserve.</p>				

Option 1 is recommended.

### Conclusion

The Shire has been planning for the development of the West Mundijong Industrial Area since 2008 after project consultation with the Department of Planning, Lands and Heritage. In 2018, this 440ha land parcel was zoned industrial, with the potential to create several hundred industrial lots and employ as many as 13,600 people at full buildout. The Shire has completed a Structure Plan and development contribution plan for this area and the first industrial lot subdivision has recently been approved by the Western Australian Planning Commission.

This report recommends Council endorsement of a discussion paper to engage the community on options of future Shire involvement in the area, and also to make funds available to affect two infrastructure projects to be able to achieve RAV4 access to the area.

### Attachments (available under separate cover)

- **10.1.9 - attachment 1** - Discussion paper - Future options for the West Mundijong area and the role of the Shire of Serpentine Jarrahdale - Discussion paper for community and stakeholder feedback (E22/12694)

### Alignment with our Strategic Community Plan

<b>Outcome 2.1</b>	A diverse, well planned built environment
<b>Outcome 4.2</b>	A strategically focused Council
<b>Strategy 4.2.3</b>	Provide clear strategic direction to the administration



### Financial Implications

The report outlines that the combined infrastructure projects represent a cost of \$200,000 as follows:

Item to be upgraded	Maintenance / upgrade required	Cost
Mundijong Road	Upgrades between the roundabout and Lightbody Road involve repairing five areas where the existing road has been deformed	\$60,000
Mundijong / Kargotich roundabout	Upgrade by the removal and replacement of the inner ring of the roundabout island with reinforced concrete, which would than provide a permanent RAV4 solution	\$90,000

Officers recommend that the Shire funds these works, for completion by the end of the current financial year. Option 2 provides Council with a shared cost option, however it is not certain if this will be agreed.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Not having a clear focus and vision for the role of the Shire for West Mundijong may result in a loss of momentum and a slower pace of development in the West Mundijong Area. The Shire and community may miss out on important economic development and job opportunities. Also not undertaking the identified infrastructure projects may impact the viability of the area.	Discussion paper to encourage community feedback of the future of Shire involvement in the project. Budget amendment to find the funds to deliver the two infrastructure works.	Financial	Possible	Moderate	MODERATE	Nil.



2	The main difference to option 1 is seeking a financial contribution to the infrastructure works from the subdivision of WAPC reference 159480. It is uncertain if they will agree to this.	Writing to request the contribution with suitable justification.	Reputation	Possible	Moderate	MODERATE	Nil
---	--	--	------------	----------	----------	----------	-----

**Voting Requirements:** Simple Majority

### Officer Recommendation

#### That Council:

1. **ENDORSES** the discussion paper and accompanying questions as provided in attachment 1, which will be subject to the following engagement processes:
  - a. Your Say SJ page to promote community and stakeholder engagement for a period of 60 days;
  - b. specific focus group forum to be delivered in collaboration with the Peel Development Commission, with current landowners within the West Mundijong structure plan area.
2. **AMENDS** the 2022/23 statutory budget to undertake two new infrastructure projects (Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road roundabout upgrade) to a value of \$150,000 as follows:

Account Number	Type	Account Description	Debit \$	Credit \$
6400-NEW-6600-0000	Increase Expenditure	Mundijong/Kargotich Road Roundabout Upgrade – Capital Purchase	90,000	
6400-NEW-5033-0000	Increase Revenue	Mundijong/Kargotich Road Roundabout Upgrade – Transfer from Reserve – Road Asset Management Reserve		90,000
6400-NEW-6600-0000	Increase Expenditure	Mundijong Road Pavement Dip Rehabilitation - Capital Purchase	60,000	
6400-NEW-5033-0000	Increase Revenue	Mundijong Road Pavement Dip Rehabilitation – Transfer from Reserve – Road Asset Management Reserve		60,000

**Reason:** Funds required for to undertake two new infrastructure projects: Mundijong Road pavement dip rehabilitation and Mundijong Road/Kargotich Road interim roundabout upgrade.

**This is to be funded from the Road Asset Management Reserve.**