



Business Plan
(Impact Statement)
Major Land Transaction

**Proposed Re-acquisition of
Leasehold Interest**

87 Pederick Road Neerabup WA 6031

(In accordance with Section 3.59 of the Local Government Act 1995)

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1 Introduction

This Business Plan (the Plan) outlines the Mindarie Regional Council's (MRC) proposed re-acquisition of a leasehold interest in the land at 109 (Lot 801) Pederick Road, Neerabup (**Land**). The Land is owned by the MRC, but is leased to a tenant.

2 Proposed Major Land Transaction

The MRC has entered into a Resource Recovery Facility Agreement (**RRFA**) for organics processing with BioVision 2020 Pty Ltd (**BioVision**). The RRFA was a 'Build Own Operate' type contract where BioVision would build, own and operate an organics processing facility, with the MRC as its sole client. This facility is known as the Resource Recovery Facility (**RRF**). The RRF was designed to extract the organic fraction from the input waste feedstock and turn it into an organic soil conditioner.

The organic content of the input waste feedstock is diminishing as a result of a number of factors, but predominantly the progressive introduction of a third kerbside bin for organics by the MRC's member councils, in line with the State Waste Strategy. The removal of the organics from the waste stream at source in the third bin means that the RRF is playing an ever-decreasing role in diverting organics from landfill. As a result, the MRC is currently considering options for how the RRF and the Land, might be best used into the future.

If the MRC decides to pursue an alternative future for the Land where the use of the Land transfers back to the MRC, it is considered that the MRC will be acquiring an interest in the Land in the form of leasehold interest (the '**Proposed Transaction**'). The Proposed Transaction is considered a major land transaction under Section 3.59 of the Local Government Act 1995 (LGA), notwithstanding the fact that the Land is already owned by the MRC.

Land Details:

Lot 801 Plan 57533 Volume 2688 Folio 345 (Refer to Appendix 1)

The Land comprises 2 sub areas – a northern lot totalling 3.08 hectares which is the subject of this Proposed Transaction – and a southern lot totalling 7.27 hectares which is currently undeveloped and is not the subject of this Proposed Transaction.

Land Ownership

The Registered Property Owner as per the Certificate of Title of the subject lot is the MRC of 1700 Marmion Avenue Tamala Park, Registered 21 April 2008.

Encumbrances:

Lot 801 on Deposited Plan 57533, contained within certificate of title Volume 2688 Folio 835

The following encumbrances are registered on the Certificate of Title:

1. K473016 Lease to BioVision. As to Portion only registered 11/1/2008 (**Lease**). Expiry on 20 November 2032.
2. K473017 Mortgage of Lease K473016 to ANZ Fiduciary Services Pty Ltd Registered 11/1/2008.

Land Zoning:

The property is zoned "Industrial" under the Metropolitan Region Scheme and "General Industrial" under the City of Wanneroo District Planning Scheme No. 2 including amendments AMD 159 GG 10/11/2017.

Current Use:

The Land is leased to BioVision (see 'encumbrances' above) who provide Municipal Solid Waste (MSW) processing and organic recovery services to the MRC. The southern portion of the Land is vacant, undeveloped land.

A current annual lease fee of \$169,000 is paid by BioVision to the MRC.

3 Local Government Act Compliance

The relevant legislation is as follows:

- Local Government Act 1995, Section 3.59

In accordance with the Local Government Act 1995 Section 3.59(2), before it commences a major land transaction, a local government is to prepare a business plan. In accordance with Section 3.59(3), the business plan is to include 'an overall assessment of the major land

transaction' and is to include details of –

- (a) its expected effect on the provision of facilities and services by the local government; and
- (b) its expected effect on other persons providing facilities and services in the district; and
- (c) its expected financial effect on the local government; and
- (d) its expected effect on the local government's planning for the future; and
- (e) the ability of the local government to manage the undertaking; and
- (f) any other matter prescribed for the purpose of the subsection.

3.1 Expected effect on the provision of facilities and services by the MRC (section 3.59(3)(a))

The Proposed Transaction is expected to have no, or minimal, effect on the facilities and serviced provided by the MRC. This is because:

- In the short-term, kerbside collected Municipal Solid Waste (**MSW**) can be directed to the MRC-operated Tamala Park Waste Management Facility (**TWMF**) if required, with little consequential impact. Existing public and commercial customers accessing the TWMF will be unaffected. The longer-term effect of the Proposed Transaction is anticipated to be minimal.
- The Proposed Transaction aligns with the Waste Avoidance and Resource Recovery Strategy 2030 which requires the introduction of a third kerbside bin for organics. It will assist the MRC and its member councils to pivot to the processing of organic and residual waste using more effective technologies for greater resource recovery and expected lower overall cost. A short-term drop in waste diversion is expected during the changeover period.

3.2 Expected effect on other persons providing facilities and services in the district (section 3.59(3)(b))

The Proposed Transaction is not expected to have a significant impact on other persons providing facilities and services in the district. The impact on BioVision is not considered to be significant as the lease would be terminated with their consent.

3.3 Expected financial effect on the MRC (section 3.59(3)(c))

The expected financial effect of the Proposed Transaction is not yet accurately quantifiable as it depends largely on how the property may be used in the future once the leasehold interest is re-acquired.

However, the Proposed Transaction is anticipated to be financially beneficial to the MRC and its member councils in the medium term.

3.4 Expected effect on the local government’s planning for the future (section 3.59(3)(d))

Section 3.59(3)(d) of the Local Government Act requires this Business Plan to provide details of the expected effect of the Proposed Transaction on the MRC’s ‘current plan prepared under section 5.56’ of the Local Government Act.

The Proposed Transaction has the potential to address a number of the goals and strategies as defined in the MRC’s Strategic Community Plan (2018 – 2037), including:

Objective 1: Long Term Viability

1.5 Ensure the council is commercially relevant to its industry.

Objective 2: Effective Management

2.2 Continually assess and utilise the best appropriate waste management solutions.

2.5 Evaluate the effectiveness of systems and procedures in light of changing business requirements.

3.5 Ability of the Local Government to Manage the Transaction (Section 3.59(3)(e))

The MRC has sufficiently qualified and experienced personnel to manage the Proposed Transaction. The MRC has also provided sufficient budgeted funding to appoint professional consultants to advise the MRC on the transaction as required.

3.6 Any Other Matter Prescribed for the Purpose of this Sub- section (Section 3.59(3)(f))

No other matters are prescribed in the *Local Government (Functions and General) Regulations 1996* that are relevant to the Proposed Transaction.

4 Public Consultation and Advertising

Following the public advertising period (Section 3.59(4)), the MRC will consider all submissions and may decide (by absolute majority) to proceed with the Major Land Transaction as

described in this Plan in accordance with the provisions of the Local Government Act 1995, section 3.59. The period of advertisement will be forty-two (42) days.

5 Submissions

Submissions about this business plan can be made to the Chief Executive Officer, Mindarie Regional Council, 1700 Marmion Avenue, Tamala Park WA until 4.00pm WST on 12 August 2021.

Submissions are to be lodged in writing and can be delivered to the Main Administration Centre, posted via PO Box 2746, Clarkson WA or emailed to the attention of the Chief Executive Officer at admin@mrc.wa.gov.au

If more information is required prior to making a submission, contact the MRC's Manager Projects and Procurement Aaron Griffiths on 9306 6359 or agriffiths@mrc.wa.gov.au