

5.7 CONCRETE BATCHING PLANTS RELOCATION PLAN

- Attachments:
1. Relocation of Concrete Batching Plants from Claisebrook - Letter from Mayor to Minister
 2. No. 1 Linwood Court, Osborne Park - Zoning and Aerial Plan
 3. Batching Plants and Operations Depot - Location Plan
 4. Crown Reserve 29320 - Proposed Operations Depot Location Plan
 5. Letter from Minister for Lands - Management Order Crown Reserve 29320 - Confidential

RECOMMENDATION:**That Council:**

1. **ENDORSES** the Relocation of the two concrete batching plants from the City of Vincent as per Attachment 1;
2. **AUTHORISES** the Chief Executive Officer to:
 - 2.1 accept a Management Order of Crown Reserve 29320, Mount Claremont for the relocation of the City of Vincent's Depot operations;
 - 2.2 progress development of a Heads of Agreement with Hanson Australia Pty Ltd that is non-binding in relation to the relocation of Hanson's operations to No. 1 Linwood Court, Osborne Park;
 - 2.3 sign a Development Application as landowner of No. 1 Linwood Court, Osborne Park on an Application for Development Approval to the City of Stirling for the relocation of Hanson's Claisebrook Concrete Batching Plant to No. 1 Linwood Court, Osborne Park;
 - 2.4 obtain any required valuations of No. 1 Linwood Court, Osborne Park; and
 - 2.5 prepare a Business Plan that addresses sections 3.58 and 3.59 of the *Local Government Act 1995* in relation to the relocation of Hanson's Claisebrook operations to No. 1 Linwood Court, Osborne Park and the relocation of the City's Depot operations to Crown Reserve 29320, Mount Claremont; and
3. **NOTES** that:
 - 3.1 the Heads of Agreement key terms, along with a Business Plan, setting out Hanson's relocation of the City's depot operations to Mount Claremont and the relocation of their Claisebrook operations to the City's current depot site in Osborne Park would be presented to Council in the future for approval:
 - 3.1.1 To determine the key terms of the non-binding Heads of Agreement with Hanson Australia Pty Ltd; and
 - 3.1.2 To approve public notice and in due course thereafter consider submissions on that Business Plan before Council then decides whether or not to dispose of the land for the purposes of section 3.58 (if required) and enter into a major land transaction for the purposes of section 3.59 of the *Local Government Act 1995*;
 - 3.2 Hanson Australia Pty Ltd has indicated that they are applying to the State Government for development approval so they can continue their operations in Claisebrook while they implement the above relocation plan in the shortest period possible. The Western Australian Planning Commission would be the decision maker on this application and the community and City of Vincent would have the opportunity to comment as part of the State Government's process; and
 - 3.3 Holcim (Australia) Pty Ltd has received development approval to upgrade an existing Holcim site in Welshpool but construction has not commenced and the company has

advised it is also applying to the State Government for development approval so they can continue their operations in Claisebrook. The Western Australian Planning Commission would be the decision maker on this application and the community and City of Vincent would have the opportunity to comment as part of the State Government's process.

4. **AGREES** not to object to the shortest possible extension to Hanson's current planning approval in order to undertake a smooth and orderly relocation of its operations to No. 1 Linwood Court, Osborne Park based on the regional importance of facilitating a high-density mixed-used transit oriented development on its Claisebrook land in line with the City's local Planning Scheme and North Claisebrook Planning Framework (see Attachment 1 – Letter to Planning Minister).
5. **OBJECTS** in the strongest possible terms to any extension to Holcim's planning approval in Claisebrook as there is no legal, planning nor economic justification which would meet the threshold set by the State Government for the WAPC to consider this development application under its extraordinary planning powers and override the City's approved local planning scheme and local planning framework.
6. **AUTHORISES** the Chief Executive Officer to enter into non-binding discussions with Holcim (Australia) Pty Ltd regarding the purchase of No.120 Claisebrook road, Claisebrook to facilitate a high-density mixed-used transit oriented development in accordance with the North Claisebrook Planning Framework.

PURPOSE OF REPORT:

To:

1. Consider the Minister for Lands offer to the City of Vincent for a Management Order over No. 11 John Xxiii Ave, Mount Claremont (Crown Reserve 29320) once Western Power decommission their depot operation on that site and relinquish their management order (expected to be 30 June 2024);
2. Consider Hanson Australia Pty Ltd proposal to relocate the City's depot operations at No.1 Linwood Court, Osborne Park to No.11 John Xxiii Ave, Mount Claremont, relocate their Claisebrook Batching Plant to the City's No.1 Linwood Court, Osborne Park property and seek an extension from the State Government for the shortest period possible to facilitate the relocation;
3. Note that Holcim (Australia) Pty Ltd has already received planning approval to upgrade an existing Holcim site in Welshpool and should cease operations in Claisebrook on 30 June 2024 but have advised of their intention to lodge an application with the State Government to continue their operations in Claisebrook for a further seven years; and
4. Note the Mayor's letter to the Minister for Planning, included in **Attachment 1**, setting out that these development applications could only be considered by the State Government if they facilitated the immediate relocation and decommission of the concrete batching plants and decontamination and redevelopment of these sites for high density mixed use, in line with the vision endorsed by the Minister for Planning in the City of Vincent's Local Planning Scheme No.2.

BACKGROUND:

The Hanson Australia Pty Ltd (Hanson) and Holcim (Australia) Pty Ltd (Holcim) Concrete Batching Plants have operated at No.71 Edward Street and No.120 Claisebrook Road Claisebrook respectively since the early 2000's. The structures located on these sites were permanently approved in the early 2000's but the use of the sites as concrete batching plants have only ever held time limited approvals. These time limited approvals were applied in recognition of the future vision of the area as a high density mixed use community and transit orientated development. The current time-limited approvals for the two sites, granted by the former Minister for Planning, are scheduled to expire on 30 June 2024.

Prior to the former Minister for Planning granting these development approval, the City of Vincent's Local Planning Scheme No. 2 (LPS2) was approved by the then Acting Minister for Planning in 2018. The new Scheme essentially prohibits the concrete batching plants use after 30 June 2024 and rezoned the sites and surrounding area to high density Mixed Use, signifying the intent for these sites to be redeveloped to facilitate a transit orientated development adjoining the East Perth and Claisebrook METRONET Stations.

The current planning approvals do not require the structures on the sites to be decommissioned and removed, or for the sites to be decontaminated and redevelopment for high density mixed use purposed. This means that when the approvals end, the use is required to cease but the structures would likely not be required to be removed.

Following these decisions, the State Government-initiated a Working Group to identify alternative locations for the relocation of these batching plants.

The Working Group identified the City of Vincent's Depot site at No. 1 Linwood Court, Osborne Park, as one of the suitable locations for the relocation.

DETAILS:

Current situation

The City of Vincent owns No. 1 Linwood Court, Osborne Park in freehold. The site is located within the City of Stirling and is zoned Industry under the City of Stirling Local Planning Scheme No. 3 with a portion along the eastern boundary reserved Primary Regional Road under the Metropolitan Region Scheme as shown in **Attachment 2**. The site is approximately 12,800 square metres. The Concrete Batching Plants would fall within the definition of 'General Industrial' under the City of Stirling Local Planning Scheme and would be a 'P' Permissible use.

Both Hanson and Holcim were consulted on the potential to relocate to the City's Depot site given its suitable location and zoning.

Holcim did not express interest in the City's depot site but did pursue an expansion and upgrade of its Welshpool site, which now has development approval.

Hanson immediately expressed a keen interest in the relocation proposal and engaged constructively and actively with Administration on a potential relocation proposal. Hanson were asked to find a suitable location for the City's depot operation to relocate to and engaged property advisors to find suitable locations. Unfortunately a site suitable to the City of Vincent's needs were not found until Western Power's Mount Claremont Depot site was identified in mid 2023.

In a letter dated 12 October 2023, the Minister for Lands, Hon. John Carey MLA, expressed willingness to grant the City of Vincent a Management Order over the Western Power depot site in Mount Claremont to use as its new depot site once Western Power's Management Order had been relinquished, currently scheduled for 30 June 2024.

Hanson is now seeking agreement from the City of Vincent to relocate the City of Vincent's depot to this Mount Claremont site and then relocate their Claisebrook concrete batching plant to the City's depot site in Osborne Park. Hanson has also indicated that they are seeking a seven year extension from the State Government to facilitate this relocation process.

Holcim has received planning approval to expand and upgrade an existing Holcim batching plant in Welshpool to increase production to offset the loss from the closure of its Claisebrook site on 20 June 2024.

Holcim Australia has advised it has still not received authorisation from its global head office in Zurich, Switzerland to commence construction of the Welshpool plant upgrade and would be pursuing a seven year extension from the State Government to continue operating in Claisebrook.

Currently, the Significant Development pathway, outlined in the *Planning and Development Act 2005*, allows for the WAPC to consider applications that depart from an approved Local Planning Scheme.

Next steps

Hanson's relocation proposal involves seeking the decommissioning of the Claisebrook site's batching plant, decontamination of the land, and its redevelopment or sale for high-density mixed-use purposes, to prevent future batching plant activities. It is recommended that a short term development approval that required Hanson's Claisebrook concrete batching plant to be relocated and the site to be decommissioned, decontaminated and redeveloped for high density mixed use purposed could be supported by the City, provide these outcomes were guaranteed for the community in the shortest period possible.

Currently, though the use of the site as a concrete batching plant must cease on 30 June 2024, the structures are not required to be removed and the site is not required to be decontaminated and redeveloped as high-density mixed-use. This would allow the land to be banked with the site becoming derelict, remaining unsightly and potentially providing for the future reopening of the plants.

The proposal is contingent on the City of Vincent's Depot site relocating to Western Power's Mount Claremont location.

With Hanson indicating its interest in relocating to the City's existing operations depot and an alternate site for the City's relocation having been identified (Mount Claremont) Council must now consider its approach.

1. To facilitate the relocation of the Hanson Batching Plant to the Osborne Park site, Hanson would need to first obtain Development Approval from the City of Stirling. As this application relates to the City's land, consent is sought from Council for the CEO to sign the Development Application form as landowner.
2. Should approval be granted for the development, the City would need to relocate its Depot operations. Consent is sought from Council for the CEO to accept a Management Agreement for Crown Reserve 29320 land within Mount Claremont currently occupied by the Western Power depot.
3. In order for Hanson to relocate to the City's Operations Depot and for the City's operations depot to relocate to Mount Claremont the City must prepare a non-binding heads of agreement to set out the key commercial terms between the City and Hanson with respect to the Transaction. The City will then prepare a business plan which outlines the transaction.
4. Once prepared the Heads of Agreement key terms and the Business Plan would be presented to Council for approval to advertise and to invite submissions and in due course consider those public submissions on that Business Plan before Council then considers whether to enter into a major land transaction under sections 3.58 and 3.59 of the *Local Government Act 1995*.

The City understands that the proposed extension of the Holcim concrete batching plant in Claisebrook does not involve a similar decommissioning of their operations or decontamination and redevelopment of the site to ensure a high density mixed use outcome.

It is recommended that any application that simply seeks a further extension to their operations, similar to those previous, not be supported.

Only a clear relocation of the use, decommissioning of the plants and decontamination and redevelopment of the sites in the shortest period possible should be entertained by the State Government.

Part 11B of the proposed *Planning and Development Amendment Bill 2023* would provide a tailored assessment pathway directly to the Western Australian Planning Commission (WAPC) for complex and significant development proposals.

The pathway is intended for development valued at:

- \$20 million or more in the case of a development for which the Perth Metropolitan or Peel region scheme applies; or
- \$5 million or more in other parts of the state.

Other projects that are authorised by the Premier on the advice of the Minister for entry into the pathway by the Premier, in accordance with the Section 171M of the Amendment Bill.

There is no apparent justification for any stand-alone extensions which would meet the threshold of being considered a matter of State or regional importance as envisaged under proposed Part 11B.

An extension of the status quo provides no new investment, no new jobs, no new housing, no additional economic activity to the region nor the State.

The relocation of both plants to zoned industrial areas would result in some additional new foreign investment by two multinational companies in modern, more environmentally friendly plant and equipment which does not negatively impact residents through noise and dust pollution.

The City of Vincent does consider the revitalisation of North Claisebrook a matter of regional importance. This can only occur if the batching plants are relocated. The attached letter to the Minister outlines this justification as per the criteria proposed under Part 11B.

If any extensions to the planning approvals were to be contemplated, the City of Vincent would be requesting the WAPC impose conditions to those approvals which ensured the sites were redeveloped as high-density mixed-use development in accordance with the scheme and the State Government's priority of providing housing diversity in prime transit oriented development locations.

One option would be for the City of Vincent, the State Government or a property developer to acquire the Holcim site to facilitate to this outcome. Administration is seeking Council approval for the CEO to enter into non-binding discussions with Holcim on this possibility. This would then enable the City to facilitate a high-density mixed-use TOD outcome on this site.

The City of Vincent would not support any carte blanche extension to Holcim's planning approval for its operations in Claisebrook.

Holcim has sought and received planning approval for an expansion of its operations in Welshpool.

Holcim has had sufficient time and has the global resources to complete this upgrade/expansion without further delay.

As of November 2023, Holcim Group had a market cap of \$37.71 Billion. The market capitalization, commonly called market cap, is the total market value of a publicly traded company's outstanding shares and is commonly used to measure how much a company is worth.

There is no apparent threshold being met under the proposed Part 11B criteria for a further extension/delay being considered a matter of State or regional importance.

The global and Australian concrete industry is very competitive with several multinational and Australian companies competing for market share.

By market size, measured by revenue, the Concrete Product Manufacturing industry was \$3.5 billion in 2022.

A key issue for the industry is high competition from many foreign and domestic players.

IBISWorld notes that competition is based on a combination of product differentiation, availability and price.

Manufacturers compete on the national level through their capacity to distribute through a network of regional branches and depots.

A small number of prominent manufacturers dominate the Australian industry's production.

The four largest manufacturers contribute 56.4% of industry revenue.

These include James Hardie Industries, CSR Limited, Holcim Australia and Brickworks.

Competition is higher among smaller industry players.

It is inconceivable that in such a competitive market there would be any gap in the overall concrete industry output in Perth through the relocation of both plants from their current lowest and worst land use in a prime mixed use TOD area in Claisebrook to appropriately zoned industrial areas.

This competitive global concrete industry would respond immediately to fill any production shortfall forecast by the Holcim from relocating its Claisebrook plant. Holcim could also deploy mobile batching plants for an interim period in appropriately zoned sites while it upgraded its Welshpool site.

It would be extraordinary if the State Government could contemplate exercising COVID era planning powers to benefit multinational concrete companies seeking to override proper and orderly local planning at the expense of their Australian and Western Australian competitors which abide by the planning system and respect the communities in which they seek to operate.

It would be extraordinary to contemplate the private commercial consideration of Holcim seeking to maintain its high Australian market share within a competitive domestic concrete industry by retaining a non-conforming planning approval which negatively impacts adjacent residents through dust and noise and sterilises a strategic urban redevelopment precinct to meet any threshold close to being of State or regional importance.

CONSULTATION/ADVERTISING:

Following development of the Heads of Agreement, the Head of Agreement key terms and a Business Plan in relation to the major land transaction described in the Heads of Agreement, would be presented to Council for approval to commence state-wide consultation on the Business Plan.

The results of the State-wide invitation for comment on the Business Plan would then be presented to Council for consideration of whether to proceed with the major land transaction for the redevelopment of the sites.

The Business Plan would be prepared to comply with both:

- S3.59 of the *Local Government Act 1995*; and
- Regulation 30(2a)(c) of the *Local Government (Functions and General) Regulations 1996 (Regs)* - thereby avoiding the need to undertake a separate process under s3.58 of the *Local Government Act* in relation to the disposal of the land.
- But if there is a risk of unforeseen delays, then a separate s3.58 process may be run concurrently with the s3.59 process. This will not add any additional time to the process but will give the City more flexibility.

The state-wide public notice must be undertaken for a period of six weeks and state that the local government proposes to commence the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction. A copy of the business plan would be required to be available to be inspected or obtained at the City's Administration Building, as outlined in the notice as well as being published in the City's website.

LEGAL/POLICY:

Local Government Act 1995

Administration will comply with the requirements of s3.59.

S3.59(2) which states that 'a local government is to prepare a business plan' and invite and consider public submissions on that business plan before it enters into a major land transaction or enters into a land transaction that is preparatory to entry into a major land transaction.

The business plan can be prepared by the City.

The City has not commenced the process under s3.59.

Administration will also comply with the requirements of s3.58, if required. S3.58 requires a disposal of land and certain related information to be advertised for 2 weeks.

The reason we state "if required" is because compliance with S3.58 is not required if:

1. certain additional information is included in the s3.59 business plan; and

2. the land is disposed of within 6 month of first advertising that business plan.

If there is a risk that the land will not be disposed of within 6 month of first advertising that business plan then s3.58 compliance will be required irrespective of the wording in the business plan.

RISK MANAGEMENT IMPLICATIONS

Low/Medium: It is low/medium risk for Council to authorise the Chief Executive Officer to progress a Heads of Agreement in relation to the proposal. This would be a non-binding agreement, and no decision or commitment has been made by Council to sell or redevelop the land, as per s3.58 and s3.59 of the *Local Government Act 1995*. Planning applications for concrete batching plants are contentious.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2022-2032*:

Enhanced Environment

We have minimised our impact on the environment.

Connected and Healthy Community

We protect, improve and promote public health and wellbeing within Vincent.

Thriving Places

We encourage innovation in business, social enterprise and imaginative uses of space, both public and private.

Sensitive Design

Our planning framework supports quality design, sustainable urban built form and is responsive to our community and local context.

Innovative and Accountable

Our decision-making process is consistent and transparent, and decisions are aligned to our strategic direction.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any specific sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

The cost of progressing and signing a Heads of Agreement would be met through the City's existing operational budget. We would seek reimbursement of some or all of these costs from Hanson.



Alison Xamon MAYOR

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CITY OF VINCENT

7 November 2023

Hon. John Carey MLA
Minister for Planning; Lands; Housing; Homelessness
11th Floor Dumas House
2 Havelock Street
WEST PERTH WA 6005

Email: Minister.Carey@dpc.wa.gov.au

Dear Minister,

RELOCATION OF CONCRETE BATCHING PLANTS IN CLAISEBROOK

I am writing to express Council and our community's great disappointment that the two concrete batching plants in Claisebrook have still not finalised their permanent relocation in line with the expiry of their planning approval on 30 June 2024.

The ongoing industrial operations of these two batching plants in a residential area continues to impact the health and amenity of the community through high levels of dust and noise from the constant heavy truck movements. The urgent relocation of these two plants in line with the imminent expiry of their planning approvals will be a relief to both long standing and new residents who have been promised an end to this historical planning anomaly which allowed industrial batching plants to operate in a mixed-use area.

The City of Vincent also considers the decommissioning, decontamination and demolition of these plants is a matter of regional importance which would enable high-density mixed-use development immediately adjoining the Claisebrook Train Station.

Relocation of these two batching plants would facilitate the complete redevelopment and delivery of a Transit Orientated Development (TOD) immediately adjacent to the CBD. This would deliver housing for essential workers and students in the CBD including Royal Perth Hospital, Edith Cowan University and the new East Perth Primary School.

The City of Vincent's Local Planning Strategy and Local Planning Scheme No. 2 designates the Claisebrook batching plant sites and surrounding area high-density mixed-use. In October 2018, the Minister of Planning Rita Saffioti granted an additional 5 years development approval for the two sites expiring 30 June 2024.

There is no planning nor economic justification to allow these two batching plants operations to continue to sterilise a strategic urban redevelopment site.

The 30 June 2024 expiry date has provided certainty to the local community, property investors and the operators of the concrete batching plants that North Claisebrook will be revitalised as a high-density mixed-use TOD. North Claisebrook is serviced by both Claisebrook Station and East Perth Station providing links to the CBD, Perth Airport, Optus Stadium and HBF Park. East Perth Station is also the primary terminal for train and bus routes servicing regional WA.

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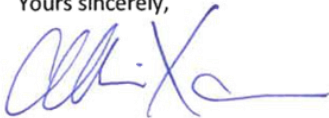
I would like to highlight the key issues which make the relocation of these two plants a matter of strategic and regional importance:

- **The urban redevelopment of North Claisebrook would deliver major new housing adjacent to the CBD with significant community and affordable housing opportunities.**
 - The batching plant subject sites are zoned Mixed Use and coded R160 under the City of Vincent Local Planning Scheme No. 2 (gazetted on 16 May 2018). Land in the surrounding area is also zoned Mixed Use and coded R100 under the local scheme and provide for increased dwelling density and diversity; intensity of land use mix; employment opportunities and leisure activities in close proximity to major public transport and road infrastructure; and the Perth CBD.
 - The North Claisebrook Planning Framework proposes new development in this area up to 23 storeys in height. This would facilitate a wide range of affordable dwelling typologies in the inner city with high amenity and employment levels.
- **The relocation of the batching plants and redevelopment of this area aligns with the State Government's strategic direction and strategic outcomes identified in numerous State policies, plans or strategies including:**
 - Perth and Peel @3.5m; Metronet; Foundations for a Better Tomorrow (State Infrastructure Strategy); WA Housing Strategy 2020-2030; and State Planning Policy 4.2 Activity Centres.
 - The urban regeneration of North Claisebrook complements the redevelopment of the East Perth Power Station site and densification in East Perth. The existing zoning and built form controls will enable the precinct to be home to a both a substantial residential population and a wide variety of commercial businesses.
- **The relocation of the batching plants will enable the revitalisation of North Claisebrook with the most sustainable and highest and best use of the land according to the general principles of the State Planning Framework.**
- **The mixed-use, high-density redevelopment of the area will support the economic well-being of the region and create additional local employment opportunities.**

No overall economic output nor employment will be lost from metropolitan Perth through re-locating the two batching plant sites to appropriate zoned industrial areas. But their ongoing operations will continue to prevent investment into the area to achieve the mixed-use high-density TOD vision outlined above. It is not tenable to enable the two industrial plants to indefinitely sterilise such a strategic urban regeneration site for Central Perth.

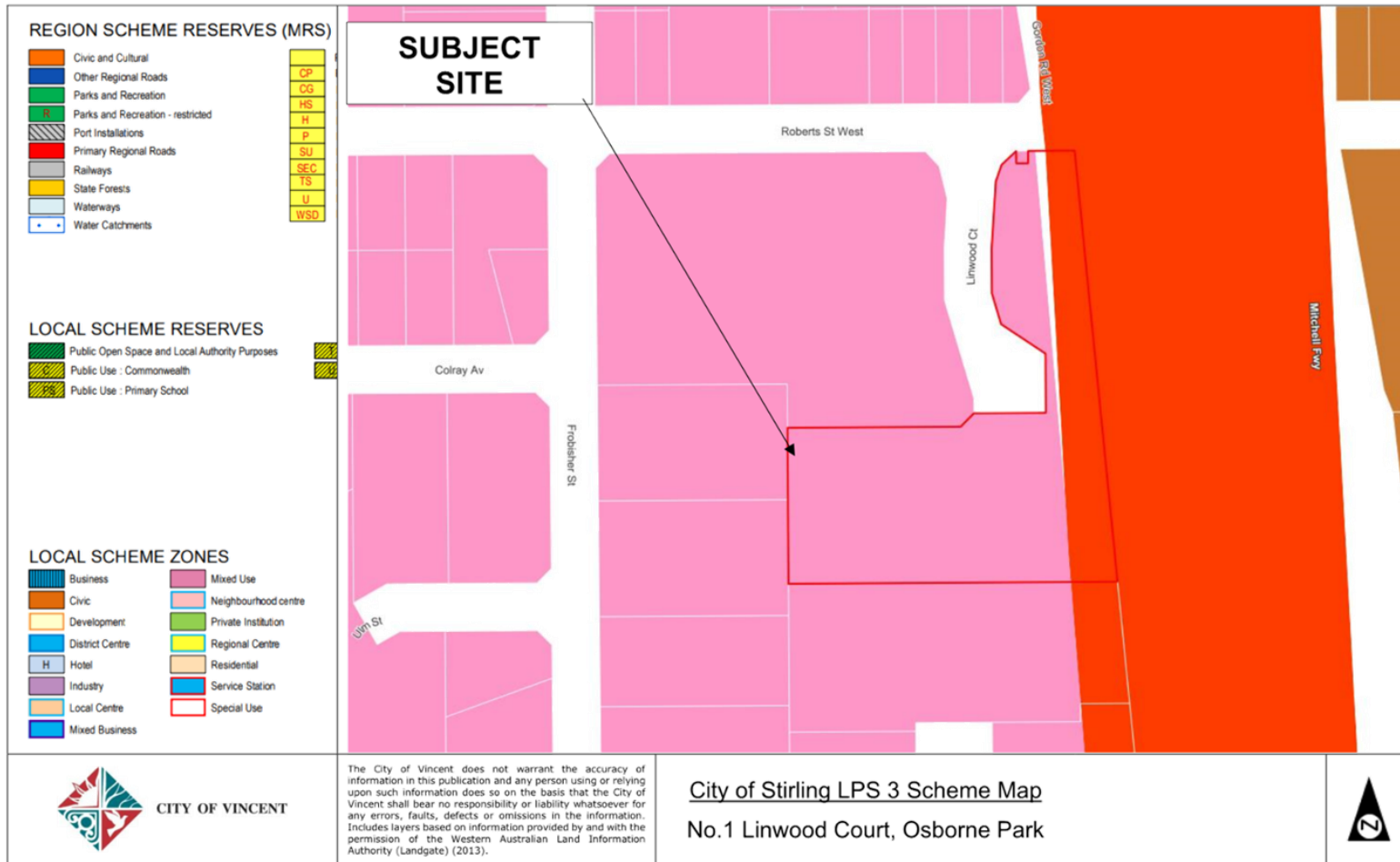
The City of Vincent and our community are seeking your support to ensure the swift relocation of the two batching plants to enable the highest and best use of this land consistent with orderly and proper planning.

Yours sincerely,



Alison Xamon
MAYOR

cc. Hon Roger Cook, Premier of Western Australia
Email: wa-government@dpc.wa.gov.au





SUBJECT SITE



CITY OF VINCENT

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No. 1 Linwood Court, Osborne Park



