8.2 DISPOSITION OF PORTIONS OF MOUNT CLAREMONT MUNICIPAL DEPOT

Attachments:
1. **Batching Plants Relocation Plan**
2. **Market Rent Valuation - Confidential**
3. **Recommended Proposed Changes to Delegation 2.2.18**

RECOMMENDATION:

That Council DELEGATES BY ABSOLUTE MAJORITY to the Chief Executive Officer its power to lease (sub-lease or licence) portions of the Mount Claremont Municipal Depot, No. 11 John XXIII Avenue, Mount Claremont as set out in Attachment 3.

PURPOSE OF REPORT:

For Council to delegate to the Chief Executive Officer the power to approve leases, other dispositions, licences and other agreements with third parties over portions of the Mount Claremont Municipal Depot, No. 11 John XXIII Avenue, Mount Claremont, consistent with the recent Management Order granted to the City of Vincent for the land by the Minister for Lands.

DELEGATION:

Section 3.58(3) of the *Local Government Act 1995* sets out the requirements for disposal of property. Delegation 2.2.18 - Disposing of Property by Leases and Licences of Council's adopted Register of Delegations, Authorisations and Appointments does not extend to disposal on a commercial basis. The delegations also do not extend to licencing or entering into other agreements with third parties to utilise property.

BACKGROUND:

Council, at its meeting of 14 November 2023 (Item 9.7), endorsed a plan, illustrated in **Attachment 1**, for the two temporarily approved concrete batching plants located in Claisebrook to be relocated out of the City of Vincent. That relocation plan showed Holcim's plant moving to an expanded Holcim operation in Carlisle and Hanson (now Heidelberg)'s plant relocating to the City of Vincent's current Depot site at No. 1 Linwood Court, Osborne Park, which is Industrial zoned land in the City of Stirling. Under the relocation plan, the City of Vincent's Depot operations in Osborne Park would relocate to Western Power's recently vacated Depot site in Mount Claremont, which is Crown land and located in the City of Nedlands. Council also Authorised the Chief Executive Officer (CEO), among other things, to:

- accept a Management Order for Western Power's Mount Claremont Crown Reserve to facilitate the relocation plan;
- progress discussions with Heidelberg in relation to the relocation of Heidelberg's Claisebrook Concrete Batching Plant to the City's Depot site in Osborne Park; and
- sign an application for development approval (DA) for Heidelberg's relocation.

The Western Australian Planning Commission (WAPC), at its meeting of 27 June 2024 (Item 7), granted Holcim and Heidelberg approval to continue operating their plants in Claisebrook for a maximum of three and a half years, until the end of 2027, while they relocated their plants from Claisebrook. Both operators were required to meet set relocation milestones during this period, including:

- lodging a DA for their relocated concrete batching plants by 30 June 2025;
- lodging an application for building approval within 6 months of that DA being approved;
- substantially commencing their relocation within 12 months of the building approval being issued; and
- decommissioning and decontaminating their sites within 12 months of closing their plants, being the end of 2028 at the latest.

Following these decisions the City sort to:

1. Progress the development of a Major Land Transaction with Heidelberg that would see their Claisebrook Concrete Batching Plant relocated to the City's Osborne Park Depot site; and
2. Secure an offer for a Management Order over the necessary portion of Western Power's Mount Claremont Depot site that could accommodate a relocated Works Depot for the City of Vincent.

Major Land Transaction

The City sort to progress discussions with Heidelberg regarding a Major Land Transaction that would enable the City's relocation to the Mount Claremont site and their relocation to the City's 1 Linwood Court, Osborne Park site. This included providing Heidelberg with the market value of the Osborne Park site, based on a valuation, and the costs associated with the City's relocation to Mount Claremont.

Heidelberg have not progressed these discussions and instead have advised that together with Cement Australia and Holcim, they have purchased BGC Cementitious, and that they will likely seek to utilise their existing and these newly acquired assets as the alternative to Claisebrook. The purchase of BGC is under review by the Australian Competition and Consumer Commission (ACCC), who raised preliminary concerns with the transaction. In response, Cement Australia, Holcim and Heidelberg have put forward a restructured proposed transaction that incorporates Adbri Pty Ltd, which owns Cockburn Cement Limited, as a party. Initially Heidelberg and Holcim were to each receive four of BGC's nine concrete batching plants as part of the transaction. The restructured proposed transaction now sees Heidelberg receiving just one of BGC's concrete batching plants, being their Bassendean plant, located less than 8 kilometres from Heidelberg's Claisebrook concrete batching plant. The ACCC have advised that the provisional date for announcement of their findings is 25 July 2025. Heilderberg have advised that if the transaction is not approved, they would look to proceed with modifications to their concrete batching plant at Canning Vale as a replacement plant for Claisebrook. Heidelberg have lodged a development application to upgrade this facility at No. 37 Vulcan Road, Canning Vale, which is to be determined by the Metro-Outer Joint Development Assessment Panel.

Both Holcim and Heidelberg currently have applications out for community consultation that seek to modify the conditions of their development approvals from the WAPC. These are the subject of a separate report in this Agenda.

At this stage Heidelberg are not pursuing a Major Land Transaction with the City of Vincent for the Osborne Park Works Depot site and are instead seeking to expand their Canning Vale site and take over operation of BGC's Bassendean site.

Management Order for Western Power's Mount Claremont Depot

At the same time as progressing the potential for a Major Land Transaction with Heidelberg, the City also worked to secure a Management Order for a portion of Western Power's Mount Claremont Depot that could potentially accommodate the City's Depot operations. The City worked with the Department of Planning, Lands and Heritage (DPLH), who set out the process for granting the City with a Management Order for the Crown Land. The City also worked with Western Power to determine the area being relinquished and gather information for its due diligence assessment.

There were three other local governments, the City of Subiaco (Subiaco), the Town of Claremont (Claremont) and the Western Metropolitan Regional Council (WMRC), who had also expressed an interest in the site and in order to secure a Management Order for any part of the Mount Claremont site, the City was required to work with those parties to determine how the relinquished land would be split or shared amongst those parties.

Together with those other local governments a split of the site was determined as follows:

- Claremont proposed to be granted the hardstand area in the north west corner of the site;
- Subiaco proposed to be granted the communications buildings and shed along the western side of the side; and
- Vincent proposed to be granted the three main administration buildings and front carpark, central hardstand area, washdown area and sheds along the northern boundary and the main sheds along the eastern boundary.

The Minister for Planning: Lands; Housing; Homelessness granted the City of Vincent a Management Order for this 1.65 hectare portion of the site on 18 March 2025. The Management Order was for the purpose of 'Depot and Municipal Purposes' with the power to lease (sub-lease or licence) for this purpose for up to 21 years, subject to the consent of the Minster for Lands.

The WMRC were not looking for a Management Order over land but rather a lease for office accommodation.

The Department of Health (DoH) were granted the eastern car park of the Mount Claremont Depot site by the State, to accommodate the relocation of the adjacent Therapeutic Riding Centre to the south and the expansion of the Graylands Hospital on to the current Riding Centre land.

DETAILS:

Following a valuation, the City considers the buildings on its new Mount Claremont Management Order to be worth $2.5 million. An Operational Budget for maintenance, services and insurance of $75,000 per annum is estimated to be required to manage the site in its current state. A 4 Year Capital Budget of $750,000 has been budgeted to maintain the buildings at the site over the next 4 years, including the refurbishment of one of the three administration buildings. The majority of this has been allocated in the 25/26 financial year in order to set the site up for revenue generating uses that can fund this renewal.

The City is not currently looking to relocate its Osborne Park Depot operation to the new Mount Claremont Municipal Depot site. Rather, there are a number of opportunities that can be explored for the site that would cover the costs of maintaining and refurbishing the site and ensure its use for municipal purposes is maximised for the State, but that at the same time would not compromise on the ability for the City to relocate its full depot operations to the site if it was deemed advantageous.

The City has carried out a market rent valuation, included at **Confidential Attachment 2**, and following consideration of this valuation considers the commercial rental value of the hardstand area and one of the three administration buildings to be in the order of $350,000 per year.

For the City, there is potential for the City's FOGO waste trucks to park at the site, which empty at WMRC's facility in Mount Claremont around the corner from the site. This would save time, fuel costs and reduce emissions by removing the need for the final trip each day from Mount Claremont back to the Osborne Park Works Depot.

The City has also discussed potential leases and licences over portions of the new Mount Claremont Municipal Depot site with various parties including:

- WMRC, who have expressed interest in leasing over the long term, the front western administration building and car parking;
- City of Perth, who have expressed interest in licencing part of the hardstand to store a number of sea containers carrying their new FOGO bins, which they are scheduled to roll out this financial year, and to use the space to help their roll out;
- City of Subiaco regarding various lease and licence opportunities including for office floorspace, hardstand and parking;
- Public Transport Authority regarding the potential for the hard stand for bus parking when the existing bus fleet is transitioned to more environmentally friendly models; and
- Waste truck operators regarding the potential for parking on the site.

It is recommended that Council delegate authority to the CEO to negotiate and enter into leases (sub-leases and licences) for portions of the Mount Claremont Municipal Depot site, subject to conditions of the Management Order, and based on the valuation included at **Confidential Attachment 2**. The proposed delegation is set out in **Attachment 3**.

CONSULTATION/ADVERTISING:

Leasing (sub-leasing or licencing) property to another local government or State Government or licencing for a period of less than 2 years is exempt from the public notice requirements of the *Local Government Act 1995*. Leases (sub-leases or licences) granted to government bodies for portions of the Mount Claremont Municipal Depot site and short-term licences would not be subject to community consultation.

LEGAL/POLICY:

Sections 5.42 and 5.43 of the *Local Government Act 1995* allows Council to delegate some powers or duties to the CEO, including the disposition of property.

RISK MANAGEMENT IMPLICATIONS

There are minimal risks to Council and the City's business function when Council grants delegation to the Chief Executive Officer to enter into leasing arrangements.

STRATEGIC IMPLICATIONS:

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

Innovative and Accountable

We deliver our services, projects and programs in the most inclusive, efficient, effective and sustainable way possible.

SUSTAINABILITY IMPLICATIONS:

This is in keeping with the following key sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024.*

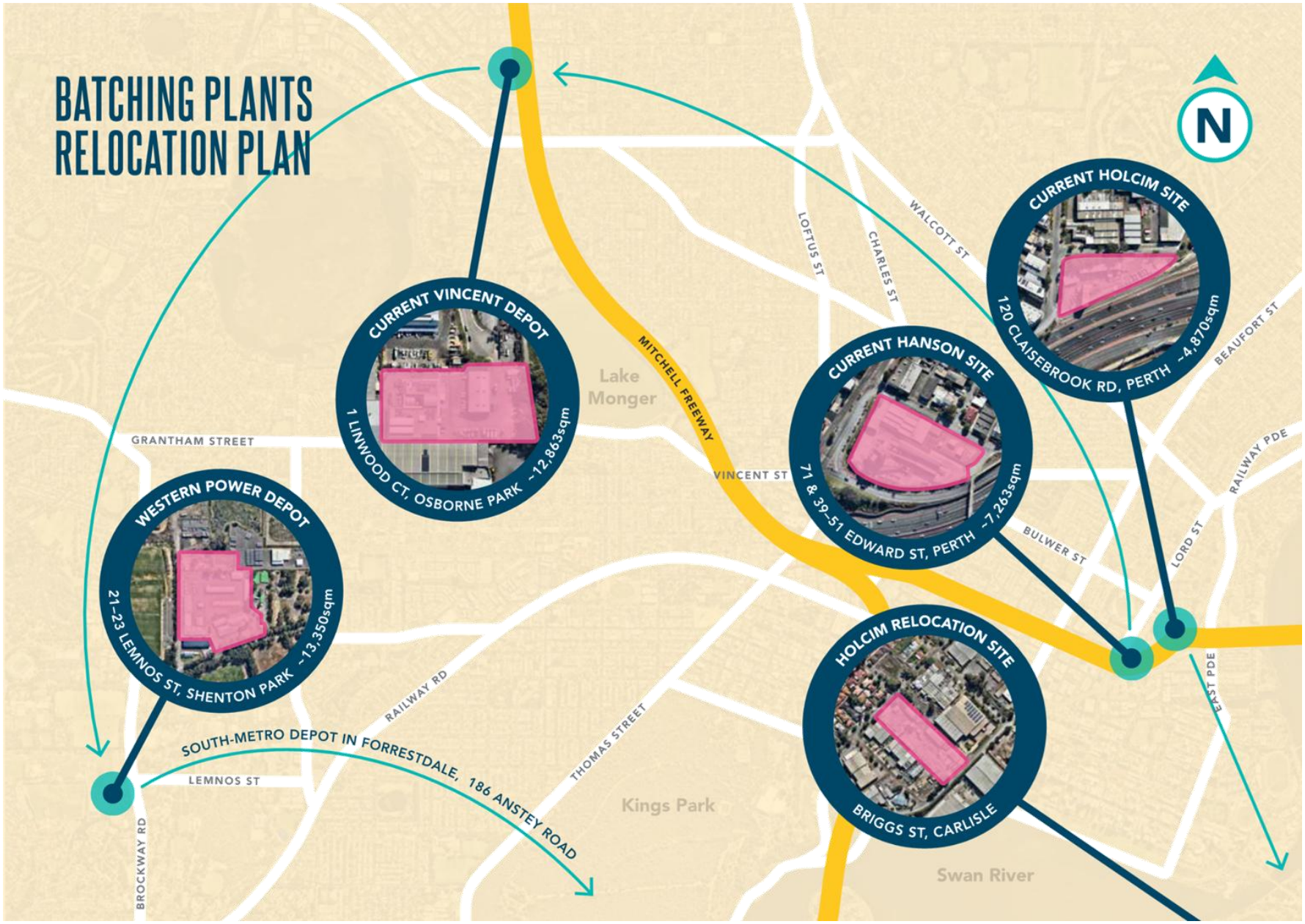
Sustainable Energy Use/Greenhouse Gas Emission Reduction

PUBLIC HEALTH IMPLICATIONS:

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

FINANCIAL/BUDGET IMPLICATIONS:

It is anticipated that the City could receive adequate lease and licence revenue to fund some of the City's costs associated with the site as well as the refurbishment and renewal of at least one the three administration buildings and some or all of the car parking as well as ongoing maintenance, services and insurance costs for those portions of the site leased or licenced.


BATCHING PLANTS
RELOCATION PLAN
N
CURRENT VINCENT DEPOT
1 LINWOOD CT, OSBORNE PARK ~12,863sqm
CURRENT HANSON SITE
71 & 39–51 EDWARD ST, PERTH ~7,263sqm
CURRENT HOLCIM SITE
120 CLAISEBROOK RD, PERTH ~4,870sqm
WESTERN POWER DEPOT
21–23 LEMNOS ST, SHENTON PARK ~13,350sqm
HOLCIM RELOCATION SITE
BRIGGS ST, CARLISLE
SOUTH-METRO DEPOT IN FORRESTDALE, 186 ANSTEY ROAD
MITCHELL FREEWAY
WALCOTT ST
LOFTUS ST
CHARLES ST
BEAUFORT ST
RAILWAY PDE
LORD ST
BULWER ST
VINCENT ST
GRANTHAM STREET
RAILWAY RD
THOMAS STREET
LEMNOS ST
BROCKWAY RD
EAST PDE
Lake Monger
Kings Park
Swan River

CITY OF VINCENT

INFORMATION SHEET

NORTH CLAISEBROOK CONCRETE BATCHING PLANTS RELOCATION PLAN

Two multinational concrete companies, currently operating in North Claisebrook, have applied to the State Government for a further seven-year extension to their current planning approvals, which are set to expire on 30 June 2024.

WHY SHOULD BOTH CONCRETE BATCHING PLANTS BE REQUIRED TO RELOCATE AND DIVEST THEIR LAND?

Planning	Industrial operations, including concrete batching plants, are not permissible under the City of Vincent's planning scheme. The relocation of these plants will open up opportunities for high-density mixed-use development immediately adjoining the CBD.
Environment	The plants generate noise and dust pollution which impacts adjacent residents. Relocating them to suitable zoned industrial land will alleviate this issue.
Road Safety	Relocation to suitable zoned industrial land will ensure the large cement trucks are using the heavy vehicle road network – not local residential roads.
Economic	Relocation will catalyse high density development in North Claisebrook, allowing the area to become a vibrant mixed-use precinct.
Employment	Extending the current approvals provide no new jobs for the local economy, while relocation will provide jobs in the Claisebrook area within new mixed-use developments.
Investment	Relocation will ensure new investment into the redevelopment of North Claisebrook and the industrial areas to where they relocate.
Concrete Supply	New plants in approved industrial areas would be able to supply more environmentally friendly and efficient concrete into the market.
Market Competition	Extraordinary planning powers should not be used to protect the market share of multinational companies at the expense of their Australian and local competitors. Relocation to zoned industrial land will ensure all industry players are able to compete on price and logistics on a fair playing field.

CITY OF VINCENT

Delegation of authority

Delegation	**2.2.18 Disposing of Property by Leases and Licenses [DRAFT]**
Head of power	02 Delegations made under the Local Government Act 1995
Delegator	Local Government
Express power to delegate	*Local Government Act 1995:* s.5.42 Delegation of some powers or duties to the CEO s.5.43 Limitations on delegations to the CEO
Express power or duty delegated	*Local Government Act 1995:* s.3.58 Disposing of Property
Function	1. Authority to approve and execute variation, extension, assignment, termination, surrenders, special conditions or payment schedules of an approved lease, license or management agreement for Category One (1) – Small Community Group, or Category Two (2) Sporting Clubs and Community Groups and Organisations; and 2. Authority to approve and execute any minor variations (being non-material and does not alter the substantive terms of a lease or licence), extension, assignment (including consent to a deemed assignment), termination, surrender, subletting, special conditions or payment schedules of an approved lease or licence for Category Three (3) – Commercial Entities, State and National clubs, Associations and Community Organisations; and Category (4) – Government Agencies. Additional function . Authority to negotiate and approve lease (sub-lease or licence) agreements in accordance with statutory requirements for Mount Claremont Municipal Depot, No. 11 John XXIII Avenue, Mount Claremont
Delegates	CEO
Conditions	1. Requests from community or sporting groups not currently occupying a City building in Category One (1) or Category Two (2), will require a specific resolution of Council. 2. The delegation does not extend to Category Three (3) or Four (4) of the Property Management Framework. Any leases or licences in accordance with Category Three (3) or Four (4) will require a specific resolution of Council, except where the agreement relates to Mount Claremont Municipal Depot, No. 11 John XXIII Avenue, Mount Claremont and Ministerial approval has been obtained where required under the Land Administration Act 1997.
Express power to subdelegate	*Local Government Act 1995:* s.5.44 CEO may delegate some powers and duties to other employees
Subdelegates	Deputy Director Major Projects Director of Major Projects Executive Director Community and Business Services Executive Director Infrastructure and Environment Executive Director Strategy and Development Executive Manager Corporate Strategy and Governance Manager Strategic Planning & Sustainability

CITY OF VINCENT

Delegation of authority

Subdelegate conditions	Subdelegation to negotiate and approve lease (sub-lease or licence) agreements in accordance with statutory requirements for Mount Claremont Municipal Depot, No. 11 John XXIII Avenue, Mount Claremont is limited to the Director of Mayor Projects and Deputy Director of Major projects
Statutory framework	*Local Government Act 1995 –s.3.58* Disposal of Property *Local Government (Functions and General)Regulations 1995 –r.30* Dispositions of property excluded from Act.
Policy	Property Management Framework Property Management Policy

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