# BUSINESS PLAN FOR MAJOR LAND TRANSACTION & MAJOR TRADING UNDERTAKING

## Neerabup Resource Recovery Precinct - Stage 1

The City of Wanneroo acknowledges the Traditional Owners of this land, the Whadjuk people of the Noongar Nation; the Custodians of the lands on which the City is located and where we conduct our business.

We pay our respects to ancestors and Elders, past, present and future.

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# Introduction

The following Business Plan has been prepared in accordance with Section 3.59 of the *Local Government Act 1995* and corresponding Regulations.

It outlines the City of Wanneroo's (the City's) proposal to deliver Stage 1 of the Neerabup Resource Recovery Precinct (**NRRP**), comprising construction of a Waste Transfer Station (**WTS**), Community Recycling Centre (**CRC**), and associated supporting infrastructure, as well as the proposed lease of land for a privately constructed and operated Materials Recovery Facility (**MRF**).

# Overview

## 1. Background

The City proposes to develop the NRRP which includes a variety of resource recovery and waste processing infrastructure facilities at Lot 600 on Deposited Plan 302260 in Certificate of Title Volume 87 Folio 163A and situated at 570 Wattle Ave, Neerabup (**the Site**). Talis Consultants (**Talis**) previously assisted the City in preparing the NRRP Master Plan. The Master Plan establishes the long-term vision and layout for the precinct, explores delivery models for the various waste facilities and identified the following staging requirements:

- Stage 1:
    - WTS: to consolidate residual waste from the City's kerbside collection services, and potentially other local governments, for bulk transport to recovery facilities in the southern Perth metropolitan area;
    - MRF: Needed to process commingled kerbside recyclables in the northern suburbs without having to transport this material to the next closest or available material recovery facility situated in the southern suburbs of the Perth Metropolitan area;
    - CRC: A critical public-facing facility to enhance community participation in recycling and waste separation. CRCs are utilised to complement traditional collection services catering for materials not accepted through kerbside collections and deal with peak waste material generation for households; and
    - Supporting infrastructure including a shared weighbridge.

- Future Stages:
    - Energy recovery facility (**ERF**); and
    - Service lots for private development of resource recovery and waste processing facilities in the northern half of the Site.

**The focus of this business plan is on NRRP Stage 1.**

As part of the Master Plan process, a market sounding exercise was undertaken to test industry appetite for investment and operation of various precinct infrastructure. This process confirmed strong interest from the private sector in participating in the delivery of key facilities within the NRRP, particularly the MRF.

This Business Plan relates to the City's delivery of the facilities proposed under NRRP Stage 1. Due to the scale of the investment (planned to be provided by a private entity under a ground lease from the

City), the project will constitute a major land transaction under Section 3.59 of the *Local Government Act 1995*, prompting the preparation and public advertising of this Business Plan.

## 2. Purpose and Objectives

The purpose of this report is to meet the statutory requirements stipulated in Section 3.59 of the Local Government Act 1995, which requires a Local Government Authority to prepare a Business Plan as follows.

'(2) Before it

(a) Commences a major trading undertaking; or
(b) Enters into a major land transaction; or
(c) Enters into a land transaction that is preparatory to entry into a major land transaction,

a local government is to prepare a business plan.

The NRRP Stage 1 and particularly the MRF facility meets the definition of a 'major land transaction' therefore, this report outlines a summary of the project scope as well as the following key statutory requirements: '

'(3) The business plan is to include an overall assessment of the major trading undertaking or 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 matters referred to in the local government's current plan prepared under section 5.56; and
(e) the ability of the local government to manage the undertaking or the performance of the transaction; and
(f) any other matter prescribed for the purposes of this subsection.'

The Business Plan will answer the six key items for public advertising, allowing the community to comment prior to the project further progressing.

## 3. Site Summary

The Site is located at Lot 600, 570 Wattle Avenue, Neerabup, within the Neerabup Industrial Area, approximately 40 km north of the Perth CBD.

Figure 1 illustrates the general area in which the NRRP will be built, with the particulars of the site further detailed below.

| Item | Description |
|---|---|
| Address | 570 Wattle Avenue, Neerabup |
| Survey Plan | Lot 600 on Deposited Plan 302260 |
| Distance from CBD | 40km |
| Site Area (ha) | Stage 1: 16.33ha |

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| | |
|---|---|
| | Stage 2: 13.3ha |
| Tenure | Freehold – owned by the City. |
| Certificate of Title | Volume 87 Folio 163A |

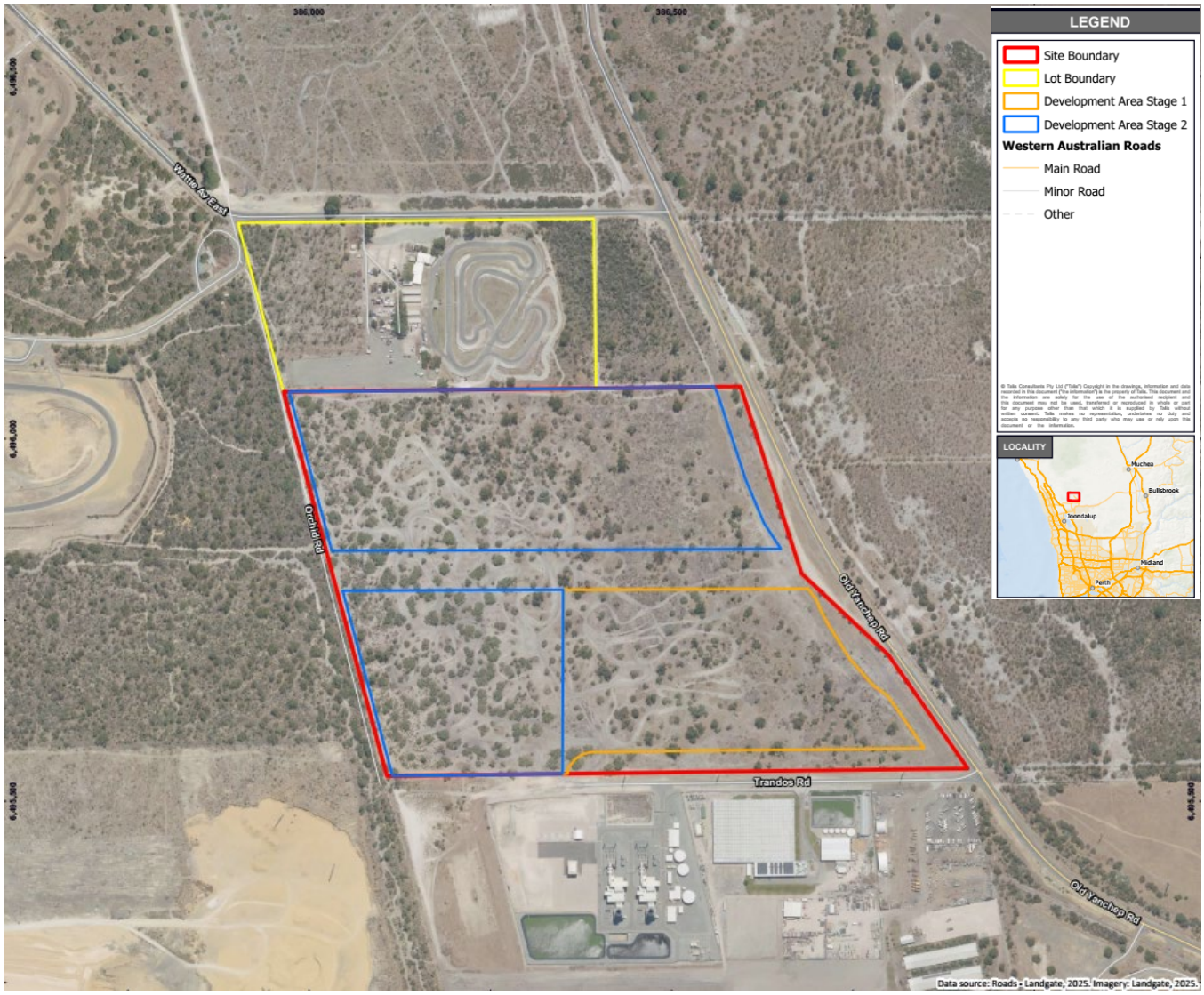



Figure 1: Satellite image of the subject site and Stage 1 development area.

### 4. Current Status

The NRRP will form a central part of the City's long-term waste and resource recovery infrastructure network. The subject site is currently undeveloped and located within the Neerabup Industrial Area, a key strategic precinct identified for industrial and infrastructure growth in the City's north.

The NRRP is situated adjacent to existing and future industrial development to the east and south and bounded to the northeast by Wattle Park (a Type 3R reserve) and to the northwest by the Wanneroo International Kartway. Access to the Site is provided via Trandos Road, which intersects with Old Yanchep Road which connects to major traffic routes including Joondalup Drive and Wanneroo Road. As shown in Figure 1 the developable area is split into a northern and southern area which are divided by a 55m easement allocated to a future rail corridor.

### 5. Catchment Overview

The NRRP will be located in Neerabup, approximately 40 km north of the Perth CBD, and is strategically positioned to service the rapidly growing northern suburbs of the City and the broader northern corridor. The NRRP will provide vital waste consolidation, recycling, and recovery services for the City but also surrounding local governments and commercial waste generators.

The City is projected to experience some of the fastest population growth in Western Australia. Suburbs such as Yanchep and Alkimos are forecast to more than double in population by 2046, with the overall City population projected to increase from approximately 232,000 in 2024 to over 432,000 by 2046. This population growth will drive significant increases in residential waste volumes, with the domestic waste generated from households within the City expected to rise from 92,000 tonnes per year to approximately 172,000 tonnes per year over the same period.

To support this growth, significant residential and commercial development is planned and underway throughout the northern corridor. The NRRP is critical to ensuring that the growth of these communities is matched with appropriate services and infrastructure for sustainable resource recovery and waste management. NRRP Stage 1 delivery will reduce the City's reliance on long-distance transport to southern metropolitan facilities, support local employment and local processing of recyclables, and improve service efficiency across the waste network.

The NRRP will be essential in supporting the sustainable development of the northern growth corridor by delivering the infrastructure required to manage increasing waste volumes locally. It will enable the City to provide reliable, efficient, and future-focused waste services for existing and future communities, while advancing broader circular economy and resource recovery goals.

## Details of Proposal

### 1. History

As part of the NRRP Master Plan process, multiple vacant sites were assessed for their suitability, with the chosen Site (**Lot 600**) identified as the most appropriate location based on strategic, operational and logistical factors. Talis evaluated the City's current and future waste management needs, including projected tonnages, service requirements, and infrastructure gaps. Given the potential for some facilities, such as the WTS, MRF and future ERF, to operate as regional assets, waste volumes from neighbouring local governments including the Cities of Joondalup and Stirling were also considered. Based on these investigations, Talis recommended prioritising the delivery of the WTS, MRF and CRC

at the NRRP, with particular emphasis on establishing the WTS to consolidate residual waste prior to bulk transport to recovery facilities in the southern metropolitan area, ensuring cost-effective and efficient service delivery for the City.

The NRRP Master Plan had an estimated cost for the delivering the full precinct at approximately $1.2 billion, most of which is expected to be privately funded and the City's contribution is estimated at $28 million. Over time, the precinct is expected to deliver significant operational cost savings and improved service efficiencies.

The NRRP Master Plan was endorsed by Council in December 2024. Subsequently, in April 2025 Council resolved to appoint Talis as the consultancy service for the NRRP Stage 1 project delivery.

## 2. Project Scope

The NRRP Stage 1 proposed development includes the construction of a WTS, CRC and MRF, consistent with the infrastructure strategy outlined in the NRRP Master Plan. These facilities will be located within the southern portion of Lot 600, which has been identified as the preferred location for high-priority waste infrastructure.

The WTS will include the following infrastructure:

- purpose-built enclosed industrial building for waste receival, short term storage and loadout;
- elevated tipping platform and below-grade loadout lanes;
- dedicated areas for vehicle queuing and turning; and
- ancillary infrastructure including fire management systems, stormwater and leachate controls and hardstand surfacing.

The CRC will include the following infrastructure:

- kiosk, reuse shop and education/administration centre;
- multi-tier drop-off facility with segregated bays for various waste streams;
- household hazardous waste shed;
- sealed access roads, signage and landscaping; and
- traffic controls and safety infrastructure.

The MRF will include the following infrastructure:

- enclosed industrial building housing mechanical sorting and separation equipment;
- conveyor-fed processing lines, screening systems, and optical and magnetic separators;
- baling area for processed recyclables;
- internal access for collection and haulage vehicles; and
- dust and ventilation controls and internal traffic and fire management systems.

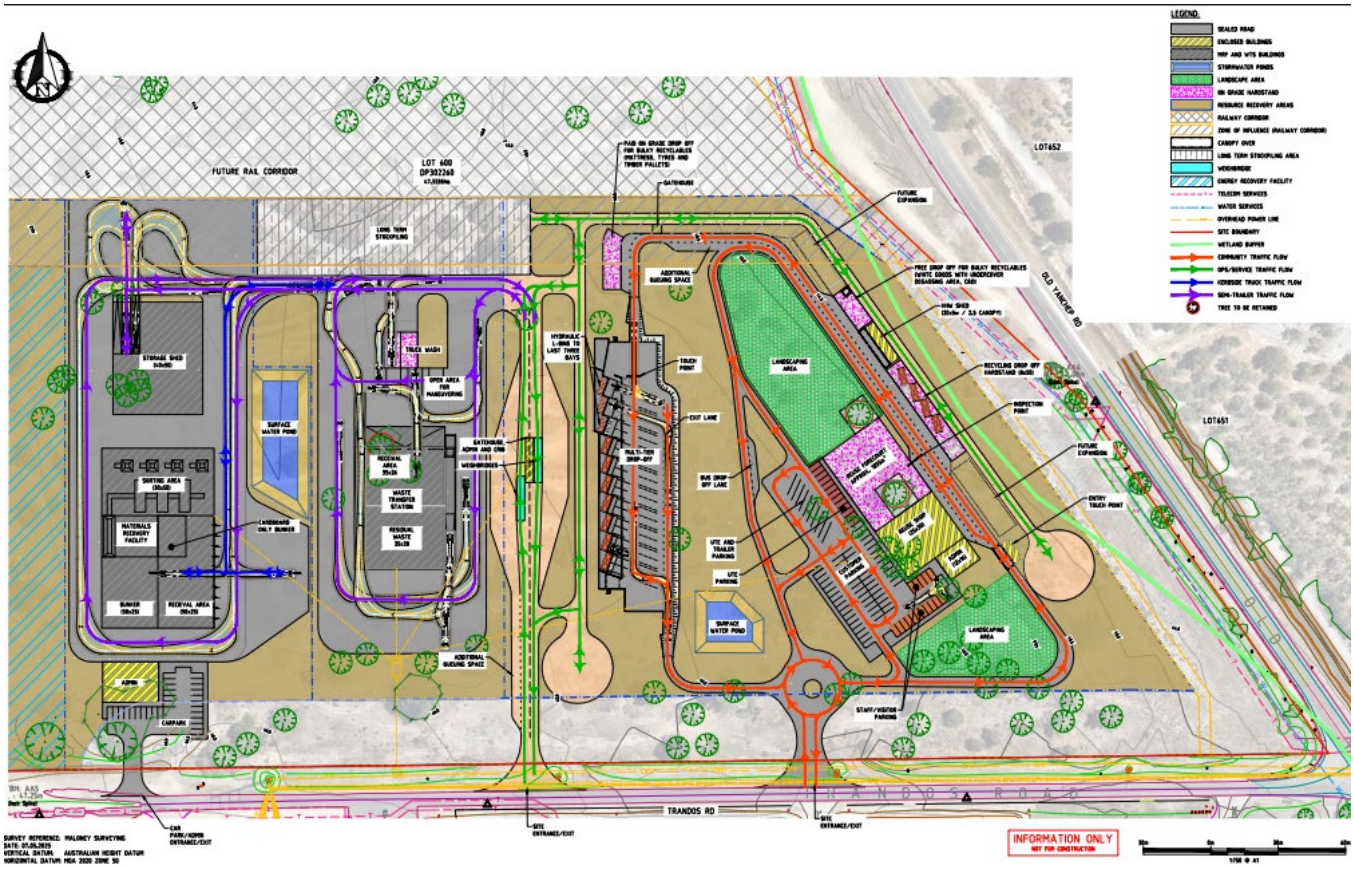
Weighbridge & Supporting infrastructure:

- a shared weighbridge for all three facilities;
- Truck Washdown Stations;
- Surface Water Management System;
- Fire Management; and
- Other Supporting Infrastructure.

## 3. Design Status

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The NRRP WTS and CRC are currently in the concept design phase with site layouts, access arrangements, and service connections largely resolved. The detailed design documentation for the enabling works is being finalised to support tendering for bulk water and power supply works.
The NRRP site layout is shown in drawing C-100 below.



## 4. Project Benefits

The establishment of the NRRP delivers several significant benefits aligned with the City's Waste Avoidance and Resource Recovery Strategy 2030 (**WARR Strategy**), the Waste Hierarchy, and broader goals of improving resource recovery, reducing environmental impacts, and enhancing local service delivery. Key benefits are outlined below.

The co-location of the WTS, CRC and MRF within the NRRP enables operational efficiencies through shared infrastructure, streamlined traffic flow, and centralised management. Integrating key waste functions at a single precinct reduces duplication, allows for more coordinated service delivery, and supports best-practice environmental controls across the Site.

WTSs are utilised to aggregate waste materials within close proximity to their sources of generation to allow for greater efficiencies in the transportation of these materials to treatment and disposal facilities, which are mainly located on the outer fringes of metropolitan areas. The Site is centrally located within a higher population density region of the City and is easily accessible from major roads, including Mitchell Freeway.

By consolidating the City's waste infrastructure at the NRRP, all major waste streams, including residual waste, commingled recyclables and community drop-off materials, can be processed or transferred within a single, strategically located precinct. This removes the need to transport materials to external processing facilities, such as the Resource Recovery Group MRF in Canning Vale or other recovery sites in the southern Perth metropolitan area.

Through a phased approach, the City will progressively transition toward full on-site processing of recyclables and residual waste. With the construction of the MRF and, in the longer term, an ERF facility, the NRRP will enable all wastes originating from within the City to be managed and treated locally. This approach reduces haulage distances, transport-related emissions and costs to ratepayers, while supporting the City's long-term objective of minimising reliance on external facilities and landfill.

Jobs will be created both directly and indirectly through the construction and operation of the waste facilities and associated infrastructure comprising the NRRP. Skills and services required will include civil contracting, material handling, administration, accounting, equipment and earthworks suppliers and operators. New and existing suppliers in the area will have the opportunity to tender for contracts to assist with the construction as well as the operation and maintenance aspects of the WTS, CRC and MRF. A number of speciality haulage vehicle drivers are expected to be contracted by the City for transport of the waste material from the NRRP to the recovery facilities. Furthermore, the Site is expected to employ a significant number of full-time staff once operational.

## 5. Governance Structure

The governance model for the NRRP has been developed to guide the delivery of NRRP Stage 1 infrastructure, while maintaining flexibility for future stages. The model allocates responsibility across land ownership, approvals, funding, design, construction, operations, and waste supply, allowing the City to retain strategic control of public-facing infrastructure while enabling private sector investment and expertise in processing facilities.

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The NRRP is located on freehold land owned by the City, allowing flexibility in determining delivery and operational arrangements. The City will retain ownership of the site, while the MRF will be delivered and operated by a private proponent under a long-term lease.

The City will go to tender to procure a private operator to build and operate the MRF. Subject to the City complying with its obligations under section 3.58 of the *Local Government Act* 1995, the City will then grant a ground lease to its preferred proponent selected in the public tender process.

The City is responsible for obtaining planning and environmental approvals for the construction of the CRC, WTS, MRF and supporting infrastructure. This approach ensures coordinated delivery and expedites implementation of the MRF by de-risking the approvals process for the private sector.

The City will fund the delivery of the enabling works, the CRC and the WTS. The MRF will be privately financed by the City's selected proponent. The approach of procuring a private operator to build and operate the MRF is commonly used for this type of recycling infrastructure.

The City has engaged Talis to complete a detailed design for the City delivered assets including the CRC, the WTS and the supporting infrastructure. These facilities and supporting infrastructure will be constructed under construct-only contracts and will be operated by the City.

The proponent selected by the City in its public tender will be responsible for the design and construction of the MRF and will operate it pursuant to a management agreement with the City. This management agreement will impose obligations on the proponent to operate the MRF in accordance with defined service standards and key performance indicators.

The City will also enter into a Recycling Processing Agreement with the proponent selected to build and operate the MRF, ensuring long-term feedstock security for that facility. This agreement will underpin the financial viability of the MRF and provide certainty for private sector investment. The MRF is expected to operate as a regional facility, receiving recyclables from surrounding local governments in addition to the City's kerbside collections.

This governance approach allows the City to retain control of core infrastructure and public services, while unlocking private sector innovation and funding in materials recovery. The governance structure is shown in Table 1.

Table 1: Governance Structure

| Project Phase | MRF | CRCs | WTSs | Supporting Infrastructure |
|---|---|---|---|---|
| Land Ownership | City | City | City | City |
| Waste Supply | City | City | City | City |
| Approvals | City | City | City | City |
| Capital Funding | Private | City | City | City |
| Facility Design | Private | City | City | City |

| | | | | |
|---|---|---|---|---|
| Facility Construction | Private | City | City | City |
| Facility Operation | Private | City | City | City |

## 6. Financials

Capital cost estimates for the NRRP has been prepared based on the Master Plan designs for the proposed facility. The capital costs represent all expenses relating to the establishment of physical infrastructure such as road works, hardstands, earthworks, improvements and structures. As shown in Table 2, the estimated overall cost of the NRRP Stage 1 is $75 M (excl. GST). The MRF is the most expensive item at approximately $40,000,000. However, this facility is proposed to be delivered by private industry. Future Stages will include the ERF, a battery storage system and future expansion which will increase the total overall cost to approximately $1.27 B. The ERF is the most expensive item in the cost estimates at $750,000,000, which is equal to more than half of the overall cost. Like the MRF, the City's intention is that the ERF will also be delivered by private industry.

Table 2: Cost Estimate

| Description | Total | City | Private Sector |
|---|---|---|---|
| Community Recycling Centre | $4,520,000 | $4,520,000 | - |
| Weighbridge | $825,000 | $825,000 | - |
| Material Recovery Facility | $40,000,000 | - | $40,000,000 |
| Waster Transfer Station | $5,278,000 | $5,278,000 | - |
| Enabling Works Package | $4,000,000 | $4,000,000 | - |
| Road Upgrades | $2,000,000 | $2,000,000 | - |
| **Sub Total** | **$56,623,000** | **$16,623,000** | **$40,000,000** |
| Contingency (20%) | $11,324,600 | $3,324,600 | $8,000,000 |
| Professional Fees (6%) | $3,397,380 | $997,380 | $2,400,000 |
| Cost Escalation (7%) | $3,963,610 | $1,163,610 | $2,800,000 |
| **Grand Total** | **$75,308,590** | **$22,108,590** | **$53,200,000** |

## Funding

Overall, the City will fund the delivery of the enabling works, CRC, and WTS. The MRF will be privately financed by the proponent selected by the City in the public tender process.

## Operational financials

| Category | Description | Estimated Annual Cost (AUD) |
|---|---|---|
| Staffing | 7-11 FTEs incl. site supervisors, operators etc | $900K – $1.6M |
| Waste transport | Contracts for Loading & Transport | $2M – $3M |
| Utilities & maintenance | Electricity, water, equipment servicing | $200K – $400K |
| Insurance & compliance | Licenses, audits, environmental monitoring | $100K – $200K |
| Education & outreach | Signage, flyers, community events | $50K – $100K |
| Admin & overheads | IT, phones, reporting, PPE, uniforms | $100K – $200K |
| **Total Annual Operating** | | **$3.35M – $5.5M** |

| Source | Description | Potential Annual Offset |
|---|---|---|
| State grants | WA Waste Authority or DWER funding | $100K – $300K |
| User fees | User disposal fees | $3.5M – $6M |
| Sale of recyclables | Scrap metal, cardboard, e-waste | $100K – $150K |
| **Total Offsets** | | **$3.7M – $6.45M** |

**Net Annual Cost to Council**

- **Estimated Net Profit**: **$350K – $950K/year**

### 7. Procurement and Programme

## Procurement

The procurement strategy for NRRP Stage 1 reflects a dual delivery model that separates City delivered infrastructure from privately delivered processing facilities. This approach supports transparency, cost control, and appropriate risk allocation across project components.

The City is leading the delivery of the CRC, the WTS and the supporting infrastructure. Talis has been engaged to complete detailed design for all three components. Construction will be procured through a public tender (Request for Tender) process for the construction of these facilities, allowing the City to maintain full control over technical design and reduce risk exposure at tender stage.

Public tender processes will be used for all City delivered construction contracts to ensure transparency and market competition.

Fully resolved designs for the CRC and the WTS will reduce contingency pricing and allow for more accurate contractor bids. This minimises financial risk and supports efficient delivery.

The MRF will be procured under a separate tender process that is anticipated to commence in January 2026 and will run for 12 weeks with contract award to the preferred proponent scheduled for June 2026.

The relevant transaction documents for the MRF will include:

- a Recycling Processing Agreement which will include the City's commitment to supply all kerbside commingled recycling material collected by the City to the MRF as well as imposing performance specifications on the proponent/operator for the processing of recyclables supplied by the City;
- a Management Agreement for the management and operation of the MRF (once it has been constructed) which will include Performance Specifications and Key Performance Indicators as they relate to the handling and processing of the recyclable materials supplied by the City; and
- a Lease agreement (granting the proponent tenure to the land for the construction and operation of the MRF) which will also include development obligations on the proponent/tenant for the construction of the MRF in accordance with agreed Conceptual Designs and Specifications).

As the proponent/operator will be responsible for funding, constructing and operating the MRF for the term of the Lease and the Management Agreement, the City's potential liability in connection with the MRF will be minimised.

The City will therefore retain control over the design and delivery of public assets (comprising the CRC and the WTS), while leveraging private sector investment and operational expertise for the design, delivery and operation of the MRF.

## Programme

The programme for the delivery of the NRRP Stage 1 facilities is shown in Table 3, noting it will be subject to change as the project progresses. The City has already commenced with the delivery of the NRRP Stage 1 enabling works to fast track the delivery of Trandos Road upgrade works and the provision of services. The delivery of the WTS has been prioritised over the CRC and MRF.

Table 3: Programme Timeline

| Project | Task | 2025 | | | | | | 2026 | | | | | | | | | | | | 2027 | | | | | | | | | | | | 2028 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| NRRP WTS | DWER Works Approval | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Detailed Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procurement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Construction & Commissioning | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NRRP CRC | Approvals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Detailed Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procurement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Construction & Commissioning | | | | | | | | | | | | Construction of WTS Prioritised | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NRRP MRF | Waste Supply & Lease Agreement Procurement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Works Approvals & Development Approval (By the City) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Detailed Design (Contractor) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procurement (Contractor) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Construction & Commissioning (Contractor) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NRRP Enabling Works | Approvals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Detailed Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

## 8. Opportunities and Risks

The NRRP Stage 1 presents a strategic opportunity for the City to address current infrastructure gaps and transportation inefficiencies by delivering local waste consolidation and processing capacity in Perth's fast-growing northern corridor. The NRRP Stage 1 will reduce transport-related emissions and operational costs, increase local recycling and landfill diversion rates, and enable the City to maintain control over core service delivery. The co-location of publicly and privately delivered and operated facilities under a precinct model provides flexibility, leverages private sector investment, and aligns with broader regional waste planning and circular economy objectives.

The immediate key risks recognised over the short term include:

- Ensuring the project can continue to align to the $22 Million construction budget in a market which has experienced recent construction cost escalation and unforeseen market trends
- Programme Delays: Risks of timeline slippage are addressed through contingency planning, progress tracking, and early escalation of key decisions. Particular attention has been given to coordinating enabling works to prevent delays to the delivery of the WTS and the CRC.
- Enabling Works Timing: Delays in delivering site power and civil works could impact facility construction. This is being addressed through early engagement with Western Power and prioritisation of relevant approvals.
- Regulatory Approvals: Potential delays from environmental and planning regulators are mitigated through proactive engagement and early incorporation of agency feedback.
- Community Concerns: The City recognises the important of early and ongoing engagement with the community, ensuring transparency and responsiveness to local feedback.
- Ensuring the MRF proponent to be appointed by the City has the experience, capability and resources to commit to the operation and successful management of the facility

Each of these key risks are being managed by the City, with appropriate mitigation strategies developed for each.

## 9. Summary of Proposed Transaction

This Business Plan has been prepared to comply with the provisions of the *Local Government Act 1995* (WA), with respect to the following major land transactions and major trading undertakings:

- the construction and development of the WTS, the CRC and associated enabling works and road upgrades;
- the City's operation of the WTC and the CRC;
- the proposed lease of land within NRRP Stage 1, for the construction and operation of a privately delivered MRF; and
- the associated Recycling Processing Agreement between the City and the selected private sector operator for the receival and processing of recyclables.

Summaries of the proposed lease and the Recycling Processing Agreement are set out below (these are not intended to be an exhaustive list of all terms to be included in the contractual documentation). Further details will be disclosed in the report to Council for consideration of the outcomes and recommendations of the procurement evaluation process under the City's public tender.

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| | |
|---|---|
| Lease | • The City proposes to enter into a long-term lease over a portion of the Site for the development and operation of a MRF facility.<br>• The lease will allow a private sector proponent to construct and operate the MRF based on their expertise.<br>• At the end of the lease the MRF buildings and potentially the processing plant will be delivered up to the City and ownership in these improvements will be transferred to the City;<br>• The design of the MRF buildings will be approved by the City along with ongoing inspection during construction.<br>• The lease will define permitted land use, development obligations, site access, term of agreement, and compliance with all relevant approvals and regulations. |
| Recycling Processing Agreement | • The City and the MRF proponent will enter into a Recycling Processing Agreement.<br>• The agreement will commit the City to supply all commingled recyclables arising from its kerbside collection service.<br>• The contract will include processing requirements, service performance standards, reporting obligations, and compliance with applicable regulations.<br>• Commercial terms will cover gate fees, cost/revenue arrangements, and provisions for contract performance monitoring. |

## 10. Responsibilities

The successful delivery and operation of NRRP Stage 1 involves clearly defined responsibilities between the City and the private sector.

The City, supported by Talis, will lead the planning and delivery of public infrastructure and oversee the interface with private sector development. Key responsibilities include:

- Acting as the landowner and retaining tenure of the Site;
- Securing and managing the Recycling Processing Agreement to support the delivery of the MRF;
- Designing the WTS, CRC, and supporting infrastructure;
- Securing relevant statutory approvals for CRC, WTS and MRF;
- Procuring construction contractors and managing contract delivery for the CRC, WTS and supporting site infrastructure;
- Operating the CRC and WTS; and
- Undertaking ongoing contract management and performance monitoring (including the Management Agreement and the Recycling Processing Agreement with respect to the proponent's operation of the MRF).

The private sector proponent, engaged through a competitive market-based process, will be responsible for:

- Designing, constructing, and funding the MRF;

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- Operating the MRF in accordance with defined service levels;
- Accepting the City's and third party recyclable materials for processing; and
- Complying with all performance, environmental, and reporting requirements under the lease, Management Agreement and Recycling Processing Contract.

# Local Government Act Compliance

The relevant legislation is as follows:

- *Local Government Act 1995*, Section 3.59(3); and
- *Local Government (Functions and General) Regulations 1996*, Regulation 10.

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

The above legislative requirements are addressed in the below subsections.

## 1. Expected Effect on the Provision of Facilities and Services by the Local Government

The City is currently reliant on a variety of external parties for the deliver of its waste services including significant transportation of it waste to facilities located in the southern suburbs of Perth.

The City will lead the delivery of NRRP Stage 1, comprising the enabling works, the CRC, and the WTS. These facilities will be operated by the City and incorporated into its community waste service system representing a significant expansion of its core waste infrastructure. This investment will reduce reliance on external processing and transfer sites currently located outside the district.

The MRF will be delivered and operated by a private proponent under a long-term lease, Management Agreement and Recycling Processing Agreement. While the City will not operate the MRF directly, it will maintain oversight and contract management responsibilities to ensure performance obligations are met. The delivery of the MRF project will result in the City's commingled recyclables being processed locally as opposed to the current arrangement of transporting these materials to Canning Vale for processing.

The City will also allocate operational resources for the ongoing management of the CRC, WTS and weighbridge including staffing, maintenance, and customer service functions. These integrated facilities are expected to improve service efficiency, reduce transport distances, and support future service expansion, including the introduction of FOGO collections.

Overall, the project will enable the City to deliver more sustainable, cost effective and locally based waste services in line with its Waste Avoidance and Resource Recovery Strategy 2030 and broader objectives to accommodate growth across the northern corridor.

## 2. Expected Effect on Other Persons Providing Facilities and Services in the District

The delivery of the NRRP is not expected to adversely impact other recycling and waste service providers currently operating in the district. Rather, the precinct has been planned to address a recognised significant shortfall in recycling and waste processing infrastructure in Perth's northern corridor. The State Waste Infrastructure Plan identifies the investigation of waste precincts in northern Perth and more broadly across the Perth region as a highest priority opportunity to enable the delivery of additional waste management facilities.

With the impending closure of Tamala Park Landfill in the coming years, the City will be transporting its kerbside residual waste to an Energy Recovery Facility (i.e. waste-to-energy plant) in the southern suburbs in either Kwinana or East Rockingham for processing. The WTS will allow for consolidation of these waste materials into a single location for more efficient transportation by specialist haulage trucks to these facilities. At present, there is limited capacity for local consolidation or processing of municipal waste. The CRC and the WTS will primarily manage residential waste streams generated within the City and are not intended to compete with private operators servicing commercial businesses within the district.

The MRF, while focused on processing the City's kerbside recyclables, is being developed as a regional facility and will have capacity to accept recyclables from kerbside collections in surrounding local governments as well as commercial businesses. The City's recyclables are currently processed at the Resource Recovery Group (RRG) materials recovery facility in Canning Vale, and once the NRRP MRF becomes operational, these volumes of recyclables will be processed locally and reduce the requirement for transportation of these materials to facilities in the southern suburbs. The City undertook a market sounding process as part of the Master Plan development, with key industry players supporting the need for a MRF in the northern suburbs and expressing an interest in developing and operating the facility. This illustrates significant support from the waste industry to the proposed development of the MRF.

The NRRP Stage 1 may also create new opportunities for partnership with neighbouring local governments. No negative impacts are anticipated for not-for-profit organisations or local recycling initiatives, as the precinct is designed to complement and enhance the region's overall recycling and waste service capacity rather than replace existing offerings.

## 3. Expected Financial Effect on the Local Government

The supporting infrastructure, CRC and WTS will be fully funded by the City, with capital allocations incorporated into the City's capital works program and long-term financial plan. Cost estimates for these facilities were initially developed as part of the NRRP Master Plan and have since been refined through detailed design processes. Once operational, the CRC and the WTS will incur ongoing costs related to the staffing, maintenance and management of these facilities. These operational costs are expected to be partially offset through user fees, savings from reduced landfill disposal (e.g. avoidance of waste levies), and lower haulage distances.

The MRF will be delivered and funded by a private proponent under a long-term lease, Management Agreement and Recycling Processing Agreement. It therefore will not result in any direct capital cost being incurred by the City. The private proponent will also bear costs associated with staffing, maintaining and operating the MRF. Conversely, the lease of the portion of the Site required for the construction and operation of the MRF may provide a source of rental income or result in reduced processing fees for the City depending on the final commercial terms negotiated with the City's preferred proponent. The City will continue to pay processing fees for kerbside recyclables, but these costs are expected to be offset by the elimination of long-haul transport to the facility in Canning Vale.

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Over the long term, the NRRP is expected to result in financial savings by reducing reliance on external service providers, minimising transport and disposal costs, and supporting the City's strategic objectives for more efficient and sustainable service delivery.

## 4. Expected Effect on the Local Governments Planning for the Future

The NRRP aligns with the strategic objectives outlined in the City's Strategic Community Plan and Corporate Business Plan, particularly in relation to environmental sustainability, infrastructure planning, and efficient service delivery. The project supports the City's commitment to providing resilient infrastructure that meets the needs of a rapidly growing population while reducing the environmental impact of waste management. Delivery of the CRC, the WTS and the MRF advances the City's long-term goal of transitioning toward a circular economy, improving resource recovery rates, and reducing reliance on landfill. By enabling local consolidation and processing of key waste streams, the NRRP minimises transport distances and emissions and reduces long-haul disposal costs.

The project also addresses the infrastructure planning priorities set out in the City's Waste Plan, prepared under the Waste Avoidance and Resource Recovery Act 2007, and will help the City meet future waste generation and diversion targets. The NRRP is reflected in the City's Long Term Financial Plan and supports responsible asset management through a delivery model that integrates both public infrastructure and private sector participation. In addition to improved environmental outcomes, the NRRP is expected to contribute to local employment, economic development, and enhanced service accessibility across the northern corridor.

## 5. Ability of the Local Government to Manage the Undertaking or Performance of the Transaction

The City has demonstrated capability in delivering and operating waste management infrastructure, drawing on its experience with the existing waste transfer station, verge collection programs, and kerbside services. To support the successful implementation of NRRP State 1, the City has engaged specialist consultants, including Talis, to lead the planning, approvals, and detailed design and construction support across delivery of the project. Procurement and construction of the supporting infrastructure, CRC, and WTS will be managed directly by the City in accordance with the City's established procurement frameworks and internal project governance arrangements.

Operation of the CRC and WTS will also be fully managed by the City, leveraging internal capacity, staff resources, and existing service systems. The MRF will be delivered and operated by a private sector partner under a long-term lease and Recycling Processing Agreement, with the City retaining oversight responsibilities through formal contract management, performance reporting, and compliance monitoring. Relevant departments across the City possess the required expertise to manage land tenure, procurement, contract administration, and regulatory obligations associated with the undertaking.

Project-related risks, including those relating to delivery timelines, environmental approvals, and operational performance, have been identified and will be managed through established controls, statutory frameworks, and commercial mechanisms. The City's governance structure ensures appropriate oversight of financial, legal, and operational matters, providing a coordinated and accountable foundation for both implementation and long-term facility management.

## 6. Any Other Matter Prescribed for the Purpose of this Subsection

The Business Plan for the Major Trading Undertaking for "the Neerabup NRRP Stage 1" will be publicly advertised, as required under the Local Government Act 1995.

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# Public Consultation and Advertising

The community is invited to make submissions on the Major Land Transaction and the Major Trading Undertaking described in this Business Plan.

Community members may make submissions in writing in relation to the transactions and trading undertakings proposed in this Business Plan to the City's Chief Executive Officer via the following methods:

Mail: Locked Bag 1, Wanneroo WA 6946
Email: enquries@wanneroo.wa.gov.au
In person: 23 Dundebar Road, Wanneroo WA 6065

The Closing date for submissions is 10 November 2025. Please note no submissions will be accepted or considered after this date.

Following the public advertising period (Section 3.59(4)), the City will consider all submissions and may decide (by absolute majority) to proceed with the Major Land Transaction and Major Trading Undertaking as described in this Business Plan in accordance with the provisions of the *Local Government Act 1995*, Section 3.59.