



BUSINESS PLAN - MAJOR LAND TRANSACTION – LEASE OF LAND TO WOODSIDE ENERGY PTY LTD

(a) The proposed lease and its expected effect on the provision of facilities and services by the local government

The Eastern Metropolitan Regional Council (**EMRC**) is a progressive and innovative regional local government working on behalf of five member Councils located in Perth's Eastern Region - Town of Bassendean, City of Bayswater, City of Kalamunda, Shire of Mundaring and City of Swan. The EMRC provides services in waste management, environmental management and regional development and the EMRC is a model of successful collaboration, initiating projects which deliver real benefits to Perth's Eastern Region. The EMRC operates facilities at its Hazelmere Resource Recovery Park (HRRP) in 77 Lakes Road, Hazelmere where waste timber is recycled, commercial and industrial (C&I) waste is sorted and recycled and used mattresses are recycled. The EMRC is currently constructing a Waste Transfer Station to act as a central hub for member Councils to bring residual waste for transport to the East Rockingham Waste to Energy plant and Food Organics Garden Organics (FOGO) waste for transport to composting facilities at the Red Hill Waste Management Facility (**RHWMF**) or other facilities. At the RHWMF, the EMRC operates a licensed landfill for the disposal of class III and class IV wastes, FOGO waste is processed into compost, green waste is converted into mulch and we produce products such as Ferricrete for road base.

The EMRC proposes to lease part of the RHWMF (located at 1094 Toodyay Road, Red Hill) to Woodside Energy Technologies Pty Ltd (**Woodside**) to develop the Carbon to Ethanol Pilot Plant (**Pilot Plant**) which will use a process known as carbon capture and utilisation (**CCU**) to convert greenhouse gases generated at the RHWMF into useful products (**Proposal**). Specifically, the proposed Pilot Plant will receive a portion of the methane and carbon dioxide produced from the RHWMF and process it using two separate CCU technologies to produce ethanol, which will then be transported off-site for use elsewhere or used on-site as a fuel for mobile equipment.

The objective of the proposed Pilot Plant will be to assess how the relevant CCU technologies can be integrated safely, efficiently and reliably. Technical knowledge gained from the Pilot Plant may then be used for the design and operation of full-scale CCU projects at other locations.

The EMRC views the development of the relevant CCU technologies as being aligned with its net zero goals and its focus on circular economy initiatives.

The EMRC expects that the proposed Pilot Plant will have a minimal effect on the waste management and resource recovery facilities and services provided by the EMRC, particularly in view of the fact that the leased area is approximately five hectares in size and is of limited functionality for landfilling.

(b) The expected effect of the Proposal on other persons providing facilities and services in the district

The EMRC expects that the proposed Pilot Plant will have a minimal effect on other persons providing facilities and services in the district.

A number of environmental and social studies will be undertaken as part of the environmental approval process for the proposed Pilot Plant (including noise and visual amenity). These studies will help establish environmental baselines, identify environmental and social sensitivities, guide the concept designs and operational planning, and inform mitigation strategies.

(c) The expected financial effect of the Proposal on the EMRC

The EMRC expects the financial effect of the Proposal on the ERMC to be positive.

The Proposal will provide income to the EMRC by way of rental income plus revenue from the sale of landfill gas and electricity, which income and revenue will bolster the financial sustainability of the EMRC.

Because of the financial benefit to the EMRC that this Business Plan for a Major Land Transaction is required under the *Local Government Act 1995* (WA).

(d) The expected effect of the Proposal on matters referred to in the EMRC's current plan prepared under section 5.56 of the *Local Government Act 1995* (WA).

The EMRC has a 10-year Strategic Plan (SP) 2017-2027 and a five-year Corporate Business Plan (CBP) 2021/2022 – 2025/2026 that are revised and reported back to Council on a quarterly basis. The SP and the CBP are underpinned by an annual budget and a 10-year forecast budget comprising both operating and capital expenditure.

The EMRC currently relies heavily on its waste-to-landfill services to generate revenue for financial resilience and investment in other initiatives, such services having generated 97 percent of the ERMC's revenue for the 2019/2020 financial year. The EMRC has recently carried out a strategic review which considered the expected market changes resulting from the WARR Strategy (Waste Avoidance and Resource Recovery 2030) and which recommended actions that should foster the organisation's long-term financial viability.

The proposed Pilot Plant is entirely consistent with the SP and the CBP. The Pilot Plant will operate for approximately two to five years from 2025 after which it will be decommissioned.

(e) The ability of the EMRC to manage the undertaking or the performance of the Proposal

The EMRC has the ability and resources to manage the Proposal. The EMRC's involvement will be limited to:

- supplying landfill gas to the proposed Pilot Plant from the existing gas capture system;
- supplying high voltage electricity from the RHWMF's grid connection to the proposed Pilot Plant;
- disposing of wastewater from the proposed Pilot Plant into the RHWMF's wastewater management system;
- managing access to the proposed Pilot Plant site; and
- managing the relevant lease.

The EMRC has qualified and experienced staff and contractors who operate the RHWMF and it proposed that the EMRC's existing operations and projects staff will manage the Proposal in collaboration with Woodside's operation personnel.

(f) Any other matter prescribed for the purposes of subsection 3.59(3) of the *Local Government Act 1995* (WA).

Costs and Cost Benefit

In leasing the relevant portion of land to Woodside for the Pilot Plant, the EMRC will be utilising a portion of the RHWMF site that is of limited functionality for landfilling.

The objective of the proposed Pilot Plant will be to assess how CCU technologies can be integrated safely, efficiently and reliably. The EMRC views the development of CCU technologies as being aligned with its goals to achieve net zero, and its focus on circular economy initiatives.



Woodside is responsible for the development, operational and decommissioning costs associated with the proposed Pilot Plant.

The costs to the EMRC will be minimal and will consist of management time to give effect to the necessary local government compliance obligations, and the time and costs incurred in assisting Woodside with the necessary approvals and with access to a power supply and a landfill gas supply.

Risk Management

Risk management of the Proposal will cover the following areas:

1. safe operation of the proposed Pilot Plant;
2. management of noise and air emissions to prescribed limits;
3. management of wastewater within the EMRC's wastewater disposal system; and
4. access to the proposed Pilot plant restricted to Woodside's operational personnel and EMRC staff as required.