

ATTACHMENT A



Business Plan for

**Transfer of vesting to the City of the
groynes and breakwater at Ocean Reef**

February 2001

INTRODUCTION

This business plan is prepared at the request of Council (meeting of 13 February 2001 refers), in relation to the transfer of vesting of the Groynes and breakwater at Ocean Reef from the Water Corporation and Department of Transport to the City. Of particular interest is the cost to the City in taking over the vesting of these facilities.

Advice was sought from both the City's Solicitor and the Department of Local Government, as to whether the proposed transfer of vesting is subject to the provisions of section 3.58 (Disposing of property) or section 3.59 (Commercial enterprises by local governments) of the Local Government Act. Both confirmed that in their opinion there is no statutory obligation, as the Act does not apply in this case, for the City to prepare or publicly advertise a business plan on this matter.

TITLE PARTICULARS

The various parcels of land involved with the transfer of vesting are:

- (a) Reserve N^o 36732, being portion of Swan Location 10098 of the land the subject of Management Order vested with the Water Corporation;
- (b) Reserve N^o 39014, being portion of Swan Location 10518 of the land the subject of Management Order vested with the Department of Transport;
- (c) Reserve N^o 39014, being portion of Swan Location 10519 of the land the subject of Management Order vested with the Department of Transport.

Full details and diagrams of the land to be transferred to the City are shown as Attachment 1.

EXPECTED EFFECT OF THE TRANSFER OF FACILITIES TO THE CITY

The groynes and breakwater provide protection for the boat launching ramps and facilities (Reserve20561) that are the responsibility of the City.

The change in vesting, as proposed, needs to be considered in terms of the impact on the master planning potential of the total Ocean Reef site. The City is presently reviewing development options of Lot 1029 Ocean Reef, which is situated adjacent to the boat launching facility and groynes.

Lot 1029 is freehold land owned by the City (purchased in 1979 for \$525,000), and is subject to Bush Forever (Bush Plan) deliberations however it been identified as a possible future Strategic Recreational and Tourism Node. The site represents a significant opportunity for partial development in conjunction with the boat launching facility and groynes.

EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT

The Ocean Reef boat launching facility and associated groynes are of major regional significance to the community from a recreational view point and to the City in terms of

possible future economic development. The groynes also provide protection for the boat launching ramps and facilities. Ocean Reef is the only public boat launching facility north of Hillary's harbour in the City of Joondalup. The breakwater structures are also currently well used as a fishing platform. There is significant pressure on Hillary's boat harbour and an alternative facility is required to accommodate the current and future community needs for such facilities. Ocean Reef is well placed and the only node available for the provision of boat launching facilities and associated commercial activity in the City.

EXPECTED FINANCIAL EFFECT ON THE CITY ASSOCIATED WITH THE TRANSFER OF VESTING

There are costs associated with the transfer of vesting of the groynes to the City. The M P Rogers study, which was finalised in February 2000, provided a preliminary analysis and costing of maintenance works, identified as a result the inspection report (Report CJ335-11/00 refers).

Based on the Rogers study and details from the Department of Transport, the estimated maintenance cost for the groynes and breakwater are:

- \$1000 - \$3000 each year for ongoing maintenance
- \$290,000 in year 5 for re-armouring of groyne
- \$50,000 every 5 years for major maintenance
- \$40,000 - \$80,000 per dredging operation every 2 years, however if breakwater extended, which would be undertaken by Department of Transport, then dredging may be required possibly every 10 years)

For costing purposes a 20 year cycle has been used to calculate the average cost per year the City would need to budget, based on the above figures:

\$ 3000	Maintenance
\$14,500	Re-armouring (\$290,000/20 years)
\$10,000	Groyne repairs (\$50,000/5 years)
<u>\$ 8,000</u>	Dredging (\$80,000/10 years)
\$35,500	

The Department of Transport confirmed that they have not been required to do any maintenance, re-armouring or repairs on the main breakwater over the life of the facility (20 plus years).

Possible sources of income to the City to cover these costs are:

\$25,600	Car/boat trailer parking
<u>\$10,000</u>	Commercial leases
\$35,600	

Income from commercial leases would not be realised until planning development approval was obtained and premises built and in this case the City would need to budget for such funding in the interim.

Details of the above costing and supporting comments are:

The Rogers study provided a schedule (CJ335-11/00 refers) of suggested works program for long term (20 years) maintenance requirements for the groynes was also estimated at \$598,398 Attachment 2

The report suggests re-armouring the groyne in five years at an estimated cost of \$242,300. Re-armouring of the North and West breakwater is also suggested in year 5 at an estimated cost of \$30,000. The consultant's report was provided to Department of Transport for comment and they advised that the level of future maintenance and capital expenditure is heavily dependent on the level of functionality the City proposes for the facility.

There may be options to significantly reduce the costs depending on the proposed usage of the facility. It is also significant to note that the Department of Transport confirmed that they have not been required to do any maintenance, re-armouring or repairs on the main breakwater over the life of the facility (20 plus years) and they consider the facilities are in a sound condition.

The report also identified repairs required to the rubble structures, parapet and access to the breakwater, which is estimated to cost \$134,512 in the first year, with minor costs of approximately \$800 to \$2,800 in subsequent years. The Department of Transport report suggests that the cost to provide vehicle access for maintenance to the outer breakwater could be provided at a lower cost than suggested by a temporary limestone pavement.

EXPECTED EFFECT ON MATTERS REFERRED TO IN THE LOCAL GOVERNMENT'S CURRENT PRINCIPAL ACTIVITIES PLAN PREPARED UNDER SECTION 5.56

The City has included in the Principal Activity Plan, but not specifically identified, costs associated with the ongoing maintenance of the groynes and breakwater.

ABILITY OF THE LOCAL GOVERNMENT TO MANAGE THE UNDERTAKING OR THE PERFORMANCE OF THE FACILITY WITH A CHANGE IN VESTING.

The City has the ability to manage the groynes and breakwater through the Infrastructure Management Directorate. The Directorate currently has the responsibility for the management and maintenance for the boat launching ramps, and mooring (reserve 20561). In this instance the Directorate has the engineering capability to manage and maintain the supporting facilities of the area and the contract management capabilities for any works that may be required for the groynes or breakwater.

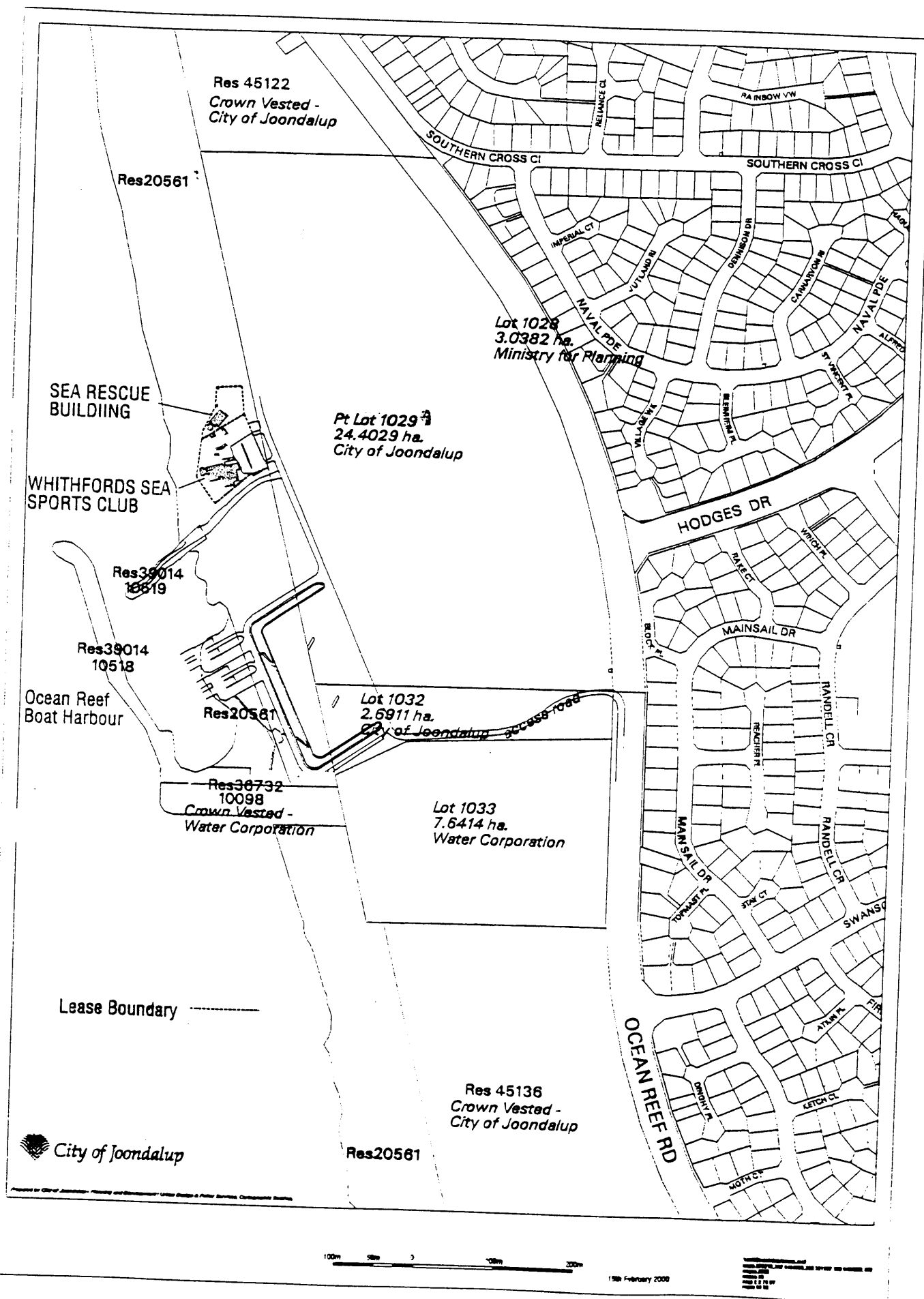
In relation to the ability to manage future commercial leasing arrangements for the Ocean Reef Area, the City has the experience and capabilities in this field through the Resource Management Directorate.

The change in vesting will ensure that the City has more control over the master planning implications and the potential future development of the area at Ocean Reef and the Planning and Development Directorate have the experience and expertise in planning matters and

working with the appropriate authorities such as the Western Australian Planning Commission.

CONCLUSION

Although there are costs associated with the maintenance of the groynes and breakwater, the change in vesting it will ensure that the City has more control over the master planning implications and the potential future development of the area at Ocean Reef. The short term commercial potential is limited, however the long term prospects would provide the City with an income base to assist the servicing and maintenance costs associated with the Boat Harbour facilities.



Mice Cost Schedule (2)

Number	Item	Year of Expenditure		3	4	5	6	7	8	9
		1	2							
1	Rubble Mound Structures	\$ 134,512	\$ 2,800	\$ 800	\$ 2,800	\$ 289,586	\$ 2,800	\$ 800	\$ 2,800	\$ 800
1.1	West Breakwater									
1.1.1	Crest protection at root of breakwater (in 1.2.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.1.2	Pathway units	\$ 6,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.1.3	Signage & maintenance	\$ 1,000	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200
1.2	Southern Reclamation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.2.1	Crest protection (limestone armour)	\$ 42,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.2.2	Crest & revetment protection @ b/water root	\$ 35,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.3	North Breakwater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.3.1	Signage & maintenance	\$ 500	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100
1.4	Ongoing Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4.1	North & West Breakwater Armour	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -
1.4.2	Southern Reclamation seawall armour	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -
1.4.3	Nth Breakwater access path	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -
1.4.4	Southern Reclamation limestone parking surface	\$ 2,000	\$ 2,000		\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -
1.4.5	Southern Reclamation re-armouring	\$ -	\$ -	\$ -	\$ -	\$ 242,286	\$ -	\$ -	\$ -	\$ -
1.5	Rubble Structure Monitoring	\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 500
2	Boat Ramps	\$ 19,560	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
2.1	Toe Scour Protection	\$ 5,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2	Removal of Sediments	\$ 1,000	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
2.3	Replacement of Damaged Ramp Panels (6 assume	\$ 11,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.4	Slope Protection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5	Repair & Maintenance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
2.6		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Mooring Structures	\$ 70,850	\$ 15,000	\$ 15,000	\$ 15,000	\$ 24,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
3.1	Maintenance Coating of Steelwork	\$ 46,200	\$ 250	\$ 250	\$ 250	\$ 1,500	\$ 250	\$ 250	\$ 250	\$ 250
3.2	Repair of Steelwork	\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 250
3.3	Repair of Damaged/Broken Chafers	\$ 4,700	\$ 250	\$ 250	\$ 250	\$ 2,750	\$ 250	\$ 250	\$ 250	\$ 250
3.4	Replacement of Rotten Timbers (Chafers & Walkers)	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ -	\$ -	\$ -	\$ -
3.5	Misc. Sealing / Bolt Replacement / Timberwork	\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250
3.6		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Design & Contract Management @ 15%	\$ 33,708	\$ 2,910	\$ 2,910	\$ 2,910	\$ 47,278	\$ 810	\$ 610	\$ 810	\$ 510
5	Contingency @ 10%	\$ 26,843	\$ 2,231	\$ 2,001	\$ 2,231	\$ 36,246	\$ 621	\$ 391	\$ 621	\$ 391
6	Totals	\$ 284,274	\$ 24,641	\$ 22,011	\$ 24,641	\$ 398,711	\$ 6,831	\$ 4,301	\$ 6,831	\$ 4,301

Mice Cost Schedule (2)

10	11	12	13	14	15	16	17	18	19	20	TOTALS
\$ 49,504	\$ 800	\$ 3,000	\$ 600	\$ 3,000	\$ 47,300	\$ 2,800	\$ 800	\$ 2,800	\$ 800	\$ 49,500	\$ 698,398
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250
\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 2,800
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,300
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,462
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 1,400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 150,000
\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 25,000
\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ 5,000
\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 22,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,288
\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 500	\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 500	\$ 12,000	\$ 65,900
\$ 1,604	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 49,960
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,960
\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 12,400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,600
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 20,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 60,450	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 11,950	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 60,450	\$ 284,800
\$ 50,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 50,000	\$ 152,950
\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,500	\$ 28,250
\$ 4,700	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,700	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,700	\$ 25,300
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 10,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,733	\$ 480	\$ 840	\$ 480	\$ 840	\$ 9,128	\$ 810	\$ 610	\$ 810	\$ 610	\$ 18,733	\$ 139,929
\$ 12,828	\$ 388	\$ 644	\$ 388	\$ 644	\$ 6,998	\$ 621	\$ 391	\$ 621	\$ 391	\$ 12,828	\$ 107,179
\$ 141,111	\$ 4,048	\$ 7,084	\$ 4,048	\$ 7,084	\$ 76,975	\$ 6,831	\$ 4,301	\$ 6,831	\$ 4,301	\$ 141,111	\$ 1,180,066

Mice Cost Schedule (2)

10	11	12	13	14	15	16	17	18	19	20	TOTALS
\$ 49,500	\$ 800	\$ 3,000	\$ 600	\$ 3,000	\$ 47,300	\$ 2,800	\$ 800	\$ 2,800	\$ 800	\$ 48,600	\$ 698,398
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250
\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 2,800
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,300
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,462
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ 1,400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 150,000
\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 25,000
\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ 5,000
\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 22,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,286
\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 500	\$ 12,000	\$ 300	\$ 500	\$ 300	\$ 500	\$ 12,000	\$ 65,800
\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 49,960
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,960
\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 12,400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,600
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 20,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 60,450	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 11,950	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 60,450	\$ 284,100
\$ 50,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 50,000	\$ 152,950
\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,500	\$ 28,250
\$ 4,700	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,700	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,700	\$ 25,300
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,250	\$ 10,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,733	\$ 480	\$ 840	\$ 480	\$ 840	\$ 9,128	\$ 810	\$ 610	\$ 810	\$ 610	\$ 16,733	\$ 139,929
\$ 12,828	\$ 368	\$ 644	\$ 368	\$ 644	\$ 6,998	\$ 621	\$ 391	\$ 621	\$ 391	\$ 12,828	\$ 107,279
\$ 141,111	\$ 4,048	\$ 7,084	\$ 4,048	\$ 7,084	\$ 76,975	\$ 6,831	\$ 4,301	\$ 6,831	\$ 4,301	\$ 141,111	\$ 1,180,086