SPECIAL BUDGET MEETING 1 JULY 2020	16

BLUEWATER CANAL – SPECIAL CHARGE

D Machan | 63/2/8-01| #6366261

RECOMMENDATION:

That Council levies a special charge in accordance with sections 92 and 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012* known as the Bluewater Canal Special Charge, as follows:

1. **That Council makes and levies a special charge on the rateable land identified in this resolution for the purpose of funding works for the dredging and maintenance of the Bluewater Canal, Half Moon Creek and Offshore Channel.**
2. **At its meeting held on 23 June 2014, Council adopted the overall plan for the carrying out of the works identified as follows:**
   a. **The rateable land to which the plan applies is the land specified in this resolution;**
   b. **The service facility or activity for which the plan is made is the dredging and maintenance of Bluewater Canal, Half Moon Creek and Offshore Channel specified in Attachment 3 and providing for as the major elements:**
      - **dredging of the Bluewater Canal, Half Moon Creek and Offshore Channel, including spoil disposal;**
      - **maintenance of channel markers and lights;**
      - **hydrographic surveys;**
   c. **The time for implementing the overall plan is seven (7) years, beginning on 1 July 2014 and ending on 30 June 2021; and**
   d. **The estimated cost of implementing the overall plan is $5,250,000 across the seven (7) year period. The special charge is intended to raise approximately 83% of the funds, with the remaining 17% to be funded by Council from other sources in recognition of the fact that the canal, creek and channel are also accessed by other users via the public boat ramps at Bluewater and Yorkeys Knob.**
3. **The rateable land to which the special charge applies will specially benefit from the works, as compared to other areas of the Cairns region generally, for the reason that such rateable land has the benefit of direct access to the canal, creek and offshore channel, the subject of the works. In addition, the rateable land forms part of the canal estate which by its nature specifically contributes to the requirement that the canal, creek and offshore channel be dredged on a regular basis to allow access to the rateable land and marine berths.**

However, as more fully detailed in Attachment 3, Council also considers it appropriate that the amount of the special charge vary between the different rateable land identified below having regard to all matters relevant to the objective of achieving an equitable spread of the rating burden between all of the rateable land to be rated and fairness between the different classes of rateable land, including the extent to which, in Council's opinion, different rateable land will specially benefit or contribute to the need for the works. For example, Council acknowledges that the burden of the special charge should vary in recognition of: -

a. Yorkeys Knob Marina's downstream location; and

b. the fact that dredging does not take place within 29 metres of the water frontage of the rateable land located on Riverside Parade under this charge, but that this particular rateable land will nevertheless get the benefit of the dredging and maintenance works further downstream.

4. The special charges for the 2020/21 financial year apply to the rateable land identified below:

Property Description	Amount of special charge
Lots 1 to 37 on SP165903	$2,124.80 per lot
Lots 1 to 2 on SP279525	$2,124.80 per lot
Lots 39 to 41 on SP165903	$2,124.80 per lot
Lots 42 on SP241494	$2,124.80 per lot
Lots 44 to 65 on SP165903	$2,124.80 per lot
Lots 79 to 116 on SP165903	$2,124.80 per lot
Lot 117 on SP261231	$2,124.80 per lot
Lots 119 to 130 on SP165903	$2,124.80 per lot
Lots 22 to 23 on SP224676	$1,062.40 per lot
Lots 1 to 3 on SP301538	$1,062.40 per lot
Lots 26 to 31 on RP737271	$1,062.40 per lot
Lots 32 to 43 on RP737260	$1,062.40 per lot
Lot 1860 on SP264300 (the "Bluewater Marina")	$229,478.40
Lot 26 on SP122863 (the "Yorkeys Knob Marina")	$146,682.26

5. The special charge is to be levied by two half yearly levies.

6. If, after the date of this resolution, and before the levy of the special charge, a reconfiguration of any of the parcels of rateable land into one or more rateable lots is registered:

a. The gross amount to be levied on the rateable lot or lots created by the reconfiguration, from the date of registration, is the amount specified in the table above for the rateable lot which existed immediately prior to the reconfiguration, adjusted on a pro rata time basis to produce an amount for the period from the date of registration of the reconfiguration to 30 June 2021.

b. If more than one rateable lot is created by the reconfiguration, the gross amount must be apportioned to all of the rateable lots created:

i. on a pro rata land area basis, if the rateable lots are created by standard format plan; or

ii. on a pro rata gross floor area basis, if the rateable lots are created by building format plan.

c. In making an apportionment under paragraph (b), land which is dedicated as a road, or dedicated or transferred to a public authority for other public purposes, or which becomes common property (whether under a standard format or building format plan) must be disregarded, and must have no apportionment applied to it, so that the total amount apportioned to the new rateable lot or lots equals the amount specified in the table above as the special charge for the lot which existed immediately prior to the reconfiguration.

d. If a rateable lot to which a special charge amount has been apportioned in accordance with this paragraph is itself reconfigured into one or more rateable lots before the levy of the special charge, sub paragraphs (a), (b) and (c), and this subparagraph, must be applied, with necessary adaptations, to apportion the special charge amount for that rateable lot to the new rateable lots, and so on for any subsequent reconfiguration.

7. If any adjustment of a special charge which has already been levied is required under Chapter 4, Part 9, Division 2 of the *Local Government Regulation 2012,* as a result of reconfiguration of any of the parcels of rateable land into one or more rateable lots, the adjustment must be made on a pro rata time basis, applying paragraph (6) to calculate the amount on which the calculation for the period after reconfiguration is based.

EXECUTIVE SUMMARY

At its Ordinary Meeting held on 31 May 2007, Council passed the following resolution:

1. Council declare its intention that in accordance with s971 of the Local Government Act 1993 the Council will adopt a Special Rate for the purpose of meeting the cost of the dredging of the canal, Half Moon Creek and access channel based on numbers of water based properties and marina berths instead of lineal meters of canal frontage for calculating the special charge of maintenance dredging in 2007/08.

2. Council will contribute to the overall dredging costs in recognition of the improved level of service for users of the Bluewater and Yorkeys Knob boat ramps.

At its meeting held on 23 June 2014, Council adopted the Overall Plan for the carrying out of the works identified as follows:

a. The rateable land to which the plan applies is the land specified in this resolution;

b. The service facility or activity for which the plan is made is the dredging and maintenance of Bluewater Canal, Half Moon Creek and Offshore Channel specified in Attachment 3 and providing for as the major elements:

- dredging of the Bluewater Canal, Half Moon Creek and Offshore Channel, including spoil disposal;
- maintenance of channel markers and lights;
- hydrographic surveys;

c. The time for implementing the overall plan is seven (7) years, beginning on 1 July 2014 and ending on 30 June 2021; and

d. The estimated cost of implementing the overall plan is $5,250,000 across the seven (7) year period. The special charge is intended to raise approximately 83% of the funds, with the remaining 17% to be funded by Council from other sources in recognition of the fact that the canal, creek and channel are also accessed by other users via the public boat ramps at Bluewater and Yorkeys Knob.

For the 2020/21 financial year, Council is required to adopt an Annual Implementation Plan for the purpose of implementing the overall plan. The 2020/21 Annual Implementation Plan for Bluewater Canal was adopted on 1 July 2020.

CONSIDERATIONS:

Statutory:

Adoption of the Bluewater Canal Special Charge is in accordance with Sections 92 and 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*

CONSULTATION:

Preston Law were previously consulted regarding the documentation and processes required for adopting the Bluewater Special Charge.

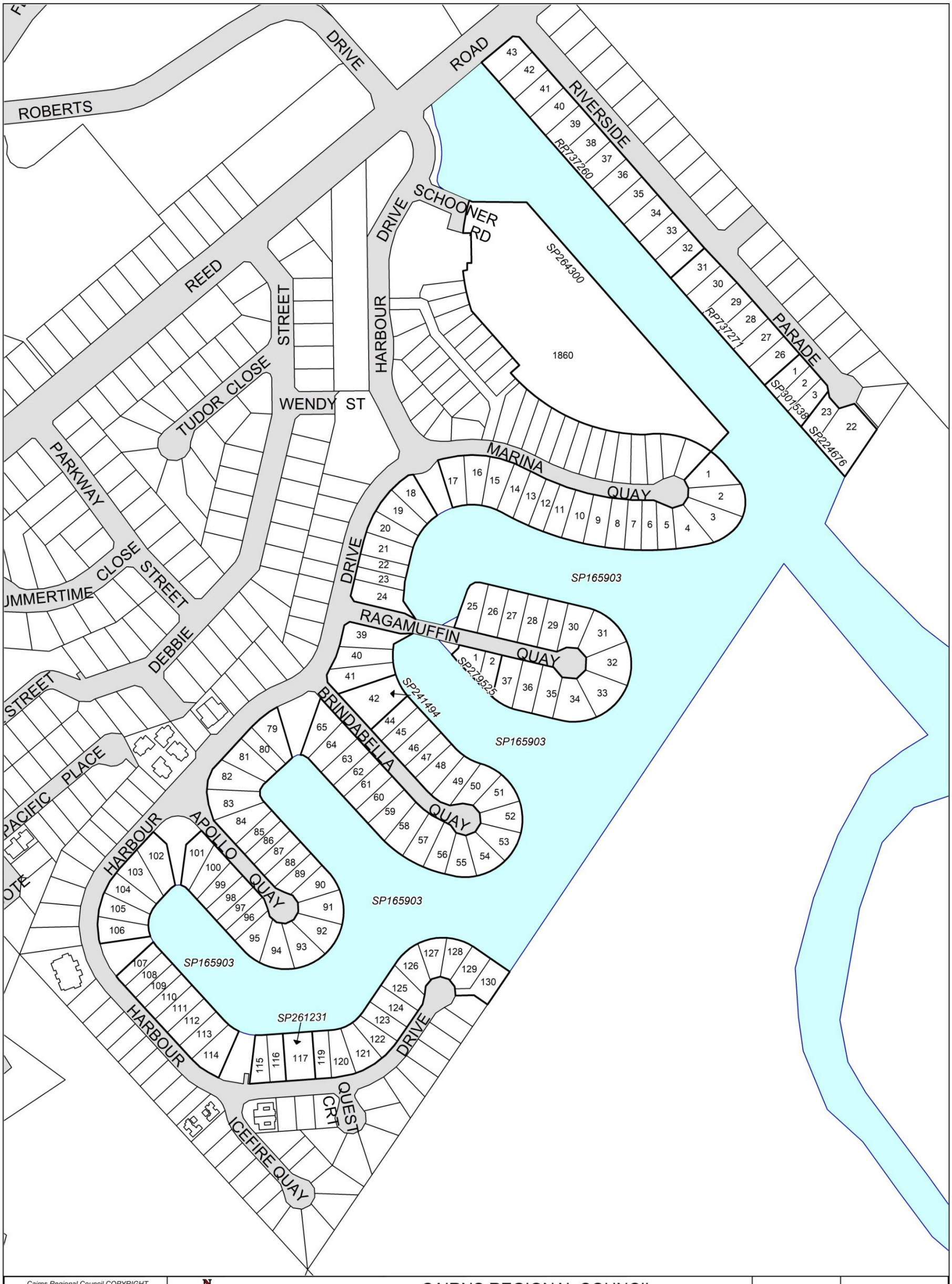
ATTACHMENTS:

- Attachment No. 1: Map identifying parcels
- Attachment No. 2: Map identifying dredging area
- Attachment No. 3: Dredging and Maintenance, Bluewater Canals and Offshore Channel, 2019/20

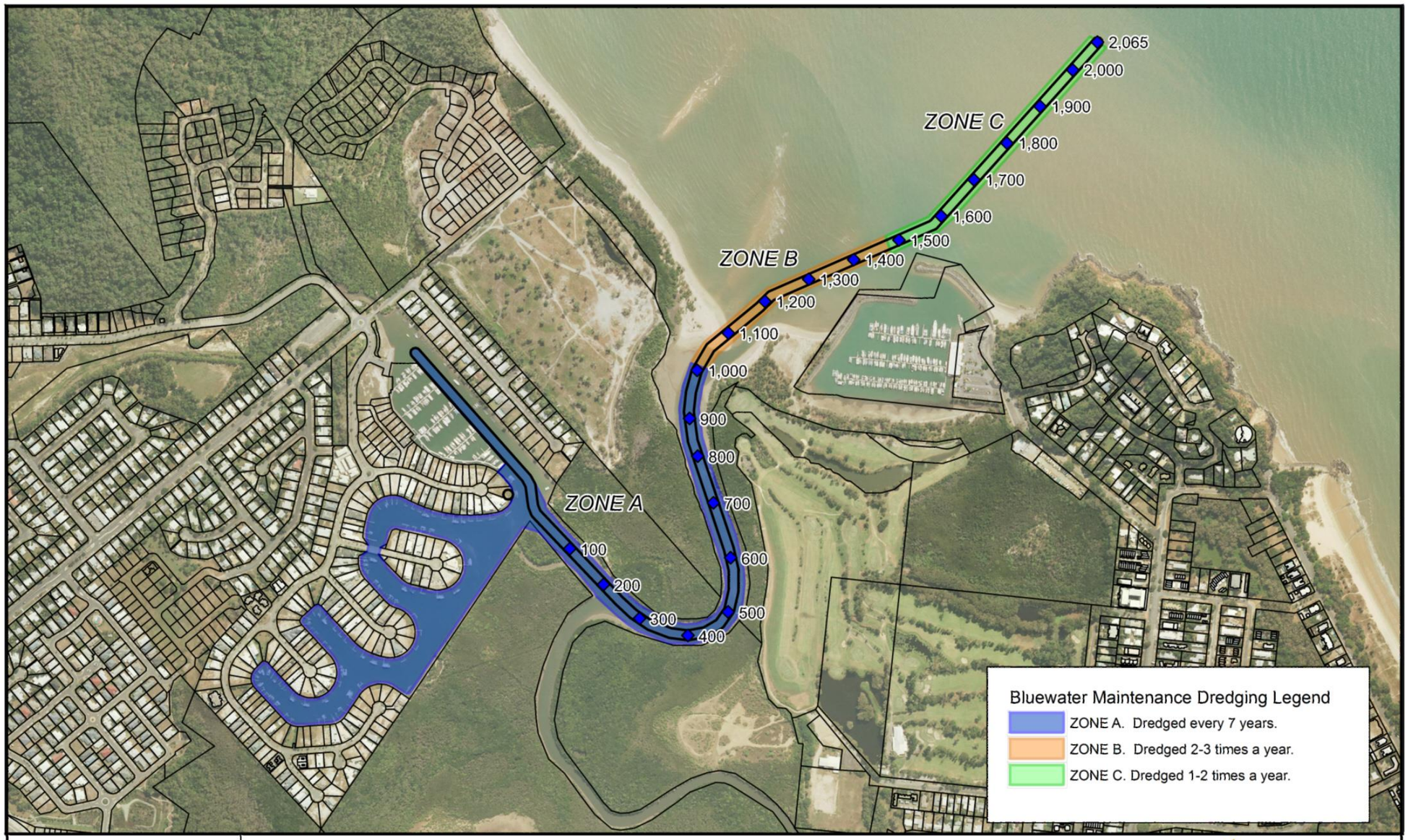
Jason Ritchie
Manager Finance

Lisa Whitton
Chief Financial Officer

Attachment No. 1 – Map identifying parcels



Attachment No. 2 – Map identifying dredging area



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N W E S

CAIRNS REGIONAL COUNCIL
BLUEWATER MAINTENANCE DREDGING SCHEDULE

MapScale 1/10000 on A4

File: G:\Work Requests\City Works\Blue Water Dredge Schedule\Bluewater_Dredging_v2.wor

Date: 17/10/17

Author: S, Van Roy

GDA

Cairns Regional Council

Plan No.
Sheet 1 of 1

Attachment No. 3

DREDGING AND MAINTENANCE, BLUEWATER CANALS AND OFFSHORE CHANNEL, 2020/21

Analysis to determine Special Charge

Background

A model was developed in 2007 to apportion dredging and maintenance costs based on the number of water frontage properties and marina berths on the canals and offshore channel. It has been used to determine the special charges since 2007/08. It has also been used to calculate the amount of Council's contribution to the overall cost on behalf of users of the Bluewater and Yorkeys Knob public boat ramps.

It is proposed to use the model to determine the cost of carrying out the works for the seven (7) year overall plan from 1 July 2014 to 30 June 2021.

To apportion the costs, the Bluewater canals and offshore channel are divided into three zones that reflect the increased benefit of deep water access for vessels moored further back in the canals.

The model proposes full recovery of costs apart from the cost of administration, and the supervision of maintenance dredging contracts, and the contribution Council makes on behalf of users of the public boat ramps.

Consultation

The model was developed in consultation with a Bluewater Estate and Riverside Parade residents working group that included a representative of the Bluewater Marina and the Yorkeys Knob Boating Club. The working group was set up to advise Council on matters related to the dredging and maintenance of the canal system and the allocation of costs among those who enjoy or are potentially able to enjoy the benefits of the deep water access to the ocean provided by the canals and offshore channel.

The working group supported the principles incorporated in the model. It also recognised the risks for all berth owners and Council in terms of increased costs that adverse weather conditions or cyclones might bring. However, the working group agreed that the model would provide an adequate basis and had the flexibility required to manage possible emergent costs in those circumstances.

Input to the Model

1. The model finalised the number of berths (units of contribution) as follows:

Zone A
Residents on the canals in Bluewater Estate (water frontage) 116 berths
Residents in Riverside Parade (water frontage) 23 berths
Berths in the Bluewater Marina 108 berths
Sub-total - 247 berths
Council contribution for Bluewater boat ramp therefore equivalent to 28 berths –10% of the total
Total Zone A, 275 berths

Zone B
Mouth of Half Moon Creek out to the entrance to the Yorkeys Knob Marina
As for Zone A
Total Zone B, 275 berths

Zone C -
Bluewater Estate Residents (water frontage) 116 berths
Riverside Parade Residents (water frontage) 23 berths
Berths in the Bluewater Marina 108 berths

Berths in the Yorkeys Knob Marina 197 berths
Sub-total – 444 berths
Council contribution for Bluewater and Yorkeys Knob boat ramps is equivalent to 56 berths each – 112 berths equivalent to 20% of total
Total Zone C, 556 berths

2. The budgeted cost of dredging for 2020/21 is developed in Attachment 1. Projected estimates of income needed to fund dredging through to 2020/21 are based on an annual 2.75% increase. A summary of the estimated income needed to meet the dredging expenditures is also included in Attachment 1.

Summary – Zone estimates of income needed in 2020/2021

Zone A	$54,643
Zone B	$316,643
Zone C	$409,590
Total	**$780,876**

It had been estimated that the inner canals and Half Moon Creek would need dredging about every seven years.

Outcomes of the Model

Annual charges to Bluewater and Riverside Parade residents, the Bluewater and Yorkeys Knob Marinas, and Cairns Regional Council

Rating Group	Zones A & B		Zone C		Total	Total / Group
	units	unit rate	units	unit rate	unit rate	
Riverside Parade (Water Frontage)	23	$690.12*	23	$372.28	$1,062.40	$24,435.20
Bluewater Marina	108	$1,380.22	108	$744.58	$2,124.80	$229,478.40
Bluewater Estate (Water frontage)	116	$1,380.22	116	$744.58	$2,124.80	$246,476.80
Yorkeys Knob Marina			197	$744.58	$744.58	$146,682.26
CRC for boat ramp - Bluewater	28	$1,651.56	56	$781.78	**	$90,023.36
CRC for boat ramp - Yorkeys Knob			56	$781.78	**	$43,779.68
					Total:	**$780,875.70**

Notes:
* 50% of unit costs are apportioned to Riverside Parade properties to reflect the lack of deep water access between those property boundaries and the canal accounted for by this Special Charge. The deep water access dredging for Riverside Parade properties is accounted for in a separate Special Charge levied by Council.
** Total based on units for both boat ramps
2020/21 forecast costs are based on estimates at April 2020

ATTACHMENT 1:
MAINTENANCE DREDGING, BLUEWATER CANALS AND OFFSHORE CHANNEL
Summary of Actual & Projected Expenditure & Income from 2014/15 to 2020/21

	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Budget	2019/20 Projected	2020/21 Projected
EXPENSES								
ZONE A - Canals & Creek	16,008	0	50,833	34,715	681,896	669,760	268,430	204,502
ZONE B – Mouth of Half Moon Creek to entrance of Yorkeys Knob Marina	299,619	406,321	221,659	884,064	18,776	239,200	256,709	306,753
ZONE C – Offshore Channel	246,312	280,006	24,756	322,138	31,239	47,840	390,480	204,502
Total Expenditure	**561,939**	**686,327**	**297,248**	**1,240,918**	**731,911**	**956,800**	**915,619**	**715,758**
INCOME								
Rating (Special Charges)	547,160	566,347	584,275	605,341	619,739	629,749	629,750	647,073
Council (Public Boat Ramps)	113,695	116,822	120,042	123,345	126,739	130,222	130,224	133,803
Total Income	**660,854**	**683,168**	**704,318**	**728,686**	**746,477**	**759,972**	**759,974**	**780,876**