

CABINET MINUTE

BRISBANE, 16 1 4 119 85

DECISION NO.

45821

SUBJECT: Department of Harbours and Marine - Gold Coast Waterways
Authority Development Proposals for the Spit and Broadwater.

(Submission No. 41239)

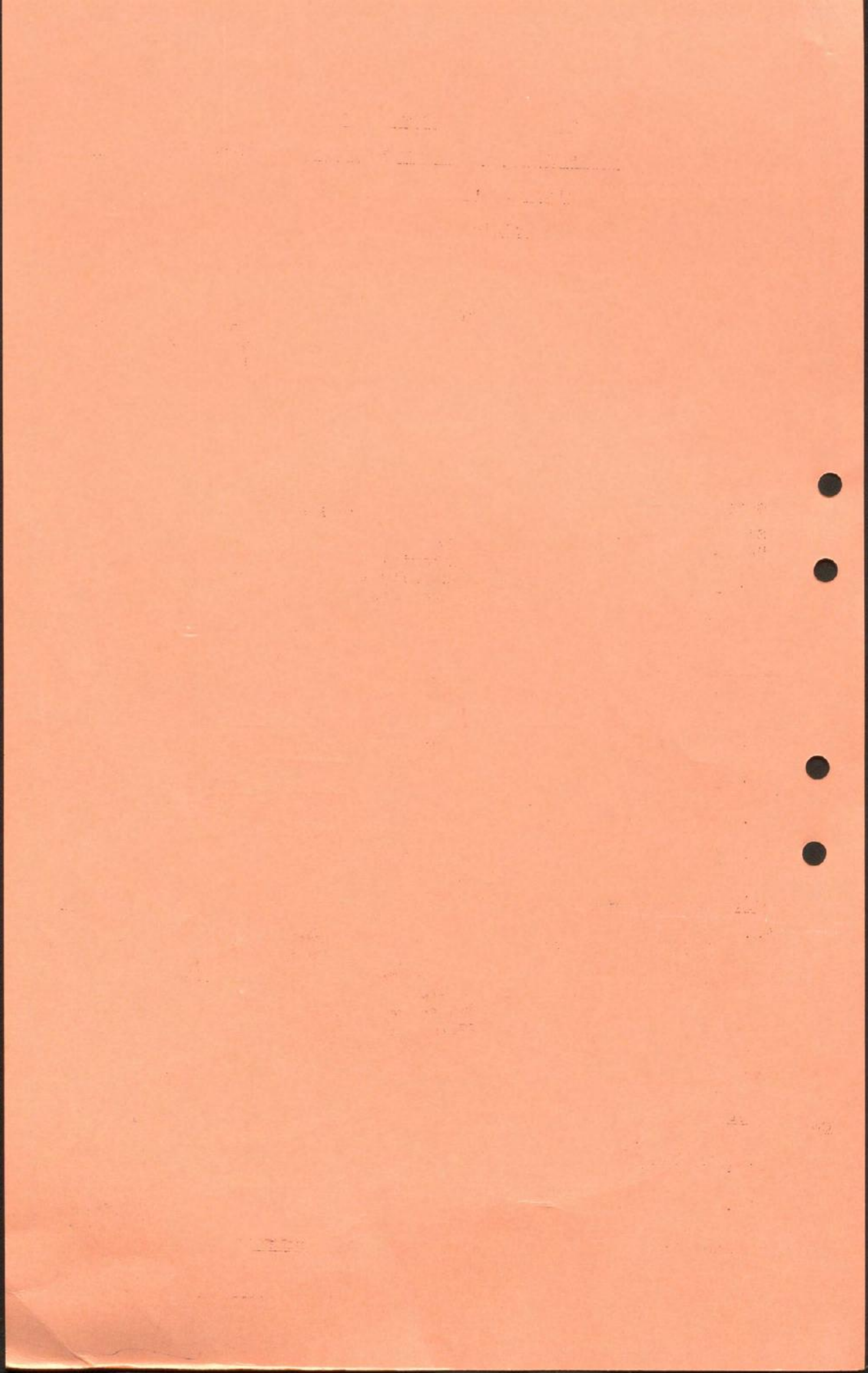
30 Copies Received at 9.00 a.m. 12 1 4 119 85 Mr. Golding
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CIRCULATION DETAILS

1	GOVERNOR		21	Decision File	
2	SIR JOH BJELKE-PETERSEN	af	22	Mr M	Copy of relevant Submission attached
3	MR. GUNN	af	23	Summers	Copy of relevant Submission attached
4	MR. HINZE	af	24	Treasurer	Copy of relevant Submission attached
5	MR. WHARTON		25	2 Govt.	Copy of relevant Submission attached
6	MR. GIBES		26	Land	Copy of relevant Submission attached
7	MR. AHERN	d.	27	Land	Copy of relevant Submission attached
8	MR. LANE		28	KS	
9	MR. GLASSON	af	29		
10	MR. AUSTIN		30		
11	MR. POWELL		31		
12	MR. GOLEBY	af	32		
13	MR. TURNER		33		
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C O N F I D E N T I A L

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C A B I N E T M I N U T E

Copy No. _____

Brisbane, 16th April, 1985

Decision No. 45821

Submission No. 41239

TITLE: Department of Harbours and
Marine - Gold Coast Waterways
Authority - Development
Proposals for the Spit and
Broadwater.

CABINET decided:-

1. That approval be given to the granting to the Gold Coast Waterways Authority of Ministerial consent in terms of the Harbours Act for the Authority to enter into arrangements with Bruce J Small & Associated Companies and Family Trusts for the development of Portions 213 and 214 Parish of Gilston and an area of 39,000 square metres of seabed.
2. That the reclamation forming part of the development be authorised by the granting of a Special lease under Section 80 of the Harbours Act.
3. That when the reclamation is complete, the whole area be leased to the Gold Coast Waterways Authority for a nominal rental and subleased by the Authority to the developer.
4. That the Gold Coast Waterways Authority be reminded of its responsibility to develop a long term funding plan and/or long term sources of revenue which could be applied towards the repayment of an alternative financing arrangement.

CIRCULATION: Department of Harbours and Marine and copy to Minister.
Premier's Department and copy to Premier and Treasurer.
Treasury Department and copy to Deputy Premier
and Minister Assisting the Treasurer.
Department of Local Government and copy to Minister.
Department of Commercial and Industrial Development
and copy to Minister.
Department of Lands and copy to Minister.
All other Ministers for perusal and return.

Correct
Certified True Copy
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Relent
Secretary to Cabinet.



SECURITY CLASSIFICATION "C"

Submission No.

CONFIDENTIAL

Copy No. 21

FOR CABINETDEPARTMENT OF HARBOURS AND MARINEGOLD COAST WATERWAYS AUTHORITYDEVELOPMENT PROPOSALS FOR THESPIT AND BROADWATER

1. The Gold Coast Waterways Authority on 8th December, 1984 publicly invited proposals for the development of an area of land between Fishermans Wharf and D'albora Marine on the Spit at Southport (Portions 213 and 214, Parish of Gilston), together with an area of 39,000 square metres of seabed, with tenders closing at 12 noon, Monday, 25th February, 1985.
2. One proposal only was received at closing time, such being from Bruce J. Small & Associated Companies and Family Trusts. A telex was received at the Waterways Authority office at 2.05pm on the closing day from Mr. P. Laurence on behalf of Murphyores Incorporated Pty Ltd and Fishermans Wharf Pty Ltd advising that a tender had been despatched by mail from Perth at 5.00pm on Friday 22nd February but such tender has not been received by the Authority. The telex conveyed brief details of the proposal purportedly included therein, and at 3.30pm on February 25, 1985 an Ansett Air Freight Courier delivered a letter to the Authority on behalf of the joint venture accompanied by portion only of the information required by the Tender Documents. Further documents were delivered at 5.07pm on the 4th March. Nevertheless, at a meeting on 28th February, the Waterways Authority decided to make a comparison of the two proposals.
3. The Authority's comparison of the two proposals is attached as an appendix to this submission. It also shows the two proposals against the Authority's own plan for the area. It will be noted that the Bruce Small proposal provides for a greater number of marina berths on the actual lease area than provided for by the other proponents, although the latter would provide additional berths in conjunction with another lease area to be developed by them. This other area would be available for development irrespective of whether Murphyores and Fishermans Wharf were to be granted the lease area presently under consideration.
4. The Bruce Small proposal provides a greater number of parking spaces, considerably greater development in the area in question, and a much greater financial return to the Waterways Authority. The Authority's tender documents provide that the base rental is to escalate in line with increases in site valuation or Consumer Price Index, whichever is the greater.

5. The Authority has taken steps to confirm the ability of the Bruce Small Group to fund the establishment and operation of the facility by having Messrs Hungerford, Hancock & Offner report on these aspects. The Report indicates that the group have sufficient existing assets to command the necessary finance on acceptable loan to value ratio and that the project would produce an adequate return on funds invested after year 3.
6. The Gold Coast Waterways Authority therefore considers the Bruce Small proposal to be superior and has sought my approval to conclude an agreement with this proponent.
7. As shown in detail given in the appendix to this submission, the Bruce Small proposal involves reclamation of an area of .73 hectare to the west of the existing site. This area is necessary to provide the required parking in a vicinity where parking is already severely strained.
8. There are two possible approaches to the reclamation procedure. If the area is vested in the Gold Coast Waterways Authority, reclamation would be subject to the Act constituting the Authority and require public advertisement of the proposal, with any objections lodged within 2 months being determined by the Land Court pursuant to the stipulated procedure set out in Section 91 of the Harbours Act. If, on the other hand, the area is retained as Crown land under the control of the Land Administration Commission until the reclamation is complete, the reclamation can be carried out under the provisions of Section 80 of the Harbours Act under a Special Lease granted upon the joint recommendation of the Ministers administering the Land Act and the Queensland Marine Act. Following the completion of the reclamation, the area could be leased from the Land Administration Commission to the Waterways Authority and subleased by the Authority to the developers. This method would also provide a superior basis to the developer from the point of view of facilitating his borrowings in that it would enable the registration of securities taken by the financier in respect of the leased area. Such registration of securities is not available in respect of land vested in the Authority.
9. As the reclamation of this area on the eastern side of the Broadwater is most unlikely to have any deleterious effect on any privately owned land, there would not be any substantive objections against the proposal and there is therefore no point in insisting that the public advertisement procedure be followed. There would no doubt be a number of objections from individuals who are antagonistic towards any development in the area which would unnecessarily delay the project.

Recommendation

It is recommended -

- (a) that approval be given to the granting to the Gold Coast Waterways Authority of Ministerial consent in terms of the Harbours Act for the Authority to enter into arrangements with Bruce J Small & Associated Companies and Family Trusts for the development of Portions 213 and 214 Parish of Gilston and an area of 39,000 square metres of seabed;

- (b) that the reclamation forming part of the development be authorised by the granting of a Special lease under Section 80 of the Harbours Act; and
- (c) that when the reclamation is complete, the whole area be leased to the Gold Coast Waterways Authority for a nominal rental and subleased by the Authority to the developer.

John Goleby
MINISTER FOR WATER RESOURCES
AND MARITIME SERVICES

Department of Harbours and Marine
BrisbaneApril 11, 1985.

APPENDIX

COMPARISON OF SUBMISSIONS FOR DEVELOPMENT SITE NO. 3 SOUTHPORT SPIT

CATEGORY	AUTHORITY'S ADOPTED PLAN	BRUCE SMALL & ORS "MARINERS PARADISE"	MURPHYORES INCORPORATED PTY. LTD. and FISHERMANS WHARF PTY. LTD. "THE PIER"
Number of marina berths	Nil. (Plan provides for 200 berths to the south in present lease to d'Albora).	155	148 in area in tender 78 in extra area requested.
Number of car parking spaces	Not fixed	354	312
Other associated facilities provided on leased area.	Associated Commercial/Industrial Marine Servicing and Parking.	Pier and passenger lounge. Restaurant and shops - 1050 M ² Ships chandlery and marine shops - 3,650 M ² 42-unit motel-boatel and associated facilities. Boat display area - 480 M ² Boat servicing and repair facilities - 825 M ² Boat ramp, slip and refuelling facilities.	Nil. Other facilities are proposed on adjacent land not subject to this tender.
Extension into Broad-water of reclamation.	approximately 270 Metres	approximately 65 Metres av.	Nil
Area of reclamation and of seabed lease of 3.9 Ha	3.4 Ha or 87%	Tender documents stated 0.4 Ha but this is incorrect. Correct figure is approx. 0.73 Ha or 21%	Nil
Purchase Price tendered for Option	N/A	\$80,000	\$100,000

CATEGORY	AUTHORITY'S ADOPTED PLAN	BRUCE SMALL & ORS "MARINERS PARADISE"	MURPHYORES INCORPORATED PTY. LTD. and FISHERMANS WHARF PTY. LTD. "THE PIER"
Annual Return to the Authority	N/A	Rental \$200,000 p.a. (or 25% of the valuation) Fees 15,500 p.a. (\$100 p.a. mooring fees on 155 moorings) TOTAL \$215,500 p.a. N.B. \$200,000 5 years	*See qualifications set out below (a) Rental \$82,000 p.a. (or 10.25%) Fees Nil TOTAL \$82,000 p.a. (b) Rental \$102,000 p.a. (or 12.75%) Fees Nil Extra lease rental 6,027 p.a. Murphyores TOTAL \$108,027 p.a.

*Qualifications to proposed Annual Rental for Murphyores Incorporated Pty. Ltd. and Fishermans Wharf Pty. Ltd.

(a) \$82,000 per year for base area as specified payable six monthly in advance and to commence when the last approval has been granted to enable construction to commence.

alternatively:

(b) \$102,000 per year or 7½ of the gross rental return from the tender site as developed, whichever is the greater, and Murphyores will pay 25% more than its existing seabed lease rental provided that the Authority:

- (i) extends the tender area and the Murphyores seabed lease by the extent of the area shaded dark blue on our plan; and
- (ii) extends the proposed 30 year term of the Murphyores seabed lease and the Lands Administration Commission agrees to extend the leases on Lots 210 to 212 to be co-terminus with the lease of the tender area.

This tender is subject to no further payment to the Authority for any spoil dredged or used as part of this development nor for any marina berthing or boating charges levied now or during the term of the lease. It is further subject to Murphyores obtaining approval to redevelop Lot 210 in the manner shown to complete the overall marina development.