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‘A Case for Change’ *- the private sector perspective*

Presented by:

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What are we trying to achieve?

There is no existing mechanism to engage the varying community, recreational, industry and tourism interests around a single approach to managing the long-term future of Melbourne's local waterways. As local community representatives, we want long-term and sustainable activation of the river.

What is required?

An independent, single management authority for the lower Yarra and Maribyrnong Rivers. This area extends from the upper navigable reaches of the Maribyrnong to the upper navigable reaches of the Yarra, including Victoria Harbour in Docklands, but excluding Port of Melbourne waters.

Why is independence important ?

When Parks Victoria was established during the early 1990s, the Lower Yarra River was still considered part of Melbourne's drainage system, there was little recreational and commercial boating activity, and Southbank was mostly factories and car yards. A major responsibility was environmental protection and to regulate sporting events on the water. P.V. was the appropriate organisation at that time to manage the river.

That same water space - especially since the addition of Docklands - is now one of Australia's most dynamic environments and is integral to Melbourne's tourism, recreation and business life. The river industry has grown exponentially and the private sector has radically transformed its riverbanks with world-class facilities. Active management of the river now deserves more than being run as a small cog in a very large, diverse, under-funded and bureaucratic organisation, with a huge jurisdiction across regional Victoria.

The annual economic value of the Lower Yarra and Docklands is roughly estimated at \$554 million, with the potential to double and treble if correctly managed. Such economic potential for the State requires and deserves an autonomous and independent body, with an organisational culture that recognises the ability of the private sector to help activate the space, run by board members and staff who know how to harness and engage business, and with a radically different management style to bring about real change on the waterway.

Just as the State Government 20 years ago recognised the potential to better manage and increase yield from the City and State's major events through the creation of the Victorian Major Events Corporation, so too should it enable the waterfront to reach its economic potential through modern, relevant and responsive management.

What would that look like?

- It is a Committee of Management under the Crown Lands Reserves Act (1978).
- Its skills-based membership comprises highly knowledgeable and experienced stakeholders.
- Membership is of sufficient size to provide a well rounded debate on any issue which needs to be confronted
- Members individually and collectively would be un-biased decision makers, with no personal interest in the committee's business or holding allegiances to any group or entity that does;
- ex-officio board membership from the City of Melbourne and Parks Victoria (or DWELP)
- Has access to reliable information and professional advice whenever required.

How does it differ to that which has already been proposed?

- It is essentially the same model as that proposed by Andrew Newman, but.....
- Not associated in any structural or legal way with Parks Victoria,
- Giving this body the much needed independence, credibility and objectivity to assess and handle issues in a fully transparent manner, and equitable to all parties and wider interests,
- Parks Victoria is engaged as a service provider for all or some of the functions required

What steps need to be taken to achieve it ?

1. Consensus and agreement is needed from State Cabinet, acting through the Ministers responsible for: Transport, Environment; and Ports,
2. The Minister for the Environment, Climate Change and Water appoints the Committee of Management, under the Crown Lands Reserve Act,
3. The Committee asks the Minister for Ports to gazette a Local Port under the Ports management Act (1995),
4. After the port is gazetted, the Committee of Management becomes the Port Manager and assumes the full suite of responsibilities defined in the Ports Management Act (1995),
5. The role of Waterways Manager, under the Marine Safety Act 2010, becomes a function of the Port Manager,
6. The Committee is also responsible for safety as Waterways Manager, under the Marine Safety Act 2010.

How would it be funded?

- The committee would receive ongoing funding from a number of sources.
- It is recognised that the State Government needs to increase its funding of its Local Ports Program so that an appropriate contribution to the new committee of management can come via this source.
- The other major funder is likely to be the City of Melbourne, which recognises savings realised by the transfer of some of its existing roles and responsibilities to the new entity, including key staff and premises. Other staff, as required, may be sourced from Parks Victoria or externally.
- Smaller amounts of income are expected to flow from berthing fees, licences, permits, leases, levies from six other municipalities, miscellaneous income streams and ad hoc grants.

Why Change ?

Huge economic inflow has occurred along the Melbourne City Waterway during the past 20 years, resulting in a transformation of the land surrounding the river into powerhouses of business activity and employment.

Despite many efforts by the private sector, the economic benefit has not flowed to the river itself and its on-water activity. The tangle of legislation, the heavy bureaucratic hand of the various agencies involved and the lack of a single focus to coordinate the waterfront has seen the private sector steer clear of the waterway itself. As far back as 2005, Australia-wide advertising for the new water operator leases on the Lower Yarra did not attract any significant interest external to Melbourne. The situation is now worse than even then. During the past decade, on-water jobs have decreased significantly, boats have deteriorated, and berthing infrastructure has been inadequately maintained.

Short-term tenure on the waterway, a lack of leases, inadequate infrastructure, the imposition of additional restrictions and compliance, has seen the river fleet stagnate, then decline. A marked lack of reinvestment in businesses and boats has left Melbourne with the worst river industry of all the major Australian capital cities.

Interstate and international visitors cannot correlate Melbourne's status as the 'world's most liveable city' with the Third World status of its river. The visitor spend on the river is minimal. Even Melburnians returning from trips to Hobart, Sydney, Brisbane and Perth wonder why their city is so far behind those destinations with regard to the on-water 'offer'

A senior manager of Crown, upon returning to Melbourne after a decade in the Middle East, was astonished that the river had not progressed at all. He commented that while Crown's high-roller guests appreciated that the hotel was located riverside, they were amazed there was no integration with river transport, either in a leisure or commuter form.

Melbourne's increasing road congestion will inevitably require use of the Lower Yarra for scheduled river transportation. This will be even more evident as the new suburbs of Fishermen's Bend and Montague rapidly develop over the next decade. The river's current governance structure and its lack of flexibility will not facilitate the large scale private sector investment required to make river transportation a reality. Therefore, the need to provide waterway transport services will further strain the public purse.

Enhancement of our waterways management presents landmark opportunities to contribute to the quality of life in our city. Today, where 8000TEU container ships sail, turn and offload cargo, will in the future be a location where Melbournians live, work, travel, play, socialise and host many thousands of tourists and visitors.

Waterways activation and participation will benefit from planning now, particularly in terms of the establishment of centralised and strategic transport nodes and effectively connecting the current CBD to urban renewal areas at the Lorimer Precinct, Victoria Harbour and connection points further afield such as Williamstown, Flemington and Kew. A better resourced and democratically managed management authority for the Melbourne Riverfront will provide the vision and high level planning needed, as well as harness and embrace the talents/ opportunities of both the private and public sectors.

Through its Australia-wide business networks, the Yarra River Business Association and Docklands Chamber of Commerce are aware of very significant private equity available to invest in river operations, specifically in integrating land-based infrastructure with on-water activity. They are also aware that those interests will not consider investment in the waterway while it languishes under its current governance regime. The current system is complex, multi-stakeholder driven, and is dominated by a culture of 'no' rather than 'how can we help' to make it happen.

The business community respects the need for environmental, safety and public amenity protections. It simply desires a single organisation with a culture and with personnel who understand the needs of the private sector, can assist in helping individuals and businesses to weave through convoluted legislation, and who can work cooperatively to build Melbourne's image and activity as a world-class waterfront city.

An integrated, united Melbourne waterfront provides the city and Victoria with an exciting, new marketing dimension. Presently, the very limited marketing activity for the waterfront is fragmented between four agencies, dissipating promotional resources through duplication in administration. A new, independent waterfront organisation could unit those marketing agencies into a potent economic force.

The river came to life during the period of the 2006 Commonwealth Games because special legislation overcame the usual blockages and lethargy in State Government. Melburnians gained a glimpse of what the river could be and how it could add to the economic life of the city. After the Games and the expiry of the special legislation, it reverted to its usual scenario and has not improved since.

A key to Melbourne's continuing prosperity is the public and private sector working together to enhance and activate the waterway. This will never be achieved under the current governance system. We need a bold, fresh, new start.

The legal scenario

1. The use of the local port model allows a new identifiable entity to be created using existing administrative tools, rather the more complex and costly legislative change. A new port with gazette lands and waters can easily be created (*quote A. Newman*)
2. The Minister for Ports has the ability to recommend that the Governor in Council, by Order published in the Government Gazette, direct that a particular local port manager be given additional functions for a particular port or part of a port (*quote A. Newman*).
3. Parks Victoria and City of Melbourne are the current committees of management under the Crown Land (Reserves) Act 1978 for the waters in question.
4. Parks Victoria's responsibility encompasses the management of 'metropolitan waterways and adjacent' under the Waterways Industry Act 1998.
5. The Minister has the power to remove any existing committee of management and appoint another committee of management to replace it. The Minister may also remove individual members of a committee of management and replace the member or members removed with new member or members.

6. If a new committee of management is appointed in respect of specified Crown land (which could include the bed and banks as well as adjacent land to a river or rivers), such committee of management could simultaneously or later negotiate a management agreement with Parks Victoria.
7. The committee of management could however withhold a full management agreement and enter only into an agreement with Parks Victoria to provide specified services with the right to require other services and/or increased services or to discontinue or reduce certain services or services generally.
8. The area over which a committee of management's management would be imposed is a matter for the Minister's determination