

**Proposed Revised Governance Structure for Fishermans Bend**

7 July 2020

**Presenter:** Emma Appleton, Director City Strategy**Purpose and background**

1. The purpose of this report is to seek endorsement by the Future Melbourne Committee for key principles to inform a revised governance structure for Fishermans Bend Urban Renewal Area. It is intended that these principles will inform Victorian Government's consideration of a revised governance model which reaffirms the critical importance of a State commitment to major transport infrastructure to realise the vision for Fishermans Bend and to provide investor confidence.
2. Fishermans Bend's success is underpinned by the delivery of the tram and rail extensions into and through the precincts to provide accessibility for the expected 80,000 residents and 80,000 jobs anticipated for the area, including those parts of the precinct within the City of Port Phillip. Victorian Government commitment to deliver these infrastructure projects is critical to unlock the significant investment potential for the precinct, including the creation of a world leading advanced manufacturing innovation district at the former GMH site.

**Key issues**

3. Current governance arrangements for Fishermans Bend are complex, involving multiple Victorian Government departments and authorising environments. As the precinct evolves from the planning to delivery phase, it is an opportune time to reassess the governance. The challenges posed in the current structure include role clarity across Government and lack of commitment to funding and delivery of critical, catalytic infrastructure projects (such as the tram, train and open space) potentially reducing investor confidence and adversely affecting development momentum. Investor certainty is critical to future delivery of this significant part of the future city.
4. From past experience of urban renewal delivery within Melbourne and international research, there are a number of critical elements required of a governance body in order to achieve efficient delivery of high quality renewal outcomes. These are strong leadership from vision to delivery; genuine partnerships and engagement with local government and the community; a clear strategic planning framework with agreed objectives; sustained commitment and funding for underpinning catalytic infrastructure projects; and a defined process and governance body to deliver specific outcomes for the community.
5. A range of powers and levers are required to support this, including coordinated infrastructure and financing models; appropriate land assembly powers; ability to collect and distribute infrastructure contributions; investment attraction and early activation coordination; and community engagement.
6. Within any urban renewal governance structure, there is an important role for local Government to:
  - 6.1. Be represented in the decision making process at highest level, to ensure local priorities are addressed and the community have a say.
  - 6.2. Retain Responsible Authority status for development applications, to ensure its role in significant developments within the precinct.
  - 6.3. Input into community infrastructure briefs in the right locations.
  - 6.4. Set standards for public realm so they are of the highest quality and can be maintained as a City asset for the long term.
  - 6.5. Provide specialist planning, design and community engagement skills and knowledge.
  - 6.6. Support future industries and business precincts to grow and contribute to the city economy.
7. Case studies outlining urban renewal governance structures from other large cities internationally are provided at Attachment 2 for context.
8. Notwithstanding any proposed changes to governance, the delivery of major transport infrastructure is fundamental to realise the Fishermans Bend Vision to create a 'thriving place that is a leading example for environmental sustainability, liveability, connectivity, diversity and innovation'.

**Recommendation from management**

9. That the Future Melbourne Committee authorises the Chief Executive Officer and General Manager Strategy Planning and Climate Change, to write to the Victorian Government requesting the following principles inform a revised governance structure for Fishermans Bend:
  - 9.1. A greater role for the City of Melbourne in the future governance and decision making process for Fishermans Bend.
  - 9.2. A future governance body to have the necessary resources, autonomy and range of powers to effectively implement the vision of the Fishermans Bend Framework.
  - 9.3. Immediate commitment to funding of the tram extension in order to secure the future University of Melbourne campus at the former GMH site.
  - 9.4. Accelerate timeframes for completing the business case for the tram extension.
  - 9.5. Commitment to medium term delivery of rail to Fishermans Bend.

**Attachments:**

1. Supporting Attachment (Page 3 of 5)
2. Governance Case Studies (Page 4 of 5)

## Supporting Attachment

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### Legal

1. There are no direct legal issues arising from the recommendations contained in this report.

### Finance

2. There are significant financial considerations related to the overall delivery and governance of Fishermans Bend, however there are no implications that arise directly from the recommendation contained within this report.

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

### Health and Safety

4. In developing this proposal, no Health and Safety issues or opportunities have been identified.

### Stakeholder consultation

5. The recommendations contained within this report have been developed based on consultation with the Department of Jobs, Precincts and Regions and the City of Port Phillip.

### Relation to Council policy (if applicable)

6. The relevant State and Council policies have been considered in the preparation of this recommendation, including the Fishermans Bend Framework and Transport Strategy 2030.

### Environmental sustainability

7. Relevant Council policies have been considered in this recommendation.

## INTERNATIONAL BEST PRACTICE

### Brooklyn Navy Yard Development Corporation, New York

The Brooklyn Navy Yard (BNY) is a 120ha waterfront site in Brooklyn, New York and was historically used to build and launch vessels into New York's East River for shipping and naval purposes. The facility was decommissioned in 1966 and was sold to New York City for redevelopment as an industrial complex. The initial plan for the site envisaged the creation of between 30,000 and 40,000 factory and warehousing jobs, however this vision was not realised as industrial employment rates for these industries fell across the United States in the 1970s and 1980s.

An overall master plan for the area was subsequently prepared looking to diversify the proposed land uses and employment industries in the area. The current plan outlines an overall \$2.5 billion USD investment, with a total of 30,000 jobs, and 470,000sqm of floor area to provide employment uses predominantly focused on advanced manufacturing.

To deliver this master plan, the Brooklyn Navy Yard Development Corporation (BNYDC) was set up as a not-for-profit organisation set up to manage the property, investment and land sales to progress the master plan. The Mission for the BNYDC is to “fuel New York City's economic vitality by creating and preserving quality jobs, growing the city's modern industrial sector and its businesses, and connecting the local community with the economic opportunity and resources of the Yard.”

The BNYDC employs approximately 200 staff, has its own CEO and executive management team, and is governed by an Independent Board comprised of industry, local government and community leaders.

### Copenhagen City & Port Development Corporation, Copenhagen

*“If the City wants to get it done, they must create a corporation to execute the idea and deliver the endorsed policy agenda”*. - Quote from urban renewal discussions at the C40 Global Mayors Summit attended by Councillor Nicholas Reece and Claire Ferres Miles, former Director City Strategy and Place in October 2019.

Urban renewal in Copenhagen is undertaken by the Copenhagen (CPH) City & Port Development Corporation. The CPH City & Port Development Corporation was initiated in 2007 by the Lord Mayor of Copenhagen and is co-owned by the City of Copenhagen and the Danish Government.

The CPH City & Port Development Corporation is a public/private corporate model that combines the efficiency of market discipline and mechanisms with the benefits of public direction and legitimacy. It functions as a circular economy whereby all profits fund the delivery of required public infrastructure. The CPH City & Port Development Corporation's board consists of eight members—two appointed by the national government (both business and industry leaders), four City of Copenhagen Councillors, and two by employees.

## ATTACHMENT 2: GOVERNANCE CASE STUDIES

### **Old Oak and Park Royal Development Corporation, London**

The Old Oak and Park Royal Development Corporation (OPDC) is the body responsible for delivering the UK's largest urban renewal area, a 650 hectare site in West London with a mix of public and privately owned land.

The OPDC was created in 2015 by the Mayor of London and operates as a functional body of the Greater London Authority, in a similar way to Transport for London or the London Fire Brigade. The OPDC has its own CEO and executive management team and is governed by an Independent Board comprised of industry, local government and community leaders. The board meets publically, except for confidential matters.

The Board has established four committees as part of its formal decision making process, including a Planning Committee that determines planning applications. The Planning Committee meets publically and is comprised of a Chairman (also a member of the OPDC Board), three independent members and four local councillors.

The OPDC is the local planning authority for the area and works closely with local authorities responsible for non-planning related services such as waste collection, education provision and highway maintenance.

### **Paris et Métropole Aménagement, Paris**

Paris et Métropole Aménagement (P&Ma) is the development corporation responsible for urban renewal in Paris, including the award winning 54 hectare eco-district of Clichy-Batignolles. P&Ma is a publically owned company created by the City of Paris in 2010 that enters into concession contracts with the city for each development area. These contracts define the building program and public works that have to be undertaken as well as the Missions, or Responsibilities, for that area.

P&Ma's responsibilities include land acquisition, property management, decontamination, land use management, construction of public buildings and infrastructure, definition of the building uses, collection of development and property charges, overseeing the architectural and environmental quality of construction; financial and administrative procedures, coordination of public owners, communication and consultation.

A key mission of P&Ma is the implementation of Paris's "Plan Climat", action plan on climate change.

P&Ma is comprised of four key functions with a staff of 27 people:

- general secretariat,
- planning,
- engineering,
- communication and consultation.