

26 June 2007

YARRA PARK PARKING FEES AND FUTURE OF VENDOR LICENCES**Committee** Finance and Governance**Presenter** Cr Shanahan**Purpose**

1. The purpose of this report was to recommend an increase in the fee charged for parking in Yarra Park from \$6 to \$8, and if approved by the Minister, the ceasing of the issue or reissue of vendor licences for food and merchandise in Yarra Park.

Consideration at Committee

2. As a result of consideration at Committee, and after debate, the Finance and Governance Committee endorsed the recommendation as detailed below.

Recommendation

3. That Council:
 - 3.1. seek the approval of the Minister responsible for the *Crown Land (Reserves) Act 1978* (Minister for Planning) for an increase in the Yarra Park Parking Fee from \$6 to \$8 effective 1 October 2007; and
 - 3.2. request a further report on the future management of the existing vendor sites.

Council Report Attachment:

1. Finance and Governance Committee, Agenda Item 5.3, 12 June 2007

FINANCE AND GOVERNANCE COMMITTEE
REPORT

Agenda Item 5.3

12 June 2006

**YARRA PARK PARKING FEES AND FUTURE OF VENDOR
LICENCES**

Division City Design

Presenter Ian Harris, Group Manager, Parks and Recreation

Purpose

1. To recommend an increase in the fee charged for parking in Yarra Park from \$6 to \$8, and if approved by the Minister, the ceasing of the issue or reissue of vendor licences for food and merchandise in Yarra Park.

Recommendation from Management

2. That Committee recommend that Council:
 - 2.1. seek the approval of the Minister responsible for the *Crown Land (Reserves) Act 1978* (Minister for Planning) for an increase in the Yarra Park Parking Fee from \$6 to \$8 effective 1 October 2007;
 - 2.2. subject to the approval of the \$2 parking fee increase, from 1 October 2007 no longer issue or reissue vendor licences for food and merchandise in Yarra Park around the MCG during events at the MCG; and
 - 2.3. note that ceasing to issue vendor licences will result in all vendors around the MCG being managed during events by the one body (the Melbourne Cricket Club).

Key Issues

Parking Fees

3. The Yarra Park Parking Agreement between the State Government and City of Melbourne, under which parking is permitted in Yarra Park for events at the MCG and certain events in Melbourne and Olympic Parks, calls for fees charged for parking in the Park to be set at parity with charges for parking at other venues in the Precinct.
4. The current parking fee charged by Council for parking in Yarra Park is \$6 whereas the fees charged by Melbourne and Olympic Parks and Federation Square for parking at times of major events in the Sports and Entertainment Precinct are \$10 and \$8 respectively.
5. Key stakeholders, namely the Melbourne Cricket Club ('MCC'), AFL, Melbourne and Olympic Park Trust, Cricket Victoria/Australia, Department of Sustainability and Environment (representing the Minister responsible for Crown Lands) and East Melbourne Group have been consulted on a proposal to increase the Yarra Park parking fee from \$6 to \$8. None of the stakeholders oppose an increase in fees, although the support of some is conditional on resolution of issues regarding the operation of vendors around the MCG (see consultation section below).

Vendors Licences

6. The MCC manages the inner part of the hard paved concourse around the MCG, while the City of Melbourne controls the outer part (part of Yarra Park reservation – see Attachment 1). Both organisations currently issue licences for the operation of food and merchandise vendors during events held at the MCG. Council currently licenses four vendors (three food and one merchandise) which expire in September 2007. Two other vendor sites are vacant.
7. The licensing of the vendors by Council is causing serious concern to the MCC, Cricket Australia and the AFL in particular in relation to the sale of merchandise. The management of the vendors by the two separate bodies is also causing difficulties during events relating to food quality, crowd control on the concourse and safety management. The MCC has the direct management presence on event days which can quickly respond to issues arising from the operation of the vendors.
8. The support of the MCC, MCG Trust, AFL and Cricket Australia for a rise in parking fees is linked to Council addressing their concerns regarding the vendor licences.

Park Improvement

9. Managing the tree health and grass surfaces in Yarra Park to a high standard, while providing for car parking is proving challenging (especially during the current water restrictions when grass cannot be watered). The additional funds that would become available through the fee increase (minus the loss of income from the termination of the vendor licences) estimated at \$340,000 per year (see Finance Section) if made available for this purpose could provide a considerable boost for the management of the Park, leading to improved tree health and improved grass management (see Comments Section for details of proposed works).

Time Frame

10. As a fee increase requires approval of the Minister and a formal process to change park regulations, a Council decision at this time is required to allow sufficient time for introduction of the parking fee at the end of the current AFL season. This would be well before the commencement of the international cricket events and the Australian Open Tennis. This time also aligns with the expiry of the current vendor licences on 30 September 2007.

Relation to Council Policy

11. Council's policy in relation to parking in Yarra Park was outlined in its resolution of August 2005 when it approved the current 5 year parking agreement which expires in 2010. This resolution indicates that Council will work towards ceasing car parking in Yarra Park at the expiry of the current Parking Agreement.

Consultation

12. The Yarra Park Agreement provides for the stakeholders to discuss key issues relating to car parking in Yarra Park. A meeting was held on 15 March 2007 where the history of previous fee increases was presented and the option of increasing the parking fees was discussed. All stakeholders were then requested to formally advise Council of their views. These views are as follows:
13. Melbourne Cricket Club – Accepts that the fee should increase from \$6 to \$8 subject to Council reviewing the operation of the vendors around the MCG who cause problems to event promoters, particularly in relation to ambush marketing. The MCC considers that it should be responsible for the continued operation of all vendors in the vicinity of the MCG.

14. The AFL strongly opposes the licensing of vendors by the City of Melbourne, but its position on the increase in parking fees is still under consideration.
15. Cricket Victoria/Australia – Does not oppose the increase subject to the additional revenue being used for improved maintenance of Yarra Park. Cricket Victoria and Australia also indicate that their support is dependent on only official event vendors (not Council licensed vendors) being able to conduct business around the MCG. Cricket Victoria also requests that the fee not be increased during a major sporting season and would prefer the increase to not occur until after the major cricket season i.e. not before late March 2008.
16. Melbourne Cricket Ground Trustee – similar views to the MCC.
17. Melbourne and Olympic Park Trust – supports the increase as from 1 January 2008.
18. East Melbourne Group (residents association) – advocates an increase of \$4 i.e. from \$6 to \$10, as it suggests this would signal an intention to deter parking in the Park. The East Melbourne Group has also been critical of the standard of the management of the Park during recent water restrictions.
19. Department of Sustainability and Environment – see below.

Government Relations

20. Any increase in fees requires changes to the Yarra Park regulations which requires the approval of the Minister responsible for Crown Land, the Minister for Planning. The Department of Sustainability and Environment (on behalf of the Minister) has been fully consulted in the development of this proposal, but has not expressed a view at this point in time. However the Department has advised that the views of the key stakeholders would be important in formulating a recommendation to the Minister.

Finance

21. The revenue anticipated to be generated from Yarra Park parking in the 2006/07 budget is \$1.4 million. The cost of managing Yarra Park parking (contracted to S&K Parking) is estimated at \$680,000 in the 2006/07 budget.
22. The cost incurred by Council in relation to management of Yarra Park North, including routine maintenance of Yarra Park, under the Region 1 Open Space Contract is estimated at \$410,000. Capital improvements and tree planting averages \$100,000/annum.
23. The additional revenue from the increase in parking fees from \$6 to \$8 is estimated at \$470,000 per year, while the loss of revenue from the cessation of vendor licences is estimated at \$113,000 per year.

Legal

24. It is open to Council to resolve not to issue further licences to vendors in Yarra Park from a specified date and, with the agreement of the Minister, increase the fee charged for parking.

Sustainability

25. Environmentally Responsible City – If permitted to continue, the disparity between parking fees of Yarra Park and the other fees charged in the Sports and Entertainment Precinct may encourage parking in Yarra Park affecting the sustainability of the horticultural assets of the park.

Comments

26. As the current Yarra Park parking fee is well below the going rate charged at other inner Melbourne car parking locations, it is believed that this is encouraging parking in Yarra Park in preference to other alternatives. The low fee also compares favourably with public transport fares and could be acting as an incentive for patrons not to use public transport to access the MCG or Melbourne and Olympic Park venues.
27. Linking the increase in parking fee to Council discontinuing the licensing of vendors would achieve the support (or at least no opposition from key stakeholders) which the Department of Sustainability and Environment has indicated is a key factor in preparing advice on this issue to the Minister. It also overcomes the complexity arising from two authorities managing vendors in the same area, and resolves the serious issue of ambush marketing around the MCG. Overall it also achieves a financial benefit to Council.
28. The net increase of \$340,000 that would become available from the rise in parking fee (minus loss of vendor fees) if made available for this purpose, could provide increased resources to manage Yarra Park which would lead to improved tree health and grass cover. Works proposed include:
 - 28.1. increased supervision of car parking to more rigorously keep cars away from both trees and worn grass surface areas. Also it could cover the cost of additional signage to increase driver awareness of the park issues and improve directional signage.
Estimated cost \$60,000.
 - 28.2. refurbishment of the top layer of soil by removal in selected areas of 50mm of surface and reinstatement with a compound of aggregate and soil that would better reduce compaction. Also warm season grasses that could cope better with lack of watering would be planted.
Estimated Cost \$130,000.
 - 28.3. a rolling plan of line planting including aeration, localised top dressing and fertilizing would be introduced.
Estimated cost \$100,000; and
 - 28.4. all re-surfacing methods would require tanker water for establishment, with recycled water sourced from the Royal Park wetlands.
Estimated cost of cartage \$50,000.
29. The moderate fee increase recommended in parking fees, together with the lack of opposition from key stakeholders and the long time since the last increase should serve to minimise the community concern with the proposal.
30. The ceasing of licensing of vendors by Council is not expected to cause significant community concern as the MCC has indicated that it will continue to provide pass-outs and allow food vendors to operate in competition on the concourse, thus avoiding patrons being captured within the stadium and only being able to buy food from vendors with the stadium.

Background

31. Parking has been permitted, in Yarra Park North for events held at the Melbourne Cricket Ground ('MCG') for over 50 years and for certain events held at the Tennis Centre (Melbourne and Olympic Park) since its construction in 1988.
 32. The last increase of the Yarra Park parking fee occurred in 2002 (\$5.50 to \$6.00) in order to round off the fee to an even dollar amount following the introduction of the GST. Prior to that, the last fee rise occurred in 1999 (\$4.00 to \$5.00).
 33. Council contracts the management of parking in Yarra Park to S&K Parking on a fee plus cost basis under a 5 year contract which expires in 2010. The cost of car parking management is budgeted to be \$680,000 in 2006/07.
 34. The MCG is a separate Crown reserve from Yarra Park and is managed by a Trust appointed by the State Government. The boundary between the area managed by the Trust and the area managed by Council, generally, but not in all places, runs through the concourse around the MCG.
 35. Council has identified six vendor sites on the section of concourse area under its management responsibility. Four of these sites are currently licensed, three for food and one for merchandise. These vendor licences expire on 30 September 2007. The MCC currently provides a number of vendor sites for food outlets on the section of the concourse that it manages, although some of the merchandise outlets located on the outer wall of the MCG face onto the concourse.
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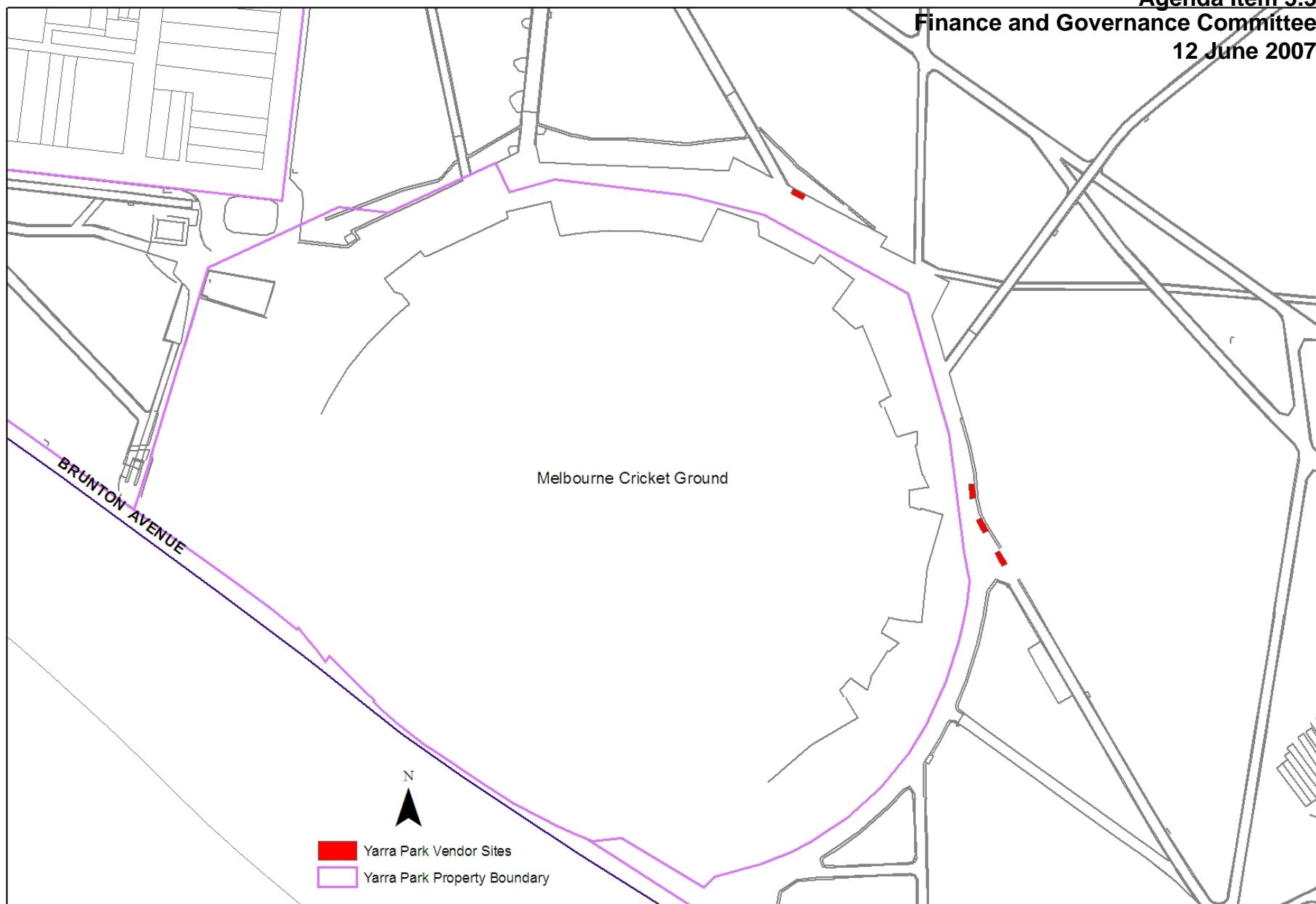
Attachment:

1. Yarra Park Property Boundaries and Vendor Locations

YARRA PARK PROPERTY BOUNDARIES AND VENDOR LOCATIONS

Attachment 1
Agenda Item 5.3

Finance and Governance Committee
12 June 2007



FINANCE ATTACHMENT

YARRA PARK PARKING FEES AND FUTURE OF VENDOR LICENCES

The additional revenue from the increase in parking fees from \$6 to \$8 estimated at \$470,000 per year and the loss of revenue from the cessation of vendor licences estimated at \$113,000 per year have been included in the draft 2007/08 annual plan & budget presented to the committee on 22 May 2007.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

YARRA PARK PARKING FEES AND FUTURE OF VENDOR LICENCES

It is open to Council to resolve not to issue further licences to vendors in Yarra Park from a specified date.

Yarra Park is subject to a Crown Grant issued to Council and the Minister as joint trustees. Yarra Park is reserved as a public park under the *Crown Land (Reserves) Act 1978*. Pursuant to an Order in Council dated 9 October 1917 Melbourne City Council was appointed as a Committee of Management of Yarra Park.

The Yarra Park Parking Agreement between the Minister and Council is dated 28 October 2005 and provides for parking for events in the sport and recreation precinct area bounded by the Yarra River, Punt Road, Wellington Parade and Birrarung Marr. Clause 9 of this Agreement sets out that in principle support is given to pursuing parity with the parking fees charged at other venues in the precinct. It is therefore envisaged that the Minister and Council will seek to agree on increases in the parking fees at Yarra Park accordingly.

Kim Wood
Manager Legal Services