

Report to the Future Melbourne Committee

Agenda item 6.3

M12 - Greenline - Endorsement of The Greenline Project Business Case Summary

6 September 2022

Presenter: Roger Teale, General Manager Property, Infrastructure and Design

Purpose and background

1. The purpose of this report is to request the Future Melbourne Committee (FMC) endorse the Greenline Project Business Case Summary dated August 2022 (Business Case) and note the proposed approach to develop a Greenline Partnership and Funding Plan.
2. On 7 December 2021, FMC endorsed the Greenline Implementation Plan and resolved amongst other things to note "A Partnerships and Funding Plan and Business Case are to be developed, and that these documents and some discrete projects will require Committee endorsement, in accordance with Council policy".
3. The Greenline Project is a city shaping initiative transforming the North Bank of the Yarra River – Birrarung, creating a 4km promenade of parks, open spaces, cultural activations and environmental renewal between Birrarung Marr and the Bolte Bridge.

Key issues

4. The Business Case was prepared by Ernst & Young incorporates economic impact analysis and preliminary cost planning and programming developed with the support of independent advisers and achieves a significant Benefit–Cost Ratio (BCR) of 3.29.
5. Over the next twenty years investment in the Greenline Project is set to generate total estimated value added economic output of \$1.7 billion with total estimated economic benefits reaching \$1.2 billion. The Business Case outlines the case for change and the benefits arising from the project including forecast increased economic activity of \$740 million over 20 years. Over this period improved community health and wellbeing is estimated to contribute \$250 million in social value, with ecosystem and environmental restoration forecast to add \$60 million in net benefit in addition to social capital and contributions from elevating Aboriginal stories and truth telling and enhanced connections to Country.
6. Three options of varying lengths and value have been assessed in the Business Case with Option 3 the full Greenline project, achieving the highest BCR and better qualitative and quantitative social, environmental and economic impacts compared to the other options.
7. A preliminary total cost estimate of circa \$315 million has been prepared by Quantity Surveyors for delivery of the project over seven years (2021-28). Design and delivery of Greenline extends for four kilometres, in five precincts with a total of 16 separable stages. Preliminary cost estimates include project contingencies which will be refined over time as further design is undertaken to achieve value for money.
8. The Business Case will now inform the Partnerships and Funding Plan and play an important advocacy role in formalising partnerships and collaboration for the project. The Greenline Project Partnerships and Funding Plan is under development for presentation to a future Committee meeting.

Recommendation from management

9. That the Future Melbourne Committee:
 - 9.1. Endorses the Greenline Project Business Case Summary which includes preferred Option 3 Birrarung Marr to Salt Water Wharf: The Greenline Project (Refer attachment 2 of the report from management)

- 9.2. Notes that delivery of the Greenline Project, will generate an estimated \$1.7 billion in economic, social and environmental benefits to the city, over a twenty year period with a positive Benefit-Cost Ratio (BCR) of 3.29.
- 9.3. Authorises the General Manager Property, Infrastructure and Design to make any further minor editorial changes to the Greenline Project Business Case Summary prior to publication.
- 9.4. Requests the Lord Mayor write to the Premier of Victoria and Prime Minister of Australia, sharing the Greenline Project Business Case Summary and continue to explore opportunities for a tri-government partnership to deliver the project.

Attachments:

1. Supporting Attachment (Page 3 of 44)
2. The Greenline Project Business Case Summary (Page 5 of 44)

Supporting Attachment

Legal

1. No direct legal issues arise from the recommendation from management, however, it is noted that the *Yarra River Protection (Wilip-gin Birrarung murrong) Act 2017* has application to the Yarra River, Birrarung and land in the vicinity of the river.

Finance

2. The cost for preparing the Business Case is provided for in the existing 2022-23 financial year budget.
3. Implementation of projects will require future identification and allocation of Capital Works budget, along with identification of additional budget sources, including potential partnership agreements with the Victorian State Government, agencies, and other land and asset owners, managers and developers.

Conflict of interest

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

Health and Safety

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

Stakeholder consultation

6. Engagement with authorities and agencies has commenced in confidence and will be ongoing.

Relation to Council policy

7. The following Council plans and policies are relevant
 - 7.1. Council Plan 2021-25
 - 7.1.1. Greenline is included in the Council Plan 2021-25 as a Strategic Objective to contribute to 'Melbourne's unique identity and place' it is a Major Initiative #12. 'Partner with the Victorian Government and other stakeholders to deliver specific components of Greenline along the north bank of the Yarra River (including the implementation of the Yarra River–Birrarung Strategy).'
 - 7.2. Yarra River Birrarung Strategy
 - 7.3. Open Space Strategy
 - 7.4. Urban Forest Strategy
 - 7.5. Transport Strategy 2030
 - 7.6. Creative Strategy 2018-28
 - 7.7. Economic Development Strategy 2031
 - 7.8. Draft Inclusive Melbourne Strategy

Environmental sustainability

8. The projects implemented through The Greenline Project and referenced in the Business Case have the potential to have positive environmental impact. These outcomes align with Council's existing strategies

including Nature in the City, Open Space, and Total Watermark and also Council's commitment to the UN Sustainable Development Goals.

The Greenline Project. Revitalising the north bank of the Yarra River - Birrarung.

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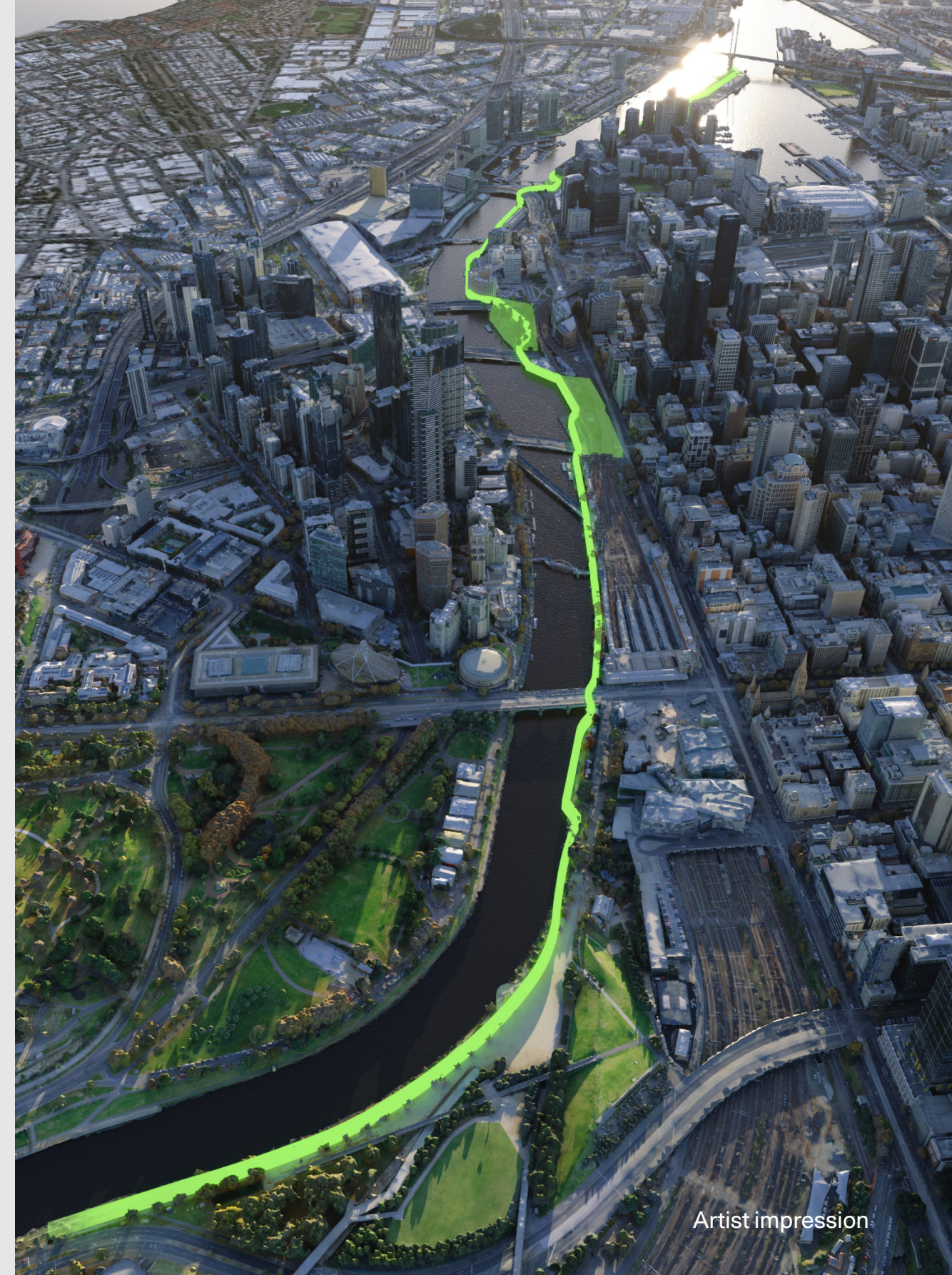
Attachment 2
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Business Case Summary



August 2022
Image: Artist impression

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Artist impression

1 The Greenline Project Business Case

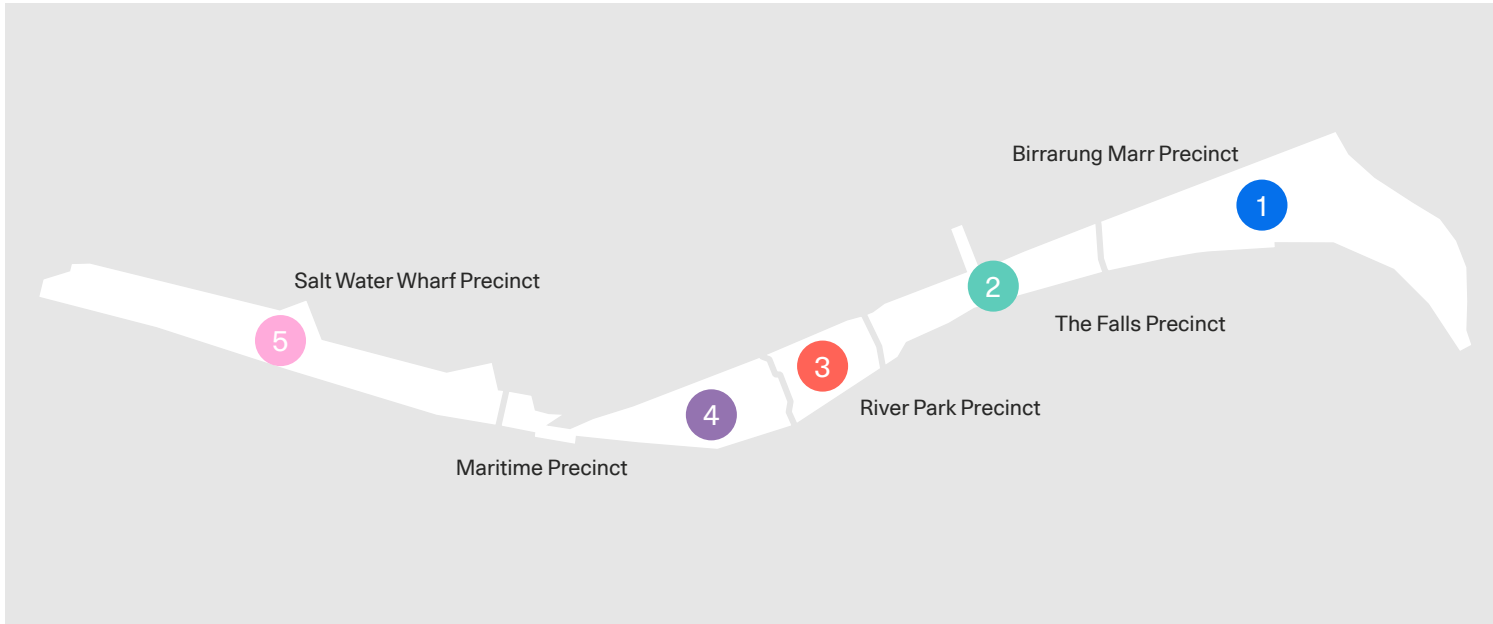
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Overview

Artist impression



1 Executive Summary



The development and implementation of The Greenline Project will create benefits for the City of Melbourne and its local residents and visitors. The Greenline Project will lead to significant economic, health and wellbeing and environmental benefits and improved connection to Country. The Greenline Project will also enhance major Victorian Government projects due to its alignment to Melbourne Metro and the opportunity to increase access to activities in Federation Square and the Melbourne Arts Precinct Transformation.

The need for investment

Melbourne provides a unique experience for visitors and local residents due to the diversity of cultural, sporting and entertainment events and activities it has to offer. To ensure Melbourne retains its reputation as a place to live, work and visit, investment in the resilience of the city will be crucial, and the creation of green spaces and active transport options will be required to provide a catalyst for longer-term economic activity.

The Greenline Project

The Greenline Project involves the development of a new 4km waterfront experience through 5 precincts

along the north bank of the Yarra River – Birrarung from Birrarung Marr to Salt Water Wharf to enable greater connection and generate economic opportunities.

Whole of The Greenline Project Benefits

Completion of The Greenline Project project delivers the greatest benefits through higher economic impact from visitation and economic and commercial activity, but it also achieves cost efficiencies as the project can be delivered in its entirety. As a result, the whole of The Greenline Project is expected to:

- Deliver the greatest net benefit to the City of Melbourne over a 20-year operating period

estimated at \$740.10 million Net Present Value (NPV);

- Result in the highest economic impact from visitation and economic activity; and
- Create significant benefit for many commercial businesses such as Crown Casino, Melbourne Aquarium and various bars and eateries along the Yarra River. This is due to a higher number of visitors and pedestrians to the part of the CBD along the North and South banks, more opportunities for pedestrian to spend money in the area and, increased access points, in particular for Crown Casino, which will increase the number of opportunities for engaging with potential visitors and increases brand awareness

The development and enhancement of precincts, and construction of connections, pathways, and places between Birrarung Marr and Salt Water Wharf will help to address the existing issues around a lack of attraction and experiences that encourage visitors to stop, spend and stay along the Yarra River – Birrarung and surrounding suburbs (Docklands, Southbank, Melbourne CBD).

The Greenline Project will:

- Provide connection to outer suburbs of Melbourne;
- Encourage active transport; and
- Provide a unique visitor offering by creating a mix of scenery and visitor offerings along the Yarra River – Birrarung

Project Budget

Construction and Contingencies

\$315.6m

Maintenance costs per year

\$7.9m

Benefit-Cost Ratio

BCR

3.29

NPV over 20-year operating period

\$740.10m

1 Background

Melbourne is considered one of the world's most liveable cities

Melbourne is one of the most cosmopolitan and multi-cultural cities in the world. It's a city that welcomes all, and promotes health and wellbeing, participation and social justice while maintaining political, spiritual and intellectual freedoms that nurture a rich and dynamic culture. Melbourne has an outstanding arts, food and wine, Australia's best shopping, and diverse sporting and leisure opportunities.

The vibrancy and culture of the City of Melbourne is a significant contributor to its status as one of the most liveable cities. The City of Melbourne has a distinctive physical character being set along the Yarra River – Birrarung and offers an abundance of green space.

In the City of Melbourne, there are major parklands, boulevards, waterways, such as Birrarung

Marr or the Royal Botanic Gardens. Melbourne's walkability is a critical feature of its appeal. Walking enables people to experience the diversity of what Melbourne has to offer and is an indication of the city's vibrancy and vitality. There is a direct link between a city's economic prosperity and safety and the convenience of the pedestrian experience.



1 Background

Melbourne's culture is vibrant and alive

Melbourne is a city that inspires – Melbourne provides a unique experience for visitors and local residents due to the diversity of cultural, sporting and entertainment events and activities it has to offer:

- Federation Square operates as a cultural and entertainment hub through its connection to the Yarra River – Birrarung arts precincts, sporting venues and CBD
- Melbourne hosts a number of internationally significant events including the Australian Open, Formula 1 Grand Prix and the Melbourne Cup, and the Ashes
- Melbourne is internationally renowned for its vibrant art scene, with international and local exhibitions and performances held at the Arts Centre and National Gallery of Victoria



The river flows for 242 kilometres, including through the heart of Melbourne. The north bank of the river, as it flows through Melbourne is used by visitors and locals to exercise, commute and cycle along the river. The river is surrounded by Melbourne's most attractive visitor destinations, such as the NGV, Melbourne Park and Marvel Stadium and is within close proximity to some of the city's largest business districts, the central city precinct, Southbank and Docklands.

The Yarra River – Birrarung is part of an Aboriginal cultural landscape that includes the traditional Country of the Wurundjeri Woi Wurrung people of the Kulin Nation. To the Wurundjeri Woi Wurrung people, the river is known as the Birrarung, the life source of Country to which they are connected through spirit, culture and nature.

The City of Melbourne Council Plan 2021-2025 acknowledges that Aboriginal culture is central to Melbourne's identity. Melbourne stands on the land of its Traditional Custodians, the Wurundjeri Woi Wurrung and Bunurong Boon Wurrung peoples of the Eastern Kulin Nation. It has always been an important meeting place, for thousands of years before European contact and into our shared future. Aboriginal heritage, culture and knowledge is a key asset that is core to Melbourne's identity.



1 Driving the Need for Change

Prior to COVID-19, Melbourne's central city had a daytime population of nearly a million people. The city had Australia's fastest growing night time economy, with an annual Gross Local Product of more than \$104 billion. The COVID-19 pandemic had significant health, economic and social impacts on Melbourne's businesses and communities. The City of Melbourne in particular was heavily impacted by COVID-19 due to it being a major business hub and tourist destination for local, interstate and overseas tourists. As Melbourne looks to recover from the COVID-19 pandemic, there is an opportunity to reimagine how we plan for the future of the City of Melbourne. Melbourne is forecast to have significant growth in the next decade as the economy returns to pre-pandemic levels. Investment in the resilience of our city will be crucial, and the creation of green spaces and active transport options will be required to address immediate capacity needs, and provide a catalyst for longer-term economic recovery.

Page 12 Resilience of the City of Melbourne

The resilience of Melbourne is increasingly important as we move towards a future which is uncertain. As cities grow larger, the likely consequences of unexpected events or stresses are ever greater. Cities are more numerous and increasingly interdependent, meaning the effects of events in one place can be felt around the world. Meanwhile, climate change increases the likelihood of greater numbers of catastrophic events happening. City or urban resilience is defined as the capacity of individuals, institutions, businesses and systems within a city to adapt, survive and thrive no matter what kind of chronic stresses and acute shocks they experience. Chronic Stresses are typically defined as challenges that weaken the fabric of a city on a day-to-day or cyclical basis. Examples of Melbourne's chronic stresses could include rapid population growth, increasing social inequality, increasing pressures on our natural assets, and climate change. Acute Shocks are considered as sudden events that threaten a city. Examples of Melbourne's acute shocks include bushfires, floods, heatwaves, disease epidemics, and infrastructure-related emergencies.

Active transport

Travel patterns and decisions around where we choose to live have changed as a result of working from home. It has prompted the City of Melbourne to re-think city planning, including the role of green and open space, active transport links like cycling and walking, and ways to revitalise the economy. The fastest growing mode of transport is active transport, which includes bikes, walking and e-scooters. The City of Melbourne will need to look at ways to accommodate this cohort as this mode of transport continues to grow. It is imperative that everyone that comes into the city can be welcomed safely, and move around safely.

Green Spaces

Now more than ever, Melburnians appreciate the importance of spending time in the city's open space. The use of green spaces in the City of Melbourne rose dramatically due to COVID-19, and the council expects to see that demand continue. Green spaces connect residents, tourists and visitors to nature, provides a variety of health and wellbeing benefits, and builds the city's resilience to climate change.

UN Sustainable development goals

The City of Melbourne is the first Australian city to create a Voluntary Local Review of the council's progress towards the UN sustainable development goals (SDG's). The review highlighted a number of areas for improvement. The following page describes the improvements most relevant to the project. A key area of focus for future reviews is increasing people's understanding of Melbourne's Aboriginal heritage and culture, which was recorded as very low. This project looks to recognise and celebrate Aboriginal culture and heritage, and will play a vital role in educating residents, visitors and tourists.

Achieving 7 of the 17 Sustainable Development Goals

The findings from the Voluntary Local review highlighted the need for change. The objectives for this project help to address findings across 7 of the 17 Sustainable Development Goals. Investment in these areas will be critical to ensure that Melbourne is one of the most liveable cities, and is a healthy, resilient and culturally vibrant environment. The City of Melbourne is committed to listening to First Nations voices to respectfully better understand and explore how Aboriginal knowledge systems can make a key contribution to the implementation of the United Nations Sustainable Development Goals



www.globalgoals.org

Good Health and Well-being

Over 52% of the City of Melbourne population are not getting enough physical activity in 2021. Self-reported health and self-reported wellbeing are both decreasing, while people with high or very high levels of psychological stress are increasing. Consumption of fruit and vegetables is declining.

Decent Work and Economic Growth

The number of payroll jobs in the city declined by 8% from 497,200 in 2019 to 458,400 in 2020. Visitor numbers in the municipality also dropped by 71% from 15,857,493 in 2019 to 4,591,802 in 2021.

Industry, Innovation and Infrastructure

COVID-19 has significantly impacted transport patterns in the short term, with fewer people taking public transport. Office attendance and public transport usage remains low, whilst motor vehicle traffic has rebounded close to pre-COVID-19 levels. It will be imperative that there is investment in alternative modes of transport, including active transport options to encourage people to return to the city.

Reduced Inequalities

10.5% of people in the City of Melbourne demonstrate an understanding of Melbourne's Aboriginal heritage and culture. City of Melbourne is proud to

support reconciliation within our organisation, across the city and through our national and international connections. Through listening respectfully to traditional custodians the rich stories of Aboriginal culture can help build acceptance, acknowledge truths and elevate Aboriginal knowledge and increase the value placed upon it.

Sustainable Cities and Communities

The City of Melbourne's parks receive high levels of community use, and demand for green spaces are expected to continue. 80% of community members in 2021 confirmed that they had visited a park, public square or green space in the two weeks prior to being surveyed.

Life Below Water

There has been no significant progress towards decreasing nitrogen entering the waterways. The percentage of catchments that are at least 20% permeable has remained at 38% for the last five years, with no movement towards the target. It will be crucial that investment is made to improve the waterways and assist with combatting the effects of climate change.

Life on Land

Tree canopy cover across the municipality's public realm has remained steady at roughly 23% for the last four years. There has been a 30% decrease in terrestrial native vegetation from 2005 levels. The introduction of vegetation generally can create greener landscapes and promote cooling through evapotranspiration. In addition, healthy tree canopies can shade pedestrian areas, roadways and adjacent buildings.

2 The Greenline Project Business Case

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The Case for Change

Artist impression

2 Opportunities for Improvement

Melbourne's status as one of the world's most liveable cities relies on the city's vibrant culture, activity, and continued access to green space. Investment in improvements along the Yarra River – Birrarung is critical to address issues such as, broken and poor quality infrastructure, poorly connected paths and lack of recognition of the cultural significance of the river.



Banana Alley existing conditions

1. Improved infrastructure and experiences

There is an opportunity to improve the quality of infrastructure and provide place-based experiences and attractions on the north bank of the Yarra River – Birrarung, from Birrarung Marr to the Bolte Bridge. This will encourage connection and attraction, and ensure people feel connected to the river and have an enjoyable experience in the City of Melbourne

- There is opportunity to improve the public spaces between Birrarung Marr and the Bolte Bridge, particularly Banana Alley, Enterprize Park and Batman Park
- There is an opportunity to create well-connected pathways along the Yarra River – Birrarung

2. Enhanced connections for walking and cycling

There is an opportunity to enhance walking and cycling into and through the city through creating connected paths, with greater access to the river edge

- There is an opportunity to create accessible and well-maintained pathways to enhance usability
- To enhance safety along the river, there is an opportunity for pathways to be widened to ensure that pedestrians and commuters can travel safely along the river
- Enhancement of pedestrian crossing and pathways will provide greater transport connection between Melbourne suburbs and the Yarra River – Birrarung

3. Culture and Heritage

There is an opportunity to improve recognition of cultural significance of the Yarra River – Birrarung

- Greater celebration and acknowledgement of the cultural heritage across Melbourne and

along the river will educate visitors, residents and tourists on the cultural importance of the river

- The river is a living entity, which should be activated. There is an opportunity for residents, visitors and tourists to celebrate activities on the river and acknowledge the cultural significance of the river

The Benefits

The development and enhancement of precincts and construction of improved connections, pathways, and open space along the north bank of the Yarra River – Birrarung will create significant benefits for the City of Melbourne. Prioritising investment in the Greenline Project will lead to significant economic, health and wellbeing and environmental benefits, along and adjacent to the project through increased economic, social and ecological opportunities and connection to Country.

The Greenline Project will enhance Victorian Government major projects through alignment with Melbourne Metro and the opportunity to support the continued activities in Federation square and the Melbourne Arts Precinct Transformation project.

Increased economic activity

- Investment in infrastructure and land development along the Yarra River – Birrarung has the potential to increase the value of land and businesses in the vicinity of the investment
- Investment in new parklands will support land values as a result of access to green and recreational open spaces
- Improving pedestrian journeys and the efficiency of moving people across Melbourne increasing economic activity
- Increased ability to activate precincts along the Yarra River and connect to CBD businesses increasing the flow of pedestrians
- Opportunities to hold events and add value to interactive river-based events, leisure and hospitality

Improved health and wellbeing

- Melbourne is a city for the people, and improving pathways and precincts along the Yarra River – Birrarung will improve health outcomes for visitors, tourists and residents, by incentivising active transport
- Improved infrastructure will result in increased social wellbeing and amenity by enabling faster and safer commutes
- Incidental exercise has been proved to improve mental wellbeing

Improved ecosystems

- Rehabilitating the Yarra River – Birrarung to protect natural assets has the potential to improve environmental and ecological outcomes, which will increase its attraction to visitors and encourage active participants
- This will improve waterway conditions and water quality, improve biodiversity and help address climate change

- The resilience of Melbourne is increasingly important as we move towards a future which is uncertain. Improving the conditions of the river will contribute to resilience of our city, particularly in relation to natural disasters

Improved connection to Country

- Recognising the connection to land, water and resources on Country is important to the health and wellbeing of Aboriginal Victorians, particularly Traditional Owners. This can help revive culture and contribute to an improved sense of identity
- Encouraging more visitors to participate in immersive First Peoples' activities and learn about Victoria's rich heritage and contemporary living culture will contribute towards treaty and truth telling
- Improved opportunities to increase the visibility of contemporary Aboriginal culture and heritage by supporting economic opportunities for Aboriginal people

3 The Greenline Project Business Case

Assessing The Options



Assessing the Options

As part of the development of the Business Case, a range of options were assessed to improve the land near the Yarra River – Birrarung from Birrarung Marr to Salt Water Wharf (the Bolte Bridge).

Financial Analysis

The Project Options identified as part of the business case have different capital, contingencies and maintenance costs. The contingency costs identified by the project quantity surveyors assumes that all five precincts will be built (Project Option 3). The contingencies and associated costs for Project Option 1 and 2 have been calculated as a percentage of the total contingencies across all five precincts.

Base Case

- This option describes what would happen in the case of no further intervention
- This option includes \$40 million included the City of Melbourne's 2022/23 draft budget
- This funding will deliver floating wetlands and begin work along 450m of the river's edge at Birrarung Marr and along the north bank of the Yarra

Project Option 1

Invest in pathways and precincts between Birrarung Marr and The Falls

Investment in precincts and pathways between Birrarung Marr and The Falls Precinct (1.7km). This includes:

- Opportunity to acknowledge Aboriginal culture along and on the Yarra River – Birrarung
- Improved connectivity between public spaces
- Enhancement of the river front precinct
- Creative landscapes and immersive experiences

Project Option 2

Invest in pathways and precincts between River Park and Salt Water Wharf

Investment in precincts and pathways between River Park and Salt Water Wharf (2.3km). This includes:

- 1 Opportunity to acknowledge Aboriginal culture along and on the Yarra River – Birrarung
- 2 Improved crossings to prioritise pedestrian movement
- 3 Improved parks (Batman Park, Docklands Park)
- 4 Prioritised ecology and strengthened links
- 5 Creative landscapes and immersive experiences

Project Option 3

Invest in both precincts and pathways between Birrarung Marr and Salt Water Wharf: The Greenline Project

This option incorporates the first two options into a full pathway from Birrarung Marr to Salt Water Wharf (4km). The pathway could be walked in full and will provide connection to the Capital City Trail. In addition to the opportunities associated with Project Option 1 and 2, the full pathway will provide:

- 1 Improved pedestrian and cyclist access
- 2 Cultural narrative of the Yarra River – Birrarung
- 3 Enhance the ecological value of the riparian edge to river, which will increase biodiversity



Existing view towards Bolte Bridge from North Wharf (Saltwater Wharf Precinct)



Existing condition beneath railway viaduct at Rebecca Walk (River Park Precinct)



Existing view to Seafarers Rest along the north bank (Maritime Precinct)

3

Project Option 1 Birrarrung Marr to The Falls



Preliminary construction costs

\$107.0m

Preliminary contingencies and related costs

\$78.4m

Estimated annual maintenance costs

\$4.6m

3

Project Option 2 River Park to Salt Water Wharf



Preliminary construction costs

\$75.14m

Preliminary contingencies and related costs

\$55.0m

Estimated annual maintenance costs

\$3.3m



3

Project Option 3 Birraring Marr to Salt Water Wharf: The Greenline Project



Preliminary construction costs

\$182.1m

Preliminary contingencies and related costs

\$133.4m

Estimated annual maintenance costs

\$7.9m



4 The Greenline Project Business Case

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The Preferred Option: The Greenline Project

Artist impression

4

The Preferred Option: The Greenline Project (Option 3)

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The Greenline Project

The recommended Project Option has been identified as Project Option 3: This option includes investment in pathways between Birrarung Marr and the Salt Water Wharf Precinct – The Greenline Project. The Greenline Project includes a four-kilometre pathway and the development of five precincts as outlined below. Further detail on each precinct can be found in [Appendix A](#).

The following benefits will be delivered through the implementation of the preferred option:

- Connection of riverbank landscapes and wetlands, and recognition of the significance of the Yarra River – Birrarung to Aboriginal history and culture
- Improve attractions and experiences along the river which increases visitors and increases economic activity
- Connects the city to inner suburbs of Melbourne through walking and bikeways and encourages health and wellbeing
- Improve biodiversity and river health along 4 kilometres of the river





Artist impression

1 Birrarung Marr Precinct – Flinders Walk Improvements



Artist impression

2 The Falls Precinct – Banana Alley Improvements



Artist impression

3 River Park Precinct – Batman Park Improvements



Artist impression

4 Maritime Precinct – World Trade Centre Waterfront Improvements

4 Economic, Environmental and Social Impacts

The following section presents qualitative and quantitative social, environmental and economic impacts that may be delivered by building The Greenline Project.

Economic

The project area will attract residential and commercial development.

Economic benefits from the value created and uplift

\$1.2b

Gross value added in economic output at 2042

\$1.7b

On-going jobs created at 2042

6,400

Direct and indirect construction jobs

3,400

Additional annual visits

\$1.1m

Additional annual visitor spend

\$23m

New private sector investment

\$1.9b

Additional Dwellings

4000

Additional commercial floor space

110,000 sqm

4 Economic, Environmental and Social Impacts

The following section presents qualitative and quantitative social, environmental and economic impacts that may be delivered by building The Greenline Project.

Social

Increase public activity, accessibility and highlight Aboriginal stories and experiences.

Net Present Value of social impacts

\$250m

Hours of recreational time

330,000

Heritage sites preserved

11

Highlight

Guide Aboriginal stories for truth-telling and identity

4 Economic, Environmental and Social Impacts

The following section presents qualitative and quantitative social, environmental and economic impacts that may be delivered by building The Greenline Project.

Environmental

The Greenline Project will improve the Yarra River - Birrarung's ecology, biodiversity and river health.

Benefit from protecting and enhancing the environment

\$60m

Decreasing discharge to improve water quality

Improving soil quality enhancing greening

Developing an ecological corridor for habitats

The following themes set the framework for the objectives that will guide the development of The Greenline Project. The four objectives build on the strategic directions of the Yarra River – Birrarung Strategy.

Environment

The river will be enhanced as an ecological corridor. Increased planting and revitalisation of the riparian edge will improve biodiversity and river health. Water quality and flood management will help address effects of climate change.

Culture

Melbourne's heritage will be made more tangible by creatively embedding stories into the landscape. Spaces that inspire and educate will celebrate Wurundjeri Woi Wurrung and broader Aboriginal significance along the Birrarung.

Place

Open spaces along the river will be re-imagined with bold interventions, strengthening their identities and respecting existing values. They will provide opportunities for public activities and places of respite.

Connection

Access along the river will be improved, as will connections between the river and city. Physical barriers will be reduced, modal conflicts will be minimised and wayfinding will be enhanced.

4

Precinct Improvements

The figure below reflects the proposed plans for land management, activity, and general attributes across each of the precincts. The Greenline Project will be implemented along the length of the Yarra River – Birrarung, and each precinct includes various improvements as outlined below.

1

Birrarung Marr Precinct

- Expanded promenade
- Ecological edge
- Flinders walk improvements

2

The Falls Precinct

- Upper promenade improvements
- Signal improvements
- Banana Alley and lower promenade
- The Falls interpretation
- Custom square
- Enterprize Park / Turning Basin

3

River Park Precinct

- Improvements to King Street Crossing
- Batman Park
- Spencer Street Crossing
- Rebecca Walk

4

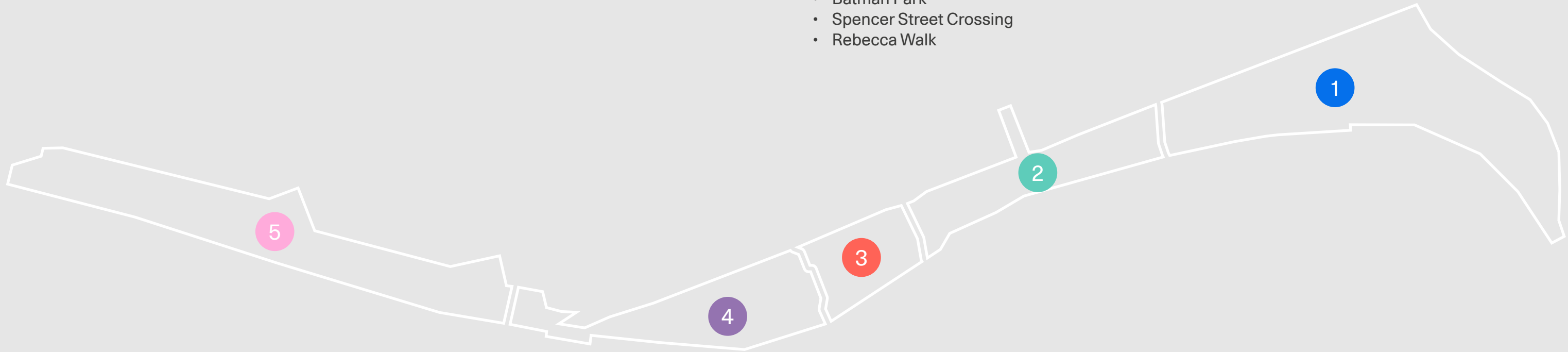
Maritime Precinct

- World Trade Centre Waterfront
- Siddeley Street
- Seafarers Rest Park and Seafarers development
- Docklands Link

5

Salt Water Wharf Precinct

- Australian Wharf
- Community Green
- Collings Wharf Promenade
- Eco Park



4

Budget and Funding

This section outlines the preliminary project budget costs and funding allocation for The Greenline Project (preferred Project Option) in line with cost estimates provided by the project quantity surveyors.

Construction and Contingencies

\$315.6m

Staff Costs

\$12.6m

Maintenance costs per year

\$7.9m

Whole of life costs

\$473.4m

Funding FY22/23

\$40.0m

Funding History

Existing funding base

\$40.0m

Analysis presented in the business case demonstrates that there is an immediate need for improvements along the north bank of the Yarra River – Birrarung. The recommended option proposes that the future Greenline Project be developed in multiple stages if required to:

- Work with local businesses, visitors, and residents to ensure that disruptions from construction can be minimised throughout the development of the pathways and precincts
- Hold stakeholder workshops with residents and local businesses to co-design the pathways and precincts to ensure they are well connected to amenities and attractions

Should a scalable option be required, it is suggested that Project Option 1 – Birrarung Marr to The Falls is the first stage to be delivered. As funding has already been announced for construction to begin within the Birrarung Marr precinct, it is appropriate to continue the boardwalks and paths along this section of the north bank of the river to ensure a continuous journey.

Whole of The Greenline Project Benefits Options Analysis

Results from the analysis (see Appendix B) indicate that Option 3: Birrarung Marr to Salt Water Precinct - The Greenline Project is the preferred option.

This option – consisting of five pathways and precinct areas – is estimated to provide the highest BCR (3.29) and the greatest net benefit to the City of Melbourne over a 20-year operating period (\$740.1 million NPV). This benefit is driven by the highest economic impact from visitation and economic activity, given that the entire Greenline Project will attract more visitors and commercial opportunities than any of the other project options. The construction of precincts and pathways between Birrarung Marr and Salt Water Wharf will help to address the existing issues around a lack of attraction and experiences that encourage visitors to stop, spend and stay along the Yarra River – Birrarung and surrounding suburbs (Docklands, Southbank, Melbourne CBD).

Page 33 The Greenline Project provides connection

This preferred option connects the surrounding suburbs of Melbourne (e.g. Richmond, Kew, Glen Iris, Capital City Trail) to the city through walking and bike pathways. This will encourage commuters and visitors to be more active, and will cater for different user abilities and interests, thus attracting a broader range of visitors.

The Greenline Project provides encourages active transport

The pathways and precincts will be targeted at a mix of groups local residents, tourists, commuters who visit the Yarra River – Birrarung already as well as attract more international and domestic visitors who do not use the pathways regularly. It is envisaged that the pathways will encourage local residents and commuters to actively participate in outdoor activities. Importantly, the construction of pathways and precincts and potential private investment opportunities that could eventuate in the future will help to attract important visitor market segments including lifestyle leaders, food, and wine lifestyles, and those seeking enriched wellbeing.

The Greenline Project provides a unique tourism offering

The preferred option develops a unique tourism offering and builds on the beautiful Yarra River – Birrarung which is already well known in the Region. It can provide a “wow factor” not seen elsewhere in Victoria and provide a link into local suburbs. Specifically, the design of a world-class pathways and precincts that is similar to the Chicago Riverwalk and River Thames that connects the city, outer suburbs and provides key attractions. This is expected to:

- Convert daytrip visitors to stay overnight in the study area

- Encourage overnight visitors to stay an extra night in the study area
- Attract new daytrip visitors to visit the study area
- Attract new overnight visitors to visit the study area
- Educate locals and domestic and international residents on the cultural significance of the Yarra River – Birrarung

The mix of scenery, visitor offerings and accommodation options along the Yarra River – Birrarung will enable the pathways and precincts to be targeted to a broad range of users. These users will be of varying age, ability, length of stay and origin. The different precincts have been designed to provide visitors with a variety of experiences along the river and enables them to define their own experience.

5

The Greenline Project Business Case



Delivering The Greenline Project

5

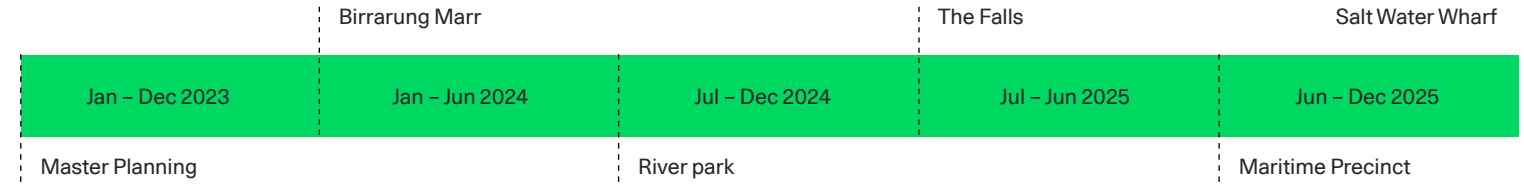
Project Schedule

The project schedule adapts the implementation schedule in The Greenline Project Implementation Plan. This assumes that all public consultation, stakeholder engagement, funding and approvals would have been completed and obtained by this time. Each precinct requires planning, heritage, and environmental approvals.

Project Schedule

Page 35

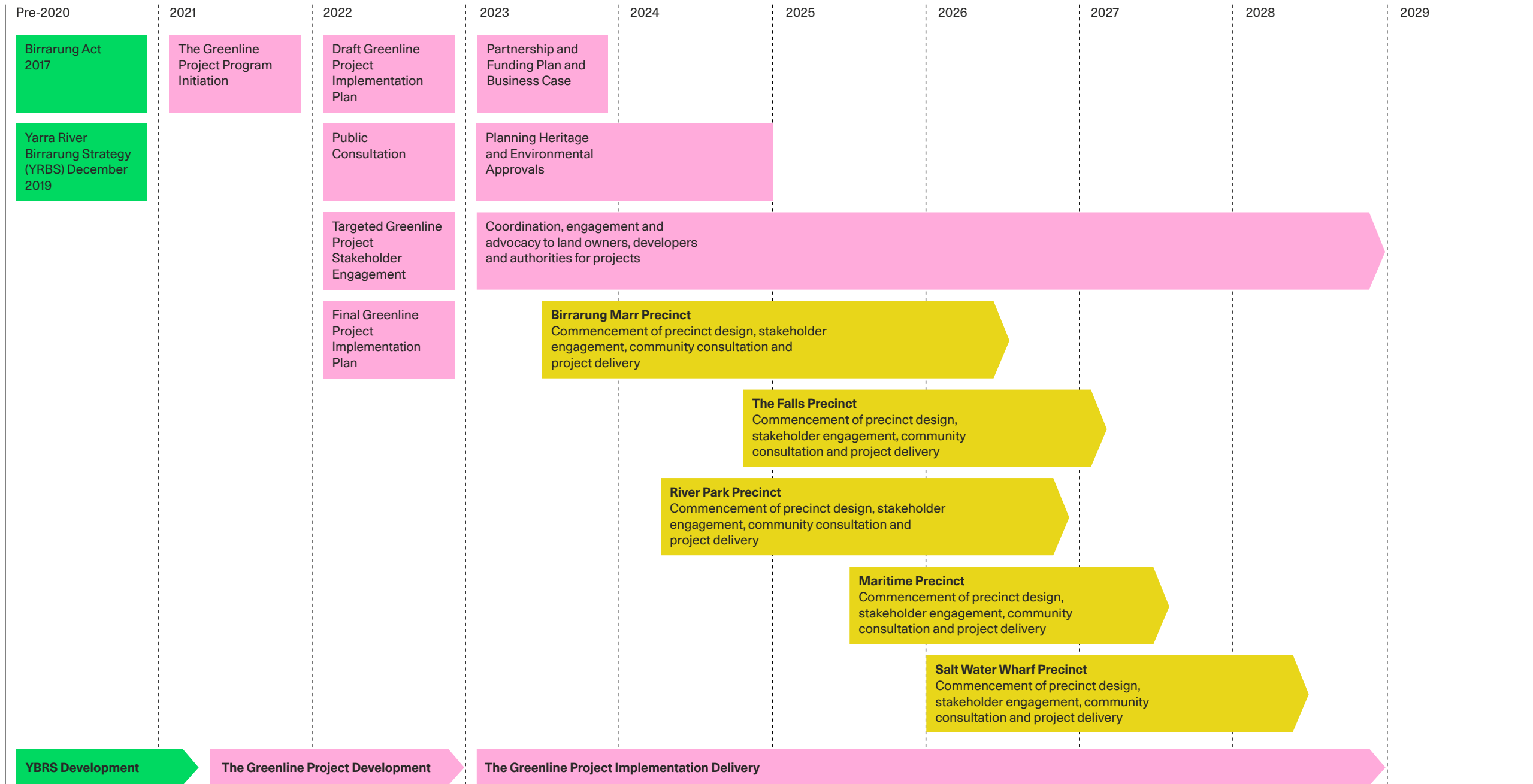
The project schedule adapts the implementation schedule in The Greenline Project Implementation Plan. This assumes commencement of construction on the following dates:



Project Risks

Managing risk is an integral part of good management practice and an essential element of good governance. Effective risk management protects and creates value for the Victorian Public Service by enabling informed decision making, setting, and achieving objectives and improving performance.

Project Schedule



Appendices

The Greenline Project Precincts

A The Greenline Project Precincts

To support the planning and delivery of The Greenline Project program, a series of precincts have been identified. These precincts reflect land management, activity and character attributes. The Greenline Project will be implemented through key improvements, coordination and advocacy along the length of the north bank of the Yarra River – Birrarung within the following five precincts:

A The Greenline Project Precincts

Birrarung Marr

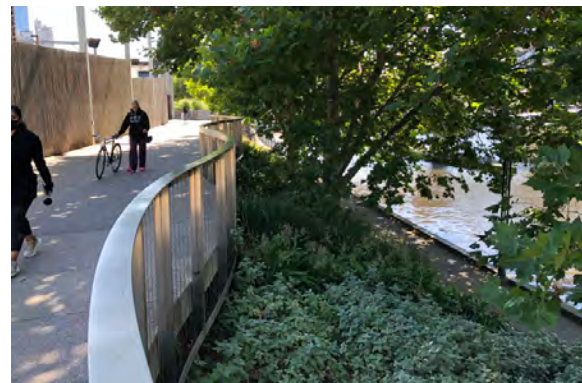
- Distance**
 - 1,054.7m
- Key improvements**
 - Expanded promenade
 - Ecological Edge
 - Flinders Walk improvements
 - Improved connections to Federation Square
 - Integrate with adjacent MAPCO precinct

Current conditions



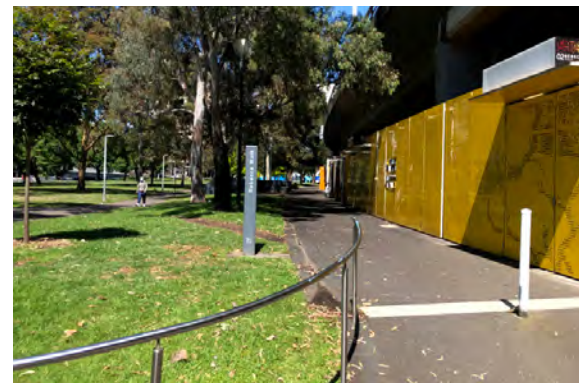
The Falls

- Distance**
 - 663.0m
- Key improvements**
 - Upper Promenade
 - Signal activation
 - Banana Alley and Lower Promenade
 - The Falls interpretation
 - Custom Square
 - Enterprise Park
 - Leverage economic activation of adjacent institutions and assets including the former Sandridge rail bridge, Signal, Immigration Museum, Custom Square, Aquarium and Crown Casino



River Park

- Distance**
 - 273.5m
- Key improvements**
 - King Street Crossing
 - Batman Park
 - Spencer Street Crossing
 - Rebecca Walk



Maritime Precinct

- Distance**
 - 751.0m
- Key improvements**
 - World Trade Centre Waterfront
 - Siddeley Street
 - Seafarers Rest Park and Seafarers development
 - Docklands Link



Salt Water Wharf

- Distance**
 - 1,301.6m
- Key improvements**
 - Australian Wharf
 - Community Green
 - Collings Wharf promenade
 - Eco Park



CBA and Integrated Options Analysis

B

Cost-Benefit Analysis (CBA)

	Project Option 1 Birrarrung Marr to The Falls	Project Option 2 River Park to Salt Water Wharf	Project Option 3 Birrarrung Marr to Salt Water Wharf – The Greenline Project
	(\$ Millions)	(\$ Millions)	(\$ Millions)
Costs (NPV)			
Capital costs (including design cost)	\$185.38	\$130.19	\$315.56
Operating maintenance costs	\$4.63	\$3.25	\$7.89
Total	\$190.01	\$133.44	\$323.45
Benefits (NPV)			
Economic Impact	\$395.20	\$277.00	\$746.90
Health and Wellbeing Impact	\$135.80	\$94.90	\$256.30
Environmental Impact	\$32.00	\$22.30	\$60.30
Connection to Country	\$*	\$*	\$*
Total	\$563.00	\$394.20	\$1,063.50
Outputs			
Net Present Value (Benefit)	\$372.90	\$260.80	\$740.1
Benefit-Cost Ratio (BCR)	2.96	2.95	3.29

Cost-Benefit Analysis

The below table outlines the cost-benefit analysis for the three Project Options. The CBA seeks to quantify a range of potential economic benefits that will be achieved as a result of increased visitor spend, social and health improvement benefits to local residents. The Benefit Cost Ratio (BCR) represents the economic gain (benefit) to the Melbourne CBD of each option versus the amount it costs to execute that option. A BCR of greater than 1.0 demonstrates that the benefits are greater than the costs. A BCR below 1.0 can be thought of as spending \$1 to achieve less than \$1 in benefits.

Inputs

The project quantity surveyor engaged by the City of Melbourne determined preliminary costs of The Greenline Project. The costs outlined below have been calculated based on the costings. These costs include construction, contingency and other related costs and do not consider land acquisition. In addition, economic impact analysis was undertaken to determine the economic opportunities and benefits that The Greenline Project may have on local businesses, resident communities and visitors along the edge of the Yarra River – Birrarung. These cost and benefits outlined below are based on these inputs.'

Preferred solution

Project Option 3 has the highest BCR of 3.29 and is expected to deliver the greatest economic benefit to the City of Melbourne. This option – consisting of five pathways and precinct areas – is estimated to provide the highest BCR (3.29) and the greatest net benefit to the City of Melbourne over a 20-year operating period (\$740.10 million NPV). This benefit is driven by the highest economic impact from visitation and economic activity, given that the entire Greenline Project will attract more visitors and commercial opportunities than any of the other project options.

*Further analysis is to be completed to quantify the benefits (NPV) associated with elevating Aboriginal culture and heritage, and Connection to Country.

B Integrated Analysis and Options Ranking

Integrated analysis and options ranking

The broader economic, social and environmental impacts of each Project Option are outlined below. There are a number of costs and benefits that were not easily quantified, and therefore these are considered as part of the overall analysis of the Project Options through the use of a detailed integrated multi-criteria analysis. The analysis evaluates each of the options compared to the Base Case, and each option is scored between -4 and +4 compared to the Base Case. A score of 0 indicates that the Project Option is the same as the Base Case, with -4 being much worse, and +4 being very much better than the Base Case.

Preferred option

Project Option 3 was the preferred option. This option consists of five pathways and precinct areas, and is estimated to provide the highest BCR (3.29) and the greatest net benefit to the City of Melbourne over a 20-year operating period. This benefit is driven by the highest economic impact from visitation and economic activity, given that the entire Greenline Project will attract more visitors and commercial opportunities than any of the other precincts.

	Weighting	Project Option 1 Birrarung Marr to The Falls		Project Option 2 River Park to Salt Water Wharf		Project Option 3 Birrarung Marr to Salt Water Wharf – The Greenline Project	
		Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted
Socio-economic analysis (50%)							
Economic Activity	15%	0.3	2	0.3	2	0.6	4
Health and Wellbeing	12.50%	0.25	2	0.125	1	0.5	4
Environmental Outcomes	10%	0.15	1.5	0.1	1	0.3	3
Connection to Country	12.50%	0.25	2	0.125	1	0.375	3
Deliverability impacts (20%)							
Deliverability impacts	20.00%	0.2	1	0.2	1	0.8	4
Financial Impacts (30%)							
Financial impacts	30.00%	0.3	-1	-0.3	1	-0.6	-2
Total unweighted/weighted score		0.85	7.5	0.55	-5	1.975	16
Ranking		2		3		1	

The Greenline Project. Revitalising the north bank of the Yarra River - Birrarung.

Business Case Summary

