



BUSINESS  
EXCELLENCE



TOURISM  
EXCELLENCE

## Melbourne Water Taxis

Andrew Bird, Owner/ Manager

Tel. 0416 068 655  
mwtaxi@bigpond.net.au  
www.melbournawatertaxis.com.au

In just 15 years the Southbank area of central Melbourne has been transformed from a group of warehouses, factories and car yards into a world-class tourism and recreation facility. What began as just a handful of small commercial boat operators in the early 1990s has grown into nearly 20 operations, including five companies who operate on a daily basis.

Andrew Bird recognised the potential for fast turn-around water transportation in the Lower Yarra corridor and began Melbourne Water Taxis in 1996.

Now, with five boats, including management of the 'Royal Barge', three full time staff and a number of casuals, his colourful craft are among the most familiar sights on the Yarra, as they ferry people to and from special events at the Tennis Centre, Docklands, Williamstown and Flemington. Patronage reaches a crescendo during Spring Racing Carnival and the Australian Open.

The Lower Yarra River in Melbourne's CBD is one of the most regulated environments for a tourism operation and to operate their vessels, Melbourne Water Taxis must have numerous licenses and permits. The cost of many of them has risen significantly in recent years.

Each commercial boat on the Yarra requires annual certification by the Marine Board of Victoria, at a cost of \$650 each. An annual 'in-water' check involves an inspection of safety equipment and procedures, but every three years each boat has to be 'slipped' for an out-of-water inspection.

Only when a boat has been certified can an operator apply to Parks Victoria for a permit to operate on the Lower Yarra. They are also required to make separate application to operate on the lower reaches of its sister river, the Maribyrnong.

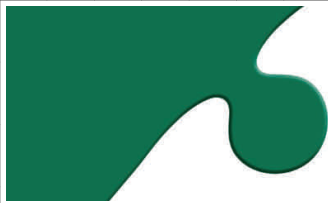


If they want to travel through Port of Melbourne controlled waters, they must gain permission every time from Harbor Control. An operator also needs to apply to Parks Victoria to obtain a dedicated or shared berthing spot. Melbourne Water Taxis operates from a Southgate berth, which costs the company \$22,500 per year.

Andrew and his key staff are required to hold a Coxswain or Master 5 Certificate to operate the vessels. In order to sit the examination, each crew member must already have a VHF radio licence and have passed 'Elements of Shipboard Safety'. Each applicant must have recorded 300 days sea time before they can sit the test and every three years they are required to prove that they have worked sufficient hours to have retained their skill level.

During his 14 years of operation, only one licence has been removed for boat operators on the lower Yarra – a licence previously required by the former Port of Melbourne Authority.

Andrew chooses not to provide refreshments on any of his boats, but prefers to allow client groups to bring-in their own caterers. Doing it himself would involve obtaining a liquor licence, and undergoing food handling and responsible serving of alcohol courses.



Should he want to erect a small marquee anywhere on the riverbank for the use of his guests, he has to apply in writing to both Parks Victoria and the City of Melbourne.

Despite the heavily regulated environment in which he makes his living, Andrew Bird is philosophical about the raft of permits and regulations he must meet to operate.

Andrew says that most of the requirements are aimed at ensuring customer safety and that they help to keep out the 'cowboy' operators. However, he says the ever-increasing costs to obtain the permits and to meet the regulations can be difficult for a small business to absorb.

“ It was pretty daunting when I first started, but you get to know when things are due and you get into a bit of a cycle. We make sure that we factor all the regulatory and compliance expenses into our break-even analysis, as they are a real cost of operating the business”, he says.

### Key lessons

- Thoroughly investigate the regulatory environment of your industry sector before proceeding
- Appreciate what the permits and regulations seek to achieve
- Factor in the costs of permits and licences into your break-even analysis
- Monitor yourself regularly to ensure that you are still complying with regulations – do not just leave it to renewal time

