

Management report to Council

Agenda item 6.4

Queen Victoria Market Precinct Renewal (QVMPR) Program – Quarterly Report

Council

Presenter: Roger Teale, Acting General Manager Infrastructure and Design**23 February 2021****Purpose and background**

1. The purpose of this report is to provide Council with a progress update and expenditure breakdown of the Queen Victoria Market Precinct Renewal (QVMPR) program for the financial year ending 31 December 2020.

Key issues

2. As at 31 December 2020, the total QVMPR Program expenditure since 2013 is \$50.91 million and the total expenditure for financial year 2020-21 is \$11.31 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Since the last report to Council in November 2020, key project elements delivered by the QVMPR program for the period of October to December 2020 include:
 - 3.1. **Heritage shed restoration** – Stage 1 (Sheds J to M) of onsite shed restoration works is nearing completion, with traders scheduled to return to the newly restored sheds from early February 2021. Works have included a range of maintenance, repair, conservation and structural enhancements including the installation of extraction fans and insulated roof to improve temperature under the sheds during extreme weather. At the completion of Stage 1 works, the works will transition to Stage 2 (Sheds C and D).
 - 3.2. **Market Infrastructure** – In December 2020, Heritage Victoria issued permits with conditions for both the Trader Shed and the Northern Shed and associated landscaping in Queen Street north. The approved heritage permit for Trader Shed allows for the demolition of the existing loading dock and services buildings (known as 'G Shed') and construction of a new three-storey building plus four basement levels and rooftop plant. The approved heritage permit for the Northern Shed allows for works to install below-ground services (Sheds A-D and H-I) and to construct a below ground centralised waste and recycling facility together with the installation of segregated loading infrastructure and associated landscaping within Queen Street. The proposed canopy was not approved. The planning permit applications lodged in 2020 will be considered at a forthcoming meeting of Council's Future Melbourne Committee as the Responsible Authority.
 - 3.3. **Munro Site** - The Munro development reached another major milestone in December 2020, with the City of Melbourne's community hub 'topping out' at level 10. Construction of the hub building and basement market car park is progressing well in preparation of the handover of the 500 space market car park and fit out of this space to be operational in the second half of 2021.
 - 3.4. **Market Square** – The plans for the design and staged delivery of new 1.75 hectare public open space in the heart of the city is currently in development. The future 'Market Square' will be delivered in phases, commencing when parts of the current car park are made available following the opening of the 500 car spaces to the Munro development in the second half of 2021
 - 3.5. **Southern Site** – An Expression of Interest process seeking suitably qualified and interested parties to develop the site to the south of the market carpark is scheduled to be released by April/May 2021. Funds secured through the development of this land will be reinvested into the renewal program.
 - 3.6. **Weather protection** – In December 2020, Heritage Victoria granted an exemption for the proposed installation of a canopy prototype at the laneway between sheds E and F. Unlike other parts of the market, this laneway is not covered by a roof. Subject to approvals, the new awnings and blinds will be rolled out progressively in line with the shed restoration works from mid-2021, starting with Sheds C and D.

Recommendation from management

4. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total program expenditure of \$50.91 million as at 31 December 2020.

Attachments:

1. Supporting attachment (Page 2 of 3)
2. QVMPR Program expenditure (Page 3 of 3)

Supporting Attachment

Legal

1. Whilst no direct legal issues arise from the recommendation from management, legal advice has and will continue to be provided on all aspects of the QVMPR Program.

Finance

2. Financial implications applicable to the QVMPR Program are contained in the body of this report.

Conflict of interest

3. Rob Adams, the Council's City Architect and Michael Tenace, the General Manager Finance and Corporate are Board directors of Queen Victoria Market Pty Ltd. 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

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

Stakeholder consultation

5. Internal consultation with relevant branches of Council has been undertaken in the preparation of this report.

Environmental sustainability

6. Delivery of the QVMPR Program will allow for the development of a sustainable market which is guided by a Precinct Sustainability Plan, rated through the use of the Green Star – Communities tool and which delivers on the six sustainability principles detailed in the QVMPR Master Plan.

Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure as at 31 December 2020

Work packages	Budget (\$m) as at 2020*	Expenditure (\$m)	
		Program Total	FY2020/21
Transitional trader accommodation and precinct improvements	1.70	1.71	-
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	67.87	4.52	0.15
QUARTER 2 (Shed restoration, Trader format improvements)	55.42	15.08	9.99
QUARTER 3 (String Bean Alley, future public open spaces and Southern Site)	76.33	2.20	0.25
QUARTER 4 (Munro Site)	32.70	7.70	0.02
Utilities and contaminated soil removal	2.91	0.88	-
Program delivery	30.46	18.82	0.90
GROSS TOTAL	267.39	50.91	11.31

*Note: Following targeted savings from expenditure identified as part of the 2020/21 Annual Plan, the overall Queen Victoria Market Precinct Renewal budget was revised from \$308 million gross to not more than \$268 million gross. Costs savings have been made across the overall program to ensure delivery of the renewal against the 2015 Master Plan. An updated Business Case reflecting the revised budget will be presented for Council's consideration in 2021.