

Management report to Council

Agenda item 6.3

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

Council

Presenter: Roger Teale, General Manager Infrastructure and Design

23 November 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 period ending 30 September 2021.

Key issues

2. As at 30 September 2021, the total QVMPR Program expenditure since 2013 is \$87.2 million and the total expenditure for financial year 2021-22 is \$4.25 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Since the last report to Council in August 2021, key project elements delivered by the QVMPR program for the period August to October 2021 include:
 - 3.1 **Heritage shed restoration** – Work to restore Sheds A and B (Stage 3) commenced in August 2021 with a restricted workforce under COVID-19 restrictions (Refer to Attachment 3). While works are progressing, the ongoing restrictions along with the two week construction shut down has led to delay of approximately six to eight weeks to the overall delivery program for the restoration program. Following the conclusion of Stage 3, works will progress to Stage 4 (E and F) and Stage 4 (H and I).
 - 3.2 **Munro Site** – On 10 September 2021, the five level Council owned community hub reached practical completion as a cold shell and was handed over to the City of Melbourne. A proposal to use three floors of the Council-owned community hub for a new library was endorsed by Councillors on 5 October 2021. Design of the fit out for a new library and community service will now commence and the facility could be open by early 2023. Stage 2 (hotel and Mirvac build to rent apartments) scheduled for completion approximately October 2022.
 - 3.3 **Trader Shed and Northern Shed** – Planning and heritage permit conditions have been adopted into the design of both facilities. Over 16 trader and stakeholder engagement sessions have been completed to inform the approach for delivery coordination and management of daily market operations. Tender documentation will be issued early in 2022.
 - 3.4 **Market Square** – The phased delivery of the public open space is underway with a pop up green space opening on Saturday 6 November (see Attachment 3). The green space, the size of the State Library forecourt, will be a drawcard destination, giving locals, workers and visitors even more reason to visit, dwell and enjoy the market experience. Subject to Heritage Victoria approvals, experimental arts space Testing Grounds will relocate from Southbank to the Market Square Pop Up, adding to the vibrancy of the precinct. The Market Square Pop Up is funded through the Melbourne City Recovery Fund.
 - 3.5 **Food Hall** – On 28 September, Heritage Victoria granted a heritage permit application for improvement works to the existing Food Court to create a warm and inviting dining area to attract more customers with more seating, a flexible layout, greenery, new flooring and roof. On 9 November, a planning permit for demolition of the existing Food Court was granted by the responsible authority. Subject to the appointment of contractor works are anticipated to commence in early 2022.
 - 3.6 **Southern Site** – The divestment process for the Southern Site is continuing with the appointment of a preferred developer expected at the conclusion of the commercial in confidence process in mid-2022.

Recommendation from management

4. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total program expenditure of \$87.2 million as at 30 September 2021.

Attachments:

1. Supporting Attachment (Page 2 of 4)
2. QVMPR Program expenditure (Page 3 of 4)
3. Queen Victoria Market Precinct Renewal (QVMPR) Project highlights (Page 4 of 4)

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 proposal, 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.

Relation to Council policy

6. The recommendation within this report align with aspirations as identified in the Council Plan 2021-25 to protect Queen Victoria Market as a traditional open-air market, through heritage restoration and the provision of essential services and facilities that enhance the customer and trader experience while also delivering precinct improvements through quality public open space, new connections to the city, community services and facilities.

Environmental sustainability

7. 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 30 September 2021

Work packages	Budget (\$m)*	Expenditure (\$m)	
		Program Total	FY2021/22
Transitional trader accommodation and precinct improvements	1.70	1.71	-
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	67.01	5.48	0.69
QUARTER 2 (Shed restoration, Trader format improvements)	56.37	23.55	2.90
QUARTER 3 (String Bean Alley, Market Square, Southern Site and Franklin Street streetscape)	76.33	2.90	0.35
QUARTER 4 (Munro Site)	32.95	32.82	0.02
Utilities and contaminated soil removal	2.91	0.88	-
Program delivery	30.31	19.8	0.28
GROSS TOTAL	268	87.22	4.2

*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.

Queen Victoria Market Precinct Renewal (QVMPR) Project highlights

1. Market Square Pop Up Park



2. Shed Restoration Stage 3 – Sheds A and B

