

Council Meeting No 27, Tuesday 29 November 2022- Agenda items 6.2 and 6.4

29 November 2022

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Dear Jordan,

Please submit the attached pdf without disclosing my email address. Thank. You.

RE: Council Meeting No 27, Tuesday 29 November 2022, 5.30pm

Council Chamber, Melbourne Town Hall

Attached is my submission for both Agenda items 6.2 and 6.4.

Sincerely,

B. McNicholas

Director, Walk in St Kilda Rd & Environs

Convenor, Planet Ark National Tree Day, Nature Care, Heritage and Lighting expert panels, events and projects

Manager, Campaign for the World Heritage Listing of Melbourne Observatory

Friends of Melbourne Observatory

Friends of Fawkner Park

**RE: Melbourne City Council, Council Meeting No 27, Tuesday 29 November 2022, 5.30pm
Council Chamber, Melbourne Town Hall**

Agenda item No. 6 Reports from Management

6.2 Queen Victoria Market Precinct Renewal Program – Quarterly Report

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

6.4 Queen Victoria Market Pty Ltd Annual Report FY2021–2022

Presenter: Michael Tenace, Chief Financial Officer

The submission applies to both Agenda items and should be presented for both Agenda items.

Dear Lord Mayor Sally Capp, Deputy Lord Mayor Nicholas Reece, Acting CEO Alison Leighton, Councillors and key staff, City of Melbourne and Queen Victoria Market Pty Ltd.,

ICONIC NATIONAL HERITAGE LISTED QUEEN VICTORIA MARKET

We believe it is time to re-set your failed approach on management of Queen Victoria Market, to establish a Community Reference Group to be fully embedded in planning for Queen Victoria Market, to embrace active community and stakeholder participation, embedded in the planning stages, and, critically, to ensure that Queen Victoria Market has its own CMP and Master Plan before any plans and works for the place proceed.

The poor management practices of the past and the failure to prioritise and manage the heritage place Queen Victoria Market adequately has meant much has been lost in a misplaced sacrifice of the exceptional place to other interests of Council in the precinct around it, to great loss.

The confusion between the State and National Heritage listed Queen Victoria Market (QVM), and a development Precinct surrounding it continues, to the enormous disadvantage and neglect of QVM itself, to the public and to the community, and as our fresh food and produce market is less available to us and parking is less available, reducing our amenity and the prior convenience and whilst the ambiance of the QVM shopping experience is diminished.

You have installed a concrete and shipping container arts organisation, Testing Grounds, and held the Fringe Festival here, though both are irrelevant to QVM and its values, its history and its business. The report calls part of heritage site Queen Victoria Market “the Market Square *Pop Up space*” and states or implies it is being managed separately to Queen Victoria Market to “help reinvigorate the city”! This is divisive and dislocating for Queen Victoria Market.

The only ‘events’ that add to market attendance and business are those that are compatible with market values and are held in a manner and location that does not block, damage or interfere with market trading, stalls and floor space, but assists them and adds to their business. Events need to be targeted and align with the market, its functioning, purpose, values.

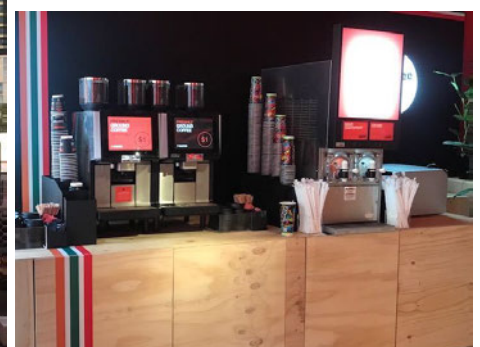
This has mainly only occurred with some smaller events held towards Peel Street.

The large events and Festivals that have been imposed on market space have not succeeded in adding to on-going market attendance, visitors or trade. They are foreign events sited wrongly either on the cemetery/ car park area and this has also often resulted in complaints from surrounding residents about the noise for night events, and deep concerns over these being a disrespectful activity to conduct above the old Melbourne Cemetery or displacing or interrupting market trading. See images 2022 below on page 2. We had asked that this car park/cemetery area of Queen Victoria Market to be part car parking for the market and partly greened (i.e .grass and

trees) with an informative signage about the old cemetery of outstanding Australian cultural heritage significance below. That has not occurred.



The extraneous events being held in the market, replacing stalls sometimes, closing down parts of the market or even competing with the Market traders (the 7- Eleven \$1 coffee store, with an event, undercutting Market traders, March 2022! See below) and disadvantaging market trading, sometimes replacing Queen Victoria Market business, and causing a dislocation that impacts accessibility for market shoppers, and affects a genuine market ambiance and spontaneity that is, was and should remain integral to the lively market shopping experience. They frequently diminish or prevent visitors and tourists accessing the market and enjoying an authentic Queen Victoria Market experience.



Many matters you are talking about in this report are not for the benefit of Queen Victoria Market but for your other purposes: your property development interests in the periphery of QVM and your misguided scattergun approach in attempt to reinvigorate the City of Melbourne by putting 'events' and 'festivals' everywhere, a dated, not targeted for QVM approach, and this is not succeeding here.

The City of Melbourne is failing in its duties, responsibilities and moral obligations as the manager of Queen Victoria Market, is failing in best practice strategic management of the outstanding Heritage place, and this is shown in the report, sadly, and represents a violation of trust from the public to manage and protect the place and its listed cultural heritage values for the people of Australia into posterity.

Whilst it is understood Council wants to stimulate business and attendance in the city of Melbourne post- pandemic, if they choose the somewhat dated 'events' approach, they should site many of these more appropriately in one of the spaces designed for general events - City Square, Federation Square, Birrarung Marr, the Royal Exhibition Building etc

Trashing a world-renowned Market, the largest open air market in the Southern Hemisphere, ignoring the significant cemetery that is incorporated into the heritage place and appropriating it to a Showgrounds-type usage degrades heritage, Queen Victoria Market, and places a shadow over the events that are held there, some considered in disrespect of the place and resulting in financial loss for the Market and opportunity costs.

Obviously as you are not managing the market for itself and its success as a serious priority you are failing to maximise the economic success of the place and are unable to take advantage of the enormous national and world growth opportunities for cultural heritage tourism too, which requires authenticity and a genuine Queen Victoria Market experience throughout.

With essentially the entire senior management of the company you set up to manage the market all departing or departed, you should cease these plans and recommendations, do a major re-consideration and re-structure, change and improve how you manage this place. It is still retrievable.

Note that this is called a "Queen Victoria Market Precinct Renewal Program Quarterly Report", that is, largely ignoring best practice management of the heritage place itself and appropriating its land space for other purposes.

We want you to do a CMP and a Master Plan for Queen Victoria Market itself ... focussing on this extraordinary place alone.

That should then form the base of, be incorporated into, Precinct plans. What you are doing now, here, is **Killing the Goose that Laid the Golden Egg**, as per the classic Aesop's Fable which refers to the short-sighted destruction of a valuable resource, and **explains how greed can have unintended consequences and destroy the thing of greatness and enormous value it had.**

We urge you to take heed of the cautionary tale and to listen to the public and stakeholders. We were not effective participants in forming these plans. We do not support this.

We believe CoM and the recommendations in this report have failed to align with aspirations as identified in the Council Plan 2021-25 to protect Queen Victoria Market as a traditional open-air market". (Ref. 6.2)

It is a matter of significant distress to the community and stakeholders. It has led to multiple submissions to the INQUIRY INTO THE PROTECTIONS WITHIN THE VICTORIAN PLANNING FRAMEWORK, the 2022 Victorian Parliamentary Inquiry into heritage protections.

On 2 August 2022, Chair of the Legislative Council Environment and Planning Committee, Sonja Terpstra MP, tabled the Committee's interim report in Parliament:

"Put simply, leadership and resourcing at all levels does not reflect the value of heritage to the community, the value of heritage to the economy and employment, and its capacity to contribute to sustainable development.

*"The National Trust calls on the Premier and Opposition leader, and all candidates standing for election in November, to support a full inquiry in 2023, and **immediate action on strengthening heritage protections.**"*

This is our response to you. Please listen to us. This all needs to change and Queen Victoria Market needs a manager who values and protects it and does best practice strategic cultural heritage management for the place, with us.

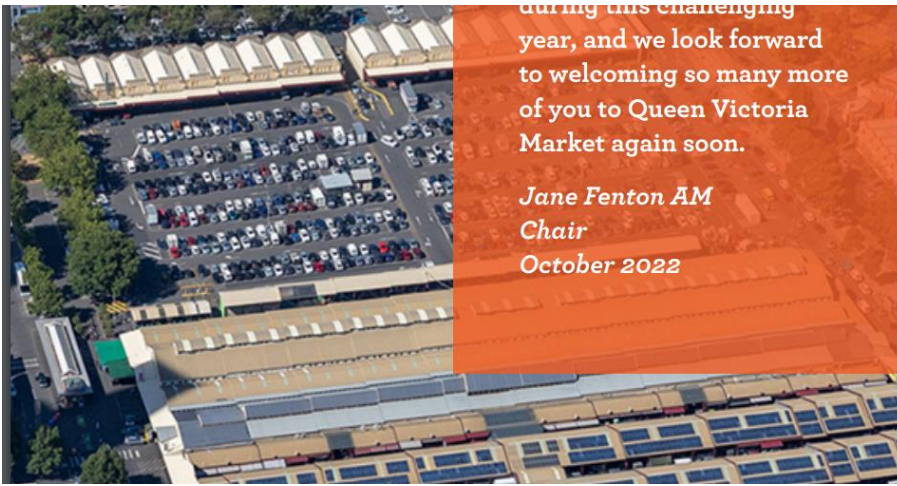
We need a new approach, a new team with an essential mix of heritage experience, market trading and commercial understanding. Now is the time to re-set. We need to get this right.

Many changes referred to have often and overall been to the loss of QVM, market shoppers and the open air, fresh food and produce market experience and spirit. The damage done to the market and its amenity, facility and customer access is enormous.

Unless and until you have discrete management of Queen Victoria Market itself and that is respected and protected within the area, you are failing in your duties and responsibilities to the place, and to the people of Australia.

Re: Management report to Council Agenda item 6.4 Queen Victoria Market Pty Ltd Annual Report FY2021–2022 Council Presenter: Michael Tenace, Chief Financial Officer 29 November 2022": The Recommendation from management 4. (is) "That Council notes the Queen Victoria Market Pty Ltd audited Annual Report for the financial year 2021– 2022. It is telling that on page 7, with a superimposed quote from the report by the Chair of the Board, that the image used is an old, better one that the current look. Here we have market shoppers parked in a full car park in QVM. A 2022 image would be a telling contrast to this image (below) and would show what is being done to and around the Queen Victoria Market.

What is missing in the Report is a strategy for growing the Queen Victoria Market, strategic heritage management of Queen Victoria Market, any indication when the Master Plan for Queen Victoria Market will commence and an analysis of the financial demise of the market and the role of Queen Victoria Market Pty Ltd and the Council's Queen Victoria Market Precinct Renewal Program in that, with its negative impacts on Queen Victoria Market and how that may be turned around.



"This year I spent some time reflecting on the story of our Market: how we got to where we are today, where we are heading, and what it means to Melburnians. I realised that as the Market moved from temporary shelter, to open sheds, to the iconic halls we have today, that it has never once stood still in its 146-year history."

Page 8, Stan Liacos, departing CEO QVM P/L: [REDACTED]

Acting without best practice management processes and documents for the heritage place QVM, without the public and stakeholders embedded in decision-making, without a Master Plan for QVM, which would set a base for its management, the Market is without adequate protection within the considerable Precinct development.

The departing CEO continues on page 9, "The whole City of Melbourne continues to provide amazing support for QVM Pty Ltd – both for day-to-day operations of the Market, and the ongoing investment in the Market Precinct Renewal project."

This is indeed the problem. It is about a Precinct and Council's financial interests in the properties surrounding the market, whilst the outstanding cultural heritage place Queen Victoria Market is more a side-show or 'cash-cow', a space and dressing for random events City of Melbourne places there. The Report lacks strategic management of Queen Victoria Market itself. It is more than a missed opportunity. The *Queen Victoria Market Precinct Renewal Program* is a shameful project in the history of the City of Melbourne and its implementation and management are far from successful or best practice for Queen Victoria Market.

Its confusion between Queen Victoria Market and a surrounding Precinct is at the expense of this major public asset Queen Victoria Market.

The Munro Development is being spoken of with QVM, when it is outside the Queen Victoria Market boundaries.

On page 5 of the Report, under "Key areas of significant involvement included" are listed:

- "Food Court refurbishment, which remains ongoing at the end of 2021–22"
- and
- "Finalisation of new fruit and vegetable point of sale storage and display unit designs for traders."

But this is a modernisation not asked for by the traders or the public, and is at odds with the nature and character of a fresh food 'MARKET' and its charm, operation, ethos, instead confusing and correlating the place with supermarkets and stores!

The uniformity and moving away from 'fresh food market' is something contrary to the heart of Queen Victoria Market.

In the plans QVM P/L does not appear to be managing iconic Queen Victoria Market, Victorian Heritage registered, on the National Heritage list, the largest open air market in the Southern Hemisphere, the last remaining Market in the CBD, the largest and most intact of Melbourne's great nineteenth century markets, a major tourist destination 'attracting more than 10 million visitors annually', offering enormous opportunities for the major world growth business of authentic, experiential cultural heritage tourism, in a way that reflects its listed cultural heritage values so that it remains authentic and genuine.

Instead, these plans manage the place as another general store, supermarket or available space. Doing works and changes in Queen Victoria Market without having first completed a Master Plan for Queen Victoria Market itself, puts it at risk, and this is reflected in financial losses, community and visitor distress, trader loss. The absence of a Master Plan developed with Community and Stakeholders for Queen Victoria Market means that the works, the plans are without strategic basis for the place and its growth and without public, community and stakeholder participation in making decisions. Effectively QVM P/L has made unilateral decisions, often based on other interests such as Council's focus on property development around the periphery of Queen Victoria Market (a conflict of interest with its management duties and responsibilities for Queen Victoria Market), and its general events and festivals for post-Covid recovery of the CBD. This scattergun approach has meant you are treating Queen Victoria Market often as empty, available space, instead of strategically managing the Heritage Market, and this is not adequate or worthy for the extraordinary place Queen Victoria Market.

"Other 2021-22 highlights included" are:

- "Partnering with the Melbourne Food and Wine Festival and Melbourne Fashion Festival to host key events from their programs at the Market"
 - But this was not a symbiotic matching with the core values of Queen Victoria Market to grow the market, and not managed for QVM benefit and growth
- "Growth of Queen Victoria Market Online to now include 50 participating traders, more than 3,500 products and fulfilment of more than 15,000 orders since launching in November 2020", page 6.

These are extraneous matters to the appropriate strategic management of Queen Victoria Market, they are not targeted, matched and implemented in a way that enhances and grows the market, in line with its core values and trade, they are not formed from a strategic analysis for the success of Queen Victoria Market and do not appear in a Queen Victoria Market Master Plan (we are still waiting for one to be done, although it should form the base of all actions and management of Queen Victoria Market, and it should subsequently be incorporated into any Precinct Plans to ensure the Queen Victoria Market is protected from these competing matters).

In Summary

This Annual Report and budget are inappropriately self-congratulatory. This illustrates a shameful failure of judgement and disrespect of the Market, public, traders, stakeholders and the Australian people.

Process, accountability, inclusion, heritage management documentation and processes, stakeholder participation – are missing, inadequate, sacrificed – in a misguided property development focus on the Precinct and neglect of outstanding heritage place Queen Victoria Market and targeted, strategic management of the place itself for its success.

Killing the Goose That Laid the Golden Egg.

This is the impact the *Queen Victoria Market Precinct Renewal Program* has had on Queen Victoria Market. You have lost and alienated a huge amount of successful traders, your Program and plans fail to comply with best practice strategic heritage management for Queen Victoria Market, impacting its character, potential and profitability, and Queen Victoria Market and the people of Australia deserve more than that.

Queen Victoria Market used to generate a profit for decades, around \$4 - 5 million per annum before you forced this Precinct Renewal Program on the public and the place and it kicked in and started damaging Queen Victoria Market. Some years after your Precinct Renewal Program began Council found itself having to fund and subsidise the Market it was so badly impacted by this poor plan and bad management.

The costs to City of Melbourne reach far beyond this, the reputational damage is extensive, will grow and extend, the lack of trust is significant, the dislocation with the public, community and market stakeholders considerable.

Your Program has been *Killing the Goose That Laid the Golden Egg*.

Where to now?

An Opportunity to Re-Set, change and appropriately manage Queen Victoria Market

Reset: new staff and structure

There is great need for Council to renew and reset its management of Queen Victoria Market. It is time to do so without the past managers and 'architects' of the troubled Precinct Renewal Program.

With key managing staff and officials gone or leaving, including the Queen Victoria Market CFO (resigned), Stan Liacos, the CEO QVM P/L (leaving), Justin Hanney, CEO CoM (left), as well as two outgoing Board members, Professor Rob Adams and Patrick Burroughs, now is the time to take leadership, and reset staff and management of Queen Victoria Market and of Queen Victoria Market Precinct Renewal Program, separating the two.

Protect the asset Queen Victoria Market and its identity, brand and name

By devolving the name and using the iconic **Queen Victoria Market** name for the Precinct, for example, the name of the noted place Queen Victoria Market is diminished and the place bastardised (changed in a way so as to lower its quality or value (Oxford Dictionary)); changed in a way that it no longer represents the values and qualities it is intended to represent (Cambridge dictionary). The name then also comes to reflect the evident conflicts of interest, competing objectives and property interests in the surrounding area and this undermines Queen Victoria Market. An owner or manager must protect its asset and its brand and not allow these other uses of the name Queen Victoria Market.

Leadership and Connection with the Public: Doing What is Right

As historic third term Premier Daniel Andrews said in his election victory speech on Saturday 27 November 2022: "**Leadership is about doing what matters, what is right.**" He stressed the **importance of a sense of kindness and connection with the public, a positive and optimistic**

approach as “we are all in this together”. It is tiring and exasperating for the public and stakeholders to be pleading for so long to be involved, to work together with you on Queen Victoria Market. As Daniel Andrews said, 27 November 2022, “IT MATTERS! COMMUNITY-BASED campaigning MATTERS!”

Please do this with us now and make the fundamental changes needed to manage Queen Victoria Market better, with us.

Just as the Liberals said on Saturday that they have a lot of soul searching to do, so does anyone at Council or Queen Victoria Market P/L , anyone who is involved in managing Queen Victoria Market, or with the *Queen Victoria Market Precinct Renewal Program*. Channel 9 election panels said it is a lesson for the Liberals to learn from and that is how Council should approach a re-set and different approach to manage Queen Victoria Market and to the management company for the Market and for the Precinct. It is about courage, truth and duty and listening to and working with the community.

Sincerely,

B. McNicholas

Director, Walk in St Kilda Rd & Environs

Convenor, Planet Ark National Tree Day, Nature Care, Heritage and Lighting expert panels, events and projects

Manager, Campaign for the World Heritage Listing of Melbourne Observatory

Friends of Melbourne Observatory

Friends of Fawkner Park

Privacy acknowledgement: *

I have read and acknowledge how Council will use and disclose my personal information.

Name: *

Mary-Lou Howie

Phone number: *

[REDACTED]

Email address: *

[REDACTED]

Date of Council meeting: *

Tuesday 29 November 2022

Agenda item title: *

6.4 Queen Victoria Market P/L Annual Report.

Alternatively you may attach your written submission by uploading your file here:



[submission_financials_2022.docx](#) 126.89 KB · DOCX

Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? *

No



RE: Melbourne City Council, Council Meeting No 27, Tuesday 29 November 2022

6.4 Queen Victoria Market Pty Ltd Annual Report

Dear Lord Mayor Sally Capp, Deputy Lord Mayor Nicholas Reece, Acting CEO Alison Leighton, Councillors and key staff, City of Melbourne and Queen Victoria Market Pty Ltd.,

We have read the Directors and CEO Financial report in this document and it is pleasing to see financial improvement in the past year. We acknowledge COVID has had an enormous impact on the operation of the market and the need for the City of Melbourne (CoM) to grant \$7.7 million in 2021 -2022 to stave of insolvency resulting in a loss of \$526,941 during this time frame.

Car park

It is interesting to note that the company's forecasted car park revenue was reduced by \$1,890,00 during this time.

We note that reference in this report to the Munro development tenancies and car park is irrelevant to Queen Victoria Market (QVM) because it is not part of the market's National Heritage Listing's boundary protection of the site. Moreover market customers are reluctant to use the Munro parking facility, and increasingly the outdoor convenient car park is being reduced and given over to events. The CoM plans to convert this car park into a public open space to respect the cemetery beneath. One wonders why parking on a grave is less respectful than the loud intrusive event infrastructure that we experienced recently with the Fringe Festival 's Spiegel tent and geodesic dome, and the large 7-Eleven shipping container of the Melbourne Food and Wine Festival.

Highlights

This is a self-congratulatory document with long lists of highlights yet....

for customers and visitors to QVM it is obvious that Vic Market is in a perilous state. The market has lost one third of its traders, there are now gaping spaces in the Upper Market where there once was bustling trading activity. The market looks dead from Peel Street. In fact, the attrition of traders since the renewal program commenced now allows space for the proposed Back of House (BOH) and Business to Business (B2B) area in a prime trading location in the Upper Market (approval pending from Heritage Victoria).

Many traders have no security of tenure despite the document citing 'lease renewals being **offered** to 80+ traders whose leases expired at the end of 20-21'. The outcome of the offer is not stated.

The renewal renovation and construction, aided by COVID and poor management, has seen our once highly profitable, vibrant market reduced to its current parlous state, now dependent on an annual grant of \$7.7 million by the City of Melbourne. Add to that the loss of the annual \$4 million profit the market made pre-renewal.

Total Employee benefits

Total expenditure on salaries is \$7,203,779. Of that total, \$1,798,800 is paid to key management which includes 7 Board members (total \$276,338) and 5 extremely highly paid QVM top management who run the market at a loss. Furthermore it is interesting to note that the significant CoM financial support to QVM chiefly covers the costs of salaries.

Point 2. Performance against Budget

2.1: There seems an anomaly in the bottom line accounting for revenue. The deficit minus the CoM grant (not a line item in the budget) would in fact be \$15,670,520 which makes the variance \$6,385,733 **NOT** \$1,314,267.

The reality is the Budget is \$22,056,253 and the Actual revenue is \$15,670,520 – a significant difference.

Point 3: Our Revenue

“Queen Victoria Market receives the majority of its income from Lease Rental – fixed locations, Licence Fees – flexible open shed locations, car parking and Night Market - Bar Sales.”

The majority of revenue comes from Lease rentals - fixed locations - \$5,532,124 and Lease Rentals – flexible open sheds locations - \$3,645,626

It's pleasing to note the increase from 2021. However, given the enormous attrition of lease rentals in the open sheds allowing space for the proposed BOH and B2B in a prime trading location, one can only imagine what the revenue might be.

This Financial Report does not include salient data on day trader numbers (excluding Night Market traders) of the various segments of the market over the past 5 years to clearly track market trends. Requests for trader segmentation from QVM Management, a vital inclusion in business reports, has gone unheeded and is not available in this report.

QVM Management has resisted all requests for such data time and time again as our alarm grows with trader numbers so obviously diminishing year on year.

In order to assess the actual situation - the pattern of trader engagement and trader numbers - the segmentation data would surely be available from pre-COVID (2017) to current (2022) for General Merchandise, Fruit and Vegetables, Meat, Fish, Deli, Victoria St. shops. Without tracking figures that show this data, the impact of the renewal is impossible to assess.

Conclusion

It is obvious that the figures in this Financial Report are skewed by COVID and the CoM grant. It is apparent that QVM has been decreasingly financially viable since the commencement of the renewal. Therefore why have the separate entity QVM P/L?

Mary-Lou Howie
President
Friends of Queen Victoria Market Inc