

## Management report to Council

Agenda item 6.8  
Council

### Queen Victoria Market Committee of Trustees Update

Presenter: Ben Rimmer, Chief Executive Officer

25 September 2018

#### Purpose and background

1. For Council consideration of documentation to support the implementation of the Queen Victoria Market (QVM) Committee of Trustees (Committee).
2. On 31 July 2018 Council endorsed the implementation of the enhanced governance structure, and approved the Committee's Terms of Reference. An update on implementation was provided at the 28 August 2018 Council meeting and Council noted that management would report back to Council in September.
3. Council established the new Committee to ensure:
  - 3.1. a stronger trader, customer and community voice at the centre of Council stewardship and decision making regarding QVM renewal and operational matters.
  - 3.2. much greater integration and alignment between QVM renewal and operations, ensuring that Council accountability is clear.

#### Key issues

4. The proposed governance protocols (Attachment 2) are designed to provide clarity to all stakeholders to ensure a well-functioning governance process. They include a description of the respective roles and process for communication and interaction between all participants in the QVM governance framework.
5. Changes are proposed to the recently adopted Terms of Reference (Attachment 3) to clarify the objectives of the Committee and membership by specifying that:
  - 5.1. one position will be designated for Aboriginal and Torres Strait Islander applicants and expertise of City of Melbourne Aboriginal Melbourne employees and/or Traditional Owners will be provided to support the Committee from time to time
  - 5.2. each trader position will be drawn from sections of the market being fresh produce, merchandise and hospitality.
6. It is also recommended that the Committee is independently reviewed after an initial six month period. This review will enable Council to consider whether the Committee is realising its objectives and ensure the Committee is functioning as intended to provide Council with the highest level of strategic advice on QVM matters.
7. Following appointment of an external consultancy in coming weeks, and a successful EOI process, management will report back to Council for appointment of community and trader positions.
8. The Lord Mayor has been identified as Chairperson of the Committee. Council are asked to identify two additional Council representatives for the Committee. Identifying these representatives at this time will allow the external consultant to ensure an appropriate mix of skills and capabilities are identified in preferred nominees put forward for the community and trader positions.
9. The QVM Statement of Expectations (Attachment 5) has been updated to reflect the new governance structure, including that the advice of the Committee will be considered.

**Recommendation from management**

10. That Council:
  - 10.1. Endorses the proposed Governance Protocols (Attachment 2) and authorise the CEO to make minor editorial changes.
  - 10.2. Endorses the revised Terms of Reference (Attachment 3), including the inclusion of the specific clause for the independent review of the operation of the Committee of Trustees after an initial six month period, and authorising the CEO to make any further minor editorial changes.
  - 10.3. Nominates two additional Council members for the Committee in addition to the Lord Mayor as Chairperson.
  - 10.4. Notes the guidelines for the Expression of Interest process (Attachment 4) and that management will release a request for proposal for an external consultancy to run this process shortly.
  - 10.5. Endorses the revised (changes in clause 12 and a new clause 13) QVM Statement of Shareholder Expectations (Attachment 5).

**Attachments:**

1. Supporting Attachment (Page 3 of 19)
2. Governance Protocols (Page 4 of 19)
3. Committee of Trustees Terms of Reference (Page 7 of 19)
4. Selection guidelines for Expression of Interest for community and trader positions on the Committee of Trustees (Page 14 of 19) (Page 17 of 19)
5. QVM Statement of Shareholder Expectations (Page 19 of 19)
6. Proposed meeting dates for QVM committee for Trustees for 2018 and 2019 (Page 19 of 19)

**Supporting Attachment**

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**Legal**

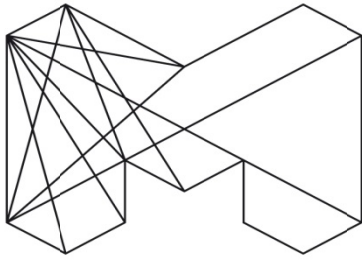
1. Legal advice has and will continue to be provided as required, in respect to the implementation of the enhanced governance structure.

**Finance**

2. There are no significant financial implications associated with the recommendation.
3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

**Stakeholder consultation**

4. The Governance Protocols, changes to the Terms of Reference and EOI process guidelines have been developed in consultation with relevant stakeholders including:
  - 4.1. Queen Victoria Market Pty Ltd Board members and Chief Executive Officer
  - 4.2. City of Melbourne Audit and Risk Committee
  - 4.3. Aboriginal Victoria and Aboriginal Melbourne.



## CITY OF MELBOURNE

### Governance protocols for the Queen Victoria Market (QVM) Committee of Trustees

*These protocols must be read in conjunction with the QVM Committee of Trustees Terms of Reference. They are designed to provide clarity amongst all stakeholders to ensure well-functioning governance processes.*

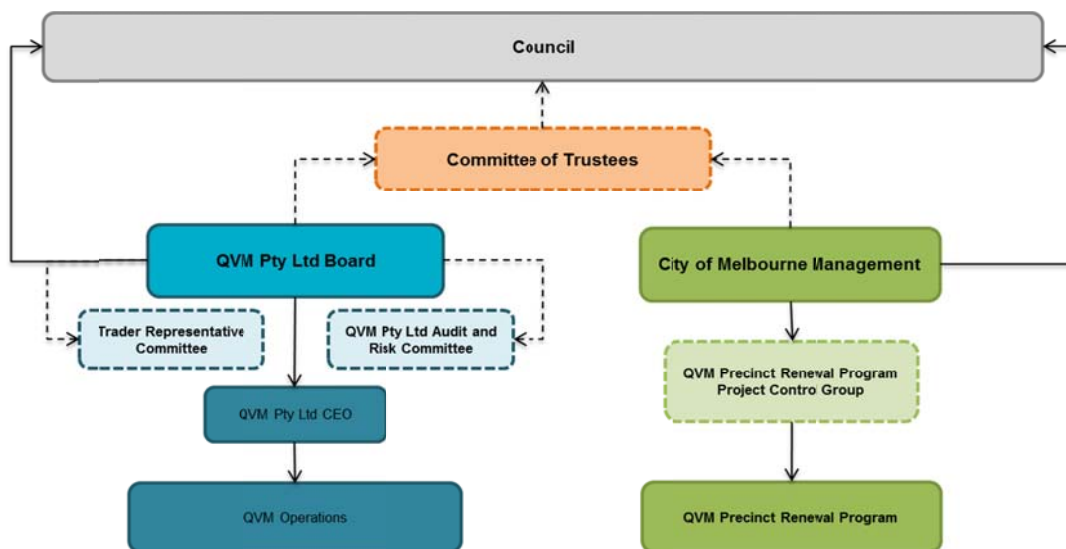
This document clarifies the respective roles and processes for communication and interaction between all participants in the governance framework.

This document can be updated by the Chief Executive Officer of the City of Melbourne as required, with Council being notified of any proposed changes prior to adoption.

These protocols provide guidance to:

- The Committee of Trustees
- Council members
- The Board of Queen Victoria Market Pty Ltd
- The City of Melbourne CEO and CFO
- The QVM PTY Ltd CEO and CFO
- The Chair of the QVM Audit and Risk
- Members of the QVM Precinct Renewal Program Project Control Group
- Committees of the City of Melbourne
- Committees of QVM Pty Ltd

The diagram below shows the interaction and relationship of all participants.



In addition to the participants reflected in this diagram, engagement with Council's other advisory bodies including the Disability Advisory Committee and Audit and Risk Committee will continue as necessary.

In particular, Aboriginal representation on the Committee of Trustees is distinct from the requirements held by both the City of Melbourne and QVM Pty Ltd in relation to cultural heritage management of the site and ongoing consultation with Traditional Owner groups in relation to both the QVMPR Masterplan and the QVM Pty Ltd Retail Plan.

### **The remit of the Committee of Trustees**

The Committee of Trustees will complement the existing governance structures around the operations and renewal of the market.

It does not replace existing governance processes but will provide guidance to the Council, management and QVM Pty Ltd on significant strategic issues.

Matters can be referred to the Committee if they:

- are strategic in nature
- have a major impact on the direction of the market, including both the renewal program or operations
- relate to Council decision making about long term objectives of the market
- have a material impact on trader, customer and community experience of the market precinct.

Matters that cannot be referred to the Committee are those which are:

- commercial in confidence
- involve legally sensitive issues
- involve QVMPR Program or QVM routine operational decisions
- are time sensitive and where referral will impede innovation or entrepreneurial activity
- involve matters pertaining to individual traders or customers
- are matters which are fully within the remit of the QVM Pty Ltd Board

### **Referral Processes**

Following consultation with relevant stakeholders, including the Chair, matters can be referred to the Committee of Trustees by the City of Melbourne CEO or the CEO of QVM Pty Ltd.

### **Agenda management**

It is intended that the Committee of Trustees will have the opportunity to give deep consideration to one identified strategic issue at each meeting.

Agendas for meetings will be divided into three sections:

1. Key strategic issues: forward agenda planner for the year will outline the key matters to be discussed.
2. A high level update from QVMPR Program and QVM will be tabled at each meeting.

3. Matters for information (to be kept in confidence): from time to time it will be useful for the Committee to be notified of important upcoming matters relating to QVM and QVMPR Program.
4. Other matters for consideration: committee members may wish to raise matters to be considered for strategic discussion and advice at future meetings. These will be added to the agenda if they meet the criteria for matters referred. If not they will be referred back to the appropriate body in the governance framework.

## **Roles and responsibilities**

### **Membership**

Members of the Committee of Trustees are:

- the Lord Mayor (Chair)
- two Council members
- two Council nominees who are QVM Pty Ltd appointed Board members
- three QVM traders
- two customer/community members.

All Committee members will be acting in an advisory capacity.

The QVM Statement of Shareholder Expectations, Corporations Law and the Protocols for Subsidiary Companies will continue to guide the role of the Council nominees from the QVM Pty Ltd Board.

Customer/community and trader membership will be selected on the basis of ability to provide a diverse scope of knowledge, skills, involvement, interest and experience of QVM, but are not required to represent and speak on behalf of particular groups.

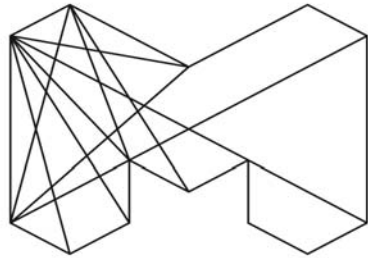
In accordance with the QVM Committee Terms of Reference, where a member of the Committee has a conflict of interest in relation to a matter that is being considered or discussed by the Committee, the member must disclose the interest to the Committee before the matter is considered or discussed at the meeting. Disclosure must include the nature of the relevant interest and be recorded in the outcomes of the meeting. Usual procedures will apply, including the member removing themselves from a particular discussion if appropriate.

### **Confidentiality and Communication**

QVM Committee of Trustee meetings will be closed to the public. Non-members will be invited from time to time at the Chair's discretion in accordance with the Committee's Terms of Reference.

Following each meeting a summary of the Committee advice will be compiled by the CoM CEO. This summary will be provided to Council as a confidential briefing paper.

The advice will be made public after consideration by Council.



**CITY OF MELBOURNE**

# **TERMS OF REFERENCE**

**CITY OF MELBOURNE**

**Queen Victoria Market Committee of  
Trustees**

**September 2018**

# 1. Overview

## Purpose

The Queen Victoria Market Committee of Trustees (Committee) will provide the highest source of strategic advice to the Melbourne City Council (Council) on both the Queen Victoria Market Precinct Renewal Program (QVMRP) and Queen Victoria Market ('QVM') operations.

Its purpose is to ensure a broad range of views are considered and to advise the Council on matters of strategic importance to the renewal or trading operations of the QVM.

## Background

The Council is committed to retaining and restoring the QVM's heritage as a fresh food icon and authentic market trading experience while improving facilities for traders, customers and visitors. Renewal will ensure that the market remains viable for future generations, and that small businesses continue to thrive and prosper in the market environment.

At this important time an opportunity exists to enhance the QVM governance arrangements to deliver:

- stronger trader, customer and community voice at the centre of Council stewardship and decision making regarding QVM renewal and operational matters
- much greater integration and alignment between QVM renewal and operations, ensuring that Council accountability is clear and that traders have clarity about how to engage.

## Role

The Committee provides ongoing advice to Council on matters of strategic importance to QVM renewal and or operations which reflects the views of the various stakeholder groups.

## Objectives

The Committee will:

- consider and provide advice on matters of strategic importance to both QVM renewal and QVM operations
- represent the views of all stakeholder groups
- engage with trader, customer and community expertise and knowledge of the market and the city
- build a sense of partnership with traders, customers and the community
- inform Council of key trader, customer and community perspectives



- provide a forum for constructively discussing and resolving issues
- facilitate effective flow of information between Council and its officers, the QVM Pty Ltd and stakeholders.

The Committee complements the existing structures in the governance framework which together are designed to:

- represent the views of all stakeholders
- engage with trader, customer and community expertise and knowledge of the market
- build a sense of partnership with key traders, customers and the community

The Committee will add strategic value to this framework by:

- considering and providing advice on matters of strategic important to both QVM renewal and operations
- bringing expertise and knowledge of the market and the city to their advice

The Committee will consider matters which:

- are strategic in nature
- have a major impact on the direction of the market, including both the renewal program or operations
- relate to Council decision making about long term objectives of the market
- have a material impact on trader, customer and community experience of the market precinct.

The Committee will not consider matters which are

- commercial in confidence
- involve legally sensitive issues
- involve QVMPR Program or QVM routine operational decisions
- are time sensitive and where referral will impede innovation or entrepreneurial activity
- involve matters pertaining to individual traders or customers
- are matters which are fully within the remit of the QVM Board

## **2. Membership**

### **Committee Members**

There will be ten members of the Committee comprising:

- the Lord Mayor
- two Councillors
- three QVM Traders
- two customer/community members
- two Council nominees, from the QVM Board P/L

One position is designated for Aboriginal or Torres Strait Islander applicants.

Each QVM Trader position is designated for applicants from a section of the market, being:

- fresh produce
- merchandise
- hospitality

In addition to its core members, the Committee may also from time to time call upon the expertise or participation of relevant Government advisors, Council staff including Aboriginal Melbourne staff Traditional Owner representatives, consultants, academics or other subject matter specialists.

Support functions will be performed by Council officers through a dedicated secretariat directly supporting the Committee.

## **Member expertise**

Committee membership will be sought on the basis of achieving a representation of a diverse range of people to represent stakeholder groups including traders, customers and community members.

Customer/community and trader members will have expertise and/or experience in one or more of the following areas:

- market trading
- retailing and small business
- tourism and the visitor economy
- an understanding of local community issues
- built environment and urban planning.

Trader, customer and community members will be selected by an expression of interest process run independently and recommended to Council.

Council nominees and Councillor representatives will be nominated by Council.

Council will ensure that the Committee represents the diversity of the Melbourne and market community in all respects, including gender balance.

## **Terms of Membership**

- Trader, customer and community members will be appointed following a formal expression of interest submission
- members will be appointed for one year renewable terms
- any member who fails to advise of an absence of three (3) meetings, in a calendar year, will be deemed to have resigned
- the Committee will discuss and decide appropriate protocols governing member behaviour, covering, for example:
  - handling of confidential matters

- welcoming alternative and constructive views to ensure a broad range of perspectives are considered.
- deliberate and continuous disruptive behaviour by a member may result in membership being terminated at the sole discretion of the Chair.
- vacancies will be filled as soon as possible
- Committee members will be required to undergo Police and/or Working with Children checks
- all members will participate in an induction process.

Support functions will be performed by Council officers.

## **Meetings of the Committee**

The Committee will meet at least six times annually and on special issues as needed.

Meetings will be held on an agreed work day at a location determined by the Chair.

The Committee will ensure that there are ongoing opportunities for members of the public to provide input into its work.

## **Council support for Committee members**

Trader and customer/community members will be provided with a sitting fee to be determined by Council.

Other resources will be provided by Council as required.

## **Review**

After an initial 6 months of operation, Council will commission an independent review of the Committee's operation. Should the objectives of the Committee not be realised at this time, Council will consider its options in an open and transparent way.

Generally, the Committee Terms of Reference will be reviewed at least annually and may be modified by Council through an open and transparent Council process.

## **Media**

The Chair of the Committee is the media spokesperson for the Committee.

## Reporting

The Committee will provide strategic advice through the Chairperson and will report to Council and its officers as needed.

## Protocols

As an appointed advisory committee of Council, the Committee will be chaired by the Lord Mayor.

## The roles and responsibilities of the Council:

- provide secretariat support
- provide induction for all members
- facilitate a collaborative meeting format
- support Committee members to fully engage in the issues under consideration by providing information from QVM Pty Ltd and the QVMPR in a timely and accessible manner
- co-opt additional support as required
- coordinate meetings, agenda and minutes.

Meetings will include management representatives from the Council and QVM Pty Ltd who have significant responsibility for planning, decision making, service delivery and implementation of policy and programs in relation to QVM activities.

## The roles and responsibilities of Committee members:

- be fully prepared for meetings
- agree to participate in a collaborative meeting format
- bring personal, professional knowledge and broad community experience to the table
- consider and raise relevant issues, proposals and ideas
- provide informed advice and guidance
- work together to achieve consensus where possible, and to clarify issues that remain disagreed where necessary.

## Code of Conduct and interest provisions:

In performing the role of a member, a Committee member must:

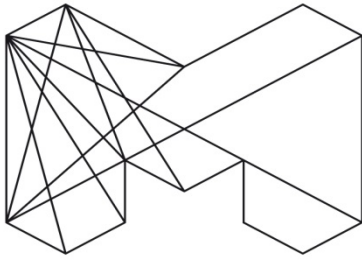
- act honestly

- exercise reasonable care and diligence
- not make improper use of their position
- not make improper use of the information acquired because of their position
- adhere to City of Melbourne Code of Conduct.

Where the member of the Committee has an interest or conflict of interest in relation to a matter in which the Committee is concerned, or is likely to be considered or discussed, the member must disclose the interest to the Committee before the matter is considered or discussed at the meeting. Disclosure must include the nature of the relevant interest and be recorded in the minutes of the meeting.

### **Confidential and sensitive information:**

- Members are expected to comply with the confidential information provisions contained in Sections 77 and 89 of the *Local Government Act 1989*.
- Members must treat information they receive as confidential unless otherwise advised. The documents presented to the Committee will often be in draft format and not ready for wider community distribution.
- Members must not use confidential information other than for the purpose of performing their function as a member of the Committee.
- Draft documents cannot be referred to or used in presentations or in the private or working roles of members.



## **CITY OF MELBOURNE**

### **Guidelines for Expressions of Interest for QVM Committee of Trustees**

This document should be read in conjunction with the Terms of Reference for the Committee of Trustees.

Expressions of Interest (EOI) for a one year renewable appointment are sought for the following position on the Committee of Trustees:

- 2 community/customer designated positions
- 3 trader designated positions

Each EOI should be submitted with:

- a clear statement against how the individual meets the perspectives outlined in the skill set and capability criteria (no more than 500 words);
- a summary of how the individual meets the mandatory criteria (no more than 500 words).

### **Skill set and Capability Criteria**

EOIs will be selected against the following criteria:

Each member will represent one or more of the following perspectives:

- market customer (past, present)
- traders
- Aboriginal people (one position on the CoT is designated for an Aboriginal person)
- local resident
- local businesses (in the area surrounding the market)
- city workers
- tourism industry
- families with children
- young people aged 18-25
- students
- seniors
- people with disability
- diverse background
- heritage specialists or enthusiasts
- sustainability and open space
- built environment and urban planning
- tourism and the visitor economy
- an understanding of local community issues

All members are to be selected on the basis of their ability to represent a diverse range of knowledge, skills, involvement, interest and experience to the Queen Victoria Market.

Recruitment for all positions will highly regard applications that respond to several of the points above.

**Mandatory selection criteria:**

In addition to the terms of membership outlined in the Committee Terms of Reference:

All nominees must be of **good character**. They must:

- have personal integrity and be able to maintain confidences; and
- not bring CoM or QVM into disrepute.

All nominees must be **mature and of sound temperament**. They must:

- be open-minded and willing to consider the views and advice of others;
- have proven ability and experience in consensus building, collegiality; and
- have experience in finding common ground in group environments.

All nominees must show **commitment and reliability**. They must:

- be able to attend up to six meetings per year
- commit to read and prepare for meetings as required.

A condition of submitting an EOI will be that the name of the nominee can be made public.

All nominees must agree to undertake **capacity building** from time to time. An initial compulsory induction provided to CoT members upon commencement, with optional capacity building offered to support members to fulfil their role and maximise their work on the committee.

All nominees must be willing to sign a Code of Conduct about appropriate behaviour.

**Trader members**

The EOI is open to all traders. All trader members must not be in arrears to submit an EOI.

**Designated Aboriginal position**

Under section 12 of the *Equal Opportunity Act 2010* this opportunity to appoint an Aboriginal person has been considered as a special measure and therefore is designated to Aboriginal or Torres Strait Islander applicants on this occasion.

**Selection process**

An Request for Proposal for a suitably qualified recruitment company is being finalised to assess the EOIs.

After assessment against the selection criteria, the independent consultant will provide CoM management with:

- up to 9 options for the designated trader positions (3 for each section of the market)
- up to 6 options for the community positions
- a list of all EOIs deemed suitable for the positions
- a list of all EOIs received

In order to complete the assessment, the independent consultant will be provided with a summary of the skill set and capabilities of the other Committee members to ensure the final skill mix is appropriate.

Council will appoint members to the Committee in an open and transparent session.



## Queen Victoria Market Pty. Ltd.

### Statement of Shareholder Expectations September 2018

The Queen Victoria Market has a proud history, having continuously traded for more than 140 years. Home to more than 650 independently owned businesses that the City values and supports, Queen Victoria Market is renowned for its multicultural community of market traders and its unique offer, with affordability, authenticity, fresh produce and diversity of merchandise underpinning the long held traditions of Melbourne's marketplace.

Through the Queen Victoria Market Precinct Renewal Program (QVMPR), the City of Melbourne has committed to securing Queen Victoria Market as a traditional open air market – retaining its heritage and traditions by equipping it to sustainably meet trading requirements into the future and safeguarding its position as one of Australia's premier tourist destinations.

This Statement of Expectations (SOE) is issued by the City of Melbourne as the sole shareholder of Queen Victoria Market Pty. Ltd ('QVM'). It replaces any previous statements provided to the company.

This SOE outlines the City of Melbourne's expectations of the operations and performance of QVM during the QVM renewal period, or until otherwise amended. The SOE will be updated from time to time to reflect the City of Melbourne's policy positions.

The SOE covers the following City of Melbourne objectives.

- Continuing to support customers and traders;
- Retaining the Market's heritage and traditions;
- Meeting social and environment outcomes; and
- Ensuring effective governance and financial oversight

#### **SUPPORTING CUSTOMERS AND TRADERS**

- 1) Recognise, protect and expand the Market's original and primary role as a fresh food market.
- 2) Enhance the customer experience and ensure customers continue to view the Queen Victoria Market as relevant.
- 3) Support existing traders during renewal by ensuring average annual increases in fees are based on current lease and licence provisions.
- 4) Support traders to further develop their businesses, including working with traders to develop and implement a Trader Transition Plan and Trader Support Program during the QVMPR Program.

- 5) Ensure trading and retail space supports independent retail and small to medium sized businesses, not large chains or supermarkets.

#### **RETAINING THE MARKET'S HERITAGE AND TRADITIONS**

- 6) Demonstrate stewardship in preserving the Market as one of the great open air markets of the world, retaining its heritage, traditions, unique offer, diverse community of market traders, gritty atmosphere and authenticity into the future.
- 7) Work collaboratively with the City of Melbourne, traders and the community to ensure the historic and pre and post European cultural heritage of the market is preserved.

#### **SOCIAL AND ENVIRONMENT OUTCOMES**

- 8) Demonstrate efforts to reduce waste and minimise environmental impacts in market operations.
- 9) Engage with the local community to ensure high levels of local ownership and activation.

#### **EFFECTIVE GOVERNANCE AND FINANCIAL OVERSIGHT**

- 10) Ensure the company is financially sustainable and self-sufficient with the aim of breakeven during renewal after allowing for trader support.
- 11) Ensure effective operating models and controls are in place to minimise financial, probity, procurement, security and OHS risks to the CoM. This includes abiding by relevant City of Melbourne policies and processes.
- 12) Work collaboratively with the City of Melbourne management to deliver the key benefits outlined in the QVMPR Program Business Case and other relevant strategic documentation and continue to engage to ensure strong alignment between QVM activities and the City of Melbourne's policy positions.
- 13) Consider the advice of the Queen Victoria Market Committee of Trustees.

These expectations describe the City and QVM's shared strategic objectives. Within this strategic context, the Board and company will primarily focus on operational, financial, risk and customer and trader engagement issues and will formulate strategies and plans to deliver on these issues.

The CoM will publish the QVM Statement of Shareholder expectations on its website.

**Committee of Trustees Proposed Meeting Schedule**

<b>Inaugural meeting</b>	18 December 2018, 3 – 5.30pm
<b>Meeting 1 2019</b>	12 February 2019, 3 – 5.30pm
<b>Meeting 2 2019</b>	9 April 2019, 3 – 5.30pm
<b>Meeting 3 2019</b>	11 June 2019, 3 – 5.30pm
<b>Meeting 4 2019</b>	10 September 2019, 3 – 5.30pm
<b>Meeting 5 2019</b>	12 November 2019, 3 – 5.30pm
<b>Meeting 6 2019</b>	10 December 2019, 3 – 5.30pm