

**Queen Victoria Market Precinct Renewal (QVMPR) Program Reserve
Quarterly Report**

Council

Presenter: Joanne Wandel, QVMPR Program Director

27 March 2018

Purpose and background

1. The purpose of this report is to provide a progress update to Council on the Queen Victoria Market Precinct Renewal (QVMPR) Program Reserve for the period ending 28 February 2018.

Key issues

2. Total QVMPR funding approved since the establishment of the fund in December 2015 is \$75.487 million. With total QVMPR Program expenditure to date at \$15.458 million, the reserve at 28 February 2018 is \$60.029 million. Refer Attachment 2 for full financial summary.
3. Expenditure to date excludes Council's acquisition of the 'Munro' site on the corner of Queen and Therry streets in July 2015 for \$76 million (plus transaction costs and taxes). The Munro site is currently recognised as a separate asset in Council's balance sheet
4. As endorsed in the Implementation Framework, key project elements delivered by the QVMPR Program from the period October 2017 to February 2018 include:
 - 4.1. Town Planning and Heritage Permit applications were lodged for the dismantling, repair and reinstatement of the western sections of the Sheds A to D, and for the below ground operational areas in the upper market.
 - 4.2. The Deed of Variation to the Munro Site Development Deed was executed in December 2017. Development Approval applications were lodged by PDG Corporation also in December 2017.
 - 4.3. The evolution of the design of the New Market Pavilion, taking into account QVM Pty Ltd and trader feedback to improve trading and operational flexibility. The proposed smaller temporary pavilion will have less consequence on local amenity and the general area. An amendment to the existing Town Planning Permit (granted 5 June 2017) was lodged in January 2018 and is currently under assessment.
 - 4.4. The finalisation of the Continuing Business Framework Terms of Reference and Establishment Rules, commencement of the appointment of the Advisory Committee and finalisation of the Trader Support Program.
 - 4.5. In January 2018, the Green Building Council of Australia advised that the QVMPR Program has been awarded a 6 Star – Green Star – Communities PILOT v0.2 certified rating, the first local government program to receive this accreditation. This is the highest level achievable and represents 'world leadership' in environmental sustainable building practices.
 - 4.6. Preliminary archaeological test trench investigations were undertaken in Sheds A to C from November 2017 to February 2018. All investigation sites were located outside the Old Melbourne Cemetery boundary and were intended to identify any evidence of former buildings such as the Volunteer Rifle Corps' Orderly Room and Fulton Street. Preliminary findings show evidence of the bluestone foundations and garden bed of the 1870s Orderly Site. Further investigative works will continue in mid -2018, subject to approvals.
 - 4.7. The development of a research framework to regularly track trader and customer sentiment, and the conclusion of an ethnographic research project to further understand and document the intangible values of the market and to assist in minimising the impact of renewal works.

Recommendation from management

5. That Council accepts the Queen Victoria Market Renewal Program Reserve report as at 28 February 2018 which shows a reserve balance of \$60.029 million.

Attachments:

1. Supporting Attachment(page 2 of 3)
2. Queen Victoria Market Precinct Renewal (QVMPR) Program Financial Summary (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. 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. Internal consultation with relevant branches of Council has been undertaken in the preparation of this report.

Environmental sustainability

5. Delivery of the QVMPR Program will allow for the development of a sustainable Queen Victoria 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 Masterplan.

Queen Victoria Market Precinct Renewal (QVMPR) Program Reserve Summary

Item	Authorisation for inclusion in QPR	QVM Renewal Project Funding (\$M)
2013-14 Underlying Surplus	Council resolution (29 April 2014)	1.200
2014-15 Annual Plan and Budget allocation	Council adopted budget (24 June 2014)	0.500
2014-15 Gains from the sale of surplus or redundant land holdings.	Council resolution (29 April 2014)	1.477
2014-15 Once off contribution from higher than budgeted underlying surplus	Council resolution (25 August 2015)	8.000
2015-16 Annual Plan and Budget allocation	Council adopted budget (30 June 2015)	4.635
2016-17 Gains from the sale of the City Square Car park	Council resolution (29 April 2014)	30.625
2016-17 Once-off contribution from higher than budgeted underlying Surplus	Council resolution (25 August 2015)	0.889
2017-18 Annual plan and Budget allocation	Council adopted budget (30 June 2017)	28.161
Total funding approved to date*		75.487
Item		QVM Renewal Project Expenditure (\$M)
2014-15 QVM Renewal expenditure to 30 June 2015		-2.306
2015-16 QVM Renewal expenditure to 30 June 2016		-4.262
2016-17 QVM Renewal expenditure to 30 June 2017		-5.350
2017-18 QVM Renewal expenditure to 28 February 2018		-3.540
Total expenditure to date*		-15.458
Remaining reserve balance as at 28 February 2018		60.029

*excluding the Munro site

Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure

Area	Business Case Budget	Program Total Expenditure	FY 17/18 YTD Expenditure
Transitional accommodation (New Market Pavilion) & Precinct Enhancements	6,801,000	1,293,303	333,801
QUARTER 1	43,528,000	-	-
QUARTER 2	107,913,000	1,931,545	1,110,355
QUARTER 3	83,669,000	22,500	22,500
QUARTER 4	39,750,000	406,160	99,162
Utilities and contaminated soil removal	6,393,000	641,072	222,320
Program delivery	20,709,998	11,040,273	1,756,341
GROSS TOTAL	308,763,998	15,334,853	3,544,479
Revenue from asset sales	(70,000)	-	-
NET TOTAL	238,763,998	15,334,853	3,544,479