

**Management report to Council**

Agenda item 6.2

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

Council

Presenter: Joanne Wandel, QVMPR Program Director

27 August 2019

**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 (Reserve) for the period ending 30 June 2019.

**Key issues**

2. Total QVMPR funding approved since the establishment of the Reserve in December 2015 is \$95.272 million. Of the total funding approved, \$36.715 million has been returned as a consequence of underspent budget in 2017-18 and 2018-19, bringing the revised Reserve funding to \$58.557 million. The return of this funding does not affect the overall QVMPR Program net budget which remains at \$250 million. With the total QVMPR Program expenditure to date at \$23.384 million, the Reserve balance at 30 June 2019 is \$35.173 million. Refer to Attachment 2 and Attachment 3 for a breakdown of the Reserve balance and program expenditure.
3. The key project elements delivered by the QVMPR Program for the period of March 2019 to June 2019 include:
  - 3.1. Planning for the on-site repair, conservation and restoration of the market's open air heritage sheds is a key renewal project and a recommendation included in the People's Panel Report. On 27 March 2019, a permit exemption was issued by Heritage Victoria for conservation and restoration works in Sheds A to D and H and I. Following the receipt of the exemption, the QVMPR project team obtained quotes from builders in April 2019 to trial the proposed conservation works at the western halves of Sheds A to C. A separate permit application was being prepared for the balance of shed restoration works with lodgement anticipated in August 2019.
  - 3.2. At the Future Melbourne Committee meeting on 2 April 2019, Council endorsed Option A as the preferred option and requested management to undertake detailed design on the provision of market infrastructure in Queen Street, considering logistics and OH&S, legal requirements and State Agreement implications, C308 planning requirements, operational implications and costings, with the further analysis to be presented to a future Council meeting for approval. Proposed designs for purpose built storage at traders' stalls will also be presented to Council for consideration, following extensive consultation with traders.
  - 3.3. An in-depth discussion on weather protection solutions occurred in April 2019 at the Trader Representative Committee (TRC) meeting. The QVMPR project team has developed a design brief in response to TRC feedback, with a design team now preparing options for trader input.
  - 3.4. Following demolition and façade retention works, archaeological investigations on the Munro site were complete in April 2019. No Aboriginal artefacts or cultural heritage deposits were found during this phase of the project, however the project archaeologists' unearthed evidence of Melbourne's early landscape and environmental history including the existence of a creek line running through the site. Piling and bulk excavation works for the underground car park commenced in late April 2019, with these works to continue until November 2019.
  - 3.5. Delivery and installation of the 12 new retail containers in the String Bean Alley occurred in May 2019, with the launch of the new trading spaces on 19 July 2019. The new containers add more retail space and allow for an expanded retail offer at the market, providing weather protection and storage for traders, while attracting more customers to this part of the market.
  - 3.6. The new pedestrianised Queen Street Plaza was complete in May 2019, with twenty large fruit trees, umbrellas and more seating were installed between the current toilet block and F to M sheds. More seating and greening is one of the most common suggestions to improve the market and was a key recommendation from the People's Panel Report.
  - 3.7. A contract has been executed for the supply and installation of organic waste recycling equipment in currently unoccupied space within Shed A. The 12-month trial, to commence in September, will manage approximately 25% of the market's organic waste, as currently the market does not have any onsite treatment facility. Data from the 12 month trial will help inform the market's future waste and organic recycling approach to be delivered through the QVMPR Program.

**Recommendation from management**

4. That Council accepts the Queen Victoria Market Precinct Renewal Program Reserve report as at 30 June 2019 which shows a reserve balance of \$35.173 million.

**Attachments:**

1. Supporting Attachment (Page 2 of 4)
2. Queen Victoria Market Precinct Renewal (QVMPR) Program Reserve Summary (Page 3 of 4)
3. Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure Summary (Page 4 of 4)

**Supporting Attachment**

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**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.

**Occupational 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 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 Master Plan.

## 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                                |
| 2018-19 Annual plan and budget allocation                                  | Council adopted budget (30 June 2018)                       | 19.785                                |
| <b>Total funding approved to date*</b>                                     |   | <b>95.272</b>                         |
| Less 2017-18 Annual plan and Budget allocation unspent                     |   | -22.351                               |
| Less adjustment to 2018-19 Annual Budget (1st & 2nd Quarters)              | Council Resolutions (27 November 2018 and 26 February 2019) | -14.364                               |
| <b>Total funding approved after funding returns*</b>                       |   | <b>58.557</b>                         |
| 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 30 June 2018                            |   | -5.810                                |
| 2018-19 QVM Renewal expenditure to 30 June 2019                            |   | -5.656                                |
| <b>Total expenditure to date (excluding the Munro site acquisition)</b>    |   | <b>-23.384</b>                        |
| <b>Remaining reserve balance as at 30 June 2019</b>                        |   | <b>\$35.173</b>                       |

## Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure at 30 June 2019

| Area   | Business Case Budget (\$m) | Program Total Expenditure (\$m) | FY 18/19 YTD Expenditure (\$m) |
|--|----------------------------|---------------------------------|--------------------------------|
| Transitional trader accommodation and precinct enhancement projects            | 6.801                      | 1.862                           | 0.450                          |
| QUARTER 1 (Sheds H and I, Meat, Fish and Dairy Halls, Food Court and Terraces) | 43.528                     | 0.057                           | 0.041                          |
| QUARTER 2 (Sheds A – E and Terraces)   | 107.913                    | 3.230                           | 1.010                          |
| QUARTER 3 (Sheds J - M, String Bean Alley and Future Public Spaces)            | 83.669                     | 0.609                           | 0.480                          |
| QUARTER 4 (Munro and Southern Development mixed use sites)                     | 39.750                     | 0.514                           | 0.063                          |
| Utilities and contaminated soil removal  | 6.393                      | 0.652                           | -                              |
| Program delivery   | 20.710                     | 16.460                          | 3.612                          |
| <b>GROSS TOTAL</b>   | <b>308.764</b>             | <b>23.384</b>                   | <b>5.656</b>                   |
| Revenue from asset sales   | (70.000)                   | -                               | -                              |
| <b>NET TOTAL</b>   | <b>238.764</b>             | <b>23.384</b>                   | <b>5.656</b>                   |