

**Management report to Council****Agenda item 6.3****Queen Victoria Market Precinct Renewal Program –  
Quarterly Report****Council****Presenter:** Roger Teale, General Manager Property, Infrastructure and Design**30 August 2022****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 June 2022.

**Key issues**

2. As at 30 June 2022, the total QVMPR program expenditure since 2013 is \$96 million and the total expenditure for financial year 2021-22 is \$13 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Delivery of the \$50 million 2021-22 budget was impacted by the delayed Market Infrastructure project, re-scheduling the Franklin Street streetscape and Heritage shed restoration timing.
4. Since the last report to Council in May 2022 for the period January to March 2022, key project elements delivered by the QVMPR program for the period April to June 2022 include:
  - 4.1. **Food Hall** – works on the new Food Hall are progressing with the installation of underground services and structural footings now complete. Following the completion of the major concrete pours, structural steel work will follow, achieving significant project milestones.
  - 4.2. **Heritage shed restoration** – in mid-August 2022 fruit and vegetable traders returned to the newly refurbished Sheds A and B. This represents a significant achievement with three quarters of the sheds now restored. The Heritage shed restoration project has entered Stage 4 with the commencement of the restoration of Sheds E and F and essential services in Shed C.
  - 4.3. **Market infrastructure**
    - 4.3.1. Essential trader services – the returned traders in Sheds A and B are now benefitting from improved fresh produce trader facilities such as essential services, including power and running water for compliance to food, health and safety regulations. Works on essential trader service works in Shed C which includes power, running water and organic waste infrastructure is the next phase following the return of traders to Sheds A and B.
    - 4.3.2. Trader Shed and Northern Shed – due to current market conditions with ongoing supply constraints and long lead times, the procurement approach has been expanded to include specialist advice, and value and supply chain management to ensure successful project delivery. Ongoing planning for construction and management of daily market operations is continuing for works to commence in 2023.
  - 4.4. **Market Square** – located adjacent to the pop-up park, the section of the market's open air car park that will be occupied by experimental arts space Testing Grounds, has been asphalted with construction to follow. Testing Grounds will deliver an activation program designed to draw visitors to the market. The Market Square pop-up is funded through the Melbourne City Recovery Fund.
  - 4.5. **Munro** – seven hospitality venues have been secured for the Munro development. Joining the previously opened Re-Wine, Only Mine Chocolate is offering decadent handmade delights. Other new venues will include Brick Lane Market one of Australia's largest independent craft brewers and ST ALi and The Queen by speciality coffee roasters ST ALi who will offer breakfast and lunch, before switching to cocktails in the evening. Market Lane Coffee will open its third cafe in the market precinct and the popular Albert Park venue Moonfishh will offer a full sensory sushi experience using fresh and seasonal market produce.

The Munro building has achieved five star Green Star (core and shell) accreditation from the Green Building Council of Australia. A range of environmental sustainable design (ESD) initiatives have been incorporated into this exemplar development including increased energy efficiency, indoor air quality, acoustic comfort and other ESD initiatives.

- 4.6. **Southern Site** – progress on the Southern Site divestment process continues with the appointment of a preferred developer on track to occur at the conclusion of the commercial-in-confidence process in the last quarter of 2022.

**Recommendation from management**

5. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total program expenditure of \$96 million as at 30 June 2022.

**Attachments:**

3. Attachment 1 (Page 3 of 4)
4. Attachment 2 QVMPR Program expenditure (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. Michael Tenace, the General Manager Finance and Corporate is a Board director 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 aligns 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 June 2022

Works package	Total Program budget (\$m)	Expenditure (\$m)	
		Program spend to date	Program spend FY 2021-22
Transitional trader accommodation and precinct improvements	1.71	1.71	0.0
Quarter 1: Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces	67.01	9.49	4.70
Quarter 2: Shed restoration, Trader format improvements	56.37	26.07	5.41
Quarter 3: String Bean Alley, Market Square, Southern Site and Franklin Street streetscapes	76.33	3.63	1.08
Quarter 4: Munro Site	32.95	33.09	0.30
Utilities and contaminated soil removal	2.91	0.90	0.02
Program delivery	30.31	21.12	1.52
<b>GROSS TOTAL</b>	<b>267.59</b>	<b>96.00</b>	<b>13.04</b>