

**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

**26 June 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 31 May 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 \$16.891 million, the reserve at 31 May 2018 is \$58.596 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 March 2018 to May 2018 include:
  - 4.1. The approval of the PDG Corporation Pty Ltd Stage 1 Development Plan and Planning Permit for the Munro site by the Planning Minister in May 2018. The Munro development will incorporate \$70 million worth of community facilities for City North, with the population of this precinct predicted to increase by 22,000 within the next 22 years. The community facilities include 56 affordable housing units, a 120 place childcare facility, integrated family services, community centre and kitchen, city room gallery and complementary retail. The City of Melbourne will also relocate 500 car parking spaces under the Munro development from the existing asphalt customer car park in Franklin Street, creating 1.5 hectares of new public open space – the largest public space created in the central city since Birrarung Marr. Site preparation works will commence from July 2018.
  - 4.2. The appointment of members to the Trader Support Fund Advisory Committee and commencement of business mentoring services for traders delivered by the Small Business Mentoring Service as part of the broader Trader Connect Program.
  - 4.3. The commencement of City Ambassador customer service activities on site and the planning for an integrated visitor hub in String Bean Alley for delivery in July 2018.
  - 4.4. The progression of precinct enhancement works including weather protection in J Shed, Queen Street toilet refresh, Elizabeth Street streetscape enhancement works and greening across the market.
  - 4.5. The finalisation of three Cultural Heritage Management Plans for the precinct.

**Recommendation from management**

5. That Council accepts the Queen Victoria Market Renewal Program Reserve report as at 31 May 2018 which shows a reserve balance of \$58.596 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**

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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.

**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 31 May 2018		-4.973
Total expenditure to date*		-16.891
<b>Remaining reserve balance as at 31 May 2018</b>		<b>58.596</b>

\*excluding the Munro site

## Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure

At 31 May 2018

Area	Business Case Budget (\$m)	Program Total Expenditure (\$m)	FY 17/18 YTD Expenditure (\$m)
Transitional accommodation (New Market Pavilion) & Precinct Enhancements	6.801	1.407	.447
QUARTER 1	43.528	-	-
QUARTER 2	107.913	2.058	1.236
QUARTER 3	83.669	.066	.066
QUARTER 4	39.750	.419	.112
Utilities and contaminated soil removal	6.393	.652	.233
Program delivery	20.710	12.289	2.879
<b>GROSS TOTAL</b>	<b>308.764</b>	<b>16.891</b>	<b>4.973</b>
Revenue from asset sales	(70.000)	-	-
<b>NET TOTAL</b>	<b>238.764</b>	<b>16.891</b>	<b>4.973</b>