

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

Council

Presenter: Joanne Wandel, QVMPR Program Director

26 February 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 for the period ending 30 November 2018.

Key issues

2. Total QVMPR funding approved since the establishment of the Reserve in December 2015 is \$72.921 million. With total QVMPR Program expenditure to date at \$19.595 million, the reserve at 30 November 2018 is \$53.326 million. Refer Attachment 2 for full financial summary.
3. The key project elements delivered by the QVMPR Program for the period August 2018 to November 2018 include:
 - 3.1. Control of the Munro Site was transferred to PDG Corporation Pty Ltd on 20 November 2018 under terms outlined in the Development Lease. The first stage of construction of the Council community hub and affordable housing have commenced, including internal demolition, hazardous materials removal and gantry facade protection works. The development will deliver \$70 million in community facilities and 500 market car parking spaces and 56 Affordable Housing units.
 - 3.2. In August 2018 the Future Melbourne Committee resolved to undertake a deliberative engagement approach, in the form of a People's Panel (Panel), to work with heritage representatives, traders, customers, community members, and other key stakeholders on options for the provision of market infrastructure and car parking. The panel met over six workshops between October and November. The deliberations of the Panel formed the People's Panel Report, which provided 14 recommendations to Council and a minority report.
 - 3.3. Planning is well underway for the on-site repair, conservation and restoration of the market's open air heritage sheds, a key renewal project and a recommendation included in the People's Panel Report. Heritage architects and specialist technical consultants have completed an audit of Sheds A-D and H and I, with an audit of Sheds E to M to occur in February 2019. A permit to undertake the on-site works to Sheds A-D and H and I is proposed to be lodged with Heritage Victoria in the second quarter of 2019.
 - 3.4. Works to improve the safety and appearance of the market, and to provide better amenity for traders and customers, continue to be delivered on site in accordance with the QVMPR Program Implementation Framework:
 - i. An upgrade to the existing Queen Street amenity block.
 - ii. The installation of 32 containerised trees in the laneway between Shed A and the Victoria Street terraces to provide greenery and attract more customers to this key part of the market.
 - iii. As a direct result of trader feedback, new festoon lighting was installed in front of the Elizabeth Street shopfronts to improve the atmosphere, visual appearance and customer experience
 - iv. Shade cloth was installed across the length of J Shed to provide improved heat and glare protection for traders and customers. This followed a trial and survey of traders, with 76 per cent of J Shed traders strongly supporting the initiative. New temporary lighting was also installed to brighten the area.
 - 3.5. The QVM Visitor Hub in String Bean Alley was officially opened to the public, following a formal launch event in November 2018. City Ambassadors are now based at the hub and continue to provide assistance to visitors at the market. In the period since the hub opened on the 16 November to 30 November, there were 5,369 visitor contacts.
 - 3.6. In late September 2018, an application was made to Heritage Victoria to temporarily install 12 new trader containers in String Bean Alley, completing the laneway and creating a two-sided retail strip. The new containers will 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.

- 3.7. The Trader Lounge was opened on 18 September 2018, as part of the broader Trader Connect Program. The Small Business Mentoring Service (SMBS) now operates from the Trader Lounge and continues to provide business planning, advice and mentoring to all market traders. To the end of November 2018, the SBMS has delivered 556 'meet and greets' with traders, 186 mentor sessions and four workshops in the new Trader Lounge.

Recommendation from management

4. That Council accepts the Queen Victoria Market Renewal Program Reserve report as at 30 November 2018 which shows a reserve balance of \$53.326 million.

Attachments:

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

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.

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
Less 2017-18 Annual plan and Budget allocation unspent		-22.351
2018-19 Annual plan and budget allocation	Council adopted budget (30 June 2018)	19.785
Total funding approved to date*		72.921
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 November 2018		-1.867
Total expenditure to date*		-19.595
Remaining reserve balance as at 30 November 2018*excluding the Munro site acquisition		53.326

Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure at 30 November 2018

Area	Business Case Budget (\$m)	Program Total Expenditure (\$m)	FY 18/19 YTD Expenditure (\$m)^
Transitional trader accommodation and precinct enhancement projects	6.801	1.397	.174
QUARTER 1 (Sheds H and I, Meat, Fish and Dairy Halls, Food Court and Terraces)	43.528	.057	.041
QUARTER 2 (Sheds A – E and Terraces)	107.913	2.523	.242
QUARTER 3 (Sheds J - M, String Bean Alley and Future Public Spaces)	83.669	.278	.157
QUARTER 4 (Munro and Southern Development mixed use sites)	39.750	1.285	.062
Utilities and contaminated soil removal	6.393	.867	-
Program delivery	20.710	13.188	1.191
GROSS TOTAL	308.764	19.595	1.867
Revenue from asset sales	(70.000)	-	-
NET TOTAL	238.764	19.595	1.867

^note line item costs from the end August 2018 report have been adjusted to correct error. Total costs have not changed.