

**Management report to Council**

Agenda item 6.3

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

Council

Presenter: Roger Teale, General Manager Infrastructure and Design

31 August 2021

**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 financial year ending 30 June 2021.

**Key issues**

2. As at 30 June 2021, the total QVMPR Program expenditure since 2013 is \$82.9 million and the total expenditure for financial year 2020-21 is \$43.36 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Since the last report to Council in May 2021, key project elements delivered by the QVMPR program for the period May to July 2021 include:
  - 3.1 **Heritage shed restoration** – The restoration of the market’s heritage sheds has reached the mid way point with six of the 12 sheds now restored. The project has moved to Stage 3, with upper market fruit and vegetable traders temporary relocation to the recently completed sheds C and D. Works are scheduled for completion in December 2021, with traders returning prior to Christmas. In addition, over 800 solar panels have now been installed, generating energy and helping the market to reduce its environmental footprint.
  - 3.2 **Southern Site** – A two stage divestment process for the Southern Site commenced with the release of an Expression of Interest on 24 June 2021. The EOI stage has concluded and an evaluation process is being undertaken to determine the preferred shortlist to progress to the next stage. The appointment of a preferred developer is expected at the conclusion of the commercial in confidence process in 2022.
  - 3.3 **Munro Site** – Another major milestone was achieved with the 500 space basement carpark for market customers officially opening on Friday 9 July (see Attachment 3). Internal fit out works are continuing with the Community Hub base building and affordable housing units due for handover in late August 2022. Stage 2 (hotel and Mirvac build to rent apartments) scheduled for completion approximately October 2022.
  - 3.4 **Trader Shed and Northern Shed** – Along with Heritage Victoria (HV) permits, planning permits have now been issued for both facilities enabling construction to progress. Alongside finalising permit conditions and construction documentation, delivery coordination and management of daily market operations is being developed with an expert consultant team. Trader and stakeholder engagement is underway to help shape the final approach.
  - 3.5 **Market Square** – As a result of funding through the Melbourne City Recovery Fund, the phased delivery of public open space has commenced. A portion of existing asphalt car parking will be transformed into a welcoming green space and activation area offering a fully flexible testing ground for a range of unique place-making opportunities to drive visitation and economic activation across the precinct and surrounds seven days a week (see Attachment 3). The green space is anticipated to be complete in October with the activation area to follow.
  - 3.6 **Food Court** – A permit application was lodged with HV on 9 July 2021 for improvement works to the 1990s Food Court designed to create a warm and inviting dining area to attract more customers with more seating, a flexible layout, greenery, new flooring and roof. A two week public advertising period occurred between 4 – 17 August and, subject to HV approval, works are anticipated to commence in early 2022.

**Recommendation from management**

4. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total program expenditure of \$82.9 million as at 30 June 2021.

**Attachments:**

1. Supporting Attachment (Page 2 of 4)
2. QVMPR Program expenditure (Page 3 of 4)
3. Project highlights (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. Rob Adams, the Council's City Architect and Michael Tenace, the General Manager Finance and Corporate are Board directors 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 align 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 2021

Work packages	Budget (\$m)*	Expenditure (\$m)	
		Program Total	FY2020/21
Transitional trader accommodation and precinct improvements	1.70	1.71	-
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	67.01	4.8	.43
QUARTER 2 (Shed restoration, Trader format improvements)	56.37	20.65	15.57
QUARTER 3 (String Bean Alley, Market Square, Southern Site and Franklin Street streetscape)	76.33	2.55	0.59
QUARTER 4 (Munro Site)	32.95	32.8	25.11
Utilities and contaminated soil removal	2.91	0.88	-
Program delivery	30.31	19.6	1.63
<b>GROSS TOTAL</b>	<b>268</b>	<b>82.99</b>	<b>43.33</b>

\*Note: Following targeted savings from expenditure identified as part of the 2020/21 Annual Plan, the overall Queen Victoria Market Precinct Renewal budget was revised from \$308 million gross to not more than \$268 million gross. Costs savings have been made across the overall program to ensure delivery of the renewal against the 2015 Master Plan. An updated Business Case reflecting the revised budget will be presented for Council's consideration in 2021.

## Queen Victoria Market Precinct Renewal (QVMPR) Project highlights

### 1. Munro Car Park Opening



Figure 1 – The 500 space Queen Victoria Market customer car park was officially opened by the Lord Mayor on 9 July 2021. The Lord Mayor was joined by Councillors, Board members and staff of the Queen Victoria Market, market traders and representatives from PDG Corporation and Six Degrees Architects.



Figure 2 – Artist impression of the new pop up park that will be installed near Queen Victoria Market. The pop up will transform asphalt car parking spaces into green open space for market visitors and the local community to enjoy.