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FOQVM Submission re VHR H0734.

1. The application should be refused because the process did not allow the proper consultation and response by the interested parties

1.1 FOQVM appreciate the time extensions. However, we consider the volume of documentation provided by CoM (12 lengthy documents) was impossible to access for many traders, who are the most impacted by this application. All this documentation was only made available online or by visiting a City office.

1.2 The CoM Planning Application for the same structures (including another 6 long documents) was advertised simultaneously.

1.3 The lack of translation into trader languages of any of the information or documents made these proposals even more inaccessible to many traders.

2. The application should be refused because Heritage Victoria should assess the alterations in terms of the effects of the whole project, not piece by piece.

2.1 These plans are only one element of the ‘renewal’ project of the QVM. There was insufficient material provided with this application (and in spite of the excessive volume of documents), in order to enable a reasonable assessment of the impacts of the whole renewal project on the heritage significance of the QVM.

3. The application should be refused because the current proposal does far more than change what is necessary for conservation purposes.

3.1 This proposal should be refused because The Burra Charter suggests that good conservation requires “*a cautious approach of changing as much as necessary but as little as possible*” (Article 3).

The Victorian Heritage Register notes: *The Queen Victoria Market is of architectural significance for its remarkably intact collection of purpose built nineteenth and early twentieth century market buildings, which demonstrate the largely utilitarian style adopted for historic marketplaces.*

Lovell Chen's (2017) Conservation Management Plan (CMP) notes: *‘The Queen Victoria Market continues to operate today as a city produce and general market, and exhibits a high degree of authenticity in its practices, which provide a tangible link to their origins in the nineteenth century ... Features expressing these values include: the collection of sheds and their functional arrangement in upper and lower markets, and the Market Halls.’*

3.2 Permit application P30767 The Trader Shed

The proposed Trader Shed should be refused a permit because it would have a major impact on the market heritage as a **‘remarkably intact collection of purpose-built sheds’** and **‘their functional arrangement’** (as well as the **social and cultural heritage** of the place – see Sections 4, 5, 6 below)

3.3. The Trader Shed design is not architecturally sympathetic to, or respectful to the heritage values of the market. It is designed to make a statement, and because of its size and alternative materials would certainly stand out. (Design Context Report p. 47)

3.4 For the first time, a multi-level building would be inserted into the market. The structure is 10.22 metres i.e. nearly 50% higher than the maximum building height of 7 metres allowed under DD014. If allowed, the contemporary Trader Shed would be by far the largest building in the heritage market, which would impact on the overall heritage value of the place.

The Trader Shed does not fit the scale or aesthetics of the surrounding historic market buildings. The need for the plant above creates a dominant form, with a bulk that has a greater visual impact on the streetscape. Queen Victoria Market Trader Shed Planning Drawings (Drawing TP5 -400 and 402) and Market Infrastructure Design Context Report (p50) reveal the excessive scale/ height /bulk compared to current structures, which would overwhelm the heritage sheds.

3.4. Overall, as will be apparent from Section 5 below, the Trader Shed infrastructure is poorly thought out logistically, functionally and economically.

4. The current proposal should be refused because it directly impacts the integrity of the market's cultural and social heritage.

4.1 The Victorian Heritage Register notes that *The Queen Victoria Market is of social significance for its ongoing role and continued popularity as a fresh meat and vegetable market, shopping and meeting place for Victorians and visitors alike.*

Lovell Chen's (2017) Conservation Management Plan notes: *'The Queen Victoria Market continues to operate today as a city produce and general market, and exhibits a high degree of authenticity in its practices, which provide a tangible link to their origins in the nineteenth century ... Features expressing these values include: the collection of sheds and their functional arrangement in upper and lower markets, and the Market Halls.'*

It seems evident that to preserve its historical significance, it is essential that the QVM continue to operate as a working produce and general market on its original site.

However, the proposed new infrastructure would change the functional arrangements of the market, which would destroy its intactness and authenticity and hence its cultural heritage.

According to the Heritage Impact Statement under 7.1 *Reasonable & Economic Use While smaller, minor changes across the site could deal with elements of non-compliance, the Market Infrastructure project represents a holistic approach to change at the site – incorporating the needs of a twenty-first century workplace and a historic market environment, and sensitively developing a project in response to these often competing elements..... The Infrastructure project represents a critical upgrade to improve these 'traditional' operations, and would deliver an improved environment in which to conduct business for traders.* (P27)

These plans for two new buildings within the historic market space (together with a third new multi-storey Queens Building) have been developed specifically in order to force fundamental changes to market infrastructure and operations.

4.2 According to the Heritage Impact Statement, *'The works are required to safeguard the ongoing use of the place and to allow it to remain financially sustainable as an open-air market - critical to its heritage significance (p32).*

Actually, the CoM vision is for a much-reduced market space, as is clearly evident in the documentation; particularly the General Traders / Specialty Stores would be reduced to Sheds C, D, E and F. **More than half of the Upper Market, that is the car park and Sheds**

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K, L, M and N, will be used for non-market purposes, mostly for ‘events’ on a commercial basis (Market Infrastructure Design Context Report, p.4).

4.3 Preserving the historical value of the QVM means more than preserving the market structures; it means recognizing, and then sustaining, those intersections between people, place and practices that have shaped and still shape the market as a lived and living space.

Interestingly, while the Public Realm Design Framework rightly acknowledges the significant indigenous heritage of the market, nowhere in the voluminous documentation could I find any acknowledgement of the QVM’s important multicultural heritage.

The market’s traditional operating practices make a significant and ongoing contribution to heritage, community and social integration of the whole of Melbourne as well as to cultural tourism. This includes connections between traders and other members of the market community, notably the regular customers (who the CoM documents repeatedly refer to as ‘visitors’).

4.4 **A market is not just a place, it’s also a form of trading.** A ‘market’ is a specific form of business based on high volume sales, where traders cut overheads by setting up impermanent stalls rather than trading out of a lock up shop. In QVM context, this means traders have always used their vehicles to store and transport goods next to their stalls within the market.

The traditional design of the QVM sheds follows the exigencies of a traditional open-air market with stalls set up and taken down on market days. The proposed new infrastructure is a misconceived attempt to ‘*disentangle servicing activities from public access areas*’ (Public Realm Design Framework, p.15). This means removing open storage and vehicles from the existing sheds, in order to repurpose those sheds for a different form of trading operation. Hence, the need for underground storage (together with proposed retail ‘pods’ and ‘pop-up’ enclosed stalls) which would destroy the social as well the built heritage of the market. This infrastructure is entirely contrary to preserving the heritage value of the QVM.

The claim in the Heritage Impact Statement, that ‘*The traditional stall / trader model will be supported through the addition of new infrastructure to improve compliance and back of house operations. This will ensure the “theatre”, liveliness, social interaction, and variety of the offering will remain unchanged*’ (p 6) is simply not true. **The supposedly ‘operational’ changes projected in these plans would destroy the integrity of the market as cultural heritage, because changing this way of trading and forcing traders into fixed premises means taking the ‘market as a form of trading’ out of the market, leaving just a collection of historic sheds.**

4.5 The proposed logistics management system (Planning Report) signals a further major change, to a shopping centre/ mall trading model, in that ‘*deliveries will occur in a formalised location, and within a managed environment*’ (p34). This means that management would actively control the traders’ operations rather than letting each stall holder manage their business independently.

4.6 This new infrastructure is not driven by trader or customer expectations, but by the redevelopment of the carpark to a ‘plaza’, thereby providing amenity to future residential developments along Franklin St. The proposal to create a new, centrally located storage facility in and under the Trader Shed, is in order to enable the future restoration and refurbishment of the

Franklin Street Stores and the conversion of the current car park to a plaza. The Northern Shed infrastructure is required to provide unloading facilities in lieu of the current carpark.

The Market Infrastructure Design Context Report on p. 11, 2.1 refers to the lack of public space in City North (What about the Flagstaff Gardens?). According to the Economic Justification (p. 18). *'The 7th market site is currently not realising the role it can play in helping address a lack of public space and community facilities in the growing City North area'*. These arguments should not be considered as justifying redeveloping the Market and destroying its heritage.

5. Economic and other justifications supplied by CoM do not stack up

5.1 This section refers to the arguments made by CoM to rationalize the renewal. CoM claims that there will be adverse economic and other impacts should the application be refused.

Therefore, our comments follow the Heritage Impact Statement and other documentation in referring to issues such as OHS, as these are cited as justifying the works, in that *'the proposed works are considered necessary to support the ongoing proper functioning of the place in its original purpose and are in the best interest of the long-term, ongoing and sustainable use of the registered place. ... Further, the works are necessary to allow the market's reasonable use, to support and allow the place to operate in a safe manner in accordance with the Food Act and legislative requirements.'* (p32)

The CoM's extensive documentation makes repeated claims that the new infrastructure is necessary in order to address conflicts between service vehicles (e.g. forklifts) and the public; to improve delivery access; to improve trader facilities (toilets, showers) and to improve waste management. Furthermore, they claim the current market operations are not compliant and afford high levels of OH&S risk.

Therefore, Heritage Victoria needs to consider these issues and the claims that these changes are essential to remedy operational problems.

5.2 According to the CoM media release 24/2/20

"Independent research clearly shows the market needs significant investment in new infrastructure to meet modern standards. This was also a key recommendation from the **2019 People's Panel**, which included traders.

"We have heard the **feedback from traders** to upgrade facilities at the market to improve safety for themselves, workers and customers."

The Lord Mayor said the current meat and seafood delivery building, built in the 1980s, will be redeveloped into a new Trader Shed with dedicated loading docks, a three-level basement with climate-controlled storage and improved waste and recycling facilities.

"The time traders spend setting up, packing down and transporting stock will be reduced, so traders can spend more time at their stalls and interacting with customers."

In addition to the Trader Shed, a canopy structure known as the Northern Shed is proposed for the northern end of Queen Street. This will provide an undercover loading dock during delivery times as well as centralised waste and recycling facilities for the entire market.

"Both structures have been designed to **complement the market's wonderful heritage sheds and buildings**," the Lord Mayor said.

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In response:

- the Economic Justification and other documentation are not independent research but commissioned by CoM. Furthermore, most of the supporting evidence cited in the Economic Justification, comes from other research also paid for by CoM.
- This misrepresents the Peoples Panel which did not recommend Northern Shed or Queens Corner Building (see also e.g. Heritage Impact Statement Northern Shed p. 8).
- Rather, People’s Panel Recommendation 1 stated that: ‘*Traders are concerned that the gold plating of infrastructure will lead to higher costs and rent to their businesses.*’
- The Traders Shed facilities follow a suggestion of the minority report from the Peoples Panel, not the majority preference. See 5.6 below regarding the negative consequences of the new infrastructure for traders.
- See Section 3 above regarding the inappropriate design of the structures

5.3 There is no history of risk to public safety or health at QVM.

5.3.1 OHS risks are the major argument presented by CoM for this infrastructure project. Throughout the documentation (e.g. Heritage Impact Statement, p6 2.4.1, Safety and Logistics Management Report etc) there are repeated references to ‘risks’ and ‘potential’ conflicts, but no evidence is provided of actual risks. In particular, there is no history of any accidents ever between forklifts and pedestrians. The risk analysis submitted by CoM (Safety and Logistics Management Report) does not include any statistics showing the historic impact of vehicle activities: there are no records of accidents at the market. (Our information is that these have never happened).

Better management practices could alleviate many potential issues. In effect, every carpark in Melbourne, allows shared use of space by vehicles and pedestrians.

Current OHS standards can be better and much more economically met by

- Clear delineation between workers (& public) and the forklift by marking of lines on the roadway to indicate “No-Go Zones”
- Use of spotters to guide forklift and warn workers / pedestrians of the on-coming forklift
- Forklifts to have fully functional and operational warning lights (flashing) and reverse beepers
- Forklifts to always have all mirrors clean, undamaged and fully operational
- Use of pallet jacks where practical

In fact, the Public Realm Design Framework recognises this when it explains that, in spite of the new infrastructure, ‘*Protection of busy footpaths around QVM will be based on principles of deterrence, delay and detection rather than complete isolation from vehicle access*’ (p.26).

Removing vehicles from the lanes between the sheds and moving all logistics/ traffic to Queen St may well increase the possibility of accidents because there would be more trader vehicles (including the electric pallet jacks) in the shared pedestrian zone (Queen St) than at present.

Making traders move goods from Northern Shed to Trader Shed for storage and then to individual stalls would mean a further increase in the movement of goods across the market.

Removing trader vehicles away from the stalls and out of the lanes between the sheds would mean **an increase in the movement of goods across the market.**

Neither traders or customers believe that it is a problem if traders' vehicles are present within the market sheds during trading hours or that the current infrastructure means *'the lack of facilities for delivery and loading of goods and produce'* (2015 [Renewal Plan](#)).

Traditionally, market goods are moved around and displayed in bulk. Moving the hustle, bustle and theatre of a working market out of the sheds into specific times and places would significantly alter the traditional and much valued interaction between and customers.

5.3.2 There is no information provided on specific Food Safety issues of concern. No evidence is supplied of incidents of inappropriate food handling.

Remarkably, compliance by providing sinks and hot water is not addressed at all as part of this application: *'The intent of this project is **not** [emphasis added] to complete the installation of the sinks, etc. but to provide the services infrastructure (cold shell) sufficient to operate a compliant business in today's environment and to enable the installation as part of a future project (tenant 'fit out').'* (Heritage Impact Statement P.7)

While it is necessary for compliance with legislation to provide hot water, (and power and internet) to the sheds, this proposed infrastructure goes way beyond what is necessary to achieve this.

5.4 Logistics would not be improved

5.4.1 Queen St is currently the primary access route through the market for traders and customers, the 'heart of the market' in heritage terms. The changes would impede pedestrian access for between the Upper and Lower market in Queen St in trading hours, as trader and supplier vehicles (particularly for the deli) would be accessing the storage in Trader Shed, as well as customers driving into the new parking under Munros. Presently, Deli supply vehicles unload in Therry St till 12pm.

5.4.2 The closing of the carpark and removal of vehicles from the sheds means that ALL loading & unloading would be moved to a constrained area in Queen St between the Upper & Lower market. According to the Market Infrastructure Design Context Report (P40) *'Delivery vehicles enter via controlled access at Queen Street and are directed to either loading bays under the Northern Shed (Queen Street) or Trader Shed (adjacent the Meat and Fish Hall) depending on the trader's location needing to be serviced. At this time, laydown space is provided to each delivery bay with physical separation also provided to all loading areas from pedestrian footpaths and other areas of the public realm. In the event that all bays are occupied, on-street waiting bays are provided prior at the Queen Street- controlled access point.'* This scenario can only be described as chaotic, as confirmed by the diagram on the page.

Only a limited number of loading bays (5 or 6 across the 2 new sheds) would be provided, meaning each trader would have a limited time frame to unload before 9am.

Fruit & veg traders would struggle to return from Epping, load & unload within this time frame, and hardworking traders who already do long hours would have to start 2 hours earlier for deliveries & set up.

The conflict of vehicles from vehicles backing out from Trader Shed as others pull into Northern shed unloading bays, increases the probability of accidents in this constrained loading period.

Even if all of the goods are delivered and stored in one or two areas, they would still need to be distributed throughout the market. Traders would still need to move goods from

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Northern Shed to Trader Shed, and then from Trader Shed to the stalls meaning triple handling. Furthermore, the viability of their business relies on fruit & veg traders being able to move goods and access storage during trading hours, not just early in the morning. Some traders supply wholesale to restaurants or other outlets. This business requires access to stores during the day.

It is nowhere explained where traders would park their vehicles after they have unloaded.

If Queen St is closed to private vehicles, together with Therry St, bulk customers (who are not all B2B) would have to transport their goods manually to the Munro carpark.

5.5 Waste management, recycling and sustainability would not be improved.

5.5.1. The market currently is much more sustainable compared to a supermarket or shopping centre, but improvements are always welcome. However, this proposal is inefficient in that waste (including meat and fish) will still be collected (how? how often?) and stored on site (where?) and then (except for organic waste) manually hauled to Northern Shed, taken down in lifts to be stored underground and then brought up to ground level to be driven away (how often?). This is absurd.

Piping organic material from macerators at the rear of the A & B sheds and across from the rear of H & I sheds, into the center of Queen Street is triple handling and expensive. There is potential for a break down (or a power outage) for the macerators or the compactors which would cause a major malfunction in the central artery of the market.

Putting “*a large waste and recycling facility*’ below ground, with access via chutes or lifts, is neither efficient nor sustainable. Reinstating to the lapsed 2007 permit for a ground level Recycling Depot in place of the proposed Trader Shed, seems a much better idea. Alternately, much of this infrastructure could be housed in basement of G shed which already has a dedicated undercover loading bay. Or, taking into account the cost of building and maintaining the underground infrastructure, it would be more efficient (and sustainable) to set up bays in the rear of sheds to house cardboard compactors, silage bins and the like and have them directly loaded from the rear of the sheds at the end of the each trading day.

5.5.2 The provision of extensive refrigeration and storage, (together with 7 day a week trading) would adversely affect the high sustainability values of current fresh produce trading in the market (e.g. no plastic wrapping on fresh produce).

5.6 Trader amenity would not be improved

5.6.1 The CoM claims the provision of the facilities in Trader Shed would improve trader amenity and convenience, but the effect would do the opposite. Presently traders unload straight to their stalls, at their convenience. The new plans force them to unload to storage facilities in Trader Shed and then haul goods to their stalls, possibly at times determined by management.

If Fruit & Veg traders are forced to store produce under Trader Shed and deliver produce by electric pallet jacks to stalls once a day, before 9am, who will serve the customers at this time? And inevitably, stall holders would still need to move goods through the market during the day. (See 5.4.2)

Underground storage is very inefficient. Lifts are a major liability; consider the possibility of a power outage. The provision of only 2 forklift elevators would create an enormous backlog of traders wanting to access storerooms.

According to the Market Infrastructure Design Context Report (p.27) '*As Trader Shed alone is unable to meet the required briefed Trader Storage area, additional Trader Point of Sale storage (at stalls) is proposed....*' If the building is not fit for purpose, why construct it?

5.6.2 Current traders question the need for 8 trader showers (there are 2 now but never used). The new facilities suggest new franchise models of business, where traders are employees and require such services, rather than, as at present, independent business proprietors.

Ditto the huge 'kitchen'; is this intended to be eventually used for food preparation that currently occurs in the meat and fish stalls, as in a supermarket model of trading where food is sold ready processed and prewrapped?

5.6.3 Feedback from traders on the People's Panel suggested that the suggested new infrastructure was excessive and unnecessary. They were concerned that increasing infrastructure to the scale proposed could result in a larger redevelopment than needed. The assertion (*Design Context Report; Heritage Impact Statement*) that the People's Panel recommended a central location to deliver trader cool and dry storage, with specific loading for the Meat and Deli Halls, and a centralised logistics, plant and trader amenity space within the heart of the market, is not accurate; the Panel did recommend using existing G Shed for any facilities but did not recommend 'a centralised logistics, plant and trader amenity space' or the proposed underground.

5.6.4 There would be extensive economic disruption of market operations within the construction period. The disruption to the market caused by digging up Queen street and the laneways would make normal trade and pedestrian movement around the market impossible. In spite of promises of trader security, the movement and displacement of traders during and after the works program, along with the disruption during construction would create uncertainty for customers and traders alike and would most likely mean the numbers of traders will continue to reduce.

In particular, the Speciality Stores are completely disregarded in these plans - they would be taking all the disruption, while the number of fresh produce stalls would also diminish.

While the works are in progress, the market would become significantly less attractive to current customers, potentially changing spending patterns for the future. These works (and the construction of the large skyscrapers on the market boundaries) would impact the appeal of the market for the next 6-8 years. From a tourist point of view this would have a negative impact.

5.6.5 It also seems that traders would need to lease storage facilities in the underground, rather than use their vehicles at no cost. As we note below, according to the Economic Justification, trader rents will double after the renewal, in order to pay for this (unnecessary) storage and infrastructure.

Existing arrangements have enabled generations of new traders, notably recent immigrants, to establish themselves with a minimum of cost and commitment to a minimal amount of infrastructure. Higher overheads post renewal will deter such start-up businesses.

Inevitably, higher overheads will change the historical trader mix and the traditional scope of the market as a community facility.

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The inevitable loss of the traditional family businesses (foreshadowed in the Economic Justification document) would significantly alter the way in which the market has always operated and diminish the historical continuity that is so important.

5.7 Customer amenity would not be improved

5.7.1 Storing produce and bulk meat and fish under Trader Shed introduces a supermarket model of trading, by affecting the freshness and turnover of produce. The provision of extensive refrigeration and storage, (together with 7 day a week trading) would allow fresh produce traders to hold perishables longer and thus operate more like a supermarket, to the disadvantage of customers who value the markets turnover. (See p3 Economic Justification)

5.7.2 The higher overheads invoked by the change in trading practices would add to the cost of fresh produce and other goods, meaning the market will no longer be able to offer competitively priced fresh produce for low income shoppers.

The changes would inconvenience customers and make the market less attractive to regular high-volume customers.

5.7.3 The Economic Justification acknowledges the importance of car access to the market given that ‘visitors’ (customers!) by car spend more money. The current renewal program will significantly restrict access to the market by car. The closure of Franklin Street to make way for the Southern Development Site will create gridlock in the area and make the new underground car park at the Munro site difficult to access.

6. Economic consequences of refusal

6.1 The refusal of the permit would not affect the ‘reasonable and economic use of the registered place or object’ or cause undue financial hardship to the CoM’.

The CoM manage the market on behalf of the people of Victoria. Heritage Impact Statement Northern Shed (p.8) claims ‘*Without a financial return, the costs for ongoing asset maintenance must be borne by the Council, so becomes similar to other community places which does not reflect the primary function and use of the Market as a commercial and trading entity which can be expected to generate sufficient revenue to remain sustainable.*’ However, the Market **is** a community facility. There should be no requirement for the market, as a community facility, to raise revenue or make a profit.

It is the market traders whose businesses generate the wealth. If this permit is granted, it indubitably will **damage** the viability of those businesses.

The proposed changes in loading/unloading would negatively affect the survival of the market by making it impossible for most current traders to continue in business.

The change in market operations would disrupt and potentially destroy 400 + small family businesses with ensuing job losses, far more than the claimed jobs created during construction.

6.2 ‘*Outdated operating modes undermine QVM’s sustainability.*’ This unsubstantiated claim is denied by current traders, who insist they understand their own businesses better than market management, as they are not stupid. They ascribe the marked decline in the number of stalls and market visitors to incompetent management rather than inadequate facilities or outdated operating modes.

6.3 An analysis of how the market has been managed since the reported decline in revenue is necessary, before one could be sure the problems would be remedied by these damaging changes to heritage.

Over the past 5 years, QVM has had 4 Board appointed CEO's and 3 acting CEO's, none of whom have had market retail experience. Numerous Board initiatives to 'modernize' the market have failed. In spite of poor management, including reported bullying by managers, most traditional market businesses remain profitable.

6.4 Until 2017 the QVM generated significant profits for the CoM, which were never invested back in the market, which hence became significantly run down.

Until 2017 the market produced a surplus of approximately \$5 million dollars per year. For 2018 and 2019 there was no surplus. There is no explanation offered in the Economic Justification for this dramatic change. Historically there has been little publicly available information on market financials.

The reference in the Economic Justification to the market's 'deteriorating financial performance' acknowledges that revenues (largely rental based) have increased at a relatively steady rate since 1998 but that costs have grown at a faster rate since 2010 (3p. 10).

The increased costs relate to the night market and events program (p.11), as well as vastly increased numbers of employees, increases in director fees and consultancy fees relating to the renewal, while the traditional market operations have continued to be sustainable (in both senses of the word).

However the Heritage Impact Statement (p.31) also claims that the refusal of the permit, *would result in an ongoing decline in revenue (noted as a loss of around \$230,000 per annum)*, and as threatened in the Economic Justification Report, would result in Council being "forced to choose to either fund maintenance of the heritage asset through general rates, or to allow the market to fall further into disrepair which does not allow the original and ongoing use of the place to be sustainable in the long term" (p16) .

6.5 The Economic Justification has been written in order to show that there is economic benefit from the proposed renewal program. The basic argument is that if there is no change to the operational structure of the market, then the financial performance will deteriorate.

Forecasts have been produced to show that the renewal program would produce profits for the future and would hence allow for ongoing maintenance and improvements, in addition to paying a return to the CoM. These forecasts are based on assumptions of future revenue.

It should be noted that the current proposed works will not in themselves produce revenue and hence may not provide benefits as assumed. For example, the new delivery arrangements (i.e. Northern Shed) will not deliver any increased income to the market and the trader facilities (i.e. Trader Shed) will also not produce any increase in revenue directly.

6.6 The total estimated cost of the renewal project is \$250 million. If there is an outlay of \$250 million to make an additional \$10 million per year, this is a return on capital of 4%. This is a non-commercial rate of return given the uncertainty of the revenue projections.

These are major capital works. All capital works have depreciation and maintenance costs. **These costs are not identified in the financial forecasts and the large capital cost to these works and future works**, does not appear to be taken into account in these forecasts.

6.7 The forecast in the Economic Justification of the economic performance from 2019 until 2029, based on the implementation of the proposed renewal program, projects the revenue of QVM Proprietary Limited to increase from \$25 million today to \$45 million in 2028. This will increase the profits to approximately \$10 million per year from \$500,000.

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The main increased revenue is projected as coming from increased rentals to stall holders. **The projected increase in revenue and profit can only occur if rents rise.** This would have a major impact on stallholders and could change the nature of the market (see 5.6.5 above).

The detailed forecast increase shows that the significant increase in revenue is from Open Stand Rental and Leasehold income. Open Stand rental increases from \$7.996 million in 2019 to \$15.469 million in 2028 and Leaseholds increase from \$7 million to \$12.5 million (Economic Justification, Table 5, p. 19). These are dramatic increases relative to historic market rentals and well in excess of expected inflation and CPI increases. The figures indicate a doubling of rentals for stall holders from current levels with the revenue from Open Stand rentals projected to increase by 95%, and Leaseholds by 80%.

6.8 The report projects revenue from Open Stands to nearly double in ten years, a rise of 193% per cent. Traders in fresh produce cannot sustain annual increases of 19-22%.

To this effect, on p.14, the Economic Justification states that ‘*On the revenue side, the continued poor performance of QVMPL is expected to be driven by the **continued underperformance of open stands and leasehold tenancies.** Although revenues associated with these key sources is expected to increase, they will not increase enough to offset anticipated increases in costs.*’

If the traditional operation of the market as low cost, minimal infrastructure is changed, most existing stallholders would not be able to afford the rent.

Such rent increases would only be possible if many traditional stalls were **replaced with ‘non-traditional,’ ‘higher order retail,’ and hospitality,** as promised in the Economic Justification (p.20). The market would change to be much more like a conventional shopping centre. **It would mean the end of the market in its ‘ongoing role ... as a fresh meat and vegetable market’** (VHR Statement of Significance).

The full-page picture on p.4 of the Market Infrastructure Design Context Report sums up the CoM ‘S vision for the market – a large crowd of under 30s, a bar, an ATM and not a trolley or shopping bag in sight.



6.9 According to Market Infrastructure Design Context Report, the market would become an event space as much as a market. More than half of the Upper Market, that is the car park and Sheds K, L, M and N, would be used for non-traditional activities, mostly for 'events' on a commercial basis (p.12)

However, such events can occur only on weekends, i.e. Sat & Sun - 2 of 5 days trading (plus Wed after-hours for the Night Market). Therefore, for much of the week, these sheds would be empty, thus compromising the economic (and physical?) future of the market.

Furthermore, the QVM would be competing to hold such 'events' with Docklands, Fed Square, Domain, Showgrounds, Birrarung Marr etc - all CoM spaces that compete with each other.

6.10 The Economic Justification document does not recognise that the traditional market's strength lies in its difference to a shopping centre or supermarket, and that this difference delivers economic advantage to QVM.

This planned 'modernisation' of market operations would make the market function like an outdoor supermarket and hence remove that advantage. In the long run, we can anticipate that if the market would no longer be different, ultimately it would lose its regular customers, it would close and the (extremely valuable) land be repurposed.

See also for example the Heritage Impact Statement Northern Shed (p.7): *The requirement to expand into 'non-traditional' offerings reflects the need for the Market to cater to more customers outside its core offering as a fresh produce and retail destination – an offering which struggles to compete with the convenience offering of supermarkets, among other issues. This does not mean becoming a supermarket but enabling traders to provide a market version of the elements which competitors currently offer*). However, regular market customers do not find the market inconvenient. They prefer market shopping for fresh produce, meat and fish, to shopping at supermarkets because they value the freshness, variety, choice and the competition between traders that leads to low prices, as well as the environmentally sustainable market trading practices. The only inconvenience in shopping at the market compared to the supermarket, is the lack of free parking, which the CoM refuses to provide.

‘to keep QVM alive as a functioning every day shopping space for all people in the Melbourne community.’

6.11 An increase in visitation and economic activation (Market Infrastructure Design Context Report p12) after the ‘renewal’ seems unlikely, when the mooted operational changes would reduce or even remove the greatest attraction of the market which is its traditional use and form, its heritage and its point of difference to conventional modern shopping centres.

8. QVM is unique as a traditional produce and specialty market in the CBD, which is why it is more successful in attracting tourists than any other attraction in Melbourne.

If the permit is granted, the architectural integrity, and much of the tradition, uniqueness and authenticity of the QVM as a traditional open-air market will be lost.

These changes to infrastructure turn the QVM into a commercial enterprise without history: that is bland, generic, more expensive, and probably of little interest to visitors.

The application must be refused because CoM intend a radical transformation of the market, exceeding their role as managers of the heritage market.

The application must be refused because the proposal means the insertion of two large, prominent, modern buildings in the centre of the heritage market.

The application must be refused because although the ‘renewal’ promises new jobs and economic benefits, this is all speculative while putting at risk current small business and their employees – thousands of actual, current jobs.