

South Melbourne Market Section 86 Committee

Meeting no. 190

November 2019

Meeting date and location

Thursday 7 November 2019

South Melbourne Market, Food Hall 6pm

Attending members

Jo Plummer (Chair)

Cr Bernadene Voss

Cr Marcus Pearl

Andrew Danson (Independent member)

Simon Talbot (Independent member)

Attending officers

Kylie Bennetts (Director of the CEO's Office)

Danielle Bleazby (Executive Manager, South Melbourne Market)

Mark Edmonds (Interim South Melbourne Market Manager)

Sophie McCarthy (Business & Events Coordinator, South Melbourne Market)

Ross Williamson (Senior Licencing Coordinator, South Melbourne Market)

Adam Mehegan (Operations Coordinator, South Melbourne Market)

Meagan Scott (Marketing Coordinator, South Melbourne Market)

Dennis O'Keefe (Chief Financial Officer, City of Port Phillip)

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1. Apologies

None

2. Minutes of previous meeting

Purpose:

To approve the minutes of the previous Committee meeting

Recommendation:

That the Committee accept the Minutes of Meeting 189 of the South Melbourne Market Section 86 Committee, held Thursday 19 September 2019, as a true and correct recording of the meeting.

3. Declarations of conflict of interest

4. Manager's Report

Purpose: To provide an update to the South Melbourne Market Committee on activities since the last meeting.

Recommendation: That the Committee note the Manager's Report.

Operations

- Safety Manual is progressing well and will be a good document for traders and market team.
- The Food Hall Roof project is progressing and is now getting quotes on the construction.
- Work on reducing congestion around the market continues with key works occurring in Deli Aisle and around Aptus Fish.

Licensing

- Two new EOI's have been run and Coconut Revolution will now become a three year license trader. The Nail Bar has also been sold and the new owner is taking over. Still working to look at extended license terms with DEWLP

Marketing / Administration

- Night Market plans proceeding well
- Thursday opening works continue on costs and impacts.
- Trader meeting held last week

4.1 Performance Scorecard

Purpose: To provide the Committee with an update on how the Market is tracking against Key Performance Indicators.

Recommendation: That the Committee note the Market's performance.

Key Performance Indicators

Area	Objective	Measure	Baseline	Target	Actual	Status	Notes
Community	Demonstrate value to our growing community through the effective management, curation and maintenance of this high quality amenity	Visitor numbers	3.835m	2% inc annually	1%	On Track	NIL
Community	Demonstrate value to our growing community through the effective management, curation and maintenance of this high quality amenity	Stallholder Satisfaction	NCM	4/5	90%	On Track	NIL
Community	Demonstrate value to our growing community through the effective management, curation	Customer Satisfaction measured by CoPP Community Satisfaction Report.	97%	99%	97%	On Track	NIL

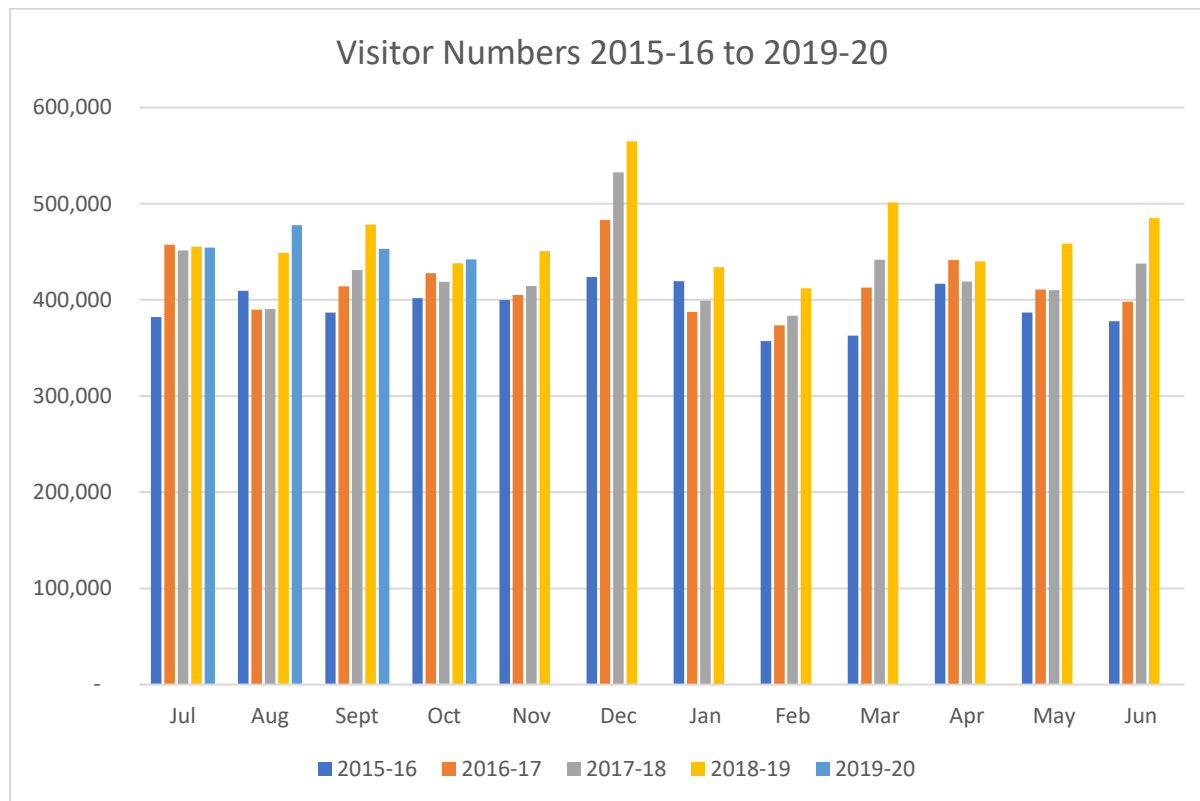
Area	Objective	Measure	Baseline	Target	Actual	Status	Notes
	and maintenance of this high quality amenity						
People & Culture	High performing, healthy, values driven culture with a Community First mindset	SMM Staff Turnover	0.00%	0.70%	0%	On Track	NIL
People & Culture	High performing, healthy, values driven culture with a Community First mindset	SMM Staff Time Lost due to Injuries	0	0	0	On Track	NIL
People & Culture	High performing, healthy, values driven culture with a Community First mindset	Customer injuries or near misses	TBC	0	2	Off Track (minor)	NIL
People & Culture	High performing, healthy, values driven culture with a	Vendor injuries or near misses	TBC	0	0	On Track	NIL

Area	Objective	Measure	Baseline	Target	Actual	Status	Notes
	Community First mindset						
Internal Process	Effective management of organisational risk and compliance	% capacity of Market stalls	100%	100%	99%	Off Track (Minor)	NIL
Internal Process	Effective management of organisational risk and compliance	% capacity of Pop-up stalls	95%	98%	100%	On Track	NIL
Internal Process	Environmental sustainability in a growing community	SMM Potable Water Usage (ml)	26.612ML	26.612ML	4 ML (quarter)	On Track	NIL
Internal Process	Environmental sustainability in a growing community	% SMM Waste Diverted from Landfill	65%	67%	63%	Off Track (Minor)	NIL
Internal Process	Finance	Debtors at 60 and 90 days	NCM	90: 0%	90: 2%	Off Track (Minor)	NIL

4.1.1 Attendance

Purpose: To provide the Committee with a further analysis of attendance at the South Melbourne Market

Recommendation: That the Committee note the attendance report.



To note:

September 2019 had one less Market trading day than September 2018, which enjoyed five full weekends of trade. Market visitor number 5.3% down on Sept 2018, bringing the YTD increase to 0.2%.

October had exactly the same trading day pattern (5 x Wed, 4 x Fri, Sat., Sun) and finished at 1% up on 2018.

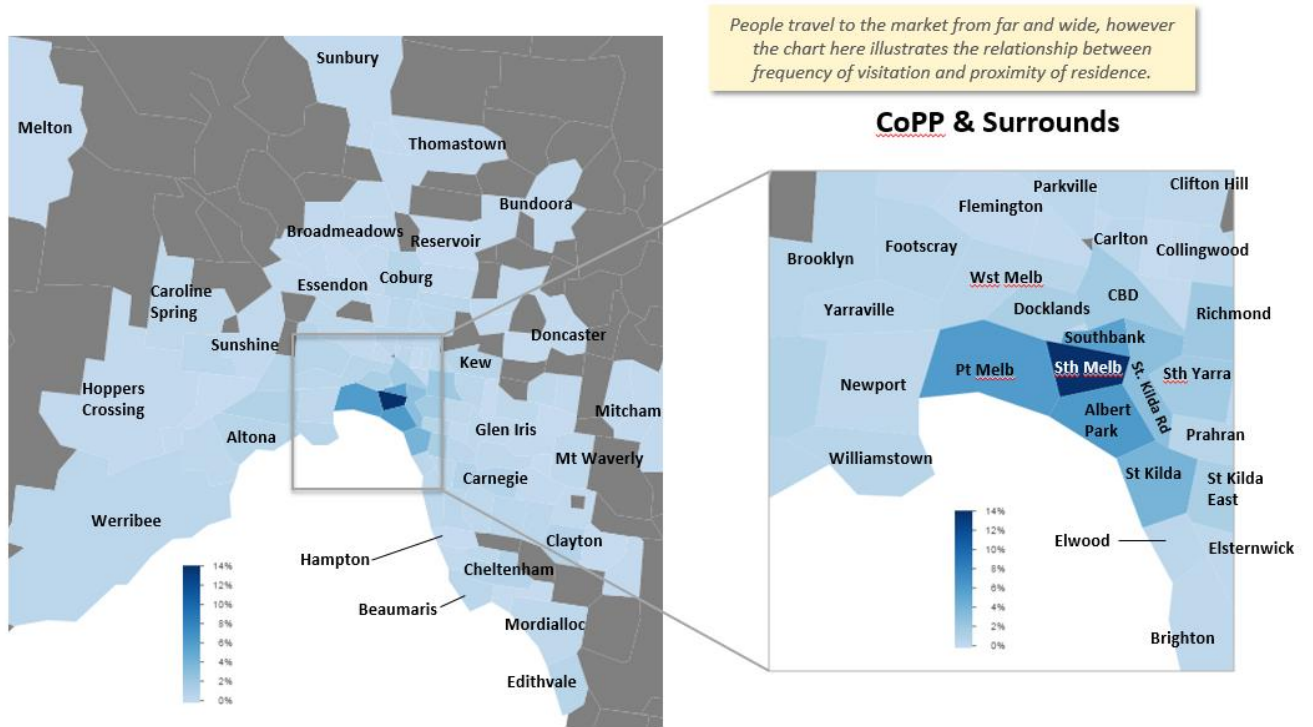
Average Market Day Visitor Numbers:

Market Day	Sept '18	Sept '19	Diff	Oct '18	Oct '19	Diff
Average Wednesday Traffic	20,684	20,470	-1.03%	20,423	20,951	2.58
Average Friday Traffic	22,194	21,864	-1.49%	21,941	21,090	-3.87
Average Saturday Traffic	28,111	28,590	1.70%	29,608	29,818	0.71
Average Sunday Traffic	33,288	33,908	1.86%	32,426	33,452	3.16

September Market day averages were very similar to September 2018 with under 2% variation for each day.

October visitor numbers were also very similar to 2018, with a slight decrease on Fridays, picked up by small increases on Wednesday and Sunday.

Average visitors by postcode (home):



Source: TKP Market Research 2019

4.1.2 Sustainability

Purpose: To provide the Committee with a further analysis of the Market's sustainability initiatives.

Recommendation: That the Committee note the sustainability report.

Potable water

September 2019	*October 2019
2133.39 kl	1872.91 kl
2133.39 kl	1872.91 kl

October figures up until 25/10/2019

Rain water

September 2019	*October 2019
502.745 kl	438.39 kl

October figures up until 25/10/2019

CO2 Emissions

SMM power usage for September and October,

SMM Power Usage	September	October
Total kWh	240290.6	245199.525
Total grid power kWh usage	240290.6	245199.525
Total solar power usage	NA	Refer table below
Total CO2-e (t) emitted	257.11	262.36 (34KW only)
Total CO2-e (t) avoided	NA	Refer Table below
Total Savings	NA	NA

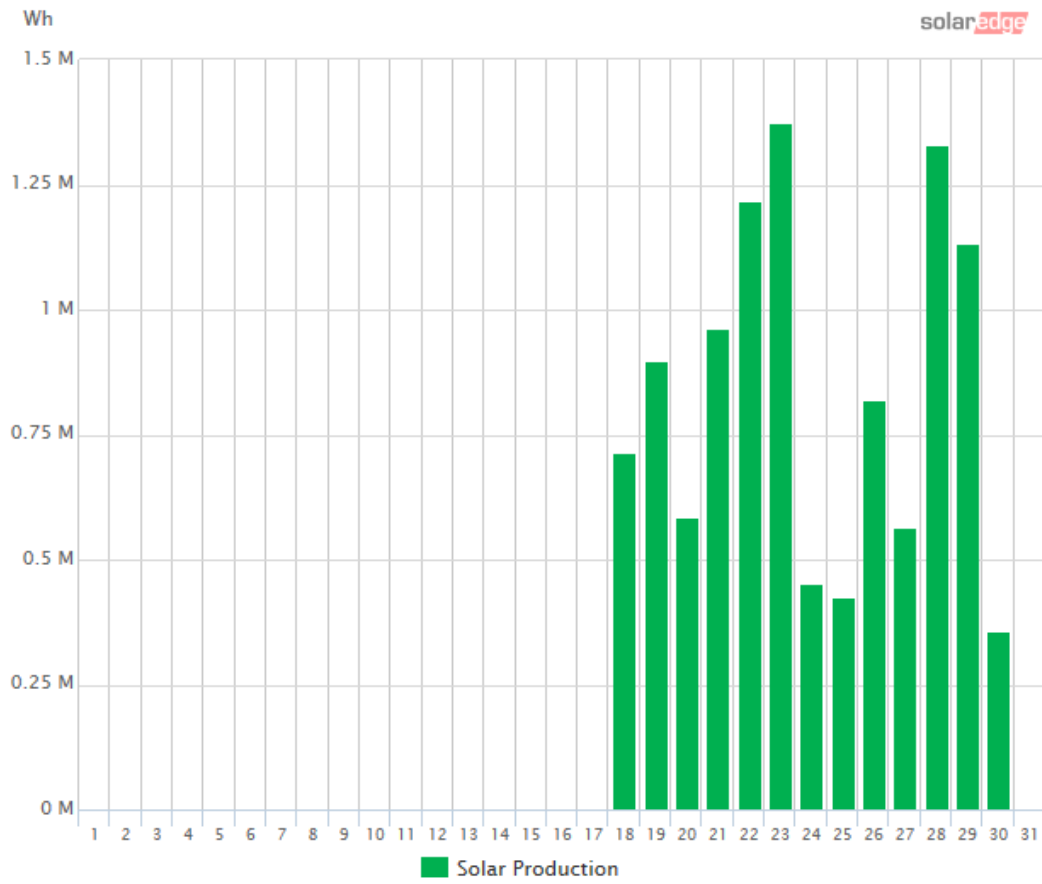
October figures up until 25/10/2019

Note: Below is a SNAPSHOT of the new 200KW SOLAR EXPANSION (18/10/19 to 30/10/19)

Current Power 52.72 kW	Energy today 62.42 kWh	Energy this month 10.53 MWh	Lifetime energy 12.13 MWh
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01/10/2019 - 31/10/2019

System Production: **10.83 MWh**

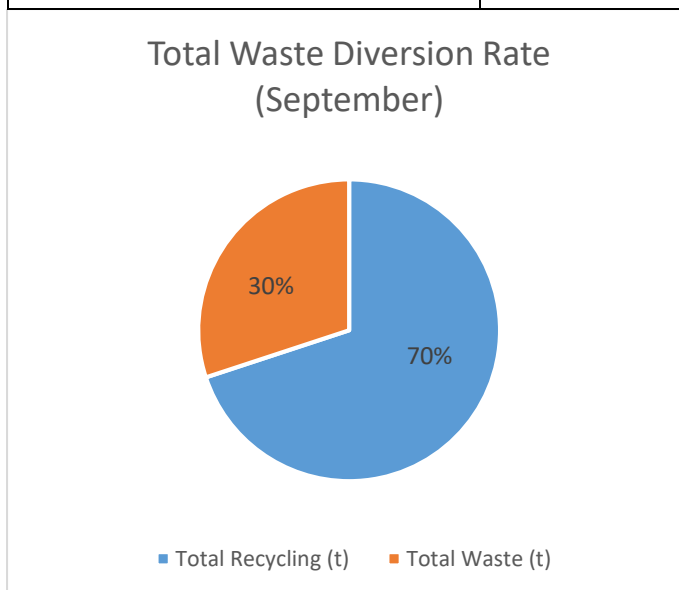


SMM Waste 2019/20 (First Quarter)

SMM Total Recycling	September
Cardboard Bales (t)	25.68
Polystyrene (EPS Bricks) (t)	0.48
Soft Plastic (t)	0.16
Milk Bottles (t)	0.24
Bottle Crusher (t)	1.6
Oil Waste (t)	1.41
Solar Bins	
Worm Farm (t)	6.93

Gaia Machine output (t)	27
Commingle Waste (t)	6.15
Food & Organic Waste (t)	2.8
Shell Recycling (t)	3.71
Offal (t)	29.62
Coffee Cups (t)	0.04
Hard Plastic (Crates)	0.6
Waxed Cardboard	0.6
Total (t)	107.02

SMM Total Recycling	September
General waste (t)	45.98
Total (t)	45.98



4.2 Financial Performance

Purpose: To inform the Committee about the Market's financial performance.

Recommendation: That the Committee note the finance report.

Comprehensive Income Statement - South Melbourne Market

Year to Date - September 2019	2017/18		Actual		Forecast		Budget		Variance		3 Year trend
	2017/18	2018/19	2019/20	2019/20	2019/20	2018/19	Forecast	Budget	2018/19	Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%	%	%	%
Income											
Licence Fees	1,435	1,523	1,591	1,591	1,602	4.4%	(0.0%)	(0.7%)			
Parking fees	148	155	143	143	150	(7.7%)	0.0%	(4.7%)			
Cooking School Income	55	62	59	59	57	(4.8%)	0.0%	3.5%			
Other income	7	100	97	84	89	(3.1%)	15.4%	(6.3%)			
Total Income	1,645	1,840	1,889	1,877	1,898	2.7%	0.7%	(1.1%)			
Expenses											
Employee costs	340	400	359	376	393	10.2%	(4.7%)	(4.4%)			
Advertising, Events and Publicity	120	70	75	74	154	(7.1%)	(1.3%)	108.1%			
Contract Payments	463	435	622	660	532	(43.0%)	6.1%	(24.1%)			
Professional Services	29	44	94	109	80	(113.6%)	13.8%	(36.3%)			
Utilities, Insurance, Taxes & Levies	70	70	68	50	71	2.9%	(36.0%)	(29.6%)			
Land Tax	51	51	51	51	51	0.0%	0.0%	0.0%			
Congestion levy	66	66	69	69	69	(4.5%)	0.0%	0.0%			
Fire Services levy	-	9	5	5	5	44.4%	0.0%	0.0%			
Bad and doubtful debts	-	(1)	(2)	-	-	(58.6%)	0.0%	0.0%			
Depreciation and amortisation	324	328	331	331	331	(0.9%)	0.0%	0.0%			
Borrowing costs	-	-	-	-	-	0.0%	0.0%	0.0%			
Head Office Costs	32	33	34	34	34	(3.0%)	0.0%	0.0%			
Other expenses	30	32	21	21	35	33.6%	(1.6%)	(40.5%)			
Total Expenses	1,524	1,537	1,727	1,780	1,755	(12.4%)	3.0%	(1.4%)			
Operating Surplus/(Deficit) for the year	121	303	162	97	143	(46.6%)	(67.4%)	(32.4%)			

Income Statement Converted to Cash

Operating Surplus/ (Deficit) for the year	2017/18		Actual		Forecast		Budget		Variance		3 Year trend
	2017/18	2018/19	2019/20	2019/20	2019/20	2018/19	Forecast	Budget	2018/19	Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%	%	%	%
Operating Surplus/ (Deficit) for the year	121	303	162	97	143	(46.6%)	67.4%	(32.4%)			
Adjustments for non-cash operating items:											
• Add back depreciation	324	328	331	331	331	(0.9%)	0.0%	0.0%			
• Add back written-down value of asset disposals	-	-	-	-	-	-	-	-			
Adjustments for investing items:											
• Less capital expenditure	(28)	(259)	(593)	(403)	(403)	(128.9%)	47.1%	0.0%			
Adjustments for financing items:											
• Less Loan Repayments	-	-	-	-	-	-	-	-			
• Less Lease Repayments	-	-	-	-	-	-	-	-			
• Add New Borrowings	-	-	-	-	-	-	-	-			
Adjustments for reserve movements:											
• Statutory Reserve Drawdown/ (Replenish)	-	-	-	-	-	-	-	-			
• Discretionary Reserve Drawdown/ (Replenish)	-	-	-	-	-	-	-	-			
Cash Surplus/(Deficit) for the Year	417	372	(100)	25	71	(126.8%)	(504.4%)	(65.2%)			
Opening Balance - Cash Surplus	-	-	-	-	-	-	-	-			
Closing Cash Surplus Balance	417	372	(100)	25	71	(126.8%)	(504.4%)	(65.2%)			

Capital Works

Capital Works	2017/18		Actual		Forecast		Budget		Variance		
	2017/18	2018/19	2019/20	2019/20	2019/20	2018/19	Forecast	Budget	2018/19	Forecast	Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	%	%	%	%
South Melb Market Renewal Works	17	21	15	50	50	29%	71%	0%			
Stall Fit Outs	9	4	12	31	31	(189%)	(62%)	0%			
South Melb Market Solar PV	0	12	564	153	153	(4779%)	(268%)	0%			
Building Compliance Works	2	223	1	169	169	100%	(100%)	0%			
SMM Dynamic Parking Signs	0	0	2	0	0	0%	0%	0%			
Total Capital Expenditure	28	259	593	403	403	(128.9%)	47.1%	0.0%			

4.3 Items for Noting

4.3.1 Licensing Update

Purpose: To provide the Committee with an update on licensing matters.

Recommendation: That the Committee note the Licensing update.

Licence Renewals

- 43 licences to review and consider for renewal on 1 July 2020
- Only 15 business plans returned as at 28 October
- Review and meeting process has begun

Indigenous Arts Policy

- Policy has been finalised and inserted into Market Rules / Licence.
- It prescribes appropriate ways of using Indigenous cultural material and requires traders to sell only authentic indigenous art products produced under a fair licence agreement and where royalties are paid to indigenous artists.
- Education and communications to start with Traders in November – soft launch
- 2020 – Celebration of SMM introduction of policy and support of this important cultural policy at the Market.

4.4 Public Action Items

Purpose: To provide the Committee with an update on Actions from previous Committee meetings

Recommendation: That the Committee note the progress with the outstanding actions.

Item	Resolution/action	Due date	Status
Meeting 189 19 September 2019 Attendance	ACTION: MM to provide report on where attendees are coming from.	Nov-19	On Track
Meeting 189 19 September 2019: Licence Renewal Policy	MM to continue to engage with traders to ensure they are complying with credit card surcharge fee requirements.	Aug-19	Completed

5. South Melbourne Market Reports

5.1 Items for Discussion

NIL

6. Public Question Time

7. Confidential Matters

Recommendation:

That in accordance with Section 77(2)(a) of the Local Government Act 1989 (as amended), the meeting be closed to members of the public in order to deal with the following matters, that are considered to be confidential in accordance with Section 89(2) of the Act, for the reasons indicated:

7.1 Confidential Items for noting

The information in this report is considered to be confidential in accordance with the Local Government Act 1989 (as amended), as it relates to: (d) contractual matters; (f) legal advice; (h) any other matter which the Council or special committee considers would prejudice Council or any person; (g) matters affecting the security of Council or property.

7.2 Confidential Action Items

The information in this report is considered to be confidential in accordance with the Local Government Act 1989 (as amended), as it relates to: (d) contractual matters; (f) legal advice; (h) any other matter which the Council or special committee considers would prejudice Council or any person.

7.3 Confidential Items for Discussion

The information in this report is considered to be confidential in accordance with the Local Government Act 1989 (as amended), as it relates to: (d) contractual matters.

7.4 Confidential Items for Decision

The information in this report is considered to be confidential in accordance with the Local Government Act 1989 (as amended), as it relates to: (d) contractual matters.