

# Special Advisory Committee update

July – December 2024

Presented at Councillor Briefing 9 April 2024



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# Introduction

As I reflect on the first six months of 2024-25, it is great to see the Market achieving the measures of success that have been set to ensure we continue to deliver a market experience that our community expect.

Financially, the Market is on track to deliver a surplus closer to our target, with some expenses forecast in July to December period moved into the second half of the year.

During this period:

- A new cleaning and waste contractor, IKON Services, commenced at the Market and are already achieving 71% waste diversion in alignment with the Market's Environmental Sustainability Strategy targets.
- We welcomed new traders to the Market, including Zen Holistic Health, Rhythm Unites and The Only Label.
- The Market had a fabulous Christmas period with tonnes of seafood, plenty of ham and turkey, and thousands of gifts heading to family gatherings everywhere.

We also welcomed two new Committee members, Cr Beti Jay and Cr Alex Makin, who joined Council in December. We are lucky to have two passionate advocates for the community representing the Market.

We look forward to welcoming you to the Market soon.

Amanda Stevens,  
SMM Committee Chair



## Measures of success July – December 2024

	Visitation <i>Entries into the Market</i>	Financial Operating Surplus	Occupancy <i>Licences signed</i>	Customer Satisfaction <i>Very good or excellent rating for overall view on offer</i>
2023 – 24 YTD Dec	2,785,876	\$449,000	99%	96% NPS 81
2024 – 25 YTD Dec	2,818,832	\$1,230,000	99%	97% NPS 79
Target EoY	5,400,000	\$338,000	98%	93% NPS 75-80
Status	On track	On track	On track	On track

# Governance

## **The South Melbourne Market Committee Charter (Charter) guides the decisions of the Committee and Market Management.**

The purpose and objectives of the Committee are to provide advice to the Council and Chief Executive Officer or delegate to:

- position the Market as the premier Village Market in Victoria, one that is recognised as being vibrant, diverse and unique and that is sustainable for traders and the City of Port Phillip;
- promote the Market and encourage its use by residents, visitors and the community; and
- oversee the management and operation of the Market in accordance with the terms of this Charter and Council's Strategic Plan, policies and programs.

### **Committee Members**

#### **Independents**

Amanda Stevens (Chair)

Andrew Danson (Deputy Chair)

Nicola Smith

#### **Councillors**

Cr Alex Makin

Cr Beti Jay

At the Council Meeting held on Wednesday 11 December, Councillor delegates were appointed to Council's respective advisory committees and panels.

Cr Beti Jay (L: South Melbourne Ward) and Cr Alex Makin (R: Montague Ward) were confirmed as the two Councillors who will join the South Melbourne Market Committee.

Both Councillors are proud Port Phillip residents, and new to Port Phillip Council, however Cr Makin was a Maroondah City Councillor from 2005 to 2012 including a period as Mayor in 2009-2010.

Port Phillip Councillors play an important role on the Advisory Committee, and we welcome Cr Jay and Cr Makin and look forward to working with them on strategic Market related matters.

We would also like to thank our outgoing Councillor representatives, Marcus Pearl and Andrew Bond for their contribution.



Cr Beti Jay



Cr Alex Makin

## 2021–25 Strategic Plan

The 2021–25 Strategic Plan was developed following significant stakeholder engagement with input from the SMM Committee, Market traders, the community, Market staff, key suppliers and contractors and relevant Council departments. Developed through the COVID pandemic, we wanted to build a strong foundation to support the Market's future growth and to ensure the Market's importance and relevance was retained in the community.

Most of the initiatives for each of these priorities have now been developed and are guiding decisions across the Market's operation, including the appointment of new Market traders, marketing initiatives, licence fee negotiations and asset upgrades.

The development of the new 2026–30 Strategic Plan is underway and our key stakeholders, including the community and traders, will have an opportunity to provide valuable input into the strategic plan in coming months to position the Market for ongoing success.

Our focus will be on remaining relevant to our local community and providing the fresh produce, goods and essential services that our Market regulars value and expect when they visit their local market – with a few surprises around the corner.

### Key Strategic Priority Status

Strategic Priority	Actions	Status
Enhance the SMM Brand	Develop Brand Strategy	●
	Develop Marketing & CX Strategy	●
	Develop Digital Technology Strategy	●
	Develop Sustainability Strategy	●
Improve SMM Asset	Deliver Compliance Plan	●
	Risk and Safety Plan	●
	Asset Improvement Plan	●
	Explore and deliver on NEXT Project*	●
Build financial sustainability	Develop new multi-faceted revenue model	●
	Develop new revenue opportunities and minimise costs	●
Differentiated retail offer	Retail Strategy	●
	Market Precinct Plan	●
	Trader Pipeline	●
	Retail Support and Continuous Improvement	●

\*Now Project Connect

● Developed    ● In progress

## Our Traders

### Retail overview

The Market connects our customers to over 150 small businesses, with 33 eateries, 39 grocery, 70 general merchandise (inc. five SO:ME pop-up spaces) and 12 services. We maintained consistently high levels of demand for new stalls over the July – December period, introducing ten new traders, with a 99% stall occupancy rate. Expression of Interest processes were undertaken for 16 stalls (including nine sale of businesses) and pipelining was undertaken to support them. We achieved an increase in our customer satisfaction rating of offer to 97% (very good/ excellent).

### New Traders: July – December 2024

Trader	Date	Offer
Rhythm Unites	July	Musical instruments
Stanlie	July	Women's fashion
The Only Label	July	Women's fashion
Zen Holistic Health	July	Remedial massage
Little Gusto	July	Children's clothing (pop-up)
Tarot Under the Stairs	Aug	Tarot reader (pop-up)
Mister Handsome	Sept	Barber / men's grooming
Timeless Pieces	Oct	Christmas decorations (pop-up)
Suki McMaster & Markee Skincare	Nov	Homewares, skincare and gifts
Tomi Art	Dec	Gifts / gift wrapping service (pop-up)

99%

Occupancy  
rate

10

New  
businesses

97%

of customers rated  
the Market offer as  
Very Good or  
Excellent

### Stall upgrades

The Market assisted four traders to refurbish their stalls during July – December. These included a full stall upgrade for long standing trader K&L Poultry, new fixtures and signage for skincare brand Coconut Revolution, a full stall upgrade for chopping board specialist Greenvalley Timber, and a stall refresh for new trader, Zen Holistic Health.

### SO:ME Space

The SO:ME Space business incubation pop-up precinct has continued to be highly sought-after, with spaces booked up to six months in advance, and an increasingly high return rate. During this period 22 new businesses were featured in the pop-up precinct, with a focus on innovative and locally designed wares.





## **Suki McMaster & Markee Skincare**

**Stall 87, Aisle B**

Sister-and-brother duo, Suki and Mark, have joined forces to bring their two thriving businesses together in a new location. Both businesses originated from the Market's SO:ME Space pop-up precinct, with Suki more recently occupying Stall 217 in West Aisle.

Suki and Mark's newly combined venture embodies the Market's ethos of supporting and promoting local, small businesses. Their new family stall is a hub of creativity and passion, where every item tells a story of craftsmanship and community.

This exciting collaboration offers an extended range of Suki's cheerful, Australian-designed homewares, stationery and gifts, alongside Markee Skincare's handmade, environmentally sustainable skincare products, all crafted with love in Melbourne.

## Our Brand

The Market continues to position itself as The Quintessential Village Market – the local's place to shop, eat, drink and meet. Key highlights in this period have included the launch of Market Explorers, a free scavenger hunt for children aged 6-12 which teaches food literacy, encourages children to develop meaningful connection with the Market and it's traders and supports return visitation; the popular Victorian Affair event in October, which showcased some of the incredible local growers and producers our state has on offer; and the Market's festive season, with December once again returning record visitation for the year to date.

4.6

Google star  
rating

79

Net Promoter  
Score

2 in 3

Shoppers  
are locals

## Key initiatives and activity

**Programming:** The Market delivers a calendar of events and celebrations that drive visitation and encourage exploration, dwell time and spend to support our traders. Key highlights in this period included a free live music program for NAIDOC Week, Ride2Work Day, the launch of our new children's food education program, Market Explorers, and another instalment of the popular Foodie Affair series; A Victorian Affair which formed part of the Council's wider Spring Graze event and shone a spotlight on local growers, makers and producers.

**Market Tours:** The Market engaged Flavourhood Tours in 2024 to deliver a regular program of tours at the Market. The new partnership allows for an increased offer to meet demand, with public Foodie Tours now offered weekly (previously monthly) and school group capacity increased to 60 students (previously 24).

**Christmas:** The Market ran an eight-week promotional campaign in the lead up to Christmas to encourage Melbournians to support small business and shop local this festive season. Advertising ran across radio, outdoor, print and digital and positioned the Market as a one-stop-shop for produce and gift shopping. There was also a program of roving entertainers, Santa's Mailbox, choir performances and visits from Santa and his Elf.

**Community Space:** The Market hosts a free community pop-up space that is available for local charities, not-for-profit organisations and community groups to book free-of-charge. In the July – December period, this space hosted groups including Port Phillip Men's Shed, Space2B, Albert Park Scouts, SisterWorks, South Melbourne Primary School and Port Phillip Community Group for Senior's Week.

## Our Customer

Customer exit surveys are conducted twice a year, with the most recent wave completed in October. Key findings included:




- Shopper demographic continues to skew female
- 78% of shoppers do not have any dependent children at home
- 2 in 3 shoppers reside within a 20 min drive of the Market
- Grocery shopping remains the key reason for visiting the Market
- On average, shoppers visit the Market 37 times per year.



# Our Asset

The July – December period saw progress in infrastructure upgrades such as enhanced lighting, roller door upgrades, research into new carpark management systems, and foundational building enhancements. Efforts have also been focused on developing an evidence-based framework to support future asset renewal programs, and long-term sustainability goals have been progressed with improved waste diversion rates.

## Projects Update

Project	Overview	Status	Update
Cecil Street Essential Services	Installation of services to make the outdoor kitchens on Cecil Street compliant including gas, hydraulic, electrical and exhaust.		Works began with underground installation works in late 2024, including a new grease interceptor. Completion expected by April 2025.
Level 1 External Stairs (Fire Egress Stair)	Construction of an external stairwell from the Level 1 carpark to the York Street ground level carpark to provide safe passage in the event of fire.		A contractor was appointed in December, with construction commencing in March and completion expected by June 2025.
SMM License Plate Recognition (LPR) System	Renewal of outdated ticketing infrastructure with an LPR system, reducing costs, downtime, congestion, and ticket-related issues.		The Approach to Market is complete, with the new system set to be installed by June 2025.

 On Track     Delayed

## Asset improvements

Operational and asset improvements have enhanced efficiency, sustainability and security. Upgrades include improved lighting aligning with Crime Prevention Through Environmental Design (CPTED) principles. These enhancements improve visibility, reduce vulnerabilities and create safer spaces while optimising resource management, streamlining operations and supporting long-term sustainability goals.

## New Cleaning and Waste Partner

Following a competitive tender process, IKON Services were awarded the Market’s cleaning and waste management contract in September. With improved infrastructure and increased use of electric vehicles, Ikon are already improving sustainability at the Market and reducing the amount of waste going to landfill. The shift ensures higher efficiency, environmental responsibility, and better service outcomes.

## Project Connect

**Project Connect is a critical capital works program required to upgrade and enhance South Melbourne Market, ensuring it aligns with contemporary operational, regulatory, and community expectations while facilitating long-term sustainability.**

The Market is facing significant operational issues due to its ageing infrastructure, capacity and productivity constraints, non-compliance with updated building regulations, significant congestion (vehicle and pedestrian), and lack of public spaces and seating, which is compounded by a limited building footprint.

Two streams of improvements have been combined in this project that are deemed necessary to ensure the Market meets building, DDA and essential services requirements and meets the demands of the community into the future within the constrained footprint:

- **Mandatory Compliance Works:** Works necessary to implement to bring the Market up to current building codes including introducing new stairs and lifts on York Street and Coventry Street, an increase in amenity numbers and upgrades, process optimisation for loading bay and waste management, and internal aisle regrading based on code changes since the initial compliance audit in 2016. Subsequently, based on further investigations, additional Structural remediation works were identified to meet build code requirements to support the future of the Market buildings.
- **Strategic Uplift Works:** Works to enhance public spaces, improve pedestrian connectivity and improve the connection of the market to the wider precinct. The Strategic Uplift plan is the resulting scope of works from the development of a strategic vision and business case for the Market to help shape the future direction and investment, a key priority for Council (previously SMM NEXT Project).

### Next steps:

Officers presented the Project at a Councillor Briefing in March 2025 to outline the scope, benefits, costs, challenges and risks associated with this significant project designed to futureproof the Market.

# Environmental Sustainability




The Market has continued to see improvements in its environmental sustainability outcomes. Highlights from this period include:

- The replacement of fluorescent bulbs with LED, contributing to a significant reduction in electricity use.
- Further reduction of single-use plastic with the phase out of plastic take-away containers, foam trays and decorative balloons. This was supported with a BYO reusable container campaign promoting their use for items from ‘porterhouse to peanut butter’.
- In September innovative waste initiatives started to be implemented in partnership with the new cleaning contractor. These include the Market’s organic waste now being used to generate clean, renewable electricity and reducing trucks on the road by using compactors.

## Traders reducing waste and helping those in need

Every Sunday, a group of volunteers from Port Phillip Community Group (PPCG) collect excess food that would have otherwise gone to waste and distribute it to those in need. From July to December, Market traders donated food valued at \$17,500 which was used to support 15 agencies within the City of Port Phillip.

## Sustainability performance Quarters 1 & 2

	Waste diversion	Potable water (KL)	Electricity ^ (kWh)
Baseline* EoY	65%	14,193.3	424,027
2023-24 EoY	67.3% +2.3%	12,392.1 -12.7%	309,211 -27.1%
2024-25 YTD Dec	70.6% +5.6%	13,180.2 -7.1%	242,837 -42.7%
Per capita change	-20% (total waste generated)	-6.77%	-50%
2027 target	85%	10% reduction	25% reduction
Status			

### Notes

- \*2018-19 used as baseline as not impacted by COVID-19
- + As consumption is impacted by visitor numbers, average use by attendance provides a more nuanced understanding of sustainability impacts. 2024-25 YTD figures were 0.6% lower than 2018-19.
- YTD waste diversion is 3% below target (73%). The diversion targets now form part of the new cleaning contract and an increase is expected by end of financial year.
- ^ solar figures are unavailable for 2023-24 period due to data logger issue however solar continued to be generated during this period – approximately 20-25% of total power use. Figures compare grid use only.



# Financial Report

The Market's year-to-date **operating surplus** is over the forecast expected at the end of Quarter 2.

This is due to some expenses that were forecast in the first half of the year being recorded in the January to June period, including Marketing, Professional services, and Contract services.

Revenue is also 2% up on target with license fees favourable due to the healthy 99% stall occupancy, and parking fees which are 4% up on target due to increased use of carpark.

**Capital Projects** being delivered this year include the Cecil Street Essential Services Connection and the Fire Stairs to the Level 1 Carpark. Annual Stall Base Build Changeover and Asset Renewal works are on track with higher spend forecast in Jan-Jun period.

	Year to date		YTD Variance	
	Actual	Forecast	Actual to Forecast	
	(\$'000)	(\$'000)	(\$'000)	%
SMM Cecil St Ess Services Connect	501	619	118	19%
SMM Compliance Works	20	0	(20)	0%
SMM Fire Stairs to L1	19	272	253	93%
SMM Smoke Extraction	10	0	(10)	0%
SMM Stall Base Build Changeover	112	162	50	31%
SMM Renewal Works	83	118	34	29%
SMM Project Connect	50	145	95	66%
TOTAL CAPITAL SPEND	796	1,316	521	40%

Operating Budget	2024-25 YTD			
	Actual	Forecast	Variance	
	(\$'000)	(\$'000)	(\$'000)	%
Licence Fees / Stallholders Rent	3,759	3,693	66	2%
Parking Fees	475	456	18	4%
Other Income	351	349	0	0%
TOTAL INCOME	4,584	4,498	85	2%
Employee Costs	896	884	(12)	(1%)
Materials & Services	67	52	(14)	(27%)
Contract Services	1,397	1,471	74	5%
Utilities & Insurance	181	181	0	0%
Financing Costs	8	8	(0)	(1%)
Depreciation	214	215	1	0%
Congestion Levy	160	161	1	0%
Fire Services Levy	18	17	(2)	(10%)
Land Tax	123	123	0	0%
Bad and Doubtful Debts	2	15	13	87%
Professional Services	69	98	29	29%
Marketing and Advertising	154	197	43	22%
Other Expenses	65	79	14	18%
Notional Rent*	0	0	0	0%
Internal Head Office Overhead Costs	0	0	0	0%
Operating Projects	0	19	19	99%
TOTAL EXPENSES	3,354	3,520	166	5%
OPERATING SURPLUS/(DEFICIT)	1,230	977	253	26%

\* Note - Notional rent is adjusted at year end and is based on National Competition Policy



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