

Adelaide Central Market

Quarter 2 Report, 1 October 2023 – 31 December 2023



Executive Summary

The Adelaide Central Market Authority is making strong progress against the initiatives and measures set out in the 2023/24 business plan and budget with 95% actions progressed, ongoing or on track. The operating position of \$331,000 favourable to budget YTD is due to additional leasing income, 100% rental occupancy, and minimal debt, compounded by a favourable variance in expenditure due to the timing of professional fees for the leasing of the future Market Expansion.

December and Christmas trade were a success with the same average daily visitation than 2022. Annual traffic in 2023 reached 8.15M, 9.4% higher than the 7.45M in 2022. However, results have plateaued somewhat since July 2022 with growth in 2024 likely to be harder to achieve in the context of cost of living pressures, muted retail results Australia wide and potential impact of local development works.

Financial Report

Operating budget

\$'000	Year to Date			Revised Budget
	Actual	Budget	Var	
Income	2,649	2,457	192	4,914
Expenditure	2,525	2,663	138	5,310
Net Operating Surplus/(Deficit)	125	(206)	331	(395)

Income

- Favourable rental income (124K) and electricity recovery (\$68K)

Expenditure

- \$100K favourable expense variance is mostly due to the timing of spend on professional fees and consultancy relating to One Market leasing.

Risks and Opportunities

- The construction of Market Square, the decreased capacity in the Central Market car park, as well as economic conditions and cost of living pressures may impact on potential spend in Market. Visitation has plateaued in Quarter 2, except for December with a visitation increase of 10% vs 2022 when comparing date to date.
- Leasing remains strong with 100% occupancy.

Business Plan & Budget 2023/24 and Strategic Plan Measures

The 2023/24 ACMA Business Plan and Budget includes 44 priority actions across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market.

Summary Strategic actions	On track	Needs attention	Off track
OUR CUSTOMERS	10	0	0
OUR TRADERS	4	0	0
OUR BUSINESS	16	1	0
OUR COMMUNITY	5	0	0
OUR MARKET	7	1	0
TOTAL	42	2	0

The two actions requiring urgent attention in quarters 3 and 4 relate to the Market Expansion and are essential to attract and secure future tenancies. Dependencies include the completion of the CMAR program of works (led by ICD/CoA) and Leasing Strategy advice (in progress):

- Development of EOI for Market Expansion
- Completion of One Market Retail and Fit Out Guidelines

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

OBJECTIVE (Strategic Plan 2023-2028)	Key Achievements and Measures
1.1 Know our customer	<p>Customer Experience Tracker: Full year results presented to ACMA Board in December 23 - 82% of Market Visitors were satisfied or completely satisfied with the Market.</p> <hr/> <p>Customer perception and pre-construction/ mid construction Impact research: presented to ACMA Board in December 23: 100% Satisfaction for in-person surveys (up from 97% in May). Summary shared with traders in Jan 2024.</p> <hr/> <p>Align trading hours to customer preferences:</p> <ul style="list-style-type: none"> • 86% of traders said 2023 Christmas trading hours were suitable for their customers. • 24th December (Christmas Eve) stall opening rate: 98% • 31st December (New Years Eve) stall opening rate: 62.6%
1.2 Engage our customer	<p>Market Vibrancy - elevated events and activations:</p> <ul style="list-style-type: none"> • Bastille Day celebrated Jul23 - live music, cooking demos, kids activities, walking tour, crepe pop up. • Seafood & Sounds event in November. • Saturday Market Day program continues with live music and free kids activities. • Producer in Residence stall has seen 100% occupancy from July to Dec 2023 • The 2023 Christmas Campaign & Activation investment was \$75k, including live music, cooking demonstrations, kid's activities, and Christmas village, roving entertainment, in-market decorations, signage, design, printing, promotion and an extensive advertising campaign. 46 activations, 5 more than last year. <hr/> <p>Connected customers: Improved car park experience and precinct wayfinding during Christmas trade with:</p> <ul style="list-style-type: none"> • 3 hours free car park offer (Andrew and Grote Upark): to Friday nights and Sundays in Dec for Christmas and New Year. • Upark internal traffic management • Gouger st Traffic Management • Precinct Map showing 7 car parks within 3 min walk to Market.

1.3 Deliver extraordinary customer experiences

Delivered demonstrations and tastings with well know chefs. Collaboration with:

- Katie Spain and Adam podcast with 570 listens as of late December.
- Ex Masterchef Larissa Sewell for Christmas affordable menu campaign, alongside luxe recipes for premium publications.
- 11 Cooking Demonstrations were held including OzHarvest (September), Karena and Justin James (October), Fogolar Furlan/Lorenzo Andriola (November), Larissa Sewell (December) and Mandy Hall (co-hosting).

Online market: Survey completed with results in July 23: Among online shoppers 87% are satisfied with their overall experience, and less than 5% dissatisfied.

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
2.1 Support Trader success	Supported traders with retail visual merchandise Completed at YTD: Adelaide Nut /Fair Seafood/ Yoghurt Shop/ Something Wild/ Fleurieu Milk

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
3.1 Ensure our Market is financial self sufficient	<ul style="list-style-type: none">• Cleaning Contract expiry Feb24: Following tender process, saving of \$100K per year following alignment with CoA. New contractor SKG transitioning on 01/03/2024.• Identified cost efficiencies for exhaust cleaning, benefiting traders too. <p>Lease revenue: 11 out of 16 leases renewed at end of Q2, in line with tenancy schedule. Q1: Achieved 100% occupancy</p> <p>Leasing framework completed. Independent retail valuations completed for existing market. Retail valuations for Market expansion delivered in Q2.</p>
3.2 Deliver Retail & Leasing Strategy	Retail mix, completed: Fair Seafood launched: unique offer, reviving southeast corner. Rental Valuations for Market Expansion Request for proposal for Leasing strategy and services.
3.3 Deliver Marketing Strategy	Marketing purpose: <ul style="list-style-type: none">• 'Only at the Market' Campaign refresh: rolled out Sept 2023 and ongoing including in-Market signage.• Christmas campaign: ASR media value was \$755k with 90 pieces of media content shared relating to the Market Christmas over November and December. <p>Access:</p> <ul style="list-style-type: none">• Clear customer communication upon loss of car parking for development and open for business-as-usual messaging:• Increase in communication surrounding 3 hours free promotion, as well as nearby alternative parking options.• Refresh of external wayfinding signs as well as CMAR construction hoarding to raise awareness and access to Market. <p>Tourism: #1 Top attraction in Adelaide, Trip Advisor, Jan 2024</p> <ul style="list-style-type: none">• Worked with AEDA on The Santa Course promotion, as well as multiple business conferences with branded merchandise and produce giveaway.• Connection with major City events, completed at YTD: Adelaide International players visit & promotional video, Jan 24 Tour Down Under: 'Wines of the Tour' event, Jan 24 and TDU Village presence (signage and 30sec TVC) Lunar New Year collaboration.

- Delivered targeted offer for tourists with self guided tour podcast.
- Collaboration with SATC and State Government (tram wrap, airport completed).
- Blog Coverage on SouthAustralia.com

3.4 Ensure the Market remains safe & secure environment

Security - Completed:

- Implemented Wors Security system: reporting online - August 2023
 - Body worn security camera implemented - July 2023
 - Roster adapted resulting in cost savings
 - Review of emergency evacuation procedures + staff training -1/11/23
 - Emergency management manual updated October 2023
 - Upskilling/training of new security team provided for all security guards to act as Chief Warden, Nov 23
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- Partnerships: Regular SAPOL meetings re planning of Christmas and other major activations.

3.5 Treat Traders as business partners

Traders group: Established new Terms of Reference upon update of ACMA Charter dated October 2023 + coordination of Election of new trader group (TRC) in Nov/ Dec 2023. Meet bi-monthly from December 23

Communications with traders:

- 'Market Talk' (internal communications with traders) design refresh including increase in visual content.
- Actively engaged with traders re Christmas trading hours, resulting in record 88% survey participation.
- High engagement for TRC election (59% voted) and post Christmas survey (53% completed the survey vs 20% in 2022)

3.6 Deliver brilliant basics

- Christmas Operations: 92% of traders were satisfied with the operations of the Market with 51% of traders being very satisfied (2023 Christmas traders survey)
- Increase in Pest control management activities depending on requirements.
- weekly meetings with cleaning supplier and ACMA/ COA.

Waste program now renewed for 2 years in line with CoA (expire Sept 2025)
New contractor SKG transitioning on 01/03/2024.

3.7 Focus on people and capability

Engaged and trained two staff to fill existing vacant positions with a full management team from December 23, which will relieve management team from the demands of extended trading hours and weekend shifts. Ongoing management of TOIL for corresponding duty management shifts.

Acting roles as training opportunities: MM acting as CM, gaining leasing and revenue generating perspective as well as technical and negotiation skills.
Industry events as relevant

OUR COMMUNITY

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
4.1 Connect with our community	<p>Sustainability:</p> <ul style="list-style-type: none"> • Water bottle refill station delivered. • Request for proposal Sustainability consultant • Sustainable September delivered. <p>Social reach:</p> <ul style="list-style-type: none"> • Donation of all ingredients for Catherine House Christmas Lunch (70 at-risk women) • Weekly OzHarvest food rescue collections equating to approx 270kg / 550 meals per week. • In-Market OzHarvest fundraising over Christmas raised \$5,663 across four days - equating to 11,326 meals.

- Monthly Guide Dogs fundraising

4.2 Contribute to the wider Market precinct

Engagement with CoA and precinct stakeholders

- Meetings with Gouger St precinct to discuss events, attendance at monthly GBP Committee meetings.
- Supported Christmas precinct activations.
- Ongoing negotiation for Lunar new year with organising committee.
- Delivered traffic management Strategy over Christmas peak visitation to manage decrease in ACM car parking, including street management and coms campaign for other parking options.

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
5.1 Ensure quality outcomes for our Market	<p>Trolley investigation: Concept stage delivered, community consultation to follow.</p> <hr/> <p>Customer amenities: Feasibility and investigation completed in in FY2023/24 for Parents Room on northern Roadway. Completed bid for detailed design and construction as part of FY24/25 Budget process, subject to capital funding.</p> <hr/> <p>Market Expansion - Completed Dec 2023: Market Expansion Leasing Valuation, New One market Lease template</p> <hr/> <p>Advocacy for traders:</p> <ul style="list-style-type: none"> • Negotiated to move coolrooms on vacant construction site to avoid congestion on Gouger • Trader advocacy when exploring additional storage facilities for market expansion • And negotiating road closure and LNY Event with Chinatown <hr/> <p>Communications to stakeholders about market expansion: 23 project updates to traders YTD. Adjustment of frequency of communication and filtering relevant area - segregation by aisle/zone to increase accurate targeting for relevant information.</p>
5.2 Review technology systems to inform decision making	<p>September 2023, 7 new counter locations, now capturing external street trade improved technology</p>

Upcoming quarter ACMA: 1 January 2024 – 30 March 2024

- Market activations, including Saturday Market Day activities, Lunar New Year, Sauce Day events, Easter and Fringe
- Marketing:
 - Calendar 24/25 development will begin Q3.
 - Easter Campaign
 - Tourism: JetStar Advertising & Gather round brand awareness campaign
- Sustainability:
 - Review of the waste process options
 - Consultancy to advise sustainability strategy with report to Board
- Entry lighting and canopies repairs in progress
- Trolley project: Community consultation phase
- Market Expansion:
 - EOI brochure delivery in Q3/Q4
 - Fit Out guidelines process to start
 - Leasing and project advisory services procurement

Q2 Key Achievements



Seafood + Sounds

October 27 & 28 saw a celebration of South Australian seafood, with trader specials, exclusive pop-ups, live music and cooking demonstrations with industry leading chefs. Over the two days more than 1200 serves of Asian style Chilli Crab were served up, as well as a pop-up Oyster and Wine Bar.



Christmas 2023

The busiest trading period for the Market saw an extensive marketing campaign, alongside a month-long calendar of live music, school choirs and roving entertainment. 2023 saw the collaboration with Masterchef alumni Larissa Sewell in a Christmas lunch for 8 guests for under \$150 using Market ingredients.



Oulianoff Bench Unveiling

With the support of traders, ACMA commissioned and unveiled a bench and plaque dedicated to Stephan Oulianoff and his late wife Maria from the Central Organic stall. Stephan Oulianoff has been part of the Market for more than 50 years and illustrates the strength of the Market community.



Refillable Milk Station

In collaboration with Fleurieu Milk Company, the Market unveiled the first refillable milk station in South Australia. This is another valuable step in our sustainability journey and has been very positively received by shoppers.



Fair Seafood Opening

Australia's first and only seafood wholesaler and retailer to offer 100% fisher-to-consumer traceability on all products opened in the south-east corner. They offer a range of freshly caught seafood as well as a menu of seasonal dishes for dine-in.



100% Market Occupancy

The opening of Fair Seafood, with another unique and innovative food offer, signals 100% leasing occupancy across the Market - a very positive sign for the upcoming Market Expansion that confidence in the Market remains strong.