

# Adelaide Central Market

Quarter 3 Report, 1 January 2024 – 31 March 2024



## Executive Summary

The Adelaide Central Market Authority is making strong progress against the actions and measures set out in the 2023/24 business plan and budget with 95% actions progressed, ongoing or on track. Initiatives delivered by the ACMA team continue to be varied and highlights for Q3 include the popular Sauce Day (Italian themed), the inaugural 'Fringe at the Market' program, the Mad March or Easter campaigns and activations. All contributed to attracting visitors, supporting local businesses and strengthening community and cultural ties to the City.

The operating position is favourable to budget YTD 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. It is expected ACMA will finish the year a small surplus and a positive variance vs initial budget of \$407K.

Overall, the Market visitation in Q3 has been marginally below 2023, with Easter falling in March and outside of school holidays. Visitation results continue to plateau somewhat since July 2023 in the context of cost-of-living pressures, muted retail results Australia wide and impact of local development works.

## Financial Report

Operating budget including revised budget:

\$'000	Year to Date			Q2 Budget	Revised Budget
	Actual	Budget	Var		
Income	4,176	3,686	490	4,914	5,422
Expenditure	3,795	3,967	171	5,310	5,410
Net Operating Surplus/(Deficit)	381	(281)	662	(396)	12

### Income

- Favourable revenue variance: rental income \$258k and electricity recovery \$231k
- Forecast: update to accounting treatment of tenant discounts \$58k, with a total recognition of favourable year to date income \$450k

### Expenditure

- YTD: Variance due to savings in casual salaries, electricity and timing on One Market
- Forecast: Increase for insurance premiums (\$53k) and facilities costs (\$47k)

## 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.
- Access to the Market may be affected further by compounding pressures in the precinct, depending on timing: future renovations of Market Plaza entrances, Gouger St rejuvenation, ongoing Pitt St works, road closures for major events, etc.
- 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
<b>TOTAL</b>	<b>42</b>	<b>2</b>	<b>0</b>

42 Actions are either completed, ongoing, or on track.

The two actions requiring attention have been progressed in Q3 as planned and should be completed by Q4. They both relate to the Market Expansion and are essential to attract and secure future tenancies:

- Completion of leasing strategy and development of EOI for Market Expansion
- Delivery 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"> <li>• 86% of traders said 2023 Christmas trading hours were suitable for their customers.</li> <li>• 24th December (Christmas Eve) stall opening rate: 98%</li> <li>• 31st December (New Years Eve) stall opening rate: 62.6%</li> </ul> <p>Trading hours review process established and shared with Trader Representative Committee (TRC) - to be facilitated by external consultant and led by TRC in FY24/25, for potential implementation in July 2025</p>
1.2 Engage our customer	<p>Market Vibrancy - elevated events and activations:</p> <ul style="list-style-type: none"> <li>• Bastille Day celebrated Jul23 - live music, cooking demos, kids activities, walking tour, crepe pop up.</li> <li>• Seafood &amp; Sounds event in November.</li> <li>• The 2023 Christmas Campaign &amp; 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.</li> <li>• Sauce Day in March</li> <li>• 44 Fringe Performances in Feb and March</li> <li>• Saturday Market Day program continues including live music and free kids activities</li> <li>• Producer in Residence stall has seen 100% occupancy from July to April 2024 (12 businesses).</li> <li>• Connection with major events: Adelaide International players visit &amp; promotional video, Jan 24. Tour Down Under: 'Wines of the Tour' event, Jan 24. Lunar New Year collaboration, Feb 24. Adelaide Fringe Activation, Feb-Mar 24.</li> </ul> <hr/> <p>Connected customers: Improved car park experience and precinct wayfinding during peak trade with:</p>

1.3 Deliver extraordinary customer experiences

- 3 hours free car park offer (Andrew and Grote Upark): to Friday nights and Sundays in Dec for Christmas and New Year and ongoing Saturdays.
- Upark internal traffic management
- Gouger St traffic management
- Precinct Map showing 7 car parks within 3 min walk to Market.

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.
- 12 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), Radio Italiana (March).

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

Monthly Brochure established and started from February.

Corporate Orders Averaging 6% of Orders

Created enjoyable and unique shopping experience with the instal of festoon lighting

## 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
2.2.1 Trader Skills Develop new Trader Induction Program	Trader Induction Program completed and in use.

## 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"> <li>• Cleaning Contract expiry Feb24: Following tender process, saving of \$100K per year following alignment with CoA. New contractor SKG transitioned on 01/03/2024.</li> <li>• Identified cost efficiencies for exhaust cleaning, benefiting traders too.</li> </ul> <p>Lease revenue: 12 out of 16 leases renewed at end of Q3, 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> <p>Q3: Retail Mix for Market Expansion near completion. Q3: Stall 9 Vacancy from 1 September 2024 (ex-Standom) Internal EOI carried out</p>
3.2 Deliver Retail & Leasing Strategy	<p>Retail mix, completed: Fair Seafood launched: unique offer, reviving southeast corner. Rental Valuations for Market Expansion Leasing strategy near completion</p> <p>Fit out Guidelines pushed to Q4 to be in line with Leasing Strategy and architectural progresses (refer 5.4.1 EOI brochure). Request for proposals issued March 2024, due for completion June 2024.</p>

### 3.3 Deliver Marketing Strategy

#### Marketing purpose:

- '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.
- Easter campaign and investment was \$45k delivering live music, kid's activities, roving entertainment, in-market decorations, signage, and an extensive advertising campaign. PR activities returned media value of \$591k with 57 pieces of media.

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#### Access:

- 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.

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#### Tourism: #1 Top attraction in Adelaide, Trip Advisor, Jan 2024

- 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
- Mad March brand awareness outdoor advertising campaign focussing on high traffic and visitation areas in the city during Fringe and Womad

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### 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.

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### 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

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#### 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)

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### 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.
- Significant increase in Pest control management activities to mitigate risks

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Waste program now renewed for 2 years in line with CoA (expire Sept 2025)

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Cleaning tender with CoA: Completed Dec 2023 with \$700k savings anticipated over the life of the contract: New contractor SKG transitioned on 01/03/2024, with daily ACMA inspections.

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: Marketing Manager acting as Commercial Manager, 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"> <li>• Water bottle refill station delivered.</li> <li>• Sustainable September delivered.</li> <li>• New waste room supervisor started in Q3.</li> <li>• Sustainability consultant appointed and development of 2024-2026 Sustainability Strategy under progress with Delivery in Q4</li> </ul> <p>Social reach:</p> <ul style="list-style-type: none"> <li>• Donation of all ingredients for Catherine House Christmas Lunch (70 at-risk women)</li> <li>• Weekly OzHarvest food rescue collections equating to approx 270kg / 550 meals per week.</li> <li>• In-Market OzHarvest fundraising over Christmas raised \$5,663 across four days - equating to 11,326 meals.</li> <li>• Monthly Guide Dogs fundraising</li> </ul>
4.2 Contribute to the wider Market precinct	<p>Engagement with CoA and precinct stakeholders</p> <ul style="list-style-type: none"> <li>• Meetings with Gouger St precinct to discuss events, attendance at monthly GBP Committee meetings.</li> <li>• Supported Christmas precinct activations.</li> <li>• Ongoing negotiation for Lunar new year with organising committee.</li> <li>• 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.</li> <li>• Motorsport festival street party</li> </ul>

## 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 underway in collaboration with CoA</p> <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> <p>Market Expansion - Completed Dec 2023: Market Expansion Leasing Valuation, New One market Lease template Completed by end of Q3: leasing strategy for approval by ACMA Board</p>

Advocacy for traders:

- 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 and Motorsport event
- Weekly meetings with constructors

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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.

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5.2 Review technology systems to inform decision making

September 2023, 7 new counter locations, now capturing external street trade improved technology. Addition of customer service desk counter.

Progenesis software quotation received, working with CoA to ensure the program meets their integration requirements before progressing to procurement in Q4.

POS Purchased and being set up - completion expected Q4

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## Upcoming quarter ACMA: 1 April 2024 – 30 June 2024

- Marketing:
  - Calendar 24/25 development finalised.
  - Gather Round activation
  - Bastille Day
  - School Holidays
  - History Festival
- Sustainability:
  - Finalise sustainability strategy for Board endorsement
- Trolley/Cart project: Community consultation completed and solution delivered
- Market Expansion:
  - EOI brochure delivery in Q4
  - Fit Out guidelines to be completed
  - Leasing and project advisory services procurement
  - Marketing/leasing collateral to be finalised ready for EOI

## Q3 Key Achievements



### Adelaide Fringe Partnership

ACMA partnered with the Adelaide Fringe to curate a ten-day program of free performances on Fridays and Saturdays, delivering a total of 44 performances in-Market.



### Mad March campaign

To leverage peak visitation throughout February and March for Fringe and WOMAD, ACMA delivered a CBD focused outdoor campaign comprising of bus stops and digital billboards throughout the city and key entry points including West Terrace and Port Road.



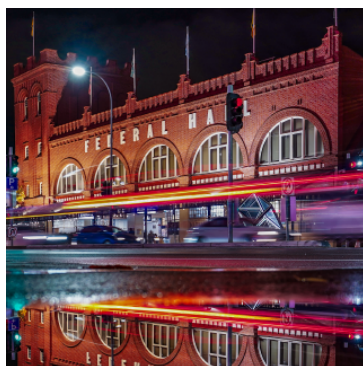
### Sauce Day

Two day event, celebrating Italian food and culture to showcase produce and traders, activate the Market and engage with customers and broader Italian community. All classes were sold out and the event generated \$161K in media value.



### Easter 2024

Key retail campaign for the year to drive visitation, fresh food sales and awareness of trading hours. The tactical marketing program included live music, kid's activities, roving entertainment, in-market decorations, signage, and an extensive advertising campaign. PR activities returned media value of \$591k with 57 pieces of media.



### Operations

In Q3, ACMA and the CoA Infrastructure team delivered the repair and glass replacement of the South East corner atrium.

100% diversion of waste from landfill.



### One Market leasing

Significant pieces of work underway in Q3:

- leasing strategy and development of EOI for Market Expansion
- Delivery of 'One Market' Retail and Fit Out Guidelines Marketing materials development
- Leasing materials in development in liaison with DPC.