

Adelaide Central Market Authority

Quarter 2 Report: 1 October 2024 - 31 December 2024



Executive Summary

Operational highlights for Q2 included the Seafood + Sounds event and Christmas campaign. Seafood + Sounds celebrated South Australia's world-class seafood offer with a two-day program of free and ticketed activities. The Christmas campaign saw a celebration of traders, live music, community choirs and roving entertainment, including precinct activations. 23 December also saw a record number of home deliveries for Adelaide Central Market Online, with 104 orders delivered and more than 1,700 items in one day.

Overall, traffic bounced back in December, with the strongest average daily attendance since April. However, visitation was down by 7% compared to Christmas 2023, which is consistent with the Market visitation month on month over 2024.

Tenancy movement included one stall vacating (Poultry Cuisine), with adjacent trader Market Bread Bar taking over the site. One stall received an infrastructure renewal and new fit out (M&M's Fruit Mart) and operated as a pop up during the works. The popular Cumbia Bar Kitchen expanded their capacity with another pop-up cart in the Market side and OMG Donuts returned with a 6 months short-term lease. Leasing revenue remains strong, with 100% rental occupancy.

After an extensive consultation process in Q1, 100% of traders participated in a vote to review the core trading hours of the Market. The results did not achieve the 75% agreement required by the Retail and Commercial Leases Act 1995, hence the Market will retain its current hours at this stage. Meetings with the Market Expansion Expression of Interest applicants commenced, including seven traders from the existing Market and over 30 external retailers.

The ACMA Board thanked Councillor Noon and John Pearce for their valued contributions over their terms. Hamish Brown and Councillor Martin as Council's representative were welcomed to the Board.

The Adelaide Central Market was also awarded Silver at the Tourism Industry Council of South Australia Awards (TICSA) in Category 8: Tourism Retail, Hire and Services.

Financial Report

\$'000	December YTD			Annual		
	Actual	Q1 Budget	Variance	Q1 Budget	Revised Budget	Variance
Income						
Fees and Charges	2,756	2,647	109	5,294	5,294	-
Other Revenue	22	24	(2)	49	49	-
Total Income	2,778	2,671	107	5,343	5,343	-
Expenditure						
Salaries and Wages	654	814	160	1,787	1,580	(207)
Materials, Contracts & Other Expenses	2,017	2,233	215	4,477	4,483	6
Depreciation	19	18	(1)	36	39	3
Finance	0	0	0	1	1	-
Total Expenditure	2,691	3,065	374	6,301	6,103	(198)
Net Operating Surplus / (Deficit)	87	(394)	481	(958)	(760)	198

\$'000	December YTD			Annual		
	Actual	Q1 Budget	Variance	Q1 Budget	Revised Budget	Variance
Income	2,778	2,671	107	5,343	5,343	-
Expenditure	2,653	2,955	302	6,081	5,883	198
Net Operating Surplus / (Deficit)	125	(284)	409	(738)	(540)	(198)
Expansion Operational Preparedness	38	110	(72)	220	220	-
Total	87	(394)	481	(958)	(760)	(198)

The operating position is \$481K favourable to the YTD budget. The revised budget for 2024/25 reduces the operating deficit from (\$958k) to (\$760k) and is a result of reduced forecast costs associated with Market Expansion Preparedness due to timing of construction deliverables \$201k, offset by a minor increase in depreciation.

Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2024/25	\$ 57,129	\$ 48,552	85%	\$ 8,578	15%	\$ -	0%	\$ -	0%

Debt is contained within 30 days, with 85% being current. 1 lease is currently on a payment plan.

Leasing

Progress since October, with:

Q2 - The total number of Market stalls is 72 - 100% Occupancy	
Renewals	3
Short term	1
Holdovers	3
Vacancies	0

Out of 19 leases expiring in FY24/25, 10 leases have been executed for renewal.

Risks and Opportunities

- Stall 52 (ex- Cons Fruit and Veg) will become a vacancy in April 2025, with redevelopment of the stall occurring, managed by the City of Adelaide Infrastructure team. EOI process for replacement tenancy is underway.
- The decreased capacity in UPark Central Market, the trade disruptions in Market Plaza as well as economic conditions and cost of living pressures impact on spend in Market. Marketing adapting to communicate the market affordability and quality as an opportunity.

Business Plan & Budget 2024/25 and Strategic Plan Measures

The 2024/25 ACMA Business Plan and Budget includes 93 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 93 actions	Delivered/ongoing/ on track	To be monitored	Off track
OUR CUSTOMERS	24	0	0
OUR TRADERS	13	1	0
OUR BUSINESS	31	0	0
OUR COMMUNITY	14	0	0
OUR MARKET	9	1	0
TOTAL	91	2	0

Q2 Highlights

OUR CUSTOMERS

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

- Delivery of in Market events and activations including Seafood + Sounds two-day program, school holiday program, cooking demonstrations, roving entertainment, live music and free kid's activities.
- Delivered Christmas program (marketing and operational)
- Introduced customer feedback and enquiries tracking to the Market Stall (Customer Service Desk)
- Trading Hours review completed: final secret ballot vote to align trading hours to customer preferences (facilitated by external consultant 'Further Insights'). Vote saw 100% attendance and confirmed existing trading hours to remain.

OUR TRADERS

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

- Customers and SA grocery shoppers research shared with traders
- Trading Hours review was completed with extensive Trader consultation in Q1 and vote on 22 November
- Successful pop-up with traditional style Dutch offering in central aisle
- Big clean for Market
- Support trader collaboration with Journey Beyond Trail train weekly visitors (after hours event)
- Supported M&M's Fruit Mart to operate during a pop-up location during a fit out

OUR BUSINESS

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

- New property management software - implementation
- Adelaide Central Market awarded Silver at the Tourism Industry Council of South Australia Awards (TiCSA) in Category 8: Tourism Retail, Hire and Services.
- Two new board members appointed - Hamish Brown and Councillor Phillip Martin
- Adelaide Central Market Online - Back to school promotion and delivery price increase
- Appointment of new Senior Property Officer, Megan Calvert (6 Jan 2025) to support increase in Market expansion leasing

OUR COMMUNITY

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

- Partnership support - Oz Harvest Tree of Goodness (in Market) and Catherine House Christmas lunch
- GISA LEAP Grant application submitted for development of trader resources/sustainability guidelines (up to \$100K)

OUR MARKET

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

- Northwestern and southeast gantries completed
- Christmas cool rooms for traders
- Northeastern Festoon Lighting (entry)
- Increased Market entrance directional signage (Gouger St)
- Market Expansion:
 - Met with 27 EOI applicants (plus existing traders)
 - Commenced Retail Design Guidelines
 - Appointed Senior Property Officer

Upcoming quarter priorities: 1 January 2025 - 31 March 2025

- Marketing and events:
 - Deliver Lunar New Year Activation
 - Deliver Gluttony Sponsorship (The Local Bar)
 - Deliver Sauce Day event activation on 28 February and 1 March
 - Deliver tourism campaign (awareness during key tourism period)
 - Prepare and commence Easter campaign
 - Ongoing program of live music and free kid's activities
- Market Expansion:
 - Community consultation re retail mix
 - Leasing conversations with the balance of potential tenants
 - Operational readiness project - continue research phase to inform budget preparation
 - Delivery of preliminary lease plans
 - Review and finalise lease documentation to issue letter of offers