

Adelaide Central Market Authority

Quarter 3 Report: 1 January 2025 – 31 March 2025



Executive Summary

Highlights for the quarter included ACMA being successful in winning a \$100K Green Industries SA LEAP Grant to deliver a Trader Sustainability Program, in partnership with local sustainability experts 2XE Research. In addition, Friday nights at Adelaide Central Market was voted Australia's favourite food experience in the 2025 delicious 100 awards which gained additional media coverage and showed strong national support.

January to March included several highlights for customers, with an expanded Sauce Day event across two days including sold out sauce making and gnocchi making classes, live music and trader specials. Lunar New Year was celebrated with precinct neighbours, with roving lion dancing throughout the Market and free kid's craft and customers were treated to a free sunflower on Valentine's Day.

A partnership with Gluttony saw an inaugural sponsorship of the Local Bar, with naming and branding opportunities, directional signage and a Enter & Win competition to gain new subscribers. Additional outdoor advertising was implemented during February and March to target the key tourism period and drive brand awareness.

Customer Experience (CX) surveys continue every month, in addition to an in-Market survey during February, measuring the impact of construction work on visitors to the Market. This indicated a positive customer satisfaction rate of 80%.

Tenancy movement included one stall reassigned (The Old Lolly Shop) and two stalls (Sunmi Sushi and Something Wild) under renovations and anticipated to re-open in Q4. One stall (Con's Fruit & Veg) retired on 29 March after nearly 45 years of trade, with a replacement stall (SA Central Fresh) opening once the shop's structure is renovated, with a premium fresh produce offer. Leasing revenue remains strong, with 98.7% occupancy and one lease under offer.

Overall, the Market visitation has slowed down in Q3 (-4% vs 2024) which is consistent with the national passer-by foot traffic result, economic conditions and cost of living pressures. A lift in numbers is anticipated coming into Q4 with the key Easter period.

Financial Report

| \$'000 | March 2025 YTD | | | Annual | | |
|--|----------------|--------------|------------|--------------|--------------------|-------------|
| | Actual | Q2 Budget | Variance | Q2 Budget | Proposed Q3 Budget | Variance |
| Income | | | | | | |
| Fees and Charges | 4,200 | 3,971 | 229 | 5,294 | 5,381 | 87 |
| Grants, Donations & Sponsorships | | | | | 50 | 50 |
| Other Revenue | 31 | 36 | (5) | 49 | 49 | - |
| Total Income | 4,231 | 4,007 | 224 | 5,343 | 5,480 | 137 |
| Expenditure | | | | | | |
| Salaries and wages | 1,042 | 1,152 | 110 | 1,580 | 1,580 | - |
| Materials, Contracts & Other Expenditure | 3,074 | 3,353 | 279 | 4,483 | 4,533 | (50) |
| Depreciation | 29 | 27 | (2) | 39 | 39 | - |
| Finance | - | 1 | 1 | 1 | 1 | - |
| Total Expenditure | 4,145 | 4,533 | 388 | 6,103 | 6,153 | (50) |
| Net Operating Surplus / (Deficit) | 86 | (526) | 612 | (760) | (673) | 87 |

| \$'000 | March 2025 YTD | | | Annual | | |
|---|----------------|--------------|------------|--------------|--------------------|------------|
| | Actual | Q2 Budget | Variance | Q2 Budget | Proposed Q3 Budget | Variance |
| Income | 4,231 | 4,007 | 224 | 5,343 | 5,480 | 137 |
| Expenditure | 4,050 | 4,369 | 318 | 5,880 | 5,929 | 50 |
| Net Operating Surplus / (Deficit) | 181 | (362) | 543 | (537) | (449) | 87 |
| Expansion Operational Preparedness | 95 | 165 | 70 | 220 | 220 | - |
| ACMA Traders Sustainability Program Stage 1 | - | - | - | - | - | - |
| Total | 86 | (527) | 612 | (757) | (669) | 87 |

The operating position is \$612K favourable to the YTD Q2 budget due to strong leasing income, as well as timing of the operational expenditure and salary savings. The Expansion Preparedness Strategic Project has seen some delay in expenditure but will be fully expended by EOFY.

It is proposed to increase the income budget by \$87k to reflect unbudgeted casual and sundry income received so far this year, as well as grant funding received to deliver the Traders Sustainability Program (\$50k zero bottom line).

Debtors Summary

| Financial Year | Total Arrears | Current | % | 30 Days | % | 60 Days | % | 90+ Days | % |
|----------------|-----------------|----------|-----|---------|----|---------|-----|----------|-----|
| 2024/25 | \$38,584 | \$26,714 | 69% | \$2,898 | 8% | \$4,974 | 13% | \$3,998 | 10% |

69% of the debt is current. 1 lease is currently on a payment plan with 1 payment left.

Leasing

| Q3 – The total number of Market stalls is 72 – 98.7% Occupancy | |
|--|----------------------------|
| Renewals | 3 |
| Holdovers | 1 (Big Table) |
| Vacancies | 1 (Stall 55, under offer)) |

Out of 21 leases expiring in FY2024/25, 18 have been renewed with 3 remaining leases in progress. Federal Hall will be vacated by 31 March 2025 as planned and is not included in vacancies as this space is not for retail occupancy, and not on the Market floor.

Risks and Opportunities

- Stall 55 (Something Wild / Seven Seasons) lessor works complete resulting in the stall being the only vacancy. New lease issued with conditions required to be met prior to signing. Stall/lessee works may only commence late May 2025, and the stall will need to be opened and activated during the key Easter and school holiday period (April).
- 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 Market visitation.
- Market Plaza standards (including general lack of maintenance, lifts out of order, vacancies and lack of communication) resulting in customer complaints and negative precinct experience.
- 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 92 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.

At end of Q3, tracking of progress is as follows:

| | Delivered/ongoing/ on track | To be monitored | Off track |
|---------------------------|--------------------------------|--------------------|-----------|
| Summary 93 actions | | | |
| OUR CUSTOMERS | 23 | 0 | 0 |
| OUR TRADERS | 14 | 0 | 0 |
| OUR BUSINESS | 32 | 0 | 0 |
| OUR COMMUNITY | 14 | 0 | 0 |
| OUR MARKET | 9 | 1 | 0 |
| TOTAL | 92 | 1 | 0 |

Q3 Highlights

OUR CUSTOMERS

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

- Delivery of in Market activations including Sauce Day two-day program, cooking demonstrations, roving entertainment, live music and free kid's activities (28 February and 1 March)
- Delivery of Valentine's Day sunflower giveaway – 250 to Market shoppers
- Delivered brand awareness tourism campaign during key tourism period including Tour Down Under Village wayfinding and flyer distribution
- Construction Impact Research, Customer Experience and in Market surveys

OUR TRADERS

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

- Free wellbeing and mental health workshops offered to traders (April and May placement)
- Big clean for Market
- Support trader collaboration with Journey Beyond Trail train weekly visitors (after hours event) and Safari Tours
- Second 'Trader Award for Customer Experience' delivered

OUR BUSINESS

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

- Adelaide Central Market voted Australia's favourite food experience for Friday nights in the 2025 delicious 100 awards
- Gluttony partnership – The Local Bar presented by Adelaide Central Market
- Market Expansion: 38 meetings held with applicants to date (including 8 existing traders).
- Preparedness: Brand and licencing registration underway to protect ACM brand in future expansion

OUR COMMUNITY

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community.

- GISA LEAP Grant application successful, with up to \$100K for development of trader resources/sustainability guidelines
- Delivery of Lunar New Year celebrations and collaboration with Chinatown
- Ongoing partnership support - Oz Harvest (weekly produce collection) and Catherine House (monthly fruit and veg support)

OUR MARKET

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

- New directional signage at the Gouger Street Eastern entrance
- Sprinklers renewal
- Stall renewals (Stall 1 and Stall 55)
- CCTV cameras in UPark and Adelaide Central Market replaced
- Additional dry storage built in cellars for 3 small tenancies
- Emergency And Chief Warden training for staff and key traders
- Market Expansion:
 - Completed Retail Design Guidelines
 - Preliminary Lease Plans delivered

Upcoming quarter priorities: 1 April 2025 – 30 June 2025

- Marketing:
 - Deliver events and activations
 - Easter campaign

- School holidays program
 - Tasting Australia Program (free cooking demonstration program)
- Prepare Illuminate Adelaide installation
- Deliver National Reconciliation Week installation in collaboration with City of Adelaide
- Prepare GISA Grant `
- Operational:
 - Remediation works of the basement (under O'Connell's Meats)
 - Federal Hall make good works – ready for handover to tenant
 - Common Dining areas – install fans in seating areas
- Market Expansion:
 - Online Community consultation and youth focus group re future retail mix
 - Leasing conversations with the balance of potential tenants
 - Operational readiness project – wayfinding scoping
 - Review and finalise lease documentation to issue letter of offers
 - Investigate trading hours options and establish for Expansion
 - Commence procurement for Retail Design Manager (RDM) and Tenancy Coordinator (TC)
 - Obtain Council Rate estimates for new tenancies
 - Support ORAT consultant engagement through developer

