

South
Melbourne
Market

2023-24

Annual Report





Wominjeka

The South Melbourne Market respectfully acknowledges the Traditional Owners of this land, the people of the Kulin Nations. We pay our respect to their Elders, past and present. We acknowledge and uphold their continuing relationship to this land.

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Introduction



Welcome

A message from our Chairperson

South Melbourne Market is thriving. In a climate where we hear almost daily about the impacts of the cost-of-living crisis and struggling retail precincts, to be able to say this is truly something special.

As this Annual Report outlines, there are many reasons for the Market's success this year: we've had wonderful events, welcomed exciting new traders and made the place safer and more sustainable, just to name a few. Fundamentally, however, the Market is thriving because it continues to remain true to its core: championing small business and serving the local community.

The Market brings together over 150 small businesses, each run by passionate, knowledgeable and incredibly hard-working traders. At a time when customers are becoming increasingly disillusioned with big retail, our traders offer the community a local alternative and genuine experience that goes beyond shopping. In turn, our traders are supported by a community of loyal locals who will visit rain, hail or shine, because being a South Melbourne Market shopper is part of who they are. It is this authentic, communal and local experience that has made the Market a globally recognised destination.

The incredible achievements of this year would also not be possible without the hardworking Market Management team. On behalf of the

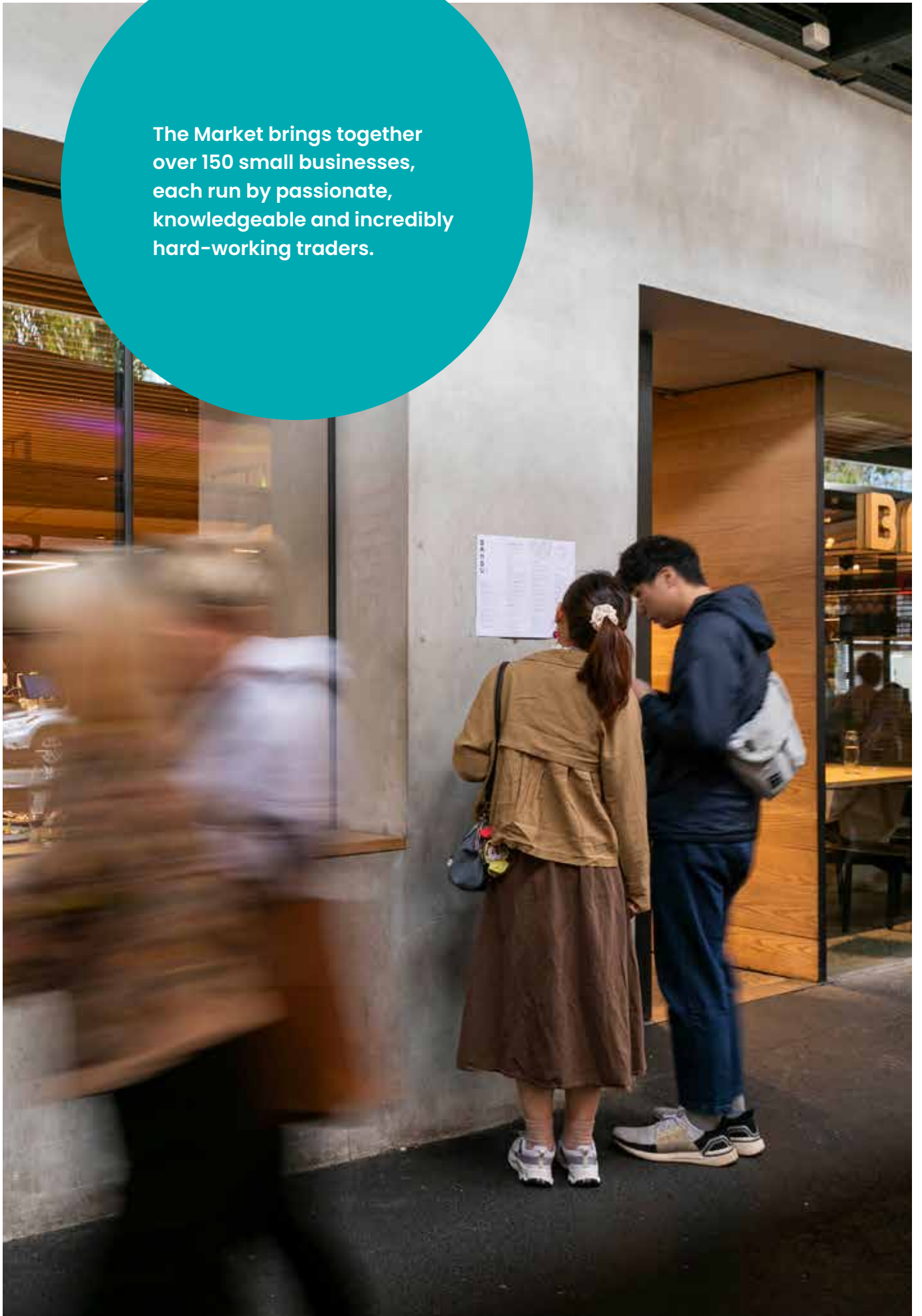
Committee, I would like to thank them for delivering an exceptional experience to both traders and customers and for bringing our strategic vision to life. I would also like to thank Simon Talbot, who finished his term with the Committee in February after five years of valuable guidance, and welcome new member, Nicola Smith to the Committee. Finally, thank you to all the traders who get up in the early hours, give up their weekends, and continue to smile, even if it's the 20th time they've spoken about the footy game last night – you are the reason for our success.

The year ahead brings some exciting new challenges as we deliver the final year of the 2021–25 Strategic Plan and develop a new vision for the next five years; I'm honoured to work with the Committee, traders and Market Management team to take the next step on the Market's journey and ensure its ongoing success.

See you at the Market.

Amanda Stevens
South Melbourne Market Committee
Chairperson

The Market brings together over 150 small businesses, each run by passionate, knowledgeable and incredibly hard-working traders.





About our Market

“The South Melbourne Market is a very important public place for social and cultural interaction both for the City of Port Phillip and the wider community. Established in 1867, the Market is built on land made available under a Crown Grant for a general market.

The Market is run by the City of Port Phillip, who also owns and maintains the buildings and associated infrastructure. It is Council’s intention to retain and enhance the Market’s unique position as a major civic space, one that is a generator of community and social interaction, as well as being one of the Council’s prime infrastructure assets. Council is of the view that it can be developed further as a place for the whole community to visit

and belong, as well as a premier shopping destination. As one of Council’s prime infrastructure assets, the Market must continue to be managed in a financially responsible way. Ensuring compliance with all regulatory obligations including competitive neutrality.”

South Melbourne Market Committee Charter, June 2023

157
years old

154
small
businesses

Open
Wednesday,
Friday, Saturday
and Sunday

City of
Port Phillip
owned and
operated

600+
people
employed

Our Vision

South Melbourne Market, the *Quintessential Village Market*.

A prosperous, authentic destination that is home to fresh, artisanal and cultural products; creative and joyful experiences; celebrates local; is a leader in sustainability; is loved, trusted and connects our customers and community.

South Melbourne Market will achieve its vision by:

1. Being a trusted destination for quality, value, fresh and extensive offer
2. Being a safe, accessible and inclusive market for the whole community
3. Embracing and curating all that is local, artisanal, emerging, cultural and creative
4. Remaining a loved, happy, quirky and experiential destination – full of moments of surprise and wonder
5. Continuing to be environmentally and economically sustainable – a financially secure urban experience, living and breathing green
6. Being accessible – physically and online.





Executive Summary

The Market welcomed over 5.54 million visitors this year. It is a remarkable achievement but should come as no surprise – with a Net Promoter Score of 81, the Market has a well-earned reputation as one of Australia’s sought after retail destinations.

From farm-to-plate butchers and handmade shoes to watch repairs and the freshest seasonal produce, our traders have continued to provide exceptional quality and variety of goods and services, with 96% of our customers rating the Market’s offer as very good/excellent.

Stalls at the Market continue to be in high demand. Four businesses were sold to new owners and six new businesses joined the Market, including Wow Vinyl and Memorabilia and Ugo Burrata Bar, who bring with them new offers and audiences. The Market also continues to play an important role in fostering emerging businesses, with 43 traders having the opportunity to test and trial their wares in the SO:ME Space pop-up precinct, the Market’s business incubator space.

While the Market’s passionate traders are at the heart of the customer experience, providing a safe and functional asset is also crucial to the Market’s success. This year, a program of renewal and minor capital works including lighting upgrades, additional public seating and loading bay boom gates were delivered. Significant work was also done to further develop Project Connect, a wholistic plan for the Market asset that will address compliance requirements and provide a strategic uplift to the asset, ensuring it remains a thriving community hub and retail destination.

As a Council asset, the value of the Market extends beyond commerce and also plays an important role in our local community. The Market held over 25 events and activations this year, bringing together friends and family and attracting new shoppers to explore the Market. These included two instalments of the popular Foodie Affair series, kids arts and craft workshops, cooking demonstrations and a celebration of talented first nations performers for NAIDOC Week. The highlight of the annual event calendar was the Port Phillip Mussel & Jazz Festival, which despite the sweltering weather, saw the community come out to support this much-loved event, with the dancing moving into full swing once the sun started to set.

In addition to events and activations, the Market provided a free-of-charge space for community groups to connect with our customers, including the Port Phillip Men’s shed, RSL Victoria and the South Melbourne District Sports Club.

The Market delivered a \$449,000 surplus, an 18% increase on last year financial year. Coming from a -\$1.9 million deficit in 2019, this surplus illustrates the success of the Market’s strategic direction to become financially sustainable and reduce reliance on Council’s financial support.

Our achievements



81

Net Promoter Score



6

new businesses

4

sold

businesses under new ownership

99%

stall occupancy (stalls licensed)

8



new fit-outs for existing traders



43

new small businesses trialled in small business incubator SO:ME Space



3

traders awarded Early Adopter Sustainability Grants

Over **25**

events and activations

15%

reduction in electricity use

93%

of traders satisfied with South Melbourne Market as the venue for their business



7.6%

increase in attendance on 2022-23



The Port Phillip Mussel & Jazz Festival held in March

Sold out Market Foodie Tours



96%

of customers rated the Market's offer as Very Good or Excellent





Operating our Market



Retail

South Melbourne Market connects our community to over 150 small businesses. With 33 eateries, 39 grocery, 65 general merchandise, 12 services and 5 SO:ME Space pop-up stalls, the Market offers a unique shopping experience that celebrates fresh, local and unbeatable quality, all under one roof.

Our traders

From multigenerational traders to emerging small businesses, the Market's traders bring customers an expertise, quality, passion and a sense of fun that combine to make the Market an unforgettable shopping destination.

2023-24 trader highlights



Kim, Emerald Hill Poultry

"Our whole family was invited to the wedding of a regular customer who's been shopping with us for over 10 years. We're going in November!"



Luli, Emerald Hill Nursery

"I'm celebrating my health! It's the most important thing. After taking six months off, it's good to be back to see my regular customers."



Gimo, Osara

"We have started working with more artisans in Japan to provide unique products that usually can't be found outside Japan."



Agathé, Agathé Pâtisserie

"It was an honour to make it onto La Liste's selection of the world's best pastry shops. This has put us on the map internationally, and it is a great reward for our hard work."



Andrew, Fritz Gelato

"Winning the Champion trophy for the eighth year in a row at the Australian Dairy Industry Association Awards. This year we won with our hot cross bun flavour!"



Irem, Fine Selection

"Moving to a bigger stall and introducing an alterations and repair service. It means people don't have to throw things away, so it's such an important part of the business."



Zarifa and Walya, Zarifa's Collection

"Our international customers returning to us. This makes us feel confident that we are providing a profound experience."



Malgorzata, My Polish Deli

"We had our best Christmas ever and were also very happy to receive so many wonderful homemade cakes and other gifts from our regular customers."

Welcome

The Market has a consistently high level of demand for new stalls and maintained 99% occupancy* throughout the year. Six businesses joined the Market family in 2023-24, providing two new ready-to-eat and four general merchandise offers. We also welcomed new owners of four established businesses.

* stalls licenced



Emel, New Spring

Handmade jewellery, hair clips and Amigurumi toys made by the owner using the traditional crafting skills of Anatolian needle knotted lacing, crocheting and seed beading.



Dana, Gigi Vintage

High-quality vintage and recycled clothing for men and women that is sourced ethically and locally in Victoria.



Paul, Wow Vinyl and Memorabilia

Original and remastered local and European import LPs, as well a range of music memorabilia collected by the owner over 40 years.



Caroline, Maison Otto

A carefully curated collection of specialty French lifestyle homewares, fashion and accessories, with every item reflecting a dedication to quality, craftsmanship and French culture.



Dario, Ugo Burrata Bar

A changing seasonal menu of sweet and savoury dishes that hero burrata cheese, including the unmissable porchetta and burrata sandwich.



Sev, Juicello

Cold-press juices, smoothies, sugar cane juices, acai bowls and treats that prove healthy can also be delicious.

New owners



David and Sophia, Pieno di Grazia

David and Sophia took over the Italian eatery in the Food Hall in October.



Bianca and Jaryd, The Supercool

Bianca and Jaryd purchased the popular SO:ME Space business in November.



Frank and Manny, Pickadeli

Long-time manager of Pickadeli, Frank, purchased the business with Manny in January.



Greg and Cara, Create TBT

We welcomed Greg and Cara to the Market in February.

Pop-up stalls

Pop-up stalls ensure consistently high occupancy levels while stalls are in transition between permanent traders and maintain the overall Market customer experience. Pop-up stalls over the twelve-month period included:

Rhythm Unites

Featuring handcrafted drums, singing bowls and musical instruments alongside a range of handmade baskets and bags. Rhythm Unites embraces diversity and promotes wellbeing through the power of music.

Mitchell McCabe

Offering an eclectic range of menswear by brands such as Ben Sherman, Scotch and Soda and Super Dry, this pop-up was the third outpost for the renowned local business that has been operating in South Melbourne since 1901.

Aua Premium Gifts

The perfect spot to pick up a beautiful Australian-made gift, with handcrafted candles, bath and body care, crystals and curated gift boxes.



Farewell

Goodbye and thank you to the following traders who left the Market this year:

- Brad, Robbro
- Ida, Ida's Alterations
- David and Shirley, Market Import
- Charley, Turn
- Will, Koenji Vintage
- Andrea, The Cupboard Under The Stairs
- Sandee, The Village Juicery

And also to some long-term traders who have recently sold their popular businesses:

- Koula, Pickadeli
- Sharon, Create TBT
- Maria and Nick, Pieno Di Grazia
- Kate and Noonie, The SuperCool

Anniversaries

This year a range of traders celebrated significant anniversaries at the Market:

10 years: Azalea Flowers | Kelly's Massage | Tea Drop | The Little Wine Shop

20 years: Asian Grocer | SMM Mobiles

30 years: Vangeli's Deli

40 years: The Merchant of Fairness (pictured)

Vale Marjorie Cheng

Marjorie Cheng, matriarch of the family that made dim sims a South Melbourne Market institution, passed away in June at the age of 95. Opened by her husband Ken in 1949, the iconic South Melbourne Market Dim Sim stall is the Market's longest operating business, now run by their children, Edward, Anne, Phillip, Lily and Susie.

Stall upgrades

A range of traders made upgrades to their stall this year, ranging from a refurbishment to full new fit-outs.



The Fresh Pasta Shop



Greek'n Out



Décor Gallery



Swords Select



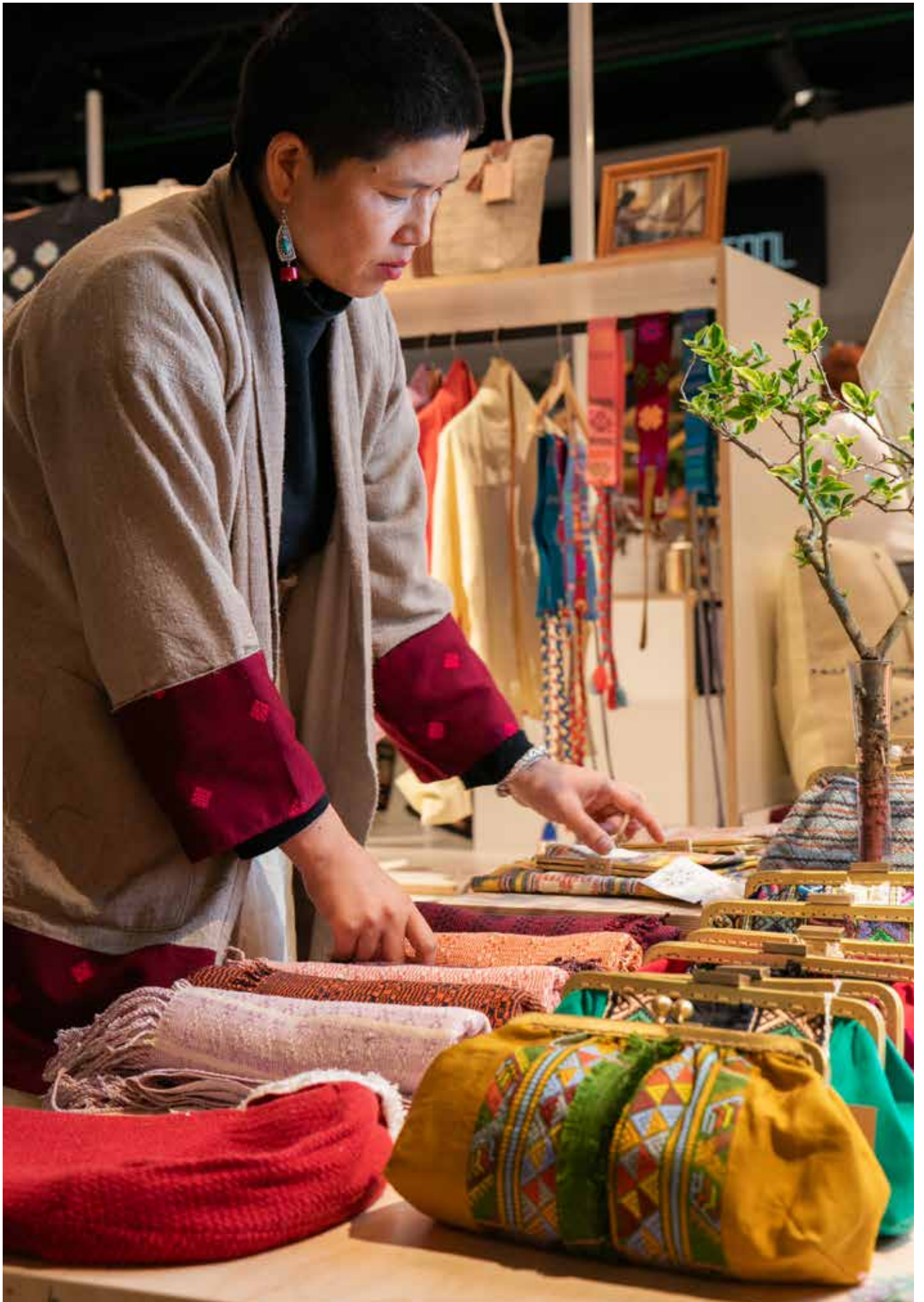
Create TBT



Theo's Deli



Greenvalley Timber





SO:ME Space

SO:ME Space is a unique retail precinct in the heart of the Market that supports the incubation and development of new businesses. Priority is given to businesses that focus on sustainable, innovative, locally designed and/or locally made products.

This year, 43 new or emerging small businesses were featured in the pop-up precinct, including:

The Only Label

A Melbourne-based women's fashion label that combines street style trends with retro charm.

CDK Australia (pictured)

A Bhutanese contemporary clothing brand that supports home-based weavers. The collection includes zero-waste clothing, home textiles and accessories.

The Perfume Workshop

Specialising in botanical oils that are grown along the Frankincense Trail, The Perfume Workshop concocts bespoke fragrances for customers onsite.

Bombay Artisans

Supporting Indian artisans, their ethical, hand-crafted collection features a vibrant collection of textiles, apparel, home furnishings and accessories.

In the 2023-24 period, the SO:ME Space 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, with 70% of pop-up stalls requesting a future booking after their initial timeslot.



Brand

South Melbourne Market continues to position itself as The Quintessential Village Market – the local's place to shop, eat, drink and meet.

Customer experience, marketing and events

The 2023–24 period saw a number of key initiatives undertaken to generate brand awareness, drive visitation and support Market traders. This included promotional campaigns and onsite entertainment and activity for the Christmas and Easter periods, as well as the Market’s premier major event, the Port Phillip Mussel & Jazz Festival.

2023–24 highlights

Events and entertainment

- NAIDOC Week live music program.
- A short film screening in the Market Food Hall as part of the Academy Accredited St Kilda Film Festival.
- Lunar New Year celebrations with traditional lion and dragon dancers.
- Two ticketed ‘Foodie Affair’ events with A Fromage Affair in October and A Seafood Affair in June.
- Ride2Work Day, with free breakfast and coffee for riders, entertainment and bike engraving and registration with Victoria Police.

Tours and education

- Guided Historical Tours as part of the 2023 Senior’s Festival.
- Sell-out monthly Foodie Tours.
- Primary, secondary and VCE school tours.
- School Holiday tour program.





Art

- New public seating and artwork by Manda Lane and VKM outside Padre Coffee.
- New public artwork by Jeswri celebrating the heritage of the Sydney Swans in their 150th year (pictured).

Kids

- School holiday programming, including free arts and crafts, face painting, guided tours and roving entertainment.
- Children’s story-time sessions in partnership with the Port Phillip Library Service.
- Sustainable art and craft workshops for children in collaboration with Bee Healthy.

Activations

- Free cooking demonstrations in collaboration with partners including Open Table, A better choice!, Australian Mushroom Growers Association and the City of Port Phillip Sustainability Team.
- Monthly bike hub in collaboration with City of Port Phillip and Back2Bikes, offering free ten-minute bike tune-ups for cyclists.
- Partnership with SA Tourism and Flight Centre offering Market customers a taste of SA and the chance to win a winter foodie getaway.



Port Phillip Mussel & Jazz Festival

The Port Phillip Mussel & Jazz Festival returned to South Melbourne Market on the Labour Day long weekend in March. Cecil Street was closed to traffic and the Market came alive with a two-day seafood street party celebrating our favourite mollusc, set to a soundtrack featuring some of the city's best jazz and soul musicians. The festival featured a great range of street food vendors, entertainment and free family fun, and was popular among locals and visitors alike.

Consumer insights and engagement

Regular market research with customers via onsite and online surveys is undertaken to understand consumer demographics and behaviour and measure customer satisfaction.

42

Average visits per year

2 in 3

Shoppers live locally

96%

Rate the Market offer as Very Good or Excellent

81


Net Promoter Score



Digital channels

In line with global trends, social media platforms were the Market's leading digital channels for customer reach and engagement. In 2023-24, there was a 20% growth in Instagram engagement, with posts featuring Market traders being the most popular.

Channel	Growth
Website users	1%
Instagram Followers	7%
Facebook Followers	2%



"If there's one thing to love about Victoria, it's its markets. This market is a living organism with all the positive vibes and love in the atmosphere. Just take a walk on a Saturday or Sunday around the shops in the market and feel the beautiful energy here. It'll fill you up for the week!" - Payam

"We have been shopping at this market for almost 30 years and it just gets better every year. If you want quality food look no further." - Simon

"One of the best markets if not THE BEST in Melbourne. Super clean. Food selection is on point. Everything is so fresh. Everyone is super helpful. It was great. Definitely go if you want a nice market experience." - Cecilia

"Seafood heaven, friendly people and great vibes at South Melbourne Market. I'm so eager to return!" - Magenta

"South Melbourne market is our favourite market in Melbourne. We always come here for food, to shop for the fresh produce of veggies and fruits, and of course florist. This market has local artisan stores like jewellery, clothes, candles and besides there are so many lovely stalls. We love coming here!" - Ashwini

"Great food, great atmosphere. Knowledgeable stall owners. Very very good. Will return next time in Melbourne." - Sue

Source: Google



Trader Spotlight

Juicello

Juicello joined the Market family in March and has quickly transformed the Cecil Street entrance to Aisle B into a buzzing location.

Originally starting as a food truck offering juice at events around Victoria, Juicello owner Sev Ali saw the Market as a perfect location to build her business.

"It's a lively, diverse community hub that perfectly matches our vibe. The Market's high foot traffic means lots of potential customers who appreciate fresh, quality products."

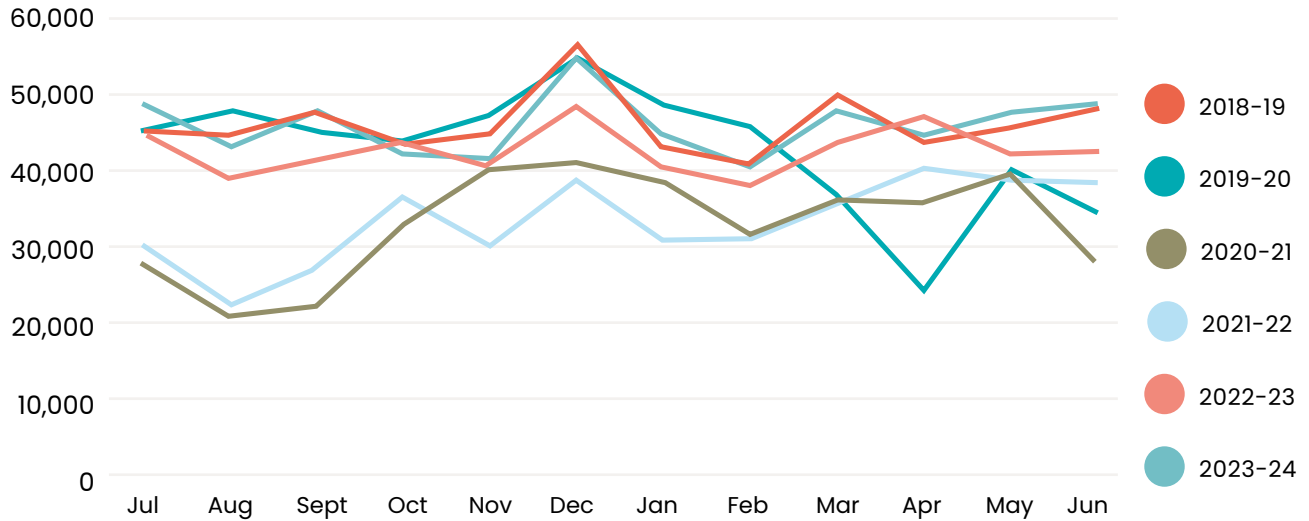
Juicello specialise in crafting delicious, fresh and healthy juices that not only taste great but also boost your wellbeing. They also provide a range of smoothies, acai bowls and sugar cane blends, which are their most popular product.

"What sets our products apart is our commitment to using only high quality, locally sourced ingredients. Our goal is to make healthy living accessible and enjoyable for everyone."

Market visitation

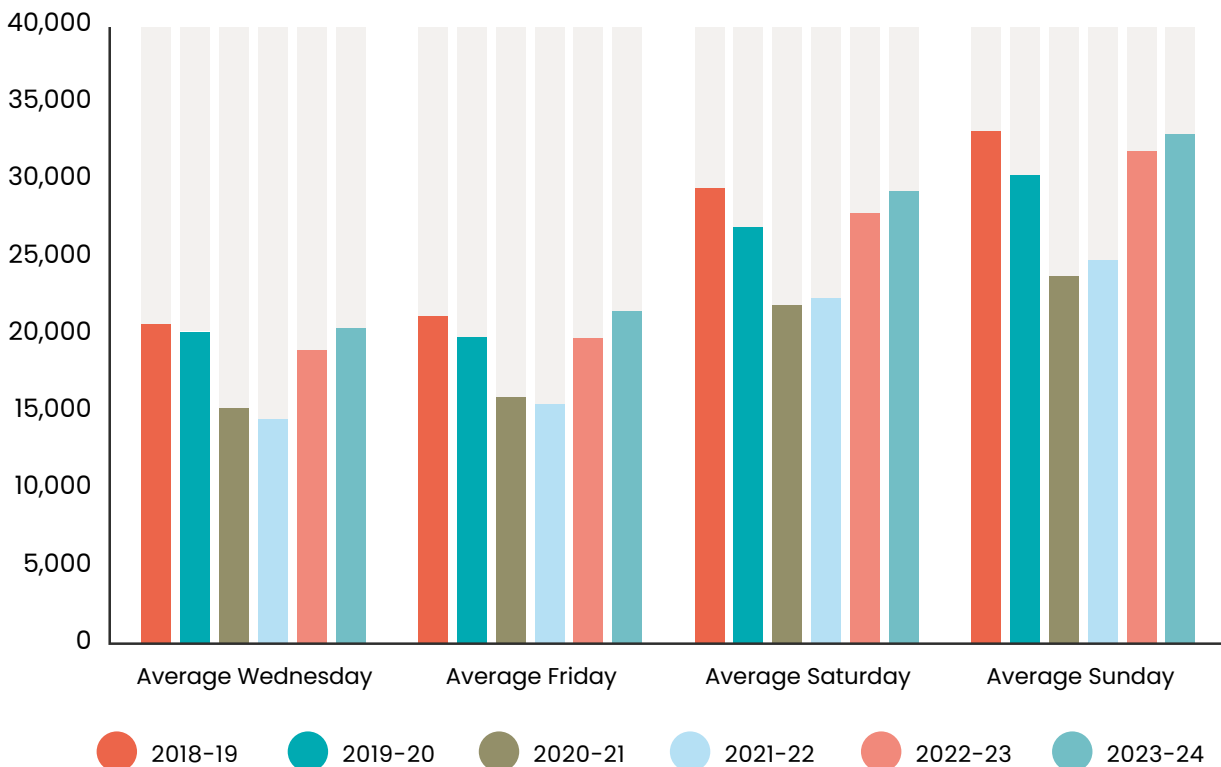
Market visitation is measured using infrared sensors that count people entering and walking around the Market. In 2023-24, visitation (Market entries) totalled 5.54 million, an 8% increase on the 2022-23 period.

Visitor numbers per month



As the number of trading days per month varies, the average visitor numbers by trading day (Wednesday, Friday, Saturday and Sunday) is also measured. Visitation in 2023-24 on each Market day was up by an average of 6% from 2022-23.

Average foot traffic by Market day



Connecting with our community

Food relief

In May, the Market commenced a partnership with the Port Phillip Community Group (PPCG) to rescue food that would otherwise have gone to waste. Every Sunday, a group of PPCG volunteers collect excess food and donations from Market traders to distribute to those in need including:

- A social meal program feeding 150 residents each month in 13 community and rooming houses
- A local network of 20 support agencies
- Food parcels for individuals and families.

Hare Krishna Melbourne also continued to provide their hot meal service that commenced at the Market in 2020. Each Sunday after the Market closes, 80 meal packs are handed out by Hare Krishna volunteers to vulnerable and isolated members of the local community.

Winter coat drive

The Market once again partnered with the Off Your Back coat drive over the winter months to be a key collection point for pre-loved coats and jackets to provide warmth and comfort to those experiencing homelessness in our community.

Community Space

As a part of the Market's commitment to supporting the local community, the Market offers pop-up spaces for community groups, not-for-profit organisations and charities free-of-charge.

During the 2023-24 period, the Market hosted several organisations, including:

- Back2Bikes
- Business Vic Small Business Bus
- Cancer Council Victoria
- Humane Animal Rescue
- MacRobertson Girls' High School
- Melbourne City Mission
- Port Phillip Men's Shed
- Possum Portraits
- Refugee Action Collective Victoria
- RSL Victoria
- South Melbourne Districts Sports Club
- Space2b
- Sunny Disability Care





Community consultation

The City of Port Phillip and South Melbourne Market hosted a community and trader engagement project which ran from 3 November to 3 December. The consultation aimed to:

- Inform the community about the required asset compliance works required at the Market. These projects are major infrastructure improvements including, but not limited to:
 - an increase in amenities (i.e. more bathroom facilities)
 - improved pedestrian gradients via aisle and footpath regrading works
 - compliant access to the rooftop carpark with two new lift and stair combinations
- Seek community and trader feedback regarding public realm improvements and proposed initiatives to reduce congestion and improve flow.
- Seek community and trader feedback to contribute to a review of the Market's trading hours and days, to understand the need and desire for increased and/or amended trading hours.

Feedback was received through 863 survey contributions, five community pop-up activations and five focus groups.

The findings from the consultation will contribute to the next stage of Project Connect (see pg. 37).



Our locals

South Melbourne Market owes its inception to the local community who, in 1856, petitioned Council for a local market in order to access produce and other goods. From grandmothers who have been visiting since childhood, to young workers who have just started their love affair, the Market's loyal and local shoppers continue to be central to the Market's success.

"I love the fresh produce, sense of community and friendly stallholders." – Paul

"I remember a great debate between Rita and some other stallholders about the best way for me to cure the olives from my tree. We settled on a hessian bag over a washing basket, and Rita happily provided the bag and enquired how the olives were going each week." – Julie

"I've been going to the Market for 55 years now, since the age of five years old. It's a one stop shop – it's got it all! A great atmosphere, great people and let's not forget the South Melb dim sims!" – Angelo

"I'd rather give money to small businesses. We visit the same stalls every week. Our favourites are Vangeli's, they've got everything we want and they're super friendly. We also love Hagen's organic butchers, and K&L Poultry. Oh and Adelia! We love Adelia at the Asian Grocery store." – V

"I've been coming here for over 40 years. I love the fresh produce and the sustainability – it's great being able to fill my own containers. I come here every week." – Vivian



Trader Spotlight

SMM Mobiles

Minh, the owner of SMM Mobiles, strives to provide the value of a well trusted mechanic. "I drive out of my way to go to my mechanic because I know he is honest, and my intention is to serve people in the same manner."

The stall sells phone accessories including cases, straps, cables and chargers and they undertake a broad mix of repair services – Minh owns just about every model of phone in order to understand them all and to be able to provide robust advice.

He has many loyal customers and now that he's been at the Market for more than twenty years, he has served families intergenerationally, and has watched local children grow up. It is the community of the South Melbourne Market which has kept Minh operating here.

"I love being able to have meaningful conversations with the community day to day."



Asset management

To maintain the reputation of the Market as an iconic destination, ongoing investment in the asset is essential.

Continuous improvements to the asset's condition, compliance, functionality, capacity and sustainability ensure a safe and enjoyable environment for traders and the community and builds a sustainable foundation for future growth.



Renewal works

The Market's renewal works are part of an annual rolling program comprising of multiple projects that relate to safety, essential services, accessibility and the renewal of ageing infrastructure. The focus for the 2023-24 period was the delivery of minor capital works required by the Market in line with the Council's asset management policy and recognised asset management principles including ISO-55000.

Stall upgrades and fit-outs

The refurbishment of existing stalls is part of the Market-wide program of reinvestment. The program continues to focus on meeting Building Code standards, improving the quality of construction and utilising suitable building materials. The key objective is to ensure changes are aligned with the current expectations of the Market customer, while also maintaining the Market's essence.

In the 2023-24 period, the Market assisted seven traders to refurbish their stalls (see pg. 19) and completed major new fit-outs for The Fresh Pasta Shop, Greek'n Out, Ugo Burrata Bar and Swords Select.

Asset Register

The development of an updated asset register to capture asset condition was completed in 2023-24. The asset register includes capture and documentation of fabric materials, maintenance type, cost of replacement, condition rating of captured asset, and accompanying photos. The asset register will inform future asset investment and reduce risk of workplace injuries resulting from construction non-compliance.

Public space and facilities upgrades

The Market made a number of improvements to public space and facilities, providing a safer and more enjoyable experience for the Market community, including:




- New public seating and lighting around Padre Coffee
- Installation of festoon lighting in Centre Aisle
- Replacing end-of-life fluorescent lighting with energy-efficient LED in the common areas
- Replacing end-of-life stall roller doors.

Back-of-house and safety improvements


The Market has made improvements to back-of-house areas to support the safety and wellbeing of the Market's traders and contract partners:

- Rollout of energy-efficient lighting upgrades in the loading bay to improve visibility and reduce energy costs.
- New gas cage providing increased security and safety.
- Replacement of roof light panels in Aisle B to improve contractor safety.

Capital projects

Project	Summary	Status
Traffic Management Plan (TMP)	The TMP has been delivered and implemented with an aim to enhance safety while minimising the risk of accidents and injuries onsite. Actions completed in 2023-24 included new traffic flow controls, installation of loading bay boom gates, new footpath pedestrian barriers and flashing forklift warning signage installed.	
Cecil Street essential services	Designs to upgrade essential services in the outdoor Cecil Street restaurant precinct to meet compliance requirements were completed in 2023-24. This project is marked for delivery in the 2024-25 period.	
Building Compliance Action Works Scoping Study Project (BCAWS)		
Project Connect*	In May 2024, the Market presented a report to Council for the endorsement of Project Connect. Project Connect combines a range of compliance capital works required to meet Building Code, with an uplift program for back-of-house and public realm improvements at the Market over the next eight years. The report was informed by results from the community consultation project undertaken in 2023 (see pg. 31). The report was endorsed by Council and is now progressing to the next phase of the project which will be a draft concept design in 2024-25.	
Level 1 fire stairs*	Design work commenced on the additional fire egress stairs connecting the rooftop carpark to the York Street carpark, with construction to be completed in 2024-25.	
Compliance audits*	Key audits on electrical, underservices and structural integrity were undertaken and reviewed to further inform the BCAWS project. The audits have been reviewed and recommendations implemented in collaboration with Council.	
Loading bay and waste optimisation study*	Waste and traffic engineering consultants were engaged to review the Market's back-of-house areas to develop a plan to improve safety, efficiencies and waste management. The proposed new layout provides an optimised area for waste management, a larger footprint for delivery vehicle staging and unloading, improved pedestrian and vehicle safety and amenities for traders and contract partners. Three out of four immediate solutions have been implemented, with short, medium and long term solutions being reviewed in 2024-25.	

 Completed

 In progress

*These projects are National Construction Compliance (NCC) requirements as identified in the Market's Building Compliance Action Works Scoping Study (BCAWS).



Project Connect

Project Connect is a program of capital improvement works that will address compliance requirements and provide a strategic uplift to the Market asset, ensuring it remains a thriving community hub and retail destination. The project incorporates a range of works, including:

- **Compliance:** In the 2019 10-year Council Budget, funding was allocated to a program of significant upgrades that are required to bring the Market into compliance with the National Construction Code (NCC). These include, but are not limited to pedestrian gradients, access to the rooftop carpark and amenities. Some of these works have already been completed and the balance will now form part of the Project Connect program.
- **Strategic uplift:** In November 2022, Council was presented with a strategic vision for the Market (The NEXT Project), with outcomes designed to address not only compliance but also population growth, trader productivity and the need for more public space. Council supported investment in a mid-range program that would provide a range of value outcomes, including upgrading back-of-house facilities and improving the public realm on all three sides of the Market. These public realm improvements are aligned to, and supported within, Council's draft South Melbourne Structure Plan.

Combining these works into one overarching, aligned and comprehensive program, Project Connect will ensure all interdependencies are managed, disruption is minimised, works are appropriately staged, and efficiencies sought.

Running alongside the compliance works, an Asset Renewal Program will deliver an annual program of minor capital works to ensure the safe and successful day-to-day operation of the Market.

The project scope was endorsed by Council on 15 May 2024, and is moving into the design phase in 2024; it will be delivered in stages over the next eight years.



Environmental sustainability

We're transforming the environmental impact of your Market; for our traders, our shoppers, our community, our planet.

The 2023-27 Environmental Sustainability Strategy identifies three key outcomes the Market will work towards over five years:

- Wipe out waste
- Transition to zero carbon emissions
- Reduce water use and impact on water ways.

Together with its traders, the Market aims to improve its sustainability performance and achieve better environmental outcomes for its shoppers and the community.

Sustainability performance



**Waste
diversion**



**Potable
water (KL)**



**Electricity
(kWh)**

Baseline (2018-19*)	64%	25,755	952,769.1
2022-23	65%	23,006.4	778,242.2
2023-24	67% +3%	24,597.4 -4.5%	813,960 -15%+
2027 target	85%	10% reduction	25% reduction

Status



* 2018-19 figures are used as a reporting baseline as 2021-22 usage was impacted by COVID-19 restrictions.

+ Data loggers for the Market's solar use have reached end of life and Council is currently seeking new supplier. Solar figures for February – June are an estimate based on average use for this period over the past three years.

Average usage/generation per visitor*

As the Market's resource usage increases in line with attendance, average usage per visitor provides a more accurate insight into usage levels.

	2018-19	2022-23	2023-24
Waste	0.47 kg	0.34kg	0.34 kg
Power	0.15 kWh	0.15 kWh	0.14 kWh
Water	4.62L	4.46L	4.44L

* Market visitation is measured using infrared sensors that count people entering the Market.

Power

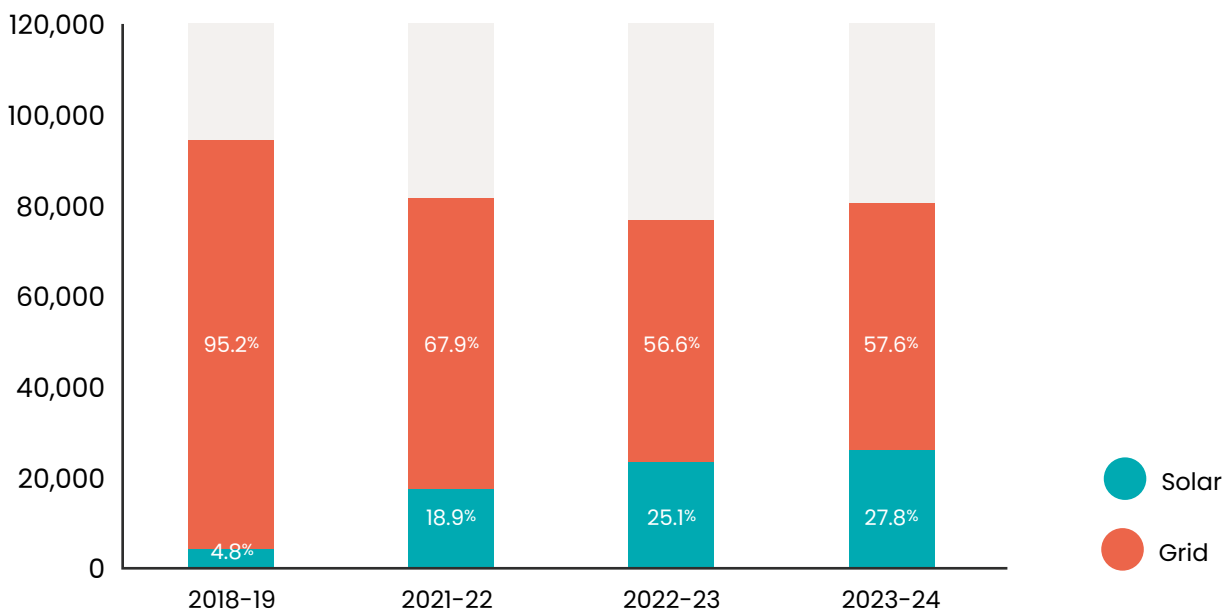
The Market used an estimated* 813,960 kWh of electricity, a reduction of approximately 15% on the baseline and a slight reduction on last year's usage by customer.

Approximately 33% of the Market's power was generated by the rooftop solar panels, providing a saving of \$76,000. The remainder of the Market's electricity is generated by wind farms at Crowlands, a small agricultural community north of Ararat.

Combined, the Market avoided 879 tonnes CO₂e of carbon emissions through using 100% renewable electricity.

* Data loggers for the Market's solar use have reached end of life and Council is currently seeking a new supplier. Solar figures for February – June 2024 are an estimate based on average use for this period over the past three years.

Electricity usage (kWh)



A bright idea

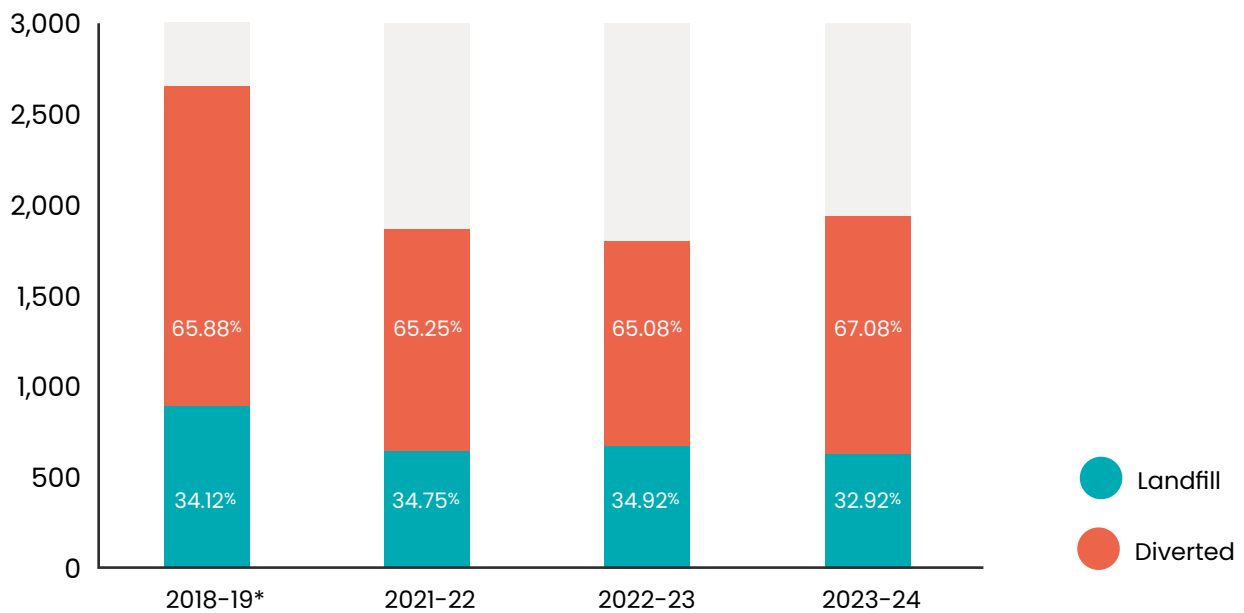
There are over 2,600 lights in the Market's common areas. To reduce the environmental impact of their energy use, the Market has been rolling out a project to convert its lighting to LED, with upgrades completed this year in Aisle E and the loading bay. As LED lighting uses 75% less energy than halogen, the change has already contributed to a reduction in the Market's energy use, which will continue to decline as the project is completed.

Waste

The Market's waste is sorted into 13 different recycling streams to divert as much waste as possible from landfill. There has been a 27.4% reduction in waste volumes compared to the baseline and waste generated by customers is sitting at 0.34kg, the same level as 2022-23.

A total of 1,913.54 tonnes of waste was generated this year, with 67% diverted from landfill. Implementation of the recommendations from the loading bay waste study report (see pg. 36) and increased expectations within a new cleaning and waste management contract should see the diversion rate increase in the 2024-25 period.

Waste usage (tonnes)



* 2018-19 figures are used as a reporting baseline as 2021-22 usage was impacted by COVID-19 restrictions.

Waste reduction innovation

In March, the Asset Development and Operations team commenced mentoring a group of five Master of Engineering students as part of the University of Melbourne's Innovation Practice Program. The students were presented with a challenge: to propose at least one innovative intervention to help drive a dramatic reduction in waste going to landfill from the Market, in line with the Market's 2023-27 Environmental Sustainability Strategy. Over the 12-week semester, the students conducted in-depth research, interviewed traders and key stakeholders, drew insights, ideated solutions, and validated their solutions.

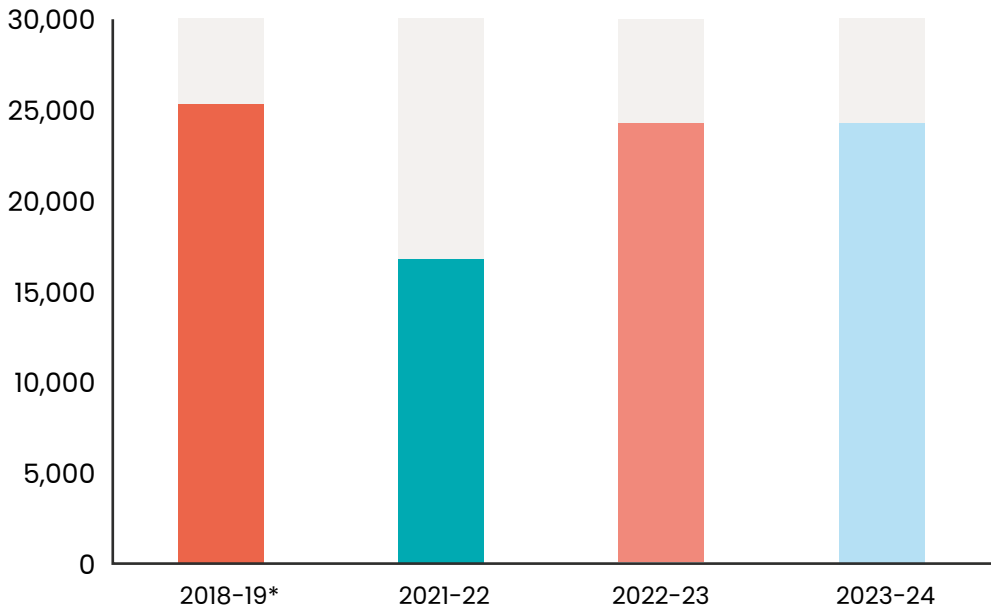


72
garbage trucks of waste avoided in 2023-24

Water

24,597.4 kilolitres of potable water was used in 2023-24. This is a -4.5% decrease on the baseline usage and slight reduction on 2022-23 per customer use, from 4.46 to 4.44 litres.

Potable water use (KL)

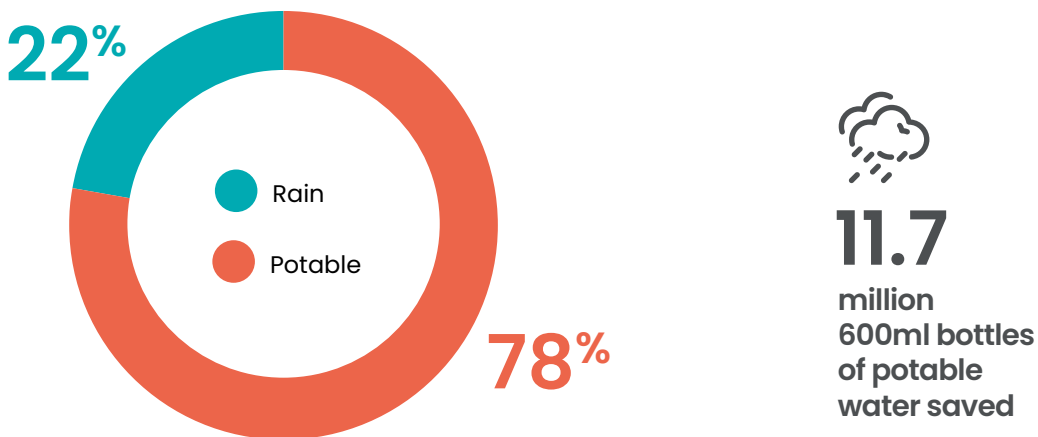


* 2018-19 figures are used as a reporting baseline as 2021-22 usage was impacted by COVID-19 restrictions.

Rainwater

7,024.9 kilolitres of UV treated rainwater was used for floor washdowns, toilet flushing and by the Market florists, resulting in a 22% reduction in potable water use.

Rainwater vs potable water use (KL)





Trader Spotlight

Gem Pier Seafood

Gem Pier Seafood is passionate about sustainability. Much of their fresh seafood comes directly from their family owned and run fishing fleet.

This means they have full control over the process from capture through to sale and their team can inform customers exactly when and where their produce was sourced.

In a bid to reduce their processing waste, Gem Pier Seafood started drying their offcuts to create a range of delicious, 100% natural dog treats. Without any nasty additives, these treats are great for both your dog's health and the planet, and are just another way Market traders are reducing waste onsite.

remedy.

100% recycled clothing





Achievements

Early Adopter Sustainability Grants

Following its success last year, the Market once again ran its Early Adopter Sustainability Grant program to encourage and support traders to implement environmentally sustainable business practices. Grants of up to \$10,000 were available to contribute to projects such as stall fit-out upgrades, design and development of new products or services, community education or initiatives that reduce plastics and waste. In 2023-24, three Market traders received funding to contribute to sustainability initiatives:

- **The SuperCool** who will be using the grant to attain B Corp Certification.
- **Remedy Clothing**, who will use the grant towards becoming the first carbon-neutral trader at the Market.
- **Moses and Co Market Wholefoods** who will be expanding and improving their bulk refill product offer.

Food recovery

The Market commenced a new food recovery partnership with Port Phillip Community Group (see pg. 30)

Reduce single-use

The Market continued its commitment to phase out unnecessary and avoidable single-use plastics, with polystyrene trays, takeaway food containers and balloons (decorative) being phased out in 2023-24. Supporting this ban, the Market developed a campaign to encourage customers to go one step further up the waste hierarchy and bring their reusable containers for their Market shop. This campaign will be launched at the start of 2024-25 to align with Plastic Free July.

Embedding sustainability

To ensure traders are aligned with the Market's Environmental Sustainability Strategy, they are now required to provide a Sustainability Action Plan as part of their licence renewal. The plan helps them identifying ways they can improve the sustainability of their business including:

- reducing the waste their business generates;
- use energy wisely;
- avoid wasting water;
- make better choices in their supply chains.





Our performance

Measures of success

The Market is on track for all key performance indicators, a testament to the successful implementation of the 2021–25 Strategic Plan key priorities.



Visitation



Financial operating profit



Occupancy



Trader satisfaction



Community satisfaction

	Entries into the Market (million)	Licences signed	Somewhat or very satisfied with the Market as the venue for their business	Very good or excellent rating for overall view on offer
Baseline*	5.56	-\$1,933,000	93%	93%
2022–23	5.14	\$380,000	100%	97%
2023–24	5.54	\$449,000	99%	96%
Target	5.3	\$304,000	98%	93%
Status	On track	On track	On track	On track

* 2018–19 figures are used as a reporting baseline as 2020–21 data was impacted by COVID-19 restrictions.



Trader Spotlight

Décor Gallery

Décor Gallery sits on the corner of East Aisle and Aisle B and has been with the Market for more than twenty years.

In the stall you will find countless frame options to choose from, including colours, materials and sizes and a range of mounting boards. Anna's experienced eye is there to help you pick the perfect combination for your work of art. They complete the framing work offsite in their long-running factory in Braybrook and over the years have seen some weird, wonderful and special things.

The stall also sells a selection of artworks including prints and originals, framed, on canvas, and even, printed onto glass.

2021-25 Strategic Plan: Year four

The 2021-25 South Melbourne Market Strategic Plan identified four strategic priorities:

Enhance the brand – The Quintessential Village Market

Continuously improve and futureproof the Market asset

Ensure the Market is financially sustainable

Further develop and build on the Market's differentiated retail offer

The majority 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.



Key Strategic Priority Status

Strategic Priority	Actions	Progress update
Enhance the brand	Brand Strategy	●
	Marketing and CX Strategy	●
	Digital Solutions Strategy	●
	Environmental Sustainability Strategy	●
Improve the asset	Deliver Compliance Plan	●
	Risk and Safety Plan	●
	Asset Improvement Plan	●
	Explore and deliver on NEXT Project*	●
Build financial sustainability	New multi-faceted revenue model	●
	New revenue opportunities and cost efficiencies	●
Differentiated retail offer	Retail Strategy	●
	Market Precinct Plan	●
	Trader Pipeline	●
	Retail support and continuous improvement	●

*Now Project Connect

● Developed/completed

● In progress

The 2023-24 period has seen a large focus on the key priority to Improve the Market asset, with numerous projects undertaken to deliver the compliance plan, asset improvement plan and Project Connect (see project update pg. 36).





Governing our Market

Special Advisory Committee

South Melbourne Market is owned and operated by the City of Port Phillip Council (Council) and is overseen by a Special Advisory Committee.

Role of the Committee

The South Melbourne Market Committee Charter (Charter) guides the decisions of the South Melbourne Market Advisory Committee (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:

- (a) 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;
- (b) promote the Market and encourage its use by residents, visitors and the community; and
- (c) oversee the management and operation of the Market in accordance with the terms of this Charter and Council's Strategic Plan, policies and programs.

The Committee is responsible for providing advice to the Council and Chief Executive Officer on the effective management and operation of the Market, including:

- setting the long-term vision and strategic position of the Market at the local, metro and national level;
- establishing and overseeing the execution of commercially sustainable retail and brand strategies;
- understanding the needs of traders and oversee an approach that makes the Market the 'market of choice' for traders at the local, metro and national level;
- understanding customer needs and provide a customer experience that attracts new and retains existing customers to the Market;
- contribute to broader Council plans and strategies, programs and policies for the city and South Melbourne;
- advise on Market risks, opportunities and budget.

Committee membership

The Committee is comprised of five members: three members independent of Council and two City of Port Phillip Councillors

The Chairperson of the Committee is appointed by Council and must be a member independent of Council (unless Council determines otherwise).

In February, Simon Talbot finished his tenure after serving five years as Deputy Chairperson of the Committee. Nicola Smith, founding director of local urban planning and design consultancy Niche Studio, joined the Committee as the new independent member from March. Andrew Danson replaced Simon as the new Deputy Chairperson from March.

The current members bring a diverse range of skills to the Committee, including expertise in urban planning, commercial retail leasing, retail strategy development and implementation and strong professional governance.

All members of the Committee must have significant understanding and experience at a senior level in corporate governance, strategy, risk and financial management.

Committee meetings

The Committee holds four performance reporting meetings, and three strategic briefings a year. Market traders and members of the public can submit a question or request to present to the Committee at the quarterly performance reporting meetings.

Each member of the Committee has one vote on the recommendations put forward by Market Management and Council. The Market's Executive Director and a Senior Council Officer also attend meetings of the Committee to provide advice as required; they are not members of the Committee and cannot vote on any decisions.

The public quarterly performance reports from the meetings are published on the Market's website.

In addition to the formal meetings held, the members of the Committee meet on a regular basis to provide advice on commercial, social and environmental improvement opportunities, strategy and Council briefings.

Independent members

- Amanda Stevens, Chair
- Simon Talbot, Deputy Chair (July 2023 – February 2024)
- Andrew Danson | Independent member (July 2023 – February 2024) Deputy Chair (March – June 2024)
- Nicola Smith, Independent member (March – June 2024)

City of Port Phillip Councillors

- Councillor Marcus Pearl
- Councillor Andrew Bond

Meeting attendance 2023-24

Name	Attendance
Amanda Stevens	7/7
Simon Talbot	4/4
Andrew Danson	6/7
Nicola Smith	3/3
Cr Marcus Pearl	6/7
Cr Andrew Bond	7/7

Our Market team

The daily operation of the Market is managed by the Executive Director, Sophie McCarthy and a supporting management team of 12.2 full time equivalent staff.

The Market team is responsible for managing the core functions of the Market and delivering the key initiatives identified in the 2021-25 Strategic Plan.



Risk management

Managing risk and safety is a key priority of the South Melbourne Market Committee and Market Management team. This year, the Market has continued to implement a range of processes and procedures to better manage risk and further develop its risk maturity.

Market Risk Committee

The Market Risk Committee (MRC) is comprised of the Market's Executive Director and leadership team. The MRC meets on a regular basis and is responsible for ensuring that risks are identified and appropriately managed by the Market, or if required, escalated to City of Port Phillip's Audit and Risk Committee.

The Market also reported to Council's Audit and Risk Committee in August 2024 and is required to do so on an annual basis.

Emergency Planning Committee

The Market's Emergency Planning Committee (EPC) meets on a quarterly basis and is responsible for establishing and implementing emergency plans and procedures, appointing and training Emergency Control Organisation personnel and conducting evacuation exercises.

The EPC reports to the Council's Safety Project Control group on a quarterly basis. This year, the EPC reviewed the Market's Emergency Management Plan, ensuring that it is up to date with best-practice management of a diverse range of emergency scenarios. The EPC also implemented a Training Matrix to track and update training requirements for each staff member.

Business Continuity Plan

The Market has a site-specific Business Continuity Plan (BCP) to assist the Market Management team to respond to business interruption events such as extreme weather events, building evacuations, power outages or pandemics.

The BCP was reviewed this year as required, to ensure relevance and compliance. The BCP ensures the Market is well placed to limit the size and result of major business interruption in terms of economic loss, asset loss, loss of image and reputation and distress to personnel and stakeholders.





Financial management

Financial Report

The Market's operating surplus for the 2023-24 financial year of \$423,000 was \$44,000 (12%) higher than the previous year, and \$167,000 (65%) higher than forecast due in most part to savings in expenses.

South Melbourne Market Income Statement 2023-24				
	2023-24 Actual (\$'000)	2022-23 Actual (\$'000)	Variance (\$'000)	Variance %
Licence Fees / Trader Rent	7,030	6,472	558	9%
Grants Operating	0	25	(25)	(100%)
Capital Grant	0	22	(22)	(100%)
Parking Fees	786	791	(5)	(1%)
Other Income	779	864	(85)	(10%)
Total Income	8,595	8,175	420	5%
Employee Costs	1,810	1,581	(229)	(14%)
Materials and Services	98	111	13	12%
Contract Services	3,030	3,016	(14)	(0%)
Utilities and Insurance	374	408	34	8%
Depreciation	304	256	(47)	(18%)
Congestion Levy	311	294	(17)	(6%)
Fire Services Levy	16	17	1	6%
Land Tax	274	297	23	8%
Bad and Doubtful Debts	(5)	(90)	(85)	95%
Professional Services	149	159	10	6%
Marketing and Advertising	461	380	(81)	(21%)
Other Expenses	90	105	15	14%
Notional Rent	1,046	1,045	(1)	(0%)
Internal Head Office Overhead Costs	152	146	(7)	(5%)
Operating Projects	62	70	8	12%
Total Expenses	8,172	7,795	(376)	(5%)
Operating Surplus / (Deficit)	423	379	44	12%

Income increased by \$420,000 (5%) on the previous year and was on track with the 2023-24 budget of \$8.62m. The Market achieved 99% occupancy with high demand for stalls as they become available.

Expenses were \$376,000 (5%) higher than the previous year, and lower than the annual forecast with a saving of \$224,000 (3%). Expenses varied with some overspend in service contract delivery and some cost savings due to use of solar power; water cost reduction; tighter debt management; changes to insurance structure; and savings in professional services.

To ensure compliance with the National Competition Policy (NCP), the 2023-24 period saw both notional rent and internal overheads included in the Market's financial statements to reflect estimated costs associated with running a commercial operation. The NCP was introduced in 1995 to ensure that activities undertaken by the government compete fairly in the market.

Income Statement Converted to Cash				
	2023-24 Actual (\$'000)	2022-23 Actual (\$'000)	Variance (\$'000)	Variance %
Operating Surplus / (Deficit)	423	379	44	12%
Adjustments for non-cash operating items:				
• Add: Depreciation	304	256	(47)	(18%)
Adjustments for investing items:				
• Less Capital Expenditure	(912)	(1,603)	690	43%
Adjustments for Reserve Movement items:				
Net Reserve Drawdown / (Replenish)	25	(25)	(50)	200%
Current Year Cash Surplus / (Deficit)	(160)	(992)	636	64%
Opening Cash Surplus:	(3,064)	(2,072)	(992)	(48%)
Closing Cash Surplus / (Deficit)	(3,224)	(3,064)	(355)	(12%)



Capital Budget

The Market's Capital Works program experienced some delays in 2023-24 and the total spend of \$912,000 was \$690,000 less than the previous year and \$64,000 less than forecast. Two key projects are due for delivery in 2024-25: Cecil Street Essential Services and the Fire Stairs to the Level 1 carpark. Project Connect also commences, with the appointment of a Head Consultant to deliver this major program of compliance and improvement works at the Market over the next eight years.

Capital Works Program				
	2023-24 Actual (\$'000)	2022-23 Actual (\$'000)	Variance (\$'000)	Variance %
Cecil Street Essential Services	81	43	(38)	(86%)
Compliance Works	261	24	(236)	(982%)
Public Safety Improvements	25	126	102	81%
Food Hall Courtyard	0	353	352	100%
Fire Stairs to Level 1 carpark	67	28	(38)	(134%)
Central Stairs	2	120	118	99%
Smoke extraction fans	16	407	391	96%
Stall base build changeover	125	226	100	44%
Renewal works	169	212	43	20%
York Street Stair and Lift	1	11	10	87%
Amenities Upgrades and Regrading	35	51	17	32%
Project Connect	75	0	(75)	0%
Loading Bay and Waste Optimisation	56	0	(56)	0%
Total Capital Spend	912	1,603	690	43%

Operating Projects				
	2023-24 Actual (\$'000)	2022-23 Actual (\$'000)	Variance (\$'000)	Variance %
Environmental Sustainability Strategy Initiatives	62	70	5	7%
Total Capital Spend	62	70	5	7%



THE
VILLAGE
MARKET

Corner Cecil and Coventry Streets
South Melbourne, Victoria 3205

southmelbournemarket.com.au

