



**ANNUAL
REPORT**
2016-2017





ANNUAL REPORT 2016-2017

INTRODUCTION	3
RETAINING MARKET CHARACTERISTICS	5
IMPROVING PHYSICAL CONDITION AND ENVIRONMENTAL PERFORMANCE	7
ATTRACTING NEW AND RETAINING EXISTING SHOPPERS	11
ENHANCING VISIBILITY AND ACCESSIBILITY	15
LEAVING SHOPPERS WITH AN ENJOYABLE AND MEMORABLE EXPERIENCE	17
ATTRACTING AND RETAINING A STRONG MARKET MIX	23
OPERATING THE MARKET PROFITABLY AND PROFESSIONALLY	25
ALIGNING TO PORT PHILLIP COUNCIL PLAN	27

“South Melbourne Market is our very own village market, the epicentre of one of Port Phillip’s major community hubs and a lively place for people to meet, shop, eat and explore.

It’s a major drawcard for both locals and visitors, welcoming a record 5 million people in 2016-17, an increase of 5.9 per cent from last year, on 2015-16.

Special events such as the South Melbourne Night Market and Port Phillip Mussel Festival achieved record attendances too.

With an enviable reputation for the best quality fresh produce at competitive prices, a vibrant fashion and homewares precinct showcasing young Melbourne designers, and an eclectic range of stalls, exploring the Market is such an enjoyable experience.

As the world’s love affair with food continues, showcasing locally sourced, ready-to-eat and artisanal produce such as \$1 oysters, freshly baked croissants and bean-to-bar chocolate is drawing major attention from both the domestic and international markets.

At the heart of the Market is the local community and they joined us to celebrate the Market’s 150th anniversary in May 2017, with a range of special events.

An exhibition was held to share people’s stories and memories of the Market; the Big Birthday BBQ Street Party celebrated the official anniversary on 6 May with non-stop music and delicious street food; historical tours were conducted by the Port Phillip Heritage Centre; and murals were created to represent the changing faces of the Market.

With 98 per cent of locals giving it a positive rating in 2017, the Market has again proved to be a significant benefit to the community.

With so many talented staff, innovation has become the new normal here. Staff have been driving some exciting initiatives to minimise and reuse waste, and I know they’ll continue to keep our services relevant, fresh and sustainable for our customers.

To everyone who supports the Market, know that it is now stronger than ever and has a very bright future.

Thanks to you, and everyone who shops and meets here to connect with each other, South Melbourne Market’s colourful aisles will continue to buzz with activity and laughter for many years to come.”

Cr Bernadene Voss
Mayor, City of Port Phillip



South Melbourne Market celebrated its 150th anniversary in 2017, making it one of the oldest markets in Melbourne.

INTRODUCTION

The Market is managed by a Section 86 Committee of the Port Phillip Council under the Local Government Act.

The Committee has six members:

- Three Councillors appointed by Council.
- Two independently appointed representatives (appointed for three years).
- One Council Officer.

The daily operation of the Market is managed by 8.4 FTE staff looking after key areas such as licencing, operations, marketing, events, administration, customer service and our cooking school. This team is passionate about the Market and are all engaged and excited about the direction the Market is heading.

The Charter for the Market defines its objectives as:

1. Retain and enhance the distinctive features and characteristics of the Market.
2. Improve the physical condition and environmental performance of the Market buildings and associated infrastructure.
3. Attract new shoppers to the Market and retain existing customers, ensuring the Market is accessible to the entire Port Phillip community.
4. Enhance the visibility and accessibility of the Market for shoppers and enable them to find the Market readily, get to it easily and move around it comfortably.
5. Leave Market visitors with an enjoyable and memorable shopping and social experience by providing a vibrant atmosphere in a clean and safe retail market environment.
6. Attract and retain a diverse range of appropriate stalls that offer products and services that meet the needs and expectations of shoppers.
7. Operate the Market profitably and in a professional manner.

The Market is aligned to the Council Plan and its six strategic directions for 2017-2027:

- We embrace difference and people belong.
- We are connected and it’s easy to move around.
- We have smart solutions for a sustainable future.
- We are growing and keeping our character.
- We thrive by harnessing creativity.
- Our commitment to you: A financially sustainable, high performing, well governed organisation that puts the community first.

Vision Statement:

“To be known as Melbourne’s favourite market, a unique destination that celebrates local, is sustainable and inclusive, and a place that is trusted and loved by the community. We are the quintessential Village Market.”

South Melbourne Market by David Wood, 1888. Photo from Port Phillip Collection



Theo, Harry and Helen Papadopoulos at the Market circa 1968



The Market team opening 150 Years of the Village Market Exhibition





RETAINING MARKET CHARACTERISTICS

RETAINING AND ENHANCING THE DISTINCTIVE FEATURES AND CHARACTERISTICS OF THE MARKET

Enhancing the Market

The following enhancements have been carried out to the Market through the 2016-17 financial year ensuring the Market is operating in the safest and most effective way for the community:

- The successful installation of the GaiaRecycle Machine – reducing our landfill by 54%.
- Installation of water fountains.
- Balustrade upgrade in the rooftop car park completed.
- Continual upgrades of analogue cameras to IP (internet protocol) cameras.
- Wayfinding program completed.
- Lighting upgrades throughout the Market.
- Water metering of each stall that uses water.
- Disability and building code compliance assessment completed.

Stall fit outs

There has been a number of works carried out on stalls to which the Market contributed:

Stall	Stall fit-out works undertaken by the Market
Bambu	Demolition of previous stall, power and plumbing infrastructure to the stall
Atypic Chocolate	Demolition of original stall, relocate existing wall, power and plumbing infrastructure to the stall, exhaust and fan installation
Small Town Pie Co.	Power infrastructure installed, relocation of fire sprinklers
Inside the Looking Glass	Relocation of existing wall, power infrastructure installed
Zekiri Flowers	Plumbing infrastructure, sprinkler head installation
Miss Nail Bar	Plumbing infrastructure to the stall
Market Import	Electrical works
Agathe Patisserie	Power infrastructure installed
Pickadeli	Automatic replacement of roller doors
Terrarium Laboratory	Electrical works
Lost in Seasons	Power infrastructure installed

There has been a number of works carried out at the Market through the 2016-17 financial year ensuring the Market is operating in the safest and most effective way for the community.

Market Import, Aisle B



Wayfinding around the Market





IMPROVING THE PHYSICAL CONDITION AND ENVIRONMENTAL PERFORMANCE

IMPROVING THE PHYSICAL CONDITION AND ENVIRONMENTAL PERFORMANCE OF THE MARKET BUILDINGS AND ASSOCIATED INFRASTRUCTURE

The following structural, physical and security improvements were all undertaken to improve the physical condition and community safety of the Market:

Racking

Racking has been installed in select locations within the loading dock. This is to take advantage of airspace in the area and provide further storage solutions for both stallholders and the Market.

CCTV

38 New Static IP Cameras have been installed to further expand visual coverage of the Market as well as replace old redundant analogue cameras.

We have installed:

- 2 PTZ (Pan-Tilt-Zoom) cameras overlooking York and Coventry Street. This has so far been a beneficial resource for Victoria Police who have made a successful arrest based on the footage from these cameras.
- 6 wireless and multi-sensor cameras.

Big Belly Bins

The Market has been trialling solar bins (Big Belly Bins) since February 2017. These self-contained bins reduce waste by compacting it. The bin can therefore hold 560 litres of rubbish compared to the same sized standard 240 litre public bin.

The bins also provide real time status and data. The bin sends a message to the collector when it is ready to empty. The collection of the waste is significantly reduced by approximately 75%, saving both time and money.

The Market has purchased 3 bins; 1 for recycling and 2 for general waste. With a compacting ratio of 6:1 the reduction in landfill size is significant.

Water Stations

The Market purchased 3 new water fountains. One is on Cecil Street which is accessible 24 hours a day and has a dog bowl facility, and two inside the Market, all with water bottle refill facilities.

Since installing the 2 internal stations in March 2017, the Market has diverted the equivalent of over 7,750 plastic bottles of water from landfill.

Balustrade Works

Contractors commenced upgrade works on the balustrade on the rooftop car park at the Market in January 2017. The works were an important part of maintaining the safety of the rooftop.

The works included:

- Demolishing the existing balustrade structures on the rooftop car park.
- Installing new crash rails around the perimeter of the car park.
- Installing new anti-climb mesh.

Works were carried out for approximately 8 weeks, with a maximum of 30 out of the total 274 car parking spaces unavailable during this time.

The communication strategy ensured traders, shoppers and nearby businesses knew of the works and the minimal disruption to parking.

Security Audit

The Market conducted a desktop audit with emergency services in early 2017 consisting of a site tour to familiarise everybody with the Market, followed by the run through of three scenarios.

The Market continues to work with Victoria Police and other emergency services to ensure the ongoing safety and security for the public and this is a priority for the future.

Water Monitoring / Sub-metering

In June 2017 the Market commenced a sub-metering project whereby all stalls that access water directly (73 in total) will have sub-meters installed to their water supply by September 2017.

This will allow the Market to charge each stall for their own water use from October 2017 onwards, reducing the Market's water charge by 90%.

The Market will have access to the data log for each water meter, and each stall will have access to their own data log. Each meter also features an alarm that can be set to identify excessive water use and leaks.

The cost of this project has a 12 month payback.

Lighting Improvements

The Market has installed LED festoon lighting around the perimeter of the Market that is powered by our solar panels.

Emergency Management

The Market has improved the emergency signage and conducted an emergency sprinkler audit. This audit of the current sprinkler systems, insulation panels of cool rooms and the capacity of the pump set that supplies the sprinkler system was conducted for the Market. Required rectification works commenced mid July 2016.

34kW PV solar panels on the Market roof produce 48,580kWh of energy



Big Belly bins on Cecil Street compact waste 6:1 ratio



Water fountains on Cecil Street and inside the Market have saved 7,750 plastic bottles from landfill



The Market's own fertilizer, Soil Food™ and Market Magic, made from organic waste

400 cubic metres of green waste was taken to a worm farm, reducing our green waste onsite by approximately 98%.

This 1200lt GaiaRecycle machine processes 8.4 tonnes of organic waste a week

SecondBite collected nearly 24 tonnes of fresh food from our vendors



ENVIRONMENTAL SUSTAINABILITY

THE MARKET CONTINUES TOWARDS A GREENER, MORE SUSTAINABLE FUTURE WITH THE FOLLOWING INITIATIVES IMPLEMENTED THROUGHOUT 2016-17:

Water Management

Potable Water

Potable water usage for 2016-17 was approximately 29,235 kilolitres (25,980 kL 2015-16). The increased usage can be attributed to new stalls including Bambu, Small Town Pie Co and the Miss Nail Bar upgrade.

Rain Water

The Market's 500,000 litre rainwater tank, located in the York Street car park, has collected approximately 1.24 million litres of water from the rooftop car park per year since its installation in April 2014. This water is used for wash down applications, by florists and to flush the toilets.

Monitoring

The Market's water usage is monitored by data loggers that measure how much potable and rainwater the Market is using at any given time, and can also indicate unusual water activity that could mean leaks and the location.

The Market's sub-metering water project will now make each stallholder responsible for the water they are using.

Solar Power

The Market has a 34kW PV solar panel system installed on the roof of the car park. This has produced 48,580.67kWh of energy, giving the Market a power reimbursement of approximately \$6,000 per year, and an annual reduction of 59 tonnes of CO₂ emissions.

Recycling

Vermicompost Worm Farm Project

In 2016-17 approximately 400 cubic metres of green waste was taken to a worm farm, reducing our green waste onsite by approximately 98%. All our green waste is collected twice a week and taken to a farm on the outskirts of Melbourne and fed to millions of worms, which turns our green waste into worm castings or vermicompost. This nutrient-rich vermicompost contains minerals and a highly active biological mixture of bacteria and enzymes that are beneficial to plant growth.

The Market now sells this, combined with mushroom compost as organic fertiliser called Market Magic.

The Gaia Recycling Unit

The rest of our organic waste is collected and funnelled into our onsite 1200 litre Gaia machine, significantly improving our landfill diversion for our organic, non-green waste in 2016-17 to 75%. This machine heats the waste, shreds it and activates a very fast fermentation and dehydration process, turning it into a dry product called SoilFood™ in just ten hours.

SoilFood™ is rich in concentrated nutrients and makes an excellent high-nitrogen, slow release plant fertiliser. It is also for sale at the Market.

Waste that is processed in the Gaia includes coffee grounds, fish offal, prep waste from restaurants and cafés, left over waste from customers, deli waste, bread, high acidic products such as citrus, pineapples, onions and more.

The Market is processing 8.4 tonnes of waste through the Gaia per week, equating to over 430 tonnes of waste per year diverted from landfill.

Glass

The Market has an onsite bottle crusher where 100% of the glass at the Market is crushed for recycling. 80% of the crushed glass is recycled into glass bottles while 20% of the crushed glass is used in road base and as a paint additive. The size of the crushed glass enables it to be sorted by colour using an optical process.

Each year the Market crushes approximately 15,000 kg of glass, with a reduction in CO₂ emissions equivalent to 31,000 kms driven in a family car per year.

Oil

Approximately 10,800 litres of oil was collected from the Market in 2016-17. The majority of this gets turned into biodiesel which fuels the vehicles owned by the company that collects the oil.

Polystyrene

All polystyrene boxes are compacted at the Market in the poly-compactor and made into polystyrene bricks. This reduces the volume of polystyrene by 98%.

The compressed bricks are collected and then melted and remoulded into different plastic products including CD cases, coat hangers, picture frames, toys, and office supplies such as pens, stapler bodies and rulers.

They are also utilised to manufacture wood alternative products such as interior decorative mouldings. Hollow foam blocks are produced that are then stacked and filled with concrete to form building walls. These walls are more sound proof and provide greater thermal insulation, making cooling and heating more efficient.

SecondBite

SecondBite collected 23,979 kilograms of fresh food from the Market in the last financial year. This equates to nearly 50,000 meals to those in need from the South Melbourne Market alone.

The biggest proportion of donations is vegetables, making up 50% of the fresh food, with fruit making up 26%. SecondBite work with over 1,200 community food programs across Australia to redistribute rescued food to those in our community who need it most. The organisations they work with make a real difference to people's lives, providing food, support, hope and friendship.



The Market welcomed over 5 million visitors in 2016-17, a 5.9% increase on the previous year.

The happy team at Spin South Melbourne in SO:ME Space



Claypots Evening Star is a popular lunch and dinner spot



ATTRACTING NEW SHOPPERS TO THE MARKET AND RETAINING EXISTING CUSTOMERS

ATTRACTING NEW SHOPPERS TO THE MARKET AND RETAINING EXISTING CUSTOMERS, ENSURING THE MARKET IS ACCESSIBLE TO THE ENTIRE PORT PHILLIP COMMUNITY

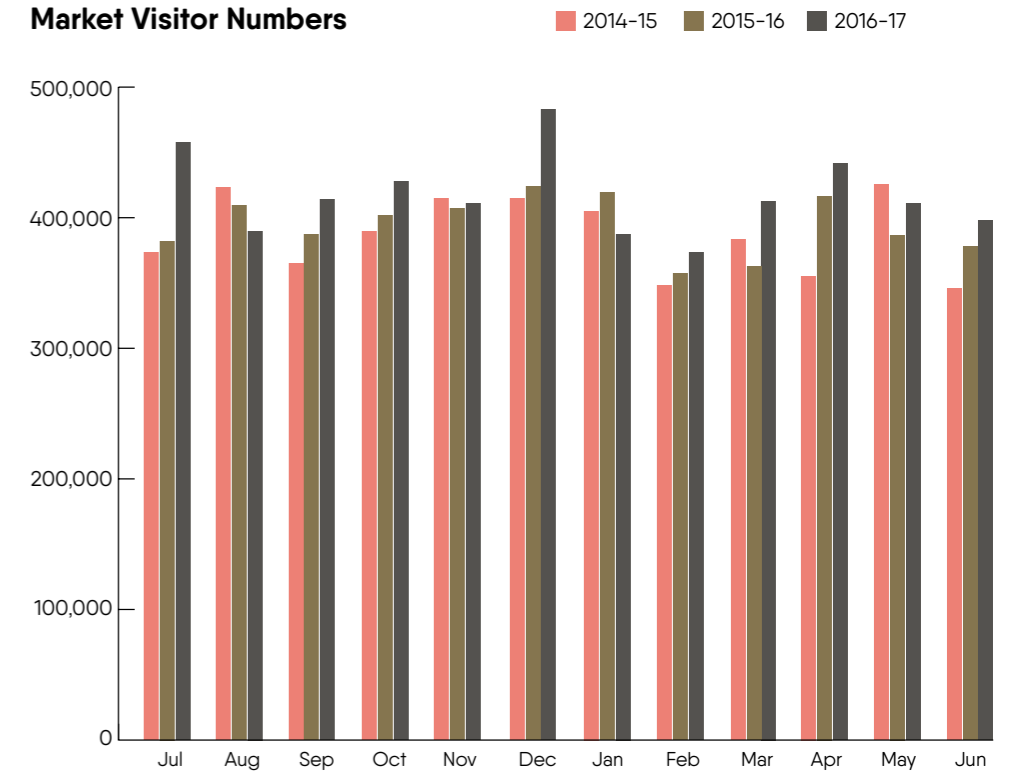
The Market's people counter, installed in June 2014, collects visitor numbers and traffic data for the Market.

The attendance figure of 5,001,932 for 2016-17 is an increase of 5.9% on visitor numbers in 2015-16.

Our busiest month on record was December 2016 with 483,008 visitors, an increase of 14% on December 2015.

As the number of Market days per month varies we also track the average visitor number by Market day. All Market days have increased by an average of 6.9% in the past three years.

Market Visitor Numbers



Average Market Day Attendance

Market Days	2014-15	2015-16	2016-17	% Increase 2014-2017
Wednesday average	17,387	17,696	19,039	7.6%
Friday average	18,634	18,712	20,017	7.0%
Saturday average	25,420	25,692	27,423	6.7%
Sunday average	28,176	28,249	30,135	6.7%
Average total	89,616	90,348	96,614	6.9%

Early morning shoppers on Coventry Street



The Market's busy Deli Aisle





Market Manager Ross Williamson ringing in the start of our 150th year with Adam Mehegan, Operations Coordinator and Cr Ogy Simic

The Birthday Big BBQ Street Party celebrated the Market's 150th anniversary



ATTRACTING NEW SHOPPERS TO THE MARKET AND RETAINING EXISTING CUSTOMERS (CONT...)

Marketing

We undertake market research including regular exit surveys to gain a better understanding of our shopper profile and our market mix. This research informs and guides the development of our comprehensive marketing plan and marketing activities.

Activating the Market with unique, community-focused and food-based events is an important part of our marketing strategy and also assists in building community cohesion, social interaction and a vibrant atmosphere.

Our 'people counter' system gives us live visitor data and shows the flow of the traffic both within the Market and along the footpaths outside the Market. This allows us to effectively measure the impact of activations including events and promotions on visitor numbers.

Examples of Market activations and how visitor numbers are affected include:

- The fourth annual Port Phillip Mussel Festival. The Sunday of this weekend (12 March 2017) was the busiest day ever on record with 39,394 visitors into the Market.
- Christmas Eve, Sat 24 December 2016, was the second busiest day on record with 38,312 visitors.
- 150th Birthday Big BBQ Street Party. The visitor numbers into the Market on Sat 6 May 2017 (37,995) were 42% up on the average Saturday visitor numbers.

150 Years of The Village Market

2017 has been a very special year for the Market, as we rang in our 150th anniversary (1867-2017).

In January 2017, we launched our commemorative 150 year logo and brought our vision of The Village Market to life through new branding, imagery and headlines. The new imagery and headlines connect back to the idea of the village and Market rituals like Sunday afternoon shopping, sharing food, meeting friends, or chatting with traders.

We celebrated our 150th anniversary with a range of activities, and marketing initiatives including:

- A commemorative logo developed to mark our 150th anniversary. All our marketing materials, merchandise, digital assets and signage around the Market included this 150 year branding and messaging.
- A piece of history returned to the Market with the Market bell installed on the first day of trade in January (Wed 4 January 2017) and it is tolled to signal the opening and closing of trade every Market day.
- Guided historical tours throughout May. They were a very popular addition to our marketing calendar and have become a regular (monthly) event. A self-guided historical tour map was also developed with the Port Phillip Arts & Heritage team and this remains available for the public to pick up from the Market and do at their own leisure.
- Win a Trip to Europe competition developed with sponsor *italktravel* and promoted heavily. There was an incredible response to the competition with over 20,000 entries and two lucky people won a trip to visit Markets in London & Rome.
- A series of videos of our traders' market stories created in recognition of our traders and their contribution to our vibrancy, personality, community and history.
- A celebration of our official 150th birthday on Sat 6 May with a community-focused, Big BBQ Street Party on Cecil Street. The event included non-stop live music, free kids entertainment, a BBQ trader cook-off and a giant birthday cake.

- Collecting stories from the public and traders for our 150 Years of The Village Market Exhibition. Many wonderful stories, memories and photos were submitted and these formed the basis of this very special exhibition held in SO:ME Space for the month of May. Significant publicity and awareness was generated for the exhibition and wonderful feedback was received from traders and visitors:

"It's so well compiled... Noonie & I feel really proud to be a part of the Market and looking at this exhibition has reminded us of what a special place it is."

KATE, THESUPERCOOL

"I have just been up to the market and seen your, again, very impressive display, celebrating the 150th year anniversary. It was very informative and so interesting and was most surprised to see my memory and photo among the display... congratulating all involved on a job well done for the South Melbourne 150th Birthday celebration."

JUNE ALEXANDER, LOCAL RESIDENT.

- Three of Melbourne's best street artists Knock, Cam Scale and Bailer were commissioned to create murals around the Market showcasing their interpretation of our huge milestone. This celebrated our anniversary through an art project that has added colour, vibrancy and a collection of art that we are proud of.
- Network Ten's MasterChef was filmed at the Market, airing in our anniversary month on Wed 31 May 2017. This hour-long episode showcased the Market to a huge TV audience of 704,000 (City Metro numbers only).
- Significant awareness of the Market's history and 150th anniversary was generated in the media and to the public.

The Market held an exhibition in May in the SO:ME Space celebrating its history



"This market just gets better and better. Every time I visit I see first-hand the work that is done by the traders and the management team to make this a better and better experience...Well done to every trader that made my visit this morning so special. Loved the banter and passion - couldn't think of a better way to start my day! See you soon x"

NIKI MITCHELL-ADAMS ON FACEBOOK REVIEW

ATTRACTING NEW SHOPPERS TO THE MARKET AND RETAINING EXISTING CUSTOMERS (CONT...)

Our Marketing Methods

The Market has a solid mix of traditional, digital and social marketing methods which all work together to increase brand awareness and promote our marketing activities. Our advertising is targeted in line with the results of our market research, with our main focus on the local area and community.

Traditional includes:

- Press advertising (local, street and mainstream)
- In-Market promotion (posters and flyers)
- Direct Mail to key catchment areas
- Radio
- Outdoor
- Grass roots local area marketing
- Joint promotions with stallholders

Digital and social includes:

- Database marketing (via e-newsletters)
- Social media advertising (targeted)
- Video content creation
- Stallholder digital marketing (creation of social media accounts and websites for traders)
- Content dissemination via our websites and social media platforms for:
 - o South Melbourne Market
 - o South Melbourne Night Market

This year the SO:ME Space website was merged into the South Melbourne Market website. This was done to increase the traffic to the Market's website, to expose SO:ME Space traders to a wider audience, and to reduce the time spent in managing multiple websites.

Special events including the South Melbourne Night Market, Port Phillip Mussel Festival, 150th Birthday Big BBQ Street Party and 150 Years of the Village Market Exhibition drive our website traffic up significantly. Sending out newsletters to our database also creates significant spikes in web traffic. Our home page is the most visited web page, followed by hours & parking, meet our traders, cooking school and what's on.

Social Media

Social media is an important marketing tool for SMM. In particular, Instagram gives us great feedback on our shoppers' rituals, experiences and enjoyment of the Market. Our #Photooftheweek (see below) is generated from our Instagram followers' photos and every week we see the colour, life and diversity of the Market on Instagram.

Instagram has seen good growth this year with an increase of 60% in audience size to 25,300 followers (15,100 in June 2016). Our Facebook audience has grown approximately 20%, from 25,926 to 31,000.



Mural in the Deli Aisle by Cam Scale reflecting our cultural diversity



Public Relations

General Publicity

The Market regularly engages a PR consultant for dedicated PR campaigns and media events that focus on traders, special events and important retail periods like Easter and Christmas. This has seen increased exposure via suburban, metropolitan and national media; and generated awareness, media coverage, blogger interaction and many new visitors to the Market.

Individual campaigns over the last year have included:

- Christmas 2016
- Bringing Back the Market Bell Jan 2017
- South Melbourne Night Market Jan-Feb 2017
- Port Phillip Mussel & Jazz Festival 2017
- Easter 2017
- 150th Birthday Big BBQ Street Party
- 150 Years of the Village Market Exhibition
- Australia's Biggest Morning Tea May 2017

Competitions and Promotions

Promotions and competitions are used by the Market to further engage with our shoppers and the wider community and to help grow our database. WIN a trip to Europe to visit Markets in London & Rome was our most successful competition to date, with over 20,000 entries received via online and in the Market. Thanks to our sponsors *italktravel* for their generous support.

This competition was our most successful to date



ENHANCING THE VISIBILITY AND ACCESSIBILITY OF THE MARKET

ENHANCING THE VISIBILITY AND ACCESSIBILITY OF THE MARKET FOR SHOPPERS AND ENABLING THEM TO FIND THE MARKET READILY, GET TO IT EASILY AND MOVE AROUND IT COMFORTABLY

Accessibility

The Market is easy to get to by car, bike, walking or public transport. There is also two hours free on-site parking available to all shoppers on Market trading days. There are 274 car spaces on the undercover rooftop and 75 car spaces available in the York Street car park. Dynamic parking signage assists those coming by car to determine where to best find a park.

Visibility

Our website and mobile site house all our content - from trader profiles to Market news and events, to information on hours, getting here and parking. Information on getting here and Market hours can also be found on Google, TripAdvisor, Facebook, Instagram and Twitter.

Maps are displayed throughout the Market in strategic locations and Market brochures are distributed to hotels, hostels and information centres throughout the CBD, City of Port Phillip and surrounding areas.

The Market is well signed with welcome signage and trading hours at all entrances, wayfinding floor graphics and hanging signage, and external branding. Together our signage works to increase visibility and disseminate important information to shoppers.

Wayfinding

A colour-coded wayfinding system including hanging, floor and wall mounted signage has been installed at the Market.

Maps are also located throughout the Market to help those unfamiliar find their way.

The Market Office has been a major addition to our wayfinding strategy, with many shoppers asking for directions to stalls or how to find certain products or facilities.

Our website provides event, trader, getting here and parking information



Welcome signage at all entrances





SO:ME Space pop-ups are available for start up designers

The bustling restaurant precinct on Cecil Street with delicious international flavours



LEAVING MARKET VISITORS WITH AN ENJOYABLE AND MEMORABLE SHOPPING AND SOCIAL EXPERIENCE

LEAVING MARKET VISITORS WITH AN ENJOYABLE AND MEMORABLE SHOPPING AND SOCIAL EXPERIENCE BY PROVIDING A VIBRANT ATMOSPHERE IN A CLEAN AND SAFE RETAIL MARKET ENVIRONMENT

The Market continues to be a major attraction in the City of Port Phillip attracting a record 5 million visitors in 2016-17.

Restaurant Precinct

The Cecil Street restaurants give the Market a precinct that is well known now for its leisurely weekend breakfasts, delicious hawker-style street food, and a vibrant dinner culture. With a mix of cultures, Cecil Street has also welcomed the opening of a modern Asian restaurant Bambu, showcasing an impressive architectural design.

The Food Hall

A renovation and new fit-outs by eight stalls within the Food Hall has revitalised this precinct. Flow through the Food Hall is up by 20% on 2015-16 and the \$3 borek, freshly baked on site, must represent the best value meal in Australia. There is something for everyone and an option for all budgets.

SO:ME Space

Some of the SO:ME Space highlights throughout the year include:

- Full occupancy with new pop-ups each month for this financial year. Demand has exceeded supply and, as a result, there is a six-month waiting list for bookings along with a constant waiting list for cancellations.
- For the full month of May, the space hosted an exhibition celebrating 150 years of the Market, attracting customers who may not have been aware of the space previously.

- A new permanent stall, #Collaborate Store, opened in the space in June.
- Long-term pop-ups are being hosted in one of the other permanent stalls while an Expression Of Interest process takes place.

York Street Food Trucks

The York St site has been operating since mid-January 2015. Rotating trucks allow the Market to keep the offer diverse, with many well-loved food trucks on rotation including:

- Beatbox Kitchen
- St Kilda Burger Bar
- Fancy Hanks BBQ Joint
- Nem N Nem
- Poke Time

The ever-changing food on offer has proven to be a success in attracting a lunch time crowd to York Street.

Longer Term Pop-ups

We have been able to extend the SO:ME Space curation throughout the Market, by temporarily filling vacant stalls while Expressions of Interest (EOIs) are run for a permanent replacement. These new, longer term, temporary license stalls have included:

- Joy Cupcakes
- Wilson Accessories - leather accessories
- Active Wear - swim and active wear
- Merchants of Change - general merchandise stall specialising in ethical and sustainable wares
- Market Import - giftware

The Neff Market Kitchen

In 2016-2017, over 2,100 people attended classes at The Neff Market Kitchen (TNMK), the Market's ever popular cooking school, an increase of 17%.

From classic French, to Peruvian ceviches and Paleo desserts, there was an increase of 11% in the number of classes held to suit all tastes and skill levels:

- 78 Master Classes
- 47 Cooking Classes
- 26 Market2Table Classes
- 23 Kids Can Cook Classes

With an occupancy rate of 98% the school has continued to secure chefs from Melbourne's best restaurants with Chris Watson from Cutler & Co, Thi Le from Anchovy, The Point's Andy Harmer and many others joining TNMK in the past year.

There was activity in the cooking school on 98 out of a 208 possible Market days (47%), an increase of 4% from 2015-16.

In partnership with NEFF, The Neff Market Kitchen also ran a series of half hour cooking demonstrations during the South Melbourne Night Market. These fun, short and snappy classes were completely sold out and were the perfect addition to many attendee's Night Market experience.

In alignment with the Market's sustainability initiatives, The Neff Market Kitchen has also collaborated with not-for-profit group Leftover Lovers to run a series of classes and free demonstrations teaching people how to cook without recipes, using food that would have otherwise gone to landfill.



The Neff Market Kitchen is a great way to get hands on experience with your favourite chefs

On Sun 12 March, the second day of the Mussel Festival, the Market recorded its busiest day ever with 39,394 visitors entering the Market.

LEAVING MARKET VISITORS WITH AN ENJOYABLE AND MEMORABLE SHOPPING AND SOCIAL EXPERIENCE (CONT...)

Major Events

South Melbourne Night Market

The South Melbourne Night Market returned to the streets of South Melbourne in January 2017, and was bigger and better than ever. For eight weeks we transformed the Market at twilight into a magical night market with a feast of street food, market stalls and free entertainment and music.

This year we opened up the Centre Aisle connecting Coventry & York Streets and activated York Street with food trucks and marquees, a bar and live music.

We also had up to 40 of our permanent stalls within the Market open for the first time.

The visitor survey conducted this year shows a considerable 45% stated that they had visited the Night Market previously this year, with 39% having visited in previous years. It also found that food, particularly street food and food trucks was the main reason for visitation (62%), followed by restaurants and cafes. Overall satisfaction with the Night Market was high with 89% giving it a score of 4 or 5 out of 5. Consistent with reasons for visitation, food trucks and restaurants rate well, with 89% and 84% respectively giving a score of 4 or 5.

Port Phillip Mussel & Jazz Festival

The fourth Annual Port Phillip Mussel & Jazz Festival was held at the Market on Sat 11 and Sun 12 March (Labour Day long weekend). The event space was larger than previous years with both lanes of Cecil Street closed, giving patrons much more room to eat, sit and listen to the music.

The vendors sold up to 6 tonnes of mussels this year, more than the 5 tonnes recorded in previous years. There was non-stop jazz all weekend, the weather was superb and the event was a huge success.

On Sun 12 March, the second day of the Mussel Festival, the Market recorded its busiest day ever with 39,394 visitors entering the Market, exceeding the previous record from Christmas Eve 2016 (38,312) by 1,082 visitors (2.8%).

150th Birthday Big BBQ Street Party

The Market celebrated its birthday with the community on Sat 6 May with a 12 hour street party. Starting at 10am, and running into the evening, the party was held on Cecil Street and included non-stop live music, free kids entertainment, a BBQ trader cook-off and a giant birthday cake.

The Market collaborated with Multicultural Arts Victoria for some of the music line-up, and a number of our own Market traders had stalls at the event in addition to their permanent Market stalls. Emerald Deli made an enormous birthday cake which was handed out to hungry party-goers.

The visitor numbers at the Market on this day (37,995) were 42% up on the average Saturday visitor numbers from Feb - March 2017 (26,731 excluding Mussel Festival).

Minor Events

One of the most significant impacts a market can have is strengthening the social fabric of the community. We work closely with our traders and the community to develop

an entertainment and event program that connects diverse segments of the community, creating a culturally vibrant public space and building community spirit.

Our events support our village market positioning, and we seek to create events that are unique, engaging, memorable and attractive to the local community.

Some examples of these from the past year include:

Month	Event	Description
July 2016	The Truffle Shuffle	Making it easy to cook with truffles during winter
August 2016	Craft Cubed	Ticketed workshops and free drop in craft for the community in conjunction with Craft Victoria
September 2016	Father's Day	Breakfast for the dad traders at the Market
	School holiday workshops	Cooking classes for the kids during school holidays in The Neff Market Kitchen
October 2016	Ride2Work Day	Now the main site for this event in CoPP
November 2016	Launch 150th Celebrations	Launch of our festivities to celebrate our 150th anniversary
December 2016	Traders' Christmas Party	A Christmas celebration to thank the traders for another great year
	Christmas Activities	A fun Christmas for traders and shoppers with entertainment and fundraising for Sacred Heart Mission
January 2017	South Melbourne Night Market	8 weeks of balmy nights under the Market verandah
	Ringing of the Bell Launch	Launch of the new Market bell to ring in the opening and close of the Market through 2017
	Chinese New Year	Lion dancers storming through the Market
February 2017	Australian Garlic Launch	Celebrating the Australian garlic industry
March 2017	Port Phillip Mussel & Jazz Festival	Two day seafood street party at the Market
April 2017	Easter	Family activities with Easter egg hunt and music
May 2017	150th Exhibition	An exhibition of photos and stories of the Market's 150 year history
	Big Birthday BBQ	Street party for the community to celebrate our 150th birthday
	History Tours	Conducted by the Port Phillip local historians
	Mother's Day	Flowers to the traders
	Australia's Biggest Morning Tea	A fundraising event in support of the Cancer Council where we raised over \$8,000

South Melbourne Night Market 2017, every Thursday night through January and February



Port Phillip Mussel & Jazz Festival 2017



One of our popular cultural celebrations is Lunar New Year dragon dancers



Kids love the cooking and craft activities in school holidays





As part of our 150th anniversary celebrations, MasterChef filmed a challenge episode at the Market on Wednesday 18 January. This was a huge production with Cecil Street closed to traffic for the day and huge crowds coming to be part of the challenge.

LEAVING MARKET VISITORS WITH AN ENJOYABLE AND MEMORABLE SHOPPING AND SOCIAL EXPERIENCE (CONT...)

Showcasing The Market

The Market is a popular backdrop for lifestyle programs and advertisements.

As part of our 150th anniversary celebrations, MasterChef filmed a challenge episode at the Market on Wed 18 January. This was a huge production with Cecil Street closed to traffic for the day and huge crowds coming to be part of the challenge.

The episode aired on Wed 31 May with a viewing total of over 700,000.

Other filming that has taken place at the Market in 2016-17 includes:

- July 2016: Black Swan Dips ad campaign – this is a celebration of the origins of Black Swan Dips at South Melbourne Market.
- November 2016: Travix Travel, Singapore – filming tourism content for social media.

- November 2016: USA Reality TV Show Power Couples, filmed a challenge at the Market for one of their episodes.
- November 2016: Outback Truckers – a documentary following truck drivers on their journeys collecting and delivering freight around Australia. They were delivering fresh oysters from Tasmania to Aptus Seafood.
- November 2016: 60 Minutes – An interview with Liz Hayes about healthy eating.
- January 2017: MasterChef filmed a challenge episode for their 2017 series.
- April 2017: Cityline Canada filmed a segment on food and wine for their “Why Melbourne is the hottest spot for food and wine right now”.
- April 2017: An export promotional video by the Department of Economic Development for the Indonesian market.

Award For Trader: Best Paella Outside Spain

In September 2016 Simply Spanish won the Best Paella Outside Spain award at the International Paella Valenciana competition in Sueco, Valencia, Spain. This award gives the team significant recognition for their incredible paella and shows their determination to be the best.

The Market was chosen for a MasterChef challenge to celebrate our 150th anniversary

Winners are gridders – Leno and Miguel Lattarulo cooking up their winning Paella Valenciana.



Hagen's Organic Butcher opened in August 2016, and features a popular butchery school

The demand from customers to access and enjoy fresh produce, purchase take home meals, and to dine as recreation continues to expand.



BUTCHERS CLASSES COMING THIS SPRING

PORK & SAUSAGE LAMB & BEEF

HOUSE-MADE SMALLGOODS



Small Town Pie Co opened in May 2017 as an expansion to the small pie shop to increase their offer



Field, Barns & Co opened in September 2016 selling Australian pantry and baking goods



ATTRACTING AND RETAINING A DIVERSE RANGE OF APPROPRIATE STALLS

ATTRACTING AND RETAINING A DIVERSE RANGE OF APPROPRIATE STALLS THAT OFFER PRODUCTS AND SERVICES THAT MEET THE NEEDS AND EXPECTATIONS OF SHOPPERS

The strategic objectives of expanding the stall range to reflect wider community expectations, along with fostering the retention and enhancement of our treasured stallholders, continues.

The Market has cemented itself as a unique village experience seen nowhere else across Melbourne and Australia. It is an urban food forest full of quirky and playful characters and art.

This year, a Market Mix Policy and 5 Year Market Mix Strategy has been developed to ensure the Market stays relevant to the community and remains one of Melbourne's favourite markets. A wide range of research studies were reviewed in the development of our Mix Policy and Strategy documents, and the final version will go to community consultation in August 2017.

Research shows that food has become a major focus in urban and regional markets worldwide. The demand from customers to access and enjoy fresh produce, purchase take home meals, and to dine as recreation continues to expand. The Market is responding to these customer expectations by increasing the options for both staples and specialist food offerings.

The refurbishment of existing stalls is part of a Market wide program of re-investment. The Market has engaged visual merchandising and food consultants to assist stallholders in better showcasing their products and specialisation, making for a more enjoyable customer experience, whilst maximising potential sales for stallholders. The key element in redesigning and having stalls with speciality is to ensure aesthetics keep the Market feel but are more aligned with the current expectations of the South Melbourne Market customer.

These improvements range from minor freshen-ups and visual merchandising enhancements, to more significant renovations; depending upon the age, products and style of stall.

The list below summarises the exciting new stalls which opened in 2016-17 or are opening soon.

Planned to open 2017-18

Market Borek	Aug-16	Turkish borek and takeaway in Food Hall
Hagen's Organic Butcher	Aug-16	Organic butcher including a butchery school
Field Barns & Co	Sep-16	Australian pantry and baking goods specialist
Market Import	Sep-16	Homeware specialist
#Collaborate Store	Jun-17	New stall stocking only Australian designed men's and women's wear
Merchants of Change	Mar-17	General merchandise stall specialising in all things Fair Trade
Suki McMaster	Nov-16	Melbourne local artist
Koenji Vintage	Oct-16	New vintage retailer
Agathé Patisserie	Mar-17	Expansion to include freshly baked bread on site
Miss Nail Bar	Feb-17	Expansion of stall to cater for demand
Small Town Pie Co.	May-17	Expansion of pie stall and increased offer to sell salads
Zekiri	May-17	Florist relocated into Aisle G

Planned to open 2017-18

Bambu	Jul-17	A new modern Asian restaurant on Cecil Street
Atypic Chocolate	Jul-17	New chocolatier specialising in bean-to-bar
Aptus Seafood Grill	Sep-17	New seafood grill serving hot dishes
Aptus Oyster Bar	Oct-17	New oyster bar serving cold dishes
Create TBT	Sep-17	Relocating to centre aisle
Moses & Co Market Wholefoods	Sep-17	Expanding into Create TBT stall
Market Lotto and Party Supplies	Sep-17	Market Lotto and Party supplies merging to become one stall

The Market reported a cash surplus of \$196,000 in the 2016/17 financial year down from \$734,000 in 2015/16.



SOUTH MELBOURNE MARKET CAPITAL EXPENDITURE 2016-17

	2016-17 \$'000	2015-16 \$'000
Carpark Balustrade	573	60
Office Fit-out Works	-	5
Essential Works	-	35
Fit-out Facilities	94	114
Building Renewal	271	233
Food Hall Upgrade	-	63
Plant and Equipment	-	95
Solar Panel PV Design	-	22
Total Capital Expenditure	938	627

All our delis are a hive of activity on Market days



The York Street carpark with our highly visible branding



OPERATING THE MARKET PROFITABLY AND IN A PROFESSIONAL MANNER

Financials

The Market operates under a budget allocated through the Council budget process.

Excluding depreciation the Market reported a cash surplus of \$196,000 in the 2016/17 financial year down from \$734,000 in 2015/16. Capital expenditure for the year was \$938,000.

Comparison with Previous Year:

The Market's income was up 6% (\$364,000) on 2015/16 due to:

- Increased Licence Fee income of \$344,000. This is a 6.4% increase on the previous year, however fees increased by 4% (expected additional revenue \$213,000). The variance was due to increased income of \$42,000 from casual stalls (i.e. Night Market, Mussel Festival, 150th Birthday BBQ) and reduced vacancies at stall turnover.

- Additional income of \$28,000 from the car park (5%) – car park fees on non-Market days were raised by 9% (from \$11 to \$12).
- Cooking School income was \$850 less than the previous year.
- Other Income was \$7,000 less than the previous year at \$169,000.

Expenditure increased by \$637,000 (11%) over 2015-16. This was mainly due to:

- The depreciation expense for the year grew by \$46,000.
- Renovation of the SO:ME Space (\$60,000).
- Additional Events expenses of around \$120,000 (offset by \$42,000 increase in Event income):
 - Purchasing event equipment rather than hiring

- Additional expenditure on 150th anniversary activities, in particular 150th Exhibition and 150th Birthday BBQ – music, stage set up, street closure, cleaning, security and set up costs
- Bigger footprints for the Night Market and Mussel Festival requiring additional street closure, cleaning, security and set up costs
- EBA related salary increases (approximately \$40,000).
- Additional traffic management staffing on Sundays (\$40,000).
- Increased administration and event staffing required for Night Market, Mussel Festival, 150th Exhibition and 150th Birthday BBQ.

SOUTH MELBOURNE MARKET FINANCIAL REPORT 2016-17

	2016-17 \$000	2015-16 \$000	%	Change
Income				
Licence Fees	5,677	5,333	6%	344
Parking Revenue	557	529	5%	28
Cooking School Income	223	224	0%	-1
All Other Fees & Charges	169	176	-4%	-7
Total Income	6,626	6,262	6%	364
Expense				
Employee Costs	1,208	1,126	7%	82
Advertising, Events and Publicity	634	621	2%	13
Contract Payments	2,442	1,959	25%	483
Professional Services	256	262	-2%	-6
Depreciation	1,197	1,151	4%	46
Insurance	44	46	-4%	-2
Utilities	251	235	7%	16
Head Office Costs - allocation	148	154	-4%	-6
Other Expenses*	509	498	2%	11
Total Expense	6,689	6,052	11%	637
Operating surplus/(deficit) for the year	(63)	210	-130%	-273
Adjustments for non-cash operating items				
Add back depreciation	1,197	1,151	4%	46
Adjustments for investing items				
Less capital expenditure	(938)	(627)	50%	-311
Cash surplus/(deficit) for the year	196	734	-73%	-538

*Other expenses includes the congestion levy and land tax

ALIGNMENT TO COUNCIL PLAN

OPERATING THE MARKET PROFITABLY AND IN A PROFESSIONAL MANNER (CONT...)

- Additional compliance and electrical maintenance works and relocation costs - \$140,000.
- Reclassification of project expenditure to operating expenses (\$396,000 – up \$256,000 on 2015-16). This relates to professional and contract payments for the following projects: SMM Building Compliance review, SMM Rooftop carpark crash barrier, SMM renewal and fit-out works.
- These costs were offset by reduced cleaning costs of \$70,000.

Capital expenditure was \$938,000 after the reclassification of project expenditure to operating expenses according to Australian Accounting Standards.

Governance

The Market is managed by a Section 86 Committee of the Port Phillip Council under the Local Government Act.

The Committee has six members:

- Three Councillors appointed by Council.
- Two independently appointed representatives, appointed for three years (there were three until September 2016 when Felicity Giuliani's term ended).
- One Council Officer.

Leading up to the Council elections in October 2016 the Victorian Electoral Committee recommended that the Port Phillip Council change to consist of nine councillors elected from three councillor wards putting the Market into the Gateway Ward.

In October the new Councillors were announced with Ogy Simic, Bernadene Voss and Marcus Pearl elected as councillors for the Gateway Ward.

From July 2016 – October 2016 the committee included:

- Councillors – Chair Cr Amanda Stevens, Cr Andrew Bond and Cr Anita Horwarth.
- External/independent members – Andrew Brough, Violetta Hartley and Felicity Giuliani.
- Council Officer – Port Phillip Council's General Manager Infrastructure and Amenity was the delegated Council Officer.

From November 2016 – June 2017 the committee included:

- Councillors – Chair Cr Bernadene Voss, Cr Andrew Bond and Cr Ogy Simic.
- External/independent members – Andrew Brough and Violetta Hartley.
- Council Officer – Port Phillip Council's General Manager Infrastructure and Amenity, Fiona Blair, was the delegated Council Officer.

The Committee met six times in 2016-17, with all meetings open to the public.

Meeting Attendance Summary 2016-17

Name	Position	Attendance
Cr Amanda Stevens	Appointed Member and Chair	1/2
Cr Andrew Bond	Appointed Member	6/6
Cr Anita Horvath	Appointed Member	2/2
Cr Bernadene Voss	Appointed Member and Acting Chair	4/4
Cr Ogy Simic	Appointed Member	3/4
Deborah Beale	External Appointed Chair	2/2
Andrew Brough	External Appointed Member	6/6
Violetta Hartley	External Appointed Member	5/6
Fiona Blair	General Manager, Infrastructure and Amenity	4/4
Lisa Davis	Acting General Manager, Infrastructure and Amenity	1/1
Claire Ferris Miles	Acting General Manager, Infrastructure and Amenity	1/1

These water tanks have captured 1.24m litres of rainwater since April 2014



Last minute bargains on a Sunday afternoon



Alignment to Council Plan

The Market is aligned to the Council Plan and its six strategic directions for 2017-2027:

We embrace difference and people belong

The Market embraces our diverse community by incorporating a range of stalls, cafes and restaurants, as well as entertainment, events and celebrations from many different cultures and backgrounds. The Market provides an inclusive atmosphere for the whole community, and has goods and services for all ages, religions and cultural and socio-economic backgrounds.

From our wayfinding signage at each entrance in different languages, to the murals painted by local artist Cam Scale to commemorate our 150th anniversary, everyone can find their own experience at The Village Market.

We are connected and it's easy to move around

The Market is easy to access by tram, bus, bike and car. A colour-coded wayfinding system including hanging, floor and wall mounted signage has been installed at the Market to assist people in finding their way to their desired destination. Maps are also located throughout the Market to help those unfamiliar find their way. There is also an information desk in the Centre Aisle to assist people.

We have smart solutions for a sustainable future

The Market is working towards a greener, more resilient future with a range of initiatives already in place to reduce our impact on the environment. The Market converts organic waste into fertiliser; recycles water, polystyrene, oil, cardboard and glass; educates the community on environmental ways to shop via Market tours; and works with traders to improve their environmental footprint.

We are growing and keeping our character

The Market continues to attract more visitors each year and to cater for this there are improvements made on an ongoing basis. Safety has been improved with a new balustrade installed on the roof top carpark, improved emergency signage and clearer aisles. New stalls have opened and other stalls have renovated, supporting the Port Phillip community's changing demographic and reflecting our Market Mix Policy.

All changes and improvements at the Market are made ensuring that the Market's uniqueness, quirkiness, ambiance and eclectic character remain.

We thrive by harnessing creativity

The Market is proud of our arts and events program. During 2016-17 the Market celebrated its 150th anniversary with a wide range of activations including local artists creating murals around the Market, bringing back the bell to ring in the opening and

closing of each Market day, our 150th Big BBQ Street Party on 6 May 2017 and the 150 Years of the Village Market Exhibition during May. This was in addition to the regular activations at the Market including the South Melbourne Night Market, the Port Phillip Mussel & Jazz Festival, seasonal promotions and festivals and school holiday programs.

Our commitment to you

The Market's Vision Statement is: To be known as Melbourne's favourite market, a unique destination that celebrates local, is sustainable and inclusive, and a place that is trusted and loved by the community. We are the quintessential Village Market.

We are committed to remaining relevant to the community and will do this by conducting regular exit interviews to monitor the shopper demographic, frequency of visitation, reason for visit, their views on the products and services on offer. This information will continue to inform our Market Mix Strategy.

The Market maintains and manages the assets and infrastructure and undertook a building compliance review in 2016-17. Safety issues were addressed as a priority and a plan will be developed in 2017-18 to address issues identified in the report.

Section 86 Committee meetings are open to the public where questions can be put to the Committee. In addition, stallholders are able to make confidential presentations to the Committee.

Market shoppers buying their fresh produce



The Market's bustling Centre Aisle





Mural by Cam
Scale reflecting
the childhood
memories of sweet
treats at the Market

THE VILLAGE MARKET

Wed 8am – 4pm
Fri 8am – 5pm
Sat 8am – 4pm
Sun 8am – 4pm

Corner Cecil & Coventry Streets,
South Melbourne, Victoria 3205
T. 9209 6295
smm@portphillip.vic.gov.au

