



12.2 ST KILDA ESPLANADE MARKET STRATEGY, ANNUAL REPORT, TERMS OF REFERENCE AND RECOMMENDATIONS FOR THE REFERENCE COMMITTEE.

EXECUTIVE MEMBER: BRIAN TEE, GENERAL MANAGER, CITY GROWTH AND DEVELOPMENT

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1. PURPOSE

- 1.1 To present the St Kilda Esplanade Market Annual Report 2022-23.
- 1.2 To present the draft St Kilda Esplanade Market (SKEM) Strategic Plan 2023 – 2028 for Council’s consideration
- 1.3 To present the recommended panel members for the SKEM Reference Committee 2023 -2025 and updated Terms of Reference for Council’s approval.

2. EXECUTIVE SUMMARY

- 2.1 The St Kilda Esplanade Market Annual Report is a summary of the Market’s activities and achievements in 2022 to 2023 and presents the financials for the financial year. Refer Attachment 1.
- 2.2 The draft St Kilda Esplanade Market Strategic Plan 2023 – 28 provides a roadmap for the future direction of the Market which identifies key stakeholders and describes the strengths, challenges and opportunities for the St Kilda Esplanade Market over the next 5 years. Refer Attachment 2.
- 2.3 The operations of the St Kilda Esplanade Market are guided by a Reference Committee. The Terms of Reference are updated every two years as outlined in Attachment 3. This report seeks Council approval of committee members as outlined in confidential Attachment 5 of this report.
- 2.4 The St Kilda Esplanade Market is recognised as being a significant shopping, leisure and tourism destination by Market visitors, the City of Port Phillip and stallholders that has been operating for 53 years in its iconic beachside location.
- 2.5 The Market has always been a starting platform for new artists to begin their creative careers and provides not only visual enhancement for the area but is a respected tourist destination which supports the local economy.

3. RECOMMENDATION

That Council:

- 3.1 Notes and receives the St Kilda Esplanade Market Annual Report 2022- 2023 and Market budget figures as outlined in **Attachment 1**
- 3.2 Adopts the St Kilda Esplanade Market Strategic Plan 2023 – 2028 as outlined in **Attachment 2**.
- 3.3 Approves the updated Terms of Reference for the St Kilda Esplanade Market Reference Committee as outlined in **Attachment 3**.



- 3.4 Delegates authority to the Chief Executive Officer (or their delegate) to make amendments to the Terms of Reference document to correct any minor drafting errors that do not materially alter the intent.
- 3.5 Appoints Committee Members to the St Kilda Esplanade Market Reference Committee as appears in confidential **Attachment 5**.
- 3.6 Makes public the list of Committee following the adoption by Council and the acceptance of the nominees.
- 3.7 Recognises the contribution of the outgoing members of the St Kilda Esplanade Market Reference Committee and formally thanks them for their service to the Port Phillip community.

4. KEY POINTS/ISSUES

St Kilda Esplanade Market Annual Report 2022 - 2023

- 4.1 Highlights of the annual report include implementation of various marketing and activations to promote the Market to targeted audiences, supported by social media campaigns/promotion. Including:
 - A Winter warmer activation with heated, covered seating areas and live music plus roasted chestnut giveaways throughout July to support visitation over the colder months.
 - An Australian Animal activation and education weekend to attract families.
 - A Halloween weekend with free treasure hunt, which added to and complemented other Halloween activations in the St Kilda area (eg Luna Parks 'Luna Dark' activation and roving street performers in Fitzroy St).
 - A fully programmed Christmas-themed Sunday in December, encouraging visitors to purchase gifts from the stallholders and then stay and play in St Kilda.
 - A Mother's Day activation with free, sustainable, market branded folding bags gifted with purchases made.
 - A Mabo Day activation as part of the broader CoPP Mabo Day Celebrations.
 - Collaborations with local businesses and events such Pride March and the St Kilda Latin Festival.
 - A select variety of street food to encourage increased visitation and dwell time.

St Kilda Esplanade Market Strategic Plan 2023 – 2028

- 4.2 Council adopted the first St Kilda Esplanade Market Strategic Plan 2010 – 2016 at a meeting on 13 December 2010. The second Strategic Plan 2016 – 2020 was adopted at a meeting on 28 June 2016 and expired in June 2020. There has been no current Strategic plan following the COVID-19 pandemic recovery period.
- 4.3 Key actions for the Strategic Plan 2023 – 2028 include:
 - Creating partnerships, local collaborations and linking the Market to key precinct initiatives in St Kilda, such as Acland and Fitzroy Street activations. Noting that the Market is considered a key stakeholder to attract visitation and contribute to St Kilda's local economy.
 - Targeted promotion of the Market to identified, specific demographics, including CoPP local community and younger age groups.



- Continued comprehensive market research to gain further insights into attendees and visitation.
 - Use key performance indicators to track progress and set targets to increase visitation and maximise the occupation of stall holder spaces available at the market site.
 - Identify opportunities to increase inclusion and connection with CoPP communities such as the LGBTIQ+ community.
 - Seeking new product offerings as a means of attracting new customers, exploring new product categories and implementing caps on categories where applicable.
 - Regular review and evaluation processes to maintain quality and continually assess the effectiveness of marketing plans, including benchmarking of product offerings and fees against other similar Markets.
- 4.4 Market research conducted by IER in May and June 2023 set out to measure and assess the objectives such as visitor origins, attendee profile, previous visitation, and media consumption. These results have guided the draft Strategic Plan. The full report findings can be seen in Attachment 4.
- 4.5 The Strategic Plan also aims to achieve a break-even market budget annually by:
- Ensuring that user fees are in line with benchmarking of other comparative markets.
 - Review of the market budget on a monthly basis and making reasonable adjustments. If income from user fees is significantly below forecast, we will review other expense line items that could be reduced. For example, marketing spends on activations.
 - Marketing Plans will set minimum marketing spends (e.g. social media promotion) and differentiate from additional marketing spends (e.g. special activations).
 - Regular review of marketing initiatives to identify the most effective means of marketing methods to help build a valuable marketing plan year on year. Value could be assessed as an increase in visitation/attendance numbers or increased stallholder sales during an activation.
- 4.6 On Tuesday 20 June 2023, Council adopted Year Three of the Council Plan 2021-31 and 2023/24 Budget. As part of this process, the 2023/24 SKEM budget was approved. Revenue has been budgeted for the 23/24 FY at \$359K and expenditure \$352K which will see the market return a very small profit of \$7k.

The St Kilda Esplanade Market Reference Committee

- 4.7 The Terms of Reference expiry date has been updated to include a further two years and is attached for Council approval in Attachment 3.
- 4.8 A call for stallholder nominations to the Committee was advertised for a period of two weeks via the stallholder e-newsletter, opening on 27 July 2023 and closing on 10 August 2023. This call was made as the current stallholder representative's period expires in October 2023.
- 4.9 The composition of the Committee is as follows:
- 4.9.1 Two Councillor representatives (Currently Cr Sirakoff and Cr Nyaguy)
 - 4.9.2 up to four Esplanade Market stallholders who have not previously been appointed to the previous Committee;



- 4.9.3 up to two Port Phillip community members (who are not St Kilda Esplanade Market stallholders);
- 4.9.4 up to two people with expertise in markets, arts and craft, marketing or another relevant field.
- 4.10 The applicants recommended are based on how well they met the following key selection criteria:
 - 4.10.1 Demonstrated local connection to the City of Port Phillip (community member applicants) and/or passion and experience at public markets (stallholders/industry expert);
 - 4.10.2 A commitment to driving customer experience and long-term financial sustainability of a vibrant community market;
 - 4.10.3 Experience in markets, arts and crafts, marketing, tourism or any other relevant field.
 - 4.10.4 Demonstrated strong interpersonal skills, ability to build and develop effective working relationships and/or experience on committees

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The St Kilda Esplanade Market has been managed by The City of Port Phillip since 2010 and reports to a Reference Committee that meets quarterly.
- 5.2 As part of its commitment to good governance, quality decision-making and community participation, the City of Port Phillip has a St Kilda Esplanade Market Reference Committee (Reference Committee).
- 5.3 The Reference Committee provides feedback on the strategic direction of the Market, the implementation of this direction, development of the marketing and advertising strategy, on communication mechanisms with stallholders, community and other stakeholders and on business and operational planning.
- 5.4 The Current Councillors on the Committee are Councillor Nyaguy and Councillor Sirakoff.
- 5.5 The Annual Report and draft Strategic Plan have been reviewed and approved by the St Kilda Esplanade Market Reference Committee.
- 5.6 A call for stallholder nominations to the Committee was advertised for two weeks.
- 5.7 Seven nominations were received from Esplanade Market stallholders, to fill the four-stallholder positions. One nomination was received to fill the two vacant community member positions. The current industry expert member will continue their position with the committee alongside the addition of a CoPP market expert from the South Melbourne Market.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The presentation of this Report fulfils the reporting obligations.
- 6.2 The presentation of this Report represents good governance of the Market.
- 6.3 There are no known risks to Council in adopting these recommendations.

7. FINANCIAL IMPACT

- 7.1 2022- 23 was the first full year of trading following the COVID-19 pandemic. This has seen the total market fee income increase substantially \$228,959 compared to the

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previous year income of \$132,613. Expenses have stayed reasonably stable compared to the 21-22 financial year. Both these factors have contributed to a better performance overall for the market in 22-23 financial year.

- 7.2 Total expenditure for the 2022/2023 financial year was \$322K vs total income \$229K. There was an operating deficit of \$93K for the year 2022/23.
- 7.3 With the market fully operational throughout the year, expenditures on advertising and activations surpassed those of the preceding year. This increased spending includes endeavours such as customer intercept survey research and comprehensive reports (Attachment 4) aimed at a deeper understanding of target demographics. The insights gained from these initiatives will steer future spending, ensuring the continuous enhancement of the market experience for all stakeholders.
- 7.4 In the coming year, 2023-24, user fees have been raised in line with current benchmarking against other makers' market fees. There had been no fee increases to stallholders since the 2018-19 financial year, providing support through and after the COVID-19 pandemic. This change is expected to lead to better performance in the future.
- 7.5 Revenue has been budgeted for the 23/24 FY at \$359K and expenditure \$352K which will see the market return a very small profit of \$7k.
- 7.6 The Reference Committee positions are voluntary and Committee members are not paid for their contribution.
- 7.7 2022- 23 Financial Table:

City of Port Phillip St Kilda Esplanade Market

| | Actuals 2022-23 | Actuals 2021-22 | Change | % |
|--------------------------------|--------------------|--------------------|-----------------|--------------|
| Income | | | | |
| Market Fees & Charges | \$228,959 | \$132,613 | \$96,346 | 73% |
| Total Income | \$228,959 | \$132,613 | \$96,346 | 73% |
| Expense | | | | |
| Wages and Salaries | \$166,384 | \$239,153 | \$72,769 | 30% |
| Advertising and Publicity | \$85,981 | \$49,616 | (\$36,365) | (73%) |
| Contract Payments | \$2,550 | \$1,152 | (\$1,398) | (121%) |
| Information Technology | \$1,426 | \$0 | (\$1,426) | 0% |
| Materials | \$4,045 | \$2,758 | (\$1,287) | (47%) |
| Bad and Doubtful Debts | \$0 | (\$668) | (\$668) | 100% |
| Other Expenses | \$1,622 | \$641 | (\$981) | (153%) |
| Insurance | \$17,103 | \$16,850 | (\$253) | (2%) |
| Head Office Overheads | \$42,613 | \$42,025 | (\$588) | (1%) |
| Total Expenses | \$321,724 | \$351,527 | \$29,803 | 8% |
| Full Year Profit/(Loss) | (\$92,765) | (\$218,914) | \$66,542 | (30%) |



8. ENVIRONMENTAL IMPACT

8.1 The St Kilda Esplanade Market operates with no power, all excess rubbish is removed by stallholders, many stallholders use recycled materials in their creative works, and eco-friendly food packaging is required including paper bags and no plastic straws, increasing its sustainability.

9. COMMUNITY IMPACT

9.1 The St Kilda Esplanade Market provides a welcoming community space for all ages and abilities to attend free of charge. It continues to support local makers from all backgrounds and ages with a place to sell their products, which was the reason the Market was officially opened 53 years ago by Councillor Manning in 1970.

9.2 The Market activates the Esplanade every Sunday. It creates a physical, vibrant link between the foreshore, Fitzroy and Acland Streets and is a well-known tourist destination and Makers' Market.

9.3 The Reference Committees provide feedback to Council as well as facilitating community networks to build on local strengths, keeping people informed and connected.

9.3.1 Improves community consultation practices to support open and inclusive decision-making.

9.3.2 Improves public confidence in decisions made through active community participation in the process.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 The St Kilda Esplanade Market aligns with the Vibrant Port Phillip strategic direction in the adopted Council Plan 2021-31.

10.2 The St Kilda Esplanade Market is a community space where people can meet and socialise with friends and family. It is a pet-friendly market and a space for art and craft makers to exhibit and sell their works.

10.3 The Market provides both social and economic opportunities to creative businesses.

10.4 The Market contributes to St Kilda's economic footprint by attracting tourists and visitors on Sundays throughout the year.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 Committee Members and Stallholders will be notified of the Report results and given a link to the Council report papers on Council's Website.

11.1.2 Committee members and Stallholders will be notified of the updates to the ToR and the next meeting time as soon as practical.

11.1.3 The successful applicants will receive notification by email from the market manager and a meeting request for the 16 October SKEM Reference Committee meeting.

11.2 COMMUNICATION

11.2.1 All Stakeholders will be notified of the Report and updated ToR by the Market Manager.

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12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. [St Kilda Esplanade Market Annual Report 2022/23](#)
2. [St Kilda Esplanade Market Strategic Plan 2023-2028](#)
3. [St Kilda Esplanade Market Reference Committee Terms of Reference](#)
4. [St Kilda Esplanade Market Customer Survey Report 2023](#)
5. *Confidential*- [St Kilda Esplanade Market Reference Committee Recommended Applicants](#)