



STRATEGIC PLAN

2015-2020



| | |
|---|-----------|
| 1. EXECUTIVE SUMMARY | 3 |
| 1.1 Background | 3 |
| 1.2 Key highlights | 3 |
| 1.3 Plan endorsements | 3 |
| 2. SOUTH MELBOURNE MARKET MISSION STATEMENTS | 7 |
| 2.1 South Melbourne Market Operational Charter | 7 |
| 2.2 South Melbourne Market Vision | 7 |
| 2.2.1 Vision Statement | 7 |
| 2.2.2 Vision Statement terminology | 7 |
| 2.3 South Melbourne Market Mission | 8 |
| 2.3.1 Mission Statement | 9 |
| 2.3.2 Measurement of Mission success | 9 |
| 2.4 South Melbourne Market Place Story 2020 | 9 |
| 3. SITUATIONAL ANALYSIS | 11 |
| 3.1 South Melbourne Market Place Story 2015 | 11 |
| 3.2 Situational Analysis of South Melbourne Market | 11 |
| 3.2.1 Governance and management at South Melbourne Market | 12 |
| 4. 2015-20 STRATEGIC PRIORITIES AND KEY PERFORMANCE INDICATORS | 13 |
| 4.1 South Melbourne Market Strategic Priorities 2015-20 | 13 |
| 5. STRATEGIC ACTIONS 2015-20 | 15 |
| 5.1 2015-2020 Summary Strategic Priorities | 15 |
| 6. FINANCIAL ASSESSMENT | 17 |
| 6.1 South Melbourne Market Financial history | 17 |
| 7. MONITORING AND REVIEW | 19 |
| 7.1 South Melbourne Market Monitoring Program | 19 |
| 7.2 South Melbourne Market Management Structure | 19 |
| 7.2.1 South Melbourne Market Organisation chart | 19 |

1. EXECUTIVE SUMMARY



Emerald Hill Nursery

1.1 Background

The South Melbourne Market (SMM) 2015-20 Strategic Plan has been developed at length including workshops:

- 1 April, 2014 SMM Strategic Planning workshop
- 13 May, 2014 Committee Strategic planning workshop
- 5 February, 2015 SMM Strategy Development workshop

and the development and review of the following research studies, documents and reports:

- Village Well Draft Placemaking Report
- 2010-2015 SMM Strategic Plan
- 2010-15 Strategic Plan May 2014 Progress Report
- Macro-Economic Study 2014
- SMM Social Economic Study 2014
- CoPP Customer Satisfaction Report 2014
- 1 April & 13 May Strategic Planning Notes 2014
- Village Well Retail Mix Report
- Revised Council Plan 2013-2017
- SMM Budget 2014-15

The Board has adopted a Placemaking philosophy to guide the 5 year strategic planning and repositioning of the SMM. Placemaking is a holistic, multi-disciplinary approach to planning and developing places that involves understanding the culture and qualities of a place and the wisdom of its community. It involves collaboration between many stakeholders to articulate a vision for a place and to plan and deliver the vision.

1.2 Key highlights 2015-2020

In the next 5 years, SMM strategic priorities include:

- York Street redevelopment – activating the York Street frontage of the Market
- Food Hall redevelopment – improving the performance and attraction of the Food Hall
- York Street Car Park strategic plan – creating a vision for this important space
- 150th Anniversary celebrations – creating and implementing a calendar of events for 2017
- Operational sustainability program – working towards a closed loop recycling system; adding additional solar panels to the roof

- DDA Compliance – continuing to provide a well maintained and safe environment, in particular provision of a 2nd lift and DDA compliant ramp/stairs to the rooftop car park
- Mix Policy – continual review of stall mix, increased specialists and improve visual merchandising while keeping the market feel

1.3 Plan endorsements

This plan has been developed by the Section 86 Committee, SMM Management and staff.

The SMM Strategy Summary document, including the new Vision, Mission and 2015-20 strategic priorities will be endorsed by the Council in accordance with the Charter.

The Strategic Business Plan will play an integral role in managing the South Melbourne Market (SMM) to achieve its goals over the next five (5) years.

It will be used extensively by Market management and the SMM Section 86 Committee. When necessary, it will be modified to reflect the ongoing development and needs of the operations and management of the Market.



**Effective governance
for the South
Melbourne Market
requires commitment
to a longer term plan
that captures a vision
for the organisation,
management, place
and operations of
the Market.**



2. SOUTH MELBOURNE MARKET CHARTER, VISION & MISSION

Effective governance for the SMM requires commitment to a longer term plan that captures a vision for the organisation, management, place and operations of the SMM.

2.1 South Melbourne Market Operational Charter:

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.

Whilst keeping this Charter front of mind, it is now necessary to lay the foundations for the next five years and beyond, and thus the development of the Strategic Plan 2015-2020.

2.2 South Melbourne Market Vision:

2.2.1. 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."

2.2.2. Tag line:

"South Melbourne Market:
Experience life at the village market"

2.2.3 Vision Terminology:

Favourite: Preferred Market in Melbourne to all others of the same kind, including Prahran, Queen Vic, Dandenong, Camberwell and Preston.

Local: Local produce, reduced food miles, supporting local farmers, designers and small local businesses.

Sustainable: Creating an environmentally, physically and financially enduring business.

Inclusive: Accessible to everyone from a price and product mix perspective.

Trusted: Shoppers can believe in the reliability of our produce, labelling and trader claims.

Loved: Market shoppers have a strong feeling of affection for this Market as their shopping, meeting and dining place.

Community: South Melbourne, City of Port Phillip, Greater Melbourne, Victoria and beyond.

Village: The word village conjures up many positive emotions. Human scale and interaction, authenticity, unique experiences, places of meaning, a warm welcoming and friendly atmosphere frame village life. A place that is loved and owned by the community – A place to call home.



Azalea



The Neff Market Kitchen

2.3 South Melbourne Market Mission

2.3.1 Mission Statement:

The South Melbourne Market will achieve our Vision by:

1. being **accessible** and **inclusive** for the whole community.
2. embracing and curating all that is **local** – including small businesses, product, designers and suppliers.
3. remaining a **loved**, happy, quirky and experiential destination - full of moments of surprise and wonder.
4. being a **trusted** destination for fresh, organic, free range and whole food.
5. continuing to be environmentally and economically **sustainable** – a financially secure urban garden experience, living and breathing green.

2. SOUTH MELBOURNE MARKET CHARTER, VISION & MISSION

2.3.2 Measurements of Mission success:

It is critical to measure our success on a regular basis.

Below are some Key Performance Indicators (all referenced in more detail in section 4.1 of this document) that will allow us to directly measure the SMM Vision and Mission.

TABLE 2 MEASUREMENT OF MISSION

| Measurement | Source | Mission reference |
|---|--|-------------------|
| Increased visitor numbers | SMM People Counters | 1 |
| Overall satisfaction by CoPP residents | CoPP Community Satisfaction survey | 1, 3 |
| % rating of fresh produce items as very good to excellent | TKP SMM Survey | 2, 4 |
| # free community events and activities held at the Market | Internal review | 3 |
| Market trader fresh produce audit – checking label, product origin and certification claims | Independent auditor | 2, 4 |
| Price comparison review with other Markets and supermarkets | Internal review | 1, 4 |
| Traders who think their business would be less successful in a Shopping Centre | SMM Economic and Social Impact Assessment Dec 2014 | 5 |
| Potable Water Usage, % waste recycled | Operations reports | 5 |
| Net profit before depreciation as a % of revenue | Financial reports | 5 |

2.4 South Melbourne Market place story 2020

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

SMM is a place that embraces and showcases the local, full of authentic traders and people who share stories of place. It is a favourite Melbourne destination for day and night activity. This is Port Phillip's trusted community meeting place that celebrates the freshest quality produce and products.

SMM is a leading organic, free range and whole foods destination in Melbourne, and the diversity of choice and price points makes it accessible and affordable for all.

SMM is Melbourne's favourite market and most trusted shopping destination, a sustainable and inclusive market experience. It is the quintessential "village market".

We Care about the Chicken & The Egg Launch



Agathe Kerr from Agathe Patisserie



Cecil Street restaurant Simply Spanish





3. SITUATIONAL ANALYSIS

3.1 South Melbourne Market Place story 2015

Since 1867, South Melbourne Market has been a treasured inner city landmark and a favourite amongst locals and visitors. It is the quintessential village market, a place where people come not only to purchase fresh food, but to meet, eat, drink, shop, discover, share and connect.

Our walls are full of authentic traders who display their wares with pride and passion. Quirky and playful characters are found behind the counters, delivering old fashioned customer service with a smile.

We embrace and showcase the local, supporting local farmers, artisans and producers. It's a foodie's paradise where freshness, quality and diversity are paramount with food stuffs from land to sea. We celebrate a philosophy of Real Food. Local Life. encouraging you to cook food that is made from great quality, fresh produce sourced from our family of traders you know, love and trust.

We are a home to seriously good coffee, specialty tea and a vibrant restaurant precinct for day and night time fun. There's also an amazing array of merchandise and services with everything from clothing, homewares and second hand book to hairdressing and pet food.

With a full calendar of live music, events and activities, the Market is a happy and experiential place that celebrates the senses. Take a trip to the Market, you never know what you'll find, but we guarantee it will be full of surprise, moments and wonder.

3.2 Situational Analysis of South Melbourne Market 2015

SMM operates in direct competition with the wider retail sector.

The sector within which the Market operates – food and general retail – undergoes continuous change in response to consumer demand and retail trends. The Market needs to be able to continually change and adapt.

In addition to the demands imposed by its location in the retail sector, the South Melbourne Market is in competition with supermarkets, especially those nearby. It needs to be able to respond to changes in service delivery at a rate that ensures continuing relevance to the market-oriented retail sector. It needs to develop its niche, the specialisation for which it becomes known – food and entertainment. It also needs to concentrate on its points of difference and build on these: authentic; trusted for freshness and quality; engaged and passionate stallholders; at the forefront for free range/organic and ethical shopping.

The South Melbourne Market has achieved remarkable status within the community and as a leading market in Melbourne. It is the leading business in South Melbourne. The health of businesses in South Melbourne is in some measure reflected in the Market's capacity to lead and grow.

The South Melbourne Market will be successful if it generates income for its capital and operating requirements; renews itself continually to remain relevant to its market; responds to the needs of its community; and delivers outcomes that extend beyond those of a privately operated retail facility.

3.2.1 Governance and management at South Melbourne Market

A Crown Grant to the local Council in 4 September 1867 created the South Melbourne Market. The site is bounded by York, Cecil and Coventry Streets and the light rail.

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

The Committee has seven members:

- three Councillors appointed by Council
- three independently appointed representatives (appointed for three years)
- one Council Officer

The Council employs 7.9 FTE staff to run the operation on a daily basis, including Operations, Marketing, Licensing and Administration.

The purpose of the Committee is to oversee the Market's performance and direction, ensuring its financial viability, its pre-eminent position as a community resource and its position as a dynamic retail competitor.

Market office and Information desk

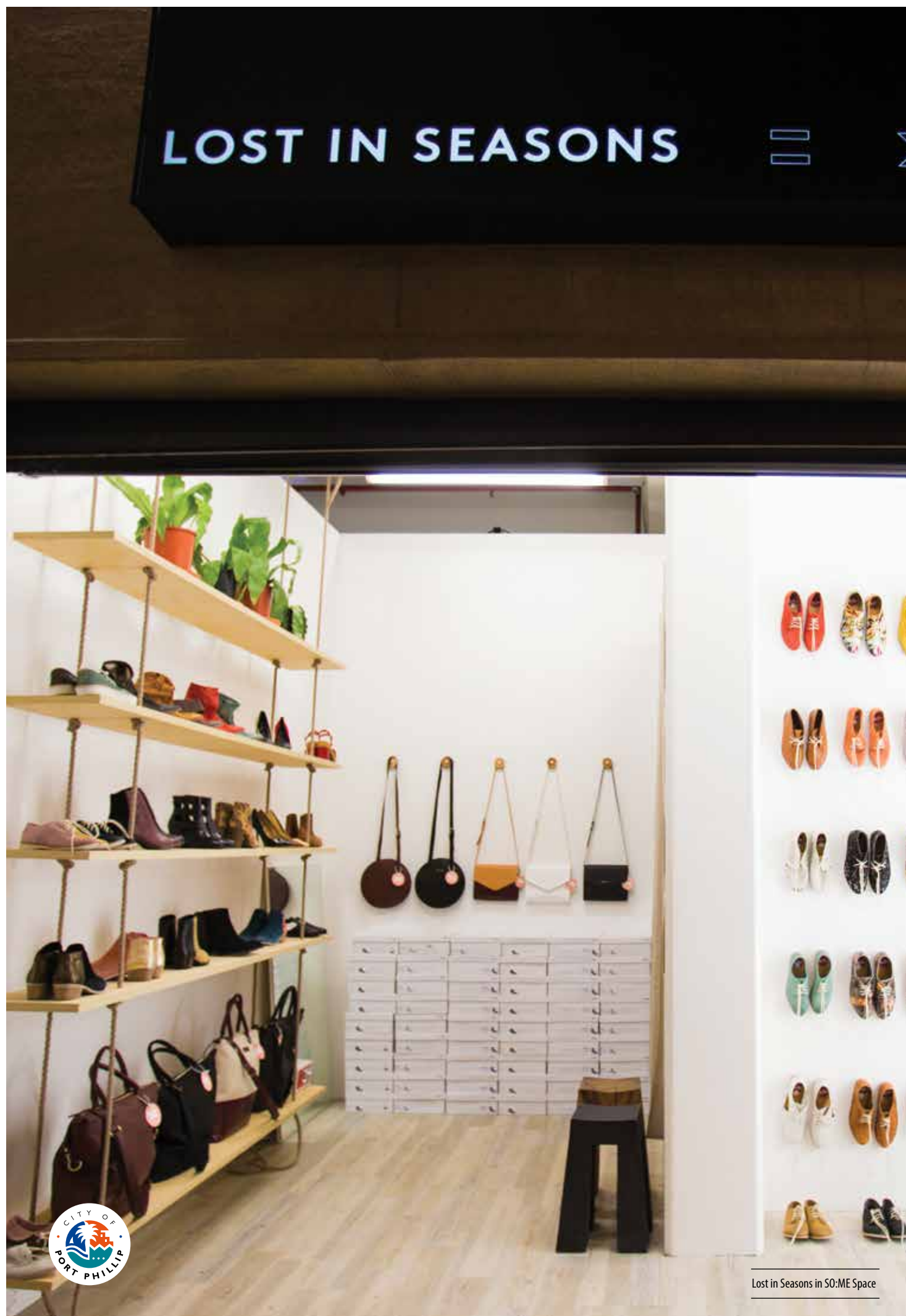


Fresh Pasta Shop



Tony's Meats





Lost in Seasons in SO:ME Space

4. 2015-20 STRATEGIC PRIORITIES AND KEY PERFORMANCE INDICATORS

4.1 South Melbourne Market Strategic Priorities 2015-20

Many major projects are planned for 2015-20 and beyond to cement our place as Melbourne's favourite Market. These include:

- **York Street redevelopment (Mission 1 & 3):**
 - o The SMM York Street Masterplan has been deemed by the SMM Committee to be of strategic importance for the Market in terms of activating the street (as has been done along Cecil Street and Coventry Street) on Market days and non-Market days (stalls opening up to the street).
 - o This project is important to ensure that the Market retains its iconic status as a 'jewel in the crown'.
 - o Activating York St so traders can operate onto the street and at all hours will also generate additional rental revenue.
- **Food Hall redevelopment (Mission 1 & 3):**
 - o The Food Hall is the lowest performing area of SMM. It reflects poorly on SMM at a time when feedback for the rest of the Market is overwhelmingly positive.
- **By activating Coventry Street through the façade works, and improving the Food Hall, it will attract more shoppers and diners, trigger significant tenant improvements and higher quality fit outs, and overall attract more people to this part of the Market.**
- **York St car park strategic plan (Mission 1 & 3):**
 - o The York St car park is the only underutilised space in the Market precinct. It is adjacent to public transport and close to the Fisherman's Bend development and is a development opportunity for Council. It is capable of being developed into a significant broader CoPP community asset.
- **150th Anniversary Celebrations (2017) (Mission 1, 2, 3):**
 - o Plan and implement a Calendar of Events to celebrate our 150 Anniversary.
- **Operational sustainability program (Mission 5):**
 - o Introduce closed loop recycling
 - o Reduce water usage – Sub-metering for stallholders
 - o Increase solar system to enable SMM to run neutral

- **DDA Compliance (Mission 3):** Enhance current OH&S practices and manage current DDA requirements to provide well maintained and safe environment.
- **Mix Policy (Mission 1, 2, 3, 4):** Continual review of stall mix, increase specialists, offer assistance in Visual Merchandising and design and create final vision for 2020 mix.
- **Placemaking (Mission 1, 2, 3):** Implementing key Placemaking recommendations developed in collaboration with Village Well to further enhance our shoppers 'experience' at the Market.
- **Sponsorship (Mission 5):** Secure major sponsors for Cooking School, Night Market and Mussel Festival to ensure their ongoing viability.
- **Improved governance structure (Mission 5):** Introduce a skills-based board with the relevant experience to enhance decision making and appropriate delegated powers from Council to effectively operate the Market.

Port Phillip Mussel Festival 2015



SO:ME Space





5.STRATEGIC ACTIONS 2015-20

TABLE 10 2015-20 STRATEGIC ACTIONS

| 2015-20 Strategic Actions | | Priority | F'cast Bgt | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------|--|----------|-------------------|------|------|------|------|------|
| 1 | Improve governance - Deliver new Charter and Governance | 2 | | ● | | | | |
| 2 | York St car park masterplan - prepare a strategic vision | 1 | Planning - \$350k | ■ | ● | | | |
| 3 | Human Resources and Staff - Continue to develop staff | 2 | | ■ | ■ | ● | | |
| 4 | Continue upgrade of Food Hall | 2 | \$600k | ■ | ● | | | |
| 5 | Engagement - Stallholder engagement framework and partnership plan | 2 | | | ■ | ● | | |
| 6 | Increase public accountability & transparency | 1 | | ■ | ■ | ● | | |
| 7 | Independence - Review success of new Charter and operation of S86 Committee | 2 | | ■ | ■ | ■ | ■ | ● |
| 8 | Financial Sustainability – Manage agreed budgets | 1 | | ■ | | | | |
| 9 | Update Marketing Plan | 1 | | ■ | ● | | | |
| 10 | Secure strong sponsors for key events | 1 | | ■ | ● | | | |
| 11 | Plan and implement 150 Anniversary celebrations | 2 | \$100k | ■ | ■ | ● | | |
| 12 | Continue to activate the Market | 1 | | ■ | ● | | | |
| 13 | Assist traders with their own marketing initiatives | 1 | | ● | | | | |
| 14 | Increase tourism visitation to Market | 2 | | ■ | ■ | ■ | ■ | ● |
| 15 | Improve longer term renewal and asset planning | 1 | | ■ | ● | | | |
| 16 | New outcome based cleaning contract | 1 | | ● | | | | |
| 17 | Bring pavements surrounding SMM into control of SMM | 2 | | ■ | ● | | | |
| 18 | Introduce closed loop recycling | 1 | | | ● | | | |
| 19 | Reduce water usage – Sub-metering for stallholders | 1 | | ■ | ● | | | |
| 20 | Increase solar capacity to enable SMM to run neutral | 2 | \$600k | ■ | ● | | | |
| 21 | Enhance current OH&S practices and manage current DDA requirements | 1 | \$700k | ■ | ● | | | |
| 22 | Make rooftop car park safe – potentially replace rooftop balustrade | 1 | \$1.4m | ■ | ● | | | |
| 23 | Leasing Mix Plan: Prepare and endorse a 5 year Strategic Licensing Mix Plan for SMM | 1 | | ■ | ● | | | |
| 24 | York St - Re-design stalls and street scape to incorporate public space and new stalls | 2 | Planning - \$170k | ■ | ■ | ● | | |
| 25 | Continual review of Mix policy objectives | 2 | | ■ | ■ | ● | | |
| 26 | Review Licence and Lease Options | 2 | | ■ | ● | | | |
| 27 | Navigate Litigation in Non-Renewal Context | 2 | | ● | | | | |



6. FINANCIAL ASSESSMENT

6.1 South Melbourne Market Financial history

TABLE 11 FINANCIAL REPORT SUMMARY

| | 2012-13 Actual | 2013-14 Actual | 2014-15 Actual | 2015-16 Budget |
|--|-------------------|-------------------|-------------------|-------------------|
| Income | | | | |
| Licence Fees | 4,529,525 | 4,786,299 | 5,045,123 | 5,198,800 |
| Casual fees | 56,607 | 54,532 | 100,801 | 81,000 |
| Parking Revenue | 182,283 | 376,312 | 422,354 | 464,000 |
| Cooking School Income | 110,341 | 181,158 | 167,235 | 150,000 |
| All Other Fees & Charges | 168,852 | 205,520 | 172,039 | 140,198 |
| Total Income | 5,047,608 | 5,603,821 | 5,907,552 | 6,033,998 |
| Expense | | | | |
| Wages and Salaries | -793,590 | -955,829 | -1,061,626 | -1,087,893 |
| Advertising, Events and Publicity | -600,792 | -691,896 | -627,508 | -599,110 |
| Contract Payments (maintenance, electrical, joinery, plumbing, lift) | -1,892,279 | -548,835 | -714,551 | -521,153 |
| Cleaning | | -987,185 | -1,047,909 | -1,080,222 |
| Security | | -282,064 | -339,901 | -305,471 |
| Professional Services | -199,254 | -368,634 | -304,154 | -224,906 |
| Insurance | -52,612 | -51,609 | -50,700 | -51,250 |
| Utilities | -249,329 | -285,734 | -232,503 | -314,506 |
| Other Expenses | -124,834 | -37,764 | -83,164 | -99,661 |
| Land Tax | 0 | 0 | -132,345 | -132,345 |
| Head Office Costs (finance, HR, admin, insurance) - allocation. | -128,648 | -145,225 | -149,834 | -155,078 |
| SMM maintenance costs paid by Head Office | -\$214,919 | -119,303 | -6,186 | 0 |
| Congestion Levy | 0 | 0 | -128,250 | -256,500 |
| Non capital expenditure | 0 | -195,878 | 0 | 0 |
| Total Expense | -4,256,257 | -4,669,955 | -4,878,631 | -4,828,095 |
| Net surplus before capital and depreciation | 791,351 | 933,866 | 1,028,921 | 1,205,903 |
| Capital expenditure | -4,940,600 | -235,260 | -1,037,019 | -1,330,000 |
| Net result | -4,149,249 | 698,606 | -8,098 | -124,097 |

Port Phillip Mussel Festival



Chicken Johns





7. MONITORING AND REVIEW

7.1 South Melbourne Market Monitoring Program

The 2015-20 Strategic Plan will be monitored and reviewed on a bi-monthly and yearly basis by the Board.

The Chair in accordance with the SMM Committee should have overall responsibility to members for the implementation and review of the Strategic Business Plan.

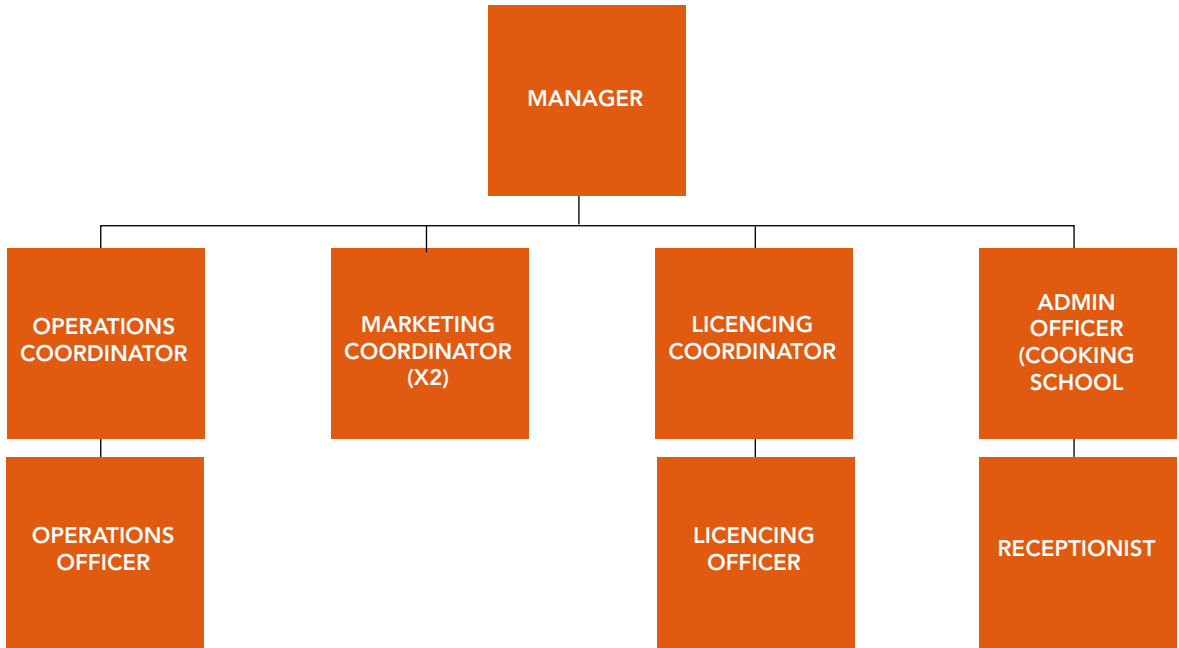
The yearly review will take place prior to the end of each financial year 30 June or calendar year as determined by the Board.

TABLE 12 STRATEGY MONITORING AND EVALUATION

| Strategic Business Planning | Update | Total Review | Responsibility |
|-----------------------------|-----------------------------------|--------------|-----------------------------|
| Vision, Mission | Mission Only if required | Annually | Board/management |
| SWOT Analysis | Annually | Annually | Board/management Committees |
| Strategy Formulation | Six-monthly, but only if required | Annually | Board/management Committees |
| Targets | Bi-monthly | Annually | Board/management Committees |
| SMM Financial Plan | Bi-monthly | Annually | Board/management Committees |
| Entire Strategic Plan | Annually | Annually | Board/management Committees |

7.2 South Melbourne Market Management Structure

7.2.1 South Melbourne Market Organisation chart





REAL FOOD. LOCAL LIFE.



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

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

southmelbournemarket.com.au



Enjoy 2 hours
Free Parking
on market days