



Adelaide Central Market Authority (ACMA)
Minutes
of the
Annual General Meeting
held Thursday 25 October 2018 at 5:30pm
in the Adelaide Central Market Meeting Room
Level 1, 44-60 Gouger Street, Adelaide SA 5000

Present:

ACMA Board

N Begakis (ACMA Chairman), A Jonats (Deputy Chair), L Steel (arrived 5.32pm) and D Lagana (arrived 5.33pm)
M Hender (arrived 5.52pm after the meeting closed).

City of Adelaide Administration

S Mathewson (arrived 5.36pm) and M Goldstone (arrived 5.37pm).

ACMA Administration

J Kannane (ACMA General Manager), P Thorne (Interim ACMA General Manager from 9 July 2018 to 19 October 2018),
A Peeters, M Burgess and K Rodda (Minutes).

ACMA Traders

P Bulley (Stall WR5) (Arrived 5.48pm).

Members of the public

There were no members of the public present.

1 Welcome

The ACMA Chairman opened the meeting at 5:30pm and welcomed all present.

2 Acknowledgement of country

The ACMA Interim General Manager extended a welcome and addressed the meeting as follows:

The City of Adelaide and the Adelaide Central Market Authority acknowledges that we are meeting on the traditional country of the Kaurna people of the Adelaide Plains and pays respect to elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

3 Apologies

ACMA Board members, W Howison and P Khoury.

4 ACMA Chairman's Report – Nick Begakis AO

The ACMA Chairman provided the following verbal report in conjunction with a presentation.

On behalf of my fellow Directors, welcome to the Adelaide Central Market Authority Annual General Meeting.

I take this opportunity to welcome Jodie Kannane to our Market family, as the Adelaide Central Market Authority General Manager - commencing in the role only three days ago.

Jodie brings more than 20 years of experience in retail management, tourism, business and strategic planning, financial management and stakeholder engagement.

I have no doubt that Jodie will bring to life the Authority's vision to make the Adelaide Central Market '*The World's leading produce market*'; her expertise will help us deliver outcomes to enhance the Market experience for both traders and customers.

I also extend my thanks to the Authority's Interim General Manager, Paul Thorne, for his significant contribution to the Authority over the past 4 months. Paul will be also presenting the General Manager's report shortly.

I am pleased to present the 2017-18 Chairman's report of the Authority.

During 2017-18 we were awarded and recognised as the '*best city attraction*' in the City Awards (2017) and received a Certificate of Excellence from Trip Advisor.

We have continued to work with our community partners, The Big Issue and OzHarvest, helping them raise funds for South Australians in need. This year, The Big Lunch raised a record \$27,000, to support the vital work of The Big Issue in South Australia. In 2017-18 OzHarvest rescued 18,533kg of Market produce (equivalent to 55,599 meals) for Adelaide's homeless and disadvantaged. What wonderful achievements.

Our Producer in Residence Stall provided 18 small, local, artisan businesses the opportunity to occupy a small purpose-built stall and trial their products with Market customers over a three-week period. A further 5 businesses activated a pop-up location in Stall 2, during an 11-week period, reinforcing us as Adelaide's community hub for local artisan producers. These initiatives provide excitement for our regular customers and significant media content.

In a year of achievements, we celebrated 149 years of retailing fresh food and produce to Adelaideans and to South Australians, with over 9 million visitations to our Market.

Our events included Bastille Day, Seafood + Sounds, Refugee Week and a visit from MasterChef Australia, just to name a few.

In the lead up to our 150th celebrations - that's right - our really big birthday celebrations all next year as we hit 150 years old, we are excited to release our first ever hard cover book '*Adelaide Central Market: Stories, People & Recipes*'. At nearly 500 pages, our book captures the memories of traders of yesteryear and familiar faces who make our Market such a lively place today. It is available for pre-order, online, now.

Stay tuned for a year of celebrations to come, including a State Library archive exhibition, several in-Market exhibitions, cooking demonstrations and limited-edition merchandise.

Finally, on behalf of the Authority, I acknowledge the ongoing high level of support, cooperation and goodwill from the current Lord Mayor and Councillors, Council Administration and our friends in the wider Market District.

Thank you, and I will now pass to Paul, for the General Manager's report.

5 **ACMA General Manager's Report – Paul Thorne**

The ACMA General Manager provided the following verbal report in conjunction with a presentation.

It is my pleasure to present the General Manager's report for the 2017-18 Financial Year. Handouts of the reports referred to are available.

During the year, ACMA continued to focus on achieving the outcomes of the ACMA three-year Strategic Plan 2015-2018, with the vision for the future of the Market:

"To be the world's leading food and produce market"

Annual Business Plan - Key Achievements

The ACMA Annual Business Plan and Budget for 2017-18 was approved by Council on 13 June 2017. The Plan identified the actions to ensure the Market continues to be a strong, sustainable business in an increasingly competitive retail environment.

I would like to highlight some of our key achievements against the four strategic themes in the Annual Business Plan – Our Customers; Our Traders; Our Business and Our Precinct.

Our Customers

We delivered our marketing and events program to put our customers at the centre of all that we do and to provide our customers with an authentic, unique and memorable shopping experience as highlighted by:

- 64 free cooking demonstrations and cultural celebrations in the U-Install-It Community Kitchen to promote regional produce, using Market fresh produce.
- The School Holiday Program saw 2,350 children discover produce on the Market Trail, 370 children learn to cook during Little Market Chefs and over 10,000 children enjoy free activities including face painting, balloon giveaways and craft workshops.
- Over 64,000 people celebrated Bastille Day on 14 July 2017.
- Over 94,900 people visited across the two-day Seafood + Sounds event on 13 and 14 October 2017, celebrating fresh seafood, local producers and live music featuring free cooking demonstrations by Adam Liaw and a Masterclass in the historic Market Tower.
- The Market celebrated 149 years with a program of free family activities on Saturday 3 February 2018 including a cash grab, kids' activities and live music.
- The Inspired Series with Luke Mangan on 24 February 2018 targeted hospitality students and the next generation of food influencers.
- The celebration of Refugee Week on Friday 22 June 2018, in partnership with the Australian Red Cross, Salt: African Australian Magazine, the African Women's Federation of South Australia and Iranian Women Organisation of South Australia, featuring Dorinda Hafner.

Our Traders

To build and support a Market family of diverse, passionate, professional and knowledgeable customer-focussed traders, ACMA achievements included:

- The sale of three businesses within the Market which saw the new owners investing in a full stall fit-out - Jamu, Les Deux Coqs and Cumbia.
- Structural works were undertaken on five stalls during 2017-18 (Rommy's Market Garden, Wills & Daniel, Jamu, Les Deux Coqs and Cumbia) and nine lease renewals were completed for existing Market traders.
- 68 Market Talk e-Newsletters and eight FoodLab industry-based newsletters were distributed to Market traders via email and hand-delivered to stalls.
- Ten Trader Advisory Group (TAG) meetings were held with ACMA.
- Four trader briefings were held to provide information to traders, including the Strategic Plan 2018-2022 and the development of the Market Arcade.
- 73 Mystery Shopper Surveys were conducted to provide feedback to traders and Customer Satisfaction Surveys were conducted on Market stalls.

Our business

To build a business that is financially sustainable, well managed and well governed, ACMA:

- Delivered \$3.79m in Capital Works to improve the look, feel and safety of the Market including:
 - Fire & emergency systems renewal - \$982k;
 - Security CCTV - \$399k;
 - Tenancy fit-outs - \$784k;
 - Tenancy structural renewals - \$329k; and
 - Works commenced on the façade and structural integrity of Federal Hall - \$478k.
- Also undertook the following operational improvements:
 - Installed a roof safety system on the Federal Hall roof;
 - Implemented the Grote Street right hand turn;
 - Constructed a new communications room located in level 1 of the Market Car Park; and
 - Installed new cable trays within the Market floor for the CCTV upgrade project.
- Completed 1,316 maintenance tasks.
- Following significant consultation with traders and stakeholders, the Adelaide City Council, at its meeting on 22 May 2018, approved the new ACMA Strategic Plan 2018-2022.

Our precinct

To make a valuable contribution to the economic, social and cultural wellbeing of our Precinct, City and State, ACMA:

- Actively supported The Big Issue lunch and OzHarvest charity organisations as mentioned by the Chairman.
- Continued to work closely with the Market District, including attendance at the Lord Mayor Precinct Association Forums, district meetings and meetings with industry associations.
- Continued to work with the South Australia Tourism Commission and Brand SA for events and filming opportunities, including “I Choose SA Day” and MasterChef.

6 Audited Financial Statements for 2017-18

The audited Financial Statements for 2017-18 for ACMA and CMMF were presented and the following matters highlighted.

Overall

I would like to note that there were no adverse findings in the audits conducted by BDO of both ACMA and the Central Market Marketing Fund (CMMF).

The full year financial result ended with a net deficit of funds, excluding depreciation, of (\$442k) compared with a deficit of (\$310k) in the previous financial year. This result was in line with the approved budget.

As you can see from the table displayed in the presentation:

- User Charges increased by \$249k. This was largely due to an increase of \$231k in Market Complex income as a result of the increased occupancy of permanent and casual tenants and an increase in income from the car park.
- Other Income decreased by \$8k. This was due to lower than forecast merchandise sales.
- Expenses increased by \$367k. This was due to increases in utility and security costs and legal and consultant fees.

Administration

The administration result is \$81k unfavourable to budget due to legal and consultant fees being higher than forecast.

Market Complex

The Market Complex overall position is \$192k favourable due to the increase in tenant occupancy.

A continued focus on debtor management resulted in minimal debtor arrears at 30 June 2018

Car park

Whilst the number of car park transactions was down slightly by 55,089 to 1,217,489 for the year, the car park overall position was \$91k favourable. This was due to a reduction in maintenance and repair costs.

Statement of Financial Position

The ACMA balance sheet as of 30 June 2018 reflects net assets totalling \$2.204m which is an increase of \$509k as a result of the amount of capital expenditure.

Central Market Marketing Fund (CMMF)

The audited CMMF statement, as provided to traders, shows that ACMA received a total of \$486k income comprising \$451k from traders and \$35k from income associated with activities from the use of the funds.

ACMA expended \$460k of this income on marketing and promotional activities resulting in a surplus of \$26k which will be rolled over into the CMMF budget for 2018-19.

ACMA also contributed a further \$283k towards marketing and promoting the Market Complex together with \$52k for targeted promotion of the Car Park.

7 Annual Business Plan & Budget for 2018-19

The 2018-19 Business Plan and Budget was approved at the City of Adelaide Council meeting held on 12 June 2018.

2018-19 Budget

The approved 2018-19 budget shows an overall deficit position of (\$442k).

Car Park income is forecast to increase by \$220k due to increase in occupancy driven by a targeted marketing campaign.

Market Complex income is forecast to increase by \$75k, or 1.7%, reflecting the rent increase provisions in leases and lease renewals.

Expenses are forecast to increase by \$265k due primarily to the increase in cleaning costs of \$228k, following the competitive tender last year, increase in operating lease rental expenses of \$84k (i.e. rent paid by ACMA to Council) and an increase in energy and water charges of \$120k. These increases are partially offset by a reduction of \$251k in materials, contracts & other expenses.

2018-19 Capital Works Program

The approved capital expenditure for 2018-19 is \$4.678m, which includes \$944k carried forward from 2017-18.

Key projects this financial year include:

- Stall mezzanine structural works of \$800k.
- Fire and emergency systems of \$1.630m.
- Market Waste Recycling Facility of \$700k.
- Gouger Street façade renovation of \$500k.

2018-19 Annual Business Plan

Our key activities for this financial year, aligned to our strategic themes of Our Customers; Our Traders; Our Business and Our Precinct, are:

- Implement the Marketing and Events Program, including our Market book launch and 150th year celebrations.
- Develop a Retail Mix Policy and establish tenant selection criteria and stall fit out guidelines.
- Align trading hours to better meet customer expectations.
- Improve trader social media, customer engagement and digital footprint.
- Support traders to showcase unique local and international produce and products.
- Reduce waste and associated costs.
- Activate the street frontages.
- Be involved in discussions on the Market Arcade redevelopment.
- Deliver the Capital Works Program.

8 Other Business

There were no items of other business raised for discussion.

9 Meeting Close

The Interim ACMA General Manager acknowledged and thanked the ACMA team for their efforts, support, commitment and contribution over the last 12 months.

On behalf of the Authority, he acknowledged the ongoing support, cooperation and goodwill from the Lord Mayor and Councillors, Council Administration and our friends in the wider Market District.

The Interim ACMA General Manager thanked everyone for coming and declared the meeting **closed at 5:49pm**

Guests were invited to enjoy some light refreshments.