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Name: *

Mary-Lou Howie

Phone number: *

+61401811893

Email address: *

howie.marylou@gmail.com

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Agenda item title: *

Agenda 6.6 Queen Victoria Market Pty Ltd Annual Report 2020-2021

Alternatively you may attach your written submission by uploading your file here:



[gvm_plannual_report_submission_.docx](#) 166.29 KB · DOCX

Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? *

Yes



Re Agenda 6.6 Queen Victoria Market Pty Ltd Annual Report 2020-2021 23 November 2021

Pleasing to see QVM P/L's re-statement of the '*Core Market Elements*'. Friends of Queen Victoria Market fully endorses 1-5 as core concerns. However, such expressed elements need to be more than the rhetoric expressed in the Annual Report.

We fully concur that QVM needs to remain

'1. An authentic market experience 2. A reinvigorated fresh food hub 3. A showcase for diverse retail 4. An immersive food destination 5. An active and animated precinct'.

The retail miracle is that, in spite of and amidst extraordinarily difficult COVID trading conditions, the complete closure of General Merchandise and crippling 5km travel limit restrictions – Queen Victoria Market (QVM) showed itself to be the most active part of retail in the entire CBD. There can be no doubt that Melburnians love and need and continue to support their QVM.

The QVM P/L Annual report states '*The Board is responsible for strategic direction and monitoring the performance of Queen Victoria Market Pty Ltd.*' Unsurprisingly the report proceeds to 'ticks all its **own** boxes', claiming success against its own performance indicators.

Contrary to claims of successful performance by the Board and management, Friends of QVM would like to comment on the following:

1.Financials:

Trending towards insolvency

Broadly speaking QVM would be insolvent without the \$9.4 million City of Melbourne (CoM) grant year ending June 2021.

QVM reported a loss of \$1,749, 736 year ending June 2021 which includes the CoM grant.

Figures indicate that QVM will require a substantial CoM grant to continue trading at all. In all likelihood our calculations show there will be another significant loss and/or require a further subsidy from the CoM this coming year.

The Financial Report should ideally show the last 5 years in summary and that would show a significant and continuing downward trend.

Critical numbers and trends:

The report does not show the number of traders and QVM revenue for each of the main trading areas.

2. Re Guiding Planning Principles: ‘2. Create a great place to do business’

This principle is not addressed in the report. Trader satisfaction and trader attrition are critical elements and have been omitted :

2.1: Trader satisfaction

Friends of Queen Victoria Market (FOQVM) are regular QVM shoppers, well known to the majority of traders and therefore well able to attest to the plunging trader morale. It is at an all-time low. We understand that QVM traders have now experienced 2 years of COVID restriction on trade. Their businesses have been seriously disrupted and they are now about to go through a further 2-3 years of renewal works. Their future has never been more uncertain.

Recent closures include Merlot’s Coffee, Crn E Shed & Peel St. One other café has also recently closed in the same strip.

QVM is not a “*great place to do business*”. There is a pervasive widely negative relationship with management which is communicated consistently from traders to regular customers.

On surveillance: the report card ticks the box ‘*Introduce trial demerit points system for trader infringements and integrate with Salesforce.*’

The reality is:

- Traders perceive the current Trader Demerit System as petty, punitive and demoralising. There is minimal distinction between ‘major’ and ‘minor’ misdemeanours. Minor misdemeanours include leaving a cardboard box in the walkway; a trader/employee smoking somewhere on site within the QVM larger boundary; a trader/employee forgetting to buckle the forklift seatbelt; boxes minimally exceeding the stall boundary line; late setup. Management tallies minor trader offences which cumulatively threaten the refusal to renew a trading licence.
- CCTV cameras, installed for trader and customer security, are used as a major enforcement tool with traders unaware of the infringement until it arrives in the mail.

On shed maintenance.

Shed maintenance is long overdue and to be applauded, however the management of the demolition and construction has been incredibly stressful for traders and customers alike. Inadequate and unacceptable dust protection, lead paint dust falling over fresh produce and merchandise; excessive and unrelenting noise exceeding EPA safety regulations; disruption to pedestrian traffic flows across the market, and poor communication to customers about construction forward planning has negatively impacted the shopping experience.

2.2: Trader attrition

Data

While noting that more than 30% of traders exited pre-COVID, the annual report fails to provide data on trader numbers before 2020, those known to be lost during COVID and projected future numbers that would maintain the critical mass of stalls needed for QVM's viability and maintaining QVM's reputation as the largest **open-air market** in the Southern Hemisphere.

QVM P/L has failed to reflect, project or strategically forward plan about such inter-related data. Trader numbers, current and future, rests to a significant extent on a level of optimism which is not fostered at present and hardly encourages new traders to join the market. Traders are pessimistic and do not share the Board's confidence in their future. The question arises - is QVM '*a great place to do business?*'

The report says on QVM P/L Values: "Customer focused: supporting each other and our trader community, encouraging the best service and quality for Market customers"

The reality is that QVM P/L has very little retail experience at the Board and/or management level and they are primarily focussed on the renewal project. This means that the day-to-day issues that typically occur in retail operations management are not planned for, addressed promptly or effectively.

Friends of QVM through its Facebook page receives a vast number of concerns of this type.

Here we use the most recent example of poor service to Market customers:

Queen Victoria Market Sunday Snapshot, Sunday, 21 November.....

How to drive away QVM customers ...

Parking chaos reigned at QVM today. More than 40 customers queued to pay for their parking at the only parking pay machines outside the Queen St toilets.

SHUT: Queen St entrance to the QVM car park

SHUT: The three parking pay machines on Centreway opposite the florist near String Bean Alley

SHUT: Peel St QVM car park exit

QUEUES: Franklin St entrance to QVM car park

QUEUES: at the only pay machine for the entire QVM car park

QUEUES: Queen St exit to QVM car park

COMMUNICATION TO CUSTOMERS : NIL, no signage, no forewarning!

Traditionally weekend trading is busy with every customer cherished by traders. Customers have demonstrated that they do not want to park in the underground off-site parking in the Munro development. Same for weekday shoppers. QVM management is now trying to force the change from the existing parking to the underground dungeon. And customers are still resisting.

The question is - will customers give in to the change, or go elsewhere?

Friends of Queen Victoria Market have monitored the Munro car park each Friday lunch time and can substantiate that the parking vacancies are high (of the 500

spaces, the lowest was 283 vacancies). The offer of cheaper parking fee has not enticed patronage.

Facebook comments:

Entry to the ug car park is uncomfortable. Exiting is even worse, with the sight lines obscured by illegally parked cars close to the exit.

Inside - everything is grey and quite hard to sight columns and corners when getting on and out of car spaces.

Pedestrians and there are many, need to be very aware as well.

It's pathetic that Council haven't upgraded the pavement and paint to guide drivers clearly.

In response to the comment above by _____, there is considerable public risk. Can adjustments be made?

A trader commented that a number of his customers refuse to park underground. They don't consider it safe particularly if they have come on their own. Another nail in the coffin.

After a lifetime of going - I have given up. It is sad what they are doing to the Vic and once gone it will lost forever. The council should be ashamed of themselves.

Council needs to publicly explain why all the parking pay machines not working. And not offer up some feeble excuse. This looks like making it difficult for customers in an effort to drive them away from the traders.

The road ahead is going to be even more difficult and unsustainable for market traders and customers.

Unless the points above are acknowledged and addressed with genuine cooperation and consultation with traders, customers and QVM stakeholders, a white elephant is in the making.

Mary-Lou Howie
President
Friends of Queen Victoria Market Inc