

MELBOURNE MARKET AUTHORITY
CORPORATE & STRATEGIC PLAN
2012-2015



Artist Impression Epping Market

Melbourne Market Authority
Corporate & Strategic Plan 2012-2015

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Melbourne Market Authority

Corporate & Strategic Plan 2012 - 2015

Chairman's Message

Since establishment in 1977, the Melbourne Market Authority's (MMA) commitment to the market community coupled with a consistently strong financial performance has cemented us as a reliable wholesale market and distribution centre for the horticultural industry. The MMA is committed to maintaining this status in providing a commercially viable wholesale market for the efficient distribution of fresh fruit, vegetables and flowers.

Construction of the new market is underway with the relocation project on track to deliver a modern, efficient and innovative market by 2014–15. The term of this plan includes the relocation of the market precinct from the current West Melbourne site to the new Epping site.

The MMA continues to work closely with the Department of Business and Innovation (DBI) to support the delivery of this important project. During this time, consultation with the market community will play a key role in shaping the way forward. The MMA and DBI are committed to understanding the needs of our stakeholders to ensure a satisfactory outcome for all parties.

The strategic direction of the MMA is clear. Our focus is on:

- **Asset and Market Operation Optimisation** – ensuring that the current facility continues to meet our market user requirements
- **Industry Development** – assisting our industry to remain viable and competitive
- **Corporate Services** – maintaining client services and corporate governance practices
- **Relocation Activity** – emphasis on transition aspects needed for the relocation of the Market to Epping.

This plan details these key activity areas and how they relate to our services. Above all, it emphasises the MMA's commitment to supporting our market community now and in the new market.

Neil Lowe



Introduction

This statement of corporate intent provides the strategic direction for the MMA over the next 3 years (July 2012 to June 2015). The strategic priorities developed within in the corporate plan will drive our strategies and key business activities. This 3 year period includes the relocation of the Melbourne Wholesale Fruit Vegetable and Flower Market (the Market) from its current site in Footscray Road, West Melbourne to the new site at Cooper Street, Epping.

Our customers are the businesses that trade in and through the market (market users), including; growers, retailers, providores, wholesalers and ancillary businesses such as fork lift truck servicing and hirers that support trading. For a successful market, the support and involvement of the market users is essential, so we will work to maintain and strengthen these relationships.

The relocation of the Market drives the focus on the planning, delivery and teamwork necessary to achieve this significant change activity. The new market facility is expected to become fully operational in the 2014-15 financial year. All of our current operational business activities are cognisant of the potential associated impact of relocation. Accordingly, the relocation has been identified as a critical and strategic priority. During this time of change, it is imperative that we continue to deliver quality fit-for-purpose services to the market users, continuing to fulfil our statutory responsibilities. We will continue to optimise operations and assets until relocating, thereby providing continuity of service for customers and identifying any opportunities to improve market operations and the use of our existing assets and facility.

Summary of Definitions and Terms

The Market	Combination of the Wholesale Fruit and Vegetable Market and the Flower Market
Market users	Any business that undertakes any form of business interaction within the Market, including growers, retailers, providores, wholesalers and ancillary businesses who support other market users during trading
MMA	Melbourne Market Authority
NFC	The National Flower Centre
Relocation	The relocation of the Market from its current site in Footscray Road, West Melbourne to the new site at Cooper Street, Epping
The current market	The current market facility at Footscray Road, West Melbourne
The new market	The new market facility at Cooper Street, Epping
Wholesalers	A tenant who sells produce in large quantities, usually for resale to buyers, rather than directly to consumers
Growers	A tenant who grows and then sells their own produce
Providores	A business which repackages wholesale fruit and vegetables for buyers
Retailers	Buyers who visit the Market to purchase products to sell. Buyers include independent greengrocers, supermarkets, restaurants and florists.

Our Statutory Responsibilities

Established under the Melbourne Market Authority Act 1977 (the Act), the MMA serves the Victorian fruit and vegetable industry along with the flower industry, through the provision of market facilities, strategic direction for and promotion of the fresh produce industry.

The MMA consists of a five member board, supported by a management team and staff who are responsible for the day to day operations of the Market, in addition to the delivery of key elements of the relocation project.

The Act prescribes the following objectives and functions for the MMA:

Objectives

- To provide a commercially viable wholesale facility for the efficient distribution of fresh produce
- To optimise returns on land and assets controlled and managed by the MMA and
- To ensure a fair and competitive environment for wholesale trading of produce.

Functions

- To control, maintain and manage the Market and the market land
- To promote the use of the facilities at the Market
- To provide advice and information to the Minister on matters relating to the Market and its use by industry and on industry related matters generally and
- To do all things the MMA is authorised or required to do by or under this or any other Act or law.

Our Vision, Mission and Values

Vision

To provide a vibrant, fully utilised market and distribution centre for horticultural products and to support the fresh produce industry.

Mission 2012-2015

Working in partnership with our stakeholders to:

- Deliver an effective and smooth transition to the new market facility at Epping
 - Ensure the continuity of operations and
 - Maintain a commercially viable wholesale market.
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Values

Customer Focus	We recognise the importance of our customers (the market users) to the success of our business. We will work in consultation with the market users to manage MMA assets to meet their needs and support their business viability and growth.
Shareholder Value	We conduct our business so that we optimise the return to our sole shareholder, the State Government of Victoria.
Safe & Healthy Workplace	We strive to provide a safe and healthy workplace for those who work within the Market and maintain OH&S standards with ongoing improvements.
Teamwork & Communication	We value the input and participation of all employees and the benefits that teamwork generates. We work in partnership with market users, our suppliers and industry groups, communicating openly and honestly and providing consistent quality services to the market users.
Honesty, Integrity & Respect for Others	In everything we do, we act with honesty and integrity. We treat market users and one another with respect and dignity. We value the principles of equity and diversity, and that our workplace is free from harassment of all types. The Victorian Government's Code of Conduct is a cornerstone of our behaviours.
Leadership & Innovation	We encourage innovation so that we may add value to market users to position the Market in a leadership role in matters affecting the fresh produce industry.

About the Market

The market complex includes the wholesale fruit and vegetable market, the National Flower Centre (the NFC) and extensive distribution and warehouse facilities. The Market is Victoria's centre for the wholesaling of fruit, vegetables and flowers. The site covers 33 hectares, is located in West Melbourne five minutes from the centre of the City of Melbourne and is the largest wholesale fresh produce complex in Victoria.

The primary source of revenue for the MMA is rent from leases, licenses, permits and other charges levied on lessees and licensees, warehouse occupants and support services.

There are some 3,000 registered businesses operating from the site with over 7,000 access cards issued and average daily attendance figures in excess of 3,000. The wholesale fruit and vegetable market operates five days a week with produce arriving fresh daily from the growers' farms. The Victorian grown produce includes stone fruits, berries, citrus, apples, pears, leafy vegetables, root vegetables and more. Large quantities of produce including tropical and exotic lines are consigned from other parts of Australia or overseas to provide year round fresh seasonal supply.

The NFC, which operates six days a week, provides a wholesale trading facility for cut flowers, foliage and plants. There are some 140 stands plus an extensive group of casual growers who sell from the NFC.

In July 2011 the State Government confirmed plans to relocate the Market to a new facility in Epping by 2014-15. This is of major strategic importance for the MMA and is a key focus within this corporate plan.



About the MMA

The MMA Board

The MMA reports to the Minister for Major Projects, Ports, Racing and Regional Cities (the Minister), via the Department of Business and Innovation (DBI). There are five board members, each appointed by the Minister under the provisions of the Act.

Positions are currently held by Neil Lowe (Chairperson), Nada Kirkwood, Stephen McArthur, Gisela Marven and Andrew McLellan.

Advisory Committees

Under the provisions of the Act, the MMA has established a number of advisory committees. An advisory committee must meet at least four times a year and is expected to work in consultation with the MMA on market operations and relocation matters. The membership of the advisory committees is drawn from the market community, titled as follows:

- (i) Fruit and Vegetable Growers advisory committee;
- (ii) Fruit and Vegetable Wholesalers advisory committee;
- (iii) Fruit and Vegetable Retailers advisory committee;
- (iv) Flower Growers and Florists advisory committee; and
- (v) Epping market committee.

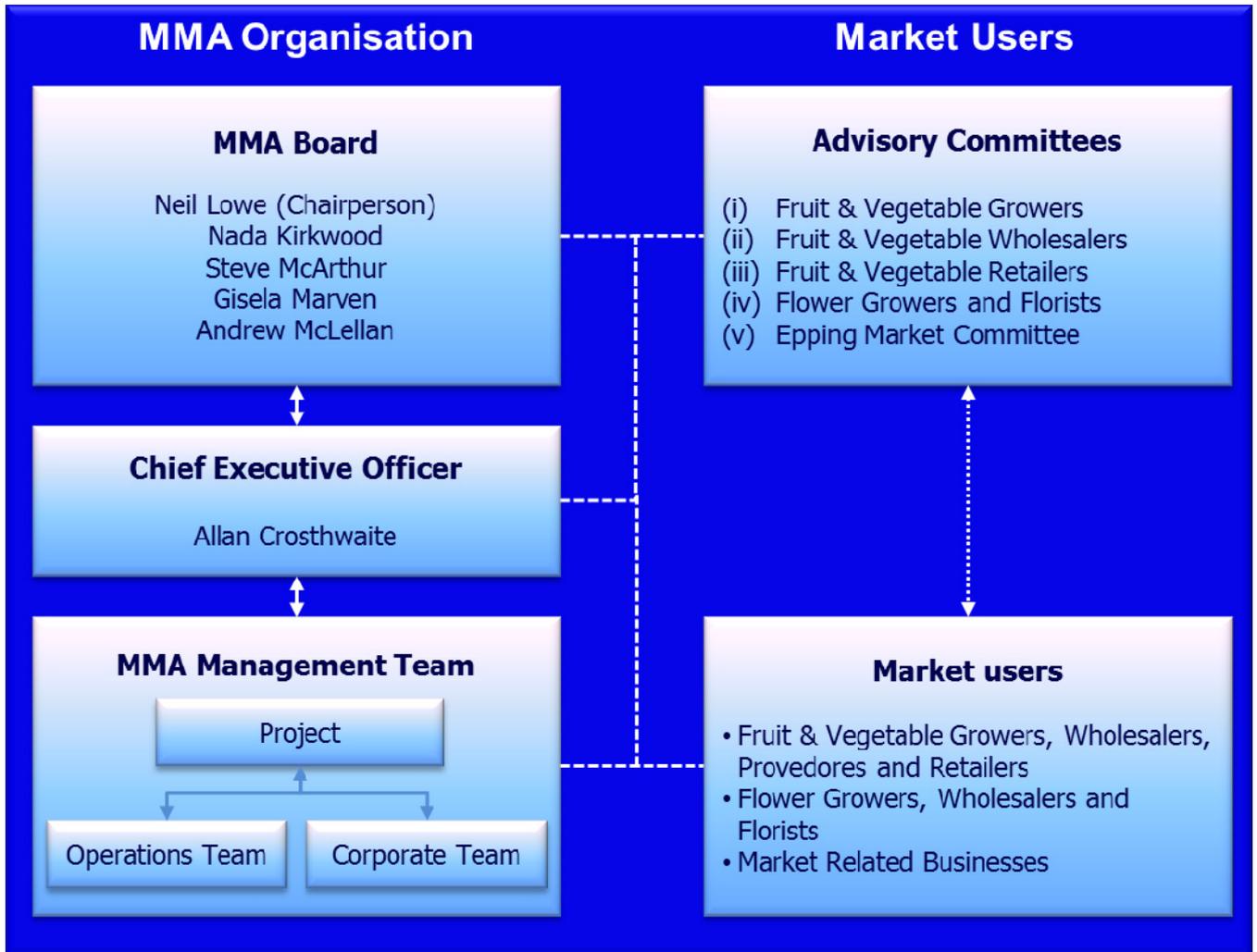
The Epping market committee was established to oversee and coordinate a consultation program on relocation, following a request from the Minister. The Epping market committee is chaired by the MMA Chairperson and comprises the MMA CEO and the Chairpersons of the (i), (ii), (iii) and (iv) advisory committees above.

MMA Board Sub-Committees

The MMA maintains the following sub-committees comprised of board members:

- Remuneration Committee which recommends management salary changes as advised by the Government Sector Executive Remuneration Panel (GSERP) to the board; and
- Finance, Audit and Risk Management Committee (FARM) which meets quarterly to oversee the integrity of the MMA's governance and finances. A component of the committee's tasks is the oversight of the MMA's risk management framework. To minimise the impact of risks we have established:
 - risk management policies and procedures for the identification, assessment and development of mitigation strategies; and
 - operational and technological contingency procedures and processes as part of the MMA's business continuity plan.

MMA Organisation Structure



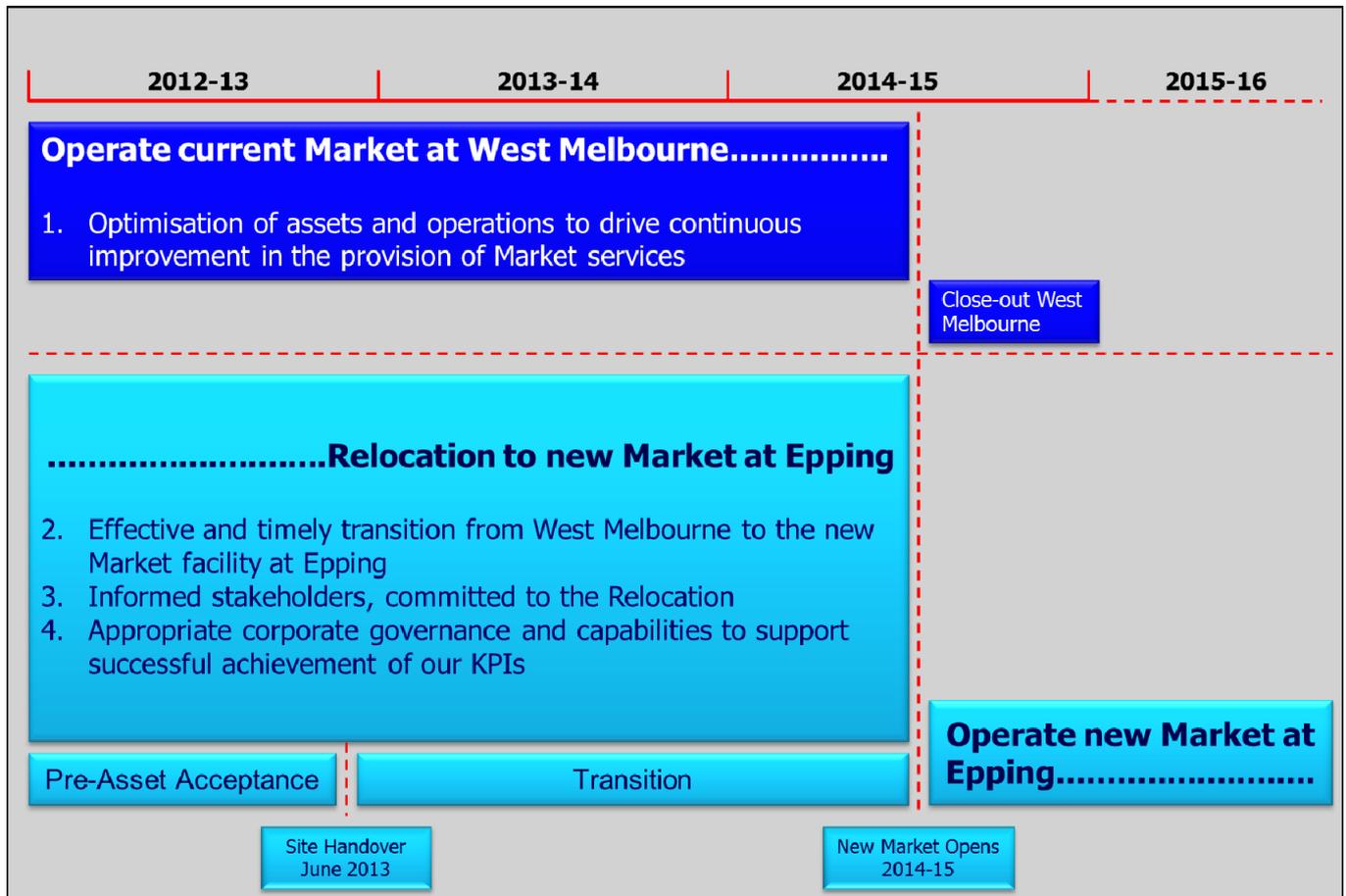
Our Strategic Priorities 2012 - 2015

The Market will relocate during the 2014-15 financial year and our corporate plan 2012-2015 sees the delivery of our objectives and functions in parallel with the delivery of elements of relocation.

Over the next 3 years, in support of our vision, and delivering our values to achieve our mission, the MMA will focus on the following outcomes:

- A smooth and effective transition to the modern and efficient wholesale market at Epping
- Continuity of operations and the provision of fit for purpose facilities and services for our market users at West Melbourne, that are cognisant of and contribute to a successful transition to the new market at Epping and
- Stakeholders who are supportive and committed to the relocation of the Market.

Our board and executive have defined the following four strategic priorities to achieve these outcomes:



Our corporate plan focuses on the delivery of these strategic priorities and provides the MMA's strategic direction until the move to the new market precinct during the 2014-15 financial year. Following relocation, the MMA's corporate plan for the new market will come into effect.

In summary, our strategic priorities for 2012-2015 are:

1 - Optimisation of assets and operations to drive continuous improvement in the provision of market services

We will provide continuity and optimisation of current market services, as well as defining the vision and operational initiatives that will transition into improved market services at the new Epping market.

2 - Effective and timely transition from West Melbourne to the new market facility at Epping

For areas that are our responsibility, we will successfully lead the relocation. Preparations for relocation and planning for operational readiness at the new market site has an impact on current operations for the MMA at the West Melbourne site. Relocation is a strategic priority as well as a key project.

Relocation involves activities that take place before MMA takes control of the new market site (pre-acceptance activities) and those activities required to bring the new site to full operational readiness (make-ready and transition activities), which are detailed in the MMA's Relocation Project Plan.

3 - Informed stakeholders, committed to the Relocation

We will focus on our stakeholders and enhance our communication strategies to support the relocation to the new market. Our key stakeholders include MMA staff, our current customers (market users), State Government (Department of Business and Innovation, Major Projects of Victoria, Department of Primary Industries, Department of Treasury and Finance), the wider fresh produce industry and the future Epping market users.

4 - Appropriate corporate governance and capabilities to support successful achievement of our KPIs

We will continue to build on our strengths and review and develop our corporate governance structure, resources and capabilities to enable and support the delivery of our strategic priorities and KPIs during the term of this corporate plan.

Our responsibility and operating environment

Our responsibility is to implement policies established by the Victorian State Government. We work in an advisory capacity with our primary goal being the implementation and communication of government policy. We are impacted by political, economic, environmental, technological and social factors as follows:

Political - As an Authority, we provide strategic advice and implement government policy and legislation. The relocation of the Market was a Victorian State Government policy decision.

Economic – There is potential for negative impact on market user businesses from increased national and global competition. We will continue to support the fresh produce industry through promoting its benefits and by exploring opportunities to enhance business and attract new market users.

Environmental - By working with market users, we identify and support opportunities to reduce our environmental footprint, through managing and minimising water and power usage, and reducing the generation of waste through recycling initiatives.

Technology – Advances in technology could be introduced to benefit market users. We will explore these options and seek to introduce initiatives where there are benefits for our customers and operations.

Social – We provide a valuable positive social impact through raising community awareness of healthy eating options.

Strength Weakness Opportunity Threat (SWOT) Analysis - A review of our operating environment highlights the following strengths, challenges, opportunities and threats relevant to the achievement of our objectives.

Strengths	<ul style="list-style-type: none">• Depth of experience in operating a commercially viable market.• Adaptable, committed staff capable of delivering improved market services at the new facility.• A strong balance sheet.
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Challenges	<ul style="list-style-type: none">• Continuing to build and strengthen the central market model for fresh produce.• The change program necessary for the relocation of the Market.• Maintaining and operating the current market site's aging infrastructure until relocation.
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Opportunities	<ul style="list-style-type: none">• Maintaining and strengthening our relationships with stakeholders.• Supporting a competitive environment that assists our market users to achieve their business and corporate goals.• Relocating to a modern and improved facility that benefits market users and supports our ongoing implementation of business improvements, including operating efficiencies, enhanced health and safety and environmental benefits.
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Threats	<ul style="list-style-type: none">• Regulatory and environmental changes that negatively impact the businesses of our market users.• Globalisation, with the increased importation of fresh produce into Australia.• Establishment of distribution centres, threatening the central market model.
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Melbourne Market Relocation Project (MMRP)

The intention to relocate the Market was announced in 2004 with construction commencing in 2009. The project is being delivered under a design and construct model managed by Major Projects of Victoria (MPV) for the Department of Business and Innovation (DBI).

In recognition of its corporate knowledge and the benefits of continuity in the management of the transition from West Melbourne to Epping; the Victorian State Government, formally appointed the MMA in May 2010 to be the operator of the new market at Epping.

The new facility will deliver a modern central wholesale market facility for Victoria, aimed at improving, among other things, safety of the working environment, the market's transport and logistics infrastructure, competitiveness and productivity for the fresh produce wholesale industry and job opportunities in Melbourne's northern growth corridor.

The objectives for the relocation project are that the new market precinct will:

- Provide the opportunities and benefits that come from being part of an interactive and integrated fresh food related business precinct;
- Encourage innovation in transport, equipment, materials handling, storage and information technology in the fresh food industry;
- Cater for modern logistics, cold chain management and security;
- Meet current and future needs for warehousing spaces, including providing warehousing in close proximity to the trading floor; and
- Provide market users with significant improvements in occupational health and safety.

An effective and timely transition for the Market relocation is a strategic priority for the MMA which underpins the strategies within this corporate plan and our key business plan activities for 2012-13. The delivery of relocation is covered at the strategic level within this plan, while a dedicated project management office, detailed project plans and stakeholder management strategy have been developed to ensure the achievement of the relocation project's objectives.

Delivering on our Strategic Priorities

The following strategies deliver on our strategic priorities. The measures of success will indicate our progress and inform the key business activities we define in our business plans for each of the next three years.

Strategic priority 1 - optimisation of assets and operations to drive continuous improvement in the provision of market services

Strategy	Measures of Success
Operate, maintain and manage the Market and its assets within budget, exploiting opportunities to improve performance within the constraints of the current facilities.	<ul style="list-style-type: none"> Improved environmental footprint of the Market Achieve budget Maintain compliance with OH&S legislation No major failure of plant or equipment leading to closure of current facility
Provide certainty and security for our existing market users up until the move to the new market site.	<ul style="list-style-type: none"> Leases extended and tenant occupancy levels maintained up to the closure of current facility
Confirm and communicate our vision and develop our Corporate plan, for the new market.	<ul style="list-style-type: none"> Corporate plan for Epping approved by MMA board Informed, committed and supportive stakeholders
Develop the operations plan that establishes the capability and standards for Epping market.	<ul style="list-style-type: none"> Full operational readiness achieved on day 1 at Epping market
Continue to identify and introduce initiatives that support the cultural and behavioural preparations planned for Epping market operations.	<ul style="list-style-type: none"> MMA and market users trained in operational processes and procedures by day 1 for Epping market

Strategic priority 2 - effective and timely transition from West Melbourne to the new facility at Epping

Strategy	Measures of Success
Establish our project management office and confirm the roles, responsibilities and governance for relocation project delivery.	<ul style="list-style-type: none"> Relocation project plan and governance finalised and approved by the MMA Board
Manage and deliver our responsibilities for relocation.	<ul style="list-style-type: none"> Project delivered to budget Effective and timely transition to the new market site achieved
Engage, consult and communicate with market users and other stakeholders throughout relocation.	<ul style="list-style-type: none"> Positive feedback from market users and stakeholders No surprises on day 1 at Epping market
Work with our government stakeholders, to input planning, decision making and reporting as required.	<ul style="list-style-type: none"> Planning and decisions made relating to relocation are consistent with and support the delivery of MMA's objectives and functions
Provide warehousing at Epping, which meets the needs of stakeholders in terms of commercial viability, proximity and sustainability.	<ul style="list-style-type: none"> Construction project delivered to specification, time and budget Proximity warehouse business case benefits achieved

Strategic priority 3 - informed stakeholders, committed to the relocation

Strategy	Measures of Success
Ensure effective engagement with all stakeholders, in particular the market users, with a focus on our communication strategy for relocation.	<ul style="list-style-type: none"> • Communication strategy prepared and approved by the Board • Enhanced communication lines with market users, advisory groups and State Government
Engage with advisory committees to encourage and develop enhanced engagement with market users.	<ul style="list-style-type: none"> • Positive feedback from advisory committees and market users
Emphasise our commitment to our people and our corporate values.	<ul style="list-style-type: none"> • Strategies and initiatives to develop, train and retain MMA staff approved by the board
Promote the Market as the preferred source of fresh produce in Victoria.	<ul style="list-style-type: none"> • Customer base retained and developed
Investigate opportunities for complimentary services and new customers.	<ul style="list-style-type: none"> • Marketing plan developed and implemented for new business (non-core) prior to relocation

Strategic priority 4 - appropriate corporate governance and capabilities to support successful achievement of our KPIs

Strategy	Measures of Success
Review our corporate structure and governance framework to reflect the establishment of our program management office.	<ul style="list-style-type: none"> • Governance for relocation project finalised and approved by the Board
Develop our team and support our managers to develop their capabilities.	<ul style="list-style-type: none"> • Strategies and initiatives developed and approved for training and retention of MMA staff, including recruitment of human resource expertise
Maintain our strong financial record.	<ul style="list-style-type: none"> • Budget targets achieved year on year
Comply with corporate governance requirements and ministerial directions.	<ul style="list-style-type: none"> • Internal and external audits confirm meeting all corporate governance requirements • Corporate plans and business plans delivered to deadline and accepted by the Minister
Develop our management systems and processes to support our delivery.	<ul style="list-style-type: none"> • Management systems, processes and procedures reviewed and updated to support the achievement of our strategic priorities and in preparation for the relocation to Epping market