

Flower Industry Advisory Committee
MARKET HOURS – FINDINGS PRESENTATION
MMA Conference Room, Epping
25 OCTOBER 2016

In attendance: Greg Duffy (Chair), Fidrim Halit, Cheryl Roehrich, Jashar Rustemi, David Whitchelo, Sue Friend, Matt Elliott, Jenna Patan (Minute Taker)

Apologies: Danny Malikovski, Mark Maskiell

Methodology & Consultative Process

- Discussion sessions with the market advisory groups & with the Unloaders
- Market floor visit, 25+ phone interviews, 20 email submissions;
- Consultation with industry during other McKINNA *et al* projects; and
- Survey of business principals.

Gate Entry Data: Flower Buyers

Average visits over the first 12 months of trade indicate that over 2,800 vehicles access the market each week day. Thursday is the busiest trading day so this has been used as the benchmark day throughout this report.

Almost 13% of flower buyers visit on every trading day and 47% visit one or two days per week. When added together, around 60% of buyers are weekly visitors. Around 200 flower buyers visit on a weekly basis. The largest proportion of flower buyers enter at opening times between 3.30 and 4pm and leave between 5.30 – 6.30am.

Survey Response Rate

A total of 267 valid responses were received, representing a relatively poor response rate (9%). F&V buyers had the highest number of responses, but storeholders had the highest response rate (23%).

| Business Type | Total businesses | Compliant responses | Response rate |
|---------------------|------------------|---------------------|---------------|
| FV Store holder | 108 | 20 | 19% |
| FV Stand holder | 194 | 35 | 18% |
| FV Buyer | 1242 | 104 | 8% |
| Flower Stand holder | 65 | 13 | 20% |
| Flower Buyer | 728 | 46 | 6% |
| F/FV Buyer | 28 | 2 | 7% |
| Market Related Bus | 162 | 7 | 4% |
| Produce Delivery | 308 | 7 | 2% |
| Total | 2,972 | 234 | 8% |

Survey Results

In the flower market whilst the response rate was low, the overall majority voted for the status quo with the standholder community being quite divided. When the 'no change' and '3.30' options are added together, a more compelling picture emerges with 45% of F&V buyers and 43% of flower buyers within this zone.

Recommendation & Rationale

| RECOMMENDATION: | | RATIONALE: |
|-----------------|--|--|
| 1. | <p>Opening hours to remain the unchanged (3.30am Mon/Thu/Fri and 4.30am Tue/Wed) for fruit & vegetable.</p> <p>Unchanged (3.30am Tue/Thu) for flower market (excluding Saturday flower market)</p> | <ul style="list-style-type: none"> • Consideration was given to the 24 hour fresh produce supply chain and this option provides the best outcome for the customer/consumer needs. • The scan data and survey data indicated a strong preference for an early start time and the consultation preference for a same start time everyday was compelling. • Peak hour traffic at 6.30am was a key consideration • Same time for both markets ensures equal access for flower buyers |

| | | |
|----|--|--|
| 2. | Retain 2am entry for Fruit & Vegetable country buyers for collection of pre-orders only and with stronger enforcement of penalties for early trade | <ul style="list-style-type: none"> • Enables these cohorts to service their particular customer needs (cafes, restaurants and regional retail outlets) • Reduces peak congestion • Enables time for unloaders to get product to stands / stores |
| 3. | Discuss the option of closing Saturday market and opening Friday instead with the flower community | <ul style="list-style-type: none"> • The Saturday market is dwindling and the consultation suggested that numbers may be enhanced with a Friday option |

Key discussion points:

- Key concern is disrupting the current buyer behaviour of the florists by changing the hours as many people have already got a routine based around the hours over the past 12 months.
- All agree that moving hours could give rise to florists visiting alternative warehouses and other satellite wholesalers. FH discussed that the Stand Holders need to give the Florists what they want.
- The Wholesalers Advisory Committee preferred 4.30am, 5 days a week
- The Growers Advisory Committee preferred 3 or 3.30am start, 5 day per week
- The roadworks on the Monash and Tullamarine Freeways are adding increased pressure on the buyers
- If the F&V buyers have market access prior to the flower buyers, the flower buyers believe they are disadvantaged because they don't have first choice. Further discussion reveals that most F&V buyers either Pre-Order or they purchase at the end of trade.
- The MMA need to enforce no buying pre-trade. Trading hours should be published and enforced so that no one is disadvantaged for doing the right thing. Some members claim there are buyers in at 3am.
- Moving Saturday to Friday would have severe implications on both the growers and florists. Back to back trading days would be seen as pointless and picking schedules would also be negatively impacted. Most Sat trade is Pre-Orders, Event purchases or Florists replenishing stock. The committee discussed that only a handful of buyers enter the market prior to 5am.

The Advisory Committee RECOMMENDED the following:

- There cannot be a change to make hours earlier
- Rejection of moving the Saturday trading day to a Friday

The Advisory Committee were split on:

- New trading time of 4.00am: CR & JR; however a dedicated lane would need to be in place at Gate 1 for florists
- No Change to current hours: GD & FH

The MMA will review the buyers coming in at 3.30am vs those at 4.00am.

General Business

- **40 Years of Service Approval:** The Advisory Committee APPROVED John Boon
- **Flower Market Diversification:** 100 key businesses were contacted to participate at the Flower Market. Only 2 businesses were considering the opportunity in the coming months, however barriers to participation included: hours, insufficient staff, and logistics of managing stock in a stall setting. The MMA AGREED to review the Saturday free parking initiative and circulate the gate entry results.