

Mobile Food Vehicle Trial Report

Report developed by Wagga Wagga City Council - Economic Development

Council Resolution

18/001 RESOLVED:

On the Motion of Councillors D Hayes and R Kendall

That Council:

- a authorise the General Manager or their delegate, to undertake an Expression of Interest Process for a Mobile Food Vending Trial to be conducted allowing the vehicles to operate on public land in the Wagga Wagga local government area according to the following conditions:
 - i vendors can only operate between 6am and 10pm
 - ii vendors cannot operate within 200 metres of a food and drink premise or boundary of an event licensed or approved to occur on Council land (this includes sporting group canteens)
 - iii vendors cannot operate in the Central Business District (CBD) exclusion zone as outlined in the report
- b authorise the General Manager or their delegate, after assessment of the submissions, to conduct the Trial from 1 January 2019 to 30 May 2019 with the successful vendors
- c receive a report following the Trial that:
 - i outlines how the Trial met the objectives outlined within this report
 - ii considers options for late night trading
 - iii recommends whether or not to make the Trial permanent, in which case, a Policy and a Fee and Charge may be proposed
- d continue to communicate with the representative groups identified in the consultation section in the body of this report and include their feedback in the report back to Council advising the outcomes of the trial

CARRIED

General Information

Timeline

	2018
Council resolution:	26 Nov
Expressions of Interest announced:	30 Nov
EOI deadline:	17 Dec
Vendors selected by panel:	18 Dec
Vendor workshop:	20 Dec
	2019
Trial start:	1 Jan
Vendor workshop:	26 Feb
Survey start:	12 May
Trial end:	30 May (extended until 11 Jun)
Survey end:	2 Jun

Survey Methodology

Many of the assumptions used to develop the trial and initial report presented to Councillors were based on Sydney Mobile Food Vehicle (MFV) studies by Woolcott Research in 2013 and 2016. The initial concern raised by Council at the November 2018 workshop was that Wagga Wagga's business environment is very different than Sydney's and therefore it was inappropriate to use the Woolcott survey findings when debating the merits of an MFV program in the Wagga Wagga region. This lack of locally relevant information was what led to the decision to conduct a local trial and primary research. The subsequent survey developed for the Wagga Wagga MFV trial utilised similar questioning as the Sydney study, but allowed Council staff to collect regionally relevant data.

The survey was conducted at the end of the trial period when it was anticipated that vendors and the community will have worked through any initial start-up issues.

The survey was promoted through Council News, on Council's website, direct emails, stakeholder group outreach, Council community engagement sessions, and directly through vendors to their customers. It should be noted that this direct vendor to customer engagement appears to have yielded the best response.

Three surveys were developed to engage with the different stakeholder groups:

- a. Customers/community - does the community support MFVs?
- b. Existing businesses (brick & mortar organisations) – do MFVs impact existing business?
- c. Mobile food vehicle vendors – can MFV vendors successfully operate in the region?

Survey Results

Number of respondents:

- Customers/Community – 333
- Business owners (brick & mortar stores) – 4 (two were brick & mortar stores)
- MFV vendors – 5 (representing the five active vendors)

Please note: a valid email address was required in order to complete the survey. Any duplicates, blanks, or entries without valid contact details (email) were removed from the analysis – these entries are however still available in the raw data.

Mobile Food Vehicle Vendor Summary

Nine vendors were approved as part of the Expression of Interest to operate on Council owned or managed land. The EOI review and selection panel consisted of Council staff from the Tourism & Events, Health & Safety, and Economic Development teams.

The vendors selected were:

- Lucid, The Kombi Café
 - Emma Moss
 - Operated primarily at north end of lake and special events
- What the Pop
 - Lucy Wood
 - Operated at Botanic Gardens, the beach and north end of the lake
- Kirky's Coffee Cart
 - Luke Kirkman
 - Operated in Estella and at the beach
- Badger & Hound Coffee
 - Ursula DiGregorio
 - Operated primarily at Kapooka entrance
- Wagga's Woodfired Pizza Wagon
 - Jay Vidler
 - Operated at the Visitors Centre, beach (limited success at beach), Estella-Wednesday, near Jubilee Park, Forest Hill-Thursday (3-week test)
- Kito's Coffee and Global Dining
 - Michael Kito
 - Also owns cafe in CBD which recently relocated
 - Experienced issues getting truck operational - not active
- Aussie Bob's Ice Cream
 - Bob Wood
 - Not very active
- Boost Juice
 - Rocky Singh
 - Not active
- Campfire Coffee
 - Lynne Rix
 - Withdrew at start of trial due to vehicle issue

Three of the active vendors primarily provided coffee and operated on weekday mornings.

The more active vendors heavily utilised social media to promote their businesses.

Uncertainty in the trial continuing has been highlighted by vendors as a limiting factor in them fully committing resources. One vendor specifically noted that they need to keep their other jobs (they had three jobs at the time) and not commit to the mobile food vehicle business just in case the trial isn't successful.

The four-hour time limit for staying in one operating location is posing a problem. The pizza vendor needs 2 hours to warm up his oven, so it is difficult for him to make it viable. This policy is more suitable for big cities with limited vendor parking options. This should be reviewed and potentially removed if the program becomes permanent.

General comments and observations taken from the vendor survey:

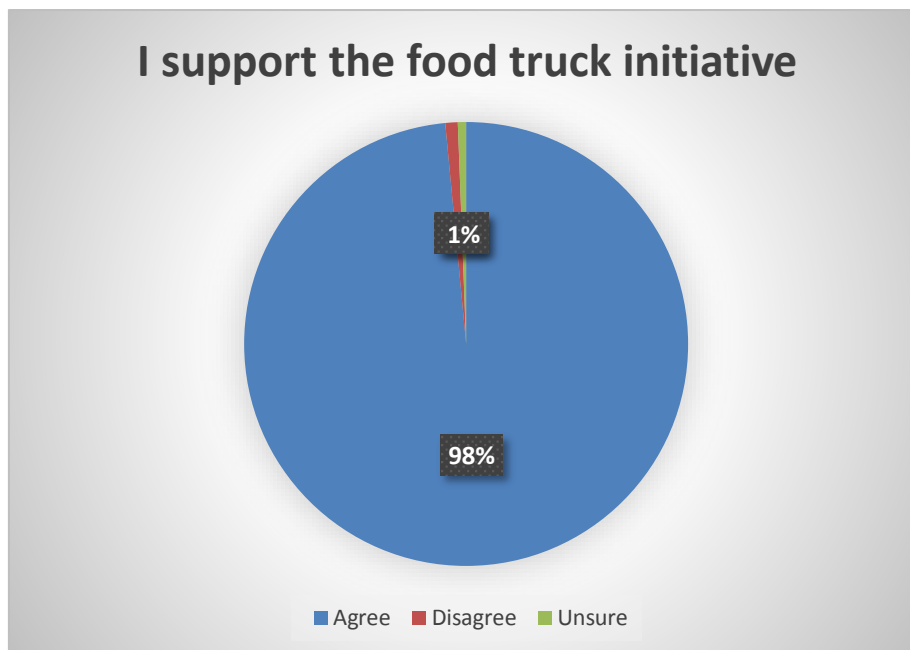
- Food trucks are an entry level business – 4 out of 5 are less than 3 years old
- Average setup cost is approximately \$50,000
- Vendor who invested most in truck (approx. \$100,000), also earns highest per month (\$10,000-\$30,000 revenue per month)
- Food vendors hire on average of 3 casual staff
- No respondents have complementary businesses to the food truck
- Two of the five respondents plan to open a brick & mortar store in the CBD
- Main operating days indicated by the vendors are later in the week and on weekends. Note: this weekend coverage was not reflected in community feedback.
- All vendors were already operating to a limited extent before the trial started – events, private property, etc
- Hours generally increased from pre to post trial
- Time limit may be prohibitive – most operated at or above max time limit.
- Events are still the primary option for MFVs with on-street being the second most popular option
- The Beach, Botanic Gardens, Lake Albert, Estella/Boorooma and Bolton Park were all ranked as highly valuable locations for trade.
- Two vendors indicated a willingness to pursue late night vending on the main street

Final question to vendors: *What changes would you like to see made within the food truck program in Wagga?*

- *More council support.*
- *Freer access to public space in order to compete fairly with other businesses. Less restrictive trading conditions to satisfy consumers preferences and enable growth of local start up small businesses.*
- *Maybe some lock areas to keep Van's over-night, so I can run full time staff*
- *Extended allowable time in 1 location. Access to more areas: i.e. gated locations*
- *Whilst I commend Council for extending the trial and allowing vendors to continue to trade until 11th June, it still leaves me with a sense of insecurity. Being that my coffee van is my primary source of income, a pause in the trial to deliberate on a decision essentially leaves me unemployed. It also may lead to a loss of momentum for mobile food vending in the community as a whole.*

Customer/Community Feedback Summary

Community feedback of the MFV trial has been extremely positive, with 98% of survey respondents indicating that they support the food truck initiative.



Question:	Agree	Disagree	Unsure
I support the food truck initiative extending beyond a trial	328	3	2
The presence of food trucks in this area makes it feel safer	277	4	52
I'm more likely to visit this location because it has food options	312	10	11
I would like to have food trucks at my party or event	284	5	42

There were many comments about how the presence of food trucks encouraged people outdoors, engaging with the community. This community centred element is supported by the fact that 309 people responded that they visited a food truck with another person (partner, friend, family or colleague)

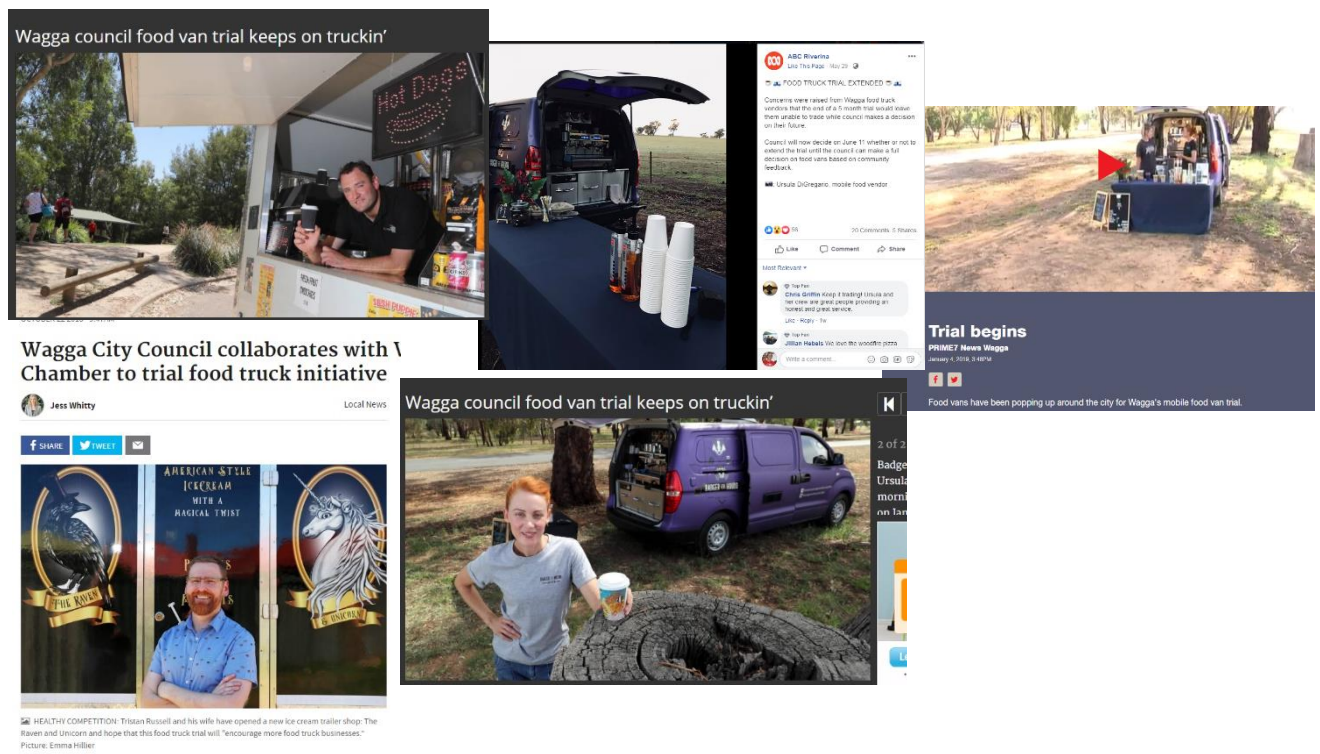
Although food trucks are often considered more of an impulse, or purchase due to convenience, 67% of respondents stated that they travelled to the location specifically for the food truck.

80% of customers were willing to travel more than 1 km to access a food mobile food vehicle.

Media coverage

Several news stories were aired and printed related to the trial which would indicate a high level of public interest in the topic. Council staff were interviewed three times by television news stations and the Daily Advertiser ran at least four news articles. The only sensitive news article was related to the trial coming to an end and MFV vendors concerned about their livelihood.

There were no negative news articles about the trial and mobile food vehicles in general.



Place Activation

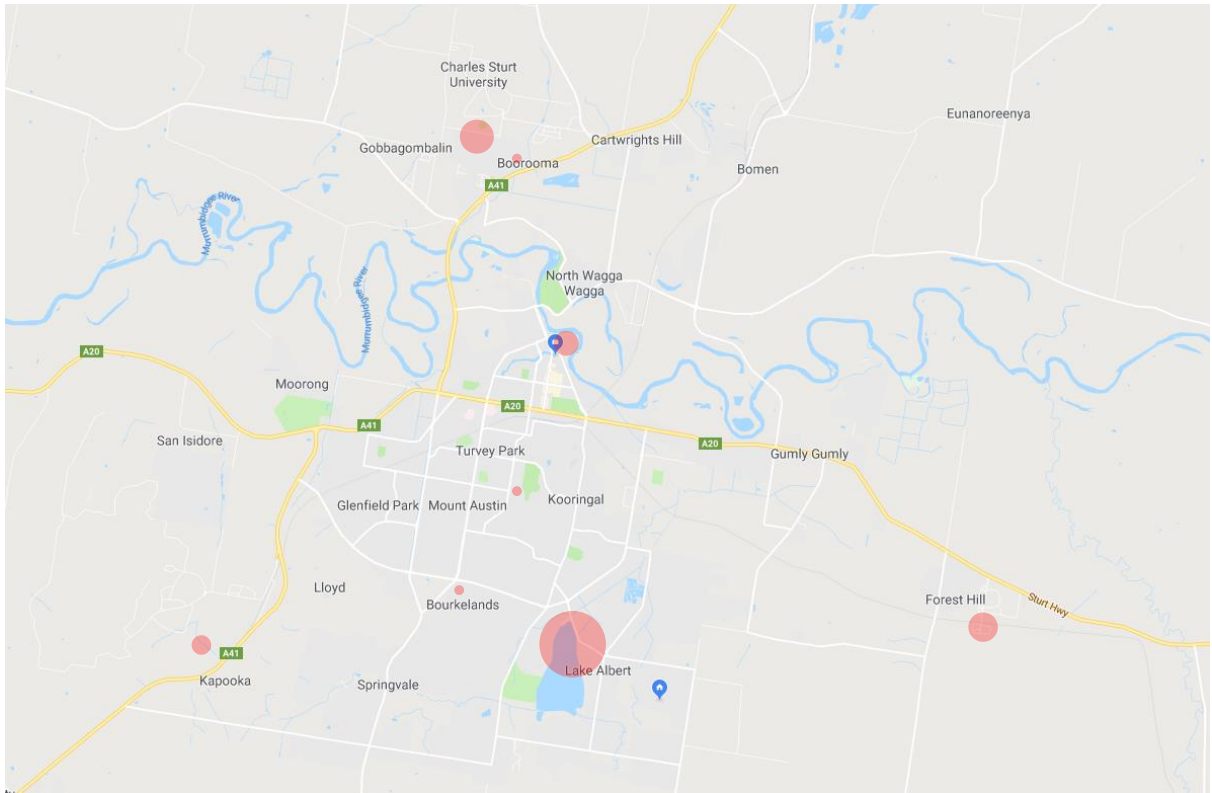
Place activation was presented to Councillors as a major factor in deciding whether or not to trial MFVs. Wagga Beach was a new gate was added to the Beach location, but this area remained under-utilised by the MFV vendors. When asked why they're not spending more time in these areas, vendors responded that there's a lack of customers due to low numbers of visitors, or that visitors brought their own food/beverages to the area.

It is worth noting that a previous food vehicle trial at the Beach by Infuso yielded very positive results. The key to their success was reported by them at the time as being due to the consistency in their operating hours and building a loyal customer base.

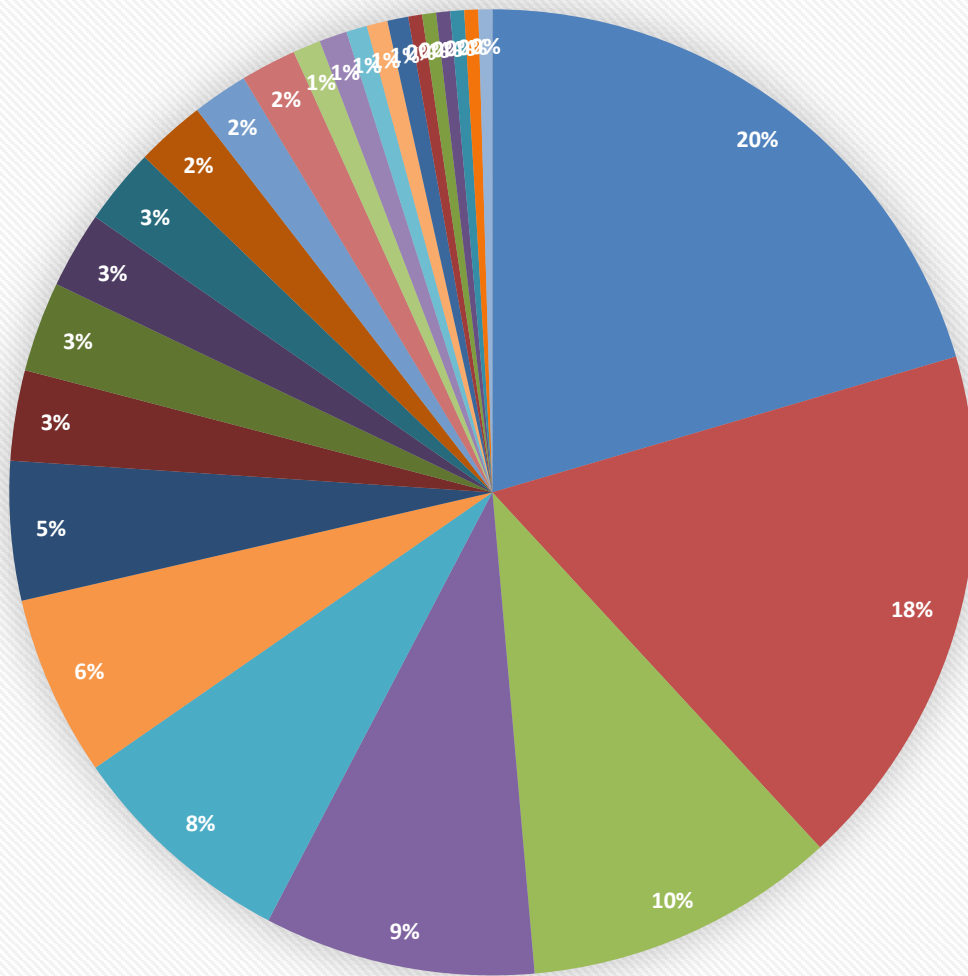
The closure of the café at the Botanic Gardens on 8 February 2019 meant that vendors could operate within the park itself. Vendors expressed interest in operating near the café, but this wasn't consistently done. Council staff working at the park indicated that they were fielding a lot of enquiries about food options from the public. It was reported on 7/4/19 that over 900 people passed through the zoo and many more were in the parks area. This was a big opportunity that doesn't appear to have been capitalised on.

The intent of the trial format was for the vendors to find the opportunities in the market, not for Council to dictate specific areas – this appears to have worked well. Initially the expectation was for the Beach and Apex park to be the key areas, but through the course of the trial it appears as though the Lake Albert dog park, Estella, Forest Hill and Kapooka are the locations the community want food vehicles.

Two Kapooka chaplains sent email correspondence to Council in favour of the trial and specifically mentioning Badger & Hound coffee as a welcome addition to their morning commute.



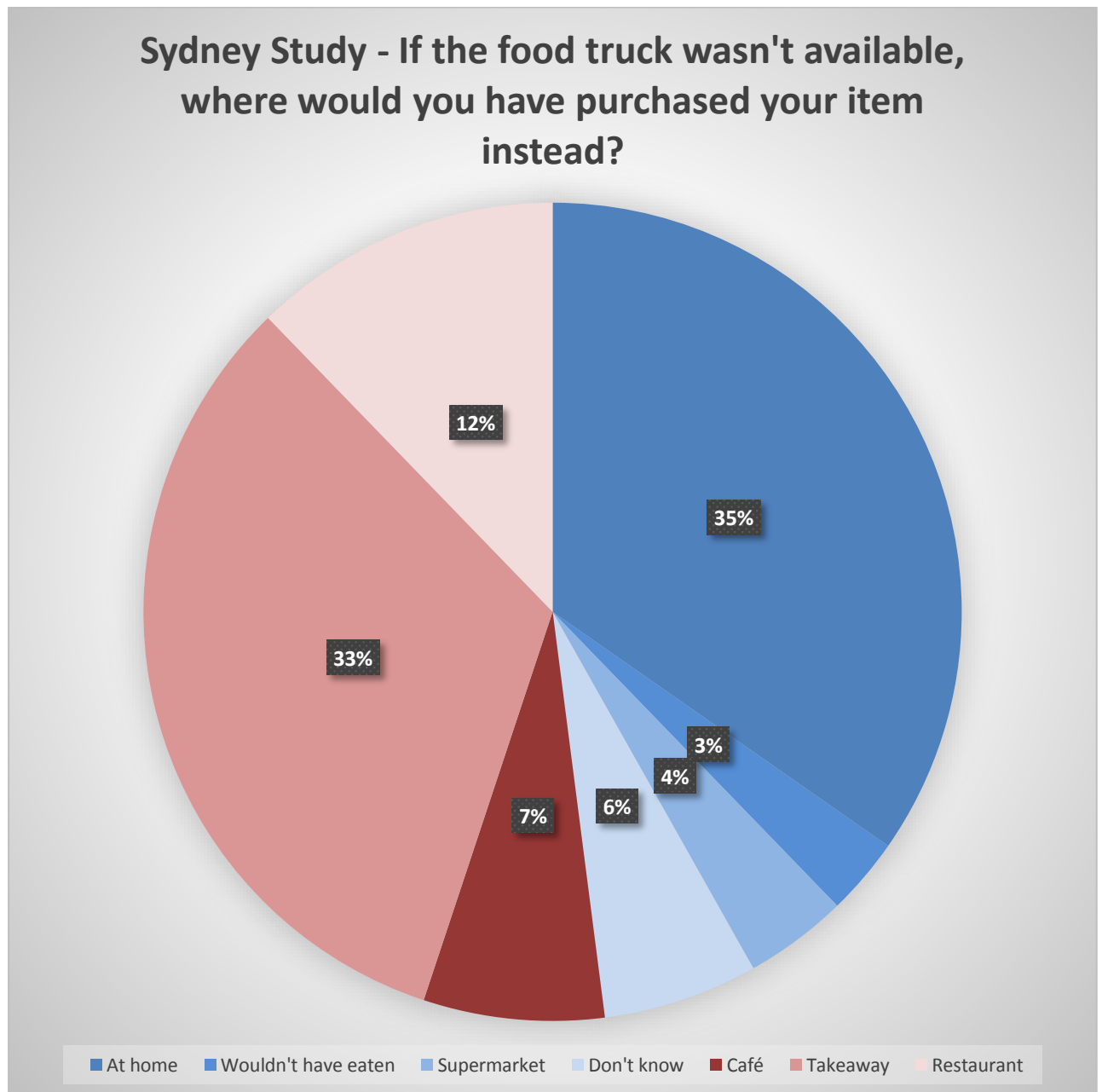
Where the community want food trucks



- | | | | | |
|-----------------|-------------------|---------------|-------------------|---------------|
| ■ Lake Albert | ■ All areas | ■ Estella | ■ Forest Hill | ■ Beach |
| ■ Kapooka | ■ Parks | ■ Boorooma | ■ Botanic Gardens | ■ Bourkelands |
| ■ VMG | ■ Sporting Events | ■ CBD | ■ Koorungal | ■ Events |
| ■ Gobbagombalin | ■ Glenfield | ■ Turvey Park | ■ University | ■ Bolton Park |
| ■ Collins Park | ■ Jubilee Park | ■ Markets | ■ North Wagga | ■ Tatton |

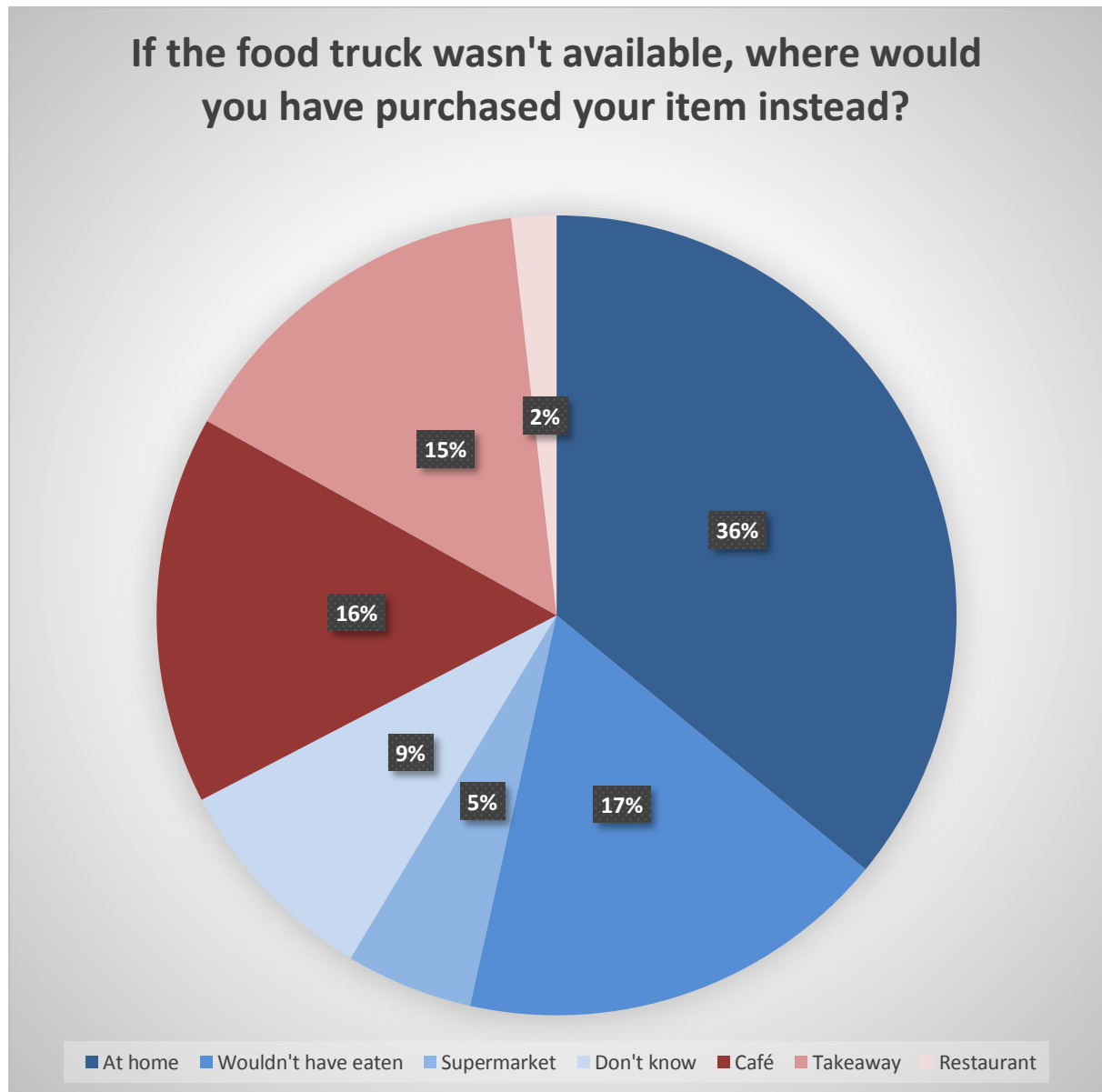
The impact to local businesses and economy was a focus of the trial. One of the notable questions from the Sydney study was the food truck customer's alternative meal source. It showed that 53% of Sydney customers would have gone to a restaurant, café or takeaway shop if the food truck were not available. Another way to look at this is that the local economy missed out on 47% of sales in prepared food as people would have eaten at home (assuming mostly supermarket-bought goods), bought food at a supermarket, wouldn't have eaten, or were unsure. Therefore, instead of the economic benefit going to small business, these potentially prepared food sales would have left the local economy.

The blue shaded pieces of the pie chart below indicate lost local economic potential.



In comparison, the Wagga MFV study found a higher lost local economic benefit. 67% of respondents indicated that they would have eaten at home (36% - assuming mostly supermarket-bought goods), bought food at a supermarket (17%), wouldn't have eaten (5%), or didn't know (9%). This is a remarkably high lost economic benefit.

The blue shaded pieces of the pie chart below indicate lost local economic potential.



Business Owner Direct Feedback Summary

There were four responses to the online survey from local business owners. Two of these were café owners, one was a new mobile food vendor owner and the other a mobile hand massage company. With only four responses it is difficult to derive any conclusions from the data. Responses from the two cafes about the impact to their business and general comments have been included in the write-ups below.

Council staff also received four official complaints over the course of the trial. These issues were addressed by the Council Officer at the time of the complaint. Each complainant was also directly contacted and encouraged to complete the survey when it was officially opened – two of them completed the survey.

Cafe

Location: Lake Albert NSW 2650

Council staff received a call from the café owner on 25 January 2019 about a coffee vendor parked in the Apex Park car park. The café owner was upset, believing that the vendor was within 200 metres of their store. A photograph was provided as evidence which showed the vendor approximately 190 metres from the front door of the café. The vendor was contacted by Council staff and asked to locate further away. Upon purchasing a generator, the vendor moved their operation.

Response to survey

Question: Rate how the mobile food vehicle trial has affected your business. Response: *“Somewhat – some of my customers have stopped coming or mentioned that they also visit a mobile food vehicle on occasion”*

Question: In your own words, what changes would you like to see made within the food truck program? Response: *“That they not be allowed to operate in areas that can have an impact on local businesses I already have to compete with three other shops A lot of my trade comes from the lake and the events that occur at the footy ground and apex park I have already had a run in with a coffee van who was trading with the two hundred meters now she is trading at the other side of the lake with that and the new coffee shop that is near me we have noticed a significant drop in our coffee sales My fear with these food vans is that you are going to allow them to trade around this area and that would have a devastating affect on my business”*

Local Sporting Club

Council staff received a call from a local sporting club who had been approached numerous times by a vendor requesting permission to operate during game days. The sporting club was getting upset about the fact that even though they had repeatedly told the vendor “no”, they were persisting.

Diner

Location: Koorungal NSW 2650

Council staff received a call from the diner owner who operates between 7:00 am and 4:00 pm offering breakfast, lunch and coffee. A mobile coffee vendor has been parking approximately 700 metres from the diner.

Question: Rate how the mobile food vehicle trial has affected your business. Response: *“Significantly – I have specific examples of many of my customers not visiting my business because of the mobile food vehicle’s presence in town.”*

Note: no specific examples were provided as part of the response.

Question: In your own words, what changes would you like to see made within the food truck program? Response: *“Not have them allowed to set up just down the road from me obviously”*

Forest Hill

Council staff received a phone call from a business owner in Forest Hill who was upset about a vendor parking at the park on Elizabeth Avenue – approximately 1 km. The caller did not share their name or details, so were encouraged to complete the online survey in order to express their concerns.

Conclusions

The MFV trial survey illustrates an overwhelming acceptance of mobile food vehicles by the community with limited direct impact to existing brick and mortar businesses. Effective management of a permanent program should allow greater activation of underserved areas of the community and greater economic benefit through increased sales to local vendors.

End of Report