

**ITEM 5. CITY FARM BUSINESS PLAN****FILE NO: S104613****SUMMARY**

This report recommends that Council endorse proceeding with master planning for development of Stage 1 of the City Farm in Sydney Park and note the City Farm Business Plan.

The City Farm will be a not-for-profit social enterprise focused on sustainability, education and awareness of the importance of providing safe, affordable and accessible food. The benefits will reach well beyond the commercial value of the food itself to educational, cultural and social values for participants and the broader community.

On 7 November 2011, Council endorsed the City Farm Feasibility Study and its recommendation to jointly establish a City Farm at Sydney Park, St Peters and the Powerhouse Museum car park, Ultimo. Council also noted that a business plan would be prepared with the assistance of the Powerhouse Museum and the City Farm Advisory Group, which was established to oversee the development of the project.

The City Farm Business Plan outlines the key business activities that will be developed within the farm. The financial requirements to set up and operate the farm have been considered and reviewed against industry benchmarks and other City Farm models.

This report recommends that the City commence with Stage 1 only and review Stages 2 and 3 in future years, with a view to limiting any additional infrastructure required or using existing infrastructure to achieve the goals of the City Farm.

**Stage 1 (commencing 2014/15) will include:**

- development of the City Farm Master Plan;
- site establishment and construction of produce areas, orchard, composting and waste management facilities;
- implementation of organic farmers' market; and
- commencement of training and educational programs.

The City Farm Business Plan has been reviewed by KPMG who has advised that the majority of the business activity, revenue and expenditure assumptions are reasonable.

The governance structure outlined in the business plan provides a timeframe, objectives and methodology to transition the operation of the City Farm to a not-for-profit social enterprise.

**RECOMMENDATION**

It is resolved that Council:

- (A) endorse the development of a City Farm master plan for the establishment of the City Farm within Sydney Park, which will be reported back to Council for approval; and
- (B) note the City Farm Business Plan as shown in confidential Attachment E to the subject report.

**ATTACHMENTS**

**Attachment A:** City Farm Feasibility Study 2011

**Attachment B:** Memorandum of Understanding with the Powerhouse Museum

**Attachment C:** Letters of Support

**Attachment D:** Our City Farm Plan

**Attachment E:** City Farm Business Plan (Confidential)

**(As Attachment E is confidential, it will be circulated separately from the Agenda Paper and to Councillors and relevant senior staff only).**

**BACKGROUND**

1. In November 2009, Council endorsed the principle of establishing a City Farm in the City's Local Government Area and commissioned a feasibility study to investigate business models and potential sites.
2. The City Farm Feasibility Study 2011 (refer to Attachment A) outlined the key components required for a City Farm, including different management models, site evaluation and indicative costs for a phased implementation strategy over a five year period.
3. The feasibility study recommended, as the preferred option, an articulated model of management using a combination of sites to operate the proposed business activities out of:
  - (a) Sydney Park, St Peters; and
  - (b) the Powerhouse Museum car park, Ultimo.
4. On 7 November 2011, Council resolved to:
  - “(A) endorse the City Farm Feasibility Study and its recommendation to jointly establish a City Farm at Sydney Park, St Peters and the Powerhouse Museum car park, Ultimo;*
  - (B) note that City staff will develop and draft a Memorandum of Understanding with the Powerhouse Museum to jointly fund and develop the project;*
  - (C) establish a City Farm Advisory Group to oversee the development of the project, comprising two representatives each from the City and the Powerhouse Museum and four community representatives;*
  - (D) commence an Expression of Interest process to select community representatives to be members of the City Farm Advisory Group; and*
  - (E) note that the City will employ a project manager to prepare a business plan and project master plan to be reported back to Council for approval.”*

**Memorandum of Understanding (MOU)**

5. Following the adoption of the feasibility study, a MOU was developed and entered into by the City and Powerhouse Museum in October 2012 (refer to Attachment B).
6. City and Powerhouse Museum staff have been working collaboratively to establish a sustainable educational partnership to support the development of the City Farm Business Plan.
7. Opportunities exist for the Powerhouse Museum to contribute to the co-creation and delivery of sustainable educational programs and volunteer engagements.

**City Farm Advisory Group**

8. A City Farm Advisory Group comprising of two representatives each from the City, the Powerhouse Museum and four members from the community, was established in June 2012 to oversee the development of the project.

9. This group has met regularly to advise and inform on the research and preparation of the business plan.

#### **Business Plan Development.**

10. The City Farm Business Plan (refer to confidential Attachment E) has been developed through an interactive process involving extensive research and site investigations. This has included consulting with the City Farm Advisory Group, Powerhouse Museum, local residents and community members, as well as established city farms in Australia and overseas.
11. The business activities that will be provided by the City Farm have been reviewed against environmental, economic, social, cultural and governance factors. The business activities have been divided into primary and secondary business activities and include:
  - (a) production and supply of 4.5 tonnes of fresh fruit and vegetables per year from 1000 square metres of crop areas and 100 fruit trees;
  - (b) composting and waste management demonstration programs;
  - (c) a weekly 30-stall organic farmers' market;
  - (d) 100 to 300 training and educational programs;
  - (e) 40 to 100 community volunteering shifts per week;
  - (f) partnership development and sponsorships;
  - (g) a farm kitchen teaching organic food preparation and cooking classes; and
  - (h) fortnightly animal husbandry programs.

#### **Independent review**

12. The 10-year operational budget and assumptions used in the development of revenue and expenses within the business plan have been reviewed by KPMG.

#### **Implementation**

13. The City Farm Business Plan contains a detailed implementation program for both capital and operational activities. It is proposed that the primary activities of the City Farm, as summarised below, be implemented in Stage 1:

##### Stage 1 (commencing 2014/15)

- (a) development of the City Farm Master Plan;
- (b) site establishment and construction of produce areas, orchard, composting and waste management facilities;
- (c) implementation of organic farmers' market; and
- (d) commencement of training and educational programs.

14. It is also proposed that any potential expansion of the City Farm be considered by Council following completion, and a review, of the Stage 1 activities.

## KEY IMPLICATIONS

### Strategic Alignment - Sustainable Sydney 2030

15. *Sustainable Sydney 2030* is a vision for the sustainable development of the city to 2030 and beyond. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This business plan is aligned with the following strategic directions and objectives:
  - (a) Direction 1 - A Globally Competitive and Innovative City – the City Farm will include innovative environmental technologies and attract tourism;
  - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer – the City Farm will demonstrate best practice environmental design and the City's commitment to a sustainable environment;
  - (c) Direction 5 - A Lively and Engaging City Centre – the City Farm will provide opportunities for community participation and engagement;
  - (d) Direction 6 - Vibrant Local Communities and Economies – the City Farm will rely on a high level of community engagement and ownership, including volunteer programs and community representatives on the City Farm Management Committee;
  - (e) Direction 7 - A Cultural and Creative City – the City Farm will provide a focal point for cultural and educational activities and events;
  - (f) Direction 9 - Sustainable Development, Renewal and Design – the City Farm will showcase sustainable designs that are suitable for an urban environment such as growing food on balconies, composting and worm farming facilities and the latest energy and water saving technologies; and
  - (g) Direction 10 - Implementation through Effective Governance and Partnerships – the City Farm will involve a range of community partnerships and provide an opportunity for residents to engage in social, cultural and environmental programs.

### Greening Sydney Plan

16. The City Farm concept supports the strategies of the Greening Sydney Plan which outlines the City's objectives for the physical greening of the city. The Greening Sydney Plan proposes actions to *Empower Community Greening* as a key focus area.

### Organisational Impact

17. Experienced professional staff will be employed by the City to implement, develop and grow the City Farm's business activities. This will also include the coordination and management of volunteers. Provision has been made in the 2014/15 operational budget for one additional position to undertake this role, with support from existing resources.

**Risks**

18. A risk assessment was conducted on the City Farm Business Plan. This was informed by a workshop conducted by the City's Risk and Assurance Unit with the City Farm Advisory Group.
19. The risk assessment process did not identify any unacceptable risks that could not be mitigated by appropriate controls and actions. The Risk Assessment is on page 19 of the business plan (refer to confidential Attachment E).

**Social / Cultural / Community**

20. The development of a City Farm will provide a number of social, cultural and community benefits by providing a vibrant and creative meeting place for recreational and cultural activities, events and educational programs.
21. City Farms and urban agriculture are receiving increasing attention worldwide. City Farms can play a real role in addressing food security issues by producing affordable and accessible local fresh produce for disadvantaged households, and educating people about sustainable food production and preparation.
22. Support for the City Farm has come from leading educational institutions and peak agricultural bodies such as the Powerhouse Museum, University of Sydney, University of New South Wales and the Royal Agricultural Society (refer to Attachment C).

**Environmental**

23. Developing a City Farm would showcase initiatives for sustainable living and provide a number of environmental, educational and community opportunities for residents, businesses and visitors, including:
  - (a) composting facilities to reduce the city's waste to landfill and carbon dioxide emissions;
  - (b) developing community capacity for local food production and supporting farmers' markets, which will reduce the environmental impacts of producing, transporting and distributing fresh food;
  - (c) demonstrating the importance of water as a resource for growing food, and showcasing water conservation and harvesting and bio-filtration of urban stormwater;
  - (d) showcasing renewable energy options such as photovoltaic systems and wind-generated power;
  - (e) demonstrating the efficient use and re-use of resources by using recycled materials in the design of the City Farm. This can also be achieved through interactive displays and workshops on recycling and re-using materials for art and other projects;

- (f) raising awareness of urban ecology issues and sustainable farming practices through interactive displays and workshops on native and habitat gardens, weeds and feral animals, food gardens for small spaces and capturing and treating stormwater; and
- (g) demonstrating sustainable farming and food production practices.

### **Economic**

- 24. The City Farm will play an important role in providing safe, affordable and accessible food. The benefits reach well beyond the commercial value of the food itself to educational, cultural and social values for participants and the broader community.
- 25. The City Farm will:
  - (a) seek to work with local social enterprises, similar to the Centre for Education and Research in Environmental Strategies (CERES) in Melbourne;
  - (b) provide opportunities for smaller sustainability focused entities to partner and conduct activities at the City Farm site (e.g. Seed Savers);
  - (c) distribute fresh produce grown on the farm directly to a consistent number of community members through a community supported agriculture model. This model guarantees the supply of fresh produce through an advanced payment system; and
  - (d) seek to engage in supply contracts with local cafes and restaurants providing fresh seasonal produce to local businesses.

### **BUDGET IMPLICATIONS**

- 26. The City Farm Business Plan outlines the capital costs for construction of the project and the financial requirements for its operation.
- 27. Provision has been made for capital expenditure of \$470,000 and operational expenditure of \$59,250 in the 2014/15 budget to commence Stage 1 of the City Farm. Additional funding to complete Stage 1 (scheduled for completion in November 2015) has been included in the City's 10-year Long Term Financial Plan. The capital costs have been reviewed and confirmed by an independent quantity surveyor.

### **RELEVANT LEGISLATION**

- 28. The Our City Farm Plan at Attachment D contains detailed information of the City's plans to implement and operate a City Farm without the confidential information that is in Attachment E.
- 29. Attachment E contains confidential commercial information which, if disclosed would:
  - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.

30. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

### TIME FRAMES

31. A summary of the timeframes for the implementation of the City Farm is outlined below:
- |                             |                                 |
|-----------------------------|---------------------------------|
| (a) City Farm Master Plan   | August to March 2015;           |
| (b) Detailed design stage 1 | April to August 2015;           |
| (c) Construction stage 1    | September to November 2015; and |
| (d) Commence operations     | December 2015.                  |
32. The City Farm requires a project scope and tender to be approved by Council before any construction works can commence on site. A detailed implementation plan is documented on Page 42 of the business plan (refer to confidential Attachment E).

### PUBLIC CONSULTATION

33. The City Farm Feasibility Study included three community consultation and stakeholder workshops to develop and consider ideas and aspirations from key stakeholders.
34. The City Farm Advisory Group has been consulted in the development of the key business activities and operations of the City Farm.
35. The Sydney City Farm community group has been consulted on the City Farm Business Plan and endorse the approach taken (refer to Attachment C).
36. The City Farm has also been informed by the 10-week temporary Summer Garden project held at Sydney Park from January to March 2013. The Summer Garden generated strong community engagement, with 70 volunteers donating 850 hours to sustain the operations and weekend workshop events attracting over 500 participants, demonstrating the community's support and anticipation for the future City Farm.
37. The City Farm was a key point discussed at the Sydney Park Plan of Management public hearing in February 2014, which was well received.
38. The City has been keeping interested community members (650) up to date on progress of the City Farm through a newsletter mailing list, and the Sydney City Farm Community Group has also been distributing information to its 1,500 members.

39. The City will consult with the community on the development of the City Farm Master Plan in Sydney Park. This will include:
- (a) on-site meetings;
  - (b) workshops; and
  - (c) public exhibition of plans on the City's "Sydney Your Say" website.

**GARRY HARDING**

Director City Operations

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