

GREATER BENDIGO FOOD HUB

A FEASIBILITY STUDY FOR THE ESTABLISHMENT OF A REGIONAL FOOD HUB IN BENDIGO



DRAFT FOR COMMUNITY REVIEW
AUGUST 2015



The Australian Food
Hubs Network



CONTENTS

CHAPTER 1: SCOPING A BENDIGO FOOD HUB

Introduction	6
The Project	7
Background	8
The Bendigo Food Scene, Food Production and Emergency Food Relief	9
Study Areas	10
	11

CHAPTER 2: EXPLORING FOOD HUBS FOR BENDIGO

What's a Food Hub?	14
Case Studies – would these work here?	15
1. South East Food Hub	18
2. Incredible Edible Todmorden	19
3. The Stop - Canadian Food Centres	22
Stakeholder and Community Engagement – What do Bendigonians think?	24
Mapping Community Assets - Incredible Edible Bendigo	26
Produce mapping	

CHAPTER 3: THREE CONCEPTS FOR BENDIGO

Concept 1 - The Bendigo Food Hub	32
Concept 2 - The Bendigo Community Food Centre	34
Concept 3 - Networked Railway Station Food Hub Precincts	38
	42



CHAPTER 4: FEASIBILITY ASSESSMENT **44**

Required Site Characteristics for Models 1 & 2	46
Business and financial sustainability	47
Model 1 - The Bendigo Food Hub	47
Model 2 - The Bendigo Community Food Centre	49
Model 3 – Networked Railway Station Food Hub Precincts	51
Social Impact Assessment	52
Economic Impact Assessment	54
Risks and opportunities	56

CHAPTER 5: NEXT STEPS **58**

Staging tables	60
Management model/governance	62
Recommendations	64
Conclusion	64
References	66

APPENDICES **69**



EXECUTIVE SUMMARY

Food Hubs represent an exciting and powerful opportunity for communities grappling with the challenges of designing sustainable and fair food systems in the 21st century.

From producers to retailers, chefs, emergency food providers and community members, experience in North America and elsewhere demonstrates that Food Hubs offer a way to involve everyone who grows, eats, cooks and shares food in an integrated approach that achieves multiple and long-lasting benefits:

- Increased access to and affordability of healthy, fresh and local produce for vulnerable and low-income residents
- Significantly better returns to local producers
- Marketing, storage and distribution solutions for local producers and food businesses
- Significant efficiency savings and distribution solutions for restaurants and other businesses wanting to access local produce
- Training and employment opportunities for local residents
- Business incubation opportunities for new entrepreneurs
- Urban renewal and regeneration, enhancing the aesthetics of the CBD

This study describes a number of sequenced Food Hub models that in our assessment match Bendigo's current and anticipated food security needs. It provides national and international examples of best practice; and is cognisant of lessons learned through practice over the past three years, particularly by members of the Australian Food Hubs Network.

The strategic timing of this study allows for the previous work of Healthy Together Bendigo and the recent establishment of the Bendigo Regional Food Alliance to provide linkages and a base upon which to continue positive community participation. It is no coincidence that the City of Greater Bendigo has played a critical facilitation and leadership role in both these initiatives. Similarly the City of Greater Bendigo would very likely play a similar enabling and facilitation role in bringing together the community and a 'lead' Not For Profit organisation in the development of a Bendigo Food Hub.

The prospect of availability of infrastructure in the CBD is a timely complement to planning occurring currently across the community and the City of Greater Bendigo in relation to food and provides opportunities for existing or newly established consortia to be a focus of assessing a Food Hub's feasibility in Bendigo. This and other potential available sites provide a canvas upon which to conceptualise the short to longer term vision for a food system for Bendigo. One that is based on access and affordability of healthy food for all and a connected and active community.

High-level economic and social impact assessments indicate the benefits this project would provide for the community from multiple perspectives. Key findings of the social impact assessment include:

There is a strong likelihood that all three Food Hub models considered will increase access in desired areas of identified food insecurity in Greater Bendigo

There is a medium likelihood that the Food Hub models will enhance affordability of healthy local foods to low income consumers

There is a strong likelihood that the Food Hub models will contribute to community development in Greater Bendigo

The findings of the Economic Impact Assessment reveal that:

After 12 months activities outlined in Table 3 plus a weekly farmers market would see:

- 16 jobs created and supported via activities
- \$2.62 mn increase in total output to the Greater Bendigo economy
- \$3.65 mn increase in value-added and tourism impact combined to the Greater Bendigo economy

After 5 years

- 30 jobs created and supported
- \$4.75 mn increase in total output to the Greater Bendigo economy
- \$5.94 mn increase in value-added and tourism combined to the Greater Bendigo economy

Further, the impact of a 5% increase in local food purchasing in Bendigo over 12 months is likely to result in:

- 33 jobs created and supported
- \$8.03 mn increase in total output to the Greater Bendigo economy
- \$3.56 mn increase in value-added to the Greater Bendigo economy

A solid financial analysis based on modest assumptions sees the potential for business and financial strengths and viability of a Food Hub, bearing in mind the public good expected of such an enterprise. It allows for a technological connector

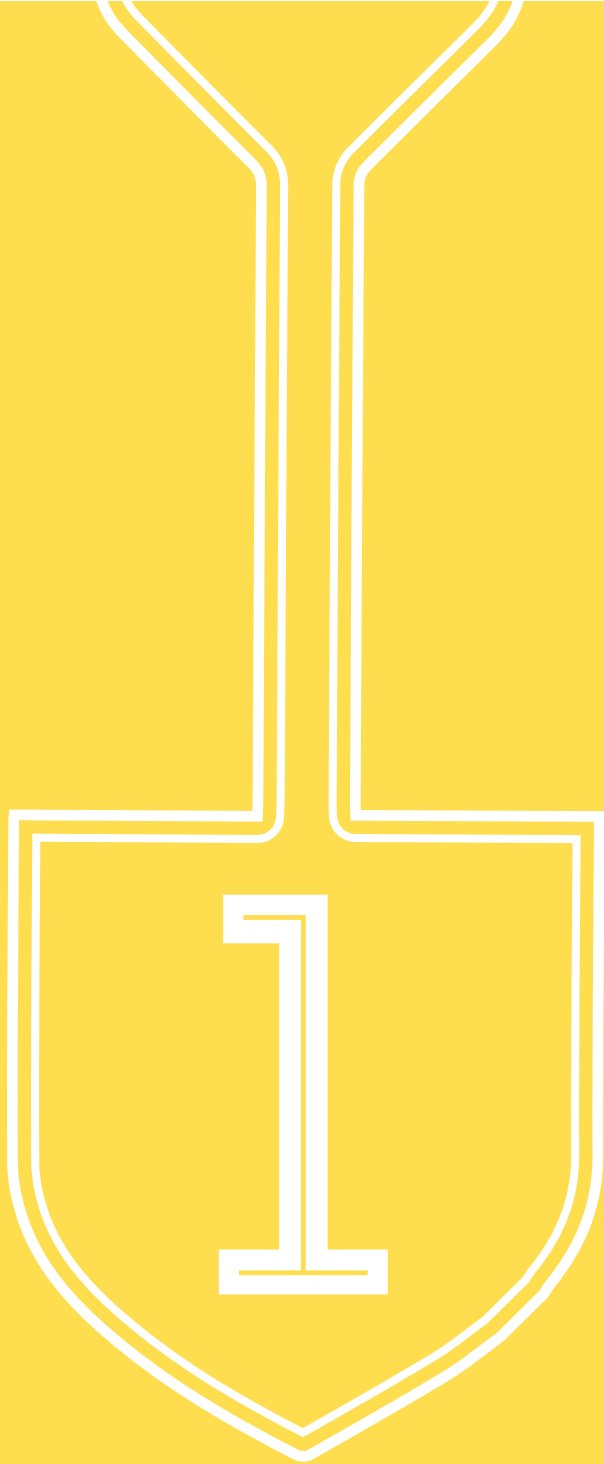
of the Open Food Network to facilitate the preliminary phases of coordinating Food Hub activities. The financial modelling reveals the core activities of a Bendigo Food Hub, namely education and training, storage and warehousing, marketing and distribution, and the operation of a commercial and community kitchen, could generate a net revenue in excess of \$330,000 within five years.

This can be facilitated by the evaluation, research and dissemination opportunities building on relationships in the education sector, together with the participation of the Australian Food Hubs Network. In this respect, the conduct of this Food Hub feasibility study has been made easier by our significant and broad community relationships in the community food sector in Greater Bendigo. Organisations such as Bendigo Foodshare, SecondBite and Foodbank Victoria are positioned well to expand into a new phase of activity in response to increased expressed community needs for emergency food relief and their enhanced community profile.

The potential for significant social enterprise activity, located centrally or in neighbourhoods settings via the three conceptualised Food Hub models is a value add for current community food projects, and the preferred ultimate objective of a more comprehensive Bendigo Community Food Centre combines with a new model for community partnerships.

Bringing people together to pursue objectives that can achieve outcomes greater than individually creates the potential to procure resources for the large-scale Food Hub vision. It allows for a Start-Up phase to underpin a prototype of Community Food Centres to be developed for use throughout Australia.

As demonstrated by Canadian Food Centres, and in particular The Stop, the means of success of a Food Hub rely on a staged approach to their development and when that occurs, anything is possible and our community can become truly 'Edible'.



SCOPING A BENDIGO FOOD HUB

INTRODUCTION

THIS STUDY PROCEEDS FROM THE RECOGNITION THAT FOOD IS FUNDAMENTAL TO THE HEALTH AND WELLBEING OF EACH AND EVERY ONE OF US, BOTH INDIVIDUALLY AND AS A COMMUNITY. FOOD HUBS CAN PROVIDE AN ENVIRONMENT WHERE LOCAL FOOD IS VALUED, AVAILABILITY IS MADE EASIER AND A MORE INTEGRATED APPROACH TO FOOD ACCESS AND AFFORDABILITY SUPPORTS LOCAL AND REGIONAL PRODUCERS.

Activities around growing, eating, sharing, cooking and sourcing local food in community and business networks within the Bendigo region reflect international trends to localise food systems. The development of a Food Hub is a logical next step to support this groundswell of community support and engagement. Experience with Food Hubs internationally reveals a wide range of positive outcomes, including health improvements, enhancements in social connectedness, greater protection of the environment, as well as stimulation of the economy and job creation.

Matching the community's enthusiasm for a strong and fair local food system, the City of Greater Bendigo has conducted research and developed policy and

programs to support the importance of healthy eating via increasing fresh food intake as part of the Healthy Together Bendigo project.⁽¹⁾ It has also investigated how an integrated approach to transport can improve the health of all residents.⁽²⁾

Food insecurity and lack of healthy food consumption are significant issues for the region. Data reveals poor health indicators, placing our community in a high-risk category for chronic ill health into the future.⁽³⁾ This is compounded by the rise in diseases associated with lack of physical activity. This evidence base, combined with the visible community, organisational and business interest, provides the impetus and context for discussions about a Food Hub.

Further, the opportunity for a site to be made available with a charitable purpose enables a focus on creating a whole-of-community, long term and inclusive response to improving healthy eating in Greater Bendigo. Potential exists to value and enhance existing community assets, and to allow the creation of precincts surrounding railway stations to be designated as Food Hubs. These precincts would be located close to organisations currently undertaking food related community development programs and activities, building on such activity centres for community benefit.

THE PROJECT

This project is titled ‘Greater Bendigo Food Hub. A feasibility study for the establishment of a regional food hub in Bendigo.’ For ease of use this will be assumed to be covered by the term Bendigo Food Hub and the words Food Hub throughout.

Food Hubs mature and develop over time, capable of doing so due to their dynamic nature, as experience of their operations accumulates. This project outlines their role and purpose in the community and makes recommendations for core functions, such as education, food production and food relief. It provides a model for their staged delivery that provides the basis for novel partnerships, development and functions of a Food Hub.

One strength of this project is our strong understanding of the local food system in Greater Bendigo. It enables timely examination of how a Food Hub could be sustainable and combined with a solid financial analysis determines the most appropriate Food Hub business model and strategy.

The study describes the role of the City of Greater Bendigo as the lead organisation in project managing the feasibility study and our approach supports developing an innovative model for potential partnerships and community involvement as it

progresses. The City of Greater Bendigo will also be a critical partner in securing funding for the potential development of the Food Hub.

This project investigates and scopes the feasibility of the core functions of a proposed Food Hub for Bendigo in contributing to food security for vulnerable communities. It investigates how to enhance income to food rescue and emergency food relief services,

and also considers the systemic issues relating to affordable access to quality food.

A dynamic multi-functional Food Hub would provide a venue to generate income through innovative social enterprise, including education, food warehousing and value adding in addition to emergency food relief. It would also support the long-term viability of our regional food producers and food businesses.

The study describes the following outcomes for a Food Hub:

- A logical plan for staging the development and operations
- A practical and sustainable business model (including partnerships, financial management, services and operations and their staging)
- The required site characteristics, plus any complementary facilities or property
- A proposal ready for the Start Up phase, including the required capital resources for the project to be ‘funding ready’
- A management model, including the role of local government plus key partnerships, including the currently presented public private partnership opportunity
- The extent to which the project contributes to economic growth in the region, in the form of a high-level economic impact assessment
- Understanding the extent to which the project supports or addresses disadvantage in the region, in the form of a high-level social impact assessment.

BACKGROUND

The City of Greater Bendigo's Council Plan 2013-2017⁽⁴⁾ aims to support health outcomes for the community, especially the vulnerable, and those moving into new growth areas. Implementation of the priorities of the Greater Bendigo Public Health and Wellbeing Plan⁽⁵⁾ will provide support for community health, wellbeing and resilience for a diverse, strong and growing community.

In the short term, the objectives of the Public Health and Wellbeing Plan can be secured via the implementation of the recommendations from the Greater Bendigo Food Security Report 2014, including investigation of establishing a Regional Food Hub and Distribution Centre.

In the medium to long term, the enhancement of community health and wellbeing will include investigation of opportunities to improve transport options to access fresh food supplies, prioritising rural areas and disadvantaged communities.

Food Hubs with a charitable purpose often are Not For Profits, as is the case for nearly 40% of Food Hubs in the United States that have an explicit social justice mandate.⁽⁶⁾ These Hubs increase access to fresh and nutritious produce to disadvantaged and food insecure communities, foster awareness and education about the growing community food system, and provide a connection and communication between farmers, consumers and multiple stakeholders.

Food Hubs may differ in their organisational structure, management and governance, and the demographic of their customers. The type of infrastructure required and services the Hub offers all rely on a unique constellation of local issues. These can decrease costs of all aspects of localising the food system, whilst also providing increased employment opportunities and health benefits from increased fresh produce consumption in the local community.

THE BENDIGO FOOD SCENE

FOOD PRODUCTION & EMERGENCY FOOD RELIEF

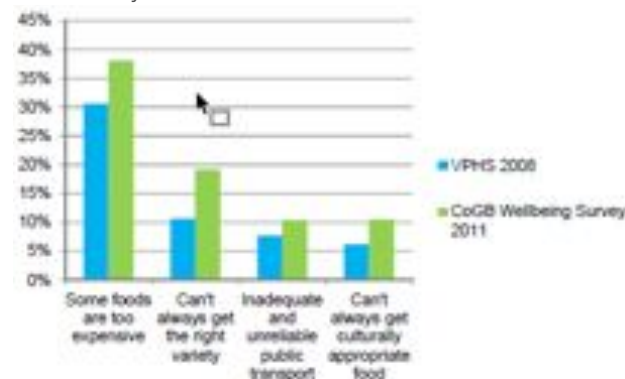
Bendigo has a thriving community food sector. Interest in growing, cooking and swapping food and rescuing surplus food for charitable purposes has boomed. This has occurred in conjunction with the development of the Bendigo and Heathcote Community Farmers Markets, the Bendigo Community Food Network, and, more recently, the Bendigo Regional Food Alliance, plus the development of school kitchen gardens and cooking programs and a greater understanding of the importance of composting organic waste.

On a regional scale, food production in the Loddon region includes livestock and horticulture, with vegetable, fruit and nut production totalling \$419 million of agricultural product⁽⁷⁾. This includes eighteen manufacturers and eight wholesalers that provide a wide range of fresh produce in the region⁽⁸⁾, with an estimated \$91 million in local sales in the Greater Bendigo region⁽⁹⁾.

The emergence of the Bendigo community food sector has seen the development of Food Fossickers, the producers and food retailers network, supported by the City of Greater Bendigo to work together to increase the connection between farmers and markets into the community. Many local producers are members of Food Fossickers and supply local Farmers Markets. The community food sector's emergence has also seen the development of the emergency

food relief sector, including organisations such as Foodbank Victoria, SecondBite and the establishment of Bendigo Foodshare. The significantly high food insecurity rate in Bendigo (9.4% compared with 5.6% for Victoria)⁽¹⁰⁾, combined with a high proportion of low-income households (14.3% versus 12% for Victoria),⁽¹¹⁾ necessitates a focus on food security as a high priority for the City of Greater Bendigo.

The Food Hub will become a health-promoting setting that will have a focus on groups in the community vulnerable to food insecurity. These groups include those with low incomes, the unemployed (also under employed and 'working poor'), those with a disability, experiencing mental illness, CALD, the elderly, those with addictions, who are homeless or are Indigenous community members.



Food Security Risk Factors 2008 - 2011 City of Greater Bendigo

SIMPLY TELLING PEOPLE THAT SOMETHING IS GOOD FOR THEM, OR USING THE FACT THAT THE FOOD IS FREE TO FORCE THEM TO EAT THINGS THAT THEY DISLIKE, WILL NEVER PROMOTE CHANGES IN PEOPLE'S CHOICES.

-Scharf, Levkoe and Saul (2010)

The activities of Food Hubs are often values-based, and therefore prioritise increased access to affordable and nutritious fresh food for low-income communities. The focus on food security and health outcomes for this project needs to be balanced by the capacity to achieve a viable business model.



STUDY AREAS

This study covers the three geographic areas outlined in the project brief: the specific central CBD site that could be suitable for a Food Hub; the food-related activities within the urban and peri-urban city boundaries; and food production and related activities in the broader Greater Bendigo Municipality. We explore options for the Food Hub to have a greater presence in the community than just a place to distribute food; on the contrary, it should be a venue to generate enhanced economic and community impact on the City of Greater Bendigo's food system. This study provides a conduit for increased communication, information sharing and coordination between producers and others active in the food value chain.

Preliminary discussions currently occurring for a public private partnership to support the development of a regional Food Hub in Bendigo present a good opportunity for viable Food Hub developments following the completion of the feasibility study. It is opportune to assess this in detail, and that the proposed site forms a core component of Study Area 1 in the CBD, identified below. The other two study areas, Study Area 2 and 3 apply to the urban and peri urban areas of Bendigo and the broader municipality, specifically in regarding producers and players in the food system that could be integral to a Food Hub (such as market gardens, intensive horticulture or food distribution facilities).

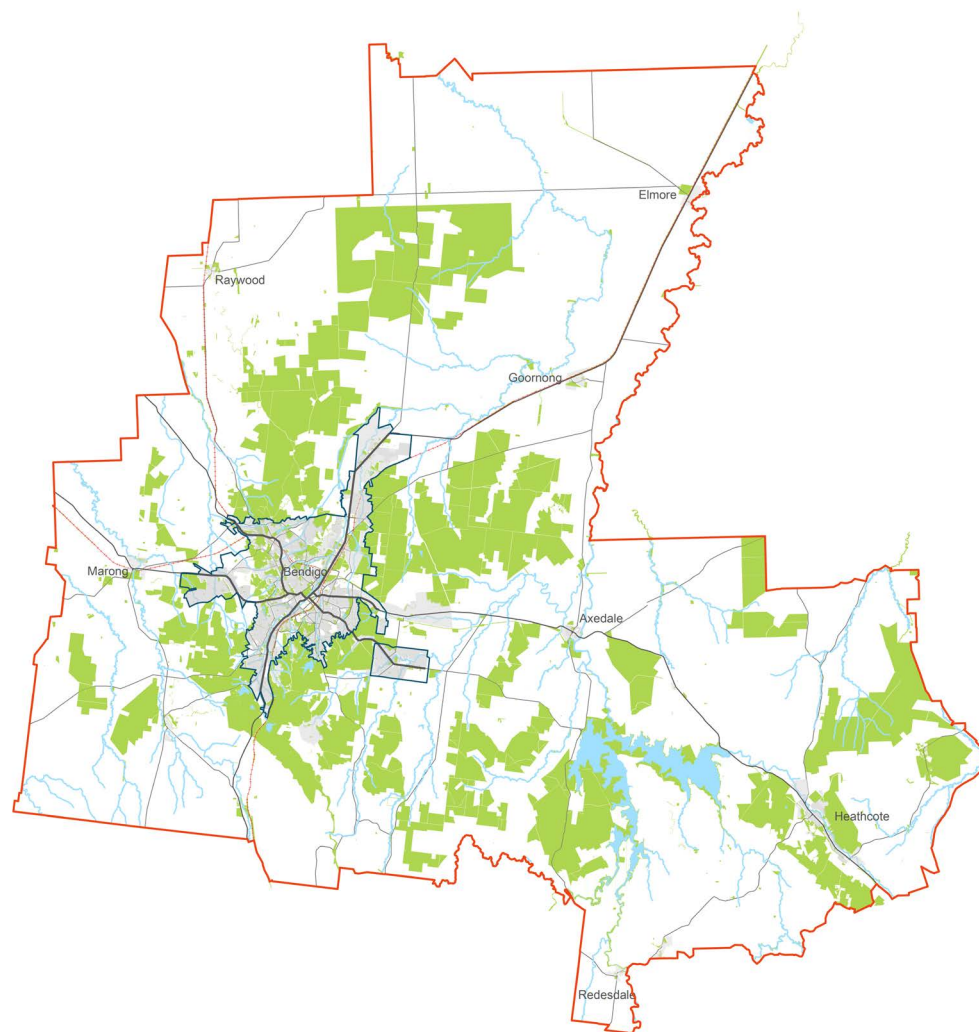


**STUDY AREA 1:
CENTRAL BUSINESS DISTRICT**

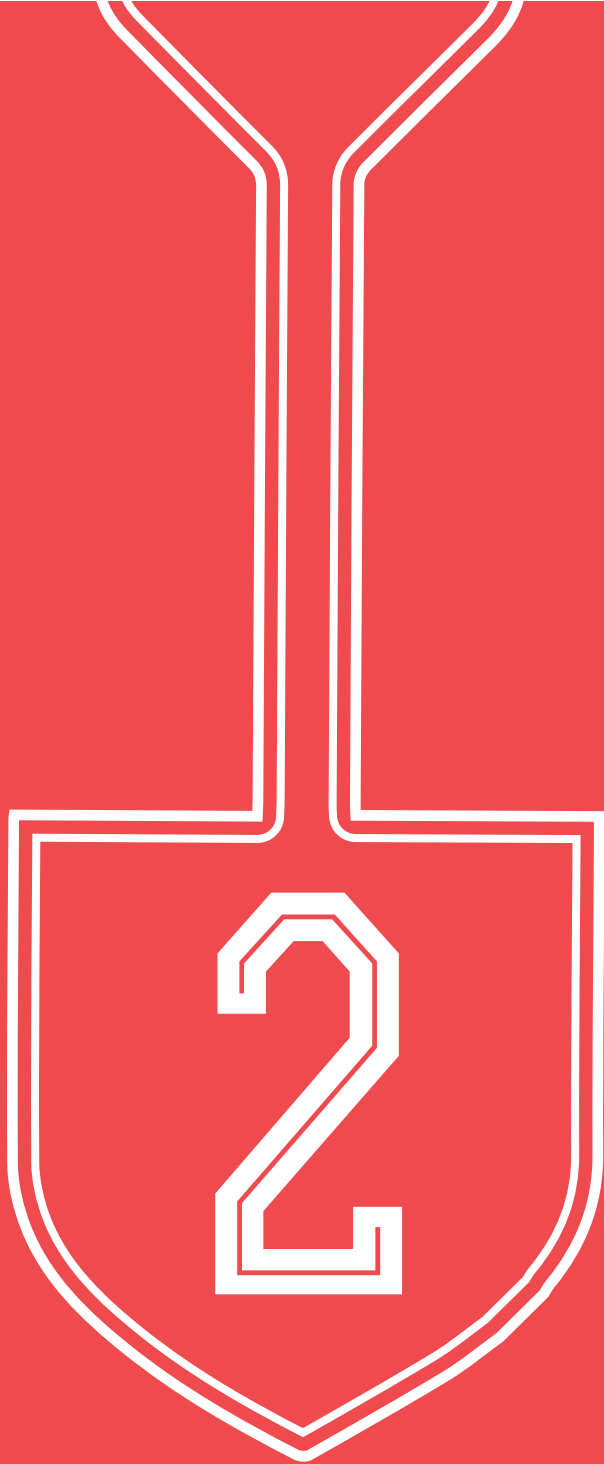
**STUDY AREA2:
URBAN & PERI URBAN BENDIGO**



**STUDY AREA 3:
GREATER BENDIGO MUNICIPALITY**







EXPLORING FOOD HUBS FOR BENDIGO

WHAT IS A FOOD HUB?

Great emphasis is placed on foods grown for national and international markets, however food that is grown, processed and sold primarily for local or regional markets may underpin a local or regional food economy. Local impacts of farmers' markets underpin other transactions at the community level and can be used as an example of the more intimate connection between producers and purchasers of food, with reported higher levels of trust and interpersonal relationships making them a key means of rebuilding a local food system. ^{(12) (13)}

In this study local food in the Greater Bendigo region refers to the Greater Bendigo Municipality plus produce from adjacent interface councils that are considered under the category of 'flexible localism' ⁽¹⁴⁾.

Some question the assumption that local food is necessarily more desirable from an environmental or socially justice perspective, or more nutritious, fresher, and able to address issues of food security. ⁽¹⁵⁾ Compared with the larger retail alternatives though, people are voting with their feet in favour of local food. That said, producers still face many barriers in taking full advantage of the opportunities that local markets offer, including the need to travel to numerous markets to sell produce and the long hours this entails.

Community members often experience difficulty sourcing local, fresh and affordable produce. ⁽¹⁶⁾

In its strictest sense a Food Hub coordinates some aspect of the production, processing and/or marketing of food to meet demand for local, fresh, organic or other value-laden products. ⁽¹⁷⁾ It is important for this project to consider that farmers, eaters, local businesses and communities are creating new, innovative food value chains and networks to distribute food within local/regional economies and communities, and that an objective of increased access to and affordability of local produce can be achieved.

FOOD HUBS OFTEN AIM TO BE ECONOMICALLY SELF-SUSTAINING ENTERPRISES THAT SUPPORT THE LOCAL FOOD ECONOMY, FACILITATE COLLABORATION BETWEEN KEY STAKEHOLDERS AND COMMUNITY MEMBERS⁽¹⁸⁾ AND THEREBY FOSTER A MORE COMMUNITY-ORIENTED FOOD SYSTEM.

Components and markets of a local, community-based food system may include:

- Farmers markets,
- Community-supported agriculture (CSA),
- U-pick operations and roadside stands,
- Food cooperatives,
- Chef collaboratives,
- Community gardens,
- Farm-to-school networks,
- University, hospital, and institutional food procurement programs,
- Critical local infrastructure such as abattoirs and dairies,
- Produce and livestock auctions,
- Food banks and community food pantries,
- Community kitchens,
- Producer cooperatives,
- Locally-owned grocery stores, restaurants, and
- Food service operations. ⁽¹⁹⁾

In addition to meeting market needs and encouraging product diversification, a community-oriented food system should achieve the following outcomes:

- Increase farm income,
- Build local food infrastructure,
- Link local food to chefs and the local food entrepreneur to the local food supply,
- Educate and engage youth,
- Make nutritious food widely available and affordable,
- Increase ethnic and culturally appropriate food options,
- Foster multiple producer-consumer interactions,
- Conserve natural resources,
- Enhance soil quality,
- Reduce transportation energy,
- Reuse vacant land,
- Encourage recycling and reuse, and
- Increase biodiversity⁽²¹⁾.

The Australian Food Hubs Network sees Food Hubs as ‘innovative, strategic and adaptive responses to the incessant pressures of the everyday’ - particularly the challenges of farmer viability, healthy food access for low income populations and the need for diverse, independent, locally accountable enterprises in resilient food supply chains⁽²⁰⁾. In Australia Food Hubs include neighbourhood centres, food coops/buying groups, CSAs, multi-farm CSAs, online marketplaces and hubs and regional aggregation facilities.

A number of Australian Food Hubs, including CERES in Melbourne, the South East Food Hub and Food Connect in Brisbane, are demonstrating that this form of social enterprise provides a better return to farmers, improves access to healthy food for communities, creates jobs, and builds skills.

These Food Hubs provide a new level of infrastructure to support small to medium scale producers and facilitate the community’s access to fresh and seasonal foods by improving farmers’ ability to sell into local markets.

Internationally, approaches to Food Hubs vary, underlining the range of options that can be utilised in order to achieve outcomes that are both desirable and sustainable, including ensuring lower income communities have access to high quality fresh food.⁽²²⁾

In the United States there are over 200 Food Hubs, with survey data revealing the following characteristics of this rapidly emerging sector:

- Food Hubs are financially sustainable, with an average turnover of \$3.7 million, and 66% operating with no grant funding
- 60% of them take some other form than private for-profit ownership.
- Food Hubs are creating jobs, with 19 paid positions on average
- Food Hubs are growing to meet market demand: more than 95% are experiencing increased demand, with the main clients being restaurants, schools and small grocery stores
- Most Food Hubs are new: 62% commenced operations in the past 5 years
- Food Hubs are creating market opportunities and providing crucial services for small and mid-sized producers: 76% of Food Hubs say most or all of their producers are small to mid-sized, and 74% say most of their customers are within 100 miles (160 kms)
- Food Hubs are achieving social justice objectives: nearly half have explicit commitments to equity and food security.
- 60% of gross sales were products from small farms (under \$500K annual sales).⁽²³⁾

Organisations that have developed Food Hubs with a strong community development focus have been found to have common aims:

- They have established community infrastructure that made sustainable and socially-just food options accessible,
- They are economically sustainable, because they generate some or all of their own revenue, and
- They focus on projects that aim to shift consumer behaviour, working towards a decentralisation of the food system for the purpose of fostering increased self-reliance.⁽²⁴⁾

Linking local food to chefs and other local food entrepreneurs can foster local and regional brand identity⁽²⁵⁾. Developing a brand identity (such as Buy Bendigo) stimulates demand and fosters a culture of food and farm entrepreneurship to support growth in local and regional markets and economies. In this way “buy local” can reduce transaction costs and provide a single point of purchase for consistent and reliable supplies of source-identified products from local and regional producers.⁽²⁶⁾ Thus entrepreneurial thinking and sound business practices can satisfy a need for social impact.⁽²⁷⁾



Circle of Food System Connections adapted from C. S. Mott Group at Michigan State University⁽²⁸⁾



CASE STUDIES

WOULD THESE WORK HERE?

The three chosen case studies illustrate the importance of the community setting in creating a Food Hub, the international best practice benchmark, and the reality of local efforts and learnings in the Food Hub arena.

SOUTH EAST FOOD HUB

INCREDIBLE EDIBLE TODMORDEN

THE STOP - COMMUNITY FOOD CENTRES CANADA

SOUTH EAST FOOD HUB

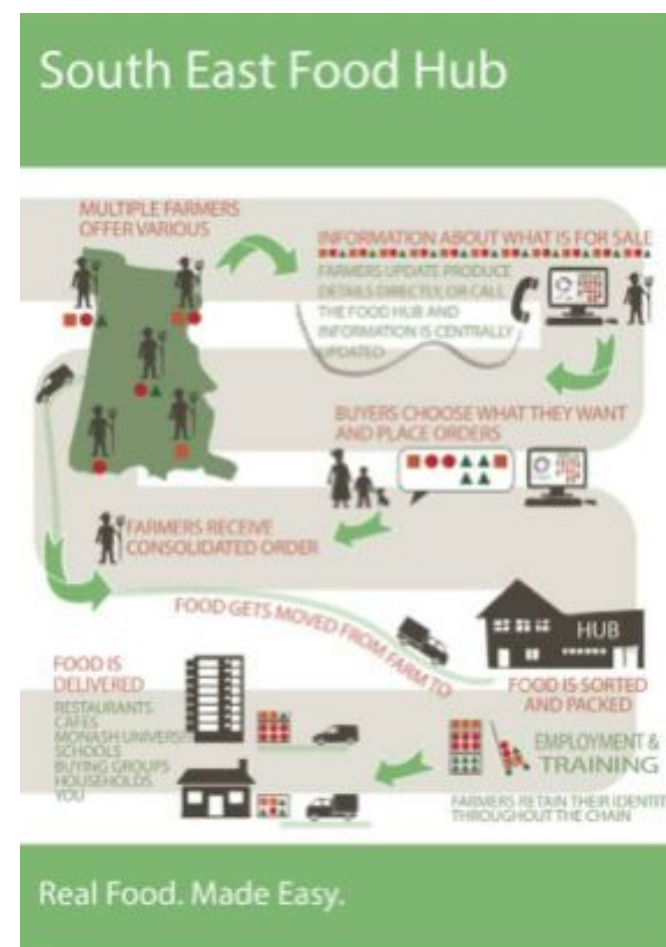
CASE STUDY 1

The South East Food Hub provides fresh local food to people in Greater Melbourne and the south-east region of Victoria, at a fair price to the farmer and to the eater. It aims to provide an option that supports our farmers, advocates for healthy communities and addresses issues of food access.

This south-east Melbourne region was specifically chosen for this project because it is an under-represented area of Victoria both in terms of customer access to fresh food and easy access to market for its producers. The south-east Melbourne region includes urban growth corridors, communities of high cultural diversity and lower socio-economic status than the Victorian average. Access to fresh food is a significant issue, with food insecurity in the City of Greater Dandenong very high, and Cardinia Shire one of the highest in Victoria – two thirds greater than the state average. The South East is also one of greater Melbourne's most productive horticultural areas, generating a wide variety of fruit and vegetables all year round – however there are significant pressures on agricultural production in this area, ranging from loss and fragmentation of land for housing; price pressure and a lack of fair market access; seasonal labour shortages, and a perception (among farmers) that their presence and products are not valued in the broader community.



**OPEN FOOD
NETWORK**



South East Hub Infographic ⁽³³⁾

HOW DID IT START?

The South East Food Hub was established as a pilot project to test the feasibility of a food delivery model that enables local people in the South East of Melbourne to access the abundant and diverse produce that is grown all around them.

The scoping study (in 2011) was conducted by Eaterprises Australia with the Australian Food Hubs Network, and supported by VicHealth and the City of Casey. The scoping study produced concepts that were further developed through a 2-year innovation research project, again supported by VicHealth – to explore possible models for providing better returns to farmers AND improved food access in the community.

Operating trials were commenced in early 2014, to investigate feasibility and test assumptions about supply and demand through an agile / lean and action-research approach. The project's intention for the trial was to establish, utilise and develop:

- A strong brand and market expectation of the South East Food Hub;
- An online trading network – using the prototype Open Food Network (OFN) software;
- A weekly Food Hub order cycle, including ability for orders and payments to be handled online; and
- Food Hub warehouse and distribution operations.

HOW DOES IT WORK?

Food Clubs allow friends, work colleagues, schools, neighbours or community groups to band together and gain access to good food at more affordable prices. Simply order your produce online, our farmers deliver it to us, we pack it for you and deliver it to your nominated pick-up point.

The South East Food Hub continues to operate a weekly order cycle, with produce availability confirmed with farmers on a Tuesday, orders taken (online) between Tuesday and Friday afternoon. The South East Food Hub currently services approximately 10 community 'food clubs' and a small number of wholesale customers (e.g. local shops and cafes). You can see a sample of the range currently available at <https://openfoodnetwork.org.au/sefhub-sample/shop>.

Produce is delivered by farmers to the packing facilities of one of the participating farmers (Cafresco in Koo Wee Rup) by 7am Tuesday morning, where orders are compiled and delivered to the Food Clubs and customers throughout the day. The Food Hub has a flexible 'mark-up' structure (facilitated by the Open Food Network) that aims to keep costs down and support community groups to develop their own associated enterprises e.g. if they collect or pack their customers' orders the Food Hub's mark-up is reduced to as little as 17%.



WHAT WERE THE OUTCOMES?

This project has demonstrated a Food Hub model that can deliver the three intended outcomes of market access for farmers; jobs and local enterprise opportunities; and improved healthy food access for communities in Melbourne's South East. It has established:

- 10 community buying groups: including community enterprise models that raise revenue for community centres and schools; and the establishment of independent small businesses to replicate and extend the model
- New opportunities for job creation and skill development: the South East Food Hub trial involved participants from training and employment programs at Avocare, and worked with local distribution companies. Early participants reported their learning curve in relation to types of fruit and vegetables. Base operations of the current model require two packing staff (total 0.4), an operations coordinator (0.5) and a business development manager (0.6)
- It has involved 16 farmers, over 110 varieties of fruit and vegetables, and almost \$60,000 paid to the participating farmers.
- Over 210 people have placed orders over the past 18 months, and they have approximately

120 people placing regular orders (weekly or fortnightly).

THANK YOU SO MUCH FOR ALL THE WONDERFUL FRUIT AND VEGETABLES, THEY ARE JUST SO DELICIOUS, FRESH AND EXUDE HEALTHINESS! I AM SO DELIGHTED WITH THE QUALITY AND FEEL VERY PRIVILEGED TO HAVE SUCH AN AMAZING SERVICE PROVIDED TO OUR SCHOOL COMMUNITY.

-Member, Menzies Creek Primary School

OWNERSHIP / GOVERNANCE

The trials were commenced under the auspice of a Dandenong-based non-profit training and employment organization – Avocare Ltd. This enabled the Food Hub to start trying things out within an existing warehouse environment, and through employment of an Avocare supervisor to manage the packing. Other early partners were crucial, such as local provedore

Cheffields, who conducted South East Food Hub deliveries to restaurant and hotel customers for the first six months for free.

As the Hub grew, it became too large for the space and auspice of Avocare and in April 2015 began its transition to an independent operation. It is currently operating within the legal structure of social enterprise incubator Eaterprises Australia, while a full business and/or investment plan and ownership structure for an independent Food Hub is developed.

You can find out more at www.southeastfoodhub.org or on the Open Food Network – www.openfoodnetwork.org.au/groups/south-east-food-hub.

INCREDIBLE EDIBLE TODMORDEN

CASE STUDY 2

ORIGINS

Incredible Edible Todmorden (IET)⁽²⁹⁾ is recognised worldwide as a community initiative that enables the whole Todmorden township to be enthusiastic about growing and campaigning for local food.

They aim to provide access to good local food for all, through:

- working together
- learning – from field to classroom to kitchen
- supporting local business

NET MEMBERSHIP PREREQUISITE: IF YOU EAT YOU ARE IN!

From a small start planting herb gardens around town, IET is now an incorporated association, and has grown to planting and growing vegetables and orchards on all manner of public spaces in the locality.

IET believe local food means fresher food – tastier

food – and ‘you know where it’s come from’. They want their campaign to encourage healthier eating. Their achievement of food-based learning is one to be studied. Their campaigns - such as Every Egg Matters, which creates a network of poultry producers - are original and effective.

IET provides support and resources to an international network of Incredible Edible towns and cities. They have a great advocate in Pam Warhurst - you can watch her in action on this TED talk about how we can eat our landscapes http://www.ted.com/talks/pam_warhurst_how_we_can_eat_our_landscapes?language=en ⁽³⁰⁾

Recently funded half a million pounds to establish a Food Hub at the local high school, they have created a position of ‘Food Inspirer’ for the project to promote education in cooking and nutrition.

In 2015 IET gave permission and provided the logo for Incredible Edible Bendigo to use.

IET High School Food Hub aims to:



AIMS

- Grow produce to sell to local schools and the community within 1 year,
- Establish a social enterprise to distribute food to homes and businesses in 2 years,
- Help local schools achieve 70% of food produced locally for catering within 3 years,
- Provide training in growing or cooking food to a minimum of 500 community members within 3 years and
- Create 2 full time jobs and placements for 2 trainees who will achieve full time local employment in 3 years.
- They are now expanding to utilise donated land to create a major dedicated local resource for teaching and learning about the food system.



THE STOP - COMMUNITY FOOD CENTRES CANADA

CASE STUDY 3

"While our food access programming helps confront the issue of hunger, it also creates opportunities for community members to forge their own responses to hunger. We believe this approach will end the way charity divides us as a society into the powerful and the powerless, the self-sufficient and the shamed. At The Stop, we are creating a new model to fight poverty and hunger: a community food centre."

-Nick Saul

DESCRIPTION

Canadian Community Food Centres are "Reinventing what a "Foodbank" means in the 21st century – from charity and dependence, to empowerment and agency"

The Stop Community Food centre, under the guidance of then CEO Nick Saul (now CEO of Community Food Centres Canada), pioneered a transformation from a traditional charity model food bank, that distributes (often inferior quality) food on an emergency basis to people on low incomes, to a new, human rights-based, empowerment model of 'community food centre'.⁽³¹⁾ The Stop continues to provide emergency food relief of a high quality, but its focus has shifted to educating and empowering its clients to become agents of change and advocates in their own cause to address the structural roots of food poverty and inequality.

FUNCTIONS

- Drop in service
- Perinatal program
- Community action program
- Ovens and community cooking
- Community advocacy
- Sustainable food systems education and training
- Urban agriculture
- Sustainable food production and education for primary schools
- Greenhouse and nursery propagation

OWNERSHIP / GOVERNANCE

The Stop is a not-for-profit organisation, with a high degree of participation as volunteers and employees from community members and clients. It is governed

by a volunteer Board of Directors, which has a broad cross-section of skills and experience from the food industry, charitable, community and corporate sectors.

OBJECTIVES

The Stop's objectives are to:

- Meet basic food needs of its clients
- Foster opportunities for community members to build mutual support networks
- Enable community members to connect to important resources
- Empower members to 'find their voices on the underlying causes of hunger and poverty'



CRITICAL SUCCESS FACTORS

Innovative partnerships and collaboration; visionary and committed leadership; understanding and responding to the needs of its clients; respecting its clients as individuals and treating them with dignity and respect.

The Stop proposes the following:

1. Meet people's immediate needs, and meet them where they are
2. Good food is an investment in Good Health
3. Provide a welcoming and respectful environment
4. Remake ourselves: Build knowledge and skills to grow; Prepare and advocate for good food
5. Work to remake the food system
6. Build infrastructure and a critical mass for food programming "The place based element"
7. The advantage of the inspirational power of food to make friends and raise money

It's
quite intense.

There's been a nearly 30% increase in the numbers of Canadians accessing food banks in the past few years. [Our food relief service] is a really heavily used program, and our co-workers in charge of it have done a lot of work over the past year to incorporate fresh fruits and vegetables. Whether from our gardens, or from our farmers, so we have more choice over the types of food we have. We have more wholefoods in bulk, and are saying 'no' to a lot of the foods that others are trying to donate.

We always try to balance how much of our resources are going to go to food hampers and meals, rather than into food skills training, urban agriculture programs, and community cooking programs. So the staff who run the food bank have decided to keep it open the same number of hours per week, but on one day run it not as a food bank, but as a community food grocery store. We'll buy the food in bulk, and sell it at a discount, to increase dignified food access.

-Nick Saul

WHAT DO BENDIGO-NIANS THINK?

STAKEHOLDER & COMMUNITY ENGAGEMENT

The community engagement process for this project was prioritised due to the multiple social benefits that such a process can generate. Our approach revolved around working with people to address the issue of food security affecting the health and wellbeing of the community via:

- Getting people involved and enthusiastic about a Food Hub for Bendigo
- Gaining broad based feedback and input about this opportunity from both producers and consumer perspectives
- Valuing what the stakeholders bring to the consultation process

The community engagement involved primary research with local food producers, community groups and organisations provided information about their needs for and interest in a Food Hub. This included over 50 individual, semi-structured interviews (in-person and by phone), 2 group interviews/information sessions (in person), surveys (on-line Survey Monkey), a public forum and consultation and participant observation. There were also a very large number of informal conversations. The entire consultation process took place over three weeks, only possible because of the previous and existing relationships with many stakeholders.

THE OPPORTUNITY TO FEED A COMMUNITY WITH QUALITY AND QUANTITY OF LOCAL PRODUCE FOR PEOPLE TO ENGAGE WITH THEIR FOOD PRODUCERS AND THE WHERE, HOW AND WHY OF WHAT THEY GROW. ALSO TO GROW A FOOD DISTRIBUTION MODEL THAT IS TRANSPARENT (UNLIKE OUR CURRENT DUOPOLY) WITH A FOCUS ON SUSTAINABLE, ETHICAL AND LOCAL AGRICULTURE AND FAMILY FARMS.

It is important to recognise that a community meeting does not suffice to engage with those experiencing disadvantage who would be a key anticipated participant group in any of the models proposed. There would need to be a large amount of work done subsequent to this feasibility study to continue with the engagement process to make it successful in the longer term.

Secondary data was gathered from existing studies and reports, databases, websites, journal articles, books and reports and studies from non-academic sources.

Mapping of Incredible Edible Bendigo and produce mapping in the Greater Bendigo Municipality, plus visioning documents were designed to develop possible models for Food Hub development that reflects values and goals of participants.

Important relationships and potential partners for the

set up and subsequent stages are proposed to be based on linked in decision making, innovation and cooperation and fostering greater participation in food systems by all stakeholders, especially producers and consumers⁽³⁴⁾. Research confirms that the reasons for consumer participation in the local food system are more complex than the mere exchange of goods and services.

It was critical to determine where the community benefits may occur with a Food Hub:

- Would it increase fruit and vegetable consumption and healthy eating for residents of Bendigo?
- Would it provide opportunities for skill development and job creation via social enterprises?
- Would it provide better markets and fair prices for producers?

Interviews with Producers

53% likely that Food Hub would support their business 90% likely, very or extremely likely.	Challenges in Bendigo Food System: storage, distribution and marketing opportunities, access to fresh, local and seasonal produce; and how to create a Food Hub with activities that do not compete with current retailers.
	Opportunities: Availability of storage, logistics and kitchen facilities and increased market for produce, ability to promote and educate wider community re quality of produce
	Value adding opportunities: Majority interested in added kitchen facilities and what that would facilitate for enterprise and education

Interviews with Producers

Community Interviews

Key Quote: <i>“People’s awareness of the relationship between production of food, where it comes from and its link with the environment and its impact on the sustainability of their existence”</i>	Challenges in Bendigo Food System: Healthy food access and affordability for all especially at risk groups, food literacy and education, skills development; ability of food rescue and distribution to meet need
26% likely to use Food Hub and 87% likely or very likely to use Food Hub	Opportunities: education, training, research, kitchen, storage and facilities for community use, youth engagement, People’s Market weekly, cultural food preparation
Key quote: <i>“People are disconnected from food and don’t have a relationship with unprocessed food”</i>	Value adding opportunities: Social enterprises, education and training income, food education centre, value adding to produce, take home meals, micro distribution and many more suggestions

Community Interviews and Responses

Educational Providers Survey

25 education providers, from early childhood to tertiary providers were surveyed with 30% response	Challenges: Access to affordable and diverse healthy food choices; connecting projects in a meaningful, practical way that provides mutual benefits, food literacy
Key Quote: <i>“Making science education relevant and food does that”</i>	Opportunities to be involved: Education on site, access for school meals programs, food growing education, cooking skills, life skills, linkages across all educational levels
	Project linkages with your institution: classes, excursions, volunteering, sharing resources, linkages, research

Educational Providers Survey

MAPPING COMMUNITY ASSETS

INCREDIBLE EDIBLE BENDIGO

The project brief requested examination of the food-related activities within the urban and peri-urban city boundaries as Study Area 2. Thus the ability to locate all of the current Local Community Food Initiatives underway in Bendigo under the banner of Incredible Edible Bendigo has been timely and a bonus for the community. Building on years of work, it greatly facilitated the mapping commenced by Healthy Together Bendigo to identify community food assets. This draft map was then displayed at the community forum, held at the Bendigo Town Hall on June 16th.

The recent formal identification of Bendigo as an Incredible Edible community, complete with logo, allows for support from the original Todmorden township and, indeed, that has been offered.

Inspired by the City of Greater Bendigo's Integrated Transport and Land Use Strategy, a unique opportunity to progress this mapping of community assets to provides a starting point for developing Neighbourhood Food Hubs as an ancillary or stand-alone model for Food Hubs in Bendigo. The notional 2km Railway Station precinct locates a majority of those assets within a transport zone that is complemented by rail access as well as walking and cycling tracks, bus routes.

It includes the potential for mobile food delivery

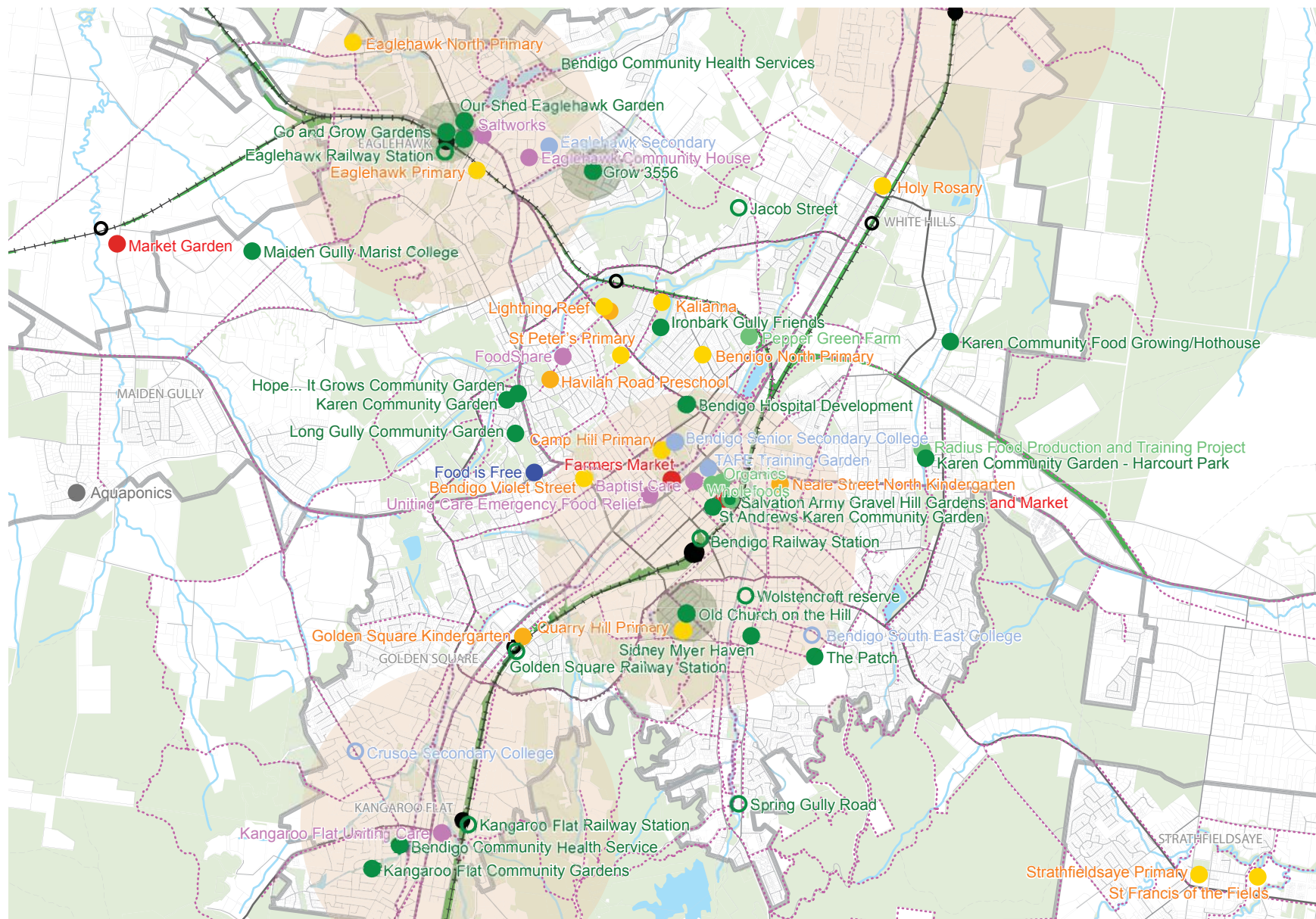
programmes such as that run by Foodshare Toronto⁽³⁵⁾, where their mobile food market truck travels across town selling affordable fresh food in neighbourhoods selected through consultation with local communities and analysis of gaps in food access.

KEY

- Farmers Market
- Food is Free
- Community Meals / Food Relief Projects
- Aquaponics
- Secondary Education Kitchen/Garden
- Potential Secondary Education Kitchen/Garden
- Primary School Kitchen/Garden
- Preschool Kitchen/Garden
- Food Production
- Community Gardens
- Potential Community Gardens
- Existing Railway Station
- Proposed Railway Station
- Food Hub Precincts
- Walking/Cycling Tracks

COMMUNITY FOOD INITIATIVES IN GREATER BENDIGO MUNICIPALITY

- Marong Primary
- Eppalock Primary
- Huntly Primary
- Huntly Kindergarten
- Elmore Community Market
- Elmore Primary
- Community Farmers Market (Heathcote)
- Heathcote Community Foodswap
- Heathcote Community House
- Cydonia Permaculture (Heathcote)
- Heathcote Primary



Greater Bendigo Local Food Initiatives

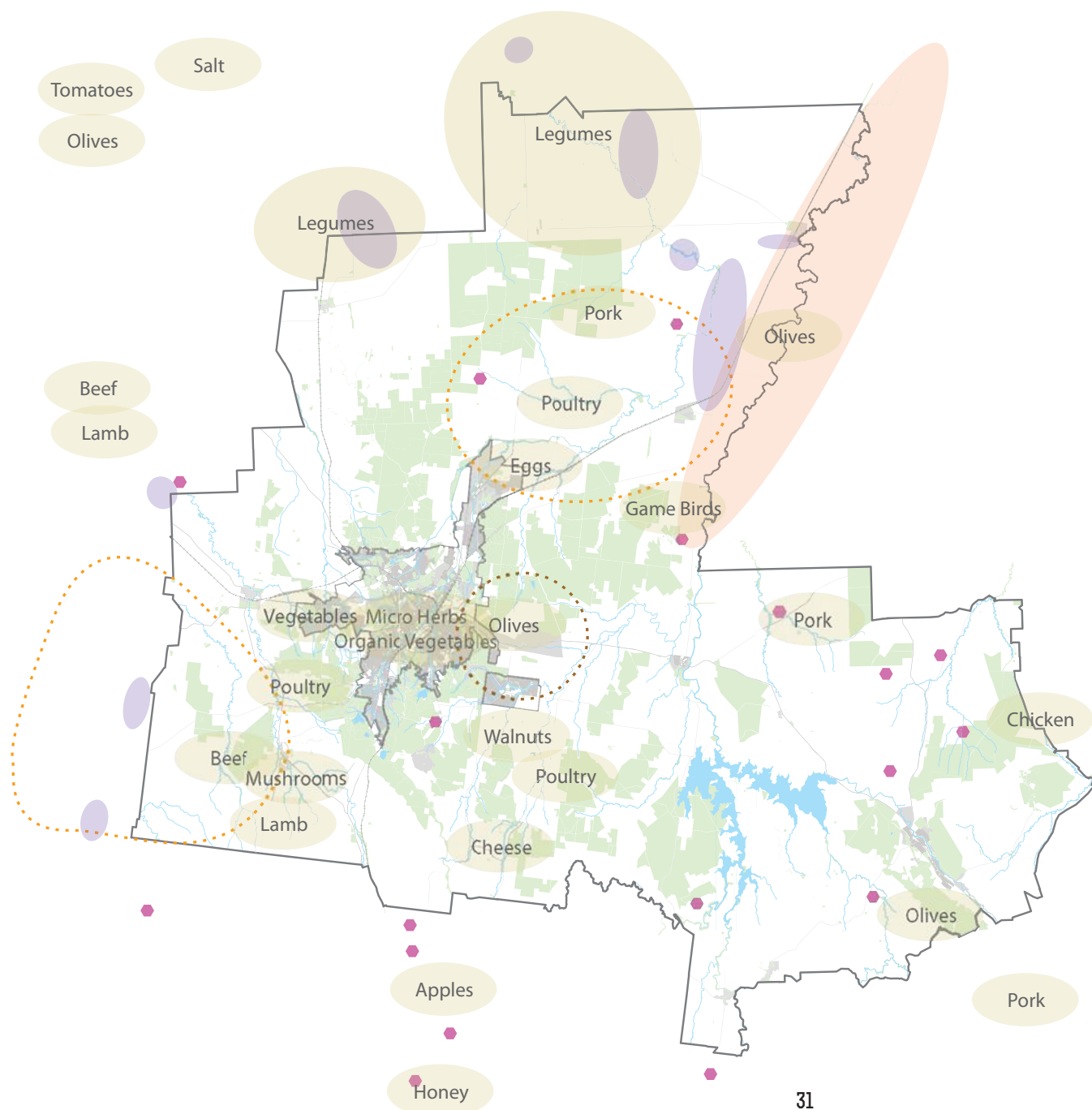
PRODUCE MAP

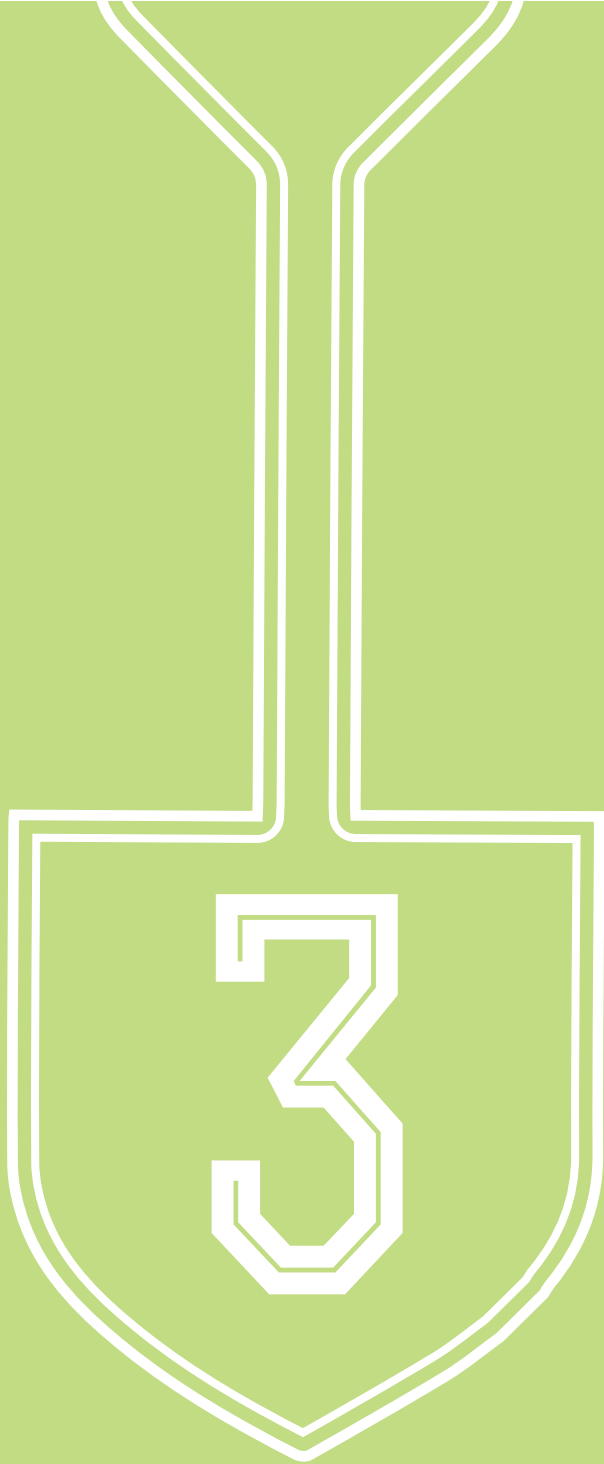
The study brief also requested examination of food-related activities in the broader Greater Bendigo Municipality, corresponding with Study Area 3. Mapping the range and availability of produce in the Bendigo region has commenced through the activities of groups such as the Council’s Farming Advisory Group, Food Fossickers⁽³⁶⁾ and Bendigo Community Farmers Market⁽³⁷⁾ activities. This preliminary exercise identifies food production activities within and adjacent to the Greater Bendigo municipality, and sets a starting point for a more detailed / dynamic mapping activity to support the business expansion of local producer networks. It can support increased communication, information sharing and coordination between producers and others active in the food supply chain.

There is also a possibility to leverage Open Food Network ⁽³⁸⁾’groups’ infrastructure to create a Bendigo food map / directory that enables easy identification (and updating) of producers and their produce in the region.

KEY

-  Cropping, Fruits, Vine Fruits, Vegetables and Herbs
-  Oil seeds and Oleaginous Fruits
-  Orchards, groves, market gardens, vineyards
-  Intensive animal industry cluster
-  Growing equine industry





THREE CONCEPTS FOR BENDIGO

WE HAVE DEVELOPED THREE INDEPENDENT CONCEPTS FOR THE FOOD HUB, BUT BELIEVE THAT THESE - TOGETHER - COULD FORM A STRATEGIC INTERVENTION FOR THE CITY OF BENDIGO AND REGION. THIS SECTION DESCRIBES THEM SEPARATELY.

CHAPTER 4 (FEASIBILITY ASSESSMENT) THEN OUTLINES HOW THESE COULD BE DEVELOPED AS SOCIAL ENTERPRISES, AND CHAPTER 5 (NEXT STEPS) OUTLINES HOW EVENTS AND DEVELOPMENT COULD BE STAGED TO GRADUALLY BUILD UP TO THIS FULL SYSTEM.

ALL THREE CONCEPTS DETAILED BELOW DESCRIBE WHAT A FOOD HUB COULD DELIVER, WITH A SPECIFIC FOCUS ON SOCIAL EQUITY AND FOOD JUSTICE.



CONCEPT 1

THE BENDIGO FOOD HUB

One core need of Concept 1 is for a permanent and expandable base for emergency food relief operations, such as provided by SecondBite, Foodbank Victoria and Bendigo Foodshare, on a necessary scale in Bendigo. In addition, other revenue generation activities can be added to boost financial viability of an expanded operation.

The consultations revealed some additional community needs and interests in relation to a potential Food Hub. These were:

- Storage and Warehousing: need for more permanent facilities with room to grow to meet significant demand for food relief in Bendigo, and make facilities available to other organisations and other activities such as Home Care Meals Services.
- Producers: provision of storage and coolroom facilities, support for distribution logistics and shared marketing opportunities, possibility of accessing these services under one roof. NB. Most of the producers interviewed are already involved in networks such as the Bendigo Community Farmers Market and Food Fossickers. These were opportunities identified to build on and strengthen existing activities.
- Organisations in the health, welfare, community service and education sectors are keen to be

part of a vision that moves beyond a foodbank model to incorporate life skills education, providing training and job opportunities.

- Non-profit organisations and public health units are interested in cooking and gardening programs as a way to promote exercise and improved nutrition.

These interests could shape the core features of a Bendigo Food Hub as outlined in Table 3.

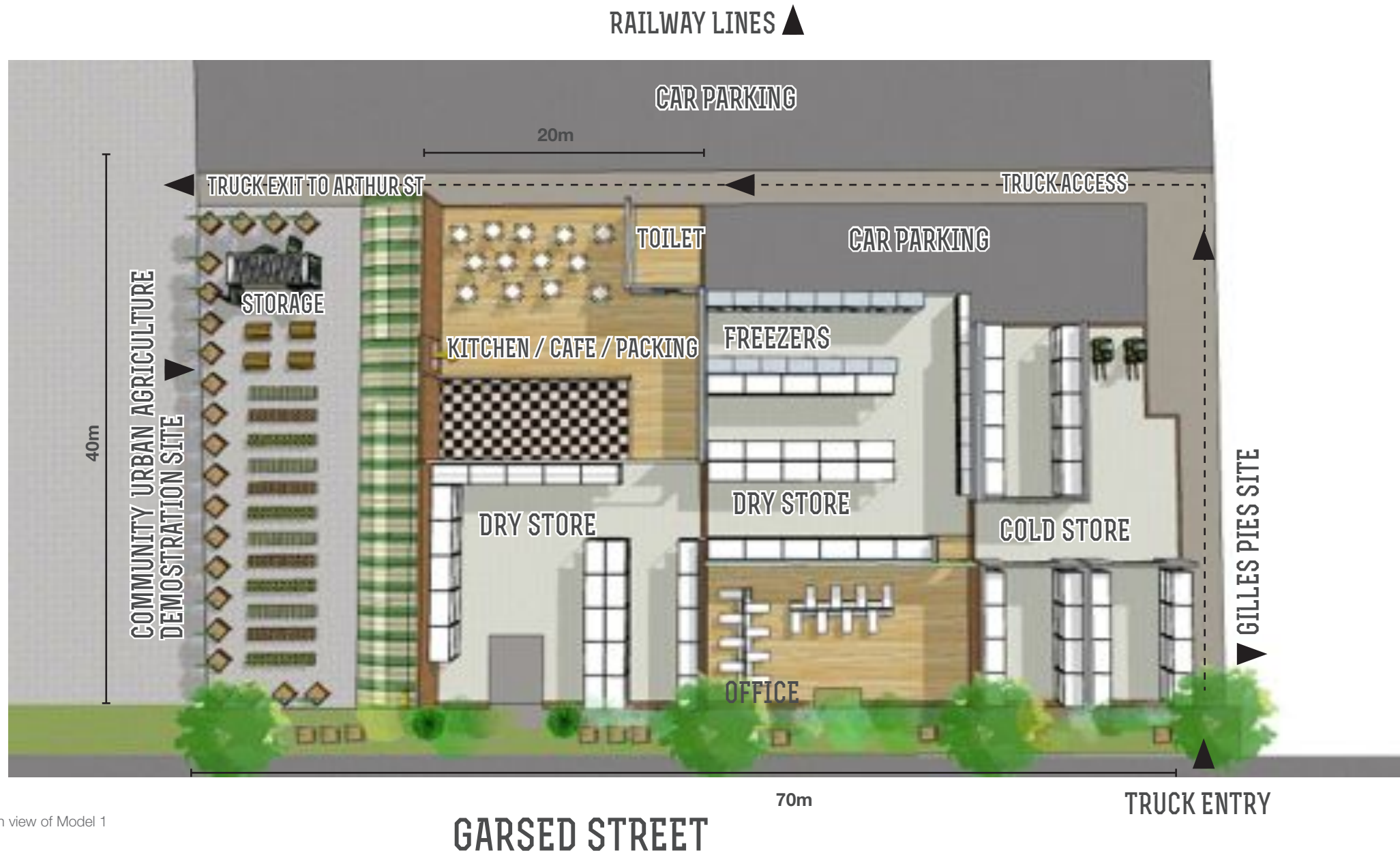
These component activities are essential to the viability

of a start up phase of 1 year and integral to a longer-term vision for the site, see more detail in Chapters 4 and 5. This model enables starting small and lean with available infrastructure and building up the model and activities as initial revenue streams are established.

There is significant interest in using the central CBD site identified in the tender documents as Study Area 1, owned by ISPT. This site has been used to shape the visualisations and concept design, but this is not intended to suggest that it is the only possible site in central Bendigo. Further investigation to identify other sites could be part of next steps if / as required.



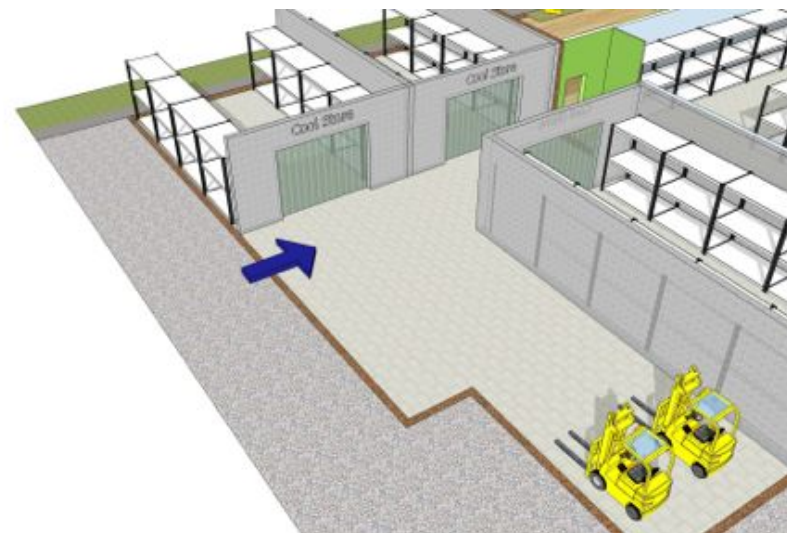
Exterior view of Model 1



Plan view of Model 1



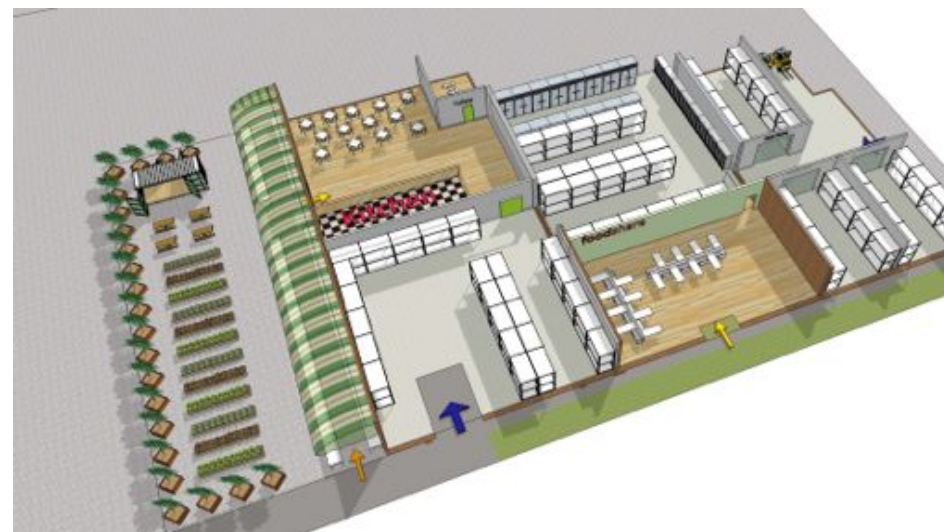
Outside Garden Area



Loading and Cold Store Area



Dry Store Area



Overview of Model 1






	Function	Explanation
 WAREHOUSE / STORAGE	<p>Storage and Warehousing</p> <p>Provision of storage and warehousing – for both food relief and local producers accessing local markets</p>	<p>A base non-profit partner and operator or consortia of existing relief entities, facilitating the establishment of a more permanent facility for coordination of emergency food relief, enabling increasing scale to better meet identified and growing need.</p> <p>By establishing additional storage and refrigeration facilities, the Hub could quickly move to providing these as services to local producers and other local businesses.</p>
 FOOD LOGISTICS	<p>Marketing, Aggregation and Logistics</p> <p>Aggregation and logistics support to enable local food producers to enhance their businesses and access new markets</p>	<p>Virtual Food Hubs create an information source and create networks and link buyers that are typically much harder for smaller producers to reach.</p> <p>Expand communication and networking between producers, buyers, sellers and others by creating a virtual, online Food Hub to provide a shared marketing and logistics platform for local producers. This can continue / build on the Bendigo Community Farmers Market producer liaison and sales operations recently initiated using the virtual hub functions of the Open Food Network.</p> <p>This activity will be designed to fill gaps in local food supply (not compete with existing retailers), initially providing small-scale wholesale services, with a longer-term aim to obtain procurement contracts with local institutions and other related food businesses.</p>
 KITCHEN	<p>Kitchen</p>	<p>The potential to co-locate a significant community of interest on one central CBD site to enable cooking activities. Potential also exists for community lunches with schools and community members, plus for take home meals.</p>
 TRAINING / EDUCATION	<p>Education, providing training and job opportunities</p>	<p>Training in warehousing and logistics and commercial cookery has been modelled.</p>
 OFFICE / INNOVATION	<p>Innovation</p>	<p>Demonstration site for food production from seed through to waste to compost generation in a garden setting. This will encourage outreach from and entry to the Food Hub facilities by the many community partners who have expressed interest in participating, to help shape future activities.</p>
 PEOPLE'S MARKET	<p>People's Market (a Farmers Market with emphasis on access and equity)</p>	<p>Up to 1000 people visiting weekly provides opportunity for organisations to facilitate physical access to those requiring better food access and affordability.</p>

Table 1: Core features of Model 1

CONCEPT 2

THE BENDIGO COMMUNITY FOOD CENTRE

Model 2 would build on Model 1, while providing some of the same key functions such as scaled emergency food relief activities, requiring more storage space, but significantly expanding ambition in four key areas:

- Commercial Kitchen:
- Training and Education:
- Office and Social Enterprise Incubator:
- Community Engagement.

In the longer term, the Community Food Centre would allow for significant complementary enterprises to be co-located with the core Hub activities outlined in Model 1, again illustrated using the site identified in Study Area 1. These enterprises would link with the community via many and varied opportunities for outreach programs, home delivery of foods to low income residents and continuation of support for the numerous community food initiatives underway encompassed by high level preliminary mapping of Incredible Edible Bendigo.

Potential features of the full-scale Bendigo Community Food Centre are outlined in Table 2

“Health promotion programs also need a way to reach low- income communities through trusted organisations that offer more than a “talking to” about personal choice.” In Every Community a Place for Food, Scharf, Levkoe and Saul, (2010)





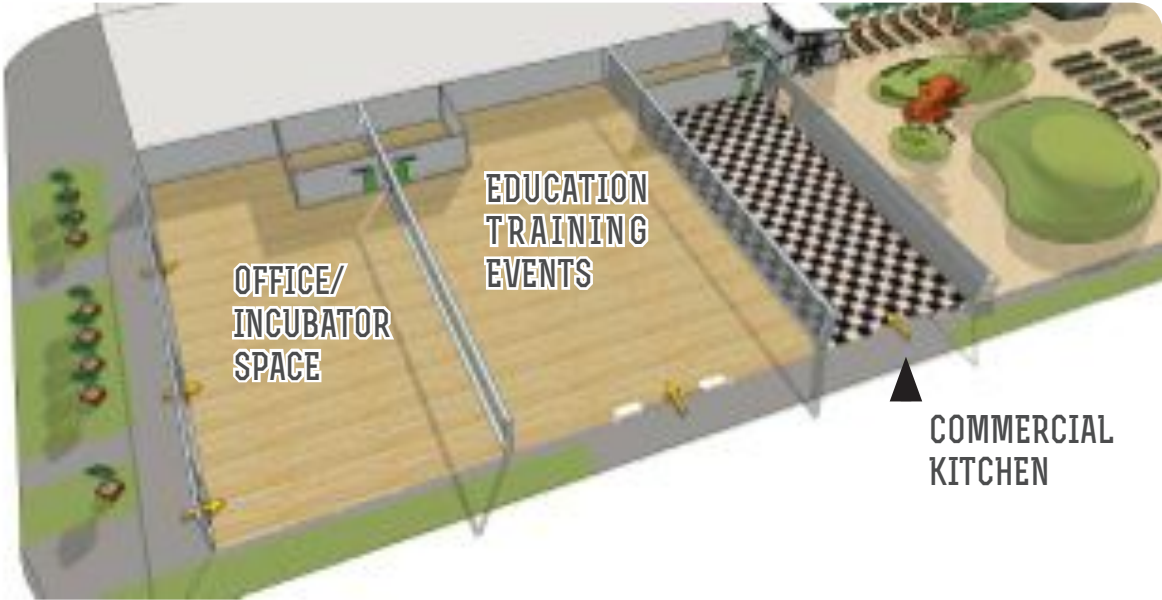
Plan view of Model 2



Foodshare and storage area



Cafe, outdoor garden and recreation area



Office and Education Training Areas

	Function	Explanation
 WAREHOUSE/ STORAGE	Storage and Warehousing	Expanded from Model 1
 FOOD LOGISTICS	Marketing, Aggregation and Logistics	Expanded from Model 1

	Function	Explanation
 KITCHEN	Full-Scale Commercial Kitchen	Storage of the scale required for 30,000 Meals On Wheels servings per annum. Potential additional contracts with food providers, such as Meals on Wheels Providers.
	Significantly expanded from Model 1	The provision of space to niche, culturally appropriate and demographic-specific cooking sessions and value adding of local produce to create social enterprises would create additional revenue streams. The potential for a food truck model, to be funded philanthropically, to operate from the Food Hub would allow for outreach affordable fresh produce access and additional longer term plans may include educational activities at Food Hub sites associated with neighbourhood food initiative activities alongside Bendigo's railway stations at Eaglehawk, Kangaroo Flat and Bendigo
 TRAINING / EDUCATION	Education	Housing large events such as a 'Taste of Bendigo', a potential annual sit down food tourism event plus catering for other events.
	Significantly expanded from Model 1	Ability to incorporate learning from early years through to the University of the Third Age and also provide mentoring opportunities. Partners in the educational space would include all levels of early childhood education, primary and secondary school, Bendigo Kangan TAFE, other training providers in relevant Certificate 3 and 4 qualifications, LaTrobe university public health students, Registered Training Organisations in the disability sector. Potentially a food education enterprise. The ability for a large educational provider to use the space for school children based on the food system from seedling through to compost production from food waste would provide an opportunity for education in Central Victoria.
 OFFICE / INNOVATION	Office and Social Enterprise Incubator	The potential exists for a commercial tenant sympathetic to the social justice principles of equitable food access. A commercial range rental could underpin half of the space available to subsidise smaller community tenants.
	Space for food-related social enterprise incubation with outreach functions	The former 'Bendigo Preserving Company' would present an interesting and engaging street frontage and create marketing opportunities for enterprise development on site.
 PEOPLE'S MARKET	People's Market	Demonstration site for food production from seed through to waste to compost generation in a garden setting.
	Location for a weekly People's Market, a demonstration community garden and more activities	In addition a waste management demonstration location utilising 'The Rocket' composter ⁽³⁹⁾ would allow for food waste from CBD cafes and restaurants to provide compost for sale or use in the demonstration community garden on site. An aquaponics demonstration unit would be located there and be funded through grants. It could grow niche product for local cafes and restaurants.

Table 2: Core features of Model 2

CONCEPT 3

NETWORKED RAILWAY STATION FOOD HUB PRECINCTS

Model 3 expands the focus beyond a central site to explore a distributed network of activities within Food Hub precincts at sites of significant existing or potential community food activity across Greater Bendigo, for example, precincts at Bendigo, Eaglehawk and Kangaroo Flat.

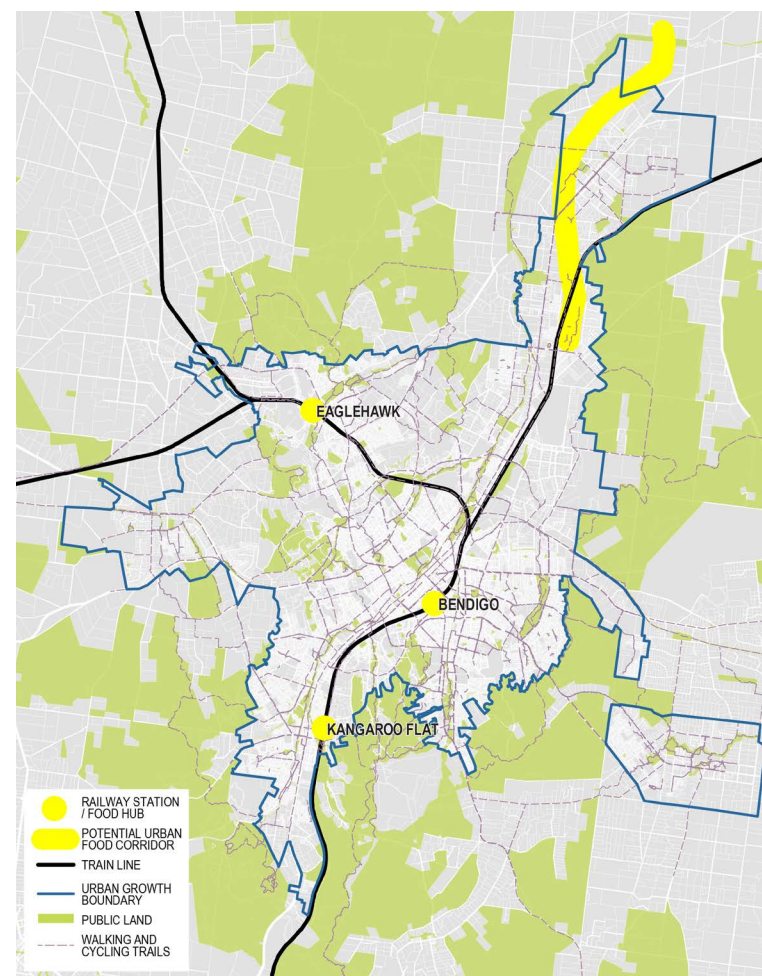
Based on the initial high level mapping of Incredible Edible Bendigo there are more than 70 different local community food initiatives underway or in planning across Bendigo. This third, distributed network model is one that is current, active and capable of being scaled with investments via a range of providers.

The identification and assessment of community assets such as existing kitchen infrastructure and locations for both emergency food relief and producer aggregation and storage would need to be the subject of a further study, as would be further planning, underpinning a network of activity from the many and various locations situated within roughly a two kilometres radius of each railway station. The delineation of these assets allows for the integration of transport as a critical factor in assisting food security in Bendigo, and needs to address the outlying townships of Elmore, Axedale, Raywood, Redesdale and Heathcote. The assets are not

only complementary with implementation of Model 1 via outreach programmes, but could provide a stand-alone solution that can be invested in to create expanded activity hubs in the immediate future.

The Open Food Network would also be a strong feature of this third proposal, with technology enabling virtual hub functions to support activation of small community hubs in the shorter term, while the longer-term implementation would be expected to be 5 years, similar to Model 2. Food trucks would be a strong element in this configuration, as would growing spaces on VicTrack land for community gardens and orchards.

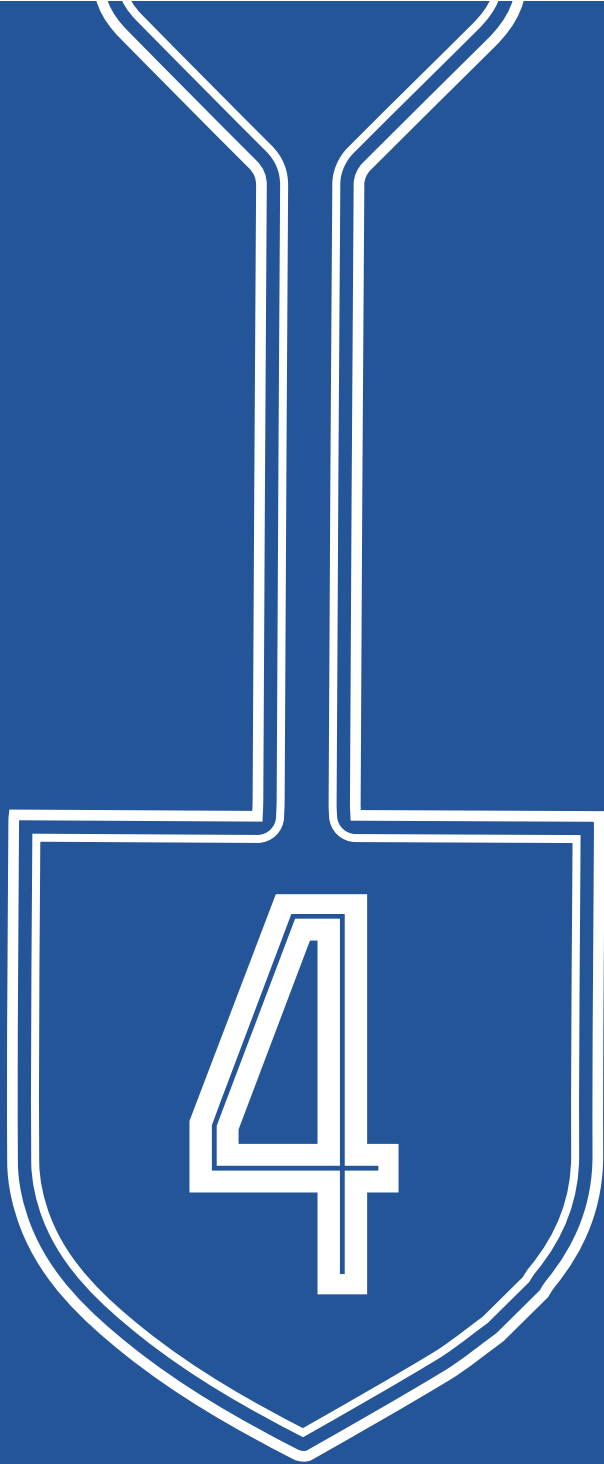
This Model could be staged parallel with Model 1 as a relatively short term start up phase aimed at building on current local community food initiatives and food security programmes. Economic impacts and financial modelling of undertaking functions outlined in Models 1 and 2 would also require further study. See Chapters 4 and 5 for more detail.





MODEL 3

CONCEPTUAL IMAGE



FEASIBILITY ASSESSMENT

ASSESSMENT

HOW WILL IT SUCCEED?

- Asking the right questions of the right people
- Strategic timing and partnership opportunities
- Start Up phase prototyping for larger Community Food Centre
- Significant community participation potential
- Value add for current community food projects

The nature of program models and options for innovative products and services will influence the creation of a sustainable business model for the proposed Bendigo Food Hub. How these services are delivered and how the business entity is structured need to be developed in a considered and transparent manner, together with a solid financial analysis

A traditional business analysis would assess whether demand and need for a Food Hub and its services are greater than existing supply. However, in this project there is a unique constellation of factors:

- The potential use of an existing site that could be made available to a Not For Profit agency, an agency in partnership with others in the food relief network or a newly formed governance group building on the learnings from each agency to further their emergency food relief activities, with a refurbished warehouse space that could be made available within months, and the potential for funding and in-kind support from related business interests.
- This is accompanied by momentum within the community for a more integrated approach to emergency food relief, the regions' poor food security and health data, and the high level of low-income community members, all of which indicate an increasing need for assistance with obtaining a healthy diet.
- In addition a number of food related initiatives, Food Fossickers, the Bendigo Community Farmers market and the Bendigo Community Food Network and the new Bendigo Regional Food Alliance are all looking to increase the scale of their activities and the ability to focus on a Food Hub for Bendigo would be strategic and timely.

REQUIRED SITE CHARACTERISTICS FOR MODEL 1

The specific potential revenue streams of the different Models are outlined in more detail below.

Infrastructure provision is a critical need for facilitating start-ups in the Food Hub sector. Consideration of the potential use of Study Area 1 would create a significant advantage (unrealised by many potential Food Hub start-ups) with a suitable building available at minimal cost. If this site turns out not to be suitable or is not available, then a critical element of progressing the project would be to identify other potential central sites. All the costings below assume that a suitable site is available with minimal / no rent, and with suitable refurbishment and equipment in place (e.g. no major infrastructure set-up cost). Specific financial modelling for another location would need to take place separately.

Conceptually, a breakdown of space suitable for development of Model 1, and potentially expandable to Model 2, could include:

- Coolroom and freezer
- Access requirements: truck and long wheel base delivery van access at least two entrances, clear of pedestrian traffic; location to promote physic activity with proximity to public transport and walking and cycling tracks
- Council zoning: appropriate to use for

commercial business purposes

- Space for office
- Kitchen space
- Training area
- Outdoor market area
- Green space for demonstration food growing
- Parking: for 2 small vans and visiting vehicles

Infrastructure such as walk-in coolrooms and freezers and kitchen fit out may be leveraged through charitable donations and / or partners. If this does not occur, the facilities would need to be funded via funding obtained for their establishment in the second year of operation.

BUSINESS & FINANCIAL SUSTAINABILITY

MODEL 1 - THE BENDIGO FOOD HUB

Model 1 returns a surplus of \$27,000 in the first year, increasing to \$336,000 in the fifth year. The following activities have been included:

- Coolroom and freezer storage would be available for producers and local businesses to rent per pallet, with a base of 100 pallets in year one, increasing to 200 pallets by year five. This activity supports a logistics manager and an operations manager.
- Aggregation of wholesale produce for local food businesses would be supported by the Open Food Network's technology with distribution logistics supported through a combination of cargo bikes locally and food vehicles travelling to Melbourne. The cargo bike fleet could also support the distribution of produce, collected through a gleaning program.
- Cooking demonstrations could be provided in the community kitchen, while mobile food delivery could be facilitated through existing community service agencies and programs. The kitchen could also operate a social enterprise offering partial processing for product diversification for wholesale, and

prepare sandwiches and seasonal salads for sale.

- Provision of RTO training courses in year one, increasing to year three, covering: warehousing, logistics and forklift management; commercial cookery, capacity building for persons with disabilities; and other food related training. Students could volunteer to gain practical experience in the cool room and storage area, or the commercial kitchen as appropriate and would work with volunteers to produce take home and school meals. Funds generated from the provision of training would contribute to funding the full time logistics manager.
- A grant-funded community garden could be established for educational purposes for school groups, including the provision of a sit down meal, prepared with donated and surplus produce, by the community kitchen.
- A weekly People's Market, supported by local transport services, would expand the number and diversity of customers visiting the market to purchase culturally appropriate food, including take home meals prepared with donated and surplus produce, by the community kitchen.

Separate to this project there will be a partnership between the Not For Profit and the Bendigo Sustainability Group to install solar PV arrays on the roof and implement other energy efficiency measures. The scale and cost of these are anticipated to contribute an income stream to offset some energy costs, but not all, of the operations, which will have significant energy requirements for the coolroom.

Calculations of the economics of environmental efficiencies would be a further project.

SUMMARY OF ESTIMATED NET CASH FLOWS BY ACTIVITY

This information is derived as part of the scoping of the proposed operations of the potential food hub from the first to fifth year for Model 1 proposed. The associated financial modelling is based on estimates derived from the community consultation undertaken over the tender consultation period for anticipated warehouse space and running costs; potential food enterprise income production and the delivery of training courses and was undertaken by an experienced certified chartered accountant.

	Estimated net cash flows						
Function	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Storage and Warehousing							
Coolroom and freezer storage (net of electricity and forklift)	0	26,520	47,338	68,979	91,466	114,824	349,127
Operations and Logistics Managers salaries	0	-122,564	-134,054	-142,882	-152,009	-164,642	-716,151
Marketing, Aggregation and Logistics							
Wholesale hub	0	46,626	59,216	72,056	85,154	98,514	361,566
Full-Scale Commercial Kitchen							
Take home meals	0	0	28,403	30,351	32,365	34,447	125,566
Meals for school group visits	0	0	3,745	7,641	11,690	11,924	35,000
Partial processing of food for meal preparation	0	0	44,607	45,499	46,409	47,337	183,853
Education							
Training courses:							
Warehousing, logistics, and forklift	0	43,509	44,379	45,267	46,172	47,096	226,423
Commercial cookery, food studies	0	52,077	53,119	54,181	55,265	56,370	271,011
Capacity building for persons with disabilities	0	0	53,119	54,181	55,265	56,370	218,934
Other food related training	0	0	0	54,181	55,265	56,370	165,816
Office and Social Enterprise Incubator (n/a)							
People's Market (n/a)							
Other operating expenses	-2,500	-18,932	-19,923	-20,933	-21,964	-23,015	-107,267
TOTAL	-2,500	27,237	179,949	268,520	305,077	335,596	1,113,880

Table 3: Financial Costings Model 1. Please refer to Appendix 3. for further information on calculation and assumptions.

Enterprises scoped for and established in the second year of Food Hub operations are anticipated to take a further 5 years to fully realise their potential. Financial modelling of Model 1 shows a viable model for staging of a Bendigo Food Hub as per Model 1. This can be paralleled by Model 3 activities, bringing the benefit of community interest and involvement.

MODEL 2 - THE BENDIGO COMMUNITY FOOD CENTRE

This model is inspired by The Stop in Canada that operated for many years very effectively with just one community space, a garden, and a kitchen, providing for a primary focus on the needs of low-income community members. Inspired by this, programs at a Community Food Centre in Bendigo could include a combination of healthy meals, a food bank, producers storage and wholesaling, community kitchen and cooking classes, community garden, training, food-systems education, a People's Market and volunteer and social enterprise projects involving people in various areas contributing to food security.

Model 2 is anticipated to be planned for during the first year of operations of the Hub and associated entities as per Model 1. The financial focus of this study has necessarily been on Model 1. During the Model 1 Start Up phase sufficient funding is anticipated to be attracted for the development of the full site on the CBD Study Area 1 site (or at a separately identified location) to create a full scale Bendigo Community Food Centre over the following 4 years, taking the full site expansion 5 years in total from commencement.






Area of Food Hub activity	Detail
 WAREHOUSE/ STORAGE FOOD LOGISTICS	<p>The continued expansion of producer storage requirements and enterprises wholesaling and delivery from the original site, with access for larger vehicles, could eventually see the kitchen and training areas move to the larger locations available in building 2, 3 and 4 in option 2.</p>
 KITCHEN	<p>Larger commercial kitchen fit out via funding bids in Years 1 - 2, allowing for a large scale enterprise contracts for food and produce preparation.</p> <p>Training as pathway to employment associated</p> <p>Culturally appropriate meals cooked by people from diverse communities.</p> <p>Kitchen for hire by community groups e.g. similar to CERES in Melbourne.</p> <p>Short courses and specialist food related events e.g. Melbourne Food and Wine satellite events and Taste of Bendigo</p> <p>A fleet of Food Trucks, fitted out as mobile kitchens for extended program of emergency food relief and outreach of delivery of fresh produce, cooked meals and education to locations particularly identified as food insecure within Bendigo.</p> <p>Schools could also use the space.</p> <p>Participating schools could have plots in the larger demonstration community kitchen gardens, using some of the produce for cooking classes.</p>

Table 4: Financial Costings Model 2 (continued overleaf)

Area of Food Hub activity	Detail
 TRAINING / EDUCATION	<p>Opportunity for volunteers receiving government payments to take up the role of Kitchen Elders, sharing skills and experience demonstrating cooking, preserving and other food related skills.</p> <p>Volunteers could assist with a weekly community lunch for up to 100 people utilising surplus and donated produce</p> <p>Education and training space would house an expanded range of classes from the second year onwards.</p> <p>The National Disability Insurance Scheme provides opportunities for training and education and provision of meals</p> <p>The community food garden and demonstration units of composting using The Rocket composter and an aquaponics unit provide many opportunities for education and communication around the science of food systems. The Rocket composter model 1200 is capable of producing 800 kgs of compost/week, some of which would be used in the garden and some of which would form a social enterprise. These could be delivered around town on the cargo bikes. The aquaponics site could produce niche produce such as specialised fresh herbs or niche products for local cafes and restaurants, this creating another income stream. The waste pick up and delivery from local cafes could be undertaken on specialised trikes carrying bins of waste to go into the Rocket composted.</p> <p>The possibility of a tenant in the education space to provide regular science education would be underpinned by rental subsidies.</p>
 OFFICE / INNOVATION	<p>The corner building would house a major, philosophically aligned tenant for office rental.</p> <p>Office space for community agencies as a satellite site from their main offices to assist in overseeing programs in the kitchen or education and training spaces</p> <p>Auspice for innovation for social enterprise start ups.</p> <p>There could also be a retail outlet in the years 4 and 5 that would sell produce value added on site with a Buy Bendigo Buy Local branding.</p> <p>Further installation of solar PV arrays would go towards offsetting energy bills for the expanded footprint of the larger site of Model 2.</p>
 PEOPLE'S MARKET	<p>Volunteers could also assist with staffing a pop up cafe during People's Markets.</p>

MODEL 3: NETWORKED RAILWAY STATION FOOD HUB PRECINCTS

Model 3 involves a network of sites mapped as part of Incredible Edible Bendigo, based in the community and integrated around railway stations precincts with a wide circumference at Bendigo, Eaglehawk and Kangaroo Flat, in the first instance.

These locations are identified as key nodes of activity in the forthcoming Bendigo Metro Rail Plan, aiming to create a community commuter rail network within the city. They also link to walking and cycling tracks. Currently there are many community assets existing in proximity to these sites and the first year of activity of this option would involve building on the mapping of community assets and producer networks currently undertaken at a high level for this project under the banner of Incredible Edible Bendigo, encouraging community food growing and free food access.

Significant funding would be needed to undertake this work and prepare a submission for further funding, in partnership with a range of relevant community partners at both the organisational and community membership levels. Various existing community food initiatives would be built upon and new food enterprises could be established to create sustainable funding streams for their operations. Food tracks

and cargo bike delivery enterprises would locate in neighbourhoods and travel to areas of need or deliver food as required.

Training income would still be available at distributed sites such as surplus community halls, senior citizens and schools after hours. Thus income streams at Bendigo, Eaglehawk and Kangaroo Flat Community Food Hub precincts could generate additional funding to be matched by other funders for small neighbourhood emergency food relief Food Hubs that would progressively diversify their functions over time, based on community grants and facilities, to become small versions of Community Food Centres. These would be connected by walking and cycling paths and public transport options in addition to the train network.

Funding could be obtained to establish a network of community orchards on land around railway stations. Herbs could be planted at railway stations for travellers to access on their way home. Food trucks could be selling take home meals to travellers when they arrive at the stations. Multiple community-based initiatives could provide income streams in the Model.

SOCIAL IMPACT ASSESSMENT

Food Hubs can provide a tool for community development via the transformative impact of local food system initiatives. A high-level Social Impact Assessment can assist in estimating how well the food hub business creates access to healthy local food, increases food affordability in low-income communities and is a critical component of community development.

The extent to which this is proposed to occur for each of the three Models addresses the extent to which the project addresses disadvantage in the region. Infrastructure available differs in each Model but the common theme is that by making locally grown food easily available and more accessible to all community members, regardless of income, it is possible to create a strong local and regional, healthy food system.

The Social Impact Potentials of Models 1, 2 and 3 varying in location, scale and development time:

- Connection through emergency food relief
- Support for local food producers via a fair price for produce
- Business expansion opportunities for producers
- Convenient and culturally appropriate healthy food access
- Training and employment opportunities

- Healthy eating and Life skills education via food preparation training
- Social connectedness via access to a cafe on site
- Social connectedness via People's Market with focus on affordable food
- Engagement via demonstration community garden activities
- Educational opportunities for children of all ages
- Increased sense of community⁽⁴⁰⁾

The potential impact of planned activities for food hubs in this project was determined using the US Healthy Food Commerce Investments tool⁽⁴¹⁾ to assess areas of food access, affordability and community development.

‘Does the Food Hub have a goal to provide access to healthy local foods for low income residents?’

It is anticipated that all three Food Hub models will increase access in desired areas of identified food insecurity in Greater Bendigo, therefore is rated as strong.

‘To what extent does the Food Hub have a goal of providing greater affordability of healthy local foods to low income consumers?’

This issue addressed by each Model is less robust than the access issues addressed by each proposal modelled. The assumption exists that the affordability of foods will be enhanced by both a greater capacity of emergency food relief, thus freeing up more finances in those experiencing disadvantage to spend on other types of food. It is unclear at this stage how a weekly People’s Market will impact on affordability, except that larger quantities of seasonal produce that are proposed to be included for sale would have a lower price point. Model 3 provides greater possibility of more affordability via local food production but this may take time to achieve. Therefore the social impact assessment of affordability is described as medium.

‘In what ways is the Food Hub contributing to community development?’

This is particularly the case in Models 2 and 3 and in Model 3 the location of distributed networks within community infrastructure to address food insecurity would facilitate novel, multiple means to create new community partnerships and initiatives relating to increased food supply. This aspect of all 3 Models is rated as strong.

Therefore overall the potential social impacts assessed in developing any of the options would bring a benefit separate to that solely restricted to economics and job creation.

This strengthens the case to potential funders, particularly in the philanthropic sector, to achieve multiple outcomes with this innovative and timely project.

Therefore overall the potential social impacts assessed in developing any of the options would bring a benefit separate to that solely restricted to economics and job creation.

This strengthens the case to potential funders, particularly in the philanthropic sector, to achieve multiple outcomes with this innovative and timely project.

ECONOMIC IMPACT ASSESSMENT

HIGHLIGHTS

AFTER 12 MONTHS

- 16 jobs created and supported via activities
- \$2.62 mn increase in total output to the Greater Bendigo economy
- \$3.65 mn increase in value-added and tourism impact combined to the Greater Bendigo economy

AFTER 5 YEARS

- 30 jobs created and supported
- \$4.75 mn increase in total output to the Greater Bendigo economy
- \$5.94 mn increase in value-added and tourism combined to the Greater Bendigo economy

Full report contained in Appendix.

OVERVIEW

The Economic Impact analysis has been undertaken using the REMPLAN input-output economic modelling software, with the support of staff at the Economic Development Unit at the City of Greater Bendigo.

This is necessarily a high-level analysis that is based on a set of core assumptions (see below and Appendix for full details), given that the Food Hub has not yet commenced operations of any kind.

The analysis takes the form of a snapshot of the economic impacts (in terms of job outcomes, total output and gross value added to the regional) at intervals of 12 months in operation and five years' in operation, across the following economic activities:

- Training offered out of the Food Hub site by a Registered Training Organisation (RTO) leading to certificate-level qualifications across a range of vocational occupations
- Warehouse and storage provision
- Operation of a weekly People's Market
- Sales, packing, marketing and distribution / delivery services offered by a social enterprise operating out of the Food Hub site

There is a range of associated and ancillary activities

that will likely form part of the operation of the Bendigo Food Hub, however for the purposes of this feasibility study they have not been explicitly modelled.

FOOD HUBS DELIVER VALUE TO LOCAL FARMERS

A key feature of Food Hubs and crucial to their enhanced economic impact are the higher returns they deliver for local farmers. The Social Return on Investment Analysis of Food Connect Brisbane (40) revealed that farmers selling to FCB received an additional \$1.14 mn more than they would have received had they sold the equivalent volume of produce to a major supermarket or wholesaler, i.e. a difference of 40 cents on the dollar. The experience from the US is similar: Food Hubs typically return 50% or more of the final retail price to the producers from whom they source their produce.

The analysis incorporates, at a high level, the benefits to farmers from selling to the Food Hub rather than selling to supermarkets / wholesalers. It also examines the benefits to surrounding local businesses and the benefit to the wider regional economy from an anticipated increase in tourism, particularly associated with the operation of a weekly farmers' market.

CORE ASSUMPTIONS

1. The Bendigo Food Hub will fill identified gaps in the local and regional market, especially as regards enhanced access to affordable good quality fresh and healthy produce for people on low and fixed incomes; and for enhanced access to marketing, storing and distribution services for local and regional producers.
2. The medium and long-term financial viability of the Bendigo Food Hub will be achieved by incorporating as a core part of its business model the proven success of the evolution of Food Hubs in the United States, i.e. that it meets the following definition:
3. The demand for local and regional produce in Bendigo has increased significantly in the past five years, and can be reasonably anticipated to continue growing strongly in the next five years.
4. In addition, the modelling of a 5% increase in demand for local and regional produce indicated important economic benefits, especially as regards the increase in employment and total output to the Greater Bendigo economy.

Please refer to Appendix for details of specific assumptions.

A tool for analysis of economic and social impacts has been developed by the US Department of Agriculture, which requires a fine-grained analysis over time once the Food Hub is up and running. The Healthy Food Commerce Investments (HCFI) is a very useful template for further research and evaluation, which we would definitely recommend at regular stages as the Food Hub enterprise progresses.

By creating economic opportunities and diversifying food based industry and employment a replicable business model can be developed to create diverse and healthy regional and local economies.

DEFINITION OF A FOOD HUB

“A regional food hub is a business or organisation that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.”⁽⁴¹⁾

RISKS & OPPORTUNITIES

Model	Risk	Opportunity
Model 1	<p>Too long lead time for project commencement would potentially lead to a loss of valuable infrastructure and partnership support, without which it would be more difficult to attract additional funding.</p> <p>Achieving Corporate Social Responsibility may ultimately emphasise other commercial entities in the food space, such as supermarkets, in return for infrastructure sponsorship.</p> <p>The aim of the ownership structure of a Food Hub needs to allow for the Not For Profit functions to maintain an emphasis on organisational values, aims and objectives.</p> <p>Victoria means configuration of cooling units is an essential design factor.</p> <p>Longer term risk of increasingly high temperatures in Central Victoria means configuration of cooling units is an essential design factor.</p>	<p>The Bendigo emergency food relief sector can benefit from an expanded operation and a central location.</p> <p>Readiness of the community participants and producers surveyed to utilise a resource such as a warehouse in the CBD.</p> <p>'Kitchen Elders' as a new volunteer role to assist with a number of community food initiatives.</p>
Model 2	<p>Achieving Corporate Social Responsibility may ultimately emphasise other commercial entities in the food space, such as supermarkets, in return for infrastructure sponsorship.</p> <p>The aim of the ownership structure of a Food Hub needs to allow for the Not For Profit functions to maintain an emphasis on organisational values, aims and objectives.</p> <p>Further buildings on the CBD Study Area 1 site may become unavailable over time.</p> <p>May lose traction with programmes and funding opportunities needed for its success.</p> <p>Participation fatigue.</p> <p>Maintaining community volunteer commitment.</p> <p>Longer term risk of increasingly high temperatures in Central Victoria means configuration of cooling units is an essential design factor.</p>	<p>For a dedicated project team comprising local government, potential landlord, health and community services, food relief network and community members such as the Bendigo Regional Food Alliance.</p> <p>Encouraging participation by marginalised population groups in order to engage more fully with the community and thus enable outcomes that are more democratic, effective and grassroots based.</p> <p>Maintaining community volunteer commitment.</p> <p>'Kitchen Elders' as a new volunteer role to assist with a number of community food initiatives.</p>

Model	Risk	Opportunity
Model 3	Lack of financial support for local community food initiatives	Readiness of the community participants and producers surveyed to utilise a resource such as a warehouse in the CBD. 'Kitchen Elders' as a new volunteer role to assist with a number of community food initiatives
		Inclusion of community based infrastructure could allow for energy efficiency information aimed at the community level by Bendigo Sustainability Group.
		For all 3 models - development of a New Community Partnership model and prototype for Food Hubs in Australia

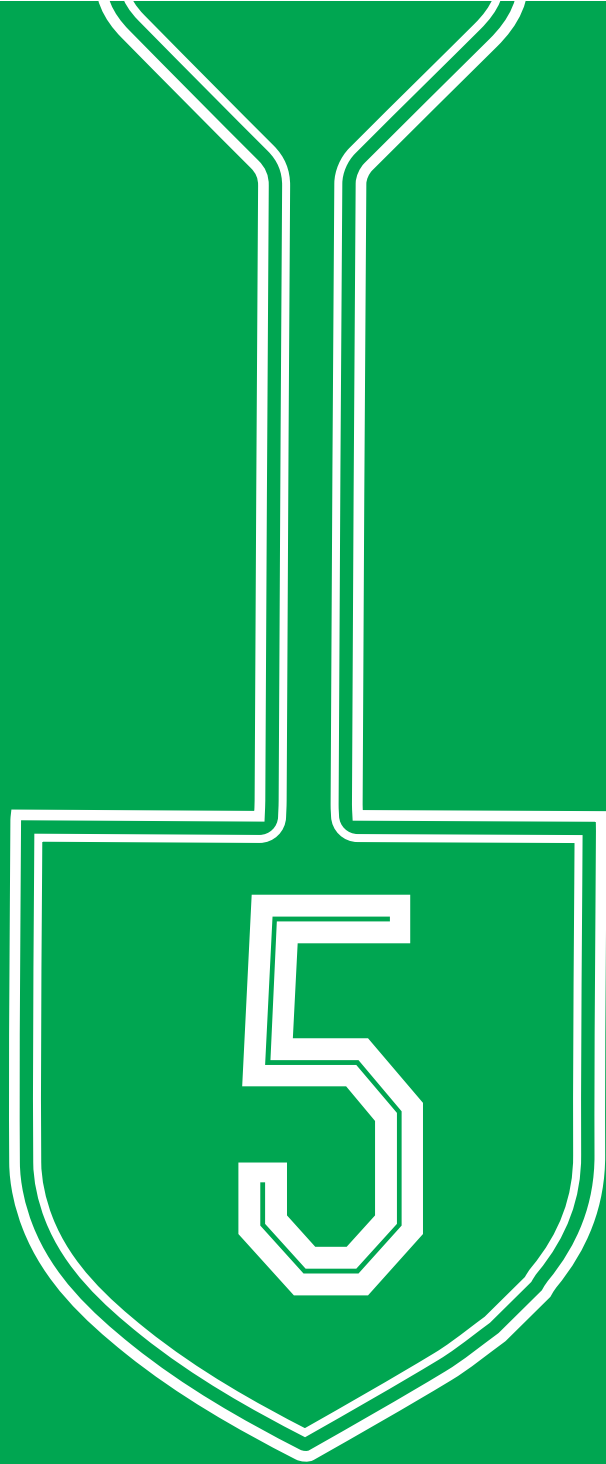
Table 5: Risks and Opportunities Analysis



Toronto Foodshare food truck



Inside the Toronto Foodshare food truck



NEXT STEPS

From the models outlined above, we propose that the most exciting vision for a Bendigo Food Hub is a concurrent and integrated operation of Models 2 & 3. This is clearly a big vision and therefore a lot of careful and well-implemented work is required to reach it. We have outlined below a possible staging that would continue momentum, support / encourage diverse community participation, build partnerships and put the groundwork in place for development of this Bendigo Food Hub over 5 years.

There are four key areas that require initiation and investment regardless of which model/models are ultimately pursued. These are:

1. **Funding:** secure funding to progress all of the below;
2. **Strengthening Community:** continuing to strengthen regional relationships, networks, identity and activities that would support a future Hub;
3. **Governance:** Formalising partnerships, governance and contracting models e.g. PPP, Board, roles and responsibilities etc. and
4. **Infrastructure identification and development:**
 - » Progress and solidify planning for

development of ISPT site; and/or

- » Explore alternative available sites within City of Bendigo, to host Model 1 and/or 2

Establishing Model 1 is the first step towards development of Model 2. Early activities to work towards Model 3 can be progressed concurrently. Tables X – Y indicate a possible schedule of activities to progress the Bendigo Food Hub, designed to maintain flexibility in the context of uncertain / uncommitted funding sources or commercial partners. This can be summarised as:

- Stage 1 (Years 0-2) - Bendigo Food Hub with a Not For Profit major tenant. 1 year Start Up and 2 years of operating with an additional fee for service model. There is a need to bring together key potential funders to begin resource development for a Start Up phase and seek further funding with those partners.
- Stage 2 (Years 2–5)- Expansion phase that becomes the Bendigo Community Food Centre. Inspired by the example of The Stop in Canada which followed a strategy of gradual, measured expansion.
- Model 3 can occur concurrently (Years 0–5). This includes satellite neighbourhood Food Centre precincts around railway stations, initially at Eaglehawk, Bendigo and Kangaroo

Flat. A strong feature of this model is the public and active transport options including rail, walking, cycling, cargo bikes and food trucks.

Anticipated activities beyond year 5 would follow a full evaluation of the project as it has evolved to that date.

STAGING TABLES

If Model 1 were to be situated at the ISPT site, it could potentially commence by Year 1. The key requirements are refurbishment of buildings 1a, 1b, and 1c, building an awning covered driveway to the north side and support the establishment of a pocket park community garden space to complement the whole. If the ISPT site were not progressed, the staging would be affected depending on availability, funding and refurbishment of another suitable site.

Activity Stream	Model 1	Model 2	Model 3
Secure \$\$	HIGH PRIORITY: secure funds for next steps		
Relationships & Community	<ul style="list-style-type: none"> Develop dynamic mapping of Producers and available Products Bendigo Community Farmers' Market 		<ul style="list-style-type: none"> Build on Incredible Edible Bendigo (or other 'integrating' identity) for community food activities Community asset mapping
Governance	<ul style="list-style-type: none"> Establish inclusive Board or Steering Committee for the Bendigo Food Hub to progress formalised governance and partnership arrangements Draft MoUs with key partners 		Led by Bendigo Regional Food Alliance
Infrastructure	<ul style="list-style-type: none"> Develop formal ISPT proposal or offer for Bendigo Food Hub Mapping and feasibility of other potentially suitable central sites Develop detailed structure and development plans 		As part of asset mapping, conduct audit of distributed community infrastructure: kitchens; coolrooms; vehicles etc.
Operations (in Yr 0 any operations are 'stretch' goals)	<ul style="list-style-type: none"> Start-up / opportunistic Potential 'pop-up' uses of ISPT site for packing, events, indoor market etc. (once basic clean-up is complete) 		Identify community leaders ready to lead or participate in trials

Table 6: Year 0 Activities: Groundwork, Governance and Mapping

Activity Stream	Model 1	Model 2	Model 3
Secure \$\$	HIGH PRIORITY: secure funds for next steps		
Relationships & Community	Bendigo Community Farmers Market		
Governance	Agreements with key partners finalised		Bendigo Regional Food Alliance
Infrastructure	Detailed investigation into uses and further capital investment		Identify initiating hubs
Operations	Bendigo Food Hub (model 1) with non-profit tenant, food relief and initial wholesale trading activities		Trials of distributed food access model supported by Bendigo Food Hub

Table 7: Year 1 Activities for Bendigo Food Hub

Activity Stream	Model 1	Model 2	Model 3
Secure \$\$			Continue, learn, expand
Relationships & Community	Food providers, local health and community service organisations	Food providers, local health and community service organisations	
Governance	Management of Model 1	Commence planning	
Infrastructure	Provision of services and fit out by donation	Detailed refurbishment plans	
Operations	Bendigo Food Hub (model 1) with Not For Profit tenant, food relief and initial trading activities Growing the business		

Table 8: Year 2 – Operate, plan for Model 2

Activity Stream	Model 1	Model 2	Model 3
Secure \$\$			Continue, learn, expand
Relationships & Community	Establish new Community Partnership Model	Establish new Community Partnership Model	
Governance	PPP	Transfer Board and governance if/as required	
Infrastructure	Expansion phase	Refurbishment undertaken	
Operations	Bendigo Community Food Centre operations		

Year 3-5 – Progressive Implementation of Integrated Models 2 + 3

MANAGEMENT MODEL/GOVERNANCE

Effective community participation has been identified as a priority in planning for viable community initiatives and developing a successful governance process for the Food Hub (Kenny et al 2014).⁽⁴²⁾

A public private partnership (PPP) could be formed to progress the Bendigo Food Hub, with a transparent Board / Steering Committee established, as soon as is feasible, to include the range of interested parties. Key partners (and their potential contributions) could include:

- **City of Bendigo** facilitation and coordination; streamline planning / zoning and regulatory approvals; lead role in securing funding from state and federal sources
- **Bendigo Foodshare and other Not For profits** such as Foodbank Victoria and SecondBite, training organisations, community organisations etc. potentially taking responsibility for different aspects of the development and of other activities, with a wide range of contributions.
- **ISPT** or other commercial property and infrastructure partner: making facilities available, support for refurbishment, leveraging contacts and relationships for cost-effective set-up, potential for matched funding to leverage other funding streams

If ISPT is to be a key partner, then the initial implementation could see ISPT and the Not For Profit as primary partners, informed by an Advisory Group comprising representatives of Food Hub customers and participants community organisations, each having individual rental agreements/MoUs with a partnership established informed by an advisory group incorporating representatives of the Food Hub and the City of Greater Bendigo.

FUNDING

Funding opportunities and options have been explored to enable this project to progress, and potentially initiate a funding stream to incubate innovation in food system initiatives and enterprises in Greater Bendigo over the longer term.

There are significant advantages to having a Not For profit as the lead 'public-facing' partner in a Food Hub venture, such as:

- Capacity to generate income, with funds reapplied to social mission;
- Ability to apply for a multitude of government grants and individual philanthropic funding, and to educate and strengthen the local agricultural community, ultimately resulting in high revenues for producers.

Once established, it is anticipated that the Food Hub will operate as a social enterprise and generate a variety of revenue streams that go towards supporting its operations. However, it is not anticipated that a strategic regional intervention such as this could (or should) aim to be completely self-funding (as the model is designed to generate significant public benefits), nor that the proposed models would be able

to commence without considerable further investment from other sources.

A high-level review of potential sources of funding for the next stages of this project is summarised in opposite..

There may be potential to apply for significant Federal and State Government funding early in the new financial year, however specifics of funding programs are not yet available.

Ensuring that a non-profit is the lead partner opens up access to grants and other opportunities that are well aligned with Food Hub business. NFPs are eligible for grants and can receive tax-deductible contributions from sponsors, income tax-free, and can charge a smaller fee for services.

However, relying purely on these sources means significant investment in difficult and time-consuming fundraising, before anything can get started. If a commercial partner were willing to provide an initial injection of funds to a PPP, this would enable matched funding to be sought from other funding sources while the social enterprise income streams are initiated and developed.

The Bendigo Food Hub Feasibility Study forms one requirement for application for these funds, in addition to the potential for matched contributions from a PPP.



Bendigo Food Hub Funding Opportunities

RECOMMENDATIONS

1. **Model 1 is a start up** phase for a Food Hub in Bendigo that has potential to be financially viable via a number of associated revenue generating activities. Currently described as year zero, the immediate actions to establish this phase of Food Hub activity are a priority.
2. **Model 2 should be the long term preferred model of a Bendigo Community Food Centre** for full investment and development at all levels of philanthropy, local, state and federal government support. Similar to, and informed by, the Canadian model, it could become a prototype of a cutting edge model that could be rolled out across the state, if not the country.
3. **Model 3 needs to be explored.** There is currently momentum in the community for a distributed community model, with diverse community assets situated within broad precincts located around railway stations at Eaglehawk, Bendigo and Kangaroo Flat. Walking and cycling underpin access issues for food security and need to be developed with community food related infrastructure in mind. In addition there exist opportunities to further develop an integrated transport solution to outlying townships of Elmore, Axedale,

Raywood, Redesdale and Heathcote that will at the same time assist with food security for those communities.

The assets are not only **complementary with implementation of Model 1 via outreach programmes**, but could provide a stand-alone solution that can be invested in to create expanded activity hubs in the immediate future. A coordination role could be undertaken by a community group such as the new Bendigo Regional Food Alliance, which would need to be further developed.

There is a further piece of work required to follow this feasibility study to delineate the role of existing services and using the knowledge gathering and mapping of existing assets commenced for the study at a detailed level to enable leveraging of capacity pre-existing in the Greater Bendigo region.

4. Work with Bendigo Community Farmers Market, Food Fossickers etc. to build up dynamic information resources on producers and product availability available to Food Hub. The potential to use Open Food Network to establish a branded regional 'group' of farmers, retailers, hubs, community access points etc. to build up regional collaborative marketing and

explore shared distribution potential, should be further investigated.

5. Various types of analysis traditionally have shown the impact of enterprises on their social, environmental and economic dimensions in the community. It is recommended that an enhanced approach, articulating and integrating potential health and wellbeing benefits with community cohesion, long term environmental sustainability and equitable, broad-based economic development be adopted, to add to the body of evidence sorely needed for promotion and funding of these types of initiatives in Australia. Such an approach, known as the 'Circles of Social Life', has been internationally tested over several years, and is currently being piloted by Sustain: The Australian Food Network, in diverse local government sites in Victoria to assess in a truly integrated and holistic manner the long term viability of regional food systems. This would further consolidate the role of Food Hubs as health promotion settings that are economically beneficial to the community. An expanded description of benefits would be a tool for leveraging funds from many and varied sources.

CONCLUSION

A Food Hub focus on emergency food relief and a People's Market with emphasis on price, variety and seasonality, ease of public access and culturally appropriate food will improve food security for vulnerable communities. A focus on modes of access complements current work of the City of Greater Bendigo in the active transport space. In addition education, training and job creation, value adding, enterprise innovation incubation and community interaction and connection will be important aspects of the Food Hub's functions.

The community engagement strategy implemented for this project has built on many existing relationships and is unique in having crossed traditionally boundaries to enable a broader understanding of health promotion, as well as community and economic development. The range of community participants capable of forming relationships for this project includes: producers, distribution businesses, health and community service organisations, retail food businesses, community networks, and educational providers.

Bendigo is uniquely placed to work with a rare and timely proposal to develop a Start Up phase Bendigo Food Hub based on a central site and a distributed community model. The benefits of doing so in the immediate future will be to capitalise on the opportunity to the benefit of those experiencing food insecurity, to

consolidate and build community food projects; and to lay the groundwork with a successful pilot that could be evaluated and form the basis of a prototype for establishment of Community Food Centres across Australia.

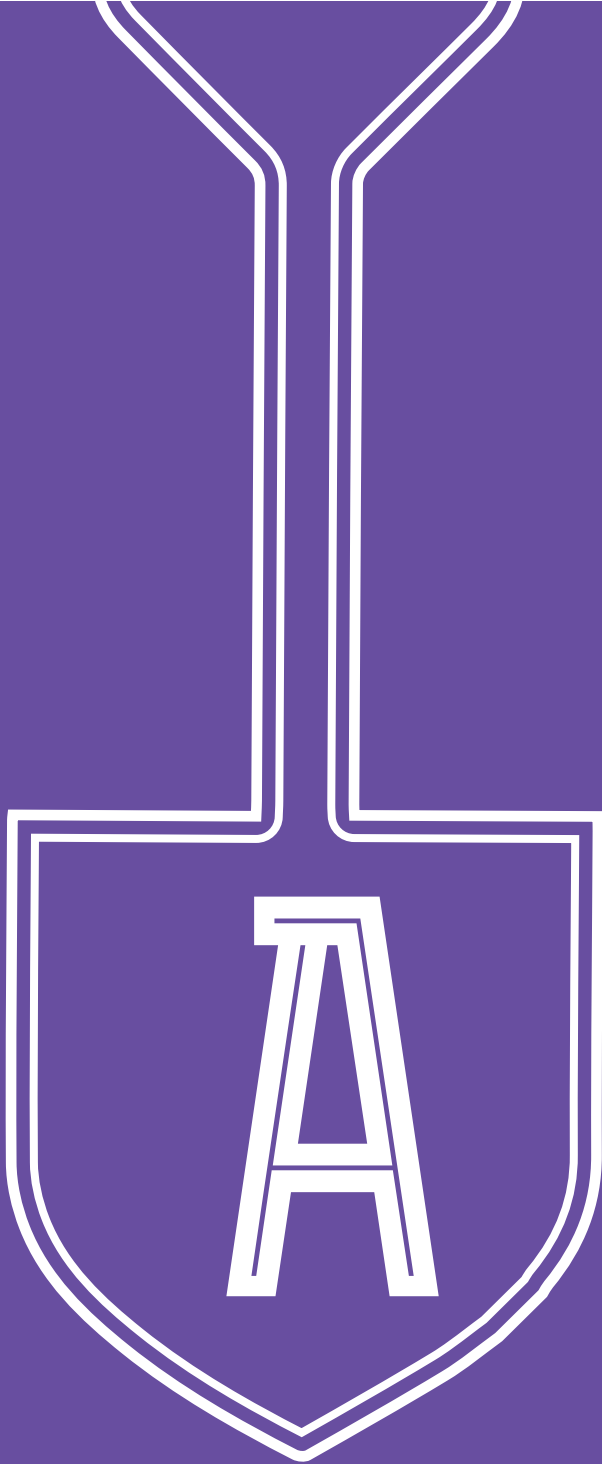
The opportunity and local capacity exists for the City of Greater Bendigo to become a national leader in this space.

REFERENCES

1. https://www.bendigo.vic.gov.au/Services/Community/Healthy_Together_Bendigo/Healthy_Eating#.VYTa1euH9II
2. https://www.bendigo.vic.gov.au/Services/Planning/Strategic_Planning/Current_Projects/Integrated_Transport_and_Land_Use_Strategy_ITLUS#.VY9_YuuH9SU
3. City of Greater Bendigo, Healthy Together Bendigo (2104) Food Security Report. Healthy Food Connect.
4. City of Greater Bendigo (2014) Council Plan 2013 - 2017 (2014 - 2015 Update)
5. City of Greater Bendigo (Strategy Unit) (2013). Greater Bendigo Public Health and Wellbeing Plan (GBPHWP) 2013 - 17. Accessed from www.bendigo.vic.gov.au/healthandwellbeing
6. Barham, J et al (2102) Regional Food Hub Resource Guide 2012 United States Department of Agriculture. Agricultural marketing Service. <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097957>
7. Victorian Government, Department of Primary Industry, (2010). Loddon Regional Agricultural Statistics.
8. City of Greater Bendigo, Healthy Together Bendigo (2104) Food Security Report. Healthy Food Connect.
9. Personal communication City of Greater Bendigo Economic Development Unit data
10. City of Greater Bendigo, Healthy Together Bendigo (2104) Food Security Report. Healthy Food Connect.
11. City of Greater Bendigo, Healthy Together Bendigo (2104) Food Security Report. Healthy Food Connect.
12. Tregear, A., 2007, 'Proximity and typicity: a typology of local food identities in the marketplace', *Anthropology of Food*, S2, available at: <http://aof.revues.org/438>.
13. Kneafsey, M., 2012. 'Insights from Research Project: Short Food Supply Chains and Local Food Systems in the EU: A state of play of their socioeconomic characteristics'. Available at: http://ec.europa.eu/agriculture/events/2012/small6farmers6conference/kneafsey_en.pdf.
14. j3concepts (2013) Galesburg Feasibility Study. www.foodsystems.msu.edu/uploads/files/Galesburg_Feasibility_Study.pdf
15. Christy, E. et al (2103) Local Food Systems in North America. A Review of the Literature. Prepared for the Ontario Ministry of Agriculture and Food
16. Christy, E. et al (2103) Local Food Systems in North America. A Review of the Literature. Prepared for the Ontario Ministry of Agriculture and Food
17. Matson, J. et al (2103) The Role of local Food Hubs in Local Food Marketing. USDA Rural Development Service Report 73
18. Grant, K. & Donkervoort, M (2014) Winnipeg Food Hub Feasibility Study. Developed for Food Matters Manitoba.
19. Bendfeldt, E. S. et al (2011) A Community-Based Food System. Building Health, Wealth, Connection and Capacity as the Foundation of our Economic

- Future. Virginia Cooperative Extension, USA.
20. Bendfeldt, E. S. et al (2011) A Community-Based Food System. Building Health, Wealth, Connection and Capacity as the Foundation of our Economic Future. Virginia Cooperative Extension, USA.
 21. Australian Food Hubs Network www.afhn.org.au
 22. Grant, K. & Donkervoort, M (2014) Winnipeg Food Hub Feasibility Study. Developed for Food Matters Manitoba.
 23. Fischer, M., et al (2013). Findings of the 2013 National Food Hub Survey. Michigan State University Center for Regional Food Systems & The Wallace Center at Winrock International. Retrieved from <http://foodsystems.msu.edu/activities/food-hub-survey>
 24. Christy, E. et al (2103) Local Food Systems in North America. A Review of the Literature. Prepared for the Ontario Ministry of Agriculture and Food
 25. Bendfeldt, E. S. et al (2011) A Community-Based Food System. Building Health, Wealth, Connection and Capacity as the Foundation of our Economic Future. Virginia Cooperative Extension, USA.
 26. Barham, J. et al (2012) Regional Food Hub Resource Guide. U.S. Dept. of Agriculture, Agricultural Marketing Service. Washington, DC. <http://dx.doi.org/10.9752/MS046.04-2012>
 27. Barham, J. et al (2012) Regional Food Hub Resource Guide. U.S. Dept. of Agriculture, Agricultural Marketing Service. Washington, DC. <http://dx.doi.org/10.9752/MS046.04-2012>
 28. Bendfeldt, E. S. et al (2011) A Community-Based Food System. Building Health, Wealth, Connection and Capacity as the Foundation of our Economic Future. Virginia Cooperative Extension, USA. Circle of Food System Connections adapted from C S Mott group at Michigan State University
 29. <http://www.incredible-edible-todmorden.co.uk>
 30. IET Pam Warhurst Ted talk http://www.ted.com/talks/pam_warhurst_how_we_can_eat_our_landscapes?language=en
 31. www.thestop.org
 32. Casey SE Food Hub web link <http://www.southeastfoodhub.org>
 33. (SE Food Hub infographic web link) <http://www.foodhubs.org.au/resource/se-food-hub-report-phase-2/>
 34. Christy, E. et al (2103) Local Food Systems in North America. A Review of the Literature. Prepared for the Ontario Ministry of Agriculture and Food
 35. Foodshare Toronto <http://www.Foodshare.net/mobilegoodfoodmarket>
 36. Food Fossickers web link <http://www.foodfossickers.com.au>
 37. Bendigo Community Farmers market web link www.bcfm.org.au
 38. Open Food Network web link <https://openfoodnetwork.org.au>
 39. (The Rocket composter) web link <http://www.tidyplanet.co.uk/our-products/the-rocket/a1200-rocket/>

40. Food Connect Brisbane (2011) Forecast Social Return on Investment Report, Social Ventures Australia Consulting (Gundula Coellen)
41. Vanderburgh-Wertz, Darrow and Malini Ram Moraghan. (2014) Food Hub Business Assessment Toolkit. Wholesome Wave.
42. Kenny, A., Farmer, J., Dickson Swift, V., & Hyett, N. (2014). Community participation for rural health: a review of challenges. Health Expectations <http://onlinelibrary.wiley.com/doi/10.1111/hex.12314/abstract>
43. Schmit, T. M., et al (2013) Assessing the Economic Impacts of Regional Food Hubs: The Case of Regional Access, Cornell University.
44. Le Blanc, J. et al. 2014. Building resilience in nonprofit food hubs. Journal of Agriculture, Food Systems, and Community Development. 4(3), 121-135.
45. REMPLAN (2013) Economic Impact Analysis: Bendigo Community Farmers Market, Matthew Nicol and Hui Shi. Prepared for the City of Greater Bendigo
46. Scharf, K et al . (2010) In Every Community A Place for Food: The Role of the Community Food Centre in Building a Local, Sustainable, and Just Food System. Metcalf Foundation.
47. Community Food Centres Canada (2014) Good Food Changes Lives. 2014 Shared Impact Report. www.gooffoodchangeslives.cfccanada.ca



APPENDIX 1	HEALTHY FOOD BANK
APPENDIX 2	ACKNOWLEDGEMENTS
APPENDIX 3	DETAILED FINANCIAL MODEL
APPENDIX 4	FULL ECONOMIC IMPACT ASSESSMENT
APPENDIX 5	THE TEAM

APPENDICES

APPENDIX 1

HEALTHY FOOD BANK MODEL: COMMUNITY FOOD CENTRES CANADA



HEALTHY FOOD BANK

Our Theory:

A food bank need not compromise dignity and health. Food banks can provide an emergency supply of food while offering an entry point to other supports. Food banks are a band aid solution to the complex problem of hunger, not the answer.

What We Know:

71% of people who use The Stop's Food Bank are on social assistance. Only 10% of them were children. (Food Banks Canada)

851,000 Canadians used food banks in a single month in 2011. More than a third of them were children. (Food Banks Canada)

POOR HEALTH Lower income groups in Canada have higher rates of diet-related illnesses such as heart disease and diabetes. (Canadian Community Health Survey)



What We Do About It:

- Provide a 3-day emergency supply of nutritious food once a month.
- Provide respectful and dignified service. That means we avoid intrusive questions and live-ups, distribute food fairly and consistently, and offer culturally appropriate options and alternatives.
- Prioritize good, healthy, local food by asking for and choosing only the best available food and raising money to supplement donations with fresh and nutritious groceries.
- Feature a healthy, local and seasonal "Feast of the Month" in hampers, healthy cooking demonstrations and recipe hand-outs.
- Offer a weekly Good Food Market, which creates another means of access to fresh produce at a low price while creating a community gathering place.
- Connect people to other community food centre programs and to The Stop's Community Advocacy Office, where peers can help them access services and entitlements and other supports (D clinics, settlement services, legal aid).
- Create meaningful volunteer opportunities for food bank members and reduce barriers to volunteering. (We don't require police checks, and offer food vouchers and TTC tokens to enable participation.)

What We Aim to Achieve:

CHANGE THE ENCOURAGE PEOPLE TO COOK
CONVERSATION WITH AND EAT
AROUND HUNGER MORE FRESH
FOODS LOCAL AND WHOLE
TEACH EMPLOYABLE SKILLS AND RESPECT
ISOLATION AMONG VOLUNTEERS
MAINTAIN CONNECTIONS TO A WIDE VARIETY OF MUTUAL AND COMMUNITY SUPPORTS
+DIGNITY

It Works!

- 88%** of food bank members surveyed report that The Stop plays an important role in their lives.
- "It makes the difference between hardship and getting by. One thing about this place is it gives a lot of people hope when otherwise they would have none. And you can't live without hope."
- 80%** have tried a new healthy food at The Stop.
- "It's hard, I've had three heart attacks. Not eating well for a few days gets you down. This makes a difference."
- 38%** of food bank members surveyed also volunteer in The Stop's programs.
- "This has just literally lightened my load. To be honest, the people here are nicer than they are in the grocery store."

The Bigger Change We'd Like To See:

As the community food centre model is adopted in more communities, food bank service becomes healthier, more dignified and is provided as part of a suite of holistic supports. Ultimately, as policies change, food banks become obsolete within the context of a more equitable food system.



community food centres
canada

www.cffc.ca



the stop
community food centres

www.thestop.org

APPENDIX 2

ACKNOWLEDGEMENTS

Some of the key stakeholders, who in addition to two dozen local food producers, contributed to the community engagement via interviews and surveys, one on one discussions, focus group and information sessions, in addition to public input at the community forum:

- Bendigo Foodshare
- Second Bite
- City of Greater Bendigo staff
- ISPT
- Foodbank Victoria
- St Lukes Anglicare
- Future Employment Opportunities
- Incredible Edible Bendigo
- Grow 3556
- Discovery Centre
- Education and Training providers from primary, secondary and tertiary sector
- Eaglehawk Community House
- Bendigo Health
- Bendigo Community Health Services
- Loddon Campaspe Community Legal Centre
- Bendigo Uniting Care
- Bendigo Baptist Community Care
- St Andrews Uniting Church
- LaTrobe University
- Department of Health Loddon Mallee
- Radius Disability Services
- Haven; Home, Safe
- Peppergreen Farm
- rwdesign
- Connect Sustainability/Go and Grow Gardens
- Food Fossickers
- Bendigo Community Food Network
- Bendigo Regional Food Alliance
- Old Church on the Hill
- Bendigo Community Farmers Market
- Gravel Hill Gardens
- Ironbark Gully Friends
- Bendigo Organics
- Bendigo Wholefoods
- The Good Loaf Sourdough
- Bendigo Sustainability Group
- Cr James Williams
- CERES
- Food Connect
- Community Chef
- FOOD IS FREE. Bendigo
- Regrarians
- Heathcote Community House
- Total Coolrooms
- Regional Development Victoria

APPENDIX 3

DETAILED FINANCIAL MODEL & ASSUMPTIONS

Detailed cash in and outflows							
Year	0	1	2	3	4	5	Total
Storage and Warehousing							
Cool room and freezer storage							
Cool room storage - basic rental	-	79,560	101,439	124,161	147,752	172,237	625,149
Electricity	-	-48,960	-49,939	-50,938	-51,957	-52,996	-254,790
Electricity savings	-	4,080	4,162	4,245	4,330	4,416	21,232
Forklift running costs	-	-8,160	-8,323	-8,490	-8,659	-8,833	-42,465
<i>Net Cool room and freezer storage cash inflows</i>	-	26,520	47,338	68,979	91,466	114,824	349,127
Salaries (incl. superannuation, workcover & annual leave provision)							
Operations Manager	-	-29,540	-39,170	-46,100	-53,291	-63,950	-232,050
Logistics Manager	-	-93,024	-94,884	-96,782	-98,718	-100,692	-484,101
<i>Net Salaries cash inflows</i>	-	-122,564	-134,054	-142,882	-152,009	-164,642	-716,151
Marketing, Aggregation and Logistics							
Wholesale Hub							
Sales Mark-up of 25%	-	100,776	127,986	155,739	184,048	212,923	781,472
Cost of sales	-	-9,852	-12,513	-15,226	-17,994	-20,817	-76,402
Packing Staff	-	-44,297	-56,257	-68,457	-80,900	-93,592	-343,504
<i>Net Wholesale Hub cash inflows</i>	-	46,626	59,216	72,056	85,154	98,514	361,566

Detailed cash in and outflows (Continued)							
Year	0	1	2	3	4	5	Total
Full-Scale Commercial Kitchen							
Take home meals (from Yr 2)	-	-	28,403	30,351	32,365	34,447	125,566
Meals for school group visits	-	-	3,745	7,641	11,690	11,924	35,000
<i>Net other Commercial Kitchen</i>	-	-	32,148	37,991	44,055	46,371	160,566
Partial Processing of food for meal preparation							
Income - Value add processing	-	-	156,060	159,181	162,365	165,612	643,218
Cost of produce - Suppliers	-	-	-72,828	-74,285	-75,770	-77,286	-300,168
Storage of produce for meal preparation	-	-	1,951	1,990	2,030	2,070	8,040
Income - sandwiches and salads	-	-	93,636	95,509	97,419	99,367	385,931
Cost of produce - Suppliers	-	-	-74,909	-76,407	-77,935	-79,494	-308,745
Salary - Food coordinator	-	-	-59,303	-60,489	-61,699	-62,933	-244,423
<i>Net Partial Processing of food for meal preparation</i>	-	-	44,607	45,499	46,409	47,337	183,853

Detailed cash in and outflows (Continued)							
Year	0	1	2	3	4	5	Total
Education							
Training courses							
- Warehousing, Logistics and Forklift							
Student Fees	-	89,964	91,763	93,599	95,471	97,380	468,176
Lecturer Fees	-	-42,783	-43,639	-44,511	-45,402	-46,310	-222,644
Course Materials	-	-3,672	-3,745	-3,820	-3,897	-3,975	-19,109
- Cert 3 Commercial cookery, food studies and utilising kitchen space							
Student Fees	-	98,532	100,503	102,513	104,563	106,654	512,764
Lecturer Fees	-	-42,783	-43,639	-44,511	-45,402	-46,310	-222,644
Course Materials	-	-3,672	-3,745	-3,820	-3,897	-3,975	-19,109
- Capacity building for persons with disabilities							
Student Fees	-	-	100,503	102,513	104,563	106,654	414,232
Lecturer Fees	-	-	-43,639	-44,511	-45,402	-46,310	-179,861
Course Materials	-	-	-3,745	-3,820	-3,897	-3,975	-15,437
- Other food-related training							
Student Fees	-	-	-	102,513	104,563	106,654	313,730
Lecturer Fees	-	-	-	-44,511	-45,402	-46,310	-136,222
Course Materials	-	-	-	-3,820	-3,897	-3,975	-11,692
Net Training cash inflows	-	95,586	150,617	207,810	211,966	216,206	882,185

Detailed cash in and outflows (Continued)							
Year	0	1	2	3	4	5	Total
Other operating expenses							
Other expenses							
Insurance - Contents & Equipment, Volunteers, Public Liability	-	-2,550	-2,601	-2,653	-2,706	-2,760	-13,270
Motor vehicle (rego & ins)	-	-2,000	-2,040	-2,081	-2,122	-2,165	-10,408
Phones & Internet	-	-3,672	-4,357	-5,057	-5,770	-6,497	-25,353
Accounting	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Office expenses	-	-3,060	-3,121	-3,184	-3,247	-3,312	-15,924
Repairs and Maintenance	-	-510	-520	-531	-541	-552	-2,654
Water rates	-	-1,020	-1,040	-1,061	-1,082	-1,104	-5,308
Rubbish removal	-	-1,020	-1,040	-1,061	-1,082	-1,104	-5,308
Other expenses	-	-5,100	-5,202	-5,306	-5,412	-5,520	-26,541
Website development	-2,500	-	-	-	-	-	-2,500
Net Other expenses	-2,500	-18,932	-19,923	-20,933	-21,964	-23,015	-107,267
Net cash inflows	-2,500	27,237	179,949	268,520	305,077	335,596	1,113,880

MODEL 1 ASSUMPTIONS

- A CPI estimate of 2% per year has been used
- Future values have not been discounted to present values
- Costs and income are based on current rates and have been indexed by CPI for future years
- Fit out of cool room and storage is to be provided by donation or funding
- In year 1 100 pallets of cool room and freezer storage, will be leased per week at a price of \$15 per pallet, doubling to 200 pallets over five years
- Wholesale hub is based on 15 large commercial clients and 80 smaller (household) customers in year 1, doubling over five years
- Take home meals sales are based on sales to 5% of 1000 visitors to the weekly People's Market, ie 50 meals per week, at a price of \$10 per meal for two people. This would increase by 5% per year over the five year period
- Meals for school group visits are based on 30 children per group, paying \$3 per meal, starting with one visit per week in year 1, and increasing to three visits in year 4
- Partial food processing is based on 30,000 kgs per annum of mixed brassicas: broccoli, cauliflower and cabbage and 20,000 kgs of tomatoes per annum, partially processed, resulting in a value add price of \$3 per kg, with a return to the producer of \$1.40 per kg and \$1.60 per kg to Bendigo Food Share
- Storage of 125 pallets is estimated related to the above process
- It is estimated that 30,000 sandwiches and 15,000 seasonal salads could be sold per annum, at a price of \$2 per unit. Costs of this produce is estimated at \$1.60 per unit
- Estimates for Warehousing, logistics and forklift training is based on 8 students, with fees of \$11,025 and course materials of \$450 per student and a lecturer cost of \$41,944
- Estimates for the other courses are based on 8 students, with fees of \$12,075 and course materials of \$450 per student and a lecturer cost of \$41,944
- Bendigo Food Share operational costs have been used as a base for Bendigo Food Hub costs. Costs are estimated to stay constant during the five years, with the exception of phone and internet costs, which are expected to double
- Computers and printers for the office will be donated
- Accounting and legal support is to be provided pro-bono
- Advertising and promotion will be provided pro-bono
- No delivery costs have been included as this service can be provided by a social enterprise
- Preparation of fruit and veg boxes has not been included, but could be available for a social enterprise
- Salaries include on-costs of 14%: superannuation 9.5%, annual leave 3% and workcover 1%
- Salaries are based on annual FTE base salaries of: Logistics Manager \$80,000, Operations Manager \$50,808, Food Coordinator \$50,000, and Packing (Casual) \$33 per hour
- Costings have been modelled on a 400% increase in area and electricity cost. A small factor of benefit for solar PV inputs equivalent to 10% of running costs is estimated.

Considerations for provision of coolstore and freezers; these have been configured similarly to other organisations of similar scale. Operational procedures for these facilities would be designed to achieve maximum thermal efficiencies. This study would never be able to extrapolate proper running costs until installation of equipment is completed.

APPENDIX 4

FULL ECONOMIC IMPACT ASSESSMENT

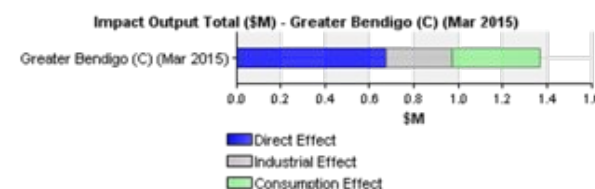
ECONOMIC IMPACT FOR YEAR 1, TRAINING \$93K, STORAGE \$78K AND SALES \$500K

IMPACT REPORT FOR GREATER BENDIGO (C) - IMPACT ON OUTPUT

From a direct increase in output of \$0.672 million it is estimated that the demand for intermediate goods and services would rise by \$0.297 million. This represents a Type 1 Output multiplier of 1.442. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$0.397 million.

Total output, including all direct, industrial and consumption effects is estimated to increase by up to \$1.366 million. This represents a Type 2 Output multiplier of 2.034.

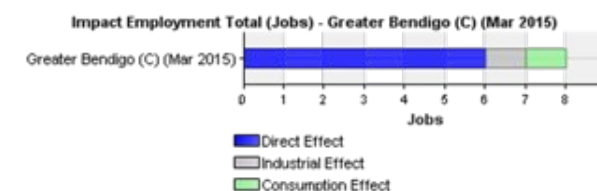


IMPACT ON EMPLOYMENT

From a direct increase in output of \$0.672 million the corresponding creation of direct jobs is estimated at 6 jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 1 job. This represents a Type 1 Employment multiplier of 1.167.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 1 job.

Total employment, including all direct, industrial and consumption effects is estimated to increase by up to 8 jobs. This represents a Type 2 Employment multiplier of 1.333.



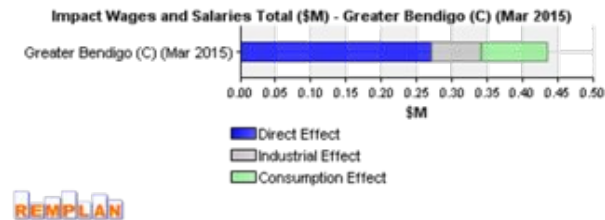
IMPACT ON WAGES AND SALARIES

From a direct increase in output of \$0.672 million it is estimated that direct wages and salaries would increase by \$0.270 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 1 job and a further increase in wages and salaries of \$0.071 million. This represents a Type 1 Wages and Salaries multiplier of 1.262.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and

salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by \$0.094 million.

Total wages and salaries, including all direct, industrial and consumption effects is estimated to increase by up to \$0.435 million. This represents a Type 2 Wages and Salaries multiplier of 1.609.



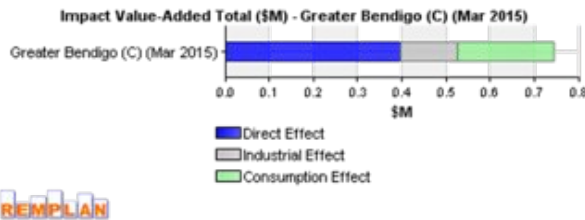
IMPACT ON VALUE-ADDED

From a direct increase in output of \$0.672 million the corresponding increase in direct value-added is estimated at \$0.396 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$0.129

million. This represents a Type 1 Value-added multiplier of 1.326.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$0.218 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$0.743 million. This represents a Type 2 Value-added multiplier of 1.878.



IMPACT SUMMARY ON GREATER BENDIGO FOR YEAR 1

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$0.672	\$0.297	\$0.397	\$1.366	1.442	2.034
Employment (Jobs)	6	1	1	8	1.167	1.333
Wages and Salaries (\$M)	\$0.270	\$0.071	\$0.094	\$0.435	1.262	1.609
Value-added (\$M)	\$0.396	\$0.129	\$0.218	\$0.743	1.326	1.878

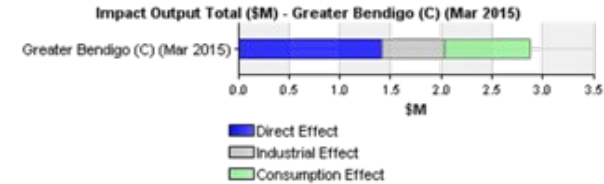
ECONOMIC IMPACT FOR YEAR 5, TRAINING \$234K, STORAGE \$176K AND SALES \$1MIL

IMPACT REPORT FOR GREATER BENDIGO (C) - IMPACT ON OUTPUT

From a direct increase in output of \$1.410 million it is estimated that the demand for intermediate goods and services would rise by \$0.618 million. This represents a Type 1 Output multiplier of 1.438. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$0.841 million.

Total output, including all direct, industrial and consumption effects is estimated to increase by up to \$2.869 million. This represents a Type 2 Output



IMPACT ON EMPLOYMENT

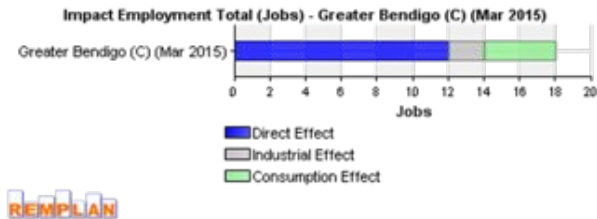
From a direct increase in output of \$1.410 million the corresponding creation of direct jobs is estimated at 12 jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 2 jobs. This represents a Type 1 Employment multiplier of 1.167.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 4 jobs.

Total employment, including all direct, industrial and

multiplier of 2.035.

consumption effects is estimated to increase by up to 18 jobs. This represents a Type 2 Employment multiplier of 1.500.



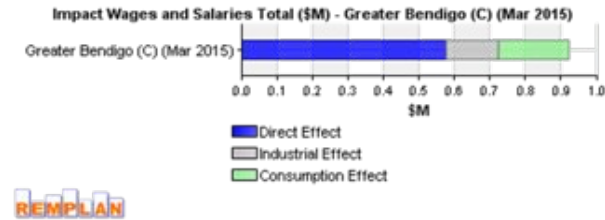
IMPACT ON WAGES AND SALARIES

From a direct increase in output of \$1.410 million it is estimated that direct wages and salaries would increase by \$0.575 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 2 jobs and a further increase in wages and salaries of \$0.147 million. This represents a Type 1 Wages and Salaries multiplier of 1.256.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption

and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by \$0.199 million.

Total wages and salaries, including all direct, industrial and consumption effects is estimated to increase by up to \$0.921 million. This represents a Type 2 Wages and Salaries multiplier of 1.601.



IMPACT ON VALUE-ADDED

From a direct increase in output of \$1.410 million the corresponding increase in direct value-added is estimated at \$0.835 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$0.268 million. This represents a Type 1 Value-added multiplier of 1.322.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$0.462 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$1.565 million. This represents a Type 2 Value-added multiplier of 1.875.

IMPACT SUMMARY ON GREATER BENDIGO FOR YEAR 5

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$1.410	\$0.618	\$0.841	\$2.869	1.438	2.035
Employment (Jobs)	12	2	4	18	1.167	1.500
Wages and Salaries (\$M)	\$0.575	\$0.147	\$0.199	\$0.921	1.256	1.601
Value-added (\$M)	\$0.835	\$0.268	\$0.462	\$1.565	1.322	1.875

IMPACT OF MOVING TO A WEEKLY FARMERS MARKET, YEAR 1 AND YEAR 5

In December 2013, REMPLAN conducted an economic impact analysis of the Bendigo Farmers Market. The main findings were that, based on a locally-derived net output of \$154,600 per month, with 37 stallholders, a total of 2 jobs were created, with a total effect of \$313,000 and value-added of \$171,000, based on a Type 1 multiplier of 1.441, and a Type 2 multiplier of 2.021. The impact on surrounding businesses, based on survey data, was that 10 additional net jobs were supported. The tourism impact, based on an estimate that 27% of the 1200 market patrons were visitors to Bendigo, was that 4 additional jobs were supported, and that the City of Greater Bendigo’s economy received a boost of \$728,000 over the year.

For the purposes of this study, we have assumed that market numbers (patrons and stallholders) will remain the same at the end of Year 1, but that the market will be weekly rather than monthly. So on that basis the numbers above are quadrupled, i.e.

- 8 jobs created
- total output increase of \$1.252 mn to the City of Greater Bendigo economy
- 40 additional jobs supported in local businesses

- 16 additional jobs supported and a tourism impact and an annual increased contribution to the City of Greater Bendigo economy of \$2.912 mn

At the end of Year 5, we are assuming a 50% increase in these numbers, with the effects as follows:

- 12 jobs created
- total output increase of \$1.878 mn
- 60 additional jobs supported in local businesses
- 24 additional jobs supported and a tourism impact and an annual increased contribution to the City of Greater Bendigo economy of \$4.372 mn

What might a 5% shift in demand for regional produce mean for Bendigo?

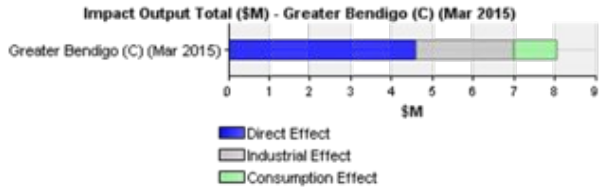
We also modelled the anticipated impact of a 5% increase in demand for regional agricultural produce from local businesses and households. Below are the results of this modeling:

IMPACT REPORT FOR GREATER BENDIGO (C) - IMPACT ON OUTPUT

From a direct increase in output of \$4.578 million it is estimated that the demand for intermediate goods and services would rise by \$2.405 million. This represents a Type 1 Output multiplier of 1.525. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$1.049 million.

Total output, including all direct, industrial and consumption effects is estimated to increase by up to \$8.032 million. This represents a Type 2 Output multiplier of 1.755.

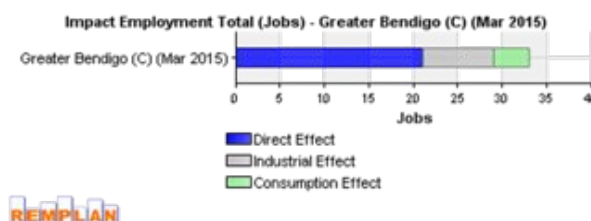


IMPACT ON EMPLOYMENT

From a direct increase in output of \$4.578 million the corresponding creation of direct jobs is estimated at 21 jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 8 jobs. This represents a Type 1 Employment multiplier of 1.381.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 4 jobs.

Total employment, including all direct, industrial and consumption effects is estimated to increase by up to 33 jobs. This represents a Type 2 Employment multiplier of 1.571.



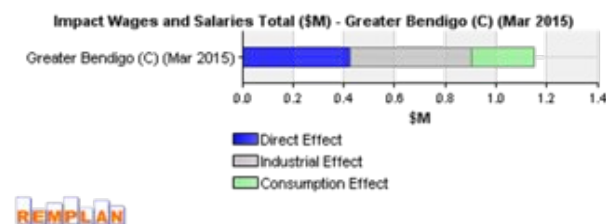
IMPACT ON WAGES AND SALARIES

From a direct increase in output of \$4.578 million it is estimated that direct wages and salaries would increase by \$0.422 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 8 jobs and a further increase in wages and salaries of \$0.478 million. This represents a Type 1 Wages and Salaries multiplier of 2.132.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment

in sectors such as retail therefore further increasing wages and salaries by \$0.248 million.

Total wages and salaries, including all direct, industrial and consumption effects is estimated to increase by up to \$1.148 million. This represents a Type 2 Wages and Salaries multiplier of 2.719.

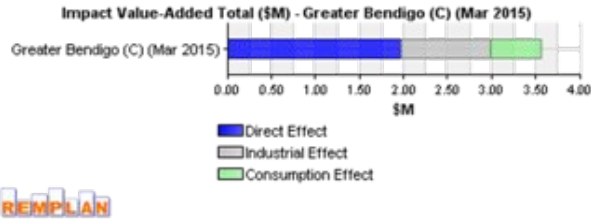


IMPACT ON VALUE-ADDED

From a direct increase in output of \$4.578 million the corresponding increase in direct value-added is estimated at \$1.964 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$1.017 million. This represents a Type 1 Value-added multiplier of 1.518.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$0.576 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$3.557 million. This represents a Type 2 Value-added multiplier of 1.812.



IMPACT SUMMARY OF 5% SHIFT IN DEMAND FOR REGIONAL PRODUCE ON GREATER BENDIGO

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$4.578	\$2.405	\$1.049	\$8.032	1.525	1.755
Employment (Jobs)	21	8	4	33	1.381	1.571
Wages and Salaries (\$M)	\$0.422	\$0.478	\$0.248	\$1.148	2.132	2.719
Value-added (\$M)	\$1.964	\$1.017	\$0.576	\$3.557	1.518	1.812

APPENDIX 5

THE TEAM



Dr Jennifer Alden of Growing Change was lead consultant. Growing Change, the contracting agency, supports local community food initiatives and also works with organisations and community to create opportunities to strengthen local health, environmental and social outcomes.

The consortium partnering in this tender included founding members of the Australian Food Hubs Network, who also have had extensive involvement in recent food hub development projects, social enterprise, academia, community and producer networks and markets, and who are uniquely positioned to undertake this project.

The inclusion of Planisphere to the consortium provided an ability for a high level concept to be developed that was critical to the engagement process with all stakeholders.

PROJECT PARTNERS



Dr Nick Rose, Associate Consultant, food systems expert for sustainable food economies and legal expert



Nadine Ponomarenko, Associate Consultant, food systems financial expert and experience project manager.



Kate Dundas, Associate Director of Planisphere also acted in an Associate Consultant capacity to undertake high level site assessment and concept plans, plus production of the final report



Kirsten Larsen, Associate Consultant, social enterprise and sustainable food economy expert, provided guidance to the proposals for Food Hub establishment, based on the South East Food Hub establishment

PROJECT ASSISTANCE



Hayley Davis, manager of Bendigo Community Farmers Market, was subcontracted to conduct producer interviews, thus building on producer relationships.

ADVISORY ROLES

- **Sonia Anthony**, Food Fossickers president
- **Ann Lansberry** of Modus Insight, (also president of the Bendigo Community Farmers Market)
- **Chris Ennis**, manager of CERES organic farm and Fair Food community enterprise
- **Robert Pekin**, CEO of Food Connect, Brisbane

Chris and Robert were involved in the establishment of the The Australian Food Hubs Network.



GREATER BENDIGO FOOD HUB

A FEASIBILITY STUDY FOR THE ESTABLISHMENT OF A REGIONAL FOOD HUB IN BENDIGO