ICC SYDNEY FEEDING YOUR PERFORMANCE PROGRAM: EVALUATION ONE YEAR ON

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Abstract

This is the second Case Study of the ICC Sydney’s “Feeding Your Performance” program. This case study builds upon the Feeding Your Performance Case Study (Foley, Edwards, Harrison & Hergesell, 2017) which documented the collaborative benefits and effects of the sustainable and inclusive practices adopted by ICC Sydney, as part of its FYP program. It evaluates the first year of the “Feeding Your Performance” program. The case study presents the impacts of the program for the Calendar year 2017 and should be read as a companion piece to first Case Study.

1 Introduction

ICC Sydney is ideally positioned in the supply chain between its producers and clients to exert a significant influence on economic, social, and environmental sustainability. ICC Sydney’s Feeding Your Performance program is a triple bottom line strategy with a suite of noteworthy initiatives in each of these areas, including a collaborative food and beverage strategy involving partnerships with a large number of New South Wales (NSW) producers.
The objectives of this follow-up to the case study are to determine the outcomes of ICC Sydney’s Feeding Your Performance program over the 2017 calendar year. The report includes details of the business impacts for select NSW producers collaborating with ICC Sydney in terms of economic development, environmental sustainability, and community outreach.

1.1 Background

Globally there are hundreds of convention centres, which host more than 24,000 different association meetings each year (International Congress and Convention Association, 2016). Unlike the hotel sector (Bohdanowicz-Godfrey, 2013) and tourism operations sector (Carlsen & Edwards, 2013a) which have documented “practices towards more sustainable modes of operation” (Carlsen & Edwards, 2013a, p. 33), little has been documented in the research literature about the collaborative potentials of a convention centre to deliver benefits beyond tourist visitation (Edwards, Foley, Dwyer, Schlenker & Hergesell, 2014; Mair & Jago, 2010).

This report makes a contribution to this research gap by examining a convention centre, International Convention Centre Sydney (ICC Sydney), with significant purchasing power to work with and influence producers in a backward supply chain. ICC Sydney is the largest integrated convention, exhibition and entertainment venue in Australia. It is situated in Sydney, New South Wales, Australia in the active leisure precinct of Darling Harbour, and is flanked by the Sydney Central Business District and a university precinct. Opened for business in December 2016, it employs 1,663 staff (351 full time and 1,312 casuals) (Annual Report 2017) and replaces the previous structure of the Sydney Convention & Exhibition Centre.

1.2 About Feeding Your Performance

Initially developed as a point of difference to promote the convention centre and its offerings FYP has become a cornerstone of ICC Sydney’s strategy (ICC Sydney, 2016). The FYP program underpins many
aspects of ICC Sydney’s service delivery. According to the Director of Culinary Services, the FYP program is manifest most notably in the organisation’s food and beverage service areas where the aim is for restaurant quality meals to be made from fresh, seasonal and ethically sourced local produce, that are nutritionally balanced to energise the physical and mental performance of conference and trade show participants. Supporting the energy levels of delegates has implications for a much broader range of conference outcomes that bring benefits to delegates, communities and economies (see Edwards, Foley & Malone, 2017; Edwards, Foley & Hergesell, 2016; Foley, Edwards & Schlenker, 2014; Foley, Edwards, Schlenker & Hergesell, 2014a; Foley, Edwards, Schlenker & Hergesell, 2014b; Foley, Edwards, Schlenker & Lewis-Smith, 2013).

ICC Sydney designs menus that incorporate “seasonal, fresh, nutritious, and healthy food” to provide “the best opportunity for minds to think clearly, engage fully, best ideas, and for bodies to remain light and energised” (Executive Chef). To achieve these goals ICC Sydney engaged a nutritionist who provided advice on menu ingredients that would improve concentration, such as the use of grains that deliver slow-release energy throughout the day.

Another FYP goal is to support NSW regional economies by “buying fresh seasonal food from small regional producers in New South Wales” (Procurement Manager). The Executive Chef identified and visited a range of farmers and small food producers to “establish a direct relationship with the people who produced the produce and to share the FYP approach” (Executive Chef). According to the Procurement Manager, collaborations have been established with many locally (NSW) sourced producers.

A major stakeholder in the establishment of ICC Sydney is the NSW Government. The FYP program is supporting government ministers to deliver on their goals for the state, in terms of regional development (NSW Government, 2015). In 2016 Stuart Ayres, the NSW Minister for Trade, Tourism
and Major Events assisted the ICC Sydney to launch their wine list. At the launch, the Minister stated it is “a fantastic way to showcase the high quality and world-class wines that we have available [in NSW]” (News.com.au, 2016). Niall Blair NSW Minister for Primary Industries, Regional Water, Trade and Industry is excited by the potential that FYP represents as a role model for other businesses:

ICC Sydney demonstrates that a large venue can indeed buy local year-round while still maintaining supply. The venue should be commended for the model it has established by working hand-in-hand with producers - there is a real connection between the grower and the chef, which is truly unique and intimate.

In addition to contributions to economic development in regional NSW, the FYP philosophy is embedded in many other aspects of ICC Sydney culture and practice and underpins their environmental sustainability and community outreach initiatives.

Feeding your performance is not a one-way benefit delivery system. Sustainable practices provide resource efficiencies for the organisation. Community partners support ICC Sydney to deliver relevant and cutting-edge service. Economic support of local producers ensures the delivery of high-quality food and beverage to ICC Sydney’s procurement team, chefs and clients. In summary, a philosophy aimed at sustainability and menu innovation (by delivering food to sustain delegate performance), became a strategic program supporting delegates and venue patrons, NSW producers, government and industry, the environment, students, entrepreneurs, and the local community. Figure 1 (Foley, Edwards, Harrison & Hergesell, 2017) presents the beneficiaries for each tier of ICC Sydney’s FYP triple bottom line approach.
This study reports on outcomes of the FYP program in 2017.

2 Methodology

The study employed both qualitative and quantitative methodologies with data drawn from multiple sources. Procurement data were retrieved from ICC Sydney and analysed to determine the direct expenditure by ICC Sydney on NSW produce and wine in the 2017 calendar year. These data were analysed using Excel and SPSS. A multiplier was then applied to gain an estimation of the economic contribution to the NSW economy.

Interviews were conducted with nine NSW producers, either at their workplaces or by phone. The producers were identified by ICC Sydney. Five of the producers interviewed as part of the case study project were re-interviewed for this evaluation study. Interviews were also conducted with a NSW Government minister by phone, and a NSW Wine Industry Association (NSWWIA) representative in regional NSW. In addition, interviews with eight executive staff from ICC Sydney, and one regional
destination manager were conducted on the premises of ICC Sydney. All interviews occurred in the period January 2018 - May 2018. Table 1 provides an overview of interview participants.

The interviews, ranging in length from approximately 45 minutes to 90 minutes, were recorded with the permission of participants and subsequently transcribed. For purposes of confidentiality, the names of participants have not been used in this report.

Table 1: Interview participants

<table>
<thead>
<tr>
<th>ICC Sydney Staff</th>
<th>Producers</th>
<th>Other</th>
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<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Seafood producer - Taren Point</td>
<td>General Manager Destination Country and Outback NSW</td>
</tr>
<tr>
<td>Director of Human Resources</td>
<td>Wine maker - Molong</td>
<td>NSW Wine Industry Association (NSWWIA) representative</td>
</tr>
<tr>
<td>Director of Finance and</td>
<td>Lime grower - Kempsey</td>
<td>Minister for Primary Industries, Regional Water, Trade</td>
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<tr>
<td>Administration</td>
<td></td>
<td>and Industry</td>
</tr>
<tr>
<td>Director of Communications</td>
<td>Butter maker - Tempe</td>
<td></td>
</tr>
<tr>
<td>Director of Culinary Services</td>
<td>Cheese maker - Lidsdale</td>
<td></td>
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<tr>
<td>Procurement Manager</td>
<td>Wine maker - Orange</td>
<td></td>
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<tr>
<td>Executive Chef</td>
<td>Organic fruit and vegetable farmer - Orange</td>
<td></td>
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<tr>
<td>Sommelier</td>
<td>Pasta maker - Sydney</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Olive oil producer - Crookwell</td>
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In addition, evidence was collected in the form of website material and managerial documents. This data and the interview transcripts were analysed using a qualitative data analysis software package (NVivo). This report contains details of 87 partnerships with NSW producers for whom records were available to the researchers. This does not constitute the full number of partnerships between ICC Sydney and NSW producers in 2017.

3 Findings and Discussion

This section is presented in two parts. First, estimates of the investment made by ICC Sydney in NSW
food and beverage in 2017 are presented. This is followed by a discussion of the emerging themes and associated sub-themes (Table 2) that arose from the qualitative data analysis.

Table 2: Themes arising from the qualitative analysis

<table>
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<th>Economic Development</th>
<th>Environmental Sustainability</th>
<th>Community Benefits</th>
<th>Challenges</th>
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<td>Supporting regional communities</td>
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<td>Producer outcomes</td>
<td>Waste management</td>
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<td>Jobs</td>
<td>Energy management</td>
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<td>Managing risk</td>
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3.1 Food and beverage procurement analysis

Part of the ICC Sydney’s Feeding Your Performance program aimed to strengthen the New South Wales (NSW) economy by, whenever possible, purchasing from NSW producers. Having introduced this program in late 2016, when ICC Sydney opened, this procurement analysis evaluates ICC Sydney’s wine and food purchases for 2017.

3.1.1 Wine

ICC Sydney offers a number of food and beverage (F&B) packages, which vary in price as well as making an in-house commitment to develop a wine list comprised of 80% NSW wines. The NSW Classic package consists of wines from NSW only and is one of the most popular wine packages chosen by clients.

Overall, the ICC Sydney purchased 117,506 bottles of wine worth over 1.03 million AUD in 2017. Eighty-six per cent of these bottles originated from NSW worth 84 per cent of the overall wine spend (Figure 2). “It is one thing to put 80% of wines on the list as NSW but it’s really all about selling 80 per cent of wines from NSW and actual numbers of bottles and actual numbers of dollars” (Sommelier). The strategic development of packages that reflect NSW wines at varied and competitive price points has
contributed to the volume of wine purchases from NSW.

Figure 2: Proportion of total spend on wine by origin

![Figure 2: Proportion of total spend on wine by origin]

Figure 3: Proportion of total spend on wine by state and NSW region, and by timeframe

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3.1.2 Food

The collection of data for food purchases is complex. Food purchases can be made either directly from
producers and/or via distributors. Part of the food data in this report is based on the distributor providing information on the origin of the purchases. Indeed, over the course of 2017 several direct producers asked ICC Sydney to buy their products via their distributors to lower the producers’ administrative and distribution workload.

Overall, 31 per cent of all food purchases in 2017 originated from NSW food producers and this equated to 3.44 million AUD of direct expenditure. The majority of this expenditure was spent on meat, followed by bakery products (Figure 4). In total 87 NSW producers benefited from the 3.44 million AUD spent by ICC Sydney in NSW.

Figure 4: Proportion of NSW spend by food category

3.1.3 The Multiplier Effect

The expenditure in this evaluation represents the direct effect resulting from purchasing the goods
and services for the consumption of delegates attending events at ICC Sydney. A direct impact occurs where there is a direct relationship between the visitor and the producer. Indirect effects result from ‘flow-ons’ in the supply chain in which producers purchase inputs from other firms as inputs to the production of their final outputs, in turn these firms purchase inputs from other firms and so on.

An association purchases food and beverage packages from ICC Sydney,

- ICC Sydney purchases vegetables, meat and wine from a farming company
- the farming company ‘purchases’ labour and transport to deliver produce to ICC Sydney, etc.

Tourism Research Australia (TRA) (2012) values tourism’s total output multiplier at 1.92. This means that for every dollar tourism earns directly in the Australian economy, it value adds an additional 92 cents to other parts of the economy. ICC Sydney’s direct expenditure on food and beverage supplies in NSW amounts to 4.31 million AUD.

Applying the TRA multiplier to ICC Sydney’s total NSW spend in 2017 we conservatively estimate that ICC Sydney has delivered approximately 8.28 million AUD to the NSW economy in 2017 through their food and wine purchases.

### 3.2 Themes arising from the qualitative analysis

#### 3.2.1 Economic development

The agricultural industry is a significant employer in Australia, supporting employment for 1.68 million people, particularly small producers in rural and regional areas (Spencer & Kneebone, 2012). The industry contributed 130.4 billion AUD in food and beverage retail turnover in 2010-11 (Spencer & Kneebone, 2012). Australian food and beverage is highly regarded in terms of quality and food safety, and gastronomic tourism is becoming increasingly important to the tourism industry (Tourism Australia, 2017). However, many NSW growers and producers in rural and regional areas struggle to compete with low cost imports, and unemployment is significantly higher than the state average in

According to the Destination Manager we interviewed, urban centres with their comparative wealth sometimes forget that they are part of a broader community that includes rural and regional neighbours. Intense urbanisation has damaged our links with the land and food. Our knowledge of the threats to our food bowl is minimal and this has “undermined our inclination to care, and desire to take action for the collective good” (Pretty, 2013, p. 2).

Research has shown that local food supply chains can regenerate rural development (King, Hand & Gómez, 2015; Ilbery & Maye, 2005), but this requires the tourism and associated hospitality sector to recognise the importance of sourcing locally, to support small business and community livelihoods.

“It’s just that lack of awareness of what we are growing in our own backyard … the fact that ICC Sydney have gone out with that public statement [in support of regional NSW] is a game changer” (Director Finance and Administration). Indeed, small indications of a trickle-down effect in terms of both action and awareness are beginning to emerge, as evidenced in the following comments.

I was talking to [one of the NSW wine makers] and he sold a little bit of wine to one of the restaurants in Cockle Bay Wharf. They had actually changed their wine list to focus more on New South Wales … they said, “Yeah well the Convention Centre’s doing it so we thought we should too”. I was really quite chuffed to hear that (Sommelier).

One of the other things that are a by-product of [ICC Sydney’s strategy to serve NSW wines] has been the other function centres have also had to follow suit. So a lot of the competitors find their customers [are asking for the same thing]… Luna Park found they’ve had to actually respond and [now] have a local component. I would imagine over the next couple of years they’re going to have to look at modifying that further (Producer).

Supporting local producers

The Executive Chef at ICC Sydney has made good connections with many of the producers through
face-to-face visits to farms and regional communities. Visits which educate him about the issues faced by the small producers. Below is one such example.

A NSW grower had a crop of cherries that had to be picked early due to approaching storms. The cherries were still a bit green and unsuitable for retail so the grower was looking at losing the entire crop. The producer rang the Executive Chef at ICC Sydney on behalf of the grower to see if the Executive Chef could help by purchasing some of the crop. The Executive Chef agreed to purchase the whole 300kgs. The producer drove the cherries to ICC Sydney and noted that “it was a good deal and look, Tony actually wants to look after the growers and I think it’s in his interest to have good produce coming there, direct from the growers”. The story was verified by the Executive Chef:

So he rang me up and asked “I’ve got so many cherries, they’ve got to go, can you take any?” So we took 300 kilos off him, just like that... We actually sold them to the staff, half of them, at cost price in the staff café ... And we’ve preserved some and we’ve actually used most of them up already (Executive Chef).

There has been slow growth in the food market in Australia since 2008 (Spencer & Kneebone, 2012). Added to this is the issue of ongoing volatility of the operating environment for food producers caused by both climatic and economic conditions. The volatility of the operating environment for food producers is not expected to decrease in the near future and, in this context, ICC Sydney’s strategy to provide a level of stability for their food producers is very welcome. The CEO said:

We’re not just feeding the performance of our delegates but feeding the performance of any number of small operators. We are feeding their (business) performance in so many ways .... The stability given to a farmer because they have got that guaranteed business and guaranteed payment and employment.

Producer outcomes

In 2017, ICC Sydney provided niche market opportunities for more than 85 small producers from NSW (Procurement Manager) through direct expenditure of 4.31 million AUD. This section outlines a range of outcomes for the producers we interviewed for this study.
The olive oil producer is providing a unique blend for ICC Sydney and the relationship makes good business sense:

That’s a good piece of business as well, being able to do one recipe for 1,000 litres worth of this oil for ICC Sydney, that’s also a very nice thing for us to be able to do because it’s just one customer getting one thing and it works well (Producer).

Additionally, the producer is happy to work with a customer who is showcasing their product to an international audience:

It’s a tricky thing to do but for someone like ICC it was worthwhile doing because of what they’re doing for Australian produce in terms of really showcasing it to the world…it makes sense to us to want to work with them to give them something unique and different…the fact that ICC has an ethos of promoting and representing high quality New South Wales or Australian produce, for us to then be on that menu is an automatic win… I saw a press release that [ICC Sydney] did – about ICC having its own blend of olive oil [made by one of the producers], which was fabulous. That type of stuff allows [producers] to put it out on our social media channels (Producer).

Another producer stated the partnership with ICC Sydney in 2017 has contributed to increased sales, the purchase of more land to increase production, and certification as an organic farmer. A further producer cited improved financial, reputational and collaborative outcomes that have resulted from the partnership with ICC Sydney. This producer is now collaborating with another ICC Sydney producer to source the duck that they need for one of their products.

We’ve collaborated with one of [ICC Sydney’s other] producers, so we work together and that made it a lot easier … because [dealing with the original producer was becoming] a bit of a challenge. So after speaking with Tony [Executive Chef], Tony said why don’t you try these blokes, we deal with them. Was a no brainer. It’s made the process so much easier.

This relationship with the game producer has now extended into other parts of the Producer’s business.

ICC Sydney are also providing opportunities for NSW wine makers. Not only did they achieve a wine list comprising 80 percent NSW wines but their sales exceeded the 80 per cent mark in 2017. The sommelier noted:
We found that there’s a certain price point…just happen(s) to be from New South Wales so you just get that additional New South Wales impact. So we’re very happy with how it worked out …it’s really all about selling 80 per cent of wines from New South Wales and actual numbers of bottles as well (Sommelier).

The Industry Association Representative is understandably pleased with this outcome. They would like this “to go up to 100%” and will work with them to improve the sales. They also consider ICC Sydney to be a “good avenue” to showcase NSW wine to a wider audience and to “show our customer base that we are involved in some of the premier venues of New South Wales”. Two producers have confirmed that the strategy is helping them to grow their business:

[Our vineyard] supplies wine to them. It’s a really positive multiplier that we do get out of that, so we see that that enables us to get a bit of certainty, a bit of volume in our business. They’ve grown with us, they’re very good at communication, very good at supporting us.

Whilst growth for another producer means being able to purchase more fruit from other growers in the region, more boxes for packaging can be purchased locally and his labels are made in NSW. The only part of the process taking place outside of NSW is the bottling and there are ambitious plans for building a local bottling plant for sparkling wine in Orange and to make Orange the sparkling wine capital of Australia.

Collaborating with ICC Sydney allows producers to focus on their core competencies of delivering high quality produce. The producers welcome the opportunity for not only the promotion of their own business but for their regions and communities. Outcomes have included increased cash flow, increased production, improvements to infrastructure, innovative business plans, and a direct investment into the businesses of NSW producers of 4.31 million AUD in 2017.

Jobs

A number of the producers interviewed referred to small impacts on their businesses in terms of the people they employed as a direct result of their collaboration with ICC Sydney in 2017. One of the
winemakers noted that while the workload had increased due to the increased business from ICC Sydney, they were able to absorb most of the extra demands into their personal workloads. However, they recently employed someone on a part-time basis to assist with the increasing workload who had come from the mining industry. Another producer stated they will need to employ more workers but it takes time to have the confidence to do this.

A producer stated that they needed to increase the number of casual workers they employ from one to seven in order to pick the fruit and vegetables they are growing for ICC Sydney. For another producer a double in their supplies in the first 18 months resulted in the equivalent of two additional staff members being employed. More significant job growth outcomes will take longer to emerge as these businesses grow and consolidate. However, as noted by the potato farmer in the first case study, even a small increase in employment in a regional community is significant.

Throughout 2017, ICC Sydney has also supported the local community through recruitment of diverse groups including people with learning disabilities, the LGBTI community, youth from technical colleges and hospitality schools, working mothers and mature workers. They have achieved this by “partnering with diversity organisations that focus on specific demographics” (Director of Human Resources). Over 2017 the ICC Sydney grew to 351 full time and 1312 casual positions. This represents a 17% increase in full time positions.

### 3.2.2 Environmental sustainability

Environmental sustainability in agriculture means good stewardship of the natural systems and resources that farms rely on (Farm Table, 2018). ICC Sydney choose producers based on both their geographical location and the quality of their produce, which goes hand in hand with sustainable farming practices.
ICC Sydney source the majority of their food and wine from local (NSW) producers which contributes to reduced ‘food miles’ (Shukla & Jharkharia, 2013) and a smaller carbon footprint (King et al, 2015; Kneafsey et al, 2013).

Waste management

Effective waste management systems are integral to sustainability for organisations’ and communities. ICC Sydney’s contributions to sustainable practice in terms of waste management includes the executive chef developing dishes, and training his staff to use the whole of the produce to minimise waste. “It is an easy task as the quality of the produce is so high” (Executive Chef).

In addition, unused excess food is donated to a charity that feeds disadvantaged people in Sydney. Food waste is collected by a composting company who dries the food to make fertilizer.

In 2017 ICC Sydney partnered with Sydney Water to serve water in recyclable glass bottles, saving the use and waste of 775,000 plastic bottles (ICC Sydney Annual Report 2017). Water is also collected and managed with a 200 kilolitre rain water tank which reduces ICC Sydney’s use of potable water for irrigation and toilet flushing purposes (ICC Sydney Annual Report 2017).

Energy management

In July 2017 ICC Sydney received an award for leadership in energy and environmental design (https://www.usgbc.org/projects/international-convention-centre-sydney). Initiatives in the area of energy management include: a community funded 520KW solar array (http://www.sydneyrenewable.com) and a car charging station for 25 vehicles.

In summary, ICC Sydney are benefitting the environment by adopting sustainable practices within their own organisation, particularly around reducing waste and recycling. But perhaps most significantly,
they are contributing to improved ecosystems by supporting farmers and small business who take sustainability seriously and have adopted roles of environmental stewardship in their areas of expertise.

### 3.2.3 Community benefits

Community outreach is the third pillar of ICC Sydney’s triple bottom line FYP approach. ICC Sydney makes contributions to both regional and local communities.

**Supporting regional communities**

Further, a focus on local food arouses social concern for farmers. Studies have shown that people buy local food, to a large extent, because they feel sympathy for the farmers (Mundler & Laughrea, 2016; Corsten & Felde; 2005; Arsil, Li, Bruwer & Lyons, 2014). Empathy and respect for farmers was evident in all the interviews conducted for this case study. But there is conflict for land use due to our expanding cities. Minister Blair believes that NSW has an important role to play in raising “awareness around other types of production systems that are available such as aquaculture, hydroponics and some of the more innovative ways of producing food”. He believes that “ICC Sydney is an exemplary showcase of sustainable agricultural practices and the positive benefits of supply chain management in NSW”.

**Supporting local communities**

The Director of Human Resources provided information on ways in which ICC Sydney supports the local community through recruitment with a particular focus on diversity groups. ICC Sydney is contributing to a range of diverse communities by collaborating with the organisations that support them, providing jobs and training. In 2017 they partnered with Working Mothers Connect, Pride in Diversity, Job Support for disability, and Sydney TAFE and attracted a diverse workforce including mature-age workers.
All staff who join ICC Sydney are inducted into the Feeding Your Performance philosophy. Minister Blair believes that the sustainability training that the chefs at ICC Sydney are receiving is a legacy that will deliver benefits to Sydney as staff progress throughout their careers.

ICC Sydney has formed a relationship with OzHarvest, an organization that collects quality excess food from commercial outlets and delivers it, direct and free of charge, to more than 900 charities, assisting vulnerable men, women and children across Sydney (http://www.ozharvest.org/what-we-do/). The high price of local food, to some extent, reinforces the social exclusion of less affluent consumers (Kneafsey et al, 2013). ICC Sydney is countering such negative aspects through its relationship with OzHarvest.

A further initiative that began in 2017 is ICC Sydney’s Reconciliation Action Plan (RAP). The RAP to be launched in 2018, includes: delivering cultural awareness training for ICC Sydney team members; providing pathways to employment for First Nations hospitality students (seven students have already graduated from pre-employment programs with three students now team members at ICC Sydney); recognising First Nations’ heritage through an Acknowledgement of Country displayed on external digital screens; promoting appropriate Welcome to Country and Acknowledgement of Country information to event clients; celebrating local artists within the venue; building relationships with key stakeholders including the Metropolitan Local Aboriginal Land Council, First Australians Chamber of Commerce and NSW Indigenous Chamber of Commerce.

Deb Barwick, Chairperson of the First Australians Chamber of Commerce and Industry and CEO of the NSW Indigenous Chamber of Commerce, said ICC Sydney is helping to build greater acknowledgement and celebration of Aboriginal and Torres Strait Islander culture with their Reconciliation Action Plan.

This initiative will help connect the millions of people it is expected to welcome through
its doors each year with local Aboriginal businesses and culture in a purposeful and enriching way... (Deb Barwick cited in ICC Sydney 2017).

3.2.4 Challenges and opportunities

Logistics

The world is becoming increasingly urbanised and the concentration of people living in cities like Sydney is rising. This means that increasing amounts of food need to be delivered into cities to feed growing numbers of people. Food supply chains can be more complex than other supply chains. Many of the goods delivered require cold chain technology. Other constraints can include short lead times and specific handling procedures (Morganti et al., 2014). ICC Sydney situated in a central city location receives food and beverage deliveries several times per day.

What you tend to find is the large companies, the distributors, they will deliver here five days a week, even six days on a Saturday. Whereas the regional New South Wales producers will come to Sydney maybe every second or third day. And the minimum order would have to be about $400-$500, so it’s got to be commercially viable for them to come here. And they don’t come every day because they’ve got to work on the farm, they can’t do that, logistically (Procurement Manager).

The Executive Chef’s approach to sourcing food from small producers means that the logistics are more complex for ICC Sydney stating “it’s easier to manage ten producers than it is to manage 110”. However, he believes that the investment of their time in developing systems that manage higher volumes of delivery are integral to maintain these relationships and enables them to be better chefs and deliver better results for ICC Sydney clients and guests. He goes on to say “not only does it deliver us better produce to cook with but we also gain a lot of knowledge from one-on-one relationships with farmers and small producers”.

The Executive Chef provides an example of the way in which he engages his producers:

We have SIBOS coming in October, the world’s most prestigious financial services event...I’ve already placed orders with farmers to grow [carrots etc.] for the dishes that have been confirmed for the bespoke SIBOS menus. This advance planning is great for us and great for farmers.
ICC Sydney originally planned to develop direct partnerships with their NSW producers. In some cases, this has worked well, in others the producers have preferred to supply via a distributor as shown in the two comments below.

The best way that we figured out to get our product to market, because of our very remote location and because of the nature of what it is that our product is, was to always work via distributors (Producer).

We have contractors that do our deliveries. They’ll pick up here in the morning, and it’ll get to the customer that same day... it’s a refrigerated vehicle that is designated to our run for the day (Producer).

One producer notes that using a distributor can sometimes disrupt a personal relationship with the buyer, however, this is not an issue with ICC Sydney as they maintain a relationship with the sommelier outside of the day-to-day business:

[Our distributor deals with the] demands of delivery, invoicing, all manner of things - it’s just easier for us not to handle that part of the business. And so our relationship with [ICC Sydney] is somewhat second hand, but we do have a direct relationship [with the ICC Sydney sommelier] and that’s primarily I think the best way to keep any ongoing business.

On the other hand, one producer is very happy to maintain a close relationship with the Executive Chef, including down to the ‘nuts and bolts’. When he had an issue with the payment of missing invoices, he rang the Executive Chef who sorted out the problem to the satisfaction of the producer.

The use of a distributor did not work out well for one producer and they moved to direct supply in 2017.

We’ve picked up a freight company that [delivers to our customers]. We tried a courier who said it was not worth his while for the little orders, so we use a refrigerated freight company.

One producer has always used a distributor but notes there are issues.

Honestly I can’t tell you how many times over the last twelve months I had a phone call from a distributor [who has not been able to meet a delivery order] “Can you get it out today” and it involves us literally dropping everything, putting it in our van and delivering it to the courier because if it doesn’t leave by [a certain time] there is no chance it’s going
to happen.

There is also the need to manage the size of the order:

From a freight perspective, we get charged by the pallet so if you have less than a pallet worth of stock that goes out, you’re still charged as if it is a pallet worth of stock. So, for us to make enough margin on our product in order to be sustainable and survive – it has to be by the pallet. (producer)

Another producer is collaborating with local producers to overcome delivery issues:

I [now] use [a local acquaintance], he goes to the fish markets, he goes down four days a week to Sydney with the fish, and he puts my vegetables on that and then he’s got a courier [who] just comes out of the fish markets over the hill … and straight into Tony [Executive Chef] every morning at 6:00am, it’s the perfect relationship. That’s five hours back home working on the farm and keeping control over the workers I’ve got here.

Logistics, particularly around delivery, can be one of the most problematic aspects of the business for small, regional producers. ICC Sydney’s Director of Culinary Services said that logistics is among the first things discussed when they are talking to potential new producers: “A lot of them, especially the smaller ones, find it’s very difficult to actually get their product into Sydney, so we have to first of all find out if it is actually going to be feasible for them [to supply ICC Sydney]”. Minister Blair noted that the issue of freight and logistics for NSW producers is something that the NSW Government is currently working on.

Building trust

Relationships are crucially important in effective supply chains. Good interpersonal relationships generate trust, and trust can be leveraged to enhance outcomes for multiple parties in the supply chain (Kale et al., 2000; Cousins et al, 2006). “Without a foundation of trust, collaborative alliances can neither be built nor sustained” (Fawcett, Jones & Fawcett 2012, p. 163).

Producers reported trust as an important aspect of their relationship with ICC Sydney that developed in 2017. The CEO of ICC Sydney as well as members of the Culinary and Communication teams visited
Orange in 2017. Their meetings with farmers and producers and regional representatives served to deepen relationships and open communication channels.

Face-to-face interaction between ICC Sydney executives and producers in Orange has been beneficial for building trust, as evidenced by the following comments.

The relationship seems very strong, they seem very happy. We had a visitation from Lynell [Director of Culinary Services] and a few of the others ... They did a regional visit which I think is very positive for Orange and for them to come out and see their producers and see what everybody is doing and they were very positive. So I think the relationship’s going very well (Industry Association Representative).

The fact that you are here gives me some confidence that they are happy with the relationship, the fact that William’s [Sommelier] made two visits in the last months, the fact that Tony [Executive Chef] and Lynell have been here. I think a lot of confidence can be taken out of those visits, and then positive feedback. (Producer)

Through social interaction and close working relationships, members of a supply chain can gain knowledge and understanding of work processes and issues, which build a bank of goodwill. This allows potentially useful information to travel quickly and accurately through the network (Cousins et al., 2006). By investing in their relationships with producers, the Executive Chef believes that they avoid “a cookie-cutter approach” enabling their guests to see personality and passion in the food. For one producer it has been a win-win situation:

I think it’s just a good relationship, we have no problems and they, they order it, I pick it, I deliver it, it, it’s just a good relationship and I think Tony likes it too because he puts a set order in every week.

I met a fellow the other day and he said, “I just did a cooking course and this gentleman couldn’t stop talking about you.” And I said, “You must have went to the ICC.” And he said, “I did.” I said, “And the cook was Tony.” He said, “Yeah Tony just kept on saying about how good the vegetables are because they’re perfect.”

Communication is an area that was viewed differently by producers. For some it was an area of strength as evidenced below.

Tony’s very easy to talk to – he's straight down the line. Yeah you can have a good moment,
a laugh and that, but then when it's business, this is what we need, this is how we need it, can we do it. And if I can't do it, I say it. If we can, we do. A business should be built on relationships these days, it's not just about products (Producer).

For others it is an area that needs improvement, particularly in terms of enabling producers to plan production schedules. The comments that follow (from various producers) make this point.

The thing is – getting that structure [communication] in place so that we can make what they need.

I don’t get a forecast from ICC to say “guys this is what we did last year, we’ve got this many events pencilled in over the next twelve months”. I would anticipate that we will do this amount of your wine so that we can forecast intake. We’re going to pick that fruit in less than a month, so you get one chance to get that entire volume (Producer).

Offering a forecast on what they think they're going to need for the next year would be very beneficial for us to plan for that twelve months.

Some producers are proactive in their communication with the ICC Sydney:

There's always a telephone conversation because, with the nature of the business they're in, it needs to happen. You can't assume, because assumptions get us into trouble. So, the slightest inkling of something that doesn’t seem 100% right, you always confirm. But sometimes we need to confirm things, so there's always a telephone conversation in between.

Say there's a flat period, we'll even pick the phone up and say, okay guys, what's happening, just to say “okay, we got any functions or other things coming up, we've got items on the menu?” Just so that we can plan our production schedule.

A number of producers believe that they need to make more effort to communicate with ICC Sydney, that they could be more proactive on this front, seeking the information they need, working together to improve outcomes for both parties.

I'm probably more reflective of myself than ICC [with regard to improving communication]; that we can improve that relationship and take a more proactive approach to the way we're doing business with them rather than waiting for them to come and give us feedback.

Following through on commitments is an important element of trust (Fawcett, Jones & Fawcett 2012).
The following example demonstrates that producer’s view commitment to supply chain relationships as important:

They chose producers [that] could supply, and they could sustainably work with those partners. Over the last thirteen months they have done that, and they’ve been really loyal to what they said, and then really had some key benefits to some of those businesses.

In summary, major gains in building trust are supported by open communication channels and following through on commitments. Visits from the executive team at ICC Sydney have been very beneficial in this area. There are areas that will improve further as relationships continue to develop. One improvement that the majority of producers are keen for is information that allows them to forward estimate the demand for their produce from ICC Sydney.

Managing risk
The FYP partnerships between ICC Sydney and the producers can be viewed as collaborative. Most large venues do not initiate programs like FYP, which has the shared goals of sourcing quality produce and providing economic support to regional producers. It is a risky strategy on both sides. ICC Sydney is taking risks by sourcing produce from hand-picked producers rather than using solely large distributors – who can always source what is required. Producers are also taking risks, investing in the relationship by growing their businesses to meet the needs of ICC Sydney without contracts or clear understanding of how long the relationship might last. Trust is required on all sides for collaborations to remain successful.

Personal trust could prove to be an unstable resource if key individuals leave organizations (Bloom & Hinrichs, 2011, p.15). Although there are no formal agreements, reliance on social connections between producers and key staff at ICC Sydney seems to provide incentive for both parties to be reliable and responsive to the needs of the other.
The key risk to producers is the termination of the relationship with ICC Sydney. A change in any of the key ICC Sydney employees may put the program in jeopardy should new employees not hold the same passion for driving a sustainability agenda (Carslen & Edwards, 2013b; Gill & Williams, 2011). This could conceivably damage the collaborations with small producers who can be vulnerable to economic changes. This is particularly acute for those producers who are growing their business to meet ICC Sydney demand.

Some of the producers are able to manage risk by maintaining a diverse customer base. For example, one producer ensures that none of their customers make up more than 10% of the business. Others are, as yet, not in a position to do this.

We asked the Industry Association representative for their thoughts on ways in which the risk for producers may be reduced.

You know it’s secure business for a period of time, the flip side of that is you just don’t know potentially when that may draw to an end.

There are numerous other potential risks that NSW producers are dealing with including the current drought, weather events such as hail which threaten crops, diseases that threaten stock and climate change to name just a few. The Destination Manager is well aware of these risks and the consequences for NSW farmers and producers. She believes that agritourism provides one way of mitigating these risks. ICC Sydney has flagged agritourism as an area of interest, to be developed in the future in conjunction with Destination NSW and other stakeholders. There may be scope to develop food and wine trails and other agritourist experiences in regional NSW that can be marketed to delegates.

Termination of the relationship with a single producer is less of an issue for ICC Sydney who sensibly manage this risk by having more than one producer in each category.
### 3.3 A framework for collaborative trust in partner relationships

Fawcett, Jones and Fawcett (2012) demonstrate that there is diversity to supply chain relationships with different levels of trust leading to different outcomes evidenced in the Trust Capability-Commitment Matrix (Figure 5).

**Figure 5: Trust Capability-Commitment Matrix**

<table>
<thead>
<tr>
<th>Performance Capability</th>
<th>Commitment Capability</th>
<th>Quadrant I: Limited Trust</th>
<th>Quadrant II: Performance-Based Trust</th>
<th>Quadrant III: Commitment-Based Trust</th>
<th>Quadrant IV: Collaborative Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>Sales Pitch: Strong performance is promised.</td>
<td>Sales Pitch: Strong transactional performance is promised, but no commitments to future relationship are made.</td>
<td>Sales Pitch: Strategic relationship is desired and outstanding performance is promised.</td>
<td>Sales Pitch: Outstanding transactional performance and investments in future relationship are promised.</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
<td>Deliverable: Supply chain partner fails to perform to promise.</td>
<td>Deliverable: Supply chain partner performs to short-term promises, but is reticent to commit more resources to the relationship.</td>
<td>Deliverable: Supply chain partner fails to perform to promise.</td>
<td>Deliverable: Supply chain partner performs to promise and works to build stronger future relationship.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trust: Poor performance and perceived opportunism undermining trust.</td>
<td>Trust: The essential foundation for higher levels of trust is in place, but breakthrough trust does not emerge.</td>
<td>Trust: Perception of trustworthiness is violated, undermining the relationships future.</td>
<td>Trust: High levels of trust emerge and form the foundation for higher-intensity relationship.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaboration: Neither the rational nor the relationship for collaboration exist.</td>
<td>Collaboration: Opportunities for unique collaboration are overlooked.</td>
<td>Collaboration: Seek collaboration, but are not willing to invest or accept vulnerability with meaningful trust.</td>
<td>Collaboration: Breakthrough collaboration opportunities identified and leveraged for collaborative innovation and advantage.</td>
</tr>
</tbody>
</table>

Quadrant 1 represents low performance and commitment capabilities. Relationships are undermined by partners failing to deliver on promises thus minimising their opportunity to build collaborative advantage. In Quadrant 2, performance is high but without further commitments to resources that build relationships collaborative trust cannot occur. Conversely, a strategic partnership is desired in Quadrant 3 but high commitment is undermined by poor performance, resulting in a lack of willingness to invest or accept the vulnerability that can come with trust. Quadrant 4 requires both consistent performance and commitment in which levels of trust underpin strong collaborative relationships.
All of ICC Sydney’s supply partners demonstrate a fit with Quadrants 2, 3 and 4. Those who are in Quadrant 4 evidence the new possibilities that can arise from a strong collaborative relationship such as business expansion, mutually positive collaborative arrangements with others in the supply chain and competitive advantage.

In summary, the FYP program is contributing to positive business outcomes for small producers in rural and regional NSW. Jobs growth is emerging and likely to increase as confidence grows and relationships mature. Logistics continue to be a problem for small producers in regional areas and this is an area in which the NSW government are continuing to focus.

4 Conclusions

The purpose of this study was to examine the impacts of ICC Sydney’s FYP program in 2017. The impacts are in the areas of economic development, environmental sustainability, and contributions to communities. Highlights from this discussion are presented in Table 3.

Table 3: Highlights from ICC Sydney’s Feeding Your Performance initiative

<table>
<thead>
<tr>
<th>Economic development</th>
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<tbody>
<tr>
<td>- Supports NSW producers and regional development;</td>
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<tr>
<td>- Provides demand for seasonal fresh produce that counters market volatility inherent in the food industry;</td>
</tr>
<tr>
<td>- Grows employment opportunities;</td>
</tr>
<tr>
<td>- Direct expenditure of 4.31 million AUD to NSW food and beverage producers in 2017.</td>
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<table>
<thead>
<tr>
<th>Environmentally sustainable practices</th>
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<tbody>
<tr>
<td>- Supports local producers and aligns with state governments sustainability strategies;</td>
</tr>
<tr>
<td>- Endorses CSR and stewardship;</td>
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<tr>
<td>- Reduces food miles, has a smaller carbon footprint and improves efficiencies;</td>
</tr>
<tr>
<td>- Focus on recycling, reduced use of chemicals, reduced waste and effective waste management.</td>
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<th>Community benefits</th>
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<tbody>
<tr>
<td>- Encourages awareness and concerns for farmers and local communities;</td>
</tr>
<tr>
<td>- Supports farmers to grow high quality, sustainable, and new and speciality produce;</td>
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<tr>
<td>- Builds staff morale;</td>
</tr>
<tr>
<td>- Supports local and diverse communities including First Nations peoples and businesses;</td>
</tr>
<tr>
<td>- Collaborates with local producers and other firms in the supply chain;</td>
</tr>
<tr>
<td>- Develops programs to connect students and entrepreneurs to conferences.</td>
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</tbody>
</table>
**Challenges and Opportunities**

- Develops systems that manage higher delivery volumes;
- Manages direct and indirect relationships;
- Maintains open communication channels;
- Builds collaborative relationships that lead to competitive advantage;
- Identifies strategies to manage risk.

Economic development goals for ICC Sydney were achieved in terms of their support for local producers. Producer outcomes in 2017 include increased cash flow, increased production, improvements to infrastructure, innovative business plans, and a direct investment into the businesses of NSW producers by ICC Sydney of 4.31 million AUD.

Jobs growth was surprising for this short period and there are indications that regional jobs growth can grow as producer collaborations and confidence grows. Logistics, particularly around delivery, can be one of the most problematic aspects of the business for small, regional producers, and may be an area where governments might consider providing further support. Major gains have been made in 2017 in building effective communication and trust between ICC Sydney and NSW producers. Producers are tentatively moving towards deepening their collaborative relationship by improving their communication with the ICC Sydney. Visits from the executive team at ICC Sydney have been very beneficial in this area.

An issue for further consideration is risk and the importance of producers developing strategies to manage risk. ICC Sydney may be able to assist in three ways. First, by providing advance warning and clear communication about any plans to terminate relationships. This will give producers time to identify other markets and to adjust their business practices. Second, government has a role to play in capitalising on the leadership and vision provided by ICC Sydney to encourage more firms to purchase from NSW producers. Particularly as ICC Sydney has demonstrated the “possibilities” that can be achieved from a collaborative supply chain model. Third, there is the potential for agritourism to be developed via food and wine trails and other agritourist experiences in conjunction with Destination...
The ICC Sydney FYP program is a clear example of an organization with a distinct economic sustainability agenda, actively in search of collaborative producers and enabling those producers to come up with solutions (Hjalager, 2018). It demonstrates that in tourism, collaboration and partnerships can form a basis for resilient action.

The triple bottom line approach taken by ICC Sydney in their FYP program provides a blueprint for innovation that can be applied in many sectors. State and national governments could adopt similar strategies in government run venues for supporting the producers in their own regions, contributing to economic objectives for the economic support of rural and regional areas. Commercial venues in urban centres could support their regions by purchasing and showcasing high quality local produce, thereby enhancing their own credentials for superior food and beverage offerings as well as sustainable practices. Finally, associations and international conference organisers who wish to generate legacies from their events will find very fertile ground and an outstanding level of support with ICC Sydney.

Further research is recommended in a number of areas:

- Scientific measurement of delegates’ performance and assessment of delegates’ perceptions of their performance.
- Evaluation of legacy program outcomes for students, entrepreneurs, First Nations collaborators, conferences, industry sectors, universities and other stakeholders.
References


