

Perth City Farm as a Social Enterprise

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Summary

Perth City Farm is a community urban farm that focuses on community connection and sustainable living. For most of its 30+ year history the organisation has funded itself as a social enterprise, running many different businesses that aimed to generate profits to cover the Farm's operating costs. This case study explores the Farm's social enterprise journey, focusing on information that could help other place-based not-for-profit projects financially diversify and grow independence through this model.

About Perth City Farm

Perth City Farm is a community urban farm in East Perth, Western Australia. Across its half-hectare site it harnesses the power of nature and community connection, bringing people together to learn about sustainable living.

The Farm started in 1994 as a project of a landcare organisation named Men of The Trees (now Trillion Trees), as an urban place for young people to learn about environmentalism. The project found a home at a government-owned disused industrial site in East Perth. The site was originally built in 1920 as an oil depot and consisted of a concrete courtyard surrounded by a number of industrial brick buildings, three of which were large warehouse spaces.

Although the project was started with organisational support from Men of the Trees there was no money allocated to it. The initial years were driven by dedicated volunteers who focused on building soil and planting gardens, clearing out and upgrading buildings and running community events and education programs. There was a strong focus on the values of respect, non-judgement and compassion, practiced authentically among the people involved whom came from very diverse backgrounds.

The early crew intentionally made the site very busy with a diverse range of activities so that the Farm would have a wide appeal with the Perth community. This strategy served them well when the government attempted to move them on after the initial two-year lease term, with strong community support that this Farm project remain.



Legal structure and lease

Eventually a long-term peppercorn lease was granted to allow the Perth City Farm project to continue where it started. The lease requires that the Farm remains a community project that includes ‘permaculture, education, the arts, community and enterprise.’ The inclusion of enterprise as an allowable activity in the lease has been key for the organisation funding itself.

In 2017 Trillion Trees allowed Perth City Farm to break away and become an independent organisation. It is now an Incorporated Association with Members, a volunteer Board, staff and community volunteers. It is a registered charity and in 2024 attained Deductible Gift recipient status.

Current Purpose, Vision and Values

As a project lasting more than thirty years the focus of the Farm’s activities and terminology used to communicate them have evolved. The language used in the current strategic plan is:

Purpose: to harness the power of nature and community connection, bringing people together to learn about sustainable living.

Vision: Perth is a community of people living connected, sustainable lives in harmony with nature

Values:

- Kindness: We are kind to ourselves, each other and the planet
- Positivity: We lead through positive action
- Connection: Everything we do builds connection between people and nature
- Inclusion: We welcome and include all



Social Enterprise Journey

Enterprising by Nature

Enterprise has always been part of the City Farm culture. This was primarily because of a lack of other options- there has never been appropriate government funding for this kind of complex place-based project in W.A. It doesn’t fit neatly into any ‘box’ of funding and that also meant it didn’t until recently qualify for Deductible Gift Recipient status, severely limiting the potential for donation-based fundraising. The team also didn’t want to weaken the case for securing long term tenure of the government-owned land by asking for operational funding at the same time. It made sense to use resources on hand to generate independent revenue streams.

The first enterprise activity was to clear out one of the warehouses and divide it into artist studios, rented for a modest weekly fee. Then came a tofu burger stall which made regular appearances at events, which were sometimes ticketed too. The next great leap was the setting up of Perth’s first organic farmers market in 2014. All of these activities aligned nicely with the organisations values, made use of existing resources and skills and were useful to the community involved at the time.

Enterprise activities over the years

Since 1994 Perth City Farm has experimented with many different enterprise activities of varying scales. Here are some of the most significant ones.

Enterprise	Description	Strengths	Weaknesses	Current Status
Plant Nursery	This sold plants and gardening supplies to the public from the site. Most of the plants we propagated with the help of volunteers in the nursery space and they concentrated on vegetable, herb and flower seedlings, sometimes buying in fruit trees to sell.	<p>Volunteers love helping in the nursery as propagating and potting up around tables is more physically accessible than general gardening for people, and really social.</p> <p>The Farm already needed to propagate plants for its own use so it was fairly easy to do more for sale.</p> <p>This enterprise connected nicely with the landscaping enterprise as plants could be sold to those corporate customers too.</p> <p>The community really appreciated the high quality and rarity of the plants available.</p>	<p>This nursery couldn't be made profitable for a few key reasons:</p> <p>The scale of the operation was too small to compete with prices at hardware stores.</p> <p>There is very limited parking at the Farm during the week and garden supplies need cars</p> <p>Having one staff member doing nursery work increased the rate charged for workers compensation insurance across the whole organisation, due to the riskier nature of this industry. When the Nursery ceased operating the annual WC insurance cost reduced by thousands.</p>	<p>During COVID uncertainty the Farm needed to cut back on loss generating activities and the nursery ceased as an enterprise. The nursery space is still used to produce the plants needed in the gardens.</p> <p>The nursery as an enterprise would only re-open if there was a good grant to build a better premise (the current one is now 20+ years old) and if there was an additional revenue stream to supplement the plant sale income. It might work if it was run as a 'Work Integrated Social Enterprise,' i.e. as an employment skills project with ongoing government or philanthropic funding attached to the employment outcome.</p>
Farmers Market	Established in 2014, Perth's first organic farmers market sees 12-15 stallholders joining to sell to around 400 customers each Saturday. PCF organises the market, charging a stall fee and handling marketing. The Farm runs its own produce and grocery stall.	<p>This event brings a vibrant community to the Farm every week, ensuring the Farm is an important part of people's everyday lives. This aligns well with the education enterprise with workshops running at the same time and supports the viability of the cafe.</p> <p>The market aligns very well with the Farm's purpose as it gives people access to sustainably grown food and supports those who grow it.</p>	<p>The small number of vendors are not enough to consistently cover the costs of a PCF staff member organising and marketing the markets so this enterprise usually runs at a loss.</p> <p>The Farm stall also runs at a small loss as four hours of trade each week is a very short period to sell perishable stock. The non-perishable stock needs to be stored all week, taking up space that could be used for other things.</p>	<p>Although it runs at a small loss the farmers market is an important offering for the Farm community and supports the viability of other enterprises directly or indirectly as a marketing tool.</p>

Enterprise	Description	Strengths	Weaknesses	Current Status
Cafe	<p>In 2010 a small building at the front of the site was converted into a cafe space. This was done in partnership with TAFE so that hospitality students could be trained within it. It was funded by a federal grant for training facilities and included the building of new toilets which benefited the whole site and other enterprises.</p> <p>It was run for the first few years as a City Farm enterprise- an entirely organic cafe managed by an experienced cafe manager recruited in. It operated 6 days per week.</p> <p>After a few years the cafe was closed and the space sub-let to an independent business to operate their own cafe.</p>	<p>The cafe brought lots of new people to the Farm, greatly increasing the buzz and activity. It helped draw in new types of people into the farm community as people know how a cafe works, whereas the rest of the Farm was less familiar to people who weren't sure what they were supposed to do there.</p> <p>Having cafe staff on site reduces the pressure on garden staff being present at all times, and acts as a visitor centre for the farm.</p> <p>Farm produce can be used in the cafe food- a beautiful link between the enterprises and makes the cafe special.</p> <p>The cafe serves all the other people already coming to the Farm and is crucial for the Farmers Market to flourish. Having a proper sit-down cafe serving meals sets City Farm apart from most other farmers markets.</p>	<p>Cafes are a low margin business and hard to make profitable when all staff including the managers are paid award wages. Cafes are not an easy way to make money.</p> <p>Adding other ethical decisions into how you run a cafe adds extra financial pressure that it is hard to recoup from higher prices, if there are other cafes nearby and therefore strong competition. For example using only organic ingredients.</p> <p>Cafe staff became the public face of the Farm itself and needed to represent the organisation well. This can be tricky when you outsource the running of a cafe- the public will assume a rude staff member is your rude staff member, a situation you have no control over.</p> <p>It is hard to find cafe cooks who are able to regularly change a menu based on what your garden is growing. That is a rare skill and will cost you more.</p>	<p>City Farm has sublet the cafe to three independent businesses over the past 15 years and anticipate continuing to do so. The risk of running such a low margin business as well as a Farm (and the other enterprises) is not attractive and best left to experts.</p>



Enterprise	Description	Strengths	Weaknesses	Current Status
Venue Hire	<p>The site has two large warehouse spaces with courtyards to hire to people and organisations for larger events like weddings, parties, awards nights and festivals. As a BYO venue customers principally hire the space, although they can choose to also hire Farm owned furniture. PCF does not provide services like event staffing, a bar or catering.</p> <p>The spaces and resources are designed so customers host their event more sustainably than they would have at another venue. This aligns the enterprise to PCF's core purpose.</p>	<p>This is the largest and most profitable enterprise the Farm has developed to date. It uses an existing resource - the buildings and gardens- at a time they are not generally needed for community programming. There are low variable costs as the venue is provided unstaffed.</p> <p>Bookings for weddings (which account for around 50% of revenue) are on average made a year in advance. This gives a good pipeline of secured revenue to assist with budgeting.</p> <p>The events bring thousands of new people to the Farm, often people who aren't interested in sustainability so probably wouldn't have found it otherwise.</p>	<p>There is pressure to meet customers high expectations. Extensive systems have had to be developed to ensure the venue is always clean and functional. This requires having skilled staff on call 24/7, which is not something many staff want to do.</p> <p>This enterprise is so essential for our funding that it gets priority over community use of the space. This can effect the success of other programming (like sustainability education who have to make do with less popular timeslots) and annoy staff and volunteers. It also sucks the attention and investment of the organisation.</p>	<p>This enterprise continues to grow and may look to add in more services such as a bar service. This would mean more of an event's total budget would come to the Farm. Investment in marketing would be necessary as there are many other full service venues to complete with.</p>



Enterprise	Description	Strengths	Weaknesses	Current Status
Landscaping and Garden Design	<p>'City Greening' was a niche landscaping enterprise that focused on sustainably managed gardens, usually with a food growing focus. The customers were always organisations- companies or government departments.</p> <p>Services encompassed design, installation and maintenance of gardens including community gardens and office tower landscapes.</p> <p>Residential work was not offered as it isn't as consistent and is riskier to send staff to.</p>	<p>This is the perfect example of creating an enterprise using knowledge developed from our operations. Who better to design a new community garden than a successful community garden? The Farm was in a great position to win contracts and had a high success rate for tenders responded to.</p> <p>This work had great alignment to The Farm's purpose and everyone loved making new gardens happen.</p> <p>These projects increased organisational reach substantially. One of the gardens maintained in the Perth CBD had millions of visitors a year, who saw and interacted with Farm staff and volunteers there.</p>	<p>Finding and keeping good staff was very hard. This niche work required highly skilled and fit staff with commercial landscaping, organic food growing and community building aptitude and experience- not many people have all of these. Great people might not stay as some of the work required was physically hard and not very rewarding- the commercial landscaping parts in particular. There was a labour shortage in the sector too.</p> <p>The work required the purchase and maintenance of a utility vehicle which was only affordable when we had enough contract work for 4 or more days. When work was slow this was a wasted resource.</p> <p>Corporate clients presented long and complex contracts to sign before work could commence. The level of risk passed on to PCF as the contractor was unfair and contracts required the purchase of expensive and sometimes irrelevant insurances. Understanding and negotiating the contracts was skilled work made tricky by the big power imbalance between client and contractor.</p>	<p>After ten years of running this enterprise it was wrapped up in 2024. Analysis showed it had to grow to be comfortably viable, with contracts for at least 5 days of work for a two person team needed weekly. There was strong potential for that growth but it would require investment and the decision was made to focus investment on the education enterprise instead.</p> <p>On balance the education enterprise was a better use of PCF's limited resources, principally because it was much easier to staff.</p>



Enterprise	Description	Strengths	Weaknesses	Current Status
Sustainability Education	PCF delivers education for children and adults in the form of workshops, excursions and volunteering days. All of the topics are connected to sustainable living including gardening, cooking and crafting. Sessions occur at the Farm or offsite at libraries, offices or festivals and the customers are individuals, schools, government or organisations.	<p>This service is really key to the delivery of the Farm’s purpose- helping people to live connected and sustainable lives. The Farm is the perfect place to teach these skills and people have had life-changing experiences in the programs.</p> <p>Some of the offerings like corporate volunteering also help maintain our Farm, with participants learning as they do important jobs.</p>	<p>Not all sustainability topics are popular with customers so the enterprise can be swayed to topics that aren’t sustainability focused. The Farm can’t compete with the free workshops that local governments run. It is hard to compete with other sole trader education providers who run workshops more as a hobby and don’t pay themselves award rates or have the overheads PCF does.</p> <p>This enterprise is not subsidised by anyone and we need to make a profit from it. This makes ticket prices un-affordable for some people who feel that a charity shouldn’t be charging what they perceive as high prices. One half-price ticket is available at each public workshop to help this.</p>	This enterprise is being invested in with experienced staff to create new products and find new customers. It isn’t yet profitable. For further growth to occur at the Farm a proper teaching room needs to be built, which will require external investment.
Market Garden	150 sqm of Farm space was developed into a market garden, set up by an experienced urban farmer with staff and volunteers operating it. It grew vegetables that mature quickly- leafy greens, carrots, beetroots and radishes, which were sold to local restaurants, the onsite cafe and through the Farm’s market stall.	<p>Good alignment with the PCF purpose, demonstrating how much food can be grown in a small space.</p> <p>Volunteers and visitors enjoy seeing veggies grown in neat rows and like to learn about them.</p>	<p>This enterprise ran at a loss- the produce sold could not cover staffing and scheme water costs. Farming is a hard business particularly at such a small scale.</p> <p>Highly skilled staff are required to deal with the frequent challenges of farming and get a good yield. Intensive urban farming skills are rare in W.A.</p>	The space still grows vegetables in rows but it is maintained as a teaching resource, rather than an enterprise itself. Lower maintenance crops are grown and produce is sold as a bi-product of the education program.

Key Learnings

These years of experimentation have taught the organisation a lot about what works well and why.

1. Social Enterprise needs skills and heart and staff are the key resource.

The Farm needs staff and the Board to have a wide variety of skills in finance, sales, management and marketing as well as skills particular to the enterprise- farming, event planning, education etc. If an enterprise requires specialised and rare skills it can fail when key people leave. Specialists also need to be able to live the organisation's values. People and teams who can do all of these things in balance are rare and need to be held on to for an enterprise to flourish long term.

2. Location determines enterprise appropriateness and you must understand the nuances of your spot.

There is no residential development directly surrounding the Farm which means the evening venue hire enterprise can thrive without generating noise complaints. There are many office workers around on weekdays and almost no foot traffic on weekends which greatly impacts the cafe, farmers market and any retail that has been attempted. It's too hard to fight the challenges of your location so pick enterprises that easily fit.

3. Focus on the resources you already have.

Articulating organisational assets- buildings, equipment, organisational knowledge and contacts- and then choosing enterprises based on using them has been key to success. Acquiring new assets has a cost even if you get a grant and maintaining them is an ongoing cost burden.

4. Find diversity in customer types rather than industry to protect against downturns.

Operating in the landscaping, events, hospitality, agriculture and education industries at once was not ideal for a small organisation as the Farm was around 2020. There was disparity in award pay rates, staff couldn't easily work across enterprises, added expenses with workers compensation insurance and an administrative burden to handle the complexity. It's been simpler for the Farm to focus on a couple of industries and find the diversity that protects you in downturns in the type of customer e.g. making our venue work for wedding couples, community groups and corporates.

5. Use grants strategically.

The Farm has found many grants are not worth the effort of applying for and acquitting them. Now we have a list of projects and resources we need to acquire to grow our enterprises and we only apply for grants that match those things and will benefit multiple enterprises at once. No 'nice to do' projects for random grants that pop up- we don't have the luxury of staff time to do that.

A good example of this was the grant funding for the cafe development. Staff had already planned the renovations required and how the enterprise would work so when the grant opportunity popped up they were able to work with the very short turn around. The cafe meant more toilets were needed at the Farm which the grant funded, and they continue to benefit every other enterprise on site too.

6. Find smart connections between enterprises but ensure they are individually strong.

For a place-based initiative like PCF most enterprises are linked to others. This strengthens them and can reduce costs by sharing resources. But it can be a risk when one enterprise is struggling but ceasing it will cause other enterprises to suffer. It's important to be aware of the connections but aim to have each enterprise able to stand on its own.

7. Parking availability has a big impact of success in an urban context.

There is a huge paid carpark next to the Farm which is full 9-5 weekdays and empty overnight and on weekends. This means retail is very hard- even if a bay is available people don't like to pay for parking to go to a farmers market for example. The train station next door is helpful, but Perth is very car dependent. This influences all of our enterprises.

8. Being prepared to jump on opportunities and accept they will require sacrifice and risk taking.

Many of these enterprises started because a connection presented an opportunity and staff or volunteers worked intensely to take advantage of it. The landscaping started because a landscape architect connected to the Farm needed a community group to help him plant out a big new food garden and then use their expertise and people power to look after it. The crew at the time had to pull out all the stops to make that happen and do the ongoing work themselves until staff could be hired. Their personal sacrifice and comfort with risk led to a profitable enterprise. You need a board who is comfortable with this kind of risk, or forgiving.

9. Get comfortable with compromise.

There is no room for perfection when trying to operate a small business in an ethical way- you can't be profitable in this economic system unless you compromise. If this bothers you and staff then enterprise is not for you. A small example of this is needing to sell leafy greens in plastic bags at the markets as customers wouldn't buy them loose. As environmentalists staff hate this but have had to accept it and move on.

10. Be hyper aware of effort versus return.

There are many ways to generate a bit of revenue but the key thing is- is it worth the effort? Will the expenses of generating that revenue, including your time, be significantly less than the revenue, meaning you've made a profit? Instead of getting little bits of money from lots of little things, the Farm now concentrates on a couple of initiatives.



Growing into the Future

Perth City Farm is a for-purpose organisation operating as a social enterprise, with enterprise revenue growing as a proportion of funding over the past ten years. In the 2024/25 financial year 95% of revenue was from enterprise activities, with the balance from fundraising and grants. Profitability has fluctuated as the organisation invested in growing key enterprises, but the organisation's reserves have been growing over the long term and protect it in the tricky years.

As the organisation has matured, and in contrast to the early days of Perth City Farm, the current strategy is to focus energy in two key enterprises and grow their profitability. This will allow the organisation to do them well and to more clearly communicate what the Farm is, simplifying marketing activities.

The enterprises chosen complement each other and align well to the core purpose. They are Sustainability Education and Sustainable Events, which includes venue hire and the farmers market. The cafe space will continue to be leased out.

As both of these enterprises grow they will need more resources at the Farm- enhanced buildings and teaching resources. Ideally grants will be secured to fund these physical investments. There is potential for other enterprise and community activities to occur at the site but the preference is for other specialist organisations to deliver them in a space sharing or leasing arrangement.

Further Information

[Perth City Farm](https://perthcityfarm.org.au) website for further context and to support enterprises: <https://perthcityfarm.org.au>

[WA Social Enterprise Council](https://www.wasec.org.au) for social enterprise resources and support: <https://www.wasec.org.au>

[Linkwest](https://www.linkwest.asn.au) for neighbourhood and community resource centre support: <https://www.linkwest.asn.au>

Acknowledgements

The Farm is located on the traditional lands of the Whadjuk people of the Noongar nation. We acknowledge that sovereignty was never ceded and pay our respects to Elders past and present.

Perth City Farm exists because hundreds of people- volunteers and staff- have contributed to it and its development as a social enterprise. This Farm and the learning shared here couldn't have happened without their dedication, generosity and love. A particular acknowledgement goes to Rosanne Scott and Thom Scott who started and drove many of these enterprises, often partaking in late night grant writing and long days carting soil.

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