



Legislative Assembly  
Environment and  
Planning Committee

# Securing the Victorian food supply

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**Inquiry**

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# Committee membership



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# About the Committee

## Functions

The Committee can examine any matters connected with the Department of Energy, Environment and Climate Action and the Department of Transport and Planning and their related agencies.

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# Terms of reference

## **Inquiry into securing the Victorian food supply**

On 14 November 2023, the Legislative Assembly agreed to the following motion:

That this House refers an inquiry into securing the Victorian food supply in the context of urban sprawl and the impact of population growth on the farming industry and arable land to the Environment and Planning Standing Committee for consideration and report no later than 31 December 2024.



# Chair's foreword

Securing the Victorian food supply is an existential issue for our state now and into the future. As Victoria's population continues to grow, the impact of urban sprawl in Melbourne and regional cities, is impacting our food producers and the farming industry.

Victorian farmers do essential work and are significant contributors to the state's economy. They produce much of the food which keeps Australians healthy, as well as exporting quality agricultural goods across the world and supporting the global food supply.

However, farming in Victoria is facing many challenges. Victoria's population has grown rapidly in recent years and is forecast to top 10 million by 2051. The challenge of feeding and housing our expanding community is placing agriculture under pressure.

Greenfield residential developments on the fringes of our cities are encroaching arable land and the interface of urban communities and farms are making farming harder.

The agricultural sector needs to be supported as it faces the growing demand for healthy, locally grown foods. Some of the state's most productive farmland on the fringe of Melbourne and our regional centres is being lost to development as the state urbanises to accommodate our growing population.

The expansion of our cities and towns into surrounding farmland is undermining the viability of agriculture in these regions. Farmland is becoming fragmented, too expensive to be profitable and afflicted by pests, illegal rubbish dumping and trespassing. Instances of conflict and complaints about legitimate farming practices are occurring as residential and agricultural landowners are drawn closer to each other by inappropriate development.

The ongoing loss of farmland around the urban centres where most Victorians live also has implications for the resilience of our food supply. The supply of food grown on farms adjacent to our cities is more vulnerable to disruption than those produced further afield.

A cohesive policy approach is needed to secure the state food supply into the future. The significant challenges facing farmers are multi-faceted and merit a whole-of-government, whole-of-food-system response which recognises that farmers are at the heart of our food system and that healthy food is foundational to the wellbeing of Victorians.

The evidence considered throughout our Inquiry supported greater co-ordination of efforts to improve the viability of agriculture, improved protection of all farmlands from inappropriate development and strengthening the resilience of our food system

from shocks and stressors. This will encompass stronger planning controls to retain all farmland and targeted support to bolster agriculture.

I thank all those organisations and individuals—particularly farmers—who assisted the Committee with its Inquiry through written submissions, by appearing at public hearings, or by hosting a farm visit. The expertise and the experiences shared have shaped the findings and recommendations made in this report to strengthen Victoria's food supply.

I would also like to thank the Secretariat for their work and support and recognise my parliamentary colleagues on the Committee for their diligent and collaborative approach to this Inquiry. The pragmatic recommendations made in this report are testament to this strong working relationship.

A handwritten signature in black ink that reads "Juliana Addison". The signature is written in a cursive, flowing style.

**Juliana Addison MP**  
**Chair**

# Executive summary

## Victoria's food supply

Victorian agriculture is important to state and national food security. It also contributes billions to the state economy, is a significant regional employer and supports adjacent industries including farm supplies and food processing.

Food is produced all around the state, but farms in the peri-urban fringes of Victorian cities supply many of the highly perishable foods consumed by Victorians. The shorter, localised supply chains of these peri-urban farms are less vulnerable to disruption than the more complicated supply chains relied upon by the major supermarkets.

Demand for the fresh fruit and vegetables grown by Victorian farmers is increasing as the state's population grows. However, Victoria's agricultural industry is largely export-oriented and most of the food grown here is sold overseas. The sector's governance arrangements and policies are focused on increasing food and fibre production for export.

Victoria must consider how it will feed its growing population into the future and the reform needed to increase the resilience of our food system. A Minister for Food and a Victorian Food System Strategy is needed to reorient agricultural governance and policy on securing the state's food supply, to coordinate the efforts of all actors in the system and to increase accountability.

## Population growth and urban sprawl

Victoria's population is growing, and most new residents are making their homes in Melbourne, Geelong, Ballarat and Bendigo. The state's settlement policies are focused on directing growth to existing urban areas. However, these policies have had mixed results to date. Greenfield residential developments are pushing the boundaries of Victorian cities further and further into farmland.

Some of the state's most productive and fertile peri-urban farmland is being subdivided and developed. The loss of farmland must be more closely monitored to inform targeted action to protect the land producing Victoria's food.

The fragmentation and urbanisation of farmland is increasing the cost of farmland and bringing agricultural and residential landowners into closer proximity. This can undermine the viability of agriculture around the fringe of Victorian cities. Complaints about farming odours or noises, instances of trespassing, illegal rubbish dumping and increased road congestion are also making it more difficult to farm.

## Protecting agricultural land

The Victorian Government has already begun work to protect peri-urban farmland from inappropriate development. The Planning for Melbourne's Green Wedges and Agricultural Land Project is strengthening the planning controls for green wedge areas and peri-urban agricultural land within 100km of metropolitan Melbourne. However, there is a broad view that these actions do not go far enough and should also be applied to protect farmland on the fringes of Geelong, Ballarat and Bendigo, which face similar challenges.

The State Planning Policy Framework must unequivocally affirm the imperative for protecting all agricultural land from inappropriate development. It must acknowledge the value of small peri-urban farms and define key concepts to improve interpretability.

The planning regulation controlling the subdivision of farmland must also be tightened to prevent further fragmentation of the regions producing the state's fruit, vegetables and proteins. Local governments must be better supported to update and implement green wedge management plans focused on enhancing peri-urban agriculture. They also require more detailed guidance on the types of development which can enhance the viability and productivity of peri-urban farms—for example, farm cafes.

## Agricultural covenants

A covenant is a voluntary, legal arrangement entered into by a landholder which limits the way in which land can be used or developed. Victoria has an existing conservation covenant scheme which can be used to permanently protect biodiversity values on private land.

Expanding this scheme to protect farmland from inappropriate development and drive regenerative agricultural practices may help address some of the problematic property market dynamics undermining the viability of peri-urban farms. A similar scheme has had widespread success in the United States of America. A pilot agricultural covenant program is needed to develop this concept in Victoria.

## Supporting farmers to feed Victoria

Protecting agricultural land from inappropriate development is the first step in securing Victoria's food supply. An equally important second step is ensuring that farming remains a viable, attractive business.

Victorian farmers should be supported to feed the state through rates concessions, workforce initiatives and incentives to adopt technology that enhances the productivity and resilience of their businesses. Access to shared agricultural infrastructure such as livestock exchanges and abattoirs is also critical. Empowering Victorian farmers to diversify their businesses—through food processing onsite—can increase their resilience to outside market forces.

## A resilient food system

Victoria's food system is being disrupted by more frequent shocks and stressors, driven by climate change, geopolitical developments and biosecurity events.

A transition to regenerative farming and a circular economy will increase the resilience of Victorian agriculture and drive environmental gains. Encouraging the development of more diverse and local food supply chains can help secure Victoria's food supply during disruptive events.

Local governments and community food enterprises can also make an important contribution to the resilience of Victoria's food system.



# Findings and recommendations

## 2 Victoria's food supply

**FINDING 1:** Victorian agriculture underpins state and national food supply. The fresh fruit, vegetables and proteins supplied by Victorian farmers are fundamental to the health of Australians. The sector also contributes billions to the state economy, is a significant regional employer and supports adjacent industries including farm supplies and food processing.

18

**FINDING 2:** Victoria's agricultural industry is largely export-oriented. Victoria is Australia's largest food and fibre-exporting state by value (accounting for a quarter of the national total).

19

**FINDING 3:** Most of the food grown in Victoria is sold overseas.

19

**FINDING 4:** An expanding global population, increasing incomes, dietary change and trade agreements are likely to see international demand for Victorian food and fibre remain strong.

21

**FINDING 5:** Agriculture around Victorian cities, chiefly Melbourne, is highly productive. The smaller-scale, intensive farms in these regions grow many of the fruit, vegetables and poultry produced in the state.

28

**FINDING 6:** Agriculture contributes to the economy of many peri-urban communities, through the value of the foods produced, as a source of employment and by supporting associated industries, such as food processing.

30

**FINDING 7:** Peri-urban agriculture exposes metropolitan Victorians to food production and helps bridge the city-country divide by highlighting the important work of farmers.

30

**FINDING 8:** Victorian farming businesses are consolidating by purchasing competitors and farmland to achieve efficiencies of scale. The smaller-scale farms operating in peri-urban areas are important to the diversity of the agricultural sector. **31**

**FINDING 9:** Peri-urban farmers supply food directly to wholesale markets, grocers and individual consumers in Victorian cities. These localised supply chains are less vulnerable to disruption than those supplying supermarkets. They increase the resilience of Victoria's food supply to shocks and stresses. **33**

**FINDING 10:** There is a widespread view amongst stakeholders that the current governance and policy approach to Victorian agriculture needs to be reviewed to secure Victoria's food supply into the future. **35**

**RECOMMENDATION 1:** That the Victorian Government develop a whole-of-government Victorian Food System Strategy. The strategy must address the food system as a whole (including agriculture, processing, manufacturing, supply and consumption). It should be centred on access to adequate, nutritious food as a human right and a determinant of health. The strategy should aim to:

- secure Victoria's supply of healthy, locally grown food, in the long-term
- strengthen the resilience of Victoria's food system to shocks and stressors by promoting diversity across the system, decentralising and localising supply chains
- promote regenerative and sustainable food production
- support Victorian farmers and food manufacturers to build profitable businesses and expand healthy food production
- map major food producing regions and protect all agricultural land from inappropriate development
- build food systems literacy across government departments and local government.

The strategy must also set measurable targets, clearly attribute responsibility for achieving these targets and include a transparent monitoring framework. **51**



**RECOMMENDATION 2:** That the Victorian Government consider establishing a Minister for Food with responsibility for the Victorian food system in its entirety (including agriculture, food processing, manufacturing, supply and consumption). The Minister should coordinate the development and implementation of a Victorian Food System Strategy.

The Victorian Government also establish a Victorian Food System Council to support a Minister for Food to coordinate the development and implementation of a Victorian Food System Strategy. The Council should include representation from across the food system, including:

- state and local government
- farmers and agricultural sector peak bodies
- food processing and manufacturing businesses
- supply chain businesses
- community food enterprises, including food relief agencies.

52

### 3 Population growth and urban sprawl

**FINDING 11:** The extent of agricultural land lost to urban development and the rate at which it continues to be converted to other uses is difficult to accurately quantify. Data collection on agricultural land uses is inconsistent and the cumulative impact of urban development on agricultural land is not monitored on an ongoing basis.

76

**RECOMMENDATION 3:** That Agriculture Victoria update the analysis of agricultural land use trends contained in *Strategic agricultural land and development in Victoria* (2020) using the latest Victorian Land Use Information System data. The updated land use analysis must focus on changes to agricultural land uses in peri-urban areas. This analysis should be provided to the new Minister for Food, the Minister for Planning, the Department of Transport and Planning and made publicly available.

That Agriculture Victoria maintain the currency of the Victorian Land Use Information System with annual data collections.

That Agriculture Victoria expand its Planning and Advisory Service to include:

- providing local governments with mapping and analysis of agricultural land uses and trends in their municipality, upon request
- delivering biennial reports on agricultural land use trends (with a focus on quantifying the extent and rate of farmland loss to urban uses) to the Minister for Food and the Minister for Planning.

78

**FINDING 12:** Rising land prices are reducing the viability of commercial agriculture in peri-urban regions, particularly at smaller scales. High land prices often mean that only larger-scale farms can afford to expand. This may be contributing to the consolidation of the agricultural sector.

82

**FINDING 13:** Agricultural land in green wedge areas, adjacent to Melbourne’s urban growth boundary, is being marketed, purchased and ‘banked’ for its possible increased value if the land is rezoned for development. Local governments may experience pressure to rezone land.

85

**FINDING 14:** Land banking may result in agricultural land being left idle, reducing the productivity of Melbourne’s green wedges and creating pest issues for neighbouring properties. Uncertainty about the future of agricultural land in these areas also discourages farmers from investing in their businesses.

85

**FINDING 15:** Subdivision is fragmenting agricultural landscapes in the peri-urban areas around Victorian cities. It is creating smaller farms, which may find it more challenging to remain economically viable. It is also changing the character of the landscape by introducing urban uses, such as residential properties.

88

**FINDING 16:** Farming in a fragmented agricultural landscape is challenging. Some farmers are incurring significant costs associated with relocating further away from Victorian cities to avoid these challenges. Relocation is not a realistic option for many farms.

89

**FINDING 17:** Residential development is urbanising historically agricultural communities. This can make it more difficult for farmers to source supplies, secure labour and transport their produce to markets.

91

**FINDING 18:** The urbanisation of agricultural landscapes brings residential landowners and farmers into closer proximity. This can increase the prevalence of conflicts between these groups arising from farm odours, dust or noise, trespassing, domestic animals and illegal rubbish dumping.

94

## 4 Protecting agricultural land

**RECOMMENDATION 4:** That the Department of Transport and Planning provide regular progress updates on the implementation of the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*. Updates on each action should be published on the Department's website each year in March until all actions are implemented (commencing March 2025). Updates should be detailed, outlining the steps taken to implement each action to date and the work left to do.

99

**RECOMMENDATION 5:** That the Victorian Government ensure that updates to the State Planning Policy Framework undertaken as part of the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*:

- strengthen the planning policy imperative for protecting all agricultural land from inappropriate development to secure Victoria's food supply
- define key policy concepts to improve the interpretability of agricultural policies
- acknowledge the value of small peri-urban farms, as a source of:
  - local food supply and economic activity
  - regenerative land management practices
  - diversity and resilience in Victoria's food system
- encourage innovative farming practices and development which enhances the productivity and viability of farming in peri-urban areas.

108

**RECOMMENDATION 6:** That the Victorian Government:

- Audit the minimum lot size permitted through subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone around the state.
- Work with local governments around the state to ensure that the minimum lot size permitted through subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone can support viable agriculture. This may require raising the minimum lot size permitted through subdivision.
- Prohibit the subdivision of small lots below the minimum lot size in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone within 100 kilometres of Melbourne, Geelong, Ballarat and Bendigo.

113

**RECOMMENDATION 7:** That the Victorian Government amend the Victorian planning framework to require local government planning approval to build a small second dwelling on a residential property within the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone.

The Victorian Government should also discontinue the VicSmart streamlined pathway for two-lot subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone.

117

**RECOMMENDATION 8:** That the Department of Transport and Planning develop a Planning Practice Note to guide the development of tourism in conjunction with agriculture. The note should assist planners to identify development which enhances food production and to ensure it is appropriately designed and sited to minimise the loss of agricultural land and the impact on neighbouring farms.

119

**RECOMMENDATION 9:** That the Victorian Government review and amend the Green Wedge Zone, the Green Wedge A Zone and Rural Conservation Zone to remove all Section 2 uses with no link to the agricultural or environmental objectives of these zones. This should be completed by March 2027.

It should also ensure that the Planning Practice Note for urban-rural interface areas proposed in Action 11 of the *Planning for Melbourne's green wedges and agricultural areas: Action plan 2024*:

- discourages discretionary uses which have no nexus to the agriculture or environmental values of the Green Wedge Zone, Green Wedge A Zone or the Rural Conservation Zone
- directs local governments to consider the cumulative impact of all discretionary development across green wedge areas.

Lastly, it should pilot the application of the new mandatory site coverage, setbacks and building heights for discretionary uses in the Green Wedge Zone, Green Wedge A Zone and the Rural Conservation Zone, as per Action 13 of the *Planning for Melbourne's green wedges and agricultural areas: Action plan 2024*.

122

**RECOMMENDATION 10:** That the Victorian Government work with the Municipal Association of Victoria to enhance the professional development available to all peri-urban, rural and regional local governments. Professional development should be focused on:

- enriching their understanding of modern agriculture, including the value of supporting farms of all sizes and business models
- the role of local governments and agriculture in Victoria's broader food system and how effective planning policy and controls can secure future food supply.

129

**RECOMMENDATION 11:** That the Victorian Government make a strong and unequivocal commitment to maintaining Melbourne’s urban growth boundary in the new Plan for Victoria.

135

**RECOMMENDATION 12:** That the Victorian Government mandates the use of open spaces or medium density residential development in growth areas along Melbourne’s urban growth boundary to provide a buffer between urban and green wedge land. It is critical that buffers are incorporated into the metropolitan side of the urban growth boundary and that they do not encroach into green wedge land.

136

**RECOMMENDATION 13:** That the Victorian Government support local governments to update green wedge management plans which are a decade or more old, by November 2026. Local governments should be required to collaborate where green wedge areas span multiple municipalities.

144

**RECOMMENDATION 14:** That the Department of Transport and Planning support local governments in green wedge areas to implement green wedge management plans. This should include guidance to update local planning policy and schemes to reflect the aspirations of green wedge management plans, and support for programs and initiatives aimed at enhancing their agricultural and environmental values.

144

**RECOMMENDATION 15:** That the Department of Transport and Planning update Planning Practice Note 31 ‘Preparing a Green Wedge Management Plan’ by November 2025. The updated Planning Practice Note should require green wedge management plans to:

- be clearly linked to local planning policy and schemes
- contain specific and measurable actions to enhance the agricultural and environmental values of green wedge areas
- encourage local governments to identify how they will keep their communities informed of progress to implement green wedge management plans.

144

**RECOMMENDATION 16:** That the Department of Transport and Planning ensure amendments to the Victorian Planning Provisions strengthen the right to farm (as proposed in Action 7 of the *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024*) by:

- clarifying that lawful agriculture is a protected activity in all zones which enable farming, regardless of the presence of competing urban uses
- protecting lawful agriculture from the complaints of urban landholders already situated in peri-urban farming areas.

148

**RECOMMENDATION 17:** That the Department of Transport and Planning review the efficacy of amendments to the Victorian Planning Provisions implemented as part of Action 7 of the *Planning for Melbourne’s green wedges and agricultural lands: Action plan 2024*. The review should be conducted two years after the reforms are implemented. The Department should consider whether right to farm legislation is needed to supplement these reforms and the key learnings of similar legislation in other national and international jurisdictions.

149

**RECOMMENDATION 18:** That the peri-urban local governments of Melbourne, Geelong, Ballarat and Bendigo appoint agricultural officers. These officers should be responsible for:

- facilitating communication between agri-businesses and local government
- educating the community about the right to farm and supporting complaint resolution about lawful farming practices
- facilitating collaboration, knowledge-sharing and networking between agri-businesses
- supporting the development of agriculture in peri-urban regions
- advocating on behalf of farmers during emergencies such as bushfires or floods.

149

## 5 Agricultural covenants

**FINDING 19:** Conservation covenants are a well-established and widespread mechanism for empowering landowners to voluntarily protect biodiversity values on private land.

156

**FINDING 20:** The introduction of covenants to protect Victorian farmland is achievable and could have transformative power to address some of the property market dynamics undermining agriculture, particularly in peri-urban areas.

164

**FINDING 21:** The United States system of conservation easements to protect farmland is well-established and widespread. Financial incentives which encourage farmers to participate have been key to its success and have strengthened the viability of the agricultural sector.

169

**RECOMMENDATION 19:** That the Victorian Government work with Trust for Nature and the agricultural sector to develop and implement an agricultural covenant pilot program. The program should:

- encompass a diverse variety of farms, representative of the broader sector
- be focused on designing agricultural covenants which are practical, not overly prescriptive and flexible enough to accommodate changing farming practices
- be informed by key learnings from the well-established system of conservation easements in the United States
- identify barriers to the statewide rollout of agricultural covenants and how they could be overcome.

170

**RECOMMENDATION 20:** That the Victorian Government work with Trust for Nature to:

- amend its criteria for properties eligible to be covenanted to better capture a diverse range of farmland.
- incentivise farmers to participate in an agricultural covenant program. This should be informed by the incentives for agricultural easements offered in the United States and may include exemptions from council rates, tax concessions or other support for working farms. Consideration should also be given to how incentives could be offered on a more permanent basis if the pilot program is a success.

171

## 6 Supporting farmers to feed Victoria

**FINDING 22:** Ensuring that farming remains a viable, attractive business is just as important to securing Victoria's food supply as protecting agricultural land from inappropriate development.

174

**FINDING 23:** Expensive farmland and increasing property rates, paired with the typically smaller-sized farms characteristic of peri-urban areas, present additional challenges to the profitability of agricultural businesses around the fringe of Melbourne.

176

**FINDING 24:** Victorian farmers are experiencing a cost-price squeeze. The profits they earn through food and fibre production have not increased at a rate commensurate to significant input cost rises.

177

**RECOMMENDATION 21:** That Agriculture Victoria ensure that all its programs, initiatives and grants acknowledge the importance of small-to-medium sized farms to food supply and the resilience of the agricultural sector. It must ensure they can access funding and other support offered wherever possible and appropriate, regardless of their location in a metropolitan, regional or rural municipality.

183

**RECOMMENDATION 22:** That the Victorian Government revise the *Ministerial guidelines for differential rating* (2013) to encourage local governments to apply differential rates to farmland. The revised guidelines should:

- emphasise the importance of viable agriculture to food supply
- describe the impact of inappropriately high rates on agricultural businesses
- require local governments to consider the productive value of farmland when setting differential rates
- encourage local governments to apply a differential rate to farmland which is lower than the general rate
- provide guidance of what constitutes an effective differential rate.

189

**FINDING 25:** Victoria's agricultural sector is a significant and important source of employment, particularly in regional communities.

192

**FINDING 26:** Victoria's agricultural sector is currently grappling with workforce shortages and the advancing age of farmers. A strong, skilled agricultural workforce is critical to securing the state's future food supply.

192

**RECOMMENDATION 23:** That the Victorian Government support the Victorian Schools Garden Program to:

- continue offering grants, awards, professional development, incursions and excursions which engage students and teachers with gardening
- maintain its 'Branch out program'
- develop additional programs which promote Victorian agriculture and careers in the sector, for example, school farms.

196

**RECOMMENDATION 24:** That the Victorian Government fully implement the Future of Agriculture Training Review recommendations.

201



**RECOMMENDATION 25:** That Agriculture Victoria continue its workforce development programs, including initiatives aimed at:

- preparing new entrants for a career in agriculture
- up-skilling the existing agricultural workforce to address emerging challenges and opportunities
- mentoring early career farmers to take up leadership positions.

202

**RECOMMENDATION 26:** That the Victorian Government consider working with the agricultural sector to design and trial a shared equity fund to support farmers to purchase farmland (modelled on the Victorian Homebuyers Fund). The fund should support experienced farmers to establish a new farm or extend an existing farm business. It should be available to farmers in rural, regional and peri-urban areas. This should not include ‘hobby’ or ‘lifestyle’ farmers.

The Victorian Government consider working with the agricultural sector to promote long-term leasing arrangements for farmland, including farm-shares and lease-to-buy arrangements. This should include the development of template lease agreements, consideration of financial incentives to promote uptake, and exploration of mechanisms to promote leasing opportunities. This should be informed by international approaches to farmland leasing arrangements.

The Victorian Government also provide financial incentives and support to Victorian farmers (in rural, regional and peri-urban areas) to adopt new agricultural technologies which expands food production or enhances their climate resilience.

212

**RECOMMENDATION 27:** That Agriculture Victoria work with the Victorian Farmers Federation, PrimeSafe and commercial abattoirs to negotiate small livestock producers’ ongoing access to kill facilities in the short-to-medium term.

The Victorian Government amend the *Meat Industry Act 1993* (Vic) to specifically provide for and define micro-abattoirs and the Victorian Planning Provisions to introduce micro-abattoirs (including mobile micro-abattoirs) as a Section 1 use in the Farming Zone, Rural Activity Zone, Green Wedge Zone and the Green Wedge A Zone.

The Victorian Government support small scale livestock producers to establish micro-abattoirs (including mobile micro-abattoirs) in communities which can demonstrate a need for this critical shared agricultural infrastructure.

220

**RECOMMENDATION 28:** That Agriculture Victoria monitor the distribution of livestock exchanges across the state and advise the Victorian Government if it identifies that consolidation in the sector is beginning to have a negative impact on Victorian farmers.

221

## 7 A resilient food system

**RECOMMENDATION 29:** That Agriculture Victoria develop an education program, workshops, online resources and networking opportunities to encourage Victorian farmers to transition to regenerative agricultural practices. **231**

**RECOMMENDATION 30:** That the Victorian Government review *Recycling Victoria: A new economy policy* (2020) to identify opportunities to integrate agriculture, particularly in peri-urban regions, into the circular economy. **236**

**RECOMMENDATION 31:** That the Victorian Government review the policy and costing framework for recycled and stormwater supply infrastructure. The review should identify opportunities for the more equitable division of costs and to enhance agricultural access to these resources. **236**

**RECOMMENDATION 32:** That Agriculture Victoria develop an education program, workshops, online resources and networking opportunities to support Victorian farmers to establish, expand and promote community supported agriculture businesses. **245**

**FINDING 27:** Community food enterprises—such as food hubs, community kitchens, community grocers and food cooperatives—can increase Victorians' access to locally grown healthy foods, ensure farmers are paid fair prices for their produce and deliver environmental benefits. **254**

**FINDING 28:** Urban agriculture—such as community gardens, community farms and backyard production—increases the visibility of farming in the community, engages Victorians in the production of local food and promotes farming as a career. **254**

**FINDING 29:** Victorian local governments are leading policy development and action to increase the productivity and resilience of their local food systems, to promote food security within their communities. **254**

**RECOMMENDATION 33:** That the Victorian Government support community food initiatives which enhance the productivity or resilience of Victoria's food supply at the local level. It should consider supporting the development and implementation of local and state government food strategies, including community food enterprises, urban agriculture projects, co-ops, school farms, crop-swaps, farmers markets, etc. It should also prioritise communities with few alternative food sources to the major supermarkets. **254**

# Abbreviations and terms

Term	Definition
Community food enterprise	A locally owned food business that aims to drive positive social and/or environmental change for their community.
Conservation covenant	A voluntary, legal agreement made between a landholder and Trust for Nature.
Agricultural easement	An American mechanism for protecting farmland from inappropriate development. An agreement between a landowner and an 'easement holder' imposing restrictions on how the land can be used. Similar to the concept of a covenant.
Greenfield land	Undeveloped land identified for residential or industrial/commercial development, generally on the fringe of a city.
Green wedges	Defined under Part 3AA of the <i>Planning and Environment Act 1987</i> (Vic) as "land that is described in a metropolitan fringe planning scheme as being outside an urban growth boundary". There are 12 defined green wedges spanning parts of 17 municipalities.
Metropolitan Green Wedge Land Core Planning Provisions (CPPs)	Apply unique planning controls to green wedge areas, in addition to the Victorian Planning Provisions.
Overlay	A planning control applied to land with special features (such areas which are flood prone or land with heritage buildings), which establishes additional rules for the use or development of land that take account of these special features.
Peri-urban areas	The region surrounding a city, adjacent to a city, or within 100km of a city.
Urban agriculture	The commercial and non-commercial cultivation of food and fibre in and around cities (for example, community gardens, backyard production and rooftop farms).
Urban growth boundary	The geographic limit for the future urban area of Melbourne.
Urban sprawl	The geographical expansion of a city to accommodate a growing population. It is typically characterised by low-density residential development with a high reliance on cars for transportation, which spirals away from existing, more compact, urban centres.
Victorian Planning Provisions (VPPs)	Established by Part 1A of the <i>Planning and Environment Act 1987</i> (Vic), the VPPs provide a statewide template from which all local planning schemes are constructed.
Zones	A planning control which reserves land for different uses (such as housing, industry or agriculture).



# Chapter 1

## Inquiry process and scope

### 1.1 Inquiry process

On 14 November 2023, the Parliament of Victoria's Legislative Assembly agreed to refer an inquiry into securing the Victorian food supply to its Environment and Planning Standing Committee (the Committee). The Committee was required to complete its investigations and report its findings back to the Legislative Assembly no later than 31 December 2024:

That this House refers an inquiry into securing the Victorian food supply in the context of urban sprawl and the impact of population growth on the farming industry and arable land to the Environment and Planning Standing Committee for consideration and report no later than 31 December 2024.<sup>1</sup>

The Inquiry into securing the Victorian food supply launched on Monday 29 January 2024. The Committee advertised the Inquiry and called for submissions through its news alert service, the Parliament of Victoria website and social media. The Committee distributed around 200 letters to a wide variety of local and national stakeholders to inform them of the Inquiry and invite them to prepare a submission by Friday 26 April 2024. It specifically targeted small-scale producers farming along the fringe of the state's capital city.

The Committee invited peak bodies and key stakeholders to share news about the Inquiry with their networks and member organisations. Secretariat staff also represented the Committee at the FutureAg Expo 2024 in April 2024 and spoke to individual farmers about the issues under investigation, and encouraged them to share their perspectives by making a submission to the Inquiry (see Box 1.1).

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<sup>1</sup> Victoria, Legislative Assembly, 14 November 2023, *Parliamentary Debates*, p. 4336.

**Box 1.1 Promoting the Inquiry at the FutureAg Expo 2024**

The FutureAg Expo was held at the Melbourne Showgrounds in Ascot Vale from 17–19 April 2024. It featured more than 100 exhibitors, expert-led talks, and live demonstrations aimed at showcasing the latest in farming solutions and insights into the future of agribusiness. It brought together farmers and other industry professionals to learn about advancements in agricultural technology, connect with peers, and explore new strategies for enhancing farm productivity.

Secretariat staff participated in the FutureAg Expo on behalf of the Environment and Planning Committee to promote its Inquiry into securing the Victorian food supply. Other participants included suppliers of agricultural products, services and technology as well as importers and distributors of products and services related to agriculture.

Secretariat staff spoke to farmers and other agricultural professionals about the work of the Committee and the issues under investigation as part of its Inquiry. They encouraged farmers to share their perspectives by making a submission.

Expo attendees also encompassed a diverse community of agricultural professionals, including farmers and producers, agriculturists, industry leaders, researchers, government officials, investors, and entrepreneurs.

Source: Hannover Fairs Australia, FutureAg, <<https://futureagexpo.com.au>> accessed 27 March 2024.

The Committee received a total of 67 submissions from individuals, farmers, agricultural businesses, professional bodies, academics, governments, and advocacy groups. The submissions took a holistic view of securing Victoria's food supply, encompassing everything from setting planning provisions that appropriately protect farmland to ensuring agriculture remains an attractive and viable career.

In recognition of the demands of farmwork, the Committee also surveyed Victorian farmers to solicit their views on the Inquiry without requiring them to compile a detailed submission (see Box 1.2).

### Box 1.2 Survey of Victorian farmers

Specialist agricultural surveying company, AG Surveys, assisted the Committee to collect farmers' perspectives and experiences on supplying the Victorian community with healthy food. A shortform questionnaire was issued on 28 May 2024 seeking their views on:

- the impact of urban sprawl on farmland
- land planning issues
- population growth and increasing food demand
- the financial sustainability of farming
- protecting farmers and farmland
- the role of the Victorian Government.

The survey was promoted broadly. It featured in The Farmers Club, an almost daily e-newsletter keeping agricultural professionals abreast of industry issues and advances in farming practices. It was advertised to users of Farm Tender, an Australian-owned online platform for buying, selling and auctioning farm equipment. The survey was also promoted through the Parliament of Victoria and Committee Members' social media.

Farmers had access to the survey for approximately three weeks and it attracted a total of 335 responses. Survey results are discussed throughout the report.

The evidence collected through submissions and the survey was complemented by the testimony of stakeholders who participated in public hearings for the Inquiry. The Committee held public hearings in several locations across the state, including in:

- Melbourne on Friday 3 May 2024
- Morwell on Thursday 16 May 2024
- Geelong on Tuesday 21 May 2024
- Ballarat on Wednesday 22 May 2024
- Bendigo on Thursday 23 May 2024.

It consulted with farmers, local governments, government departments, academics, farming and green wedge advocacy groups, agricultural businesses (such as livestock exchanges), educators, and planning organisations. These discussions highlighted the importance of small-scale producers to the resilience of the Victorian food system and the challenges they face in remaining viable, particularly in peri-urban areas. They canvassed how land-use planning could be strengthened to protect agricultural land from inappropriate development and highlighted other factors critical to the agricultural industry.

As part of its regional public hearing program, the Committee visited several farms and social enterprises to experience the challenges of farming and the connection farmers have with their local communities first-hand, including:

- the Cape Community Farm at Cape Paterson
- the Common Ground Project at Freshwater Creek
- AJ Trigg & Sons Potato Farm and Dairy in Bungaree
- the Central Highlands Coolstores in Bungaree
- the Harcourt Organic Food Co-operative in Harcourt.

The experiences of these farmers and their innovative approaches to agriculture feature throughout the report as case studies. Details of the submissions received, public hearings held and site visits are set out in Appendix A.

The Committee thanks everyone who participated in the Inquiry by making a submission, completing the survey, appearing at a public hearing, or by hosting a farm visit. The perspectives and experiences shared with the Committee have been invaluable. It appreciates that for many farmers, growing healthy food for the Victorian community is more than their business – it’s a calling that multiple generations of their family have answered. The Committee commends all Victorians involved in producing food for the community for their efforts and thanks them for taking the time out of their busy workday to engage with the Committee and contribute to its Inquiry. It hopes that the recommendations made in the report will ensure that the proud history of farming in this state continues even as our community expands.

## 1.2 Scope of the Inquiry

As already noted, the Committee was tasked with inquiring into securing the Victorian food supply. It was also asked to investigate the impact of population growth on the farming industry and arable land, particularly in the context of urban sprawl.

The Committee acknowledges that the factors informing whether Victorians have access to sufficient healthy food are complex and are influenced by a range of socio-economic factors. In academic literature, food supply is commonly understood to be one aspect of the four dimensions of ‘food security’. Food security is a broader concept – defined as ‘when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life’.<sup>2</sup> The four dimensions of food security are:

- **Availability:** encompassing the food production system (agriculture and food manufacturing), stock levels, trade and supply of food.
- **Access:** incorporating both physical and economic access to food. State-level food security does not automatically translate to household and individual food security.

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<sup>2</sup> Food and Agriculture Organisation of the United Nations, *An Introduction to the Basic Concepts of Food Security*, 2008, p. 1.



- **Utilisation:** concerning how bodies make use of nutrients, diet, food preparation and eating habits.
- **Stability:** having consistent access to adequate nutritious food over time. Food availability, access or utilisation can decline for periods due to factors such as adverse weather conditions for agriculture, political instability, unemployment or rising food prices.<sup>3</sup>

The Committee's Inquiry into securing the Victorian *food supply* fits into the first dimension of food security – availability. It is concerned with whether Victoria's food production system (agriculture, food manufacturing and food distribution) can keep pace with the growing community demand for food associated with an expanding population. It is also concerned with the impacts of population growth on the farming industry and the availability of sufficient agricultural land to maintain adequate food production and supply.

The Committee has elected not to examine the broader concept of food security (particularly the more socio-economic dimensions of access, utilisation and stability). While the Committee acknowledges that these factors are critical to ensuring Victorians have access to sufficient healthy food, it also recognises that these dimensions of food security were the subject of a separate, simultaneous inquiry. On 29 November 2023, the Parliament of Victoria's Legislative Council agreed to refer an Inquiry into food security in Victoria to the Legislative Council Legal and Social Issues Standing Committee. That Committee was tasked with examining the impact, drivers of and solutions to food security, it tabled its report on 14 November 2024.

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<sup>3</sup> Ibid.



# Chapter 2

## Victoria's food supply

Victorian agriculture is important to state and national food security. Food is produced all around the state, but farms in the peri-urban fringes of Victorian cities supply many of the highly perishable foods consumed by Victorians. Demand for the fresh food and vegetables grown by Victorians is increasing as the state's population grows. A Victorian Food System Strategy and a Minister for Food is needed to meet the challenge of feeding our growing population in a way that improves the health of Victorians and their environment.

### 2.1 How much food is grown and consumed in Victoria?

Victorian agriculture underpins state and national food security and makes an important contribution to international food supply. The Victorian food and fibre sector contributes billions to the state economy, is a significant employer and supports adjacent industries including food processing and farm supplies.<sup>1</sup>

Farming defines many rural communities and dominates the landscape outside of Victorian cities. Approximately half of the state's land mass is used for agriculture. This land is highly productive, supplying around a quarter of Australia's food and fibre.<sup>2</sup>

The infographic on the following page provides an overview of Victoria's farmland, farming businesses and the value of food produced across the state.

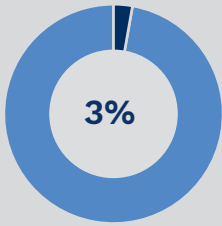
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<sup>1</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 14; Victorian Farmers Federation, *Submission 55*, p. 3.

<sup>2</sup> Ibid.

# Victorian agriculture at a glance

## Victorian farmland



Victoria makes up 3% of Australia's total land mass

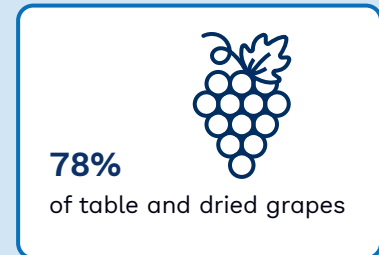
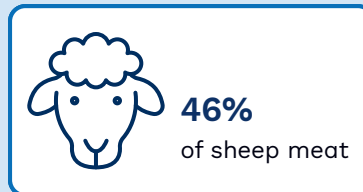
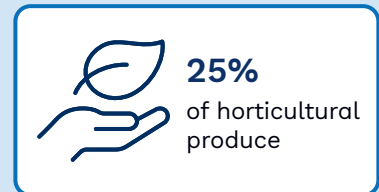
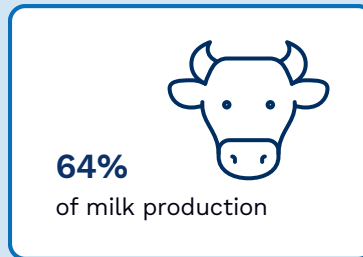


**11.5 million hectares**

Approximately half of Victorian land is used for farmland

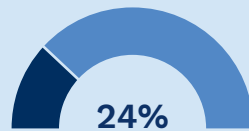
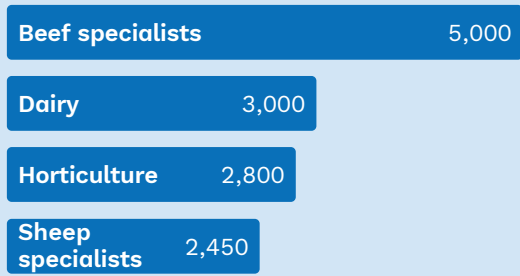
## Victorian food production

Nationally, Victoria accounts for...



## Victorian farms

In 2020–21, most of Victoria's 21,300 farm businesses were...



of Australian farm businesses were located in Victoria

In 2020–21, Victorian farms contributed...



**69,000 jobs**  
in agriculture



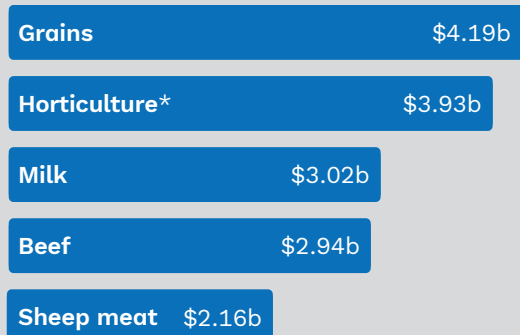
of agricultural production jobs were in regional Victoria



**85,000 jobs**  
in food and beverage manufacturing

## Value of Victorian food

In 2020–21, the most valuable commodities were:

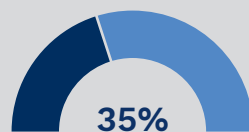


\* for human consumption



**\$20.2 billion**  
gross value of agriculture production in 2021–22

**↑ 15%**  
increase compared to 2020–21

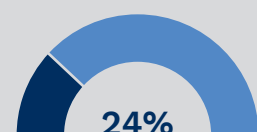


of Victoria's annual exports come from food and fibre



**\$19.6 billion**  
food and fibre exports in 2022–23

**↑ 7%**  
increase compared to 2021–22



of Australia's total food and fibre exports come from Victoria

Sources: Department of Transport and Planning and Agriculture Victoria, *Submission 64*, pp. 14–15; Victorian Farmers Federation, *Submission 55*, p. 3; Victorian Government, *Strong, Innovative, Sustainable: A new strategy for Agriculture in Victoria*, 2020, p. 5.

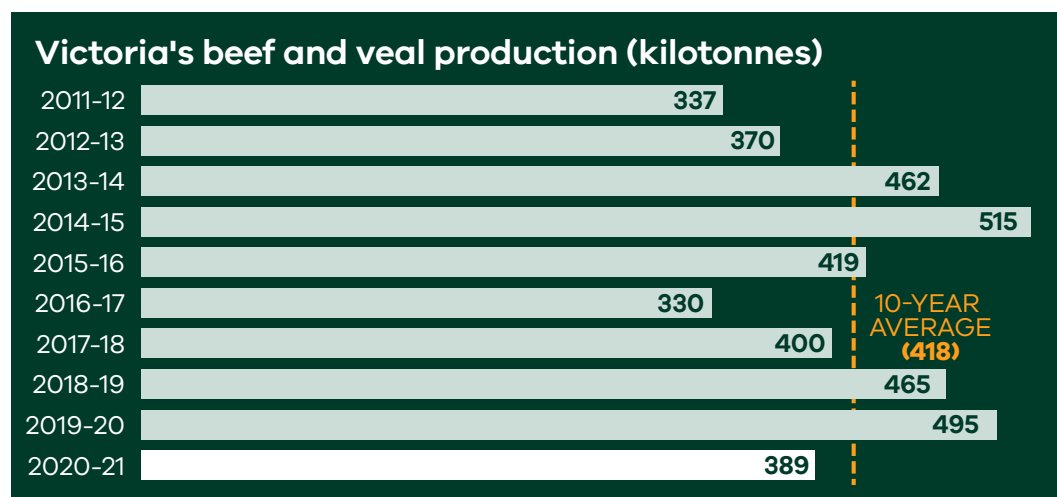
The productivity of Victorian agriculture is well recognised. In a joint submission to the Inquiry, the Department of Transport and Planning and Agriculture Victoria suggested that Victoria routinely produces more food than it can consume domestically.<sup>3</sup> However, while international exports are well understood, there is little publicly available data describing the movement of food within or between Australian states. This makes it difficult to assess how much of the food grown in Victoria is consumed locally.<sup>4</sup>

Comparing food produced in Victoria with typical per person annual food consumption can help provide a sense of Victoria's food security. In the absence of Victorian specific consumption data, Australian data is used.

### 2.1.1 Victoria is the third largest beef producing state

In 2020–21, approximately 1.5 million cows and calves were processed in Victoria to produce around 390,000 tonnes of beef and veal. Victoria was the third largest beef producing state (after Queensland, 923,000 tonnes and NSW, 402,000 tonnes) and contributed around 20% of Australia's total beef production (1,931,435 tonnes).<sup>5</sup>

Figure 2.1 How much beef and veal is produced in Victoria?



Source: Agriculture Victoria, *Victorian beef industry: Fast facts*, January 2023.

Most of Victoria's estimated 5,300 beef farms are in Gippsland, Hume and around the southwest and northwest regions of the state. They represent approximately 25% of all beef farms in Australia and approximately 10% of the nation's total cattle herd, or 2.1 million cows. Victoria boasts the third largest Australian herd after Queensland, 10.6 million cows and NSW, 4.2 million cows.<sup>6</sup>

<sup>3</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 14.

<sup>4</sup> Agriculture Victoria, *Victorian agriculture industry snapshot*, January 2023; Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 24.

<sup>5</sup> Agriculture Victoria, *Victorian beef industry: Fast facts*, January 2023.

<sup>6</sup> Ibid.

In 2020–21, the gross value of beef and veal produced in Victoria was \$2.6 billion, around \$1.7 billion of which was exported (predominately to the United States, Japan and China).<sup>7</sup>

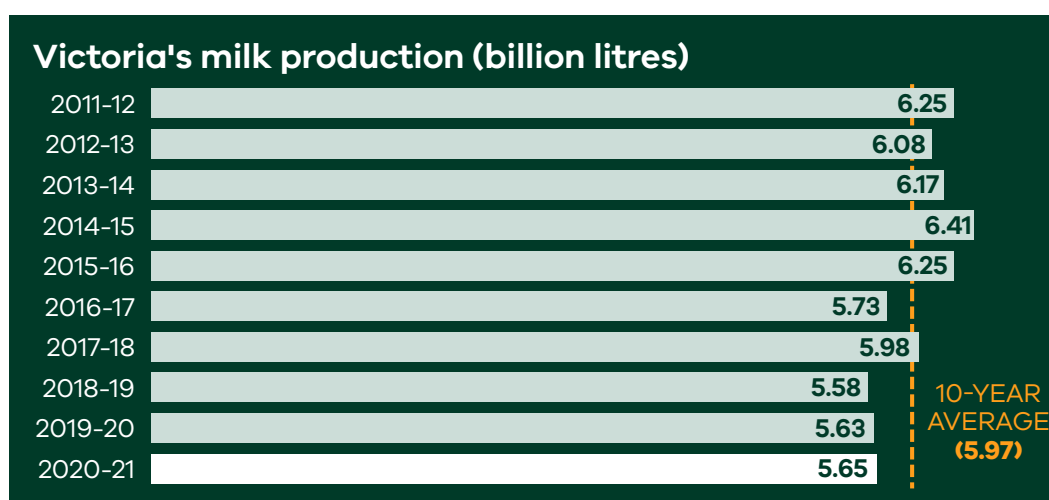
### Consumption of red meats, including beef

Australians' consumption of red meat has declined steadily, but not uniformly, over the last two decades. Around two thirds of Australians eat the same amount of red meat as they have during the past 10 years. However, 28% of consumers have reduced their intake and 15% have increased their red meat consumption.<sup>8</sup>

## 2.1.2 Victoria is the largest dairy producing state

Victoria is Australia's largest dairy producing state, supplying approximately 5.65 billion litres of milk in 2020–21, almost two-thirds of the nation's milk. Australians drank about 11% of the milk Victoria produced, 60% was used to manufacture domestic milk products and 29% to manufacture exported milk products.<sup>9</sup>

Figure 2.2 How much dairy is produced?



Source: Agriculture Victoria, *Victorian dairy industry: Fast facts*, January 2023.

In 2020–21, there were around 3,100 dairy farm businesses in Victoria caring for approximately 1.5 million dairy cows (including cows in milk, heifers and calves). This represents around 67% of all Australian dairy farming businesses and 61% of the national dairy herd. Victorian dairy farms predominately operate in Gippsland, 35%; southwest Victoria, 33%; and northern Victoria, 32%.<sup>10</sup>

<sup>7</sup> Ibid.

<sup>8</sup> Meat and Livestock Australia, *State of the Industry Report*, 2023, p. 5.

<sup>9</sup> Agriculture Victoria, *Victorian dairy industry: Fast facts*, January 2023.

<sup>10</sup> Ibid.

## Consumption of dairy products

Dairy has long been a staple food in Australian households, although per capita consumption has declined in recent years. In 2022–23, Australians consumed an estimated 90 litres of milk per capita, 15 kilograms of cheese, 9.7 kilograms of yoghurt and 4.1 kilograms of butter.<sup>11</sup>

**Table 2.1 Annual Victorian milk sales**

Year	Milk sales (million litres)
2022–23	609
2021–22	612
2020–21	621
2019–20	649
2018–19	634
2017–18	626
2016–17	632
2015–16	636
2014–15	624
2013–14	612

Source: Dairy Australia, *In Focus 2023: The Australian Dairy Industry*, 2023, p. 23.

Australia typically produces more dairy than it can consume. Nonetheless, in 2022–23 an estimated 27% of the dairy consumed by Australians was imported (up from 11% in 1999–2000); mostly cheese, ice creams, milk powder and butter. This is informed by a range of factors including affordability and lack of local production (food manufacturing).<sup>12</sup>

### 2.1.3 Victoria is the third largest grain producing state

In 2020–21, Victorian farmers produced around 4.5 million tonnes of wheat, 2.9 million tonnes of barley, 1.2 million tonnes of canola, 977,000 tonnes of pulses and 334,000 tonnes of oats. Victoria was the third largest producer of grains in Australia (after New South Wales, 21.5 million tonnes and Western Australia, 16.5 million tonnes). Victoria contributed 16.7% of national grains production.<sup>13</sup>

<sup>11</sup> Dairy Australia, *In Focus 2023: The Australian Dairy Industry*, 2023, p. 21.

<sup>12</sup> Dairy Australia, *Situation and outlook*, December 2023, pp. 6–8.

<sup>13</sup> Agriculture Victoria, *Victorian grains industry: Fast facts*, January 2023.

Figure 2.3 How much grain is produced?



Source: Agriculture Victoria, *Victorian grains industry: Fast facts*, January 2023.

Most of Victoria's grains are grown in the western and northern parts of the state, particularly in the Mallee, Wimmera and north-central regions. Some crops are also grown in southern areas of Victoria, which record high annual rainfalls.<sup>14</sup>

Victorian farmers predominately grow three types of grain crops: cereals, mainly wheat and barley; oilseeds, such as canola and cottonseed; and pulses.<sup>15</sup>

### Consumption of grains

Australians consume an estimated 248 grams of cereals and grains each day.<sup>16</sup> On average, Victorians consume around 25% of the grain produced in Australia each year. In 2021-22, Victoria also exported around \$2.5 billion of cereals, \$1.2 billion of oilseeds and \$548 million of pulses. Its highest value export markets were China, Bangladesh and Japan.<sup>17</sup>

#### 2.1.4 Victoria grows most of Australia's pears, peaches, apples and nectarines

In 2020-21, Victorian farmers produced approximately 1.7 million tonnes of horticultural produce including, 564 kilotonnes of fruit and nuts, 403 kilotonnes of grapes and 696 kilotonnes of vegetables. Victoria grows several nationally significant horticultural

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.; Agriculture Victoria, *Grains and other crops*, <<https://agriculture.vic.gov.au/crops-and-horticulture/grains-pulses-and-cereals/grains-and-other-crops>> accessed 2 September 2024.

<sup>16</sup> Australian Bureau of Statistics, *Apparent Consumption of Selected Foodstuffs, Australia, 2022-23* <<https://www.abs.gov.au/statistics/health/health-conditions-and-risks/apparent-consumption-selected-foodstuffs-australia/latest-release#basic-food-groups>> accessed 3 July 2024.

<sup>17</sup> Agriculture Victoria, *Victorian grains industry: Fast facts*, January 2023; Australian Competition and Consumer Commission, *Bulk grain ports monitoring report - data update - 2021-22*, p. 34.



crops. It produces 90% of Australia's pears, 86% of peaches, 77% of nectarines, 69% of olives, 60% of almonds, 55% of tomatoes and 50% of apples.<sup>18</sup>

Victorian horticulture also contributes to primary production by growing seeds, juvenile plants and through producing propagation material.<sup>19</sup> It is Australia's largest propagator of plant materials. For example, Nursery and Garden Industry Victoria—the peak body for the state's horticultural sector—said that just one of Victoria's largest horticultural businesses sells 2.5 million units to growers and 30 million units to retail outlets.<sup>20</sup>

**Figure 2.4 How much horticulture is produced?**



Source: Agriculture Victoria, *Victorian horticulture industry: Fast facts*, January 2023.

In 2020–21, there were around 2,760 horticultural farm businesses operating in Victoria, comprising 727 vegetable farms, 910 fruit and nut farms and 1,121 grape farms. They occupied around 121,600 ha.<sup>21</sup> Nursery and Garden Industry Victoria noted that Victoria's horticultural industry has grown steadily in recent years with production value typically increasing around 5% per annum. This growth is projected to continue.<sup>22</sup>

There are five main horticultural growing regions in Victoria: the greater Sunraysia region in Mallee and in north-central Victoria, the Goulburn Broken region, the greater Melbourne region and Gippsland.<sup>23</sup>

<sup>18</sup> Agriculture Victoria, *Victorian grains industry: Fast facts*, January 2023.

<sup>19</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 3.

<sup>20</sup> Ibid.

<sup>21</sup> Agriculture Victoria, *Victorian horticulture industry: Fast facts*, January 2023.

<sup>22</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 3.

<sup>23</sup> Horticulture Industry Networks, *About the growing regions across Victoria*, <<https://www.hin.com.au/networks/seasonal-workforce-resource-hub/harvest-calendar-for-victoria>> accessed 11 January 2024.

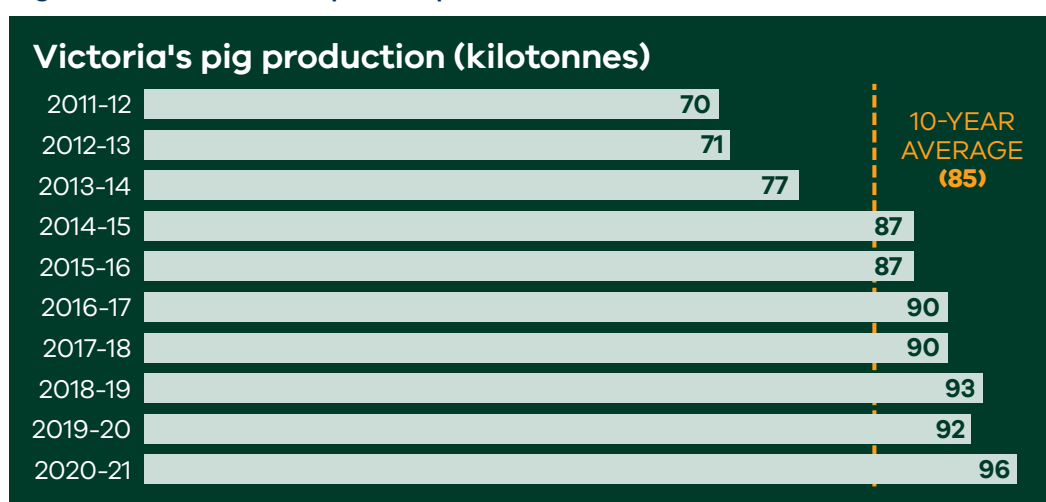
## Consumption of vegetables, fruits and nuts

In 2022–23, around 99% of Australian households purchased vegetables and around 98% purchased fruit. The average annual consumption of vegetables by Australians was estimated at 82.31 kg per annum. Fruit consumption was estimated at 67.62 kg per annum and nut consumption at 2.95 kg per annum.<sup>24</sup>

### 2.1.5 Victoria is the third largest pork producing state

Victoria is the third largest pork producing state after Queensland and South Australia. In 2020–21, approximately 1.2 million pigs were processed in Victoria, producing 96,000 tonnes of pork. This equates to approximately 22% of pork produced nationally (432,000 tonnes).<sup>25</sup>

Figure 2.5 How much pork is produced?



Source: Agriculture Victoria, *Victorian pig industry: Fast facts*, January 2023.

The top three regions producing pork across the state are the Goulburn Broken region, Corangamite and north-central Victoria. Together these account for nearly 82% of Victoria's pig herd.<sup>26</sup> In 2020–21, there were approximately 250 pig farming businesses operating in Victoria, a decline of 26 per cent from 2019–20. Victoria's pig herd numbers around 497,000 pigs, which equates to around 19% of the national pig herd of 2.6 million pigs.<sup>27</sup>

## Consumption of pork

Australians are eating more pork than they were two decades ago. Since the year 2000, annual per person pork consumption has risen by 35%, to an estimated 26.5 kg.

<sup>24</sup> Hort Innovation, *Australian Horticulture Statistics Handbook 2022/23*, 2024, pp. 30, 182, 336.

<sup>25</sup> Agriculture Victoria, *Victorian pig industry: Fast facts*, January 2023.

<sup>26</sup> Matt Dalgleish and Andrew Whitelaw, Thomas Elder Markets, *State of the industry report*, report for Australian Pork, 2021, p. 14.

<sup>27</sup> Agriculture Victoria, *Victorian pig industry: Fast facts*, January 2023.

This has coincided with a decline in the consumption of red meats, such as beef and lamb. On average, around 46% of pork consumed in Australia each year is imported (up from 8% in 1999).<sup>28</sup>

In 2021–22, approximately 9,000 tonnes of Victorian pork was exported with the most valuable export markets being Singapore, Papua New Guinea and New Zealand.<sup>29</sup> Victoria was the nation's second largest pork exporter, accounting for 25% of the total value of Australian pork exports.<sup>30</sup>

### 2.1.6 Victoria is the second largest poultry producing state

Victoria is the second largest chicken meat producing state in Australia and the third largest producer of eggs. In 2020–21, approximately 138 million chickens were processed, producing 247,000 tonnes of chicken meat; an increase of 11% from the previous year.<sup>31</sup>

Victorian production of chicken meat has increased more or less in line with population growth.<sup>32</sup>

Figure 2.6 How much chicken meat is produced?



Source: Agriculture Victoria, *Victorian poultry industry: Fast facts*, January 2023.

In 2022–23, Victoria was Australia's third largest egg producing state, contributing 19.47% of eggs nationally.<sup>33</sup>

28 Matt Dalglish and Andrew Whitelaw, Thomas Elder Markets, *State of the industry report*, report for Australian Pork, 2021, pp. 18–20.  
 29 Agriculture Victoria, *Victorian pig industry: Fast facts*, January 2023.  
 30 Ibid.  
 31 Agriculture Victoria, *Victorian poultry industry: Fast facts*, January 2023; Australian Chicken Meat Federation, *Submission 45*, p. 3.  
 32 Australian Chicken Growers' Council, *Submission 5*, p. 4.  
 33 Australian Eggs, *Australian Egg Industry Overview*, <<https://www.australianeggs.org.au/egg-industry>> accessed 18 January 2023.

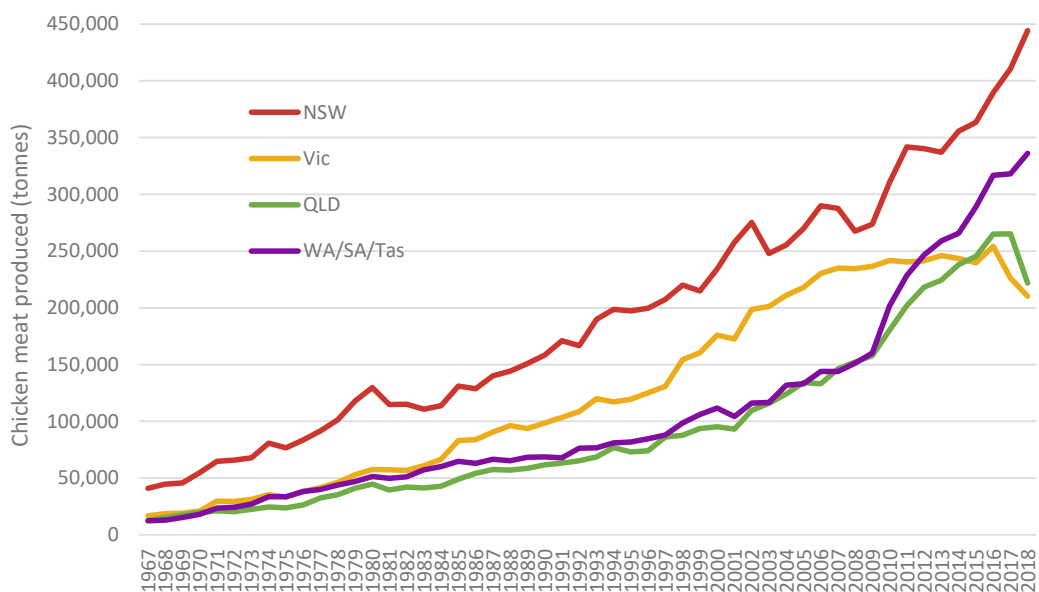
In Australia, many of the largest poultry farms are located within a 50 km radius of capital cities. In Victoria, major areas of poultry farming include the eastern fringe of Melbourne, the Mornington Peninsula, Geelong and Bendigo.<sup>34</sup>

## Consumption of poultry products

Across the country, an estimated 18.9 million eggs are consumed each day. That equates to 263 eggs per person, every year. With an average egg weighing 58 grams, this equals 15 kg of egg, per person, every year.<sup>35</sup>

Australians eat twice as much chicken meat today than they did 30 years ago with estimated per person consumption of around 50 kg in 2022–23. Several factors inform this increase, including the relative affordability of chicken meat compared to other animal proteins and the perception that it is lower fat and therefore healthier.<sup>36</sup> Historically, there has been little interstate trade of chicken and Victorians consumed chicken meat produced locally. This is because most chicken meat is sold as a fresh product, which limits the distance it can be transported without impacting its shelf life or quality. However, this has changed in recent years as the meat processing industry has consolidated and firms began selling their products nationally. This has resulted in a sharp decline of chicken meat production in Victoria.<sup>37</sup>

**Figure 2.7 Australian chicken meat production by state, 1967–2018**



Source: AgriFutures Australia, *Economic contribution of the Australian chicken meat industry*, 2020, p. 4.

<sup>34</sup> Poultry Hub Australia, *Meat Chicken (Broiler) Industry*, <<https://www.poultryhub.org/production/meat-chicken-broiler-industry>> accessed 15 January 2024.

<sup>35</sup> Australian Eggs, *Australian Egg Industry Overview*, <<https://www.australianeggs.org.au/egg-industry>> accessed 18 January 2023.

<sup>36</sup> Australian Chicken Meat Federation, *Facts and figures*, <<https://chicken.org.au/our-product/facts-and-figures>> accessed 18 January 2024.

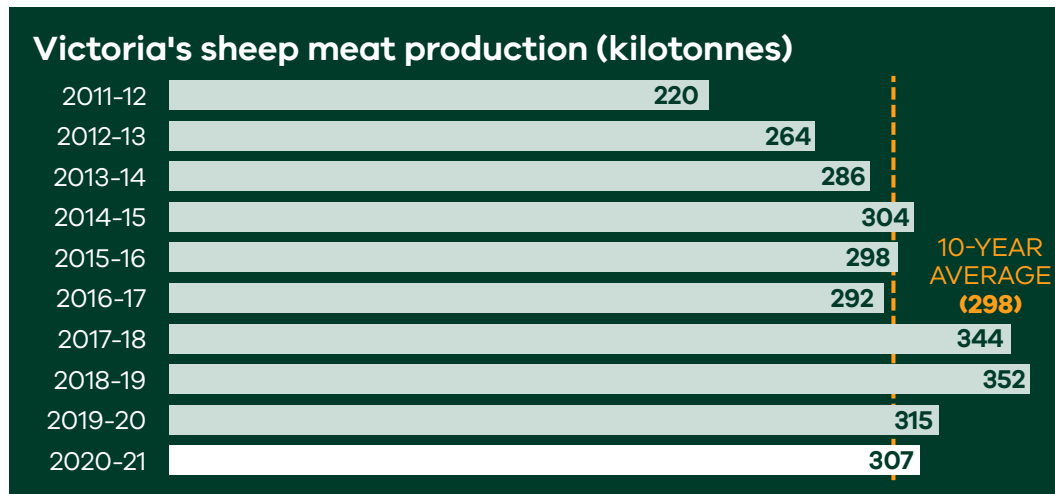
<sup>37</sup> AgriFutures Australia, *Economic contribution of the Australian chicken meat industry*, 2020, p. 4; Australian Chicken Growers' Council, *Submission 5*, p. 1.

Chicken meat is expected to remain the most consumed meat in Australia over the medium term, in line with consumers' preference for leaner meats and the comparative affordability of chicken compared to other proteins.<sup>38</sup>

### 2.1.7 Victoria is the largest sheep meat producing state

Victoria is Australia's largest sheep meat producing state. In 2020–21, it contributed 47% of the sheep meat produced nationally. Across the state, an estimated 12.4 million sheep were processed to produce 307,000 tonnes of sheep meat, a slight (2.5%) decrease from the previous year. Victoria exported 208,000 tonnes of sheep meat, comprising 133,000 tonnes of lamb and 75,000 tonnes of mutton. Victoria's highest-value export markets were the United States, China and Malaysia.<sup>39</sup>

Figure 2.8 How much sheep meat is produced?



Source: Agriculture Victoria, *Victorian sheep industry: Fast facts*, January 2023.

In 2020–21, there were approximately 3,000 sheep farms in Victoria, representing 29% of sheep farms nationally. Victoria's flock numbered around 15.4 million sheep.<sup>40</sup>

Sheep farming occurs in all regions of Victoria but is more concentrated in Warrnambool and south-western Victoria, north-western Victoria, Hume and Bendigo.<sup>41</sup>

<sup>38</sup> Department of Agriculture, Fisheries and Forestry, *Pig and Poultry*, March 2023, <<https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/pig-and-poultry#domestic-demand-for-lean-meat-to-continue-growing>> accessed 15 January 2024; AgriFutures Australia, *Market insights for Australia's chicken meat industry*, <<https://agrifutures.com.au/product/market-insights-for-australias-chicken-meat-industry>> accessed 2 September 2024.

<sup>39</sup> Agriculture Victoria, *Victorian sheep industry: Fast facts*, January 2023.

<sup>40</sup> Ibid.

<sup>41</sup> Department of Economic Development, Jobs, Transport & Resources, *Sheep industry profile*, 2014, p. 1.

### Consumption of sheep meat

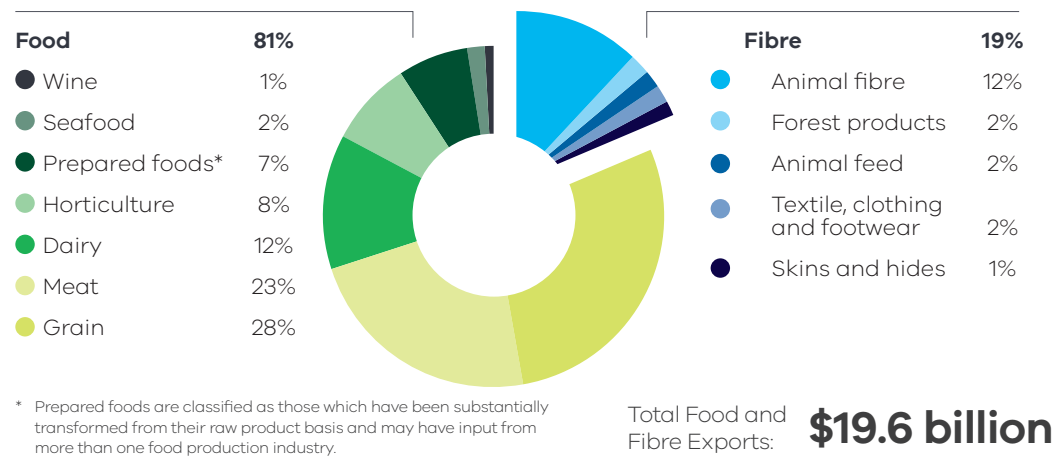
Australians remain some of the largest per person consumers of sheep meat in the world. In 2022, around 6 kg of sheep meat was consumed per person. In 2022, Australians collectively spent approximately \$3.4 billion on lamb and \$50 million on mutton.<sup>42</sup>

**FINDING 1:** Victorian agriculture underpins state and national food supply. The fresh fruit, vegetables and proteins supplied by Victorian farmers are fundamental to the health of Australians. The sector also contributes billions to the state economy, is a significant regional employer and supports adjacent industries including farm supplies and food processing.

### 2.1.8 More than half of Victorian food is exported

Victoria's agricultural industry is largely export-oriented.<sup>43</sup> More than 70% of the food and fibre it produces is sold overseas. It is Australia's largest food and fibre exporting state by value, accounting for 24% of the national total. As Figure 2.9 shows, around \$19.6 billion worth or 12.7 million tonnes of agricultural goods were exported from Victoria to the rest of the world in 2022–23, a \$1.3 billion increase from the year before.<sup>44</sup>

**Figure 2.9** Victoria's food and fibre exports, by industry value, 2022–23



Source: Department of Jobs, Skills, Industry and Regions and the Department of Energy, Environment and Climate Action, *Victorian Food and Fibre Export Performance Summary 2022–23, 2024*, p. 5.

As Figure 2.10 illustrates, Victoria is the nation's biggest exporter by value of dairy and horticulture in Australia. It is also the nation's second largest exporter of meat.<sup>45</sup>

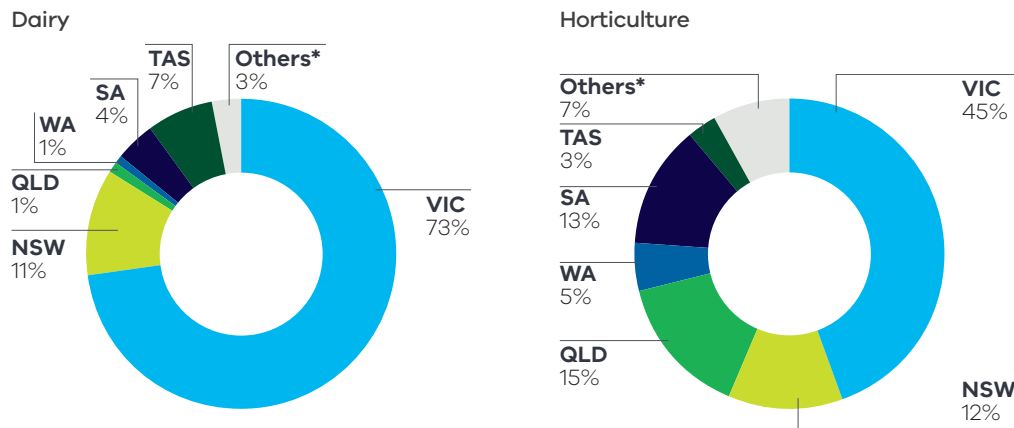
42 Meat and Livestock Australia, *Fast facts: Australia's sheepmeat industry, 2023*, p. 1.

43 Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 14.

44 Department of Jobs, Skills, Industry and Regions and the Department of Energy, Environment and Climate Action, *Victorian Food and Fibre Export Performance Summary 2022–23, 2024*, pp. 2–4, 6.

45 Ibid.

**Figure 2.10** Victoria's market share of key food exports, by value, 2022–23



Source: Department of Jobs, Skills, Industry and Regions and the Department of Energy, Environment and Climate Action, *Victorian Food and Fibre Export Performance Summary 2022–23, 2024*, p. 9.

Agriculture Victoria attributed the international popularity of Victoria's food and fibre to the state's reputation for safety and quality.<sup>46</sup>

**FINDING 2:** Victoria's agricultural industry is largely export-oriented. Victoria is Australia's largest food and fibre-exporting state by value (accounting for a quarter of the national total).

**FINDING 3:** Most of the food grown in Victoria is sold overseas.

### Global consumption of Victorian food exports

Victoria exports its food and fibre products around the world. Victoria's top five destination markets for food and fibre in 2022–23 (by value, in descending order) were:

- China, \$4.7 billion
- Japan, \$1.7 billion
- United States, \$1.6 billion
- New Zealand, \$1.1 billion
- Indonesia, \$1 billion.<sup>47</sup>

<sup>46</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 14.

<sup>47</sup> Global Victoria, *Victorian food and fibre interactive export data dashboard*, <<https://global.vic.gov.au/news-events-and-resources/resource/victorian-food-and-fibre-interactive-export-data-dashboard>> accessed 27 March 2024.

Together, these markets account for around 52% of Victoria's food and fibre exports.<sup>48</sup> Figure 2.11 provides some examples of the types and value of Victorian food sold internationally.

**Figure 2.11 Top five markets for select Victorian food and fibre products, 2022–23**



Source: Department of Jobs, Skills, Industry and Regions and the Department of Energy, Environment and Climate Action, *Victorian Food and Fibre Export Performance Summary 2022–23*, 2024, p. 8.

The Victorian Government aims to increase the state's food and fibre exports to \$20 billion per annum by 2030. A range of factors will inform how much Victorian food is sold and consumed internationally, including:

- **trade agreements:** Victoria has an 'expansive network of free trade agreements'<sup>49</sup>
- **international demand for food:** informed by factors such as population growth, income growth, food prices and dietary change<sup>50</sup>
- **the productivity of other nations' agricultural sectors:** informed by factors such as land availability and the impact of climate change.<sup>51</sup>

The increasing priority many international markets are placing on domestic food security since the COVID-19 pandemic may also influence the demand for Victorian food internationally.<sup>52</sup>

The population of the world is growing steadily. The United Nations projects the world's population will reach 8.5 billion in 2030, 9.7 billion in 2050 and 10.4 billion by 2100.<sup>53</sup>

<sup>48</sup> Ibid.; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 14.

<sup>49</sup> Agriculture Victoria, *Market access*, <<https://www.un.org/en/global-issues/population>> accessed 5 July 2024.

<sup>50</sup> Michiel van Dijk et al, 'A meta-analysis of projected global food demand and population at risk of hunger for the period 2010–2050', *Nature Food*, vol 2, no. 7, 2021, pp. 494–496.

<sup>51</sup> Ibid., p. 495.

<sup>52</sup> Department of Jobs, Skills, Industry and Regions and the Department of Energy, Environment and Climate Action, *Victorian Food and Fibre Export Performance Summary 2022–23*, 2024, p. 12.

<sup>53</sup> United Nations, *Global Issues: Population*, <<https://www.un.org/en/global-issues/population>> accessed 5 July 2024.



Food production must also increase to meet growing demand. A 2021 literature review of food security projections found that global food demand is likely to increase from 2010 levels by between 35% and 56%, by 2050.<sup>54</sup> The United Nations Food and Agriculture Organisation (FAO) found that world food production needs to increase by 60% (revised down from 70%)<sup>55</sup> to meet this expanding demand:

The projections show that feeding a world population of 9.1 billion people in 2050 would require raising overall food production by some 70 percent [revised down to 60%] between 2005/07 and 2050. Production in the developing countries would need to almost double. This implies significant increases in the production of several key commodities. Annual cereal production, for instance, would have to grow by almost one billion tonnes, meat production by over 200 million tonnes to a total of 470 million tonnes in 2050, 72 percent of which in the developing countries, up from the 58 percent today.<sup>56</sup>

**FINDING 4:** An expanding global population, increasing incomes, dietary change and trade agreements are likely to see international demand for Victorian food and fibre remain strong.

The FAO also considered the implications that increased demand for food would have on global agriculture. It found that 90% of the additional food required to feed the world could come from increasing the intensity of cropping. However, it also noted that the availability of arable land is expected to decrease in developed countries by around 50 million hectares. To offset this decline and meet the increased global demand for food, it will be necessary for developing countries to increase arable land under cultivation by about 120 million hectares.<sup>57</sup>

Several stakeholders who engaged with the Inquiry expressed concern that Victorian agricultural land, particularly on the fringe of cities, is being lost to urbanisation and large infrastructure projects. They were concerned that this could impact Victoria's ability to meet the growing demand for food. These issues are explored in Chapter 3.

## 2.2 Farms close to Victorian cities are critical to food supply

As discussed, Victorian agriculture is diverse and food is grown all around the state. Around 50% of Victorian land is under cultivation and different regions specialise in particular types of produce suited to unique soil and climate conditions. For example,

<sup>54</sup> Michiel van Dijk et al, 'A meta-analysis of projected global food demand and population at risk of hunger for the period 2010–2050', *Nature Food*, vol 2, no. 7, 2021, pp. 494–496.

<sup>55</sup> Initially the FAO projection was 70% but it revised this to 60%. Michiel van Dijk et al, 'A meta-analysis of projected global food demand and population at risk of hunger for the period 2010–2050', *Nature Food*, vol 2, no. 7, 2021, p. 496.

<sup>56</sup> United Nations Food and Agriculture Organisation, *How to feed the world 2050: High Level Expert Forum, Rome 12–13 October 2009, Global agriculture towards 2050*, 2009, p. 2.

<sup>57</sup> Ibid.

Gippsland's high rainfall and rich pastures produce around 22% of Australia's dairy<sup>58</sup> and most of Victoria's winter grain and cereal crops are grown in the Wimmera and Mallee regions' temperate climate.<sup>59</sup>

Agriculture in the peri-urban fringes of Victorian cities is also highly productive and plays a unique and important role in Victoria's food system. The term 'peri-urban' relates to the area immediately surrounding a city or town, typically up to a 100 km radius.<sup>60</sup> The Committee heard that these areas around Melbourne are characterised by highly fertile soils and reliable water sources. The regions surrounding Ballarat, Bendigo and Geelong were also noted for their agricultural productivity.

### 2.2.1 Melbourne's foodbowl

Agriculture Victoria reported to the Committee that Melbourne's peri-urban agriculture is 'very important' to the state. It explained that around 10% of the gross value of Victoria's agricultural production is cultivated within a 100 km radius of Melbourne.<sup>61</sup> Similar evidence was provided by Professors Michael Buxton and Andrew Butt from RMIT University's Centre for Urban Research. In 2020, they co-authored a book about peri-urban land planning issues. Professor Butt said that, while inner peri-urban areas produced 10% of the state's agricultural value, the broader region produces closer to a quarter of its value.<sup>62</sup> Professor Buxton said that, by value, the peri-urban region of Melbourne is the second most productive agricultural area in the state. Its output per hectare is the highest in Victoria, making it 'at least' three times more productive than any other region and four times more productive than the state average.<sup>63</sup> Professor Butt said that the peri-urban region around Melbourne is an 'important location for food production', particularly in terms of horticulture and poultry. It is also a destination for agricultural-focused tourism.<sup>64</sup>

For the last several years, a group of researchers at the University of Melbourne (known as Foodprint Melbourne) have been examining the agricultural capacity of Melbourne's peri-urban regions. Their first publication (in 2015) found that Melbourne's peri-urban agriculture was characterised by many smaller but intensive and extremely productive farms.<sup>65</sup> It identified that highly perishable foods, such as leafy greens and

58 Dairy Australia, *Our Regions*, <<https://www.dairy.com.au/our-industry-and-people/our-regions>> accessed 5 July 2024; Dairy Australia, *Where dairy farms are located*, <<https://www.dairy.edu.au/resources/video-resource/where-dairy-farms-are-located-in-australia>> accessed 5 July 2024.

59 Agriculture Victoria, *Grains and other crops*, <<https://agriculture.vic.gov.au/crops-and-horticulture/grains-pulses-and-cereals/grains-and-other-crops>> accessed 5 July 2024.

60 Department of Transport and Planning, *Planning for Melbourne's Green Wedges and Agricultural Land: Action plan*, 2024, p. 8; Merriam-Webster, *Peri-urban*, <<https://www.merriam-webster.com/dictionary/peri-urban>> accessed 5 July 2024.

61 Dougal Purcell, Acting Chief Executive and Deputy Secretary, Agriculture Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 4.

62 Professor Andrew Butt, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 43.

63 Michael Buxton, *Submission 54*, p. 1.

64 RMIT University Centre for Urban Research, *Submission 28*, p. 4.

65 Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 10.

berries, are typically grown close to the city<sup>66</sup> where they can be readily transported to processing facilities and consumers.<sup>67</sup> It found that these inner peri-urban areas were critical to Victoria's food security, as they grew a significant proportion of the state's fruit and vegetables, including:

- 96% of berry fruits
- 94% of asparagus
- 92% of cauliflowers
- 88% of mushrooms
- 66% of broccoli
- 62% of lettuce
- 93% of herbs.<sup>68</sup>

Foodprint Melbourne also observed that the region is an important source of affordable protein for Victorians, as it produced around 59% of the state's chicken meat and 35% of its eggs.<sup>69</sup>

Within this inner peri-urban region, the Yarra Valley and Mornington Peninsula are important areas of food production. The Yarra Ranges Council said that the Yarra Valley green wedge is 'one of the most intensively farmed areas in the state', on account of its favourable soils and climate:

Major industries include flowers, nursery plants, berry and orchard fruits, wine grapes, beef and grain. The agricultural produce of the green wedge helps to ensure a supply of healthy and affordable food needed for Melbourne's growing population.<sup>70</sup>

The Victorian Strawberry Growers Association, which represents commercial strawberry growers, said more than 80% of Victoria's strawberries are grown in the Yarra Valley. It 'emphasise[d] the valuable contribution of peri-urban agriculture', noting that the Victorian strawberry industry is worth more than \$150 million and contributes 36% of all strawberries grown in Australia.<sup>71</sup> Around 26% of the fresh raspberries, blackberries and boysenberries grown in Australia are also produced in the Yarra Valley.<sup>72</sup>

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<sup>66</sup> Foodprint Melbourne defines inner peri-urban Melbourne as municipalities along the metropolitan fringe and the city's Urban Growth Boundary, such as the Yarra Valley and the Mornington Peninsula, Cranbourne, Koo Wee Rup and Werribee: Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 9.

<sup>67</sup> Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 10.

<sup>68</sup> *Ibid.*, p. 14.

<sup>69</sup> *Ibid.*, p. 14.

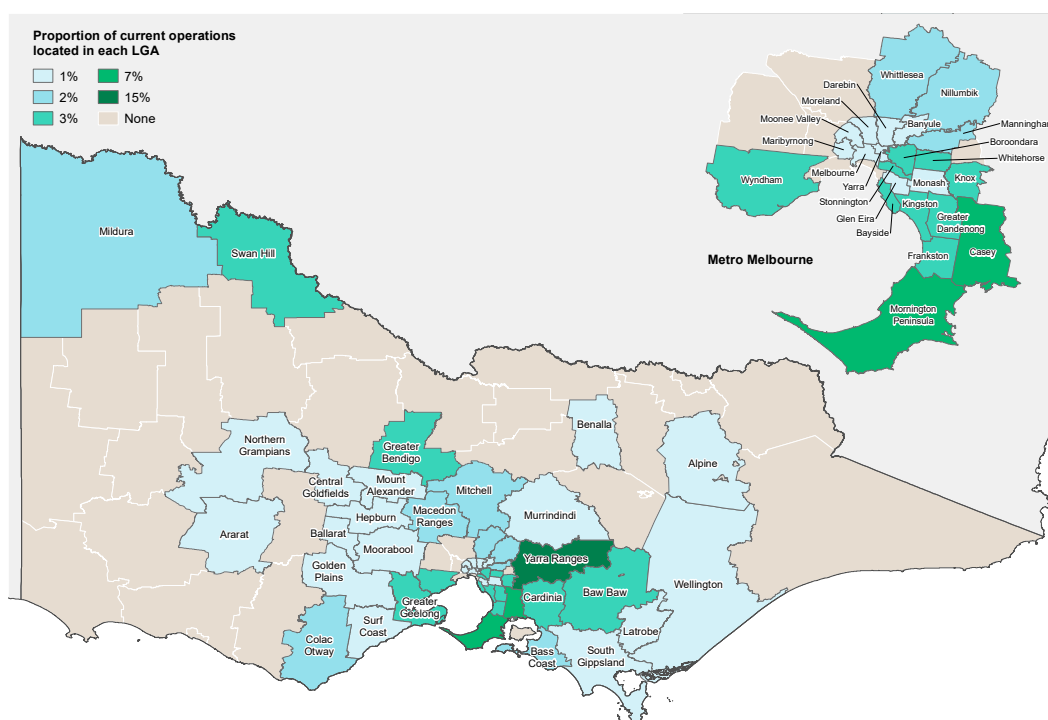
<sup>70</sup> Yarra Ranges Council, *Submission 18*, p. 5.

<sup>71</sup> Victorian Strawberry Growers Association, *Submission 36*, p. 1.

<sup>72</sup> Hort Innovation, *Australian Horticulture Statistics Handbook 2022/23*, 2024, p. 54.

Similar evidence was provided by Nursery and Garden Industry Victoria. It said that around 85% of its members growing germinated seedlings or trees for food production are situated in peri-urban Melbourne.<sup>73</sup> Further, a 2021-22 survey of garden and nursery businesses showed that horticultural businesses are concentrated around the fringe of Melbourne, particularly in the Yarra Ranges and Mornington Peninsula municipalities.<sup>74</sup>

**Figure 2.12 Location of surveyed nursery and garden industry businesses**



Source: Nursery and Garden Industry Victoria, *Realisation of Growth Opportunities within the Victorian Nursery and Garden Industry*, 2022, p. 17.

Foodprint Melbourne also reported on Melbourne’s outer peri-urban agricultural regions. It found that these areas, slightly further from the city, produced a more diverse range of foods, less focused on perishable produce. It found that these farms were just as critical to Victoria’s food security, producing 19% of the state’s onions, 40% of potatoes, 32% of eggs and 24% of chicken meat.<sup>75</sup>

Within this outer peri-urban region, the Bacchus Marsh Irrigation District is an important food-producing area. Moorabool Shire Council said that in 2015-16, the area contributed:

- 2% of all apples grown in Victoria

<sup>73</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 3.

<sup>74</sup> Nursery and Garden Industry Victoria, *Realisation of Growth Opportunities within the Victorian Nursery and Garden Industry*, 2022, p. 17.

<sup>75</sup> Sheridan, J., Larsen, K. and Carey, R., *Melbourne’s foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 15.

- 1% of vegetables
- 5% of the undercover nursery plants.<sup>76</sup>

The Council said that the gross value of agricultural production in the Bacchus Marsh Irrigation District was around \$27 million and that the most valuable farming enterprises were vegetable cultivation and fruit orchards. It noted that the area also boasts food processing facilities, which produce foods such as bagged mixed lettuce.<sup>77</sup>

The highly productive farmland in Melbourne's inner and outer peri-urban areas underpins both state and national food supply. As Box 2.1 highlights, Foodprint Melbourne assessed that agriculture in Melbourne's peri-urban areas was sufficient to feed around 41% of Victorians living in the state's capital in 2015. However, it warned that this will decrease if the city's urban footprint continues to expand outwards as it has in the past.

### Box 2.1 Can Melbourne feed itself?

In 2015, Foodprint Melbourne assessed the capacity of Melbourne's peri-urban agriculture to feed the city. It concluded that it had the capacity to meet around 41% of the greater metropolitan region's demand for food at that time, including:

- 82% of the city's vegetables
- 100% of its chicken meat and eggs
- 63% of its red meat
- 13% of its fruit
- 39% of its dairy.

These figures were based on a Melbourne population of around 4.37 million people, with each person requiring 3.45 kg of food per day, for a total of 15,080 tonnes.

At the time, Melbourne's population was forecast to grow to around 7 million residents by 2050. Foodprint Melbourne projected that around 60% more food would be required to meet the needs of this expanded population or a total of around 24,132 tonnes of food per day.

(Continued)

<sup>76</sup> Moorabool Shire Council, *Submission 11*, p. 4.

<sup>77</sup> Ibid.

**Box 2.1 Continued**

However, it noted that the amount of land under cultivation along the fringe of Melbourne was likely to decline as the population expanded, particularly if long-standing development patterns of low-density urban sprawl continued. As a result, Foodprint Melbourne suggested the capacity of Melbourne's peri-urban agriculture to feed the city's population was likely to fall from 41% in 2015 to just 18% by 2050.

The population of Melbourne has already increased to approximately 5.1 million residents and projections now hold that the capital's population will increase to 8 million by 2051.

Source: Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, pp. 9–10, 18, 20, 27–29; The University of Melbourne, School of Agriculture, Food and Ecosystem Sciences, *Submission 46*, p. 5; Department of Transport and Planning, *Victoria in Future 2023: Population and household projections to 2051, 2023*, p. 3.

Foodprint Melbourne also highlighted that farms in peri-urban Melbourne grow some nationally significant crops. For example, almost all of the asparagus grown in Australia (approximately 90%) is cultivated in the 'rich, peaty soils' of Koo Wee Rup.<sup>78</sup>

**2.2.2 Agriculture around regional cities**

Agricultural areas surrounding Ballarat, Bendigo and Geelong also make significant contributions to Victoria's food supply.

The City of Ballarat told the Committee that agriculture is central to the city's regional character. It suggested that the rural areas surrounding the city boast some of the highest value agricultural production per hectare in the state.<sup>79</sup> Its soils, geology, climate and proximity to the food processing industry and transport networks make it a great place to farm.<sup>80</sup> The central highlands region surrounding Ballarat produces around half of all the potatoes grown in Victoria, 31.4% of the state's chicken meat, 16.2% of its sheep meat and 12.4% of Victoria's grain.<sup>81</sup> Hepburn Shire Council considered the region 'one of Victoria's important food bowls' and highlighted the output of the smaller farms operating in this area:

It has an increasing number of food producers and processors operating at a small scale, using low impact farming methods or processing food using artisan techniques.

<sup>78</sup> Sheridan, J., Larsen, K. and Carey, R., *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, p. 10.

<sup>79</sup> Natalie Robertson, Director, Development and Growth, Ballarat City Council, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 1.

<sup>80</sup> *Ibid.*, p. 2; City of Ballarat, *Today Tomorrow Together: The Ballarat Strategy: Our vision for 2040*, 2015, p. 221.

<sup>81</sup> Agriculture Victoria, *Central Highlands: Invest in Victorian agriculture and food*, 2018, p. 2; The Weekly Times, *Region by region breakdown of the booming agricultural industries*, 14 June 2017, <<https://www.weeklytimesnow.com.au/agribusiness/farm-magazine/region-by-region-breakdown-of-the-booming-agricultural-industries/news-story/f812143ab7b200126915bd56b23559ff>> accessed 5 July 2024.

Artisan agriculture is a major producer of Victorian food and fibre commodities. It accounts for one quarter of the value of Australia's total production.<sup>82</sup>

Hepburn Shire Council said that artisan producers are estimated to contribute 16% to 25% (\$156-\$251 million) of the value of agriculture grown in the central highland's region.<sup>83</sup>

Like Ballarat, the City of Greater Bendigo is in a relatively dry region. Its agricultural areas are quite fragmented, characterised by smaller farms and lifestyle properties.<sup>84</sup> However, this has not prevented Bendigo and its surrounding municipalities from being recognised as a United Nations Educational, Scientific and Cultural Organization (UNESCO) Creative City of Gastronomy, in 2019.<sup>85</sup>

The UNESCO concept of gastronomy 'embraces food and beverages in both their production and consumption, as well as culture around food and its importance in community'. A 'significant portion' of Bendigo's economy relies on businesses within this definition, including small-scale farms, artisan producers and larger-scale commercial agriculture and horticulture.<sup>86</sup> Although agriculture, forestry and fishing make up only 2% of Bendigo's economic output, due to the presence of other large industries, such as health and manufacturing.<sup>87</sup> The gastronomy region surrounding Bendigo produces 41% of Victoria's olives, 93% of its processing tomatoes, 44% of its beehives and 50% of its pigs.<sup>88</sup>

Geelong and the greater Bellarine Peninsula and Surf Coast region has also made a name for itself as a food and wine destination.<sup>89</sup> The Geelong Regional Alliance reports that agriculture is the 5<sup>th</sup> largest industry in the area (encompassing the municipalities of Colac-Otway, Golden Plains, Greater Geelong, Queenscliffe and the Surf Coast). It is home to cropping and cattle farms and has mature food processing and agricultural tourism industries.<sup>90</sup> Agribusiness (including primary production and food processing) contributes \$1.5 billion annually to the gross regional product of the region.<sup>91</sup>

<sup>82</sup> Hepburn Shire Council, *Submission 52*, p. 2.

<sup>83</sup> *Ibid.*

<sup>84</sup> City of Greater Bendigo, *Submission 41*, pp. 3–4.

<sup>85</sup> United Nations Educational, Scientific and Cultural Organization and Bendigo City of Gastronomy, *City of Gastronomy: Implementation Framework and Action Plan 2020–2024*, 2019, p. 4.

<sup>86</sup> *Ibid.*, pp. 22, 25.

<sup>87</sup> City of Greater Bendigo, *Submission 41*, p. 3.

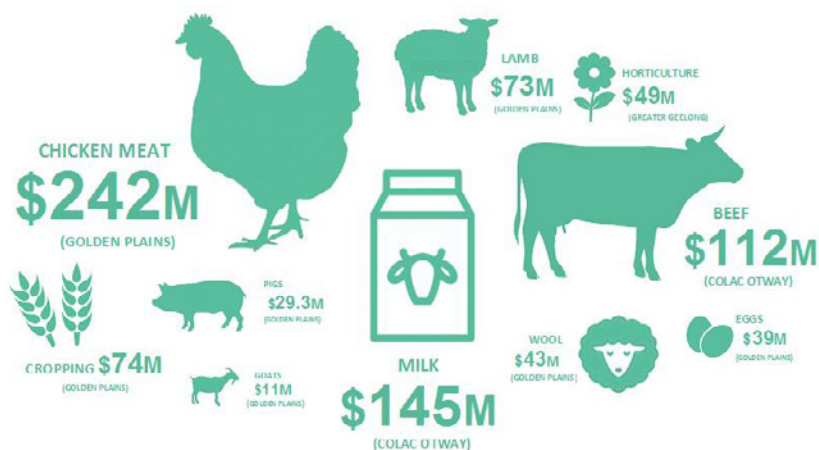
<sup>88</sup> United Nations Educational, Scientific and Cultural Organization and Bendigo City of Gastronomy, *City of Gastronomy: Implementation Framework and Action Plan 2020–24*, 2019, pp. 25–26.

<sup>89</sup> The Weekly Times, *Region by region breakdown of the booming agricultural industries*, 14 June 2017, <<https://www.weeklytimesnow.com.au/agribusiness/farm-magazine/region-by-region-breakdown-of-the-booming-agricultural-industries/news-story/f812143ab7b200126915bd56b23559ff>> accessed 5 July 2024.

<sup>90</sup> The Agri Collective, *Our Agri Industry*, <<https://www.theagricollective.com.au/our-agri-industry-1>> accessed 5 July 2024.

<sup>91</sup> City of Greater Geelong, *G21 Agribusiness Economic Profile*, 2018, p. 29.

Figure 2.13 The value of agriculture in the G21 Region, 2016



Note: The local government areas with the largest contribution are highlighted in brackets.

Source: City of Greater Geelong, *G21 Agribusiness Economic Profile*, 2018, p. 21.

Professor Buxton reported that, when combined, the peri-urban regions around Geelong and Melbourne account for more than 50% of Victoria's poultry meat production by value, 80% of its cut flowers and 60% of all eggs produced.<sup>92</sup> The Australian Chicken Growers' Council provided two explanations for the clustering of chicken meat production in these peri-urban areas. Firstly, farming chicken meat close to processing facilities enhances the welfare of the animals. Secondly, it suggests some of the state's highest-quality soils are in peri-urban regions and a 'significant percentage' of chicken farms incorporate horticulture production or orchards and so have been established in these regions.<sup>93</sup>

**FINDING 5:** Agriculture around Victorian cities, chiefly Melbourne, is highly productive. The smaller-scale, intensive farms in these regions grow many of the fruit, vegetables and poultry produced in the state.

### 2.2.3 Broader benefits of peri-urban agriculture

In addition to underpinning state and national food supply, the peri-urban agricultural regions of Melbourne, Ballarat, Bendigo and Geelong provide several other important benefits. Sustain—a healthy food systems advocacy group—summarised the broader value of agriculture in Victoria's peri-urban regions:

Agriculture close to the city provides so many other benefits and functions, from landscape, creating habitat and biodiversity to the connection between consumers and producers. We heard about that in terms of the lack of connectivity between people living in cities and farmers. There is the urban heat island effect and dealing with

<sup>92</sup> Michael Buxton, *Submission 54*, p. 1.

<sup>93</sup> Australian Chicken Growers' Council, *Submission 5*, pp. 1, 5.



climate change. It is a risk mitigation strategy in terms of disruptions to food supply ... having food close to where we are makes a lot of sense.<sup>94</sup>

Some of the broader values of peri-urban agriculture, including economic contributions, increasing diversity and resilience, and responding to climate change, are described in the next sections of the report.

### Socio-economic value to communities

Peri-urban agriculture makes a significant contribution to local economies through the value of commodities produced, as a source of employment and by generating tourism.<sup>95</sup> The Committee received several submissions illustrating the value of several peri-urban regions, including the Central Highlands, Moorabool, the Mornington Peninsula, Cardinia and the Yarra Valley.<sup>96</sup> For example, Moorabool Shire Council described how agriculture is an 'area of specialisation for Moorabool's economy, with high employment, output, export value and local expenditure':

The agriculture sector currently directly provides 893 jobs (8.7%) within Moorabool Shire, with 568 agriculture businesses registered in the Shire. It is one of two propulsive sectors in Moorabool Shire, meaning that the flow-on economic benefits of the sector are mostly contained within the regional catchment. So, whilst the agricultural commodities themselves are mostly exported out of the Shire, the well-established production and transport supply chain supports a range of other businesses in the area. In 2021, the agriculture sector had a local regional expenditure of \$95.07 (9.9%) million, which is in part distributed to local industries such as construction, transport and warehousing, and wholesale trade, which directly benefit from local agricultural activities.

Further indicating the importance of the agriculture and food sector to Moorabool is the economic agglomeration of agricultural businesses. A particular cluster of fruit and vegetable growers operates within the [Bacchus Marsh Irrigation District] BMID, resulting in a concentration of both production as well as a visitor destination and location brand. The agriculture industry is critical to the economic role and identity of the Shire and the region, and the agglomeration of uses have developed over time to create a clear competitive advantage that also benefits many other local industries, businesses and jobs.

Moorabool Shire's recently developed Economic Development Strategy identifies agriculture, forestry and fishing as a key contributor to the Shire's total output (9% or \$252M), as well as generating a quarter of the Shire's of total regional export value (23% or \$180M).<sup>97</sup>

<sup>94</sup> Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 35.

<sup>95</sup> The Rural Planner, *Submission 32*, p. 3.

<sup>96</sup> Cardinia Shire Council, *Submission 16*, pp. 1-3; Agribusiness Yarra Valley, *Submission 48*, p. 1; Moorabool Shire Council, *Submission 11*, pp. 2-3; Mornington Peninsula Shire Council, *Submission 27*, pp. 1-13.

<sup>97</sup> Moorabool Shire Council, *Submission 11*, pp. 2-3.

Emma Germano, President of the Victorian Farmers Federation—an advocacy group representing the state's farmers—also highlighted the important social function peri-urban farms play in bridging 'the urban and rural divide'. She highlighted that Peri-urban farms expose metropolitan Victorians to the food production system and increase the connectivity between people living in city and country areas.<sup>98</sup>

**FINDING 6:** Agriculture contributes to the economy of many peri-urban communities, through the value of the foods produced, as a source of employment and by supporting associated industries, such as food processing.

**FINDING 7:** Peri-urban agriculture exposes metropolitan Victorians to food production and helps bridge the city-country divide by highlighting the important work of farmers.

### Providing diversity in the agricultural sector

The small-scale farms characteristic of peri-urban areas are vital to the diversity of an increasingly consolidated agricultural sector.

Australian agriculture is highly exposed to export markets, both for critical inputs like fertiliser and for the value of their food and fibre output. This exposure can drive agribusinesses to seek efficiencies by scaling up production. There has been considerable consolidation in many aspects of the agricultural sector, including among:

- suppliers of critical farm inputs, such as machinery and agrichemicals
- companies purchasing the food and fibre produced by farmers.<sup>99</sup>

Both of these aspects of the Australian agricultural sector are now dominated by a relatively small number of large-scale organisations.<sup>100</sup> Andrew Holman, a dairy farmer from Poowong, told the Committee that this has increased the financial pressure on farming businesses. He said that farmers typically purchase critical farm inputs at retail prices and sell their produce to food processors or supermarkets at wholesale prices.<sup>101</sup>

The increased financial pressure on Victorian producers means they are also consolidating to maintain their competitiveness, by purchasing farming businesses and farmland.<sup>102</sup> PwC observed that the consolidation of farming businesses is particularly evident in cropping, where the number of farms declined by 11% between 2006–07

<sup>98</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 17.

<sup>99</sup> Mick Keogh, Deputy Chair, Australian Competition and Consumer Commission, *Consolidation in agriculture: impacts to the farm, research and agribusiness speech*, speech delivered at the UWA Institute of Agriculture – Industry Forum, 18 July 2017.

<sup>100</sup> Ibid.

<sup>101</sup> Andrew Holman, public hearing, Morwell, 16 May 2023, *Transcript of evidence*, p. 11.

<sup>102</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 14.

and 2016–17. While the average area planted per farm increased from 758 hectares to 1,048 hectares over the same period.<sup>103</sup>

Cardinia Shire Council suggested that the smaller-scale producers located in peri-urban areas are often overlooked in an agricultural sector increasingly focussed on efficiencies of scale. Yet they are a source of skills, industry networks and local food supply which enhances the diversity and therefore resilience of the Victorian agricultural sector:

While these part-time farmers/small landholders may not seem to contribute significantly to national agricultural values of production; their true value is in embedded within the local food economy. They should not be underestimated in terms of the following contributions they bring; diverse knowledge and skills base; extensive cross industry and social networks and outreach; and entrepreneurial and business acumen. These landholders provide additional influence, capacity and diversity into and along the local agricultural value chain. In essence, they are vital to establishing a more local set of consumer access points for seasonal food access, within close proximity to high density urban communities.<sup>104</sup>

Cardinia Shire Council asserted that 'all peri-urban agribusinesses regardless of scale have an important role to play as buffers and contributors to local food access, availability and long-term security in Victoria'.<sup>105</sup> The Victorian Farmers Federation said that all farms, no matter their size, should be valued for their food production. It noted that, in India, most farms are less than two hectares and together they supply food to a much larger population.<sup>106</sup>

Agriculture Victoria also recognised the importance of small-scale producers in diversifying agriculture, particularly in terms of employment and skills.<sup>107</sup> Past policies and grants, such as the Small Scale and Craft Program which ended in 2022, have focused on supporting smaller-scale farming. The current Victorian agricultural strategy also makes support available to smaller-scale producers (discussed in Section 2.3).<sup>108</sup>

**FINDING 8:** Victorian farming businesses are consolidating by purchasing competitors and farmland to achieve efficiencies of scale. The smaller-scale farms operating in peri-urban areas are important to the diversity of the agricultural sector.

<sup>103</sup> PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, pp. 24–25.

<sup>104</sup> Cardinia Shire Council, *Submission 16*, p. 3.

<sup>105</sup> Ibid.

<sup>106</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 17.

<sup>107</sup> Dougal Purcell, Acting Chief Executive and Deputy Secretary, Agriculture Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 7.

<sup>108</sup> Sarah-McCormack, Executive Director, Agriculture Policy and Programs, Agriculture Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 7; Business Victoria, *Small-Scale and Craft Program Stream One: Round Three*, <<https://business.vic.gov.au/grants-and-programs/small-scale-and-craft-program-stream-one-round-three>> accessed 9 July 2024.

## Improving supply chain resilience

The proximity of peri-urban agriculture to wholesale fruit and vegetable markets and individual consumers is key to the resilience of Victoria's food system.

Victorians typically rely on supermarkets for fresh fruit and vegetables. Supermarkets source food and groceries from across Australia and around the world. They rely on long and complex supply chains to transport food from wherever it is inexpensive or seasonally available. Foodprint Melbourne observed that supply chains have many points of potential disruption and are vulnerable to shocks and stresses:

During the COVID-19 pandemic, food supply chains were affected by border closures and transport disruption. Road closures also disrupted food freight in Victoria during the 2019–2020 bushfires, and in 2022, extensive flooding in South Australia, New South Wales and Queensland cut food supply routes, leading to temporary food shortages in some areas. Food freight into Melbourne has the potential to be disrupted by a major bushfire or flooding event. These types of extreme weather events are likely to become more frequent and more severe due to climate change.<sup>109</sup>

Foodprint Melbourne researcher Dr Rachel Carey explained that smaller-scale farms along the fringe of cities typically sell their produce more directly to consumers. She said that the presence of these shorter supply chains diversifies the Victorian food system and increases its resilience to disruptions:

... it comes back to diversity, so production, distribution and retail at different scales all have different benefits in the event of a shock or stress. Areas of smaller production ... might be selling through farmers markets, through community-supported agriculture or through box schemes through various means, but that direct connection between those farms on the fringes of the cities and consumers and businesses in the cities is really important to strengthening those local and regional food supply chains.

It is not that we are saying here that those local and regional food supply chains are significantly more important than those state, global and national food supply chains ... The longer the food supply chain, the more people in an organisation are involved, the more places there are for things to go wrong when a shock or stress hits food supplies. It is really important to have these short food supply chains as well, and often it is smaller scale, medium-scale farmers who are actually involved in those supply chains.<sup>110</sup>

Farmers for Climate Action—a group of farmers advocating for action to mitigate climate change—likewise submitted that localised supply chains, that connect peri-urban producers more directly to wholesale markets and consumers, are less vulnerable to disruption. It suggested that maintaining a localised food supply complements national supply chains.<sup>111</sup> Young Farmers Connect, the City of Greater

<sup>109</sup> Foodprint Melbourne, *Building the resilience of Melbourne's food system – a Roadmap*, 2022, p. 12 (with sources).

<sup>110</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 5.

<sup>111</sup> Farmers for Climate Action, *Submission 17*, p. 1.

Bendigo, the City of Whittlesea, the Green Wedges Coalition, the Victorian Strawberry Growers Association and Cardinia Shire Council made similar observations.<sup>112</sup>

Foodprint Melbourne's research supports this view. It noted that independent retailers and farmers' markets often continued to have good food supply during the COVID-19 pandemic when the major supermarkets were experiencing food shortages due to supply chain disruptions.<sup>113</sup>

The proximity of peri-urban agriculture to wholesale markets and consumers also means its carbon footprint can be lower than foods grown further afield. Frankston City Council noted that 21% of the carbon emissions generated within its municipality are transport-related. It asserted that emissions can be reduced by producing more food closer to the city.<sup>114</sup>

**FINDING 9:** Peri-urban farmers supply food directly to wholesale markets, grocers and individual consumers in Victorian cities. These localised supply chains are less vulnerable to disruption than those supplying supermarkets. They increase the resilience of Victoria's food supply to shocks and stresses.

## 2.3 Agricultural policy and governance

Victoria's agricultural sector is currently overseen by the Minister for Agriculture, assisted by Agriculture Victoria (which sits within the Department of Energy, Environment and Climate Action). Together, they aim to grow and protect the industry around the state through effective regulation and targeted funding and support. They share diverse regulatory responsibilities, including biosecurity, animal welfare, agricultural and veterinary chemicals, product integrity and traceability and food safety. These responsibilities are allocated to the Minister for Agriculture and Agriculture Victoria by over 30 separate laws and require the oversight of more than 140,000 different entities. Agriculture Victoria has established a strategy to manage its regulatory responsibilities, *Regulatory Approach 2022–2027* (2022).<sup>115</sup>

Agriculture Victoria has also developed a statewide agricultural strategy, *Strong, Innovative, Sustainable: A new strategy for agriculture in Victoria* (2020). The strategy outlines its vision for the agricultural sector from 2020 to 2030 and describes programs established to achieve this vision.<sup>116</sup>

<sup>112</sup> Green Wedges Coalition, *Submission 30*, p. 1; Victorian Strawberry Growers Association, *Submission 36*, p. 3; City of Greater Bendigo, *Submission 41*, p. 5; Young Farmers Connect, *Submission 31*, p. 2; City of Whittlesea, *Submission 40*, p. 2; Cardinia Shire Council, *Submission 16*, p. 8.

<sup>113</sup> Foodprint Melbourne, *Building the resilience of Melbourne's food system – a Roadmap*, 2022, p. 60.

<sup>114</sup> Frankston City Council, *Submission 9*, p. 4.

<sup>115</sup> Agriculture Victoria, *Regulatory Approach 2022–2027*, 2022, pp. 2, 7, 14.

<sup>116</sup> Agriculture Victoria, *Our role*, <<https://agriculture.vic.gov.au/about/our-role>> accessed 9 July 2024.

This strategy acknowledges the substantial contribution agriculture already makes to the Victorian economy and the fabric of its communities. It seeks to build on this 'position of strength', so that the agricultural sector in 2030 is:

- an engine of growth for the Victorian economy: attracting investment, supporting jobs and helping communities thrive
- creative, resilient and responsive to challenges and opportunities, capitalising on technological advancement and new ways of doing things
- a front runner in low-emission food and fibre production
- Australia's agriculture exports centre, providing high-quality, sought after agriculture produce to diverse markets around the world
- home to diverse and innovative careers, attracting the best and brightest to our farms and regions.<sup>117</sup>

The 'Strong, Innovative, Sustainable' strategy outlines actions to achieve this vision, grouped under five themes and fourteen commitments (see Table 2.2).

**Table 2.2 Strong, Innovative, Sustainable: A new strategy for agriculture in Victoria, themes and commitments**

Themes	Commitments
<p><b>Recover</b> Recover from the impacts of drought, bushfires and the coronavirus (COVID-19) pandemic and become an engine of growth for the rest of the economy.</p>	<ol style="list-style-type: none"> <li>1. Support farmers with information and tools to build resilience.</li> <li>2. Strengthen local supply chains and support opportunities for local manufacturing.</li> </ol>
<p><b>Grow</b> Grow the value and output of agriculture through increased exports, investment, greater diversification and new products.</p>	<ol style="list-style-type: none"> <li>3. Support Victorian producers to be more profitable, exporting more products to more markets, more often.</li> <li>4. Maximise the growth potential of key emerging industries.</li> <li>5. Create the right conditions and opportunities for investment here in Victoria.</li> </ol>
<p><b>Modernise</b> Modernise Victorian agriculture through innovation, investment and future skills.</p>	<ol style="list-style-type: none"> <li>6. Increase the adoption of new, effective and fit for purpose technology.</li> <li>7. Grow a thriving and globally competitive AgTech industry in Victoria.</li> <li>8. Enhance the commercialisation of research.</li> <li>9. Deliver the agriculture skills of the future.</li> </ol>
<p><b>Protect</b> Protect and enhance the future of agriculture by ensuring it is well-placed to respond to climate change, pests, weeds, disease and increased resource scarcity.</p>	<ol style="list-style-type: none"> <li>10. Position Victoria as a leader in low-emission agriculture.</li> <li>11. Ensure Victorian agriculture is well-placed to manage climate risk and continues to be productive and profitable under a changed climate.</li> <li>12. Deliver best practice regulatory systems to manage risk and respond to new challenges.</li> </ol>
<p><b>Promote</b> Promote and build confidence in the sector to international markets and the community.</p>	<ol style="list-style-type: none"> <li>13. Promote Victorian agriculture's commitment to quality and high performance.</li> <li>14. Position agriculture as a career of choice and build its reputation for workplace excellence.</li> </ol>

Source: Agriculture Victoria, *Strong, Innovative, Sustainable: A new strategy for agriculture in Victoria*, 2020, p. 8.

<sup>117</sup> Agriculture Victoria, *Strong, Innovative, Sustainable: A new strategy for agriculture in Victoria*, 2020, pp. 4, 25.

A joint submission from the Department of Transport and Planning and Agriculture Victoria described the benefits of agriculture primarily in terms of the sector's food production and economic value:

There are many benefits of supporting food production and farming across Victoria, which is a principal function of Agriculture Victoria. They include economic benefits, enabling the production of food for local, national, and international consumption. We know that Victoria is a net exporter of food. Ensuring continued agricultural production will allow our population to have a secure supply of food and export earnings from primary production. Allowing employment and economic growth in more remote locations which support agriculture also supports the small and medium towns and the communities in those locations.<sup>118</sup>

Very few stakeholders to the Inquiry commented specifically on Agriculture Victoria's 'Strong, Innovative, Sustainable' strategy, or how the Department fulfills its regulatory responsibilities. Dr Carey noted that agricultural policy currently emphasises 'increasing food production, and particularly for export'. She observed that it lacks 'focus on domestic food supplies for the Victorian population, or the resilience of those food supplies to shocks and stresses'.<sup>119</sup>

However, there was broad agreement among stakeholders that the current governance and policy approach to Victorian agriculture—with its focus on increasing food production and exports—is inadequate to secure Victoria's food supply into the future. Key criticisms included:

- A lack of acknowledgment and appropriate prioritisation of agriculture and food production for its human rights and health dimensions.
- A lack of consideration of Victoria's capacity to feed itself into the future and the investment and reform needed to secure food supply.
- A siloed approach to agriculture which does not acknowledge or address many of the cross-portfolio challenges impacting food supply (such as land planning, water and renewable infrastructure issues).
- A lack of clarity around the roles and responsibilities of all actors in Victoria's food system and poor accountability for securing Victoria's food supply into the future.

**FINDING 10:** There is a widespread view amongst stakeholders that the current governance and policy approach to Victorian agriculture needs to be reviewed to secure Victoria's food supply into the future.

<sup>118</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 3.

<sup>119</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, pp. 1-2.

### **A lack of acknowledgment and appropriate prioritisation of agriculture and food production for its human rights and health dimensions**

Several submitters noted that, despite increasing agricultural production, more Victorians are experiencing food insecurity than ever before, and our diets are saturated with ultra-processed foods.<sup>120</sup> Foodprint Melbourne argued that Victoria's approach to food production should be grounded in the right to adequate, healthy food:

The right to adequate food is, “the right of every individual, alone or in community with others, to have physical and economic access at all times to sufficient, adequate and culturally acceptable food that is produced and consumed sustainably, preserving access to food for future generations”. The right to food relates to both the consumption *and production of* food, and to the rights of future as well as current generations.<sup>121</sup>

Dr Kelly Donati—a senior lecturer in food systems and gastronomy, and the co-founder of Sustain—said that agricultural policy should be reframed as ‘a critical investment in public health’. She argued that ‘a failure to invest in agriculture as a vital public health infrastructure will contribute to significant economic costs for the Victorian healthcare system’.<sup>122</sup>

### **A lack of consideration of Victoria's capacity to feed itself into the future and the investment and reform needed to secure food supply**

Stakeholders asserted that the security of Victoria's food supply is currently taken for granted. There has been no critical assessment of whether the state can produce the food it needs to feed its growing population, nor has there been thought as to how this is best achieved. Dr Carey highlighted the lack of data on the capacity of Victoria's food system:

... there are currently some quite significant policy and governance gaps in Victoria in relation to securing food supplies ... For example, there is little publicly available data about whether the food grown meets the needs of the population for a healthy diet, where the food consumed in Victoria is grown, how food flows around the state and what the risks are to our food supplies from shocks and stresses.<sup>123</sup>

The Victorian Farmers Federation said, ‘We just take for granted that we have food security’ because of the state's significant food exports. However, the agricultural sector has many points of vulnerability, including climate change, labour, the loss of agricultural land to development, centralised supply chains and livestock genetics.

<sup>120</sup> The Community Grocer, *Submission 39*, p. 4; Healthy Food Systems Australia, *Submission 38*, p. 1; Geelong Food Relief Centre, *Submission 34*, p. 1; Whittlesea Community Connections, *Submission 35*, pp. 1–4.

<sup>121</sup> University of Melbourne SAFES, *Submission 46*, p. 10 (with sources).

<sup>122</sup> Dr Kelly Donati, *Submission 50*, p. 4.

<sup>123</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, pp. 1–2.



It noted Victoria needs to actively consider how it will secure its food supply and whether this should be through local farming or imports.<sup>124</sup>

### **A siloed approach to agriculture that doesn't acknowledge or address many of the cross-portfolio challenges impacting food supply**

Stakeholders suggested that decisions are being made across multiple portfolio areas that increase the difficulty of farming in Victoria. The cumulative impact is a less secure food supply. The Victorian Farmers Federation characterised this as 'death by a thousand cuts'. Ms Germano observed that 'what we tend to see is many policy decisions made in isolation from each other without an overarching strategy as to what we want Victoria to do':

There is a real danger that the environment minister is separate from the agriculture minister is separate from the water minister is separate from the planning minister, and what we see is that sometimes the right hand does not know what the left hand is doing. What we have got [at] the moment is the outcome – I should not say chaos, I think that is probably a little unfair, but this is the outcome of what happens when you do not have a strategic lens to look over the decisions that are being made.<sup>125</sup>

Charles Everist, General Manager of Policy and Advocacy at the Federation, said that the 'greatest example ... of that failed mentality and care for farming' is Victoria's transition to renewable energy. He argued that, had agriculture and food supply been factored into planning for the new energy grid at the beginning of the process, many of the challenges currently facing farmers in parts of the state would have been avoided. He asserted that it is 'absolutely key' to ensure new infrastructure is compatible with farming and food production.<sup>126</sup>

Foodprint Melbourne said Victoria's food security is influenced by decisions across multiple levels of government and a range of policy areas, particularly agriculture, environment, water, health and social services. It emphasised that when 'decisions in these policy portfolios are taken without regard to their impact on food systems, it can lead to unintended and adverse outcomes for food security'. It argued that 'there is therefore a need for an integrated 'whole of government' approach to the development of a food security strategy for Victoria'.<sup>127</sup>

Likewise, the Cardinia Shire Council observed that securing Victoria's food supply is 'often seen as subordinate to jobs, health, the environment, and infrastructure'. It supported a 'dedicated focus and integrated effort across multiple departments and levels of government' to plan for food supply into the future.<sup>128</sup>

<sup>124</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 11–12, 15.

<sup>125</sup> *Ibid.*, pp. 11–12.

<sup>126</sup> Charles Everist, Policy Manager, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 15.

<sup>127</sup> University of Melbourne SAFES, *Submission 46*, p. 10.

<sup>128</sup> Cardinia Shire Council, *Submission 16*, p. 1.

Dr Donati said that there is poor awareness and understanding of Victoria's food system in different areas of government such as land planning and development, health and agriculture. She said the food system is complex and when 'that systems thinking is not embedded in policy, then you end up with the siloed approach'.<sup>129</sup> Mr Everist also stated that 'there ... needs to be a great increase in capability and understanding of farming'.<sup>130</sup> The Rural Planner—an agricultural land planning consultancy—argued that all levels of government would benefit from a better understanding and focus on the food system 'so that long-term planning and policy actions promote a resilient, sustainable, healthy, and fair food system'.<sup>131</sup>

### **A lack of clarity around the roles and responsibilities of all actors in Victoria's food system and poor accountability for securing Victoria's food supply into the future**

Dr Carey suggested that there is a lack of 'clear accountability within state government for whether people have access to enough food and whether food supplies meet people's needs'. She pointed out that there are currently ministers for a range of portfolio areas, but not for food, which is fundamental to the health of Victorians.<sup>132</sup>

Sustain asserted that 'we have taken our food and agricultural system for granted and effectively outsourced its governance to powerful corporate actors'. It suggested that a comprehensive food system policy and governance framework is needed to steer the development of a resilient food system, focused on producing food in a way that prioritises the health of Victorians and the environment.<sup>133</sup>

The Committee agrees that Victoria's current agricultural strategy is quite narrowly focused on expanding food production with an emphasis on the economic benefits for regional communities and through exports. The strategy includes a five-point vision for Victorian agriculture. Three of these points are focused on economic attributes, including attracting investment, providing employment and growing exports. The other two target resilience and responding to climate change.

The Committee observes that the strategy was produced in 2020, at the height of the COVID-19 pandemic, when Victoria faced considerable economic uncertainty. This was a challenging time for all Victorian businesses, including farms, with labour shortages and supply-chain disruptions making it more difficult to operate. The Committee feels that an economic approach to growing food production was merited throughout that time of heightened uncertainty.

<sup>129</sup> Dr Kelly Donati, Vice Chair and Co-Founder, Sustain: The Australian Food Network, public hearing, 3 May 2024, Melbourne, *Transcript of evidence*, pp. 35–36.

<sup>130</sup> Charles Everist, Policy Manager, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 13.

<sup>131</sup> The Rural Planner, *Submission 32*, p. 2.

<sup>132</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 2.

<sup>133</sup> Sustain: The Australian Food Network, *Submission 51*, p. 6.

However, Victoria has since emerged from the pandemic. Business as usual has resumed in many sectors, including agriculture. The Committee believes that such a targeted approach to growing food production is no longer merited and places Victoria's long-term food supply in jeopardy.

The 'Strong, Innovative, Sustainable' strategy assumes Victoria's food supply is secure. There is little to no consideration of Victorian agriculture's contribution to state or national food supply, or acknowledgement that the sector underpins the health of Victorians. Nor does the strategy comprehensively address the nexus between agriculture and other policy areas, such as land planning, water, environment, health and infrastructure. Challenges in these areas (for example, the loss of agricultural land to urbanisation) have been raised many times throughout this Inquiry. Their impact on Victoria's food supply will only expand if they remain unaddressed.

The Committee agrees with stakeholders that the time has come for Victoria to reconsider its agricultural governance and policies. To look at agriculture as part of a broader food system and identify the steps necessary to secure food supply into the future.

## 2.4 A strategy to secure Victoria's food supply

Stakeholders advocated for a comprehensive food system strategy and a Minister for Food to secure Victoria's food supply. Foodprint Melbourne said that achieving a resilient and secure food supply 'requires policy actions from farm to fork' across the 'entire food system'.<sup>134</sup> It recommended a whole-of-government food security strategy be developed, which is 'grounded in the human right to food' and takes a 'joined up legislative and policy approach to securing food production'. It called for a new Minister for Food to be accountable for this work.<sup>135</sup>

### Box 2.2 What is a food system?

A food system includes all the actors and activities involved in producing, processing, distributing, retailing, consuming and disposing of food, and the interactions between them. It also includes the infrastructure, natural resources and other inputs that support those activities, and their outputs.

Source: Foodprint Melbourne, *Planning a resilient food system for Victoria*, 2024, p. 11.

<sup>134</sup> University of Melbourne SAFES, *Submission 46*, p. 9.

<sup>135</sup> *Ibid.*, pp. 3, 10.

Sustain urged the Committee to ask itself, 'what kind of food supply do we as Victorians want?'. It suggested that Victorians don't want 'just any food', they want healthy food, grown sustainably:

We want food and we need food that is healthy and good for Victorians, and that also means food produced in ways that are good for our soils, waterways and ecosystems.<sup>136</sup>

Sustain's 'central recommendation' is that the Victorian Government implement a 'whole-of-government and whole-of-system approach to 'tackle ... food system and food security challenges':

Create a Victorian Food System Strategy and Investment Plan to build long-term resilience, viability and sustainability in the Victorian farming sector and the wider food system.<sup>137</sup>

The organisation argued that a comprehensive approach is needed because 'the food system impacts and is impacted by so many areas of government policy including agriculture, health, planning, sustainability and environment, climate change, education and finance':

... the food system needs to be understood and governed as a system, which means overcoming the fragmented and siloed approach that has characterised policy in this field up until now.<sup>138</sup>

Healthy Food Systems Australia—a food system advocacy group—said that it supported all the recommendations put forward by Sustain. It recommended that the Victorian Government 'create a Victorian Food System and Food Security Strategy and Investment Plan'.<sup>139</sup>

Mr Everist said that the Victorian Farmers Federation's 'chief recommendation' is a 'holistic and whole-of-government approach when it comes to our food security':

The VFF recommends the Victorian Government undertake a whole of government risk assessment across agriculture and the supply chains and implement a coordinated food security plan.<sup>140</sup>

The Municipal Association of Victoria recommended that 'the Victorian Government commits to the development of a state-wide Food System and Food Security Strategy and Action Plan'.<sup>141</sup> Likewise, the Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce's (Mornington Peninsula Taskforce) first

<sup>136</sup> Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 30.

<sup>137</sup> *Ibid.*, p. 32; Sustain: The Australian Food Network, *Submission 51*, p. 14.

<sup>138</sup> Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 32.

<sup>139</sup> Healthy Food Systems Australia, *Submission 38*, pp. 1–2.

<sup>140</sup> Charles Everist, Policy Manager, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 12–13; Victorian Farmers Federation, *Submission 55*, p. 5.

<sup>141</sup> Municipal Association of Victoria, *Submission 56*, p. 5.

recommendation was for the Victorian Government to 'create a strategic framework to guarantee Victoria's food system and food security'.<sup>142</sup>

Several stakeholders highlighted similar recent federal and state inquiries into food security that recommended overarching strategies and suggested that Victoria should follow their example. The House of Representatives Standing Committee on Agriculture conducted an Inquiry into food security in Australia in 2023. It recommended that the Australian Government 'develop a comprehensive National Food Plan providing for ... food security'. It also called for the appointment of a Minister for Food with responsibility for developing and implementing the plan.<sup>143</sup> Likewise, the NSW Committee found that the 'approach to food systems in NSW is siloed and there is no lead agency with clear responsibility for addressing issues in the food system'. It recommended the 'develop[ment] of a comprehensive Food System Plan for NSW'.<sup>144</sup>

### 2.4.1 What should a food system strategy encompass?

There was general consensus among stakeholders who advocated for a statewide food system strategy around key principles and objectives for such a strategy. These are explored in the remainder of this Chapter.

#### A Minister and Council for Food

There was clear support for a Minister for Food, aided by a council of Victorian food system stakeholders, to steer the development and implementation of a food system strategy. Dr Carey argued that this would align Victoria with international best practice. She noted that countries such as the United States, the United Kingdom and Canada all have ministerial positions responsible for food systems (broader than food production through agriculture).<sup>145</sup>

Sustain felt that a food system strategy was best developed and implemented by a 'Victorian Food Council' with representation from across the system. For example, government departments, farmers, local governments, wholesale markets, individuals with lived experience of food insecurity and First Nations people.<sup>146</sup> It argued that a 'participatory, collaborative and inclusive approach' to developing the strategy will ensure it is trusted by, and reflects the needs of, the Victorian community. It noted that

<sup>142</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 3.

<sup>143</sup> Australian House of Representatives Standing Committee on Agriculture, *Australian Food Story: Feeding the Nation and Beyond, November 2023*, p. 21; Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 30; Victorian Farmers Federation, *Submission 55*, p. 5.

<sup>144</sup> NSW Legislative Assembly Committee on Environment and Planning, *Food production and supply in NSW*, November 2022, p. 1; Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 32.

<sup>145</sup> University of Melbourne SAFES, *Submission 46*, p. 10; Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 3.

<sup>146</sup> Sustain: The Australian Food Network, *Submission 51*, p. 14; Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, p. 3.

similar approaches have been successful internationally.<sup>147</sup> Healthy Food Systems Australia also supported this approach.<sup>148</sup>

The Municipal Association of Victoria felt that it is particularly important to involve local governments and Traditional Owners in the development of a statewide strategy. It noted that many local governments have already done some food system planning at the municipality level and that Traditional Owners have a deep understanding of 'restoring and maintaining indigenous food supply systems'.<sup>149</sup> The Mornington Peninsula Shire Taskforce also called for the establishment of a cohesive and collaborative governance structure.<sup>150</sup>

Several inquiry stakeholders highlighted the collaborative process used to develop *Consensus Statement: Towards a Healthy, Regenerative and Equitable Food System in Victoria* (2021) as an example of best practice.<sup>151</sup> They hoped that the Victorian Government would draw upon this work in developing a food system strategy.<sup>152</sup> Dr Donati said that the consensus statement 'articulate[s] strong leadership' and a 'bold vision' to transform Victoria's food system.<sup>153</sup> Sustain also said that the statement is a 'good starting point', noting its focus on a participatory and whole-of-government approach.<sup>154</sup> The development and content of the Consensus Statement is described in Box 2.3.

### Box 2.3 Consensus Statement: Towards a Healthy, Regenerative and Equitable Food System in Victoria

In 2020, the Victorian Health Promotion Foundation (VicHealth) established the Victorian Food Security and Food Systems Working Group to help coordinate the food relief response to the COVID-19 pandemic. Membership was drawn from across the food system and included farmers, food relief organisations, social enterprises, academia, peak nutrition organisations and statutory bodies. After initially developing a plan to address acute food security, the Working Group shifted its attention to prioritising action towards achieving long-term food security in Victoria. The 2021 *Consensus Statement: Towards a Healthy, Regenerative and Equitable Food System in Victoria* is the outcome of this work.

(Continued)

<sup>147</sup> Ibid., p. 5.

<sup>148</sup> Healthy Food Systems Australia, *Submission 38*, p. 2.

<sup>149</sup> Municipal Association of Victoria, *Submission 56*, p. 11.

<sup>150</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 3.

<sup>151</sup> Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, p. 3-4; Municipal Association of Victoria, *Submission 56*, p. 5.

<sup>152</sup> Ibid.

<sup>153</sup> Dr Kelly Donati, *Submission 50*, p. 9.

<sup>154</sup> Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, pp. 3-4.

### Box 2.3 Continued

The consensus statement outlines a vision for:

An equitable, regenerative, prosperous and resilient food system that ensures access to healthy and culturally appropriate food for all Victorians; a system that values nourishment, fairness, dignity, democracy, participation, inclusivity and stewardship of the natural environment.

It outlines guiding principles and calls for the following ten actions to achieve its vision:

1. Legislate 'the right to food in Victoria' and embed this value into all relevant state and local government policies, budgeting processes and activities.
2. Strengthen the governance of Victoria's food system by establishing a whole-of-government committee to oversee the development and implementation of a Victorian Food System Strategy and Investment Plan.
3. Establish a performance measurement and monitoring framework for Victoria's food system in the State of the Environment Report.
4. Support the transition to regenerative farming practices to enhance ecological function and build resilience by resourcing agroecological farming practices.
5. Strengthen local and regional food systems by creating a Local Food Investment Fund to improve the capacity and coordination of local food infrastructure.
6. Transition all public food procurement to prioritise healthy and sustainably produced food sourced locally through compulsory social and ethical food procurement.
7. Transform Victorian school food systems and enhance food literacy.
8. Require, empower and resource local councils to develop community food system strategies.
9. Amend the Victorian Planning Provisions to include health and environmental promotion as key considerations in planning decisions.
10. Develop a coordinated and collaborative food relief sector that prioritises dignified access to fresh and healthy food.

Source: Victorian Food Security and Food Systems Working Group, *Towards a healthy, regenerative and equitable food system in Victoria: A consensus statement*, 2021, pp. 3–5, 13–16; Sustain: The Australian Food Network, *response to questions on notice received 10 June 2024*, p. 3–4.

### Whole-of-government, cross-portfolio approach

There was broad agreement that a food system strategy should facilitate a more holistic policy response to securing Victoria's food supply. Foodprint Melbourne advocated for a 'whole of government', "joined up" legislative and policy approach'. It suggested that areas of focus should include protecting agricultural land around

cities and promoting the use of recycled water and organic waste in agriculture.<sup>155</sup> It suggested that the strategy should build food system literacy among policymakers, particularly in relation to planning for resilience.<sup>156</sup>

The Victorian Farmers Federation argued in favour of a 'whole of government approach' to securing Victoria's food supply. It suggested that relevant portfolio areas include land planning, education, emergency management, water, energy, freight and labour.<sup>157</sup>

Sustain noted that 'effective food system governance requires an integrated whole-of-government and whole-of-system approach', which encompasses 'agriculture, health, planning, sustainability and environment, climate change, education and finance':

... the food system needs to be understood and governed as a system, which means overcoming the fragmented and siloed approach that has characterised policy in this field up until now.<sup>158</sup>

Sustain (and other stakeholders that work with them)<sup>159</sup> further suggested that Victoria could draw from the experience of the state of Vermont, in the United States of America.<sup>160</sup> It submitted that Vermont's Farm to Plate food system strategy 'is a best-practice example of a whole-of-system, state government policy' aimed at securing food supply. It suggested that the outcomes this program has achieved are 'impressive'.<sup>161</sup> Box 2.4 depicts Vermont's approach to developing and implementing a food system strategy and describes some of the outcomes it has achieved.

#### Box 2.4 Vermont's Farm to Plate Strategic Plan

In 2011, the Vermont Sustainable Jobs Fund released the *Farm to Plate Strategic Plan 2010-2020*, a plan to develop Vermont's agricultural and food systems. It focused on driving three outcomes:

- increasing economic development in the food and farm sector
- creating jobs in the food and farm economy
- improving access to healthy local foods.

(Continued)

<sup>155</sup> University of Melbourne SAFES, *Submission 46*, p. 3.

<sup>156</sup> *Ibid.*, p. 10.

<sup>157</sup> Victorian Farmers Federation, *Submission 55*, p. 5.

<sup>158</sup> Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 32.

<sup>159</sup> For example: Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 3; The Rural Planner, *Submission 32*, p. 10.

<sup>160</sup> Sustain: The Australian Food Network, *Submission 51*, p. 12.

<sup>161</sup> *Ibid.*, p. 14.



### Box 2.4 Continued

The strategic plan addressed all types and scales of agriculture and agricultural-related food production and processing, including small-scale and commercial farms, on-farm processing and industrial food manufacturing. It highlighted the important role of all markets within the food system, including food sales in Vermont, interstate and internationally. It addressed supply chain infrastructure (e.g. distribution), economic issues (e.g. farm finances) and societal concerns (e.g. food access).

The strategic plan recommended specific infrastructure investments and public policies to support and encourage new agricultural enterprises. It identified challenges and opportunities in ten areas of market development and made recommendations to strengthen Vermont's food system.

In 2011, the Farm to Plate Network was formed to implement the statewide *Farm to Plate Strategic Plan*. More than 600 farms, food businesses, non-profit, government, education and advocacy organisations collaborated to deliver 'high-impact projects, share market intelligence, dismantle bottlenecks, seize new market opportunities, and inspire new product development'. The Network's working groups met regularly, facilitated events, maintained a website, produced reports and 'democratized information about the food system' to transform it.

**Figure 2.14 Visualisation of the Farm to Plate Strategic Plan**



Source: Sustain: The Australian Food Network, *Submission 51*, p. 13.

(Continued)

### Box 2.4 Continued

The strategic plan has supported Vermont's food system to grow considerably from 2011 to 2020:

Vermont's food system economic output expanded 48%, from \$7.5 billion to \$11.3 billion, which includes \$3 billion (26.5%) from food manufacturing—Vermont's second-largest manufacturing industry.

The food system added around 6,560 new jobs (11.3% increase). More than 64,000 Vermonters were directly employed by over 11,500 farms and food-related businesses.

Local food purchases rose from \$114 million (5%) to \$310 million (13.9%) of the total \$2.2 billion spent on food in the state annually.

Vermont farms sold \$781 million worth of products in 2017.

In recognition of the plan's success, the Vermont Legislature reauthorised the Farm to Plate program in 2019. A new strategic plan was developed to guide the next ten years of development, *Vermont Agriculture and Food System Strategic Plan 2021–2030*. It included new goals, to be achieved by 2030:

- increase sustainable economic development and create jobs in Vermont's food and farm sector
- improve soils, water and resiliency of the working landscape in the face of climate change
- improve access to healthy local foods for all Vermonters.

Source: Vermont Sustainable Jobs Fund, *Vermont Agriculture and Food System Strategic Plan 2021–2030*, 2021, pp. 5–6; Vermont Sustainable Jobs Fund, *Farm to Plate: Retrospective 2010–2020*, 2021, pp. 1, 4, 6–7.

Whilst not advocating for a food system strategy or a Minister for the food system, the Australian Chicken Meat Federation did argue that greater collaboration across the Government is needed to secure Victoria's food supply in the long-term:

Collaboration among stakeholders in education, transport and distribution, planning regulations and biosecurity preparedness is critical to ensuring the long-term success of the state's food system. This will safeguard a future where all Victorians have access to a consistent supply of affordable, and locally sourced chicken meat.<sup>162</sup>

### Human and ecological health

Foodprint Melbourne, Sustain and Healthy Food Systems Australia all felt that a Victorian food strategy should be centred on human and ecological health.<sup>163</sup> Sustain

<sup>162</sup> Australian Chicken Meat Federation, *Submission 45*, pp. 9–10.

<sup>163</sup> University of Melbourne SAFES, *Submission 46*, p. 10; Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, pp. 3, 7; Healthy Food Systems Australia, *Submission 38*, pp. 2–3.

said these should be 'core' objectives. It noted that the right to adequate nutritious food is grounded in international law and that a move to regenerative agriculture will help mitigate climate change.<sup>164</sup> Dr Kelly Donati said the food system should be regarded as fundamental infrastructure, on par with clean water or roads:

We cannot continue to regard food as simply another commodity. Food is like water; food is life. It is what nourishes, sustains and connects us socially, culturally, economically, ecologically and metabolically.<sup>165</sup>

## Resilience to shocks and stressors

Several stakeholders argued that improving the resilience of the Victorian food system should be a key objective of a food system strategy. Foodprint Melbourne said state-level resilience planning is important as the frequency and severity of shocks and stresses increases with the changing climate. It said that resilience planning should be cross-portfolio and should prepare for the impacts of a changing climate, pandemic and other shocks and environmental stressors.<sup>166</sup>

The Victorian Farmers Federation, Healthy Food Systems Australia and Sustain all felt that this should commence with an audit of the system's vulnerabilities, gaps and inefficiencies, particularly within its supply chains.<sup>167</sup> Sustain and Healthy Food Systems Australia both argued that this should include the development of a supply chain map 'to understand the production, transport and distribution of food within and across Victoria as well as identify key vulnerabilities in transport and distribution infrastructure'. Healthy Food Systems Australia said the strategy should aim to foster short and diverse food supply chains.<sup>168</sup> Foodprint Melbourne also submitted that resilient food systems are characterised by local, diverse and decentralised supply chains.<sup>169</sup>

Healthy Food Systems Australia, Dr Carey and Sustain all argued that the resilience of the agricultural sector could be improved by supporting farmers to move to more regenerative farming practices.<sup>170</sup> Healthy Food Systems Australia urged the Victorian Government to 'support and resource a pragmatic and well-planned transition to forms of food production that will nourish generations to come'.<sup>171</sup> Strategies to improve the resilience of Victoria's food system are discussed further in Chapter 7.

<sup>164</sup> Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, pp. 3, 7.

<sup>165</sup> Dr Kelly Donati, Vice Chair and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 32.

<sup>166</sup> University of Melbourne SAFES, *Submission 46*, pp. 3, 9.

<sup>167</sup> Victorian Farmers Federation, *Submission 55*, p. 5; Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, p. 3; Healthy Food Systems Australia, *Submission 38*, p. 2.

<sup>168</sup> Healthy Food Systems Australia, *Submission 38*, pp. 2-3; Sustain: The Australian Food Network, *Submission 51*, p. 14.

<sup>169</sup> University of Melbourne SAFES, *Submission 46*, p. 3.

<sup>170</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 6; Sustain: The Australian Food Network, *Submission 51*, p. 12; Healthy Food Systems Australia, *Submission 38*, p. 1.

<sup>171</sup> Healthy Food Systems Australia, *Submission 38*, p. 2.

## Mapping food regions and protecting all agricultural land

Sustain and Healthy Food Systems Australia both advocated for the strategy to consider changes to the Victorian land planning framework necessary to secure food supply. For example, mapping and protecting farmland from development—particularly in peri-urban areas—and promoting regenerative agriculture.<sup>172</sup>

Many other inquiry participants also called for a coordinated, statewide approach to identifying and protecting Victoria's food producing regions, without specifically advocating for this to be part of an overarching Victorian Food System Strategy.<sup>173</sup> Ballarat City Council, Foodprint Melbourne, the Municipal Association of Victoria, the Victorian Farmers Federation and the Australian Food Sovereignty Alliance all advocated for mapping the state's agricultural regions, to better understand Victoria's food supply. They argued that this would enable stronger planning controls to protect farmland and targeted investment to support new agricultural infrastructure and businesses.<sup>174</sup>

Foodprint Melbourne and Professor Buxton emphasised that it is especially critical to comprehensively identify and protect productive agriculture areas in the peri-urban regions around Victoria's cities.<sup>175</sup> Dr Carey observed that farmland in these areas is threatened by urban encroachment. She said that planning controls for these regions are currently piecemeal and a strong coordinated approach is needed to secure food supply into the future:

... it is really important that a strong signal is sent about the future of those areas and that we have clearly identified these areas of agricultural land that need to be protected for the future. My concern at the moment is that the approach that we have is a patchwork, if you like – a patchwork of kind of smaller measures, but nothing that is significant enough and has enough legislative force to actually protect those areas sufficiently.<sup>176</sup>

Dr Carey asserted that the coordinated mapping and protection of food producing peri-urban regions would align Victoria with international best practice.<sup>177</sup> Foodprint Melbourne said that Victoria should model its approach on South Australia, British Columbia in Canada and Portland in the United States of America:

Approaches to protection of peri-urban agricultural land that could inform Victoria's approach include British Columbia's Agricultural Land Reserve (ALR) (ALC 2024),

<sup>172</sup> Sustain: The Australian Food Network, *Submission 51*, p. 14; Sustain: The Australian Food Network, response to questions on notice received 10 June 2024; Healthy Food Systems Australia, *Submission 38*, p. 2.

<sup>173</sup> University of Melbourne SAFES, *Submission 46*, p. 8; Municipal Association of Victoria, *Submission 56*, p. 10; SGS Economics and Planning, *Shaping regional and rural Victoria: A discussion paper*, 21 December 2023, p. 35; Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 12; Victorian Farmers Federation, *Submission 55*, pp. 3, 5; White Cloud Farms, *Submission 15*, p. 2; Australian Food Sovereignty Alliance, *Submission 24*, p. 9.

<sup>174</sup> *Ibid.*; Natalie Robertson, Director, Development and Growth, Ballarat City Council, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 3.

<sup>175</sup> University of Melbourne SAFES, *Submission 46*, p. 8.

<sup>176</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 4.

<sup>177</sup> *Ibid.*, pp. 3–4.

South Australia's Environment and Food production Areas (PlanSA 2024) and Portland (Oregon)'s Urban and Rural Reserves (Metro 2020). Each of these approaches (a) sends a strong signal to create certainty about the future of farming in peri-urban areas (b) clearly identifies areas of agricultural land that are protected for the long-term (c) uses legislative force to protect those areas.<sup>178</sup>

Professor Buxton argued that identifying and protecting peri-urban food producing regions would complement and enhance existing planning controls to protect farmland on the fringe of cities – such as Melbourne's urban growth boundary:

Define your agricultural areas ... The critical thing is to look at the other side of the urban growth boundary and give that primacy [to agricultural land] by defining up in detail what it is that can never be changed and why it cannot be changed.<sup>179</sup>

While it is important to identify and protect major food producing regions, particularly in peri-urban areas vulnerable to urbanisation, it is vital that all agricultural land is maintained. Stakeholders stressed that food production can occur anywhere,<sup>180</sup> and all farmland needs to be protected in this uncertain environment of unprecedented population growth and a changing climate. For example, the Municipal Association of Victoria recommended that the Victorian Government 'recognise that protecting all agricultural land in Victoria is vital for sustainable local food supply, healthy communities, and safeguards against future shocks, biodiversity decline and climate change'.<sup>181</sup> Foodprint Melbourne said that a 'precautionary approach should be taken to ensure that all (non-conservation) land suitable for agriculture is protected'.<sup>182</sup>

Specific reform of the Victorian planning framework aimed at protecting agricultural land from urban development is considered in Chapter 4.

## Accountability and monitoring

Sustain, Healthy Food Systems Australia and the Mornington Peninsula Taskforce all raised the importance of including transparency and accountability mechanisms in a food system strategy. Sustain said it should clearly articulate measurable targets with appropriate indicators of progress and ongoing monitoring. It noted that this will ensure it remains responsive to changing circumstances.<sup>183</sup> Healthy Food Systems Australia and the Mornington Peninsula Taskforce both called for the development of a 'comprehensive food system monitoring framework' to track the success of a food system strategy.<sup>184</sup>

<sup>178</sup> University of Melbourne SAFES, *Submission 46*, p. 7.

<sup>179</sup> Professor Michael Buxton, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 49.

<sup>180</sup> Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 54–55.

<sup>181</sup> Municipal Association of Victoria, *Submission 56*, p. 4.

<sup>182</sup> University of Melbourne, *Submission 46*, p. 3.

<sup>183</sup> Sustain: The Australian Food Network, *Submission 51*, p. 14; Sustain: The Australian Food Network, response to questions on notice received 10 June 2024, p. 3.

<sup>184</sup> Healthy Food Systems Australia, *Submission 38*, p. 2; Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 3.

## The Committee's view

The Committee shares the view that securing Victoria's food supply in the longer term will require a more comprehensive policy approach than adopted to date. We cannot continue to take our food supply for granted. We must critically assess the capacity of our food system to meet the growing demand for food and we must identify the policy and investment required to secure supply.

The Committee believes that a whole-of-government, cross-portfolio response is needed to meet the challenge of feeding our growing population in a way that improves the health of Victorians and their environment. We need to view a broader range of policy issues through a food systems lens, such as meeting the housing demands of our growing population, to ensure all decisions promote food security.

Farmers do important work, producing food and as custodians of our landscape. We also need to better recognise and value this work. We need to invest in farmers' wellbeing and the success of their businesses to expand food production.

A key element of this strategy will be identifying major food producing regions to support targeted investment. It will be necessary to tailor the Victorian planning framework to support agriculture in these regions and ensure that all farmland, across the state, is protected from inappropriate development. The Committee makes several recommendations in this space in Chapter 4. The findings of the Planning for Melbourne's Green Wedges and Agricultural Land project should inform this work (discussed in Chapter 4). The Committee would like to see the Victorian Food System Strategy apply key learnings and protective measures from this project statewide, where necessary, to protect farmland.

The pandemic exposed many vulnerabilities with our food system, particularly its supply chains. Further challenges arise from the expanding footprint of our cities, our transition to renewable energy and the changing climate. Meeting these challenges will require a more diverse food system, more localised and regional food supply and leveraging the opportunities arising from our larger urban footprint.

The Committee recommends that the Victorian Government develops a whole-of-government, cross-portfolio food strategy to build the capacity and resilience of Victoria's food system and secure our food supply. The strategy can build on the work done here in Victoria and internationally (such as the Consensus Statement and Farm to Plate Strategy described in Box 2.3 and Box 2.4).

**RECOMMENDATION 1:** That the Victorian Government develop a whole-of-government Victorian Food System Strategy. The strategy must address the food system as a whole (including agriculture, processing, manufacturing, supply and consumption). It should be centred on access to adequate, nutritious food as a human right and a determinant of health. The strategy should aim to:

- secure Victoria's supply of healthy, locally grown food, in the long-term
- strengthen the resilience of Victoria's food system to shocks and stressors by promoting diversity across the system, decentralising and localising supply chains
- promote regenerative and sustainable food production
- support Victorian farmers and food manufacturers to build profitable businesses and expand healthy food production
- map major food producing regions and protect all agricultural land from inappropriate development
- build food systems literacy across government departments and local government.

The strategy must also set measurable targets, clearly attribute responsibility for achieving these targets and include a transparent monitoring framework.

Strong leadership will be needed to develop the Victorian Food System Strategy and guide its implementation. The Committee believes a Minister for Food is needed to champion our food system, to advocate for it to be factored into all decision making and to be accountable for ensuring it meets the growing demand for food.

The Victorian food system is complex. As are the challenges to our long-term food supply. It is essential that a new Minister collaborates with representatives from across the system to develop a Victorian Food System Strategy that reflects and addresses this complexity. It recommends that a Victorian Food System Council is established to inform the development and ongoing implementation of the strategy.

The Committee notes that the input of local governments is particularly important. Local governments are at the coalface of many aspects of Victoria's food system; for example, the protection of agricultural land from inappropriate development. It is critical that they have a strong voice in the recommended Food Council and are empowered and resourced to help implement the Victorian Food System Strategy at the community level.

**RECOMMENDATION 2:** That the Victorian Government consider establishing a Minister for Food with responsibility for the Victorian food system in its entirety (including agriculture, food processing, manufacturing, supply and consumption). The Minister should coordinate the development and implementation of a Victorian Food System Strategy.

The Victorian Government also establish a Victorian Food System Council to support a Minister for Food to coordinate the development and implementation of a Victorian Food System Strategy. The Council should include representation from across the food system, including:

- state and local government
- farmers and agricultural sector peak bodies
- food processing and manufacturing businesses
- supply chain businesses
- community food enterprises, including food relief agencies.



# Chapter 3

## Population growth and urban sprawl

Victoria's population is expanding, primarily through international migration. Many new residents are expected to make their homes in greenfield developments along the fringe of Victorian cities, particularly Melbourne. This, combined with a proliferation of rural-residential lifestyle properties, is making it more difficult to farm around Victoria's cities. Without action to protect farmland and boost the agricultural sector, Victoria risks losing its local food supply.

### 3.1 Victoria's population is growing

Victoria is currently the fastest growing state in Australia and the second most populous.<sup>1</sup> It is home to approximately 6.8 million residents and is expected to reach around 10.3 million residents by 2051.<sup>2</sup> Around 5.1 million Victorians currently live in Melbourne and the capital's population is projected to increase to 8 million by 2051.<sup>3</sup>

Historically, natural increase (births minus deaths) has been the main driver of population growth in Australia. However, annual natural increase peaked in 2012 at 163,000 people and has since declined by around 35%.<sup>4</sup>

Fertility rates have steadily decreased from a national peak of between three and four babies per woman in 1961 (at the height of the baby boom) to between one and two babies per woman in 2022. In Victoria, the fertility rate has been stable at between one and two babies per woman for the last decade. Deaths are expected to start exceeding births<sup>5</sup> from 2043 in the lower range population projections and from 2056 in the medium range population projections.<sup>6</sup>

1 Department of Transport and Planning, *Victoria in future*, <<https://www.planning.vic.gov.au/guides-and-resources/data-and-insights/victoria-in-future>> accessed 26 February 2024.

2 Ibid.; Australian Government Centre for Population, *National, state and territory populations, June 2023*, <<https://population.gov.au/data-and-forecasts/key-data-releases/national-state-and-territory-population-june-2023>> accessed 27 February 2024.

3 Department of Transport and Planning, *Victoria in Future 2023: Population and household projections to 2051*, 2023, p. 3

4 Australian Bureau of Statistics, *Population projections, Australia*, <<https://www.abs.gov.au/statistics/people/population/population-projections-australia/2022-base-2071#victoria>> accessed 28 February 2024; Australian Government Centre for Population, *National, state and territory population, June 2023*, <<https://population.gov.au/data-and-forecasts/key-data-releases/national-state-and-territory-population-june-2023>> accessed 27 February 2024; Australian Bureau of Statistics, *Deaths, Australia*, <<https://www.abs.gov.au/statistics/people/population/deaths-australia/2022>> accessed 21 August 2024.

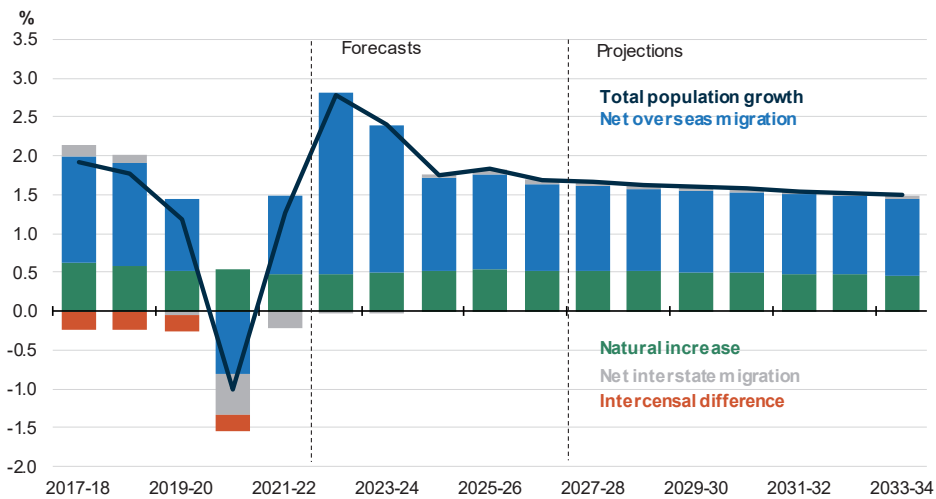
5 Increased deaths are a factor of overall population growth, not higher mortality.

6 Australian Bureau of Statistics, *Population projections, Australia*, <<https://www.abs.gov.au/statistics/people/population/population-projections-australia/2022-base-2071#victoria>> accessed 28 February 2024; Australian Government Centre for Population, *National, state and territory population, June 2023*, <<https://population.gov.au/data-and-forecasts/key-data-releases/national-state-and-territory-population-june-2023>> accessed 27 February 2024; Australian Bureau of Statistics, *Deaths, Australia*, <<https://www.abs.gov.au/statistics/people/population/deaths-australia/2022>> accessed 21 August 2024.

International migration is now the main driver of population growth in Victoria.<sup>7</sup> In 2022–23, international migration contributed a net gain of 518,000 people to the Australian population. Of which, 154,000 people arrived in Victoria.<sup>8</sup>

Both international and interstate migration to Victoria temporarily declined throughout the COVID-19 pandemic, slowing Victoria’s population growth more than any other Australian state. In 2021–22, at the height of the pandemic, more Victorians migrated than new residents arrived in the state. However, population growth has since recovered, driven initially by the return of international students.<sup>9</sup> Immigration is expected to account for 66% of Victoria’s projected population growth between 2023 and 2051, contributing 2.3 million new residents through overseas migration and 130,000 through interstate migration.<sup>10</sup>

**Figure 3.1 Population growth and components, Victoria**



Source: Australian Bureau of Statistics, National, state and territory population, March 2023 and Centre for Population projections, featured in Australian Government Centre for Population, 2023 Population statement, 2023, p. 23.

While most Victorians were born in the state, the proportion of residents who were born overseas is increasing. In 1971, 22.5% were born overseas. This increased to 28.3% in 2016 and to 30% in 2021. In 2021, the top five countries of birth for Victorians were Australia at 65%, India at 4%, England at 2.7%, China at 2.6% and New Zealand at 1.5%.<sup>11</sup>

Migrants to Victoria have a clear preference for cities, particularly Melbourne, as they offer the chance to live amongst people of the same ethnicity and a larger range of

7 Australian Government Centre for Population, National, state and territory population, June 2023, <<https://population.gov.au/data-and-forecasts/key-data-releases/national-state-and-territory-population-june-2023>> accessed 27 February 2024.

8 Australian Bureau of Statistics, Overseas migration, <<https://www.abs.gov.au/statistics/people/population/overseas-migration/latest-release#migrant-arrivals>> accessed 28 February 2024.

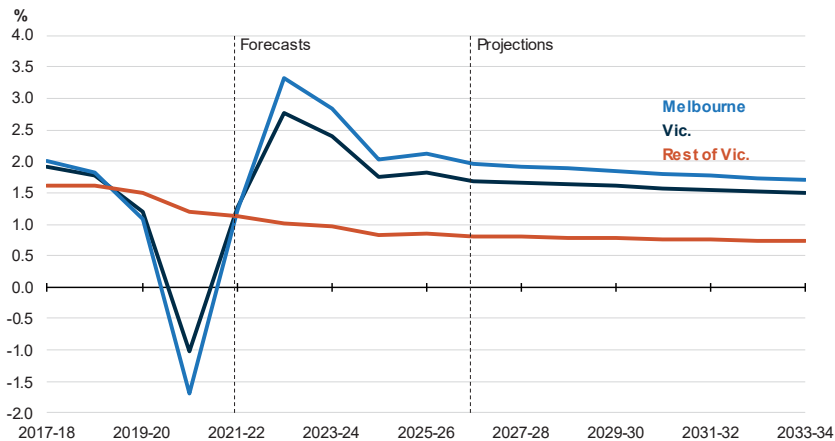
9 Australian Government Centre for Population, 2023 Population statement, 2023, p. 23.

10 Department of Transport and Planning, Victoria in Future, <<https://www.planning.vic.gov.au/guides-and-resources/data-and-insights/victoria-in-future>> accessed 20 March 2024.

11 Australian Bureau of Statistics, Snapshot of Victoria, <<https://www.abs.gov.au/articles/snapshot-vic-2021>> accessed 26 February 2024.

education and employment opportunities.<sup>12</sup> Approximately 35% of people living in the greater Melbourne area were born overseas (compared with 27.7% of the general Australian population).<sup>13</sup> According to the 2021 Census, most Victorians (4.9 million) live in the greater Melbourne area (almost four out of five people).<sup>14</sup>

**Figure 3.2 Population growth in Melbourne, regional Victoria and across the state**



Source: Australian Bureau of Statistics, Regional population 2021-22; Australian Bureau of Statistics, National, state and territory population, March 2023 and Centre for Population projections, featured in Australian Government Centre for Population, 2023 *Population statement*, 2023, p. 24.

The population of regional Victoria is also expanding. In 2022, the estimated resident population of regional Victoria was around 1.5 million people, with a population density of between seven and eight people per square kilometre.<sup>15</sup> Victoria's regions are expected to grow to 2.3 million residents by 2056, with approximately half of that growth projected to be accommodated in the cities of Geelong, Ballarat and Bendigo.<sup>16</sup> The primary source of population growth for regional Victoria is migration from Melbourne into regional cities.<sup>17</sup>

While the population of regional Victoria is increasing overall, population growth has been concentrated in major regional cities. Some inland Victorian communities have even experienced population decline during the last 10 years, particularly those near the New South Wales and South Australian borders.<sup>18</sup>

<sup>12</sup> Centre for International Economics, *Internal Migration in Australia and the impact of government levers*, report for the Centre for Population, 2023, pp. 28-29.

<sup>13</sup> Id, *Australia community profile: Greater Melbourne*, <<https://profile.id.com.au/australia/birthplace?WebID=270>> accessed 28 February 2024.

<sup>14</sup> Australian Bureau of Statistics, *Snapshot of Victoria*, <<https://www.abs.gov.au/articles/snapshot-vic-2021>> accessed 26 February 2024.

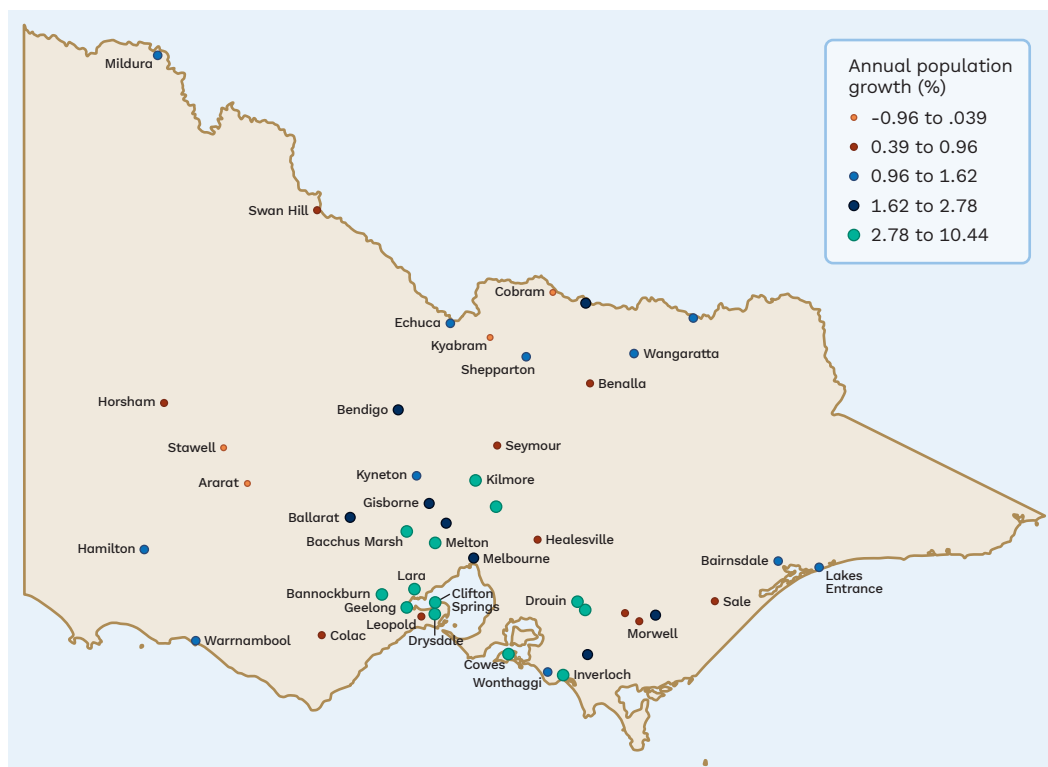
<sup>15</sup> Id, *Australian community profile: Regional VIC*, <<https://profile.id.com.au/australia/about?WebID=190>> accessed 1 March 2024.

<sup>16</sup> Infrastructure Victoria, *Choosing Victoria's future: Five urban development scenarios*, October 2023, p. 8.

<sup>17</sup> Department of Transport and Planning, *Victoria in Future*, <<https://www.planning.vic.gov.au/guides-and-resources/data-and-insights/victoria-in-future>> accessed 20 March 2024.

<sup>18</sup> The Centre for International Economics analysis based on Australian Bureau of Statistics Census data 2021, featured in Centre for International Economics, *Internal Migration in Australia and the impact of government levers*, report for the Centre for Population, 2023, p. 32.

**Figure 3.3 Population changes by urban centres and localities 2016–21, Victoria**



Source: Adapted from a Centre for International Economics analysis based on Australian Bureau of Statistics Census data 2021, featured in Centre for International Economics, *Internal Migration in Australia and the impact of government levers*, report for the Centre for Population, 2023, p. 33.

## 3.2 Planning to accommodate growth

The Commonwealth, state, territory and local governments share responsibility for planning and managing population growth. Each level of government oversees different components. For example, the Commonwealth is primarily responsible for migration policy—the major lever for influencing the rate of population growth—while state and territory governments lead settlement planning and the delivery of infrastructure and services to the expanding population. Local governments manage land-use, planning and service delivery at the community level.<sup>19</sup>

This report focuses on state and local governments’ role in settlement planning as this falls within the remit of the Committee.

### 3.2.1 Victoria’s settlement planning

Settlement planning in Victoria is currently transitioning from a framework of eight regional growth plans, and a separate plan for metropolitan Melbourne (*Plan*

<sup>19</sup> Australian Government, *Planning for Australia’s Future Population*, September 2019, p. 12.

*Melbourne 2017–2050*), to a singular statewide plan for the whole of Victoria. These plans, combined with the state planning policies contained in the Victorian planning framework (discussed in Chapter 4) inform how land is used across the state. They also shape how local governments balance competing objectives like protecting agricultural land while ensuring the supply of residential land for housing development.<sup>20</sup>

This section of the report describes existing plans and outlines progress towards a new plan for the whole of Victoria.

### Regional growth plans

In the early-2010s, the Victorian Government worked with municipal councils, state agencies and local groups to develop a regional growth plan for each of the eight non-metropolitan regions across the state. These plans, together with *Plan Melbourne 2017–2050*, outlined the Victorian Government’s vision to accommodate population growth across the state.

Local governments implement the planning directions of each regional growth plan through their local policies and planning schemes.<sup>21</sup> This may involve planning scheme amendments, the preparation of infrastructure plans, monitoring land supply for residential development and other projects (the Victorian planning framework is discussed further in Chapter 4).<sup>22</sup>

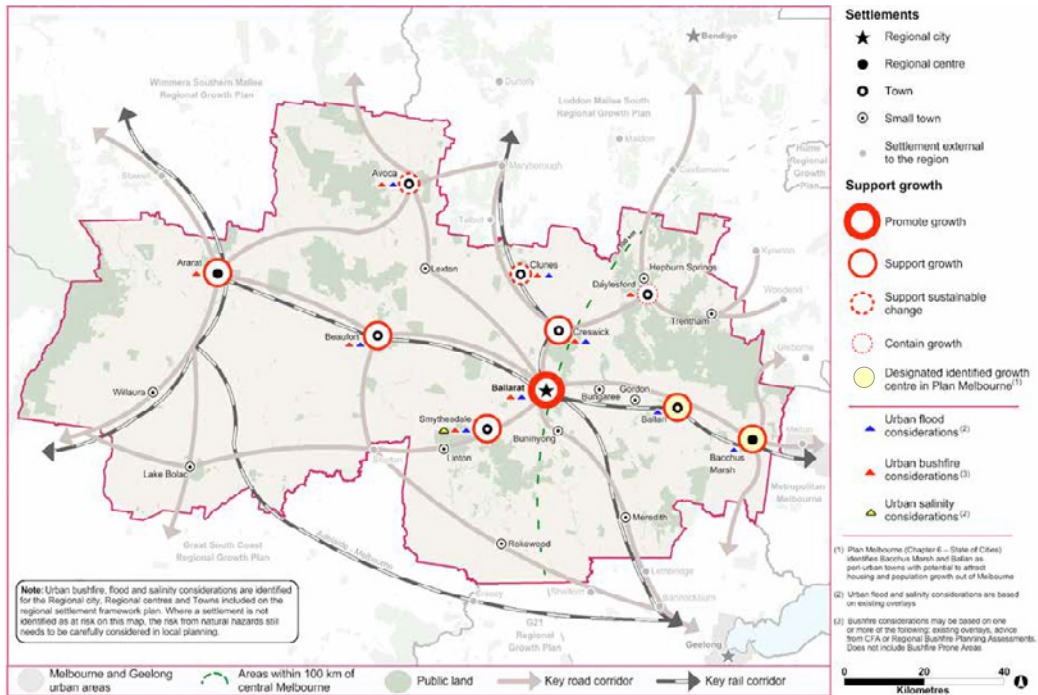
Figure 3.4 illustrates the more detailed settlement strategies contained in regional growth plans for key regional centres. This example comes from the *Central Highlands regional growth plan* and describes how population growth should be accommodated in Ballarat and surrounding townships.

<sup>20</sup> R. Carey, J. Sheridan, and K. Larsen, *Food for thought: challenges and opportunities for farming in Melbourne’s foodbowl*, 2018, p. 14.

<sup>21</sup> Regional growth plans are incorporated into the Victorian Planning Provisions (VPPs) through the State Planning Policy Framework – which outlines the Victorian Government’s statewide policy objectives for land development. The VPPs note that regional growth plans are policy documents which municipal councils should ‘consider as relevant’ when they are applying the VPPs through their local municipal planning schemes.

<sup>22</sup> For example, see: Victorian Government, *Central Highlands regional growth plan*, 2014, p. 5.

Figure 3.4 Example of a regional growth plan settlement strategy (from Central Highlands regional growth plan)



Source: Victorian Government, *Central highlands regional growth plan*, 2014, p. 43.

Regional growth plans are designed to be reviewed and renewed every four to six years. However, it appears that not all regional growth plans have been updated since their introduction.<sup>23</sup>

### Plan Melbourne

The Victorian Government’s vision for accommodating population growth in the metropolitan Melbourne region is currently articulated by *Plan Melbourne 2017–2050* (Plan Melbourne).<sup>24</sup>

Plan Melbourne is a metropolitan planning strategy which aims to shape the development of the city during the period it encompasses. It integrates long-term land use, infrastructure and transport planning to accommodate population growth and support jobs development.<sup>25</sup>

Like the Melbourne settlement strategies which preceded it, Plan Melbourne seeks to accommodate population growth within the existing urban footprint of the city as much as possible:

<sup>23</sup> Department of Transport and Planning, *Regional growth plans*, <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/regional-growth-plans>> accessed 28 February 2024.

<sup>24</sup> Department of Transport and Planning, *The plan*, <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/plan-melbourne/the-plan>> accessed 28 February 2024.

<sup>25</sup> Ibid.

As identified in Melbourne's planning policies by successive governments, to remain liveable the city must avoid the temptation to sprawl as it grows. The more the city sprawls, the greater the risk it will become an unsustainable city ...<sup>26</sup>

Urban densification, or the idea of accommodating population growth within the existing footprint of the city, has featured in Melbourne metropolitan planning schemes for more than four decades and was fully embraced by the 1980s.<sup>27</sup>

Plan Melbourne doubles down on this objective. It acknowledges that while Melbourne has 'at least a 25-year supply of greenfield land available for residential development on its urban fringe', continuing to expand outwards will impact the natural environment and increase socioeconomic disparity.<sup>28</sup> It aspires to develop 70% of the new housing necessary to accommodate population growth within Melbourne's established suburbs (with 30% provided through greenfield developments). It seeks to minimise urban sprawl by accommodating population growth in existing metropolitan suburbs through urban densification.<sup>29</sup> Achieving this would require around 932,000 homes to be constructed in Melbourne's existing suburbs by 2051. This is the equivalent of around eight times the number of homes in the whole of Geelong today.<sup>30</sup>

Plan Melbourne supports a permanent urban growth boundary around the city to help stimulate urban densification.<sup>31</sup> Melbourne's urban growth boundary is discussed further in Chapter 4.

In addition to supporting urban densification, Plan Melbourne explains that containing development to existing suburbs will help protect Melbourne green wedge areas and surrounding farmland from urban encroachment. The plan unequivocally commits to protecting agricultural land from being lost to residential development:

Agricultural production in green wedges and peri-urban areas is vital to Melbourne's long-term food security due to its proximity to markets, access to infrastructure and labour, and quality soils ... In green wedges and peri-urban areas, competing land uses (such as urban development and rural living) threaten agricultural production ... Agricultural land in green wedges and peri-urban areas should be retained for productive use so it is not permanently lost.<sup>32</sup>

Plan Melbourne also endeavours to minimise the expansion of Melbourne by directing the development of additional housing to Victoria's ten regional cities—Geelong, Bendigo, Ballarat, Shepparton, Latrobe City, Wodonga, Warrnambool, Mildura, Wangaratta and Horsham.<sup>33</sup> It commits the Victorian Government to working with

<sup>26</sup> Victorian Government, *Plan Melbourne 2017–2050*, 2017, p. 6.

<sup>27</sup> SGS Economics and Planning, *Melbourne's growth management opportunity*, report for Interface Councils, 2023, p. 5.

<sup>28</sup> Victorian Government, *Plan Melbourne 2017–2050*, 2017, p. 45.

<sup>29</sup> *Ibid.*, p. 47.

<sup>30</sup> Infrastructure Victoria, *Our home choices*, 2023, p. 5.

<sup>31</sup> Victorian Government, *Plan Melbourne 2017–2050*, 2017, p. 47.

<sup>32</sup> *Ibid.*, p. 40.

<sup>33</sup> *Ibid.*, pp. 128–129.

municipal governments across regional Victoria to implement the individual growth opportunities of each regional city as articulated by the relevant regional growth plans:

The government will continue to make improvements to infrastructure and services to stimulate employment and growth in the state's 10 largest regional cities. Building on the Regional Growth Plans and work undertaken by Regional Cities Victoria, this approach will require development strategies that reflect the individual growth opportunities and priorities of each regional city, including the identification of urban renewal and infill opportunities to optimise infrastructure investment and surplus government land.<sup>34</sup>

A five-year implementation plan with 112 actions supports the rollout of Plan Melbourne. Both Plan Melbourne and its implementation plan are designed to be reviewed every five years.<sup>35</sup> However, as already noted, in November 2023, the Victorian Government commenced work to develop a new strategic settlement plan for Victoria which may replace both Plan Melbourne and the regional growth plans.<sup>36</sup>

### 3.2.2 A new statewide settlement plan

In November 2023, the Victorian Government began work to develop a new statewide settlement plan to 'set into action what Victoria will look like over the coming decades'.<sup>37</sup> 'Five pillars' are guiding the development of the plan: housing affordability and choice; equity and jobs; liveability and thriving neighbourhoods; sustainable environment and climate action; and self-determination and caring for country. Several stages of consultation were conducted, including roundtables with industry, peri-urban councils, metropolitan councils, outer-suburban councils, regional councils and rural councils. Traditional owners participated in focused engagement throughout the project.<sup>38</sup>

A key objective of the plan will be to implement the Government's housing policy (described in Box 3.1) by directing residential development 'near transport, job opportunities and essential services in vibrant, liveable, and sustainable neighbourhoods'.<sup>39</sup>

<sup>34</sup> Victorian Government, *Metropolitan Planning Scheme: Plan Melbourne 2017–2050*, 2017, p. 131.

<sup>35</sup> Department of Transport and Planning, *Implementation*, <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/plan-melbourne/implementation>> accessed 3 January 2024.

<sup>36</sup> Department of Transport and Planning, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/developing-a-new-plan-for-Victoria>> accessed 27 February 2024.

<sup>37</sup> Victorian Government, *A long-term housing plan*, <<https://www.vic.gov.au/long-term-housing-plan>> accessed 5 September 2024.

<sup>38</sup> Victorian Government, *Developing a new plan for Victoria: Roundtable and webinar presentations*, <<https://engage.vic.gov.au/project/developing-a-new-plan-for-Victoria/page/developing-a-new-plan-for-Victoria-event-presentations>> accessed 27 February 2024; Victorian Government, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/developing-a-new-plan-for-Victoria>> accessed 27 February 2024.

<sup>39</sup> Victorian Government, *A long-term housing plan*, <<https://www.vic.gov.au/long-term-housing-plan>> accessed 5 September 2024; Victorian Government, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/developing-a-new-plan-for-Victoria>> accessed 27 February 2024.



### Box 3.1 Victoria's housing statement

*Victoria's housing statement* describes the Victorian Government's strategy for stimulating the construction of additional housing to accommodate population growth (in regions to be identified by the new plan for Victoria).

The statement explains that during the last decade, the number of new dwellings approved across the state declined by 26.1%. This means that if the current housing construction trends continue 540,000 new houses are likely to be constructed in Victoria by 2034 (or 54,000 new houses each year).

The statement highlights that a minimum of approximately 1.6 million new homes will be needed in Victorian by 2051 to house the state's growing population. That requires the construction of an additional 57,000 houses each year. The statement outlines the Victorian Government's aspiration to stimulate the construction of 80,000 new homes every year until 2034. This would deliver a further 250,000 homes by 2034 and help provide approximately 2.24 million new homes by 2051.

The statement also articulates targets for stimulating the construction of new housing in regional areas to accommodate projected population growth outside of Melbourne. The Victorian Government aims to develop 425,600 of the 2.24 million new homes needed in the state by 2051 in regional areas.

The statement describes a range of actions the Victorian Government is taking, or will take, to stimulate the development of new housing. For example, providing a dedicated team of planners to clear a backlog of housing permit applications, introducing planning controls in selected suburbs to foster urban densification and funding the construction of social and affordable housing in regional Victoria.<sup>40</sup> It also commits to reviewing the *Planning and Environment Act 1987* (Vic) to ensure that decision timeframes and approval authorities for development are appropriate.

Source: Victorian Government, *Victoria's housing statement: The decade ahead 2024–2034*, 2023, pp. 7, 9, 11, 22, 41.

The Department of Transport and Planning told the Committee that the new plan reaffirms the Government's commitment to building 70% of new housing within existing urban areas and 30% within growth areas.<sup>41</sup> Draft housing targets—released for consultation in June 2024—reflect this commitment. The draft targets suggest how many new homes should be constructed in each municipality by 2051 based on each area's:

- proximity to jobs and services
- access to existing and planned public transport

<sup>40</sup> Victorian Government, *Victoria's housing statement: The decade ahead 2024–2034*, 2023, pp. 11, 22

<sup>41</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 9.

- exposure to environmental risks such as bushfires and floods
- development potential and trends.<sup>42</sup>

For example, the construction of the Suburban Rail Loop will improve the public transport connectivity of municipalities such as Boroondara and Kingston. As a result, draft housing targets are proposed that almost double the number of homes in these areas by 2051. In 2023, Boroondara had 74,600 existing homes; its draft housing target is 67,000 new homes. Likewise, Kingston had 69,100 existing homes in 2023. A draft housing target of 59,000 is proposed.<sup>43</sup>

By way of contrast, green wedge municipalities such as the Yarra Ranges and Nillumbik have more modest draft housing targets of 28,000 and 12,000 additional homes by 2051 respectively.<sup>44</sup>

The regional centres of Geelong and Ballarat also have ambitious draft housing targets. Geelong had 127,300 existing homes in 2023, while its draft housing target is 139,800 new homes by 2051. Likewise, Ballarat had 53,000 existing homes in 2023 and its draft housing target is an additional 46,900 new homes.<sup>45</sup>

Very little additional detail was known about the new plan for Victoria at the time of drafting this report. The Department of Transport and Planning submitted that it does not anticipate any alterations to Melbourne's urban growth boundary. It also signalled that the plan may establish new 'settlement boundaries' for regional centres to protect peri-urban farmland. Although the mechanism by which boundaries would be achieved were not specified.<sup>46</sup> Melbourne's urban growth boundary and the possibility of settlement boundaries for regional centres are explored further in Chapter 4.

It remains unclear whether regional growth plans will be incorporated into the new plan for Victoria and when the new plan will be finalised and released.

The Committee supports the development of a new strategic settlement plan to direct residential development to accommodate population growth in Victoria. The existing regional growth plans are all at least a decade old and *Plan Melbourne 2017–2050* is due to be refreshed. Adopting a statewide approach to settlement planning will also ensure that residential development in Melbourne and regional Victoria is not considered in isolation. A more holistic view of settlement planning will highlight the important role regional cities play in accommodating population growth and underscore that they face many of the same challenges as the state capital, such as urban sprawl.

<sup>42</sup> Department of Transport and Planning, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/project/developing-a-new-plan-for-Victoria/page/housing-targets-2051>> accessed 24 June 2024.

<sup>43</sup> Department of Transport and Planning, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/project/developing-a-new-plan-for-Victoria/page/housing-targets-2051>> accessed 24 June 2024; Hon Jacinta Allen, *Councils Get First Shot At Unlocking Space For More Homes*, media release, Victorian Government, Melbourne, 16 June 2024.

<sup>44</sup> Department of Transport and Planning, *Developing a new plan for Victoria*, <<https://engage.vic.gov.au/project/developing-a-new-plan-for-Victoria/page/housing-targets-2051>> accessed 24 June 2024.

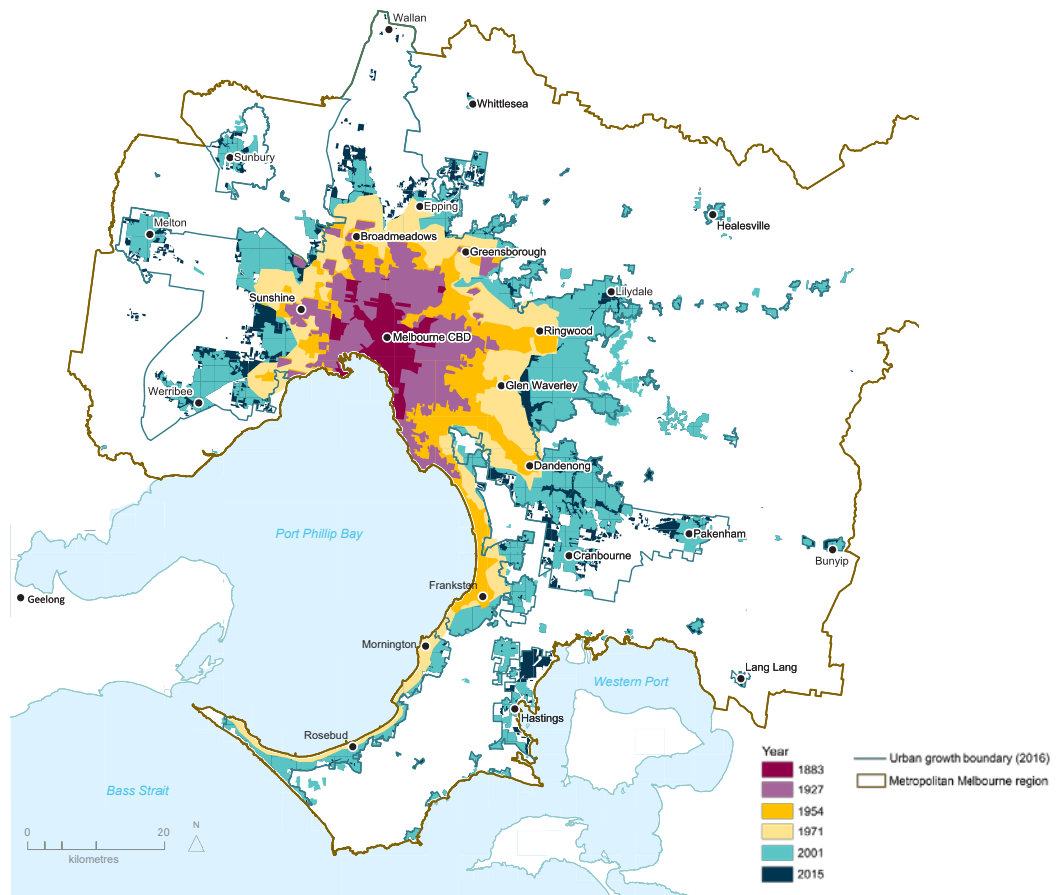
<sup>45</sup> Ibid.

<sup>46</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 9–10.

### 3.3 Urban sprawl in Victoria's cities

Victoria's established policy objective, to accommodate most population growth within existing urban centres, has had mixed results to date. During the past decade Victoria has grown rapidly, welcoming more than a million new residents. Historically, much of the state's population growth has been accommodated along the fringes of Melbourne, enlarging the city's footprint, and in some cases giving rise to a phenomenon known as 'urban sprawl'.<sup>47</sup>

Figure 3.5 Melbourne's historical urban growth



Source: Department of Environment, Land, Water and Planning cited in: Victorian Government, *Metropolitan Planning Strategy: Plan Melbourne 2017-2050*, 2017, p. 4.

Urban sprawl refers to the geographical expansion of a city to accommodate a growing population. It is typically characterised by low-density residential development with a high reliance on cars for transportation, which spirals away from existing, more compact, urban centres.<sup>48</sup>

<sup>47</sup> Infrastructure Victoria, *Our home choices*, March 2023, p. 9.

<sup>48</sup> S. Brody, 'The Characteristics, Causes, and Consequences of Sprawling Development Patterns in the United States', *Nature Education Knowledge* 4(5):2, 2013; Britannica, Urban sprawl, <<https://www.britannica.com/topic/urban-sprawl>> accessed 1 March 2024.

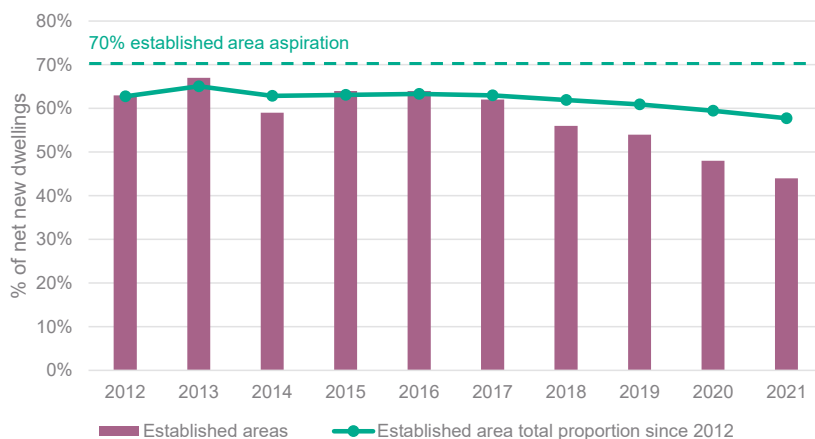
In the latter half of the 20<sup>th</sup> century, Melbourne’s expanding suburbs were increasingly characterised by a sprawling urban form. Investment in freeways during the 1960s and 1970s facilitated much lower-density residential suburbs highly dependent on cars for transportation. Melbourne’s suburbs expanded and employment opportunities became increasingly concentrated in the central business district.<sup>49</sup>

This has continued during the last decade. Around 50% of Victoria’s total population growth during the last ten years has been accommodated in greenfield developments in seven fringe Melbourne municipalities—Cardinia, Casey, Hume, Melton, Whittlesea, Wyndham and Mitchell.<sup>50</sup> This growth pattern is also acknowledged by the Victorian Government:

The significant amount of housing development in growth areas over the last few years – and the decline in housing development in established areas – has meant that only 53% of net housing additions in the period from 2017 to 2022 were in established areas.<sup>51</sup>

Figure 3.6 describes the percentage of new homes built in Melbourne between 2012 and 2021 which were constructed in existing suburbs.

**Figure 3.6 Share of net new dwellings in Melbourne’s established suburbs, 2012–2021**



Source: Infrastructure Victoria, *Our home choices*, March 2023, p. 12.

In 2021–22, most of the ten fastest growing local government areas in Victoria were located on the outer edges of Melbourne. Table 3.1 describes the actual population increase in these areas and the ten-year average growth rate.

49 Infrastructure Victoria, *Choosing Victoria’s future*, October 2023, p. 12.

50 Infrastructure Victoria, *Our home choices*, March 2023, pp. 4–5, 9.

51 Victorian Government, *Strategic land supply policy*, <<https://www.planning.vic.gov.au/guides-and-resources/data-and-insights/urban-development-program/urban-development-program-2022-metropolitan-melbourne/trends-in-population-growth-and-housing-supply>> accessed 4 March 2024.

**Table 3.1 Ten fastest growing local government areas in Victoria, 2021–22**

Local government area	Population growth (%)	10 year average growth (%)	Population (at 30 June)	Natural increase (%)	Internal migration (%)	Overseas migration (%)
Melton	6.4	5.0	192,865	1.3	4.5	0.6
Wyndham	4.2	5.6	308,623	1.4	1.6	1.2
Melbourne	4.0	4.0	159,813	0.5	-0.2	3.7
Mitchell	3.8	3.5	51,569	0.8	2.6	0.4
Cardinia	2.9	4.3	123,020	1.1	1.4	0.4
Baw Baw	2.8	2.9	59,182	0.5	2.1	0.2
Bass Coast	2.7	3.1	41,741	-0.2	2.6	0.3
Surf Coast	2.6	3.4	38,610	0.5	1.7	0.4
Casey	2.4	3.5	378,472	1.0	0.6	0.8
Hume	2.4	3.5	252,723	1.1	0.4	0.9

Source: Australian Government Centre for Population, *Fastest Growing Local Government Areas (LGAs)*, <<https://population.gov.au/data-and-forecasts/dashboards/fastest-growing-local-government-areas>> accessed 28 November 2023.

In 2024, around 5 million people live in Melbourne, making it the 102nd largest city globally by population. However, due to its sprawling urban form, Melbourne is now the 33rd largest built-up land area in the world.<sup>52</sup>

The fringes of regional Victorian cities such as Geelong and Ballarat have also developed rapidly despite similar aspirations to contain growth to established suburbs. The City of Greater Geelong settlement strategy aims to deliver 50% of new homes in established suburbs by 2047. Likewise, the City of Ballarat would like 50% of new homes to be built in established suburbs between 2020 and 2040. However, in Geelong in 2021, only around 21% of new homes were built in existing suburbs, down from 32% in 2020.<sup>53</sup> Similarly, the City of Ballarat has grown by 18,000 people during the last decade to reach a current population of approximately 113,500 people. Around 1,000 new dwellings have been constructed each year (over the previous 10 years) to accommodate this population growth. Mostly in large greenfield estates on the fringes of Ballarat such as Alfredton and Lucas. The population of Ballarat is projected to increase by an additional 1.7% per annum to 2036 when its residents are estimated to number around 145,000.<sup>54</sup>

<sup>52</sup> Infrastructure Victoria, *Our home choices*, March 2023, p. 9.

<sup>53</sup> Ibid., pp. 4–5, 9, 12; City of Greater Geelong, *Settlement strategy*, 2020, p. 10; City of Ballarat, *Today tomorrow together: the Ballarat strategy*, 2015.

<sup>54</sup> Regional Development Victoria, *Regional City of Ballarat*, <<https://www.rdv.vic.gov.au/victorias-regions/ballarat>> accessed 10 January 2024; Department of Transport and Planning, *Greenfield land supply Ballarat 2021*, <<https://www.planning.vic.gov.au/guides-and-resources/Data-spatial-and-insights/discover-and-access-planning-open-data/urban-development-program/greenfield-land-supply-in-regional-victoria-2022/ballarat>> accessed 10 January 2024.

According to the Department of Transport and Planning, 'Geelong, Ballarat, and Bendigo all face current and significant development industry pressure to release new greenfield land for ... development'.<sup>55</sup>

### 3.3.1 What causes urban sprawl?

A complex interplay of social, economic and cultural factors influences where people choose to live and drives the settlement pattern of Victorian cities and towns.

In June 2022, Infrastructure Victoria—an independent advisory body focused on infrastructure issues—investigated homebuyers' preference for property in growth areas along the fringe of Melbourne, Geelong and Ballarat. It surveyed over 6,000 Victorian households about the type of home they would choose if they had to move, factoring in current house prices and their household budget. It explored the question: 'What would be the necessary pre-conditions for a proportion of households living in new suburbs to have chosen a different residential location?'.<sup>56</sup>

Infrastructure Victoria identified several factors which inform Victorians' preference for buying a home in a growth area over established suburbs in Melbourne, Geelong and Ballarat. As Box 3.2 shows, housing size and affordability are key issues.

#### Box 3.2 Factors informing Victorians' choice to buy in growth areas around Melbourne, Geelong and Ballarat

##### Victorians prefer large (three or four bedrooms), detached homes close to family and friends

On average, dwelling type has the biggest influence on home choice.

##### Affordability is a key factor informing where Victorians buy homes

Households earning a moderate income have few affordable home options outside of growth areas if they want to buy a detached three-bedroom house. Households willing to consider three-bedroom townhouses or apartments as an alternative have more options. Buyer mindset influences what is perceived as value for money. For example, households that prioritised home features, such as a large, detached house with a garage, were more attracted to greenfield areas.

(Continued)

<sup>55</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 9.

<sup>56</sup> Infrastructure Victoria, *Our home choices*, March 2023, p. 15.

**Box 3.2 Continued****Access to infrastructure influences where people live**

Most of Melbourne's inner suburbs have large price premiums associated with being close to infrastructure such as major activity centres, trains, trams and buses. Middle suburbs also benefit to a lesser degree from higher house prices due to infrastructure access. However, most established outer suburbs and new growth areas do not have access to some infrastructure, particularly public transport, and have low or negative infrastructure price premiums.

**People's life stage and background partly drive their choice for growth areas**

On average, greenfield suburbs attract higher numbers of first home buyers, households with young children and couples planning to have children. Almost 60% of Melbourne's growth area households include children, compared with 40% in established suburbs. Melbourne's seven growth area municipalities — Cardinia, Casey, Hume, Melton, Whittlesea, Wyndham and Mitchell — are home to 38% of all children aged four years and under in metropolitan Melbourne, and this is projected to increase. Similarly, around two-thirds of households in Geelong and Ballarat's growth areas have children. Cultural connection is also an important driver of greenfield choice. More than half of the population in suburbs such as Clyde North, Point Cook and Wollert were born outside of Australia, and this share is growing. Buyer survey data indicates that people born in India are the largest cultural group buying in Melbourne's greenfield suburbs, after those born in Australia.

Source: Infrastructure Victoria, *Our home choices*, March 2023, pp. 19–25; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 7.

Infrastructure Victoria identified that growth suburbs along the fringe of Melbourne are also increasingly attracting renters. As home ownership rates continue to fall, the number of households renting in Melbourne growth suburbs has increased by 42% between 2016 and 2021 (compared with a 12% increase in established suburbs).<sup>57</sup>

### 3.4 Impact of urban development on farmland

As discussed in Chapter 2, Melbourne is located at the centre of a highly productive agricultural region with fertile soils and access to reliable water resources.<sup>58</sup> Productive agricultural regions also surround Geelong, Ballarat and Bendigo.<sup>59</sup> Urban sprawl and

<sup>57</sup> Ibid., p. 26.

<sup>58</sup> J. Sheridan, K. Larsen and R. Carey, *Melbourne's foodbowl: Now and at seven million*, report for Victorian Eco-Innovation Lab, The University of Melbourne, 2015, pp. 5, 9–10.

<sup>59</sup> See Chapter 2, Section 2.2.2.

other forms of urban encroachment into peri-urban farmland are having a profound impact on farmland and the agricultural sector. Consequences include that:

- urban development is displacing farmland
- high property prices are reducing the viability of farms
- land banking is putting local governments and farms under pressure
- subdivision is fragmenting agricultural landscapes
- the urbanisation of farming communities is causing conflict and increasing biosecurity risks.

The Committee heard that the repercussions of urban sprawl for Victorian farmers and the state's food system may be serious.

### 3.4.1 Urban development is displacing farmland

As early as the 1940s concerns have been raised about the loss of productive peri-urban agricultural land as Melbourne has expanded to accommodate an increasing population.<sup>60</sup> These concerns remain unresolved and are regularly expressed today. For example, the Australian Broadcasting Corporation (ABC) investigated the loss of agricultural land to urban development in 2021 (see Box 3.3).

#### Box 3.3 Australian Broadcasting Corporation (ABC) investigation on urban encroachment into farmland

In 2021, the ABC reported that 'in the past five to ten years, hundreds of hectares of land had already been converted from farming or rural land to residential zones in the regional council areas surrounding Melbourne'.<sup>61</sup> It combined these figures with rezoning applications pending approval at the time of publication, and found that 'the amount of farmable land potentially lost to housing developments could be as much as 11,000 hectares — or 63 times the size of Melbourne's CBD [central business district]' (see Figure 3.7).

(Continued)

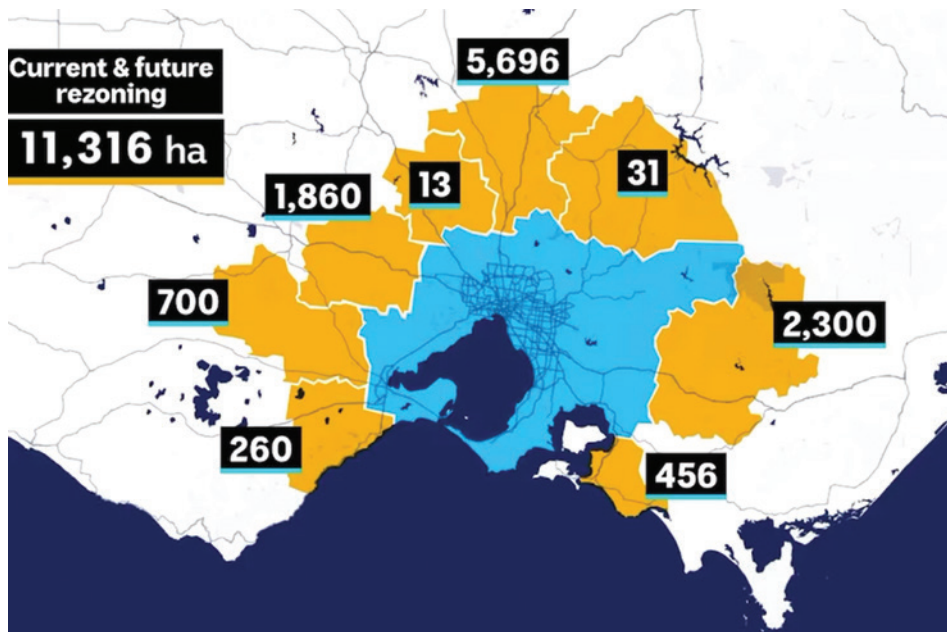
<sup>60</sup> The University of Melbourne, *Mapping Melbourne's Peri-urban Agricultural Land*, <<https://science.unimelb.edu.au/foodprint-melbourne/publications/past-publications/mapping-melbournes-peri-urban-agricultural-land>> accessed 3 January 2024.

<sup>61</sup> Eden Hynninen, 'Thousands of hectares of farmland being lost to residential developments in regional Victoria', *ABC Rural*, 20 March 2021, <<https://www.abc.net.au/news/rural/2021-03-20/thousands-of-hectares-farmland-lost-to-residential-developments/13262012>> accessed 8 January 2024.



## Box 3.3 Continued

Figure 3.7 Rural and agricultural land rezoned (in the last five years), or pending approval to be rezoned, in regional councils bordering Melbourne, March 2021



Source: Eden Hynninen, 'Thousands of hectares of farmland being lost to residential developments in regional Victoria', *ABC Rural*, 20 March 2021, <<https://www.abc.net.au/news/rural/2021-03-20/thousands-of-hectares-farmland-lost-to-residential-developments/13262012>> accessed 8 January 2024.

Throughout the Inquiry, stakeholders highlighted the extent and rate of farmland conversion to urban uses. RMIT University's Centre for Urban Research characterised Melbourne's urban growth as 'massive' and suggested that 'great swathes of prime agricultural land in the peri-urban region are being rezoned for residential development to accommodate Melbourne's ever-growing population'.<sup>62</sup> The City of Greater Bendigo submitted that both farmland and the number of commercial farms in the Bendigo region (Woodend to Wedderburn, Pyramid Hill and Heathcote) are declining steadily. It noted that in 2006 there were just over 2,000 farms on 963,000 hectares of farmland in the region. By 2020–21, this had declined to 985 farms across 842,938 hectares.<sup>63</sup>

Agricultural planning consultancy, the Rural Planner, observed that Geelong and Ballarat are also expanding to accommodate growing populations. It pointed out that new homes are also being built in rural landscapes further away from cities, such as Baw Baw, the Bellarine Peninsula, the Mornington Peninsula and the Surf Coast.<sup>64</sup>

<sup>62</sup> RMIT University Centre for Urban Research, *Submission 28*, p. 3.

<sup>63</sup> City of Greater Bendigo, *Submission 41*, p. 4.

<sup>64</sup> The Rural Planner, *Submission 32*, p. 2.

Box 3.4 shows that some Victorian farmers are also apprehensive about the loss of farmland to urban development.

### Box 3.4 Victorian farmers are concerned that urban development is displacing farmland

**It won't affect me as we are too rural but I think building houses on farmland is a waste of productive land.**

**Good soils in Australia are scarce and should be preserved for food production not urban sprawl.**

**[F]ar too much good farmland [is] being used up for housing and business development, also land [is] being used for wind power and solar panels/Where are we going to grow our food by 2050[.] [A]ll our best farming land being used for the above purposes[.]**

**Doesn't apply to my business as it is in rural Victoria but I do worry at the way some of the most productive farmland is being subdivided for housing around provincial cities.**

**Housing needs to occur on poorer quality landscapes[,] such as gravelly gold-mining country that is not agriculturally productive. There needs to be designated places where suburbs and towns can be built and prime agricultural farmland should not be allowed to be built on. Eg build at Rushworth not all around Shepparton.**

Source: Survey of Victorian Farmers, May–June 2024.

The Committee raised stakeholder concerns with both the Department of Transport and Planning and Agriculture Victoria during a public hearing in Melbourne this year. It was concerned to learn that the extent to and rate at which Victorian farmland is being converted to urban uses is not well understood.

Data collection on how land is being used around the state has been inconsistent.<sup>65</sup> Moreover, the cumulative impact of agricultural land conversion to other uses—such as residential development—is not actively monitored.<sup>66</sup> This makes it difficult to assess the overall extent of farmland lost in Victoria and the ongoing rate of conversion to other land uses.

Agriculture Victoria explained that state government departments, local governments and individual developers rely on the Victorian Land Use Information System (known as VLUIS) for information about agricultural and other land uses across Victoria.<sup>67</sup>

VLUIS data covers the entire landmass of Victoria and separately describes the land tenure, land use and land cover for each cadastral parcel (a cadastral parcel is a digital

<sup>65</sup> University of Melbourne SAFES, *Submission 46*, p. 5.

<sup>66</sup> Agriculture Victoria, *General Planning*, <<https://agriculture.vic.gov.au/farm-management/planning-and-farm-development/information-for-planners-and-applicants/general-planning>> accessed 5 March 2024.

<sup>67</sup> Dougal Purcell, Acting Chief Executive and Deputy Secretary, Agriculture Victoria, public hearing, 3 May 2024, *Transcript of evidence*, p. 3.

representation of an individual land parcel and property boundaries). However, VLUIS data is not current. It offers data for the period from 2006–07 to 2016–17 digitally via the Victorian Government open data portal and other platforms.<sup>68</sup>

Agriculture Victoria has commissioned a new data collection (2021–22) to update the VLUIS dataset. However, this was not publicly available at the time this report was drafted. It is unclear whether further data collection is planned to maintain the currency of the VLUIS dataset into the future.

Agriculture Victoria recognised that the ‘absence of state-wide information on the strategic significance of agricultural land presents a challenge for policy and decision makers’. It noted that this issue is particularly challenging where ‘there is a need to weigh up the economic and public value of agricultural uses against competing uses’.<sup>69</sup> In order to address this evidence gap, Agriculture Victoria commissioned consultancy PricewaterhouseCoopers Australia (PwC) to examine ‘the extent and nature of land use conversion [away from agricultural uses] across the state, whether this is a concern and if so, what to do about it’.<sup>70</sup>

PwC analysed VLUIS data from 2006–07 to 2016–17 to produce the report; *Strategic agricultural land and development in Victoria* (2020). It found that, overall, the total area of land used for agriculture in Victoria remained ‘relatively stable’ during this period. However, it also identified that underneath this high-level trend, some agricultural sectors and regions of the state ‘experienced significant transition’.<sup>71</sup> For example, land used for horticultural production grew by about 22,000, or 11%, from 2006–07 to 2016–17. Whereas, land with specialist infrastructure for beef declined by 57,000 hectares, or 14%, over the same period.<sup>72</sup> PwC also found that conversion of farmland to other uses, such as residential development, ‘is becoming increasingly more common’, particularly around Melbourne and regional centres such as Geelong, Ballarat and Bendigo:

Losses of agricultural land have been most pronounced in peri-urban areas where population growth and urbanisation are in competition with agricultural land. The impact of urbanisation is evidenced in residential land use increasing by 210k hectares (27% increase) from 2006–07 to 2016–17.<sup>73</sup>

PwC associated this pattern of land-use change in peri-urban areas with ‘a growing Victorian population and the trend of urban sprawl’.<sup>74</sup>

<sup>68</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 16.

<sup>69</sup> Agriculture Victoria, *General Planning*, <<https://agriculture.vic.gov.au/farm-management/planning-and-farm-development/information-for-planners-and-applicants/general-planning>> accessed 5 March 2024.

<sup>70</sup> PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 5.

<sup>71</sup> *Ibid.*, pp. 14–15.

<sup>72</sup> *Ibid.*, p. 5.

<sup>73</sup> *Ibid.*, pp. 5, 26.

<sup>74</sup> *Ibid.*, p. 26.

Table 3.2 and Figure 3.8 note the top five municipalities losing farmland to urban development and explains how this is manifesting.<sup>75</sup>

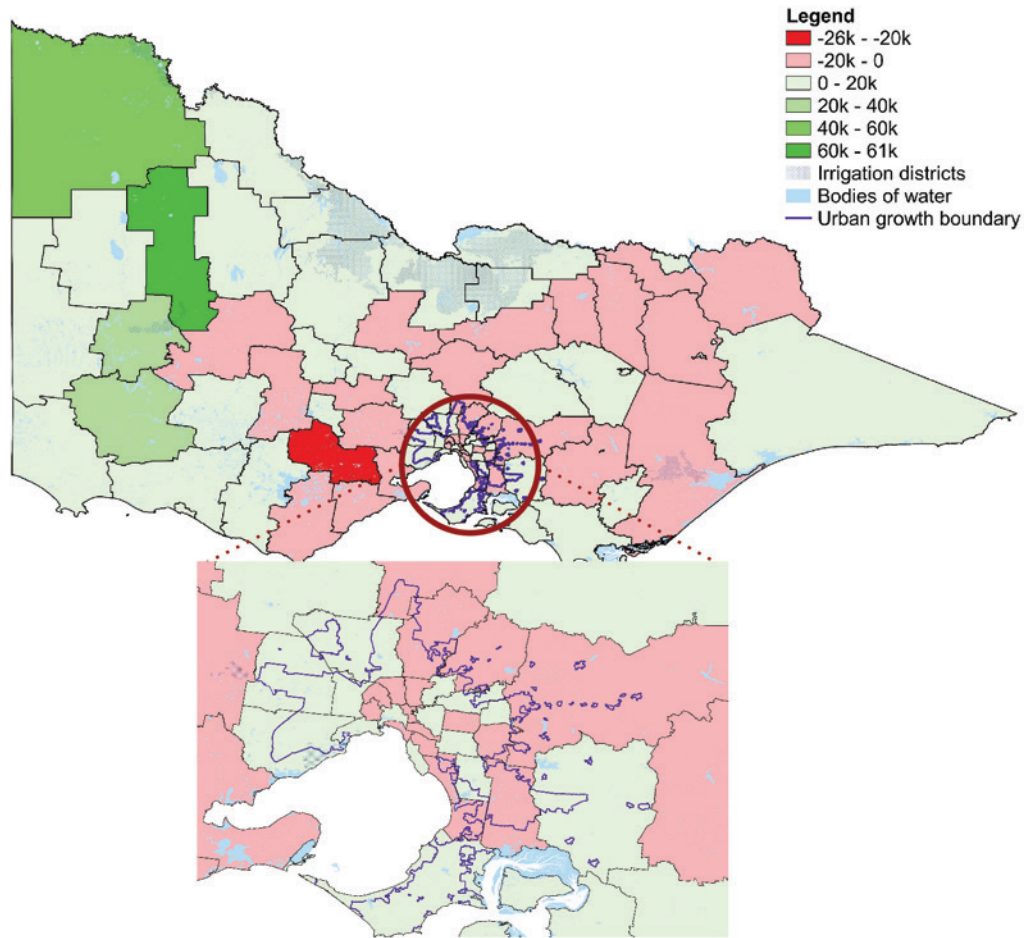
**Table 3.2 Top five municipalities with the largest reduction in agricultural land use, 2006–07 to 2016–17**

Municipality	2006–07 (Hectares)	2016–17 (Hectares)	Loss (%)	Significant contributors to land use change
<b>Golden Plains</b> Peri-urban municipality located between Melbourne, Geelong and Ballarat.	227,000	201,000	-11	Agricultural land: A net decline in sheep and beef grazing and cropping land over the period (-26,000 ha). Slight increase of 1,000 ha in horticulture. Non-agricultural land: Reduction in agricultural land can be partly attributed to residential land use increases (+23,000 ha).
<b>Baw Baw</b> Peri-urban municipality located in West Gippsland, about 100 km east of Melbourne's CBD.	151,000	131,000	-13	Agricultural land: Significant reductions in sheep and beef grazing (-17,000 ha), dairy (-4,000 ha) and horticulture (-2,000 ha). Non-agricultural land: Reduction in the land dedicated to national parks (-46,000 ha). Notable increases to residential land use (+21,000 ha).
<b>Wellington</b> Located in the Gippsland region, around 200 km east of Melbourne.	431,000	414,000	-4	Agricultural land: Significant reduction in sheep and beef grazing over the period (-84,000 ha). This reduction could be related to reciprocal increases to dairy (+28,000 ha) and private forestry (+33,000 ha). Non-agricultural land: Increase in residential land use (+17,000 ha). Further, national parks across the region have reduced in size over the period (-107,000 ha).
<b>Hepburn</b> Located in central Victoria 114 km north-west of Melbourne and 48 km north east of Ballarat.	102,000	85,000	-17	Agricultural land: Reduction in sheep and beef grazing land use (-18,000 ha). Non-agricultural land: Loss of agricultural land is mirrored by increases in residential land use, which has grown by 18,000 ha.
<b>Colac-Otway</b> Located in south-western Victoria, about 160 km from Melbourne's CBD. It is bounded by Golden Plains Shire to the north and the Surf Coast Shire to the east.	209,000	193,000	-8	Agricultural land: Reduction in a number of agricultural land uses over the period: sheep and beef grazing (-17,000 ha), horticulture (-2,000 ha) and dairy (-1,000 ha). Private forestry has increased over the period (+2,000 ha). Non-agricultural land: Residential land use has risen (+21,000 ha).

Source: PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 18.

<sup>75</sup> Ibid., p. 19.

Figure 3.8 Change in hectares of agricultural land at the LGA level, 2006–07 to 2016–17



3

Source: PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 19.

PwC also prepared a case study illustrating how regional cities are losing farmland to urban development. Case Study 3.1 explores the loss of farmland to urban development in the greater Geelong region.

### Case Study 3.1 Loss of farmland around Geelong, the Bellarine Peninsula and the Surf Coast

Between 2006–2017, the local government areas covering Geelong, the Bellarine Peninsula and the Surf Coast collectively converted approximately 33,000 hectares of agricultural land to other purposes (see Table 3.3). This is largely due to the pressures of population growth in the region, which has increased demand for residential land.

The City of Greater Geelong is one of the fastest-growing cities in Victoria. In 2006, approximately 160,991 people lived in Greater Geelong. This has grown to an estimated 289,272 in 2024 and is forecast to expand to 396,388 residents in 2041.

**Table 3.3 Changes to land use in the Geelong, Bellarine Peninsula and Surf Coast region, 2006–2017**

Land use	2007 (Hectares) (000s)	2017 (Hectares) (000s)	Growth (Hectares) (000s)	2017 Proportion of region (%)
Mixed farming and grazing	359	305	-54	-9.7
Sheep	13	9	-4	-0.8
Beef	7	5	-2	-0.4
Native vegetation	0	1	+1	+0.2
Cropping	3	25	+22	+4
Residential	25	64	+39	+7
Total agriculture	397	364	-33	-6

Source: PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 29.

Strong population growth has driven the total residential land in Geelong, the Bellarine Peninsula and the Surf Coast to almost triple, from around 25,000 hectares in 2006–07 to 64,000 hectares in 2016–17. PwC data analysis and consultation indicated that urban development has reduced both the volume and number of agricultural land parcels in the region. There has been a significant reduction in agricultural land parcels in Geelong, the Bellarine Peninsula and the Surf Coast, particularly smaller land parcels of less than 10 hectares.

PwC also highlighted that the subdivision and development of agricultural land for residential purposes is creating a financial imperative for ‘land banking’ in the region. Land banking is where land is set aside or ‘banked’ for a higher anticipated sale value in the future. This can mean that land can stop being used for agricultural purposes. It can also mean that land is no longer actively maintained, which can create weed and pest management issues for neighbouring farms.

**(Continued)**

### Case Study 3.1 Continued

PwC observed that ‘the sizeable agricultural land use reduction in the region may have led to reduced local agricultural production, impacting employment opportunities along with potential public value consequences (e.g. reduced local amenity)’.

Sources: PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 29; Australian Bureau of Statistics, *Greater Geelong City Part A*, <<https://abs.gov.au/census/find-census-data/quickstats/2006/21005>> accessed 6 March 2024; idcommunity, *City of Greater Geelong: Population forecast*, <<https://forecast.id.com.au/geelong>> accessed 6 March 2024.

PwC concluded that the overall extent of land farmed in Victoria is expected to remain relatively stable during the next decade. With more pronounced losses of farmland anticipated around Melbourne and regional cities. PwC acknowledged that it may be necessary for policy-makers to address the loss of peri-urban farmland:

The possibility remains that government intervention in some form may be required in the long run to achieve outcomes that are desirable for the whole of Victoria.<sup>76</sup>

PwC pointed out that any policies aimed at reducing the loss of farmland will rely on data detailing changes in Victorian agricultural land uses through time. It recommended that ‘Victoria maintain a database of land uses to support evidence-based policy development into the future’.<sup>77</sup>

Several inquiry stakeholders also noted the lack of government data on the extent and rate of farmland conversion to urban uses, including the Rural Planner,<sup>78</sup> the Victorian Farmers Federation<sup>79</sup> and Foodprint Melbourne. Foodprint Melbourne asserted that a lack of government data on the loss of agricultural land means that repercussions for food production are not well understood:

Loss of agricultural land around Melbourne and regional cities in Victoria has been poorly monitored and there is a lack of current data about how much agricultural land has been lost in Victoria, where it has been lost and with what impacts on food production and Victoria’s economy.<sup>80</sup>

Foodprint Melbourne researcher Dr Rachel Carey argued that ‘we should know how much land is being lost ... [and] what the impact of that is on food production, food supplies, the economy, jobs’. She emphasised that once farmland is converted to residential uses it is permanently lost. Foodprint Melbourne recommended that the loss of agricultural land around Victorian cities be monitored and regularly reported on.

<sup>76</sup> Ibid., p. 40.

<sup>77</sup> Ibid., p. 50.

<sup>78</sup> The Rural Planner, *Submission 32*, p. 3.

<sup>79</sup> Victorian Farmers Federation, *Submission 55*, pp. 9–10.

<sup>80</sup> University of Melbourne SAFES, *Submission 46*, p. 5.

It suggested that reporting should also consider the potential impacts of farmland loss on the state's food production and economy.<sup>81</sup>

The Victorian Farmers Federation also felt that 'the Victorian Government needs to ensure that there is a record of land lost from agricultural production in each municipality and that the impact of that loss is monitored'. It argued that maintaining this data would support local governments to:

- articulate the importance of agriculture within their municipality
- identify threats to agricultural land uses
- determine which planning provisions should be applied to protect and support agricultural land uses.<sup>82</sup>

The Victorian Farmers Federation recommended that a 'monitoring program' is established for agricultural land. It also called for the Victorian Government to support local governments to develop or update local data on agricultural land uses.<sup>83</sup>

Professor Andrew Butt and Professor Michael Buxton of RMIT University's Centre for Urban Research both agreed that the Victorian Government should track the cumulative loss of farmland. Although the former noted that this may be complicated as what constitutes an agricultural land use and a land loss must be defined.<sup>84</sup>

The Committee also raised the prospect of monitoring the conversion of farmland to other uses with the Department of Transport and Planning during a public hearing in Melbourne. The Department acknowledged that it does not currently track land loss, but said it is 'alert to ... concerns' that the loss of peri-urban agricultural land is becoming unsustainable. It further said that monitoring the loss of agricultural land could be done and would provide an evidence base for addressing these concerns.<sup>85</sup>

The Committee was concerned to learn that the extent and rate at which Victorian farmland is being converted to urban uses is not well understood. As described in Chapter 2, peri-urban farmland is important to the productivity and resilience of our food system.

**FINDING 11:** The extent of agricultural land lost to urban development and the rate at which it continues to be converted to other uses is difficult to accurately quantify. Data collection on agricultural land uses is inconsistent and the cumulative impact of urban development on agricultural land is not monitored on an ongoing basis.

<sup>81</sup> Ibid., p. 6; Dr Rachel Carey, Senior Lecturer, Food Systems, University of Melbourne, public hearing, Melbourne, 16 May 2024, *Transcript of evidence*, p. 6.

<sup>82</sup> Victorian Farmers Federation, *Submission 55*, pp. 9–10.

<sup>83</sup> Ibid.

<sup>84</sup> Professor Andrew Butt, response to questions on notice received 12 June 2024, p. 1; Professor Michael Buxton, response to questions on notice received 12 June 2024, p. 1. The challenge of identifying agricultural land was also highlighted by Linda Martin-Chew, Director of The Rural Planner at a public hearing in Melbourne on 3 May 2024.

<sup>85</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy, Department of Transport and Planning, public hearing, 3 May 2024, *Transcript of evidence*, p. 4.



The Committee acknowledges that the state's population is expanding. It supports the important work being done as part of Victoria's housing statement, to ensure the construction of homes keeps pace with population growth. Housing security is a basic human right which underpins the wellbeing of Victorians and their success in other areas of their lives. However, it is critical that efforts to provide Victorians with housing security do not undermine their access to healthy and locally grown food. Safeguarding sufficient farmland to produce adequate fruit, vegetables and proteins is key.

At present, it is difficult to assess whether an appropriate balance is being struck between maintaining adequate farmland and providing land for residential development. Data describing the extent and loss of farmland, and the impact that this is having on the agricultural sector, is needed to tally these objectives.

The Committee appreciates that Agriculture Victoria and the Department of Transport and Planning are both alert to concerns that the loss of farmland is becoming unsustainable, and the importance of data to inform solutions to this issue. PwC's analysis of VLUIS data was a step in the right direction towards securing the evidence base needed to develop a nuanced policy response to protect agricultural land. However, the lack of current land-use data in Victoria has meant that this report was already three years out of date when it was published in September 2020.

The Committee would like to see Agriculture Victoria use its latest VLUIS data collection (2021–22) to update PwC's analysis of agricultural land uses. This updated analysis should be made available to other state government departments, local governments and the general public. The Department of Transport and Planning should be mindful of this analysis as it implements its *Planning for Melbourne's green wedges and agricultural land action plan (2024)*—described in Chapter 4. It should also be available to the new Minister for Food—recommended in Chapter 2—who will lead work to support Victorian agriculture to rise to the challenge of feeding the state's growing population.

The Committee would also like to see agricultural land use trends—including the conversion of farmland to urban uses—actively monitored, on an ongoing basis. This information should be available to state government departments and local governments to inform land use planning and decision making. It should also be available to the new Minister for Food, to ensure that support to maintain a diverse agricultural sector is well targeted.

**RECOMMENDATION 3:** That Agriculture Victoria update the analysis of agricultural land use trends contained in *Strategic agricultural land and development in Victoria (2020)* using the latest Victorian Land Use Information System data. The updated land use analysis must focus on changes to agricultural land uses in peri-urban areas. This analysis should be provided to the new Minister for Food, the Minister for Planning, the Department of Transport and Planning and made publicly available.

That Agriculture Victoria maintain the currency of the Victorian Land Use Information System with annual data collections.

That Agriculture Victoria expand its Planning and Advisory Service to include:

- providing local governments with mapping and analysis of agricultural land uses and trends in their municipality, upon request
- delivering biennial reports on agricultural land use trends (with a focus on quantifying the extent and rate of farmland loss to urban uses) to the Minister for Food and the Minister for Planning.

### 3.4.2 High property prices reduce the viability of farms

As discussed in Section 3.3.2, many Victorians are attracted to properties on the fringes of cities due to their comparative affordability, larger dwelling sizes and the semi-rural lifestyle they offer. The resulting demand for housing can see residential land in peri-urban areas valued higher than agricultural land, reflected in sale prices and annual rates.<sup>86</sup> For example, the City of Whittlesea reported that the value of allotments in its green wedge region has approximately doubled, from around \$680,000 in 2015 to more than a million dollars today. It also noted that the value of smaller allotments has increased faster than larger allotments, as these may be purchased for 'lifestyle and aesthetic value' rather than their agricultural value. It said this trend can also be observed in other peri-urban areas.<sup>87</sup>

When the sales value of farmland becomes higher than its value under agricultural production, this can drive its conversion to residential uses.<sup>88</sup> This is because the income farmers derive from cultivating the land is insufficient to recoup the cost of the land or cover mortgage repayments. Typically, farmland converted to residential uses is permanently lost.<sup>89</sup> Andrew Holman, a dairy farmer based in South Gippsland, shared a recent experience to illustrate this point at a public hearing in Morwell:

... just 900 metres down the road, there was a farm that came up for sale and then we tried to buy it – 163 acres. It went for \$2.13 million ... And it is capable of producing

<sup>86</sup> Michael Buxton, Andrew Butt, *The future of the fringe: The crisis in peri-urban planning, 2020*, CSIRO Publishing, p. 107.

<sup>87</sup> City of Whittlesea, *Submission 40*, p. 3.

<sup>88</sup> Michael Buxton, Andrew Butt, *The future of the fringe: The crisis in peri-urban planning, 2020*, CSIRO Publishing, p. 107; PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 21; Green Wedges Coalition, *Submission 30*, p. 6.

<sup>89</sup> Ibid.

about, say, 50 bullocks a year on it, and on a bullock you will make about \$700. So you can do the numbers and go, 'Well, there's \$35,000 worth of income.' By the time you take the interest bill out of it and then the rates and all the rest of it, it is not a viable option to buy. But you would say, 'Well, who's bought it?' ... This particular place has been bought by somebody who has a business in Melbourne, and they have been able to say, 'Well, this is my little country property.'<sup>90</sup>

Similar evidence was provided by Nursery and Garden Industry Victoria and the Yarra Ranges Council Rural Advisory Committee. Nursery and Garden Industry Victoria pointed out that farmers are already 'grappling' with the rising cost of essential farm inputs (for example, fuel, water, fertilisers and chemicals). It submitted that these expenses, combined with the general increase in the cost of living, make it unviable to farm in Melbourne's peri-urban region:

Put simply, premium land prices in more attractive parts of outer Melbourne make a return on investment too difficult and is leading to businesses choosing not to invest rather than considering elsewhere in Victoria.<sup>91</sup>

The Yarra Ranges Council Rural Advisory Committee also highlighted the rising cost of farm inputs, such as labour. It suggested that the 'rewards must be higher' to enable farmers to viably produce food in peri-urban regions, but noted that food is already expensive. It suggested that peri-urban farming is a 'lifestyle', and the only financial reward gained by farmers may be the eventual sale of their land for residential purposes:

In order to "protect food security" the rewards must be higher. Currently the reward that rural producers receive is lifestyle and the capital value on sale of land at the end of a cycle. The probability that that land will be used for any production again is very low.<sup>92</sup>

Box 3.5 highlights similar experiences shared by Victorian farmers, who responded to the Committee's survey on the impact of population growth and urban sprawl on farmland.

<sup>90</sup> Andrew Holman, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 11.

<sup>91</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 6.

<sup>92</sup> Yarra Ranges Council, *Submission 18*, p. 9.

### Box 3.5 Victorian farmers say increasing property prices are reducing the viability of farming

Land values have increased [so] much due to properties being valued at lifestyle values rather than agriculture value putting the rates up making farming uneconomical.

It costs a lot more to buy, to produce the same amount of food, which isn't going up in value.

The value of the land does not reflect its current ability to generate a viable income because of inflation.

**At this point we are banking on land prices to help us sell in the future as we are in the urban fringe ... at least we will be more financially better off if we can sell the property for development than farming it!**

Source: Survey of Victorian Farmers, May–June 2024.

The high price of agricultural land in peri-urban regions can also prevent viable farms from scaling-up production to meet the increased demand for food arising from population growth. Nursery and Garden Industry Victoria submitted that, in 2022, approximately 75% of Victorian horticultural businesses were looking to expand their food production over the next five years. However, the limited availability of suitable land and high prices presented a significant barrier.<sup>93</sup> The Victorian Strawberry Growers Association made a similar observation.<sup>94</sup> Moorabool Shire Council submitted that farmers in its municipality have also indicated that the proliferation of lifestyle properties in agricultural areas is increasing land values and preventing farms from expanding.<sup>95</sup> The Committee received similar evidence from the Victorian farmers it surveyed (see Box 3.6).

### Box 3.6 Victorian farmers say higher property prices make it too expensive and risky to expand their business

**Competition for available land limits capacity to expand holding[s].**

**Equity is high, expansion is risky[.]**

**Increasing land value gives us more borrowing power, but limits our ability to purchase more farmland. Current land prices are economically no longer viable.**

**(Continued)**

<sup>93</sup> Nursery and Garden Industry Victoria, *Submission 19*, pp. 3–4.

<sup>94</sup> Victorian Strawberry Growers Association, *Submission 36*, p. 2.

<sup>95</sup> Moorabool Shire Council, *Submission 11*, p. 6.

**Box 3.6 Continued**

**It affects expanding [by] buying more land as realstate agents are selling properties to more hobby farmers at high price[s.]**

**It's unaffordable. We would love to buy surrounding farmland to make our farm bigger but it's too expensive and will not make the return to pay the interest. The land has been degraded through poor cropping practices and they still want far too much money for it. The things we could do if we had more land ... we have the education but not the money.**

Source: Survey of Victorian Farmers, May–June 2024.

3

Conversely, a student studying agriculture who made a name withheld submission to the Inquiry argued that the rising price of farmland may be beneficial for the industry. She noted that the higher value of farmland has increased the equity held by some farming businesses. She felt that urban encroachment is ‘forcing’ farmers to consider options for improving productivity without expanding outwards.<sup>96</sup>

Other stakeholders suggested that higher land prices only benefit larger agricultural businesses, as smaller businesses cannot afford to expand. This is contributing to the consolidation of farming businesses, which reduces the diversity of the agricultural sector and may have repercussions for its resilience to shocks and stresses (see Chapter 7). The Municipal Association of Victoria noted that ‘increasing land value prices out smaller farming operations seeking expansion’.<sup>97</sup> Nursery and Garden Industry Victoria said the availability and affordability of land is ‘encouraging larger, more corporatised businesses to continue to evolve, compressing the smaller ones’.<sup>98</sup> International local government advocacy group ICLEI Local Governments for Sustainability Oceania reported that smaller, peri-urban farms are selling to larger-scale ‘super growers’.<sup>99</sup>

Bronwyn Koll, Regional Co-ordinator of Keep Yarra Valley Fruit Fly Free, shared a personal experience with the Committee. She described how her family’s farm in the Yarra Valley was purchased by a larger, neighbouring agricultural business:

When my family moved ... to a new family farm in the late 1980’s, my father and grandfather thought the property would be enough to support two families ... Thirty something years later it could hardly support an older couple with not a great deal of personal expenses being drawn. It was bought out by a neighbour with a larger, more corporate business structure and varied interests behind the finance.<sup>100</sup>

<sup>96</sup> Name withheld, *Submission 14*, p. 1.

<sup>97</sup> Municipal Association of Victoria, *Submission 56*, p. 7.

<sup>98</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 5.

<sup>99</sup> ICLEI Local Governments for Sustainability Oceania, *Submission 29*, p. 3.

<sup>100</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 3.

PwC observed that the consolidation of farming businesses is particularly evident in cropping, where the number of farms has declined by 11% between 2006–07 and 2016–17. The average area planted per farm has increased from 758 hectares to 1,048 hectares over the same period.<sup>101</sup> The Australian Food Sovereignty Alliance—a farmer-led advocacy group—suggested that the trend is national and encompasses both farms and agricultural adjacent businesses—such as food processors:

... in 1980 there were 21,994 dairy farms nationally, in 2022 just 4,420 remained, and by 2016 just five companies processed 79 percent of Australian milk by volume.<sup>102</sup>

**FINDING 12:** Rising land prices are reducing the viability of commercial agriculture in peri-urban regions, particularly at smaller scales. High land prices often mean that only larger-scale farms can afford to expand. This may be contributing to the consolidation of the agricultural sector.

### 3.4.3 Land banking puts local governments and farms under pressure

High land prices can also lead to a phenomenon known as ‘land banking’. Land banking describes the speculative investment in land along the fringes of the city, with the objective of selling it for a profit if it is rezoned for residential development. It typically occurs when the sales value of agricultural land becomes greater than its productive value. Foodprint Melbourne found that uncertainty about the permanency of the city’s urban growth boundary and the future of green wedge areas is fuelling land banking around the state capital. It also suggested that land banking is ‘sometimes accompanied by intense lobbying of state government politicians and local government councillors to rezone farmland for residential use’.<sup>103</sup>

The experiences of the City of Whittlesea reflect Foodprint Melbourne’s findings. Approximately 60% of the municipality is non-urban, green wedge land. It also includes around 93 kilometres of Melbourne’s urban growth boundary, dividing green wedge land from urban areas in the municipality.<sup>104</sup>

The City of Whittlesea submitted that—like other green wedge municipalities—it has experienced significant issues with land banking along the non-urban side of the urban growth boundary.<sup>105</sup> It noted that agricultural land in Melbourne’s green wedge areas is sometimes openly marketed as a land banking opportunity in sales advertising materials. Foodprint Melbourne made a similar observation.<sup>106</sup> (See Box 3.7

<sup>101</sup> PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, pp. 24–25.

<sup>102</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 4.

<sup>103</sup> R. Carey, J. Sheridan and K. Larsen, *Food for thought: challenges and opportunities for farming in Melbourne’s foodbowl*, 2018, pp. 29–32.

<sup>104</sup> City of Whittlesea, *Submission 40*, p. 1.

<sup>105</sup> *Ibid.*, pp. 3–5.

<sup>106</sup> R. Carey, J. Sheridan and K. Larsen, *Food for thought: challenges and opportunities for farming in Melbourne’s foodbowl*, 2018, pp. 30–31.

for an example identified by the Committee.) The City of Whittlesea observed that, when agricultural land is misleadingly marketed in this way, purchasers can have 'expectations' that the land will be rezoned for development. They may seek to apply pressure on the local government to expand the urban growth boundary as a result.<sup>107</sup>

### Box 3.7 Agricultural land is openly marketed as an opportunity for land banking along the fringe of metropolitan Melbourne

#### Land for sale 120 acres in Oakland Junction



#### Farm features

Address: available by request

Suburb: Oaklands Junction

#### Land banking opportunity for investors and land bankers!!

Real Core Property Group is delighted to offer this unique opportunity of 120 acres for investment in the Northern corridor of Melbourne.

Melbourne's north is undergoing substantial transformation, with a widening socio-economic mix and a diversifying economy. The region plays an international and interstate gateway role in terms of the Melbourne airport, Hume freeway and the Melbourne-Sydney-Brisbane rail line.

(Continued)

<sup>107</sup> City of Whittlesea, *Submission 40*, pp. 3-5.

**Box 3.7 Continued**

The site has a future potential as it is not far from the existing development.

Key features:

- Total area is 120 acres.
- The property is in Green Wedge Zoning.
- 8 mins to Craigieburn central.
- 20 mins to Melbourne Airport.
- 35 Mins to Melbourne CBD.
- Close to all amenities and main road exposure.

Source: Realty.com.au, *Oaklands Junction, VIC 3063*, <<https://www.realty.com.au/off-market/vic-oaklands-junction-2544030>> accessed 6 September 2024.

Land banking has several negative consequences for peri-urban agriculture. When a parcel of agricultural land is 'banked' for its possible future value, it can fuel further speculative investment in the surrounding lands, thereby raising land prices. For example, the Australian Chicken Growers Council submitted that '[p]eri-urban farmers consistently report being harassed by developers to sell'.<sup>108</sup>

Land banking increases uncertainty around the future uses of agricultural land along the urban growth boundary. Farmers uncertain whether land will continue to be cultivated may be reluctant to invest in new infrastructure or technology to increase the productivity of their business.<sup>109</sup> The Australian Chicken Growers Council told the Committee that farmers located along the urban fringe may cease investing in their land and agricultural business up to 30 years before their property is sold and rezoned. It pointed out that this results in 'poorer quality farms' that are less productive, and which make 'no investment in emissions management'.<sup>110</sup>

The Committee also heard that land banking can cause productive agricultural land to be left idle or neglected. This may increase pest issues for surrounding properties.<sup>111</sup> Brimbank City Council observed that good farmland is being 'left unused and unmanaged, becoming a breeding ground for weeds and pests'.<sup>112</sup> The City of Whittlesea suggested that developers who bank land are actually incentivised to allow

<sup>108</sup> Australian Chicken Growers Council, *Submission 5*, p. 8.

<sup>109</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 16.

<sup>110</sup> Australian Chicken Growers Council, *Submission 5*, p. 7.

<sup>111</sup> R. Carey, J. Sheridan and K. Larsen, *Food for thought: challenges and opportunities for farming in Melbourne's foodbowl*, 2018, pp. 29–32; City of Whittlesea, *Submission 40*, pp. 3–5.

<sup>112</sup> Brimbank City Council, *Submission 21*, p. 2.



the environmental and agricultural values of the land to degrade, as this may ‘increase development potential’ by supporting the argument that the land has no better use.<sup>113</sup>

**FINDING 13:** Agricultural land in green wedge areas, adjacent to Melbourne’s urban growth boundary, is being marketed, purchased and ‘banked’ for its possible increased value if the land is rezoned for development. Local governments may experience pressure to rezone land.

**FINDING 14:** Land banking may result in agricultural land being left idle, reducing the productivity of Melbourne’s green wedges and creating pest issues for neighbouring properties. Uncertainty about the future of agricultural land in these areas also discourages farmers from investing in their businesses.

The Committee notes that from 1 July 2023 the Victorian Government’s new Windfall Gains Tax may help to reduce land banking. Developers and speculative investors will be taxed when non-residential land increases in value as a result of being rezoned for development. If rezoning increases the value of land by \$100,000 to \$500,000, the value uplift above \$100,000 will be taxed at 62.5%. If rezoning increases the value of land by \$500,000 or more, a tax rate of 50% will apply to the total value uplift. In this way, the tax aims to reduce the profitability of land banking and make it a less attractive investment strategy.<sup>114</sup> The City of Whittlesea also noted the potential impact of this tax to dampen speculative investment.<sup>115</sup>

The Committee also recognises that maintaining a strong urban growth boundary around Melbourne and introducing further boundaries for Victoria’s regional centres will also help address land banking.

Urban growth boundaries are discussed further in Chapter 4.

#### 3.4.4 Subdivision is fragmenting agricultural landscapes

The subdivision of larger farm allotments around Melbourne, Geelong, Ballarat and Bendigo has created a fragmented agricultural landscape—inhabited by a mix of large commercial farms, smaller artisanal farms and rural lifestyle properties.<sup>116</sup>

Subdivision is both a legacy issue and an ongoing concern in peri-urban farming areas.<sup>117</sup> Historical subdivision has created many properties smaller than the minimum

<sup>113</sup> City of Whittlesea, *Submission 40*, p. 4.

<sup>114</sup> State Revenue Officer, *Windfall gains tax*, <<https://www.sro.vic.gov.au/windfall-gains-tax>> accessed 28 June 2024; Hon Daniel Andrews MP, *Contributing a fair share for a stronger Victoria*, media release, 15 May 2021.

<sup>115</sup> City of Whittlesea, *Submission 40*, p. 4.

<sup>116</sup> The Rural Planner, *Submission 32*, p. 10.

<sup>117</sup> *Ibid.*; City of Greater Bendigo, *Submission 41*, p. 2; Michael Buxton, *Submission 54*, p. 5; City of Whittlesea, *Submission 40*, p. 8; Australian Chicken Growers Council, *Submission 5*, p. 7; Name withheld, *Submission 42*, p. 2.

lot size specified in the Victorian Planning Provisions (typically 40 hectares).<sup>118</sup> For example, the City of Whittlesea informed the Committee that there are ‘several rural living areas’ within the Whittlesea Green Wedge that are a legacy of historic subdivision.<sup>119</sup> Likewise, RMIT University’s Centre for Urban Research submitted that lifestyle properties and smaller farms are now prevalent within commuting distance of Melbourne.<sup>120</sup> The Rural Planner estimated that the average size of rural lots in the Mornington Peninsula Shire is 15.5 hectares and that 52% of rural lots in the Mitchell Shire are less than 40 hectares.<sup>121</sup>

The City of Greater Bendigo described the fragmentation of farmland within its municipality. It noted that most of its rural blocks are less than 40 hectares (see Table 3.4).

**Table 3.4 Land area, number and percentage of land holdings in the Farming, Rural Conservation and Rural Living Zones in the City of Greater Bendigo**

Land area	Number of rural land holdings	Proportion of rural land holdings (%)
<2 ha	1,044	13.83
2 ha–10 ha	4,025	53.32
10 ha–40 ha	1,649	21.84
>40 ha	831	11.01
<b>Total</b>	<b>7,549</b>	<b>100.00</b>

Source: City of Greater Bendigo, *Submission 41*, p. 4.

The City of Greater Bendigo noted that it is seeking to minimise further fragmentation, but also suggested that ‘reversing the current trend or seeking to achieve consolidation of fragmented landscapes is challenging, if not impossible’.<sup>122</sup>

Victorian farmers who responded to the Committee’s survey provided anecdotal evidence that the subdivision of agricultural land to enable residential development still occurs today (see Box 3.8).

<sup>118</sup> The Rural Planner, *Submission 32*, p. 10.

<sup>119</sup> City of Whittlesea, *Submission 40*, p. 8.

<sup>120</sup> RMIT University Centre for Urban Research, *Submission 28*, p. 4.

<sup>121</sup> The Rural Planner, *Submission 32*, p. 10.

<sup>122</sup> City of Greater Bendigo, *Submission 41*, p. 2.

### Box 3.8 Victorian farmers said farmland is being subdivided for residential purposes

It seems now more valuable to sell or subdivide into smaller residential allotments than farm[.]

Council continues to allow adjoining neighbours to subdivide, which impacts on farming. Small allotments are residential size within a farming area.

Over the last 3–4 decades many thousands of [h]ectares of farmland, in this region, has been subdivided into [r]ural [r]esidential with complete loss of productivity.

Smaller subdivided landowners think they are in a city environment[.]

Source: Survey of Victorian farmers, May–June 2024.

The fragmentation of agricultural landscapes in this manner creates several serious challenges for farms operating in this environment.

Firstly, breaking up large agricultural allotments can create smaller farms that can struggle to achieve economies of scale necessary to remain viable. The City of Greater Bendigo submitted that the smaller size of most farms in its region means many ‘struggle ... to compete with broad acre livestock and cropping enterprises in other parts of Victoria or Australia’.<sup>123</sup> The City of Whittlesea observed that ‘whilst it is true that smaller land sizes can still be productive, land fragmentation is a barrier to efficiency and productivity’.<sup>124</sup> The Rural Planner acknowledged that productive farming can occur on a variety of lot sizes, but ‘fragmentation leads to land use conflict, loss of opportunity to scale up an enterprise, and can lead to lifestyle use’.<sup>125</sup>

Professor Buxton acknowledged the challenges faced by smaller-scale farms, but noted that the viability and productivity of a farm is also closely linked to the quality of the environment they are farming in. He observed that high-quality soils can support more intensive agriculture, making smaller farms viable. He contrasted the high productivity of small-scale farming in the lush soils of the Yarra Valley with those in the Macedon Ranges:

[The] Yarra Ranges has almost five times the number of [farm] businesses as [the] Macedon Ranges despite much smaller lot sizes, with only 57 businesses over 100 ha and almost 80% of businesses on less than 50 ha. This reflects the high soil productivity and benign climate of the Yarra Valley and its suitability for intensive agriculture. The relative displacement of large holdings through land fragmentation in Macedon Ranges has a much more serious impact on production.<sup>126</sup>

<sup>123</sup> Ibid., p. 4.

<sup>124</sup> City of Whittlesea, *Submission 40*, p. 8.

<sup>125</sup> The Rural Planner, *Submission 32*, p. 10.

<sup>126</sup> Michael Buxton, *Submission 54*, p. 5.

Secondly, the fragmentation of agricultural landscapes brings commercial farms into closer proximity with residential properties. This can give rise to conflicts between landowners over farming practices (discussed further in Section 3.4.5), or shared infrastructure and resources, such as roads and water. Urban development can change the hydrology of an area, reducing inflows into rivers and reservoirs, increasing competition for water.<sup>127</sup> The movements of trucks and over-sized farm equipment around roads can become more challenging because of increased residential traffic.<sup>128</sup>

**FINDING 15:** Subdivision is fragmenting agricultural landscapes in the peri-urban areas around Victorian cities. It is creating smaller farms, which may find it more challenging to remain economically viable. It is also changing the character of the landscape by introducing urban uses, such as residential properties.

The challenges arising from the fragmentation of agricultural areas is causing some farmers to relocate further away from Victorian cities. South Gippsland Shire Council reported that it is attracting new farms and agricultural businesses to its municipality, away from more fragmented peri-urban landscapes.<sup>129</sup> The Committee received a firsthand account of such a move from a celery and leek farmer, originally operating in the Melbourne suburbs of Dingley and Clyde. The farmer, who elected to withhold his name, described how urban encroachment forced him to relocate to Tarwin in South Gippsland, despite significant investment in farm infrastructure in his original locations.<sup>130</sup> Bronwyn Koll, Regional Co-ordinator of Keep the Yarra Valley Fruit Fly Free, comes from a multigenerational farming family. She observed that her family originally farmed in the inner and then outer eastern suburbs of Melbourne, before ultimately relocating to the Yarra Valley to escape urban encroachment. She noted that subdivision is now causing the fragmentation of farmland in that region:

The Yarra Valley is now fast following the same demise, becoming full of 'lifestyle' parcels or subdivision lots in the peri-urban space, forcing farmers to farm with greater constraints, or affordability of rates is pushing them 'further out'.<sup>131</sup>

The Committee heard that it is very challenging and not always possible for farms to relocate to less fragmented agricultural landscapes. It may be difficult to identify a region with suitable soil and water resources which is close to food processing industries. Ms Koll described how the costs associated with relocating can make it untenable:

Restart and relocation costs of beginning an enterprise again (the pack up and relocation time, set up, new specific buildings, soil mapping and planning, and loss

<sup>127</sup> Brimbank City Council, *Submission 21*, pp. 2–3; Victorian Farmers Federation, *Submission 55*, p. 8.

<sup>128</sup> Ibid.

<sup>129</sup> South Gippsland Shire Council, *Submission 25*, p. 3.

<sup>130</sup> Name withheld, *Submission 42*, p. 1.

<sup>131</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 2.

of income during the move (many crops are permanent like fruit trees that take many years to get into production, let alone the time to build a shed on a new farm opportunity!))

Even if I could afford to buy land for my own farming venture, I would find it hard to find the right soil and the required water for my venture. It's rarer and rarer to find!<sup>132</sup>

ICLEI Local Governments for Sustainability Oceania pointed out that farmers who move further away from cities face higher transportation and labour costs, which may be passed onto consumers:

For example, fresh berries still require hand picking, are more difficult to transport and have a short shelf life, meaning we are likely to see the wholesale cost of this fresh produce category escalate as farms are pushed further out from the Melbourne CBD.<sup>133</sup>

White Cloud Farms, which grows blueberries in Corinella, noted that farms which use above-ground technology, such as green houses or wicking beds, have more flexibility to relocate. However, it remains incredibly expensive and difficult.<sup>134</sup>

**FINDING 16:** Farming in a fragmented agricultural landscape is challenging. Some farmers are incurring significant costs associated with relocating further away from Victorian cities to avoid these challenges. Relocation is not a realistic option for many farms.

White Cloud Farms observed that the new Windfall Gains Tax may make it more difficult for farmers hoping to relocate out of peri-urban areas. This is because the tax will capture some of the value uplift created if their farmland is rezoned for development. It suggested that the Victorian Government should consider an exemption for food producers who re-establish their farming businesses further afield.<sup>135</sup>

The Committee acknowledges that the fragmentation of agricultural landscapes through subdivision makes it incredibly challenging to continue to farm in these areas. It believes the application of the new Windfall Gains Tax will help reduce the fragmentation of farmland by dampening the speculative investment and reducing the pressure on local governments to re-zone it for development.

### 3.4.5 The urbanisation of farming communities is causing conflict and increasing risk

As discussed in Section 3.3, communities along the fringe of Victorian cities, or within comfortable commuting distance, are accommodating more residents as the state's

<sup>132</sup> Ibid., pp. 2–3.

<sup>133</sup> ICLEI Local Governments for Sustainability Oceania, *Submission 29*, pp. 2–3.

<sup>134</sup> White Cloud Farms, *Submission 15*, pp. 1–2.

<sup>135</sup> Ibid.

population expands. Agricultural land is being developed to accommodate new residents. These trends can shift the demographics of these areas and cause communities that were historically considered 'rural' to become increasingly urban-focused. The social significance of agriculture may decline as farming must increasingly compete with new community values, such as recreational and environmental amenity.<sup>136</sup>

The urbanisation of formerly agriculturally focused communities can make it more difficult to farm in these areas. For example, sheep, cattle and crop farmer Emma Muir has lived in the Myrning area (near Bacchus Marsh) for almost 23 years. She made a submission describing the impact that urban development has had in her community and her ability to farm. She felt that '[u]rban sprawl has undone a lot of the good work done by communities'. She reported that new landowners didn't understand their responsibility to maintain the environment and the prevalence of pest plants and animals had increased. She said that local businesses have 'move[d] away from providing farm supplies', so farmers like herself must travel further to source inputs for their businesses. She said that road congestion has increased the cost and time it takes to transport her produce to market. She also reported that illegal rubbish dumping has increased and has become a 'constant battle'.<sup>137</sup>

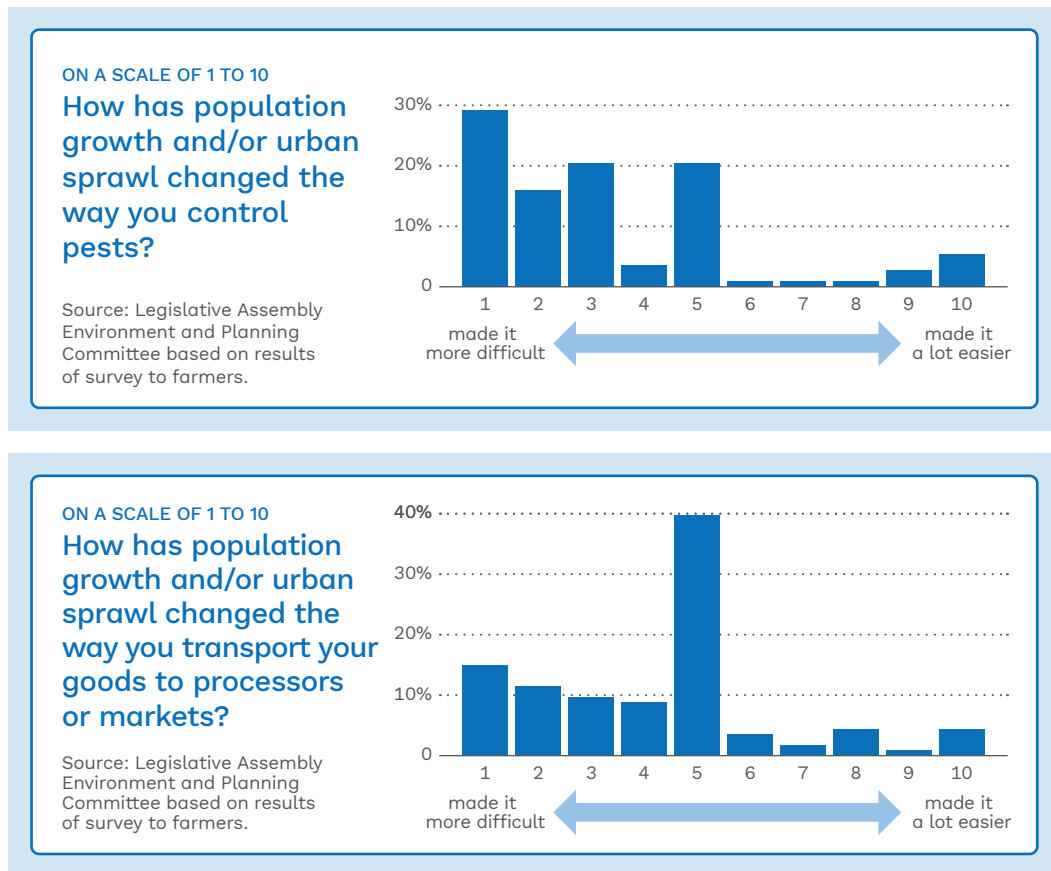
Victorian farmers who responded to the Committee's survey also reported that urban sprawl has made pest management and transporting produce more difficult, see Figure 3.9.

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<sup>136</sup> Michael Buxton, Andrew Butt, *The future of the fringe: The crisis in peri-urban planning*, 2020, CSIRO Publishing, p. 107.

<sup>137</sup> Emma Muir, *Submission 65*, p. 1.

**Figure 3.9 Victorian farmers on the impact of urban sprawl and population growth on pest management and transporting produce**



3

The Australian Chicken Growers Council reported that the urbanisation or ‘gentrification’ of farming communities is also exacerbating the labour shortages experienced by agricultural businesses. It submitted that urban encroachment ‘tends to bring with it a higher percentage of ... middle class office, professional and knowledge workers – and perhaps paradoxically labour availability for the production of food decreases’.<sup>138</sup>

**FINDING 17:** Residential development is urbanising historically agricultural communities. This can make it more difficult for farmers to source supplies, secure labour and transport their produce to markets.

Conflict between agricultural and residential landowners often becomes more prevalent as urbanisation brings these properties into closer proximity.<sup>139</sup> Several stakeholders described the tensions which can arise between these groups when they are brought together by the fragmentation of farming landscapes. The Australian

<sup>138</sup> Australian Chicken Growers Council, *Submission 5*, p. 7.

<sup>139</sup> Michael Buxton, Andrew Butt, *The future of the fringe: The crisis in peri-urban planning*, 2020, CSIRO Publishing, p. 105.

Chicken Growers Council noted that agricultural businesses—like their urban counterparts—produce unique smells, noise and traffic that can impact the community. However, while metropolitan populations may accept the odours, noise and traffic associated with businesses such as restaurants, they ‘are happy to complain’ about the by-products of agriculture.<sup>140</sup>

Case Study 3.2 describes some of the conflicts that can arise between chicken growers and residential landowners.

### Case Study 3.2 Noise and odour complaints faced by chicken meat producers

The Victorian and Australian Chicken Growers Councils both made submissions describing how best practice farming can attract complaints from neighbouring residential landowners. For example, they explained that chicken farmers prefer to transport their birds for slaughter and processing at nighttime. This enhances animal welfare outcomes as:

- drinking water must be removed from chicken sheds just prior to removal and birds do not typically drink during the night
- the birds are torpid or asleep during the night and are therefore less likely to panic when unfamiliar handlers come into the sheds to remove them
- nighttime is typically cooler and there is less traffic and noise on the roads, reducing the stress experienced by birds in transit.

The Councils explained that picking up and transporting birds means pick-up crews, trucks and lights are all operating at nighttime, producing noise which may cause conflict with neighbouring residential properties. The Australian Chicken Growers Council asserted that, when the local government or the Environment Protection Authority receives a complaint about these activities, ‘the farm is punished – even if they were present prior to the urban encroachment’:

Pick-up must be moved to “daylight pickup” in these circumstances, to the direct detriment of the bird’s welfare and worker safety ...

Farmers have been victimised by newcomers to the point that some farms have closed, farmers have struggled with mental health issues and some have simply closed the farm and left it empty, which is the ultimate waste of food producing prime arable land.

**(Continued)**

<sup>140</sup> Australian Chicken Growers Council, *Submission 5*, pp. 5-7.



### Case Study 3.2 Continued

Likewise, the Councils noted that chicken farmers typically compost waste materials (such as bird bedding, manure and mortalities) to produce fertiliser for co-located horticultural production. The process and resulting fertiliser have a distinctive smell. The Australian Chicken Growers Council suggested that ‘urban encroachment has resulted in odour complaints so severe that horticultural activities using meat chicken by-products have been curtailed’:

In some cases composting is no longer occurring and “raw” by-product is being transported off-farm with concomitant risk to biosecurity and increased carbon emissions.

Source: Australian Chicken Growers Council, *Submission 5*, pp. 5–7; Victorian Chicken Growers Council, *Submission 6*, p. 2.

The Victorian Farmers Federation provided similar evidence to the Committee. It suggested that when urban development is allowed to occur adjacent to farmland without an appropriate buffer of transitional land uses complaints can ‘sterilise up to 400m of farmland’.<sup>141</sup> The City of Whittlesea submitted an example illustrating the challenge of farming against residential properties and the serious impact this can have on an agricultural business (see Box 3.9).

### Box 3.9 Impact of urban encroachment on perimeter of Whittlesea Green Wedge

The City of Whittlesea noted that the boundary between green wedge and growth areas in some parts of its municipality is ‘hard’, meaning residential properties border farmland with little or no transitional land uses.

A livestock farmer operating along this border has had to transition to free-range egg farming due to issues arising from their proximity to residential properties. Issues have included:

- illegal access to land resulting in gates being left open, fences cut and livestock escaping onto surrounding roads
- damage to farmland from cars and motorbikes being illegally driven on the property
- the dumping of rubbish on and around the farm and surrounding properties.

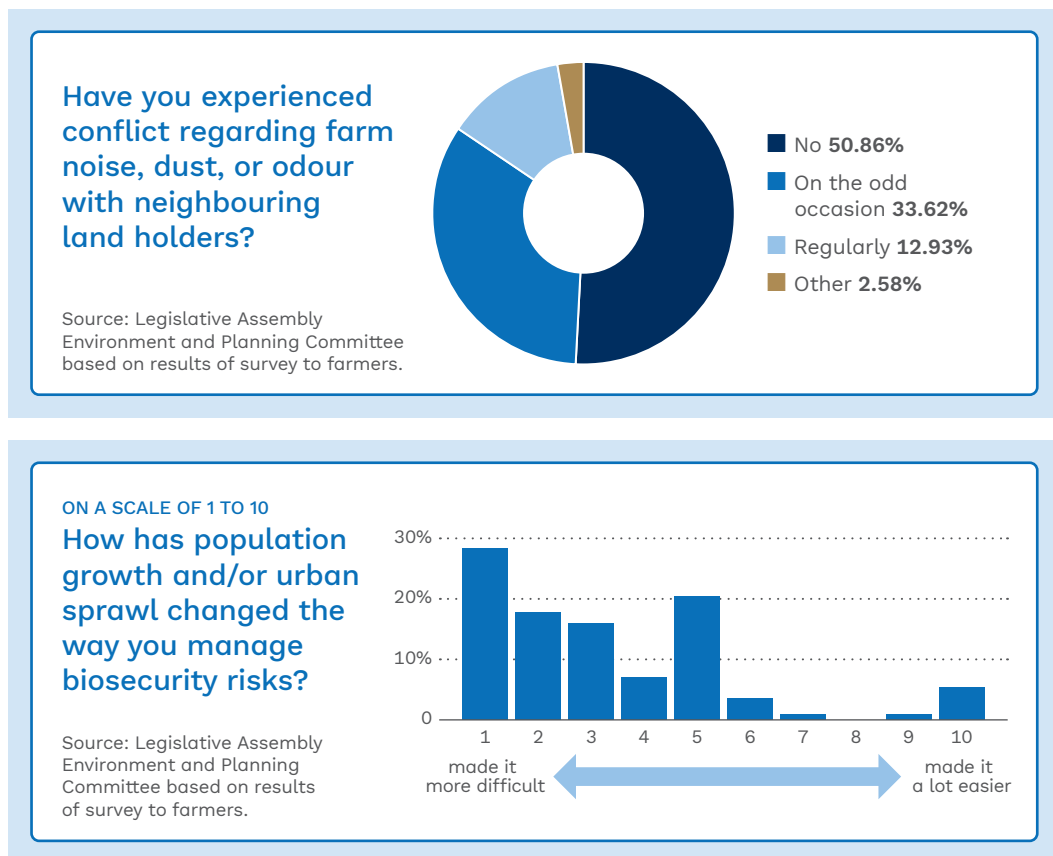
Source: City of Whittlesea, *Submission 40*, p. 8.

<sup>141</sup> Victorian Farmers Federation, *Submission 55*, p. 7.

In addition to complaints, the Australian Chicken Growers Council pointed out that the influx of residential properties into agricultural areas can also have biosecurity, social and productivity repercussions that must be managed by farmers. It said that domestic animals (such as dogs, cats and backyard chickens) can displace wildlife, forcing native animals such as ducks to resettle on farms. This presents a serious biosecurity risk to farmers as ducks may transmit diseases to chickens—such as Avian influenza.<sup>142</sup> It reported that urban encroachment has made peri-urban farms more visible to the community and increased instances of animal activists disrupting farm operations.<sup>143</sup>

Victorian farmers who responded to the Committee’s survey also reported that they have experienced conflict with neighbouring landholders and that biosecurity risk is more difficult to manage because of urban sprawl (see Figure 3.10).

**Figure 3.10 Victorian farmers on conflict with neighbouring landholders and biosecurity risk**



**FINDING 18:** The urbanisation of agricultural landscapes brings residential landowners and farmers into closer proximity. This can increase the prevalence of conflicts between these groups arising from farm odours, dust or noise, trespassing, domestic animals and illegal rubbish dumping.

<sup>142</sup> Australian Chicken Growers Council, *Submission 5*, p. 6.

<sup>143</sup> *Ibid.*

# Chapter 4

## Protecting agricultural land

As discussed in Chapter 3, Victorian agricultural land, particularly along the fringe of cities, is under pressure from urbanisation. Subdivision is fragmenting farming regions, rising land values are reducing the viability of food production and inappropriate residential development is permanently sterilising some of the most fertile farmland in the state.

Most stakeholders, including the Victorian Government, agree that stronger planning controls are needed to protect agricultural land from inappropriate development.<sup>1</sup> Especially during this current period of unprecedented population growth, which is seeing demand for food grow, both in Australia and internationally, and as the changing climate may reduce the productivity of agricultural regions.

The Victorian Government began work to strengthen planning controls for farmland in 2018, with the commencement of the Planning for Melbourne's Green Wedges and Agricultural Land project.

### 4.1 Planning for Melbourne's Green Wedges and Agricultural Land

The Planning for Melbourne's Green Wedges and Agricultural Land project focused on strengthening the planning controls for green wedge areas and peri-urban agricultural land within 100 kilometres of metropolitan Melbourne.

Green wedges are large non-urban areas of land along the fringe of metropolitan Melbourne. They are characterised by a mix of land uses including agriculture, major infrastructure (such as airports and water facilities), quarries, cultural heritage sites, water catchments and important biodiversity values.<sup>2</sup> Peri-urban agricultural land sits just outside of Melbourne's green wedges, but within 100 kilometres of the central business district.

Melbourne's green wedges are separated from metropolitan areas by an urban growth boundary. The urban growth boundary seeks to reduce urban sprawl and promote the

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1 For example, RMIT University Centre for Urban Research, *Submission 28*, p. 4; Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, pp. 5–7; University of Melbourne SAFES, *Submission 46*, pp. 6–7; Farmers for Climate Action, *Submission 17*, p. 2; Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, p. 2; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 7.

2 Department of Transport and Planning, *Green wedges*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges>> accessed 25 March 2024.

densification of existing metropolitan areas by delineating between urban land and rural land and defining an outer limit for residential development.<sup>3</sup>

Melbourne’s urban growth boundary, green wedge areas and peri-urban agricultural land is depicted in Figure 4.1.

**Figure 4.1 Planning for Melbourne’s Green Wedges and Agricultural Land study area**



Source: Department of Environment, Land, Water and Planning, *Planning for Melbourne’s green wedges and agricultural land: Consultation paper*, May 2020, p. 3.

Melbourne’s urban growth boundary and several special protections for green wedge areas have been in place for around two decades. However, as evidence collected throughout the Inquiry demonstrates, urban sprawl and inappropriate development in green wedge areas and the agricultural lands surrounding the capital city remains a live issue.<sup>4</sup>

<sup>3</sup> Jie Lu, Chaojie Liu and Michael Buxton, ‘The Impact of Urban Growth Boundaries in Melbourne on urban sustainable development’, *Engineering Heritage Journal*, vol. 5, no. 1, 2021, pp. 34–41.

<sup>4</sup> For example: Australian Chicken Growers Council, *Submission 5*, p. 9; The Rural Planner, *Submission 32*, pp. 3, 6; Municipal Association of Victoria, *Submission 56*, p. 11; University of Melbourne SAFES, *Submission 46*, pp. 6–7.

In the lead up to the 2018 election, the Victorian Government committed to permanently protecting these lands from overdevelopment and commenced the Planning for Melbourne’s Green Wedges and Agricultural Land project:

The Planning for Melbourne’s Green Wedges and Agricultural Land program responds to the government’s 2018 election commitment to permanently protect Melbourne’s green wedges from overdevelopment by strengthening statutory planning controls, clarifying the definition of ‘permitted land use’, determining the appropriate size and scale of uses in non-urban settings, and strengthening permanent planning controls and legislation to protect and support agricultural land surrounding Melbourne.<sup>5</sup>

The project also delivered key actions identified in *Plan Melbourne 2017–2050*, including:

- Action 17 – Support strategic planning for agriculture
- Action 72 – Review green wedge planning provisions
- Action 73 – Green Wedge Management Plans.<sup>6</sup>

The project commissioned research to identify agricultural land use trends in Victoria and conducted several rounds of consultation. Hundreds of landowners, farmers, agricultural organisations, community groups, local governments and peak bodies made detailed contributions to the project. It received around 900 submissions and held almost 200 public information sessions.<sup>7</sup>

The project culminated in the release of the *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024* (the Action Plan) in March 2024.<sup>8</sup>

The Action Plan acknowledges the ongoing pressure to convert Melbourne’s green wedge and agricultural lands to other uses, fuelled by land banking and ongoing demand for rural living (explored further in Chapter 3). It outlines 20 actions the Victorian Government will take to strengthen planning controls to prevent inappropriate development in green wedge areas, in agricultural land within 100 kilometres of Melbourne, and in agricultural land statewide. Actions include targeted initiatives, like applying a new protective planning overlay to irrigated farmland in Werribee and Bacchus Marsh. They also include general measures such as updating agricultural planning policy to better protect agricultural land within 100 kilometres of Melbourne.<sup>9</sup> Eight actions are expected to be implemented within 12 months of the release of the plan (March 2025) and 12 are long-term aspirations which require further consultation and research to implement effectively (March 2027).<sup>10</sup>

5 Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Response to options report*, 2024, p. 2.

6 Ibid.

7 Ibid.

8 Ibid.

9 Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024*, 2024, p. 15.

10 Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 13.

Stakeholder expectations for the Action Plan were high given its six-year genesis and the extensive research and consultation which informed it. Many welcomed it as a step in the right direction. For example, Foodprint Melbourne—a University of Melbourne research group—said the Action Plan ‘lays out a positive future vision for Melbourne’s food bowl’, which recognises that ‘food production on Melbourne’s fringe is important to secure the city’s food supply in the face of population growth and climate change’.<sup>11</sup> However, stakeholders also observed that the Action Plan:

- took too long to develop, allowing further prime agricultural land to be lost to urbanisation in the meantime<sup>12</sup>
- is Melbourne centric, despite similar challenges impacting agricultural land around Victoria’s regional cities<sup>13</sup>
- proposes ‘weak’, mostly non-binding or enforceable measures to protect agricultural land which are open to interpretation, such as policies and guidance for planners<sup>14</sup>
- is a ‘plan to make a plan’ meaning, most of the actions it proposes will require further consultation and are not expected to be implemented until March 2027.<sup>15</sup>

The Action Plan proposes further consultation to finalise several of its longer-term actions.<sup>16</sup> The Municipal Association of Victoria felt that the ultimate success of the Action Plan hinges on how local government, landowners, farmers and Traditional Owners’ views are reflected in the finalised actions and how quickly these actions are implemented. It expressed ‘concern’ that local governments may not be adequately consulted to ensure effective reform is undertaken which avoids unintended consequences. It recommended that the Victorian Government leverage local governments’ expertise in developing and monitoring actions to protect agricultural land.<sup>17</sup>

The Association also recommended that the Victorian Government ‘develops a Victoria-wide approach [to] agricultural and rural land use planning, based on the proposed green wedges and agricultural land reforms’.<sup>18</sup> Several other stakeholders echoed this view, suggesting that broader reform of the Victorian planning framework is necessary to protect farmland across the state. For example, the Victorian Farmers Federation—an advocacy group representing the state’s farmers—recommended a

<sup>11</sup> University of Melbourne SAFES, *Submission 46*, p. 7.

<sup>12</sup> Moorabool Shire Council, *Submission 11*, p. 5.

<sup>13</sup> Ibid.; Municipal Association of Victoria, *Submission 56*, p. 9.

<sup>14</sup> University of Melbourne SAFES, *Submission 46*, p. 7; Michael Buxton, *Submission 54*, p. 12; Victorian Farmers Federation, *Submission 55*, p. 5; The Rural Planner, response to questions on notice received 10 June 2024, p. 9.

<sup>15</sup> Michael Buxton, *Submission 54*, p. 12; Victorian Farmers Federation, *Submission 55*, p. 5; Municipal Association of Victoria, *Submission 56*, p. 8; Sustain: The Australian Food Network, *Submission 51*, p. 21; Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 1–2; The Rural Planner, *Submission 32*, p. 9; Moorabool Shire Council, *Submission 11*, p. 5.

<sup>16</sup> Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Response to options report*, 2024, pp. 16, 18, 22, 28, 29; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 13.

<sup>17</sup> Municipal Association of Victoria, *Submission 56*, pp. 9–10.

<sup>18</sup> Ibid., p. 11.

review of all planning provisions that apply to farmland to ensure they support best practice food production.<sup>19</sup> Likewise, Foodprint Melbourne said ‘more needs to be done to strengthen protection for all remaining agricultural land around Melbourne and regional cities in Victoria’.<sup>20</sup> The Housing Industry Association—the national peak body for residential building—was the only stakeholder who cautioned against further planning reform to protect agricultural land from urbanisation:

HIA supports the combination of using existing planning controls and enhancing non-statutory measures ... Further planning reforms that lead to a proliferation of new, confusing and competing planning controls will only add more ‘red tape’ to a buckling planning system.<sup>21</sup>

The Committee observes that it is difficult to determine whether actions proposed by the Planning for Melbourne’s Green Wedges and Agricultural Land project will be successful at this early stage. Very few actions have been implemented and the details of others are yet to be finalised through consultation.

The Committee would like to see the actions proposed in the Action Plan expedited. Some of Victoria’s most productive peri-urban farmland has been lost throughout the six years the plan was in development and further land will be developed during the three years proposed to fully implement the Action Plan.

It is critical that this work is prioritised going forward. Particularly, as the Action Plan’s focus on protecting agricultural land balances the complementary objectives identified in the Victorian Government’s Housing Statement and the new Plan for Victoria (discussed in Chapter 3). The Committee would also like greater visibility around the implementation of the Action Plan.

**RECOMMENDATION 4:** That the Department of Transport and Planning provide regular progress updates on the implementation of the *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024*. Updates on each action should be published on the Department’s website each year in March until all actions are implemented (commencing March 2025). Updates should be detailed, outlining the steps taken to implement each action to date and the work left to do.

The Committee also acknowledges concerns that the Action Plan relies primarily on non-mandatory measures—such as new planning policies and practice notes—to protect farmland. It has recommended several, more specific, mandatory changes to the Victorian planning framework throughout this Chapter. The Committee hopes that these measures will supplement and strengthen the overarching policy and guidance proposed in the Action Plan.

<sup>19</sup> Victorian Farmers Federation, *Submission 55*, pp. 3, 11.

<sup>20</sup> University of Melbourne SAFES, *Submission 46*, p. 3.

<sup>21</sup> Housing Industry Association, *Submission 57*, p. 3.

The Committee would also like the measures proposed in the Action Plan applied statewide, wherever necessary, to protect all agricultural land. It has recommended that this be done as part of a Victorian Food System Strategy—proposed in Chapter 2.

## 4.2 Strengthening the Victorian planning framework

In Victoria, planning and decision making in relation to land use and development occurs under the *Planning and Environment Act 1987* (Vic) (the Planning Act). The Planning Act establishes a broad framework for ‘planning the use, development and protection of land in Victoria’ by:

- setting out objectives for land planning, development and protection across the state
- establishing the roles and responsibilities of the Minister for Planning, government departments, local governments and the community in relation to planning land use, development and protection
- providing the legal basis for policies, procedures and controls for planning use, development and protection of land.<sup>22</sup>

The Planning Act also provides for subordinate legal instruments which set out the detailed principles and rules for planning the use, development and protection of land in Victoria. These instruments include the Victorian Planning Provisions, local planning schemes, regulations and Ministerial directions.<sup>23</sup>

Figure 4.2 illustrates the different elements of the Victorian planning framework.

Planning for the use, development and protection of land in Victoria is a responsibility shared by the Minister for Planning, state government departments and local governments.<sup>24</sup> All planning decisions must comply with the Planning Act and the planning framework. The key elements of the planning framework are described in the following sections.

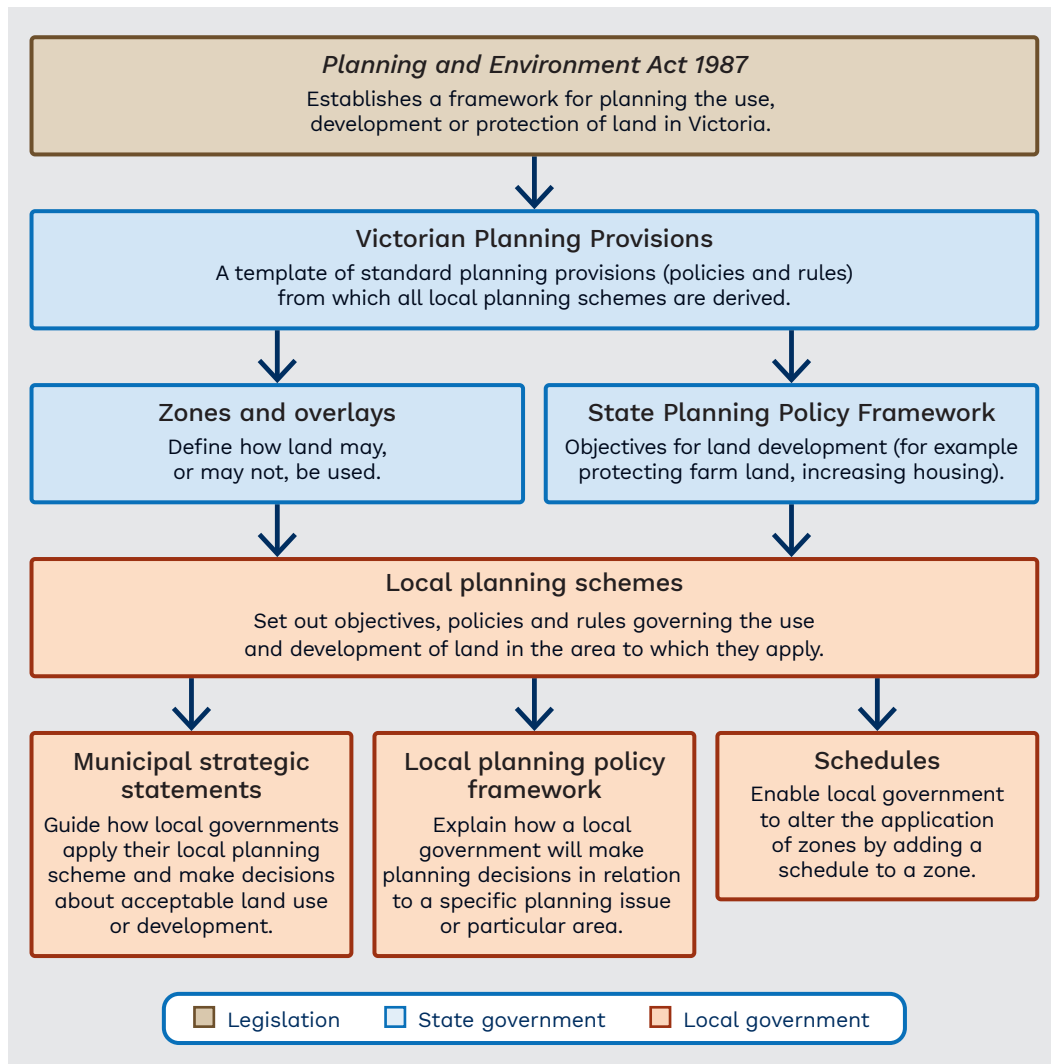
22 Department of Transport and Planning, *Legislation and regulations*, 2024, <<https://www.planning.vic.gov.au/guides-and-resources/legislation-regulation-and-fees/legislation-and-regulations>> accessed 13 March 2024.

23 Ibid.

24 Ibid.; Victorian Planning Authority, *About*, <<https://vpa.vic.gov.au/about>> accessed 13 March 2024; Department of Transport and Planning, *The role of the Minister*, 2023, <<https://www.planning.vic.gov.au/guides-and-resources/legislation-regulation-and-fees/the-role-of-the-minister>> accessed 13 March 2024; Victorian Civil and Administrative Tribunal, *Planning disputes*, <<https://www.vcat.vic.gov.au/case-types/planning>> accessed 13 March 2024; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p 18.



Figure 4.2 Overview of the Victorian planning framework



Source: Department of Transport and Planning, *Guide to Victoria's Planning System*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system>> accessed 13 September 2024.

### 4.2.1 Victorian Planning Provisions

The Victorian Planning Provisions (VPPs) are central to the Victorian planning framework. Established by Part 1A of the Planning Act, the VPPs provide a statewide template from which all local planning schemes are constructed. They set out the State Planning Policy Framework (explained in Section 4.2.3) and a complete set of standard planning provisions, such as zones and overlays (described in Section 4.2.4). They ensure that all local planning schemes across the state take the same format and include consistent policy objectives, provisions and controls for various land uses and development.<sup>25</sup>

<sup>25</sup> Department of Transport and Planning, *The VPP and planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/practitioners-guide-to-victorias-planning-schemes/the-vpp-and-planning-schemes>> accessed 13 March 2024.

Figure 4.3 shows how the VPPs provide a complete set of standard planning provisions and a consistent format for local planning schemes (including clause numbering).

**Figure 4.3 Structure of local planning schemes as provided for by the VPPs**

POLICY SETTINGS	PURPOSE & VISION 00	Purposes of this planning scheme 01	Municipal Planning Strategy 02																			
	PLANNING POLICY FRAMEWORK 10	Settlement 11	Environmental & Landscape Values 12	Environmental Risks & Amenity 13	Natural Resource Management 14	Built Environment & Heritage 15	Housing 16	Economic Development 17	Transport 18	Infrastructure 19												
DECISION RULES	ZONES 30	No content 31	Residential Zones 32	Industrial Zones 33	Commercial Zones 34	Rural Zones 35	Public Land Zones 36	Special Purpose Zones 37														
	OVERLAYS 40	No content 41	Environmental & Landscape Overlays 42	Heritage & Built Form Overlays 43	Land Management Overlays 44	Other Overlays 45																
	PARTICULAR PROVISIONS 50	Provisions that apply only to a specified area 51	Provisions that require, enable or exempt a permit 52	General requirements & performance standards 53	One dwelling on a lot 54	Two or more dwellings on a lot and residential buildings 55	Residential subdivision 56	No content 57	Apartment developments 58	VicSmart applications & requirements 59												
	GENERAL PROVISIONS 60	No content 61	General Exemptions 62	Existing Uses 63	General provisions for use and development of land 64	Decision Guidelines 65	Referral & Notice Provisions 66	Applications under s96 of the Act 67														
	OPERATIONAL PROVISIONS 70	Operation of this planning scheme 71	Administration and enforcement of this planning scheme 72	Meaning of Terms 73	Strategic implementation 74																	

Source: Department of Transport and Planning, *The VPP and planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/practitioners-guide-to-victorias-planning-schemes/the-vpp-and-planning-schemes>> accessed 13 March 2024.

### 4.2.2 Prioritising all farmland in the State Planning Policy Framework

The State Planning Policy Framework (SPPF) is an important component of the VPPs. It outlines the Victorian Government’s statewide and regional objectives for land planning, development and protection. It informs how local governments apply the VPPs through their local planning scheme.<sup>26</sup>

<sup>26</sup> Department of Transport and Planning, *The VPP and planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/practitioners-guide-to-victorias-planning-schemes/the-vpp-and-planning-schemes>> accessed 13 March 2024.

Each planning policy in the framework articulates objectives, outlines strategies to achieve this objective and refers to other relevant policy documents which must be considered when implementing the policy.<sup>27</sup>

The SPPF is broad. Its policies span issues from accommodating population growth and enhancing environmental values, to conserving heritage buildings, facilitating economic development and developing appropriate infrastructure.<sup>28</sup> Several policies include objectives or strategies which aim to protect agricultural land from inappropriate development.<sup>29</sup>

The breadth of the framework means that objectives which aim to protect agricultural land for food production must be balanced with competing objectives like ensuring a sufficient supply of land is available for residential development. Local planners applying the framework must weigh up these conflicting aspirations when they are making decisions about the development of land.<sup>30</sup> Submitters noted that this is a difficult task, particularly in peri-urban municipalities where the competition between urban and agricultural land uses is most pronounced.<sup>31</sup> They observed that farmland continues to be lost to urbanisation, despite the presence of several policies aimed at protecting it.<sup>32</sup>

The Committee received several explanations as to why farmland continues to be developed despite SPPF content promoting the protection of agricultural land. It heard that the framework's policies and strategies are too vague and require planners to consider the 'economic importance' and 'strategic significance' of farmland when deciding proposals to develop it. This, coupled with planners' typically poor understanding of viable agriculture as being larger scale, broadacre or commercial farming, results in decisions which undervalue the small-scale farming which occurs in peri-urban areas.<sup>33</sup> The Green Wedges Coalition—an advocacy group aimed at protecting Melbourne's green wedges—said that 'anything that is not fully self-sufficient commercial farming ... [may] be considered for other high value economic uses such as residential development'. It termed this the 'declining agriculture viability fallacy' and said it is a self-fulfilling prophecy:

There is an argument being put by developers that the open farmland in much of the Green Wedges is low value or even no value and therefore should be able to be used for different forms of built development. Development proposals often state that the

<sup>27</sup> Department of Transport and Planning, *Victorian Planning Provisions*, <<https://planning-schemes.app.planning.vic.gov.au/Victoria%20Planning%20Provisions/ordinance/10>> accessed 13 March 2024; Department of Transport and Planning, *Chapter 1: Planning schemes, 2024*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 15 March 2024.

<sup>28</sup> Department of Transport and Planning, *Victorian Planning Provisions*, <<https://planning-schemes.app.planning.vic.gov.au/Victoria%20Planning%20Provisions/ordinance/10>> accessed 13 March 2024.

<sup>29</sup> For example, see: *Victorian Planning Provisions*, clauses 11.03.3S, 11.01.1R, 14.01, 14.01.2S and 16.01.3S.

<sup>30</sup> Department of Transport and Planning, *The VPP and planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/practitioners-guide-to-victorias-planning-schemes/the-vpp-and-planning-schemes>> accessed 13 March 2024.

<sup>31</sup> For example: Cardinia Shire Council, *Submission 16*, p. 6.

<sup>32</sup> University of Melbourne SAFES, *Submission 46*, p. 3; The Rural Planner, *Submission 32*, p. 5.

<sup>33</sup> The Rural Planner, *Submission 32*, pp. 15–17; Green Wedges Coalition, *Submission 30*, pp. 3–4; *Victorian Planning Provisions*, cls 10–19.

location is “Vacant Land” and that the development is creating economic activity, implying that currently there is no economic activity. This is a false narrative as the agricultural production on the land is an economic activity that is feeding the nation, generating jobs on farm, in the supply chain and in the manufacturing centres where some of the fresh food is processed and packaged.<sup>34</sup>

The Green Wedges Coalition said that planners overlook the fact that many smaller farms are supported by off-farm income, the environmental value of sound land management, and the future potential of agricultural land if it is retained for farming. For example, a new farmer could pursue more intensive production methods on a property.<sup>35</sup>

The Green Wedges Coalition recommended that the Green Wedge policy (Clause 11.01-1R) be amended to explicitly prohibit new rural residential development in green wedge areas to protect farmland.<sup>36</sup>

The Rural Planner—an agricultural land planning consultancy—provided similar evidence. It referred to an NSW study which suggested that developers can secure exemptions from policies protecting farmland in peri-urban areas by arguing that farmland:

- is not currently being used for agriculture or has a low productivity (compared to large commercial farms)
- is too small to be a viable farm and is therefore of low agricultural value
- could create conflict with adjoining residential landowners if it is kept for farming as the landscape is already fragmented.<sup>37</sup>

The Rural Planner said that these arguments may be accepted by planners because planning policies are vague, and planners often do not understand and therefore undervalue peri-urban farming:<sup>38</sup>

Decision making ... risks being guided by an early to mid-twentieth century view of the Australian family farm, when broadacre farming prevailed and family income was pre-supposed to rely on one breadwinner ...<sup>39</sup>

The Rural Planner argued that farm viability should be understood more holistically in the peri-urban context.<sup>40</sup> Founder Linda Martin-Chew suggested that ‘if the economic viability of farms is important, this should be addressed under a set of criteria within the [State] Planning Policy Framework rather than being subject to the cultural experience or bias of an individual decision maker’.<sup>41</sup>

<sup>34</sup> Green Wedges Coalition, *Submission 30*, pp. 3–4.

<sup>35</sup> *Ibid.*, p. 4.

<sup>36</sup> Green Wedges Coalition, *Submission 30*, p. 6.

<sup>37</sup> The Rural Planner, *Submission 32*, pp. 6–7.

<sup>38</sup> *Ibid.*, p. 1.

<sup>39</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 5.

<sup>40</sup> The Rural Planner, *Submission 32*, pp. 8–9.

<sup>41</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 5.

The Victorian Farmers Federation also suggested that the economic contribution of agriculture in general is poorly recognised by planners. It felt that a contributing factor is that agriculture primarily features in the SPPF within natural resource management policy. It suggested that this enables it to be ‘sidelined in planning decisions’ in favour of urban development. It called for agriculture to be included in the SPPF as an economic development policy.<sup>42</sup> David Gibb, Member of the Green Wedges Coalition, made similar observations.<sup>43</sup>

The Rural Planner also observed that the general nature of the agriculture policies and their focus on protecting land also makes them difficult to apply to development proposals which aim to enhance or diversify farming businesses:

Although the [S]PPF largely addresses ‘protection’ it does not provide specific guidance about what production activity on farms (including new sources of revenue) and associated development should be encouraged.<sup>44</sup>

It noted that this can prevent development that increases the viability of smaller scale peri-urban farms.<sup>45</sup> Linda Martin-Chew referred to a recent VCAT case where the SPPF policy considered by a local government when it decided to approval a proposal to develop a micro-abattoir on a farm was later used to argue against it at VCAT (see Box 4.1).<sup>46</sup>

#### Box 4.1 O’Neill v Hepburn Shire Council [2024] VCAT 197 (4 March 2024)

Jonai Farms & Meatsmiths is a 69-acre cattle and pig farm at Eganstown, just outside of Daylesford. It operates under a community-supported agricultural model, selling pork and beef to ‘subscribers’ who invest in the farm in exchange for regular delivery of its produce.

Animals raised on the farm are currently slaughtered offsite, at a commercial abattoir, but returned to the farm for butchering. The farm has incorporated a boning and curing room, commercial kitchen and a butcher’s shop since 2013.

In November 2022, Jonai Farms & Meatsmiths applied to Hepburn Shire Council for planning permission to expand its operations by constructing a micro-abattoir in one of its paddocks. It was pursuing this infrastructure due to concerns that consolidation of commercial abattoirs may result in the farm’s access to slaughtering services being curtailed (this issue is discussed further in Chapter 6). Hepburn Shire Council approved the application in July 2023.

(Continued)

<sup>42</sup> Victorian Farmers Federation, *Submission 55*, pp. 3, 10.

<sup>43</sup> David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 34.

<sup>44</sup> The Rural Planner, *Submission 32*, p. 16.

<sup>45</sup> Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 51.

<sup>46</sup> *Ibid.*, p. 54.

**Box 4.1 Continued**

In December 2023, neighbouring landholders (led by O'Neill) sought a review of this decision by the Victorian Civil and Administrative Tribunal (VCAT). O'Neill questioned whether the proposed micro-abattoir was consistent with planning policy relating to the use, development and protection of agricultural land (this was the same planning policy which Hepburn Shire Council considered when approving the proposal). O'Neill argued that an abattoir is an industrial use and therefore shouldn't be permitted in an agricultural area. O'Neill also argued that developing an abattoir on the farm would result in the unacceptable loss of prime agricultural land.

The case was heard by a Senior Member of VCAT at a hearing in February 2024.

The Senior Member found that, far from resulting in the loss of farmland, the development would facilitate 'a range of agricultural uses and compatible rural industrial uses'. Further, she found that cattle farming and abattoirs should be both considered agricultural:

[O'Neill has] submitted this is an industrial land use on farming land with no intrinsic link to agriculture. I am not persuaded of this submission in regard to this proposal. 'Intrinsic' is defined in the online Macquarie Dictionary as an adjective meaning 'belonging to a thing by its very nature'. I agree with Mrs Jonas' submission that it is inherent in farming that livestock is grown for consumption (amongst other purposes), so the slaughtering of livestock does belong by its very nature to the growing of livestock. Mrs Jonas points out farmers can legitimately slaughter their own livestock for their own consumption on their farms. An abattoir is then a place in which livestock can be slaughtered for a larger cohort of consumers. How large a scale this may be depends upon the characteristics of the particular abattoir. In this proposal, Mrs Jonas is referring to it as a micro abattoir.

The Senior Member upheld Hepburn Shire Council's decision and agreed that the micro-abattoir is compatible with agricultural planning policy.

The case is an example of the same agricultural policy being used to support arguments for and against critical farm infrastructure.

Source: Tammi Jonas, Owner, Jonai Farms, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, pp. 28–29; *O'Neill v Hepburn SC* [2024] VCAT 197.

The Victorian Government has committed to updating the agricultural policies in the SPPF as part of its Planning for Melbourne's Green Wedges and Agricultural Land project. Several actions propose tipping the balance of the SPPF further in favour of protecting agricultural land (within 100 kilometres of Melbourne) from competing uses and supporting farm-enhancing infrastructure. These actions are described in Table 4.1.

**Table 4.1 Actions to update the SPPF to protect agricultural land from competing uses**

Action	Aim	Timing	Affected land
4. Develop a new regional policy to preserve opportunities for irrigated agriculture around Melbourne	The new policy will provide overarching direction to decision makers and promote the re-use of treated wastewater and stormwater for agricultural purposes.	Short	100 km
5. Update agricultural planning policy to better protect agricultural land within 100 kilometres of Melbourne and make the best use of our fertile soils	The SPPF will be amended to strengthen protections for agricultural land within 100 kilometres of Melbourne.	Short	100 km
8. Update the SPPF to encourage appropriate siting, design and scale of sensitive uses and development in rural areas within 100 kilometres of Melbourne – thereby avoiding conflicts with agricultural uses	Aims to reduce conflicts between farmers and other landholders by amending the SPPF to encourage the appropriate design and siting of non-farming land uses in rural areas within 100 kilometres of Melbourne.	Short	100 km
9. Update planning policy to emphasise the non-urban values, purpose, and character of the green wedges	The SPPF will be updated to emphasis the non-urban value of green wedges, including their agricultural value.	Short	Green wedges

Source: Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, pp. 5, 7–8, 10, 15.

Stakeholders noted that the efficacy of these actions cannot be assessed as the detail of the updated and new policies has not been released.<sup>47</sup> Nonetheless, the Rural Planner said it is concerned that Action 5 refers to fertile soils and that none of the proposed updates appear to support development to enhance peri-urban farms:

... “making the best use of our fertile soils”... implies that some land will be treated differently. The risk here is that the “other” land becomes fair game for non-agricultural use and further subdivision ...

Missing from this action is an intent to support “other activities complementary to agriculture” in regional policy which is relevant to agricultural areas across Victoria.<sup>48</sup>

Professor Buxton—from RMIT University’s Centre for Urban Research—said that updating planning policy is a ‘weak’ measure to protect agricultural land from development as the SPPF is ‘constantly ignored by decision makers’.<sup>49</sup>

The Committee is concerned to hear that the general nature of the SPPF and its vaguely defined concepts, such as economically important or strategically significant agriculture, may be contributing to decisions which result in the development of farmland.

<sup>47</sup> For example, The Rural Planner, response to questions on notice received 10 June 2024, p. 7.

<sup>48</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 9.

<sup>49</sup> Professor Michael Buxton, response to questions on notice received 12 June 2024, p. 2.

The SPPF provides the policy basis from which all local planning schemes, local policies and municipal strategic statements are derived. It is foundational to good planning and decision making. It is essential that the SPPF outlines clear policy objectives based on concepts which are well defined and easily applicable to a range of development proposals.

The lack of detail in the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024* makes it difficult to assess whether the proposed new and updated SPPF policies will address the concerns outlined by stakeholders. To be effective, the Committee believes that these measures must:

- strengthen the planning policy imperative for protecting all agricultural land from inappropriate development and supporting food production
- define key policy concepts to improve its interpretability
- acknowledge the value of small, peri-urban farms more holistically, as a source of:
  - local food supply and economic activity
  - regenerative land management practices
  - diversity and resilience in Victoria's food system
- encourage innovative farming practices and development which enhances the productivity and viability of farming in peri-urban areas.

The Committee also believes there is benefit in applying these policies to peri-urban areas more broadly, to assist local governments around regional cities to manage similar competing land uses.

**RECOMMENDATION 5:** That the Victorian Government ensure that updates to the State Planning Policy Framework undertaken as part of the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*:

- strengthen the planning policy imperative for protecting all agricultural land from inappropriate development to secure Victoria's food supply
- define key policy concepts to improve the interpretability of agricultural policies
- acknowledge the value of small peri-urban farms, as a source of:
  - local food supply and economic activity
  - regenerative land management practices
  - diversity and resilience in Victoria's food system
- encourage innovative farming practices and development which enhances the productivity and viability of farming in peri-urban areas.



### 4.2.3 Ensuring zones and overlays are fit-for-purpose

All Victorian land is subject to a zone. A range of zones are provided by the VPPs for inclusion in local planning schemes and each reserves land for a different use (such as housing, industry or agriculture). Each zone establishes rules for how land may or may not be subdivided, the construction of buildings and infrastructure, and other uses. They describe if a planning permit is required for development, and the matters that local governments must consider before granting a permit.<sup>50</sup> Permitted and prohibited uses of land within each zone are set out across three 'sections':

- Section 1 describes uses which do not require a planning permit.
- Section 2 describes uses which require a planning permit, usually establishing a range of conditions which must be met.
- Section 3 describes uses which are prohibited in the zone because they may conflict with permitted land uses. For example, industrial uses are prohibited in residential zones.<sup>51</sup>

There are currently six 'rural zones' which provide for agricultural land uses. Farming is the primary permitted land use in four of these rural zones – the Farming Zone, Rural Activity Zone, Green Wedge Zone and the Green Wedge A Zone. However, farming is subordinate to other uses in the Rural Conservation Zone and the Rural Living Zone and requires a permit. Intensive agriculture, such as broiler farms, are prohibited in these zones.<sup>52</sup> Around 60% of Victorian land is in the Farming Zone (just over 13.5 million hectares).<sup>53</sup>

There is no ability for a local government to create and introduce a new type of local zone. Additional zones can only be introduced by an amendment to the VPPs.<sup>54</sup> However, local governments can request that land be rezoned by amending their local planning scheme. This process is quite complicated and requires 'robust strategic justification' and approval from the Minister for Planning at a minimum. Rezoning land within the Green Wedge Zone or the Green Wedge A Zone requires a 'high level of strategic justification' and must be ratified by both houses of the Victorian Parliament.<sup>55</sup>

An overlay may be applied to land in addition to a zone. Overlays are applied to land with special features such as areas which are flood prone or land with heritage buildings. Overlays introduce additional rules for the use or development of land which

50 Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 13 March 2024.

51 Victorian Smart Planning, What is a zone, <<https://planning-permit.com.au/application/what-is-a-zone>> accessed 11 June 2024.

52 Department of Transport and Planning, *PPN42: Applying the rural zones*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/planning-practice-notes/applying-the-rural-zones>> accessed 13 March 2024; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 7.

53 Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 5.

54 Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 15 March 2024.

55 Department of Transport and Planning and Agriculture Victoria, *Submission 65*, p. 7.

take account of these special features. For example, a heritage overlay can ensure heritage buildings are protected by requiring a planning permit to demolish buildings. Not all land is subject to an overlay, but some land is subjected to multiple overlays.<sup>56</sup> The application of an overlay to an area may introduce a requirement for a permit to use land for agriculture. For example, the use of land for agriculture (other than animal production and apiculture) requires a planning permit in the Urban Floodway Zone.<sup>57</sup>

Local governments can ‘fine tune’ the application of zones and overlays to local circumstances by adding a schedule to alter their application. Schedules are used to adapt local planning schemes to the needs and circumstances of individual municipalities in specific circumstances.<sup>58</sup> They can be used to soften planning protections for agricultural land. For example, a schedule to a farming zone can reduce the minimum lot size permitted through subdivision.<sup>59</sup>

The Committee received several suggestions for strengthening zones and overlays to prevent the inappropriate development of farmland.

### Limit subdivision across all zones that enable farming

Many submitters suggested limiting subdivision in all zones which enable agriculture (the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone). There was support for establishing a minimum lot size and for discouraging further subdivision in peri-urban areas. Stakeholders argued that this will help prevent the further proliferation of small lots in Victoria’s already fragmented peri-urban agricultural regions and assist in controlling farmland prices.<sup>60</sup>

Ms Martin-Chew argued that a much higher ‘level of evidence’ should be required to subdivide land or for a local government to reduce the minimum lot size permitted through subdivision (by applying a schedule to a zone). She suggested that planners considering subdivision applications should be required to ensure that any resulting lots can support agriculture:

... the current minimum lot size in zone schedules should not be treated as the default lot size, with little to no consideration given to whether the lot can be agriculturally productive. It may be time for the state government to remove the ability for Councils to reduce the minimum lot size via a change to the schedule.<sup>61</sup>

The Municipal Association of Victoria also called for the Victorian Government to require greater justification for proposals to subdivide land within a farming zone.

<sup>56</sup> Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 13 March 2024.

<sup>57</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 65*, p. 7.

<sup>58</sup> Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 13 March 2024.

<sup>59</sup> R. Carey, J. Sheridan and K. Larsen, *Food for Thought: Challenges and opportunities for farming in Melbourne’s foodbowl*, report for the Lord Mayor’s Charitable Foundation and The University of Melbourne, 2018, p. 22.

<sup>60</sup> For example, Yarra Ranges Council, *Submission 18*, p. 5; Michael Buxton, *Submission 54*, p. 18; The Rural Planner, response to questions on notice received 10 June 2024, p. 3; City of Whittlesea, *Submission 40*, p. 9.

<sup>61</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 3.

It highlighted planning reform in 2017 which introduced a streamlined, ‘fast-tracked’ pathway for two-lot subdivision (through VicSmart), as long as resulting lots were at least 40 hectares. It suggested that these reforms have ‘increased residential use in zones such as the Farming Zone, without the opportunity to consider potential impacts’ on agriculture.<sup>62</sup> Professor Buxton was also critical of ‘fast tracking mechanisms’ which facilitate approvals for development without the normal assessments required by the planning system. He argued that these processes will erode green wedge areas around Melbourne if they continue.<sup>63</sup>

Professor Buxton supported setting the minimum lot size for subdivision in peri-urban areas ‘at levels which prevent further small lot rural-residential development’.<sup>64</sup> He noted that the minimum lot size in the Green Wedge Zone is 40 hectares, but the Green Wedge A Zone minimum is only 8 hectares and there is no lot size limitations in the Rural Conservation Zone.<sup>65</sup> He recommended that the Victorian Government audit the minimum lot size permitted through subdivision across all zones enabling farming. He said that an audit is required to ‘gain a clear picture of the minimum subdivision sizes being applied’ before ‘standards’ can be raised to support agriculture:

Large lot requirements for subdivision help maintain lots of an adequate size for viable farms and protect the environment. Such measures prevent development which raises the per-hectare value of land, encourages speculative activity and reduces the rate of return from farming, ultimately eliminating viable agriculture.<sup>66</sup>

The Victorian Government also recognised the need to strengthen subdivision controls in peri-urban areas. Action 16 of the Planning for Melbourne’s Green Wedges and Agricultural Land project commits to ‘prohibit[ing] subdivision of small lots below the minimum lot size in some zones within 100 kilometres of Melbourne’. These changes will be implemented by March 2025.<sup>67</sup> While this measure was generally supported by stakeholders to the Inquiry,<sup>68</sup> the Housing Industry Association was concerned that this would reduce planners’ discretion. It felt that planners should have autonomy to allow, ‘for example, an appropriately sized dwelling excision, where it is justified [and] there will be no reasonable impact to existing or future agricultural land use’. It noted that this is currently allowed.<sup>69</sup> However, the Committee received evidence that this practice can ‘entrench rural residential style dwelling uses in rural areas’ to the detriment of nearby farmers and should also be curtailed.<sup>70</sup>

<sup>62</sup> Municipal Association of Victoria, *Submission 56*, p. 10; Peter Hunt, ‘Victoria fast-tracks farm subdivision into two blocks of 40ha-plus each’, *The Weekly Times*, 15 September 2017, <<https://www.weeklytimesnow.com.au/news/national/victoria-fasttracks-farm-subdivision-into-two-blocks-of-40haplus-each/news-story/86a354948f21e6147bfaf878f209afc7>> accessed 22 July 2024.

<sup>63</sup> Michael Buxton, *Submission 54*, p. 18.

<sup>64</sup> *Ibid.*, p. 3.

<sup>65</sup> *Ibid.*, pp. 3, 11.

<sup>66</sup> *Ibid.*, p. 18; Professor Michael Buxton, response to questions on notice received 31 July 2024, p. 1.

<sup>67</sup> Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024, 2024*, pp. 18, 20.

<sup>68</sup> For example, see: City of Whittlesea, *Submission 40*, p. 9; The Rural Planner, *Submission 32*, pp. 10–11; Michael Buxton, *Submission 54*, p. 3.

<sup>69</sup> Housing Industry Association, *Submission 57*, p. 3.

<sup>70</sup> South Gippsland Shire Council, *Submission 25*, p. 4.

Further, stakeholders felt that, while Action 16 is an 'important' step in the right direction, broader reform is necessary to reduce the fragmentation of peri-urban agricultural areas.<sup>71</sup> For example, the Municipal Association of Victoria suggested that limiting the change to land within 100 kilometres of Melbourne would incentivise subdivision and development 'just beyond the arbitrary boundary', essentially moving the 'challenges to food supply' further out.<sup>72</sup>

Evidence received throughout the Inquiry made it clear to the Committee that the agricultural regions around Melbourne, Geelong, Bendigo and other regional cities are already highly fragmented. Subdivision is supporting the proliferation of smaller lots throughout farming regions, enabling urban encroachment and making it more difficult to farm. Smaller lots do not support the economies of scale traditionally relied upon by farmers to maintain the viability of their business. These issues are discussed in detail in Chapter 3.

The Committee believes that subdivision in peri-urban areas must be more tightly controlled to avoid undermining agriculture. It commends the Victorian Government's commitment to prohibit subdivision below the minimum lot size in some zones within 100 kilometres of Melbourne. This important initiative will help reduce further farmland fragmentation and was supported by inquiry participants. However, the Committee believes it could be strengthened to address concerns that:

- the minimum lot size may be too small to support viable agriculture in some zones
- subdivision is impacting farmland around the fringe of Victoria's regional cities.

These issues must be addressed to maintain the agricultural capacity needed to feed the state's growing population into the future. Prohibiting subdivision below the minimum lot size will not help retain land for farming if the minimum lot size is too small to viably farm. Moreover, farmland around Victoria's regional cities also needs to be protected from fragmentation.

The Committee would like to see an audit of minimum lot sizes permitted through subdivision in all zones supporting agriculture. The audit will inform action to ensure that any lots created through subdivision can support viable farming. It would also like to see subdivision below the minimum lot size prohibited in all zones which enable agriculture in all peri-urban municipalities around the state.

<sup>71</sup> Municipal Association of Victoria, *Submission 56*, p. 9; The Rural Planner, *Submission 32*, pp. 9-10.

<sup>72</sup> Municipal Association of Victoria, *Submission 56*, p. 9.

**RECOMMENDATION 6:** That the Victorian Government:

- Audit the minimum lot size permitted through subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone around the state.
- Work with local governments around the state to ensure that the minimum lot size permitted through subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone can support viable agriculture. This may require raising the minimum lot size permitted through subdivision.
- Prohibit the subdivision of small lots below the minimum lot size in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone within 100 kilometres of Melbourne, Geelong, Ballarat and Bendigo.

The Committee also believes that local governments must have the opportunity to consider the implications of a proposed subdivision on surrounding farmland before land is irreversibly split into smaller lots. That is why it includes a recommendation in the next section that the streamlined planning pathways for two-lot subdivision be discontinued in agricultural, conservation and green wedge zones.

### Strengthen the connection between housing and agriculture in the farming zone

The Committee received several submissions canvassing ways to ensure that all dwellings built in agricultural zones support farming or, at the very least, do not inhibit it.

Several inquiry participants suggested requiring new homes in a farming or green wedge zone to be connected to agriculture (or environmental restoration) as a condition of their approval. There was support for using legal agreements (such as section 173 agreements) to ensure properties continue to be used for farming following the construction of a house and not for rural residential living.<sup>73</sup>

Section 173 of the Planning Act enables a local government to establish a contract with a landowner restricting the development of land or requiring the management of land in a particular manner. This is known as a 'section 173 agreement'. These agreements can be recorded on the title to the land so that future owners and occupants are also bound by the conditions in the contract. Local governments use section 173 agreements to help achieve planning objectives for an area.<sup>74</sup>

<sup>73</sup> Mornington Peninsula Shire Council, *Submission 27*, p. 8; Australian Food Sovereignty Alliance, *Submission 24*, p. 10; White Cloud Farms, *Submission 15*, p. 2; South Gippsland Shire Council, *Submission 25*, p. 4; The Rural Planner, response to questions on notice received 10 June 2024, p. 4.

<sup>74</sup> *Planning and Environment Act 1987* (Vic) s 173.

White Cloud Farms—a blueberry producer based in Corinella—submitted that it should be ‘standard practice’ for all dwellings in farming regions to have a section 173 ‘which ensure parcels of land are to remain in certain farm uses’.<sup>75</sup>

South Gippsland Shire Council suggested that alternatively, the concept of an ‘agricultural dwelling’ could be added to the zones which enable farming and used to require new housing to have some nexus with agriculture as a condition of approval. It suggested that the right to any dwelling approved on this basis should lapse if the farming activities cease.<sup>76</sup>

Action 12 of the *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024* commits to reviewing and updating the ‘decision guidelines and application requirements for planning applications within green wedge zones’. In implementing this option, the Victorian Government has indicated that it will ‘consider a potential requirement for green wedge dwelling applications to demonstrate a link either to agriculture or to natural systems’. It noted that there is strong support for decision guidelines and significant feedback about ‘the need to ensure dwellings are linked to an operating agricultural use’. Action 12 will apply solely to green wedge areas and will be implemented by March 2027.<sup>77</sup>

White Cloud Farms and the Housing Industry Association suggested that section 173 agreements could also be applied to existing rural residential properties in farming regions before they are sold. To increase incoming owners’ awareness of what living in a farming community can entail and to curb future complaints about neighbouring farms.<sup>78</sup> The Association provided an example of a ‘typical’ agreement aimed at preventing conflicts between farming and non-farming landholders:

The Owner acknowledges and accepts that the possibility of nuisance from adjoining or nearby agricultural operations may occur. The possible off-site impacts include but are not limited to (dust, noise, odour, waste, vibration, soot, smoke or the presence of vermin), from animal husbandry, animal waste, spray drift, agricultural machinery use, pumps, trucks and associated hours of operation. In acknowledging the existence of the agricultural operations being conducted from adjoining or nearby land, the owner shall not make complaint against lawful agricultural activities on the adjoining or nearby land.<sup>79</sup>

However, the Committee heard that non-compliance with section 173 agreements is common. For example, South Gippsland Shire Council said that it often finds that agricultural uses have not commenced following the construction of a dwelling:

<sup>75</sup> White Cloud Farms, *Submission 15*, p. 2.

<sup>76</sup> South Gippsland Shire Council, *Submission 25*, p. 4.

<sup>77</sup> Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Action Plan 2024*, 2024, p. 20; Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Response to options report*, 2024, p. 12.

<sup>78</sup> White Cloud Farms, *Submission 15*, p. 2; Housing Industry Association, *Submission 57*, p. 5.

<sup>79</sup> Housing Industry Association, *Submission 57*, p. 5.

The existing policy settings motivate applicants for new dwellings to often overstate the agricultural potential of small landholdings proposed in many cases for non-traditional / niche forms of agriculture that are claimed to require a dwelling for their operation.

Where these dwellings are constructed it is common to find the agricultural uses are not viable, or not commenced, and the land is then lost to commercial agriculture due to the increased land value created by the dwelling.<sup>80</sup>

One reason for noncompliance is that local governments are not resourced to enforce section 173 agreements. Natalie Robertson of the City of Ballarat said that when agriculture is used to justify the need for a house in a zone enabling farming it is taken on 'face value'. She said that the enforcement of section 173 agreements would be 'very intensive'.<sup>81</sup> Ms Martin-Chew observed that all local governments find it challenging to enforce section 173 agreements. She said that seeking 'compliance through Planning Infringement Notices is a long and expensive process that rewards the landowners with the ability to pay for legal representation'. She advocated for a state-wide compliance solution that 'encourages individual landowner responsibility'. She noted that landowners in South Australia are subjected to greater accountability in relation to these types of agreements as they are publicly accessible.<sup>82</sup>

The Committee observes that legal agreements on land titles—such as section 173 agreements—have the potential to underscore the primary purpose of farming zones as food and fibre production. They could be useful for managing expectations and, if effective, could prevent agricultural land from being converted to rural lifestyle properties. However, their efficacy depends on enforceability, which is currently quite poor. The Committee believes that a more fit-for-purpose solution and uniform approach is needed. Agricultural easements (also known as covenants), which protect farmland from development, are used successfully in the United States of America to mitigate comparable challenges. The Committee believes that this mechanism offers a better solution for these challenges in Victoria. This concept is explored in Chapter 5.

The Committee also heard that farmers can find it challenging to get dwellings approved which enable agriculture to continue. For example, Poowong dairy farmer, Andrew Holman told the Committee that multi-generational farms need multiple farm dwellings to operate:

... a friend up the road has got 400 acres. He wants to build a new house, and it has got another house on it. He has got a son who wants to come home on the farm. The shire will not give him a building permit on that 400 acres unless he decommissions the other house ... If you go through and have a look at all the people nowadays that want a job within the dairy industry, one of the main criteria would be the second line, 'Have you got a house?' But the shire is saying, 'Oh, no, it is a perfectly good house. There is nothing wrong with it.' He just wants a newer house in his old age, and all of a sudden the shire has the right to say, 'No, we're not going to give you a building permit.'<sup>83</sup>

<sup>80</sup> South Gippsland Shire Council, *Submission 25*, p. 4.

<sup>81</sup> Natalie Robertson, City of Ballarat, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 6.

<sup>82</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 4.

<sup>83</sup> Andrew Holman, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 15.

The Committee is hopeful that increased certainty around future uses of land will make it easier for farmers to get the housing they need and increase their confidence to invest in farming infrastructure.

### Remove the right to a small secondary dwelling from green wedge and farming zones

The Committee heard that the recent introduction of the default right to build a small second dwelling on residential properties across all zones may be exacerbating the urbanisation of agricultural areas and should possibly be reversed. In December 2023, the Victorian planning framework was amended to enable a small second home (less than 60 m<sup>2</sup>) to be built on the same lot as an existing home without a planning permit (unless flood, environmental or other planning overlays apply). The small second dwellings can be leased but cannot be subdivided and sold separately to the main residence.<sup>84</sup>

The Municipal Association of Victoria said that the reform risks undermining local planning strategy aimed at protecting farmland:

... the as-of-right use for Small Second Dwellings (SSDs) in the Farming Zone without any siting or design control risks a proliferation of sensitive residential and accommodation uses on agricultural land. There is no ability in the planning scheme to restrict the use of the SSD, meaning the dwelling could be used for short-term rentals or other uses that conflict or are not associated with surrounding agricultural use ...<sup>85</sup>

Individual submitter Michael W said that the reforms ‘reversed years of work to discourage dwellings in farming zones’. He argued that the farming zone needs to be used strictly for farming.<sup>86</sup>

Yarra Ranges Council suggested that allowing small second dwellings to be built on residential properties in green wedge zones may be illegal. Part 3AA of the Planning Act requires parliamentary ratification of any changes to green wedge subdivision policy. Likewise, the *Upper Yarra Valley and Dandenong Ranges Authority Act 1976* (Vic) requires any amendment to a planning scheme in the Yarra Ranges municipality to be consistent with its *Regional Strategy Plan*, which protects environmental and agricultural attributes. The Yarra Ranges Council said it has sought advice on the legality of small secondary dwellings in the Green Wedge Zone, Green Wedge A Zone and the Rural Conservation Zone. It has provided this advice to the Victorian Government for consideration and requested policy guidance regarding small secondary dwellings in green wedge zones.<sup>87</sup>

<sup>84</sup> Department of Transport and Planning, *Small second homes*, <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/small-second-dwellings>> accessed 22 July 2024.

<sup>85</sup> Municipal Association of Victoria, *Submission 56*, p. 10.

<sup>86</sup> Michael W, *Submission 8*, p. 1.

<sup>87</sup> Yarra Ranges Council, *Submission 18*, pp. 4–5, 7; Department of Transport and Planning, *Upper Yarra Valley and Dandenong Ranges Regional Strategy Plan*, <<https://www.planning.vic.gov.au/planning-schemes/upper-yarra-valley-and-dandenong-ranges-regional-strategy-plan>> accessed 22 July 2024.



While not commenting directly on the as-a-right small secondary dwelling reform, the submission from the Australian Food Sovereignty Alliance also emphasised that residential development must be contained to residential zones, ‘not in zones intended to support food production’.<sup>88</sup>

The Committee acknowledges the benefits of allowing small second dwellings to be built on existing residential properties in urban environments. It helps deliver more affordable housing options in a tight rental market. It also enables families to stay together by accommodating older or younger family members in a small second home on the same property.

However, allowing small second dwellings in farming or green wedge zones has the potential to exacerbate complaints about farming, impact environmental values and exposes more people to bushfire risk. Local governments should have oversight of the construction of small second dwellings in these zones, to protect their primary uses and values. The default right to a small second dwelling should be restricted to properties within established townships and urban areas.

**RECOMMENDATION 7:** That the Victorian Government amend the Victorian planning framework to require local government planning approval to build a small second dwelling on a residential property within the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone.

The Victorian Government should also discontinue the VicSmart streamlined pathway for two-lot subdivision in the Farming Zone, Rural Activity Zone, Rural Conservation Zone, Green Wedge Zone and Green Wedge A Zone.

### Improve guidance for farm-based tourism in green wedges

Farm-based tourism can be a valuable source of income for smaller, peri-urban farms which may otherwise struggle to maintain their viability.<sup>89</sup>

The Committee heard that additional policy guidance is needed to ensure tourism offerings developed ‘in conjunction’ with agriculture (such as farm accommodation) are appropriate. It is important that their impact on productive agricultural land is minimised and that they do not create challenges for neighbouring farmers. For example, Yarra Ranges Council acknowledged that ‘tourism is vital to the existence of many farms—particularly agriculture in areas like the Yarra Valley where land price is prohibitive’. But argued that ‘it is important the tourism is complementary, supports the agricultural product coming from the land on which it exists and is limited in its agricultural land footprint’. It called for the Victorian Government to work with peri-urban local governments to improve policy guidance around tourism offerings developed in conjunction with agriculture. It said that better guidance would help it

<sup>88</sup> Australian Food Sovereignty Alliance, *Submission 24*, p 8.

<sup>89</sup> Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 52.

manage the significant pressure for developments such as wineries, accommodation, function centres, exhibition centres, restaurants, and events spaces in conjunction with agriculture.<sup>90</sup>

Mornington Peninsula Shire Council also submitted in favour of 'more comprehensive policies in relation to the location and appropriate form of tourism-based development in the Green Wedge'.<sup>91</sup> The Green Wedges Coalition suggested that the in-conjunction test for farm-based tourism should be strengthened.<sup>92</sup> It noted that when proposals for this type of development are considered by the Victorian Civil and Administrative Tribunal the outcomes are highly variable with 'some cases only requiring minimalist agriculture, or just in the nearby area'. It recommended that the in-conjunction test be amended to ensure development is appropriately sited to minimise its impact on agriculture.<sup>93</sup> Ms Martin-Chew supported education to increase local government's understanding of how tourism developed in conjunction with agriculture can support the viability of farms.<sup>94</sup>

While not referring to tourism developed in conjunction with agriculture specifically, the Planning for Melbourne's Green Wedges and Agricultural Land project does include Action 17 which targets some tourism uses in green wedge zones:

Action 17: Insert new conditions for exhibition centres, group accommodation and hotels.<sup>95</sup>

Action 17 is set to be implemented by March 2025.<sup>96</sup> However, the Yarra Ranges Council was not confident that this action is nuanced enough to effectively ensure tourism developed in conjunction with agriculture supports (rather than detracts from) food production:

... the issue is complex and requires a nuanced policy response, rather than simply new conditions for some ancillary land uses, as the Action appears to suggest. Council would welcome further discussion with the State Government on this.<sup>97</sup>

Hume City Council also advocated for a nuanced approach to proposals to develop tourism offerings in its green wedge area.<sup>98</sup>

The Committee observes that peri-urban farms are uniquely positioned to capitalise on farm-based tourism as they are close to large urban populations. Offering tourism experiences, such as farm-stays or farm-cafes, can enhance the profitability of farming

<sup>90</sup> Yarra Ranges Council, *Submission 18*, pp. 5–6.

<sup>91</sup> Mornington Peninsula Shire Council, *Submission 27*, p. 8.

<sup>92</sup> Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, pp. 32–33.

<sup>93</sup> Green Wedges Coalition, *Submission 30*, p. 7.

<sup>94</sup> Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 52.

<sup>95</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024, 2024*, p. 18.

<sup>96</sup> *Ibid.*, p. 20.

<sup>97</sup> Yarra Ranges Council, *Submission 18*, pp. 5–6.

<sup>98</sup> Hume City Council, *Submission 59*, p. 4.

businesses and improve the viability of the small-scale farming which typically occurs on the fringe of cities. Farm-based tourism can enable food production on a lot which otherwise wouldn't be feasible.

The Committee believes that applications to develop tourism in conjunction with agriculture should be supported so long as an appropriate balance is struck between maximising the availability of agricultural land for food production and supporting farmers to expand their businesses. Tourism development must be sited so as not to fragment the productive farmland on a property, to minimise its footprint, and to ensure buffers with neighbouring properties to minimise disruption and conflict.

**RECOMMENDATION 8:** That the Department of Transport and Planning develop a Planning Practice Note to guide the development of tourism in conjunction with agriculture. The note should assist planners to identify development which enhances food production and to ensure it is appropriately designed and sited to minimise the loss of agricultural land and the impact on neighbouring farms.

### Limit discretionary urban uses in the farming, green wedge and rural conservation zones

Several inquiry participants noted that the range of urban uses permitted in the green wedge and farming zones (as discretionary, section 2 uses which require a permit) has expanded significantly in recent years. This is facilitating the urbanisation of agricultural landscapes, making it more difficult to farm.<sup>99</sup>

Professor Buxton warned that the 'incremental approval of urban related uses and developments in the green wedge and broader rural zones' is a major threat to the future of productive agriculture in these areas. He said that the green wedge zones include 'a large number of ... urban-related uses' as section 2 uses, which are being approved with a permit.<sup>100</sup> For example, caravan parks, exhibition centres, materials recycling, places of assembly and worship, primary and secondary schools, research and development centres, residential buildings and solid fuel depots.<sup>101</sup> Professor Buxton suggested that this is undermining the intent of Melbourne's urban growth boundary and allowing inappropriate, landscape-altering development in green wedge areas.<sup>102</sup>

The Green Wedges Coalition and Brimbank City Council provided similar evidence. The Coalition noted that the Cardinia Shire Council alone has received nine planning permit applications and four requests to use green wedge land for a place of worship

<sup>99</sup> For example: South Gippsland Shire Council, *Submission 25*, p. 3; Michael Buxton, *Submission 54*, p. 2; Brimbank City Council, *Submission 21*, p. 6; Green Wedges Coalition, *Submission 30*, pp. 5-7.

<sup>100</sup> Michael Buxton, *Submission 54*, pp. 2-3, 7-8.

<sup>101</sup> *Ibid.*, pp. 7-8.

<sup>102</sup> *Ibid.*, pp. 2-3, 7-8.

during the past two years.<sup>103</sup> Brimbank City Council suggested that the cumulative impact of section 2 uses is undermining the objectives of green wedge areas:

... the approval of one discretionary use (such as a school) may not prejudice objectives seeking to protect and enhance green wedge values, however, the cumulative impact of approving multiple discretionary uses (all of which may individually satisfy relevant decision guidelines and conditions) in close proximity to each other, is likely to undermine broader green wedge objectives and cause conflict with agriculture due to complaints regarding noise, dust, traffic etc ... These uses also impact land values and land speculation, which can impact the viability of agriculture.<sup>104</sup>

Professor Buxton suggested that internationally, green wedge areas are much more focused on rural uses and prohibit urban uses. He advocated for a return to this approach in Victoria:

... is this so radical, to say that green wedges should be solely devoted to rural-related uses? Well, unsurprisingly, it is not; it is the convention internationally. If we look at green belts around the world, urban-related uses are prohibited, yet we do not prohibit much at all ... Thousands of hectares are lost, and we wake up the next morning or the next week or the next month or the next year and we say it is basically so compromised that the values that we thought were important are lost.

So that is the challenge ... to say, look, if they are that valuable, why not revert back to the international best practice and say they should be retained for the rural values that, by the way, they were set up to retain?<sup>105</sup>

Professor Buxton recommended that all section 2 urban uses currently permitted in the green wedge zones and Rural Conservation Zone be prohibited. Moreover, he suggested removing the ability to consider new, unlisted uses under section 2 of these zones.<sup>106</sup>

Infrastructure Victoria also recommended that 'government tighten restrictions on urban development in Rural Conservation Zones'.<sup>107</sup> The Green Wedges Coalition argued that the best way to address urban uses in green wedge and rural conservation zones is to prohibit the development of places of worship and schools. However, it also supported tightening up the restrictions around these developments, for example, by limiting their footprint and requiring these uses to be compatible with surrounding rural, agricultural or environmental land uses.<sup>108</sup> South Gippsland Shire Council submitted in favour of 'refocusing the provisions of rural land use zones like the Farming Zone on strongly discouraging, or prohibiting, land uses that do not

<sup>103</sup> Green Wedges Coalition, *Submission 30*, p. 7; Adam Carey, 'Fears green wedges in danger of being chipped away for urban uses', *The Age*, 13 April 2024, <<https://www.theage.com.au/politics/victoria/fears-green-wedges-in-danger-of-being-chipped-away-for-urban-uses-20240412-p5fj9u.html>> accessed 23 July 2024.

<sup>104</sup> Brimbank City Council, *Submission 21*, p. 6.

<sup>105</sup> Professor Michael Buxton, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 42.

<sup>106</sup> Michael Buxton, *Submission 54*, p. 18.

<sup>107</sup> Infrastructure Victoria, *Submission 20*, pp. 1-2.

<sup>108</sup> Green Wedges Coalition, *Submission 30*, pp. 6-7.

have a clear nexus to current commercial agriculture or appropriate Agri-tourism operations'.<sup>109</sup> It suggested that this could be paired with decision-making guidelines to ensure any development approved supports this focus.<sup>110</sup>

The Committee notes that the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024* includes actions which may support local governments to push back on inappropriate discretionary uses and ensure appropriate uses are sensitively designed:

Action 11: Develop a new Planning Practice Note for urban-rural interface areas that manages land use pressures and supports a permanent edge to growth

Action 13: Introduce mandatory site coverage, setbacks and building heights for discretionary uses in the Green Wedge Zone and Green Wedge A Zone as a pilot project.<sup>111</sup>

These actions are focused on green wedge areas and will be implemented by March 2027.<sup>112</sup> The new planning practice note for urban-rural interface areas will aim to 'support the interpretation of the planning scheme and guide discretionary decision-making'.<sup>113</sup>

Professor Buxton described the proposal for a new Planning Practice Note as a 'weak advisory measure ... without any real statutory impact'. He argued only changes to the section 2 uses permitted in zones will be effective in controlling development and protecting agricultural land.<sup>114</sup> Likewise, his colleague Professor Andrew Butt said that 'concrete provisions in zones seems to be more significant in decision making' by local governments.<sup>115</sup>

Brimbank City Council and the Yarra Ranges Council both advocated for stronger policy guidance to support the consideration of discretionary uses in green wedge areas. Brimbank called for 'clear policy guidance ... regarding decision making on discretionary uses in green wedge areas, including the explicit direction to consider the cumulative impact of discretionary uses on agriculture'.<sup>116</sup> Likewise, Yarra Ranges called for 'clear policy guidance' on discretionary uses in green wedge areas to 'prevent the proliferation of uses that don't have any real nexus with agriculture or justification on rural land'.<sup>117</sup>

<sup>109</sup> South Gippsland Shire Council, *Submission 25*, p. 3.

<sup>110</sup> *Ibid.*, pp. 3-4.

<sup>111</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*, 2024, pp. 17-18.

<sup>112</sup> *Ibid.*, p. 20; Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, pp. 13, 29.

<sup>113</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, p. 13.

<sup>114</sup> Professor Michael Buxton, response to questions on notice received 12 June 2024, p. 3.

<sup>115</sup> Professor Andrew Butt, response to questions on notice received 12 June 2024, p. 2.

<sup>116</sup> Brimbank City Council, *Submission 21*, p. 6.

<sup>117</sup> Yarra Ranges Council, *Submission 18*, p. 8.

The Committee shares stakeholder concerns regarding the cumulative impact of discretionary urban development in Melbourne's green wedges. It observes that many of these section 2 land uses have no nexus with the agricultural or environmental values of green wedge areas and belong in townships and urban areas, close to the communities which use them. For example: exhibition centres, places of assembly and worship, and primary and secondary schools. Allowing green wedge land to be developed for these purposes is degrading the value of these areas and exposing the public to bushfire risk. The Committee would like to see the discretionary uses permitted in the Green Wedge Zone, the Green Wedge A Zone and Rural Conservation Zone revised to remove all urban uses. This should occur in conjunction with the measures proposed in the Action Plan, namely:

- the development of a new Planning Practice Note for the urban-rural interface
- the introduction of tighter design controls for section 2 uses in green wedge zones.

These measures are also important and support local government consideration of applications for discretionary uses in green wedge areas. The Committee believes the Planning Practice Note should:

- discourage discretionary uses which have no link to agricultural or environmental values
- direct local governments to consider the cumulative impact of all discretionary development in green wedge areas.

The Committee also believes that the tighter design controls proposed (mandatory site coverage, setbacks and building heights) for discretionary uses should apply in the Rural Conservation Zone, as well as green wedge zones.

**RECOMMENDATION 9:** That the Victorian Government review and amend the Green Wedge Zone, the Green Wedge A Zone and Rural Conservation Zone to remove all Section 2 uses with no link to the agricultural or environmental objectives of these zones. This should be completed by March 2027.

It should also ensure that the Planning Practice Note for urban-rural interface areas proposed in Action 11 of the *Planning for Melbourne's green wedges and agricultural areas: Action plan 2024*:

- discourages discretionary uses which have no nexus to the agriculture or environmental values of the Green Wedge Zone, Green Wedge A Zone or the Rural Conservation Zone
- directs local governments to consider the cumulative impact of all discretionary development across green wedge areas.

Lastly, it should pilot the application of the new mandatory site coverage, setbacks and building heights for discretionary uses in the Green Wedge Zone, Green Wedge A Zone and the Rural Conservation Zone, as per Action 13 of the *Planning for Melbourne's green wedges and agricultural areas: Action plan 2024*.

## Extending planning protection to all agricultural land

Several inquiry participants submitted in support of the Victorian Government's commitment to apply protective overlays to the irrigated farmland in Bacchus Marsh and Werribee. The *Planning for Melbourne's green wedges and agricultural land: Action plan 2024* includes the following actions:

Action 1: Introduce a new planning scheme overlay to protect key irrigated agricultural areas in Werribee and Bacchus Marsh

Action 2: Develop criteria to guide the application of the new planning scheme overlay.<sup>118</sup>

Both actions will apply to farmland within 100 kilometres of Melbourne. Action 1 will be implemented by March 2027 and Action 2 will be implemented by March 2025.

Professor Buxton, Professor Butt and the Green Wedges Coalition all called for protective overlays to be applied to other key food production regions. The Green Wedges Coalition pointed out that five other peri-urban municipalities have greater agricultural output than Wyndham (where the Werribee irrigation district is located).<sup>119</sup> It questioned why overlays are not being applied to these regions and called for overlays to protect all agricultural land.<sup>120</sup> The City of Whittlesea also called for stronger planning controls to protect all agricultural land from inappropriate development:

While the significance of these areas [Bacchus Marsh and Werribee] is understood, Council officers are keen to ensure that other agricultural areas are not consequently considered insignificant. A diversity of agricultural land in terms of location and capacity is of prime importance in securing the security and resilience of this sector.<sup>121</sup>

Professor Buxton and Foodprint Melbourne both questioned whether the proposed overlay will be strong enough to protect the Bacchus Marsh and Werribee irrigation districts from urbanisation. Professor Buxton said it will depend on the detail of the overlay and called for it to include 'protective measures ... written in unambiguous, mandatory and measurable terms'.<sup>122</sup> Foodprint Melbourne argued that establishing a new 'food production zone' to protect agricultural land would be a better measure than an overlay:

An overlay has been proposed rather than a new zone. This overlay is likely to be, "subject to the same issue of ambiguity and interpretation that weaken existing measures to protect farmland on Melbourne's fringe".<sup>123</sup>

<sup>118</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*, 2024, pp. 15, 19.

<sup>119</sup> According to the Green Wedges Coalition, the municipalities of the Yarra Ranges, Cardinia, Mornington Peninsula, Whittlesea, and Casey all have greater agricultural output than Wyndham (by value): Green Wedges Coalition, *Submission 30*, p. 2.

<sup>120</sup> Green Wedges Coalition, *Submission 30*, pp. 14–15; Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 31; Andrew Butt, response to questions on notice received 12 June 2024, p. 1; Michael Buxton, *Submission 54*, p. 12.

<sup>121</sup> City of Whittlesea, *Submission 40*, p. 6.

<sup>122</sup> Professor Michael Buxton, response to questions on notice received 12 June 2024, p. 2.

<sup>123</sup> University of Melbourne SAFES, *Submission 46*, p. 7.

The Committee shares stakeholder views that the Victorian planning framework must protect all agricultural land. It agrees that applying a protective overlay to just two regions has the potential to give local governments and developers the impression that other agricultural regions are not as important to Victoria's food supply. That is why the Committee has recommended that a new Victorian Food System Strategy be developed which identifies all major food production regions across the state but protects all agricultural land (whether they are in such a region or not). Further detail is contained in Chapter 2.

#### 4.2.4 Local government and local planning schemes

A local planning scheme is a statutory document which outlines objectives, policies and controls for the use, development and protection of land in the municipality to which it applies. Local planning schemes are typically administered and enforced by the local government responsible for the region covered by the scheme.<sup>124</sup>

Local planning schemes adopt the standard provisions of the VPPs to regulate the development of land in a manner which achieves the objectives of the SPPF. Local planning schemes are comprised of:

- a Municipal Strategic Statement and local planning policies
- applicable policies from the SPPF
- a selection of zones and overlays needed to implement the SPPF
- appropriate schedules which modify the application of zones and overlays to suit local circumstances.<sup>125</sup>

Planning schemes must also comply with directions on the form and content of planning schemes issued by the Minister for Planning.<sup>126</sup>

#### Municipal Strategic Statement and local planning policies

Each local government in Victoria develops a Municipal Strategic Statement as part of their local planning scheme to translate the SPPF to the local context. A Municipal Strategic Statement is a 'concise statement of the key strategic planning, land use and development objectives for the municipality and the strategies and actions for achieving the objectives'.<sup>127</sup> Statements take into account local factors, such as the historical and regional context for the planning scheme, as well as key geographical

<sup>124</sup> Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 15 March 2024.

<sup>125</sup> Department of Transport and Planning, *The VPP and planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/practitioners-guide-to-victorias-planning-schemes/the-vpp-and-planning-schemes>> accessed 13 March 2024.

<sup>126</sup> Ibid.

<sup>127</sup> *Victorian Planning Provisions*, cl 23.02.



attributes and biodiversity assets of an area.<sup>128</sup> They guide how a local government applies their local planning scheme and makes decisions about acceptable land use.<sup>129</sup>

A Municipal Strategic Statement provides a strong indication of how a local government is balancing the competing objectives of the SPPF in their municipality. The statements of some local governments outline a clear commitment to protecting agricultural land, while others make only passing or no mention of these issues.<sup>130</sup> The Department of Transport and Planning and Agriculture Victoria explained in a joint submission to the Inquiry that while Municipal Strategic Statements and local planning policies must reflect the SPPF, how they balance supplying land for residential development and protecting agricultural land for food production is ultimately up to each individual local government:

At present, each municipal council has a responsibility to prepare a municipal housing strategy that sets out how many new dwellings need to be provided over a minimum 15-year period, and where these homes will be constructed and what they will look like. Although councils are under no explicit obligation to follow the State government's 70/30 targeted split between infill and greenfield locations, a municipal housing strategy must be consistent with state government policy and requires the Minister for Planning's approval before it can be incorporated into a planning scheme. State government has issued Planning Practice Notes on how to plan for additional housing, which are guides rather than legislation. Councils without legislated urban growth boundaries are therefore required to strike their own balance regarding protection of agricultural land when proposing changes to zones to ensure they have sufficient residential land to meet identified needs.<sup>131</sup>

Local planning policies sit underneath a Municipal Strategic Statement. They establish a local government's view on a specific planning issue or its intentions for a particular area. They explain how planning decisions will be made in relation to the issue or area.<sup>132</sup> For example, the Municipal Association of Victoria pointed out that most rural and regional local governments have rural land use strategies aimed at 'protecting agricultural land, identifying areas for rural conservation, tourism and small-town settlement planning':

Rural land use strategies become important planning documents as they provide a decision-making framework for rural land rezoning, farmland protection and managing fragmentation of arable land. They are complex plans developed with the community, farmers, local businesses and other authorities such as catchment managers and the CFA. For rural and regional councils, food supply is tied to their community's everyday life, culture and economy.<sup>133</sup>

<sup>128</sup> Department of Transport and Planning, *Chapter 1: Planning schemes*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>> accessed 15 March 2024.

<sup>129</sup> *Victorian Planning Provisions*, cl 23.02.

<sup>130</sup> For example, the Yarra Ranges Council's municipal strategic statement does not make clear commitment to protecting agricultural land. In contrast the Wyndham City Council's municipal strategic statement seeks to balance protecting agricultural land with the need to provide land for housing development.

<sup>131</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 10.

<sup>132</sup> *Victorian Planning Provisions*, cl 23.03.

<sup>133</sup> Municipal Association of Victoria, *Submission 56*, p. 6.

The Rural Planner observed that while ‘many peri-urban local authorities have policy or strategy which supports the local food economy ... these intentions are not yet reflected in their planning schemes or cohesively understood across the local authority’s departments and internal culture’. It said that this is a key barrier to the growth and success of peri-urban agriculture.<sup>134</sup> Ms Martin-Chew told the Committee at a public hearing in Melbourne that some local agricultural policies have an outdated understanding of agriculture which does not value the smaller, niche farms typical of peri-urban areas:

... some local policy in councils is essentially taking an older view of what farming looks like and is actually prescribing, as much as it can, a kind of hilly landscape with polite numbers of cows and sheep dotted across it ... that kind of farming is not really making enough money. Even Yarra Ranges does it to an extent – not wanting netting on trees visible from the road. It is not a tourist attraction; you need to be growing food.<sup>135</sup>

### Enhancing local governments’ knowledge of the Victorian food system

Local governments are central to the success of Victoria’s planning framework and key to securing Victoria’s future food supply. As discussed, they translate state policies aimed at protecting farmland to the local context and make most decisions in relation to the use or development of land.<sup>136</sup> James McLean, Senior Policy Adviser of Sustainable Development at the Municipal Association of Victoria, said that local governments ‘understand their important role in the planning system and the planning decisions they make every day to ensure the security of local, regional and state food supply’:

When it comes to food supply, councils hear about increasing demand on local food banks, they hear about and experience cost-of-living pressures and they note the erosion, contraction and decline of agricultural land in their municipalities ... councils have responded to planning for food supply ...<sup>137</sup>

However, some inquiry participants lacked confidence in local governments to perform this important role in Victoria’s food system. They questioned whether local governments:

- are appropriately resourced to undertake these responsibilities<sup>138</sup>
- understand modern agricultural practices enough to make good decisions about developing or protecting farmland.<sup>139</sup>

<sup>134</sup> The Rural Planner, *Submission 32*, p. 18.

<sup>135</sup> Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 53.

<sup>136</sup> Department of Transport and Planning, *Legislation and regulations*, <<https://www.planning.vic.gov.au/guides-and-resources/legislation-regulation-and-fees/legislation-and-regulations>> accessed 13 March 2024

<sup>137</sup> James McLean, Senior Policy Adviser, Sustainable Development, Municipal Association of Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 21.

<sup>138</sup> Ian McBean, *Submission 43*, pp. 2–3; Australian Chicken Meat Federation, *Submission 45*, p. 8; James McLean, Senior Policy Adviser, Sustainable Development, Municipal Association of Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 23.

<sup>139</sup> Victorian Farmers Federation, *Submission 55*, pp. 3, 11; Linda Martin-Chew, Director, The Rural Planner, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 53; Housing Industry Association, *Submission 57*, p. 7; Australian Chicken Meat Federation, *Submission 45*, p. 8.

For example, the Victorian Farmers Federation observed that local governments ‘often lack the necessary knowledge of farming practices and fail to comprehensively assess the impacts of planning decisions on agricultural viability’. It suggested that many graduate local government planners have ‘never been on a farm and have no practical experience with farming systems and the differences between them’. It said that as a result, planners do not understand ‘what decisions will lead to the loss of agricultural land or create land use conflict’:

This disconnect between planning authorities and the farming community results in bad decision making that is not aligned with the practical realities of farming operations.<sup>140</sup>

The Federation said that Macedon Ranges Shire Council’s recent attempt to rezone land in the Farming Zone to Rural Conservation Zone is an example of this. This change would require farmers to apply for a permit before they make any changes to their farming system, such as changing crop types.<sup>141</sup>

The Housing Industry Association suggested that local governments can ‘lack individual knowledge and expertise required for important land use assessments’.<sup>142</sup> Individual submitter Ian McBean noted that local governments can find it difficult to recruit and retain planning staff with the right expertise and experience to make good decisions in relation to agricultural land.<sup>143</sup> Mr McBean also pointed out that even where individual planners provide good advice in relation to the development of agricultural land, this can be ignored by councillors:

I have sat in the gallery at a council meeting to see a detailed and thorough officer’s report recommending refusal of a planning application overruled on arguments largely based on councillor statements along the lines of, “look he’s just a young bloke trying to get a start” or the hopeful claim that “it won’t set a precedent”. The crestfallen look on the face of the planning officer spoke volumes as they left the meeting immediately following council rejecting their recommendation. I cite these examples from 5–10 years ago and, although I think we’ve improved, suggest we still have a long way to go to make good land use planning decisions.<sup>144</sup>

In a joint submission to the Inquiry, the Department of Transport and Planning and Agriculture Victoria drew the Committee’s attention to the establishment of the Agriculture Victoria Planning and Advisory Service in 2021. The Advisory Service was created to assist local governments and landholders to apply the Victorian planning framework to proposals to develop agricultural land.<sup>145</sup>

<sup>140</sup> Victorian Farmers Federation, *Submission 55*, pp. 3, 11.

<sup>141</sup> *Ibid.*, p. 11.

<sup>142</sup> Housing Industry Association, *Submission 57*, p. 7.

<sup>143</sup> Ian McBean, *Submission 43*, pp. 2–3; James McLean, Senior Policy Adviser, Sustainable Development, Municipal Association of Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 23–24.

<sup>144</sup> Ian McBean, *Submission 43*, pp. 2–3.

<sup>145</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 18; Dougal Purcell, Acting Chief Executive and Deputy Secretary, Agriculture Victoria, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 3–4.

Between 2021 and 2023, the Advisory Service advised on nearly 400 planning permit referrals from local government. This required some 840 engagements with planners to achieve compliance with environmental regulation and to resolve issues around land-use change, farm development, and land-use conflict.<sup>146</sup> The Department of Transport and Planning and Agriculture Victoria submitted that the Advisory Service has helped deliver ‘significant new investment in Victoria’s agricultural zones for new and expanded livestock, grains or horticultural farming businesses’.<sup>147</sup> Agriculture Victoria reported that the total value of this investment was around \$176 million and encompassed the construction of buildings, equipment and the addition of livestock.<sup>148</sup>

Inquiry participants welcomed the creation of the Advisory Service.<sup>149</sup> For example, the Australian Chicken Meat Federation—the peak body for Australia’s chicken meat industry—described it as ‘an excellent initiative’ and suggested that it is helping ensure that the right planning decisions are made to secure Victoria’s food supply.<sup>150</sup> However, the Green Wedges Coalition suggested that the Advisory Service is ‘massively under-resourced’ with just three staff servicing Victoria’s 79 local governments.<sup>151</sup>

The Committee also heard that Victoria’s Regional Planning Hub is supporting local governments to improve planning and decision making in relation to agricultural land. The Hub provides rural and regional local governments with statutory planning support and resources which can:

- assist councils with peak workloads and priority developments
- build land use planning capacity and capability within councils
- improve planning schemes to simplify processes and approvals
- help with significant regional planning projects.<sup>152</sup>

The Municipal Association of Victoria highlighted the capacity building work of the Hub. It particularly noted the support the Hub provided to local governments following recent flood and fire emergencies.<sup>153</sup> The Association recommended that the Victorian Government continue to fund both the Hub and the Advisory Service. It also invited the Government to partner with it to ‘investigate other programs and ways to support rural and regional council planning capacity’.<sup>154</sup>

The Victorian Farmers Federation and Sustain—a healthy food systems advocacy group—both recommended that the Victorian Government fund professional

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<sup>146</sup> Ibid.

<sup>147</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 18.

<sup>148</sup> Agriculture Victoria, response to questions on notice received 12 June 2024, pp. 1–2.

<sup>149</sup> For example: Municipal Association of Victoria, *Submission 56*, pp. 5, 9, 11.

<sup>150</sup> Australian Chicken Meat Federation, *Submission 45*, p. 8.

<sup>151</sup> David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 34.

<sup>152</sup> Department of Transport and Planning, *Regional planning hub*, <<https://www.planning.vic.gov.au/guides-and-resources/council-resources/regional-planning-hub>> accessed 24 July 2024.

<sup>153</sup> Municipal Association of Victoria, *Submission 56*, p. 9.

<sup>154</sup> Ibid., pp. 5, 11.

development for local governments to build their understanding of agriculture and effective food system policy.<sup>155</sup>

The Committee acknowledges that local governments, particularly in peri-urban areas, must navigate a complex ecosystem of diverse landholders with various capabilities and, oftentimes, competing objectives for land.<sup>156</sup> It is critical that they are well supported to excel in this space as their role in the Victorian planning framework is central to protecting agricultural land and supporting farmers to increase food production.

The Committee believes the Agriculture Victoria Planning and Advisory Service is a fantastic initiative. It believes that its responsibilities could be expanded to include a proactive role in monitoring agricultural land uses (see Chapter 3). It is important that this service is accessible to all local governments with land zoned for agriculture.

The Committee is also pleased to receive positive feedback about the Regional Planning Hub. It commends the Victorian Government on this important initiative. It believes that local governments would benefit from further support to ensure their policies and decisions promote food production in Victoria.

The Committee notes that local governments will require professional development around contemporary agriculture and effective food systems policy. Particularly as it has recommended that local government work with other stakeholders, including the state government, to develop a Victorian Food System Strategy (see Chapter 2). More informed local governments will help produce a stronger strategy.

**RECOMMENDATION 10:** That the Victorian Government work with the Municipal Association of Victoria to enhance the professional development available to all peri-urban, rural and regional local governments. Professional development should be focused on:

- enriching their understanding of modern agriculture, including the value of supporting farms of all sizes and business models
- the role of local governments and agriculture in Victoria's broader food system and how effective planning policy and controls can secure future food supply.

### 4.3 Melbourne's additional planning controls

As discussed in Chapter 3, Melbourne is prone to urban sprawl due to a range of factors including its rapid population growth. This has prompted subsequent Victorian Governments to maintain additional policy and legislative controls for the use and development of non-urban land surrounding the state capital. These additional

<sup>155</sup> Victorian Farmers Federation, *Submission 55*, p. 5; Sustain: The Australian Food Network, *Submission 51*, p. 16.

<sup>156</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 2.

controls aim to contain urban sprawl and protect environmental and agricultural assets in regions just outside metropolitan Melbourne. They include an urban growth boundary and special protections for green wedge areas.

### 4.3.1 Urban growth boundary

An urban growth boundary is a common land-use planning tool which aims to reduce urban sprawl and promote the densification of existing metropolitan areas. It seeks to achieve these objectives by delineating between urban land and rural land—defining an outer limit for residential development.<sup>157</sup>

The Victorian Government introduced an urban growth boundary around metropolitan Melbourne in 2002, through its planning strategy, *Melbourne 2030: Planning for sustainable growth* (Melbourne 2030). Melbourne 2030 anticipated significant population growth in the state capital and aimed to shape urban development to accommodate this growth according to nine strategic directions, including:

- Direction 1: A more compact city
- Direction 2: Better management of metropolitan growth.<sup>158</sup>

The urban growth boundary (initially established on an interim basis) traced the existing urban footprint of metropolitan Melbourne, except in designated growth areas where it also encompassed greenfield land and reserved it for future urban uses. These growth areas comprised land adjacent to major transport corridors in Werribee, Hume, Epping, and Pakenham-Cranbourne.<sup>159</sup>

Melbourne 2030 expected the urban growth boundary to manage growth and promote a more compact city by:

- limiting outward urban expansion
- protecting biodiversity values in non-urban areas along Melbourne's fringe, including agricultural and environmental land uses
- directing urban development to areas with access to infrastructure
- encouraging urban renewal
- minimising speculative pressures on land values in areas along the urban fringe by providing long-term certainty about the location of future growth.<sup>160</sup>

Melbourne 2030 proposed protecting the largely undeveloped land in between growth areas which it referred to as 'green wedge areas'. It also contemplated the

<sup>157</sup> Jie Lu, Chaojie Liu, Michael Buxton, 'The Impact of Urban Growth Boundaries in Melbourne on urban sustainable development', *Engineering Heritage Journal*, 5(1), 2021, pp. 34–41.

<sup>158</sup> Department of Infrastructure, *Melbourne 2030: Planning for sustainable growth*, October 2002, pp. 12–13, 44–68.

<sup>159</sup> *Ibid.*, pp. 59–60.

<sup>160</sup> *Ibid.*, pp. 35–36.

establishment of urban growth boundaries for Geelong, Ballarat and Bendigo and committed to working with local governments to determine the suitability of this measure.<sup>161</sup>

In May 2003, the Victorian Parliament passed the *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic) which amended the Planning Act to establish an urban growth boundary and green wedge areas around Melbourne on an ongoing basis. The Act introduced a requirement for ministerial approval before local governments could initiate planning scheme amendments to change the urban growth boundary or affect any green wedge land.<sup>162</sup> It also created a requirement for the Victorian Parliament to ratify any change to the urban growth boundary.<sup>163</sup>

Whilst Melbourne 2030 did anticipate that it may be necessary to shift the urban growth boundary to allow Melbourne to expand in the future, it did not consider this as an imminent possibility. It noted that, as proposed, the urban growth boundary included 'enough land for development to provide for metropolitan Melbourne's needs in the foreseeable future'. It further suggested that 'future variation of the urban growth boundary will be infrequent and should only occur in relation to the needs demonstrated in the designated growth areas'.<sup>164</sup>

However, higher than expected population growth has led the urban growth boundary to be revised and subsequently extended multiple times since its introduction. In 2003 it was enlarged by 1,610 hectares, in 2005 by 11,132 hectares, in 2010 by 43,000 hectares and in 2012 by 6,000 hectares. Land was added mostly along nominated urban growth corridors.<sup>165</sup> Professor Butt told the Committee that the total land added into the urban growth boundary between 2005 and 2013 is more than the area of the Whitehorse, Maroondah, Knox, Monash and Greater Dandenong municipalities combined.<sup>166</sup> The Department of Transport and Planning and Agriculture Victoria informed the Committee that in the past decade:

- 22,575 hectares of land within the urban growth boundary has been rezoned to an urban land use, and
- 149,582 new residential lots have been titled[.]<sup>167</sup>

The evolution of Melbourne's urban growth boundary is described in Figure 4.4.

<sup>161</sup> Ibid., pp. 58–60.

<sup>162</sup> *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic), div 2.

<sup>163</sup> *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic), div 3.

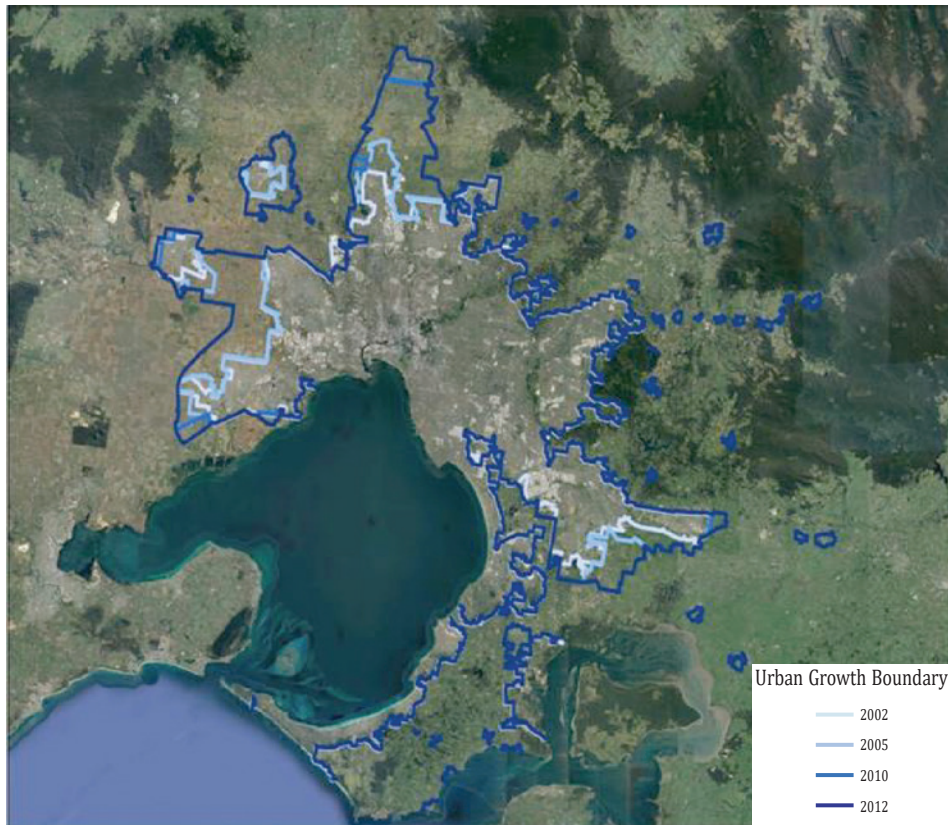
<sup>164</sup> Department of Infrastructure, *Melbourne 2030: Planning for sustainable growth*, October 2002, p. 59.

<sup>165</sup> Jie Lu, Chaojie Liu, Michael Buxton, 'The Impact of Urban Growth Boundaries in Melbourne on urban sustainable development', *Engineering Heritage Journal*, 5(1), 2021, pp. 34–41; Victorian Planning Authority, *Key facts on Melbourne's Urban Growth Boundary*, <<https://vpa.vic.gov.au/metropolitan/more-information/urban-growth-boundary-key-facts>> accessed 22 March 2024.

<sup>166</sup> Professor Andrew Butt, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 44.

<sup>167</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 8.

Figure 4.4 Extension of Melbourne's urban growth boundary



Source: Jie Lu, Chaojie Liu, Michael Buxton, 'The Impact of Urban Growth Boundaries in Melbourne on urban sustainable development', *Engineering Heritage Journal*, vol. 5, no. 1, 2021, pp. 34–41.

Melbourne's current urban growth boundary and green wedge areas are detailed in Figure 4.1.

As of December 2022, greenfield land in Melbourne's growth areas had the capacity to produce an additional 375,000 residential lots. This is an estimated supply of greenfield land for residential development of between 19 and 23 years based on recent annual number of lots titled.<sup>168</sup> The Committee heard that pressure on peri-urban local governments to expand Melbourne's urban growth boundary or allow residential development outside this boundary remains strong, despite two decades of greenfield land supply remaining.<sup>169</sup> For example, the City of Whittlesea said:

With the availability of greenfield land for development diminishing within the [urban growth boundary] UGB and the value of urban land increasing, there is ongoing pressure to both expand the UGB and permit more urban uses to locate in the Green Wedge. Both of these pressures could result in a reduction of land available for sustainable food production in the peri-urban area.<sup>170</sup>

<sup>168</sup> Department of Transport and Planning, *Greenfield land*, <<https://www.planning.vic.gov.au/guides-and-resources/Data-spatial-and-insights/discover-and-access-planning-open-data/urban-development-program/urban-development-program-2022-metropolitan-melbourne/greenfield-land>> accessed 23 July 2024.

<sup>169</sup> Yarra Ranges Council, *Submission 18*, p. 4; City of Whittlesea, *Submission 40*, p. 3; Municipal Association of Victoria, *Submission 56*, p. 7.

<sup>170</sup> City of Whittlesea, *Submission 40*, p. 3.



Professor Buxton suggested that further expansion of Melbourne’s urban growth boundary and the urbanisation of green wedge areas are major threats to the future of productive agriculture around the state’s capital.<sup>171</sup>

There was strong support amongst inquiry participants, including local governments, academics and stakeholder groups, for maintaining Melbourne’s urban growth boundary.<sup>172</sup> For example, Foodprint Melbourne recommended maintaining ‘Melbourne’s current Urban Growth Boundary ... as a firm boundary that is not subject to reviews or expansion’.<sup>173</sup> Likewise, Professor Buxton said that the boundary should be declared ‘inflexible’. He argued that maintaining the boundary is essential for four reasons:

- to protect the rural characteristics of green wedge areas
- to redirect residential development to the existing growth areas where greenfield land has already been designated for this purpose
- to discourage land banking by not rewarding developers who make speculative investments in land adjoining the urban growth boundary
- to prevent urban and residential development in locations far from essential services and employment opportunities which are expensive and difficult to deliver infrastructure to.<sup>174</sup>

Professor Buxton also warned against allowing piecemeal urban development in Melbourne’s green wedge areas as this is a ‘de-facto erosion of the [urban growth boundary]’ and is impacting peri-urban agriculture.<sup>175</sup>

Natalie Reiter, Deputy Secretary, Policy and Strategy at the Department of Transport and Planning, briefed the Committee on the Victorian Government’s settlement strategies at a public hearing in Melbourne. She acknowledged that Victoria has historically failed to maintain its urban growth boundary which has undermined its efficacy. She affirmed that the Victorian Government is committed to maintaining Melbourne’s urban growth boundary going forward and is considering how to maximise the development potential of land within the boundary to meet the state’s housing needs. She noted that part of this is looking at how land outside of the boundary can be used to secure Victoria’s food supply.<sup>176</sup>

<sup>171</sup> Michael Buxton, *Submission 54*, p. 2.

<sup>172</sup> For example, see: City of Whittlesea, *Submission 40*, p. 4; Yarra Ranges Council, *Submission 18*, p. 4; RMIT University Centre for Urban Research, *Submission 28*, p. 4; Wyndham City Council, *Submission 22*, p. 2; Healthy Food Systems Australia, *Submission 38*, p. 2; Michael Buxton, *Submission 54*, p. 3.

<sup>173</sup> University of Melbourne SAFES, *Submission 46*, p. 8.

<sup>174</sup> Michael Buxton, response to questions on notice received 12 June 2024, p. 2.

<sup>175</sup> *Ibid.*

<sup>176</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy, Department of Transport and Planning, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 10.

Ms Reiter also indicated that the Victorian Government is considering designating urban growth boundaries around regional cities as part of its work to develop a new, statewide settlement plan for Victoria (see Chapter 2):

We are pursuing that through town boundaries, and we will be engaging with local governments on those over the coming months. Putting settlement and town boundaries in place will have the same effect as an urban growth boundary around Melbourne and provide that protection that is being sought.<sup>177</sup>

Ms Reiter said the town boundaries will ‘signal to the market ... the expectation of the state around the uses of that land’. She described the consultation underway to develop town boundaries to protect agricultural land on the fringe of regional cities, such as Wangaratta:

The conversations that we are having with these peri-urban councils and rural and regional councils are very much focused on their aspiration to have population growth to enhance the social and economic vitality of those towns as well as ensuring that we do not encroach on those rich agricultural lands. Those conversations are leading to us talking to them about an indicative town boundary that we will be having essentially autogenerated based on what we understand of the natural assets of the land and the social and connectedness opportunities of the town centre. We will then refine those boundaries, and that will go out for consideration and public exhibition so that people can interrogate: ‘Have we got that balance right?’.<sup>178</sup>

Foodprint Melbourne, Professor Buxton and Infrastructure Victoria all supported the application of urban growth boundaries around regional cities in Victoria.<sup>179</sup> Professor Buxton said that Healesville and Warrandyte have had defined town limits since 2002 and it has pushed commercial and retail activity back into the main streets and revitalised these communities.<sup>180</sup> The City of Whittlesea submitted that urban growth boundaries should be installed around all townships in green wedge areas to discourage land banking. It noted that a ‘township boundary’ is a key recommendation of the Whittlesea Township Plan. It is hoped the boundary will reduce uncertainty and land banking around the perimeter of the community.<sup>181</sup>

The Housing Industry Association submitted against urban growth boundaries. It argued that urban growth boundaries cause the supply of land for residential development to be withheld ‘in an ad-hoc fashion’ that ‘creates uncertainty’. It argued that settlement plans and consultation are better strategies for managing the orderly development and protection of land around Melbourne and Victoria’s regional cities. It called on the Victorian Government to ‘desist with the use of urban

<sup>177</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy, Department of Transport and planning, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 3.

<sup>178</sup> *Ibid.*, pp. 3–4.

<sup>179</sup> University of Melbourne SAFES, *Submission 46*, p. 8; Infrastructure Victoria, *Submission 20*, pp. 1–2.

<sup>180</sup> Professor Michael Buxton, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 46–47.

<sup>181</sup> City of Whittlesea, *Submission 40*, p. 4.

growth boundaries' and instead use the new Plan for Victoria to regulate the release of greenfield land.<sup>182</sup>

The Committee believes it is essential that Melbourne's urban growth boundary is maintained to promote urban densification and protect the highly productive agricultural region around the city's fringe. It would like to see the new Plan for Victoria commit to maintaining the urban growth boundary in unequivocal terms to help promote certainty and discourage speculative investment in green wedges areas.

**RECOMMENDATION 11:** That the Victorian Government make a strong and unequivocal commitment to maintaining Melbourne's urban growth boundary in the new Plan for Victoria.

4

The Committee also shares stakeholders' view that establishing urban growth boundaries for Victorian regional cities is necessary to protect peri-urban farmland and direct housing growth within town limits. It is pleased to see that the Victorian Government is pursuing this as part of the development of a new statewide Plan for Victoria.

### Transition areas to shield agriculture from urban land uses

The Committee received evidence emphasising that the transition from urban to green wedge land along Melbourne's urban growth boundary must be carefully managed to dampen land banking and mitigate land use conflict.

The City of Whittlesea and Frankston City Council both noted that the boundary between green wedge and growth areas in some parts of their municipalities is 'hard', meaning residential properties border farmland with little or no transitional land uses. They agreed that this is an inappropriate transition which can increase instances of conflict between landowners.<sup>183</sup>

The Frankston City Council suggested that a transition area of low-density residential development should be maintained along the urban growth boundary to reduce future land use conflicts, minimise urban pressure and protect green wedge land.<sup>184</sup> However, the City of Whittlesea argued against the use of transition areas along the urban growth boundary, suggesting that these facilitate urban encroachment into green wedge areas over time:

Council officers do not support the use of the Rural Living Zone (RLZ) as a transition zone within the Whittlesea Green Wedge, as it encourages the encroachment of residential uses (and expectations) further into productive land as it is often treated by most planners as though it is a residential zone. It will also encourage greater pressure

<sup>182</sup> Housing Industry Association, *Submission 57*, pp. 3, 4, 6.

<sup>183</sup> City of Whittlesea, *Submission 40*, p. 8; Frankston City Council, *Submission 9*, p. 4.

<sup>184</sup> Frankston City Council, *Submission 9*, p. 4.

for subdivision from some landowners ... [and] could also inflate prices and speculation, along with potential complaints towards legitimate agricultural uses on neighbouring farms.

... There is strong need for a hard boundary rather than a transition zone that can more readily be allowed to creep outward over time.<sup>185</sup>

The City of Whittlesea supported the use of an appropriate 'hard boundary' such as the parkland along the border.<sup>186</sup>

The Mornington Peninsula Shire Council felt that transition areas can be useful but must be applied within growth areas (as opposed to inside green wedge areas). This is critical to ensure that their use does not inadvertently trigger speculative investment outside of the urban growth boundary:

While establishing a "transitional area" may have some value as part of a Growth Area plan, the situation is very different on the Mornington Peninsula where the [urban growth boundary] UGB has been defined and stabilised over a long period. In this context, the introduction of a policy supporting "transitional areas" would simply trigger speculation and the expectation of further release of Green Wedge land for urban development and is therefore strongly opposed in relation to the Mornington Peninsula.<sup>187</sup>

The Committee accepts the evidence of local governments, notably that incorporating transitional areas of medium density along the inside edge of green wedge areas is likely to trigger speculative investment in land, increase pressure from subdivision and facilitate the urban encroachment. Likewise, an abrupt transition from small lot residential development to green wedge farmland can give rise to land use conflicts.

The Committee therefore supports the use of medium density residential development within growth areas along the edge of the urban growth boundary to provide a transition to green wedge land. It also sees the merit in using open spaces, such as parks or reserves, to establish a buffer between urban and green wedge land.

**RECOMMENDATION 12:** That the Victorian Government mandates the use of open spaces or medium density residential development in growth areas along Melbourne's urban growth boundary to provide a buffer between urban and green wedge land. It is critical that buffers are incorporated into the metropolitan side of the urban growth boundary and that they do not encroach into green wedge land.

<sup>185</sup> City of Whittlesea, *Submission 40*, p. 9.

<sup>186</sup> *Ibid.*

<sup>187</sup> Mornington Peninsula Shire Council, *Submission 27*, p. 8.

### 4.3.2 Special protections for green wedge areas

New legislative and policy protections for green wedge areas were established during the implementation of Melbourne 2030, including:

- a statutory definition for green wedges, boundaries for each area, and procedures for altering these boundaries were established through the *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic)
- the VPPs were amended to incorporate additional planning controls for green wedge areas, known as the *Metropolitan Green Wedge Land: Core Planning Provisions*
- the Victorian Government worked with local governments to develop management plans for each green wedge area.

These protections are described in the following sections of the report.

#### Planning and Environment (Metropolitan Green Wedge Protection) Act 2003

A statutory definition of green wedge areas and formal boundaries were added to the Planning Act in 2003 with the passage of the *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic) through the Victorian Parliament.<sup>188</sup> Section 46AC of the Planning Act now defines green wedge areas as land which lies outside of Melbourne’s urban growth boundary, but within the local planning scheme of a metropolitan local government. There are currently 17 metropolitan local governments with green wedge areas within their municipal boundaries (see Table 4.2).<sup>189</sup>

**Table 4.2 Melbourne metropolitan local governments with green wedge areas**

Brimbank	Hume	Mornington Peninsula
Cardinia	Kingston	Nillumbik
Casey	Knox	Whittlesea
Frankston	Manningham	Wyndham
Greater Dandenong	Maroondah	Yarra Ranges
Hobsons Bay	Melton	

Source: Department of Transport and Planning, *Green wedges*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges>> accessed 13 November 2023.

As discussed in the previous section, the *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic) also established a procedure for altering

<sup>188</sup> Victoria, Legislative Assembly, 1 May 2003, *Parliamentary debates*, Book 5, pp. 1245–1248.

<sup>189</sup> *Planning and Environment Act 1987* (Vic) s 46AC.

the boundary of green wedge areas. It created a requirement for ministerial approval before a local government can initiate planning scheme amendments affecting green wedge land.<sup>190</sup> It also established a requirement for the Victorian Parliament to ratify any change to a metropolitan planning scheme which would allow the additional subdivision of green wedge land.<sup>191</sup>

### Metropolitan Green Wedge Land: Core Planning Provisions

On 6 June 2003, the Victorian Government introduced the *Metropolitan Green Wedge Land: Core Planning Provisions* (CPPs) into the VPPs.<sup>192</sup> Local governments with green wedge areas within their municipalities are required to apply the CPPs by incorporating them into their local planning scheme.<sup>193</sup>

The CPPs do not replace existing green wedge zones or general land overlays. Rather they apply additional planning controls to green wedge areas, such as restricting or banning certain land uses or development. For example, land uses which are restricted in green wedge areas (unless certain conditions can be met) include the construction of houses, restaurants and hotels. Land uses which are banned in green wedge areas include warehouses, offices and shops. The CPPs do not apply to land within an urban zone (for example, a township) or public land within green wedge areas. As a component of the VPPs, the CPPs can only be amended by the Minister for Planning.<sup>194</sup>

### Green wedge management plans

In addition to highlighting the need to protect green wedge areas, Melbourne 2030 acknowledged that the unique environmental, social and economic values of each area merited a tailored management approach:

*Melbourne 2030* will protect the green wedges for non-urban uses and encourage proper management of these areas. Each green wedge has unique features and will require a tailored management approach to promote and encourage its diversity ...

The Government will work with local councils and the community to properly plan, manage and protect these areas.<sup>195</sup>

During the implementation of Melbourne 2030, the Victorian Government collaborated with local governments to develop management plans for green wedge areas.<sup>196</sup> A planning practice note to support this work was issued in August 2005. It encouraged

<sup>190</sup> *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic) div 2.

<sup>191</sup> *Planning and Environment (Metropolitan Green Wedge Protection) Act 2003* (Vic) div 3.

<sup>192</sup> *Victorian Planning Provisions*, cl 51.02.

<sup>193</sup> Victoria, Legislative Assembly, 1 May 2003, *Parliamentary debates*, Book 5, pp. 1245–1248; Department of Transport and Planning, *Browse amendments*, <<https://planning-schemes.app.planning.vic.gov.au/All%20schemes/amendments/VC018>> accessed 25 March 2024.

<sup>194</sup> Department of transport and Planning, *Green wedge planning provisions*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges/green-wedge-planning-provisions>> accessed 25 March 2024.

<sup>195</sup> Department of Infrastructure, *Melbourne 2030: Planning for sustainable growth*, October 2002, p. 63.

<sup>196</sup> Department of Infrastructure, *Melbourne 2030: Implementation Plan 5 Green Wedges (Draft)*, October 2002, pp. 11–13.

all local governments to develop a management plan for green wedge areas within their municipality and outlined the key features of an effective plan:

A Green Wedge Management Plan (GWMP) is a council adopted strategy that identifies a vision, objectives and actions for the sustainable development of each green wedge. The Plan will identify the values and features of each green wedge, the preferred future land use, environmental and natural resources that should be protected, and the needs of the local community.<sup>197</sup>

The practice note explained that green wedge management plans can be developed by individual or groups of local governments (depending on the boundaries of the relevant green wedge area). It noted that plans should clearly articulate the activities and types of land uses and development which will be permitted with green wedge lands, such agricultural uses. It specified that each plan should:

- identify the values and features of the area to be protected and enhanced
- nominate acceptable future land uses, for example, agricultural uses
- identify environmental and natural resources which should be protected
- outline acceptable the types of, and scale of, landscape change acceptable in the area
- describe how these changes will be facilitated or managed.<sup>198</sup>

Further, green wedge management plans should be well integrated with relevant local planning schemes. The zones and overlays being used to encourage sustainable land use and development should be articulated (for example, green wedge zones).<sup>199</sup> Each management plan should also provide for non-regulatory actions (such as education for landowners) to support the sustainable management of land in green wedge areas.<sup>200</sup>

Lastly, green wedge management plans should outline a clear monitoring and review process to ensure the plan remains relevant and is achieving its aims. Management plans should be reviewed every ten years.<sup>201</sup>

Unfortunately, the development and implementation of green wedge management plans has not always reflected the planning advice. Some green wedge management plans are not well linked to local planning schemes, making them difficult to

<sup>197</sup> Department of Sustainability and Environment, *Preparing a Green Wedge Management Plan: General Practice Note*, August 2005, p. 1.

<sup>198</sup> Department of Transport and Planning, *Green wedges*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges>> accessed 9 January 2024; Department of Sustainability and Environment, *Preparing a Green Wedge Management Plan: General Practice Note*, August 2005, pp. 1-6.

<sup>199</sup> Department of Transport and Planning, *Green wedge management plans*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges/green-wedge-management-plans>> accessed 9 January 2024; Department of Sustainability and Environment, *Preparing a Green Wedge Management Plan: General Practice Note*, August 2005, pp. 1-6.

<sup>200</sup> Department of Transport and Planning, *Green wedge management plans*, <<https://www.planning.vic.gov.au/guides-and-resources/guides/all-guides/green-wedges/green-wedge-management-plans>> accessed 9 January 2024.

<sup>201</sup> Ibid.

implement. There have also been differing perceptions amongst local governments and the community regarding the statutory weight of green wedge management plans.<sup>202</sup> This has promoted uncertainty among landowners and users in relation to permitted land uses and development.

Some green wedge management plans have not been reviewed since they were first developed more than a decade ago and some lack a green wedge management plan altogether (see Table 4.3).<sup>203</sup>

**Table 4.3 Status of green wedge management plans**

Green wedge	Status of the plan	Relevant documents
Werribee South	Complete	Werribee South Green Wedge Policy and Management Plan, June 2017
Western Plains South	Complete	Western Plains South Green Wedge Management Plan, February 2024
Western Plains North	Complete	Western Plains North Green Wedge Management Plan, September 2014
Sunbury	Complete	Brimbank Green Wedge Management Plan, August 2010
Whittlesea	Complete	Whittlesea Green Wedge Management Plan, February 2023
Nillumbik	Partially complete	Nillumbik Green Wedge Management Plan, November 2019 Manningham Green Wedge Action Plan, 2020
Manningham	Partially complete	Manningham Green Wedge Action Plan, February 2011
Yarra Valley, Yarra and Dandenong Ranges	Partially complete	Yarra Ranges Council Green Wedge Management Plan, July 2010
Southern Ranges	Not complete	-
Westernport	Complete	Western Port Green Wedge Management Plan, April 2019
South-East	Partially complete	Kingston Green Wedge Plan, April 2012
Mornington Peninsula	Complete	Mornington Peninsula Green Wedge Management Plan, April 2019

Note: Partially complete usually means that the green wedge extends across multiple municipalities and the prepared management plan does not cover all of the municipalities. For a plan to be considered complete, the entirety of the green wedge area must be covered by one or more management plans and adopted by all the relevant municipalities.

Source: Department of Transport and Planning, responses to questions on notice received 13 June 2024.

In February 2023, the Victorian Government amended the Planning Act to clarify and strengthen the role of green wedge management plans in the Victorian planning framework.<sup>204</sup> The *Building and Planning Legislation Amendment Act 2023* (Vic) established a statutory requirement for:

<sup>202</sup> Department of Environment, Land, Water and Planning, *Planning for Melbourne's Green Wedges and Agricultural Land: Consultation Paper*, May 2020, pp. 16–17.

<sup>203</sup> Department of Transport and Planning, response to questions on notice received 13 June 2024; Department of Environment, Land, Water and Planning, *Planning for Melbourne's Green Wedges and Agricultural Land: Consultation Paper*, May 2020, pp. 16–17.

<sup>204</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*, 2024, p. 6.



- all local governments with a green wedge area within their municipality to prepare a management plan in accordance with any directions issued by the Minister for Planning
- green wedge management plans which are more than ten years old to be reviewed and updated.<sup>205</sup>

The Act also set formal objectives for green wedge management plans, including ‘to support primary production on green wedge land and to enable its growth by preventing incompatible uses and development’ and ‘to manage threats of land use change that would detract from non-urban uses of green wedge land’.<sup>206</sup> Finally, the Act also provided the Minister for Planning with the power to exempt a local government from the requirement to prepare a green wedge management plan.<sup>207</sup>

The Victorian Government has built on these reforms with several actions aimed at improving the management of green wedge areas proposed in the *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024*. These include a new planning policy and planning practice notes:

Action 9: Update planning policy to emphasise the non-urban values, purpose and character of the green wedges

Action 10: Update Planning Practice Note 31 ‘Preparing a Green Wedge Management Plan’ to better direct green wedge planning at the local level.<sup>208</sup>

Action 9 will be implemented by March 2025 and Action 10 will be implemented by March 2027.<sup>209</sup>

Stakeholders to the Inquiry generally supported the reforms’ focus on requiring green wedge management plans to sustain agriculture in green wedge areas. However, they noted that despite introduction of a legislative requirement to update green wedge management plans which are more than ten years old, many local governments have not taken steps to address outdated plans. Five green wedge management plans are a decade, or more, old and one green wedge lacks a plan altogether.<sup>210</sup>

Moreover, there were suggestions that some green wedge management plans have not taken up the legislated objective to protect agricultural land strongly enough. The Green Wedges Coalition suggested that some management plans articulate ‘really flimsy and weak’ protections for agriculture which were ‘not worth the paper [they are] written on’. It observed that some management plans read more like ‘development

<sup>205</sup> Explanatory Memorandum, *Building and Planning Legislation Amendment Bill 2022* (Vic), pp. 13–14.

<sup>206</sup> Explanatory Memorandum, *Building and Planning Legislation Amendment Bill 2022* (Vic), p. 12.

<sup>207</sup> Explanatory Memorandum, *Building and Planning Legislation Amendment Bill 2022* (Vic), p. 14.

<sup>208</sup> Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Action plan 2024*, 2024, pp. 17–18.

<sup>209</sup> *Ibid.*, pp. 17–18, 20.

<sup>210</sup> For example: Brimbank City Council, *Submission 21*, p. 5; Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37.

plan[s]'.<sup>211</sup> The Rural Planner submitted that it is important that green wedge management plans clearly support the type of farming which occurs in peri-urban farms. It said that management plans should encourage 'innovative and diversified [food] production practice[s] and on-farm activities'.<sup>212</sup>

In contrast, Hume City Council said it is appropriate that some green wedge management plans are not focused on supporting agriculture. It 'emphasise[d] that green wedges play a variety of roles and the key role of green wedges is not always to protect agricultural land'.<sup>213</sup> It said that some green wedge areas, such as that in the municipality of Hume, have 'low agriculture viability'.<sup>214</sup>

The Green Wedges Coalition and the Mornington Peninsula Shire Council both felt that green wedge management plans should be reviewed before they are adopted. They argued that this would ensure objectives are appropriate and that the actions proposed to implement these will be effective.<sup>215</sup> David Gibb, Member of the Green Wedges Coalition, suggested that an organisation like the Victorian Farmers Federation could review green wedge management plans:

If you were to do a planning scheme amendment, a council has to have it vetted by the Department of Planning and Transport. Similarly, the green wedge management plan needs to be really strictly vetted, and arguably it should be peer reviewed by someone like the Victorian Farmers Federation to check that it really is meaningful and sensible in its provisions for agriculture.<sup>216</sup>

The Committee also heard that the implementation of green wedge management plans should be strengthened. The Rural Planner and the Green Wedges Coalition both said that it is important that management plans are rigorous and well linked to local planning schemes and local planning policies which enable them to be implemented.<sup>217</sup> Ms Martin-Chew said that green wedge management plans are not generally considered in planning decisions, unless they have been implemented by amending the local planning scheme:

Green Wedge Management Plans are not considered in planning decisions, unless they have been implemented via policy and schedule changes in local planning schemes. This can take years or may never happen.<sup>218</sup>

Ms Martin-Chew argued that the new Planning Practice Note for green wedge management plans should establish a timeframe for implementing management

<sup>211</sup> David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37.

<sup>212</sup> The Rural Planner, *Submission 32*, p. 18.

<sup>213</sup> Hume City Council, *Submission 59*, p. 1.

<sup>214</sup> *Ibid.*, p. 3.

<sup>215</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, p. 5; David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37; Mornington Peninsula Shire Council, *Submission 27*, p. 7.

<sup>216</sup> David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37.

<sup>217</sup> *Ibid.*; Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37; The Rural Planner, response to questions on notice received 10 June 2024, p. 10.

<sup>218</sup> The Rural Planner, response to questions on notice received 10 June 2024, p. 10.

plans. She also advocated for a ‘streamlined planning scheme amendment pathway’ for planning scheme amendments required to affect a plan.<sup>219</sup>

Regardless of the objectives and actions identified in green wedge management plans, the Committee heard that it is becoming increasingly difficult to manage these green wedge areas. Green wedge areas are home to a diverse range of landholders with differing aspirations and capabilities for land management. Urbanisation is expanding the range of competing land uses occurring in green wedge areas.<sup>220</sup>

Several stakeholders argued that local governments need to be better resourced to update, implement and enforce green wedge management plans.<sup>221</sup> Brimbank City Council and the Green Wedges Coalition both felt that the Department of Transport and Planning should help coordinate the development of green wedge management plans, given the complexity of stakeholders and interests in green wedge regions.<sup>222</sup>

Ms Reiter of the Department of Transport and Planning informed the Committee at a public hearing in Melbourne that the Department would ‘be working much more closely with councils than perhaps has been the case in the past to collaboratively design and develop [green wedge management plans]’. She also confirmed that local governments have not been provided with additional resources to update or implement green wedge management plans, despite the new legislative imperative to do so.<sup>223</sup>

The Committee approves of the Victorian Government’s sustained focus on improving the management of green wedge areas. The importance of these areas for food production and for environmental conservation was discussed at length throughout the Inquiry.

Inquiry participants also highlighted the complexity of land uses, landowners and conflicting aspirations for green wedge areas. Green wedge areas are threatened by subdivision, incremental urban development and practices such as land banking. Strong management plans are needed to guide planning policy and decision making in these areas, and to coordinate programs to enrich their values. In the Committee’s view, it is critical that local governments are supported to update green wedge management plans to address the contemporary issues facing green wedge areas. Likewise, it is imperative that local governments properly implement green wedge management plans, by amending local planning schemes and by delivering programs to develop agriculture and restore environmental assets.

<sup>219</sup> Ibid.

<sup>220</sup> Municipal Association of Victoria, *Submission 56*, p. 6; Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 2.

<sup>221</sup> For example: Mornington Peninsula Shire Council, *Submission 27*, p. 7; Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37; David Gibb, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37.

<sup>222</sup> Brimbank City Council, *Submission 21*, p. 5; Rosemary West, Member, Green Wedges Coalition, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 37.

<sup>223</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy, Department of Transport and planning, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 5.

**RECOMMENDATION 13:** That the Victorian Government support local governments to update green wedge management plans which are a decade or more old, by November 2026. Local governments should be required to collaborate where green wedge areas span multiple municipalities.

**RECOMMENDATION 14:** That the Department of Transport and Planning support local governments in green wedge areas to implement green wedge management plans. This should include guidance to update local planning policy and schemes to reflect the aspirations of green wedge management plans, and support for programs and initiatives aimed at enhancing their agricultural and environmental values.

The Committee would like to see the planning practice note for green wedge management plans updated prior to this work. The *Planning for Melbourne's green wedges and agricultural land: Action plan 2024* proposes to update this planning practice note by March 2027. The Committee believes this should be brought forward and prioritised in acknowledgement of:

- the new legislative requirement to update green wedge management plans which are more than a decade old
- the serious nature of the challenges facing green wedge areas
- the potential impact on local food production if agriculture in green wedge areas is permitted to decline.

**RECOMMENDATION 15:** That the Department of Transport and Planning update Planning Practice Note 31 'Preparing a Green Wedge Management Plan' by November 2025. The updated Planning Practice Note should require green wedge management plans to:

- be clearly linked to local planning policy and schemes
- contain specific and measurable actions to enhance the agricultural and environmental values of green wedge areas
- encourage local governments to identify how they will keep their communities informed of progress to implement green wedge management plans.

### 4.3.3 Strengthening the right to farm around Melbourne

The Victorian Government has committed to strengthening the 'right to farm' by expanding the 'agent of change' principle to protect farmers within 100 kilometres of Melbourne from complaints made about lawful farming practices.<sup>224</sup>

<sup>224</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, pp. 8–10; Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*, 2024, pp. 18–20.

### Box 4.2 The right to farm versus the agent of change principle

#### Right to farm principle

The right to farm provides that agriculture carried out on a farm does not constitute a nuisance, if it is conducted lawfully, and the zoning of the land supports agriculture as a primary purpose of the zone. Establishing the right to farm can protect farmers against complaints from existing and new urban landowners. For example, a broiler farm which emits odours or is noisy cannot be found to be a nuisance if it is situated on land within the Farming Zone and farming practices comply with state agricultural legislation.

#### Agent of change principle

The agent of change principle requires the person or organisation which introduces a new use or development into an existing environment to mitigate the impacts of lawful agricultural operations (e.g. dust, noise and odour) on the new use or development.

For example, a developer who constructs a retirement village in a farming region is responsible for mitigating the impacts of neighbouring farms on the residents of the village. As opposed to requiring farmers to change their practices to minimise the impact of agriculture on the residents of the retirement village.

Source: Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, pp. 8–10.

Action 7 of the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024* commits to amending the VPPs to improve the right to farm by expanding the agent of change principle:

Action 7: Strengthen the 'right to farm' by expanding the 'agent of change' principle within 100 kilometres of Melbourne – assign responsibility for mitigating the impacts of sensitive uses on lawful agricultural operations to the permit applicant to achieve better land use management.<sup>225</sup>

Action 7 will be implemented in rural zones within 100 kilometres of Melbourne by March 2027.<sup>226</sup> The Victorian Government has also indicated that it will review the efficacy of these reforms in future to consider whether broader, standalone right to farm legislation is needed to protect farmers.<sup>227</sup>

The Department of Transport and Planning and Agriculture Victoria explained that the reforms will require planning permit applicants, who propose new land uses in farming

<sup>225</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*, 2024, pp. 18–20.

<sup>226</sup> Ibid.

<sup>227</sup> Department of Transport and Planning, *Planning for Melbourne's green wedges and agricultural land: Response to options report*, 2024, p. 8.

regions, to demonstrate how they will mitigate the impacts of agricultural activities on the new uses. They submitted that this will ‘ensur[e] the longevity of existing lawful agricultural uses’.<sup>228</sup>

Many submitters to the Inquiry called for reform to strengthen the right to farm.<sup>229</sup> For example, the Victorian Strawberry Growers Association said the right to farm can help ensure existing farms in peri-urban remain viable.<sup>230</sup> Likewise, the City of Whittlesea said it is looking forward to working with the Department to implement this reform as it will help ensure food production in peri-urban areas is not eroded by urban uses.<sup>231</sup> It advocated for bringing forward this reform ‘in light of the pressures posed by urban development’.<sup>232</sup> The Rural Planner also argued that ‘specific support in the Victorian Planning Provisions for the right to farm is urgently needed’. However, it was concerned that the proposed reform ‘may never be implemented’ or that it may be deferred beyond the next state election.<sup>233</sup>

The Rural Planner and Professor Butt argued that the reforms must be carefully designed to ensure they don’t discourage new farms in peri-urban areas which are already highly fragmented. Professor Butt observed ‘that often farming is itself the agent of change’. He called for reforms to clarify that farming is not ‘static’ and to identify when ‘change is necessary, possible and desirable’.<sup>234</sup> The Rural Planner said, ‘Victoria’s peri-urban areas are already closely settled, and the agent of change principle would ... apply to agricultural uses that seek in the future to establish in these areas’. This may discourage new farming enterprises.<sup>235</sup> The Mornington Peninsula Shire Council also ‘urged caution as [right to farm] provisions may be divisive and have unintended consequences’.<sup>236</sup>

The Rural Planner further noted that it is unclear how the reforms, which are focused on expanding the agent of change principle, will defend farmers from the complaints of rural residential land users already living in peri-urban farming regions.<sup>237</sup>

The Victorian Chicken Growers Council—a cooperative of Victorian chicken growers—emphasised that the right to farm should address complaints from existing residential properties in peri-urban farming areas.<sup>238</sup> The Council and its national counterpart argued that the right to farm should be specifically legislated, as it is in other jurisdictions.<sup>239</sup> In Australia, right to farm legislation has been introduced in Tasmania

<sup>228</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 12.

<sup>229</sup> For example: Michael Buxton, *Submission 54*, p. 3; Agribusiness Yarra Valley, *Submission 48*, p. 2; Australian Chicken Meat Federation, *Submission 45*, p. 3, 8; Sustain: The Australian Food Network, *Submission 51*, p. 15; The Rural Planner, *Submission 32*, pp. 10, 15, 17–18.

<sup>230</sup> Victorian Strawberry Growers Association, *Submission 36*, p. 2.

<sup>231</sup> City of Whittlesea, *Submission 40*, pp. 6–7.

<sup>232</sup> *Ibid.*, p. 7.

<sup>233</sup> The Rural Planner, *Submission 32*, pp. 15, 17–18.

<sup>234</sup> Andrew Butt, response to questions on notice received 12 June 2024, p. 2.

<sup>235</sup> The Rural Planner, *Submission 32*, p. 15.

<sup>236</sup> Mornington Peninsula Shire Council, *Submission 27*, p. 7.

<sup>237</sup> The Rural Planner, *Submission 32*, p. 16.

<sup>238</sup> Victorian Chicken Growers Council, *Submission 6*, p. 3.

<sup>239</sup> *Ibid.*, p. 5; Australian Chicken Growers Council, *Submission 5*, p. 10.

and New South Wales, namely the *Primary Industry Activities Protection Act 1995* (Tas) and *Right to Farm Act 2019* (NSW). This legislation is in addition to the planning policy frameworks in those states. The relevant provisions in both Acts are similarly worded and provide a variation of the following:

- commercial agricultural activities carried out on a farm do not constitute a nuisance, if they are not being carried out improperly or negligently<sup>240</sup>
- if, in any proceedings, a court finds that the commercial agricultural activity does constitute a nuisance, it must not order the complete cessation of the activity if it can, rather it should permit the continuation of the activity in a way that is unlikely to significantly disturb the other party to the proceedings.<sup>241</sup>

However, this legislation has been rarely applied to protect farmers to date.<sup>242</sup>

Right to farm legislation has also been enacted across all states in the United States of America. Farmers are protected from conflicts with urban neighbours or rural residential landowners who move into an agricultural area after the farms were established. These laws discourage, but do not prevent, neighbours from filing nuisance complaints against neighbouring farms.<sup>243</sup> However, protection is not perfect or absolute, as studies of counties in California show that right to farm laws were not enough to prevent complaints against farmers. Planning and design controls which separate land uses are also important.<sup>244</sup> Ballarat City Council felt that broad right to farm policy would be ‘too uncertain’ to adequately protect farmers.<sup>245</sup>

The Committee also heard support for right to farm reforms which encourage regenerative or sustainable farming practices, and for reform to be accompanied by incentives to farm in peri-urban regions.<sup>246</sup>

Other stakeholders felt that appointing an agricultural officer to peri-urban local governments would assist councils to manage complaints about farming practices. The Victorian Strawberry Growers Association observed that many peri-urban local governments do not have dedicated agricultural officers. It argued that such a position could educate the community about the right to farm and assist farmers to manage complaints: ‘This would help to raise awareness in the broader community of the ‘right to farm’ and recognition of prior land usages’.<sup>247</sup>

<sup>240</sup> *Right to Farm Act 2019* (NSW) s 4; *Primary Industry Activities Protection Act 1995* (Tas) s 4.

<sup>241</sup> *Right to Farm Act 2019* (NSW) s 5; *Primary Industry Activities Protection Act 1995* (Tas) s 5.

<sup>242</sup> Department of Transport and Planning, *Planning for Melbourne’s green wedges and agricultural land: Response to options report*, 2024, p. 8.

<sup>243</sup> Francis et al, ‘Farmland conversion to non-agricultural uses in the US and Canada: current impacts and concerns for the future’, *International Journal of Agricultural Sustainability*, Vol. 10, No. 1 2012, p 16, doi: 10.1080/14735903.2012.649588.

<sup>244</sup> Ibid.

<sup>245</sup> Natalie Robertson, Director, Development and Growth, Ballarat City Council, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 3.

<sup>246</sup> The Rural Planner, *Submission 32*, pp. 17-18; Dr Rachel Carey, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 4.

<sup>247</sup> Victorian Strawberry Growers Association, *Submission 36*, p. 2.

The Association said that agricultural officers would also improve communication between agribusiness and local governments:

This would also ensure timely intervention by council and other levels of government in the event of natural disasters, extreme weather events and biosecurity responses, rather than the current fragmented communication channels, increasing the resilience of peri-urban agriculture.<sup>248</sup>

While not recommending agricultural officers within local governments, Foodprint Melbourne called for the appointment of 'economic development officers with agribusiness skills throughout Melbourne's food bowl'.<sup>249</sup> Likewise, Hume City Council did not recommend an agricultural officer. But suggested that 'expert support programs for landowners to learn about emerging agricultural, marketing and associated opportunities' would help safeguard the character of green wedge areas. It further suggested that 'personalised expert advice' for landowners would be helpful.<sup>250</sup>

The Committee supports strengthening the right to farm by expanding the agent of change principle in the VPPs. It emphasises the importance of implementing these reforms as soon as possible and by March 2027 at the very latest.

In the Committee's view, effective reform will clarify that agriculture is a protected activity in all zones which enable farming, no matter how fragmented they are or whether they contain many competing urban uses. The reforms must also be cognisant of the need to protect farmers from the complaints of urban landholders already situated in peri-urban farming areas.

**RECOMMENDATION 16:** That the Department of Transport and Planning ensure amendments to the Victorian Planning Provisions strengthen the right to farm (as proposed in Action 7 of the *Planning for Melbourne's green wedges and agricultural land: Action plan 2024*) by:

- clarifying that lawful agriculture is a protected activity in all zones which enable farming, regardless of the presence of competing urban uses
- protecting lawful agriculture from the complaints of urban landholders already situated in peri-urban farming areas.

The Committee also supports a review of these reforms after they have been enacted to assess whether broader, standalone legislation is required to supplement the protections for farmers in the Victorian planning framework. It is important that any such review considers right to farm legislation already in place in other jurisdictions

<sup>248</sup> Ibid., p. 3.

<sup>249</sup> University of Melbourne SAFES, *Submission 46*, p. 6.

<sup>250</sup> Hume City Council, *Submission 59*, p. 5.



(such as Tasmania, New South Wales and the United States) so that key learnings can be applied to strengthen protections for Victorian farmers.

**RECOMMENDATION 17:** That the Department of Transport and Planning review the efficacy of amendments to the Victorian Planning Provisions implemented as part of Action 7 of the *Planning for Melbourne's green wedges and agricultural lands: Action plan 2024*. The review should be conducted two years after the reforms are implemented. The Department should consider whether right to farm legislation is needed to supplement these reforms and the key learnings of similar legislation in other national and international jurisdictions.

Lastly, the Committee believes that appointing agricultural officers to peri-urban local governments will have broad benefits. Agricultural officers could:

- assist farmers to manage disputes about lawful farming practices
- educate the public about the right to farm in the zones which enable agriculture and the importance of food production close to Victorian cities
- facilitate collaboration, knowledge-sharing and networking between farmers
- coordinate local government efforts to develop agriculture in peri-urban regions
- advocate on behalf of farmers during emergencies such as bushfires or floods.

**RECOMMENDATION 18:** That the peri-urban local governments of Melbourne, Geelong, Ballarat and Bendigo appoint agricultural officers. These officers should be responsible for:

- facilitating communication between agri-businesses and local government
- educating the community about the right to farm and supporting complaint resolution about lawful farming practices
- facilitating collaboration, knowledge-sharing and networking between agri-businesses
- supporting the development of agriculture in peri-urban regions
- advocating on behalf of farmers during emergencies such as bushfires or floods.



# Chapter 5

## Agricultural covenants

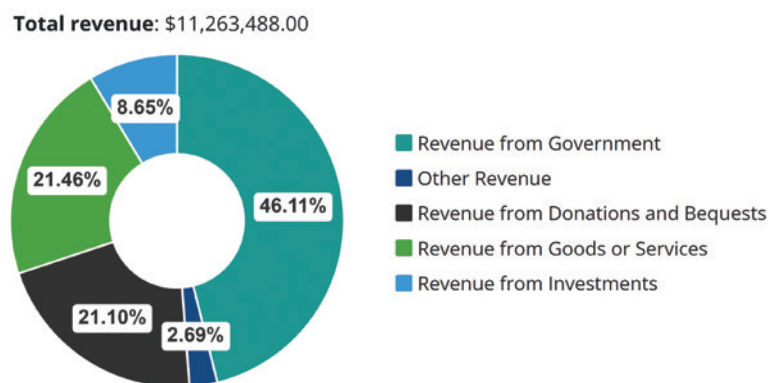
A covenant is a voluntary, legal arrangement entered into by a landholder which limits the way land can be used or developed. Victoria has an existing conservation covenant scheme which can be used to permanently protect biodiversity values on private land. Several inquiry stakeholders supported expanding this scheme to protect farmland, similar to the system of conservation easements in the US.<sup>1</sup> They suggest this would have transformative power to address some of the problematic property market dynamics currently undermining the viability of farmland, particularly in peri-urban regions. Victoria’s covenanting body, Trust for Nature, has already demonstrated proof of this concept and considered challenges and opportunities associated with a broader roll out.

### 5.1 Victoria’s conservation covenants

In the 1970s, Victoria established a voluntary ‘conservation covenant’ scheme to empower landowners to permanently protect biodiversity and heritage values on private land. The covenants are successfully used to protect intact woodlands, wetlands and grassland found on the 62% of Victorian land that is privately owned.<sup>2</sup>

The conservation covenants are facilitated by Trust for Nature, a not-for-profit environmental conservation organisation established under the *Victorian Conservation Trust Act 1972* (Vic). Trust for Nature finances its conservation activities through a mixture of government funding, investment revenue and philanthropic donations—see Figure 5.1.

Figure 5.1 Trust for Nature revenue, financial year ending 30 June 2023



Source: Australian Charities and Not-for-profit Commission, *Trust for Nature (Victoria)*, <<https://www.acnc.gov.au/charity/charities/42f4c571-38af-e811-a963-000d3ad244fd/documents>> accessed 26 August 2024.

1 Green Wedges Coalition, *Submission 30*, pp. 12–13; Ian McBean, *Submission 43*, p. 2; Trust for Nature, response to questions on notice received 24 June 2024, p. 2.

2 Trust for Nature, *About us*, <<https://trustfornature.org.au/about-us>> accessed 26 August 2024; Trust for Nature, *Conservation covenants*, <<https://trustfornature.org.au/what-we-do/conservation-covenants>> accessed 12 September 2024.

Since it was established, Trust for Nature has supported private landowners to apply more than 1,500 conservation covenants to permanently protect the biodiversity values of 72,000 hectares of private land. It also operates a revolving fund to purchase properties, apply conservation covenants and sell them onto conservation-minded buyers. Trust for Nature also purchases properties to convert into nature reserves. It currently manages more than 35,000 hectares of reserved land.<sup>3</sup>

### 5.1.1 What is a conservation covenant?

Landowners can work with Trust for Nature to apply a conservation covenant to all or part of their property, to establish a legal requirement that all future owners sustainably manage biodiversity values. Landholders are provided with ongoing support to implement their covenant via Trust for Nature's stewardship program. Trust for Nature suggested that '[c]ovenants represent value for money conservation as willing landowners become long term land managers on protected areas over the long term'.<sup>4</sup>

The operation and parameters of conservation covenants are described in Box 5.1.

#### Box 5.1 Trust for Nature conservation covenants

##### What is a conservation covenant?

A conservation covenant is a voluntary, legal agreement made between a landholder and Trust for Nature. It permanently protects the biodiversity values of the land. Conservation covenants are entered into under the *Victorian Conservation Trust Act 1972* (Vic) and registered on the title of a property making them legally binding forever, even when a property changes hands. Covenants do not replace the application of Victoria's planning framework to a property.

##### What land can be covenanted?

Properties which are at least 5 hectares with natural, cultural or scientific values can be protected with a conservation covenant. Trust for Nature prioritises land with threatened plants or animal species, or the remnant patches of native vegetation or habitat.

(Continued)

<sup>3</sup> Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 20; Trust for Nature, *About us*, <<https://trustfornature.org.au/about-us>> accessed 26 August 2024.

<sup>4</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 29.

**Box 5.1 Continued****How do covenants work?**

Trust for Nature works with landholders to formulate covenants that balance landowner aspirations for a property with the sustainable management of biodiversity values. Covenants restrict activities that may damage native habitat on the land, such as clearing, intensive agriculture, subdivision or introducing non-native plants.

**Do covenants apply to the whole property?**

A covenant may be applied to a whole property or portions of a property. Different tiers of protection can be applied to specific areas of a property. For example, a bush block with a house may have a residential area and a conservation area. Likewise, a farm with native grasslands may have sustainable use areas and conservation areas.

**Who is responsible for managing the land?**

As part of the covenant, landholders agree to manage the land for pests and weeds and, if needed, improve its environmental condition. Support is provided through Trust for Nature's Stewardship Program which develops a management plan, provides regular visits and offers technical advice.

**What happens if a covenant is breached?**

Trust for Nature can issue a legal notice to the landowner requiring a breach to be rectified. However, it typically works with landowners to identify a mutually acceptable solution. Conservation covenants contain dispute resolution clauses to facilitate this.

**How are landowners incentivised to seek a covenant?**

From 2024, land protected with a conservation covenant through Trust for Nature is exempt from land tax. Many councils also offer full or partial rate rebates to landowners who establish conservation covenants.

**Can a covenant be changed or removed?**

Covenants are placed on a property title and are permanent, even when properties change hands. The removal of a covenant is extremely unusual. Permanent changes to a covenant may be considered if they improve the land's biodiversity values or pose no threat to them. Approval from Trust for Nature and the Minister for Environment is required for any changes to a covenant or to remove a covenant.

Source: Trust for Nature, *What is a conservation covenant?*, 2023, pp. 1–6; Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, pp. 20–28.

### 5.1.2 Process for securing a covenant

Establishing a conservation covenant over a property takes anywhere from 6 to 18 months and costs landowners around \$30,000 in legal fees and ongoing stewardship costs.<sup>5</sup> Trust for Nature visits each property to determine whether it fits the requirements for a covenant, to map the biodiversity values to be conserved and to identify any threats to these assets that need to be managed. It negotiates the details of a covenant with landowners and then prepares the paperwork for registering the covenant. A management plan is developed in collaboration with landowners before the deed of covenant is registered.<sup>6</sup>

Conservation covenants must be negotiated and signed with the landowner. However, there is capacity to incorporate Traditional Owners into land management arrangements. Dr Mat Hardy, Nature Markets Manager at Trust for Nature, said that covenants have been adapted to enable Traditional Owners to care for their country, even where land is not owned:

There are a couple of approaches to this. Recently we have adapted our template deed of covenant to allow for cultural practice whereby a private landowner may wish to have traditional owners come on and care for country on their property in ways that make sense for the traditional owners ... If a traditional owner group was the owner of the land, we would want to work with them to make sure that the covenant fits their needs as well, so we would take a position where we could switch out the covenant deed to something that makes a bit more sense for traditional owners, recognising that there may also be other ways to permanently protect that land if that is more fitting for what they want to do with it.<sup>7</sup>

### 5.1.3 How common are conservation covenants?

Trust for Nature currently establishes between 40 to 50 conservation covenants each year, but this will increase to around 100 per annum due to the Victorian Government's Bush Bank Program. The Victorian Government is investing around \$30.9 million through its Bush Bank Program to support landowners to revegetate and restore at least 20,000 hectares of native habitat across private land in Victoria. The program aims to restore habitat and capture carbon by planting native trees and shrubs. Trust for Nature will ensure the restored land is permanently protected by working with landowners to apply conservation covenants. Dr Hardy noted that Trust for Nature works with as many landowners as it can, but conservation covenants are popular, and demand outweighs their capacity to covenant:

... we would like to do a lot more. We have people lining up for these things, believe it or not, who really want to protect nature on their own properties, and we just cannot currently satisfy that demand.<sup>8</sup>

<sup>5</sup> Trust for Nature, *What is a conservation covenant?*, 2023, p. 4; Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 22.

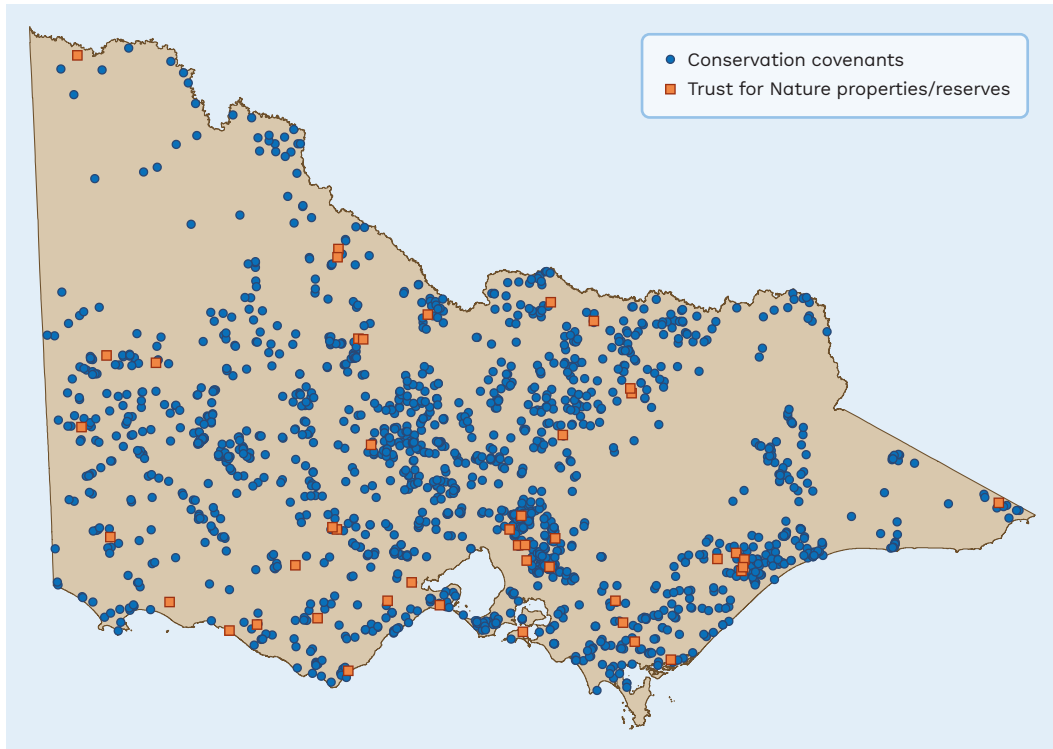
<sup>6</sup> Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 21.

<sup>7</sup> *Ibid.*, p. 22.

<sup>8</sup> *Ibid.*, pp. 22-23.

The Committee heard that land all over Victoria is already subject to conservation covenants, see Figure 5.2 below. This includes environmentally significant land in Melbourne’s green wedges. Dr Hardy reported that 64 covenants have been applied to around 760 hectares of green wedge land.<sup>9</sup>

**Figure 5.2 Properties protected through Trust for Nature conservation covenants (blue) and reserves (orange)**



Source: Adapted from Trust for Nature, *Annual report 2022–23, 2024*, p. 3.

Similar conservation covenants protect the biodiversity values of private land in other Australian states. However, in some states, conservation covenants are entered into by state government departments or statutory bodies that are fully funded and controlled by the State Government—see Table 5.1.

**Table 5.1 Australian conservation covenanting bodies**

Jurisdiction	Authorised body	Entity type	Program name
Victoria	Trust for Nature (Victoria)	Charity, operating under the <i>Victorian Conservation Trust Act 1972</i> (Vic)	Trust for Nature (Victoria) Conservation Covenant Program
New South Wales	Biodiversity Conservation Trust of NSW	Statutory body, established by the <i>Biodiversity Conservation Act 2016</i> (NSW)	Conservation Agreement and Biodiversity Stewardship Agreement Programs

<sup>9</sup> Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, pp. 21–22.

Jurisdiction	Authorised body	Entity type	Program name
Queensland	Queensland Government Department of Environment and Science	Government department	Private Protected Area Program
South Australia	Department of Environment and Water	Government department	South Australian Heritage Agreement Scheme
Tasmania	Department of Natural Resources and Environment Tasmania	Government department	Private Land Conservation Program
Western Australia	The National Trust of Australia (WA); Department of Biodiversity, Conservation and Attractions	Charity, operating under the <i>National Trust of Australia (WA) Act 1964 (WA)</i> ; Government department	The National Trust of Australia (WA) Conservation Covenant Program; The Nature Conservation Covenant Program

Source: Australian Department of Climate Change, Energy, the Environment and Water, *Approved conservation covenanting programs*, <<https://www.dcceew.gov.au/environment/biodiversity/conservation/covenants/approved-programs>> accessed 26 August 2024.

**FINDING 19:** Conservation covenants are a well-established and widespread mechanism for empowering landowners to voluntarily protect biodiversity values on private land.

## 5.2 Support for applying covenants to Victorian farmland

While the use of conservation covenants to protect biodiversity values on private land is well established in Victoria, the use of covenants to protect farmland is a new concept. Several inquiry stakeholders (including Trust for Nature) and a previous Victorian Parliamentary Committee have expressed support for expanding Victoria's covenanting scheme to enable the permanent protection of agricultural land.

Trust for Nature argued that the benefits of covenants to protect farmland would be wide ranging. It suggested that while covenants are not a panacea to the urbanisation of Victorian farmland, they offer a useful tool for permanently protecting agricultural land which is impervious to changes to, or differing interpretations of, the Victorian planning framework.<sup>10</sup> It also argued that the application of covenants to protect farmland could:

- help ensure agricultural land remains actively farmed
- prevent the subdivision and inappropriate development of land critical to food production
- encourage the long-term sustainable management of farmland and ensure these practices continue even when properties change hands

<sup>10</sup> Trust for Nature, response to questions on notice received 24 June 2024, p. 2.



- help signal and verify that farmland has been sustainably managed to the market
- help ensure the sales value of farmland is based on its productive value rather than its development value.<sup>11</sup>

Macedon Ranges resident Ian MacBean suggested that applying covenants to farmland could shift how farmland is valued—away from its development potential and back towards its productive agricultural value. He submitted that introducing agricultural covenants would also incentivise more sustainable agricultural practices:

Are we game enough to try incentive rather than regulation?

I suggest such a[n] [agricultural covenant] could also address some of the ‘right to farm’ issues inasmuch as the sale of covenanted agricultural land would depend on the quality of that land and so provide incentive for restorative agriculture, soil carbon sequestration and biodiversity values ...<sup>12</sup>

The Green Wedges Coalition—an advocacy group aimed at protecting Melbourne’s green wedges—also supported the introduction of agricultural covenants. It argued that the establishment of a revolving trust to purchase, covenant and re-sell land (like that operated by Trust for Nature) would help counter the property market dynamics driving the urbanisation of agricultural land.<sup>13</sup>

The Australian Food Sovereignty Alliance (a farmer-led advocacy group) and the Community Grocer (a community food enterprise) both submitted that agricultural covenants could help local governments ensure that the construction of homes in farming zones is only permitted to enable agriculture (as opposed to rural residential living). They suggested that local governments could require landowners who wish to build a house on their agricultural property to establish a covenant ensuring their property continues to be used for productive farming if a house is approved.<sup>14</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy at the Department of Transport and Planning, informed the Committee that ensuring houses approved in agricultural regions are only allowed on the basis they enable farming is a challenge under Victoria’s existing planning regulation:

I think that provision of housing for key workers proximate to these agricultural enterprises is probably one of the key challenges from a planning point of view to pitch the controls correctly such that you allow that type of housing to be delivered, yet you do not set up that perverse consequence whereby that then creates a conflict with the agricultural use ... dwellings are created, and maybe it is all very well intended at the

<sup>11</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, pp. 30–31, 53; Trust for Nature, response to questions on notice received 24 June 2024, p. 2; Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, pp. 20–28.

<sup>12</sup> Ian McBean, *Submission 43*, p. 2.

<sup>13</sup> Green Wedges Coalition, *Submission 30*, pp. 12–13.

<sup>14</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 9; The Community Grocer, *Submission 39*, p. 12.

beginning, but then over time the person living there changes and they are no longer associated with the [agricultural] use but the dwelling continues and so forth.<sup>15</sup>

Local governments currently use section 173 agreements in a similar manner. However, the Committee heard that these are typically not enforced, and compliance is poor—see Chapter 4.

A previous Victorian Parliamentary Committee also supported the introduction of agricultural covenants to protect Victorian farmland.

On 9 October 2008, the Victorian Parliament Outer Suburban/Interface Services and Development Committee was referred an inquiry into ‘the production, processing and distribution of agricultural products in the interface municipalities and peri-urban areas of Melbourne’. Its broad terms of reference included investigating ‘the role of planning in encouraging the development of agribusiness’. It was asked to report by 31 May 2010.<sup>16</sup>

The Victorian Parliament Outer Suburban/Interface Services and Development Committee recommended that ‘the Victorian Government work with ... relevant stakeholders to establish a voluntary covenant scheme for agricultural land in Melbourne’s green wedges’.<sup>17</sup> It accepted evidence that the introduction of agricultural covenants could:

- support farmers who wish to exit the agricultural industry to ensure their land continues to be farmed after it is sold
- encourage farmers to invest in the agricultural productivity of their land (i.e. by upgrading farm infrastructure or improving soils) and enable them to safeguard this investment
- ensure buyers of farmland subject to an agricultural covenant are interested in a property’s agricultural potential, as opposed its land banking or development potential.<sup>18</sup>

The Outer Suburban/Interface Services and Development Committee noted that introducing agricultural covenants into Victoria could be costly but suggested that costs could be shared between the Victorian Government, the private sector and the broader community.<sup>19</sup>

<sup>15</sup> Natalie Reiter, Deputy Secretary, Policy and Strategy, Department of Transport and Planning, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 7–8.

<sup>16</sup> Victorian Parliament Outer Suburban/Interface Services and Development Committee, *Inquiry into sustainable development of agribusiness in outer suburban Melbourne*, 2010, p. vii.

<sup>17</sup> *Ibid.*, p. 175.

<sup>18</sup> *Ibid.*, pp. 174–175.

<sup>19</sup> *Ibid.*, p. 175.

### 5.2.1 How could farmland covenants work?

Trust for Nature has already considered how its existing conservation covenants could be applied to Victorian farmland. It has identified barriers and possible reform necessary to facilitate the introduction of a dedicated agricultural covenant. Dr Hardy, Nature Markets Manager at the Trust, told the Committee that his organisation has ‘done a bit of work over the last few years’ on the potential for applying covenants to protect farmland, ‘noting that really well-managed agricultural land is sustainable and good for biodiversity and vice versa’—see Box 5.2.<sup>20</sup>

#### Box 5.2 Applying existing covenants to Victorian farmland

As already noted, Trust for Nature is a statutory body focused on conservation. As such it is bound by its statutory objectives to protect landscapes of ecological significance, or natural and historical interest. This means that currently, it can only facilitate the application of covenants to farmland which also contains significant biodiversity values:

... sites would need to meet our minimum covenanting requirements around conservation value (including prospective ecological value ... Intensively farmed / monoculture cropping farmland, without ecological values / prospects is unlikely to qualify for a Trust for Nature covenant.

Where covenants can be applied to farmland they would have the same legal force as a traditional conservation covenant, but a greater focus on protecting the natural capital that supports healthy agricultural systems. For example, soil, water and pasture conditions. The deed of covenant can be amended to reflect this focus. For example, it could permit livestock, cropping and ploughing in the areas of a property which are being used for farming.

A covenant applying to farmland would also be accompanied by a management plan tailored to facilitate sustainable agriculture. Key activities that could be included are:

- protecting remnant native vegetation (including where managed grazing occurs)
- protecting and revegetating riparian vegetation
- managing grazing pressure, and restoring and revegetating native pastures
- managing weeds and feral animals
- restoring habitat within the farming system, including via shelterbelts
- retaining large paddock trees
- managing water quality, including via revegetating farm dams.

(Continued)

<sup>20</sup> Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 25.

**Box 5.2 Continued**

As well as protecting environmental assets, farmland management plans could require specific sustainable land management practices such as regenerative farming, including minimising the use of herbicides, fungicides, insecticides and fertilisers.

These management actions are simple and not too far removed from the requirements for traditional covenants, which means they could be integrated into Trust for Nature's existing stewardship program. For example, restrictions on the use of fertilisers can be measured via soil tests and feral animal disturbance provides an indication of whether feral animals are being managed.

Source: Trust for Nature, *Protecting our sustainably managed farmland*, 2022, pp. 30–33, 35–36, 39; Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 25; Trust for Nature, response to questions on notice received 24 June 2024, p. 2.

Trust for Nature noted that two possible barriers to the successful application of covenants to agricultural land include the farming community's perception of conservation activities and the resourcing required to ensure compliance. It observed that the concept of a covenant to protect farmland may not be immediately embraced by all members of the farming community due to negative perceptions of conservation:

[This perception] ... is probably linked to historical tensions with the sector between environmentalists and farmers, bureaucratic intervention and failed (or poorly managed) public schemes. There was also some inherent distrust of conservation covenants, which were commonly perceived as tools to 'lock up land'...

There will be an important communication piece around the farm covenant to reassure landholders that they can continue to work their land under covenant, and that the purpose of the covenant is to protect their sustainable practices, assets and investments into the future rather than unreasonably restrict their practices.<sup>21</sup>

Trust for Nature suggested that these perceptions can be addressed by ensuring that farmland covenants 'put the farmer and their business first, and not be overly prescriptive about how they achieve their sustainable land management outcomes'.<sup>22</sup>

Trust for Nature also observed that compliance will depend on how it is resourced to support farmers to implement covenants on agricultural land. It noted that its stewardship program has historically provided good assurance that the terms of a covenant are being met by landowners. However, this relies on strong on-ground support.<sup>23</sup>

<sup>21</sup> Ibid., p. 41.

<sup>22</sup> Ibid., pp. 41–42.

<sup>23</sup> Ibid., pp. 40–41.

Nonetheless, Trust for Nature said that ‘[s]ubject to funding and alignment ... with [it’s] statutory obligations, covenants are already implementation-ready in agricultural contexts’.<sup>24</sup> It noted that it has already demonstrated the transferability of conservation covenants to agricultural contexts by preparing a ‘proof of concept’ covenant to be applied to a farm in Rokewood—see Box 5.3.

### Box 5.3 Moonlight Creek natural agriculture community

Moonlight Creek is a 495-hectare property located in Rokewood, in the Golden Plains Shire. It is zoned for farming and consists of arable grazing land and remnant vegetation. The spring-fed Moonlight Creek and Mount Misery Creek watercourses run through the property into the neighbouring Enfield and Illabrook reserves. It is also neighboured by grazing and cropping properties, residential homes and lifestyle blocks.

Property owners Cassinia Environmental (a landscape restoration company) are working to establish a ‘natural agriculture community’ on the property which will encompass 14 lifestyle homeowners and a share farming business. The desired outcomes of the Moonlight Creek natural agriculture community are:

- a strongly connected community that works with the Farm and Land Management Plan to build something beautiful and lasting for families and communities
- modification of grazing systems to reduce resource overuse, increase carbon levels in biomass and soils, reduce soil erosion, and produce premium agricultural products
- the restoration of the land through revegetation and natural regeneration practices and the permanent protection of threatened ecosystems using conservation covenants[.]

The agriculture component of the property consists of 300 hectares of regenerative grazing and/or mixed-use farmland which will be managed by a dedicated farmer under a long-term leasing or share farming agreement.

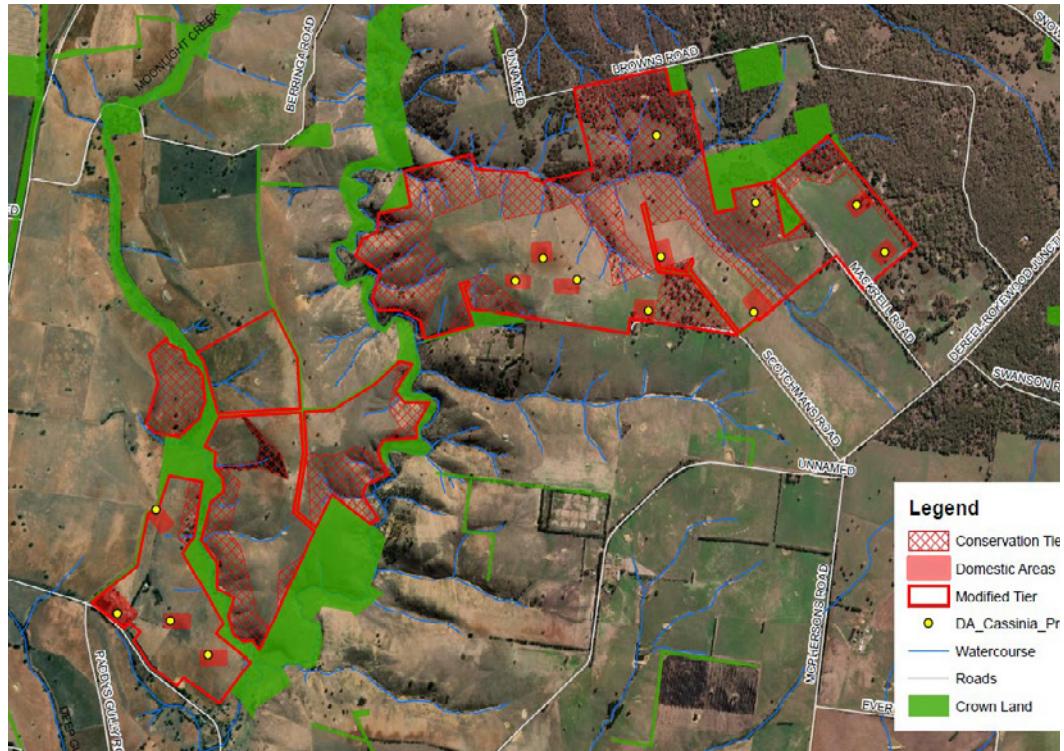
Trust for Nature has developed a conservation covenant for the property which would have the same legal force as a traditional conservation covenant but is focused on protecting the natural capital that supports agriculture (soil, water and pasture). The covenant applies different levels of protection, known as tiers, to each section of the property depending on whether it is being used for farming, environmental conservation or residential purposes. For example, the property’s biodiversity values are protected by a conservation tier, while the farming sections are reserved for productive use under a modified tier of the covenant—see the image below.

(Continued)

<sup>24</sup> Trust for Nature, response to questions on notice received 24 June 2024, p. 2.

## Box 5.3 Continued

Figure 5.3 Moonlight Creek farm covenant



Source: Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 35.

The covenant is very similar to a traditional conservation covenant, with some key changes, including:

- explicitly expanding covenant objectives to enshrine sustainable land management practices on primary production land
- explicitly requiring the landowner to manage land consistently with sustainable land management principles
- providing new definitions for Sustainable Land Management and Primary Production
- rebranding the 'Deed of Covenant' to a 'Sustainable Farming Agreement'
- modifying actions or restrictions for each tier (e.g. livestock grazing is no longer restricted under the sustainable and modified use tiers).

Trust for Nature endeavoured not to be overly prescriptive or specific in the covenant, in recognition that they protect land in perpetuity and farming practices change. It also strove to avoid reference to activities that are difficult to monitor or outside its expertise.

(Continued)

**Box 5.3 Continued**

A ‘farm and land management plan’ has been developed in conjunction with the share-farmer responsible for agriculture on the property. It aims to facilitate regenerative agriculture which will reinvigorate the pastures on the property and improve the sustainability of its agricultural output. The management actions specified in the plan are simple, measurable and align with the requirements for conservation covenants, allowing them to be integrated into Trust for Nature’s existing stewardship program.

Source: Trust for Nature, *Protecting our sustainably managed farmland*, 2022, pp. 13–15, 30, 34–35, 39–40.

While the Moonlight Creek agricultural covenant provides proof of concept, Trust for Nature supported a wider pilot program to test the application of covenants to Victorian farmland more broadly:

The Trust would be open to discussing a more expansive pilot program that further tests the application of the conservation covenant deed in a range of agricultural contexts.<sup>25</sup>

It suggested that a pilot program could specifically target peri-urban farmland to ‘help mitigate impacts of urban sprawl and protect land in green wedge areas’.<sup>26</sup>

Trust for Nature noted that it has ‘strong networks in the agricultural, particularly sustainable agricultural communities’ and ‘would likely be able to get some more pilot covenants off the ground in target landscapes relatively quickly’.<sup>27</sup> However, it noted that a pilot program could be constrained by its statutory requirement to facilitate covenants on land which is ecologically significant, of natural interest or beauty, or which is of historic interest. It suggested that the criteria for determining whether land fits this definition could be amended to facilitate a pilot program:

... factors supporting each objective have been developed by Trust for Nature (with Board approval) and in theory could be expanded or clarified if necessary. For example, it may be appropriate to expand the meaning of ‘ecological significance’ to explicitly include soil health, including its biota and carbon content. Given the contemporary focus on soil as a key element in ecological functioning, this should not be controversial.<sup>28</sup>

Trust for Nature also suggested that there is also ‘room for public investment’ to get the concept of covenants to protect farmland ‘off the ground’.<sup>29</sup> It suggested that land tax exemptions<sup>30</sup> and local government rate concessions could be better utilised to incentivise landowners to seek a covenant to protect their farmland:

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 31.

<sup>29</sup> Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 25.

<sup>30</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 41; Trust for Nature, response to questions on notice received 24 June 2024, pp. 1–3.

Most landholders are still required to pay council rates notwithstanding the significant contribution they are making to the conservation estate, including managing pest plants and animals, improving and maintaining habitat connectivity, and mitigating climate change. The Trust supports an amendment of s 169 of the Local Government Act to provide blanket rates exemptions to covenantors. This would mirror the rates situation in NSW and SA.<sup>31</sup>

Trust for Nature said that the design of a farmland covenant pilot program in Victoria should also be informed by the well-established system of ‘conservation easements’ in the United States of America (US). It noted that “‘agricultural easements’ are commonplace, primarily to preserve and maintain private land for agricultural use, avoiding subdivision and limiting construction to buildings that support the farm’. It said that the ‘the uptake and the success’ of this program is ‘worth flagging’ and has largely been driven by ‘significant financial incentive[s]’:

The US is a current global leader in private land conservation, having a well-developed system of conservation and agricultural covenants (easements), made possible by a range of public incentives that recognise the fundamental value of permanently protecting biodiversity. These initiatives have been shown to have a demonstrable impact on the uptake of permanent protection of nature on private land.<sup>32</sup>

**FINDING 20:** The introduction of covenants to protect Victorian farmland is achievable and could have transformative power to address some of the property market dynamics undermining agriculture, particularly in peri-urban areas.

## 5.3 United States’ conservation easements

The US has a ‘a very well-developed and fairly widespread covenanting system’ which can be used to protect a range of private land from development, including farmland.<sup>33</sup> The mechanism through which protection is achieved is referred to as a ‘conservation easement’, rather than a covenant.<sup>34</sup>

### 5.3.1 What is a conservation easement?

In the US, a conservation easement is an agreement between a landowner and an ‘easement holder’ imposing restrictions on how the land can be used, similar to the

<sup>31</sup> Trust for Nature, response to questions on notice received 24 June 2024, pp. 2–3.

<sup>32</sup> Trust for Nature, response to questions on notice received 24 June 2024, p. 1; Dr Mat Hardy, Nature Markets Manager, Trust for Nature, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, p. 28; Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 30 (in footnote 32).

<sup>33</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 31.

<sup>34</sup> In Victoria, ‘easements’ and ‘covenants’ represent two distinct forms of property interests. An easement is a right to use land that is owned or occupied by another for specific purposes, whereas a covenant is a legally binding agreement between an owner and a third party that limits the way the land can be used.

In the United States, however, the term ‘conservation easement’ is used to describe a type of covenant established by statute. Therefore, while the term ‘easement’ is employed in this section, it is not to be confused with traditional easements in Victorian property law.



Victorian concept of a covenant.<sup>35</sup> Conservation easements on farmland typically prohibit subdivision and commercial or industrial development, while permitting agricultural uses and the construction of related structures.<sup>36</sup> Conservation easements are applied to a broad range of farmland, including cropland, rangeland, grassland, pastureland and non-industrial private forest land. Many conservation easements also require sustainable farmland management, such as regenerative grazing.<sup>37</sup> Section 1(1) of the *Uniform Conservation Easement Act* defines a ‘conservation easement’ as:

... a nonpossessory interest of a holder in real property imposing limitations or affirmative obligations the purposes of which include retaining or protecting natural, scenic, or open-space values of real property, assuring its availability for agricultural, forest, recreational, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property.<sup>38</sup>

Like Victoria’s conservation covenants, conservation easements are property interests and ‘run with the land’, meaning they bind all future owners of the property.<sup>39</sup> However, unlike in Victoria, conservation easements can be created for a variety of purposes, including the maintenance of working farms.<sup>40</sup>

### 5.3.2 How long do conservation easements protect land?

Most conservation easements are perpetual. However, some apply to a specified term only (such as 20 or 30 years) or to terminate upon the satisfaction of specified conditions.<sup>41</sup> The high proportion of in perpetuity easements is mainly due to the

<sup>35</sup> Jess R. Phelps, ‘Defining the Role of Conservation in Agricultural Conservation Easements’, *Ecology Law Quarterly*, vol. 44, no. 3, 2017, p. 652; Federico Cheever and Nancy A. McLaughlin, ‘An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law’, *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, p. 108.

<sup>36</sup> Dominic P. Parker, ‘Land Trusts and the Choice to Conserve Land with Full Ownership or Conservation Easements’, *Natural Resources Journal*, vol. 44, no. 2, 2004, p. 484; Jess R. Phelps, ‘Defining the Role of Conservation in Agricultural Conservation Easements’, *Ecology Law Quarterly*, vol. 44, no. 3, 2017, p. 652; Thomas L. Daniels, ‘Assessing the Performance of Farmland Preservation in America’s Farmland Preservation Heartland: A Policy Review’, *Society & Natural Resources*, vol. 33, no. 6, 2020, p. 759.

<sup>37</sup> Trust for Nature, *Protecting our sustainably managed farmland*, 2022, p. 31.

<sup>38</sup> Uniform Law Commission, *Conservation Easement Act*, <<https://www.uniformlaws.org/committees/community-home?CommunityKey=4297dc67-1a90-4e43-b704-7b277c4a11bd>> accessed 27 August 2024.

<sup>39</sup> Gerald Korngold, ‘Governmental Conservation Easements: A Means to Advance Efficiency, Freedom from Coercion, Flexibility, and Democracy’, *Brooklyn Law Review*, vol. 78, no. 2, 2013, p. 471; Farmland Information Center, *Purchase of Agricultural Conservation Easements*, 2020, p. 1.

<sup>40</sup> Federico Cheever and Nancy A. McLaughlin, ‘An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law’, *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, p. 111.

<sup>41</sup> Thomas L. Daniels, ‘Assessing the Performance of Farmland Preservation in America’s Farmland Preservation Heartland: A Policy Review’, *Society & Natural Resources*, vol. 33, no. 6, 2020, pp. 758–759; Gerald Korngold, ‘Governmental Conservation Easements: A Means to Advance Efficiency, Freedom from Coercion, Flexibility, and Democracy’, *Brooklyn Law Review*, vol. 78, no. 2, 2013, p. 474; Federico Cheever and Nancy A. McLaughlin, ‘An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law’, *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, p. 112. For example, a conservation easement might be terminated at the request of the landowner if the easement holder determines that profitable farming on the property is no longer feasible: Federico Cheever and Nancy A. McLaughlin, ‘An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law’, *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, pp. 112–113.

eligibility requirements for federal and state tax deductions, as well as the desire of many landowners to ensure permanent protection of their land.<sup>42</sup>

Although most easements in the US are perpetual, fixed term easements also exist. In North Dakota, state law restricts easements to a term of 99 years.<sup>43</sup> In other states such as Kansas, Alabama, Montana and West Virginia, perpetual easements are not the default.<sup>44</sup>

### 5.3.3 The role of land trusts

Conservation easements are held for the benefit of the public by either a state agency or a qualified charitable organisation, known as a 'land trust'.<sup>45</sup> A land trust is a:

... nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting direct land transactions – primarily the purchase or acceptance of donations of land or conservation easements.<sup>46</sup>

Similar to Trust for Nature, land trusts also play a key stewardship role, as they not only facilitate the creation of easements, but are also tasked with monitoring and enforcing them.<sup>47</sup>

A national Land Trust Accreditation Commission offers accreditation to state land trusts, to enhance their credibility.<sup>48</sup> The accreditation serves as a 'seal of quality', signifying that the land trust meets 'the highest national standards for excellence and conservation permanence'.<sup>49</sup> While not mandatory, many professional land trusts will obtain accreditation to enhance trust and confidence among landowners and the public.<sup>50</sup>

42 Federico Cheever and Nancy A. McLaughlin, 'An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law', *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, p. 113.

43 Molly Teague, 'Conservation Options: Conservation Easements, Flexibility, and the "In Perpetuity" Requirement of IRC § 170(h)', *Vanderbilt Law Review*, vol. 75, no. 5, 2023, p. 1590.

44 Ibid.

45 Jess R. Phelps, 'Defining the Role of Conservation in Agricultural Conservation Easements', *Ecology Law Quarterly*, vol. 44, no. 3, 2017, p. 652; Federico Cheever and Nancy A. McLaughlin, 'An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law', *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, p. 109; Daniel Pessar, 'Organic Conservation Easements on Working Agricultural Lands', *Environs: Environmental Law and Policy Journal*, vol. 45, no. 2, 2022, pp. 242–243.

46 East Quabbin Land Trust, *Frequently asked questions*, <<https://ealt.org/about-us/frequently-asked-question>> accessed 29 August 2024.

47 Daniel Pessar, 'Organic Conservation Easements on Working Agricultural Lands', *Environs: Environmental Law and Policy Journal*, vol. 45, no. 2, 2022, p. 243

48 Land Trust Accreditation Commission, *Home*, <<https://www.landtrustaccreditation.org>> accessed 29 August 2024.

49 Ibid.

50 Land Trust Accreditation Commission, *The Accreditation Seal*, <<https://www.landtrustaccreditation.org/about/about-the-seal>> accessed 29 August 2024.

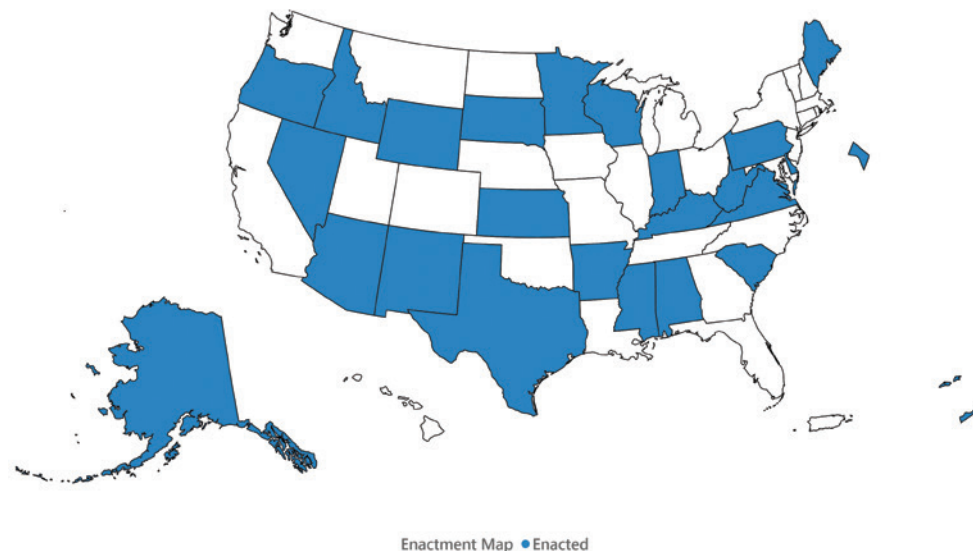
### 5.3.4 Statutory framework for conservation easements

In the US, a ‘complex body of state and federal law ... shapes the creation, funding, tax treatment, enforcement, modification, and termination of conservation easements’.<sup>51</sup> The ‘mosaic of laws’ that affect conservation easements is extensive and includes:

- state statutes authorizing the creation of conservation easements (generally referred to as conservation easement ‘enabling’ statutes),
- state laws authorizing state easement purchase programs,
- state laws authorizing state tax benefits for easement donations,
- state real property and contract laws,
- state laws governing the operations of charitable organizations,
- state laws governing the administration of charitable gifts,
- federal laws authorizing federal tax benefits for easement donations,
- federal laws authorizing federal easement purchase programs, and
- federal laws governing the tax-exempt status of charitable organizations.<sup>52</sup>

Many states have adopted uniform conservation easement Acts, based on model legislation drafted by the Uniform Law Commission<sup>53</sup>—see Figure 5.4.

**Figure 5.4 US states which have enacted the Uniform Conservation Easement Act**



Source: Uniform Law Commission, *Conservation Easement Act*, <<https://www.uniformlaws.org/committees/community-home?CommunityKey=4297dc67-1a90-4e43-b704-7b277c4a11bd>> accessed 27 August 2024.

<sup>51</sup> Federico Cheever and Nancy A. McLaughlin, ‘An Introduction to Conservation Easements in the United States: A Simple Concept and a Complicated Mosaic of Law’, *Journal of Law, Property, and Society*, vol. 1, no. 107, 2015, pp. 108–109.

<sup>52</sup> *Ibid.*, p. 114.

<sup>53</sup> Uniform Law Commission, *Conservation Easement Act*, <<https://www.uniformlaws.org/committees/community-home?CommunityKey=4297dc67-1a90-4e43-b704-7b277c4a11bd>> accessed 27 August 2024.

### 5.3.5 Incentives for landowners

Some state and local governments provide incentives or financial compensation to landowners who agree to a conservation easement to protect their property for agricultural uses. For example, ‘purchase of agricultural conservation easement programs’, known as PACE programs. PACE programs fund the purchase of agricultural conservation easements from participating landowners. Typically, landowners are paid the difference between the restricted (in this case, agricultural) value of the land and the value of the land for its ‘highest and best use’, which may be residential or commercial development. In this way, PACE programs can be understood as facilitating the purchase of the development rights of a property. The price of the easement is determined through land appraisal.<sup>54</sup> As of January 2023, a total of 28 US states had active state-level PACE programs.<sup>55</sup>

Landowners may also ‘donate’ conservation easements as a tax-deductible charitable gift. While this is relatively uncommon, some property owners are deeply committed to protecting the agricultural value of their property and may choose to forego their development rights without compensation.<sup>56</sup>

The US Farmland Information Center—a national statutory body focused on protecting farmland—said that incentivising the application of conservation easements to farmland provides several significant benefits to farmers:

Selling an easement allows farmers to cash in a percentage of the equity in their land, thus creating a financially competitive alternative to development. Permanent easements prevent development that would effectively foreclose the possibility of farming. Because non-agricultural development on one farm can cause problems for neighboring agricultural operations, PACE may help protect their economic viability as well.

Removing the development potential from farmland generally reduces its future market value. This may help facilitate farm transfer to the children of farmers and make the land more affordable to beginning farmers and others who want to buy it for agricultural purposes. The reduction in market value may also reduce property taxes.

PACE provides landowners with liquid capital that can enhance the economic viability of individual farming operations and help perpetuate family tenure on the land. For example, the proceeds from selling agricultural conservation easements may be used to reduce debt, expand or modernize farm operations, invest for retirement or settle estates. The reinvestment of PACE funds in equipment, livestock and other farm inputs may also stimulate local agricultural economies.<sup>57</sup>

<sup>54</sup> Nicolas Brunet, ‘Preserving and Promoting Agricultural Activities in the Peri-Urban Space’ in W.J. Caldwell, S. Hilts, and B. Wilton (eds), *Farmland preservation: Land for future generations*, University of Manitoba Press, 2017, pp. 157–158; Farmland Information Center, *Purchase of Agricultural Conservation Easements*, 2020, p. 2.

<sup>55</sup> Farmland Information Centre, *Status of state PACE programs*, 2023, p. 1.

<sup>56</sup> Jess R. Phelps, ‘Defining the Role of Conservation in Agricultural Conservation Easements’, *Ecology Law Quarterly*, vol. 44, no. 3, 2017, p. 655; Trust for Nature, response to questions on notice received 24 June 2024, pp. 1–2.

<sup>57</sup> Farmland Information Center, *Purchase of Agricultural Conservation Easements*, 2020, p. 2.

Trust for Nature also highlighted that farmers who sell the right to develop their land by applying a conservation easement often pay less tax as they have reduced the value of their land.<sup>58</sup> It also noted that federal tax reform in 1976 and 2015 granted landowners with conservation easements a reduction in their federal income tax liabilities to further incentivise the application of conservation easements to farmland. It suggested that ‘these initiatives have been shown to have a demonstrable impact on the uptake of easements’.<sup>59</sup>

**FINDING 21:** The United States system of conservation easements to protect farmland is well-established and widespread. Financial incentives which encourage farmers to participate have been key to its success and have strengthened the viability of the agricultural sector.

## 5.4 Committee view on covenants to protect farmland

The Committee shares stakeholders’ view that the application of covenants to permanently protect Victorian farmland has significant potential to complement existing Victorian planning regulation safeguards for farmland. It holds transformative potential in the way we manage and secure our food production, particularly around the fringe of Victorian cities where property market dynamics are undermining the sector’s viability.

Farmland covenants could help ensure farmland remains active in food production across ownership transfers and protect it from inappropriate development and subdivision. It has the potential to reconnect the sales value of the land to its productive agricultural value, as opposed to its development value. This may improve the viability of farming close to Victorian cities and may make it easier to establish new farming businesses or expand existing ones.

Requiring farmers to sustainably manage land under a covenant would deliver environmental outcomes to the benefit of all Victorians. Moreover, farmers’ investment into their land under a covenant will be protected, and potentially recognised by the market, if they sell their farmland.

There is also potential for covenants to be used to ensure that any housing constructed in farming zones is built to enable active farming.

The Committee observes that not only do covenants offer a more permanent protection for farmland than the complementary reforms to the Victorian planning framework contemplated in other chapters of this report, they also offer a less coercive protection. Farmers would be voluntarily entering into an agricultural covenant. The voluntary aspect of the covenanting model may make it more favourable to farmers than compulsory mechanisms already in the Victorian planning framework.

<sup>58</sup> Trust for Nature, response to questions on notice received 24 June 2024, pp. 1-2.

<sup>59</sup> Ibid.

The Committee commends Trust for Nature for its proactive approach to testing the farmland covenant concept and identifying possible barriers to its success. While proof of concept has already been demonstrated by the Moonlight Creek farming property in Rokewood (and in the US), the Committee agrees that a broader pilot is needed to trial farmland covenants on a wider scale. It also shares Trust of Nature's view that peri-urban agricultural regions offer a robust environment for a pilot program which would support the identification of challenges and opportunities to introduce covenants across the state. The agricultural regions around Victorian cities are also where covenants for farmland have the potential to make the greatest positive impact. The Committee would like to see the Victorian Government work with Trust for Nature to develop and implement a pilot program.

**RECOMMENDATION 19:** That the Victorian Government work with Trust for Nature and the agricultural sector to develop and implement an agricultural covenant pilot program. The program should:

- encompass a diverse variety of farms, representative of the broader sector
- be focused on designing agricultural covenants which are practical, not overly prescriptive and flexible enough to accommodate changing farming practices
- be informed by key learnings from the well-established system of conservation easements in the United States
- identify barriers to the statewide rollout of agricultural covenants and how they could be overcome.

The progress of the pilot program, its achievements, its outcomes and key learnings should be regularly and transparently reported on Trust for Nature's website and in its annual report. A final report should also be produced which makes recommendations to the Victorian Government regarding the next steps for a broader rollout of agricultural covenants across the state (if the pilot program demonstrates this is merited).

The Committee recognises that Trust for Nature's statutory objectives currently limit the application of covenants to properties with landscapes of ecological significance, or natural and historical interest. Trust for Nature has indicated that it may be able to amend the criteria for determining these values to better capture farmland. The Committee believes that this would better equip a pilot program for success as it would enable the concept to be tested on a broader range of farmland.

The Committee also recognises that strong incentives will be key to the success of both an agricultural covenant pilot program and the rollout of farm covenants on a broader scale. The power of incentives has been conclusively demonstrated by the wide uptake of agricultural easements in the United States. The Committee would like to see the Victorian Government work with Trust for Nature to appropriately incentivise the pilot program. This may include exemptions from council rates, tax concessions or other support for working farmers.

**RECOMMENDATION 20:** That the Victorian Government work with Trust for Nature to:

- amend its criteria for properties eligible to be covenanted to better capture a diverse range of farmland.
- incentivise farmers to participate in an agricultural covenant program. This should be informed by the incentives for agricultural easements offered in the United States and may include exemptions from council rates, tax concessions or other support for working farms. Consideration should also be given to how incentives could be offered on a more permanent basis if the pilot program is a success.

While the Committee is optimistic about the transformative potential of agricultural covenants, it also recognises that they are not a panacea for addressing the threats to farmland and the agricultural industry. The reforms to the Victorian planning framework and support for farmers contemplated in other chapters of this report are equally, if not more, important.





# Chapter 6

## Supporting farmers to feed Victoria

Ensuring that farming businesses prosper, and that young talent is attracted to work in the agricultural sector is critical to securing Victoria's food supply. Technology, greater access to farmland and micro food processing facilities can also support farmers to feed Victoria.

### 6.1 Promoting prosperous agriculture in peri-urban regions

Protecting agricultural land from inappropriate development is the first step in securing Victoria's food supply. An equally important second step is ensuring that farming remains a viable, attractive business. As the Moorabool Shire Council observed, 'planning controls to protect land may be of little value if other (non-planning) factors are decreasing the continued viability of existing and future farming operations':

It is important that the inquiry consider mechanisms to support and encourage landowners to continue to farm their land. Increased costs of business, increased regulation and market forces are placing pressure on [n] farming businesses ...

It is important that ... consideration and support is given to landowners and their needs.<sup>1</sup>

Foodprint Melbourne—a University of Melbourne research group—submitted that '[i]n addition to creating long term certainty for farming in the region through stronger protection for farmland ... measures to build the viability of farming are important'.<sup>2</sup>

Many stakeholders made similar points. For example, a celery and leek farmer from the outskirts of Melbourne who submitted anonymously to the Inquiry suggested that 'our food bowl will only continue if we have people with a desire and passion to continue to manage a farming operation'. He asserted that 'profitability, is ... the realistic measure of success and the only way to ensure the security of our food'.<sup>3</sup> Likewise, Dr Kelly Donati—co-founder of Sustain, a food systems advocacy group—stressed that the 'health and wellbeing of all Victorians depends on a thriving agricultural sector in which farmers are supported and farming is a viable livelihood':

... it is important for the Victorian [G]overnment to understand investment in a thriving, resilient and regenerative agricultural sector as foundational to not only strong regional economies and communities but also the health and wellbeing of all Victorians.<sup>4</sup>

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1 Moorabool Shire Council, *Submission 11*, p. 8.

2 University of Melbourne SAFES, *Submission 46*, p. 6.

3 Name withheld, *Submission 42*, p. 3.

4 Dr Kelly Donati, *Submission 50*, p. 3.

Potato, sheep and cereal producer Katherine Myer asserted that '[a] farm is not a charitable entity'. She argued that agriculture needs to be profitable enough to support Victorian farming families:

A farm needs to be profitable enough to provide incomes for the families that work on and in the business and have enough left over to invest in the research, development and innovation to drive future productivity growth – to ensure the businesses can keep ahead of the inevitable cost-price squeeze.<sup>5</sup>

Nursery and Garden Industry Victoria—the peak body for the state’s horticultural sector—emphasised that ‘the public policy goal should be to ensure that peri-urban food production is economically rewarding for farmers, thereby contributing to food security and sustainable land use practices in all parts of Victoria’.<sup>6</sup>

**FINDING 22:** Ensuring that farming remains a viable, attractive business is just as important to securing Victoria’s food supply as protecting agricultural land from inappropriate development.

As described in previous chapters of the report, agriculture in peri-urban areas can be challenging for a variety of reasons, many of which impact the profitability of businesses. Piecemeal development is fragmenting and urbanising farming areas, raising land values and increasing instances of land use conflict. Peri-urban farms are typically smaller, with more direct supply channels to consumers, and can find it challenging to achieve the economies of scale which helps make farming profitable. Nursery and Garden Industry Victoria described how these challenges are impacting the profitability of horticulturalists operating around the fringe of Melbourne:

In Melbourne’s food belts, growers face an added layer of challenge stemming from the elevated cost of doing business where they are growing and farming closer to Melbourne’s CBD. NGIV hears first-hand that they confront soaring property prices—propelled by speculative investment encroaching upon Melbourne’s Urban Growth Boundary - coupled with inflated local government rates and other costs such as increasing workover premiums, general utility price increases and inputs. We can attest that these factors collectively pose substantial obstacles for aspiring horticulturalists and farmers seeking to set up a new business.<sup>7</sup>

Foodprint Melbourne and Agribusiness Yarra Valley (a group representing farmers in the Yarra Valley region) provided similar evidence. Foodprint Melbourne said that the viability of farms around Melbourne is impacted by a range of factors including ‘high land prices and local government rates, the cost and availability of water, small land parcels and potential conflicts with residents in nearby residential areas’.<sup>8</sup> Agribusiness Yarra Valley submitted that ‘[u]rban [s]prawl and demand for land in the

<sup>5</sup> Katherine Myers, *Submission 66*, p. 3.

<sup>6</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 6.

<sup>7</sup> Ibid.

<sup>8</sup> University of Melbourne SAFES, *Submission 46*, p. 5.

Yarra Ranges has driven up the value of farmland to the point where it is becoming economically unviable to farm'.<sup>9</sup> It added that the '[c]osts of production, market forces, pest animals/insects/pathogens, climate change, council rates, limitations to building on farm accommodation and accessing labour to undertake their seasonal jobs are part of the challenge'. It urged the Committee to consider how these issues can be addressed to secure Victoria's food supply:

It's important that this inquiry consider these issues & the opportunities for landowners to continue farming. Our farmers must have a viable business to hand on to the next generation ... The viability of farming in the Yarra Valley is important [to] the health and wellbeing of our community.<sup>10</sup>

The Committee received similar evidence from other agricultural professionals working in the Yarra Valley region. Their personal accounts are described in Box 6.1.

### Box 6.1 Personal accounts of the challenge of maintaining farm viability in the Yarra Ranges municipality

Bronwyn Koll, Regional Coordinator of Keep Yarra Valley Fruit Fly Free, described her family's decision to sell their apple orchard. Low profitability was a factor in this decision:

Just recently my parents have sold that property. Pretty much, to quote my dad, 'Why should I keep working to feed the nation when it costs me \$8,000 a year for the privilege to do so?' I would have liked to have kept farming and continued on the tradition of growing apples with my family. At the end of the day, my parents could not afford to give us the farm, and I could not afford to buy it. Their money that they have managed to accrue in that time of that orcharding phase has pretty much only just covered what super they need, because they did not put any super away producing apples and fruit for the Victorian public and wider public to consume.

Orchardist Kevin Sanders told the Committee he has also recently decided to sell his apple orchard for similar reasons:

As I said ... last week I worked 84 hours, and I am 70 years old and I am not paying our way. We have run losses for the last four years in the company, and we are putting superannuation back into the business so we can just do it. What is the point? There is not really much sense in it, because if we sold the farm, financially we would be much better off, but I would not be a farmer any longer. But we have had to come to that decision.

Source: Bronwyn Koll, Regional Coordinator, Keep Yarra Valley Fruit Fly Free, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 21; Kevin Sanders, Sanders Apples and Yarra Valley Council Rural Advisory Committee, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 22.

<sup>9</sup> Agribusiness Yarra Valley, *Submission 48*, p. 1.

<sup>10</sup> *Ibid.*

**FINDING 23:** Expensive farmland and increasing property rates, paired with the typically smaller-sized farms characteristic of peri-urban areas, present additional challenges to the profitability of agricultural businesses around the fringe of Melbourne.

The general cost of farming across Victoria is also rising. The Victorian Farmers Federation—an advocacy group representing the state’s farmers—said ‘Victorian farm businesses are being forced to absorb rapidly increasing costs of inputs, whilst also carrying the burden of financial loss in the case of business closures and disruptions in market supply chains’.<sup>11</sup> Foodprint Melbourne reported that Victorian farmers are ‘caught in a tight ‘cost price squeeze’ as the cost of inputs (like fertilisers, labour, fuel and water) rises and the farmgate price for their produce falls’.<sup>12</sup> Likewise, Keep Yarra Valley Fruit Fly Free submitted that ‘the ever increasing cost and availability of inputs’ and the ‘requirements for ... food safety compliance’ are ‘not being balanced out with the pricing received for fresh quality product’.<sup>13</sup> Nursery and Garden Industry Victoria said its members are grappling with mounting input costs:

... our members are grappling with mounting economic pressure as expenses linked to essential nursery inputs such as fuel, water, fertilisers, chemicals and infrastructure modernisation are rapidly climbing, in line with other acknowledged cost-of-living pressures.<sup>14</sup>

The profit margins earned on food production can also be highly variable and are not always there for farmers. Sustain described farmers as ‘price takers’ and suggested that their earnings have not kept pace with the increasing cost of producing food:

Farmers have become price-takers, with some stating that the prices they receive for their produce have not changed in nearly 50 years ... This is contributing to declining farm viability and therefore a lack of sectoral revitalisation. Agriculture is increasingly perceived as an industry in which farmers earn minimal income, are not sufficiently valued and have limited agency in setting prices and determining how they farm and manage the land.<sup>15</sup>

Sustain suggested that farms ‘are under pressure to “get big or get out”, to pursue economies of scale in response to diminishing terms of trade’.<sup>16</sup> The Yarra Ranges Council Rural Advisory Committee echoed these observations. It told the Committee that ‘the food supply chain is oppressive when it comes to providing sustainable returns to the farmer’:

Few agribusinesses are able to bypass the market power of the large supermarket chains. Most orchardists produce on a take it or leave it basis when it comes to price for

<sup>11</sup> Victorian Farmers Federation, *Submission 55*, p. 13.

<sup>12</sup> Foodprint Melbourne, *Roadmap for a resilient and sustainable Melbourne foodbowl: Summary briefing from Foodprint Melbourne*, 2019, p. 4.

<sup>13</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 3.

<sup>14</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 6.

<sup>15</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 6–7.

<sup>16</sup> *Ibid.*, p. 7.

production ... Enhancing and then protecting farming returns necessarily clashes with market buying power. Finding ways [to] manage this tension is critical to ensuring the Yarra Valley is a sustainable participant in Melbourne's food security.<sup>17</sup>

Box 6.2 provides a sample of the observations made by Victorian farmers in relation to profit margins and business viability.

### Box 6.2 Victorian farmers comment on the profit margins for food production

**Middleman profits [are] becoming ridiculous ... [I] recently saw a photo of steak at \$77.50 a kilo at the butchers, the producer who took the photo had just sold cattle for \$1.56 a kilo?**

**Processor/food chain market power works against us.**

**[We aren't] ... getting a fair price or enough to cover costs. [We aren't] ... able to predict when we are going to be paid. The supermarkets dictat[e] how much we are paid. [We don't] ... hav[e] the ability to raise prices as all other businesses and products we use do, so absorbing every price rise especially fuel, chemicals, wages, electricity, quality assurance costs, loan rates etc. OUR PRICES NEED TO REFLECT WHAT OUR EXPENSES ARE!! Our prices have not risen in the last 20 years!! THAT IS SIMPLY NOT SUSTAINABLE OR FAIR!!!!!!!**

**Export lamb prices have seen extensive financial variability in recent years = high risk[.]**

**Our farm is built on sales to smaller hobby farmers and households. Lack of consistent sales - 5 years ago we were very active in sales - we are now very slow in sales and trying other angles to broaden our customer base further away from our home base which is costly due to transport costs.**

**Very low milk returns and extremely high input costs. Price parity is a thing of the past due to poor governance[.]**

Source: Survey of Victorian Farmers, May-June 2024.

**FINDING 24:** Victorian farmers are experiencing a cost-price squeeze. The profits they earn through food and fibre production have not increased at a rate commensurate to significant input cost rises.

The Committee observes that the buying power of supermarkets is regulated by the Commonwealth Government and has recently been examined by several federal inquiries. For example, the Hon. Dr Craig Emerson's Independent review of the *Food and grocery code of conduct* which reported on 24 June this year.

<sup>17</sup> Yarra Ranges Council, *Submission 18*, p. 9.

### 6.1.1 Independent Review of the Food and Grocery Code of Conduct

In October 2023, the Hon. Dr Craig Emerson was tasked with examining the *Food and grocery code of conduct*. The code provides minimum standards of behaviour for the major supermarkets in their dealings with grocery supplies, including farmers.<sup>18</sup> The review assessed the effectiveness of the code at improving the commercial relationship between the major supermarkets and grocery suppliers, and whether the code should be amended or repealed.<sup>19</sup>

The review found that the code should be strengthened to address the power imbalance between supermarkets and their suppliers, particularly farmers supplying perishable food.<sup>20</sup> It recommended that the code be made mandatory and that the supermarkets be subjected to multi-million-dollar penalties for contravening the code.<sup>21</sup>

The Committee is satisfied that the Australian Government will adopt all 11 recommendations of the review. It is optimistic that these reforms will better protect Australian farmers from unfair purchasing practices and will help ensure prices better reflect the true cost of farming.

In the Committee's view there are several areas where the Victorian Government can complement reform occurring at the federal level. For example, improving the profitability of agriculture, particularly in peri-urban areas, and ensuring a strong pipeline of appropriately skilled farmers and other agricultural professionals. It can also ensure that Victorian farmers have access to the shared infrastructure they need to thrive. The remainder of this chapter considers these issues.

### 6.1.2 Programs to support small-scale and peri-urban agriculture

Inquiry stakeholders suggested that State Government support to develop agriculture is generally focussed on large commercial farms. For example, Michael Buxton of RMIT University's Centre for Urban Research noted that 'agricultural agencies ... have consistently undervalued peri-agriculture in favour of broad-scale farming'.<sup>22</sup> Likewise, agricultural planning consultancy, the Rural Planner noted that policy and regulation is generally geared to support '[l]arger, industrial-scale producers'.<sup>23</sup> Sally Beer, Agribusiness Support Officer at the City of Greater Bendigo said that Agriculture

18 Australian Government, *Government response to the Independent Review of the Food and Grocery Code of Conduct*, 2024, pp. 1–6.

19 The Treasury, *Food and Grocery Code of Conduct Review 2023–24 – Terms of reference*, <<https://treasury.gov.au/review/food-and-grocery-code-of-conduct-review-2023/terms-of-reference>> accessed 9 August 2024.

20 The Hon. Dr Craig Emerson, *Independent Review of the Food and Grocery Code of Conduct: Interim report*, report for The Treasury, 2024, pp. 16–19.

21 Australian Government, *Government response to the Independent Review of the Food and Grocery Code of Conduct*, 2024, pp. 4, 7, 10.

22 Michael Buxton, *Submission 54*, p. 1.

23 The Rural Planner, *Submission 32*, p. 3.

Victoria supports large agricultural businesses well, but lacks development programs for small-scale farms.<sup>24</sup> The City of Greater Bendigo submitted:

While Agriculture Victoria provide some resources to help fill this knowledge gap, from our experience their farmer support programs often target large scale commercial farmers. Participation can be intimidating for small scale and new farmers who are seeking to increase their fundamental knowledge and who are often interested in low input methods which are less prevalent in broad acre enterprises.<sup>25</sup>

Sustain observed that '[w]hat is excluded from policy is equally as important as what is legislated'. It said that 'the current policy paradigm is leading to larger farms with fewer farmers'.<sup>26</sup>

The Committee heard that some local governments bridge this gap by offering development programs specifically targeting small-scale producers within their municipalities. For example, the City of Greater Bendigo, Macedon Ranges Shire Council, Mount Alexander Shire Council and Hepburn Shire Council collaborate to deliver 'capacity-building programs', workshops and short courses focused on regenerative farming. The City of Greater Bendigo said that this has been 'super successful'.<sup>27</sup> Michelle Wyatt, Manager of Climate Change and Environment at the City of Greater Bendigo noted that her organisation supplements this joint program with its own initiatives tailored to its specific farming demographic. She reported that 'there is a real appetite for information amongst the new entry landholders, the hobby farmers and small-scale producers' around the basics of farming, regenerative practices and distribution methods:<sup>28</sup>

We pitch it as regenerative farming ... They are interested in knowing how to get the most out of their land without having to spend a lot on fertilisers and tractors and everything that we talk a lot about, the rotational grazing. It is largely a grazing course and a grazing area. They are interested in some of the basics around property management, like weed control and how to improve the biodiversity on their properties. They are interested in how to set up reticulated water systems so that they can take their stock off their dams. It is simple, but kind of practical things like that.<sup>29</sup>

<sup>24</sup> Sally Beer, Agribusiness Support Officer, Greater Bendigo City Council, public hearing, 23 May 2024, *Transcript of evidence*, p. 20.

<sup>25</sup> City of Greater Bendigo, *Submission 41*, p. 6.

<sup>26</sup> Sustain: The Australian Food Network: *Submission 51*, p. 8.

<sup>27</sup> Michelle Wyatt, Manager, Climate Change and Environment, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, pp. 18-19; Macedon Ranges Shire Council, *Healthy Landscapes*, <<https://www.mrsc.vic.gov.au/Live-Work/Environment/Land-Management/Healthy-Landscapes>> accessed 5 July 2024.

<sup>28</sup> Michelle Wyatt, Manager, Climate Change and Environment, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 19.

<sup>29</sup> *Ibid.*, pp. 21-22.

The City of Greater Bendigo's program encompasses individual on-farm advice, short courses, field trips, webinars and workshops. It also hosts discussion groups and fosters connections between farmers. Ms Wyatt said that this varied approach has achieved good engagement:

The combination of engagement means that farmers can enter at any of those points and select the type of engagement that works for them. To me the combination of those opportunities is really what makes it work, because [Agriculture Victoria] AgVic do a few workshops here and there and you can pay for some advice from an agronomist or something, but to have a package where you can come and go and you start to meet the same people and learn from each other – especially for new landholders, it is a nice environment to ask all the questions that feel stupid, and it is a safe space. So that has been really successful.<sup>30</sup>

Ms Beer noted that the Council has been funding this program in the absence of State Government support.<sup>31</sup> Ms Wyatt said the Council has found it difficult to secure state funding as 'a lot of funding opportunities are looking for technological solutions' to enhance agriculture.<sup>32</sup> The City of Greater Bendigo recommended '[t]hat the Victorian Government invest in capacity building programs that support small scale producers to contribute to food supply, including supporting existing successful programs to continue and expand'.<sup>33</sup> Ms Beer observed that she would like to offer the Council's program to landholders in neighbouring councils who face similar issues.<sup>34</sup>

Hepburn Shire Council reported that it has offered similar support to small scale producers within its municipality in the past but has been unable to continue these initiatives in the absence of State Government funding. Box 6.3 describes the shire's Artisan agriculture project.

<sup>30</sup> Ibid., p. 21.

<sup>31</sup> Sally Beer, Agribusiness Support Officer, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 21.

<sup>32</sup> Michelle Wyatt, Manager, Climate Change and Environment, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 21.

<sup>33</sup> City of Greater Bendigo, *Submission 41*, p. 7.

<sup>34</sup> Sally Beer, Agribusiness Support Officer, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 21.



### Box 6.3 Artisan agriculture project

In 2019–2022, Hepburn Shire Council collaborated with the Central Highlands Regional Partnership, Agriculture Victoria, Regional Development Victoria, and local producers to deliver the Artisan agricultural project. The project supported the development of the region’s artisan agriculture, defined as:

Artisan agriculture encompasses the production of high value produce or premium food on a small scale or by specialised techniques, and with a clearly identified provenance. It creates a connection between the consumer and producer that allows customers to experience the authenticity and story of the product, in a way that provides direct value to both the producer and the consumer.

The project aimed to build the capacity of the artisan agricultural sector and position the sector to take advantage of emerging opportunities. It identified six main challenges faced by artisan farmers:

1. Inappropriate business services.
2. Limited access to shared markets (distribution channels).
3. Limited access to shared infrastructure (processing plant and other equipment).
4. Scale inappropriate food regulations.
5. Limited access to grants and finance to scale up.
6. Competing land use pressures, cost of land including planning regulations are a barrier to entry.

The project delivered a range of activities to address these challenges. It built the sector’s networks, skills and knowledge. Key outcomes of the project included:

- delivering 15 capacity-building events attended by 432 participants
- developing webinars attracting 1,452 views
- awarding \$34,000 in grants to 18 artisan farmers
- providing professional mentoring to 29 artisan producers and growers
- establishing an online food hub, the Central Highlands Growers Collective
- connecting regulators with producers to develop a shared understanding of the sector’s unique challenges.

Hepburn Shire Council reported that the project notably enhanced the resilience of its local food system. It noted that it continues to work with artisan farmers ‘where possible’ in the absence of State Government funding to continue the project.

Source: Hepburn Shire Council, *Submission 52*, pp. 2–3; Hepburn Shire Council, *Artisan agriculture project: Unlocking the gate*, 2023.

The Committee heard that even where state programs are appropriate for small-scale producers, farms in Melbourne's peri-urban areas are often barred from accessing them by their metropolitan postcodes. For example, Agribusiness Yarra Valley observed that farms in the Yarra Valley are not eligible for much of the support available to their regional and rural counterparts which 'greatly' disadvantages them.<sup>35</sup> This was echoed by the Green Wedges Coalition, an advocacy group aimed at protecting Melbourne's green wedges. The Coalition noted that the classification of green wedge areas as metropolitan hampers their access to state government agriculture labour programs. It said that this makes harvesting produce more expensive in green wedge areas, undermining the competitiveness of these farms. It recommended that State Government programs supporting agriculture should be available to all farms outside Melbourne's urban growth boundary.<sup>36</sup>

Cardinia Shire Council highlighted that many state government agricultural programs target regional or rural municipalities specifically and exclude metropolitan ones, even if they are largely agricultural:

The classification of Cardinia Shire as a metropolitan council greatly disadvantages farmers. While a small portion of the Shire is within the urban growth boundary, the majority of the Shire is classified as rural land (green wedge) and contains one of the largest and most significant farming areas in Victoria.

The metropolitan classification means that the Shire is not eligible to apply for grants or funds for drought and flood assistance, or rural projects such as landcare projects, and Regional Development Victoria projects. These are needed to enhance rural areas to support new industry development, link transport infrastructure, improve tourism facilities, and better link rural areas to education, information and communication technologies infrastructure.<sup>37</sup>

The Council advocated for establishing a new 'Green Wedge Agricultural Fund' to 'complement' current programs by supporting peri-urban farms. It argued that the fund should finance specific and regional projects.<sup>38</sup> Foodprint Melbourne also said measures to increase the viability of farming should include State Government policy for peri-urban agriculture.<sup>39</sup> Nursery and Garden Industry Victoria likewise said that 'the public policy goal should be to ensure that peri-urban food production is economically rewarding for farmers' and recommended 'incentives and/or tax relief to encourage investment in peri-urban agriculture'.<sup>40</sup>

The Committee supports Agriculture Victoria programs focused on enhancing the productivity of larger-scale industrial agriculture. It acknowledges that Victorian farms are consolidating to achieve economies of scale and that larger agricultural businesses

<sup>35</sup> Agribusiness Yarra Valley, *Submission 48*, p. 1.

<sup>36</sup> Green Wedges Coalition, *Submission 30*, p. 10.

<sup>37</sup> Cardinia Shire Council, *Submission 16*, p. 7.

<sup>38</sup> Ibid.

<sup>39</sup> University of Melbourne SAFES, *Submission 46*, pp. 5–6, 9–10.

<sup>40</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 7.

supply much of the food needed to feed the state. However, smaller scale farms also produce a significant proportion of the state's food, particularly those in Melbourne's peri-urban areas. Support for broadacre agriculture shouldn't come at the expense of initiatives to enhance small-scale peri-urban farms. The Committee is disappointed to hear that the challenges faced by the typically smaller scale farms in peri-urban areas are being compounded by their metropolitan postcodes. These farms produce many of the perishable foods relied upon by the Victorian population. Their generally more direct distribution channels enhance the resilience of Victoria's food supply. They are a very important component of the state's food system and should receive government support commensurate with this.

The Committee has already recommended a Victorian Food System Strategy to enhance the profitability of farming which specifically acknowledges the importance of small-scale and peri-urban farms. It has recommended that local governments be involved in the development and implementation of this strategy. The Committee is optimistic that, if this recommendation is adopted, State Government support for agriculture will be better targeted for impact. This holistic and multifaceted government response to the challenges facing Victoria's food supply will include initiatives to enhance the profitability and viability of small-scale farms across the state.

In the meantime, the Committee would like to see Agriculture Victoria ensure that its programs support small-scale producers and farms in peri-urban areas wherever possible and appropriate.

**RECOMMENDATION 21:** That Agriculture Victoria ensure that all its programs, initiatives and grants acknowledge the importance of small-to-medium sized farms to food supply and the resilience of the agricultural sector. It must ensure they can access funding and other support offered wherever possible and appropriate, regardless of their location in a metropolitan, regional or rural municipality.

### 6.1.3 Addressing rate rises for agricultural land

Many inquiry participants suggested that local government rate rises are undermining the viability of smaller scale farms. Particularly along the fringe of cities where land is more valuable. For example, Cliff Bostock, Coordinator of Strategic Planning at Moorabool Shire Council spoke to the Committee at a public hearing in Ballarat. He said that the consultation conducted by the Council and the community inquiries it receives, show that farmers are concerned about rising rates.<sup>41</sup> Similarly, Sustain reported that the impact of rising rates was one of two key issues raised by farmers from the Werribee South Market Gardens during a workshop in February 2023. It submitted that 'farmers are struggling to pay' rates increasing in step with rising

<sup>41</sup> Cliff Bostock, Coordinator Strategic Planning, Moorabool Shire Council, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 19.

land values in the area.<sup>42</sup> The Victorian Farmers Federation—a group advocating on behalf of the state’s farmers—also submitted that ‘ever increasing rates’ are one of the challenges ‘eroding’ the viability of Victorian farms.<sup>43</sup>

The annual rates paid by landowners are one of local governments’ primary sources of income. Local governments set rates for each property by determining the total amount of rate revenue they require and then dividing that across the total value of all properties in a municipality, to establish a rate in the dollar. The rate in the dollar is then applied to each individual property’s value to calculate its annual rate.<sup>44</sup> This means that while rates are linked to the sales value of a land, there is no connection between rates and the productive value of farmland. As a result, rates for highly valuable, peri-urban farmland can be set at levels which make them unprofitable to farm. For example, Keep Yarra Valley Fruit Fly Free submitted that unaffordable rates are pushing farmers out of the Yarra Valley to regions further way from Melbourne.<sup>45</sup> The Australian Chicken Growers’ Council submitted that ‘rapidly increasing [c]ouncil and other rates ... are increasingly making farming unviable’.<sup>46</sup> Farmers for Climate Action—a group of farmers advocating for action to mitigate climate change—said that rates are increasing the cost of doing business.<sup>47</sup>

The Committee heard that high rates disincentivise new agricultural businesses and make it more expensive for existing farms to expand. Nursery Garden Industry Victoria submitted that ‘inflated local government rates’ are one of several obstacles for aspiring horticulturalists seeking to establish a business.<sup>48</sup> The City of Whittlesea said that local government rates make it more difficult for farms to expand by purchasing or leasing land.<sup>49</sup>

The amount by which a local government can increase rates annually is capped based on forecast inflation. The purpose of the rate cap is to put downward pressure on rate increases in recognition that rates contribute to cost-of-living pressure.<sup>50</sup> However, the rate cap applies to the local governments’ total rate revenue—not to individual properties. Local governments can increase or decrease the rates for individual properties, or classes of land (such as farmland), by more or less than the capped rate rise and in line with changing property valuations.<sup>51</sup>

<sup>42</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 21–22.

<sup>43</sup> Victorian Farmers Federation, *Submission 55*, p. 12.

<sup>44</sup> Victorian Government, *Council rates and charges*, <<https://www.localgovernment.vic.gov.au/our-programs/council-rates-and-charges>> accessed 31 July 2024.

<sup>45</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 2.

<sup>46</sup> Australian Chicken Growers’ Council, *Submission 5*, p. 5.

<sup>47</sup> Farmers for Climate Action, *Submission 17*, p. 1.

<sup>48</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 6.

<sup>49</sup> Whittlesea Community Connections, *Submission 35*, p. 6.

<sup>50</sup> Grosvenor for the Department of Jobs, Precincts and Regions, *Final report: Local government rate capping mechanism review*, 2021, p. 15; *Local Government Act 1989 (Vic)* s 185A.

<sup>51</sup> Victorian Government, *Council rates and charges*, <<https://www.localgovernment.vic.gov.au/our-programs/council-rates-and-charges>> accessed 31 July 2024.

The rate cap for the 2024–25 financial year has been set at 2.75%.<sup>52</sup>

The Victorian Farmers Federation recently appeared in the media suggesting that ‘over time the rates for [farmland] have increased more quickly and disproportionately to other land types’. It submitted an analysis of all local government budgets for 2024–2025 to the Victorian Legislative Council Economy and Infrastructure Committee’s Inquiry into local government funding and services.<sup>53</sup> The analysis showed that 19 regional local governments have increased rates for farmland by more than the rate cap, while residential rate increases remained at or below the capped increase.<sup>54</sup> The five local governments with the largest rate increases for farmland are depicted in Table 6.1.

**Table 6.1 Top five rate increases for farmers, by municipality, 2024–25**

Local government	Average residential rate increase (%)	Average farm rate increase (%)
City of Ballarat	1.45	12.57
City of Greater Bendigo	2.46	10.22
City of Hume	0.04	14.38
South Gippsland Shire	0.05	10.14
Campaspe Shire Council	0.39	7.91

Source: Victorian Farmers Federation, *Submission 106*, submission to the Victorian Legislative Council Economy and Infrastructure Committee, Inquiry into Local Government funding and services, 2024, p. 7.

The Federation’s analysis also revealed that farmers typically pay significantly more in rates than Victorians living in urban areas:

... farmers pay an average \$3,457 per assessment in rates. This is compared to an average of \$1,425 per residential rate assessment. It is also important to note that many farmers have multiple plots of land on different titles – and so an individual farmer may have to pay several assessments on the individual plots of land which comprise their farm. On average, farmers will pay rates over four assessments.<sup>55</sup>

The Federation argued that the distribution of rates is inequitable. It emphasised that rates are not connected to the productive value of farmland and so the ability of farmers to afford these higher rates can fluctuate substantially:

Rating structures rarely account for the ability to pay and farmers’ ability to pay rates fluctuates to a far greater degree than wage and salary earners. Farmers’ incomes fluctuate because they are more exposed to factors beyond their control including seasonal variability such as rainfall, natural disasters, and changes in international

<sup>52</sup> Ibid.

<sup>53</sup> Dean Webster, ‘Increased rates put the hurt on farmers’, *Geelong Times*, 26 July 2024, <<https://timesnewsgroup.com.au/geelongtimes/news/increased-rates-put-the-hurt-on-farmers>> accessed 31 July 2024.

<sup>54</sup> Victorian Farmers Federation, *Submission 106*, submission to the Victorian Legislative Council Economy and Infrastructure Committee, Inquiry into Local Government funding and services, 2024, pp. 6–8.

<sup>55</sup> Ibid., p. 6.

commodity markets. These factors have little impact on land values but have a significant impact on farmers' incomes and ability to pay.<sup>56</sup>

The Federation recommended revising the rate capping mechanism so that it applies to each category of land use (for example, agricultural, residential or industrial land). Local governments would retain the flexibility to tailor the rates for these different classes of land. However, rate rises beyond the cap would be prohibited across all categories of land.<sup>57</sup>

In contrast, participants to the Committee's Inquiry supported the broader application of 'differential rates' to Victorian farmland to improve the profitability of agriculture.<sup>58</sup> Differential rates are rates which are higher or lower than the general rate applying to properties in a municipality. Local governments are empowered to apply differential rates to specific classes of land.<sup>59</sup> The *Ministerial guidelines for differential rating* (2013) specify that local governments 'must give consideration' to applying differential rates to farmland to reduce the rate burden on agriculture.<sup>60</sup> In setting a differential rate for a class of land, a local government must:

- specify the objectives of the differential rate and justify its application
- identify the classes of land subject to the differential rate (for example land in a particular zone or being used for a particular purpose)
- outline eligibility criteria
- ensure that the above information is publicly available.<sup>61</sup>

The application of differential rates to Victorian farmland is currently ad hoc. The Green Wedges Coalition noted that the application of farm rates currently varies greatly across green wedge municipalities. It argued that establishing a standard differential rate for farmland would help encourage agriculture in green wedge areas. It also recommended requiring all local governments in green wedge areas to have a 'meaningful' differential farm rate'.<sup>62</sup> Likewise, Foodprint Melbourne recommended "apply[ing] differential farm rates' to actively farmed land in all areas of Melbourne's food bowl'.<sup>63</sup> Sustain argued that discounted rates for agricultural land can increase farmers access to farmland by making it more affordable.<sup>64</sup>

Peter Smith, Acting Manager of Planning and Growth at the City of Greater Geelong Council, informed the Committee during a public hearing in Geelong that differential

<sup>56</sup> Ibid.

<sup>57</sup> Ibid., pp. 6–8.

<sup>58</sup> Sustain: The Australian Food Network, *Submission 51*, p. 18; Green Wedges Coalition, *Submission 30*, p. 13; University of Melbourne SAFES, *Submission 46*, p. 6.

<sup>59</sup> See sections 161 and 161A of the *Local Government Act 1989* (Vic) and the Victorian Government, *Ministerial guidelines for differential rating*, 2013.

<sup>60</sup> Victorian Government, *Ministerial guidelines for differential rating*, 2013, pp. 7–8.

<sup>61</sup> Ibid., pp. 7–11; Victorian Farmers Federation, *Differential rating: Fact sheet*, 2020, p. 1.

<sup>62</sup> Green Wedges Coalition, *Submission 30*, p. 13.

<sup>63</sup> University of Melbourne SAFES, *Submission 46*, p. 6.

<sup>64</sup> Sustain: The Australian Food Network, *Submission 51*, p. 18.

rates already apply to farmers around the regional city. The differential rates aim to ‘encourage the retention of large lot primary production holdings’. Land does not necessarily have to be in the Farming Zone to be eligible. However, land must be larger than 2 hectares and be actively used for primary production of a ‘commercial purpose or character’, as evidenced by an Australian Business Number. Farmland with low profitability, such as a hobby farm is ineligible for a differential rate.<sup>65</sup>

The differential rate applied to farmland within the City of Greater Geelong for the 2024–25 financial year is 75% of the general rate applied to residential properties.<sup>66</sup> Mr Smith characterised this as ‘heavily discounted’ but acknowledged that the rates for farmland tend to rise in real terms, even under the differential rate:

In really attractive areas like the Bellarine Peninsula the land values go up, so the rates tend to go up even with a discount put in for primary production... But generally, it is just a blanket – primary production gets a much lower rate in the dollar.<sup>67</sup>

A Victorian Farmers Federation fact sheet on differential rates for farmland also acknowledged that differential rates do not always translate into a real rates reduction.<sup>68</sup> However, it noted that this mechanism can ‘alleviate the entrenched bias of the property valuation rating system’ and ‘deliver greater equity between ratepayers’.<sup>69</sup>

The Committee notes that the local government rating system was reviewed in 2019 ‘to ensure rates are fair and equitable for all of the community’. This review found that local governments should continue to have flexibility and autonomy to set rates for their communities.<sup>70</sup> The review made several recommendations to improve the use of differential rates. It recommended enhancing transparency and community awareness of differential rates, formalising how differential rates should be determined and that local governments receive training in relation to differential rates.<sup>71</sup> Most of these recommendations were supported by the Victorian Government.<sup>72</sup> As a result of this review, the Victorian Government is currently considering the introduction of a ‘Valuation Averaging Mechanism to mitigate the impact of significant changes in property valuations on rates’:

A Valuation Averaging Mechanism at its simplest would entail a number of previous years of valuations of the property (e.g. 2 or 3 years) being averaged to determine

65 City of Greater Geelong, *Farm rates*, <<https://www.geelongaustralia.com.au/rates/arrangements/article/item/8d3c77fff87ad90.aspx>> accessed 31 July 2024.

66 Ibid.

67 Peter Smith, Acting Manager of Planning and Growth, City of Greater Geelong, public hearing, Geelong, 21 May 2024, *Transcript of evidence*, pp. 17–18.

68 Victorian Farmers Federation, *Differential rating: Factsheet*, 2020, p. 1.

69 Ibid.

70 Department of Government Services, *Council rates and charges*, <<https://www.localgovernment.vic.gov.au/our-programs/council-rates-and-charges>> accessed 5 August 2024.

71 For example, see recommendations 11 and 12, Department of Environment, Land, Water and Planning, *Local government rating system review: Report of the ministerial panel*, 2020.

72 Victorian Government, *Victorian Government response to the local government rating system review final report*, 2021.

a property's valuation for rating purposes. Any model would have to apply to all properties in a municipality.<sup>73</sup>

The introduction of such a mechanism could smooth, or average out, rate increases year on year. At the time of writing the report, the Department of Government Services was reviewing feedback on this proposal. It has committed to reporting its findings in 2024.<sup>74</sup>

The Committee acknowledges that local government rates for farmland are rising in line with increasing property values. This can reduce the profitability of farming and make farming in peri-urban areas unviable due to the high value of land around Victorian cities. It can also disincentivise farmers from expanding their businesses and be an obstacle for new agricultural enterprises.

The Committee acknowledges the Victorian Farmers Federation's evidence suggesting that the rates for farmland are increasing faster than the rates for other classes of land in some municipalities. However, it does not support its recommendation to revise the rate capping mechanism to apply the cap to each class of land, as opposed to total rate revenue of each local government. This is a significant departure from current practices which may have substantial impact on the fiscal wellbeing of all local governments. It is also outside of the Committee's terms of reference. Moreover, the rate capping mechanism has been reviewed in detail in 2021<sup>75</sup> and the Victorian Government's response 'reaffirm[ed the] central features of the rate cap mechanism and their continuance'. Including that 'the rate cap applies to the total of general rate revenue levied by a council and is not applied to individual properties or property categories'.<sup>76</sup>

While the Committee does not support revising the rate cap mechanism, it does believe that rates relief for farmers, particularly in peri-urban areas, will help improve the viability of agriculture and strengthen Victoria's food supply. It would like to see the *Ministerial guidelines for differential rating* (2013) revised to more strongly encourage local governments to apply differential rates to farmland. The guidelines should emphasise the importance of viable agriculture to local and state food supply and the impact of inappropriately high rates on agricultural businesses. It should require local governments to consider the productive value of farmland when setting differential rates and provide guidance of what constitutes an effective differential rate.

73 Department of Government services, *Local government rates – valuation averaging mechanism*, <<https://engage.vic.gov.au/local-government-rates-valuation-averaging-mechanism>> accessed 5 August 2024.

74 Ibid.

75 The Rate Cap Mechanism was reviewed in 2021 as required under section 185G of the *Local Government Act 1989* (Vic). The review considered whether the mechanism for setting a cap on rates set out in Part 8A of the Act is still appropriate; and whether Part 8A of the Act is effective or needs to be amended.

76 Victorian Government, *Victorian Government Response to the Final Report: Local Government Rate Capping Mechanism Review*, 2022, p. 1.



**RECOMMENDATION 22:** That the Victorian Government revise the *Ministerial guidelines for differential rating* (2013) to encourage local governments to apply differential rates to farmland. The revised guidelines should:

- emphasise the importance of viable agriculture to food supply
- describe the impact of inappropriately high rates on agricultural businesses
- require local governments to consider the productive value of farmland when setting differential rates
- encourage local governments to apply a differential rate to farmland which is lower than the general rate
- provide guidance of what constitutes an effective differential rate.

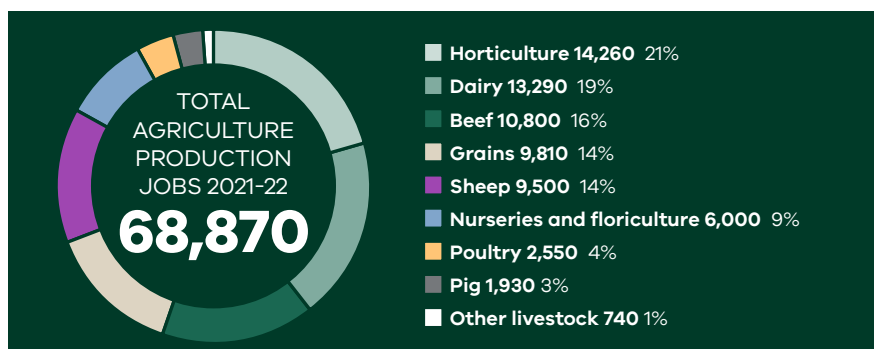
The Committee also supports the Victorian Government’s consideration of a valuation averaging mechanism. Such a mechanism may flatten rate rises due to spikes in land value. More predictable rates will enhance the ability of agricultural businesses to plan for this expense. It is looking forward to the Department of Government Services reporting its findings later this year.

## 6.2 Growing Victoria’s agricultural workforce

In 2021–22, there were approximately 68,870 food and fibre production jobs in Victoria, across 21,300 agricultural businesses. This is around a quarter of Australia’s total agricultural workforce.<sup>77</sup>

Most Victorian agricultural jobs were regionally based (over 75%), highlighting the significance of the sector to regional communities, and horticulture was the biggest employer.<sup>78</sup> Figure 6.1 describes agricultural workers by industry.

**Figure 6.1 Employment by agricultural industry, 2021–2022**



Source: Agriculture Victoria, *Victorian agriculture industry overview: Fast Facts*, June 2024, p. 1.

<sup>77</sup> Agriculture Victoria, *Victorian agriculture industry overview: Fast Facts*, June 2024, p. 1.

<sup>78</sup> Ibid.

The Victorian Skills Authority is responsible for identifying current and emerging skills shortages in Victoria's workforce. Its forecast for the agriculture, forestry and fisheries sector suggests that by 2025, Victoria will require an estimated 3,000 new workers in these industries. This includes the replacement of 4,100 retirees and an expected contraction in employment of around 1,100 jobs. Table 6.2 shows the top ten occupations expected to be in demand across the agriculture, forestry, and fisheries sector to 2025.<sup>79</sup>

**Table 6.2 Agriculture, forestry, and fisheries sector occupations in demand to 2025**

Occupation	October 2022 Employment (number)	2022-25 Employment growth (number)	2022-25 Employment growth (%)	2022-25 Retirements (number)	2022-25 New workers needed (number)
Livestock farmers	21,600	Less than 50	-0.01	1,350	1,350
Crop farmers	6,700	100	0.51	400	500
Mixed crop and livestock farmers	6,650	-100	-0.61	350	250
Agricultural, forestry and horticultural plant operators	1,050	50	0.68	200	250
Crop farm workers	5,300	-50	-0.49	200	150
Livestock farm workers	6,550	-200	-1.10	350	150
Packers	1,350	-50	-0.75	100	50
Production managers	200	Less than 50	0.82	50	50
General clerks	550	Less than 50	0.03	50	50
Meat, poultry and seafood process workers	150	Less than 50	1.41	Less than 50	50

Source: Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fishing industry insight*, 2022, pp. 6-7.

The Victorian Skills Authority warned that meeting the demand for agricultural workers will be 'challenging'. It noted that there are already 'occupation shortages' across the industry. It suggested that '[t]o realise growth, an ageing workforce and a dependence on seasonal and casual employment need to be addressed'.<sup>80</sup> Consultancy firm, PricewaterhouseCoopers also reported that Victoria's agricultural workforce is aging. Most Victorian agricultural businesses are managed by men, around 58 years-old with approximately 36 years of farming experience. This older demographic is considering retirement, either through selling their farm or passing it onto the next generation.

<sup>79</sup> Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fisheries industry insight*, 2022, pp. 6-7.

<sup>80</sup> *Ibid.*, p. 7.

However, worker turnover in the agricultural sector is high. Approximately half of young farmers (up to 35 years-old) leave the agricultural sector every five years.<sup>81</sup>

Further, the Victorian Skills Authority suggested that the skills needed by Victoria's agriculture, forestry and fisheries industries are changing:

Workers will need to keep pace with the changes in how businesses operate as more jobs become technology related. Skills in sustainability, business management, strategy, and data analysis are needed to develop techniques for increasing productivity and planning for the management of the land among many other skills specific to each sub-sector.<sup>82</sup>

Many submitters provided anecdotal evidence of these trends. For example, Nursery and Garden Industry Victoria said the horticultural industry is already experiencing significant skilled worker shortages:

Horticulture businesses are reporting widespread recruitment difficulties right across Victoria. More than half of Australian horticulture farms had difficulty recruiting, with 41% of farms reported having 'lots of difficulty'. Industry demand continues to outstrip workforce supply. This is seen in job numbers being predicted to rise by 17% by 2033, despite the industry experiencing a 20% decrease in workers over the past three years. The mismatch between growing horticultural demand and worsening workforce shortages create[s] future uncertainty on the industry's ability to sustain its growing production, particularly as workers are key inputs and this is occurring against the backdrop of an ageing workforce population (median of 43 years compared to 40 years for all jobs).<sup>83</sup>

Andrew Holman, a dairy farmer from Poowong, said he knows several multi-generational farms which won't continue past the retirement of their current farmers:

They have ... thoroughly enjoyed their career in agriculture and being farmers. They loved it and all the rest of it. But one bloke had four kids, and the other bloke has got three boys as well. They said none of them are interested and so forth, so it is all just going to get cut up. They are some tremendous farms that they have got, and they are just going to be subdivided so somebody can come and ride a motorbike around or grow ragwort.<sup>84</sup>

Some Victorian farmers who responded to the Committee's survey also reported that they would sell their farm to developers or were unsure what would happen to their business following their retirement, see Figure 6.2.

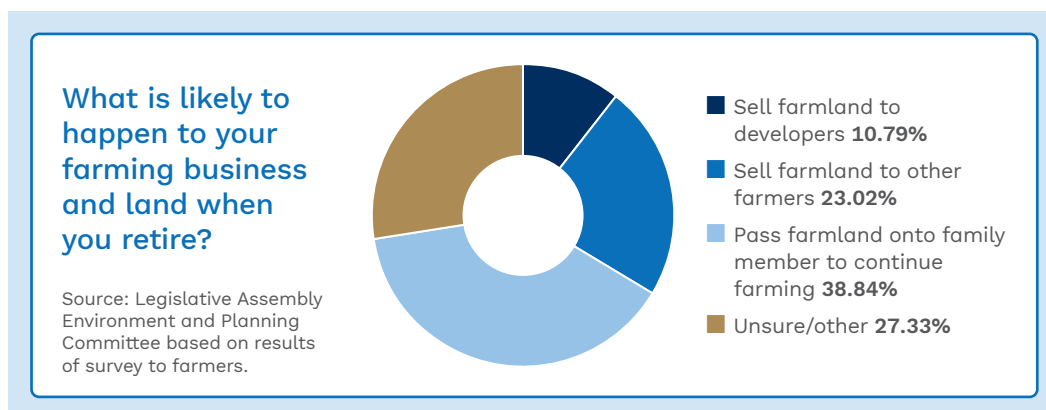
<sup>81</sup> PricewaterhouseCoopers Australia, *Strategic agricultural land and development in Victoria*, report for Agriculture Victoria and the Department of Jobs, Precincts and Regions, September 2020, p. 20.

<sup>82</sup> Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fishing industry insight*, 2022, p. 7.

<sup>83</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 8.

<sup>84</sup> Andrew Holman, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 18.

Figure 6.2 Victorian farmers on the future of their farm post-retirement



**FINDING 25:** Victoria's agricultural sector is a significant and important source of employment, particularly in regional communities.

**FINDING 26:** Victoria's agricultural sector is currently grappling with workforce shortages and the advancing age of farmers. A strong, skilled agricultural workforce is critical to securing the state's future food supply.

### 6.2.1 Attracting the next generation of farmers

Many inquiry participants felt that one reason for worker shortages is that young people are no longer attracted to a career in agriculture. Sterling Holman, an 18-year-old, fifth-generation dairy farmer from Poowong said that young people are not interested in the lifestyle agriculture offers, particularly its long working hours:

People of my age see farming as very much a lifestyle; it is not just a job ... younger people do not really want to work as much. They want to just get the money, get good pay and only work their 40 hours a week. But being farmers, you are working 24/7 and you cannot just do your 40 hours, because something could happen. A few weeks ago I got a call at 12:30 at night and had to go out put some cows back and fix a fence in the middle of the night. But people are not wanting to do that and they are not willing.<sup>85</sup>

Several submitters suggested that young people who grew up in farming families are put-off the industry by the hardship endured by their parents. For example, the Victorian Chicken Growers Council submitted that multi-generational farms are becoming rarer because 'the younger generation sees the hardships and pain from lack of laws to support what their parents have gone through to feed Australia'.<sup>86</sup>

<sup>85</sup> Sterling Holman, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 18.

<sup>86</sup> Victorian Chicken Growers Council, *Submission 6*, p. 6.

Jeff Paul, Business Unit Manager of the Central Livestock Exchange in Ballarat shared his experience as the son of sultana growers and how it discouraged him from becoming a farmer:

My parents were sultana growers ... One year the crops would be huge but then the price would be worth nothing because there was so much supply, and the next year we would have a terrible crop – price was right up. Dad thought he was going to be making a fortune, but there was no supply to meet the demand. I can tell you, there were Christmases where my sisters and I would get told, ‘Look, there are no Christmas presents this week, but when we get some money in the new year we’ll buy you some Christmas presents.’ When you are a kid, do you think that gets you excited about staying in farming? It is feast and famine for them. And they are all asset-rich. You go out and they will have the latest tractor and millions of dollars worth of assets and equipment but no cash in their hand. That is the challenge.<sup>87</sup>

Sustain highlighted the ‘poor mental health of the farming community’ and said it’s ‘no surprise that farming is not considered an attractive or viable path for young people’.<sup>88</sup>

The Victorian Skills Authority reinforced these observations. It said that employers believe workforce shortages are informed by ‘poor perceptions of the industry by some due to the nature and hours of work’ as well as the high proportion of family-owned businesses and a dependence on seasonal workers which limits career pathways.<sup>89</sup>

Some submitters argued that efforts to attract the next generation of farmers should begin in school.<sup>90</sup> Advocacy group, Healthy Food Systems Australia recommended ensuring Victoria’s high school curriculum ‘fosters the next generation of growers’.<sup>91</sup> Australian Chicken Meat Federation suggested that agricultural studies should be incorporated into the curriculum at ‘all stages of schooling’ and called for funding for educators to teach agricultural studies.<sup>92</sup> Nursery and Garden Industry Victoria highlighted the success of the Victorian Schools Garden Program and recommended ongoing funding for its Branch Out component.<sup>93</sup> Box 6.4 provides an overview of the program.

<sup>87</sup> Jeff Paull, Manager, Central Livestock Exchange, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 16.

<sup>88</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 7–8.

<sup>89</sup> Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fishing industry insight*, 2022, p. 16.

<sup>90</sup> Healthy Food Systems Australia, *Submission 38*, p. 3; Nursery and Garden Industry Victoria, *Submission 19*, p. 9; Sustain: The Australian Food Network, *Submission 51*, p. 16; Australian Chicken Meat Federation, *Submission 45*, p. 3.

<sup>91</sup> Healthy Food Systems Australia, *Submission 38*, p. 3.

<sup>92</sup> Australian Chicken Meat Federation, *Submission 45*, p. 3.

<sup>93</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 10.

### Box 6.4 Victorian Schools Garden Program

The Victorian Schools Garden Program has been running since 1977. It supports the establishment of vegetable gardens on school grounds to introduce kids to gardening and teach them about food production, sustainability and biodiversity. The program includes:

Grants – Encouraging schools to start new gardens or repair existing gardens by providing funding towards school’s garden projects.

Awards – Recognising and rewarding the achievements of students and school communities in their gardening endeavours.

Professional Development Workshops – Providing teachers and volunteers the basics of school gardens and engaging our children in outdoor learning.

School Garden Incursion – Offers free direct hands-on learning experience for Victorian Primary students in gardening and sustainability.<sup>94</sup>

#### Branch out

Branch out is a newer component of the Victorian Schools Garden Program developed in partnership with Nursery and Garden Industry Victoria and funded through the Secondary Schools Agriculture Fund. It provides year 7-10 students with Victorian-curriculum aligned units of learning on topics such as the basics of botany, photosynthesis and biodiversity. Teachers are supported to plan and deliver these lessons. An incursion immerses students in ‘different areas of horticultural study’ and the program culminates in an excursion to ‘learn about some of the incredible work being done in the [horticultural] industry’.

Nursery and Garden Industry Victoria noted that funding for Branch Out concluded on 30 June 2024 and recommended that ongoing funding be provided for its continuation, ‘as an educational tool that connects students with horticulture and food production’.

Source: Victorian Schools Garden Program, *About*, <<https://www.vsgp.org.au/about-2>> accessed 2 August 2024; Victorian Schools Garden Program, *The importance of school gardens*, <<https://www.vsgp.org.au/about-2/the-importance-of-school-gardens>> accessed 2 August 2024; Victorian Schools Garden Program, *Branch Out*, <<https://www.vsgp.org.au/branch-out>> accessed 2 August 2024; Nursery and Garden Industry Victoria, *Submission 19*, p. 10.

Young Farmers Connect felt that the Victorian Government should promote the value of farming more generally to support the agricultural sector as a career choice:

... there is a key role for the Government in promoting public awareness and appreciation for the farming profession. Celebrating the role of young farmers in

<sup>94</sup> Victorian Schools Garden Program, *About*, <<https://www.vsgp.org.au/about-2>> accessed 2 August 2024; Victorian Schools Garden Program, *The importance of school gardens*, <<https://www.vsgp.org.au/about-2/the-importance-of-school-gardens>> accessed 2 August 2024.

sustainable food production and highlighting the economic, social, and environmental benefits of small-scale farming are crucial for fostering a positive perception of farming as a viable and rewarding profession.<sup>95</sup>

The Committee shares stakeholder concerns that young people are not attracted to a career in farming. It is clear to the Committee that farming is challenging and highly physical work. Increasing input costs and narrow profit margins make this a particularly difficult time to enter the profession. However, it is also clear to the Committee that farming can be an incredibly fulfilling and rewarding career. Many farmers who presented to the Inquiry emphasised this point. For example, Andrew Holman described the satisfaction he feels managing his dairy farm:

One of the other things we have done in the past is called embryo transfer work, so similar to what happens in IVF... you get a blastocyst embryo at seven days old, which is a tiny little thing that resembles a blackberry. You look at it under a microscope sitting in a little tray. You turn around and suck it up and then you put it in the recipient cow, and then you actually see that go from sitting on the kitchen table through to actually giving birth to that calf. Do you know how enjoyable that is? I do not know how you would put it as an analogy to somebody else in Melbourne, but to turn around and actually then rear that calf and all the rest of it – it is just fantastic, the joys that you can have every day on a farm. You look out there and look across the rolling green hills – I sound like a salesman now – and you go, ‘It’s just awesome.’... ‘It’s a fantastic place.’ They are probably some of the things that as a farmer keep you going ...<sup>96</sup>

The Committee makes a range of recommendations throughout this report aimed at improving the profitability of farming and lifting awareness and value for the profession in public policy making. It has proposed instilling consideration of Victoria’s food system and the important work of farmers in supplying Victorians with healthy food at the heart of state governance, through a new Victorian Food System Strategy and a Minister for Food. It is optimistic that this initiative will help improve public appreciation for the sector and result in programs and funding to strengthen the sector’s profitability and resilience.

In addition to these important steps, the Committee believes it is important that young Victorians understand where their food comes from, and the rewarding careers offered by the agricultural sector. It recognises the Victorian Schools Garden Program’s long track record of success and recommends that it is supported to continue this work. It would also like to see this program explore options for promoting different aspects of the agricultural sector, similar to its promotion of horticulture through the Branch out program.

<sup>95</sup> Young Farmers Connect, *Submission 31*, p. 5.

<sup>96</sup> Andrew Holman, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 19.

**RECOMMENDATION 23:** That the Victorian Government support the Victorian Schools Garden Program to:

- continue offering grants, awards, professional development, incursions and excursions which engage students and teachers with gardening
- maintain its 'Branch out program'
- develop additional programs which promote Victorian agriculture and careers in the sector, for example, school farms.

## 6.2.2 Training and education for a skilled agricultural workforce

The agricultural sector provides many employment opportunities for Victorians with no post-school qualifications as skills are generally learnt in the workplace. Approximately 53% of the industry does not hold a post-school qualification.<sup>97</sup>

Agricultural workers that do complete formal training typically acquire Vocational Education and Training (VET) qualifications. Around 35% of the agriculture, forestry and fishing industry workforce holds VET qualifications. VET qualifications are required for occupations such as horticulturalists, shearers and nurserypersons. In 2019, there were around 9,400 enrolments in agriculture, forestry and fisheries related VET qualifications.<sup>98</sup>

A less utilised but increasingly popular education pathway into the agricultural industry is university studies. Around 12% of the agriculture, forestry and fisheries industry workforce hold a bachelor's degree or above as their highest level of education. Key occupations which require a university qualification include agricultural technicians, scientists and agronomists. In 2019, there were around 1,100 enrolments in agriculture related university courses, such as a Bachelor of Agricultural Studies.<sup>99</sup>

Inquiry participants felt that Victoria needs to strengthen and expand its agricultural education and training programs. Stakeholders argued that this will ensure farmers have the skills to thrive in the industry and that Victoria has the agricultural workforce required to meet the growing demand for food. For example, the Australian Chicken Meat Federation asserted that '[s]ecuring Victoria's food supply relies significantly upon the food industry's ability to access a skilled workforce'. It argued that it should be a Victorian Government priority to ensure that 'the Victorian education system

<sup>97</sup> Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fishing industry insight*, 2022, p. 19.

<sup>98</sup> Ibid.

<sup>99</sup> Ibid., p. 22.



is able to meet the skills needs of the agricultural sector'. It provided an example illustrating how a lack of skilled agricultural workers can seriously impact Victoria's food supply:

To illustrate the magnitude of these shortages upon the security of Victoria's food supply, the vacancy of a single poultry farmer could impact the production of over 1.2 million meat chickens per annum. For example, a poultry farmer will generally oversee a minimum of 4 sheds with approximately 50,000 birds in each (approximately over 200,000 at a single point in time). A poultry farm that has between 8–10 sheds (overseen by approximately 2–3 poultry farm managers) can provide enough chicken meat to feed 10,000 people annually, or the size of a regional city as large as Bendigo.<sup>100</sup>

The Federation called for the Victorian Government to support VET and university-level education to produce traditionally skilled workers, such as poultry farmers, but also 'highly technical' workers equipped to address emerging environmental and biosecurity challenges faced by the sector.<sup>101</sup>

Healthy Food Systems Australia and the Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce (Mornington Peninsula Taskforce) both highlighted 'the importance of resourcing the farming sector through education and training to ensure that people remain or are attracted to the sector'.<sup>102</sup> The Victorian Skills Authority also reported that ongoing education will be required by Victoria's agricultural workforce:

The industry is being transformed by new technologies that are changing how businesses operate, with more jobs becoming increasingly technology dependent. This will have implications for the existing workforce which will be required to upskill in areas such as digital literacy, data, automation, and environmental sustainability ... Some workers may already have these skills while others may be in shortage.<sup>103</sup>

Young Farmers Connect—a not-for-profit organisation supporting young farmers—said 'comprehensive education and training programs for young farmers' are important. It said that education equips farmers with the 'skills and knowledge to succeed in agriculture, including farm management, sustainable practices, and technology adoption'. It submitted that there is currently a 'severe lack of dedicated training programs and scaffolding to support new entrants into the Australian farming sector' which should be addressed.<sup>104</sup> Potato, sheep and cereal producer and 'mother of four young farmers', Katherine Myers made a similar observation. She suggested that 'there are limited tertiary training options in Victoria' for aspiring farmers.<sup>105</sup>

<sup>100</sup> Australian Chicken Meat Federation, *Submission 45*, p. 7.

<sup>101</sup> Ibid.

<sup>102</sup> City of Greater Bendigo, *Submission 41*, pp. 6–7; Healthy Food Systems Australia, *Submission 38*, p. 3.

<sup>103</sup> Victorian Skills Authority, *Victorian skills plan: Agriculture, forestry and fishing industry insight*, 2022, p. 17.

<sup>104</sup> Young Farmers Connect, *Submission 31*, p. 4.

<sup>105</sup> Katherine Myers, *Submission 66*, p. 3.

Sustain advocated for the Victorian Government to invest in ‘education, training, and extension support for farmers to shift to more agroecological and resilient [farming] practices’.<sup>106</sup>

The Committee notes that the Victorian Government undertook a detailed review of VET education pathways into agricultural in 2021–22, known as the Future of Agriculture Training Review.

### Future of Agriculture Training Review

The Future of Agriculture Training Review investigated strategies to grow enrolments in TAFE agriculture courses and how courses can meet the needs of students and employers now and into the future. It found that collaboration between government, TAFE providers and industry is vital to ensuring Victoria’s agricultural workforce continues to access appropriate VET training and education.<sup>107</sup> It recommended that TAFEs collaborate with the sector to co-design qualifications and that the benefits of formal VET qualifications be better articulated to the agricultural workforce.<sup>108</sup> Table 6.3 describes the recommendations made by the review.

**Table 6.3 Future of Agriculture Training Review themes and recommendations**

Theme	Recommendations
Develop and deliver comprehensive skilling solutions and job outcomes through existing partnerships and new collaborations	<ol style="list-style-type: none"> <li>1. Review and co-design fit-for-purpose education and training options to deliver on local needs and priorities</li> <li>2. Harness resources across industry, employers and government programs for cohesive delivery of training to the agriculture industry</li> <li>3. Enhance current and develop new capabilities to support the delivery of training options, including TAFE teaching workforce professional development</li> </ol>
Raise the status and improve the recognition of training and skills delivered by TAFE and other vocational education and training providers	<ol style="list-style-type: none"> <li>4. Market and promote the benefits of accredited training options provided by vocational education and training institutes to industry and workers</li> </ol>
Raise awareness of career pathways and skilling opportunities in agriculture, especially for non-traditional cohorts	<ol style="list-style-type: none"> <li>5. Leverage partnerships between industry, employers and education providers to promote training and career development opportunities in agriculture for students</li> <li>6. Provide non-traditional cohorts with adequate resources and ongoing support to succeed</li> </ol>

Source: Department of Education and Training, *The future of agriculture training review*, 2022, p. 4.

<sup>106</sup> Sustain: The Australian Food Network, *Submission 51*, p. 16.

<sup>107</sup> Department of Education and Training, *The future of agriculture training review*, 2022, pp. 3–4, 6–8.

<sup>108</sup> *Ibid.*, p. 4.

The Department of Education and Training is working with Agriculture Victoria to implement the recommendations of the review, including through the delivery of the Agricultural TAFE and training fund.

### **Agricultural TAFE and training fund**

The \$15 million Agricultural TAFE and training fund is supporting TAFEs and other VET providers to improve the quality and flexibility of their agricultural training programs. Grants between \$40,000 and \$2 million have been awarded to support projects redesigning agricultural curriculum and delivery; for equipment, technology and campus refurbishment; and for other expenses which support agricultural education. Examples of projects which received funding are summarised in Box 6.5.

#### **Box 6.5 Projects funded under the Agricultural TAFE and training fund**

##### **4 Up Skilling, Euroa**

4 Up Skilling reviewed its Certificate 3 in Poultry Production and created a new qualification more closely aligned with industry needs. The new course includes specialisations for poultry farm technicians, poultry breeding technicians, egg graders, poultry services providers, and hatchery technicians. 4 Up Skilling received funding to develop the course materials, resources and assessments required to deliver the new course.

##### **Federation University TAFE, Ballarat**

Federation University TAFE received funding to improve training resources for its Certificate 2, 3, and 4 of Agriculture. It also received funding to develop an education pathway from Federation TAFE to Longerenong College (a college specialising in agriculture near Horsham) for students wanting to further their studies. The new teaching resources will focus on embedding Indigenous cultural awareness, emerging technologies, sustainability, enhancing efficiency and transitioning to a zero emissions economy.

Source: Agriculture Victoria, *Skills in agriculture*, <<https://agriculture.vic.gov.au/about/agriculture-in-victoria/skills-in-agriculture>> accessed 6 August 2024.

The Committee notes that the Victorian Government has also made significant investment to expand university education pathways into agriculture through the Agricultural college modernisation program.

## Agricultural college modernisation program

The Agricultural college modernisation program provided \$20 million to upgrade the facilities and increase the capacity of Victoria's three specialist agricultural colleges:

- Marcus Oldham College in Geelong
- Longerenong College near Horsham, and
- the University of Melbourne's Dookie campus in the Goulburn Valley.

Marcus Oldham College used the funding to construct 30 new student bedrooms. The University of Melbourne's Dookie campus built staff, student and conference accommodation for up to 130 people. Longerenong College constructed student accommodation for 33 people and a communal building for conferences and student gatherings.<sup>109</sup>

Agriculture Victoria and the Department of Transport and Planning noted in a joint submission that the modernisation of Victoria's agricultural colleges supports the development of a larger local skilled workforce.<sup>110</sup> They also noted that the Victorian Government supports the development of young farmers through the Young Farmer Upskill and Invest Scholarship Program.

## Young Farmer Upskill and Invest Scholarship Program

The Young Farmer Upskill and Invest Scholarship Program provides \$10,000 scholarships to support 14 early career farmers (aged between 18 and 35) to develop their skills and expertise each year. Up to \$5,000 can be spent on study and another \$5,000 on 'putting new skills into practice, with professional development, business planning or other on-farm activities'. A total of 117 young farmers have been awarded scholarships since the program began in 2015.<sup>111</sup>

In addition to enhancing education and training to develop Victoria's agricultural workforce, stakeholders advocated for the development of mentoring opportunities to facilitate knowledge transfer between generations of farmers.<sup>112</sup> The Committee notes that Agriculture Victoria is already active in this space, through its Cultivating Futures in Farming Mentor Program and the Victorian Rural Women's Network's 2024 Leadership and Mentoring Program.

<sup>109</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, pp. 18–19; The Hon. Daniel Andrews, *Skills And Support For The Next Generation Of Victorian Farmers*, media release, 18 November 2020.

<sup>110</sup> Department of Transport and Planning and Agriculture, *Submission 64*, pp. 18–19.

<sup>111</sup> Ibid.; Agriculture Victoria, *Young Farmer Upskill and Invest Scholarship*, <<https://agriculture.vic.gov.au/support-and-resources/networks/young-farmers/young-farmers-scholarships>> accessed 6 August 2024.

<sup>112</sup> Sustain: The Australian Food Network, *Submission 51*, p. 16; Young Farmers Connect, *Submission 31*, p. 4.

## Cultivating Futures in Farming Mentor Program

Agriculture Victoria's Cultivating Futures in Farming Mentor Program connects young farmers from grain or mixed farming enterprises with expert consultants, peers and mentors to develop the skills and knowledge to manage a modern farm. Mentors and mentees attend workshops and participate in webinars focused on risk management, opportunity identification, people management, leasing and share farming, and natural resource management.<sup>113</sup>

## Victorian Rural Women's Network's 2024 Leadership and Mentoring Program

The Victorian Rural Women's Network's 2024 Leadership and Mentoring Program seeks to increase the representation of women in agricultural leadership by fostering their leadership capabilities and enhancing their confidence in decision making. Women currently comprise approximately a third of Victoria's agricultural workforce and are under-represented in leadership roles.

The program addresses the challenges and opportunities faced by women in agriculture, and equips participants with the skills, support and visibility they need to be leaders in their sector and communities. It encompasses advocacy, decision making and supports participants to set career goals.<sup>114</sup>

The Committee acknowledges that the right mix of on-the-job, VET and university-level training and education is needed:

- to attract the next generation of farmers
- enhance the skills of existing agricultural workers
- position the sector to take advantage of technical innovation and the growing demand for food.

It is confident that full implementation of the Future of Agriculture Training Review's recommendations, combined with the ongoing workforce development initiatives of Agriculture Victoria will ensure training and education keeps pace with the demands of the sector. It encourages the Victorian Government to continue to support and resource this work.

**RECOMMENDATION 24:** That the Victorian Government fully implement the Future of Agriculture Training Review recommendations.

<sup>113</sup> Agriculture Victoria, *Cultivating Futures in Farming Mentor Program*, <<https://agriculture.vic.gov.au/support-and-resources/networks/young-farmers/cultivating-futures-in-farming>> accessed 6 July 2024.

<sup>114</sup> The Hon. Ros Spence, Minister for Agriculture, Community Sport, Carers and Volunteers, *Championing women in the agricultural industry*, media release, 7 August 2024; Agriculture Victoria, *Rural Women's Network*, <<https://agriculture.vic.gov.au/support-and-resources/networks/rural-womens-network>> accessed 9 August 2024.

**RECOMMENDATION 25:** That Agriculture Victoria continue its workforce development programs, including initiatives aimed at:

- preparing new entrants for a career in agriculture
- up-skilling the existing agricultural workforce to address emerging challenges and opportunities
- mentoring early career farmers to take up leadership positions.

### 6.3 Increasing farmers' access to farmland

Stakeholders highlighted the cost of farmland as a significant barrier to attracting new entrants into the agricultural sector and retaining farmers looking to progress their careers by establishing their own business. Ms Myers said that 'the sheer capital investment required to make a start can put it out of reach of many'.<sup>115</sup> Emma Germano, President of the Victorian Farmers Federation observed that '[i]f you do not have the opportunity created for you by your family, it is too expensive to get into... [farm]land'.<sup>116</sup> White Cloud Farms, a blueberry business based in Corinella, described purchasing farmland as a 'major challenge' for young farmers trying to set up a business.<sup>117</sup> Ms Koll, said that the unaffordability of farmland is compound by the low wages offered by the agricultural sector.<sup>118</sup>

Amy Cockroft, Chief Executive Officer of Cultivate Farms—a social enterprise supporting early career farmers—said that many young farmers leave the industry as the cost of farmland prevents them from furthering their career by establishing their own business:

We do see good farmers, and we see farm managers, and we talk to them every day, who end up spending their lives working on properties that they would never be able to afford to own. It also means they are unable to influence farming methods and practices and even what they are actually growing on that farm. Also, we see that limits the earning capacity for those really good farmers, and often we see them choose to leave the industry.<sup>119</sup>

Early career farmers can access stamp duty exemptions and concessions to support them to access Victorian farmland, see Table 6.4.

<sup>115</sup> Katherine Myers, *Submission 66*, p. 3.

<sup>116</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 19.

<sup>117</sup> White Cloud Farms, *Submission 15*, p. 2.

<sup>118</sup> Keep Yarra Valley Fruit Fly Free, *Submission 47*, p. 4.

<sup>119</sup> Amy Cockroft, Chief Executive Officer, Cultivate Farms, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 10.

Table 6.4 Stamp duty exemptions and concessions for young farmers

Exemption	Aim	Entitlements
Young farmer stamp duty exemption or concession	Support early career farmers to purchase farmland.	Young farmers (less than 35 year's old) are exempt from stamp duty or entitled to a concession if they are buying their first farm and its value is less than \$750,000.
Family farm exemption	Support the transfer of a family farm between generations of farmers.	<p>The transfer of all or part of a family farm between generations of farmers is exempt from stamp duty if the land is under 'primary production' and there is a familial link between the transferor and the transferee.</p> <ul style="list-style-type: none"> <li>• A full exemption from duty is available on farmland valued at \$300,000 or less.</li> <li>• A partial exemption from duty is available on farmland valued at \$600,000 or less.</li> <li>• A concession from duty is available for farmland valued from \$600,001 to \$750,000.</li> </ul>

Source: State Revenue Officer, *Young farmer duty exemption or concession*, <<https://www.sro.vic.gov.au/young-farmer-duty-exemption-or-concession>> accessed 6 August 2024; State Revenue Officer, *Family farm exemption*, <<https://www.sro.vic.gov.au/family-farm-exemption>> accessed 6 August 2024.

Inquiry participants supported these initiatives but felt that young farmers require additional assistance to access land.<sup>120</sup> White Cloud Farms described the stamp duty exemptions as a 'welcome beginning' but recommended that Victorian Government support should be extended to 'equity partnerships' similar to the Victorian Homebuyer Fund in place for first home buyers.

The Victorian Homebuyer Fund enables the Victorian Government to contribute up to 25% of the purchase price of first homes, in exchange for an equivalent share in the property.<sup>121</sup> As of January this year the fund had supported more than 7,300 Victorians to purchase a home. Two-thirds have been first home buyers.<sup>122</sup>

Young Farmers Connect argued that initiatives which support young farmers to purchase land or establish their business have a broader positive impact on the local community and economy.<sup>123</sup> The Victorian Farmers Federation also viewed financial support for early career farmers positively. Particularly interest free loans. However, it warned that these sorts of supports 'never seem to keep up with the reality of the value of things' and fall short of making them affordable.<sup>124</sup>

The Committee also heard support for exploring land leasing arrangements which enable early career farmers to access farmland without purchasing it. For example, Agribusiness Yarra Valley said opportunities, such as share-farming or lease arrangements, can assist the next generation of farmers to access farmland and

<sup>120</sup> White Cloud Farms, *Submission 15*, p. 2; Victorian Strawberry Growers Association, *Submission 36*, p. 2.

<sup>121</sup> White Cloud Farms, *Submission 15*, pp. 2–3; Bank Australia, *Victorian Homebuyer Fund*, <<https://www.bankaustr.com.au/banking/home-loans/victorian-homebuyer-fund>> accessed 6 August 2024.

<sup>122</sup> The Hon. Tim Pallas MP, Treasurer and Minister for Industrial Relations and Economic Growth, *Shared equity fund helps more Victorians own a home*, media release, 28 January 2024.

<sup>123</sup> Young Farmers Connect, *Submission 31*, pp. 2–3.

<sup>124</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 19.

should be considered.<sup>125</sup> South Gippsland Shire Council recommended investigating innovative leasing arrangements to support young farmers to access farmland underutilised by hobby farmers:

... if people have purchased a 200-acre property but are only using the dwelling as a retreat or weekender, that they be encouraged to have that land utilised by others (agricultural lease or agistment) rather than letting it go underutilised and degrade through lack of maintenance.<sup>126</sup>

Farmer of 56 years, Don Lawson OAM, also supported this idea. He argued that regulation should require ‘the lifestyle farmer’ who is largely absent from their property to lease land to local career farmers.<sup>127</sup>

Young Farmers Connect examined farmland leasing arrangements in Australia as part of its *Regeneration: Growing new farmers* (2021) report. It found that leasing is the most common method of accessing farmland without buying it in Australia but remains underutilised when compared to the high rates of leasing in the United Kingdom and the United States. It identified the following obstacles to the broader use of leasing arrangements in Australia:

- many leases are not publicly advertised, rather they are accessed through social and business networks
- leasing arrangements tend to be short term which does not recognise the investment made by farmers into soil health and farm infrastructure.<sup>128</sup>

White Cloud Farms observed that farmland leases and share-farm arrangements ‘are difficult to come by, especially in horticulture’.<sup>129</sup>

The Committee visited the Harcourt Organic Food Co-operative on 23 May 2024 to learn more about the benefits and challenges of farmland leasing arrangements and share-farming, see Box 6.6.

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<sup>125</sup> Agribusiness Yarra Valley, *Submission 48*, p. 1.

<sup>126</sup> South Gippsland Shire Council, *Submission 25*, p. 5.

<sup>127</sup> Don Lawson, *Submission 63*, p. 2.

<sup>128</sup> Young Farmers Connect and Farmer Incubator, *Regeneration: Growing new farmers*, 2021, pp. 14–15.

<sup>129</sup> White Cloud Farms, *Submission 15*, p. 2.



### Box 6.6 Harcourt Organic Food Co-operative

The Harcourt Organic Food Co-operative is a collaboration of organic farmers who lease parcels of farmland on a single farm. Landowners Katie and Hugh Finlay set up the leasing arrangement as they approached retirement age, as a way of ensuring the farms ongoing productivity while they took a step back from active farming.

We reckon this new way of farming will be good for ageing farmers like Katie and Hugh who want to step back from active farming but don't want to sell the family farm, for emerging farmers who want to get started but can't afford land, and customers who are yearning for a connection to the farmers who produce their food.

Members of the Co-operative include:

**Sellar Farmhouse Creamery**—a micro-dairy run by Tessa Sellar. Milk from the dairy's 10 cows is processed on-site into milk and yoghurt in returnable glass packaging. It is sold locally through a community supported agriculture model<sup>a</sup> and through farmers' markets.

**The Orchard Keepers**—Led by Katie and Hugh Finlay. The orchard sells cherries, apricots, peaches, nectarines, plums, apples and pears through a community supported agriculture model, farmers' markets, pick your own, a farm shop, and custom orders.

**Carr's Organic Fruit Tree Nursery**—Katie Finlay and her sister Liz Carr grow a variety of heritage fruit trees for sale in winter as bare rooted trees.

The farm also hosts a bushfoods plot run by Murnong Mammias. Around 400 native herb, fruit, vegetable and medicine plants are grown in the plot. Murnong Mammias sells the produce online and hosts educational tours and workshops for local schools and retirement villages.

Very few co-operative farmland leasing arrangements exist in Australia. Throughout its operation, the Co-operative has documented a range of benefits and challenges connected with its model. Benefits include:

- operating as a collective (for example organic certification was purchased for the whole farm as opposed to individual businesses)
- the social benefits of farming with others (connectedness, support)
- leveraging greater influence and recognition as a collective
- skills exchange (lessee farmers had access to mentoring from more experienced farmers).

(Continued)

### Box 6.6 Continued

Challenges include:

- navigating the power imbalance between landowners and lessees
- the tension between control, structure and flexibility inherent in the co-operative model
- absence of a whole-farm plan, planning mechanisms
- absence of other collaborative farm ownership and leasing models to learn from
- divergent goals and aspirations which emerged over time.

The Co-operative identified design principles to inform the future success of farm-sharing and leasing arrangements. These include building in the option of longer-term arrangements for participation and custodianship; incorporating non-agricultural activities to increase the profitability and therefore resilience of the model; and embedding responsive governance and communication processes which can evolve to meet the needs of participants. Lastly the Co-operative suggested that exploring wealth sharing models which don't require owning the land is critical to attracting farmers with a long-term vision and plan. The Co-operative characterised the ideal co-operative model as one which offers:

- long-term tenancies to support lessee investment in the property
  - the ability for members to live on the farm to reduce costs
  - equity sharing arrangements
  - a diversity of farming activities for the ecological, social and efficiency gains.
- a. Community supported agriculture is a system in which a farm is supported by local consumers who purchase prepaid shares in the farm's output which they receive periodically throughout the growing season.

Source: Notes from Committee site visit to Harcourt Organic Food Co-operative, Harcourt, 23 May 2024; Open Food Network, *Collaborative farming models in the Australian context*, 2023; Open Food Network, *'I feel very invested in that place': Key themes and emergent narratives from HOFC stakeholder interviews, May 2023*, 2023.

The Committee also canvassed strategies for supporting young farmers to access land with Cultivate Farms during a public hearing in Bendigo. Cultivate Farms matches retiring and aspiring farmers to create pathways to farm ownership which are affordable, and which allow retiring farmers to age on-farm.<sup>130</sup> It's Cultivate Communities program takes a community-wide approach to securing farmland

<sup>130</sup> Cultivate Farms, *About*, <<https://www.cultivatefarms.com/about>> accessed 7 August 2024.

leases and lease-to-own arrangements for aspiring farmers. Chief Executive Officer, Amy Cockroft described success achieved by the program in northern Queensland:

We have run it successfully in northern Queensland actually with cane-growing communities. We went in, we spent some time doing workshops and we worked with a productivity group up there. We did workshops for younger farmers to get them in and help them learn ways of approaching older farmers, really just raising this idea of farm transition and not needing to buy but perhaps share-farming, working on a farm, lease-to-own sort of arrangements. We have done that up in northern Queensland, and we saw a really good outcome. I think we had eight farmers altogether start their farming business on someone else's land so they could then buy in over time.<sup>131</sup>

Sustain said that land-sharing arrangements with existing farmers and co-operative models of farming which support new farmers to access farmland have been 'very successful' in the United States.<sup>132</sup> It recommend that the Victorian Government '[p]rovide support for and facilitate land-sharing arrangements or fund the existing efforts underway in the [non-government organisation] NGO sector to bridge landowners with new entrant farmers ...'.<sup>133</sup>

The Victorian Farmers Federation also expressed support for initiatives which match retiring and aspiring farmers to facilitate affordable access to farmland.<sup>134</sup>

It is clear to the Committee that the cost of farmland is a significant obstacle to attracting new entrants into the agricultural sector and retaining farmers looking to progress their careers by establishing their own business. It can also impede farmers looking to expand an existing farming business to increase production.

The Committee would like to see the Victorian Government do more to support Victorian farmers to access farmland. As observed by Young Farmers Connect, investing in young farmers has positive flow on effects for communities, including through employment opportunities and access to healthy food. Moreover, the Committee observes that making it easier to access land will promote workforce retention and provide greater opportunities for farms to expand to take advantage of economies of scale.

It would like to see the Victorian Government explore a mix of financial support for purchasing land and improved access to long-term leasing arrangements as articulated in recommendation 26 of this report.

<sup>131</sup> Amy Cockroft, Chief Executive Officer, Cultivate Farms, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 11.

<sup>132</sup> Nick Rose, Executive Director, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 36.

<sup>133</sup> Sustain: The Australian Food Network, *Submission 51*, p. 17.

<sup>134</sup> Emma Germano, President, Victorian Farmers Federation, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 19.

## 6.4 Advancing farm technology

Technological innovation is changing the way Victorian farmers grow food and fibre. Ms Germano said ‘technology has exploded’ in the agricultural sector:

... even if you look at how farming was 10 years ago you can see that there have been substantial changes.<sup>135</sup>

Integrating technology into agriculture can enhance the efficiency, profitability, sustainability and resilience of farms. Sensors and devices which automate farm processes can make decision making easier, provide reliable farm performance data and demonstrate the impact of changes in farming practices. Examples of technology include:

- Water sensors for tanks, troughs and irrigation.
- Weather stations and soil moisture monitoring.
- Gate and fence sensors.
- Electronic identification tags.
- Autonomous vehicles.<sup>136</sup>

Stakeholders were very supportive of measures to assist farmers to identify and adopt innovative agricultural technologies. For example, Foodprint Melbourne researcher, Dr Rachel Carey said that high-tech forms of farming are ‘going to be an important part of diverse approaches to food production in future’. She noted that they can maximise the impact and efficient use of costly farm inputs such as nutrients and water.<sup>137</sup>

Nursery Garden Industry Victoria said that agricultural technology has the potential to revolutionise Victoria’s horticultural sector. It said that moving to enclosed forms of horticultural, ‘ranging from low-tech poly-tunnels and medium-tech partially environmentally controlled greenhouses, to high-tech ‘smart’ glasshouses’, will significantly enhance food security. It described a range of benefits including:

- increasing the intensity and productivity of farms to meet the growing demand for food
- broadening the range of food, medicine and fibre crops which can be grown in Victoria
- maximising efficient use of inputs such as fertilisers or water and reducing wastage
- automating repetitive tasks, enhancing workforce conditions

<sup>135</sup> Ibid., p. 14.

<sup>136</sup> Agriculture Victoria, *What is AgTech?*, <<https://agriculture.vic.gov.au/farm-management/agtech/what-is-agtech>> accessed 7 August 2024.

<sup>137</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, pp. 4-5.

- mitigating the impact of climate change on farming by enabling the temperature, humidity, air circulation, and UV-radiation of the growing environment to be optimised to plant preferences.<sup>138</sup>

The Committee also heard that technology could increase viability of smaller farms, such as those characteristic of peri-urban areas. Box 6.7 describes White Cloud Farms, a high-tech, enclosed blueberry farm on a small property in Corinella.

### Box 6.7 White Cloud Farms

White Cloud is a family run, fully hydroponic and protected blueberry farm established in Corinella in the Bass Coast Shire. It deploys modern growing techniques such as tunnel production and hydroponics, in conjunction with new technologies such as wireless irrigation controllers and monitoring. This approach enables it to produce around 42.6 tonnes or 340,800 punnets of high-quality blueberries off just 2 hectares of effective production area.

It currently supplies major supermarkets and is looking to expand its production.

Source: White Cloud Farms, *Submission 15*, p. 1; Regional Investment Corporation, *Newly established blueberry farm taps into RIC AgriStarter Loan, fast-tracking access to bigger markets*, <<https://www.ric.gov.au/customer-stories/newly-established-blueberry-farm-ric-agristarter-loan-access-bigger-markets>> accessed 7 August 2024.

According to inquiry participants, the broader adoption of technology across the agricultural sector is challenged by:

- high energy prices, making it less attractive/viable to adopt technology
- infrastructure (such as enclosed cropping systems) and technology (such as sensors or automated processing) can be prohibitively expensive
- Australia's horticultural research is not as mature as its international counterparts.<sup>139</sup>

Stakeholders argued that financial incentives could support farmers to overcome these obstacles and adopt agricultural technology. For example, White Cloud Farms suggested that the Victorian Government should incentivise farms to install devices which automate harvesting and processing. It argued that this would 'help keep Victorian farmers competitive on the world stage as labour costs are very high in Australia compared to the rest of the world'.<sup>140</sup> Nursery Garden Industry Victoria recommended that the Victorian Government provide 'financial assistance to incentivise the adoption of protected cropping methods on land unsuitable for traditional soil-based production and other closed loop infrastructure development and technology adoption'.<sup>141</sup>

<sup>138</sup> Nursery and Garden Industry Victoria, *Submission 19*, pp. 4–5.

<sup>139</sup> Nursery and Garden Industry Victoria, *Submission 19*, pp. 4–5; Name withheld, *Submission 42*, p. 2; Brendan Condon and Clint Hare, *Submission 10*, p. 6.

<sup>140</sup> White Cloud Farms, *Submission 15*, p. 3.

<sup>141</sup> Nursery and Garden Industry Victoria, *Submission 19*, pp. 6–7.

Nursery Garden Industry Victoria also advocated for the establishment of a horticulture ‘centre of excellence’ to conduct research, foster technological innovation, offer advanced training, and facilitate interdisciplinary collaboration to address industry challenges.<sup>142</sup> It felt that horticultural research in Australia is not currently keeping pace with innovation internationally:

Australia’s progress in academic and scientific research in this area has also been lagging with many horticultural research groups and intermediaries either too small or lacking the facilities and breadth of expertise to make a significant impact on innovation.<sup>143</sup>

It argued that a centre of excellence could boost Australian agricultural research by bringing together experts and facilitating collaboration, education, research and technological innovation.<sup>144</sup>

The Committee notes that Agriculture Victoria is already facilitating research to support the broader adoption of agricultural technology through its SmartFarms and through the AgriBio, the Centre for AgriBioscience.

### 6.4.1 SmartFarms

Agriculture Victorian has partnered with industry and the education sector to develop ‘SmartFarms’ focused on specific sectors of agriculture in key farming regions across Victoria. Each SmartFarm brings together technology and data to facilitate research, technological innovation and skills development for a different agricultural industry, for example horticulture or dairy. Figure 6.3 shows the location and sector specialisation of each SmartFarm.

**Figure 6.3 Location and specialisation of Agriculture Victoria’s SmartFarms**



Source: Agriculture Victoria, *Our SmartFarms*, <<https://agriculture.vic.gov.au/about/our-research/our-innovation-ecosystem/our-smartfarms>> accessed 6 August 2024.

<sup>142</sup> Ibid., pp. 8–9; Don Lawson, *Submission 63*, p. 2.

<sup>143</sup> Nursery and Garden Industry Victoria, *Submission 19*, pp. 5–6.

<sup>144</sup> Ibid., pp. 6, 8.

The SmartFarms will delivery benefits similar to an agricultural centre of excellence. Agriculture Victoria suggested that, together the SmartFarms ‘form a research ecosystem that enables transformative science and technology developments and fast-tracks adoption of innovations in agriculture’.<sup>145</sup> Box 6.8 describes the Hamilton SmartFarm.

### Box 6.8 Profile of the Hamilton SmartFarm

The Hamilton SmartFarm in south-west Victoria is focused on the dairy and livestock industry. It aims to foster innovation in:

- forage crops for livestock
- cropping in a high rainfall zone
- red meat productivity.

The Hamilton SmartFarm is investigating both forage and smart feeding systems and incorporates sensor technologies to measure pasture parameters such as mass and nutritive value.

It is home to the world’s largest ryegrass field trial. Scientists use robotic and sensor technologies to measure and assess 1,300 varieties of ryegrass in the field. These technologies sped up the process of selecting the best genetic traits in ryegrass varieties and breeding lines. This means Australian farmers get quicker access to grazing pastures that are more productive and nutritious for their livestock.

Smart feeding systems to improve feed efficiency of sheep are also investigated at this SmartFarm.

Source: Agriculture Victoria, *Hamilton SmartFarm*, <<https://agriculture.vic.gov.au/about/our-research/our-innovation-ecosystem/our-smartfarms/hamilton-smartfarm>> accessed 9 August 2024.

The SmartFarms are linked to each other and to the big data capabilities and research underway at AgriBio, the Centre for AgriBioscience, in Melbourne.<sup>146</sup>

## 6.4.2 AgriBio

AgriBio, the Centre for AgriBioscience is an agricultural systems biological research centre. It conducts research to enhance and protect Victoria’s agricultural sector by identifying ways to improve productivity, fight disease and reduce the environmental impact of the sector. It is a joint initiative of the Victorian Government, Agriculture Victoria and La Trobe University.<sup>147</sup>

<sup>145</sup> Agriculture Victoria, *Our SmartFarms*, <<https://agriculture.vic.gov.au/about/our-research/our-innovation-ecosystem/our-smartfarms>> accessed 9 August 2024.

<sup>146</sup> Ibid.

<sup>147</sup> Agriculture Victoria, *AgriBio Centre for AgriBioscience*, <<https://agriculture.vic.gov.au/about/our-research/our-innovation-ecosystem/agri-bio-centre-for-agribioscience>> accessed 9 August 2024.

The Committee supports the establishment of SmartFarms within farming communities around the state. Pursuing research amid the relevant agricultural sector offers opportunities for the experiences of farmers to inform innovation and will help ensure farmers are aware of any new technology and approaches to farming which may benefit them. The involvement of AgriBio will ensure data, research and innovation is communicated across SmartFarms and to the broader academic and technological sectors.

However, the Committee appreciates research and innovation alone will not ensure new technology is adopted on farm. Technology can be prohibitively expensive.

The Committee believes the Victorian Government should incentivise and support Victorian farmers to incorporate new technologies on farm to boost food production to meet increasing demand and to enhance the reliance of agriculture in the changing climate. The following recommendation seeks to drive the adoption of technology in the agricultural sector and increase farmers access to agricultural land.

**RECOMMENDATION 26:** That the Victorian Government consider working with the agricultural sector to design and trial a shared equity fund to support farmers to purchase farmland (modelled on the Victorian Homebuyers Fund). The fund should support experienced farmers to establish a new farm or extend an existing farm business. It should be available to farmers in rural, regional and peri-urban areas. This should not include ‘hobby’ or ‘lifestyle’ farmers.

The Victorian Government consider working with the agricultural sector to promote long-term leasing arrangements for farmland, including farm-shares and lease-to-buy arrangements. This should include the development of template lease agreements, consideration of financial incentives to promote uptake, and exploration of mechanisms to promote leasing opportunities. This should be informed by international approaches to farmland leasing arrangements.

The Victorian Government also provide financial incentives and support to Victorian farmers (in rural, regional and peri-urban areas) to adopt new agricultural technologies which expands food production or enhances their climate resilience.

## 6.5 Securing critical farm infrastructure

Victorian farmers rely on critical shared agricultural infrastructure—such as cool storage facilities, grain mills, livestock exchanges and abattoirs—to maintain their operations. Farmers use this shared infrastructure to preserve, process and trade the food and fibre they produce, as the expense of building this infrastructure on farm can be prohibitive. These facilities underpin the productivity, sustainability and viability of Victoria’s agricultural sector and are key to securing food supply.<sup>148</sup>

<sup>148</sup> For information about the role and importance of shared agricultural infrastructure see: Niagara Agriculture Municipal Learning Network, *13 Facts about agricultural infrastructure*, 2022; Dr Kelly Donati, *Submission 50*, p. 6.



The Central Highlands Coolstores in Bungaree is a prime example of this type of critical shared agricultural infrastructure, see Box 6.9. The Committee visited the facility on 22 May 2024 to learn about its pivotal role in Ballarat’s potato growing industry.

### Box 6.9 Central Highlands Coolstores

The Central Highlands Coolstores is in Bungaree, a small township in one of Victoria’s most productive potato growing regions, just outside of Ballarat. Storage infrastructure, such as the Coolstores, is critical to the local agricultural sector.



The Central Highlands Coolstores can warehouse more than 20,000m<sup>2</sup> of produce at a specific temperature, humidity and Co<sub>2</sub> level, optimised to prolong the shelf life of produce and prevent spoilage. It specialises in storing seed potatoes in a dormant state between growing seasons for surrounding and South Australian farmers. The facility’s optimised storage environment helps prevent post-harvest losses and ensure farmers have the seed stock they need for each growing season.

Conditions in the coolstores are monitored and kept constant by a ‘state of the art computer-controlled system’. The system can quickly cool potatoes post-harvest to 15 degrees and maintain this for at least two weeks to support wound healing. If longer-term storage is required, the system will reduce the temperature to around 3 degrees. Likewise, some fresh produce, such as fruit, emits Co<sub>2</sub> detrimental to long-term freshness of produce. The Coolstores’ technology monitors Co<sub>2</sub> levels and circulates fresh outside air using large fans if the distribution of gases in the warehouse approach unacceptable levels.

Photo: The Environment and Planning Committee visit the Central Highlands Coolstores on 22 May 2024.

Source: Notes from Committee site visit to Central Highlands Coolstores, Bungaree, 22 May 2024; Central Highlands Coolstores, <<https://centralhighlandscoolstores.com.au>> accessed 9 August 2024.

The Committee heard throughout the Inquiry that Victorian farmers’ access to some types of shared farm infrastructure—namely abattoirs and livestock exchanges—is declining with serious consequences for the agricultural sector and food supply.

### 6.5.1 Abattoirs

Since the 1980s, ownership of Australia's abattoirs has been consolidating with large, multinational meat processing companies purchasing abattoirs across the country. In 2016, the Senate Standing Committee on Rural and Regional Affairs and Transport conducted an inquiry into the effect of market consolidation on the red meat processing sector. It reported that consolidation has caused the market to contract 'significantly in recent years'. It suggested that in 1988, the four Australian largest processors controlled 24% of the market. By 2016, the top four companies were responsible for around 55% of livestock throughput in Australian abattoirs.<sup>149</sup> According to the Australian Competition and Consumer Commission, Australia's beef processing sector is now dominated by two large firms, JBS Australia and Teys Australia, which operate multiple abattoirs along the eastern seaboard. There are also several medium-sized companies (including Australian Country Choice, Bindaree Beef, NH Foods, Northern Cooperative Meat Company, and Thomas Foods International) and some smaller operators. However, in 2017, the ACCC estimated that Australia's five largest processors had expanded to account for around 54% of the nation's total slaughter capacity.<sup>150</sup>

Many of these large companies also control other aspects of the red meat supply chain such as feedlots (intensive livestock farms) and meat processing facilities. Purchasing abattoirs enables them to gain greater control of the products they produce and vertically integrate their operations to spread costs across a larger scale of activities.<sup>151</sup>

Similar observations were made by stakeholders which participated in the Committee's Inquiry. For example, Tammi Jonas, heritage pig farmer and President of the Australian Food Sovereignty Alliance (a farmer-led advocacy group) reported that JBS is now responsible for a third of all pigs kills in Australia.<sup>152</sup> The Yarra Ranges Council Rural Advisory Committee suggested that large corporations are taking over large abattoirs and shutting down smaller abattoirs.<sup>153</sup>

The Committee heard that industry consolidation is impacting smaller and organic livestock farms' access to Victorian abattoirs to have their animals slaughtered. The Australian Food Sovereignty Alliance noted that 'many smallholders [are] losing access to slaughter options as large industrial abattoirs refuse to process private kills in favour of their own vertically-integrated operations'.<sup>154</sup> The City of Greater Bendigo provided an example of this. It noted that 'one of the major abattoirs in Central

<sup>149</sup> Australian Senate Rural and Regional Affairs and Transport References Committee, *Effect of market consolidation on the red meat processing sector: Interim report*, 2016, p. 5.

<sup>150</sup> Australian Competition and Consumer Commission, *Cattle and beef market study: Final report*, 2017, p. 9.

<sup>151</sup> Australian Department of Industry and Science, *Submission 39*, submission to the Australian Senate Rural and Regional Affairs and Transport References Committee, Inquiry into the effect of market consolidation on the red meat processing sector.

<sup>152</sup> Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 28.

<sup>153</sup> Yarra Ranges Council, *Submission 18*, p. 9.

<sup>154</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 4.

Victoria' has recently stopped processing organic animals and plans to implement a lower limit of 25 animals to be processed at a time.<sup>155</sup>

The Yarra Ranges Council Rural Advisory Committee suggested that there is a 'real possibility' that large commercial abattoirs will stop processing livestock from smaller farms altogether.<sup>156</sup> Ms Jonas also reported that small scale producers are concerned that they will be shut out of abattoirs. She noted that if her local abattoir closes, or stops processing animals from smaller farms like hers, it '... would just be the end of small-scale livestock farming' in the Daylesford region.<sup>157</sup> She said, 'from month to month we do not know whether we will ring up and they will say, 'No more''.<sup>158</sup> Will Bennett, Owner of Pig and Earth Farm, which sells meat through a community supported agriculture model has already lost access to one local abattoir and has insecure access to a second:

... I was using Castle Estate abattoirs for about five years. I butcher pork and lamb, and they would kill them. I used them every month for five years, and then I rang up one day and they said, 'We're not taking them anymore.' Then three months later they ended up shutting down completely. I have to go to Hardwicks and then Diamond Valley. Again, I am the last on the list, so if they say they cannot fit me in that week or that month, I do not get to kill.<sup>159</sup>

Livestock farmers who no longer have access to a local abattoir are forced to send their animals further afield to be processed. The Committee heard that this impacts the quality of animal welfare. The significant cost involved in transporting animals to distant abattoirs can also undermine farm viability. Sustain said that the closure of regional abattoirs is already causing some small-scale producers to leave the sector and is impacting the supply of Victorian meat products to restaurants.<sup>160</sup>

Some smaller producers, such as Jonai Farms & Meatsmiths, are investing in on-farm micro- and mobile-abattoirs to reduce their dependence on large commercial abattoirs and mitigate the risk of being shut out of processing facilities. However, the Committee heard that securing the necessary planning and building permits can be time-consuming, complex and incredibly challenging.<sup>161</sup> For example, Jonai Farms & Meatsmiths applied for planning permission for a micro-abattoir two years ago and had not yet constructed a facility at the time the report was written—see Box 6.10.

<sup>155</sup> City of Greater Bendigo, *Submission 41*, p. 5.

<sup>156</sup> Yarra Ranges Council, *Submission 18*, p. 9.

<sup>157</sup> Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 28.

<sup>158</sup> Ibid.

<sup>159</sup> Will Bennett, Owner, Pig and Earth Farm, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 29.

<sup>160</sup> Dr Kelly Donati, *Submission 50*, p. 6.

<sup>161</sup> City of Greater Bendigo, *Submission 41*, p. 5.

**Box 6.10 Jonai Farms & Meatsmiths progress towards a micro-abattoir**

Jonai Farms & Meatsmiths have been raising heritage-breed large black pigs and Speckleline cattle in Eganstown (just outside of Daylesford) since 2011. The 28.5 ha farm is in a Farming Zone within the Hepburn Shire municipality.

Jonai Farms & Meatsmiths currently transports its animals to a local abattoir to be slaughtered. Carcasses are returned to the farm and butchered into a range of fresh cuts, smallgoods and charcuterie in an on-farm boning room and butcher's shop which has been operating since 2014. The boning room is licenced by Prime Safe (Victoria's meat industry regulator) under the *Meat Industries Act 1993* (Vic). Rural industry, such as a boning room, is a section 1 use in the Farming Zone which means Jonai Farms & Meatsmiths did not require a planning permit to establish the facility. The definition of rural industry specifically excludes abattoirs and sawmills.

In November 2022, Jonai Farms & Meatsmiths applied to Hepburn Shire Council for planning permission to expand its operations by constructing a micro-abattoir in one of its paddocks. It sought the abattoir to 'achieve full control of [its] value chain' and to service other small-scale livestock producers in its immediate region. As abattoirs are a section 2 use in the Farming Zone, a planning permit was required to establish the abattoir.

The micro-abattoir proposal encompassed slaughter facilities, a reconfigured boning room with a commercial kitchen and a larger farm-gate shop all designed to comply with Prime Safe licencing regulations for abattoirs. The capacity of the abattoir was expected to be around 5–12 cattle a month and 40–60 pigs a month. An environmental management plan and composting system would ensure all waste materials are processed and disposed of in a compliant manner.

Hepburn Shire Council referred Jonai Farms & Meatsmiths planning permit application to the Environment Protection Authority (EPA) for consideration, despite the proposal being well-below referral thresholds. It was approved by the EPA and was subsequently approved by Hepburn Shire Council in July 2023.

Neighbours who objected to the abattoir proposal subsequently sought a review of the Shire's decision at the Victorian Civil and Administrative Tribunal (VCAT). Compulsory conferences were held in December 2023 and January 2024 and a hearing followed in February 2024. Three weeks later VCAT announced its decision to uphold the decision of Hepburn Shire Council to grant a planning permit for the abattoir. Almost 500 days elapsed between Jonai Farms & Meat Smiths applying for permission to construct an abattoir and the VCAT decision to uphold approval.

**(Continued)**

**Box 6.10 Continued**

Jonai Farms & Meatsmiths has since decided to build a mobile, vehicle-based abattoir as a first step, before constructing the fixed abattoir they originally sought approval for. This is because they believed that mobile abattoirs do not require planning or building permits and therefore construction should be streamlined and quicker. They said this decision is informed by ongoing uncertainty around small livestock producers access to the local commercial abattoir:

The decision to shift to a vehicle-based abattoir was strongly influenced by the ever-increasing uncertainty of the security of our current slaughter options, and commences what will be a staged approach. We envision building the fixed facility within the two years we have to activate that planning permit. We are simply worried we are running out of time, and need a facility urgently. In fact, smallholders across Victoria and the rest of the country need these solutions urgently, and we hope ours will serve as a blueprint for others.

However, Hepburn Shire Council has since advised Jonai Farms & Meatsmiths that it is required to apply for an amendment to its initial proposal before it is able to construct a mobile micro-abattoir.

Source: Jonai Farms & Meatsmiths, *Proposal for a Jonai Meatsmith Collective Abattoir*, 2022; Jonai Farms & Meatsmiths, *We won! Now to build the abattoir*, <<https://jonaifarms.com.au/blog/we-won-now-to-build-the-abattoir>> accessed 12 August 2024; Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, pp. 27–35.

In Victoria, abattoirs are regulated by the *Meat Industry Act 1993* (Vic). The Act establishes a licensing and inspection system for abattoirs as well as a quality assurance programs to ensure food safety standards are maintained. Licences to operate an abattoir are administered by PrimeSafe (Victoria's meat industry regulator) under section 13(1) of the Act.<sup>162</sup>

In 2019, the definition of an abattoir in the Meat Industry Act was amended to include 'a vehicle used for slaughter of consumable animals for human consumption'.<sup>163</sup> During the second reading speech for this amending legislation, the Hon. Jacinta Allen, then Minister for Transport Infrastructure, said the definition of abattoir was being broadened to enable small-scale producers to establish mobile micro-abattoirs in recognition of the increasing challenges they experience accessing commercial abattoirs:

Consolidation in the meat processing sector has led to a significant decrease in abattoir numbers across Victoria and has created barriers to small producers gaining access to abattoir services. Small producers are increasingly calling for a regulatory framework that supports the operation of micro or mobile abattoirs to facilitate small-scale

<sup>162</sup> *Meat Industry Act 1993* (Vic) s 1; PrimeSafe, *What we do*, <<https://www.primesafe.vic.gov.au/about-primesafe/what-we-do>> accessed 12 August 2024.

<sup>163</sup> *Primary Industries Legislation Amendment Act 2019* (Vic), Pt 8.

processing in accessible locations. More broadly, mobile businesses are a growing trend but are not supported by the existing legislative framework for the meat industry. Amendments to the Meat Industry Act 1993 have been made in recognition of the industry development opportunity that mobile operators provide for producers and butchers across Victoria.<sup>164</sup>

However, stakeholders suggested that there is confusion amongst local government planners about whether micro-abattoirs should be permitted in the Farming Zone and whether a mobile abattoir requires planning approval.<sup>165</sup> Ms Jonas said that local governments are confused about micro-abattoirs and ‘all it takes is a council planner who is intimidated by a powerful lifestyle [farmer], who is ringing them every day ... before the wrong decision is made’.<sup>166</sup>

Moreover, inquiry participants said that applying to construct a micro-abattoir or mobile abattoir is too complex. For example, the City of Greater Bendigo submitted that ‘[g]aining the necessary licences for on-farm or mobile slaughtering is challenging, resulting in few businesses offering this service’.<sup>167</sup> Michelle Wyatt added that the ‘checks and balances and red tape’ involved in applying for a micro-abattoir is significant.<sup>168</sup> Ms Jonas described her experience seeking permission to build a micro-abattoir as being ‘put through [the] wringer’ and said it require an ‘enormous amount of energy’ to manage the farm and a VCAT case.<sup>169</sup>

Stakeholders advocated for amending the Victorian Planning Framework to provide for micro-abattoirs in farming zones without requiring a planning permit.

Ms Jonas and the Australian Food Sovereignty Alliance suggested amending the Meat Industry Act and section 1 of the Farming Zone to specifically provide for micro-abattoirs:

- include a definition of micro-abattoir in the Meat Industry Act as an abattoir processing fewer than 1,000 livestock units<sup>170</sup> or which generates less than 200 tonnes of organic waste (based on EPA guidelines)
- redefine rural industry in section 1 of the Farming Zone to include a micro-abattoir.<sup>171</sup>

They noted that this would remove the requirement to seek a planning permit to construct a micro-abattoir. Ms Jonas suggested that this definition of a micro-abattoir places it ‘well below’ the EPA threshold for threats to environmental amenity.

<sup>164</sup> Victoria, Legislative Assembly, 6 March 2019, *Parliamentary debates*, p. 748.

<sup>165</sup> Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 29.

<sup>166</sup> *Ibid.*, pp. 29, 33–34.

<sup>167</sup> City of Greater Bendigo, *Submission 41*, p. 5.

<sup>168</sup> Michelle Wyatt, Manager, Climate Change and Environment, City of Greater Bendigo, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 25.

<sup>169</sup> Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 33.

<sup>170</sup> Livestock units are a way of comparing the nutritional requirements of grazing animals. They therefore assist with the calculation of stocking densities. A livestock unit is based on the weight of a mature cow.

<sup>171</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 10.

Moreover, she noted that farmers seeking a micro-abattoir would still have to have an environmental management plan to comply with PrimeSafe regulations to secure a licence to operate. She argued that these amendments ‘would eradicate those hurdles for all the farmers who are now following our plans for our abattoir’.<sup>172</sup>

The Australian Food Sovereignty Alliance argued that this change would see ‘... far more abattoirs that service small-scale farms in a small radius (1-100 km) [and] would dramatically increase the resilience of local economies ...’. It suggested that this would sustain small scale livestock producers through ‘... the seemingly inevitable continued loss of medium-scale regional abattoirs to their large-scale industrial counterparts’.<sup>173</sup>

The City of Greater Bendigo also recommended that ‘the Victorian Government review the regulatory framework for meat processing to facilitate small scale and mobile slaughtering’.<sup>174</sup>

The Australian Food Sovereignty Alliance, Foodprint Melbourne, Dr Donati and Sustain all called for the Victorian Government to invest in community-owned, shared agricultural infrastructure, such as abattoirs.<sup>175</sup> Dr Donati recommended:

Invest in community-owned and -led food system infrastructure to support processing, value-adding and distribution and enhance cross-sectoral collaboration across the food chain in regional and peri-urban communities. This includes community abattoirs, processing facilities and distribution hubs.<sup>176</sup>

The Australian Food Sovereignty Alliance called for the Victorian Government to ‘[p]rovide infrastructure grants to enable community-controlled construction of new small-scale abattoirs and other processing facilities (e.g. boning rooms, grain mills, dairy processing) in regional areas’.<sup>177</sup>

The Committee is very concerned to hear that the livelihood of Victoria’s small-scale livestock producers is being threatened by uncertain access to abattoirs to process their animals. It recommends that the Victorian Government take immediate steps to negotiate ongoing access for smaller producers in impacted communities and pursue long-term reform to reduce smaller producers’ reliance on larger commercial abattoirs.

In the Committee’s view, micro-abattoirs should be permitted in all zones which provide for agriculture as the primary permitted land use namely, the Farming Zone, Rural Activity Zone, Green Wedge Zone and the Green Wedge A Zone. It would like to see the Victorian Planning Provisions and the *Meat Industry Act 1993* (Vic) reformed to specifically provide for, and define, micro-abattoirs and mobile micro-abattoirs.

<sup>172</sup> Tammi Jonas, Owner, Jonai Farms & Meatsmiths, public hearing, Bendigo, 23 May 2024, *Transcript of evidence*, p. 29.

<sup>173</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 10.

<sup>174</sup> City of Greater Bendigo, *Submission 41*, p. 5.

<sup>175</sup> Sustain: The Australian Food Network, *Submission 51*, p. 17; Dr Kelly Donati, *Submission 50*, p. 8; Australian Food Sovereignty Alliance, *Submission 24*, p. 11; University of Melbourne SAFES, *Submission 46*, p. 9.

<sup>176</sup> Dr Kelly Donati, *Submission 50*, p. 8.

<sup>177</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 11.

The Committee also recommends that the Victorian Government support agricultural communities faced with uncertain access to commercial abattoirs to establish micro-abattoirs to increase their resilience to industry consolidation.

**RECOMMENDATION 27:** That Agriculture Victoria work with the Victorian Farmers Federation, PrimeSafe and commercial abattoirs to negotiate small livestock producers' ongoing access to kill facilities in the short-to-medium term.

The Victorian Government amend the *Meat Industry Act 1993* (Vic) to specifically provide for and define micro-abattoirs and the Victorian Planning Provisions to introduce micro-abattoirs (including mobile micro-abattoirs) as a Section 1 use in the Farming Zone, Rural Activity Zone, Green Wedge Zone and the Green Wedge A Zone.

The Victorian Government support small scale livestock producers to establish micro-abattoirs (including mobile micro-abattoirs) in communities which can demonstrate a need for this critical shared agricultural infrastructure.

## 6.5.2 Livestock exchanges

Inquiry stakeholders noted that, like abattoirs, many older Victorian livestock exchanges are closing, and trade is consolidating in fewer, newer facilities. Jeff Paull, Business Unit Manager, Central Victoria Livestock Exchange said that older facilities, typically run by local governments are no longer financially viable and do not meet modern animal welfare standards. As a result, many local governments are shutting these facilities down or selling them to commercial livestock exchange companies such as Regional Livestock Exchanges:

... I would like to raise the consolidation of saleyards, which is happening not only in Victoria ... The closure of the Warrnambool yards was an example of a major investment needed but council not able to justify that investment. Any council faced with spending \$10 million to upgrade a sale facility versus spending the same money on, say, a swimming pool will face a similar dilemma. The role of and expectations on LGAs have changed over the past few decades. Saleyards are a critical part of the food supply chain, but... councils are walking away from them ...

... with most of the RLX sites we have built a new site and consolidated three or four council-run sites around that area.<sup>178</sup>

The Australian Competition and Consumer Commission has also reported on the consolidation of livestock exchanges in Australia. It identified a shift towards fewer and larger exchanges. It noted that new exchanges tend to have a greater capacity for stock, offer better animal welfare outcomes and are safer for farmers and workers. It also suggested that, while the closure of smaller local livestock exchanges can be difficult for impacted communities, the consolidation of livestock exchanges 'should

<sup>178</sup> Jeff Paull, Business Unit Manager, Central Victoria Livestock Exchange, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, pp. 11-12.



improve competition' for livestock. Fewer, larger exchanges may attract a greater number of buyers and 'make anti-competitive conduct more difficult'.<sup>179</sup>

However, evidence provided by the Mornington Peninsula Taskforce suggested that the closure of local livestock exchanges can have a serious impact on the viability of farming in those communities. For example, the Taskforce suggested that the closure of the Victorian Livestock Exchange in Pakenham this year has made 'the future of small-scale livestock production in the Green Wedges ... perilously fragile'. The closure of the exchange will see producers having to travel to Leongatha to sell their animals, about 75 km south-east of Pakenham. The Taskforce said that this impacts the viability of farming and will have negative consequences for animal welfare and carbon emissions.<sup>180</sup> The South Gippsland Shire Council said that the closure of the Pakenham exchange has the potential to make the remaining Leongatha saleyards, one of the biggest and busiest saleyards in Australia.<sup>181</sup>

The Committee acknowledges that the ownership of livestock exchanges, like abattoirs and farms, is consolidating. However, unlike abattoirs, the issue did not attract substantial or widespread concern from inquiry participants. Furthermore, the Committee notes that the ACCC suggests that the closure of older livestock exchanges and the consolidation of the sector in newer, larger facilities may be improving animal welfare and enhancing competition for livestock. The Committee suggests that it is appropriate for Agriculture Victoria to monitor consolidation in this sector and advise the Victorian Government if it foresees imminent negative impacts for the sector.

**RECOMMENDATION 28:** That Agriculture Victoria monitor the distribution of livestock exchanges across the state and advise the Victorian Government if it identifies that consolidation in the sector is beginning to have a negative impact on Victorian farmers.

<sup>179</sup> Australian Competition and Consumer Commission, *Cattle and beef market study: Update report*, 2018, p. 19.

<sup>180</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 4-5.

<sup>181</sup> South Gippsland Shire Council, *Submission 25*, p. 2.



# Chapter 7

## A resilient food system

Victoria's food system is being disrupted by more frequent shocks and stressors, driven by climate change, geopolitical developments and biosecurity events. A transition to regenerative farming and a circular economy will increase the resilience of Victorian agriculture and drive environmental gains. Encouraging the development of more diverse and local food supply chains can help secure Victoria's food supply during disruptive events. Local governments and community food enterprises can also make an important contribution to the resilience of Victoria's food system.

### 7.1 What is a resilient food system?

Victoria's food system, like its national and international counterparts, is being subjected to more frequent shocks and stresses that impact all aspects of food supply, from 'farm to fork', for example:

- the changing climate is, or will, affect all elements of Victoria's food system including food production, transportation and consumption:
  - the transportation of food by road and rail is being interrupted by more frequent extreme weather events such as bushfires, storms and floods
  - water scarcity may increase as episodes of extremely dry weather or drought become more frequent
  - agricultural production may be reduced through lower crop yields and increased livestock stress
  - the storage of agriculture commodities may become more difficult and expensive as warmer conditions increase the vulnerability of stored foods to pests and the cost of refrigeration
  - rising food production and transportation costs are contributing to higher food prices for Victorian consumers<sup>1</sup>
- the COVID-19 pandemic highlighted the vulnerability of the long and complex 'just in time' supply chains that stock our major supermarkets. During the pandemic, distribution centres experienced COVID-19 outbreaks and surging consumer demand led to shortages of foods in stores<sup>2</sup>

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1 Stephen Bartos, CEO Bartos Consulting Group, *Fork in the road: Impacts of climate change on our food supply*, report for Farmers for Climate Action, March 2022, p. 6; University of Melbourne SAFES, *Submission 46*, p. 8; The Rural Planner, *Submission 32*, p. 3; Sustain: The Australian Food Network, *Submission 51*, p. 9.

2 University of Melbourne SAFES, *Submission 46*, p. 8; RMIT University Centre for Urban Research, *Submission 28*, p. 4.

- geopolitical events, like Russia's invasion of Ukraine, caused spikes in fertiliser and wheat prices, contributing to the increasing cost of food in Victoria's supermarkets<sup>3</sup>
- environmental degradation, biodiversity loss and urban encroachment into productive farmland is increasing pressure on Victorian farms<sup>4</sup>
- biosecurity events are causing the temporary closure of farms, disrupting food supply and reducing stock, for example, the recent outbreak of Avian influenza in Victoria, NSW and the ACT has led to nationwide egg shortages.<sup>5</sup>

The Committee heard that while the impacts of these shocks and stresses on Victoria's food system may vary, they all reduce the food security of Victorians. Dr Rachel Carey, a researcher with Foodprint Melbourne at the University of Melbourne explained:

... these shocks and stressors are having impacts throughout food systems, from farm to fork. While the impacts may vary depending on the shock, the outcomes on food security are similar. Food system shocks are contributing to rising food prices and to growing food insecurity, and around 8% of Victorian adults were severely food insecure in 2022, meaning that they ran out of food and could not afford to buy more, and that is a 40% increase in two years.<sup>6</sup>

Many inquiry participants advocated for reorienting and strengthening Victoria's food system to improve its resilience to future shocks and stresses.<sup>7</sup> There have also been several recent reports examining the resilience of both Victoria and Australia's food systems and plotting a path towards more robust food supply. For example:

- Foodprint Melbourne, The University of Melbourne, Planning a resilient food system for Victoria: A Foodprint Melbourne Report (2024)
- the Commonwealth Scientific and Industrial Research Organisation's (CSIRO) Reshaping Australian Food Systems – A Roadmap towards a more sustainable, productive and resilient future for Australia's food, its environment and people (2023).

CSIRO reported that there is 'widespread [international] recognition that food systems must change to meet a number of critical challenges, including a changing climate, increasing demand, supply chain and workforce disruptions, rising input costs, and nutrition-related public health concerns'.<sup>8</sup> Likewise, Foodprint Melbourne noted that

3 University of Melbourne SAFES, *Submission 46*, p. 8; Afeeya Akhand, 'How Russia's invasion of Ukraine impacts global food security', *The Strategist*, 29 Feb 2024, <<https://www.aspistrategist.org.au/how-russias-invasion-of-ukraine-impacts-global-food-security>> accessed 27 August 2024; Sustain: The Australian Food Network, *Submission 51*, pp. 9–10.

4 University of Melbourne SAFES, *Submission 46*, p. 8.

5 Laurissa Smith, 'Supermarket egg shortage to ease in spring after nation's largest-ever bird flu outbreak', *ABC News*, <<https://www.abc.net.au/news/rural/2024-08-16/egg-shortages-set-to-ease-in-spring-farmers-group-says/104227392>> accessed 21 August 2024.

6 Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 1.

7 For example: Healthy Food Systems Australia, *Submission 38*, p. 1; University of Melbourne SAFES, *Submission 46*, pp. 8–9; Sustain: The Australian Food Network, *Submission 51*, pp. 16–18; Farmers for Climate Action, *Submission 17*, pp. 1–3; Australian Food Sovereignty Alliance, *Submission 24*, pp. 9–12; RMIT University Centre for Urban Research, *Submission 28*, pp. 4–5; Young Farmers Connect, *Submission 31*, p. 2; Municipal Association of Victoria, *Submission 56*, pp. 11–12.

8 CSIRO, *Reshaping Australian food systems*, 2023, p. ii.

'there is a growing [international] focus on strengthening the resilience of food systems to shocks and stressors'.<sup>9</sup>

Throughout the Inquiry, several different visions of a resilient food system were presented by stakeholders. Box 7.1 provides some examples.

### Box 7.1 What is a resilient food system?

Foodprint Melbourne referred to the Food and Agriculture Organization of the United Nations' (FAO) definition of a resilient food system:

The capacity over time of agrifood systems, in the face of any disruption, to sustainably ensure availability of and access to sufficient, safe and nutritious food for all, and sustain the livelihoods of agrifood systems' actors.

Foodprint Melbourne added adaptability as a characteristic of a resilient food system:

If a food system is resilient, it can continue to deliver an adequate supply of nutritious and culturally acceptable food to everyone, even during shocks to the system. Resilient food systems also have the capacity to adapt and transform in response to changing circumstances, building longer term resilience to future shocks and stresses

Sustain—a healthy food systems advocacy group—defined a resilient food system primarily as one which is diverse and designed for redundancy:

... a resilient system is one that can withstand shocks and stresses, maintain its essential characteristics and continue to perform its critical functions even during times of great stress. The basic function of a food system to provide food security for all – that is, to generate and make available to all Victorians adequate amounts of healthy, affordable, nutritious and culturally appropriate food. So a resilient food system has two basic and related characteristics. It is diverse in all its elements, and it is designed for redundancy.

The Department of Transport and Planning and Agriculture Victoria defined resilience as a system which maintains its productivity and profitability:

A resilient agricultural sector is productive and profitable when faced with economic and other shocks and can quickly adapt and respond to current and future challenges. In Victoria, this includes floods and fires, climate change, market volatility, invasive pests and a myriad of other challenges. However, while these threats are significant, industry and government are developing solutions to respond both now and into the future.

Source: R Carey, M Murphy and T Behen, *Planning a resilient food system for Victoria*, report for The University of Melbourne, 2024, p. 10; Dr Nick Rose, Executive Director and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 31; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 16.

<sup>9</sup> R Carey, M Murphy and T Behen, *Planning a resilient food system for Victoria*, report for The University of Melbourne, 2024, p. 10.

However, while there was some variation between stakeholders on the definition of a resilient food system, two elements were emphasised by many—diversity and decentralisation. Sustain explained that a diverse food system is one which incorporates variety in all its elements, including, methods and scales of food production, food processing, supply chains and market options.<sup>10</sup> Foodprint Melbourne characterised diversity in a food system as:

Diversity is important in the geographic locations that food is sourced from (global, national, regional and local sources), the modes of transport (road, rail, air and sea) and transport routes used to distribute food, in the scale of food production, processing and retail (small, medium and large scale), and in types of food enterprises (community and social enterprises, as well as commercial) ...<sup>11</sup>

Decentralisation was typically conceived by inquiry participants as shorter, more direct supply chains between farmers and food processors and between farmers, food processors and consumers. Or as the ‘localisation’ of Victoria’s food system.<sup>12</sup>

Submitters suggested that a more resilient Victorian food system can be achieved by supporting farmers to shift to regenerative or agroecological agriculture, through fostering a more circular economy and by increasing the diversity and decentralisation of food supply chains.

## 7.2 Promoting regenerative and agroecological agriculture

Concepts like regenerative agriculture and agroecology are gaining prominence in food system and agricultural policy making worldwide.<sup>13</sup> Regenerative agriculture is a broad term for farming practices which aim to produce food in a manner which restores and sustains ecosystem health. It typically encompasses practices such as:

- reducing or eliminating the use of biocides
- minimising soil disturbance through no-till methods
- maintaining constant ground cover by propagating green manures and integrating trees and herbaceous perennials
- enhancing biodiversity on farms, both above and below ground
- integrating animals into farms, to enhance nutrient cycling.<sup>14</sup>

<sup>10</sup> Dr Nick Rose, Executive Director and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 31.

<sup>11</sup> University of Melbourne SAFES, *Submission 46*, p. 8.

<sup>12</sup> University of Melbourne SAFES, *Submission 46*, p. 8; Mornington Peninsula Shire Council, *Submission 27*, pp. 1, 12; Healthy Food Systems Australia, *Submission 38*, p. 3; Dr Kelly Donati, Vice-Chair and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, pp. 37–38; Australian Food Sovereignty Alliance, *Submission 24*, p. 15.

<sup>13</sup> Food and Agriculture Organization of the United Nations, Regenerative agriculture—agroecology without politics?, <<https://www.fao.org/family-farming/detail/en/c/1629907>> accessed 31 May 2024.

<sup>14</sup> Food and Agricultural Organization of the United Nations, *Enabling farmer-led ecosystem restoration: Farmer field schools on forestry and agroforestry*, 2023, p. 4.

Agroecology is a similar but slightly wider-ranging concept. Both approaches aim to restore soil and ecosystem health by relying on biological interactions and the integration of plants and animals to farm sustainably. However, as the Australian Food Sovereignty Alliance—a farmer-led advocacy group—pointed out, agroecology also encompasses a social sustainability dimension:

Agroecology ... seeks to optimize the interactions between plants, animals, humans and the environment while also addressing the need for socially equitable food systems within which people can exercise choice over what they eat and how and where it is produced. Agroecology is concurrently a science, a set of practices and a social movement ...<sup>15</sup>

The Food and Agriculture Organization of the United Nations (FAO) has been advocating for a global shift towards agroecological agriculture for several years. It argues that agroecological farming can support the achievement of several Sustainable Development Goals (SDGs).<sup>16</sup> It has developed an agroecology framework and knowledge hub to assist countries to transition to more sustainable farming approaches.<sup>17</sup>

Many inquiry participants also submitted in support of transiting Victoria’s agricultural sector to more regenerative or agroecological farming practices. Particularly as food production increases to meet the expanding needs of a growing population. The Australian Food Sovereignty Alliance argued that broader adoption of agroecological farming practices in Victorian will help foster a more ethical and ecologically-sound food system.<sup>18</sup>

Nursery and Garden Industry Victoria—the peak body for the state’s horticultural sector—emphasised how traditional approaches to farming have depleted Victorian soils, reduced biodiversity and degraded the health of river systems. It noted that pressure on Victoria’s natural systems will increase with the growing demand for food and argued that a shift to sustainable farming is needed to maintain food production:

With the growing demand for food due to population growth, there is mounting pressure on natural resources and ecosystems in Victoria to meet growing demand. Accordingly, it is crucial to transition towards sustainable agricultural practices that harmonise with and restore natural ecosystems and meet the objectives of Victoria and Australia’s environmental and biodiversity policies.<sup>19</sup>

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<sup>15</sup> Food and Agricultural Organization of the United Nations, *Agroecology Knowledge Hub*, <<https://www.fao.org/agroecology/overview/en>> accessed 31 May 2024.

<sup>16</sup> For example, Sustainable Development Goals 1, 2, 5, 8, 10, 13 and 15.

<sup>17</sup> Food and Agriculture Organization of the United Nations, *Agroecology Knowledge Hub*, <<https://www.fao.org/agroecology/overview/en>> accessed 31 May 2024.

<sup>18</sup> Australian Food Sovereignty Alliance, *Submission 24*, p. 14.

<sup>19</sup> Nursery and Garden Industry Victoria, *Submission 19*, p. 7.

The Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce (Mornington Peninsula Taskforce) made similar observations about traditional farming and argued that agroecological farming should be part of Victoria's efforts to reduce climate change.<sup>20</sup> It noted that the Mornington Peninsula Council adopted a *Food Economy and Agroecological Strategy* in 2022 to drive the region's transition to more sustainable agricultural practices (described in Box 7.2).

### Box 7.2 Mornington Peninsula's Food Economy and Agroecology Strategy

In 2022, the Mornington Peninsula Council endorsed a *Food Economy and Agroecology Strategy*. The strategy aims to transition the municipality's agriculture, food and beverage industries to a more economically, socially and environmentally resilient future. The strategy set three overarching environmental, economic and social goals for achievement by 2028.

**Table 7.1** Overarching goals of the Food Economy and Agroecology Strategy

Environmental	Economic	Social
Principles and practices of agroecology, circular economies and regenerative agriculture are championed by the Sustainable Food Economy and Regenerative Agriculture Taskforce and its representatives to drive transformational change across the industry.	Local food industries will be underpinned by agroecological production of diverse and high value goods that bestows a strong competitive advantage to Mornington Peninsula's food economy and recognises the Shire as an exemplar of sustainable production.	The community-wide embrace of Mornington Peninsula as a centre of excellence for regenerative practice builds local identity and improves accessibility of locally grown and made foods contributing to Council's Public Health and Wellbeing Plan.

The strategy also established priority actions under five thematic pillars (developed through consultation).

(Continued)

<sup>20</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 5–6.



## Box 7.2 Continued

Table 7.2 Priority actions of the Food Economy and Agroecology Strategy

Five pillars	Priority actions
1. Impact through collaboration	<ul style="list-style-type: none"> <li>• Sustainable Food Economy and Regenerative Agriculture Taskforce</li> <li>• Establish reporting systems to track progress with the Strategy</li> <li>• Promote collaboration through revitalised Mornington Peninsula Produce (MPP) and associated groups</li> </ul>
2. Securing markets and sales	<ul style="list-style-type: none"> <li>• Reinvigorate and re-launch MPP brand</li> <li>• Program criteria for MPP are expanded</li> <li>• Annual MPP and Buyers Expo</li> <li>• MPP Procurement Pledge</li> </ul>
3. Land use and regulation	<ul style="list-style-type: none"> <li>• Facilitate establishment of a Regenerative Agriculture Community of Practice</li> <li>• Establish and develop a participatory certification scheme complementary to MPP</li> <li>• Incentives for regenerative practices are investigated</li> <li>• Resources developed to support leasing of regenerative land</li> </ul>
4. Skills and capacity development	<ul style="list-style-type: none"> <li>• Training in regenerative agriculture</li> <li>• Engage industry, schools and training organisations to encourage career pathways in regenerative agriculture and sustainable food production</li> <li>• Facilitate development of farmer mentoring program</li> </ul>
5. Infrastructure for a circular food economy	<ul style="list-style-type: none"> <li>• Extension programs to support on-farm composting</li> <li>• Promote organics recycling</li> <li>• Advocate for and facilitate development of recycled water schemes</li> <li>• Advocate for greater energy security through uptake of renewables</li> </ul>

Sustain and the Rural Planner both highlighted the strategy as an example of best practice in fostering regenerative approaches to agriculture. Sustain said that the strategy is a 'model approach' and is supporting farmers on the Mornington Peninsula to develop their own peer-to-peer systems for verifying regenerative agricultural practices. The Rural Planner described the strategy as 'leading practice in Australia'.

Source: Mornington Peninsula Shire, *Food economy and agroecology strategy 2022-2028*, 2022, pp. 3, 16, 18; Sustain: The Australian Food Network, *Submission 51*, p. 12; The Rural Planner, *Submission 32*, p. 5.

Sustain argued that Victorian farmers should transition to agroecological approaches to reduce their reliance on fertilisers and other expensive inputs. It suggested that Australia imports 80% of the nitrogen fertilisers used on its farms. It noted that recent geopolitical instability has caused price spikes that farmers have had to absorb, 'affecting their bottom lines'. It argued that '[p]romoting more regenerative and agroecological models of farming ensures that farmers' costs are lowered, and the health, integrity and productive capacity of Victoria's soils are guaranteed for generations to come'.<sup>21</sup>

21 Sustain: The Australian Food Network, *Submission 51*, pp. 4, 10.

The Committee also heard that transitioning agriculture to more regenerative production methods can help make Victorian food more nutritious. Dr Kelly Donati, Co-founder of Sustain suggested that the nutrient content of fresh fruit and vegetables has declined as traditional methods of farming have depleted soil health. She suggested that this is contributing to a 'hidden hunger crisis' even where Victorians have access to sufficient food, because food is less nutritious. She argued that '[a] transition to regenerative agriculture could mitigate risks to both human and planetary health'.<sup>22</sup>

Stakeholders broadly called for the Victorian Government to provide education, training and funding to support farmers to transition to more regenerative and agroecological farming practices. Some argued that Victorian Government should provide financial incentives to encourage Victorian farmers to transition farming practices.<sup>23</sup> Dr Donati explained that farmers require financial support to shift their practices as regenerative farming can be costly in the short term, before long term benefits are realised:

The transition to more regenerative and agro-ecological agriculture involves a certain degree of short-term costs before the long-term ecological and economic benefits can be realised. Supporting farmers in the transition from conventional to regenerative farming would ensure that the financial risks are not borne by individual farmers but by the broader community of taxpayers who benefit in the long term as a result of healthier soils and more diverse ecosystems.<sup>24</sup>

Dr Carey argued that financial incentives should be provided because farmers are being asked to change their practices for the benefit of all Victorians:

I think that governments absolutely should be focused on promoting a range of sustainable and regenerative approaches to farming. ... it is important to recognise that we have not really been incentivising those [regenerative] approaches to date and that we are asking farmers to adopt different practices, to be more sustainable, which is so important in terms of protecting that natural resource base in food production, not just for us but for future generations as well. If we are asking them to do that, we need to incentivise them to do that and recognise they are providing ecosystem services that benefit us all ...<sup>25</sup>

Some stakeholders supported education and training to facilitate a shift to regenerative or agroecological farming practices.<sup>26</sup> Dr Donati recommended mentoring programs to support Victorian farmers to change their practices. She also called for regenerative

<sup>22</sup> Dr Kelly Donati, *Submission 50*, p. 5.

<sup>23</sup> *Ibid.*, p. 7; Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 5–6; Nursery and Garden Industry Victoria, *Submission 19*, p. 7; Sustain: The Australian Food Network, *Submission 51*, p. 16; Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 6; Healthy Food Systems Australia, *Submission 38*, pp. 2–3; Australian Food Sovereignty Alliance, *Submission 24*, p. 8.

<sup>24</sup> Dr Kelly Donati, *Submission 50*, p. 7.

<sup>25</sup> Dr Rachel Carey, Senior Lecturer, Food Systems, The University of Melbourne, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 6.

<sup>26</sup> Healthy Food Systems Australia, *Submission 38*, pp. 2–3; Dr Kelly Donati, *Submission 50*, p. 7; Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 5–6.

farming principles and practices to be incorporated into VET horticultural programs.<sup>27</sup> The Mornington Peninsula Taskforce recommended ‘[e]ducation, training and extension support for farmers to shift to more agro-ecological and resilient practices’. It said ‘[w]hilst commonplace in many parts of the world[,] the knowledge base for agroecological land management practices does not currently exist in Victoria’.<sup>28</sup>

The Committee shares stakeholders’ vision for a Victorian agricultural sector that enhances state environmental values through regenerative and agroecological approaches to farming. It has already recommended the development of a Victorian Food System Strategy that incorporates the transition to more regenerative and sustainable food production as a central tenant, see Chapter 2.

The Committee had the privilege of visiting several farms already utilising regenerative and agroecological farming approaches throughout its Inquiry, including the Harcourt Organic Food Co-op and the Common Ground Project in Freshwater Creek. It saw firsthand how food crops can be supported to thrive through the intelligent use of ground cover, animals to control pests and rotational cropping that incorporates green manures. However, it also heard directly from farmers about the challenge of shifting their practices. There is a significant amount of trial and error involved in identifying the optimal symbiotic plants and animals to incorporate on farm. It can take a couple of seasons to refine co-planting choices and restore soil health enough to support productive crops without the use of fertilisers.

The Committee believes that these challenges are significant, but not insurmountable. The right resources will assist farmers to navigate these obstacles and adopt farming practices that benefit all Victorians. The Committee believes that pragmatic workshops and online resources describing different approaches will encourage Victorian farmers to move in this direction.

**RECOMMENDATION 29:** That Agriculture Victoria develop an education program, workshops, online resources and networking opportunities to encourage Victorian farmers to transition to regenerative agricultural practices.

### 7.3 Fostering a circular economy

The Committee heard that the proximity of peri-urban farms to Victorian cities could be leveraged to strengthen the resilience of Victoria’s agricultural sector by adopting a circular food economy. A circular food economy is one that uses and re-uses natural resources (such as water) efficiently, designs out food waste and pollution, and regenerates natural ecosystems.<sup>29</sup> Stakeholders, such as Brendan Condon and

<sup>27</sup> Dr Kelly Donati, *Submission 50*, p. 7.

<sup>28</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, pp. 5–6.

<sup>29</sup> Foodprint Melbourne, *Building the resilience of Melbourne’s food system – A roadmap*, 2022, p. 53.

Clint Hare, pointed out that Victorian towns and cities generate large volumes of food and water waste that can be recycled and used on farms to enhance food production:

Cities have large volumes of organic resources, such as food and green “waste”, that could be harvested, composted locally and diverted into local food production. We also have large volumes of rainwater running off hard surfaces such as rooftops in our cities that could be used in urban farming. Currently Australia generates over 7 million tonnes of food waste per annum, much of which has historically been diverted to landfill where it breaks down anaerobically, creating methane, a powerful greenhouse gas. This waste is responsible for 3% of Australia’s national carbon footprint, and represents a great opportunity and resource for urban farming if cities can become a more circular economy, harvest and utilise this resource for decentralised urban farming distributed throughout our urban form.<sup>30</sup>

Foodprint Melbourne’s ‘roadmap to resilience’ report makes the case that ‘cities are an ideal place for building circular food economies’ because of the food waste they generate. It argues that avoiding, reducing and reusing food waste can:

- reduce greenhouse gas production
- produce compost and mulch which can be used to improve the soil health of peri-urban farms
- support Victoria to meet its targets under the United Nations’ SDG 12 – to halve food waste by 2030 and reduce losses throughout food supply chains.<sup>31</sup>

Foodprint Melbourne recommended that the Victorian Government ‘develop integrated policy and regulatory frameworks to promote a circular food economy’ in Victoria.<sup>32</sup>

The Mornington Peninsula Taskforce submitted that ‘[t]he current rates of food waste are unacceptable in a community facing unprecedented level of food insecurity and market pressures alone are clearly failing to remediate the problem’. It argued that circular economic principles should be incorporated into all aspects of policy and regulation to reduce and better utilise food waste. It noted that its own move to a more circular economy in the Mornington Peninsula has been ‘widely embraced’ by both industry and the broader community.<sup>33</sup>

The RMIT University Centre for Urban Research submitted that ‘adopting a circular economy framework’ would support local food production while addressing social, cultural, economic and environmental waste management issues.<sup>34</sup>

Inquiry participants also highlighted the potential to repurpose the stormwater and recycled water generated by Victorian towns and cities to ‘drought-proof’ peri-urban food production. The Green Wedges Coalition (a group advocating for the protection

<sup>30</sup> Brendan Condon and Clint Hare, *Submission 10, Attachment 3*, p. 2.

<sup>31</sup> Foodprint Melbourne, *Building the resilience of Melbourne’s food system – A roadmap*, 2022, p. 53.

<sup>32</sup> University of Melbourne SAFES, *Submission 46*, p. 9.

<sup>33</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 4.

<sup>34</sup> RMIT University Centre for Urban Research, *Submission 28*, p. 5.

of Melbourne's green wedges) and the Mornington Peninsula Taskforce both noted that most of the recycled water generated by Melbourne's sewerage plants is currently being pumped out to sea. They observed that Victoria is expected to get hotter and drier under a changing climate, making farming more challenging. They argued that redirecting recycled water to peri-urban agriculture would strengthen the resilience of Melbourne's agricultural regions to climate change and reduce water wastage. They called for the Victorian Government to fund the infrastructure needed to supply peri-urban farmers with recycled water.<sup>35</sup>

Brimbank City Council also welcomed government investment in stormwater and recycled water access for peri-urban agriculture. It argued that public investment in water infrastructure would make agriculture in green wedge areas more economically viable as it would reduce their reliance on urban water.<sup>36</sup>

Hume City Council noted that the peri-urban farms in its region are already constrained by low rainfall and its 'only getting worse with the impacts of climate change'. It suggested that the funding models for recycled water infrastructure should be reviewed as current approaches make it too expensive for farmers within its municipality to connect:

This Inquiry provides an opportunity to review how water authorities are structured and operate, and to explore a shift away from the current system where the end user bears the full cost of infrastructure and disposal. This approach does not acknowledge that recycled water is a service necessitated by wastewater disposal from urban land use and a portion of the disposal costs logically should be borne by urban sources. Under the current system the provision of recycled water infrastructure to Hume's green wedge is prohibitively expensive and a further constraint to agriculture opportunities, particularly non-soil based agriculture such as hot houses.<sup>37</sup>

Foodprint Melbourne's roadmap to resilience also identified a need for 'new approaches to costing recycled water' to support peri-urban food production. It acknowledged that developing recycled water infrastructure is expensive and the cost is typically borne by farmers. It supported sharing the costs more broadly in recognition that all Victorians benefit from greater utilisation of recycled and stormwater:

... there are wide ranging community and environmental benefits to using recycled water in agriculture. These include conserving drinking water supplies, reducing discharge of waste water into the ocean and waterways, and health benefits such as increased food security. New policy settings can ensure that all urban water users contribute to the cost of treatment and distribution of recycled water, and support investment for longer term benefits.<sup>38</sup>

<sup>35</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 4; Green Wedges Coalition, *Submission 30*, p. 13.

<sup>36</sup> Brimbank City Council, *Submission 21*, p. 4.

<sup>37</sup> Hume City Council, *Submission 59*, p. 3.

<sup>38</sup> Foodprint Melbourne, *Building the resilience of Melbourne's food system – A roadmap*, 2022, p. 55.

Foodprint Melbourne called for the development of ‘integrated assessment frameworks for costing the delivery and benefits of recycled water for agriculture’ which take into account ‘future scenarios of greater water scarcity’.<sup>39</sup>

However, the Committee heard that access to recycled water is not a panacea for resilient peri-urban farming. Some farmers in Werribee South’s market gardens already have access to recycled water. Sustain reported that the poor quality and high cost of this water is causing ongoing challenges for farmers. Salinity issues, high chlorine levels and the presence of pollutants (such as synthetic hormones and drugs) are causing farmers to lose crops. It noted that farmers also report that recycled water can be ‘unaffordable’.<sup>40</sup>

A submission from ‘the ratepayers of Werribee South’ provided similar evidence. It suggested that farmers using recycled water have had to treat their soil, ‘at their own expense’ to ameliorate salinity issues. It also reported that recycled water is ‘often’ unavailable in warmer weather due to blue green algae growth.<sup>41</sup>

The Committee notes that Victoria has already begun the shift to a circular economy with the launch of the *Recycling Victoria: A new economy policy* (2020).

### 7.3.1 Recycling Victoria: A new economy policy

*Recycling Victoria: A new economy policy* (Recycling Victoria) outlines plans to overhaul Victoria’s waste and recycling systems across the next decade. It aims to transition the state away from a linear economy—based on taking natural resources, using them, and disposing of them. Towards a circular economy—based on design to avoid waste and the effective recovery of materials for reuse. Recycling Victoria set four targets against which its success will be measured:

1. Divert 80 per cent of waste from landfill by 2030, and an interim target of 72 per cent by 2025.
2. Cut total waste generation by 15 per cent per capita by 2030.
3. Halve the volume of organic material going to landfill between 2020 and 2030, with an interim target of 20 per cent reduction by 2025.
4. Ensure every Victorian household has access to food and garden organic waste recycling services or local composting by 2030.<sup>42</sup>

A key component of Recycling Victoria is driving the reduction and reuse of the food and other organic waste generated by Victorian households. Kerbside waste collection is being reformed to support the collection and reuse of household organic waste. Standard bins for combined food and garden organics (FOGO); glass; combined paper, plastic and metals; and residual waste are being rolled out across Victoria.

<sup>39</sup> Ibid.

<sup>40</sup> Sustain: The Australian Food Network, *Submission 51*, p. 21–22.

<sup>41</sup> Ratepayers of Werribee South, *Submission 36*, p. 1.

<sup>42</sup> Department of Environment, Land, Water and Planning, *Recycling Victoria: A new economy*, 2020, pp. 9, 12.

As of February 2024, a total of 51 of 79 Victorian local governments had introduced FOGO bins. Funding has also been provided to expand Victoria's largest organic food processing facility, Repurpose It in Epping. The facility has the capacity to process 200,000 tonnes of organic waste each year, producing a million cubic metres of materials such as mulch and compost.<sup>43</sup>

Collected food waste is also being used to generate electricity for industry. For example, Yarra Valley Water uses 33,000 tonnes of food waste (collected from markets and food manufacturers) to generate electricity for its Aurora Sewerage treatment Plant in Wollert. An anaerobic digester at the plant transforms the food waste into 22 kilowatt-hours of electricity which is enough to power 1,300 homes.<sup>44</sup>

The Committee endorses Victoria's transition to a more circular economy. Shifting away from a make, use and dispose approach to natural resources is critical to addressing climate change. It also has the potential to deliver a broad range of benefits for Victorian farmers operating on the fringe of cities. With the right support, proximity to large population centres could be leverage to the advantage of peri-urban farmers. Secure access to locally produced organic fertilisers can reduce farmers' reliance on expensive imports. High quality and reliable recycled water supply could drought-proof food production and enhance the resilience of Victoria's food system to climate change. Importantly, it will also free up drinking water for the state's growing population.

The Committee observes that the Recycling Victoria is already driving significant progress towards reducing, collecting and better utilising organic food wastes. The introduction of kerbside collection of household FOGO waste and funding to expand waste processing facilities are key steps towards a more circular economy. However, it appeared to the Committee that a greater focus is needed on closing the loop by supporting peri-urban farmers to access the fertilisers, mulch and other materials generated by the circular economy. The Committee would like to see the Victorian Government review its policy to identify opportunities to integrate peri-urban farming into the circular economy to help secure and enhance the resilience of Victoria's food supply.

It would also like to see Victoria's circular economy policy expanded to include water. The Committee notes that water is critical to the health of Victorians and underpins the state's food supply. Recycled and stormwater is currently being wasted because the funding structures for supply infrastructure are cost prohibitive for peri-urban farmers. A food system that is resilient to drought and climate change is in everyone's interest. The Committee would like to see the Victorian Government review the costing framework for infrastructure to supply high-quality recycled water to peri-urban farms. It should identify opportunities to distribute access costs more fairly between the urban users generating the wastewater and the peri-urban farmers who can use high-quality recycled water to produce the state's food.

<sup>43</sup> The Hon. Jacinta Allan MP, Premier of Victoria, *New lease on life for food and organic waste*, media release, 28 February 2024.

<sup>44</sup> Department of Environment, Land, Water and Planning, *Recycling Victoria: A new economy*, 2020, p. 37.

**RECOMMENDATION 30:** That the Victorian Government review *Recycling Victoria: A new economy policy* (2020) to identify opportunities to integrate agriculture, particularly in peri-urban regions, into the circular economy.

**RECOMMENDATION 31:** That the Victorian Government review the policy and costing framework for recycled and stormwater supply infrastructure. The review should identify opportunities for the more equitable division of costs and to enhance agricultural access to these resources.

## 7.4 Diverse and decentralised supply chains

As described in Chapter 2, food is grown all around Victoria, with peri-urban regions producing some of the state's more perishable fruit and vegetables. The journey of Victorian foods from farm to fork varies across agricultural regions and between different types of produce. Supply chains change significantly throughout the year as different food and vegetables come into season.<sup>45</sup> There have been limited studies mapping out Victoria's food supply chain across the complex landscape between farms and consumers.<sup>46</sup> However, a typical supply chain for Victorian produce involves transportation (by road or rail) from farms:

- to the Melbourne fresh food market or a distribution centre, before delivery to the major supermarkets for retail to consumers, or
- to a food processor (in Melbourne or a regional city) before transportation to the Melbourne fresh food market or a distribution centre, and delivery to the major supermarkets for retail to consumers.<sup>47</sup>

Figure 7.1 shows typical supply chains for fruit and vegetables produced in Victoria.

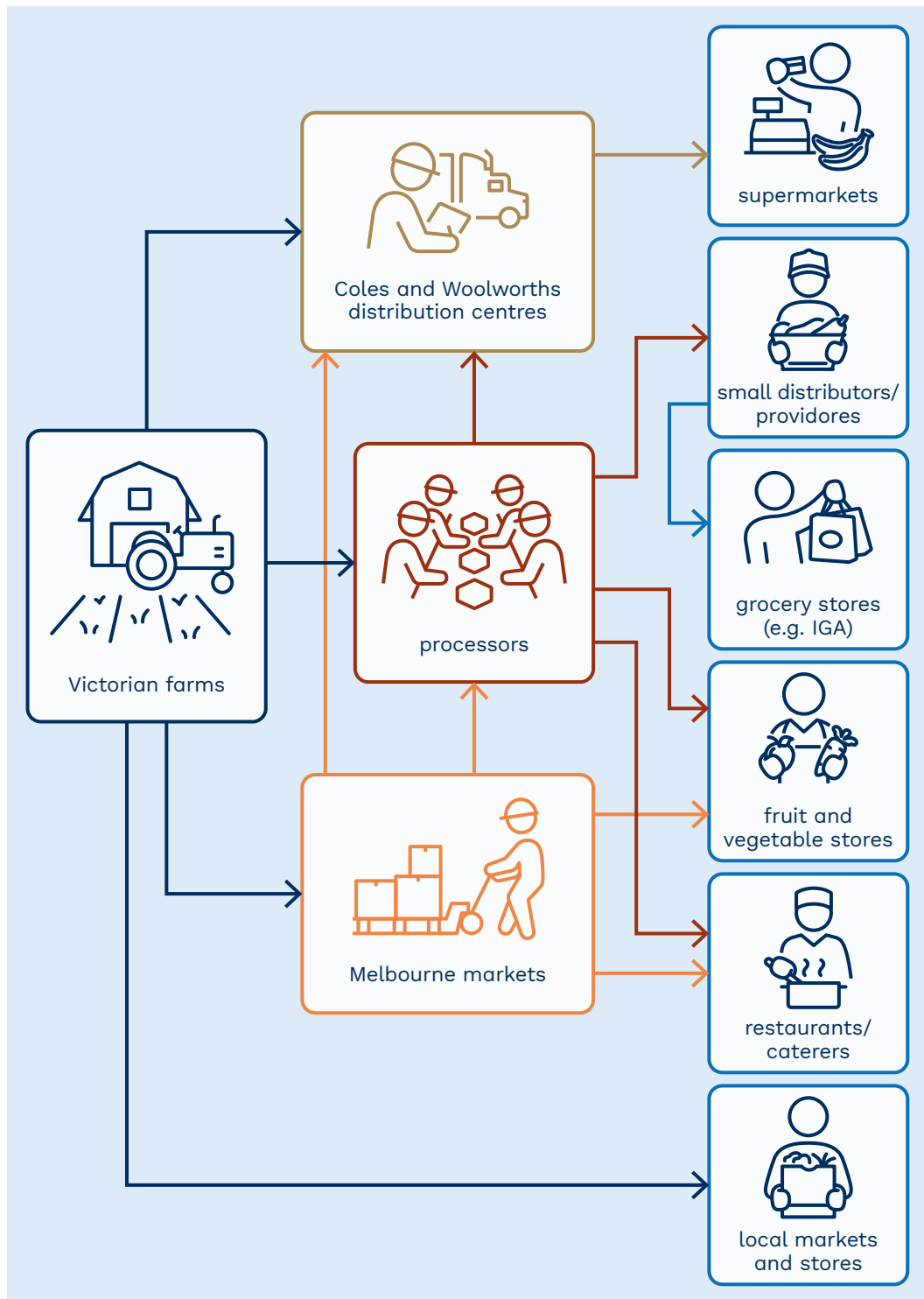
<sup>45</sup> Victorian Eco-Innovation Lab, University of Melbourne, *Understanding Victoria's Fruit and Vegetable Freight Movements*, CSIRO, 2010, p. 27; Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 13.

<sup>46</sup> Victorian Eco-Innovation Lab, University of Melbourne, *Understanding Victoria's Fruit and Vegetable Freight Movements*, CSIRO, 2010, pp. 25–26.

<sup>47</sup> Department of Transport and Planning and Agriculture Victoria, *Submission 64*, p. 13; Foodprint Melbourne, *Building the resilience of Melbourne's food system – A roadmap*, 2022, pp. 12–13.



Figure 7.1 Supply chains of fruit and vegetables produced and consumed in Victoria



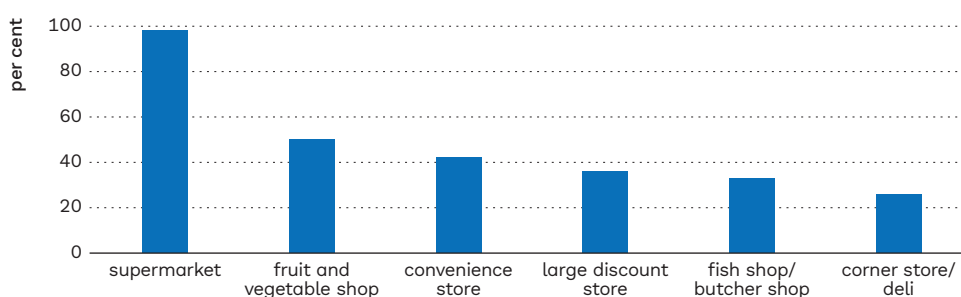
Source: Adapted from Victorian Eco-Innovation Lab, University of Melbourne, *Understanding Victoria's Fruit and Vegetable Freight Movements*, CSIRO, 2010, p. 28.

Australia's supermarket and food processing sectors are highly concentrated. A small number of companies dominate supply chains for some types of produce such as chicken meat and dairy. This means that large volumes of Victorian grown foods are processed in just one or two processing facilities and distributed via a limited number of supermarket distribution centres in Melbourne.<sup>48</sup>

Supermarkets also reach beyond Victorian farms to source food wherever it is seasonably available or produced most cost effectively. Their supply chains are long and complex and designed around 'just in time delivery' of perishable vegetables, fruits and proteins.<sup>49</sup>

For the majority of Victorians, supermarkets are the most common place to purchase food, see Figure 7.2.

**Figure 7.2 Percentage of consumers who visited different retailers during the last seven days**



Source: Victorian Eco-Innovation Lab, University of Melbourne, *Understanding Victoria's Fruit and Vegetable Freight Movements*, CSIRO, 2010, p. 156.

The long supply chains from farm to fork and the centralised distribution of food through Melbourne concerned some inquiry participants. For example, Sustain and the RMIT University Centre for Urban Research observed that while these supply chains are designed for maximum efficiency, the long-distances food must travel, and the Melbourne-centric distribution makes Victorian food supply vulnerable to disruption.<sup>50</sup> Foodprint has also reported on the vulnerability of Victorian food supply chains. It highlighted the food shortages Victorians experienced throughout the COVID-19 pandemic, bushfires and floods in recent times:

During the COVID-19 pandemic, food supply chains were affected by border closures and transport disruption. Road closures also disrupted food freight in Victoria during the 2019–2020 bushfires, and in 2022, extensive flooding in South Australia, New South Wales and Queensland cut food supply routes, leading to temporary food shortages in some areas. Food freight into Melbourne has the potential to be disrupted by a major bushfire or flooding event.<sup>51</sup>

<sup>48</sup> Foodprint Melbourne, *Building the resilience of Melbourne's food system – A roadmap*, 2022, p. 12.

<sup>49</sup> Ibid.

<sup>50</sup> RMIT University Centre for Urban Research, *Submission 28*, p. 4–5; Sustain: The Australian Food Network, *Submission 51*, pp. 4, 9; Dr Kelly Donati, Vice-Chair and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 38; Dr Kelly Donati, *Submission 50*, p. 4.

<sup>51</sup> Foodprint Melbourne, *Building the resilience of Melbourne's food system – A roadmap*, 2022, p. 12.

The Committee also heard that urban development to accommodate Victoria's growing population is impacting food supply chains. The Victorian Farmers Federation—a advocacy group representing the state's farmers—asserted that congestion has 'created problems' for agricultural trucks moving in and out of Ballarat, Geelong, Shepparton and Wangaratta to access saleyards, storage facilities and ports. It suggested that inefficient supply chains are costing Victorian farmers 'millions a year' and are inhibiting the adoption of low emissions freight technology.<sup>52</sup> Moorabool based farmer, Emma Muir, said congestion is also impacting the movement of food from farms in Bacchus Marsh, Gippsland and Warrnambool and made it 'almost untenable' to transport livestock through Melbourne.<sup>53</sup>

Hamish Mitchell, the Owner and Manager of Speciality Trees, a nursery operating out of Narre Warren East, on the outskirts of Melbourne, shared a firsthand account of the impact of congestion with the Committee at a public hearing in Morwell:

I live on a rural road called Wellington Road in Narre Warren East. It is the major thoroughfare from Emerald to the city. There are 14,500 cars that go past on that road, they tell me, every day. Getting my trucks out in the morning is almost impossible now, so it just adds to the cost of what is going on. That road has been up for upgrading many times and has lost funding many times, and no doubt that is happening in other places as well. The point that I am trying to make is that we have got 14,500 cars going past on a rural road and that does not work anymore, so we have really got to do something about that.<sup>54</sup>

The Australian Chicken Growers Federation suggested that the chicken meat industry is particularly vulnerable to supply chain disruptions due to the industry's proximity to major cities and its large volume of freight, see Box 7.3 below.

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<sup>52</sup> Victorian Farmers Federation, *Submission 55*, p. 23.

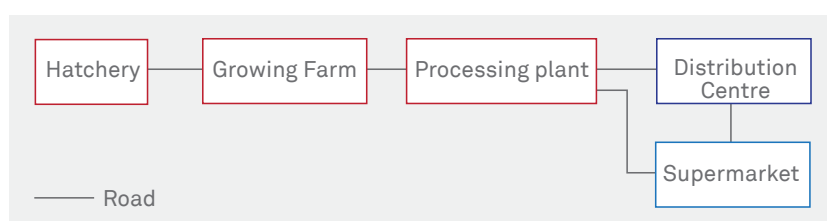
<sup>53</sup> Emma Muir, *Submission 65*, p. 1.

<sup>54</sup> Hamish Mitchell, Managing Director, Speciality Trees, and Yarra Ranges Council Rural Advisory Committee, public hearing, Morwell, 16 May 2024, *Transcript of evidence*, p. 20.

### Box 7.3 Impact of supply chain disruptions on the chicken meat growers

In Australia, chicken meat farms tend to be concentrated around major cities (often within 50 km) for quick access to the domestic market. Hatcheries, growing farms and processing facilities are often located near one another to minimise transport costs. From the point of processing, chicken meat is typically packaged and distributed to supermarkets and hospitality distribution chains via Victoria's road network. Figure 7.3 shows the typical chicken meat supply chain.

**Figure 7.3 Overview of chicken meat supply chain**



Source: AgriFutures, *The impact of freight costs on Australian farms*, 2019, p. 28.

Although the supply routes are shorter compared to other livestock sectors, the high volume of poultry transported necessitates a substantial transportation fleet. The Australian Chicken Meat Federation said there are up to 17,800 semitrailers operating solely in metropolitan Melbourne to meet consumer demands (based on 2017 data). It said that fleet numbers are expected to rise annually due to the increasing consumption rates and population growth.

The Federation noted that supply chain disruptions have a significant impact on the chicken meat industry. Blockages and bottlenecks on road networks limit truck and vehicle movements. This can delay the delivery of feed and veterinary medicines, chicken pick up and processing times, and timely delivery to supermarkets.

Source: Australian Chicken Meat Federation, *Submission 45*, pp. 3-5; AJ Higgins et al, *TraNSIT: Unlocking options for efficient logistics infrastructure in Australian agriculture: Final report*, report for CSIRO, 2017, p. 28; AgriFutures, *The impact of freight costs on Australian farms*, report prepared by Deloitte Access Economics, 2019, pp. 27-29.

The Committee heard that further challenges disrupting Victoria's food supply chains include a shortage of transportation and freight workers, and poor road conditions. Jeff Paull, Business Unit Manager of the Central Victoria Livestock Exchange, informed the Committee that the exchange has begun holding sheep for up to 36 hours following their sale due to transport fleet shortages:

... we are finding now we are holding sheep for 24 or 36 hours, having to feed them and do all those things that we were not doing last year because the transport industry just

cannot cope at the moment. They have a lack of drivers. I understand even just getting new vehicles, the lead time on that is quite long.<sup>55</sup>

Brimbank City Council reported that it has been campaigning for Victorian Government investment to ‘fix the Calder [Freeway]’ for over a year:

The Calder Freeway services all of western Victoria’s agriculture and food manufacturers in a region often referred to as ‘Victoria’s Food Bowl’. This is largely driven by the haulage of primary produce such as grains, fruits, nuts, fibre and livestock to processing facilities and distribution centres. The growth of Victorian agriculture is fundamentally linked to the ability to efficiently transport produce. State Government resources should therefore be directed to key safety and efficiency upgrades required to maintain the Calder Freeways efficacy in the food supply chain.<sup>56</sup>

The Municipal Association of Victoria, the Yarra Ranges Council and the City of Whittlesea also called for Victorian Government funding to improve the rural roads and bridges that farmers rely on to transport food to Victorians. The Municipal Association of Victoria submitted that ‘[l]ocal roads are being put under increasing pressure by changes to heavy vehicle mass and size limits’. It called for the Commonwealth and state governments to prioritise ‘local road and bridge funding to ensure reliable and direct freight access to farms, factories and businesses and to support a “future ready” road network’.<sup>57</sup> The City of Whittlesea suggested that peri-urban councils are having to prioritise the development of urban road infrastructure over the maintenance of rural roads. It ‘reinforce[d] the need to prioritise rural road infrastructure in the context of supporting agriculture’ and argued that targeted funding should be provided.<sup>58</sup>

Inquiry participants also argued that the Victorian Government should encourage the proliferation of more direct food supply chains to diversify, decentralise and enhance the resilience of food supply. Some Victorian farms are already supplying food more directly to consumers through local farmers markets or smaller retail outlets, or straight to consumers via a farmgate store or community supported agriculture business model.<sup>59</sup> Sustain suggested that these distribution methods have historically been less vulnerable and quicker to adapt to disruption.<sup>60</sup> Dr Donati said that smaller food retailers, such as green grocers, with access to ‘more agile, smaller scale distribution networks’ were better able to maintain their food supply during the COVID-19 pandemic and the 2010 Brisbane floods.<sup>61</sup> The Rural Planner explained that smaller food retail outlets, such as green grocers and butchers, are better able to

<sup>55</sup> Jeff Paull, Business Unit Manager, Central Victoria Livestock Exchange, public hearing, Ballarat, 22 May 2024, *Transcript of evidence*, p. 14.

<sup>56</sup> Brimbank City Council, *Submission 21*, p. 8.

<sup>57</sup> Municipal Association of Victoria, *Submission 56*, p. 11.

<sup>58</sup> City of Whittlesea, *Submission 40*, p. 10.

<sup>59</sup> Case studies are included in Agriculture Victoria, *Artisanal Sector Roadmap*, 2018.

<sup>60</sup> Sustain: The Australian Food Network, *Submission 51*, p. 9.

<sup>61</sup> Dr Kelly Donati, Vice-Chair and Co-Founder, Sustain: The Australian Food Network, public hearing, Melbourne, 3 May 2024, *Transcript of evidence*, p. 38.

maintain food supply throughout shocks and stressors because they have a closer relationship with the farmers supplying them:

... small and medium enterprises involved in shorter food supply chains operate at an advantage because they are “high trust networks” with alternative supply options negotiated with a few phone calls rather than relying on longstanding contracts.<sup>62</sup>

Sustain submitted that ‘[f]acilitating and supporting more direct and local market access ... can ensure economic viability for producers and lower-cost access to local and fresh food for consumers’.<sup>63</sup> It recommended:

- Improv[ing] market access and distribution channels for peri-urban farmers, including opportunities for direct-to-consumer sales and local food networks to enhance market opportunities, reduce costs and economic viability.
- Recognis[ing] greengrocers and municipal markets as critical public health infrastructure and invest in the expansion and viability of this retailing sector as an essential public service and critical to ensuring economic diversity within the food system.<sup>64</sup>

The Mornington Peninsula Taskforce and Healthy Food Systems Australia echoed these recommendations.<sup>65</sup>

Foodprint Melbourne also recommended that the Victorian Government ‘[i]nvest in infrastructure that enables small-medium scale farmers in peri-urban areas to gain greater control of supply chains and to sell direct to consumers and businesses’.<sup>66</sup> The City of Greater Bendigo submitted that regional food supply is jeopardised by long supply chains. It argued that investing in local markets can increase the resilience of communities by facilitating the distribution of locally produced food.<sup>67</sup>

Some inquiry stakeholders felt that any Victorian Government initiatives to increase the resilience of Victorian food supply chains should begin by mapping food transportation to identify key points of vulnerability. For example, Sustain called for the Victorian Government to map Victorian food supply chains. It argued that a ‘Victorian Food Supply Chain Map’ would improve the Victorian Government’s understanding of the production, transportation and distribution of food around the state. It said that this would support the identification of ‘key vulnerabilities in transport and distribution infrastructure’ to be addressed.<sup>68</sup> Sustain noted that a recent Commonwealth committee inquiry into food security made a similar recommendation to the Australian Government, see Box 7.4.

<sup>62</sup> The Rural Planner, *Submission 32*, p. 5.

<sup>63</sup> Sustain: The Australian Food Network, *Submission 51*, p. 4.

<sup>64</sup> Sustain: The Australian Food Network, *Submission 51*, p. 17.

<sup>65</sup> Healthy Food Systems Australia, *Submission 38*, p. 3; Mornington Peninsula Shires Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 5.

<sup>66</sup> University of Melbourne SAFES, *Submission 46*, p. 6.

<sup>67</sup> City of Greater Bendigo, *Submission 41*, pp. 5–6.

<sup>68</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 9, 14.

### Box 7.4 Commonwealth committee inquiry into food security in Australia

In 2022–2023, the Australian House of Representatives Standing Committee on Agriculture conducted an Inquiry into food security in Australia. It examined several aspects of Australia’s food system including the ‘impact of supply chain disruption on the cost and availability of food’.

It found that reliable supply chains are vital to the availability and affordability of food in Australia. It noted disruptions to Australia’s food supply chains had contributed to the increasing cost of food and caused food shortages in some instances.

Several stakeholders that contributed to the Committee’s Inquiry argued that national food supply chains must be mapped to enable targeted intervention to improve their resilience to shocks and stressors. The Committee ultimately agreed that the first step towards more resilience food supply chains is mapping them. It made the following comment in its report:

We need to know where things are grown and in what quantity, how they are transported, where they are processed, what the major transport routes are, the main centres for the collection and distribution of product, and where transport routes are vulnerable and what happens if they are cut.

It recommended that that the Australian Government work with the agricultural industry to develop a ‘National Food Supply Chain Map’ to inform planning to improve the resilience of Australia’s transport system (with a focus on food security). For example, by creating ‘multi-modal options for the movement of food and other supplies, the optimal location of distribution centres to cope with potential breaks in the supply chain, and the development of redundancy across transport networks’.

Source: Australian House of Representatives Standing Committee on Agriculture, *Australian food story: Feeding the nation and beyond: Inquiry into food security in Australia*, 2023, pp. 77, 84, 101–104.

The Australian Chicken Growers Federation also recommended that the Victorian Government develop a freight resilience strategy. However, it felt that this should be focused on mitigating the impacts of climate change, such as extreme weather events. It argued that a strategy is ‘essential to supporting the future growth and capacity of Victoria’s food and fibre industries’.<sup>69</sup>

The Victorian Farmers Federation noted that Victoria’s existing statewide freight plan, *Delivering the goods: Creating Victorian jobs - Victorian freight plan* (2018) is currently under review. It recommended that the Victorian Government ‘undertake a dedicated assessment of agricultural freight planning and develop a dedicated

<sup>69</sup> Australian Chicken Meat Federation, *Submission 45*, p. 5.

agricultural freight strategy' to complement this review. It argued that '[i]mproving agricultural freight increases the strength of Victoria's supply chain capabilities and improves our resilience in the face of supply chain shocks'.<sup>70</sup>

#### 7.4.1 Delivering the goods: Creating Victorian jobs – Victorian freight plan

In July 2018, the Victorian Government launched *Delivering the goods: Creating Victorian jobs – Victorian freight plan* to provide short and long-term goals for the state's freight and logistics system, and to direct infrastructure investment.

The Department of Transport and Planning noted that since the plan was launched, the operating environment for Victorian freight and logistics businesses has changed significantly:

- the COVID-19 pandemic elevated the role of freight and exposed vulnerabilities in supply chains (such as the closure of distribution facilities and transportation bottlenecks at borders)
- climate change is driving more frequent extreme weather such as fires and floods that can close roads and rail, limiting the supply of goods and increasing supply costs
- there is a greater state policy emphasis on reducing the greenhouse gas emissions produced by freight that currently account for around 8% of total emissions in the Victorian economy and is expected to increase to 34% by 2035
- geopolitical conflicts, market tensions and changing dynamics have heightened the risk of disruption to Victoria's international supply chains
- the freight industry is managing increasing cost pressures such as burgeoning compliance workloads, road maintenance and upgrade costs, technological advances, an aging workforce and fuel levies
- the volume of freight is increasing as Victoria's population expands, it is expected to double by 2050.<sup>71</sup>

Updating the plan will ensure it addresses this more challenging operating environment and remains relevant and fit for purpose going forward. The Department of Transport and Planning conducted consultation to develop a new plan between May and August 2024. An updated plan is due to be launched in early 2025. It is unclear how this consultation process has incorporated input from Victorian farmers, food processors and the agricultural freight sector.

The Committee acknowledges stakeholders concerns that Victoria's food supply chains are typically long, centred on Melbourne and vulnerable to disruption. Supply chains are under pressure from urban development to accommodate the state's growing

<sup>70</sup> Victorian Farmers Federation, *Submission 55*, p. 23.

<sup>71</sup> Department of Transport and Planning, *Update of the Victorian freight plan: Discussion paper*, 2024, pp. 1-4.



population. Congestion is making it more difficult and expensive to move food into Victorian cities. Some of the rural roads that farmers depend on need maintenance and transport fleet shortages are impacting agricultural freight. More frequent shocks and stressors, such as extreme weather, geopolitical conflict and the COVID-19 pandemic, have also tested Victoria's food supply chains in recent years.

Stakeholders have made a range of suggestions for addressing these issues, including mapping Victoria's food supply chains and developing a strategy to improve their resilience.

The Committee notes that the Victorian Government has almost concluded work to review and update state freight policy. Many of the challenges to food supply chains identified by stakeholders have also been raised by the Department of Transport and Planning during its review as issues which an updated state policy must address (for example, transport fleet shortages, extreme weather events and the need to maintain and upgrade Victorian roads). A clear goal of this process is to strengthen the resilience of Victoria's freight system. Improvement and investment in Victoria's road and rail networks will also enhance the resilience of Victoria's food supply chains.

However, the Committee notes that this work is unlikely to encourage the diversification or decentralisation of Victoria's food supply chains. Many stakeholders highlighted the importance of supplementing the long and centralised supply chains relied upon by major supermarkets with more direct, local food distribution through green grocers, butchers, farmers markets and community supported agriculture. More diverse and localised food supply chains can provide important alternative sources of food when major supply chains are disrupted. They also empower communities by enabling access to locally grown produce.

The Committee notes that it has already recommended that the Victorian Government work with the agricultural sector to develop a statewide, Victorian Food System Strategy which encompasses:

- strengthening the resilience of Victoria's food system by promoting diversity across the system, and decentralising and localising supply chains.

It envisions that this work will support targeted action to enhance the resilience of Victoria's food system, including diversifying and localising supply chains.

In addition to this overarching strategy, the Committee would like Agriculture Victoria to offer tailored support, education and resources to farmers pursuing a community supported agriculture business model. This should incorporate guidance on establishing, expanding and promoting a community supported agriculture business, case studies and networking opportunities.

**RECOMMENDATION 32:** That Agriculture Victoria develop an education program, workshops, online resources and networking opportunities to support Victorian farmers to establish, expand and promote community supported agriculture businesses.

## 7.5 Community food initiatives

The Committee heard that community food initiatives can also enhance the resilience of Victoria's food system, as well as drive greater community cohesion and connectedness. The health, social and environmental benefits of community food enterprises, urban agriculture and local government food strategies were particularly highlighted by inquiry stakeholders.

### 7.5.1 Community food enterprises

A community food enterprise is typically a locally owned food business that aims to drive positive social and/or environmental change for their community. This may encompass increasing community access to healthy food or providing farmers with fairer farmgate prices for their produce.<sup>72</sup>

There are a diverse range of community food enterprise models operating around Australian and internationally. Each reflects the unique context and needs of their community. Examples include community food hubs, community grocers, community kitchens and food cooperatives.<sup>73</sup>

The Community Grocer submitted that community food enterprises are important because they connect food growers with food eaters and build 'innovative' and 'grassroots' solutions to improving healthy food supply to all Victorians. It is a community food enterprise that aims to address the physical, economic, and social barriers to fresh food in Melbourne.<sup>74</sup>

Open Food Network, a not-for-profit organisation which aims to build a fairer food system, examined the challenges facing community food enterprises in Australia. It found five factors critical to success.<sup>75</sup> These included:

- Building trusting relationships with farmers, food suppliers, customers and partner organisations.
- Matching supplier scale with community demand and increasing both concurrently. For example, a small food hub should collaborate with small to medium sized growers.
- Remaining viable whilst pursuing multiple (sometimes competing) objectives. For example, balancing providing a fair price to farmers with providing food that is broadly affordable.

<sup>72</sup> Serenity Hill, *Community food enterprises: Their role in food system change, opportunities, challenges, and support needs*, Open Food Network Australia, 2019, pp. 2, 4, 10.

<sup>73</sup> Ibid.

<sup>74</sup> The Community Grocer, *Submission 39*, p. 5.

<sup>75</sup> Serenity Hill, *Community food enterprises: Their role in food system change, opportunities, challenges, and support needs*, Open Food Network Australia, 2019, p. 4; Open Food Network, *About Us*, <<https://about.openfoodnetwork.org.au/about-us>> accessed 21 August 2024.

- Collaboration between projects with similar values.<sup>76</sup>

The Committee also heard firsthand about the challenges that community food enterprises face when it visited the Common Ground Project, in the outskirts of Geelong, see Box 7.5.

### Box 7.5 The Common Ground Project

The Common Ground Project is a four-acre regenerative farm and social enterprise located in Freshwater Creek in the outskirts of Geelong. It is run by a combination of paid staff and volunteers and describes its mission as connecting and empowering the community through food and farming.



The Common Ground Project, Freshwater Creek.

The Common Ground Project spoke to the Committee about the challenges it faces as a community food enterprise and small regenerative farm. It noted that its future is insecure as it does not own the land it operates on and observed that zoning has impacted its ability to set up a retail space and café to enhance its viability and social reach. The viability of the enterprise is also reduced by land rates, and the cost of labour and farm supplies. This means it must supplement its farming income with grants to support the breadth of its activities.

**(Continued)**

<sup>76</sup> Serenity Hill, *Community food enterprises: Their role in food system change, opportunities, challenges, and support needs*, Open Food Network Australia, 2019, pp. 10–20.

### Box 7.5 Continued

The Common Ground Project delivers a range of programs aimed at supporting food security in the Geelong region.

#### Food hub

The food hub sells hyper-local produce grown in Freshwater Creek, Moriac and the Bellarine Peninsula. It supports emerging farmers with storage, aggregation, resource packs and by selling their produce both at a farmgate stall and through vegetable box distribution.

#### Staying Grounded Program

The Staying Grounded Program provides an eight-week training program focused on organic farming and food preparation skills. It provides an employment pathway into farming and hospitality for people facing disadvantage (such as women from asylum seeker and immigrant communities). Participants work on the farm and prepare meals for local food relief agencies. Over 75% have gone on to find long-term employment.

#### School programs

School programs take local primary and secondary school students on an interactive farm tour where they learn about regenerative farming, where food comes from and the broader food system.

#### Community climate resilience workshops

The community climate resilience workshop series supported residents of the Geelong and Surf Coast region to understand their roles and build preparedness for natural disasters. The workshops also cultivated social connections and wellbeing.

Source: Notes from Committee site visit to the Common Ground Project, Freshwater Creek, 21 May 2024; Common Ground Project, *Submission 62*, pp. 1–6; Common Ground Project, *Common Ground Project*, <<https://www.commongroundproject.com.au>> accessed 21 August 2024.

The Common Ground Project and the Community Grocer both recommended that the Victorian Government work with community food enterprises and other social enterprises in Victoria's food system to develop a whole of government approach to securing Victoria's food supply.<sup>77</sup> The Committee makes a similar recommendation in Chapter 2 of this report.

<sup>77</sup> Common Ground Project, *Submission 62*, p. 5; The Community Grocer, *Submission 39*, p. 6.

Open Food Network reported that state governments can support the community food enterprise sector by providing long term investment into projects, particularly those in vulnerable communities.<sup>78</sup>

## 7.5.2 Urban agriculture

Urban agriculture encompasses the commercial and non-commercial cultivation of food and fibre in and around cities. It includes everything from community gardens and backyard production to rooftop farms and ‘agrihoods’, or housing developments which incorporate a productive community farm.<sup>79</sup>

The Committee heard that urban agriculture can make an important contribution to securing Victoria’s food supply. The City of Whittlesea said that ‘[c]ommunity food assets such as backyards, community gardens, community kitchens, seed libraries and farmers markets, all contribute productively to our food system’.<sup>80</sup>

Sustain suggested that urban agriculture can help Victoria attract, train and provide a diverse career path for its next generation of farmers.<sup>81</sup> Healthy Food Systems Australia felt that urban agriculture can help mitigate the impact of shocks and stresses and increase the resilience of local food systems.<sup>82</sup>

Brendan Condon and Clint Hare said that urban agriculture increases the visibility of farming to the community can engage Victorians to support the production of local food:

Urban agriculture and decentralised food production offer a range of promising solutions to enhance resilience and mitigate risks. Firstly, urban agriculture’s taps into social support networks in a way that traditional agriculture and horticultural enterprises do not. Due to the close proximity of population centres urban agriculture can engage the community and recruit both skilled and unskilled volunteers and workers in creative and versatile ways. Secondly, customers and consumers live locally and often are involved and already supporting the enterprise in several different ways making direct access and distribution relatively straightforward.<sup>83</sup>

Mr Condon and Mr Hare also highlighted the potential for urban farms to leverage their environment to enhance productivity. Their location amongst urban populations ideally positions them to access and reuse the organic waste and stormwater runoff generated by residential and community properties. Particularly when urban farms

<sup>78</sup> Serenity Hill, *Community food enterprises: Their role in food system change, opportunities, challenges, and support needs*, Open Food Network Australia, 2019, p. 31.

<sup>79</sup> Sustain, *Growing edible cities and towns: A survey of the Victorian urban agricultural sector*, 2022, p. 2; Brendon Condon and Clint Hare, *Submission 10*, pp. 1–8.

<sup>80</sup> City of Whittlesea, *Submission 40*, p. 12.

<sup>81</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 17–18.

<sup>82</sup> Healthy Food Systems Australia, *Submission 38*, p. 3.

<sup>83</sup> Brendan Condon and Clint Hare, *Submission 10*, p. 7.

are incorporated into communities developed according to water sensitive design principles.<sup>84</sup>

The Committee visited the Cape Community Farm in Cape Paterson to learn more about the benefits of incorporating urban agriculture into communities—see Case Study 7.1.

### Case Study 7.1 The Cape Community Farm

On 16 May 2024, the Committee visited The Cape residential development at Cape Paterson to learn more about how urban farming can be incorporated in greenfield development to enhance community wellbeing.

The Cape is an example of an ‘agrihood’ or ‘ecovillage’—a sustainable, carbon neutral residential development integrated with a productive urban farm.

The 40-hectare beachside site (formerly used for cattle farming) encompasses 7.5-star energy efficient residences and shared community infrastructure (such as parks and wetlands) with a focus on environmental restoration. An urban farm lies at the heart of the community and offers residents the chance to grow their own and/or purchase locally grown produce.

The Committee saw how the urban farm utilises above ground, modular wicking beds (made from 80% recycled plastic) to leverage the water sensitive urban design of the surrounding community. Water is collected in large tanks built into the farm and used to maintain water reservoirs in the base of each wicking bed. Moisture ‘wicks’ up from the reservoir into the roots of the plants reducing water loss during the hotter seasons and reducing maintenance requirements. The productivity of each wicking bed is further enhanced with the regular application of compost and nutrient rich soil mixtures.

The modular and contained design of the wicking beds enables food to be safely grow in urban areas where the soil may be contaminated, and their height optimises accessibility making it easier for residents with differing abilities to participate in farming.

The Cape Community Farm is currently managed by a paid farm manager and a staff of community volunteers and members. The farm manager’s role encompasses teaching residents to grow food independently and produce compost to maintain their crops. During its first year of operation the farm benefited from 3,502 hours of volunteer labour. This level of community support is continuing into its second year.

**(Continued)**

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<sup>84</sup> Ibid.

## Case Study 7.1 Continued



Adrian James, Farm Manager sitting amongst the wicking beds.

The Committee heard that The Cape Community Farm has demonstrated yields of over 25 kilograms of fresh produce per square meter per annum. In its first year the farm produced more than 3,436 kilograms of fresh produce. Of this, 2,302 kilograms was purchased by residents and 1,234 kilograms was donated to food local food relief charities. These yields are expected to increase during the farm's second year of operation.

Source: Notes from Committee site visit to The Cape Community Farm, Cape Paterson, 16 May 2024; Brendon Condon and Clint Hare, *Submission 10*, pp. 1-8; The Cape, *About*, <<https://liveatthecape.com.au/about>> accessed 29 May 2024.

Several submitters called for the Victorian Government to support more communities to establish urban agriculture, such as community gardens and farms. There was also support for requiring new residential developments to incorporate urban agriculture. For example, the City of Whittlesea said it 'would welcome dedicated funding and support [for] a regionally coordinated network of community gardens to strengthen access to local and regional food systems'.<sup>85</sup>

<sup>85</sup> City of Whittlesea, *Submission 40*, p. 12.

Whittlesea Community Connections called for the Victorian Government to ‘[w]ork with developers and local councils to embed community gardens within new developments ... particularly in new estates where garden space for growing food has decreased with increased sized housing’. It noted that it has established a community farm in its region to support community access to nutritious food.<sup>86</sup> Likewise Banyule City Council suggested that the Victorian Government could encourage developers of apartment buildings to include spaces for growing food.<sup>87</sup> Mr Condon and Mr Hare argued that urban farms should feature in all greenfield developments:

The challenges facing Victoria’s food system are complex and multifaceted, requiring coordinated efforts from government, industry, and communities... All major new developments in Victoria should have provision for a central farm and lot scale urban farming to increase food security, nutrition, social cohesion and reduce food bills and cost of living.<sup>88</sup>

Sustain recommended more comprehensive Victorian Government support for urban agriculture encompassing planning reform, facilitating access to land, dedicated grants, research and education.<sup>89</sup> It advocated for the Victorian Government to ‘[s]upport and resource community gardens and other forms of urban food production as a public good recognising their value for food system leadership development, social cohesion, climate resilience and health and wellbeing’.<sup>90</sup>

### 7.5.3 Local government food strategies

The Inquiry highlighted that many Victorian local governments are taking action to enhance the productivity and resilience of their regional food systems in the absence of overarching State Government leadership on this issue.<sup>91</sup> In recent years, quite a few have developed local food strategies to establish objectives and actions, and attribute responsibilities for developing their local food system.<sup>92</sup> According to the Open Food Network ‘[c]ommunity food systems have the power to improve wellbeing and connectedness, while also supporting vulnerable members of the community’.<sup>93</sup> VicHealth—the state health promotion agency—also recognised that local food strategies can enhance fresh food supply to improve food security and the health of Victorians. It has developed resources to support local governments to strengthen local food systems and recognises that many are already making progress in this area:

Food systems span multiple areas of responsibility for local governments. While food systems are influenced by a number of factors, including state and federal governments,

<sup>86</sup> Whittlesea Community Connections, *Submission 35*, p. 4.

<sup>87</sup> Banyule City Council, *Submission 53*, pp. 1–2.

<sup>88</sup> Brendan Condon and Clint Hare, *Submission 10*, p. 8.

<sup>89</sup> Sustain: The Australian Food Network, *Submission 51*, pp. 17–18.

<sup>90</sup> *Ibid.*, p. 14.

<sup>91</sup> See for example: Banyule City Council, *Urban Food Strategy 2023–2027*, 2023, pp. 6–7; City of Greater Bendigo, *Greater Bendigo’s Food Systems Strategy 2020–2030*, 2020, p. 5; Cardinia Shire Council, *Cardinia Shire Community Food Strategy 2018–26*, 2019, p. 16; Merri-bek City Council, *Moreland Food System Strategy Extension 2020–2024*, 2020, p. 2.

<sup>92</sup> Open Food Network, *Why local government should be focused on food systems*, <<https://about.openfoodnetwork.org.au/project/why-local-government-should-be-focused-on-food-systems>> accessed 23 August 2024.

<sup>93</sup> *Ibid.*



local governments have various powers to shape the natural, built, economic and social environments within their communities. In Victoria, many councils are well progressed on this journey.<sup>94</sup>

Table 7.3. provides some examples of current Victorian local government food strategies.

**Table 7.3 Examples of current local government food strategies**

Local government	Strategy	Themes, objectives or strategies
Banyule City Council	<i>Urban Food Strategy 2023–2027</i>	To create a shared understanding of urban food systems, food sustainability, food accessibility and food security across council, local services, community organisations and residents. To guide collective action under five themes: <ol style="list-style-type: none"> <li>1. An inclusive, connected food community.</li> <li>2. A thriving local food economy.</li> <li>3. Planning for healthy and sustainable food systems.</li> <li>4. Abundant edible landscapes.</li> <li>5. Good food system governance.</li> </ol>
City of Greater Bendigo	<i>Greater Bendigo's Food Systems Strategy 2020–2030</i>	To guide collective action to achieve the following objectives: <ol style="list-style-type: none"> <li>1. Enable communities to access safe, affordable, nutritious and culturally appropriate food and drinks</li> <li>2. Strengthen and support a sustainable local food economy that enables the growth, production and sale of healthy food locally.</li> <li>3. Support local food growing and producing, sourcing, cooking and sharing knowledge, skills and culture.</li> <li>4. Reduce and divert food waste from landfill.</li> </ol>
Cardinia Shire Council	<i>Cardinia Shire Community Food Strategy 2018–2026</i>	To guide collective action under five strategies aimed at strengthening the local food system: <ol style="list-style-type: none"> <li>1. Protecting and utilising fertile land as a source of fresh food for current and future generations.</li> <li>2. Growing a vibrant local food economy that supports growers and enables people to access affordable, local and healthy food.</li> <li>3. Enhancing food knowledge, skills and culture within schools, workplaces, clubs and the wider community.</li> <li>4. Reducing and diverting food waste from landfill and reusing water to grow food.</li> <li>5. Building capacity across the community to lead, participate in and support work on food systems.</li> </ol>
Merri-bek City Council	<i>Moreland Food System Strategy Extension 2020–2024</i>	To guide collective action to achieve its vision for a sustainable, just and vibrant local food system: <ol style="list-style-type: none"> <li>1. Sustainable: Healthy environment and resilient community.</li> <li>2. Just: Equal social and economic access to nutritious food.</li> <li>3. Vibrant: Thriving food culture, celebrating connection and diversity.</li> </ol>

Source: Banyule City Council, *Urban Food Strategy 2023–2027*, 2023, pp. 6–7; Banyule City Council, *Submission 53*, p. 1; City of Greater Bendigo, *Greater Bendigo's Food Systems Strategy 2020–2030*, 2020, p. 5; City of Greater Bendigo, *Submission 41*, p. 8; Cardinia Shire Council, *Cardinia Shire Community Food Strategy 2018–2026*, 2019, p. 16; Merri-bek City Council, *Moreland Food System Strategy Extension 2020–2024*, 2020, p. 2.

<sup>94</sup> VicHealth, *Building better food systems for healthier communities*, 2021.

Inquiry participants called for the Victorian Government to acknowledge the role of local governments in developing Victoria's food system and support this work. For example, the Cardinia Shire Council 'urge[d]' the Committee to 'value the on-going efforts by local government authorities such as [Cardinia Shire Council] CSC ... to protect, promote, support and enhance opportunities to secure local food economies to prosper'.<sup>95</sup> Healthy Food Systems Australia and the Mornington Peninsula Taskforce both recommended that the Victorian Government:

Empower and resource local governments to lead the participatory development of community food system strategies appropriate for their local contexts[.]<sup>96</sup>

The Committee recognises that community food initiatives, such as community food enterprises, urban farms and local food system strategies are enhancing the productivity and resilience of Victoria's food system. They are also driving important gains in the social well-being, environment and health of local communities, particularly vulnerable communities.

**FINDING 27:** Community food enterprises—such as food hubs, community kitchens, community grocers and food cooperatives—can increase Victorians' access to locally grown healthy foods, ensure farmers are paid fair prices for their produce and deliver environmental benefits.

**FINDING 28:** Urban agriculture—such as community gardens, community farms and backyard production—increases the visibility of farming in the community, engages Victorians in the production of local food and promotes farming as a career.

**FINDING 29:** Victorian local governments are leading policy development and action to increase the productivity and resilience of their local food systems, to promote food security within their communities.

The Committee would like to see the Victorian Government support and resource these initiatives.

**RECOMMENDATION 33:** That the Victorian Government support community food initiatives which enhance the productivity or resilience of Victoria's food supply at the local level. It should consider supporting the development and implementation of local and state government food strategies, including community food enterprises, urban agriculture projects, co-ops, school farms, crop-swaps, farmers markets, etc. It should also prioritise communities with few alternative food sources to the major supermarkets.

<sup>95</sup> Cardinia Shire Council, *Submission 16*, p. 1.

<sup>96</sup> Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce, *Submission 26*, p. 3; Healthy Food Systems Australia, *Submission 38*, p. 2.

In Chapter 2 of this report, the Committee recommends the development of an overarching Victorian Food System Strategy as well as consideration of a Minister for Food and a Victorian Food System Council to coordinate the development and implementation of a strategy. It recommends that local governments and community food enterprises are represented on the council in recognition of their leadership on this issue to date. It commends them for championing food security in their communities and encourages them to ensure that key learnings from their efforts inform a coordinated state-wide approach.

**Adopted by the Legislative Assembly Environment and Planning Committee  
Parliament of Victoria, East Melbourne  
31 October 2024**



# Appendix A

## About the Inquiry

### A.1 List of submissions

1	Name withheld	30	Green Wedges Coalition Inc
2	Stark Catering Pty Ltd	31	Young Farmers Connect Inc.
3	Confidential	32	The Rural Planner
4	Dr Alistair Watson	33	Planning Institute Australia
5	Australian Chicken Growers' Council	34	Geelong Food Relief Centre
6	Victorian Chicken Growers' Council	35	Whittlesea Community Connections
7	Mr Robert Heron	36	Victorian Strawberry Growers Association
8	Mr Michael W	37	Ratepayers of Werribee South
9	Frankson City Council	38	Healthy Food Systems Australia
10	Brendan Condon and Clint Hare	39	The Community Grocer
11	Moorabool Shire Council	40	City of Whittlesea
12	Name withheld	41	City of Greater Bendigo
13	Name withheld	42	Name withheld
14	Name withheld	43	Dr Ian MacBean
15	White Cloud Farms	44	Institute of Public Affairs
16	Cardinia Shire Council	45	Australian Chicken Meat Federation
17	Farmers for Climate Action	46	Foodprint Melbourne, School of Agriculture, Food and Ecosystem Sciences, The University of Melbourne
18	Yarra Ranges Council	47	Keep Yarra Valley Fruit Fly Free
19	Nursery & Garden Industry Victoria	48	Agribusiness Yarra Valley
20	Infrastructure Victoria	49	Dr Michelle Dyason
21	Brimbank City Council	50	Dr Kelly Donati
22	Wyndham City Council	51	Sustain: The Australian Food Network
23	Regional Food Security Alliance	52	Hepburn Shire Council
24	Australian Food Sovereignty Alliance	53	Banyule City Council
25	South Gippsland Shire Council	54	Professor Michael Buxton
26	Mornington Peninsula Shire Sustainable Food Economy and Agroecology Taskforce	55	Victorian Farmers Federation
27	Mornington Peninsula Shire Council	56	Municipal Association of Victoria
28	RMIT University Centre for Urban Research	57	Housing Industry Association
29	ICLEI: Local Governments for Sustainability Oceania	58	Nillumbik Shire Council

59	Hume City Council	64	Department of Transport and Planning and Agriculture Victoria
60	Kingston & District Power Alliance	65	Ms Emma Muir
61	Ms Yuen Yan Li	66	Ms Katherine Myers
62	Common Ground Project	67	Ms Marcia McIntyre and Mr Gerald Feeny
63	Mr Don Lawson OAM		

## A.1 Public hearings

### Friday 3 May 2024, Melbourne

Name	Title	Organisation
Natalie Reiter	Deputy Secretary, Strategy and Precincts	Department of Transport and Planning
Michael Orford	Director, Strategic Land Use Planning	Department of Transport and Planning
Dougal Purcell	Acting Chief Executive and Deputy Secretary	Agriculture Victoria
Sarah-Jane McCormack	Executive Director, Agriculture Policy and Programs	Agriculture Victoria
Emma Germano	President	Victorian Farmers Federation
Charles Everist	General Manager, Policy and Advocacy	Victorian Farmers Federation
James McLean	Senior Policy Adviser, Sustainable Development	Municipal Association of Victoria
Dr Nick Rose	Executive Director and Co-Founder	Sustain: The Australian Food Network
Dr Kelly Donati	Vice Chair and Co-Founder	Sustain: The Australian Food Network
Professor Andrew Butt		
Professor Michael Buxton		
Linda Martin-Chew	Founder	The Rural Planner

### Thursday 16 May 2024, Morwell

Name	Title	Organisation
Dr Rachel Carey	Senior Lecturer, Food Systems	The University of Melbourne
Andrew Holman		
Sterling Holman		
Bronwyn Koll	Regional Coordinator	Keep Yarra Valley Fruit Fly Free
Kevin Sanders	Orchardist, Sanders Apples	Yarra Valley Council Rural Advisory Committee
Hamish Mitchell	Managing Director, Specialty Trees	Yarra Valley Council Rural Advisory Committee

Name	Title	Organisation
Rosemary West	Coordinator	Green Wedges Coalition
David Gibb	Member	Green Wedges Coalition
Alan Thatcher	Member	Green Wedges Coalition

## Tuesday 21 May 2024, Geelong

Name	Title	Organisation
Anna Fedele	Acting Executive Officer	Victorian Chicken Growers' Council
Peter Smith	Acting Manager, Planning and Growth	Greater Geelong City Council
Dr Mat Hardy	Nature Markets Manager	Trust for Nature
Andrew Etherton		

## Wednesday 22 May 2024, Ballarat

Name	Title	Organisation
Natalie Robertson	Director Development and Growth	City of Ballarat
Matthew Wilson	Director Community Wellbeing	City of Ballarat
Jeff Paull	Manager	Central Livestock Exchange
Cliff Bostock	Co-ordinator Strategic Planning	Moorabool Shire Council
Sarah Kernohan	Manager Growth and Development	Moorabool Shire Council
Ron Torres	Executive Manager of Development	Hepburn Shire Council
Kendall Sinclair	Manager of Community and Economy	Hepburn Shire Council
Gabby McMillan	Policy Officer	Planning Institute of Australia Victoria
Kain Richardson	Member	Kingston and District Power Alliance

## Thursday 23 May 2024, Bendigo

Name	Title	Organisation
Donna Coutts		Macedon Ranges Regenerative Farmers Group
Stuart Grainger		Macedon Ranges Regenerative Farmers Group
Amy Cockroft	Chief Executive Officer	Cultivate Farms
Sally Beer	Agribusiness Support Officer	City of Greater Bendigo
Michelle Wyatt	Manager Climate Change and Environment	City of Greater Bendigo
Will Bennett	Owner	Pig and Earth Farm
Tammi Jonas	Owner	Jonai Farms and Meatsmiths





# Appendix B

## Ag Surveys: survey results



## **SURVEY RESULTS**

# **PARLIAMENT OF VICTORIA - FOOD SUPPLY INQUIRY**

**JUNE 25TH 2024**

<b>Total Respondents</b>	<b>335</b>
<b>Partial Respondents</b>	<b>222</b>
<b>Full Respondents</b>	<b>113</b>

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## RESPONDENT ENTERPRISE

<b>Cropping</b>	<b>22.70%</b>
<b>Livestock</b>	<b>61.62%</b>
<b>Wool</b>	<b>8.65%</b>
<b>Horticulture</b>	<b>5.41%</b>
<b>Other</b>	<b>8.11%</b>

### Notes

*Respondent activities were aggregated from a range of reported activities and have been amalgamated into the data.*

*In some cases the respondents reported multiple activities such as livestock where others reported specifically about their enterprise breakdown.*

*Other includes all activities less than 5% and encompasses dairy, poultry, berries, horticulture, horses, oilseeds, NFP, vineyards, market gardens and goats.*

### Why respondents choose 5 on a 1 to 10 scale.....

*The 1 to 10 question in surveys is commonly known as a Likert scale question. This type of question is used to measure attitudes, opinions, or perceptions by asking respondents to rate their agreement or satisfaction on a scale from one extreme to another.*

*The key difference between a traditional Likert scale and a numeric rating scale is that a traditional Likert scale typically uses descriptors (e.g., strongly agree, agree, neutral, disagree, strongly disagree) rather than just numbers. However, both scales serve the same general purpose of gauging respondent sentiment along a continuum.*

*When respondents choose a 5 on a 1 to 10 scale in a survey, it often indicates neutrality or a midpoint position.*

**Some common reasons why respondents might select 5 are:**

**Indifference:** *They feel neutral about the question or topic and neither agree nor disagree strongly.*

**Lack of Knowledge:** *They may not have enough information or experience to provide a more decisive answer.*

**Ambivalence:** *They might have mixed feelings, with positive and negative aspects balancing out.*

**Uncertainty:** *They may be unsure or hesitant about their opinion.*

**Middle Ground:** *They might choose 5 as a safe, middle-ground option when they do not have strong feelings either way.*

**Avoiding Extremes:** *Some respondents prefer not to choose extreme values (like 1 or 10) and opt for a more moderate response.*

**Question Wording:** *The way the question is phrased might not resonate strongly with them, leading them to choose a neutral position.*

*Understanding why respondents choose 5 can help interpret survey results more accurately and may highlight areas where more information or clarification is needed.*

# WHAT ARE YOUR TOP THREE IMPACTS OF POPULATION GROWTH OR URBAN SPRAWL ON HOW YOU MANAGE FARMLAND?

## MOST COMMONLY USED TERMS

URBAN SPRAWL  
NOISE

TRAFFIC  
PRODUCTIVE LAND

ROADS  
PRICE

## RESPONDENT COMMENTS:

Biosecurity Pest control Machinery movement

Productive farmland is usually the first to be built on /town sprawl / because of labor close to high labor / productive areas

Some farming practices upset town dwellers with wind changes eg chemical and animal smells , dust from cultivations, pollen clouds from crops and grasses

Also town animals interfering with farm animals eg stray dogs and cats

It won't affect me as we are too rural but I think building houses on farmland is a waste of productive land.

Good soils in Australia are scarce and should be preserved for food production not urban sprawl.

Restriction in land use and massive council rates for little return - very poor roads, invasive weeds,

Noise and smell and farm animal services being pushed further and further away

Can make normal farm operations hard such as spraying, or operations that make dust such as seeding or harvesting. Also complaints about noise from operations

Planning laws Land tax increases Lack of respect by council and their contractors

People build houses near my farm and then complain about the noise and smell and dust

Increased traffic problems Increased council rates due to inflated land value

Non farming people buying into the area and not understanding what a farmer is required to do

Urban sprawl isn't an issue at the moment Issue is the rollout of renewable energy Transmission lines and renewable farms

Restricted farming activities after hours. Complaints from neighbors re farming activities. Effective pest control.

An increase in trespassing incidents. Ignorant city dwellers misunderstanding biosecurity

LOSS OF PRIME FARMING LAND, TOWN ANIMALS KILLING LIVESTOCK, CITY PEOPLE MOVING TO COUNTRY AREAS EXPECTING CITY CONDITIONS

Livestock security Property security Financial pressures

no issue currently, but noise, complaints about animals,

Change Municipal Rating to accommodate Rural Residential impacting viability of satellite blocks

Weed management (lack of). Solar and wind farms taking prime agricultural land Unable to expand due to land prices

Rates increase with land prices making profits smaller and loose to much to taxes on sales of lando

Increasing Property Values - Council rates are going through the roof. Rates are now a major expense for a grazing enterprise.

Increased traffic on roads not being maintained.

Increasing numbers of pets roaming, not controlling weeds, pests and excessive wild life numbers particularly kangaroos.

280 km north west of Melbourne so open predictive and prime agriculture land. Impacted by proposed VNI West transmission lines and neighbouring wind factories and battery storage's. Population growth in Melbourne and the like should aim to have energy sources closer to the urban sprawl. The environmental, social and financial destruction of smaller regional communities is unacceptable of such energy projects and will only increase food security, sustainability and affordability.

Urban housing on fertile land that should be preserved for farming and food growing.

Population growth is good for demand. Urban sprawl soaks up good farmland - need good practical planning. Bad policy mix on energy sees profitable farmland taken up by renewables.

Change of conditions, Council ratings changing, more traffic

Stupid , dumb bored urbanites driving around looking at something to complain about .

New city move hobby farmers complaining about real farmers activities , eg. dust from ploughing .

New city based hobby farmers bringing their incurteous attitudes and egos to the country

Theft, poaching, vandalism. Rubbish dumping. Crime. traffic.

More traffic. Road's un maintained.

Not affecting us yet other than taking longer to travel into town. Affected by other issues eg. Burning rules, tree clearing, possibility of dingos in Grampians, possibility of camping on leased creek frontage

Agricultural ignorance of new neighbours (stock fencing) Bio security Feral animals dogs and cats

Possible financial impacts of re-zoning Urban sprawl has no impact on my farm business.

Its difficult to find housing for farm workers

Biosecurity issues - Recreational 4 wheel drivers, walkers, shooters trespassing

Discovering people who think it is ok to open a farm gate and camp uninvited in paddocks that are next to the National Park.

Loss of good Ag land Also infrastructure expansion on good land More persons becoming anti farming

- city people bringing city mentality to the country - wasted farmland, unused by almost all new landowners - misunderstanding of rural realities, farming, ferals, fire risks, weeds

far too much good farm land being used up for housing and business developmet ,also land being used forwind power and solar panels/WHERE are we going to grow our food by 2050 all our best farming land being used for the above purposes

Restrictive Council Policy/ Actions/ Red Tape Misunderstanding & Intentional Knowledge Gap City to Farm Lack of Government Recognition & Appreciation/ Promotion of Agriculture & Primary Production of our countries food source

Hobby farms small land new owners complaining about how you farm noise etc Transmission lines, wind factories and Battery installations

Doesn't apply to my business as it is in rural Victoria but I do worry at the way some of the most productive farmland is being subdivided for housing around provincial cities.

## WHAT ARE YOUR TOP THREE IMPACTS OF POPULATION GROWTH OR URBAN SPRAWL ON HOW YOU MANAGE FARMLAND? (CONT.)

### RESPONDENT COMMENTS

But one of the biggest wastes of highly productive land is the development of solar farms on such land

Also wind farms and transmission lines MUST only be built on undulating, rocky bush land where crops can't be grown but grazing can still continue!!!

road traffic transporting goods controlling pests. fly tipping

Represent cultural diversity in what we grow. More people experiencing food insecurity. Low food miles.

Lifestylers have no idea of farmers codes of ethics & Biosecurity. They jump fences to help themselves to produce, leave gates open, let their dogs harass livestock. Ring Ranger rather than owner of livestock if out - despite phone number on all gates.

Zoning Noise complaints, increased food theft on roadsides and along railway tracks, poor road conditions. Theft, people stealing equipment and people stealing from the roadside.

Poor road quality, they simply can't handle the amount of traffic and people don't understand how unsafe it is passing heavy and often oversized farm equipment on narrow roads.

Noise complaints

Drugs and drug related issues spilling out into our area with theft, assault and even drug dealing going on in our area. Drugs are number 1,2 and 3 problem

Pest control made very difficult. Local council building up dirt roads to keep dry and affecting water flows. Loss of biodiversity

Weed control Traffic congestion Neighbours need me to accommodate their preferences. I can't carry out my farming without worrying I will upset someone.

I have unrealistic self regulated restrictions due to the proximity of my neighbours Town people who nothing about farming complaining about farming practices. Dogs from nearby houses killing sheep.

Trailbikes being ridden and other non-farming compatible activities. Loss of available lease land/agistment Increased price of available land Random people wandering onto the farm

Planned solar farm right next to our farm land Urban purchases of small acreage Irreclaimable farming soils being used for housing estates.

Impacts of housing developments on water ways, in turns of run off and pollution.

Unworkable streamfront management programs by Melbourne water are too bureaucratic and combersome. Hence most farmers will not participate at the cost of the environment.

Our nursery is located within the Urban Growth Boundary of the Somerville township, so at some point, there may be pressure on us to move on so the land can be used for housing.

Positive impact - more people living on urban fringe is increasing demand for fresh local produce Negative impacts - pests such as cats accessing our property and killing native wildlife

- light pollution from nearby township - Unable to farm property with adjoining residential land nearby , noise, increased traffic, straying domestic animals, restricting use ie weed control, spraying pastures because of adjoining Community. - Urban sprawl drives rezoning of land making primary production unfinancial in competing land prices. - Introduced residents are unfamiliar with animal movements and noises, vehicle traffic associated with farming, irregular hours of operation, new residents expect town like amenities in a rural setting .

Increased land price means we are looking for more remote country thats cheaper, more use of agistment to lower overheads and investigating potential of leasing land from developers from initial purchase through to subdivision for cheap access to grass

I am inside the Green Wedge and so have some protection from urban sprawl. However, my access to cattle saleyards over time has gone from Dandenong to Pakenham and soon tog Leongatha Loss of arable land

We have to improve our soils so we can produce more on less land. Urban sprawl is taking away this continent's limited productive land and with populations rising, we will not be able to produce enough of our own, healthy food.

Some places are going more intensive but that impacts animal welfare so not sure how that will get resolved.

Housing needs to occur on poorer quality landscapes such as gravelly gold-mini g country that is not agriculturally productive. There needs to be designated places where suburbs and towns can be built and prime agricultural farmland should not be allowed to be built on. Eg build at Rushworth not all around Shepparton.

Land in danger of residential subdivision Being able to farm the way we always have Having restrictions imposed because of ill Informed people

People not understanding how agriculture works or don't want to be educated.

- Difficulty with neighbour views or non-agricultural land owners that adjoin your land. From shooting to destroying landscape - Complex and restricted planning regulations in relation to on-farm accommodation to expand our production capacity - Difficult food production regulations that are based on city minded views not on local food security

Higher land cost and council rates Shire rates increasing. Neighbours complaining about my working into the night/early starts.

Road traffic getting upset about slow machinery on local roads. Traffic on poor quality roads Competition for land Lack of weed control by tree changers

At Murrindindi we are the last remaining full time owner operator farmers left in our valley. The Yea area has lost agricultural focus, and region is now majority lifestyle and retirees. Impacts:

Land subdivision, poorer land management Animal welfare issues - untrained hobby farmers Moved from closer to Geelong - moriac - due to urban sprawl and associated rising land and rates costs

Many small landholders in the urban fringe have little farming experience and can have a big impact on how the land is managed. Purchasing the land for hobby farms is one thing but managing it correctly is another thing. A trip from Bendigo to Melbourne on the train will provide a great insight into how woody weeds have impacted in what was a very productive agricultural area. Not helped by a widely held view of small farmers that herbicides are major threat to soil health, which is totally wrong. Ignorance about how to manage the land in relation to woody weeds is more of a threat to their survival the farm sustainability.

The other impact of small farmers in the urban fringe is to run down productive pastures into low productivity bent grass pastures with very low productive value and what i would call a 'green drought'; meaning the paddocks are green however unproductive for modern productive animal enterprises.

The third big impact of population growth is to remove productive vegetable farming land close to the city. for example Werribee and to the east of Melbourne around Cranbourne. I can't blame the farmers from leaving as the capital gains vastly outweigh any farming enterprise. The remaining farms are faced with increase pressure from city people on their production systems, for example chemical applications.

Fourthly, poorly managed sheep, beef, chicken and pig enterprises are a major risk in terms of biosecurity. I wonder how many of the farms in the urban fringe have any idea of what a biosecurity plan is for their farms.

Noise and odour control. Water runoff and incursion. Increased traffic at road crossings

Potential power transmission and generation projects. Livestock movement. Pest control Increasing land values Increasing local & state government fees & charges

Increasing rules & regulations from all levels of government

1. Government and statutory regulations. The amount of paperwork and regulations imposed is excessive and time consuming.

2. People don't understand impact of modern farming practices, the complain, but still want to live in the country.

3. Control of domestic pets. People don't seem to understand their pets are animals and that they will kill livestock. Access to property, some people on urban fringe believe it is their right to have access to your farm. Worst time of year is during lambing and when canola is in flower.

**WHAT ARE YOUR TOP THREE IMPACTS OF POPULATION GROWTH OR URBAN SPRAWL ON HOW YOU MANAGE FARMLAND? (CONT.)**

**RESPONDENT COMMENTS**

Traffic on rural roads impacts how and when you shift equipment

Residential/ non-farming neighbours complain about dust, smoke, noise, smell - all elements of farming

Rubbish dumped on edges of farmland

There are too many planned and /or established wind turbines in my area -why allow the turbines and associated power lines on the best agricultural producing land -there is ample areas of hilly and unproductive areas .

Poor roads conditions all over the state

Up to now we have not had a problem as urban growth has been contained within the town boundary. But now the Council is seeking to re-zone almost half our farm into Industrial and Residential Zones. We are on good terms with our town neighbours and are careful that our farming practices do not upset them e.g. we try to avoid working late at night when baling hay. We have to be careful when spraying etc, so that they are not impacted. Pest and weed management are a bit of a challenge as laying baits and shooting are not an option so close to the town.

Green minorities impacting the things we can & cant do even though they moved into our environment

Don't have urban sprawl but do have wind farms which are here because of city people so we have to put up with them unlike city folk

renewable energy, traffic biosecurity

When the cost of living rises - we find that our grain sales slow to a crawl and even stop some weeks

Population growth is NOT the answer Traffic Old unsuitable roads for the increase in heavy transport. Exhorbitant Shire rates

Renewable infrastructure, damaged roads, fire services levy

Fortunately, we are located a long way from major cities but are always concerned that gas mining and city people pursuant of lifestyle properties may impact our ability to farm productively. Ignorant decisions by councils and shires which are 'anti farm and pander to animal activists can also impact everyday productivity of farmers

Extra traffic on the roads that are unable to navigate safely around farm machinery.

Neighbours not controlling weeds, rabbits or foxes.

Neighbours dogs/cats straying onto our land attacking livestock and wildlife.

Stray dogs, impossible to control rabbits on adjacent crown land in township, general public wandering or driving up driveway, criminals in shed at night.

rates increasing all the timefor farmers while getting no services,More traffic on roads ,destroying already stuffed roads, Urban people stopping farmers from doing what andwhen they need to

Council continues to allow adjoining neighbours to subdivide, which impacts on farming. Small allotments are residential size within a farming area.

not a problem. Red and Green tape and bureaucratic interference at all levels . Wages and input prices

1. Overseas money paying ridiculous prices for farm land
2. The above causes council rates to rise at a ridiculous rate because CIV rises rapidly
3. Council is making farmers pay for the fancy facilities in the townships with no benefit to Farmers

We are aware that townies are looking over our fences and judging how we manage our stock

1/ Diversified to other income streams 2/ change farm practices to utilise land (spending money to increase yield) 3/ more kangaroos, ducks and foxes on the property due to increase of population growth/urban sprawl and also increasing price of prime agricultural land

Vni west power line and renewable energy farms

The need to stop foreign investors.

Inability for young people to purchase farming land.

Lack of skilled workers

Increased cost of rates becomes unviable.

The farm is a farmers superannuation. The Govt inhibits him from getting the maximum benefit for his work ,when moving on or out of the industry.

Farmers deserve THE RIGHT TO FARM , the person on the ground is the only one who really knows what to do.

trespass , illegal entry for hunting & shooting , free camping on leased river frontage

Increase in traffic more vigilant with boundary fences. More movement of vehicles and people creating additional bio security issues. More dumping of rubbish in area.

1. Neighbours are lifestyle, horse and land bankers and have no or little interest or knowledge about farming so neglect their land allowing weeds and feral animals to infest our farm.
2. Macedon Ranges Shire council has abandoned agriculture as an important component of rural land use in favour of tourism yet continues to uphold the Planning and Environment Act to prevent genuine changes to subdivision so farmers can undertake whole farm planning into the future which includes succession planning.
3. Macedon Ranges Shire council refuses to acknowledge that sustainable productive climate resilient farming needs recognition so that local urban sprawl is buffered from the farming zone and out of date policies like the default 100km per hr speed limit on local rural roads is an environmental and personal safety issue for farmers and for animal welfare. I can include images to demonstrate this.



## ON A SCALE OF 1 TO 10 HOW HAS POPULATION GROWTH AND/OR URBAN SPRAWL CHANGED THE WAY YOU DO THE FOLLOWING

### MANAGE BIOSECURITY RISKS

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	32	28.32%
2	20	17.70%
3	18	15.93%
4	8	7.08%
5	23	20.35%
6	4	3.54%
7	1	0.88%
8	0	0.00%
9	1	0.88%
10	6	5.31%

### CONTROL PESTS

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	33	29.20%
2	18	15.93%
3	23	20.35%
4	4	3.54%
5	23	20.35%
6	1	0.88%
7	1	0.88%
8	1	0.88%
9	3	2.65%
10	6	5.31%

### MOVE FARM EQUIPMENT AROUND THE PROPERTY

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	25	22.12%
2	14	12.39%
3	12	10.62%
4	7	6.19%
5	37	32.74%
6	4	3.54%
7	4	3.54%
8	3	2.65%
9	5	4.42%
10	2	1.77%

### ACCESS YOUR LAND

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	21	18.58%
2	9	7.96%
3	9	7.96%
4	16	14.16%
5	41	36.28%
6	6	5.31%
7	3	2.65%
8	4	3.54%
9	2	1.77%
10	2	1.77%

**ON A SCALE OF 1 TO 10 HOW HAS POPULATION GROWTH AND/OR URBAN SPRAWL CHANGED THE WAY YOU DO THE FOLLOWING (CONT.)**

**INVEST IN INFRASTRUCTURE**

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	22	19.47%
2	9	7.96%
3	16	14.16%
4	8	7.08%
5	41	36.28%
6	5	4.42%
7	4	3.54%
8	4	3.54%
9	2	1.77%
10	2	1.77%

**MAINTAIN A SKILLED LABOUR FORCE**

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	13	11.50%
2	14	12.39%
3	9	7.96%
4	9	7.96%
5	42	37.17%
6	7	6.19%
7	6	5.31%
8	4	3.54%
9	2	1.77%
10	7	6.19%

**ACCESS MARKETS TO SELL YOUR PRODUCE**

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	15	13.27%
2	9	7.96%
3	4	3.54%
4	8	7.08%
5	45	39.82%
6	4	3.54%
7	7	6.19%
8	12	10.62%
9	3	2.65%
10	6	5.31%

**TRANSPORT YOUR GOODS TO PROCESSORS OR MARKETS**

1 BEING MADE MORE DIFFICULT OR 10 MADE IT A LOT EASIER

Answer	Answer Count	Percentage
1	17	15.04%
2	13	11.50%
3	11	9.73%
4	10	8.85%
5	45	39.82%
6	4	3.54%
7	2	1.77%
8	5	4.42%
9	1	0.88%
10	5	4.42%

## ON A SCALE OF 1 TO 10 HOW APPROPRIATE ARE THE PLANNING CONTROLS FOR AGRICULTURAL LAND?

1 COMPLETELY INAPPROPRIATE - 10 VERY APPROPRIATE

Answer	Answer Count	Percentage
1	36	31.86%
2	13	11.50%
3	18	15.93%
4	10	8.85%
5	12	10.62%
6	2	1.77%
7	1	0.88%
8	1	0.88%
9	0	0.00%
10	9	7.96%
No Answer	11	9.73%

# HAVE YOU EXPERIENCED CONFLICT REGARDING FARM NOISE, DUST, OR ODOUR WITH NEIGHBOURING LAND HOLDERS?

Answer	Answer Count	Percentage
No	59	52.21%
On the odd occasion	39	34.51%
Regularly	15	13.27%
Other	3	2.65%

## RESPONDENT COMMENTS

Could easily happen

Not yet, but expecting it as development grows

We aren't close to other homes at this stage but could see potential issues

I am aware of the issue and control normal pollutants myself in order to keep neighbours happy.

Luckily my neighbours are sympathetic

I have a good relationship with neighbours and keep them informed on what we're doing on the farm.

Our neighbours are very reasonable

Grain movement dust. Ploughing dust. smoke from burning green waste.

Headers working at night

Noise from farm animals especially cows mooing!!

Smells Odour and noise.

Aerial applications and burning can get some excited.

Spreading manure fertiliser

Activists trespassing, they are not necessarily landowners

Odour from chicken manure

A working farm on a rooftop - it is fundamental to keep the site in pristine condition at all times as its always open to the public. This is hard and we do have neighbours complain.

Noise complaints

Neighbours dogs killing sheep. Trailbike riding all day and night. Noisy parties that go till dawn.

Never had an issue until a new neighbour moved in next door (they are a 38acre property) complaining about drip irrigation

Neighbour complaining about my sheep dog barking (a km away).

Planning accommodation

Farm noise, controlling pest animals (shooting) and the risk of non-farming neighbours dogs onto our property with young calves. Lax Council that does not do anything when ranger is called.

Dust from road

Spray coming over our fence

Noise and Odour mainly, Dust on the odd occasion.

New residential neighbours want rural life but don't like dust, burnoff smoke, machinery noise or wafting feedlot smells

Very occasionally a neighbour has complained about working after dark.

Blocky complaining about spraying

Wind farm operators

A quarry near by

Several times a year

They build a house next to my farm and then started complaining about everything we did

Every time we use the bird scaring gas gun

SUV traffic on gravel road going into the state forest

Spray drift has killed off orange tree and peppercorn trees

Noise complains use gas birds scare gun

Neighbouring hobby farmers cause serious biosecurity risks with sheep carrying diseases wandering onto everyone's properties, horses getting out and going onto everyone's properties, no care for the environment and soil erosion from over grazing, weeds spreading onto our farm, etc.

Complaints about working at night during harvest, dust from trucks during dry whether, dust from paddocks in summer.

Last case was burning windfall trees and branches in May after storms in February, while fire brigade turned up at the automated gate because two kids saw giant flames from the village playground

Smaller subdivided land owners think they are in a city environment

Smell of chook farms in the area

Locals mostly who live in town just 1km away use roads at speeds up to 100km/hr frightening livestock in adjacent paddocks, killing wildlife returning to conservation projects (Land for Wildlife); inflicting road rage and inappropriate overtaking, creating enormous dust issues on dry roads and colloid pollution in runoff into creek on wet roads

Death threats, to be sued

Wind Factory planning permit control 1km into neighbouring properties for anything that could be deemed as residential is outrageous and removes property rights for neighbouring farmers and severely impacts their ability to utilise their property in the most efficient manner.

Impacts on farm operating hours, spray days, vermin control, weed control.

**DURING THE LAST DECADE HAVE PLANNING CONTROLS MADE IT MORE DIFFICULT**

**MOST COMMONLY USED TERMS**

**HOUSE**

**LAND**

**PROPERTY**

**REGULATION**

**COST**

**FARM**

**ACRE**

**COUNCIL**

**AREA**

**PLANNING**

**RESPONDENT COMMENTS**

Due to labor shortage and unwillingness of available labor to work effectively one cannot expand as hours of work increase excessively

Housing shortage to offer prospective outside employees

Planning and building permits were required for us to build a roof over our sheep yards at a cost of \$3000. The all steel structure needed two fire extinguishers to be 'finished', steel doesn't burn.

Just increased red tape & compliance which had never been a problem

Land prices have sky rocketed as land is broken up into smaller and smaller lots as well as increasing costs and council restrictions and costs and less and less farming enterprises - also people moving in who don't know how to farm letting weeds and pests run unchecked on their land and spreading to yours

Changes on zoning ie, farm land to rural or rural conservation. Completely erode a farming enterprises flexibility to combat market variables. The tax implications of more drastic zoning changes pushes farms out of viability.

Any regulation usually comes with some form of payment to government

Our business is like any other we cannot keep paying paying additional fees

As we cannot pass on our overheads

Near impossible to acquire neighboring land without paying exorbitant prices due to hobby farm carve up of agricultural land.

So many rules, regulations and fees for everything make it extremely difficult to do much

Expensive to expand, build infrastructure without disturbing neighbours,

Planning controls insufficiently flexible for this planning zone

Land prices are too expensive

Infrastructure in many areas cannot be improved without Aboriginal approval even though Aboriginals have not been in the area for over 150 years. Approvals can take up to 18 months and cost exorbitant amounts - eg \$37,000 for a bore site and \$30,000 for a pump site on a river.

Neighbouring properties are now just too expensive due to outside money coming into the districts. The last property I looked at would not make enough money to pay the rates!!

Land values have increased so much due to properties being valued at lifestyle values rather than agriculture value putting the rates up making farming uneconomical.

To set up a tourist facility such as a Gin and Beer tasting included in a farm visitation program is almost impossible due to regulations.

Too much red tape and plenty of barriers to overcome

Not allowing small lot subdivision 2to5ha.s for family members . More difficult to undertake structural improvements .

Larger town / city council staff not appreciating and working with farmers .

Prices beyond reach.

Closure of small abattoirs.

Unable to expand irrigation.

Building restrictions hinder diversification into other industries

Virtual fencing restrictions are non-sensical and are hindering innovation and pasture improvement and utilisation

Housing for workers cannot be done due to council zoning

Local government has too much power as regards permits etc. Most permits are money making inventions. They hinder business and increase cost.

Uncertainty of what future restrictions may be enforced on what can be farmed and not farmed as a result of the Grampians Surrounds Strategy where they want to dictate what farmers can and can't do to spoil the visual amenity for tourists. Anxiety about the proposal to reintroduce dingoes that would make sheep farming unviable.

Eg. what infrastructure/ colour can be used

Why do I have to get planning approval to create a hay shed? tarpaulins are useless to protect hay

Stopped us from building a grain storage site on farm

Almost impossible to start a stone milling plant for flour

Local council is restrictive in its thinking. Planning processes take extended periods. Council employees based anywhere but local makes it very difficult to convey intention and restricting productivity, efficiency & growth. Council is intent on maintaining their stance on subdivision & farming 'preservation' without taking into account that next generation of farming need rural housing. Disallowing subdivision of house plots is adverse to the continuation of farming, which is what the council states it is preserving. It is not the case.

To preserve agriculture, being able to subdivide a house plot so that the next generation can have tangible ownership over their home is critical.

Wind Factory planning overlays has a severe impact on the construction of anything that could be deemed residential 1km into our property. This impacts our ability to efficiently use our property. It also reduces the value of our property in that zone. The wind factory's should have to provide that offset within their own boundaries and not impinge on our property rights.

Council restrictions on which roads we can take our farm machinery

Make it difficult to obtain permits for construction of sheds etc

Planning overlays to prevent drainage

Planning laws in Hepburn Shire focussed on tourism & discouraging farmers.

They decrease biodiversity by extensive lawns, destroy vital habitats out of fear of trees & fire risk.

The planning regulations stipulate number of dwellings and livestock. This is not necessarily a bad thing as it forces people to be mindful of land limitations.

We have approached council to have a farm shop and the times and regulations are ridiculous! We gave up, also if we alter the roof of the Coolstore where we wanted the shop it gets a whole lot more costly and complicated. Thirdly the regulations for housing workers particularly seasonal workers, keep changing and are getting out of control and more difficult to adhere to. The new regulations mean we can only have 6 people in the 5 bedroom house we currently had to purchase to put them in where 2

**DURING THE LAST DECADE HAVE PLANNING CONTROLS MADE IT MORE DIFFICULT (CONT.)**

**RESPONDENT COMMENTS**

years ago we had 12 in the house! It's now not viable for us to afford the house as we do not get enough money back to house those 6 workers! We try to keep charges to a bare minimum for them, but in doing so we cannot keep them in the house!

Unable to open farm shop to sell other local produce

Unable to add extra staff amenities as it will trigger a fire retardant system to be installed in our main shed. It would need to be built away from an existing building.

To house staff on site you need to have a minimum of 100 acres, we own 240 acres spread over three properties all within 2km of each other, however none of them are over 100acres.

Subdivision of farm land has lead to hobby farmers that work 9-5.

Population growth using farm land for dwelling has affected all the above categories.

Council has restrictive rules about what can be sold at roadside stalls. Council has issues with additional housing/accommodation. New rules and regulations, taxes, levies etc. just do not make investment worthwhile. the return on investment goes down and down with more red tape and taxes.

Unable to erect infrastructure for crop protection, unsightly for tourists or neighbourhood views.

Very little chance of building a second dwelling on farmland in the Yarra Valley.

Primary producers are always impacted by non farmers/hobby farmers located in farming regions.

Planning permits for shedding etc

So many planning regulations and permits required for basic infrastructure like a shed or drainage.

Road infrastructure has not kept pace with the increased volume of traffic on rural roads. Movement of cattle along and across roads to paddocks is near impossible, vehicles are not considerate of animals traversing roads and reluctant to slow or even wait for animals to cross roads, even with signage, and flashing lights on vehicles.

Our area has a shortage of homes for rental.

People are cutting up some farms in this area into 50-100 acre blocks which has meant land prices were \$3000/acre in 2018 are now \$12,000 an acre now. Its great for the balance sheet but impossible to buy land and actually make it pay its way through ag production.

Limitations on how long workers can stay in temporary accommodation is a problem

Ridiculous rates being charged by Council for very little service, ridiculous costs for planning permits.

High standard of what constitutes a dwelling impedes building worker quarters which will not become a real 'dwelling'

As more number of people look over the fence and don't understand farming and build a idea in there head that that we are doing it wrong when they don't understand all the practicality and we are about looking after the land and our livestock as its our livelihood and ewe pass down to the next generation to carry on in a sustainable and profitable way

To diversify we need more labour. To house them Council have to approve any location - which would be away from the main existing house area (100m away from waterway) which would divide the farm and make it less productive.

Housing on farms should be more innovative and able to suit the needs of residents - built to code, but seen through a different lense to typical housing.

This Council is terrible with local food regulations, egg production, meat production - they are restrictive and don't realise that it prevents many producers from tackling the art of food manufacturing. We need to encourage more innovative businesses not less!

Farmers Markets are not the only answer - we need producers to have access to other markets and to not be over regulated by Councils and those that don't always understand safe food production. In Europe and New Zealand (as an example) local meat harvesting of pest animals is encouraged and hunters are able to share this meat with their customers - in Victoria this is only via a very small network and should be widely expanded.

The high cost of council rates are a major drag on business profitability with little to no benefits for people outside major townships

Simple: to much red tape and authorised officers who get to have their day before I'm allowed to do anything.

Tree changers acquiring land increases the price which makes it harder to expand.

In addition the costs associated with weed control are higher due to poor land management

Farm business costs have skyrocketed eg rates

Having major issues with council over the roadside fire hazards. Complete double standards

Planning requires council approval for any build and so at mercy of council decision

Council also decided whether one can engage in new operations such as dairy - whether can change use of. Buildings or construct new purpose built structures

The urban fringe of Melbourne has many different types of agricultural enterprises consisting of mainly small-scale operators. The pasture, in general are either 'improved pastures' that have not been fertilized for many years leading to poor pasture growth and if not managed correctly can lead to the 'green drought' where pastures infested with bent grass are green but do not produce nutritious food for animals. The land needs to be managed by farm managers who understand the how to manage soils, plants and animals as a system.

Housing Seasonal workers is becoming near impossible because of overregulation by local and state govt.

Too much red tape when wanting to get new buildings built.

Sustainability audits are utter nonsense and are becoming increasingly a breach of privacy.

Planning restrictions on worker accommodation are limiting

Dam permits are difficult to obtain. High rates are affecting farm viability.

Kangaroos & wombats are in plague levels, damaging fences.

Planning approval is horrific and takes excessive time. Regulations are to complex. Everyone is looking for a reason as to why you cannot do something as opposed to helping you to achieve a result.

We recieve NO assistance to investate and /or research into improved /healthy farm methods

No other houses are allowed to be built on our land at present.

By pushing renewable energy on to prime agricultural land you are making areas unliveable dividing communities and creating imbalance with the haves and the have nots

planning applications very slow with lots of hurdles [ 18 months for planning permit]

farmland made non-viable through covid [tree changers ]

Building Battery storage systems in the paddock next door is going to impact on how we can farm.

Shire rules re extra housing on properties are extremely strict.

The windfall gains tax has stuffed us completely. We are unable to invest in large on farm infrastructure projects any more because we will have such a large tax and rate burden that we will be forced to sell as soon as the land is rezoned. It's a disgrace.

**DURING THE LAST DECADE HAVE PLANNING CONTROLS MADE IT MORE DIFFICULT (CONT.)**

**RESPONDENT COMMENTS**

Council rates have escalated, can't renovate or addition to house, will be visibly impacted by proposed Windfarm, part of property now zoned rural residential  
In general it has become harder to farm.

Because of all the red/ green tape, and the extra costs involved with their implementation, rural shire ,have become top heavywith bureaucracy with no empathy for farmers ,most commute daily from either melbourne or geelong and look out for the urbanised areas in the shire ,and use farmers rates to subsidize the urban areas, Land ownership has become a financial burden ,The fire services levy and shire rates ,a defacto wealth tax ,that you must pay regardless of what is made off the property

Increase density by allowing subdivisions  
bureaucracy

Planning & building permits take for ever

Rates becoming so high don't know how long we can remain viable as a farm

Land prices, council rates have increased to decrease profitability, more red tape install sheds and other infrastructure. we attempted to split 5 acres and a house off to offset a capital purchase and the council rejected the application

Had to get planning permits for a shed near house

Ridiculous regulations are at the point of giving up what we have worked for.

The rigidity of planning and the long turnaround times for approvals inhibit innovation , ability to respond to opportunities ,employ and house labor, diversify to maintain farm viability.

the GMW modernisation project was held up and had to pay indigenous groups to be money to be proceed

Applying for a permit for infrastructure development is a bureaucratic nightmare because dealing with shire staff who have inelastic policy guidelines to follow and no knowledge or interest in supporting farmers.

Farming has changed to holistic management involving environmental management as well as soil, pasture, crop and livestock management. Council has no understanding of this constantly referring in planning matters in the farming zone to productive sustainable agriculture and productive agricultural land. there is no recognition for biodiversity enhancement, for greenhouse gas abatement through revegetation and landscape enhancement. The problem with relying on productive agriculture for planning decisions is that such agriculture is no longer viable due to scale of most livestock enterprises in the shire because around 82% of farm zone lots are less than 40ha, 98% are less than 100ha. Even selling livestock in the shire is becoming untenable as the local sale yards are considered non-competitive, and the local abattoir has changed ownership and making it difficult to supply small consignments and impossible if the animals are not to its specification. The closest alternative saleyards Ballarat and Bendigo are 100km away making transport expensive and increasing transport emissions. Most support services for agriculture have moved from the shire eg tractor dealers, machinery repair businesses, pasture renovation contractors, lime and fertiliser spreaders - not interested unless minimum areas or quantities make it worth while. Cost per hectare are high. Farm insurance and rates are also high per hectare compared to commercial farms - they represent 35% of our net farm income from prime lambs.

# ARE YOU ACTIVELY SEEKING TO INCREASE THE PRODUCTIVITY OF YOUR FARM?

## RESPONDENT COMMENTS

Too many to go into detail , a complete rethink of farming practices ,value adding of commodities

Despite being at the mercy of the climate we believe improving our management will increase our productivity. Through techniques and advances in technology

Use of modern breeding techniques to increase per head production figures. Make more from the same amount of resources

Optimising what we have, buying the neighbours farm

Trying to adopt new ways of being efficient as our overheads are getting higher without the ability of lifting the price of things we produce

Trying to keep our machinery up to date requiring less inputs/costs to operate

Lack of water availability is a major obstacle. Selling paddock to plate is a viable option, except rules and regulations make it near impossible

I have access to Goulburn-Murray irrigation water and would like to make better use of it. Permanent planting of an orchard is a possibility.

**FAILING TO IMPROVE MEANS POOR MANAGEMENT**

Investing in efficient work practices

Continue to Invest in On-Farm processing. Employing recommended efficiencies.

Have begun a composting operation to improve our soil structure.

Become more efficient working longer hours and adopting new technologies to improve profit

As an ageing person I am on a mission to get young people into agriculture. We need new blood, new skills and new thinking to progress food and fibre production to feed an expanding world population.. How can a young person get started in agriculture unless a family farm is handed to them!! Nearly impossible for a young person to get started and afford to buy/finance land, stock and machinery.

The BIG question is Who is going to feed the next generation and following generations if young people cannot get started. It appears that we will rely on Corporate Farmers which are generally higher cost operations!!

Strip/ cell grazing, soil monitoring, shelter belt plantation etc.

Cattle prices are too low so will move to grain production.

Different breeds of animals .

As the dept of Ag is useless , having to look further a field and trialing myself new ideas .

No small abattoirs left , but costs and regulations make it almost impossible.

Always need to be aiming to be better at what you do and expand when the opportunities arise.

Alternative crops such as hemp.

Virtual fencing

in paddock weighing with front feet scales

Drone spraying for weed control

I will increase my sheep flock and replant a vineyard

Would like to grow wildflowers for export but roads are bad and freight costs too high

Being more efficient

Applying nitrogen fertiliser for a less carbon footprint

Wishing to start a regenerative grain farming large scale trials -very little assistance from anyone

Improvements in shearing facilities, to reduce physical strain on shearers, improve animal welfare and standards with low stress handling & minimising processing time in the yards so they can be back on feed in the paddock sooner.

Buying additional land to expand enterprises.

Investigating diversification to mitigate seasonal market depression.

As farmers we are always seeking to improve productivity. This may include more workers, new technology, more land, better practices.

Keeping the correct numbers of stock to suite weather conditions

Increase in biodiversity. Improving soils. People need food and need it at accessible pricing which is what we do. Weve hired more staff

The prime horticultural land has been priced out of food production availability. Rates & Insurance are too high as a result. The pressure to zone out of farming into Rural Living & Rural Activity zones further impact on food production.

We are the only industry that is dictated a price to. We do not know what we will get or when we will get it. We can never put our prices up, yet we are absorbing every single price rise on every single thing we use and do! We can no longer do this unless ad find new technology or ways to diversify and cut costs in growing the fruit. Our margins have significantly reduced and if we don't find new ways to cut costs or become more efficient then we simply won't survive!

Different planting styles,

Using large Ag drones to spray

Enclosing netting to reduce bird and bat damage

We move forward with efficiency always or we would be out of business. I've tried to buy land but hobby farmer land use has put the price up out of the reach of dairy returns.

We have got into cattle in addition to sheep. We are looking to do contracting work.

We are continuing to be pushed for greater efficiency, at the cost of old fashioned skilled farmers.



## IS YOUR BUSINESS ECONOMICALLY VIABLE IN THE MEDIUM TO LONG-TERM?

Answer	Answer Count	Percentage
Yes	49	43.36%
Somewhat	50	44.25%
No	16	14.16%
Other	3	2.65%

## WHAT FACTORS ARE IMPACTING ON ITS ECONOMIC VIABILITY?

### RESPONDENT COMMENTS

Red tape, city ideals getting in the way.

Commodity costs rising rapidly, goods dropping in value to the producer

Wages becoming unsustainable

Profit margin disappearing rapidly

Middle man profits becoming ridiculous eg recently saw a photo of steak at \$77.50 a kilo at the butchers, the producer who took the photo had just sold cattle for \$1.56 a kilo ????????

In the last 3 months 30 poultry producers have put their farms on the market as their margins are so small they cannot pay their costs of production ????????

Global prices of the products I produce

Scale and access to processors, farm animal transport

Increased costs such as rates, labour, machinery and fertiliser and sprays

Anti farming policies. And poor understanding of basic farming practices by the general population.

Interest rates

Cattle downturn

Input costs

Rates/Taxes/Insurance

Fluctuating meat price

Interest rates

Government rates

Renewable energy

Urban expansion and unworkable bureaucratic rules and regulations. Green washing of general ill-informed population.

Unable to take advantage of irrigation to much extent. I am committed to remaining in farming until I retire or die.the

WEATHER, HIGH INPUT COSTS, HIGH MACHINERY COSTS

Uncertainty of urban development

The size of land available

Competition for available land limits capacity to expand Holding.

Water prices and availability in the future

Prices and urban people trying to stop farming practices ie live sheep export, fox baits,

Chemical use in crops like banning round up, stopping or limiting the duck season, need a state wide cull on kangaroos

Split between Cattle, Sheep and Crops in diversified areas give some security against localised poor seasons and varying markets.

Cropping is all done by sharefarmers so I do not have to invest in expensive machinery to own and operate. My cropping is done by youngish farmers to help them build a viable farming operation for the future. I am currently seeking a youngish person to sharefarm my livestock operations..

Input costs. Depreciation of land if VNI West was to be bulldozed through our area. Commodity prices.

Fire insurance levy and the impact of wind and solar factories will have on reducing our ability to fight fires and defend our farming assets.

Input costs, fuel, chemicals, rstesy, insurance, cost of labour, livestock transport costs due to lack of locale saleyards and economical truck wash facility, livestock price fluctuations due to Govt policy on livestock exports.

Cattle prices also water prices.

Processing accessibility.

General costs of production, government taxes and interference.

Government regulations

So many rules and regulations. Mining companies in area pushing up land prices and forcing people off their land and/or not selling land back within timeframes.

Commodity prices

Low commodity prices, high inputs

Low margins, high cost if inputs, high labour cost/minimum wages too high

Artificially high interest rates

Processor/food chain market power works against us.

Our council rates have doubled over 12 months

Badly maintained roads

High Transport costs

## WHAT FACTORS ARE IMPACTING ON ITS ECONOMIC VIABILITY? (CONT.)

### RESPONDENT COMMENTS

Skyrocketing costs of insurance in a fire prone area

Prohibitive costs of employing people to work on the farm

Lack of skilled workers - mechanics etc

Cost of imports needed to manage property

investment required in pastures/fencing/equipment. Myself being a new starter also has inefficiencies. Lack of peer farm knowledge in the area also doesn't help.

Little road maintenance putting up freight costs

Complete disregard for agriculture by the government at every level

Commodity prices, red tape, imposition of transmission lines, renewable energy zones, wind, solar and battery installations. The time and energy and stress spent fighting them, to protect my farm, its soil, water and value. It's outrageous that energy policy is overriding the state and country's food security. The stupid and short sightedness knows no bounds.

Transport costs, soil management costs

Livestock markets closing meaning 3 hours transport to sell animals.

We need funding! Always! We are a not for profit social enterprise, and we need funding to continue growing food for those in need.

Rates, Insurance & Biosecurity issues

Cost of crop protection & maintenance vs income.

Not getting a fair price or enough to cover costs. Not being able to predict when we are going to be paid. The supermarkets dictating how much we are paid. Not having the ability to raise prices as all other businesses and products we use do, so absorbing every price rise especially fuel, chemicals, wages, electricity, quality assurance costs, loan rates etc. OUR PRICES NEED TO REFLECT WHAT OUR EXPENSES ARE!! Our prices have not risen in the last 20 years!! THAT IS SIMPLY NOT SUSTAINABLE OR FAIR!!!!!!

Bird and bat damage, being underpaid from major supermarkets, lack of willing and skilled staff, amount of red tape and accreditation required to prove we are doing things correctly.

Roads are a disgrace and are destroying our trucks, cars and utes

Climate change

Good season good milk price

Taxes, rates, new levies. It all eats into profit and I only want to earn enough to pay my bills!

Input prices

Commodity value

Labour availability

Land value

Government decision making - anti agricultural government

input cost v income

Land and water prices and not sustainable, if you are not a large corporation or multinational.

Greenlife is becoming more of a priority at all levels of Government. We are seeing more mandated greenspace in new developments, Government infrastructure projects now have a much more of a focus on the greenlife component, and urban forestry strategies for Local Governments are now the norm, not the exception. Also, more research is being presented showing that greening our cities and towns reduces the urban heat island affect, making for healthier living spaces

Inability to sell meat direct to consumer.

Not enough land and not enough capital to buy or agist more.

Commodity prices

Growing business.

Land price, and f%cking red f^cking tape!!!

Age and lack of labour

Scale. More acres would be good. In saying that, climatic extremes, government policies, animal activists and rising costs are the biggest impacts on profitability, no matter how big you are. We both work off farm to ensure we can continue to improve our farm.

The weather. If rain falls, we are economically viable. If it doesn't, this becomes less clear

Red tape in development of property

Lack of markets directly in our region aside from a monthly farmers market that we cannot supply as we don't supply year round. The cost of labour (and lack of housing for labour).

Local supermarkets do not stock local meat - so local producers have to have their own direct markets to make it viable.

Poor prices paid to farmers despite high retail prices in supermarkets

Rising running costs, and interest rates

High production costs with low product prices

Financial crisis means people are not spending as much on new stock ( stud sheep and goats)

Niche products of goat dairy are also not priority when finances are tight

I'm no guru in the economics of the urban fringe, however blind Freddy can see that the many small cattle/sheep operations are not financially viable. This non viability leads to lack of investment in the local environment due to no excess cash to prevent or improve the land. it's a costly business improving pasture , eg fertilisers/chemicals/ seed/machinery.

Access to affordable labour and the costs of inputs and compliance

Government policy and Red Tape are reducing income at a fast rate.

The climate change agenda is destroying our businesses profitability.

Marketing of grain and meat.

## WHAT FACTORS ARE IMPACTING ON ITS ECONOMIC VIABILITY? (CONT.)

### RESPONDENT COMMENTS

Inputs and labour costs

High shire rates

High registration on vehicles that hardly travel on roads

Constantly subsidising the farm operation from other income

Government regulations. Potential of windfall tax at urban fringe threatens farming in these locations.

Rainfall is always the key factor in farming viability.

Export lamb prices have seen extensive financial variability in recent years = high risk

Poor wool prices, difficulty of accessing shearers has seen us sell of our breeding merino ewe stock

input costs will become prohibitive

Under the new re-zoning being proposed the financial burden of increased valuations and increased rates and taxes will severely impact our viability.

council & government costs rising for no gain

Land values

cattle prices [income halved this year]

input costs [ rates & insurance doubled]

Our farm is built on sales to smaller hobby farmers and households. Lack of consistent sales - 5 years ago we were very active in sales - we are now very slow in sales and trying other angles to broaden our customer base further away from our home base which is costly due to transport costs.

Age

Prices of beef/sheep are extremely variable.

Very low milk returns and extremely high input costs. Price parity is a thing of the past due to poor governance

Murray darling basin plan, erratic water markets that behave irrationally. High cost of machinery replacement.

Cattle prices are solid, rain is reliable, soil is excellent, good location for off farm income in Gippsland region

shire rates state governt levies,rising electricy and fuel costs All costs in general ,we are in recession ,inflation is a lot higher than is forecast ,Victoria thanks to labor is in debt and those of us with percieved wealth will have to pay it back

Dealing with domestic animal invasion controls on when I can now operate machinery

wages, costs, inputs bureaucracy

Council rates and their attude to farmers, they see farmers as a money pit for them and they don't understand that most farmers are asset rich but income poor.

Dead money, paying rates for no return, rising insurance costs, fire levies that go straight to the cities and leave our CFA volunteers in unreliable, 40 year old trucks, lack of rain,

Cattle prices

Regulations

Escalating Govt charges and other imposts with no economic return adds to the ever increasing base cost structure.

Ever increasing paperwork and non productive compliance.

Lack of Right to Farm and the complete lack of understanding by govt of the complexities of modern farming methods and in getting the job done when it has to be for the best result.

planning controls , lack of understanding of country issues by a socialist Victorian government

Cattle prices back by about 15 years

The horse has bolted as far as economic viability is concerned for most livestock and crop farming in peri-urban areas. Firstly farm land price is skyrocketing with investors and developers land banking to take advantage of eventual re-zoning. A 22.8ha farm in the farming zone in the same block as mine and over the road from the latest Macedon Ranges Shire rezoning for housing for Romsey (decided 22 May 2024) is currently advertised for sale for \$4 million or \$175,000 per ha, another farm nearby is for sale for \$75,000 per ha. My brother was offered \$5 million by a land banker for 100ha farming zone block opposite the western edge of Romsey townships rural living zone. These are not prices for farming zone land that can give a return on investment with livestock and cropping enterprises. It may be possible with a vineyard or thoroughbred horse breeding.

the other economic issue which puts livestock and crop farming out of contention in the peri-urban zone like Macedon Ranges Shire is economy of scale. the farms are so small they cannot produce sufficient income to give a return on capital invested.

# HOW DOES LAND VALUE IMPACT YOUR WILLINGNESS AND ABILITY TO REMAIN ECONOMICALLY VIABLE?

## RESPONDENT COMMENTS

virtually impossible to expand and pay expansion costs

large Corporate Companys now using LAND to make money NOT TO PRODUCE food production !!!!!!!!!!!!!!!

We are third generation farmers and would never consider selling

Equity is high , expansion is risky

Main factor - cannot buy farm land anymore - financially unviable - never make it back.

It costs a lot more to buy, to produce the same amount of food, which isnt going up in value.

And then the tax bracket i have to pay tax on to pay down capital is very high, eg if i want to pay \$100,000 a year off my debt and still live i need to earn well over \$200,000 and then pay huge amount of tax

Competition with overseas land bankers whose capital have nothing to do with the agricultural production of the land. Artificially inflate prices beyond a production values.

Makes it challenging

High impact

Land value is directly related to bank equity which has a massive ability for us to borrow or go under non issue.

The value of the land does not reflect its current ability to generate a viable income because of inflation.

CORPORATES ,SUPER FUNDS, PUSHING LAND PRICES UP MAKING IT HARD FOR FAMILY FARMS TO EXIST.

Council rate increases

Still willing but makes the ability hard, though also creates some opportunities with some local markets opening

Not at all

Weak retail Market coupled with unreliable seasons raises the risk considerably.

Land prices are too expensive when coupled with water needed to farm extra area. (We are in an irrigation district and cannot grow anything without water on soil type)

Makes it very difficult as farmers cannot name the price for their commodities while all other businesses put their prices up

Council rates are becoming a problem due to rapidly increasing peri urban land values.

A 10 acre block may sell for \$15000 per acre then the valuation of the 100 acre block next door then is valued the same even though the 10 acre block will not ever be viably farmed but the 100 acre block will still be farmed and try to stay viable!!.

Makes it harder to expand and increase economies of scale.

Puts up costs of rates, reduces ability to expand to get economies of scale.

Little or no effect

very hard to find means to expand

Difficult , but taxes also dont help

Motivation is not good.

Great for equity and if you want to sell, not much benefit otherwise.

Expensive

Land values increasing make it difficult to expand.

The land is a long term realestate investment and the farm operation is considered seperate

Growth is unlikely

Land value is pie in the sky, meaning a non realized item. Only in case of sale to be realised.

It improves our equity position

Land values are being over inflated by people who do not have to borrow to purchase land such as overseas investment companies and city people seeking country retreats .

Hard to buy neighbour type of property

improved land value is currently artificially way too high for rural blocks around us, most larger rural properties are empty, and only visited e.g. weekends. Current planning allows for big mansions to be built on weekender blocks, and the balance of the block is unused and consequently not maintained. Great environment for weeds/feral animals/fire risk.

Have to farm larger area, therefore less people in the community.

impossible to buy land at \$7000 plus dollars per acre

Foremost.

We use off farm income to support farm expansion. Debt to equity ratio in a business is no longer cash flow supported with the cost of land prices and the government hamstrings of taxes fees & levies which are astronomical & not an investment into the regions. The regions are dying despite the enormous funds generated and given to the government, those funds all leave the area or get chewed up in red tape jargon.

It affects expanding buying more land as realestate agents are selling properties to more hobby farmers at high priced

If our land is devalued by transmission lines, renewable zones and neighbouring wind factories etc it effects our borrowing capacity and ability to grow and implement improvements.

Land has become to expensive to expand and stamp duty should be abolished for family farms

Makes expansion impossible

I can't afford to buy more land any tax on farm land would mean me selling what I have.

We pay no rent, but the more community we reach the happier our land owner will be.

It's increasing my rates, putting pressure on me to sell up & prevents buying more land.

It benefits to borrow against however on a week to week basis to manage expenses then land value does not help in keeping the farm operating and producing a profit.

At this point we are banking on land prices to help us sell in the future as we are in the urban fringe... at least we will be more financially better off if we can sell the property for development than farming it!

## HOW DOES LAND VALUE IMPACT YOUR WILLINGNESS AND ABILITY TO REMAIN ECONOMICALLY VIABLE? (CONT.)

### RESPONDENT COMMENTS

We are already way over capitalised with infrastructure on our farm, the only way we could make enough money to cover the costs involved in setting up an apple orchard (\$150,000 - \$200,000 per hectare) would be to sell to a developer. Banks don't see any real value in orchards.

Impacts council rates which are a big cost and don't represent value. \$50k in council rates and I do most of the road repairs immediately near my farm myself

Making it much harder with high rates and competing against emotional purchase power free non farmer income bidders for more land

I don't care - I might be sitting on a goldmine, but what do I do if I sell it? I have no business.

Makes it harder for the next generation to be able to afford to start, huge barrier to entry

Land value is important to maintain level of equity, proposed large scale solar farm will reduce that immediatly

Farmers retire cashing in on land values, whilst the land becomes too expensive for young farmers or those that want to work there way into farming to have a go.

If land values got to the point where it was no longer viable to continue the nursery, we would look to sell

Cost of land in our urban fridge area is crazy post Covid. No way we could get into the market now. So many lifestyle people buying farms but not using them for anything.

Increase in land value from sale of properties within a defined area by the valuer general leads to an increase in our Municipal rates,

Not willing to take on debt risks based on last few years land value hikes.

hugely, we need to move breeding stock to cheaper land classes which are more remote and hard to find staff and often hard to manage with the same due diligence and care

Given my age, I will cease faring some time in near future, and so I am pleased that land prices are increasing.

My farm is my principle place of residence and so no Land Tax

Shire rates are a significant cost but the shire gives me a farm rate for some of the property and allows me to pay my rates monthly

I bought my land in 2018 for what I thought was a reasonable price. I couldn't do that today.

It's unaffordable. We would love to buy surrounding farmland to make our farm bigger but it's too expensive and will not make the return to pay the interest. The land has been degraded through poor cropping practices and they still want far too much money for it. The things we could do if we had more land .....we have the education but not the money.

If we were to be rezoned as a residential area, we would likely sell

Has a huge impact someone wanting to buy 50 acres compared to someone buying 500 acres for same type of land. The ones buying 50 acres can afford to pay more per acre if its not there primary source or income or hobby which in then sets a over inflated valuation expectation in the eyes of the seller which then leads to smaller parcel sizes being sold off as the seller chases the higher prices it then becomes a downward spiral on good agricultural land being sold on the value it can produce not what someone is willing g to pay for non real commercial production

Land is not viable on a kg/Ha basis - particularly with interest rates over 6% (even 8% for some business - farm loans). The only way to be viable is to have secure off farm income.

It's uneconomic to buy land as it's doubled in price since Covid

The only time anyone will make money from land is when they sell it. It's very difficult to make the repayments off the land alone.

It is critical

Helps us extend our overdraft when required

Only the big farmers can afford these current high prices

Land prices continue to rise so we cannot afford to buy more lend - may not be worth continuing if we can sell our smaller property to buyers willing to pay for a country lifestyle

There are professional farm managers in the urban fringe who, with expansion onto the non productive areas would improve their economic viability. Talk to these guys and find out what the issues are. I can probably identify some of these guys in the Ballan area.

There comes a point where the value of the land becomes more attractive than the challenges of trying to run a profitable farming enterprise.

If we want to expand we can't.

If my 3 boys want to become farmers they won't be able to.

Land is unaffordable. Costs of production is now outweighing returns.

Separate issue - operating viability versus return on investment. Farm needs to generate cash, land appreciation is a separate consideration. However council rate increases linked to land value affect viability.

High rates

Cannot expand

Getting more difficult to purchase additional farm land as the valuation of land is no longer linked to the return it can generate.

Land value is increasing which means we have substantial equity in the and therefore bank confidence to support our business growth and viability.

not applicallal

At the present time it is manageable but in future years this may not be the case.

cant expand as land values are too high

When land is over priced and can't pay for itself you put the rest of farm under pressure

12000 to 15000 an acre to turnover approximately 350 dollars an acre not a very good return

Land is so expensive at present expanding is at present out of the picture

Very well if I sell out

It would be extremely difficult.t to expand in this area as land is very expensive.

Land value is completely out of proportion with return for produce. We will no longer see young people coming on to the land unless they inherit from wealthy parents who are generational farmers. We are at enormous risk of having our food controlled by corporates and the government is supporting this.

Increasing land value gives us more borrowing power, but limits our ability to purchase more farm land. Current land prices are economically no longer viable.

Council rates and insurance are now more than \$10,000 per annum on 34acres with modest house.

## HOW DOES LAND VALUE IMPACT YOUR WILLINGNESS AND ABILITY TO REMAIN ECONOMICALLY VIABLE? (CONT.)

### RESPONDENT COMMENTS

Land value is out of hand to actually expand as a smaller farmer, blokes going broke in the 80's paying 20% interest and \$500 an acre, what hope now with \$8000 and 6% . also as stated earlier all the rises in land value increase government charges regardless of ability to turn a profit on said land

It seems now more valuable to sell or subdivide into smaller residential allotments than farm

sold some so now more viable

Its becoming difficult to run a profitable farming enterprise close to a big city because of land values being forced up

Very difficult to purchase land, competing with multi nationals that want to buy land and plant trees for carbon offsets

as land value increases, council rates increase with the assumed improved value which is an additional cost for paddocks of grass and impede economic viability

Land prices are making it difficult to expand

Too hard to expand for next generation.

Increases in value lead to increased rate and value added taxes, increased risk in expanding the farm scale, govt induced over stimulation of the economy leading to high interest rates, and they are still doing it, Dumb.

farmers are price takers and cant pass it on, a concept that Govt cant comprehend.

Farmers are the only business that buys at retail, sells at Wholesale and pays both the freights.

increase borrowings

Significantly. Absentee owners trying to extract unrealistic rental

As described above land value is not related to agricultural production. It's price is correlated with enterprises other than livestock and cropping in particular investors land banking and wealthy individuals prepared to pay for lifestyle farms. Buy more land is not an option for commercially viable livestock production.

sell to lifestyle buyers

sell to highest bidder

NA

Have willed my land to Biodynamic Farming Association to prevent Developers & Lifestylers from taking out of food production.

If our industry doesn't turn around very soon, Im not sure how much longer we will grow apples.

Not many people are in a position to pick and choose whom they sell too.

The business is in a position that it will continue post my retirement, so I would be happy to lease the site to new business owners.

Would like to look into donating to an educational institution with a horticulture program

Unsure

The next generation will buy into the property at a rate that I'd economically viable to pay down for what it produces providing its at a realistic scale to support the family

Sell farmland to weekenders who will ride motorbikes and horses and bring city money to an area that is not supportive of local producers (sadly)

no a farmer in the urban fringe.

Cannot afford to pass to my family although that was my goal.

Take it out of production, into trees / maybe

## WHAT IS LIKELY TO HAPPEN TO YOUR FARMING BUSINESS AND LAND WHEN YOU RETIRE?

Answer	Answer Count	Percentage
Sell farmland to developers	15	13.27%
Sell farmland to other farmers	32	28.32%
Pass farmland onto family member to continue farming	54	47.79%
Unsure/other	38	33.63%

### RESPONDENT COMMENTS

We are far off retirement! But will be forced to sell due to unsustainable returns on our fruit.

Who ever is in the market at the time

Potential pending urban growth zones

renewable projects ????? that's what state government wants not farmers

We will be forced into this, our land is likely to be rezoned in the next 10 years triggering windfall gains tax which will bankrupt us if we don't sell.

In next 2-3 years but will relocate and continue day job

This is more profitable

Hopefully the land will continue to be used for agriculture production well into the future.

I would prefer to sell to a farmer to continue the work.

I use neighboring farms for my enterprise but only own 17 acres. When I sell I would hope to sell to somebody who wants to continue with what I have achieved but who knows? It cannot be a developer as subdivision is not an option

Because kids won't be able to afford land to buy

Most land is too rural for developers. Not zoned for development

Our children are farming in other areas, so most likely will sell to a neighbouring landholder

I would rather do this but finances dictate not to.

Possible

My preference

political decisions will be made against farming as in the northern hemisphere

We have three sons one who may wish to farm

Hopefully

If our children want it. But will saddle them with debt to fund our retirement

FAMILY WILL LEASE MY LAND WHEN I RETIRE

Currently attempting succession.

Hope to be able to do this so we can continue to produce food

Hopefully.

Daughter taking over

Ideally - the government seems intent on making this a lose/ lose scenario

If we can survive being paid pittance for our produce this would be the preferred option, but we can't survive 5 years on the current prices.

Hopefully anyway. Depends on government, can see government implementing land tax and probate in order to screw family farms. Hope I'm wrong

If still viable

Children are all keen to continue farming but this farm will not be able to be split to all of them.

If the next generation can afford it

If government policy benefits young future farmers.

Hope this occurs

There are two generations behind me who are willing to keep farming.

A difficult task for the next generation to pay out siblings

Possible

Planning and Environment Act does not recognise succession planning as part of whole farm planning so farms can be subdivided to ensure equity for successors

My crystal ball is cracked What is going to happen in the next ten years what political decisions are going to be made

The farm is likely to remain with the family as a holiday destination.

Possibly lease property

Family members live too far away at this stage. Grandchildren may be interested sometime in the future. At 74 I am retired on 4000 plus acres!.

sell to lifestyle buyers

sell to highest bidder

NA

Have willed my land to Biodynamic Farming Association to prevent Developers & Lifestylers from taking out of food production.

If our industry doesn't turn around very soon, I'm not sure how much longer we will grow apples.

Not many people are in a position to pick and choose whom they sell too.

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Sell farmland to weekenders who will ride motorbikes and horses and bring city money to an area that is not supportive of local producers (saddy)

no a farmer in the urban fringe.

Cannot afford to pass to my family although that was my goal.

Take it out of production , into trees / maybe

# WHAT FACTORS WILL INFLUENCE YOUR DECISION?

## RESPONDENT COMMENTS

If my children want to continue with the business  
 as above - political influences are more and more against farming through ignorance and the need to be seen to be doing the right thing for the planet “  
 less than 2 percent of Australia's population actually produce edible food  
 how soon before the other 98 percent are going to have hollow stomachs  
 If farming is viable and one son is interested in farming  
 On next generations desire to tackle the challenge of agriculture  
 Cost, market viability, children interest  
 If kids want to farm or if it is still viable  
 Many  
 whether the next generation wants to continue putting up with all the bureaucratic interference and red tape  
 Children's wishes and financial factors  
 Viability of the agriculture sector going forward  
 Intent use of the land by potential buyer/s. General health of the economy at time of selling.  
 I am attached to this farm and have lived here all my life.

**FAMILY**

How the urban development process has changed in the area  
 whether family is interested in farming, viability  
 Health  
 Family agreement.  
 Price offered  
 Profits  
 If I can get youngish sharefarmers to take over all of my operations then I will buy more suitable properties to give young people a start. Young people coming into agriculture now will feed and clothe the upcoming generations!!  
 Need for minimal government interference and allow us the ability to produce food and fibre, of the highest quality without increased res and green tape.  
 Principally price, would prefer if land was preserved for agricultural purposes.  
 Willingness of family to continue.  
 Viability. Work load.  
 Windfall tax.  
 general viability.  
 Government regulations & taxes.  
 If family don't want to be farmers and can't find suitable labour will either need to be sold or leased.  
 Next generation view of future in agriculture  
 Long term viability  
 Family situation of daughter  
 Willingness of next generation.  
 Land prices  
 Interest rates  
 Global and local commodity demand  
 If dingoes are reintroduced to the surrounding National Park our farm land will be unviable it will probably be sold and subdivided into non productive lifestyle blocks or put into blue-gums  
 Interested family  
 my health  
 big cooperates should NOT own land -it is much better farmed where the individual owner looks after the land -----works dont care at all on the neatness of the operation  
 Cost (Government)  
 Housing (next generation)  
 Community culture and disrespect for agriculture fed by the government  
 Ability to retire with enough of my own money to ne able to pass assets on to my children.  
 Enough to live on in retirement  
 Estate planning  
 My kids aren't interested in farming and my farm has heritage and environmental overlays  
 The pressure to sell has forced me to ensure that nasty lifestyle neighbours & developers never get this land.  
 Land value  
 Willingness of family members to continue working hard on the lland.  
 Farmer returns on produce and our financial sustainability in the industry and the 700 houses being developed next door.  
 A decent offer from a developer.  
 The returns for the amount of work we do.  
 I have two children currently working on the farm, it is very difficult to encourage them when farming in general is so financially unrewarding. I do not know any other industry where someone can work for 70 hrs a week for such little \$ reward.  
 Productivity  
 Sale value



## WHAT FACTORS WILL INFLUENCE YOUR DECISION? (CONT.)

### RESPONDENT COMMENTS

Family interested

Age, health, but most importantly, viability.

Don't want developers or corporate but depends what happens when we get there

Solar farm

Government decision making

There is very little say on the decision of what will happen to the land once sold, from the owner. Large developers just go through the bureaucratic process, until they have a favourable outcome. I have witnessed this first hand.

If the nursery was sold, it would be viable for me to keep the land and lease it back to new owners, as the infrastructure is already in place to continue to run as a nursery

Urban growth planning boundaries

Urban sprawl, land prices, Commodity prices, increasing production costs.

Aussie born farmers.

No next generation

See above

Whether I need to sell it to fund aged care

Their interest in it.

Ability to being able to farm in a way that's economical viable for the people wanting to grow and provide food

We have made a lot of attempts to grow the local food system. This area is exhausting as it does not understand local food security and is not supportive to local growers.

We intend to move to a better local food economy (and better climate) that truly understands local food and the importance and value of producers. This area is stifled by the Councils inability to see the value of extra housing in rural - farming areas. The 40Ha rule for farmland is destroying these communities as each large farm is split into 40Ha lots. This should never have been the intention for existing large scale farmland (but is their most lucrative \$\$ exit from the land)

Like most farmers I won't retire. I will keep farming till I can't anymore then the farm would be leased or sold

I'll cross that bridge when I come to it.

Depends on level of debt when retire. Don't want to pass that on to future generations

Debt will be our biggest issue. We certainly aren't being paid enough with the current high costs of inputs and often having to take low prices for our stock

The next generation of farmers in the urban fringe would need 'freedom to operate' and access to the non productive land through some sort of model whereby the owners of the land are paid some sort of lease for their land. I'm sure if the planners prevented poor land managers from farming and they were faced with not growing crops or animals that a small lease payment by professional farmers would allow for the land to:

1. Become more productive
2. If a medium to long term arrangement for leasing can be arranged the growers might invest in pasture improvement
3. The land would be in better shape if the land is later sold.

Policy makers and regulators coming up with more ways to make our life harder and putting more red tape in the way without understanding the impacts of their actions

Government policy and reducing Red Tape.

Timing and market

Continued viability

The age at which I die!

The ability of others family members to work together.

No family members interested in continuing farming.

We would like to sub-divide some land that is close to other residential area for housing, but the zoning currently does not allow.

high land prices

If these new planning proposals impose too much of a financial burden to continue.

if i have enough money to retire without selling

Viability

If land stays as high as it is now with no return like this year farm will be on the market with in twelve months

Will find out when that gets closer to the crunch

Will not sell to anyone who is likely to use it for renewable energy facilities.

Too much farm debt and no price parity

We will have no choice

Capital gain too easy compared to paying ridiculous council rates and insurance

health

Land prices

family farm. Son will take over

Price offered for our land

Willingness of next generation to have a go, sometimes a thankless job with governments wielding a big stick

and telling us to reduce carbon and be kind to every animal, and pay taxes and pay rates, all gets a bit hard when it doesn't rain and can't afford to leave the property as we have 4500 animals relying on us for their survival

Depending on the potential long term to make a return on investment, otherwise sell up and put the money in the bank

The ability to remain viable.

Price

death

Numerous

Because Planning and Environment Act does not recognise succession planning as a legitimate reason for subdivision it means some farmers will stay on their properties and wind down production as they have no successor to support them as the successor cannot obtain a legal title to part of the farm. Winding down and staying on the farm has been documented in a range of farming sectors by researchers at Southern Cross University

## ON A SCALE OF 1 TO 10 RANK THE FOLLOWING PROTECTIONS FOR FARMLAND ON THEIR DESIRABILITY MANAGE BIOSECURITY RISKS

1 NOT DESIREABLE 10 ESSENTIAL

Answer	Answer Count	Percentage
1	11	9.73%
2	2	1.77%
3	0	0.00%
4	1	0.88%
5	5	4.42%
6	0	0.00%
7	2	1.77%
8	4	3.54%
9	5	4.42%
10	83	73.45%

## ONGOING FUNDING TO IMPLEMENT GREEN WEDGE MANAGEMENT PLANS

1 NOT DESIREABLE 10 ESSENTIAL

Answer	Answer Count	Percentage
1	19	16.81%
2	1	0.88%
3	4	3.54%
4	4	3.54%
5	21	18.58%
6	7	6.19%
7	11	9.73%
8	7	6.19%
9	5	4.42%
10	34	30.09%

A GREATER EMPHASIS ON PROTECTING FARMLAND IN PLANNING POLICY AND CLEARER ADVICE ON HOW TO BALANCE THIS WITH COMPETING PRIORITIES SUCH AS PROVIDING LAND FOR HOUSING

1 NOT DESIREABLE 10 ESSENTIAL

Answer	Answer Count	Percentage
1	10	8.85%
2	0	0.00%
3	2	1.77%
4	0	0.00%
5	14	12.39%
6	3	2.65%
7	6	5.31%
8	8	7.08%
9	7	6.19%
10	63	55.75%

## LIMITING THE PERMITTED SIZE OF FARMLAND SUBDIVISION

1 NOT DESIREABLE 10 ESSENTIAL

Answer	Answer Count	Percentage
1	19	16.81%
2	4	3.54%
3	3	2.65%
4	2	1.77%
5	22	19.47%
6	4	3.54%
7	5	4.42%
8	11	9.73%
9	6	5.31%
10	37	32.74%

## ON A SCALE OF 1 TO 10 RANK THE FOLLOWING PROTECTIONS FOR FARMLAND ON THEIR DESIRABILITY (CONT.)

### PUTTING PROTECTIVE OVERLAYS ON KEY AGRICULTURAL AREAS ON THE FRINGE OF CITIES 1 NOT DESIREABLE 10 ESSENTIAL

Answer	Answer Count	Percentage
1	14	12.39%
2	4	3.54%
3	2	1.77%
4	0	0.00%
5	14	12.39%
6	2	1.77%
7	6	5.31%
8	7	6.19%
9	10	8.85%
10	54	47.79%

## WHAT OTHER PROTECTIONS SHOULD BE INTRODUCED FOR FARMLAND?

### RESPONDENT COMMENTS

Who owns farmland, how come our farms can be bought by overseas (people, countries, companies, etc) their citizens brought out here to work those farms, and all the produce produced sent back to their homeland ??? that does not make sense to me, where does that stop, at what stage don't Australians own Australia. I would like to find out what other country is allowing this to happen. A lot of food for thought ???

Increasing the size of land parcels that can have a house built on it

If you buy farmland you must farm it - even hobby farms - ie not allowed to turn it into a motorcycle track - must present a farm plan (similar to what England does) - that demonstrates understanding of weed/pest control, animal husbandry or agricultural understanding applicable to their plan.

Farming should be respected in planning provisions.

The right to Farm should be enacted in legislation

Stop the urban sprawl. Create more attractive apartment precincts that have nice parkland and facilities.

Instead of acres of colourbond rooves all gutter to gutter. And the transportation issues this creates

To be able to limit what and where renewable energy farms/ power- transmission lines can go

Heritage listing for all productive farmland that has been involved with food production over the last 100 plus years.

Stronger trespassing laws not the \$1.00 fine debacle rubbish witnessed quite recently.

Legislate against huge foreign owned corporations being able to just move into a neighborhood and turn good productive farmland into forests.

Stop housing on productive farmland

Zoning should be based on soil type and productivity, productive areas should remain in farming for the future, build on less arable areas/soils

Not sure

Over the last 3-4 decades many thousands of Hectares of farmland, in this region, has been subdivided into Rural Residential with complete loss of productivity.

Special rates farmers were there first and we need food

Farmers should have the right to decide what happens on their land. If the zoning is farming then farming should be allowed without outside interference. One example I know of in Central Victoria where a farming enterprise wanted to develop an irrigation paddock and some objections came from interstate hundreds of kilometers away - AND THEY WERE LISTENED TO!!

It is appalling to see the struggles farmers are going through regarding power transmission lines traversing their properties. We seem to want to build wind farms in Western Victoria when the power is needed in Melbourne. There are plenty of sites close to Melbourne that would be suitable for wind farms eg Dandenong Ranges, Macedon Ranges, You Yangs, Port Phillip Bay etc etc - but no - not in my backyard!!

The other appalling fact is that the farms with the wind towers get from \$20,000 - \$30,000 PER TOWER PER YEAR whereas the farmers who own the land that powerlines go across get a pittance for giving up their land..

Similar to farmland protection's in Europe.

Review compulsory acquisition regulations e.g. Note access for power lines.

no solar factories on high value agricultural land

No farmers, no food.

Windfall tax gives no other option but to sell out in most cases. Very unfair.

Unfair overlays and aboriginal issues can make things hard.

Mining companies can just come in and take over your land that has been held sometimes since settlement. This is wrong. Particularly in Victoria where land is small compared to large stations in outback and forces people to leave their homes and livelihoods.

Limited government involvement

Sunset clauses for all laws. We have too much regulation in general.

I'm concerned about the prospective arrival of wind turbines and the negative impact on nearby land values

Don't introduce dingoes

by Limiting the permitted size of farmland subdivision i assume this means ensuring e.g. 5 acre blocks should be stopped. It has ruined large areas of kymeton.

re: Putting protective overlays on key agricultural areas on the fringe of cities - this is already overdone in our area and we aren't on an urban fringe. There are tons of overlays on our block, i can't keep up with them. Maybe there are no such overlays on urban fringes, and if so, then answer is 8 rather than 5.

There needs to be a definitive understanding of the difference between as stated above, housing development, and the use of farm land to build housing for on farm workers, for family within the farming unit to aid progress. There are two separate issues here and they're lumped together.

# WHAT OTHER PROTECTIONS SHOULD BE INTRODUCED FOR FARMLAND? (CONT.)

## RESPONDENT COMMENTS

There needs to be more autonomy for farmers to control their own destiny, expand and protect their business and their succession.

Stop putting power lines wind turbines solar on prime farm land if it affects the land owner

Protection from energy project encroachment. Farming rights and property rights upheld for the farmers and their land. Not for the wind factory, solar factories and batteries and transmission lines. It's outrageous the amount of land being destroyed with these projects and the horrific impact on neighbouring properties and the once harmonious communities .

These questions are odd. Green wedge is simple , funding of management plans overlays , size limitations are thin edge of the wedge

Banning shipping containers

More small scale producers need to be supported, knowing your farmer is so important for building community. Limiting the scale of farms on the fringes of urban settings will support this, and help combat climate change and the duo-poly of the big supermarket chains.

A Food Production zone is essential to prevent non farming industries creeping in. Any tourism or processing activities need to be secondary to Food Production.

Farm favoured Tourism is destructive to food production- especially wineries.

Continued grants to support farm infrastructure .

Protection from big duopolies screwing farmers on price .

For us personally we don't want more restrictions on what we can and cannot do with our land. We have enough restrictions, rules and regulations to deal with as it is!

More reward and recognition for the effort involved rather than protection.

However we do need to have the right to farm without having to prove yourself to anyone that asks.

Do government want farmers? Doesn't seem like it at present. Maybe just stop interfering and let us farm. BTW we don't want any government assistance, we can deal with droughts, floods and other problems ourselves. What we can't deal with is interference in our markets. Eg. live sheep and cattle exports.

Limit urban sprawl

No subdivision before proper economic assessment. No further subdivision of land where there is no natural population growth.

Amalgamation of farm land should be solidified after a specified time frame with no breaking up farm land for resale .

Prime farmland should not be allowed to be put under housing, or trees, or other development, including wind turbines, solar etc.

We should place food production and food security at the top of our list or we will be overrun and ruled by another country.

Farms shouldn't be subdivided to plant houses

Stop water trading as water belongs to us all. Water rights should always remain a part of the property and sold with the land, thus water should only be leased in a trading system and not bought and sold.

Increase permissible size of allotments within a rural subdivision.

Solar farms and wind farms need to be stopped. We are selling coal to China. That's our resource.

People buying both within the peri urban zone (but not for farming reasons) + those adjacent should be made abundantly clear as to what situations they may experience by so doing, eg., animal noise, control of dogs & cats, odours

More people should be supported to start microfarms. Lots of very small, local suppliers is a much more resilient model than what we have now

People that buy land that is zoned as farmland should have the right to build a house on it. They can't farm it if they are not there. This especially applies to those doing more intensive enterprises such as vegetables, fruit, bees, aquaculture, etc. cases should be judged on their merits, not blanket rules and red tape.

Reduce rates for farmland.

No housing or commercial development on farmland. Instead, zone the poor unproductive areas such as shaly, gravelly, gold-mine type rocky country for development. This will have no impact on agricultural production.

Allowing subdivision to separate Forestry land from grazing land within the same property. Move to agroforestry rather than closing dairy/grazing operations to make forestry-only operations

Existing production and actual understanding of valuable farmland and assets (like water) comparative to lesser productive farmland. Zoning should be determined by the productive potential of land - not the overarching farmland (40Ha) rulings that shouldn't be blanket applied to all land.

Marginal land should be treated different than the production river flats (that could be flood prone anyhow) near Pakenham/Kooweerup. There should be a dedicated agricultural land protection act - that oversees any farmland subdivision or development to ensure that we continue to have enough farmland in our regions for that regions food security. If it is all sucked into development and large shopping centres replace these farmland areas we are less secure and far more at risk than ever.

Local Councils do not have the understanding or capacity to manage this - so there should be an external Agricultural Division that all these potential subdivisions (or extra housing on farmland) can be considered across the state. Understand that the local Councils can contribute to this outcome - but not be the decision makers. Particularly when some of the farmland division benefits actually directly benefit these influential local Councillors who own large swathes of farmland (and lobby to change the rate levies etc anyhow.

Remove minimum area requirements for building a house so we get more farmers on the land and the land can be more efficiently utilised.

Right to farm and to be able to farm your own property your way

Preventing poor land managers from farming the land somehow. Not sure how. Maybe employing biosecurity officers with an agricultural science background from AgVic to monitor the farms in the urban fringe. And if the land is managed poorly, the farming enterprise should be severely limited until it can be shown to be managed correctly. How you do this would require consultation and maybe initially providing examples of poor management leading to economic unviability.

Protection from wind farms, solar farms & power lines to the above.

Difficult to make comment on questions above, as most government regulation has unforeseen effects which adds complexity to farming practices. I don't need any more paper work.

Best, most arable farmlands should/must be protected from development - incentives to prevent land sale to developers?

Reduce rates for primary production land to support farmers

Legislation to limit the use of dangerous chemicals and urea fertilizer products on ALL farm lands ,so as NOT to contaminate ALL our food and animals

Conflicting development should not be allowed in Farming Zones.

Food is more important

no renewables energy projects on key viable farmland this is eating up more farmland than urban sprawl

STOP COUNCILS REZONING YOUR LAND WITHOUT CONSULTATIONS WITH YOU - AND PROVIDING A DAMN GOOD REASON FOR WANTING TO DO SO

Not allowing renewable energy infrastructure to destroy agriculture in an extremely productive agricultural region.

All farmland should be assessed by a council people who have a legitimate background in successful farming (and who have no vested interest in development) as to the potential for food productivity of land proposed for development. For example, it is an absolute crime that land such as Warrambool ground has been subdivided for housing and lifestyle farms. This is possibly the most productive food producing ground in Australia. The fact that they closed their livestock saleyards proves the shallow and ignorant disposition of the council. The state government should definitely have prevented this closure. Many regions in Australia have excellent soils for agriculture yet are coveted for development and approved by councils who simply wish to pursue more ratepayers. The government must act and show some vision and leadership to safeguard Australia's food production for the future of our country.

# HOW SHOULD COMPLAINTS RELATED TO FARMING ACTIVITIES (SUCH AS ODOUR, DUST, NOISE) BE RESOLVED?

## RESPONDENT COMMENTS

I am not too sure , these are often weather related as to wind and moisture in the atmosphere

Education , a hard one to get across to the general public

Face book probably could not handle this one either !!

The farm was there first

If people don't consider the neighbours before they purchase they are silly!

Easy - if farm was there first then farm has first rights - ensure housing estates are not built right next to working farms or developments must have as part of their plan a green wedge separating them from farm land - a strip of land however wide that must be maintained by the developers and owners of houses in the estate.

They shouldn't even be an issue.....if you choose the great lifestyle of living in a rural area, then at times you will be inconvenienced by dust or use of machinery.

Instead of living in town and having that one annoying neighbour all the time.

Its like if you choose to live near an airport or trainstation then complain about the noise....you made the choice so deal with it.

If you live next to a farm it's to be expected.

They shouldn't be allowed to complain

Maintain a buffer

If correct policies were in place our activities shouldn't be an issue

Most of this is created when people move into agricultural areas then complain

By better planning subdivisions of current agriculture zoned land restricting urban sprawl to appropriate areas.

Making sure that potential city centric people purchasing and moving onto these urban sprawl blocks are aware that they are moving into an active farming zone where farming activities do take place. Including noise, dust, smell, fertilizer spreading and animal noise activities as a daily occurrence.

The complainant should be advised to move away from farm land.

### BETTER CONSULTATION WITH LOCAL COUNCIL

If you live near a farm expect the way it runs.

Farmer where here first and this is part of farming

A very complex question. Firstly, cereal complainers should be classified as such. Our area sees objection to development on farmland, often many Km away. I think these objections should be called out. Dust, noise and odour, should be sensibly regulated within Right to Farm .

Do nothing we need food

By having Right to Farm legislation that allows normal farming practices. Build property near to livestock operations then expect to hear animals making their natural noises and there will be odours.

Build near a cropping operation and there will be normal cropping operations - dust, sprays, crop residue burn offs, machinery working 24 hours a day at times sowing and harvesting crops.

Farmers were there first and we do not work office hours and we farm animals and use noisy machinery!!

Farms have existing use rights so new neighbours need to be aware of farming activities which may be offensive usually only for short periods relating to seasonal conditions requiring specific activities.

Mediation.

Mediation

The complainant should be told , you moved there , if you don't like it move out .

Go back to the city!

Who was here first. Not the answer in all cases but would be the case in 90% of cases.

We need a better education program about farming to the general public.

With common sense approach

If someone moved into a farming area, they have to bear the externalities or move back into the city.

In an agricultural area where these things may be the usual then they must have precedence to continue as normal

buffer zones

Probably some type of arbitration

Just adding more restrictions on farmers will not help, people living on urban fringes need to understand they are moving to the country not the other way around . Farming is currently attacked enough from every angle. A lot rests on local councils who need to be more rural savvy.

Common sense

At least by following up their complaint -----now ,no one ever follows up

Sensitively.

Thru relevant processes

If the farm was their first - they have to deal with it.

Right to farm

Local council

Conversation!! Communication!!

Real Estate Agents need to provide the reality to potential buyers up front.

If between farmers eg chemical farming next to Organic farming, the EPA needs to enforce containing chemical/dust drift/noise laws.

When we purchased our property we had to sign a waiver to say that we could not complain about surrounding smells from chicken farms nearby. When you buy next to farms you are buying into the odour, dust and noise.

People need to be made aware of the risks before purchase.

The people making them should be told that if they want to eat, they should suck it up!

Firstly people need to be aware when they are buying land near farms.

Secondly, the new neighbour must understand that the farming activities have most likely been happening for years and if they want to eat food then they MUST accept that farming isn't what they see on T.V.

# HOW SHOULD COMPLAINTS RELATED TO FARMING ACTIVITIES (SUCH AS ODOUR, DUST, NOISE) BE RESOLVED? (CONT.)

## RESPONDENT COMMENTS

It DOES smell and sometimes it's NOISY.

Sometimes farmers can be hard to change, they have done things for years a certain way and farmers can be difficult to educate to newer and better techniques.

Depends who was there first

Farming first

Council planning to assess impact of changes in land use and complaints should have no standing where farm use was pre-existing.

Environmental protection agency

If it was already going on when you bought and you didn't take it into consideration - tough!

If it is a farming activity - tough.

Get an education town people on how agriculture works!

Get an understanding of how hard it is to make a dollar in farming compared to leeching off the government in a government funded job, keeping a chair warm in the office and then coming out here for the evening or weekend.

If you move next door to a farm it is to be expected. No different to buying a house next to the airport and complaining about aircraft

A signed document as part of the property sale describing the property is in a farming region, and the expectations of farmers farming in that environment.

Local council should take a proactive approach and setup Agribusiness task forces if they haven't already. In cases where farms have been existing before housing encroached, try to point out to complainants that the farm business was operating before they moved there

What about complaints for farmers on adjacent development. We have water quality issues in our dam due to development in our catchment upstream.

An awareness statement put into the section 32

Haven't had this issue really.

They chose to move here....tell them to deal with it or f^ck off back to the city! Plain and simple.

See above. Non farmers should be required to sign a document saying that they are aware of the various farming innuendos with which they may become involved

Mediation

If there is dust then it is most likely due to poor farming practices so that needs to be looked into. A good farm should not be that smelly either. It is important that farmers are educated on good practices but at the same time, they must be given priority over whinging neighbours who have chose to live there. At no point should the complaining neighbours get their way simply because they don't like it. Go somewhere else.

In our area, people choose to live near farms. The above should be considered when making this choice.

By some open and published system of rules

It needs to be discussed with each parties and be put thru a simple pub test. That if you put the shoes on the other foothold you like it to be happening to you. But remembering that it's a farming zone and not everything is perfect each year and sometimes seasons can have a major impact which at times can be out of everyone's control

There should be a state wide 'Buying land near farmland' booklet - and any landholder or buyer should be provided with this. The right to farm should be based on the existing 'rights' of landholders.

Lifestyle properties should not be approved if this is not considered as an impact - at our place (on 100acres) two small lots were approved across the road from our farm - directly adjoining stockyards where calves would be weaned or retained for transport. This should never have occurred. Not to mention they are 5Ha lots on the top of a sensitive river (one that now has a wood yard across the waterway). Environmental and farming impact should always be considered prior to lifestyle (non-productive) land users - if we want to have food into the future.

In a regenerative farming operation these are not issues. These are only issues in intensive industrial farming operations which should not be practiced in any case

Bearing in mind that the farming operations have been in place long before the hobbyists arrived, and that the farming operation is in a farming zone, any complaints should be filed in the dustbin.

If the producer is following best practice then complaints shouldn't be pursued

When people buy land in regional rural areas the shire councils should require upon transfer of title that new owners sign MOU they've moved into rural area and will adapt to new surroundings. Also anyone buying 20+ acres must complete training course in land and livestock management !!

Definitely not through council. Independent arbitrator

Education

Big problem. I guess education. The other big one is chemical application. The broadacre industry in the last 20 years has moved from high risk drift spraying to using coupler droplets to prevent drift. Education is a big key to improving the outlook for urban farmers. Maybe requiring all urban farmers to be compliant and hold an Australian Chemical User License (ACUP) for both the application of herbicides/insecticide/fungicides as well as animal health products. If they aren't compliant then either stop farming their land or for a small lease over 5-10 years have a local professional farmer farm the land in a productive manner

Who came first, the farm or the house? If we are not allowed to farm the way we need to be profitable and maintain employment for our staff, then rezone to allow farmers to move on.

Noise....implement time zones for loud farming activities. Eg. 7am - 7pm.

Dust and odour....tree zones around property boundaries.

With reference to appropriate local laws if required.

A special body.

Not VCAT as too long time time delays

Independent arbitrator with farming experience.

Ensure developers keep a designated distance from the farmland (similar to the overlays near state parks/forests) - developers to plant and maintain a green belt

Start with an MoA in the development of land packages that recognises the area as having a pre-existing 'right to farm'

Farmers to give prior notice of intended times/dates for particular practices expected to cause some 'additional to weather related or normal practice' disturbance

Be positive in investigating the problem firstly ,,then limit the overuse of chemicals ,as is taking place right now

Just by speaking/dealing with the complainant personally and explaining what you are doing and try to understand their reasons.

if farming was there first & they move into the area they have no place to complain

Don't shift there if you can't put up with it

With consultation with the neighbours - in a set format for resolution - NOT IN THE COURTS

Ignored

## HOW SHOULD COMPLAINTS RELATED TO FARMING ACTIVITIES (SUCH AS ODOUR, DUST, NOISE) BE RESOLVED? (CONT.)

### RESPONDENT COMMENTS

Keep renewables out and there would not be a problem.

Any new developments must inform purchasers that existing farms and resulting food production take precedence over the whims of new residents. These new residents generally eat and drink. They need to learn respect for their environment and the people who grow their food. Really, farmland should not ever be encroached by suburbia. Problem solved. This country desperately needs more small family farmers - not more suburbs. Yet the government has encouraged the rich to get richer and the demise of small farmers.

If people move next to an existing farm operation they should understand what they're getting into.

This can't be resolved. So many instances where one farming enterprise is overwhelmed by new neighbours and complaints. All takes a huge emotional toll

have no problems with farming activities ,but i do have a problem with renewables ,mainly wind been built in communities and the lack of australian standards re noise and infrasound, their destruction of local roads ,changing waterways etc

right to farm. Who was there first? Don't like it ....move on

Make the people who cause the problem clean up their act

Tell the new comers to wrack off, if it's dusty and smelly, that is reality

People who complained moved their with the farm already there, make them move as the farm was there first

Civil conversation when people move to the area should realise farming causes some odour noises dust etc

if a farm existed first there is no complaint

Very difficult question in this litigious age. Most unfortunately are contrived by various individuals with a cause not conducive to harmony.

These issues should be addressed in section 32 in contracts of sale of farm zone land and rural living zone land

**HOW CAN THE VICTORIAN GOVERNMENT SUPPORT THE AGRICULTURAL SECTOR TO INCREASE THEIR PRODUCTIVITY TO FEED A GROWING POPULATION?**

**FUNDING TO SUPPORT SMALLER FARMS TO SCALE THEIR OPERATIONS**

1 BEING THE MOST DESIRABLE AND 10 THE LEAST

Answer	Answer Count	Percentage
1	33	29.20%
2	6	5.31%
3	11	9.73%
4	6	5.31%
5	19	16.81%
6	2	1.77%
7	2	1.77%
8	8	7.08%
9	2	1.77%
10	18	15.93%
No answer	6	5.31%

**TRAINING AND FUNDING TO SUPPORT FARMS TO IMPLEMENT NEW TECHNOLOGY**

1 BEING THE MOST DESIRABLE AND 10 THE LEAST

Answer	Answer Count	Percentage
1	24	21.24%
2	11	9.73%
3	10	8.85%
4	9	7.96%
5	15	13.27%
6	3	2.65%
7	5	4.42%
8	10	8.85%
9	2	1.77%
10	19	16.81%
No answer	5	4.42%

**SUPPORT FOR YOUNG PEOPLE TO PURSUE INDUSTRY TRAINING**

1 BEING THE MOST DESIRABLE AND 10 THE LEAST

Answer	Answer Count	Percentage
1	47	41.59%
2	8	7.08%
3	6	5.31%
4	1	0.88%
5	10	8.85%
6	2	1.77%
7	2	1.77%
8	7	6.19%
9	8	7.08%
10	17	15.04%
No answer	5	4.42%

**ASSISTANCE FOR NEW ENTRANTS INTO THE INDUSTRY TO PURCHASE LAND**

1 BEING THE MOST DESIRABLE AND 10 THE LEAST

Answer	Answer Count	Percentage
1	33	29.20%
2	8	7.08%
3	8	7.08%
4	3	2.65%
5	17	15.04%
6	6	5.31%
7	4	3.54%
8	3	2.65%
9	6	5.31%
10	14	12.39%
No answer	11	9.73%



# WHAT OTHER PROTECTIONS SHOULD BE INTRODUCED FOR FARMLAND?

## RESPONDENT COMMENTS

Sorry , this is a difficult area to know what to suggest sensibly , in Europe farming is subsidized to a point of almost stupidity but they have kept their farmers The way farming is going in Australia how do we keep our farmers profitable. This year the majority of farmers are going to have it very tight financially , either through drought over most of the western 2/3 rds of the country , or floods over the rest of the country , very few will be shouting with glee. I trust this survey will be of help to the decision makers

Reduce red tape, cap shire rates, cap fire protection services levy, cap farm insurance, reduce costs on freight/truck companies, reduce gas and electricity costs, cap superannuation, holiday and sick payments

Somehow make farming land affordable again and support boutique farmers - such as those small/hobby farmers or intensive farming near towns etc to be able to sell their produce as well - supporting small land holders between towns and large scales farms could act as biosecurity barriers, land improvement and biodiversity opportunities just to name a few ideas, protecting bigger scale farms from urbanization and its issues

You can't throw money at individuals to a fix something this nuanced. A step in the right direction is not standing in peoples way. Farming is hard enough without zoning restrictions, obscure overlays, bureaucratic injunction or competition from land bankers.

All the above are nice warm fuzzy policy announcement headlines.

The real help would be: Fix our roads and rail infrastructure - Help with pest control and make it easier to get permission to control kangaroos. Funding for exclusion fencing.

Education for general public as to where their food comes from.

Fund Ag vic to research and come up with a roadmap to future proof our farms producing good food sustainably into the future whilst protecting the environment.

Most things can be solved through clear dialogue between concerned parties and government support. I hope that the preservation of productive agricultural land is taken seriously by all levels of government and reserved for future food production.

Urban sprawl needs to be restricted to current areas and utilized more efficiently than it currently is.

Farming is the backbone of Australia to supply it's population so we need all the support from government that they can give otherwise we will buying all our needs from overseas.

Young people (particularly Female) are the farmers of the future. With modern equipment Females can do any of the traditional work that was once the males domain. We know of young Females (pre teenagers) already operating some machinery very capably - they are the farmers of the future and they are out there having a go!! - and getting well paid for it!!

Fix the rural roads, get most of the heavy trucks freight off the roads and sent by rail. Much better environmentally.

Bring back agric subjects at school to be taught by proper knowledgeable folk .

More Diploma courses to be offered

Current Victorian government have shown very little respect for farming or regional Victoria, current power line mess is a good example.

Support for farmers is not wasting money in supporting unviable farmers. The farm management deposit system needs to be changed to make it easier to withdraw and self fund during extreme weather events without being taxed on withdrawal and getting rid of drought and flood relief.

Your survey has technical faults in the first questions. Not applicabile should have been added here. We need less regulation in general. Government need to get out of operational and management issues.

Control the local councils.

Too much money is extracted for very little benefit via land rates.

Remove building permits for sheds and such.

Remove roadside grazing permits

Less restrictions on farmers so that there is more diversity of approaches to land management.

Government could also do this:

- Better feral management. Cats, foxes, dogs, deer are running rampant in macedon ranges. Lambs get mauled by foxes. also I have small native marsupials on our block that need protecting.

- Enforce trespass legislation for activists affecting business activities.

This statement is not articulated or demonstrated by our government. To begin with, the government should adopt this statement and it would instantaneously resolve a lot of issues. There is a war against agriculture, there is no respect for food production for this country.

Protect existing farming land, do not allow renewable energy projects to be placed on agricultural land. It's criminal to be using our very small amount of productive agricultural land for energy projects. The impact on the host property, neighbouring properties, down stream properties, those forced to host transmission projects is having an enormous impact on farm land and property rights.

The Victorian Government's Offshore Wind Policy Directions Paper states that up to 70% of agricultural will be required to host wind and solar factories if the government cannot meet it's offshore wind targets. This doesn't include transmission, battery installations, sub stations and other infrastructure. At a public meeting last year our community asked Alistair Parker CEO of VicGrid about this figure, he said that Vic would get all its offshore wind and that it would ONLY be 55% of Victorian agricultural land required!!! This was before the South West offshore zone got reduced down to 1/5 of it's original size. We have an extremely serious food security issue ahead. Not to mention all out war in the regions.

Protect prime farmland from being used for other purposes

Biosecurity. Non compliance by electricity utilities and their contractors impedes effective bio security.

It is SO hard for young farmers to access land to grow food. The aging population of farmers directly links to this. Hero the young farmers!! Support them to buy or lease land! Invest in their start up costs! Without this support their business endeavours end up not working out. So many small scale farmers cannot sustain it and finish up early. Say no to Big Ag!

Protect intergenerational farming knowledge. Decrease unnecessary costs & laws. Stock at Large laws need reviewing to recognise that fences can be damaged by trees & wildlife. All drivers in rural areas need to recognise that wildlife & stock can be on roads & drive to conditions.

Pay older farmers to .enter & share land with new entrants.

Encourage lifestylers to share their prime food production land with those wanting to farm via a special Farm Rate.

Young people learning from the dying breed of skilled farmers.

Fair trade prices for products so that all elements of the food chain are profitable.

Since it's the Vic government making all these ridiculous rules around housing for seasonal workers, it would be good if they could reverse them and help farmers by making it easier to house them. The rules changed last year to go on only bedroom sizes rather than the overall house size, as it has always been! Just help farmers by not implementing ridiculous red tape we have to keep jumping over! It really is getting to be the nanny state! You have to have a degree in politics and legal jargon to keep up!

We need to be careful with farming.

# WHAT OTHER PROTECTIONS SHOULD BE INTRODUCED FOR FARMLAND? (CONT.)

## RESPONDENT COMMENTS

Everyone wants cheaper food and farmers around the world are ready to walk away in droves.

We have become so overwhelmed with satisfying regulations and working for no real reward, that it won't take much more to push farmers past the point of wanting to farm.

We farm because we enjoy it, the lifestyle, the satisfaction of feeding people, being outdoors, etc. however we can't do it for nothing.

People and governments everywhere need to appreciate the work we do and understand that over regulating an industry will destroy it.

People will go hungry in the not to distant future and it won't be from climate change, it will be because farmers have been pushed beyond the point of no return.

Government should stay out of farming!!

We will pay our taxes (Last year I paid \$200k in income tax) and in return government shouldn't interfere with our markets or try to put handbrakes on us embracing technology be it through genetic or other means.

Maintain existing suburban boundaries and increase population density to protect farm land and improve efficiency of infrastructure within existing suburban areas.

Don't desktop anything it doesn't work. Think of how to let farmers carry out their activities without unnecessary encumbrances

Set up costs are prohibitive these days. Unless you inherit your farm it is practically impossible to start one.

The government should provide grants for tangible things that will increase productivity or scale productions.

Training is only one thing. I know what I need to do, but I don't have the man power or capital to do it.

We need STUFF - funding for more or better fencing, labour, man hours. That is what we are short of to make the necessary improvements. Then productivity will increase.

current victorian government is anti agriculture, and only interested in urban issues

Listen to the people on the land by implementing legislation that will assist, not hinder farming. Farming ideologies and philosophies are very different from the 1970's & 1980's, Farmers understand the importance of environmental stewardship and rejuvenation more than ever.

Changing food safety laws to allow for production of meat locally to reduce food miles and allow for better local produce and community markets

Smaller farmers can also be profitable - economy of scale.

It is not only the young people or new entrants in this industry that need support.

Australian agricultural finance is backwards compared to the world stage. We are never going to attract people with out of date financing options

Covered in previous comments. Thank you.

Class 4 food businesses should be able to cut and package low risk vegetables such as pumpkin without having to install a commercial kitchen

Get rid of red tape and ridiculous rules regarding land use and extremes in animal welfare. I wholeheartedly support animal welfare but those with their agendas to get animals out of farms are seriously harming the very future of our country. Ruminants, in particular, when grazing grasslands in a holistically managed program, draw down carbon into the soil. The whole methane issue is a red herring - see the work of Dr. Walter Jehne and others.

Publish a guide for how to deal with all government departments when running an operation.

We need to continue to support anyone with a genuine interest and desire to get involved with farming and if they show real capability then allowed a pathway to grow from there

We work closely with organic producers on all these components. The State Government could provide affordable loans (like bonds) to support community owned infrastructure that would increase community cohesion, expand the understand of local food production and also increase local food security. There should also be a review of the existing trainee and apprentice programs that are just not fit for purpose. Students should be able to be placed across a mix of farms under one organisation (like ORICoop) and gain different experience and learn from different business owners. Farmers are not able to commit 4 years to one student - and this limits the learning for both parties (and poor success outcomes)

Ensure farmers get paid fairly for what they produce and remove barriers for on farm processing and direct marketing

Increase stamp duty concessions for farmland

Our kids want a career in agriculture and if possible join our business - but we don't know if our business will be viable enough

Too much land being sold to corporations and overseas companies which pushes younger and smaller producers out. We also need a cap on costs (rates, insurance, fuel, fertiliser, machinery etc)

The Climate change agenda is a fraud.

We only have Climate data for 100 years. Climate cycles can run for over 300 years or longer. Our country is NOT getting hotter and dryer...you'll see that over next 4 years.

Stay out of the way. Public funding should not be diverted into supporting non viable businesses. Stamp duty relief and training for young farmers is useful, otherwise attend to the appalling road infrastructure and other issues impacting agricultural businesses such as exotic disease management. New technology will be adopted (and is adopted) by the sector when it makes economic sense

Towns & cities need to be compact, as in the UK and Europe

Eliminate stamp duty on purchase of farming land.

I don't think the above selections have anything to do with increasing productivity.

How about dealing with supermarket bullies not paying fair prices? Cheap imports flooding the shelves? The price of fertilizer - super is \$1000 per ton!

Stop forcing farmers to be organic or free range until you have a solution to avian flu, rabbits & mice, insect pests, etc that devastate productivity

Vic Govt could do more to promote a shift in public sentiment in favor of farmers & local produce

Only support any new entrants if they positively agree to farm in a regenerative system

By making sure local Councils do their bit to also support farms and farmers, by not imposing heavy burdens of rates and charges.

The Vic Gov introduced the need for training on Telehandlers - deadline end of this month - no course yet exists - LIVE up to your own promises before making other promises that you never plan to keep.

In relation to the last question - the Australian government needs to assist Australian entrants who are unable to reasonably obtain funds to buy into agriculture due to the prohibitive cost of land. A means test needs to be taken to ensure that we see genuine young people with knowledge and passion for the land have their chance to farm. Not wealthy generational family farms increase their holdings to the detriment of genuine young people with potential for the industry.

Get rid of the windfall gains tax

Government should put electricity underground off farm land. Crown land leases should not have public access for camping, higher penalties for farmers and contractors doing the wrong thing.

Get rid of government red tape and bureaucracy at both state and shire level ,wont need funding if we arent taxed the bejesus out of. And ever increasing rates and charges that dont take into account the ability to make money off the land, is the real killer, also the road infrastructure is shocking. having to travel a fair way to services makes it cost more by having to travel slower ,doing more damage to you vehicle, most of the country roads are that bad ,would be easier driving on gravel ,and dropping speed limits is stupid , just causes more fatigue on a long journey

## WHAT OTHER PROTECTIONS SHOULD BE INTRODUCED FOR FARMLAND? (CONT.)

### RESPONDENT COMMENTS

Government can remember to keep supporting our Landcare facilitators and our best wool/lamb/beef groups,

Once again the survey doesn't understand the new direction farming is taking in peri-urban zone where scale is too small to be commercially viable. But the farms are not too small to participate in carbon farming and the Nature Repair Market. The majority of people who are buying farms in peri-urban areas do not buy for commercial farming but for lifestyles and sometimes hobby farming. The majority work off farm or if on farm in other businesses. These people will be more attracted to carbon farming and nature repair market as farm outputs. Most are also wealthy enough to pay for their own consultants, advisors and training. The best government should do is take an holistic approach to planning and encourage carbon farming and nature repair to be undertaken in the peri-urban zones. There are plenty of organisations which can help new owners with advice, the owners just needed to pointed in the right direction.

