

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Securing the Victorian Food Supply

Morwell – Thursday 16 May 2024

MEMBERS

Juliana Addison – Chair

Martin Cameron – Deputy Chair

Jordan Crugnale

Daniela De Martino

Martha Haylett

David Hodgett

Nicole Werner

WITNESSES

Andrew Holman, and

Sterling Holman.

The CHAIR: Welcome back to the public hearing in beautiful Morwell. I will just run through some important formalities.

All evidence taken today will be recorded by Hansard and is protected by parliamentary privilege. You will receive a draft transcript of your evidence in the next week or so for you to check and approve. Corrected transcripts are published on the committee's website and may be quoted on in our final report.

Thank you for making the time to meet with the committee today. Would you please state your full names and titles and make any opening remarks.

Andrew HOLMAN: No worries. Thank you very much. My name is Andrew Holman. I am a dairy farmer at Poowong in Gippsland. I am the fourth generation of dairy farmers in the area there.

Sterling HOLMAN: I am Sterling Holman. I am the son of Andrew, also a dairy farmer and just finished year 12 last year.

The CHAIR: Great. So you are fifth generation?

Sterling HOLMAN: Yes.

The CHAIR: That is amazing. Would you like to make some opening remarks?

Andrew HOLMAN: Yes. Look, I am very pleased actually to be asked to come along and speak to you. It is a whole new experience, all of this type of stuff. I have always been keen to see where it all goes. And think back to the 1830s when Melbourne was actually settled by John Batman there on the Yarra, and in 200-odd years where we have taken the whole state. And if we try and project that forward another 200 years and the population growth we have seen in that time, where are we going to feed everybody from? As was said by the previous speaker, we are not making any more land, and if you put a house on a piece of land you are never going to turn around and remove that house to grow vegetables, put a steer on it and all the rest of it. Everybody's standard of living is actually really increasing at a rapid rate. Everybody wants to basically work less, get paid more and eat better across it. And you go, we are in a real problem going forward as to where do we find enough food for the population to keep at that standard. And to say, 'Let's just import it from overseas' – I would assume if you went overseas they have got the exact same problems over there at an increasing rate, and you go, there is no overseas supermarket to go to, and if we do not turn around and look after ourselves we are really going to run into a starvation point, which to be honest I do not think is far away from where we are now.

The CHAIR: So tell us about your farm.

Andrew HOLMAN: Mum and Dad bought it 50 years ago. Dad was a banker, and he said he could never give his son a bank so he went and bought a farm 50 years ago, and from that we have expanded it over the time. We now have a total of six farms amalgamated together, and hopefully this year we will milk about 375 cows. We have got a 50-stand rotary, and I have set it up as a one-person show in terms of actually physically milking, because that is another thing we could go into is labour, trying to get labour for the whole agriculture industry. It is not a fashionable industry. Even though I have a huge amount of technology in the actual dairy and all the rest of it, trying to attract staff is the biggest problem. Seven days a week 24/7 is what our place runs – if there is a calf needs delivering at 1 o'clock in the morning, I will be there doing that type of job, then go home and get up and go and milk and then do the rest of the jobs. Trying to get labour on an hourly basis, or however you want to describe it, is a big problem.

The CHAIR: And, Sterling, is that where you come into this?

Sterling HOLMAN: Yes.

The CHAIR: Tell us a bit about you.

Sterling HOLMAN: I am just working on the farm at the moment with Dad. I am currently in a gap year, and next year I will be off to do an agribusiness course up at Wagga at Charles Sturt. I am just there helping out and doing what I can – driving tractors, feeding cows, looking after calves and whatever needs to be done.

The CHAIR: Excellent.

Nicole WERNER: And what made you want to go into that? Because that was one of the challenges that we heard at our previous public hearing – that for the next generation of farmers there is less appeal. So what was it that made you want to pursue that course?

Sterling HOLMAN: I have been on the farm for all 18 years of my life and just done it all the time. It has just been something I have always loved doing. I love looking after animals and driving tractors and that kind of thing, so that is what has kind of just attracted me to it. It is true that in our local area there would be about two of us of my age that would be really coming into farming soon, so it would be really a challenge to try to get some new people into farming in the future.

Nicole WERNER: And being that you are someone that has chosen to do that, what do you think could be incentives or things that we could offer to attract that next generation of farmers to actually take up the trade and take up the family farm?

Sterling HOLMAN: It is more of a point of it is very hard to get into farming initially. Trying to get the funds to buy a farm at \$15,000 an acre at the moment is almost impossible. Just trying to get the skills and learn – because you have got to start from nothing if you are new to the industry, so you have got to come in and learn from someone and have someone to teach you, but there is not anyone there to do it for you. So it is going to be quite hard to find someone to teach you or even get the funds from banks when you are very young. They are not really going to give you \$30 million to go and buy a farm.

Nicole WERNER: Fair enough.

Martin CAMERON: Andrew and Sterling, thanks for coming in and facing the committee.

Andrew HOLMAN: No worries.

Martin CAMERON: We are not too bad in here, but we do thank you for coming on. In your opening remarks you were saying how you have expanded the farm over time. Can you tell us a little bit about the difficulties in having to do that and difficulties moving forward if you need to expand again?

Andrew HOLMAN: Yes. Starting back in 1974 when Mum and Dad bought the place and all the rest of it, I think we could look at it and say that was the changing point where agriculture definitely changed in terms of land ownership. In the 70s and all the rest of it the price of land was about \$510 an acre – what Mum and Dad paid for it. When the dairy industry collapsed in about 1976 Dad went back to Melbourne and actually drove backwards and forwards to Dandenong every day building fibreglass boats. The amount of money he could return could actually assist in paying the interest and keeping the farm viable.

In the 1980s we expanded and bought the next bit, and I think we paid about \$1100 an acre. There was starting to become a disconnection between what we could actually make off it – and in this I am talking milk price – and what the land was actually worth. So the first thing that most people did was to cut off the house and then they just kept the land. All of a sudden that is where you found one of these country properties that you might want to go to – an old farmhouse available on 10 acres. That kept going. That actually was trying to reduce the cost per acre, so to make it more viable. If you continue that through from the 80s and into the 90s, it was still done, as people could buy the neighbour and expand through to the next property. Then it got to the point, as we started to click into the next millennium, that people's debt just started to increase, and they could borrow money a bit easier and so forth as the land price increased and Melbourne moved out. I think the next bit we bought was about \$3000 an acre. And then it continued on.

Now we have got to the point I think that a lot of farms are carrying so much debt per acre and all the rest of it, there is no real viable expansion point. The last bit that I bought I paid \$6000 an acre for. So it has been pretty consistent over the 50 years that every 10 years it nearly doubles in price. It has got to the point now there is no

connection between land price and what we get off it. An example of something that has happened, down the road, 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. I think it turns round – if you roughly work it out, it was something between 7 and 8 per cent, so you are looking at about \$150,000 to \$170,000 here in interest. And it is capable of producing 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 is where I think the biggest problem we are seeing is that we have seen this expansion of Melbourne coming out. Somebody in, say, Black Rock has sold a place for \$2.13 million and they have decided they want to come out to the country, and they have come out and 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.’ No house on it – they will build a house undoubtedly there – but they are going to just pump their money from their business in Melbourne into it. I think, as I said, what I would like you guys to look at is negatively gearing of farmland. I think it is something that we have got to really consider, because somebody that has got a good business in Melbourne, whether they build Bunnings factories or something like that, they have no shortage of a quid, they turn around and go and buy farmland and say, ‘We’re going down to the country to our country property’ type stuff, but when you have a look at how much they actually make off it and whether it is a viable farm, they are not really viable.

We are still I think very lucky here in Victoria that we have got enough land that is left that we could still feed ourselves for a long time if we manage it properly. It is not actually we do not have enough land, but we have got to really make it a viable option to keep the farmers there and help them to continue along, if that covers the point.

Martin CAMERON: Yes. Thank you.

The CHAIR: Well, I think it does. It is really interesting hearing about this. I am from western Victoria in Ballarat, and we do see people taking these lifestyle properties up, so just as it is happening in the east it is also happening in the west as well. I am really interested in your plans for the future. Obviously you have got Sterling and Cooper, and you are a parent – you worry about your kids and what the future looks like for them. What are the plans? You have talked about the innovation and the technology that you have brought into the farm to try and minimise labour costs and skills shortages and stuff like that. What else are you looking forward to doing on your farm to try and keep it viable and sustainable for future generations?

Andrew HOLMAN: Well, leading up to this over the last month after I had been asked – you know, I have been looking forward to coming here – I think our farm is as viable into the future production-wise as any place. We have got excellent rainfall and we have got a good soil type and all the rest of it. The amount of livestock that we run and all the rest of it is all sustainable, so I can keep producing the amount of milk that I do for years into the future. The biggest problem lies in that come 3 June we actually have the announcing of the opening price for the forthcoming dairy season. Now, everybody knows about the cost-of-living increases that we have seen, and you can put a percentage on it, all that. They are trying to talk the milk price back 25 per cent.

The CHAIR: Wow.

Andrew HOLMAN: So you try and point to any other business and they want to talk it back. I buy as a retailer and sell as a wholesaler, so all those costs have been passed on to me and all of the rest of it. And you would say, ‘Well, where do you make the difference?’ I can tell you there are a numerous amount of farms that we can go to that their definition of a good month is they have paid the bills without going into the overdraft. And you go, ‘We’re going to have all this viability and worry about where we’re going to get food from in the future, but we as farmers have to still make a buck to actually be there to pay.’ Like, you get somebody out to service a tractor; it is \$185 an hour to service a tractor. You know, I got two serviced the other day; it was \$3500 in one day just to change oil filters.

The CHAIR: Wow.

Andrew HOLMAN: And you go, the amount of money I make out of milk – like, today is probably the peak amount I get paid per litre, this time here in the autumn, and I think we are on about 72 cents, 74 cents a

litre. So if you calculate – everybody has got a coffee in front of them – they turn round and you go, ‘There’s 100 mL of milk in a coffee.’ And I go, ‘Well, I get 7.4 cents for that.’ And if you go and buy a coffee, what does it cost you?

The CHAIR: Four or five bucks.

Andrew HOLMAN: And you go, ‘So water must be dear.’ I often say, if you go to a supermarket or you go to a service station on the way home and you look at a bottle of milk and you look at the bottle of water, tell me why the water is always dearer than the milk. We have got to learn to take the white stuff out of it and just produce water. And it is a nutritional food and all the rest of it. Whether you have views on it as to whether you like the idea of the dairy industry or not, a lot of people have survived on it and everybody still drinks coffee and all the rest of it. You might want to turn around and have nut juice and whatever else, but we still need it. And as an example of where it is all going, in the 1999–2000 year, the total milk production for Australia was 12.1 billion litres. This year we are going to crack 8.1 billion. That is how much of a reduction we have seen in actual milk production in Australia. What has the population done in those 25 years? And our milk production has gone down.

The CHAIR: That is an incredible statistic. You have just set my brain going.

Andrew HOLMAN: And everybody is drinking more and all the rest of it. As I keep saying, you have got a very nutritious food there, and all the rest of it.

The CHAIR: Yoghurts, cheeses and –

Andrew HOLMAN: All that stuff.

The CHAIR: All the wonderful dairy products that we have on offer, yet it has dropped by 25 per cent in terms of –

Andrew HOLMAN: And why is that? If you ask the question, we are not making enough money. People keep leaving. That is why we have got no young blokes in there. If you look at how many young blokes were around when I started farming years ago – and I actually had another career before I went back on the farm – if you go back and look at how many young blokes were around, there are just none around now. There is so much money to be made in everything else besides farming. It is a great career, it really is, but it is just sort of one of those things that it is so hard to make ends meet every month and really comfortably say, ‘Oh look, we can,’ you know?

The CHAIR: I guess that is a good segue: I told Sterling we wanted Dad not to do all the talking and that we wanted to hear from you – you are 18. You have finished school. Sterling was telling me he has just been to New Zealand, so a bit of international exposure there. What are your mates doing? What do they think about you doing ag? Do they all want to go to the bright lights of the big city, or are they doing trades or are they doing labouring – what are your mates doing?

Sterling HOLMAN: I went to school in St Paul’s in Warragul, and a lot of them have gone into uni at Melbourne this year. A lot of them are friends I made from Traralgon, Morwell and Warragul, and they are all from in town, and they have all just moved to the city and not really thought about staying in the country. I have got the occasional mate that has started a trade and done a bit of a sparky or a plumber or something like that, but the majority, it would be 90 per cent, have all just gone away. Those people who were in the country who would have had some idea have all just moved away and left. Maybe 10 of us are back home just to be here and do the farming and that kind of thing.

The CHAIR: Now, I do not want to put words in your mouth, but I reckon Dad is a pretty good role model. Tell us about why you, unlike your peers, want to go to Wagga Wagga and why do you want to study ag rather than follow all your mates to the city?

Sterling HOLMAN: To be honest, I do not really like going to the city. I just like the open green of being up the paddock, driving around in a tractor and looking at all the cows. When you are in the city, there are just too many people and heaps of cars everywhere. I just find even the air in the city is completely different to when you are up the paddock, and I love it so much more there. At least Wagga, it may be still a big town of

60,000 or whatever it is, but it is still quite rural and still rurally focused. And it probably has one of the better ag degrees in all of Australia, so I just want to go there and do something like that and just get away from the city but still have that agricultural feel when you are doing your course and get connected with people from all across Australia, whether they are from New South Wales, Queensland, South Australia and Victoria, and they are like-minded people, just to have a look in that agricultural sector and make friends with them because there are so few of us left.

The CHAIR: Questions, people?

Daniela DE MARTINO: Andrew, right at the beginning when you were talking about 3 June and the nervousness as we approach that date, you were saying they are talking about walking it back. Who are 'they'? Please enlighten me.

Andrew HOLMAN: That is all right. The processors who take all the milk off us – they are some of the big players of the industry and so forth. When I say that, you have got your Bega, then you have got Fonterra and you have got Saputo and those types of ones. They are the ones that keep saying, 'Oh, look, there's so much imported product coming into Australia,' which is quite possibly true. But the question lies, and I have chucked this at a few of them: if you were working for Aldi and you wanted to go and buy a heap of camembert cheese, and you wanted to put an order in for 10,000 tonnes of camembert cheese – I have just made a number up, I do not know what exactly it would be – nobody in Australia makes camembert cheese on that scale, so of course you have got to import it. My question to some of the processors is: have we actually been making the right product? We have turned around and put dryers in and that type of stuff to make milk powder, and we send a lot of it all overseas, a bit like New Zealand, but we have never really value-added the product correctly. All of a sudden they will say, 'We've got to drop the price.' So their solution to possibly their financial problems is to drop their input cost, which is effectively what we get paid in milk price.

Daniela DE MARTINO: Would you suggest – and I do not want to put words into your mouth either – that there needs to be a pivot and they need to actually look at what the market is wanting and turn and produce what the market wants, rather than leave it to foreign markets to fulfil that gap? I am thinking of camembert cheese here, of which I am a great fan.

Andrew HOLMAN: And so am I. I do agree, and I've always wondered whether the Australian industry has really concentrated on actually value-adding the product as opposed to taking down the line of going – we get a bulk commodity that comes in, and I think their peak day would be 26 October, that is the peak milk flow in Victoria. That is when most people's spring cows are in and all the rest of it, that is the peak volume, so they have got to get rid of so much milk in a hurry, and the quickest and easiest way to do it is to put it through a dryer and get rid of it. Then even that, you wonder whether – this is going off topic slightly – the processors have actually invested enough in technology in going ahead, because I think the newest dryer in the whole of Gippsland is 14 years old, and that is at Burra Foods in Korumburra. Some of the older equipment around here is just old. I know they were making butter in Leongatha in butter churns that were 40-plus years old. There are not too many dairy farms that still exist today that actually have so much old equipment. Mine, it is all linked now, we are online and all the rest. If you want, I can get on here through TeamViewer and I can tell you what the cows are doing at the moment and look at them in real time and all the rest of it. I can do all of that now. We have stuck with the technology. If you ask your son when he is in New Zealand, he can actually get online and check it from there and so forth if you want help.

The CHAIR: That is fantastic. Is there a role for the Victorian government, or how could the Victorian government better support farmers to adapt innovative technologies? Have you had any grants or supports to do it, or has it all been out of your pocket?

Andrew HOLMAN: It has been basically out of our own pocket. I have tried, and there seems to be such a small amount of money; if there is any available you have got to be so quick. We are in the process at the moment of putting on three-phase power. That is a big problem powering everywhere, whether you are in western Victoria, on SWER lines – the single wires – or you have got two-phase. Well, we want to go to three-phase so that I have got that facility down the track. Because currently Dairy Food Safety have turned around and said we have got 120 minutes from when the last cow has been milked to get the milk temperature down to 4 degrees. With the stroke of a pen somebody who sits at a committee can say 'No, we're going to drop that

120. It's got to go into the vat at 4 degrees.' Well, I do not have enough power to do that, so that is a major stumbling block.

We have signed the paperwork at the moment to get that extra 3 kW to come along, to get the three-phase there. Well, luckily enough it was originally quoted out at about 170 grand to get that put on – AusNet have come to the party and so forth and reduced it considerably, but that is still a true cost. There is no other money in the government to put towards that power so that I have got enough power up my sleeve. At the moment if we get a cloudy morning or something like that, I can see a drop in the power, so I can only say that that possibly is the solar not really kicking in quite to the degree it should. You can find out because electric motors will start to play up and stuff like this. That does not get a mention in the media, but I can tell you when you are operating it you go, 'All of a sudden I've got to start turning stuff off because I've run out of power coming into the system.'

The CHAIR: Have you got any batteries?

Andrew HOLMAN: No. The biggest problem with batteries is – all the people we have spoken to about batteries, we cannot get enough draw in a real big hurry because we run all electric motors, and say you run some pretty big electric motors for possibly 2 hours at a time, so the actual draw on getting a big enough battery is a problem. Probably as far as running a business, it is cheaper to buy the power than to set it all up with all the solar and all that type of stuff. I have my own generator as a backup if we need it.

Nicole WERNER: So, essentially if there is an issue with baseload power then there is going to be a big issue on the farm.

Andrew HOLMAN: Yes. That is why I bought the generator, just in case, for that reason.

Nicole WERNER: That is something we need to be aware of as well.

Andrew HOLMAN: It would be the best investment I have done – it really has.

Nicole WERNER: Yes. The committee might not know this, but my parents-in-law are actually sheep and canola and wheat farmers. They are third generation in that. My brother-in-law has taken up the craft, he is one of the four brothers that has done that, so the next generation of farming is very interesting to me. At harvest time we go up for tailing and when there is lambing and things like that. I know you would not guess it, but I do. I am sure my husband, if he had the choice, would actually love that lifestyle, but we have chosen to live in Melbourne.

All of that aside, I think it is so interesting to me as we face these new frontiers of farming in the next generations with innovation, with technology, trying to upgrade and trying to keep pace with this whole – I suppose what we are looking at is the whole supply chain, where the cost of living is an issue for the consumer at the end of the day. They are trying to bring costs down for them, but then we do not want it to be unfair for farmers, who are the ones producing, when you have got challenges like baseload power and when you have got challenges like if there is no sun out there is obviously no energy for you guys for that. In a bigger sense, what can we do to support our farmers better? What support can government offer to make sure that there are generations still wanting to take it up as well?

Andrew HOLMAN: One of the big things I see – I farmed in England for 12 months, and we could turn around and have a little village with all the houses stacked up side by side, and you could have a crop behind it. You might have cows, silage, whatever. Really one of the main things I see is the shires have got to turn around and not rate – I know it was mentioned with the previous speaker, but we have got to not be rated out of existence. I think that is a major problem. As soon as you get close to a town or anywhere like that, they say, 'Oh, well, your rates are now worth so much money.' Once again, we have put a land price that is irrelevant to what I can make off it. We do not want the rates to be the thing that actually knocks you out.

What is happening around home at the moment, there are quite a lot of people that have been lucky enough to inherit land around Melbourne, and they have actually sold that land and are coming down with some serious cash, and they are just buying up all the farms. They are at an age group that, if I look around here today, is a lot older than all of us type stuff, and they are just buying it all up. And is it productive when they buy it? No. They have got the cash and they buy it and it comes with no debt, but is it actually doing anything? And the answer is

no. It is just sitting there. I still think we have got more than enough good land in Victoria. We have just got to farm it and so forth and then have some support. Do not cut it all up on us and turn around and say, 'Well, you've got to have an absolute minimum of 100 acres to put a house on it.' That is, in my opinion, a stroke of a pen. And you could go, well, a different story if you are up in the Mallee and they say, 'Well, you've got to have 1000 acres' or something, but down our way if I found another hundred-acre block down the road that would be an excellent viable paddock for me to put heifers on, grow silage, whatever. But if somebody can say, 'Oh, well, I could put a house on,' all of a sudden somebody from Melbourne can come in and buy that and put a house on it. Once again, once it is gone it is gone. That might as well be whether it is that 87 acres or whether it is a house block. But once it is gone it is not farmable anymore.

The CHAIR: So true. Jordan, did you have a question?

Jordan CRUGNALE: Yes, I do. We spoke before you both sat down – and thanks for coming today – around viability, because you were listening to the previous presenter speak. Did you want to expand on your comments around viability?

Andrew HOLMAN: Yes. Well, as I stated before, the price we get at the moment is about 78 cents a litre, and you see whatever everything else is worth. Really it is one of these things that if I and Sterling were not lucky enough to have inherited from my father, there is no way you could come in and buy it. And you go, well – pick a figure – if it is worth \$15,000 an acre or something like that, and you go it is worth \$10 million, \$11 million, \$12 million by the time you set it all up, if you went to the bank, once again, like Sterl said, if you wanted to turn around and borrow that money, you try and work out what the interest bill is. If you pick \$10 million to make all the numbers easy, you go \$700,000, and you go you are only going to milk 350 cows, and you start to do the numbers on it, it is just not a viable option. That place down the road –

Jordan CRUGNALE: So it is around financial viability, yes?

Andrew HOLMAN: Yes. And so what can you guys do to that when this is only the price I get for the milk? Give it time, and it is a bit like I said about the price of land – it doubles and all the rest of it. We could use equity that we have got in the place because we have sat there long enough. At \$510 an acre versus where it is, we can do it, but if we turn around and find that there are too many people coming in pushing the price up because they have got the cash and all the rest of it, that is where we are going to run into problems that we cannot expand it. Once you cannot expand an agricultural operation it really starts to go backwards. All the other bit about being sustainable in terms of organic or whatever you want to look at from that point of view, I can do all that and go down that if I have enough money to pay the bills. It is a bit like climate change: true and honest, it does not really affect me a great deal, and I am probably going out on a limb saying this, but if I have enough money I can actually prepare myself for climate change. I can turn around and either stockpile feed, I can turn around and have enough water on hand and all that type of stuff, and I can take the troughs and peaks and all the rest of it with it. But if I am trying to do it and I am only paying the bills on a month-to-month basis, there is not enough fat in the system to actually make it happen. And you can just see by the ages of the farmers – I think the average age of the farmer is 57 years; like we are all old and so forth. If you look at it now and you were to ask a lot of farmers what sort of debt level they are carrying per cow in a dairy situation, some of them are carrying so much debt that the only way out is to sell the farm. And then what do you do? Do you chop it all up and turn around and put it into 100-acre parcels and so forth?

Another example of how the shires are making it difficult: 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. We are saying that there is a housing crisis – well, he could turn around and rent it out, he could turn around and have a labour unit that could come on. 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.' I think the shires are really a fair bit of a crux of where the problem lies in all of this, where they take on where want to take it, if that makes sense.

Jordan CRUGNALE: I wonder if some have sort of planning provisions for worker accommodation on farms which would be separate to a whole new house. I am not sure if that is something to kind of look at. Can

I ask, separate to the financial viability – I know there are federal grants, energy efficiency grants, there is the regional investment corporation stuff, there is stuff that comes from state government around grants and transitioning to lower emissions and stuff. Do you access any of those or your network of farmers? Because there are some out there – do they need to be tweaked and adjusted, better messaged? How can we better support it through the department, the ag department?

Andrew HOLMAN: Probably all of that as well. We probably do not actually hear about all the rest of it. But the biggest thing is myself personally, and I would say a lot of farmers are the same, we are probably self-reliant, and that is what we are. If anybody knows farmers, they will say, ‘I can cope with all of this. I just need to get a few more dollars in my pocket, and I do not really want a grant from all of that type of stuff. I’ll make it work, I’m stubborn enough.’ I’ll turn round and go, ‘I run the operation 24/7.’ It is one of these things.

I can give you another example. There are three farms that have been sold not far from me, and you will nearly go past them today – I do not know which way you are going to Cape Paterson, but you will nearly go past them. There were some cattle they got out on the road at 5:30 on a Friday. There are two telephone numbers the neighbour has, and I know the neighbour, and he told me this story. He tried to ring on the telephone number and got one of the managers who is in Melbourne, and he said, ‘Oh, well, I can’t do anything about it because it is after half past 5, and nobody will be down there until Monday morning,’ and that was it. The neighbour, being a good bloke, went and put the cattle away and so forth, but there is too much of this in my opinion – too many investors that are coming in, and then they are actually just using the land as pawns. Like I said earlier, the price of land doubles every 10 years, and there are people with cash going, ‘Well, I’ll just buy it.’ I have heard – whether this is true or not, of people that say, ‘Houses in Melbourne are being sold and they don’t even turn around and rent them out. It is just somewhere to park their money.’ I can think of other farms like that – at seven years and one month it came on the market, and all of a sudden it was just somewhere to store their money for a while, and it got sold.

Some of that stuff that is going on is not helping us as true farmers to try and stay in the industry and produce food. Because every day I will cut my hands like this and say, ‘I produce the best 1 litre of milk I can every day to give it to something.’ So not one of you people, I guarantee, thought about where all the ingredients came from for your coffee this morning. I am a food producer. I keep saying if that milk that I produce goes to a factory, they produce cheese, it goes overseas, some lady in Korea that is making the lunch for her little bloke has put that bit of cheese in there, he has gone off to school, she did not think about it, he may turn around and find a cure for cancer. You know what I mean? At not one stage did they think of the quality of food we have got. We are so lucky to have all this great food here and great people that can do it. To turn around and just sacrifice us for the sake of a few things – I think we need a lot more help with a few of those bits and pieces.

The CHAIR: Andrew, it is great to see you identifying all of these issues. What should the government be doing? What are some of the answers? What would you really like to see? In terms of securing Victoria’s food supply, what do we need to be doing? If you had a magic wand, what would you do?

Andrew HOLMAN: It is a big question, isn’t it, really?

The CHAIR: It is a big question.

Andrew HOLMAN: I do not know whether there is one particular answer you can say.

The CHAIR: Or just even spitball and throw up a few ideas that we should be considering. You have raised a whole lot of stuff about people buying farms and underutilisation and frustrations with local government and all of that, but is there anything that you would really like to see? We are doing this inquiry. We are wanting to hear from people of the land about how we actually futureproof Victoria’s food supply. Is there anything that you would really like to see actioned?

Andrew HOLMAN: I think I have probably covered a lot of them, and you have just mentioned them all then. You could probably delve deeper in all of them, but I think they are a few of the things, really, in terms of just not rating us out of existence. If we are lucky enough to have that there, do not turn around and say going forward, if we want a bit of support, like we want to build a house – but the biggest trouble I see when you are standing there and you are milking in the morning and you are thinking of all these things in your mind, there is always somebody wanting to get around it somehow and they will try and dodgy it up and all the rest of it.

We do only have a certain amount of good ground in Australia. Australia is moving north at about 7 centimetres a year, so we are getting natural climate change and variability. Why are we putting all the houses in the good places where it really grows? Like down, for instance, on the swamp down there, where you get asparagus – I suppose everybody loves a bit of asparagus – why is some of that being sold up and land-banked? You cannot grow it anywhere else in Australia, really. And I am not trying to put any other areas in the gun, but take, for instance, Melton or somewhere out the other side that is dry. It is a bit of a rockier climate. Why are there not incentives from the government through land developers to go that way and say, ‘This is our food bowl, this little bit here.’ Did we hear 47 per cent of Victoria’s food comes in the little vegetables area there –

The CHAIR: The peri-urban green wedge, yes.

Andrew HOLMAN: and 8 per cent of fruit and all the rest of it? The government should be supporting those and saying, ‘Well, why don’t we put some bigger roads to get them out there and hurry.’ Why does everybody want to come down to this neck of the woods down here and sort of say, ‘This is some fantastic country.’ It is all really good grazing country. The majority of Gippsland, with the topography that it has, is not croppable country. If you want that, you have got to go to probably the Mallee or somewhere else that has a different soil type. We have got a high rainfall – 48 inches on average type stuff where we are – and the terrain, because it is a clay loam type soil, goes quite hard if you keep cultivating it all the time. But in terms of grazing and all the rest of it, it is fantastic country – reliable. By the time where we are starts to have a drought, the rest of Australia – without being rude – is bugged. We are in such a good area, but you want to turn around and put a house on it. So it is one of those things. Do you turn around and convince the developers to go somewhere else? Either tell them directly or do not let them do it. I do not know the mechanics of how government would work. I do not know, but undoubtedly somebody could say, ‘Well, let’s go up there’ – fling your hook, and away you go.

The CHAIR: Yes. We have heard from our first day of the inquiry a whole lot of these issues about where we are actually allowing it. I have reflected on where I went to primary school in Ballarat. Danny used to walk across the paddocks to come to school. That is all houses now, so the whole Hayes farm has been sold up. We used to always laugh at Danny in his gumboots coming across the paddocks to come to primary school. That whole farm has now gone.

Andrew HOLMAN: Yes.

The CHAIR: So I have seen it in the growth of Ballarat, and I am sure other people have seen it there. That was really important farmland on the fringe of Ballarat. That is now all housing.

Jordan CRUGNALE: And I think it is through the planning provisions, like Dr Carey said before, around – I forget the name of the zone. We have got the urban growth boundary. We have got the green wedges – but to actually have a food production zone. We have got the rural conservation zone and all the different kinds of planning mechanisms to protect areas.

Andrew HOLMAN: And then probably just to demonstrate to farmers – as I said, we are quite a resilient bunch, really – and for society to turn around and value our product, there is a lot of stuff there that goes on. You sort of go, ‘Just appreciate what we do.’ The government undoubtedly could turn around and have a bit of a marketing campaign and actually just show it and go, ‘Well, this is where this comes from. This is where this comes from, and this is how they look after them.’

The CHAIR: Yes, absolutely.

Martin CAMERON: Andrew, you have modernised the farm, and you are lucky enough to have the fifth generation going through. You said the average age of farmers – I think you said – was about 57.

Andrew HOLMAN: Yes.

Martin CAMERON: The ones that do not have the next generation coming through and are struggling to get the labour force, where are they looking to in the future? Obviously as farmers you talk. What are they looking at – that they have got X amount of time left as a farmer?

Andrew HOLMAN: Yes.

Martin CAMERON: Are they looking to, 'I need my get-out clause, because the only asset I've got is the farmland itself; no-one else is going to want to come on and farm'? What are they looking at in the future?

Andrew HOLMAN: I was talking to a couple of them the other day in preparation for this, and they described themselves as terminal sires in terms of that there. They have amalgamated and 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. I can take you to numerous farms close to us where people have bought it because they have had the money, but do they farm it and look after it? No. The one thing about farmers all around the world, wherever I have been: they are passionate about loving the land. I know we had the introduction right at the very start to thank the Indigenous people and all the rest of it; I think if you went and found most farmers, you could fit them in the exact same category. You know, they know on their farm – 'That's the good bit of dirt over there. That's a bit shaley, that bit there. This is where it is.' You can pick it up and smell that dirt in your hands and all the rest of it, and you appreciate the animals that you turn off, the crop you turn off and whatever else. Your love for the land is there.

Nicole WERNER: And very evident in both of you, I think. We would all agree the love for the land is so evident in everything that you have said today.

The CHAIR: I am conscious of the time, so Sterling, I am going to put you in the hot seat again. What can the Victorian government be doing to support people like you?

Sterling HOLMAN: That is a very good question. People of my age see farming as very much a lifestyle; it is not just a job. It is seen in trends recently that 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. So I do not really know the solution, but it is just kind of the mindset of people currently in the world that they do not want to work as much as some other people. So you have just got to – I do not know really – look at them and try and encourage it and maybe more grants or something or workshops to help them to get all the skills and qualities needed in order to run the farms. But I do not know really. If people do not want to do it, well, they are not going to want to do it, so I do not know really.

The CHAIR: Going back to, Andrew, your point earlier about people not thinking about where their food comes from, they just think they can turn up at the supermarket, and we are seeing more and more chopped and plastic wrapped and everything like that. Sterling, this is to you: do we actually need to get some city kids out into the regions to have a great understanding? Should we really, through our education system, be learning about ag as a part of it? There are probably loads of kids in the city who would welcome the opportunities, but they just do not even know they exist.

Andrew HOLMAN: Could I say one thing carrying on from that? I agree entirely. A lot of farmers that you ask are actually quite nervous now about the groups of people that will come and protest and that type of stuff, and you go, 'I'd be quite willing to have that open farm day that they had 20-odd years ago. You can come and have a look.' But nowadays a lot of people are so worried about who would turn up and their motives and all the rest of it. So how do you vet enough people to be able to say that? But if you wanted to bring a busload of kids, I would let them come and have a look. We had a couple of commercials shot at our place for Devondale many years ago, and we had some TV crew come down from Sydney and have a bit of a look and so forth around the place when they filmed it. We happened to have a couple of cows that were giving birth at the time, so I got them to put a plastic glove on and have a bit of a go. It was just amazing to see the enjoyment and all the rest of it and to see life just start. One of the other things we have done in the past is called embryo transfer work, so similar to what happens in IVF and all that type of stuff. To turn around and flush a cow and then 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.’ People will turn up and go, ‘This is what you see.’ I just see it every day, and I go, ‘It’s a fantastic place.’ They are probably some of the things that as a farmer keep you going when you are trying to work out at the end of the month how you are going to pay the bills. But we get that used on us – that is probably the wrong way to put it. Because we enjoy it so much, we probably get screwed a little bit, and they say, ‘Oh, no, you’ll be right, you’re a farmer,’ and all of that type of stuff. It is sort of not where it is going now. Society is changing, from that point of view.

The CHAIR: Well, your joy of farming is contagious. Your love of land is admirable, and I just want to say on behalf of the committee, my glass is overflowing, my milk glass is overflowing.

Andrew HOLMAN: Go home and have a whole glass tonight.

The CHAIR: I will, because I drink a lot of milk, you will be happy to know. But I want to say you have really put a human face on this inquiry for us, and we are indebted to you, so thanks so much.

Witnesses withdrew.