

G21 Agribusiness Forum

Notes for the Parliamentary Inquiry into unconventional gas

The importance of agribusiness to the G21 region economy

The G21 Agribusiness Forum understands that the issue of unconventional gas is a complex one and requires significant investigation. It welcomes the current inquiry by the Environment and Planning Committee.

Agribusiness plays a vital role in the G21 region economy and the Victorian economy, and offers significant opportunities for growth and development. Anything that threatens the productive capacity of agricultural land in Victoria could have a significant adverse impact on the local regional economy as well as the state. To demonstrate this the primary purpose of these notes is to highlight the significant contribution that agribusinesses make to the G21 region economy.

What is the G21 Agribusiness Forum?

The G21 Agribusiness Forum provides a coordinated voice for the whole agribusiness sector and associated supply chains in the G21 region. The G21 region includes the local government areas of the City of Greater Geelong, Golden Plains, Colac-Otway, Surf Coast and the Borough of Queenscliffe. The G21 Agribusiness Forum is part of the Victorian Agribusiness Council, which advocates and promotes Victorian agribusiness development.

Facilitating the growth and development of dynamic, innovative and resilient agribusinesses will play an important role in the future development of the G21 region. The G21 Agribusiness Forum aims to assist growth and development of agribusinesses through:

- *Connecting agribusiness* to organisations that can assist their growth and development;
- *Facilitating collaboration* amongst agribusiness supply chains and other sectors to enhance the creation of value by agribusinesses in the region; and
- *Building entrepreneurial and innovative capacity* of agribusiness owners and employees.

Agribusiness plays an important role in the G21 economy

Agribusiness is a major driver of the G21 region economy¹. In calendar year 2012 it:

- *Employed around 10,000 people* in primary production, manufacturing, wholesale and retail;

¹ {1 For further information see:

[http://www.g21agforum.com.au/2779/downloads/Agribusiness%20in%20the%20G21REGION\).pdf](http://www.g21agforum.com.au/2779/downloads/Agribusiness%20in%20the%20G21REGION).pdf)

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- Accounted for 37% of manufacturing employment;
- Produced 9% of the region's output value (\$2.7 billion of \$30 billion); and
- Accounted for 17.6% of the region's manufacturing output

Table 1: Contribution of agribusiness to the G21 economy

	Output (\$M)	Employment (number)	Wages & salaries (\$M)	Local sales (\$M)	Regional exports (\$M)	Local expenditure (\$M)	Value added (\$M)
Contribution	\$2,720	7,238	\$340	\$913	\$1,308	\$973	\$964
Percentage of region	9.1%	7.4%	5.5%	10.6%	13.7%	11.3%	9.7%

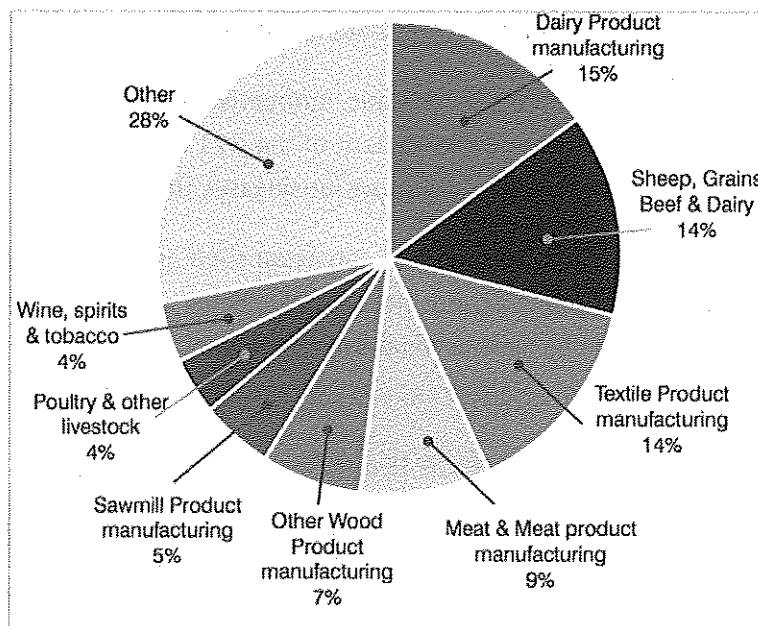
Agribusiness also has strong in-region linkages, accounting for 11% of local expenditure in 2012. Each dollar of output from the agribusiness sector generates 35 cents in local sales, 48 cents of exports and 16 cents of household consumption.

These contributions to the well being of the G21 economy come from a diverse range of businesses in the region including:

- *primary production* e.g. beef, sheep, pig, poultry and dairy farming, cropping, wine grape growing, olive growing and vegetable farming;
- *manufacturing of food and beverages* e.g. milk and other dairy products, meat, wine making, olive oil, wool and grain transport and storage, malt manufacturing, textile manufacturing, and food product manufacturing; and
- *wholesale and retail activities* e.g. grain storage and export, wool storage, food service businesses, transport and logistics.

Figure 1 illustrates the diversity of agribusinesses in the region.

Figure 1: Primary production and agribusiness manufacturing in the G21 region



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Much of the agribusiness activity in the G21 region is directly related to primary production in our region. Further, as a regional hub the economic activity of agribusinesses in the G21 region are also drawn from primary production in surrounding regions as well as other parts of the state e.g. grain processing and exports from Geelong.

The significance of primary production in the G21 region is demonstrated in the number of agricultural businesses and the significant contribution that they make to the rate collections of local councils, particularly in the more rural shires. Table 2 illustrates that there are 1913 agricultural businesses that account for over 6000 rate assessments.

Table 2: Importance of agricultural businesses to local governments

Shire	Number of agricultural businesses	Number of farm rate assessments	Proportion of commercial rate revenue	Proportion of total council rate revenue
Colac-Otway	692	2772	74%	25%
Golden Plains	465	1285	99%	17%
City of Geelong	338	1075	8%	1%
Surfcoast	418	944	39%	5%

Source: Victorian Farmers Federation 2015, *Inequities in rural rating - A comparison of the rates on businesses in rural and regional businesses*. Excludes the Borough of Queenscliffe.

Further information:

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