

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Mansfield — 13 February 2013

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Mr J. Tehan, President (sworn), and
Mr M. Ritchie, member (sworn), Mansfield branch, Victorian Farmers Federation.

The DEPUTY CHAIR — Welcome to this public hearing of the joint-party Economic Development and Infrastructure Committee's Inquiry into local economic development initiatives in Victoria. In the hearing today the evidence you give is protected by parliamentary privilege, but comments made outside the hearing are not afforded such privilege. Could you introduce yourselves and state in what capacity you appear, whether you are representing either yourself or an organisation, and then present a brief submission and take a few questions. Who is going first?

Mr TEHAN — My name is James Tehan, and I am a local farmer in the Mansfield Shire. I run 3500 hectares south of Maindample, at Bonnie Doon, running livestock mainly, and I am President of the local Victorian Farmers Federation branch, which I am representing here. My plan was to just read to you a few pages that I have written down and then my colleague and I will answer any questions.

The DEPUTY CHAIR — That sound like a good idea.

Mr RITCHIE — My name is Mark Ritchie. I am also a local farmer, of 2500 hectares on the south-east side of Mansfield, again running livestock, and I am a member of the executive of the local VFF.

The DEPUTY CHAIR — Thanks, Mark.

Mr TEHAN — Thank you. I will just read through this, and then maybe at the end I will answer questions. Thank you for giving us the opportunity to speak with you today. The Mansfield branch of the VFF is comprised of farmers who produce more than 75 per cent of the Shire's agricultural produce. The average age of farmers in Australia is currently 62. In our estimation the Mansfield farmer is at least 12 years younger. We have a wide diversity of young, dynamic farmers who operate a variety of agricultural pursuits. Some of the best wool, beef, seed, lamb, wine and tomato farmers in the country operate here in Mansfield. We have been able to withstand the pressures of decade-long drought and now look to a brighter and more prosperous future.

We are constantly looking for new ways to increase our productivity through the latest technologies, better farming practices, more efficient labour and smarter marketing. We need to continually monitor our expenditure and find cheaper ways to produce in the global markets we compete in. Some of our major costs and production constraints are influenced by local government, hence the need to have a good working relationship with it. Locally agriculture generates approximately \$70 million in product alone, and adding in ag-related services puts its value at over \$120 million to the Shire. This puts it marginally second to tourism, the value of which local government estimates at \$135 million. I just noted that the Mansfield Shire executive, in their submission, only valued agriculture at \$30 million, but we have done a recent survey which disputes that anyway.

How does the farming community view the Shire's role in terms of economic development? It is a fact that in the past two decades tourism has received the lion's share of the Shire's economic development attention and funding. We are very dubious as to the benefits of a lot of these programs as it is very hard to measure the financial success of them. We believe the overall success of the tourism industry in Mansfield relies upon a vibrant farming sector which will maintain our beautiful rural and high country landscape.

As farmers we believe that local economic development initiatives must be grown and fostered by private sector ideas, as well as private sector funding. We believe councils should contribute to these ideas by facilitating rather than trying to stimulate. Programs that are conceived and developed by the private sector have a much greater chance of survival and growth. We believe local governments should provide assistance to new and developing businesses by enabling swift and smooth passage through the planning stages and minimising the red and green tape stages. The overall priority of council should be to provide the key basic services so that local businesses are not constrained in their own economic development.

Some of the key services that affect agriculture — I will just go through a few. One of the main ones is roads within the Shire, their conditions and access. Transport is a major cost to farmers, and limited access, whether from road conditions, bridge limits or B-double access, means a large extra cost burden for individual businesses. The ever-present rates — spiralling rates are having a major influence on farming businesses' ability to remain profitable and unless they are brought under control will drive farming from the Shire. We currently have three or four farming businesses in the Shire that are paying over \$30 000 in rates.

The right to farm — local government must be conscious of the ever-encroaching lifestyle farms and tree changers that are moving into the farming area and beginning to impinge on our ability to run our businesses. A

real problem in this area is the influx of feral pests and weeds onto these properties. Local government needs to make sure that these lifestyle developments do not impact on agricultural pursuits.

Overall we see local government development initiatives as important, but getting the key local government framework services right is critical to any local business development.

The DEPUTY CHAIR — Thank you very much, James. Mark, did you want to add anything or just assist in the chat we are about to have?

Mr RITCHIE — Yes.

The DEPUTY CHAIR — I thank you both very much for giving us that presentation. I might lead off. Is it fair to say that your implied criticism — well, not your implied criticism but your straight-up criticism — is that tourism has received a more favourable deal locally than agriculture and farming? Then you go on to cite a number of examples as to what you think could be done to assist farming in particular — roads, transport, access, rates. You live here; I do not. You know the community; I do not. Is it one or the other? Are tourism and agriculture complementary? How many of your members would be involved in some off-farm income or some off-farm tourism arrangements? Indeed, would benefits in the areas of roads, transport, access and rates equally be beneficial to tourism? I am just trying to get it. Is it either/or, or can everybody be a part of the successful picture here?

Mr TEHAN — I believe we can all coexist. I think it is very important for tourism that the farming is here. Really with this shire, just the aesthetics of it is what brings the tourists here — the mountains, the lake and all that type of thing. If we were to lose that, I think tourism would drop off too. I think they are very reliant on it. We benefit from what tourism brings to this town as well in terms of the services that they provide the tourists with. Some of our members, including myself, operate tourist businesses on a small scale. They can easily coexist. The point I was probably making there was that in the past — and this may be through no fault of council, or it may be because farmers have not had the voice to speak up about it — a lot of the rates that we pay were pushed into that tourism area, and we have felt that farmers have not been receiving the services we should be receiving for the amount of rates we pay.

Mr RITCHIE — And for the amount of economic activity we generate for the Shire. James touched on that before. We feel strongly that that has been underestimated in the past.

The DEPUTY CHAIR — If I could, in regard to the issues around planning, farming zones and multiuse in farming zones and what the Mayor referred to in regard to the 40-hectare rule, does the VFF branch have a view on farming zone changes generally that have been proposed around different areas of the State and specifically the 40-hectare property rule?

Mr TEHAN — Yes, particularly in this shire where we have a potable water scheme. There will be limitations down the track perhaps on what we can do on our farming properties, which includes perhaps the potential to subdivide, which a lot of farmers nowadays view as their superannuation — a lot of the older farmers. We are hoping that there will not be any constraints put upon our businesses from this ruling.

The DEPUTY CHAIR — How does that sit with the right to farm, if you then have the right to subdivide?

Mr TEHAN — It is a difficult one. That is right. But I think people who come into this area onto 40 hectares, or what have you, as lifestyle farmers should be made very aware of the issues that are going on around them, and it is up to local government to put that view across to those people that there are broadacre farms surrounding them and they will be carrying on these types of activities, and if you are moving into a farm zone, then this is what you can and have to expect.

Mr RITCHIE — Just on that, an example the other day of the right to farm issue was that I had a visit from the DPI. An officer came out to see me on my farm and he said that there had been a complaint made about livestock in a paddock of mine that did not have adequate shade. I said, 'Who made the complaint?' He said, 'We cannot tell you that.' We worked out which paddock it was, and in actual fact there was shade over the hill that someone driving along the main road could not see. Those issues are increasing all the time for us. It is just a general lack of understanding, and it is because it is a high-traffic area. We live in an area where there is a lot of tourism. It is something we have to consider all the time.

Mrs PEULICH — It is the public face of respectability for farmers — maybe umbrellas for the cows; that might well discourage them from putting in complaints.

Thank you very much for your attendance today and your presentations. The Deputy Chair and I focused in on the same issue, and that is the conflict between different land users and how we can bring some order, predictability and certainty to it, so on the one hand you want to defend people's right to farm and on the other hand there are lots of retired and ageing farmers who are sitting on their superannuation and wish to realise some of that potential through the opportunity of subdividing. I guess finding some workable way through that is a real challenge. Anything the VFF has to offer in the area of policy or views is something that would be welcome not only here but elsewhere — even in areas in metropolitan Melbourne where there are still remnants of market gardening that have sort of survived. They are the issues.

In relation to lifestyle farms and broadacre farming, first and foremost, can you cite any examples of incompatibility? Secondly, obviously we are very impressed with what the Shire of Mansfield does, but what we have heard today on about two or three occasions is that agriculture is seen as the silent partner in this sort of local economic development scene, so how would you envisage that could change or your voice could be strengthened? Do you think that perhaps sitting under that economic development unit there could be some reference groups looking at specific industries? There might be one around agriculture, one around tourism and so forth. It might meet just a couple of times a year to capture the key issues and the interests rather than be there to provide the retail assistance and support. Is that something that might be helpful, or do you have some other ideas as well? Firstly, broadacre and lifestyle farms — are there examples of conflicts? Secondly, how could your voice and your concerns be better harnessed to inform, say, the Shire's economic development strategies, which obviously then interface with other levels of government?

Mr TEHAN — A classic example of lifestyle farmers is what I mentioned here before. I have one permanent farmer as a neighbour on probably a 30-kilometre boundary, so I am dealing with these issues every day. One block in particular is covered in blackberries.

Mrs PEULICH — So the pests come from these — —

Mr TEHAN — Yes, they are full of kangaroos, and it all washes down to our catchments. We spend countless amounts of dollars and time dealing with these sorts of issues. In some situations we have been able to lease or run those blocks, which has been beneficial for both of us, but generally speaking they will come up on weekends and there will be motorbikes, shooting and trespassing and the threat of fires. It is a real issue that is just growing and growing. On our other boundary we have Goulburn-Murray Water, which you would think would be a fantastic neighbour, but it brings the same issues too — with the speedboats, fires, weeds and what have you.

Mrs PEULICH — Hopefully no clay target shooting or anything like that.

Mr TEHAN — No, not that I have seen. That is a new one yet. There are certainly those issues, but because it has built up so quickly and it has happened so fast around here, the amount of genuine farmers left working full time would be under 15. There would be a maximum of 20 in this shire, whereas 40 years ago that figure would have been 300. It has been a real problem that has come in very quickly, and now we are starting to see the effects, particularly once it has started to rain again. During the drought it was not such a big issue, but it is now. Did that answer the question?

Mrs PEULICH — That is good. The second question was: how could your voice be strengthened?

Mr RITCHIE — Yes, economic development. I think we as a group would like input into the issues that are important to us in developing our businesses. I do not think we need to be led. I think we need to be assisted and helped, and things need to be smoothed out wherever possible in terms of red tape and regulation, and we need support on that issue of right to farm — things like that. We all operate independent businesses, if you like, and I cannot see that there is much value — I could be wrong — in doing courses and things like that. We do all that stuff already. We train our staff, we use TAFE and we use MACE, so as far as education, business courses and things like that go — —

Mrs PEULICH — Obviously you guys are busy running your businesses, but I was thinking more about, for example, a couple of times a year there might be a reference group involving some of the full-time farmers

or even the 40-acre lifestyle farmers to capture the issues and concerns so that it can actually be factored into the strategies of the council and so that you can be assisted. Is that something that would be — —

Mr TEHAN — Absolutely, yes. Indeed we met with the council in the previous 12 months and I think we are some way down the track of getting some sort of formal meeting happening.

Mrs PEULICH — Thank you very much.

The DEPUTY CHAIR — Thank you very much, gentlemen, for your time and your submission here today. In a week or so you will receive a draft copy of the transcript, and whilst it is open to you to address any errors of a typographical nature, the substance of the transcript is not open to change. Once that is finalised it will become a matter of public record. On behalf of the Committee can I thank the Mansfield branch of the VFF for its time and trouble in appearing here today.

Mr TEHAN — Thank you.

Witnesses withdrew.