

**Protecting Melbourne’s strategic**

**Agricultural land**

**Submission**

**May 2019**

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While this paper aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the exact views of individual councils.

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# Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a response to the proposal for determining criteria for Strategic Agricultural Land prepared by the Victorian Government. The MAV is the peak body for local government in Victoria. Formed in 1879, we have a long and proud history of supporting councils to provide good government to their communities.

In preparing this response we have discussed these issues with officers from peri-urban and interface councils, as well as the Peri Urban Group of Rural Councils (PUGRC) and Interface Councils (IC). We have also drawn on previous work done by the PUGRC[[1]](#footnote-1) and IC[[2]](#footnote-2), as well as work MAV has done in response to similar proposals in the past.

# Criteria for determining strategic agricultural land

1.

## Precautionary approach to protecting agricultural land

There may be justification to taking a more precautionary approach to the protection of agricultural land in peri-urban and green wedge areas. In the future, what could be considered Strategic Agricultural Land may be broader in scope. We do not want to lose future opportunities for significant agricultural production through a failure to consider the future now. This would not prevent differentiation of classes within land that is protected but could apply an increased (from current) level of protection to a greater area.

Almost 50% of the land in the subject area was excluded from the study undertaken due to it being public land, areas within the urban growth boundary, or topography or soil types unsuitable to intensive soil-based agriculture. This reflects a scarcity of potentially productive agricultural land, and as a result it may be appropriate to also protect areas identified as Class 4 (“not as inherently capable for intensive soil-based agriculture. In many cases, the distinction between Class 3 and Class 4 areas may be a fine one and somewhat discretionary.

Agricultural production systems change over time. The criteria are somewhat dependent on a snapshot of current needs of a particular model (intensive soil-based agriculture). For example, future production systems may be able to deal with, or even benefit from, different soil types. This would affect the weighting that should be applied to soil compared to other factors such as access to water or complementary industries.

Peri-urban and green wedge agriculture also has potential for a number of competitive advantages over more traditional rural agriculture. This may include increased potential for agri-tourism or farm door sales, which may make production sustainable at a smaller scale than would otherwise be possible. For this reason, “limited size and extent of area” may not be justification in and of itself for exclusion.

Poor access to existing markets, labour, and transport is listed as a consideration for exclusion. However, this may not take into account potential future access. Population growth and infrastructure investment will mean greater access for more areas in the future.

These factors all present strong justification for broader application of protection to agricultural land than is currently proposed, with the potential for further classification to inform decision making.

1. 1.

## Current strategic intent

Green wedge Management Plans

Councils have put significant resources into developing Green Wedge Management Plans. These plans seek to manage a complex interaction of uses within green wedge areas. We believe that they represent a considered response to the complex land use interactions in the green wedge. Consideration of Green Wedge Management Plans should be a cornerstone in identifying and protecting strategic agricultural land.

Application of the Rural Conservation Zone

The Rural Conservation Zone has been considered alongside the Farming Zone, Rural Activity Zone, Green Wedge Zone and some Special Use Zones as zones with an agricultural purpose. While the purpose of the RCZ includes providing for agricultural use, this is contingent on that use being consistent with the conservation of environmental and landscape values of the area.

Of the 24 planning schemes in the profile area which contain a schedule to the RCZ, four state agricultural use as a value they are seeking to conserve, another four include reference to rural character, rural landscape, or low-key rural uses which may be construed as including agriculture. 14 do not mention agriculture, and focus on values such as biodiversity, retention of vegetation, soil quality and protection of water catchments. One includes no stated conservation values, and the remaining one explicitly seeks to restrict potential impacts of agricultural uses in several of the schedules.

It is not clear whether the content of schedules has been taken into account when considering the RCZ as a zone with an agricultural purpose, or if it has instead been considered in broad strokes based on the standard zone provisions. If the latter, this presents a significant challenge as the intended use of some of these zones is quite different.

## Use of land for conservation

There may appear to be tension between greater consideration of intended non-agricultural uses, such as biodiversity conservation, and a broadening of the scope of what is protected as Strategic Agricultural Land. However, for the purposes of planning controls, the major threats to these different uses are largely similar: the encroachment of more lucrative land uses.

Controls which seek to prevent lucrative uses, such as residential or tourist development, make both agricultural and conservation based use of the land more sustainable. There is also clear scope for achieving both agricultural production and biodiversity outcomes in tandem through land management.

# What we want the planning response to achieve

1.

## Restriction of higher monetary value uses

Planning is at its core a market intervention. If non-agricultural uses were not financially attractive to landowners, there would be no need to protect Strategic Agricultural Land in the green wedge and peri-urban areas.

This attraction comes largely from residential development but may also include commercial uses such as tourism. The desire to transition agricultural land to other uses negatively affects agricultural production in several ways:

* The transition of land to non-agricultural uses may be irreversible on the subject site itself
* The possibility of higher value use may raise property values, making agriculture less financially viable due to increased land value based taxes
* The introduction of sensitive uses, such as residential or tourism-based development, may mean surrounding farms have to change practice to avoid causing nuisance

Currently, there are insufficient protections to preserve agricultural use over these competing uses.

## Protection of land not designated strategic

The Victorian Government has stated their intent is not to weaken existing protections for land which is not designated Strategic Agricultural Land. However, whether intended or not, there is an inherent risk that in designating some land as Strategic other land becomes expendable, either through individual permit applications or in undertaking strategic work. We believe that protection of agricultural land not deemed strategic should be actively addressed. A number of the concerns over the loss of agricultural land are inherent to the current operation of the Farming Zone. A comprehensive review of the Farming and other rural zones, their application and permit activity may be justified, to provide a full understanding of the impacts of this new State policy.

## Impetus for future investment

We hope that designation and protection of Strategic Agricultural Land will lead to the potential for increased investment due to increased certainty of the future of green wedge and peri-urban agriculture. This could include both public and private investment in areas such as production systems, logistics and transport infrastructure, complementary industries, and reuse of wastewater.

## Allowing other strategically supported uses

As discussed earlier, green wedge and peri-urban areas are not intended solely for agricultural production. Protections for Strategic Agricultural Land should focus on restricting those uses which pose a threat to agricultural production, such as residential development, but still allow other important green wedge uses such as biodiversity conservation.

# Additional feedback

1.

## Broader policy response

It is important to note that a designation of strategic agricultural land and associated planning controls are not in and of themselves an agriculture strategy. While we support the current initiative, it must be part of a broader package of policy and infrastructure investment to support the viability of agricultural production close to Melbourne.

There are already a number of strategic planning processes which interact with the viability and management of agricultural production, both by councils and State agencies. These include Regional Land Use Framework Plans, Regional Growth Plans, Green Wedge Management Plans, the Victorian Infrastructure Plan, as well as many others. It is unclear how this project interacts with those existing processes.

## Application beyond peri-urban and green wedge areas

We support the process being undertaken, as well as the prioritisation of peri-urban and green wedge areas given they are most at risk to development pressures.

We believe that a similar approach would be of great use to the rest of the state. Rural and regional councils are increasingly being asked to weigh up agricultural use of land against other competing uses, particularly for renewable energy, and the lack of a robust evidence base on the significance of agricultural land presents a challenge in doing so.

## Impact on councils

Adequate support must be given to councils in implementing and administering any changed planning provisions which may result from this process, as well as in undertaking associated work which may be needed such as updating of green wedge management plans and other strategic documents.

In the timing of implementation, consideration should also be given to other reforms councils are dealing with. Responding to and implementing state-led reforms imposes a significant burden on council planning departments.

In addition to regular processes which councils must undertake such as planning scheme reviews, major planning reforms councils are currently dealing with or have on the horizon include among many others:

* translation to a new Planning Policy Framework
* a broad review of Victoria’s planning system
* new referral requirements to the EPA and changes to the Environment Protection Act
* distinctive areas and landscapes declarations for a number of peri-urban areas
* changes to provisions for intensive animal industries

The cumulative impact on council planning workloads is significant, and can hinder council’s ability to deliver the core business of strategic planning. We believe there is a need to adopt a whole of Victorian Government approach to planning reforms to ensure that cumulative impact is managed, and that potential impacts on local government are clearly signposted at an early enough stage that they can be appropriately planned for.

## Fragmentation of rural land

We have concerns over changes made to the Victoria Planning Provisions in 2017 which introduced a VicSmart pathway for two-lot subdivision in rural zones, provided that each resulting lot is at least 40 hectares.

We believe the primary purpose for creating a 40-hectare lot in rural areas is to site a dwelling, which would then not require a planning permit. Under the decision guidelines of this VicSmart class (now located at clause 59.12), the responsible authority is unable to consider the potential effect the subdivision may have on the use of the land and surrounding land for agricultural purpose.

We believe this allows increased residential use in zones such as the Farming Zone, without the opportunity to consider potential impacts on the intended agricultural purpose of the zone. In addition to losing agricultural production on the subject site, this may also impact the ability of surrounding agriculture to continue operating due to potential nuisance impacts on a new dwelling.

In its current form, this VicSmart application does not contribute to the orderly and intended use of many rural zones.

## Impact on landowners

A number of landowners may be significantly impacted by these change. Farmland proximal to urban areas has often been viewed as a method to fund retirement. If stronger protections are adopted which would affect the value at which retiring farmers could sell their property, it is likely that councils will be the primary point of contact for those landowners. We believe that there is a need for the State both to consider the potential impact on landowners, and to assist councils in helping their community manage those impacts.

Land values and perceptions of the quality of agricultural lands identified as non-strategic could also be negatively affected. It is incumbent on the State to recognize this impact and seek to ameliorate any negative affects.

1. [Supporting Agriculture in the Peri Urban Region](http://pugrc.vic.gov.au/wp-content/uploads/2017/06/Peri-Urban-Agriculture.-Discussion-Paper.-June-2017-v2.pdf), Peri Urban Group of Rural Councils, 2017 [↑](#footnote-ref-1)
2. [Value of Melbourne’s Green Wedges](https://docs.wixstatic.com/ugd/e90bcb_a2f9a05f4f4641c59cdbe284739c40d9.pdf), Interface Councils, 2017 [↑](#footnote-ref-2)