



Victorian  
Farmers  
Federation

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

Parliament of Victoria

Legislative Assembly Environment and Planning Committee

26 April 2024

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## I. Summary

The Victorian Farmers Federation (VFF) welcomes the opportunity to provide this submission to the Victorian Parliament Legislative Assembly Environment and Planning Committee's Inquiry in to securing the Victorian food supply.

Victoria represents approximately three per cent of the Australian land mass yet produces a quarter of Australia's agricultural produce. Continued loss of land in Victoria will have significant impact on Australians' access to affordable and high-quality local food and fibre products. As the representative body for farmers across the state, the VFF is deeply concerned about the challenges posed by urban expansion and the failure of the planning system to adequately account for its impact on agriculture and food security.

Urban sprawl presents a significant threat to the viability of farming operations in Victoria. The encroachment of urban development into agricultural land not only diminishes the available land for farming but also disrupts the established farming practices and infrastructure. This unchecked expansion exacerbates the fragmentation of agricultural land, leading to increased land-use conflicts, reduced economies of scale, and diminished agricultural productivity.

Since 2016 the VFF has made several submissions to the Victorian Government outlining what the existing challenges to agriculture in peri urban areas are, and what changes to the planning system is required to address them.

One of the key failures in the planning system which the VFF has highlighted is the lack of recognition of agriculture as a vital economic activity in the Victorian State Planning Policy Framework (SPPF). Despite its fundamental role in providing food security, supporting regional economies, and preserving natural resources, agriculture is often sidelined in planning decisions, prioritising urban development over the long-term sustainability of farming. This oversight undermines the resilience of the agricultural sector and jeopardises the state's food supply.

Furthermore, planning authorities often lack the necessary knowledge of farming practices and fail to comprehensively assess the impacts of planning decisions on agricultural viability. 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.

Furthermore, the complexity and diversity of agricultural landscapes in Victoria pose challenges for accurate mapping and assessment. Differentiating between prime agricultural land, marginal areas, and protected agricultural precincts requires a nuanced understanding of soil types, climate conditions, water availability, and other factors that influence land suitability for farming. Without this detailed knowledge, planners may overlook the importance of certain agricultural areas and make decisions that compromise their long-term viability. The current mapping mechanisms in Victoria often fall short of providing a complete picture of agricultural land, leading to significant gaps in understanding and inadequate protection of vital farming resources.

While the government's initiative to preserve green wedges and agricultural land is commendable, we believe that the current project does not go far enough to alleviate the multifaceted challenges faced by the agricultural sector. Despite the recognition of the importance of protecting agricultural land from urban encroachment, the project lacks the comprehensive strategies and robust policy frameworks necessary to effectively safeguard farming resources and promote sustainable land use.

These issues are discussed in more detail as part of this submission alongside the VFF's recommendations to see reform of the planning system in order to protect agricultural land and Victoria's food security.

The VFF urges the Committee to recognise the detrimental impact of the planning system on Victorian farming and seek decisive action to ensure that it supports the long-term viability and prosperity of the agricultural sector.

A handwritten signature in black ink, appearing to read 'Emma Germano', with a stylized flourish at the end.

**Emma Germano**

President

Victorian Farmers Federation

## II. Recommendations

This submission puts forward a range of recommendations which are outlined throughout the discussion section. The VFF's chief recommendation is that a whole of government approach be adopted to ensuring Victoria's food supply and food security that consider all issues such as land use planning, freight, workforce, water, energy, education and disaster resilience in line with the similar recommendation made by the Senate Inquiry into food security in 2023. The VFF believes there are four key areas most pertinent to the Inquiry's terms of reference that need to be addressed to reduce and manage the impact of urban sprawl on productive agricultural land:

- 1. 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.**
- 2. The Victorian Government should undertake a program of mapping agricultural land and the specific strategic land use planning strategies to protect agricultural land and the ability of farmers to actively farmland.**
- 3. The Victorian Government reviews the location of agriculture in the Planning Policy Framework (PPF) to ensure that policy content recognises the economic importance of agriculture and gives clear direction on how to protect the ability to produce food and fibre into the future. This should include the creation of a new clause for state, regional and locally significant agricultural areas.**
- 4. The Victorian Government undertake a review of the planning provisions applying to agricultural land to ensure that they are fit for purpose and support ongoing use of farmland for sustainable agriculture.**
- 5. The Victorian Government create Planning Practice Notes and other guidance and fund dedicated training for planners in understanding agriculture. Planners are not trained in agricultural production systems and what land use proposals may impact on different production systems.**

The VFF is disappointed that the Strategic Agricultural Land project (SAL) and the Green Wedges and Agricultural Land project (GWAL) have failed to make progress to deliver these objectives.

Significant resources of Government, industry bodies and the broader community is embedded in these documents and the thousand submissions made to them. The VFF is concerned that the Green Wedge Action Plan will not address the four key issues that are driving the loss of arable land in Victoria.

- 5. The VFF further recommends that a Ministerial Advisory Committee be appointed to make recommendations on how to improve the planning system and information available to support land use planning decisions including:**

- How to map agricultural land to support the protection of maintenance of agricultural land in production.
- How to rebuild policy content that recognises and supports agriculture as a key driver of the Victorian economy.
- How to tailor planning provisions that are tailored to agricultural land outcomes.
- What information and guidance planners need to be able to identify and avoid land use conflict that impacts on agriculture.
- Development of measures and test to determine what permanent loss of agricultural land is.
- Identifying what research is required to ensure the planning provisions understand and can avoid land use conflict.
- Determine how to protect agricultural land from encroachment or loss to other land uses.

### III. Discussion

#### The impacts of urban sprawl and population growth on arable land and the farming industry in Victoria

Urban sprawl - the unchecked expansion of urban areas into surrounding rural lands, can have several significant impacts on agriculture:

**Loss of agricultural land:** Growing populations require land for residential, commercial and industrial land uses. Decreasing household sizes requires more dwellings per head of population. Changing societal trends or economic factors can lead to population change leading to pressure for more land for housing and employment.

There are options to avoid impact on farmland from growth. These include increasing density (brownfield development) and identifying key production areas that should not be lost from farming.

Documents that guide the rezoning of land for urban purposes and develop structure plans for new urban areas need to actively seek to minimise the amount of agricultural land rezoned and ensure new development does not impact on the viability or versatility of remaining agricultural land.

**Fragmentation of agricultural land:** When titles were first created in Victoria the area of land able to be farmed was smaller than what is viable today. Many farms in Victoria consist of many land titles, and holdings in different areas. Fragmentation can occur by subdivision or through selling individual land titles if they are purchased and taken out of production. Farming across multiple titles in differing areas is more challenging to farm efficiently and increases transportation costs.

**Increase in land use conflict:** Fragmented land increases the likelihood of neighbours who are not using land for farming. This can lead to complaints that impact on traditional farming practices which is exacerbated by the prioritisation in the Environment Protection Act of sensitive uses that have been allowed to encroach on farmland.

The VFF is aware of the problems with fragmentation and encroachment of non-farming land uses. Domestic dog attacks on livestock is common. Firearm use is restricted in urbanised areas. Urbanisation can lead to reduction in the size of machinery allowed on roads. Suburban development with no buffer to farmland can sterilise up to 400m of farmland. The VFF is even aware of fire prevention notices in the Hume and Horsham Councils being issued to farmers for their wheat crops.

To avoid fragmentation and land use conflict the planning system needs to understand what causes fragmentation and have clear and easily implementable controls to avoid this occurring.

**Increased land values and property taxes:** Urban and sensitive uses in rural areas increase the value of land per hectare. This can be due to the willingness to pay more for the amenity aspects of the land than its productive values and from the increase in capital improved value. This can lead to land speculation and increased rates and charges.

Non-urban uses can decrease productivity as well as increase the cost of production. This creates financial instability for landholders leading to sale of agricultural land for non-urban development which perpetuates the cycle of loss.

Increased land prices prevent innovation and business growth as new entrants are unable to buy the land for farming. Increased prices may encourage farmers to land bank which in turn stifles growth of the agricultural sector as the incentive to grow their business and sell it is removed due to new farmers being unable to afford the cost of the land.

**Loss of agricultural diversity and productivity:** Urban sprawl often leads to the conversion of diverse agricultural landscapes into suburban landscapes. Increasingly renewable energy development can lead to a loss of agricultural diversity and productivity.

Arable land is land used or suitable for growing crops. There are land uses that can occur on agricultural land that limit its ability to be used for growing crops. One such land use is solar energy generation.

In Victoria, agriculture in conjunction with solar generation tends to be limited to sheep grazing. Solar Panels are not installed to allow access by tractors. The support structures use concrete footings. The planning approvals issued rarely include conditions regarding the need to maintain or improve soil health or how structures will be removed, and soil rehabilitated to predevelopment levels. Wind energy facilities are more compatible with extensive cropping and grazing. Access ways and easements for distribution can reduce soil health and productivity. The height of the turbines can impact on the use of aircraft for agricultural purposes as insurance companies place restrictions on use of aircraft for up to 1.5km from a turbine.

**Environmental degradation:** The conversion of agricultural land to urban uses reduces ecosystem services from crops and vegetation on farms, loses habitat for wildlife and reduces natural infiltration of water. In many instances it removes fertile soils from production and leads to long term degradation of soil quality.

**Pressure on water resources:** Residential, commercial, and industrial uses are given priority for local water resources. Urban development can reduce inflows into rivers and reservoirs increasing competition for water resources required for the production of food and fibre.

**Transportation and distribution challenges:** Urban sprawl leads to loss of agricultural production close to urban populations. This can increase transportation costs for agricultural products.

Agricultural goods are seven of Victoria's ten main commodity exports. Their total value makes agriculture the main source of export earnings for Victoria. The agriculture industry is Victoria's 6th largest employer.

Failure to act now to protect agricultural production threatens Victoria's economic future.

### **Use of planning controls to protect agricultural land in green wedges and peri-urban areas**

The Victorian planning system has sought to protect agricultural land for nearly thirty years. By failing to address the factors that drive loss of this land, some of the most productive farming country in the state has already been lost to development. This is despite the factors that lead to the loss of agricultural land being well documented. They are the same issues globally with some regional variance on the nature of the triggers that drive loss are.



Despite the efforts of the Victorian Government's Strategic Agricultural Land project (SAL) and the Green Wedges and Agricultural Land project (GWAL) the VFF is concerned that we are no closer to a planning system that understands what is driving the loss of agricultural land and production and what the priorities for action are to address it.

The VFF believes there are four key areas of work that need to be undertaken to ensure that the planning system is effective in avoiding and managing the impact of urban sprawl on productive agricultural land. These are:

- Improving the strategic knowledge of agricultural land uses in Victoria.
- Planning policy for agriculture that recognises its economic importance and outlines the actions needed to protect the ability to produce food and fibre in Victoria.
- Planning provisions that protect agricultural land from loss and fragmentation and allows farmers to implement modern farming practices.
- The creation of Practice and Guidance notes to support planners understand how to make decisions that protect the ability to produce food and fibre in Victoria.

#### Strategic knowledge of agricultural land uses in Victoria

Before improvements can be made to the planning system the Victorian Government needs to collect data to understand the nature of the issues outlined above. Annual reporting on the area of land zoned for agriculture uses is a starting point that would allow more detailed assessment of the appropriateness of this change and the long-term impacts on production in surrounding areas.

Prior to Amendment VC71, local government councils were able to undertake studies that sought to understand how to protect agricultural land and use the planning system to support the growth of agricultural production. The *Campaspe, Greater Shepparton and Moira Regional Rural Land Use Strategy* was an example of Council's working together to promote agriculture that included the Northern Irrigation District. Strong local policy was introduced that supported schedules to zones and overlays to deliver the key objectives of the strategy.

The recent conversion of these planning schemes to the current Planning Policy Framework has led to the loss of the information that explained the objectives to be achieved.

Councils must be able to say why agriculture is a key land use in their municipality, what threats to its future need to be overcome and what planning provisions should be applied to encourage increased agricultural productivity.

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. This can be achieved by a simple query of the Department of Transport and Planning's GIS layer that contains land use zoning information.

In February 2020 the VFF requested data on the total land area zoned for farming - that is the Farming Zone, the Rural Activity Zone, the Rural Conservation Zone, the Rural Living Zone and the

Green Wedge Zone and Green Wedge A Zone. The total zoned area in Victoria is 22,784,791 hectares. The total of land zoned for a form of farming was 14,323,611 hectares – or 62.86 percent.

- **The VFF recommends that the Committee requests data on the loss of agricultural land statewide and in each municipality for the calendar year from 2000 to 2024.**
- **The VFF recommends that a monitoring program is established to document impacts on agricultural land from urban or sensitive land uses operating in the vicinity new urban development.**
- **The VFF recommends that Councils are supported to update their strategic land use studies for agriculture.**
- **The VFF recommends that the area of agricultural land used for generating energy is recorded and monitored to ensure that it is not leading to a decrease in agricultural production or the loss of agricultural land.**

#### Planning policy for agriculture

Agriculture as an industry is a pillar of the Victorian economy. The 2010 Amendment VC71 removed agriculture from Economic Development Clause and located in Natural Resource Management Clause of the SPPF. Agriculture is not a natural resource. Soil is. Agriculture Victoria includes information on how to manage soil and the importance of soil to agricultural production. However, this information is not referenced in the Planning Policy Framework.

The Economic Development policy in the PPF includes employment, commercial, industry and tourism. The current PPF content for agriculture neither effectively discusses the importance of soil and how it is managed, or the economic importance of agriculture and the land use conflicts that need to be managed to provide the conditions for Victorian agriculture to maintain its economic significance.

The SPPF plays a critical role in the land use planning system. The content of zones, overlays and provisions are meant to deliver planning policy objectives. They drive the consideration of what zones, overlays and provisions are required to deliver an outcome, the appropriateness of the provisions proposed to be applied to land, and whether decisions under those provisions deliver the policy objective.

- **The VFF recommends that agriculture be returned to the Economic Development Clause of the SPPF. The content of the Clause should be reviewed to clearly address the threats to agricultural land and how they are to be monitored and avoided. This should include a new subclause that allows the identification of agricultural areas of local, regional, and state significance and the specific issues to be managed.**
- **The VFF recommends that agriculture content in the Natural Resource Management section of the SPPF be replaced by content on management of soil health on agricultural**

**land. This should be based on Agriculture Victoria's content on [Soil](#) in the VRO and also be applied to other land uses proposed for farming land.**

#### Planning provisions that protect agricultural land and farming operations

The failure of the SPPF to provide clear policy objectives for agriculture and how they can be achieved can be compounded in the planning provisions that determine whether a permit is required for a development or whether a proposed use or development is prohibited.

Some controls, such as those under the Farming Zone are aimed at protecting farmland from loss and protecting farm operations from land use conflict. The purpose of the zone is clear, however planners do not know what decisions will lead to loss of agricultural land or create land use conflict.

Overlays and particular provisions can be applied to land to achieve certain environmental and design outcomes. The VFF is aware of a significant landscape overlay that sort to prevent ploughing. Others seek to limit the size, location and materials of farm sheds and structures. The current SPPF does not ensure the impacts of these controls on agricultural production are considered in the drafting of the overlay or how competing demands will be managed.

An example of provisions not taking into account the realities of farming can be seen through the creation of the Bass Coast Distinctive Areas and Landscape Program which placed controls on the size and form of farm sheds. This would have led to farmers being unable to locate sheds in areas that were ideally suited to their farming operations.

Another recent example was the Macedon Ranges Shire Council's attempt to rezone Farming Zone land in the shire into Rural Conservation Zone. This would have seen farmers potentially requiring a permit for any changes they made in their farming system, for example where they chose to change crop types.

- **The VFF recommends the review of all existing planning provisions applied to farmland so that support the adoption of best practice production systems in agriculture.**

#### Supporting planners to make decisions that protect agricultural land and farming

Planners spend one semester in a four-year course learning about rural land uses. The VFF has worked with RMIT Planning to operate a field trip to speak to farmers in periurban areas. Many students have never been on a farm and have no practical experience with farming systems and the differences between them.

When they graduate, they will be expected to consider an application for a house, a restaurant or a church in the farming zone. They will be asked to apply the following decision guidelines in assessing whether the proposal should be approved:

- *Whether the use or development will support and enhance agricultural production.*
- *Whether the use or development will adversely affect soil quality or permanently remove land from agricultural production.*
- *The potential for the use or development to limit the operation and expansion of adjoining and nearby agricultural uses.*

These decision guidelines are sound but require a level of knowledge about agriculture that does not currently exist in their training, in the SPPF or in guidance on how to make a decision.

The VFF is involved in hosting professional development courses for planners. At these sessions even experienced planners talk about their fears in making decisions as they have no idea about what enhances production, what limits production or even what impacts on soil.

The current measure for permanent loss of agricultural land from a development is whether the use will be there for longer than 25 years. Proponents often say a proposal is for 24 years and permanent removal does not need to be considered. Can the end date be enforced? Can concrete footings be removed? Will that impact on soil quality or ability to grow crops?

Planners are not trained in how the Environment Protection Act operates. Understanding what a sensitive use is and how a sensitive use can restrict existing farm operations is essential to understanding the consequences of the decisions they make.

In the absence of good strategic material that is reflected in policy and provisions a planner needs information that helps them understand the compatibility between the proposed use and the type of farming in the area. This could include case studies of land use conflict that is specific to different farming systems.

- **Planners must be guided as to what other regulatory interfaces exist. The VFF recommends that the Victorian Government undertake work on identifying and understanding land use conflict and be reflected in decision guidelines and practice notes for planners.**

### **The resilience of the Victorian food system, including the production of food, its transportation and sale**

The resilience of Victorian agriculture is at a crisis point caused by a planning system that sees farmland as vacant land not productive land. Land use conflict, ever increasing rates, noise complaints about irrigation pumps and loss of livestock to domestic dog attack are a handful of issues that are eroding not only industry confidence but the ability to maintain viability in the most land conflicted areas of Victoria. For many farmers, they see these issues compound and feel they are awaiting a death by a thousand cuts. In addition to these issues which have been discussed in the context of the Victorian planning system there are a number of other issues

### Renewable energy development

Conflict caused by the land use demands created by the shift in Victoria's energy demands from base-load coal to renewable energy poses the largest existential threat to the state's agriculture industry and will continue to as the state's population continues to grow. A lack of a cohesive state-wide and national energy supply plan, which considers the role of agricultural land in the rollout of the renewable energy and associated transmission infrastructure continues to place considerable uncertainty on Victorian farmers. Given Australia and Victoria's prominence in food and fibre production, farmers must be considered, consulted and supported in the rollout of any large-scale infrastructure project which impacts the ability to farm. Victoria's planning system must take

- **The Victorian Government provide certainty and confidence to the agriculture industry through the development of a state-wide plan for renewable energy and transmission which identifies strategic agricultural land, opportunities for compatible land use, land access arrangements that protect landholder rights and fair compensatory arrangements which are factored into project cost assumptions.**

### Transport and freight

The urbanisation and population growth in peri-urban areas often leads to increased congestion on local roads hampering the ability for farmers to move machinery, particularly where they are operating across fragmented land holdings. The VFF has dealt with many individual cases where local government and transport authorities have created restrictions on machinery movements in peri-urban areas because of local roads not being able to cater for increased traffic volumes.

Infrastructure challenges also create problems for farmers across the state where they try to access markets and other points in the supply chain. Urban development on the outskirts of major rural cities such as Ballarat, Bendigo, Geelong, Shepparton and Wangaratta have created problems for truck movements into saleyards, storage facilities and ports. Agricultural freight remains a key concern throughout Victoria as well, with inefficiencies across freight, rail and port costing Victorian farmers hundreds of millions a year, as well as hampering the adoption of high productivity vehicles and uptake of nascent low emission technologies. Improving agricultural freight increases the strength of Victoria's supply chain capabilities and improves our resilience in the face of supply chain shocks.

- **The VFF recommends the Victorian Government undertake a dedicated assessment of agricultural freight planning and develop a dedicated agricultural freight strategy that compliments the state-wide strategy which is currently under review.**

### Cost of production and supply chain resilience

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. Key examples of market share disparities include the closure of abattoirs impacting a producer's ability to send livestock to slaughter and subsequently, produce for consumption, as well as the imbalance between horticulture producers in negotiating contracts with suppliers and processors.

## **Victorian Farmers Federation**

*The voice of Victorian farmers and rural communities since 1979*

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