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**Submission To:** Productivity Commission

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**From:** Small Farm Stuff

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**Subject:** Draft Report, Inquiry Into Regulation of Agriculture.

## **1. About the Author:**

Although I have a degree in Political Science I have maintained a life long interest in the relationship between Government and Agriculture. I grew up in a city based family which owned both an innovative (olive) small farm an hour out of Sydney as well as a large sheep and wheat property near the NSW town of West Wyalong.

A few years ago recently I tree changed out of Sydney to my own small acreage farm in the Southern Tablelands of NSW and have developed a number of small acreage farms for other people wherein the aim has been to return them to small scale productivity. I do not own a 'no dwelling permission' property of the type described in this submission.

I am also the owner of <http://www.smallfarmstuff.com.au> which is an online portal for all things pertaining to small acreage and hobby farms.

## **2. The Neglected Status of Small Acreage Rural Blocks.**

The purpose of this submission is to focus on a stratum or category of current rural property types, which appears to have been neglected in the Draft Report. That being the category of small acreage blocks, commonly known as "concessional blocks" usually of 40 hectares or less and of which there are many thousands around Australia.

The need to address this category of small blocks is that in their current form they are, in every State and Territory, effectively prevented by inappropriate legislation and regulation, from being returned to agricultural productivity. Specifically they are prevented in Planning terms from having a "dwelling permission".

## **3. Salami slices. Creating the Small 'Concessional' Rural Blocks.**

After the Second World War, wool and wheat were king. Diversification amounted to little more than wool, wheat or a bit of both. Advanced concepts such as expounded on nowadays by the *Rural Industries Research and Development Corporation* (<http://www.farmdiversity.com.au/about-diversification>) were unheard of.

Drought and the advent of the European Common Market however placed great stress on traditional large scale Australian agriculture and one of the regulatory responses was through State and Territory Government Planning Instruments which were well intentioned but ill thought through. Large landholders were permitted to slice off like salami, small blocks which they could then sell off to raise much needed cash to see them through hard times.

Usually the newly sliced off small blocks had a finite time limit of 5 or 10 years for a dwelling permission. If a dwelling was not constructed in that time the permission lapsed forever.

Thousands of these small acreage 'concessional' blocks were allowed to be created via the 'salami principle.'

#### **4. The perversity of this policy to prematurely permit smaller blocks was threefold:**

Firstly, the decision to permit the creation of these small blocks was in response to the larger farms of the time lacking the scale or inefficiency to cope with the economic and drought challenges of the time.

Secondly, the advent of small farm blocks preceded by decades the technological revolution in diversified and small-scale agriculture. Computers and business connectivity via the internet, off the grid technology like solar power for dwellings, for pumping farm dams and a host of other innovations were not invented or available.

Thirdly, the socio economic character of Australian society was vastly different.

- Average incomes were lower.
- Vehicle ownership was lower and the SUV was at best a non family friendly Land Rover.
- Double income families were rare and surplus income rarer.
- There was no significant level of investment capital in the major cities that might be available to inject into rural areas, let alone build the dwellings upon these small parcels of farmland.
- The concept of tree changing was limited to what were derisively referred to as Pitt Street or Collins Street farmers.
- Environmental degradation of farmland was less on the radar of public opinion.
- Fragmentation of farmland was becoming frowned upon, chiefly by various State Departments of Primary industry and moves began to pave the way for corporate farming on larger scales.
- Rural and Regional decline was only beginning to become apparent.
- The concept of an income was based on the old notion of a property only being viable if it was deemed to be of a scale such that it could support a family. The notion that people in future (as is the case now) would not be interested in a full time commitment to the farm and that they would prefer to simply derive a small supplement to their predominantly city sourced income, was not foreseen.

#### **5. The Consequences.**

- There are now thousands of small acreage blocks of former farmland, within driving range for weekenders from major cities.
- These small acreages overwhelmingly have become the subject of criticism because they have been allowed to revert back to

environmental hazards, weeds, fox and feral cat habitats, contributing nothing to rural productivity or beyond their meagre Council rates, nothing to their local area economy.

- The simple reason for this under-utilisation is that these properties are prevented by State Planning Instruments and on down through the regulatory cascade, to Council LEP's from having any form of approved 'weekender' or farmhouse.
- Frequently this results in unsafe undesirable shed type developments which seek to exploit 'no DA required' loopholes for farm sheds. The alternative being that the owners, usually city based, would have to stay in a tent or caravan in order to undertake periodic farming activity on site and which they are unwilling to do.
- The prohibition on dwelling permission cancels out both the willingness of city based owners or their financing banks to invest time and capital in these properties.

## **6. The Potential.**

Smaller acreage blocks represent the single greatest potential of Government to reverse the decline in rural areas. At no cost to any level of Government. The upsurge in economic activity is only latent by reason of obsolete regulation. The multiplier effect would extend throughout the rural community.

Granting dwelling permission would trigger vast amounts of city-sourced capital being exported to and invested in rural areas.

Similarly reform would ensure on-going expenditure in those communities from city based small-scale farmers shopping in rural economies, for their personal needs and for their farm.

These smaller blocks which for the most part are currently neglected would become small contributors to rural productivity.

The propensity to deride a property producing say only ten beef cattle per year should be subjected to the same efficiency yardsticks as are mainstream larger farms. Ten beef cattle coming off 20 hectares is just as efficient as 1000 cattle coming off 2,000 hectares.

The Rural Industries Research and Development Corporation highlights, the potential for small farms to achieve higher value diversified farming outcomes from a host of innovative like olives, wine, berries and none of which were evaluated in the decades past when small acreage farms were denied dwelling permission. Today there exists significant potential to add to farm production from these properties.

If small acreage farms are permitted to have dwellings, then their owners will be able to stay onsite to reverse the neglect, the environmental degradation in erosion gullies, to replant native vegetation, eradicate weeds and feral animal habitats. If anyone doubts this they should

consider how once run down inner city property was turned into investment rich value added property once sufficient funds were directed to it.

## **7. Excuses for Not Reforming Small Acreage Dwelling Permissions.**

**a. There should be no more fragmentation of farmland.** This is typical of State Department of Primary Industry imperatives passed on to their Planning Department colleagues. It completely ignores the thousands of dormant blocks already created.

**b. It would cost too much to provide services like tar roads, power poles, phone, water and other services.**

This obsolete position ignores new technology and off the grid systems like mobile phones, solar power, composting toilets or the popularity of SUV vehicles which do not require tar roads.

**c. Small acreage farms might not be able to provide enough income to support a family.**

Quite so as nowadays many city people only want to supplement their income by exporting a portion of their capital to their small farm. Regulation as it stands avoids developing a simple building standard for weekend farmhouses and the results are small properties are locked into production of feral weeds and animals rather than anything of value.

**d. We can't have an appropriate building standard for small farms.**

- Actually the parameters already exist.
- A "Shedsafe" engineering standard
- Climate appropriate BASIX score.
- Self contained waste systems.
- Adequate water storage.
- Solar or other self-sufficient power for a 12 volt or balanced consumption equation.
- Willingness to contribute a fee for approval to Council
- Nothing else requires prescriptive regulation.

## **8. Recommendation.**

- The Productivity Commission find that COAG should remove the barrier to entry and adopt a national policy for the return of small acreage rural blocks to agricultural productivity by granting them dwelling permission via Planning Instruments and based upon a minimum standard as outlined in 7d above.