



Response to the *Draft*
Metropolitan
Strategy
Review

Agricultural Reference
Group

27 June 2013

Thank you for providing an opportunity to comment on the *Draft Metropolitan Strategy Review*. The Agricultural Reference Group (ARG) is an agriculture industry, local government and local food interest group formed to assist the NSW Department of Planning and Infrastructure (DP&I) to obtain advice on agricultural issues regarding the development of a *Metropolitan Strategy* for Sydney. The ARG represents agricultural industries from poultry (meat & eggs), horticulture (vegetables, fruit), nurseries, cut flowers, turf and dairy.

The ARG is disappointed at the fact that agriculture rates so low in the overall *Draft Strategy*. While it may recognize the positive role it plays in the development of Sydney as a liveable global city, it offers no specific strategies to protect it and/or expand it, even though several consultations have been conducted between the NSW Government and the ARG, and the actions needed have been discussed and documented extensively.

The ARG is deeply concerned that there is still no policy mechanism, coordinated action or an agreed framework in place to protect Sydney's agriculture, and there is no sign that one will emerge soon. The ARG encourages the NSW government to include agriculture in planning for Global Sydney.

The *Draft Strategy* introduces the concept of 'Metropolitan Rural Areas' however does not include a definition of how these will be differentiated from the urban areas, in terms of planning, policy, resources and activities. The *Draft Strategy* also indicates that it "will support and maximise the productivity of agriculture and resource lands" although there is no indication as to how this will be achieved.

The ARG believes agriculture, biodiversity and natural resources need to be an integral part of a holistic planning process. In the *Draft Strategy* agriculture remains in the periphery. It is not an intrinsic part of the planning process.

The farm gate value of agriculture production in the greater Sydney region indicated by the ABS 2011 Agriculture Census was \$749 Million, with 2210 farms and employing 7069 workers. The production value of poultry (meat 43% and eggs 33%) and vegetables (42%) is significant compared to NSW production for these commodities. In certain times of the year the Sydney region produces 90% of some perishable vegetables commodities and is the most important area in Australia in terms of value of production for Asian vegetables. Although the contribution by agriculture to Sydney's economy may not be large the area of agriculture production was estimated to be 125,000 hectares and therefore a significant land resource that needs to be considered. The new Metropolitan Strategy needs to include agriculture as a core element. The ARG recommends a chapter be dedicated to agriculture and that it be integrated into a broader more holistic, whole-of-Sydney planning strategy.

Agriculture through providing employment or the establishment of small farms and enterprises, such as market gardens, poultry and turf, has provided an important settlement strategy for successive waves of migrants, adding immeasurably to Sydney's economic, cultural and social diversity. For example, they have introduced new vegetables, such as Lebanese cucumbers. Their proximity to the large Sydney

market has meant that they are extremely responsive to market trends, with a diversity of marketing opportunities, such as supplying restaurants and farm gate trails, in addition to the Flemington markets.

Agricultural land is vital to sustain Sydney's wellbeing, to the liveability, food security, economic development, sustainability, health, bio-security, quality of life, on agri-tourism, and on visual amenity. Agriculture promotes Sydney's attractiveness when marketing it as global city.

Leadership is needed from the NSW Department of Planning and Infrastructure for the protection, maintenance and expansion of agriculture in the Sydney Basin. Such leadership needs to be translated into a clearly defined set of innovative policies and activities.

The consequences of inaction

If no action is taken, the Sydney basin will be lost to urban sprawl and agriculture will either gradually disappear or intensify on constrained sites for urban development, this is already occurring with polyhouses and hydroponics appearing in the flood plain. The most productive agricultural land in the Sydney basin is now being paved over for new housing without any consideration of where the displaced farms could be relocated.

While Sydney is growing (its population at current growth rates is expected to reach 6.2 million by 2051) the number of vegetable farms in the Sydney region could fall by more than 50 per cent and the area devoted to greenhouse vegetables could decline by as much as 60 per cent. According to the latest research conducted by P. Malcolm and R Fahr, it is possible that Sydney could lose a significant portion of its locally produced vegetables. According to them, agriculture areas are shrinking rapidly, even in those furthest away from Sydney, such as the Hawkesbury.

The loss of agriculture in Sydney may have profound impacts on levels of food production, transport, food prices and the quality of perishable products. Sydney imports the bulk of its vegetables from outside the region which raises concerns regarding the ecological footprint created through travelled food miles and food security. To create a sustainable city it is essential that a substantial amount of production takes place in close proximity to Sydney to ensure freshness, reduce carbon foot print and increase agricultural output. Let's not forget that if a natural disaster strikes Sydney's fresh food reserves are only two days worth of consumption¹.

There is increasing recognition that local food production represents a key part of Sydney's economy and has substantial health benefits. There is now a much heightened awareness of the importance of foods and the fragility of the systems that support it. A whole new agenda has emerged about food that is developing into a significant political and economic force influencing government policy, but hasn't influenced planning strategies.

¹ Based on Sydney Market fresh food 2.5 m tonnes / year and 340 kg/person/year for 4 m people

Loss of agriculture is not only a loss to food production capacity but also the loss of significant secondary industries associated with food processing and consequently the loss of local employment. A perception exists that farms are individual units without considering the multiplier effect in terms of employment provision. The poultry sector alone provides an estimated 2000 direct jobs.

Because of high labour requirements, agriculture, especially intensive agriculture, provides significant employment to people living in adjacent areas who tend to experience high levels of unemployment. The sector is worth \$1.5 billion to the NSW economy and provides almost 22000 jobs in primary production and food processing.

Loss of agriculture represents also a threat to biodiversity and a loss of groundwater recharge and soil quality; an increase in feral animals, weeds and pests and a reduction of native flora and fauna through competition and predation.

It will also be the loss of a rural tourism asset, recreation and leisure asset for the residents.

Agriculture as an integral part of the new *Metropolitan Strategy* - Recommendations

The new *Metropolitan Strategy* should consider the creation of an **Agricultural Lands Taskforce** with similar role and powers as those bestowed to the Employment Lands Taskforce. The Agricultural Lands Taskforce's role will be to advise DP&I on strategies and implementation actions to secure appropriate land for agricultural purposes in the Sydney basin and additional infrastructure support needed to sustain agriculture, including support to small growers.

The ARG recommends that an opportunity is created for agriculture to be part of the employment lands development. The ARG also wishes to be included in the review of the Metropolitan Rural Areas to be conducted in the near future.

The new *Metropolitan Strategy* should set **targets for agricultural productivity**, similar to those created for housing and jobs. While measuring agricultural outputs may pose certain challenges, it is of vital importance to set targets. This could be achieved through:

- Maintaining existing farms, improving productivity and sustainability
- Enabling expansion of existing farms through a faster and smoother development approval process by local councils, and a more consistency regulatory framework across all levels of government, which would encourage more players in the sector.
- Reviewing excessive regulation that constraints agricultural productivity, for instance the heights for green houses. Standardising requirements for DA approvals.
- Releasing the mapping of landuse data soon.
- Facilitating capacity building for the sector.

An Agriculture and Food Policy for Sydney

The new *Metropolitan Strategy* needs to include plans for the development of an **agriculture and food policy for Sydney** that protects both, agricultural land and agricultural activities, factoring in changes in technology, economic and climate change.

The ARG is aware of Government's plans to develop an Industry Action Plan for Agriculture. However we need a well-defined agricultural policy for Sydney that will enable the sector to grow and prosper and supply a larger volume of vegetable and fruit to an increasing larger and growing city.

The *Metropolitan Strategy* should take into consideration that:

- More land needs to be zoned for agriculture, including land for the use of intensive agriculture. Blanket zoning of areas is not the answer to protecting agriculture. There is a need to replace agricultural production areas which are lost to urban encroachment. New agricultural areas should be provided with priority zoning, if required.
- The use of public owned land for agricultural purposes needs to be encouraged.
- Agricultural parks need to be created to allow farmers with land to grow a diverse range of products and to eliminate conflicts related to noise, smells, dust etc. These will also prevent developers from purchasing large parcels of viable land, with the view of spot rezoning for residential/industry purposes, which currently tend to neutralize productive lands and create uncertainty for the surrounding areas.
- Provide more direction to ensure agriculture is addressed in the subregional plans.

The Agricultural Strategy should address the need for regulatory alignment across government.

- **Development Approvals (DAs) need to be standardised** across all LGAs. The *Strategy* needs to indicate that all DAs proposing agricultural activities within the metro rural area will be assessed similarly throughout all the LGAs. In previous years and across many rural industries, similar developments have had to sustain differing interpretations and have had many different conditions put on them, leading to confusion and extra costs. Some DAs allowed in one area, were refused in others.

This streamlining will allow a farmer whose land has been taken up for urban expansion in one area, to confidently move to another locality, with a similar zoning within the Metro Rural area and continue that operation with certainty.

- **Legislated protection for Standard Agricultural Practice (SAPs)** in appropriately zoned areas, or pre-existing agricultural enterprises where urban encroachment has occurred, should be enacted. Laws protecting SAP in farming would eliminate conflicts with non-farming residents and would provide certainty for agriculture.
- The ARG recommends the introduction of an **Agriculture Enterprise Credits (AEC) Scheme**. The scheme which is loosely based on the Sydney City Council's *Heritage Floor Space Scheme* rewards owners of heritage buildings who undertake building restoration with floor space

credits that are banked and subsequently purchased by developers to intensify already approved developments in the Sydney CBD. Developers have taken up the credits and a market for them has developed.

The AEC scheme will reward existing food production in the metropolitan rural area, by providing the farmer with bankable square meter credits based on the amount of food produced in any year. These square meter credits would then be purchased by developers and used to intensify already approved developments by a set rate and in targeted areas only.

The AEC scheme would provide extra income for existing farmers, encouraging them to remain in farming. It would also promote agriculture in the Metro Rural area to owners of non productive land, to bring that land into production and thereby gain credits. Then agriculture would expand in the rural area.

Developers would have an incentive to participate, as the use of AECs would allow an intensification of any project up to a set maximum (set by government) thereby increasing developer profit (as all fixed project costs have already been met).

Once the scheme was up, ongoing cost would be met by the scheme through administration charges to purchasers of the credits, thereby providing assistance to food producers in the rural area at no cost to government.

Possible target areas for the AEC scheme could be urban renewal areas, commercial, industrial and even Greenfield residential development sites. Intensification percentages could be set for each areas; thus limiting the amounts of sq meter credits to each site.

The Agricultural Strategy should commit some resources for the **development of a brand and marketing strategy for agricultural products grown in the Sydney Basin.**

The ARG has partnered with RDA Sydney to conduct a scoping exercise to test the feasibility of developing a Sydney harvest brand and retail strategy, in an effort to review the Sydney basin agricultural industry. However, additional funding will be needed from government for rolling out of recommendations from the Scoping Study to implement the retail strategy.

Recognition, promotion, marketing and protection of agricultural lands will increase land value, farmer confidence and consumer reassurance.

An Agricultural Strategy should seek to reactivate the Research and Development roles of the UWS Hawkesbury campus and University of Sydney Elizabeth Macarthur.

An Agricultural Strategy should encourage all levels of the education system to build interest in agricultural careers. Currently record low numbers of students are enrolled in agricultural courses, partly due to low career options and low remuneration.

Without support for agriculture in the Sydney region education service providers and agencies will reduce the resources available to local food producers – as is currently being experienced by the loss of agriculture courses at UWS Hawkesbury and the closure of the NSW Department of Primary Industries advisory and extension office at Richmond.