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DISCUSSION PAPER 1

RURAL ECONOMIC DIRECTIONS

A DISCUSSION PAPER TO GUIDE THE EUROBODALLA SHIRE COUNCIL RURAL STRATEGY

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Prepared by: **Strategic Economic Solutions** and

Garret Barry Planning Services Pty Ltd

For: EUROBODALLA COUNCIL

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1 Introduction

1.1 Purpose of this Discussion Paper

The Draft Eurobodalla Rural Strategy is presented in three volumes:

Volume One: The Strategy – this is a summary document of the recommended preferred options, strategies and action plans.

Volume Two: The discussion papers – there are 10 broad papers in this volume, each presenting a discussion on the more significant issues applicable to Council's role in the rural lands of Eurobodalla.

This is Discussion Paper 1 and it explores the economic directions of Eurobodalla's rural areas to assist Council develop an understanding of possible trends and economic options.

Volume Three: A compendium of larger scale maps – given the size of the Shire and the detail sometimes required, the more important maps of general land use information and those from the Discussion Papers are presented in A3 page size. In addition, if accessing the PDF version, there is the capacity to "zoom in" to explore more detail.

The draft strategy package as presented in the three volumes, represents the work of the consultant team Garret Barry Planning Services (GBPS). It is stressed these documents are drafts prepared for community comment and input. Council has not concluded any view on the draft recommendations and will resolve a final strategy when it has considered community feedback.

1.2 Executive Summary

Agriculture is a small but historically important part of the socio-economics of Eurobodalla Shire. The 2011 Census counted 340 Shire residents employed in the Agriculture, Forestry and Fishing industry, down from 462 in 2001. In 2011 there were 290 jobs in the Agriculture, Forestry and Fishing industry actually located in Eurobodalla Shire – indicating that 50 residents worked in the industry in another local government area.

Number of farmers and farm workers

Of the 340 Shire residents employed in the Agriculture, Forestry and Fishing industry in 2011, 201 were working in agriculture (the balance employed in forestry and fishing), and 172 agriculture jobs were located in Eurobodalla Shire. The number of agriculture jobs in the Shire was 230 in 2001 – a decline of 58 jobs (25%) over the decade. Most of the agriculture jobs in 2011 were in beef cattle farming or dairying.

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Age of farmers

61% of farmers were over 50 years old in 2011, including 25% over 65 years old.

Farmer incomes

The most common individual income band for agriculture workers in 2011 was $400 to $599 pw ($20,800 to $31,200 pa). Overall, individual incomes averaged $31,774 pa in 2011. Total income for all the Shire's agriculture workers was around $6.3 million in 2011. These figures will include off-farm income where it has been considered additional to the main work (farm work) by the census respondent.

Occupations

Agriculture workers are mostly managers (mostly self-employed), with only 30 labourers employed in the industry in 2011.

Qualifications

Almost all agriculture workers had completed Year 10 or above, with around 40% in each census year having completed Year 12. Around half of the people working in agriculture had post-school qualifications, with half of these being at Certificate III or IV level, 29% had Diplomas or Advanced Diplomas, and 24% had Bachelor Degrees or higher qualifications.

Farm business numbers

The Australian Business Register[1] counted 288 Agriculture, Forestry and Fishing businesses in 2015, down from the 394 operating in 2005. Of those operating in mid-2015, 174 were farms. Most of the farm businesses were beef cattle farms (80) or combined sheep-beef cattle farms (22), with 30 dairy farms, 14 'other livestock' including beekeeping and horses, and 13 vegetable growing, 4 fruit and nut growing and 4 poultry. While the stock of registered Agriculture, Forestry and Fisheries businesses fell by 106 over the decade to 2015, there were 271 business exits (closures) over the decade and 176 entries.

Agricultural activity

The total land area and number of establishments are variable, but according to the Australian Bureau of Statistics Agricultural Census data the average area of agricultural holdings is declining – from 247 ha in 1996 to 190 ha in 2011. This data is likely to be biased towards larger producers than other data like Council's landholdings data or Local Land Services data. Beef and dairy cattle are the most significant agricultural activities in the

[1] The Australian Business Register is maintained by the ABS and the ATO. When released by the ABS it covers active Australian Business Numbers (ABNs) – i.e. businesses actively remitting GST via a Business Activity Statement at least once in the last 5 quarters or 3 years. It therefore does not capture businesses with ABNs that have not registered for GST (i.e. operating under the threshold of $75,000 pa and choosing not to register for GST) or non-business ABNs such as Trusts and other investment vehicles. For Eurobodalla either the registered office or trading address is listed as within Eurobodalla Shire. The ABR does not have full coverage of the geographically dispersed large businesses which have a head office in one location and many branches in other locations.

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Shire. Fruit production is variable, and nurseries, turf and vegetable production take up a relatively small part of the agricultural land area in the Shire. Eurobodalla's agricultural activity is a small part of agriculture in the Southeast NSW Region.

Value of production

The total farm gate value of agricultural production in Eurobodalla has been around $12.5 million per annum between 1996 and 2006, though data presented for 2011 shows a sharp jump to $20 million, largely due to increases in the value of beef and milk. The most valuable agricultural activities have been beef cattle and meat and dairying, together accounting for around 90% of the total value of agricultural production in the Shire.

Business locations

There is a wide variety of businesses located away from the main urban areas – not just agricultural businesses. Many construction and transport businesses are located on rural properties, as are a great many professional services businesses – most operating from a home base.

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2 EUROBODALLA FARMERS SOCIO-ECONOMIC PROFILE

2.1 EMPLOYMENT

The 2011 Census counted 340 Eurobodalla ‘usual residents’ employed in the Agriculture, Forestry and Fishing industry. This compares with 394 in 2006 and 462 in 2001.

Not all these 340 Shire residents working in Agriculture, Forestry and Fisheries were actually working in the Shire, and between 47 and 56 at each of these Census worked outside the Shire (Table 1).

Table 1: Agriculture, Forestry and Fishing jobs done by Eurobodalla residents and jobs in Shire

	2001	2006	2011
Agriculture, Forestry and Fishing work done by usual residents of Eurobodalla Shire	462	394	340
Agriculture, Forestry and Fishing jobs in Eurobodalla	406	347	290
Net 'export' of industry jobs	56	47	50

Of the 340 Shire residents employed in the Agriculture, Forestry and Fishing industry in Eurobodalla Shire in 2011, 201 were working in agriculture, and 172 agricultural jobs were located in Eurobodalla Shire (Table 2). The latter numbers indicate that some 29 Eurobodalla residents who worked in agriculture were in jobs in localities outside the Shire at the time of the Census in 2011.

By way of comparison, the Australian Business Register counted 314 GST-registered-and-active Agriculture, Forestry and Fisheries businesses a year after the Census in June 2012.

Table 2: Agriculture, Forestry and Fishing jobs in Eurobodalla, August 2011

Agriculture, Forestry and Fishing			
	Males	**Females**	**Persons**
Agriculture, Forestry and Fishing, nfd*	0	0	0
Agriculture	127	45	172
Aquaculture	38	10	48
Forestry and logging	36	8	44
Fishing, hunting and trapping	11	4	15
Agriculture, Forestry and Fishing support services	11	0	11
Total	**223**	**67**	**290**

Source: ABS Census 2011, place of work data

* ‘not further defined’ meaning enough information was provided to place the person in this Industry, but not enough to allow classification into a smaller sub-industry category.

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The trend over time is summarised in the table below. There were 406 Agriculture, Forestry and Fishing industry jobs in the Shire in 2001, falling to 347 in 2006 and 290 in 2011. The table shows that the number of jobs in agriculture itself fell from 230 to 172, a loss of 58 jobs (25%) over the decade.

Table 3: Agriculture, Forestry and Fishing – jobs in Eurobodalla Shire

	2001				2006			2011		
	Males	**Females**	**Persons**		**Males**	**Females**	**Persons**	**Males**	**Females**	**Persons**
Agriculture, Forestry and Fishing, undefined*	3	3	6	Agriculture, Forestry and Fishing, nfd	0	0	0	0	0	0
Agriculture	165	65	230	Agriculture	143	79	222	127	45	172
Services to Agriculture; Hunting and Trapping	7	6	13	Aquaculture	46	10	56	38	10	48
Forestry and Logging	42	9	51	Forestry and logging	34	5	39	36	8	44
Commercial Fishing	84	22	106	Fishing, hunting and trapping	17	3	20	11	4	15
				Agriculture, Forestry and Fishing support services	10	0	10	11	0	11
Total	**301**	**105**	**406**	**Total**	**250**	**97**	**347**	**223**	**67**	**290**

Source: ABS Census 2011, place of work data

*undefined has the same meaning as 'nfd' i.e. enough information was provided to place the person in this Industry, but not enough to allow classification into a smaller sub-industry category.

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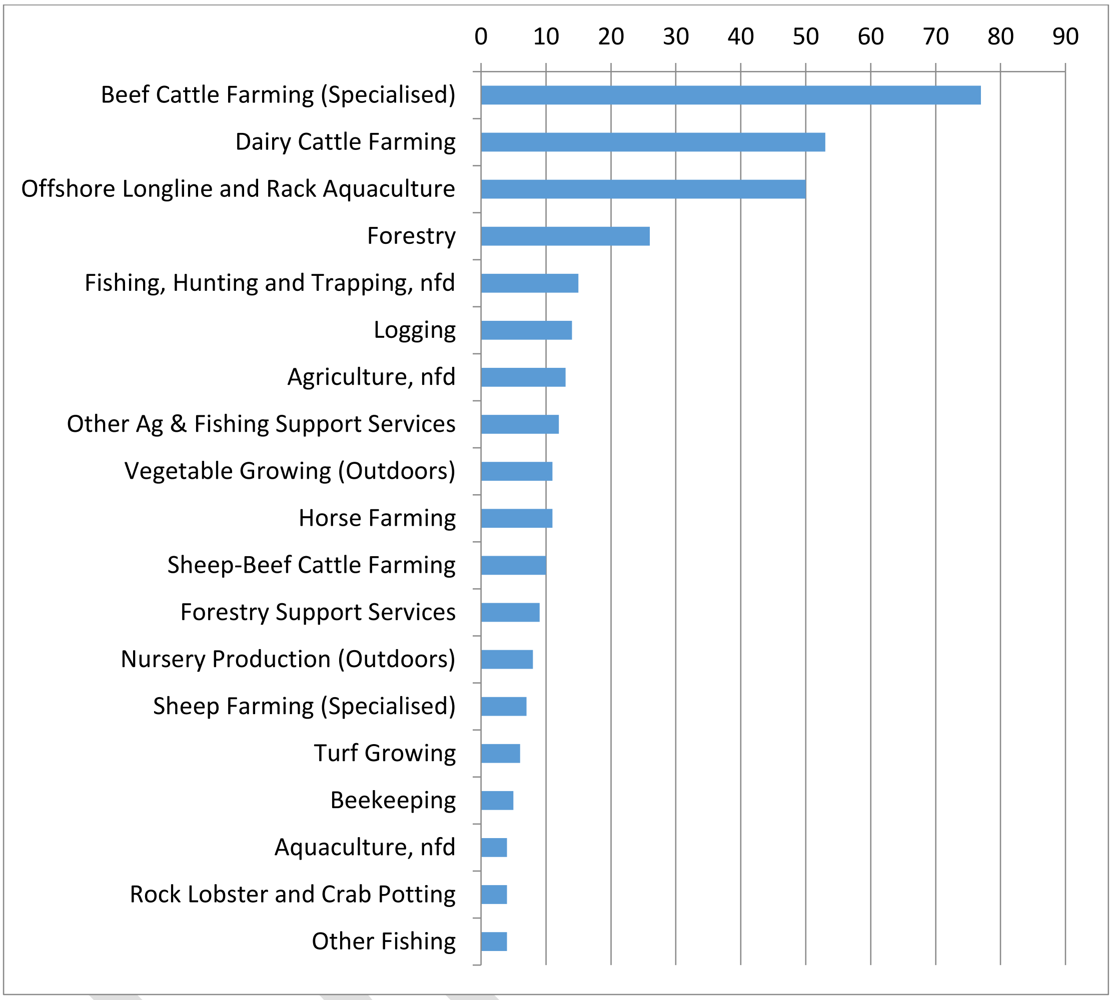
Looking in more detail at 2011, most of the agriculture workers (130) were employed in either beef (77) or dairy (53) farms.

Figure 1: Agriculture, Forestry and Fishing jobs by sub-industry

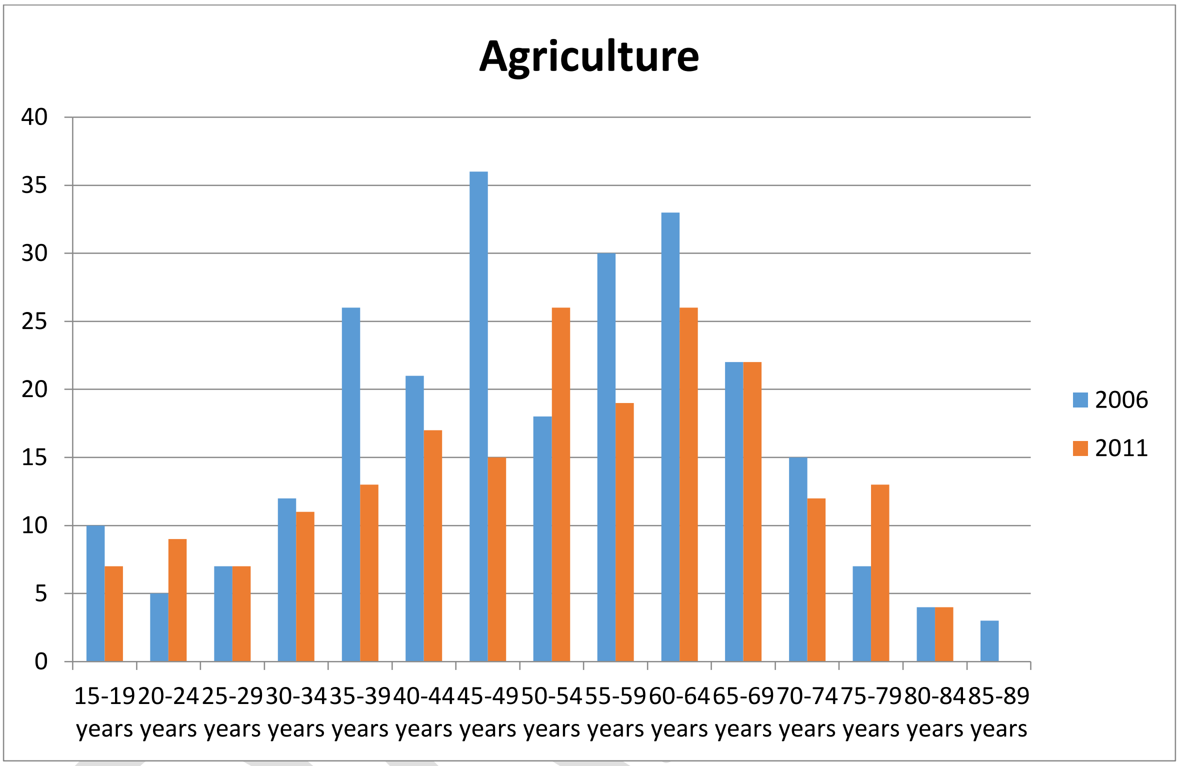


Source: ABS Census 2011, customised data from TableBuilder

2.2 AGE OF AGRICULTURE WORKERS

61% of agricultural workers are over 50 years old, including 25% over 65 years old. The chart shows that the age profile in 2011 was older than in 2006 – with more farmers in their 30s and 40s in 2006. Most of the farmers over 50 seem to have stayed in the Shire, while many of the younger farmers in 2006 seem to not have been there at the 2011 Census.

Figure 2: Age of residents working in agriculture, 2006 and 2011

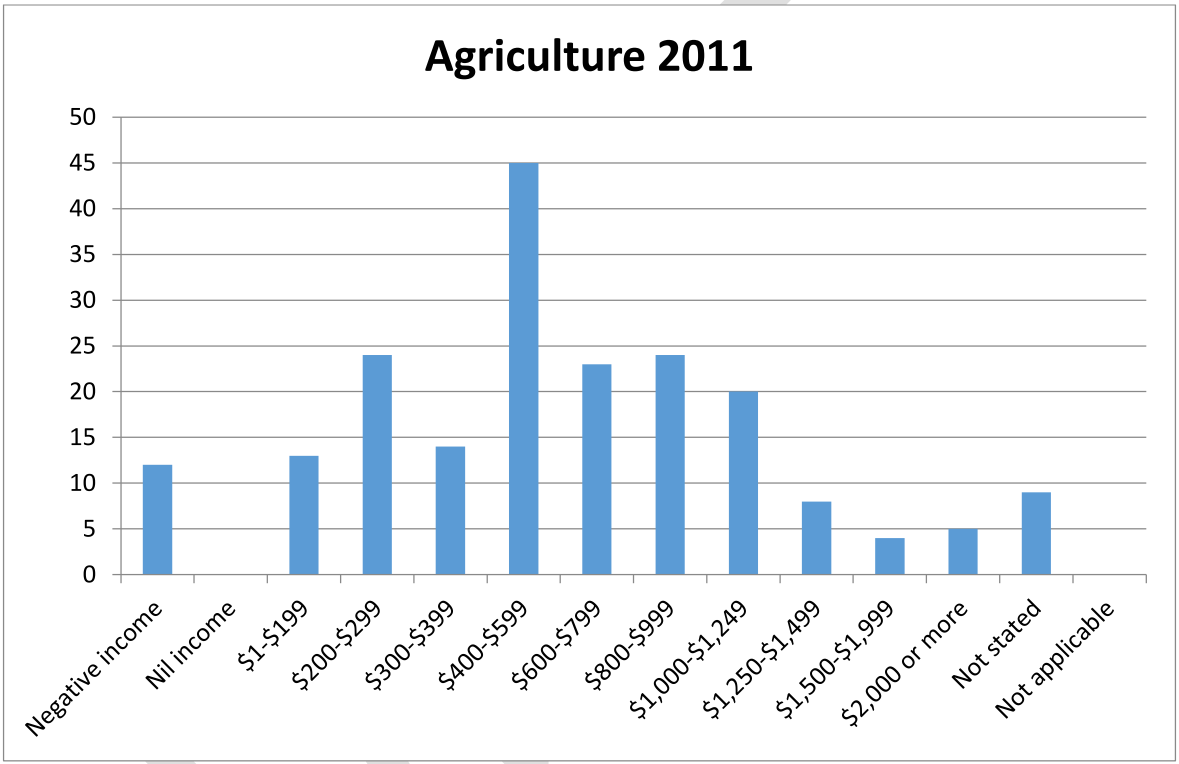


Source: ABS Census 2011 customised data

2.3 INCOME OF AGRICULTURE WORKERS

The most common individual income band for agriculture workers in 2011 was $400 to $599 pw ($20,800 to $31,200 pa). Overall, individual incomes averaged $31,774 pa in 2011. The data does not clarify the source of this income (farm or non-farm). Total income for all agriculture workers was around $6.3 million in 2011. This equates to around half the total for the Agriculture, Forestry and Fisheries industry as a whole ($12.4 million), showing that the other parts of the industry – aquaculture, fishing and forestry – also provided significant incomes for workers in the Shire.

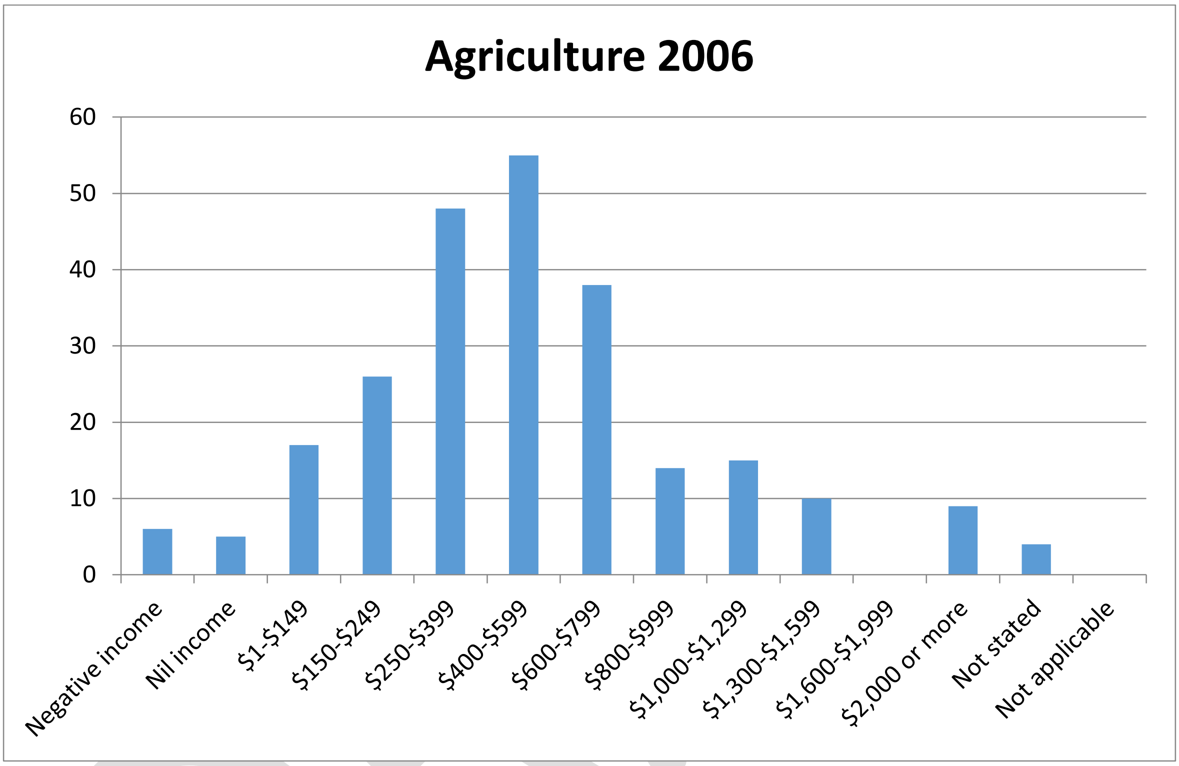
Figure 3: Weekly income of residents working in agriculture 2011



Source: ABS Census 2011 customised data

The income brackets in 2006 were slightly different so direct comparison is not possible, but the chart below shows a similar distribution of agricultural incomes. In 2006 the average individual income of agriculture workers in the Shire was $29,141 (in 2006 dollars i.e. not adjusted for inflation), and the total income contribution to the Shire from agriculture was $7.2 million in 2006, a larger share of the $11.7 million (in 2006) for the Agriculture Forestry and Fisheries industry as a whole than it was in 2011.

Figure 4: Weekly income of residents working in agriculture 2006

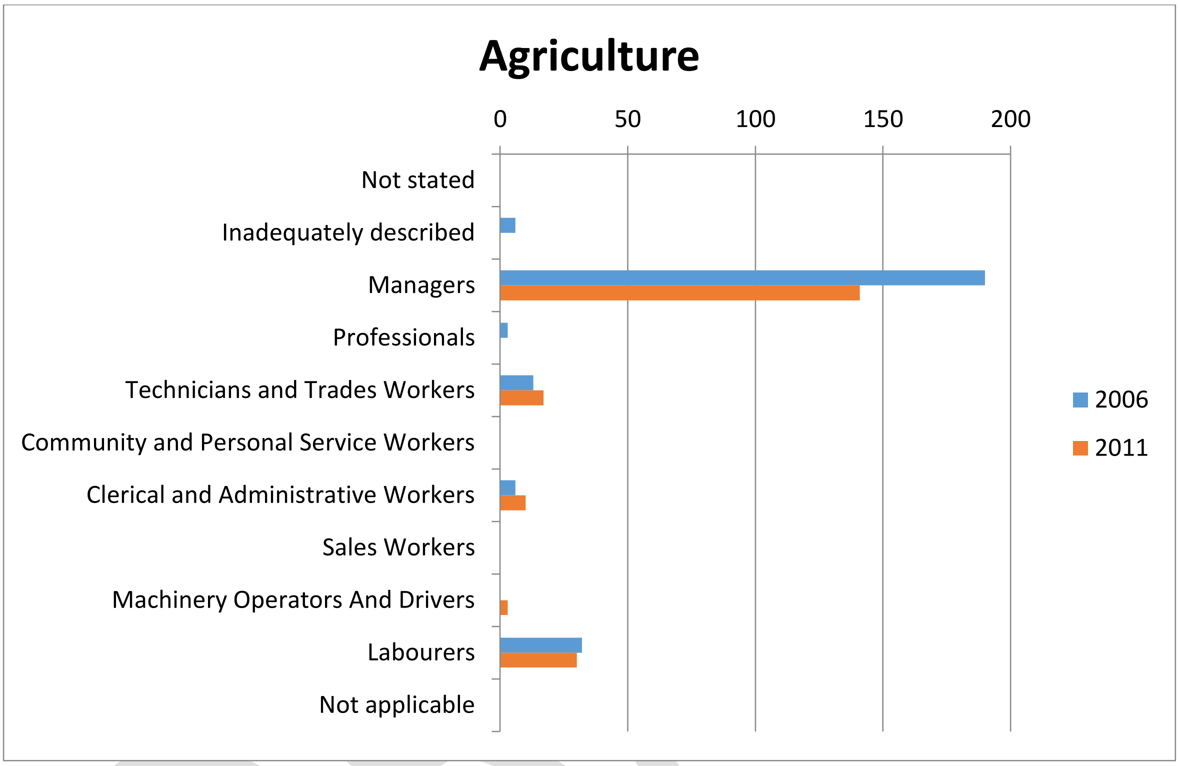


Source: ABS Census 2006 customised data

2.4 Occupations of Agriculture Workers

Agriculture workers are mostly managers (mostly self-employed), with only 30 labourers employed in the industry in 2011. There were more managers in 2006 (190) but a similar number of labourers (32).

Figure 5: Occupations of residents working in agriculture, 2006 and 2011



Source: ABS Census 2006 and 2011 customised data

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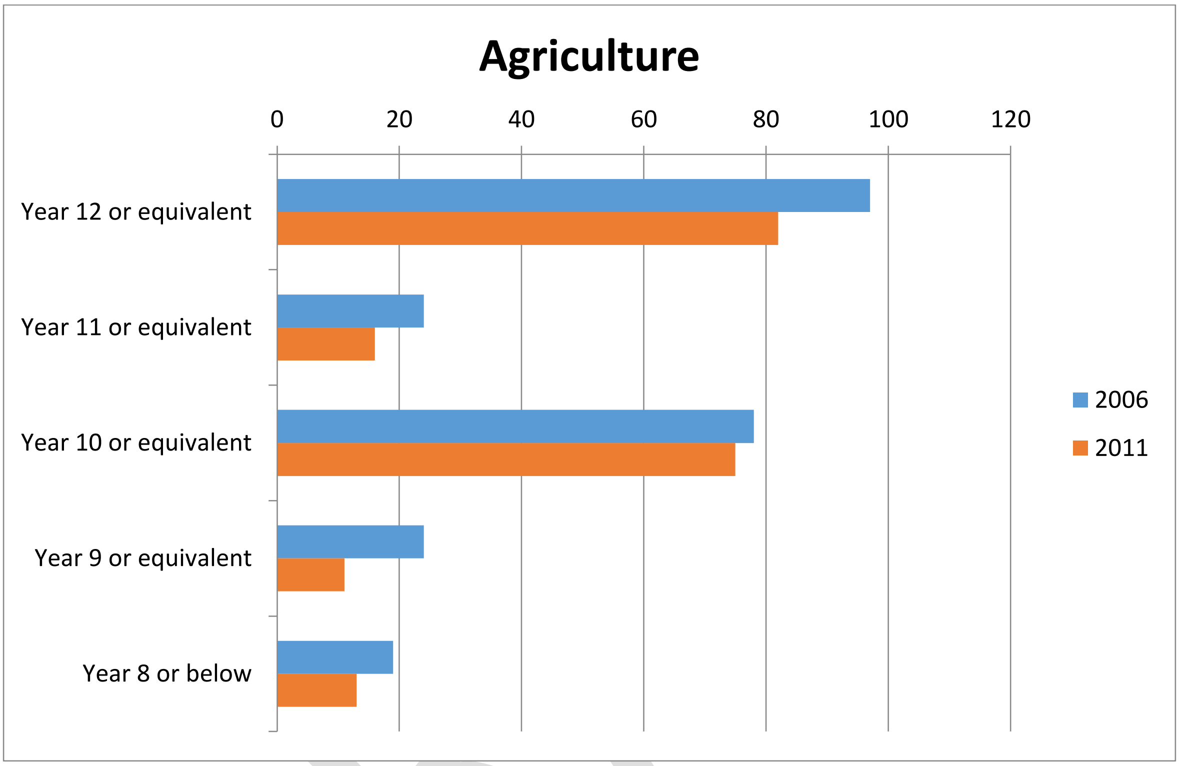
2.5 School Qualifications of Agriculture Workers

Almost all agriculture workers had completed Year 10 or above, with around 40% in each Census year having completed Year 12.

Figure 6: School qualifications of residents working in agriculture, 2006 and 2011

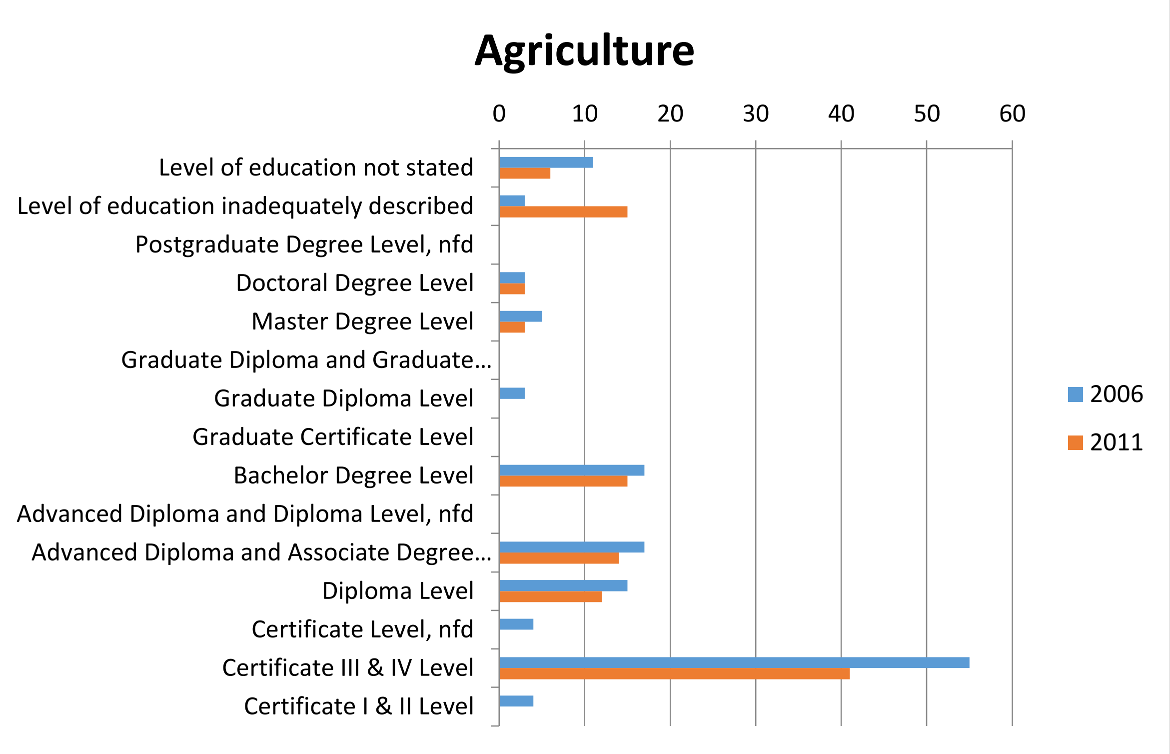


Source: ABS Census 2006 and 2011 customised data

2.6 Post-school Qualifications of Agriculture Workers

Around half of the people working in agriculture had post-school qualifications, with half of these being at Certificate III or IV level. A total of 26 (29%) had Diplomas or Advanced Diplomas, and 21 (24%) had Bachelor Degrees or higher qualifications.

Figure 7: Post school qualifications of residents working in agriculture, 2006 and 2011



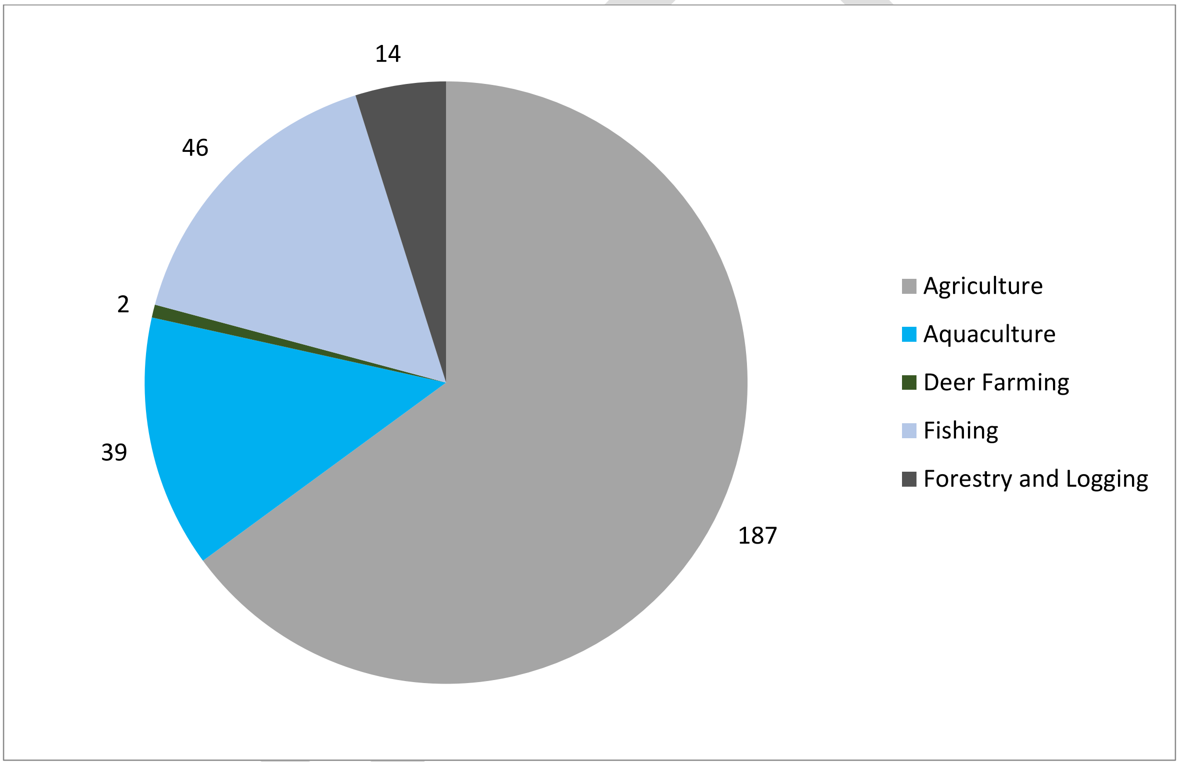
Source: ABS Census 2006 and 2011 customised data

3 Scale and Value of Agriculture

3.1 Counts of Agriculture, Forestry and Fisheries Businesses – April 2015

The Australian Business Register[2] counted 288 Agriculture, Forestry and Fishing businesses in 2015, of which most (187) were in agriculture.

Figure 8: Agriculture, Forestry and Fishing businesses, June 2015



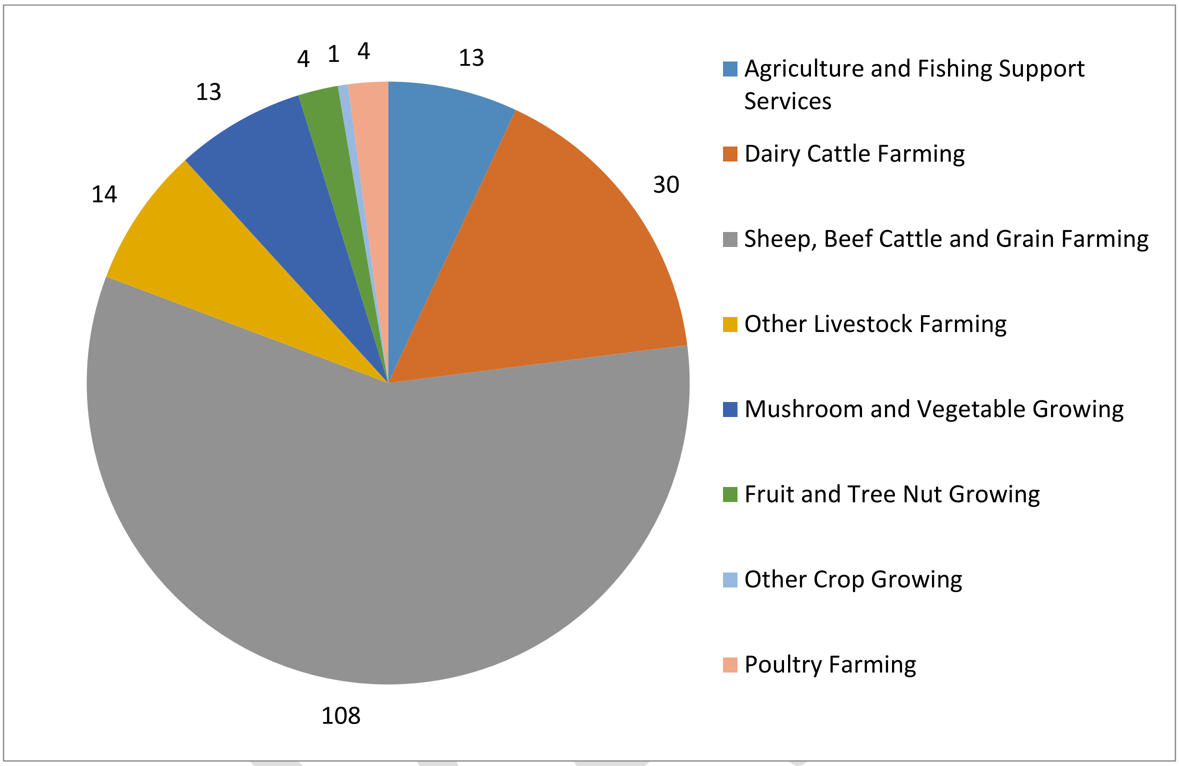
Source: Australian Business Register

Of the 187 agriculture businesses most (174) were farms and another 13 were providing support services to the whole industry group.

[2] The Australian Business Register is maintained by the ABS and the ATO. When released by the ABS it covers active Australian Business Numbers (ABNs) – i.e. businesses actively remitting GST via a Business Activity Statement at least once in the last 5 quarters or 3 years. It therefore does not capture businesses with ABNs that have not registered for GST (i.e. operating under the threshold of $75,000 pa and choosing not to register for GST) or non-business ABNs such as Trusts and other investment vehicles. For Eurobodalla either the registered office or trading address is listed as within Eurobodalla Shire. The ABR does not have full coverage of the geographically dispersed large businesses which have a head office in one location and many branches in other locations.

Table 5 shows that most of the farm businesses were beef cattle farms (80) or combined sheep-beef farms (22), with 30 dairy farms, 14 'other livestock' including beekeeping and horses, and 13 vegetable growing, 4 fruit and nut growing, 4 poultry and 1 'other crops'.

Figure 9: Mix of farm businesses 2015



Source: Australian Business Register

The trend in business numbers for Eurobodalla from its Australian Business Register (ABR) subscription shows that the number of Agriculture, Forestry and Fishing businesses in June each year has dropped from 394 in 2005 to 288 in 2015 – a fall of 106 businesses or 27%.

Table 4: Trend in business numbers (Australian Business Register data)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture, Forestry and Fishing	394	393	388	363	354	341	330	314	289	289	288
All businesses	3,933	3,970	3,927	3,710	3,646	3,535	3,509	3,390	3,303	3,267	3,239

Source: Australian Business Register

Table 5: Mix of Agriculture, Forestry and Fisheries businesses 2015

	Count
Agriculture, Forestry and Fishing	**288**
Agriculture and Fishing Support Services	**13**
Dairy Cattle Farming	**30**
Sheep, Beef Cattle and Grain Farming	**108**
Beef Cattle Farming (Specialised)	80
Grain-Sheep or Grain-Beef Cattle Farming	13
Other Grain Growing	3
Sheep Farming (Specialised)	3
Sheep-Beef Cattle Farming	9
Fruit and Tree Nut Growing	**4**
Berry Fruit Growing	1
Grape Growing	1
Olive Growing	1
Other Fruit and Tree Nut Growing	1
Mushroom and Vegetable Growing	**13**
Nursery Production (Outdoors)	1
Nursery Production (Under Cover)	1
Vegetable Growing (Outdoors)	6
Vegetable Growing (Under Cover)	5
Other Crop Growing	**1**
Cotton Growing	1
Other Livestock Farming	**14**
Beekeeping	4
Horse Farming	5
Other Livestock Farming n.e.c.*	5
Poultry Farming	**4**
Poultry Farming (Eggs)	2
Poultry Farming (Meat)	2
Aquaculture	**39**
Deer Farming	**2**
Fishing	**46**
Abalone Fishing	8
Fish Trawling, Seining and Netting	8
Line Fishing	15
Marine Fishing n.e.c.	4
Other Fishing n.e.c.	3
Rock Lobster Fishing	8
Forestry and Logging	**14**
Forestry	7
Logging	7
Other Onshore Aquaculture	1
Oyster Farming	38
Grand Total	**288**

Source: Australian Business Register, 2015

* ‘nec’ means ‘not elsewhere classified’ and the respondent was engaged in a type of production not captured in the other sub-industry categories.

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While Table 4 above showed a fall in the total number of Agriculture, Forestry and Fishing businesses of 106 over 10 years, within each year there is a lot of churn as businesses come and go. The Australian Business Register shows that there was a total of 271 Agriculture, Forestry and Fisheries business exits (closures) over the decade to 2015, compared with 176 entries over the decade.

Table 6: Business entries and exits 2005-15

	Entries	Exits
Accommodation and Food Services	270	255
Administrative and Support Services	164	175
Agriculture, Forestry and Fishing	**176**	**271**
Arts and Recreation Services	53	74
Construction	774	983
Education and Training	39	55
Electricity, Gas, Water and Waste Services	9	10
Financial and Insurance Services	49	73
Health Care and Social Assistance	125	100
Information Media and Telecommunications	23	26
Manufacturing	113	161
Mining	6	6
Other Services	196	212
Professional, Scientific and Technical Services	292	320
Public Administration and Safety	15	20
Rental, Hiring and Real Estate Services	199	240
Retail Trade	314	401
Transport, Postal and Warehousing	193	238
Wholesale Trade	64	83
Grand Total	**3074**	**3703**

Source: Australian Business Register

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3.2 Scale of Agricultural Activity 1996 to 2011

3.2.1 Estimations using ABS Agricultural Census Data

The following table shows the scale of agricultural activity in terms of hectares, number of animals or trees, for the period 1996 to 2011. Data for 1992 was also examined but has not been included as it covers a much smaller geographical area.

The total land area and number of establishments are variable, but the average area of agricultural holdings is declining – from 247 ha in 1996 to 190 ha in 2011 (ABS Agricultural Census). Beef and dairy cattle are the most significant agricultural activities in the Shire, and dairy cattle numbers have been edging up while beef cattle numbers are more variable, but seem to be edging up as well in the latter part of the period. Dairy farm numbers have been declining, indicating increasing intensity in the dairy industry. Sheep and lamb numbers have also been variable and the number of establishments seemed to increase in 2011. The importance of beef cattle and dairy operations are shown in the table on the trends in the value of agricultural production, with these two activities accounting for over 85% of the value of agricultural production in the Shire.

Fruit production is also variable, though there are signs of increasing intensification with more trees per establishment, and establishments becoming larger. Nurseries, turf and vegetable production take up a relatively small part of the agricultural land area in the Shire.

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Table 7: Agricultural activity 1996 to 2011

	1992	1996	2000-01	2005-06	2011
	Eurobodalla (S)	**Eurobodalla (A)**	**Eurobodalla (A)**	**Eurobodalla (A)**	**Eurobodalla (A)**
Area of holding - total area (ha)	17,014	31,190.7	35,823	34,840	26,276
Number of establishments	61	126	117	168	138
ha/Establishment	279	247	306	207	190
Total Cattle		16,927	16,342	17,895	18,126
Farms		95	87	130	113
Dairy Cattle		5,966	6,922	5,739	6,738
Farms		26	22	19	17
Beef cattle		10,961	9,420	12,156	11,388
Farms		83	81	120	103
Sheep & lambs		4,335	2,347	1,267	3,405
Farms		11	6	9	28
Hay and pasture - ha		399.8	667	461	679
no. of establishments		23	24	21	18
All broadacre crops - Total area (ha)		400.6	280	473	20
no. of establishments		28	27	14	2
Nurseries, cut flowers or cultivated turf - Total area (ha)		30.8	29	26	34
no. of establishments		8	6	5	6
Vegetables for human consumption - Total area (ha)		10.4	46	10	20
no. of establishments		5	9	10	7
Orchard fruit and nuts - ha		13.2	30	33	57
no. of trees		4,238	5,336	9,267	7,496
no. of establishments		3	38	12	10

Source: ABS Agricultural Census (various years)

3.2.2 Estimations using Local Land Services Data and Council records

As a cross check, data from annual stock returns of the Local Lands Service (LLS) was interrogated for a 10 year period.

Table 8 below is a summary of all submitted returns of all size properties and as such includes data down to hobby size farms which may not all be collected by the ABS.

Table 9 is a summary of total beef and dairy farms and stock from LLS data for properties 40 ha and over. It has a closer correlation with the ABS data but demonstrates some anomalies. For example, dairy cattle total numbers were only 2,319 by LLS in 2014 and 3,667 in 2009 whereas ABS counted 6,738 in 2011.

The LLS data points to average beef farms – ranging 193 to 200 ha over the last 10 years and the ABS overall average farm size around 200 for the past 2 census.

Council rates data was also interrogated to reveal the following numbers of properties in the existing RU1 zone and deferred areas:

- Ownerships between 40 and 80 ha 184
- Ownerships between 80 and 100 ha 42
- Ownerships between 100 and 200 ha 76
- Ownerships between 200 and 400 ha 37
- Ownerships over 400 ha 16
- **Total properties 40 ha and over 339**
- **Total properties 100 ha and over 129**
- **Total properties 200 ha and over 53**

This Council data points to a very high proportion of part-time and hobby scale properties and a median property size under 80 ha.

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Table 8: Total stock - all farm size returns Eurobodalla Shire

	2004							2009							2014						
				Number of farms							Number of farms							Number of farms			
	Farms	Stock	Areas	< 40 Ha	40 - 100	>100	> 200	Farms	Stock	Areas	< 40 Ha	40 - 100	>100	> 200	Farms	Stock	Areas	< 40 Ha	40 - 100	>100	> 200
Alpacas	10	149	191					14	220	544					33	211	1418				
Beef Cattle	323	12464	33340	167	86	75	34	272	11614	28604	136	70	66	28	259	10675	28910	124	72	63	28
Bison															1	8	45				
Buffalo															2	8	28				
Camels	1	13	13																		
Dairy Cattle	55	5851	6754	23	12	20	12	30	4107	3838	10	7	13	7	26	2416	2379	15	2	9	5
Deer	6	123	186					3	111	88					2	82	58				
Emu	1	20	283																		
Goats	39	278	1170					31	377	1057					36	394	1051				
Horses	229	1083	13360	150	50	29	13	140	722	9456	83	36	21	10	187	748	13096	123	39	25	13
Llamas															2	9	13				
Ostrich	2	7	50					1	3	30											
Other								9	156	125											
Pigs	8	20	274					10	102	317					6	40	54				
Poultry															5	686	88				
Sheep	32	1882	4270					46	2231	2881					85	3848	5656				

Source: LLS Annual Returns

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Table 9: Local Lands Service total Beef and Dairy for properties 40 ha and over

	Total beef and dairy - properties 40 ha or larger					
	Beef stock numbers	**Areas**	**Farms**	**Dairy stock numbers**	**Areas**	**Farms**
			2004			
Total	9,829	30,564	159	5,134	6,300	32
mean	62	193		161	198	
median	42	96		138	131	
			2009			
Total	9,933	26,401	137	4,016	3,667	20
mean	73	194		201	183	
median	40	96		148	147	
			2014			
Total	9,334	26,977	136	2,319	2,119	11
mean	69	200		211	193	
median	40	94		150	167	

Source: LLS annual returns

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3.3 EUROBODALLA IN THE SOUTH EASTERN REGION

The Southeast Region comprises:

- Eurobodalla
- Bega Valley
- Palerang
- Bombala
- Goulburn-Mulwaree
- Harden
- Queanbeyan
- Yass River
- Cooma-Monaro
- Snowy River
- Boorowa
- Young

The following table shows the significance of agricultural activity in Eurobodalla compared with the whole South East Region and the neighbouring local government areas of Bega Valley, Palerang and Shoalhaven. The table shows that the scale of agricultural activity in Eurobodalla is much smaller than in its neighbouring LGAs.

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Table 10: Agricultural production in Eurobodalla and selected parts of NSW Southeast, 2011

	South Eastern (excl. Shoalhaven)		Eurobodalla (A)		Bega Valley (A)		Palerang		Shoalhaven	
	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses	Estimate	Number of agricultural businesses
Area of holding - Total area of holding (ha)	2,621,906	4,586	26,276	138	89,362	415	218,468	432	80,457	355
Hay and Silage - Hay - Total area (ha)	24,346	826	679	18	1190	53	1,050	47	2,637	77
All broadacre crops - Total area (ha)	170,619	772	20	2	459	14	2,110	31	1,278	10
Nurseries, cut flowers or cultivated turf - Total area (ha)	109	58	34	6	28	14	13	9	115	31
Vegetables for human consumption - Total area (ha)	157	63	20	7	24	9	5	8	7	5
Orchard fruit and nuts - Total trees (no.)	786,826	165	7,496	10	8,316	12	42,598	15	2,566	12
Livestock - Cattle - Total (no.)	465,695	2,963	18,126	113	54,490	352	56,716	327	40,313	290
Livestock - Dairy cattle - Total (no.)	38,210	145	6,738	17	27,797	87	301	7	24,052	62
Livestock - Meat cattle - Total (no.)	427,485	2,889	11,388	103	26,692	294	56,416	325	16,260	253
Livestock - Sheep - Total sheep (no.)	4,761,347	2,793	3,405	28	31,033	116	155,115	171	2,840	38

Source: ABS Agricultural Census (various years)

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3.4 Value of Agricultural Production

The total value of agricultural production in Eurobodalla has been around $12.5 million per year until 2006, though data presented for 2011 shows a sharp jump to $20 million. The jump is largely due to increases in the value of beef and milk, though some of the apparent increase may be due to changes in the way data was collected (see note on data quality below). The most valuable agricultural activities have been beef cattle and meat, and dairying, together accounting for around 90% of the total value of agricultural production in the Shire. The information is presented graphically below.

Table 11: Value of agricultural production, Eurobodalla Statistical Local Area

	1992*	1996	2001	2006	2011*
Agriculture - total value ($)	6,415,771	12,695,887	12,459,438	12,589,591	20,300,000
Crops - total value ($)		1,493,006	1,895,293	2,037,002	2,200,000
Pasture, cereal and other crops cut for hay - total value ($)		137,729	254,041	608,912	500,000
Crops (excluding hay) - total value ($)		1,357,160	1,652,441	1,428,090	1,700,000
Nurseries, cut flowers and cultivated turf - total value ($)		1,055,787	788,636	1,005,603	1,200,000
Vegetables - total value ($)		37,936	328,869	140,861	200,000
Fruit - total value ($)		159,547	514,469	203,112	400,000
Livestock slaughterings - total value ($)		2,057,078	3,170,137	3,402,418	7,000,000
Livestock products - total value ($) (milk)		8,001,578	6,707,874	7,150,171	11,000,000.0

Source: ABS Agricultural Census (various years)

* Note on data quality: This data was provided by the ABS as a special order but there are still concerns about consistency of measurement. The 1992 data covers a much smaller area than that for later years and cannot be used for trend assessment. Similarly, the published data for 2011 has a different format and there are substantial jumps in many of the measures when compared to the trends over the previous decade. Discussion with specialist staff in the ABS Agricultural Statistics Section indicates that there is no simple explanation for the jumps observed between 2006 and 2011. There was no change in the way the data was collected, and the number of respondents was slightly smaller in 2011 (138 in 2011 compared with 168 in 2006). There may have been some change to the way some questions were worded but this has not been confirmed.

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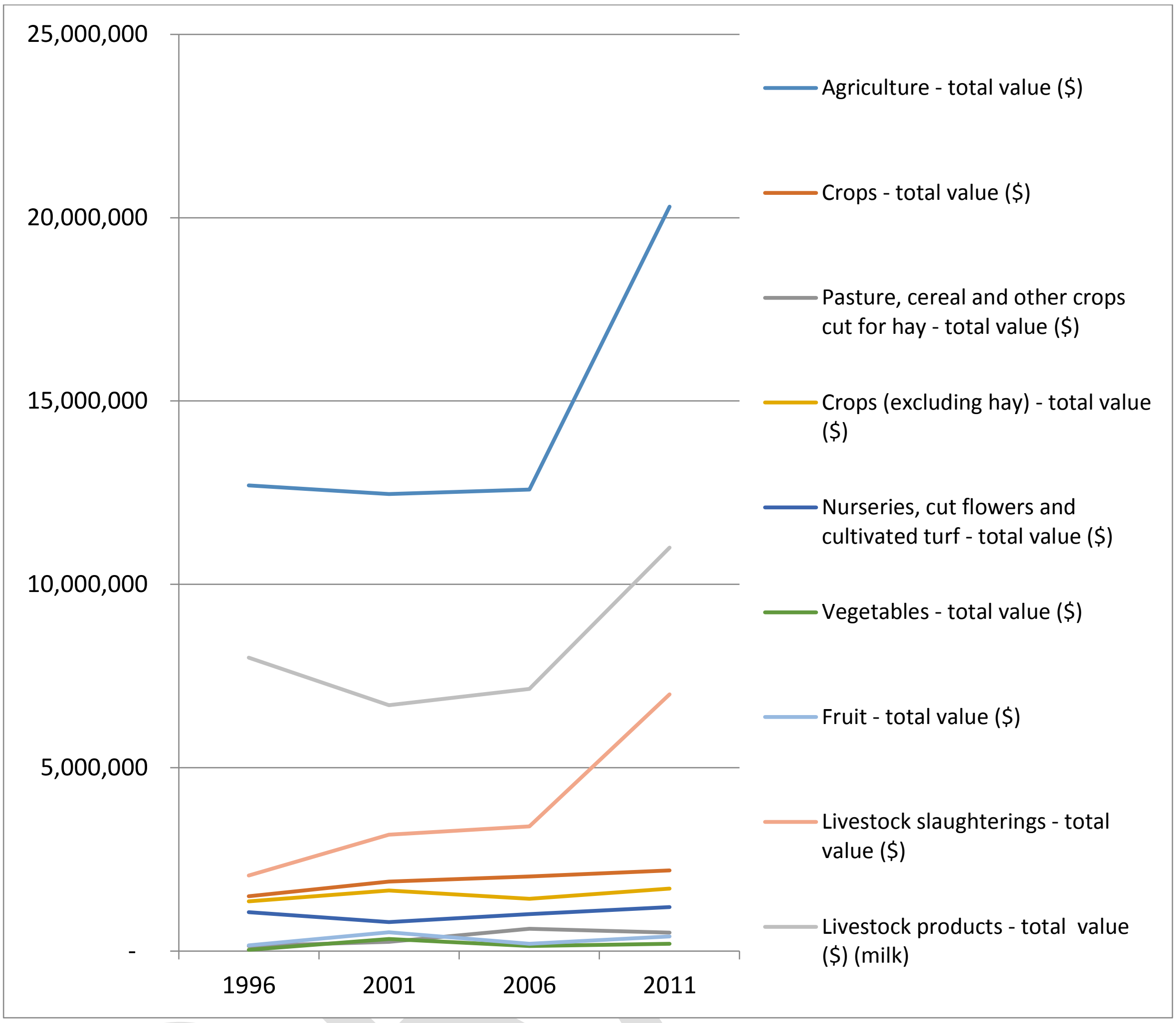
Figure 10: Value of agricultural production ($), Eurobodalla SLA



Source: ABS Agricultural Census (various years)

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4 BUSINESS LOCATIONS IN URBAN AND RURAL AREAS

Locations of active businesses in Eurobodalla Shire as recorded by the ABR were split into 'rural' and 'non-rural' areas based on the estimated position of the business and splitting the rural and non-rural using Council's GIS mapping of urban versus rural zones. For the purposes of this survey, "rural" includes rural residential zone as well as the RU1 zone and the deferred areas. The maps on the following pages show the distribution of business locations. It is important to note that the registered business address may not always be the business location, and that some businesses may operate over a number of locations.

The maps show that there is a wide variety of businesses located away from the main urban areas – not just agricultural businesses. Many construction and transport businesses are located in rural lands, as are a great many professional services businesses – most operating from a home base. The maps show relatively little rural based business activity in the northern part of the Shire, but there are many businesses spread inland of Moruya and between Moruya and the coast, and many also inland in the southern part of the Shire (south of Narooma).

The table below also shows a high number of agricultural businesses in non-rural locations. This could include businesses such as produce stores and veterinary practices that are located in commercial centres, mobile businesses that are registered to the owner's home address in a residential area, and businesses that have chosen to register their business in a central location (but the actual business operation may be in various rural locations).

Table 12: Counts of active businesses by location and industry groups

Row Labels	Non Rural	Rural	Grand Total
Agriculture	137	116	253
Construction	472	209	681
Education and Health	142	20	162
Financial and Professional Services	520	69	589
Hospitality and Tourism	182	25	207
Mining	0	2	2
Other Services	88	105	193
Retailing and Wholesaling	262	30	292
Transport and Logistics	102	44	146
Grand Total	**1905**	**620**	**2525**

Source: ABR data modified to define rural/non rural locations.

Note: This table contains fewer Agriculture, Forestry and Fisheries business than Section 2 (including Table 5 and associated charts) as it is based on a subset of the active ABNs identified as being within Eurobodalla Shire which were located in one of a defined list of localities. In applying this filter some active ABNs did not match the locality list and were excluded. But the conclusion of the table is still considered valid in that the rural areas provide sites for a wide range of small businesses - as much as 25% of total businesses (but many of these rural based businesses are likely home scale with few external employees). Agriculture businesses in non-rural locations are either the location of the 'office' for a rural landholder (those not living on a rural property) or are businesses supplying services to agriculture from a non-rural business location.

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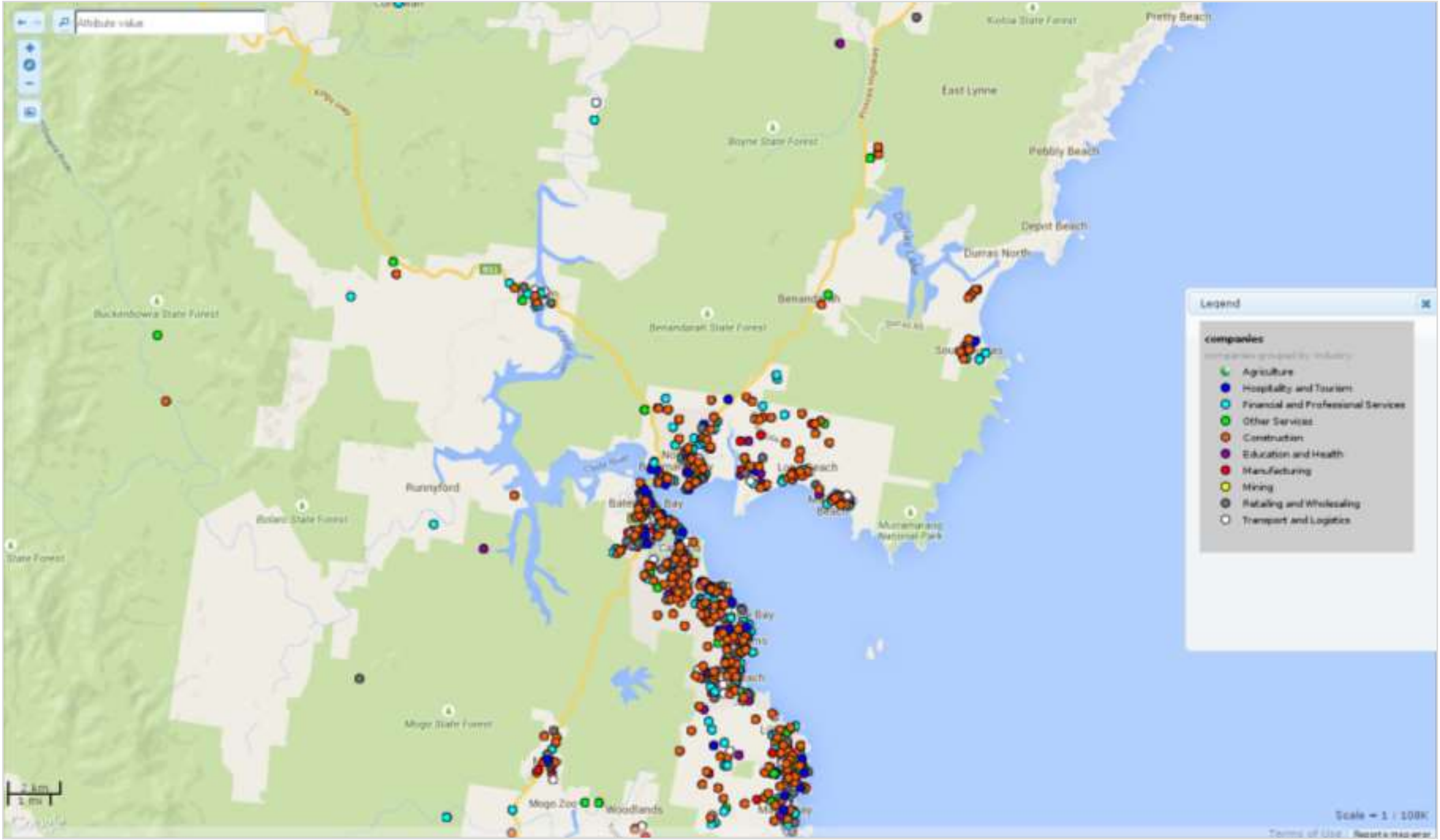
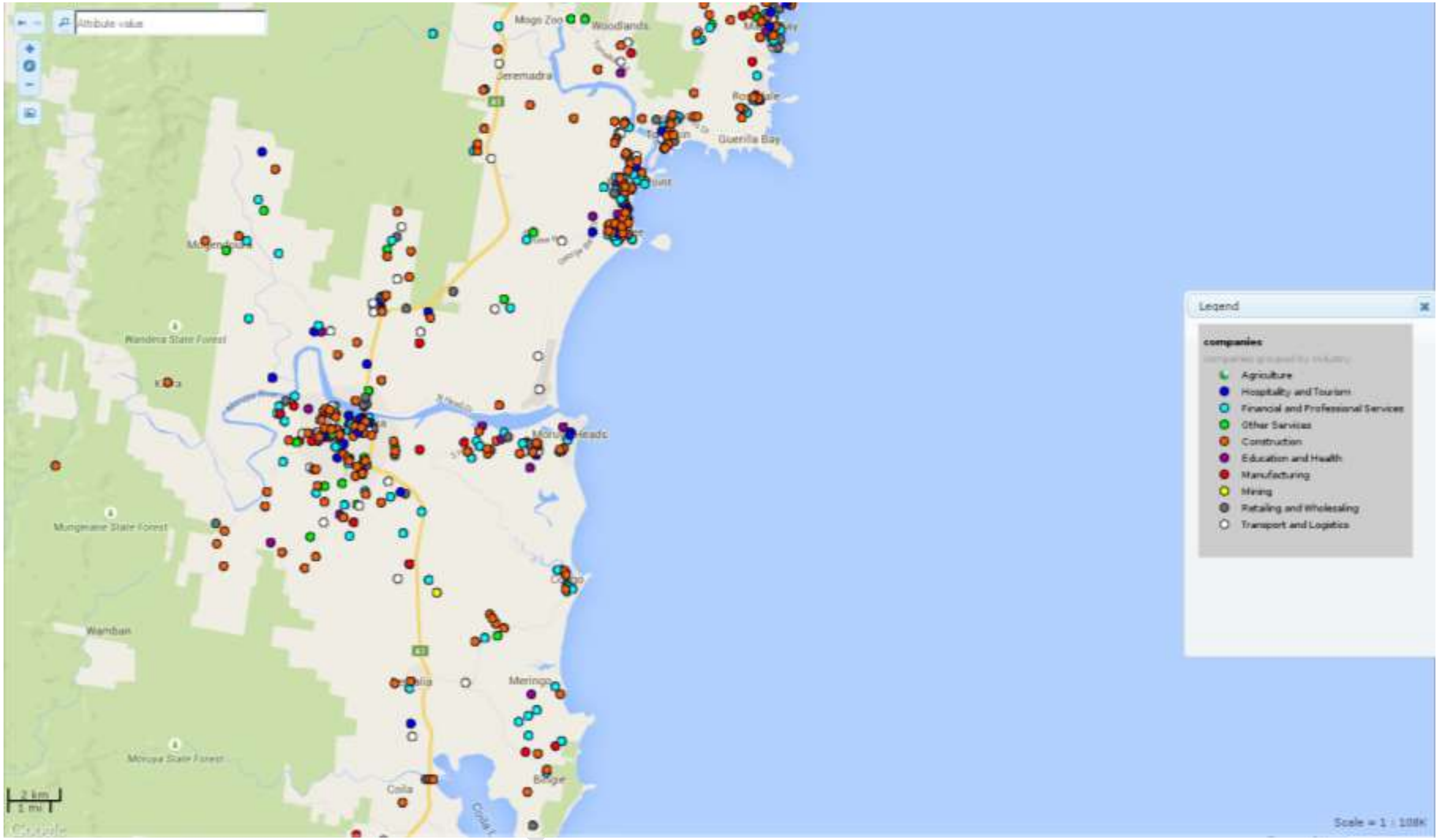
Map 1: All Active ABN Businesses Batemans Bay District



Map 2: All Active ABN Businesses Moruya District



Map 3: All Active ABN Businesses Narooma District

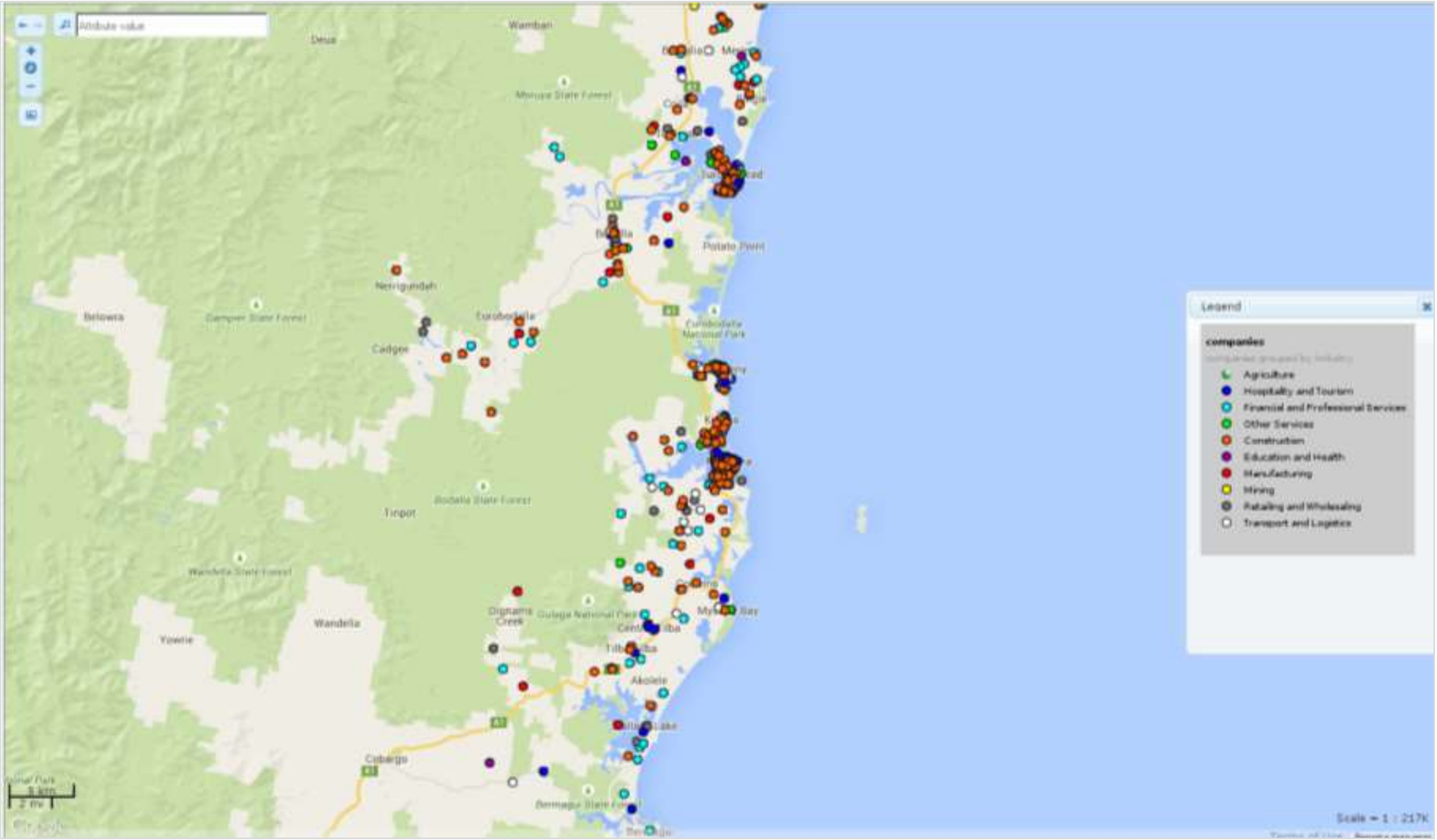
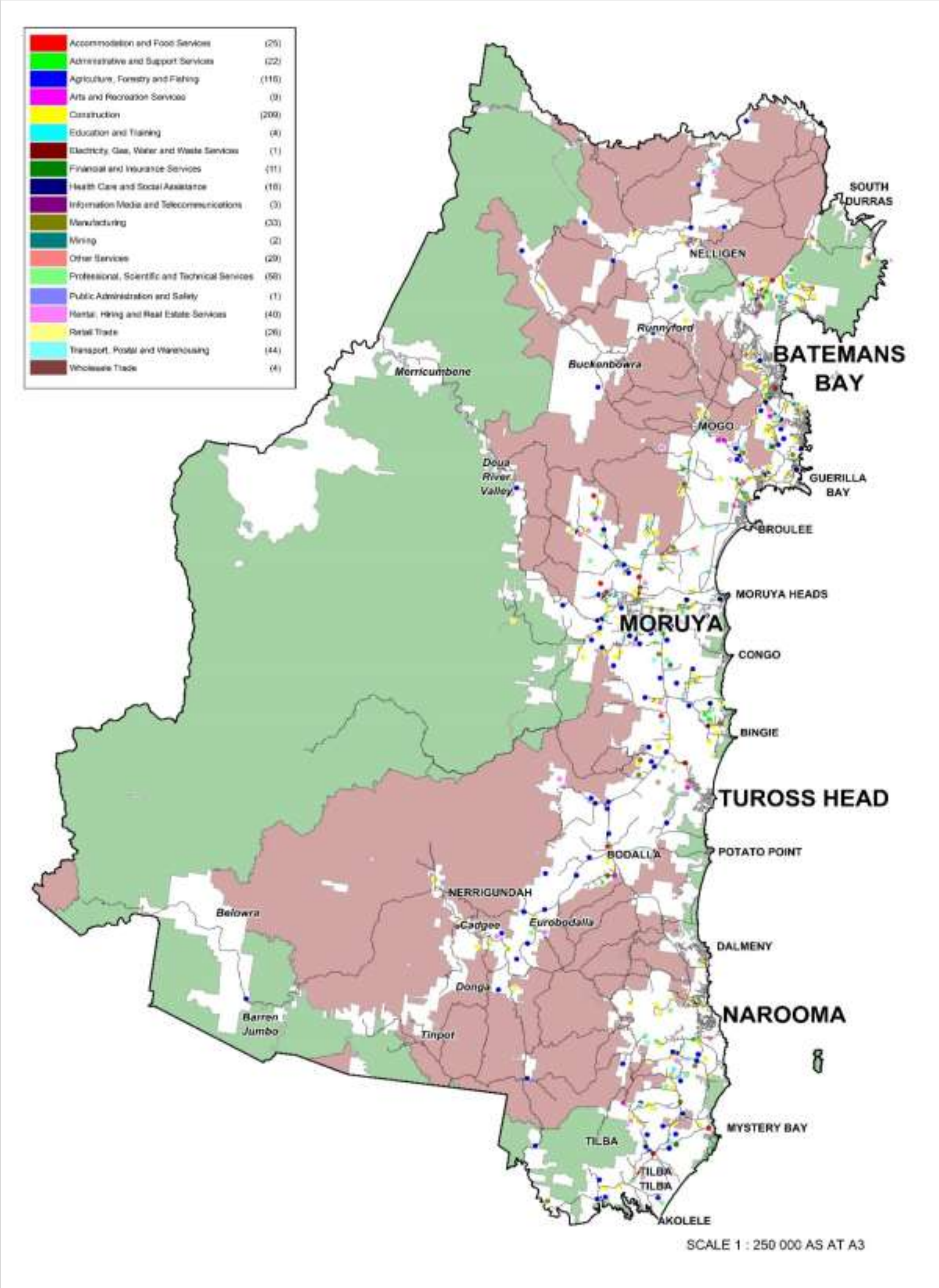


Figure 10 All Active ABN Businesses in the rural zones of Eurobodalla



Source: Australian Business Register

5 Identification of Issues and Options for the Rural Strategy

5.1 Past Economic Trends

In trying to project the future, modelling of past trends is useful. The following rural economic trends seem to be derived from the available data:

- Traditional commercial scale agriculture (in particular beef and dairy) seem to have limited capacity to expand in economic terms:
  - There is no surety of terms of trade improving and have been in decline for several decades;
  - There is limited good agricultural land in larger holdings;
  - There has been a trend of shrinking holding size and increasing part-time farming;
  - There is increasing reliance on non-farm income; and
  - See Discussion Paper 2 for more detail on the limitations facing any expansion of traditional commercial agriculture.
- Similarly, employment in traditional commercial agriculture while remaining important, may continue to slowly decline as further pressure develops to improve automation and economies of scale. But perhaps the quite large forest and dairy rationalisations of the past 2 decades have now settled and employment in these sectors might stabilise more as the structural adjustments seem less likely to be as severe in the next 2 decades.
- The pattern of current owners of commercial scale farms, say 100 ha or greater, appears to be of mostly individual/family farms (Council rates data). This group appear to be ageing and high land values will make succession planning very challenging for following generations.
- High land values - fuelled by speculation will likely mean little interest in Eurobodalla as a destination for farm aggregation and corporate farms.
- There is a solid utilisation of the rural areas for non-agricultural business. Approximately 500 non-agricultural businesses are registered in the rural zones and this is only a proportion as many small operations are not registered or recorded by ABR as businesses.
- While holding sizes have been decreasing, the overall value of agricultural production seems to be increasing. Perhaps the part-time farms are producing similar output to when there were larger holdings? But are the inputs more?

5.2 INFLUENCES ON THE TRENDS

5.2.1 Data accuracy and need for monitoring

As discussed in the Sections above, there are limitations in the current available data:

- ABS fluctuations in the total value of agriculture production seem difficult to explain and as such the overall value of agriculture expressed from these sources might vary some millions of dollars.
- ABS, ABR and similar data sources are more reliable at regional scale.
- Agriculture is very much a cyclical activity and heavily affected by market swings and seasons. Hence, care is needed in estimating overall stock capacities as they can vary enormously between drought and good seasons and between times when there is income to improve pastures and periods (as up until recently) when returns from beef were too poor to pasture improve and hence production rates fall.
- Council could expand its statistical data gathering on agriculture and other rural land use but this has resource costs and we feel there are sufficient patterns in the available data to make adequate recommendations on general rural economic direction of Eurobodalla to set a 20 year vision for Council. However, some increased ongoing monitoring of data like the ABR business activity, sizes and types of holding could be beneficial and cost effective.

5.2.2 Changing markets

There is some recent optimism of improved terms of trade in beef and dairy but this has yet to translate into long term optimism. Free trade agreements, an expanding middle class in Asia and other potential markets, more diversity and interest in food and its provenance, these all could work to stabilise or even grow agricultural value.

But there is yet to be the surety that the decline in terms of trade of the past few decades is over. Council might foster new niche food and fibre but they are currently a very small part of the overall rural economic production value.

5.2.3 Land use and land value

The past 30-40 years has seen ongoing and solid growth in interest from people both just wanting to live in rural areas and those wanting hobby or part-time roles in agriculture.

This has led to fragmentation of properties and increases in land values. Some rural properties may now have a land value where even just the annual bank interest on that value may not be met from conventional agricultural production on the property. This is discussed more in Discussion Paper 2.

5.3 USE OF THE RURAL AREA FOR BUSINESS OTHER THAN AGRICULTURE

As mentioned above, there could be perhaps a thousand or more, mostly small, often home based businesses in the rural zones which have no direct relationship to agriculture. But many of these businesses operate from part-time or hobby scale farms. There is evidence of this activity growing and prospects with technological improvements like the National Broadband Network of faster growth in non-agricultural business.

There are professional people working from a home office on a farm. There are many earthmoving and other types of construction contractor with a work base on farm in the rural areas. While there are currently only small numbers of rural tourism businesses there is possibly growth potential.

There is not much evidence of conflict between these non-agricultural activities and commercial agriculture. In fact, some of these activities may support part-time agricultural operations and general land management.

With less than 130 properties over 100 ha (source Council rates records), it seems apparent most agriculture is a part-time activity in Eurobodalla. Some part-time scale operators seem to be "early retirees", but some have either off-farm employment in the urban areas or on farm business income not related to agriculture.

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6 PREFERRED OPTIONS AND RECOMMENDED STRATEGIES RELATING TO RURAL ECONOMIC DIRECTION

6.1 SOCIO-ECONOMIC OPTIONS AND STRATEGIES

6.1.1 Fostering small non-agricultural businesses

Subject to reasonable controls to protect existing and potential viable commercial agriculture and other primary production, it would seem to be positive for Council to continue to foster additional appropriate non-agricultural businesses and expansion of existing ones. This can support the rural economy and result in more finance for better land management in the rural zones.

Action Statement:

Council to consider expanding permissible uses in the rural zones as suggested in Section 6.2.

Council to develop plain English fact sheets or brochures to identify the range of non-agricultural activities that are permissible and encouraged in rural areas, and to outline in simple language any relevant approvals required or controls that apply.

6.1.2 Addressing an aging rural population

Higher proportions and absolute numbers of seniors in the rural areas has challenges for services for all three levels of government, with more load on ambulance, in home care, etc. Transport can be a challenge for more senior rural residents.

Council might facilitate programs to improve public transport, community transport, etc. Much of this role is a State responsibility but Council can lobby for support.

Action Statement:

Council to continue to lobby for adequate services for rural aged, including ambulance access, community transport and programs to foster the retention of the aged in their own homes.

6.1.3 Growing agricultural employment

The prospects do not look good for significant growth of employment in the traditional commercial rural industries. There may even be a need to plan for more decline. But the rate of decline of the past 2 decades may slow and rural industry is still a significant employer.

There could be employment growth opportunities in fostering appropriate non-agricultural work opportunities in the rural areas and in growth of new initiatives in local food and fibre.

These opportunities are explored in Discussion Paper 7.

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6.1.4 Monitoring the data

The State and Federal data collection has a focus larger than the Local Government scale. Good local data on the demography, business activity and other rural land use trends is valuable for informed decision making. But it can also come at a cost. Council needs to balance gathering sufficient data and cost of monitoring.

Action Statement:

Council should continue to subscribe to the ABR data on registered businesses in the Shire and undertake, at a minimum, 5 yearly reviews to monitor trends and success in growing target businesses.

6.2 Land Use Options and Strategies

6.2.1 Using lot size to protect agriculture

Traditionally, setting large lot sizes has been a land use planning tool to limit speculative value pressures on good agricultural land.

Unfortunately, in places of demand for rural land for uses other than commercial agriculture such as the coast or near major cities, in many ways the "horse has bolted" in that the land value already is well above what the lands agricultural production value can service in terms of interest on the capital investment.

There are other reasons to limit land fragmentation and these are presented in the Discussion Papers 2 and 9.

Discussion Paper 2 draws evidence that Eurobodalla is fast becoming a part time farming area and as such lot sizes do not necessarily have to have some correlation to full time farm scale. But there is a need to avoid unnecessary fragmentation of larger holdings down to a point where they are just hobby scale properties. Options on lot size are developed in Discussion Papers 2 and 9.

6.2.2 Facilitating permissible uses

Council may review and expand permissible land uses in the rural areas to widen the scope of compatible non-agricultural business. This is explored further in Discussion Paper 3.

Expanded controls may be needed in a Development Control Plan to mitigate adverse impacts on agriculture. For example, buffers, noise specifications, stringent soil and water management and restrictions on such development where roads and other services are modest.

Protection measures for agriculture are explored in more detail in Discussion Paper 9.

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