
PHILLIPS
AGRIBUSINESS

Statement of Expert Evidence

**GREATER GEELONG PLANNING SCHEME
AMENDMENT C395**

Agricultural Capability Assessment

**231-299 & 201-209 Grubb Road
Oakdene West**

**Phillips Agribusiness
66 Linacre Road
Hampton Vic 3188**

November 2019

1. Introduction

My company, Phillips Agribusiness was commissioned by the Dominion Property Group, Scottish House, Level 4, 90 William Street, Melbourne Vic 3000 to provide an agricultural capability assessment of two parcels of land, 231-299 & 201-209 Grubb Road, Oakdene West that lie immediately north and west of the Ocean Grove Settlement Boundary.

The scope of the report included:

- A description of the agricultural capability of the two properties;
- The type of farming activities being conducted and their economic characteristics;
- The impacts of urban encroachment;
- The characteristics and impacts of the Ocean Grove Structure Plan, Amendment C395.

A Technical Report addressing the agricultural issues is attached as **Appendix A**.

I formally adopt the information, analysis and conclusions contained in the Technical Report and this statement as my Expert Witness Statement for the purposes of the Panel Hearing which has been convened to consider such issues.

2. Qualifications and Experience

Name and address

Raymond Neil Phillips, 66 Linacre Road, Hampton, Victoria 3188

Qualifications

Bachelor of Agricultural Science, Massey University of Manawatu, New Zealand;
Master of Business Administration, Melbourne University.

Experience

My specialist skills are in farm and business management, environmental and land use surveys, water recycling and irrigation developments, industry studies and strategic planning. My experience is in agriculture under temperate climatic conditions, usually in the livestock, cropping and intensive agricultural industries.

I have been engaged in numerous studies which consider the impact that development has on farming practice and its sustainability. My experience has been at a State, regional and local level.

A copy of my curriculum vitae is provided as **Appendix B**.

3. Facts, matters and assumptions

The properties were inspected on two different occasions to determine the type of farming activity being conducted and the anticipated changes under new ownership. An inspection of surrounding properties within the Farming Zone and the residential development occurring on the property's boundaries was also conducted.

Research was conducted on the type of impacts encountered at the interface of rural and residential development. Consideration was also given to the impact of the Ocean Grove Structure Plan and Amendment C395 on the land management of the two properties.

4. Summary of opinion

The farming activities of Oakdene Estate have been a successful business enterprise through cellar door wine sales, restaurant and accommodation. However, the grape growing component, while essential to the brand, was relatively unprofitable due to high water costs, low yields and lack of enterprise scale. The Barwon Water Reservoir land is currently unsuited to agriculture.

The recent sale of the Oakdene Estate property to urban interests has provided the opportunity to shift grape production to a lower cost area where water supply is more assured and land values lower. To allow the continuation of cellar door sales, wine processing and grape supply is being met offsite.

The land of Oakdene Estate is of average land quality and only marginally suited to intensive agriculture because of the lack of an adequate irrigation supply. It is best suited to low value dryland grazing or cropping activity. This includes the Barwon Water Reservoir land once rehabilitation is complete.

The change in the business organisation of Oakdene Estate, its flow on effects and the availability of the adjacent surplus Barwon Water Reservoir land, requires re-evaluation under Clause 21.14 in the 2021 review of the OGSP.

Conversion of these areas to residential use will have a low rural productivity impact.

Expert's declaration

I have made all inquiries that I believe are desirable and appropriate and that no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.



R N Phillips
Phillips Agribusiness
6 November 2019

APPENDIX A

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1.0 INTRODUCTION

This report provides an agricultural capability assessment of two parcels of land, 231-299 & 201-209 Grubb Road, Oakdene West that lie immediately north and west of the Ocean Grove Settlement Boundary. Consideration is given to the suitability of the land parcels for inclusion into the Urban Settlement Boundary.

2.0 AGRICULTURAL CAPABILITY

2.1 Locality description

The two properties are located west of Grubb Road and north of the Ocean Grove Nature Reserve. The larger property Oakdene, (231-299 Grubb Road) is 93ha in size and extends north to near Rhinds Road and south to the nature reserve. The Barwon Water Reservoir land is 9.5ha in size and occurs as an excision into Oakdene land off Grubb Road. The Barwon Water storage tank adjacent to the reservoir land is still functional and excluded from this submission.

2.2 Natural features

The natural feature characteristics of the immediate region is a climate that is temperate in nature, comprising an average annual rainfall of 620mm with an autumn and spring distribution pattern suitable for pastures and crop. There is a defined summer dry where evaporation exceeds precipitation requiring irrigation for intensive horticultural crop production.

The landform is gently undulating with moderately defined streamlines. Soils are grey-brown fine sandy loam to sandy clay loam overlying grey-brown mottled medium to heavy textured clay at between 20cm-35cm. This soil profile is easy to work and provides moderate to high permeability although lower lying areas are prone to waterlogging.

The land quality class is assessed as “3 or Average¹”

These environmental conditions suit the establishment of perennial pastures for livestock grazing (cattle, sheep and equine), broadacre cropping (cereals, oilseeds, legumes) and occasionally intensive agriculture.

2.3 Property description

Oakdene was developed as a small vineyard and dryland grazing and cropping property. The vineyard commenced establishment in 2001 extending to an area of approximately 12ha. An irrigation facility was installed with its water source being catchment runoff and town water.

The fruit was processed at Scotchmans Hill winery and sold under the Oakdene label at the cellar door. Associated on site functions include a fine dining restaurant, casual dining café and accommodation.

The remaining rural land was initially cropped and then sown down to perennial grass species for livestock grazing and hay making.

¹ Land quality class is assessed on a 5 point scale from high (1) to low (5)

Figure 1 shows the locations and layout of both properties.

Figure 1: Property locations



In 2018 the property was sold to Oakdene Estate Trust. The management of the property has changed, simplifying land use to crop production. Vineyard management is contracted out but with the intention of ceasing grape production within 3 years.

The Barwon Water Reservoir land has been used for water storage purposes and comprises a large earthen tank. The intention is to restore the land to a level surface through removing the earthen walls, providing fill to achieve a level surface and finishing with 15cm overlay of topsoil. This renovation technique will allow a pasture cover to be established for livestock grazing but unlikely to be suited to crop production due to a disturbed soil profile.

The land by itself is too small an area to consider farming as an independent allotment. An agreement has been entered into with Oakdene Estate to manage the property. However, in the longer term, conversion to residential use would seem more appropriate.

2.4 Economic considerations

The viability of the Oakdene business enterprise was dependent on wine sales, food and accommodation. It was strongly linked to the tourism industry.

The vineyard was limited in scale because of the constraints of water supply rather than the availability of land. The high cost of water and the small annual tonnage of grapes produced made the grape growing enterprise only marginally profitable. Grapes were purchased to supplement supply.

Grape growing is to cease within 2 years, the vines removed, and the land cropped. The cellar door, dining facilities and accommodation are being retained in their existing location and use, with wine processing and grape growing occurring from outside sources.

Dryland agriculture

Most of the property is now being cropped and grazed. A small area of plantation timber² in the south-west corner has recently been harvested for pulp production and the land being rehabilitated for crop production.

The dryland grazing areas can support a stocking rate of between 10-12 dry sheep equivalents/ha³. Expected gross margins for sheep and cattle are in the range of \$30-\$40/dse or \$300-\$480/ha. The same order of returns can be expected from dryland cropping. On a total farm basis these returns are extremely modest and aggravated by small farm size and high overhead costs such as rates, labour and capital servicing. Dryland agriculture in this location is seen more as a form of land management rather than providing a commercial return.

² Sugar Gum

³ Dry sheep equivalent (dse) is that amount of dry matter required by one mature wether per annum.

3.0 URBAN ENCROACHMENT

3.1 Rural-urban conflicts

There are numerous farm practises that are considered essential to rural industry, particularly intensive agriculture, that may cause aggravation to neighbours who have little knowledge or tolerance of such activities. Intensive agricultural activities are most affected and can include:

- Spray drift when treating horticultural crops;
- Water drift from spray irrigation particularly if using recycled water;
- Irrigation and drainage water runoff contributing to nutrient and chemical loadings;
- Odour associated with spreading organic manures such as poultry litter;
- Dust arising from cultivation or through the spreading of some fertilisers;
- Farm machinery movement on local roads;
- Noise associated with irrigation pumping or machinery activity, particularly at night;
- The loss of visual amenity through the construction of specialised farm buildings;
- Stubble and grass burn-offs.

3.2 Landholder and residential impacts

Intensive agricultural practises that have the potential to impact upon residential use include farm chemical spraying, odour and stubble and grass burnoffs. Spray irrigation, nutrient and chemical runoff, noise, dust and machinery movement are expected to be minor impacts.

Farm chemical spraying is subject to a Code of Practice whereby spray drift can be controlled to within acceptable limits providing the correct equipment is used, suitable weather conditions are selected and appropriate buffer zones exist. However, such precautions do not necessarily appease neighbouring urban landholders who can be reactive to any perceived impact irrespective of the need of, or care in application.

Odour arising from the spreading of fertiliser, particularly organic manures has the potential to create disturbance at the residential interface. No Codes of Practice or manure guidelines are in force to cover this activity. However, good management practice through observing wind direction and if required, the rapid incorporation of manure into the soil are means of minimising odour production.

Stubble and grass burnoffs in rural areas are either an established cultural practice or a necessary management activity to reduce fire risk. Under certain wind conditions smoke may pass through urban areas where residents have complained about the increase in respiratory difficulties and general inconvenience.

Spray irrigation, nutrient and chemical runoff, noise, dust and machinery movement are receptive to appropriate management guidelines and changes in practice. A recent example involved a complaint from Barwon Water regarding the dust being generated through cultivation during a windy day. It was entering the vents of the water storage tank and contaminating water supply. Cultivation had to stop until better weather conditions were available.

Despite rural land holders following Best Management Practice there is relative ignorance within the urban population of the necessity of certain agricultural cultural activities. As the urban population grows and their properties continue to surround rural landholders, the ability to farm effectively will be compromised. Complaints against certain farm practices, whether justified or not, will continue to increase and reach a point where rural land holders will cease farming or relocate. It is a common theme which has as its precedent, the inexorable decline in commercial agriculture within the urban fringe as farming activities are made more difficult.

4.0 OCEAN GROVE STRUCTURE PLAN

4.1 Description

The Ocean Grove Structure Plan 2007 included Oakdene and other surrounding property within the future urban growth boundary. Subsequent amendments (2016) revised residential growth projections downwards and the above areas were removed from the urban growth boundary. Other considerations to this decision included:

- The desire to maintain a non-urban break between Ocean Grove and Wallington with open farmed landscapes;
- Reduce land use conflict at the urban/rural interface and to safeguard productive agricultural land;
- The use of natural boundaries;
- Encourage urban consolidation

4.2 Discussion

Observations regarding these points are as follows:

Farmed landscapes

The planning guideline is to encourage existing rural activities in this area to continue to operate. This reflects no change to existing conditions. Most of the holdings are small in size (<30ha), engaged in low value grazing activity and non-resident in nature. Oakdene was the exception through being the largest holding and fully engaged as a rural and tourism business. However, this has changed with the change in ownership. The vineyard is to be discontinued and land use is being converted to broadacre cropping and some grazing. Day to day management is contractor based and limited to broadacre cropping. Landscape quality is changing from orchard cropping, pasture and livestock grazing to broadacre cropping.

Safeguarding productive agricultural land

Oakdene was a successful business enterprise involving grape production, cellar door sales, restaurant and accommodation. The grape growing component, while essential to the brand, was relatively unprofitable due to limited, high cost water and lack of enterprise scale.

Through the sale of the property, the grape growing enterprise has been shifted to a lower cost area where more land is available, water supply more assured and land values lower. Cellar door sales, restaurant and accommodation remain as they are location rather than land dependent. Wine processing and grape production occur at other locations.

Most of the land within the Oakdene property has become surplus to grape growing activities and is now available for alternative uses including residential. The “clusters of no-

production activities”⁴ will remain and even expand into other tourism related activities with the remaining land only suited to low value dryland grazing or cropping activity. Its conversion to residential will have a low rural productivity impact.

The same observations can be made for the Barwon Water land.

4.0 CONCLUSION

The conclusions arising out of this review of Oakdene farming activities and the availability of surplus Barwon Water Reservoir land are as follows:

- 1 Oakdene has been a successful business enterprise through cellar door wine sales, restaurant and accommodation. The grape growing component, while essential to the brand, was relatively unprofitable due to high water costs, low yields and lack of enterprise scale.
- 2 The recent sale of the property to urban interests has provided the opportunity to shift grape production to a lower cost area where water supply is more assured and land values lower. To allow the continuation of cellar door sales, wine processing and grape supply is being met offsite.
- 3 The land of the Oakdene Estate is of average land quality and generally unsuited to intensive agriculture because of the lack of an adequate irrigation supply. As such, it is best suited to low value dryland grazing or cropping activity. This includes the Barwon Water Reservoir land once rehabilitation is complete. Conversion of these areas to residential will have a low rural productivity impact.
- 4 The change in the business organisation of Oakdene, its flow on effects and the availability of the adjacent surplus Barwon Water Reservoir land, requires re-evaluation under Clause 21.14 in the 2021 review of the OGSP.



R N Phillips
Phillips Agribusiness
6 November 2019

⁴ Ocean Grove Structure Plan December 2015

APPENDIX B

CONSULTANT PROFILE

FULL NAME Raymond Neil PHILLIPS
ADDRESS 66 Linacre Road, Hampton Victoria 3188

TELEPHONE Work: (03) 9598 4018 Mobile: 0419 161 041
Email: ray@phillipsagribusiness.com.au

QUALIFICATIONS Bachelor of Agricultural Science, Massey University of
Manawatu, New Zealand
Master of Business Administration, Melbourne University

SPECIAL FIELDS OF COMPETENCE

Specialist skills are in farm and business management, environmental and land use surveys, water recycling and irrigation developments, industry studies and strategic planning. Experience is under temperate climatic conditions, usually in the livestock, cropping and intensive agricultural industries. Activities include whole farm planning, farming system analysis, irrigation investigations, economic analysis and market research. Clients include Government, industry and private sector individuals and companies.

RELEVANT PROFESSIONAL EXPERIENCE

Farm Management Consulting

Provide farm management advice to farmers throughout Australia. Clients embrace a wide range of enterprises including dairying, beef, sheep, broadacre and intensive cropping. The services provided include farm management advice, rural property investment, loss assessment, technical services and expert representation in legal matters.

Agricultural Management Studies

The following project list indicates the nature of domestic studies undertaken. In many cases I was principal consultant or project leader; however in multi-disciplined projects I also act as a specialist sub consultant to larger consulting organisations.

- 2018-2019 Agricultural Impact Assessment: Gas Import Jetty & Pipeline Project EES, via AECOM
- 1998-2018 Melbourne Airport Land Management Program: Melbourne Airport.
- 2018 Traralgon Bypass Evaluation: VicRoads via Jacobs
- 2018 Panel Hearing, Shepparton Solar Farm Evaluation: Neoen Australia
- 2016-2018 Geelong Ring Road Extension: VicRoads via Jacobs
- 2015-2016 Agricultural Impacts, Geelong-Colac Road Widening: VicRoads
- 2015 Panel Hearing, Horsham Bypass Study: VicRoads
- 2014 Agricultural Land Use Options: Melbourne Treatment Plant, Melbourne Water
- 2014 Input into Cost Benefit Analysis of the Bunyip Irrigated Agriculture

- Development Project, DEPI
- 2013 Market Garden Industry Trends, Werribee South Irrigation District, Lyons Capital;
- 2013 Loddon-Mallee Strategic Rural Land Use study, Regional Development Victoria;
- 2011-12 Western Highway Duplication: Ballarat to Stawell, Vic Roads via GHD;
- 2012-13 Airport Link to OMR/Bulla Bypass: Vic Roads via GHD;
- 2010-13 Victorian Desalination Project: Land Rehabilitation via Ecology Australia;
- 1998-13 Melbourne Airport Land Management Program: Melbourne Airport;
- 2012 Agricultural Impacts: Thompson Road Duplication, VicRoads;
- 2011 Land Capability Assessments, Glenrowan & Tungamah Sites, N E Water via Beca Pty Ltd;
- 2011 Agricultural Assessment, Point Cook South Logical Inclusions Area, via Tract Consulting;
- 2011 Position Paper, Bunyup Food Belt, GHD;
- 2010-11 Bandicoot Protection Project Kooweerup-Bayles Area, Dept. Sustainability & Environment;
- 2009-11 Agricultural report, Eastern Golf Club Relocation, via Robert Luxmoore Project Management;
- 2009 Agricultural Capability, Brompton Lodge, Cranbourne West: Watsons Pty Ltd;
- 2008 Agricultural input into Desalination Project EES, Department Sustainability & Environment via GHD/Maunsell Australia;
- 2008 Black Rock Salinity Reduction Project: Soil and Water Thresholds for Agriculture, Barwon Water via KBR;
- 2008 Werribee Irrigation Futures: Werribee and Bacchus Marsh Irrigation Districts, Southern Rural Water;
- 2008 Macedon Ranges Shire Rural Living Strategy; Macedon Ranges Shire;
- 2008 Ballarat Goldfields Pipeline: Rural Loss Assessment for rural landowners;
- 2008 Water Demand for Recreational Reserves in the Mornington Peninsula, SE Water via Beca Australia;
- 2008 Agricultural input into Frankston Bypass EES, SEITA via Maunsell Australia;
- 2007-09 Allocation of Emergency Irrigation Supplies to the Bacchus Marsh Irrigation District: Southern Rural Water;
- 2007 The development of a Water Quality Policy within the Shire of Macedon: Western Water and other water authorities;
- 2007 Trenching Method and Rehabilitation Procedures: Bacchus Marsh Sewer,

Western Water;

- 2006-07 The development of a Water Quality Policy within the six catchments servicing the Barwon Water Region: Barwon Water;
- 2006 Surf Coast Shire Intensive Horticulture Recycled Water Project: Avia Tomatoes and other landholders;
- 2006 Soil Salinity and Irrigation Practice, Barwon Water Demonstration Farm, Black Rock, Barwon Water;
- 2006 Future Treatment and Reuse Options for Bannockburn and Winchelsea Water Reclamation Plants, Barwon Water via KBR;
- 2006 Agricultural Impacts of Proposed Ballarat Livestock Selling Centre: Ballarat Council.
- 2005 Investigation of alternative sites for irrigation with recycled water, Bacchus Marsh district; Dept of Sustainability & Environment via URS.
- 2005 Agricultural Assessment: Readymix Mt Shamrock Quarry Proposed Extension: Readymix Holdings Pty Ltd.
- 2005 Irrigation management report for the Bacchus Marsh Wastewater Treatment Plant, Parwon South: Western Water via Beca Australia.
- 2005 Irrigation Feasibility of different sites, Brimbank Recycled Water Project: City of Brimbank via Parsons Brinckerhoff.
- 2005 Horticultural characteristics of the Keilor Irrigation District: City of Brimbank via Parsons Brinckerhoff

PROFESSIONAL ASSOCIATIONS

- Corporate Member Australian Association of Agricultural Consultants
- Member, Australian Institute of Agricultural Science and Technology
- Member, Melbourne Business School Alumni