Northern Midlands Rural Processing Centre

Report and recommendations

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SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au
Offices in Canberra, Hobart, Melbourne and Sydney

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 BACKGROUND

1.1 Project background

The Northern Midlands Council *Strategic Plan 2007-2017* requires:

- Identification of a centrally located site to be able to be developed for a rural storage and processing centre.
- Preparation of a land use management plan for the identified site, to facilitate and support planning scheme provisions.

Council's Economic Development Committee has identified:

- The precinct at the Midland Highway end of Powranna Road as a suitable site for rural storage and processing.
- That the precinct at Burlington Road also requires a land use management plan.

1.2 Project scope and context

The Burlington Road Precinct is limited to the land adjoining both sides of Burlington Road, including the Petuna hatchery, and the entire property on which the Cressy Research Station is located (see Figure 1).

The Powranna Road Precinct is limited to the land adjoining both sides of Powranna Road, from the Midland Highway to the end of the Powranna dragway (see Figure 2).

1.3 Project objectives

The project objectives are as follows:

1. Review the existing businesses in the precinct, and recommend how the Council can support their further growth and strengthen their position.
2. Identify suitable business to attract to the precinct, including rural storage and processing at Powranna Road, and recommend how the Council can attract such businesses to the precinct.
3. Identify and recommend the extent of the precinct for a 15-20 year timeframe of development.
4. Produce a site development plan, with mapping, for the precinct with:
   - Recommendations to support the growth and strengthen the position of existing businesses.
   - Clear identification of the nature of businesses to be attracted and prohibited.
   - Recommendations on how the Council can attract such businesses.
   - The extent of the precinct, potential road and lot layout and service provision.
5. Produce a concept plan for the precinct, showing current occupancy and identifying future development opportunities.

1.4 Project Method

The project method comprised:

- Desk based research into the economic performance and growth opportunities for agriculture and rural industries in Northern Tasmania,
- Review of industrial land demand and supply conditions in the Northern Midlands
- Analysis and projections of land demand for rural industries
- GIS analysis of precinct characteristics and planning conditions
- Workshops with land owners and operators of the two precincts, farmers in the Northern Midlands and industry representatives and Government
- Interviews with key stakeholders
- Precinct planning to determine preferred planning conditions and lay-out of the precincts

FIGURE 1. BURLINGTON ROAD PRECINCT

Source: SGS Economics and Planning

FIGURE 2. POWRANNA PRECINCT

Source: SGS Economics and Planning

2 AGRICULTURE AND RURAL INDUSTRIES

2.1 Northern Midlands Economy

The economy of the Northern Midlands is relatively specialised in a limited number of key industries[1]:

- Agriculture, forestry and fishing
- Manufacturing[2]
- Wholesale trade
- Transport and warehousing, and
- Rental, hiring and real estate services.

Figure 3 compares the Northern Midlands economy to the economy of Tasmania using location quotients[3]. Those Northern Midlands industries above the red line have a greater specialisation than Tasmania.

The Northern Region has experienced a decline in traditional manufacturing industries such as clothing and textiles, metal product and equipment manufacturing and wood processing. Food processing has experienced significant fluctuations in production.

Contrary to the trend across Northern Tasmania and Tasmania as a whole, the number of jobs in both manufacturing and wholesale trade within Northern Midlands has increased quite significantly over the 2006 to 2011 period (manufacturing by 12.5 per cent and wholesale trade by 29 per cent). This reflects a significant shift of employment towards Northern Midlands.

The Northern Midlands Council is strategically located near Tasmania's main north-south corridor and in between major agricultural production areas and the ports of George Town, Devonport and Burnie.

The TRANSLink industrial estate adjacent to Launceston Airport has experienced significant growth and is home to a diverse range of businesses including the Statewide Independent Wholesalers and Woolworths distribution centres.

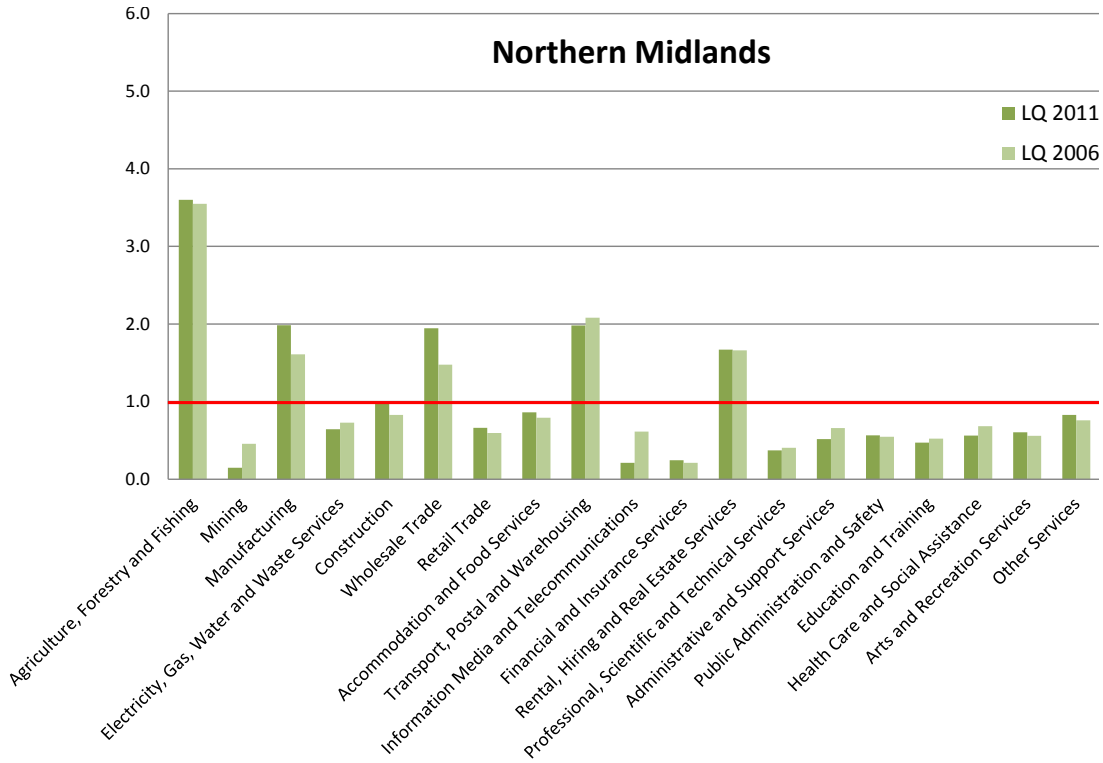
Within the category agriculture, forestry and fishing, the vast majority of employment is within agriculture, i.e. 11.6% of total employment. Forestry represents 0.5% of employment and fishing and aquaculture is negligible.

[1] Industry categories are standard descriptors use by ABS, and therefore basis of most statistics

[2] Includes rural processing activities which represents 5.4% of total employment in the Northern Midlands (refer to section 2.4).

[3] A location quotient compares the share of employment in a particular industry with the share in the wider region, in this case Tasmania

FIGURE 3. LOCATION QUOTIENTS FOR NORTHERN MIDLANDS*, 2006-2011



Red line represents LQ=1 which represents the average level (for Tasmania) of specialisation for each industry
* compared to Tasmania
Source: SGS (2013) based on data from ABS Census, 2006 & SGS

Since 2011, the Midlands Irrigation Scheme has been rolled out, and is currently generating significant investment in agricultural production, especially dairy farming and cropping. While more recent statistics for generating Location Quotients are not yet available, it is anticipated that the LQ for agriculture, manufacturing, wholesale trade and transport and warehousing will have increased further since 2011. The economy of the Northern Midlands will increasingly rely on agriculture and related industries.

2.2 Agricultural production

In order to meet market expectations in regards to productivity and price, the average size of farms in Australia continues to increase. There has also been a long term drop of employment relative to production as a result of mechanisation and computerisation of farm processes. The average farm size in the Northern Midlands is between 965 and 1,180 hectares, higher than the average size of the Southern Midlands which is between 624 and 763 hectares, excluding land set aside for conservation and areas not used for agricultural production (ABS, Agricultural Commodities 2010-11). This positions Northern Midlands relatively well to accommodate increasing farm sizes.

TABLE 1 AGRICULTURAL PROFILE NORTHERN MIDLANDS

Average farm size	
- Northern Midlands	965-1,180 ha
- Southern Midlands (for comparison)	624-763 ha
Value of agricultural commodities production (2010-11)	
- Northern Midlands	$ 131 mln
- Northern Tasmania	$ 452 mln
- Tasmania	$1,152 mln
Northern Midlands contribution to Northern Tasmania	28%
Value Add agricultural sector (2010-11)	
- Tasmania	$ 1.8 bn (8% GSP)
- Northern Tasmania (SGS broad estimate)	$ 706 mln
- Northern Midlands (SGS broad estimate)	$ 205 mln
Value Add agricultural sector (2012-13)	
- Tasmania	$ 1.86 bn (8% GSP)
Employment agriculture	
- Northern Midlands	656 (12.4%)
- Tasmania	10,220 (4.8%)

Source: compiled data ABS

The *Tasmania Economic Development Strategy (DEDTA)*, identifies the availability and cost of suitably skilled labour as a key challenge for the agricultural sector. The capacity to export produce to mainland and international markets is impacted on by the high cost, volume capacity constraints and sub-optimal supply chain logistics. This cost disadvantage is a key issue facing Tasmanian producers.

Value of agriculture

Table 2 below shows the breakdown and total value of agriculture in Northern Tasmania in 2010-11[4]. It shows that in this year the total gross value of agriculture within Northern Tasmania was $451.8 million. Of all types of agriculture, livestock and livestock products are of the biggest value to the region. Vegetables for human consumption have a local value of $70.3million, while fruit has a local value of $26.4 million. In 2011-12, the total value of agriculture within Northern Tasmania was $468.9million, an increase of $17.1 million.

The Northern Midlands is one of the most important agricultural areas in Northern Tasmania. During 2010-11, the total value of agriculture in the Northern Midlands was $130.7 million, or 28% of all production in the region. As with the Northern Region, livestock and livestock products were of biggest value to the Northern Midlands, followed by vegetables for human consumption and cereal crops. Compared to the wider region, the Northern Midlands produce relatively many crops.

[4] Please note, many inputs into this dataset were not available for publication and that value is therefore likely to be higher

TABLE 2. VALUE OF AGRICULTURAL COMMODITIES, NORTHERN TASMANIA

Type of agriculture	Northern Tasmania Gross value $mln	Northern Midlands Gross value $mln
Broadacre crops – Hay	n/a	0.0
Broadacre crops - Cereal crops	12.6	10.4
Broadacre crops - Legumes for grain	0.3	0.2
Broadacre crops - Oilseeds	0.5	0.5
Broadacre crops - Other crops	n/a	1.6
Sub-total Broadacre crops	***13.4***	***12.7***
Horticulture - Nurseries, cut flowers and cultivated turf	3.4	0.0
Horticulture - Vegetables for seed	4.1	0.9
Horticulture - Vegetables for human consumption	70.3	21.1
Horticulture - Fruit	26.4	0.3
Horticulture - Fruit - Pome fruit	8.2	0.0
Horticulture - Fruit - Stone fruit	0.7	0.0
Horticulture - Fruit - Other orchard fruit	0.1	0.0
Horticulture - Nuts	0.1	0.0
Horticulture - Fruit - Berry fruit	6.1	0.2
Horticulture - Fruit - Plantation fruit	0.0	0.0
Horticulture - Fruit - Grapevines	11.2	0.0
Sub-total Horticulture	***130.6***	***22.5***
Livestock - Livestock slaughtered and other disposals	104.5	23.6
Livestock - Livestock products	167.5	39.2
Sub-total Livestock	***272.0***	***62.8***
Agriculture - Total value ($)	**451.8**	**130.7**

Source: ABS catalogue 7503.0 Value of Agricultural Commodities Produced, Australia 2010-11

The gross value is the value placed on recorded agricultural production at the wholesale prices realised in the market place.

2.3 Implications of the roll-out of irrigation scheme

The Midlands Water Scheme enables more intense grazing and cropping. The Midlands Water Scheme was rolled out over 2013 and 2014 and is currently operational. Previously, the Lower South Esk (2013) and the Cressy Longford Irrigation Schemes (1999) were established, and have since been operational and used by farmers in the Northern Midlands.

The historically large farm size may be a key advantage of the Midlands in attracting and sustaining viable (large) farms. The Northern Midlands and the northern parts of the Southern Midlands may be best positioned, in terms of farm size, soil capabilities and distance from the main ports to leverage of the water scheme.

To enable the transition to higher value and more intensified agricultural activities those farm operators aiming to benefit from the irrigation scheme are required to invest capital into alternative production methods. The *Tasmanian Economic Development Strategy* (TEDS, 2012) mentions that access to affordable capital is an issue for farmers. Many farm operators in Tasmania are near or into their retirement age. Their ability and willingness to invest to benefit from the irrigation scheme may be limited. Planning for succession is not always undertaken (TEDS, 2012). Those farmers that will invest to benefit from the irrigation scheme are a mix of the existing local champions and a number of next generation farmers; the younger generation of existing farm families and/or new farmers from elsewhere.

The roll-out of irrigation schemes can significantly increase agricultural production and drive food processing, support services and transport and warehousing. The roll-out of the Midlands Irrigation

Scheme represents a $104 million investment in the region, covering parts of both the Southern and Northern Midlands. It is claimed the investment could create up to 300 on farm jobs, and additional flow-on effects in agricultural servicing, processing industries and logistics (Media release by The Hon. Tony Burke, 14-05-2012).[5] Protected cropping, or greenhouse production is another opportunity for the Northern Region.

Input-output modelling completed by SGS has determined that, in addition to the 300 direct jobs created[6], a further 49 indirect jobs within the Northern and Southern Midlands will be created by the roll-out of the Midlands irrigation scheme. These jobs primarily concern rural processing activities (meat and dairy processing especially) and rural support services (see definition next section 2.4).

This does not include the creation of jobs associated with irrigation schemes that have already been introduced. In addition, there are a number of private irrigation schemes being rolled out that will further contribute to growth in production and flow-on effects in supporting industries. While the Midlands Irrigation Scheme covers areas in both the Southern and Northern Midlands, the Burlington Road and Powranna Road precincts are well positioned to at least accommodate some indirect jobs associated with the irrigation scheme..

2.4 Employment in rural industries

Rural industries comprise the following uses:

- **Rural processing activities** that involve the processing and/or packaging of agricultural produce. These activities generally require land consisting of medium to large lots with sufficient buffer from nearby (sensitive) uses, allowance to operate 24/7, to be close to the agricultural source and close to export gateways and/or the market.

- **Rural support services** that involve a wide range of services and activities delivering services, materials, resources and other inputs for agricultural production. These activities include wholesale/retail operators, such as Roberts. These activities need to be close to the agricultural producers.

- **Intensive or industrialised agricultural production activities** that operate 24/7 and involve high value produce using state of the art growth processes. In recent years, the State Government has investigated the potential for greenhouse production at specific industrial precincts. Early investigations concluded Tasmania has a favourable climate for greenhouse crop growing. These activities that grow high perishable, high value add produce need to be close to export gateways (primarily airports) and have good access to affordable power (such as pressurised, liquefied gas).

The abovementioned activities are sometimes operating from rural land and/or co-located with farming businesses.

[5] SGS Economics and Planning, Southern Midlands Economic Development and Landuse Strategy (Stage 1) (2012)
[6] Estimate provided bt the Minister

Employment in rural industries

Table 3 shows employment in relevant industries – rural processing, rural support services and industrialised/intensified agriculture – for the Northern Midlands and Tasmania. The intense/industrialised agriculture sub-sector includes intensive agriculture activities including 'open air' vegetable growing and 'protected or covered' vegetable growing, whereby the latter is usually the more intense form.

TABLE 3 EMPLOYMENT BY INDUSTRY, NORTHERN MIDLANDS

Industry	Northern Midlands		Tasmania		Variance
	Jobs (no.)	Jobs %	Jobs (no.)	Jobs %	(%)
Rural processing					
Food Product Manufacturing	235	4.8%	5,265	2.6%	2.3%
Beverage and Tobacco Product Manufacturing	12	0.2%	660	0.3%	-0.1%
Textile, Leather, Clothing and Footwear Manufacturing	13	0.3%	641	0.3%	0.0%
Sub-total	**260**	**5.4%**	**6,566**	**3.2%**	**2.1%**
Rural support services					
Agriculture and Fishing Support Services*	42	1.1%	392	0.2%	0.9%
Agricultural Product Wholesaling*	35	0.9%	424	0.2%	0.7%
Sub-total	**77**	**3.1%**	**826**	**0.4%**	**2.5%**
Industrialised/intensified agriculture					
Nursery and Floriculture Production*	7	0.2%	227	0.1%	0.1%
Mushroom and Vegetable Growing*	26	0.7%	927	0.4%	0.2%
Fruit and Tree Nut Growing*	3	0.1%	740	0.4%	-0.3%
Aquaculture*	9	0.2%	1,136	0.5%	-0.3%
Sub-total	**45**	**1.2%**	**3,030**	**1.4%**	**-0.3%**
Total	**382**	**8.5%**	**10,412**	**5.1%**	**3.4%**

Source: ABS Census, Place of Work. 2 and 3 digit ANZSIC level data (2011)
* denotes 3 level ANZSIC data. All other data is 2 level ANZSIC data.

The data shows that, of all relevant industries within Northern Midlands, the rural processing industry is the biggest employer (260 jobs), accounting for over five per cent of employment in the municipality. This is mainly a result of 'food product manufacturing'. The rural support services industry employs around 77 people and accounts for three per cent of total employment. The industrialised/intensified agriculture sector employs 45 people, equating to just over one per cent of total employment in Northern Midlands. Most employment within this sector is in 'mushroom and vegetable growing'.

Northern Tasmania is strategically located to accommodate rural industries as is evidenced by the employment data. Compared to Tasmania, Northern Midlands has a higher proportion of employment these sub-sectors, particularly support services (3.1 per cent compared to 0.4 per cent in Tasmania).

3 LAND FOR RURAL INDUSTRIES

3.1 Industrial land demand and supply analysis

Industrial Land Demand Tasmania (2011)

A 2011 SGS report[7] on industrial land demand found that the Northern Region experienced a moderate uptake of industrial land between 2006 and 2011. Importantly, most growth occurred at the outer fringes of Greater Launceston in the Northern Midlands (TRANSlink site near the airport). The total uptake of vacant industrial land between 2006 and 2001 was approximately 50 hectares.

TABLE 4. APPROXIMATE UPTAKE OF FORMERLY VACANT INDUSTRIAL LAND, 2006-2011

Municipality	Number of lots	Land area (ha)
Break O'Day	25	7.5
Dorset	6	2
Flinders	0	0
Launceston	40*	1.3*
Meander Valley	n/a	n/a
Northern Midlands	27	38
West Tamar	15	1.5**
Total	**113**	**50.3**

Source: SGS survey for Industrial Land Demand Tasmania – Short to Long Term 2011-2041 (2011)
* Original estimates are development approvals for industrial sites and warehouses and include alterations to existing sites. Land area estimates were derived from Council data on approved floor areas. These were calculated on the basis of standard floorspace to site ratios.
** Estimates based on an assumed average lot area of 1,000 square metres.
*** Excludes George Town Council

A survey undertaken as part of the project identified that the most common constraints for firms searching for industrial land were:

- a lack of appropriate servicing and infrastructure of vacant land
- encroachment of sensitive uses such as residential areas
- unsuitability of existing vacant land, and
- suboptimal location of vacant land in relation to transport infrastructure and available workforce, and
- uncertainty regarding planning regulations and authorities (what is allowed and what not?).

[7] Industrial Land Demand Tasmania (2011)

Industrial land demand by industry category

The following section discusses demand for industrial land within Tasmania and Northern Tasmania. Demand is broken down by industry, as follows:

- **Export oriented industries** manufacture and process products that are largely sold outside of the local area.
- **Local service industries** make up uses that deliver trades and goods to consumers, or the local population. Local service industries include activities such as builders, building supplies, plumbers, car and smash repair stations and manufactured building products.
- **Transport, warehousing and wholesales**, which are intermediate industries driven by both population and export growth and trends to gain higher efficiencies and Just-In-Time distribution processes.
- **Bulky goods retailing** which is driven by population growth and the matured life cycle of this sub-sector.

The short, medium and long term, land demand projections for Northern Tasmania are summarised in Table 5. In the short term, industrial land demand for Northern Tasmania is projected to be between 28 and 40 hectares. Medium term demand is projected to be between 88 and 127 hectares, while long term demand is projected to be between 194 and 277 hectares.

TABLE 5. SUMMARY OF INDUSTRIAL LAND DEMAND PROJECTIONS BY REGION

	2011-2016		2011-2026		2011-2041	
Range	*Low*	*High*	*Low*	*High*	*Low*	*High*
Northern	28	40	88	127	194	277

Source: SGS (2011)

Long term (2011 to 2041) demand for industrial land in Northern Tasmania is expected to be between 194 and 277 hectares (Figure 4). Most demand will be from the Transport and Warehousing industry, followed by the local service industry,

FIGURE 4. INDUSTRIAL LAND DEMAND BY CATEGORY (IN HA) 2011-2041

Totals for Northern Tasmania
Source: SGS (2011)

At the municipality level, Table 6 shows projected demand for local service industries within the Northern Midlands. Under the low scenario there is short term demand for 0.4 hectares and long term demand for 2.4 hectares of land for local service industries. Under the high scenario, there is short term demand for 0.5 hectares and long term demand for 3.3 hectares.

TABLE 6. INDUSTRIAL LAND DEMAND FOR LOCAL SERVICE INDUSTRIES, NORTHERN MIDLANDS

	2011-2016	2011-2026	2011-2041
Low scenario (hectares)	0.4	1.2	2.4
High scenario (hectares)	0.5	1.5	3.3

Source: SGS, Industrial Land Study Northern Tasmania (2013)

Vacant industrial land

Excluding large industrial parcels in Tonganah and Bell Bay, there are 319 vacant industrial lots in Northern Tasmania (Table 7). Vacant industrial land in Northern Midlands represents 22 per cent of total vacant land in Northern Tasmania.

TABLE 7. VACANT INDUSTRIAL LOTS, NORTHERN TASMANIA

Council	Vacant land (ha)	Share (% of sub total)
Break O'Day	7	2%
Dorset (excl Tonganah)	48	15%
George Town (excl Bell bay)	27	8%
Launceston	74	23%
Meander Valley	79	25%
Northern Midlands	***70***	***22%***
West Tamar	14	4%
Sub total	**319**	**100% = (13%)**
Tonganah Industrial Resource Zone	128	(5%)
Bell Bay	2,029	(82%)
Total	**2,476**	**(100%)**

Source: SGS, Northern Tasmania Industrial Land Study (2013)
Note: Industrial sites at Tonganah and Bell Bay have been excluded as these locations comprise large, traditional heavy manufacturing precincts, together comprising 87% of total vacant industrial land area.

There are 64 vacant industrial land parcels throughout the Northern Midlands, covering a total area of around 70 hectares, over four precincts (SGS, Northern Tasmania Industrial Land Study, 2014):

- The TRANSLink industrial precinct is the most significant precinct in Northern Midlands. The site is well located to accommodate regionally significant industries in the categories of transport and warehousing and also export oriented industries. The precinct is less suitable for rural processing due to sewage infrastructure capacity constraints.
- Perth is well located along major transport routes (Midland Hwy and Illawara Rd). Perth is well located for local service industries, servicing Perth and the surrounding area and for transport and warehousing due to its close proximity to agricultural resources and a main transport route.
- The vacant land at Longford will likely cater for local service industries and possibly agricultural servicing/supporting industries. The industrial precinct is well established and accessible from Illawara Rd (part of key north-south transport route to the Devonport and Burnie ports) via Tannery Rd.
- Campbell Town functions as a rural-regional centre and is along the main north-south transport corridor of the Midland Hwy. Industrial activities would mostly be local service industries, and with the roll-out of the regional irrigation schemes, there may be some growth potential for those industries servicing agricultural firms.

The vacant industrial land in Perth, Longford and Campbell Town could accommodate rural service industries, and may accommodate some of the expected demand that is generated by the growth in agricultural production. However, some rural industries such as storage and packaging is often better located within Rural Resource land and not industrial land, which due to its higher market value, is better suited to accommodate higher value adding activities.

TABLE 8. VACANT INDUSTRIAL LAND, NORTHERN MIDLANDS

Precinct	Vacant land (no. Lots)	Vacant land (total area ha)	% of total area
Campbell Town	2	8.8	12%
Longford	3	2.6	4%
Perth	1	0.4	1%
TRANSLink	58	59	83%
Total	**64**	**70.8**	**100%**

Source: SGS, Industrial Land Study Northern Tasmania, 2013

3.2 Land demand for rural industries

Land demand for rural industries will be driven by the growth in the agricultural sector, which is expected to be significant according to all stakeholders consulted. Assuming a moderate production growth rate in rural industries of 2% per annum, total demand for land for rural industries (excluding intensive agriculture) in the Northern Midlands is between 3.5 and 7.5 ha over the next fifteen years. This includes the effects of the roll-out of the Midlands Irrigation Scheme.

These types of activities may be accommodated on rural resource or industrial zoned land.

The land demand for intensive agriculture is difficult to estimate and depends strongly on the intensity and type of growing. Especially protected cropping in greenhouses is an activity which may be accommodated on either rural resource or industrial land.

This demand would be *partially* in addition to industrial land projections as part of the Northern Tasmania Industrial Land Strategy. In short, up to about 7.5 ha of land demand may need to be accommodated in the Rural Resource zone over the next 15 years.

4 CURRENT PRECINCT USE AND CONDITIONS

4.1 Burlington Road precinct

Zoning and planning conditions

The majority of the Burlington Road precinct is covered by the Rural Resource zone (see Figure 5). The Utilities Zone applies to a small portion of the precinct, aligning with Brumbys Creek.

Rural Resource Zone

The purpose of the Rural Resource Zone is:

- To provide for the sustainable use or development of resources for agriculture, forestry, mining and other primary industries, including opportunities for resource processing.
- To provide for other use or development that does not constrain or conflict with resource development uses.
- To provide for economic development that is compatible with primary industry, environmental and landscape values.
- To provide for tourism-related use and development where the sustainable development of rural resources will not be compromised.

The local area objectives of the zone recognise the significance of primary industries to the rural economy and state that primary industry uses should be protected for long-term sustainability. The objectives also recognise that, "*prime and non-prime agricultural land resources provide for variable and diverse agricultural and primary industry production which will be protected through individual consideration of the local context*."

Furthermore, that "*processing and services can augment the productivity of primary industries in a locality and are supported where they are related to primary industry uses and the long-term sustainability of the resource is not unduly compromised."*

The zone states that, "*the visual impacts of use and development within the rural landscape are to be minimised such that the effect is not obtrusive*."

The following table identifies permitted and non-permitted uses within the zone.

TABLE 9. RURAL RESOURCE ZONE USES

Permitted uses	Qualifications
No permit required	
Natural and cultural values management	
Passive recreation	
Resource development	If not for: a) Plantation forestry on prime agricultural land b) Controlled environment agriculture on prime agricultural land c) Intensive animal husbandry on prime agricultural land d) A dwelling e) Forestry or plantation forestry on non-prime agricultural land.
Utilities	If for existing uses and the cartilage does not increase by more than 30% as at the effective date and not located on prime agricultural land.
Permitted	
Business and professional services	If for a veterinary centre or similar specialist animal breeding or care services
Domestic animal breeding, boarding or training	If not on prime agricultural land
Community meeting and entertainment	If for existing premises used for public purposes
Crematoria and cemeteries	If for crematoria and not on prime agricultural land
Extractive industries	If not: a) Located on prime agricultural land b) For a Level 2 activity#
Food services	If for existing uses and the cartilage does not increase by more than 30% as at the effective date
Hotel industry	If for existing uses and the cartilage does not increase by more than 30% as at the effective date
Residential	If for existing uses or home-based businesses in an existing dwelling
Resource development	If not for: a) Plantation forestry on prime agricultural land b) Controlled environment agriculture on prime agricultural land, unless depended upon the soil as the growth medium c) Intensive animal husbandry on prime agricultural land
Resource processing	If directly associated with produce from the subject site
Sports and recreation	If for existing uses and the cartilage does not increase by more than 30% as at the effective date
Visitor accommodation	If for existing uses and the cartilage does not increase by more than 30% as at the effective date

Source: Northern Midlands Council Interim Planning Scheme (2013)

Level 2 activities are those industrial and municipal activities considered to have a high potential for emitting pollutants and/or causing environmental harm.

The zone also identifies a number of discretionary uses including bulky goods sales, business and professional services, educational and occasional care, emergency services, equipment and machinery sales and hire, extractive industries, food services, general retail and hire, hotel industry, motor racing facility, recycling and waste disposal, residential, research and development, resource development, resource processing, service industry, sports and recreation, tourist operation, transport depot, utilities, vehicle fuels sales and service, and visitor accommodation.

The objectives of discretionary uses include to:

- Provide for an appropriate mix of uses that support the Local Area Objectives and ensure that the location of discretionary uses does not compromise the consolidation of commercial and industrial uses.

- Protect the long term productivity capacity of prime agricultural land by minimising conversion of the land to non-agricultural uses or uses not dependent on the soil as a growth medium, unless an overriding benefit to the region can be demonstrated.
- Minimise the conversion of non-prime land to non-primary industry use except where that land cannot be practically utilised for primary industry purposes.
- Uses are located such that they do not unreasonably confine or restrain the operation of primary industry uses.
- Uses are suitable within the context of the locality and do not create an unreasonable adverse impact on existing sensitive uses or local infrastructure.
- The visual impacts of use are appropriately managed to integrate with the surrounding rural landscape.

A further objective of the zone relates to irrigation districts and aims to ensure that land within irrigation districts proclaimed under Part 9 of the *Water Management Act* is not converted to uses that will compromise the utilisation of water resources.

The zone also includes more specific details regarding building location and appearance as well as subdivision, which is only allowed in circumstances where productive capacity of land for resource development and extractive industries will be improved.

Utilities Zone
The purpose of the Utilities Zone is to:

- Provide land for major utilities installations and corridors.
- Provide for other compatible uses where they do not adversely impact on the utility.

The following table identifies permitted and non-permitted uses within the zone.

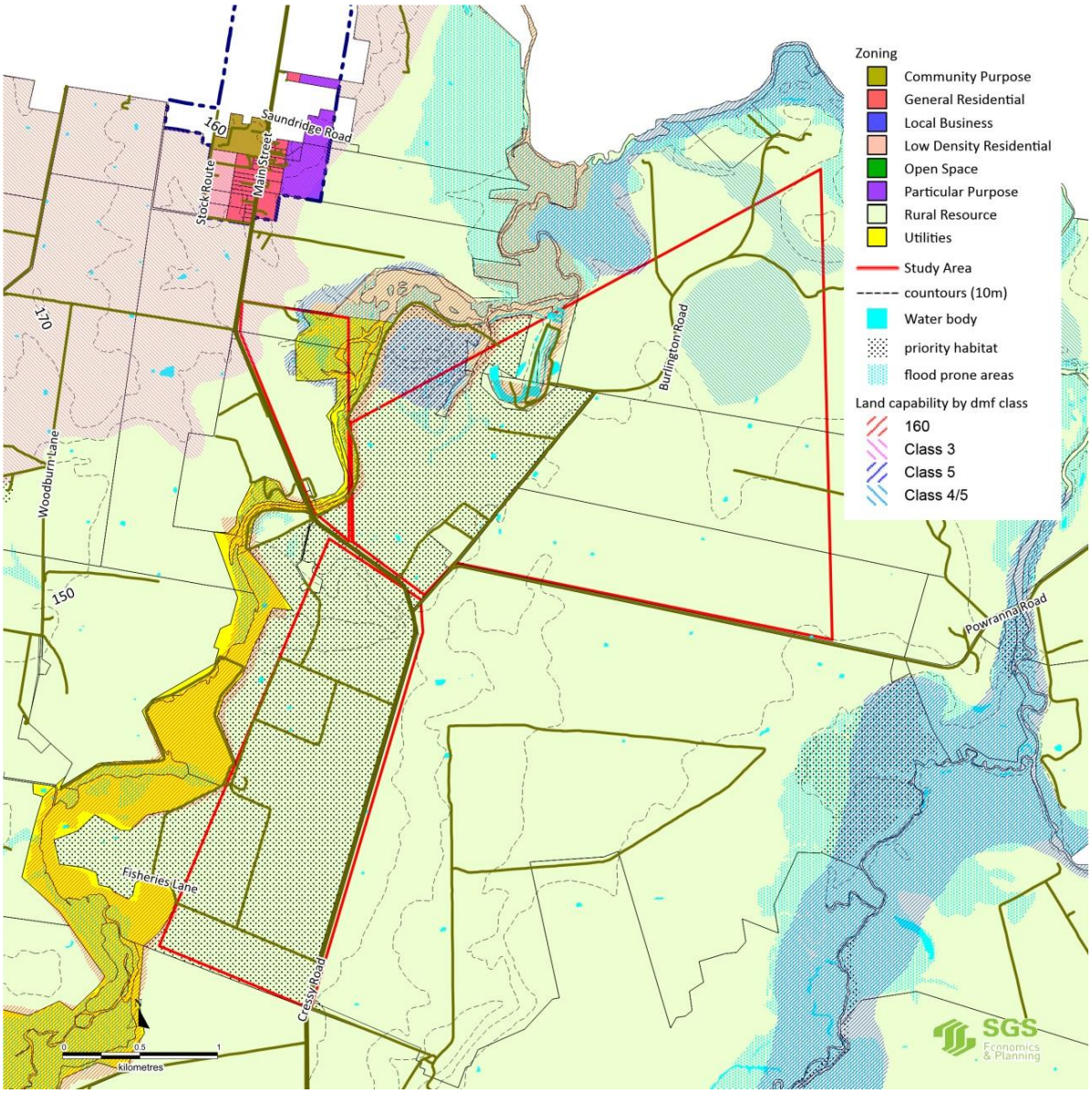
TABLE 10. UTILITIES ZONE USES

Permitted uses	Qualifications
No permit required	
Natural and cultural values management	
Utilities	If for minor utilities
Permitted	
Recycling and waste disposal	
Transport depot and distribution	If a bus terminal or taxi depot/stand or railway station within the road/rail corridor
Utilities	If not for minor utilities
Vehicle parking	If a 'park and ride' facility
Discretionary	
Extractive industries	
Passive recreation	
Sports and recreation	
Prohibited	
All other uses	

Source: Northern Midlands Council Interim Planning Scheme (2013)

The zone aims to ensure that uses do not compromise the capacity of utility services and that building design and siting considers impacts to adjoining lots. Buildings must be set back from all boundaries a minimum distance of three metres.

FIGURE 5. BURLINGTON ROAD PRECINCT, ZONES



Current uses

The Burlington Road precinct is a large rural zone located along Brumby's Creek. All uses within the precinct are dependent upon the fresh, quality water of the creek. Existing uses along Burlington Road include:

- An abattoir (Tasmanian Quality Meats). The majority of production, 80 to 90 per cent, is for international exports. The red meat rendering operations adjacent to the abattoir are proposed to expand to include rendering chicken waste. The abattoir transports using containers via Devonport and/or Burnie ports.
- Tasglobal Seeds, which leases part of the Cressy Research and Development Station from DPIPWE.
- The remainder of the CRDS is used by the Tasmanian Institute for Agriculture (TIA), UTAS. TIA currently uses 30 ha along Burlington Rd for feedbase and cereal cropping research, development and extension (RD&E) activities. The site is also used by BOM as a measurement station.
- A salmon hatchery. The hatchery is well located given the expansion of salmon farming within Tasmania is focussed on the west coast, and less so in the south. The hatchery mainly delivers to west coast salmon farming operations.

- A berry farm. The farm covers around 4.5 hectares and provides mainly for the Tasmanian market. Some other agricultural uses take place on the site, including grazing. The site includes a number of huts which are used for accommodation during fruit picking season.
- A seed cleaning plant is located on the other side of the creek along Cressy Road.
- The remainder of the land is mainly used for grazing.

It is estimated that the current annual turnover of the operators in this precinct is well over $70 million. All existing operators that participated in the consultation[8] indicated to be expanding operations by at least 25% over the next three years. All operators all reported to be investing significantly.

Land ownership

Most of the land, approximately 1,099 hectares and consisting of 13 titles, is privately owned. The remainder is Authority land, either owned by Hydro Tasmania (8 titles over 66 ha) or by DPIPWE (4 titles over 477 ha), waterways and road casements.

All land directly adjacent to Brumbys Creek is owned by Hydro Tasmania (Hydro Electric Commission).

Land characteristics

Figure 5 identifies the land capability within the precinct.

Given the area is not supplied by an irrigation scheme, the berry farm, salmon hatchery and abattoir – which have an annual production of approximately $70 million – are dependent upon water from the creek.

The availability and water quality from Brumbys Creek is important to operators in the Burlington Precinct. A DPIPWE report from 2000, identified low salinity levels, considerable variation in pH (acidity) over time (5.6 to 7.8) generally within range for healthy aquatic ecosystems, low levels of suspended solids (less than 7 µg/L), low phosphorus concentrations (median 9 µg/L) and low nitrogen levels. The report did identify faecal contamination of the Creek, possibly linked to entry of stock into the waterway. The report identified a number of environmental issues including cool water releases, the maintenance and enhancement of water quality, habitat quality, faecal contamination, erosion of banks and lack of clarity in terms of riparian ownership.

Identified issues associated with the precinct include road crests, sealing and storm water near the abattoir. With expected increase in levels of activity, there is a need to consider an upgrade of the road and related stormwater issues.

The power supply at Burlington Rd is unreliable and poses significant risks to the operations, especially the salmon hatchery and storage of berries. There may be a more reliable connection if the precinct was connected to the Cressy supply. Alternative and, renewable power sources may need to be considered.

Some of the existing uses within the precinct are sensitive to biosecurity issues or contamination by nearby uses. The grass trial sites are also sensitive to impacts from other nearby seed varieties.

[8] One or two operators did not participate in the workshops

Other characteristics are:

- The Northern Midlands are strategically positioned with good access to gateways. The precinct itself is accessible from Longford (en route to Devonport or Burnie), over Cressy Road, and via Powranna Rd which accesses onto the Midlands Highway. The precinct is in close proximity of Launceston Airport, which would be important for potential exports of high perishable goods to mainland and export markets.
- Relatively flat land
- Rural land categories range between 4 and 5 but land is mostly not categorised[9], and
- The Crown land area is identified as priority habitat.

4.2 Powranna Road precinct

Zoning and planning conditions

Zoning within the precinct consists of Environmental Management, Recreation and Rural Resource zones (see Figure 6).

Rural Resource Zone

See detailed description of this zone in Burlington Road Precinct section on page 14.

Environmental Management Zone

The purpose of the Environmental Management Zone is to:

- Provide for the protection, conservation and management of areas with significant ecological, scientific, cultural or aesthetic value, or with a significant likelihood of risk from a natural hazard.
- To only allow for complementary use or development where consistent with any strategies for protection and management.

Uses within this zone that do not require a permit include natural and cultural values management uses and passive recreation uses.
Discretionary uses include:

- Emergency services
- Extractive industry
- Pleasure boat facility
- Resource development
- Sports and recreation
- Tourist operation
- Utilities (if not for minor utilities)
- Visitor accommodation.

All other uses are prohibited within the Environmental Management Zone.

[9] Land Capability Classification System (LCCS). Land capability assessment is an interpretive and somewhat subjective system for evaluating a suite of resource information. It provides a ranking of the ability of an area to support a range of agricultural activities on a sustainable basis. The classification system comprises seven classes ranked in order of increasing degree of limitation in relation to agricultural use, and decreasing order of agricultural versatility. Class 1 is the best land and Class 7 the poorest. Class 4 is considered marginal for cropping activities. The State Policy for the Protection of Agricultural Land seeks to protect prime agricultural land from conversion to non-agricultural uses. It achieves this by setting constraints as to how prime land can be used. Prime land is considered to be land that is classified as Class 1, 2 or 3 by the agricultural land classification system, Tasmania

An objective of the zone is to "*ensure that the design and siting of buildings responds appropriately to the natural values of the site and causes minimal disturbance to the environment.*" Development must not exceed 20 per cent of the site and building height must not exceed six metres. Buildings must be setback a minimum of 10 metres to all boundaries. Buildings for a sensitive use must be set back a minimum of 200 metres to the Rural Resource Zone.

Recreation Zone

The Recreation Zone aligns with the Tarmak International Dragway.

The purpose of the Recreation Zone is to:

- Provide for a range of active and organised recreational use or development and complementary uses that do not impact adversely on the recreational use of the land.

Under this zone, a permit is not required for natural and cultural values management or passive recreation activities.

Discretionary uses under this zone include community meeting and entertainment, crematoria and cemeteries, emergency services, tourist operation, pleasure boat facility (if for marina), utilities (if for minor utilities), and visitor accommodation.

All other uses are prohibited.

Utilities Zone

See details for Utilities Zone on page 14 of this report.

Current uses

The Powranna Road precinct is located close to the Midlands Highway. The precinct currently includes:
- Tasmania's premier stock saleyards (both Elders and Roberts)
- A sports facility
- Potato and grain storage facilities, and
- A dragway facility (the Tarmak International Dragway)

The stock sale yards, have been established for 15 years and has expanded significantly over the past 12 to 18 months following the closure of the southern stockyards (Brighton). Stockyards typically require some nearby grazing land for livestock if farmers require a few days to arrange transport for cattle after purchase.

The stockyards will continue to expand. The operators of both stockyards plan to centralise their operations with the Powranna Sales Yards becoming the main sale yards for the state.

Production of grain is expected to grow significantly in Tasmania with the increasing demand from the dairy industry. Consequently, demand for storage facilities is expanding and investment in storage near and at the Powranna Rd precinct is expected over the next two years.

Land ownership

Most of the land is privately owned. The precinct includes ten privately owned titles that add to 1,900 ha. Parks and Wildlife Services (PWS) own and manage 268 ha of land which comprises the Environmental Management Zone.

Land characteristics

A considerable proportion of the Powranna Precinct contains priority habitat which lies within the Rural Resource, Environmental Management and Recreation zones. The land is flat to undulating, and land use consists mostly of bush and pasture.

Land within the precinct is not irrigated and has no reticulated water. However, the stockyards access to water via a pipeline to the Esk River.

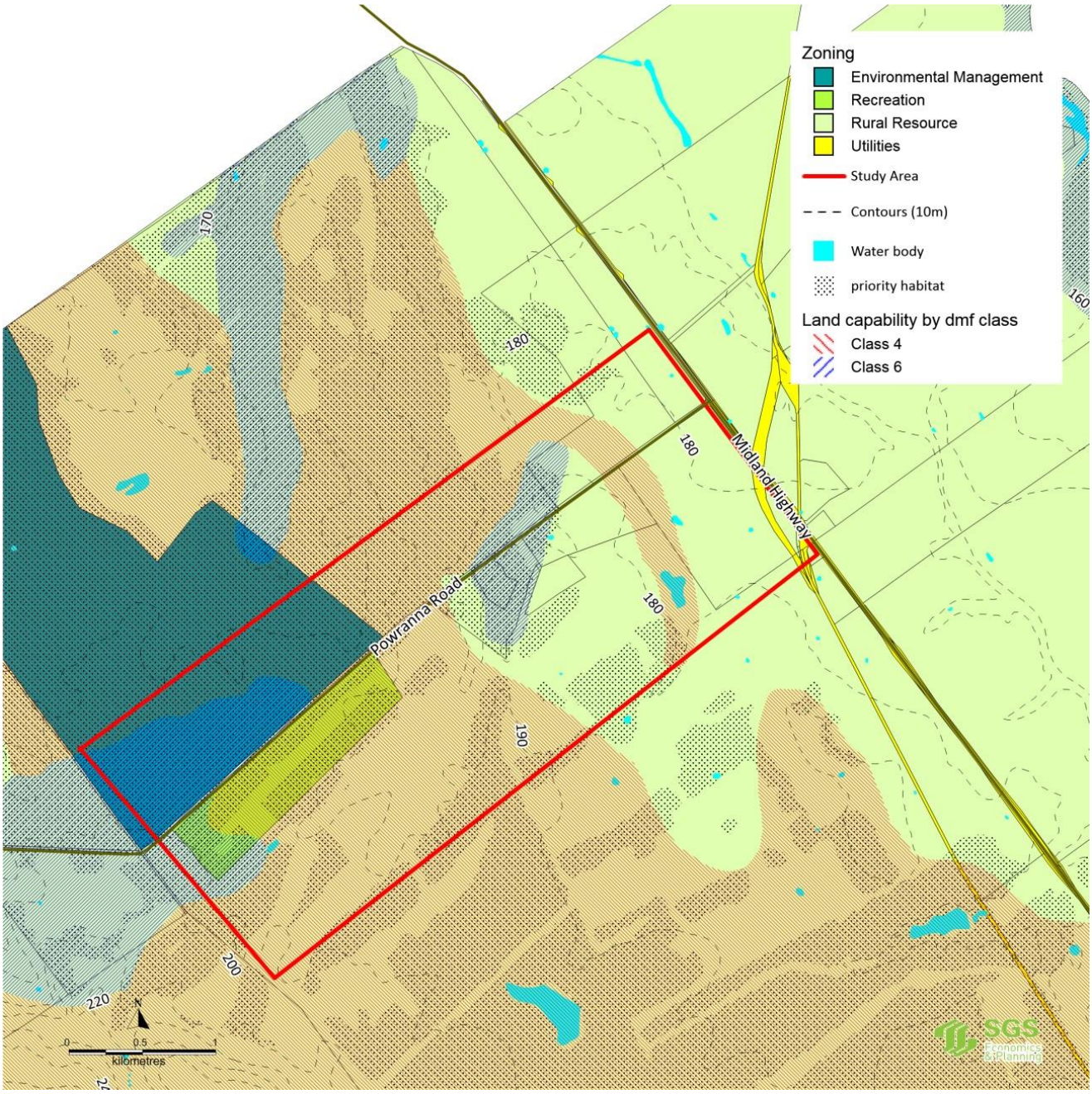
North of Powranna Road, situated along the highway, is a rural contractor. A large feed lot – which is used for meat exports to Asia – is located across the highway. The attenuation distance around the feedlot is 2,000 metres. Use of land within this distance is constrained due to health, contamination and/or biosecurity risks.

A rail line, approximately three to four metres below ground level, dissects a portion of the precinct through land owned by Roberts.

Other characteristics are:

- The Northern Midlands are strategically positioned with good access to gateways. The precinct itself is accessible from the Midlands Highway. The precinct is in close proximity of Launceston Airport, which would be important for potential exports of high perishable goods to mainland and export markets.
- While not currently irrigated, water could potentially be made available more widely from the Esk River
- Relatively flat land
- Rural land categories range between 5 and 6 while some land (mostly the stock yards) has not been categorised, and
- Areas of priority habitat are in the Environmental Management Zone, and scattered across the precinct.

FIGURE 6. POWRANNA PRECINCT, ZONES



Source: SGS

5 ECONOMIC DEVELOPMENT RECEOMMENDATIONS

In terms of overall economic development, a range of issues and opportunities exist that need to be addressed at either the precinct, local or regional level, and which involve either action by Council and the business community or advocacy on wider strategic issues.

Overall, there are significant economic development opportunities for agriculture and rural industries in Tasmania, and the Northern Midlands specifically. The roll-out of the Midlands Irrigation Scheme represents an important change in the way agriculture can perform and grow in the region, enabling the irrigation of about 10,000 ha of previously non-irrigated land[10].

The Northern Midlands are strategically located in the centre of extended agricultural land, access to the airport and access on the Midlands and Bass highways that connect to the major urban centres and ports.

Dairy, seed production and cropping are all expected to grow significantly. Demand for processing and support services are expected to grow rapidly as well within the next five years. While there is a current oversupply of dairy processing capacity, it is anticipated this oversupply will no longer exist in five years time. Demand for meat processing is also expected to expand drastically, as well is demand for grains and storage of grains.

5.1 Regional and State level issues and opportunities

There is a range of regional or State level issues and opportunities that are best addressed at the State and/or regional level, in collaboration with other stakeholders and interest groups. The wider issues are:

- Attracting and access to investment capital
- Availability and training of professional staff
- Protection of productive agricultural land, and
- The cost of doing business in Tasmania, including transport cost disadvantage for Tasmanian farmers and operators**.**

Investment and capital

Availability of investment capital has been raised as an issue at various levels. Local farmers indicate to experience issues in accessing capital, while at the same time large scale investment capital appears to become increasingly available. There appears to be a mismatch between the scale of demand and supply for investment capital. According to consulted stakeholders (among which Rabobank, Tasmanian Irrigation, TFGA) investors are keen to invest capital sums of over $100 million in investment ready packages that include professional management teams, farm land and supply chain. There are examples of regions in Australia and New Zealand where programs have been successful in bundling farm investment opportunities into larger scale packages.

[10] The Scheme has a catchment of over 50,000 ha. The water capacity is sufficient to irrigate 10,000 ha (interview Tasmanian Irrigation, Chris Oldfield, 11 November 2014.

Farmers consulted see opportunities to cooperate in terms of branding and marketing at a local or regional level. Marketing should occur in a targeted manner, seeking specific export markets and clients. During consultation an example was raised where a processing plant targeted two large super market chains in Indonesia. Stakeholders agreed a targeted approach is required to open up potential export markets.

Availability and training of professional staff
Stakeholders at both the local and regional or State level acknowledged there is a mismatch between the availability of professional staff such as agronomists and demand. Farms and corporations indicate having difficulty finding well trained staff in Tasmania. The number of agriculture students at UTAS is alleged to have dropped below ten. Several stakeholders indicated there was a need to lift the profile of agriculture as an industry to have promising careers in.

At the same time, one recently graduated agronomist from UTAS involved in the workshops indicated gaining work experience in Tasmania was difficult. There may be a need for a tailored work experience program to better align skills with demand.

Protection of productive agricultural land
Productive agricultural land, especially close to settlements, is being compromised by residential and other conflicting land uses. Stakeholders consulted, among which TFGA and agricultural consultants, agree that minimum lot sizes are not an effective way of protecting agricultural land from other uses. Increasingly, intensive agricultural uses such as horticulture, require relatively small land areas (well below the proposed 40 ha minimum lot size). As part of the current planning reform, which is led by the State Planning Reform Taskforce, there is a need to advocate for effective measures to protect agricultural land.

The cost of doing business in Tasmania
Although not confirmed by all stakeholders, the cost of doing business in Tasmania exceeds the cost elsewhere in Australia. While the transport disadvantage may be part of that (next paragraph), there may be an opportunity to reduce red tape.

While there is a transport equalisation scheme to overcome the additional cost of transport for Tasmanian producers, vice versa, mainland producers can benefit from the scheme bringing produce into Tasmania at a more competitive rate than Tasmanian producers.

Recommendations
These State significant issues require a broad strategic approach to growing agriculture and rural industries in Tasmania.

There is currently at least one (loosely organised) interest group which includes individuals from Ruralco, Elders, Rabobank, Macquarie Franklin, Meander Valley and Launceston City Councils and others with a keen interest in supporting the agricultural sector in Tasmania. The investment capital issue is one of the key topics of interest, as well as the education of professionals seeking a career in agriculture.

There is an opportunity for Council to take an active involvement and represent its agricultural sector in such a group. In addition, there are existing industry bodies such as TFGA and Dairy Tasmania.

5.2 Local level issues and opportunities

Rural industries precinct
Processing activities are generally located either close to the resources (i.e. agricultural production land) or close to key export gateways, such as ports. Storage of products intended to be used for agriculture (such as grains to feed stock) are best located close to the grazing lands.

There is an obvious and good rationale to concentrate rural industries in precincts. It enables efficient use of infrastructure and services, and enables investment attraction in common infrastructure and services. The current ad hoc development of rural industries makes it difficult to service effectively. There may also be conflicting use and encroachment issues, which are easier to manage if industries are co-located within precinct.

The Northern Midlands are strategically located to accommodate rural industries for the wider region. This includes:

- Processing and packaging of agricultural produce, although sites close to export gateways may have a comparative advantage to sites close to the resources. High perishable goods are however best located close to the source,
- Storage and agricultural supplies to be used in the wider agricultural region. The Northern Midlands are strategically located to service a wide catchment, and
- Protected cropping and agricultural production that is not dependent on land capabilities (industrialised agricultural production). The North and Northwest of Tasmania have a favourable climate for these uses.

Processing, packaging and industrialised agricultural production require affordable power (gas), access to water, sewage, gateways and road infrastructure.

Storage and agricultural supplies need to be centrally located in an agricultural catchment area and well accessible by road. Access requirements to power, water and sewage are lower than for processing and industrialised production.

Consulted stakeholders suggested the identified two precincts (Burlington Rd and Powranna Rd) may not necessarily be the only locations for rural industries precincts. There is a need to establish the feasibility and optimal locations for rural industries precincts in the Northern Midlands. Regional Development Australia – Tasmania has indicated there may be opportunities for support in preparing a feasibility analysis and business case for an application for funding of feasible projects.

Investment opportunities
There are a number of corporations, with Driscoll's as a leading example, currently significantly investing in production capacity in the Northern Midlands. To enable and support investment there is an opportunity to engage with existing investors to establish the key investors, a proper understanding of the plans and needs of these investors. Potential areas where Council could potentially assist include identifying available suitable land, identifying infrastructure and service requirements and possibly in bringing together demand and supply for casual and seasonal workers.

Affordable housing for seasonal workers
Accommodation for seasonal workers was identified as a key constraint by local farmers especially those involved in horticulture and cropping.

Availability of seasonal and casual workers
Demand for casual workers is significant among farmers. Casual staff require some level of training. Retaining casual staff is an issue which requires farmers to repeatedly attract and train staff. Workers generally prefer non-casual work and therefore often leave for more secure jobs.

In short, there is a need to coordinate local jobs and training. Since all farmers require casual staff there may be an opportunity to train and pool staff to establish a more secure base of staff while casual staff

receive a more stable supply of work. A suggested example by Skills Tasmania of how this could be addressed is the skills/labour hub in the Huon Valley which aims to meet local needs.

Collaboration on common interests

The workshops with farmers and operators from the two precincts were seen as a useful tool to discuss and address common issues. It was recognised that farmers do not tend to work together even when there are clear common interests, especially at the precinct and local level. Common interests include:

- Road and infrastructure issues
- Opportunities for common branding
- Targeted marketing of export markets, and
- Supply chain issues and opportunities.

Meetings of farmers and operators at the precinct and/or local level can contribute to knowledge sharing and concerted efforts in areas of infrastructure provision, supply chain and marketing and exports. Council is recommended to take a coordinating role, thereby also enhancing Council's understanding of issues and opportunities and possible involvement of Council in addressing some of these.

As highlighted in the Burlington Rd precinct plan (next section), there are specific issues that affect operators at the Burlington Rd precinct:

- **Road condition**
  Vehicle movements over the unsealed section of Burlington Rd are expected to further increase. To enable and support future economic growth and road safety it is recommended to investigate the feasibility of hardening road, taking into account existing freight task, expected future growth, safety and overall appeal of the precinct to potential investors.

- **Unreliable power supply**
  The unreliable power supply is a common interest to the operators at Burlington Rd. There is a need to explore alternative connections (Cressy township) and/or alternative power sources such as gas or renewable sources with storage of power rapidly becoming more affordable.

6 PRECINCT PLANS

6.1 Precinct Plan for Burlington Road

The Burlington Road Precinct is currently used by a number of intensive agricultural uses, research and processing. Future uses should be compatible with these uses and sufficient buffer should be maintained to prevent encroachment by residential uses and other uses that could adversely impact on activities within the precinct.

The purpose of the Burlington Rd precinct is to accommodate:

- Intensive agriculture (including aquaculture)
- Agricultural research and testing, and
- Some agricultural processing, where it does not adversely impact on other uses.

Due to the importance of Brumbys Creek for fresh water provision for existing uses, any future uses should not pose risk to the water quality, including biosecurity issues. Any new and change of use should demonstrate any contamination and/or biosecurity issues are properly managed.

Uses that introduce materials and resources not related to agricultural production and/or processing activities should be prevented.

A separation distance or buffer around the precinct is required to prevent encroachment by residential and other uses that may impact on the uses within the precinct. The purpose of this separation distance would be to provide a buffer between the precinct uses and future uses outside the precinct so that issues such as noise impacts, odours and hours of operation will not affect adjacent sensitive uses. The required buffer distance will depend on the type of existing and future land use in the Burlington Rd precinct and the relative 'sensitivity' of the adjacent uses.

The water quality of Brumbys Creek needs to be conserved. It is recommended to investigate water quality conditions and to consider establishing riparian buffers around the Creek to manage water quality. Key stakeholders to consult with are Hydro Tasmania, DPIPWE and most likely NRM North. DPIPWE has developed Environmental Best Practice Guidelines which includes a guideline on managing riparian vegetation[11]. Any existing area management plans may need to be reviewed and updated.

Intensive agriculture overlay, zoning and uses

The existing zoning allows for development of intended uses for the precinct. The current zoning is therefore to be maintained. However, some of the discretionary uses for the Rural Resource Zone potentially conflict with existing uses and the protection of water quality, and should not be permitted. These include:

- Bulky goods retailing
- Equipment and machinery sales and hire
- Extractive industries
- Food services
- Emergency services
- General retail and hire
- Motor racing facility
- Recycling and waste disposal
- Service industry

[11] DPIPWE, Waterways & Wetlands Works Manual 2003

- Sports and recreation
- Tourist operation, and
- Transport depot, utilities, vehicle fuels sales and service.

The following uses are to be discretionary:
- Residential (only small scale, temporary accommodation for workers)
- Research and development (only no impacts on water quality and existing uses)
- Resource processing (only agricultural resources processing), and
- Visitor accommodation (only small scale, temporary accommodation for workers)

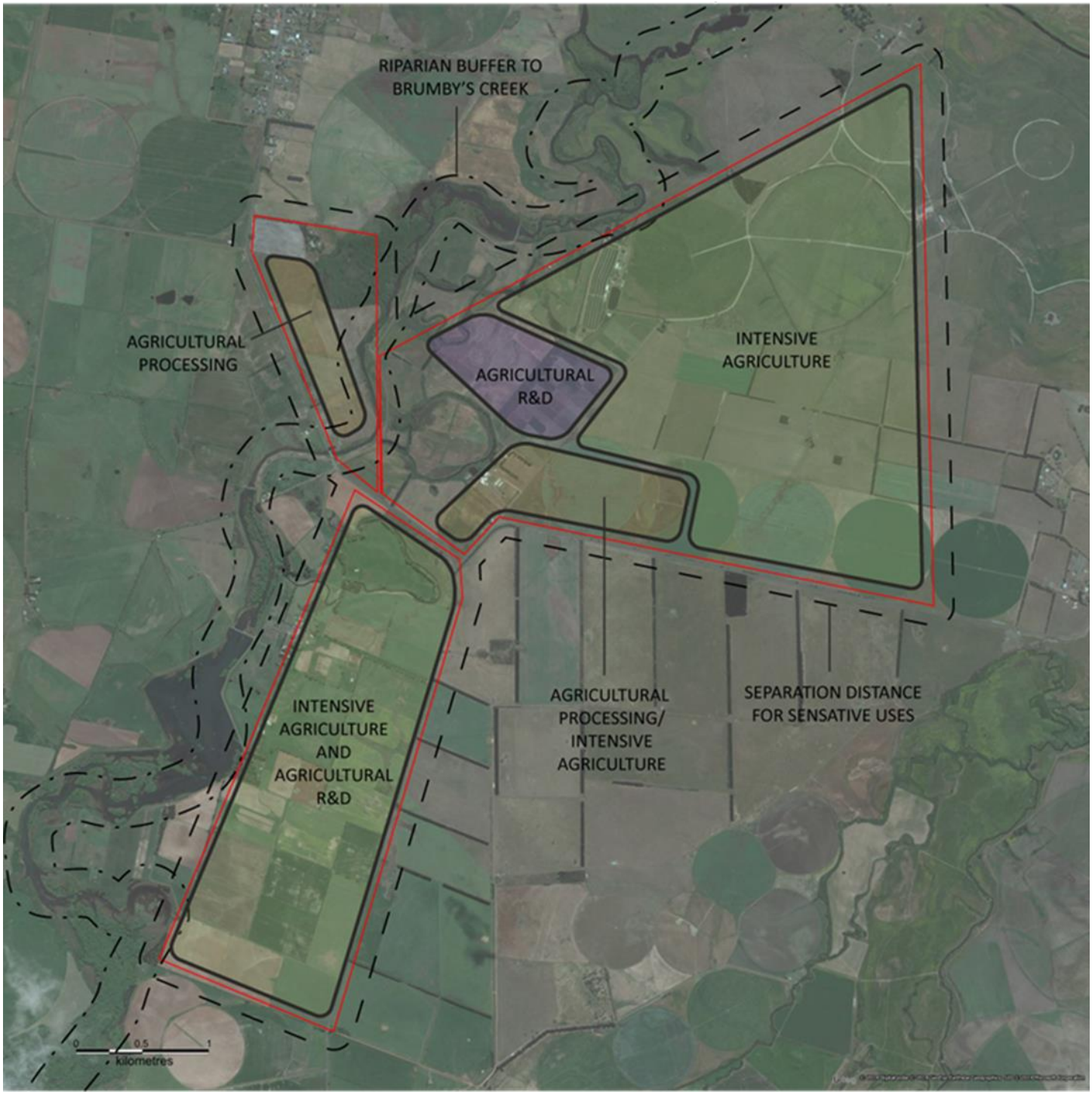
An **intensive agriculture overlay** will effectively manage the intended uses for the precinct.

Infrastructure issues at the Burlington Rd precinct are:

- **Road condition**
  Vehicle movements over the unsealed section of Burlington Rd are expected to further increase. To enable and support future economic growth and road safety it is recommended to investigate the feasibility of upgrading the road and stormwater issues, taking into account existing freight task, expected future growth, safety and overall appeal of the precinct to potential investors.

- **Unreliable power supply**
  The unreliable power supply is a common interest to the operators at Burlington Rd. There is a need to explore alternative connections (Cressy township) and/or alternative power sources such as gas or renewable sources with storage of power rapidly becoming more affordable.

FIGURE 7 BURLINGTON ROAD PRECINCT PLAN MAP[12]



[12] The initial objective was to provide a potential road and lot layout and service provision. While the strategic intent of the precincts and their components have been established it would be untimely to provide further detail as this is more appropriately determined depending on the nature of the development opportunities that arise.

6.2 Precinct Plan for Powranna Road

The Powranna Rd Precinct is currently used by a range of uses including stock sales yards, grain and potatoes storage, drag racing and environmental management. The precinct is strategically located along the Midlands Hwy and intended to become Tasmania's primary stock sales centre.

The Powranna Rd precinct is to develop as a **rural services centre** with the purpose to accommodate:

- Stockyards, and
- Storage and potentially packaging of agricultural produce.

Other intended uses include:

- Environmental management within the Environmental Management Zone, and
- The existing dragway within the Recreation Zone. Good accessibility by road is important for this precinct, and the existing highway turn-off is effective.

Rural services centre overlay, zoning and uses

The Rural Resource Zone allows for existing and intended uses in the precinct. The current extent of the Rural Resource Zone should be maintained. However, some of the discretionary uses for the Rural Resource Zone potentially conflict with existing uses and intended uses. These include:

- Bulky goods sales, unless agricultural supplies
- Educational and occasional care, unless linked to agricultural research and education
- Equipment and machinery sales and hire, unless for agricultural purposes
- Extractive industries
- General retail and hire
- Hotel industry
- Motor racing facility (i.e. if not in Recreation Zone)
- Residential
- Research and development, unless linked to agricultural research and education
- Tourist operation
- Vehicle fuels sales and service, and
- Visitor accommodation.

For all discretionary uses, it should be demonstrated they align with the purpose of the precinct and do not adversely impact on existing uses. For example, a truck wash facility would be seen as a use that aligns with the purpose of the precinct and supports existing uses of the site.

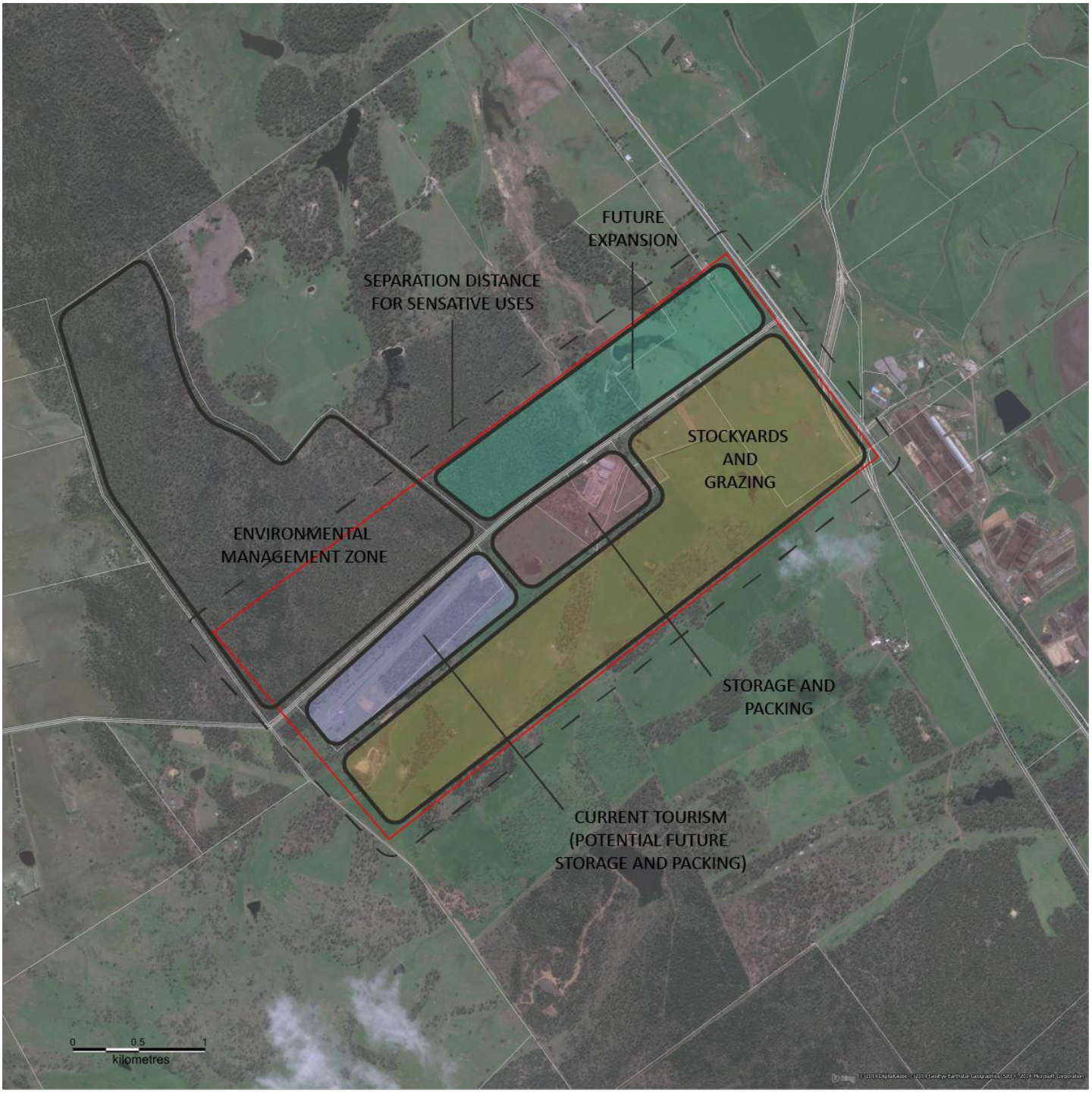
The land Zoned Utilities and Environmental Management allow for the existing and intended uses and should be maintained.

The land zoned Recreation allows for its current use. Should this use ever vacate the site, it should be considered for rezoning to Rural Resource Zone to better align with the purpose of the precinct.

Appropriate separation distances should be maintained around to prevent encroachment from non-compatible uses, such as residential. A buffer around the precinct will accommodate existing and future intended uses of the precinct.

A **rural services centre overlay** will effectively manage the intended uses for the precinct.

FIGURE 8 POWRANNA ROAD PRECINCT PLAN MAP[13]



[13] The initial objective was to provide a potential road and lot layout and service provision. While the strategic intent of the precincts and their components have been established it would be untimely to provide further detail as this is more appropriately determined depending on the nature of the development opportunities that arise.

7 SUMMARY OVERVIEW OF RECOMMENDATIONS

The following recommendations are made (please refer to sections 5 and 6 for more detail):

A. For Northern Midlands Council to participate in coordinated and targeted advocacy by stakeholders to address regionally and State significant issues the industry is facing,
B. For Northern Midlands Council to undertake a feasibility study to identify the optimal location(s) and viability for rural industries precincts in the Northern Midlands. Precincts ensure an efficient use of infrastructure and services, and may provide value chain and logistics benefits for rural industries in these precincts,
C. For Northern Midlands Council to communicate with local investors in agriculture to better understand their needs, and where possible (within the roles and responsibilities of Council) to enable investment in the local area,
D. For Northern Midlands Council to explore opportunities to support the availability of affordable housing solutions for casual and seasonal workers,
E. For Northern Midlands Council to support initiatives to better coordinate demand and supply of casual labour,
F. For Northern Midlands Council to support and enable farmers and producers to convene and where applicable collaborate on common issues, such as reliable power supply at the Burlington Rd precinct,
G. For Northern Midlands Council to establish the feasibility of an upgrade of Burlington Rd to better meet current and future traffic demands, and
H. For Northern Midlands Council to apply proposed precinct plans for the Powranna Rd and Burlington Rd precincts to enable development and intended uses for the precincts.

APPENDIX

Workshop 1, precinct land owners and operators. Minutes, 25 September, 2pm

Ellen Witte (Facilitator, SGS); Michael Salhani (Chair of NMC Economic Development Committee); James Cornish (Roberts Ltd); Rob Calvert (Elders Rural Services); Freyr Colvin (Bejo Tasmania); Elizabeth Clark (land owner); Russell Fyfe (Cosway Project Services); Bob Reid (TasGobal Seeds); Robert Dent (TasGlobal Seeds); John Talbot (Tasmanian Quality Meats); Kevin Chilman (Petuna Aquaculture); Peter Davey (Cressy Transport); Dee Alty (Longford Local District Committee); Kate Sutherland (Burlington Berries); Stewart Sutherland (Burlington Berries).

Discussion – Site specific issues

What are the current constraints and issues at Powranna Road?

There are several rough areas on the road and the access needs attention where Burlington meets Powranna Road.

Roberts Ltd is currently in discussion with Council regarding a proposed truck wash in the area. Believes there is sufficient ground to manage the waste water from the wash area (sufficient space for settlement ponds). There is sufficient water through pipeline from South Esk.

All of the operators present indicate to be heavily investing and expanding operations. Investments include: truck wash, grain storage (high speed capacity), seed testing, seed testing farm, processing capacity at TQM and Petuna (doubling), storage at Berry farm.

What are the current constraints and issues at Burlington Road?

Bejo Tasmania requires a casual labour base which can be a challenge due to costing and the viability to train and then not have the staff return. Staffing is also an issue for Burlington Berries and the lack of affordable local accommodation to house the labourers. Approximately 20-30 homes or modular housing (such as cabins) would assist in this area. Generally casual labourers are happy to pay $100 per week for accommodation.

Burlington Road's current road surface is an issue. Resurfacing and widening of the road would be beneficial as there is a large amount of trucks and heavy traffic on the road.

Security is currently an issue for TasGlobal Seeds. The public access area is clearly marked but not taken heed to. Petty vandalism is also an issue.

For Burlington Berries the distance to Devonport can be a hindrance by being away from the freight port. Sudden power outages in the area are also an issue as the company requires a full generator back up.

Kate Sutherland suggested that a box making plant in the municipality would be beneficial due to the high costs related to transport packaging associated with going to and from Devonport (John suggested a possible alternative supplier).

There is the general concern that the biosecurity control at the Launceston Airport is too relaxed. With only 2 dogs in Tasmania it does not seem enough to service the needs to actively control the absence of fruit fly in the state.

John Talbot again raised the issue regarding the road surface. As there are a number of trucks going out regularly the road needs to be addressed. The main gas pipeline does not service the areas and as a result, Tas Quality Meats are required to use other methods of obtaining gas that are a major cost to the company.

Ellen Witte made mention that the estimated cost to make a new connection point on the gas main would be around 2 million and there will need to be a large demand for the gas for it to be possible. Renewable energy sources may not have been fully explored either.

The freight cost to go overseas/mainland is high and the 'Clean Green' image does not seem strong enough to help with obtaining premium export rates. The apparent cost to get a 40 foot shipping container from Tasmania to Victoria is in excess of $4,000 in comparison to $3,000 if transporting from Victoria to Dubai.

It would be beneficial if Hobart Airport could be upgraded to service as an international freight airport. This would assist with competing with mainland companies. Burlington Berries is experiencing the same issues with freight, with costs for containers being too high and is damaging for the companies and believes this problem could be fixed if the correct attention is given to it.

BREAK 3:30 – 3:45

What opportunities are there to improve the sites?

Sealing and upgrading of both roads, availability of accommodation for labourers and the supply of workers (as discussed in the above comments).

Discussion – Future development

What development opportunities are there?

An accommodation facility for labourers would be advantage for multiple local businesses. Sufficient food supply or a local catering company would also be required to support the workers.

There is currently land situated behind the Ringwood Hotel that could suitable site for accommodation. The addition of local accommodation would also be positive for the economy and surrounding shops.

Increased public transport between Longford and Cressy would be beneficial as currently there are limited services that don't meet the needs of the workers.

Michael Salhani posed the question to the group that if there weren't the above issues (labour, cost) what is the natural growth on a yearly basis?

Petuna Aquaculture is doubling size at the moment and if the prices and demand stays the same, can potentially do the same again in 5 years time.

Tas Quality Meats has seen impressive growth since the company started exporting 3 years ago with a growth of approximately 40% per year. As funding becomes available at the end of January 2015, there will be the opportunity for new developments such as a lamb cutting room which could increase growth by an extra 30%.

Burlington Berries is still in the set up phase of the business but expects a 25% increase for the next year.

There will be a seed production conference held on November 12th which will focus on how the industry can improve and turn a profit for the growers. Bob Reid commented that this will be big step for the right direction for growth.

Discussion – Blue Sky

Blue sky – what are the opportunities for the Northern Midlands for rural industries?

Australia wide will see an increase in the demand for livestock, looking positive for future growth. Current operators plan to centralize their operations making the Powranna Sales Yards the main sale yards for the state.

The roll-out of the irrigation scheme(s) enables the use of 55,000 ha of extra agricultural land in Tasmania for more intensive uses.

With the dairy industry expanding that then leads onto extra grain sales and growth in related areas.

As the need for (temperate) pasture seed and turf seed grows there will be an issue with sufficient processing facilities. Currently there are insufficient plants to meet the demands and timelines of the mainland seeds companies. If the need for more pasture seed increases, the cleaning facilities and services will need to increase with it

At this point in time there is a large market for turf seed market in the United States and Europe. This could be an advantageous area to move into.

Michael Salhani questioned if the state government has enough knowledge on what is going on within these areas. The discussion group agreed that the state is not aware enough.

At this point in time there is a large market for non-genetically modified seeds in Japan. Tasmania needs to push their non-gm status in the right direction to those who matter most.

There is opportunity to better market Tasmania's non-gm status.

Bob Reid from TasGlobal Seeds mentioned that all of Eastern Europe requires different types of non-gm seeds and that we need to tap into that market better.

To encourage new crops and rotations there has to be someone to drive the ideas to the farmers/growers. For example, currently there isn't the drive to include the cereals and fava beans in the famer's rotation. Growers will be looking at what is the best crop for return and rotation: this is usually driven by what the corporations ask for.

The commitment of Driscoll's to the NMC is an important sign of opportunities in the sector.

What are the key constraints and issues?

The lack of agriculture/horticulture graduates is limited and businesses are finding that there are limited locals or mainland people that have the skills or knowledge base. Vice versa, there is the need for local companies to be open to taking on graduate students rather than forcing them to go to the mainland states to obtain work. This is seen as a current issue and should be considered. There may be an opportunity for a graduate work program.

There is the need for reliable power supply, possibly to come from Poatina. It is important to have the flexibility for the power to be switched between the two grids when needed. A good reliable power source is vital for the surrounding businesses. Power outages can be extremely damaging to crops, income and current stock/produce of these companies.

The power companies need to be made aware of the costs that are put onto the companies that are damaged through power outages. Agriculture companies (and other produce industries) are highly reliant on the need for power. 40-50 minutes without power can be beyond damaging to crops (such as fish).

It was suggested that all three companies on the Burlington Road need to work together to work through the issue and take it to the power company.

The opportunities of renewable energy and new technologies for storing energy may need to be further explored.

There are opportunities to use more Tasmanian produce in processing instead of importing produce to be processed here, if the market was able to keep up with demand.

Other topics

- Access to capital needs to be made easier for the average person. While there may not be a shortage in investment capital, the scale at which capital is available (large scale) does not match the capital that is in demand (small scale). There may be a role of local or State government to try and match supply and demand
- Councils need to work with Development Tasmania to help attract the investors by showcasing what is in the area.
- Would be good to have a meeting once or twice a year to hold meetings to discuss issues and be proactive about current issues and how to approach them.

Outcome from the workshop

Follow up interviews will be conducted and then a report will be prepared. The report will be out for public exhibition at some stage and open for comments. After which it will then be presented to Council for adoption.

MEETING CONCLUDED - 4:47pm

Workshop 2, farmers in Northern Midlands. Minutes, 25 September, 6pm

Ellen Witte (Facilitator, SGS); Michael Salhani (Chair of NMC Economic Development Committee); Landowners - Will Morrison, Tom Dowling, James Walch, Hugh Mackinnon, Kathy Henry, Rob Henry; Astrid Ketelaar (AK Consultants), David Armstrong (AK Consultants).

Discussion – Current Situation

What are the current constraints for agriculture and rural industries in the Northern Midlands?

Both areas require good roads and access to the sites. Powranna Road does not seem up to a suitable standard to cater for the type and amount of traffic that uses and will use the road.

There is the general concern that residential users close to, or boarding farms, have little or no knowledge of the areas they are buying in. This can put strain on the farmers with complaints against noise, activities

and conflicting use of the land. The construction of new dwellings being built on rural resourcing land is perceived as a rate benefit to Council and a benefit to the applicant with the impact on the current farmers in the area not always being taken into account.

The reform of the planning regulations poses a risk that subdivisions will proceed in rural areas causing the land to be compromised during the process. There is a concern from AK Consulting that the Launceston Planning Scheme is intended to be used as the State's scheme. It uses 35 ha as a minimum lot size for agricultural land which is not sufficient for broadacre farming. Fragmentation threatens the usability of the land for agricultural purposes, and therefore the loss of potentially productive land to rural living purposes. The best way to manage and protect rural land is not via minimum lot sizes but through the inclusion of Agricultural Performance Criteria in the planning scheme, that ensure any subdivision results in viable agricultural businesses.

Businesses need to be proactive about providing training regarding agriculture (and irrigation). There is a current need for workers in the industries. It would be a benefit if there was a school or program to assist school leavers to gain the needed skills to work in dairies and farms around the municipality. Council is perceived as being inactive in pushing programs to help and encourage people to train in the agriculture areas and industries. An example of how this could be addressed is the skills/labour hub in the Huon Valley which aims to match local needs.

There are issues with the current planning scheme that affects the growth and main aim for development in the area. A lack of flexibility from Council is given to facilitate applications that are submitted. Planning schemes appear to approach rural areas from a town planning perspective. An example was raised where a farmer had to get a permit for poly tunnels as Council wanted to define them as habitable buildings. It took time and effort to get this rectified.

Council should to be proactive in trying to identify the areas that require attention and proceed from there to help develop the area. The key is to not just isolate the focus on farms. Research should be undertaken to ensure all key elements are included, from the killing floor to the produce going to freight. The whole chain needs to be considered rather than focusing on a single element.

BREAK – 7:25pm – 7:40pm

What is changing in agriculture and rural industries?

All farmers indicate significant growth opportunities. The roll-out of the irrigation scheme is a key driver of growth.

Farmers have the ability to grow a wide range of products if there is the supply and demand for them. There is a high level of uncertainty in growth and the planning of crops needs to be flexible to cope with all areas and development opportunities.

Discussion – Blue Sky

Blue sky – what are the opportunities for the Northern Midlands for rural industries?

The Meander Valley Council is ready for new industries in their area with dedicated development areas. Should Northern Midlands be looking at the same thing to encourage new developments?

There is an obvious and good rationale to concentrate rural industries. Key aspects to consider is looking at access for heavy transport, access to the Midland Highway and what land is appropriate for development. Encouraging the right people and developers to invest in the area is also an important element. There is the possibility for a major abattoir and a milk processing/dairy facility to be developed within the Northern Midlands. By concentrating such activities, infrastructure and services can be

provided efficiently, unlike when rural industries grow and develop ad-hoc. A processing precinct/rural industries precinct within the Northern Midlands municipality would be beneficial. Council should look at the positives and negatives of each site to determine suitable areas for developments. The identified sites are not necessarily the best sites to accommodate rural industries.

Farmers should be looking at natural elements such as temperatures and daylight hours in regards to crop growing and development. Is land being utilized correctly and to its full potential? There is the need to understand and focus on what the best land uses are and taking a proactive approach.

It was agreed the Northern Midlands is well positioned for rural industries to service agriculture in a wider region.

What are the key constraints and issues?

The inability to predict the nature of the developments requires the farmers to be flexible with working with new crops and technology.

Council should take into consideration the implications when accepting new developments and if they pose a negative impact on the current surrounding businesses.

There is the concern that with the increased production of produce, it will cause a higher demand for transport and infrastructure that may not be able to be met with current services.

Driscoll's investment in Perth, Evandale and Burlington shows the commitment of the firm to the region. Council should actively engage with them and other corporations that may/are investing in the Northern Midlands.

Other topics

Areas such as Western Junction, Panshanger Road, and Woolmers Lane should also be considered as areas that have development potential.

MEETING CLOSED – 8:25pm

Workshop 3, Industry and Government representatives. Minutes, 26 September, 9am

Ellen Witte (Facilitator, SGS); Michael Salhani (Chair of NMC Economic Development Committee); Jan Davis (TGFA CEO); Kevin Turner (Regional Development Australia - Tasmania); Sarah Jones (AusIndustry); Ben Atkins (Northern Tasmania Development); Jeremy Rose (Skills Tasmania); Mary Knowles (NMC Councillor); Greg House (Industry & Business Growth, Dept. State Growth); Robin Thompson (AgriGrowth Tas, DPIPWE); Paul Godier (Planner NMC).

Discussion – Site specific issues

What are the current constraints for agriculture and rural industries in the Northern Midlands?

Freight costs are an issue. It was alleged that freight equalisation scheme makes it relatively more attractive to export (i.e. to the mainland) 'raw' produce to the mainland and value-add there than it is to first value-add and then transport/export. There is the need to look at transport and freight services and the investment in publicly owned infrastructure.

Virgin Air Freight is in apparent discussions regarding the utilization the freight space in their aircraft. Currently only 30% of the aircraft space is being used. Virgin is taking a more active interest in providing the service if the demand is there. Virgin engages with Toll Tasmania to realise this.

Due to the roll-out of the irrigation scheme(s), agricultural production is set to soar.

It is estimated that in two years time, due to growth in agricultural production, processing and support services will be stretched with the inability to meet demands. A traditional packhouse and a central market / packaging centre area are a few aspects that need to be considered to assist with the growing demand for processing and support services. Northern Tasmanian would be an ideal location as it is close enough to both sea ports and airports and close/central to agricultural production regions.

Farmers and companies are increasingly distressed by the Government's continual approach to 'silver bullets'. There is the need to move the focus away from 'picking winners'. Tasmania is home to several large grazing and dairy companies and the Government needs to support these industries to drive them to the next level.

What are the short term opportunities for growth?

To introduce a 'local labour hub' to supply skilled workers to the surrounding businesses which require casual and seasonal labourers. A local labour pool would provide better incentive and appeal to the workers with the sense of more job stability. This would also assist local businesses to source labourers.

Encouragement should be given to the local high schools, polytechnics and the education systems to support the technology side of the changing agriculture industry.

RDA has earmarked approximately 1 billion dollars over the next 5 years to assist with future developments in areas experiencing high levels of unemployment. More information and grant guidelines are set to be released in the coming weeks. This funding would be aimed at non-for profit areas (such as government, councils etc). Council along with operating businesses should work together to obtain funding to assist in local developments. The program will operate at a dollar-for-dollar basis.

What is changing in agriculture and rural industries?

The replacement of workers with technology has changed along with what people are required to do. For example, dairies have moved from hand milking cows to operating machines that undertake the work for them.

Farmers are beginning to use such items as iPads to operate such areas as mapping & spraying programs and in some cases machinery operation. When the younger generation is involved it drives the technology movement in the industries.

Discussion – Blue Sky

Blue sky – what are the opportunities for the Northern Midlands for rural industries?

The growth of each industry and business will depend on each famer's plans for the future. New developments with crops need to be market driven otherwise growth won't happen.

What are the key constraints and issues?

There is a barrier of mental expectation that food has to be cheap causing unwanted demand for lower produce prices. Food does not have to be cheap, it needs to be affordable. Over the last 30 years society has gone from spending 20% of their disposable income on food to now only 10% on food. Yet 30% off food purchased is thrown away.

If local government continues to be ignorant to the needs of the agriculture industry, unnecessary issues could arise. The industry relies on the support from the planning scheme and Council. Currently there are no rural planners in the state, causing all planning to be undertaken by town planners. Minimum lot size of 40 ha is not an effective way of protecting agricultural land; increasingly more land will be used for more intensive production that requires maybe 6 acres only: the 40 ha minimum lot size prohibits agricultural development.

Also, agricultural land needs protection from residential uses. Due to the mentality of town planners, rural land is often regarded as 'future residential'.

The cost of production in Tasmania is high due to freight costs and due to the cost of doing business, which is alleged to be 30% above the national average, mostly as a result of regulations. Red tape causes difficulties with new developments such as the increase for fire hazard assessments (even in case of minor changes such as moving a fence), forest protection plans and forest practice plans. These areas are the biggest interference with the regulation requirements on developments.

Consultations about the sector's future are seemed to be kept within the government areas rather than consulting with the relevant owners and direct persons involved. This restricts the effectiveness of the new developments.

There is limited public information on the suitable areas within the Northern Midlands for when investors are enquiring about development opportunities. Clear access to this information would benefit the connections between developers and Council.

Tasmania's GMO free status inhibits productivity growth compared to other regions.

What role would Powranna Road and Burlington Road play?

Northern Midlands is well positioned to support a wide range of supplies and services. Both sites are well positioned but not necessarily the only high-quality sites.

MEETING CONCLUDED 11:40am.

Interviews

Following the workshops interview were held with representatives of:

- Rabobank
- Tasmanian Irrigation, and
- Tasmanian Farmers and Graziers Organisation

Discussion points

- Growth prospects for agriculture
- Access to investment capital
- Training of agricultural professionals – farming as a career of choice
- Rural processing and support services – the need for precincts
- Protection of agricultural land
- The cost of doing business in Tasmania
- The need for advocacy and regional coordination between stakeholders
- Export opportunities, marketing and market targeting

Contact us

CANBERRA

Level 1, 55 Woolley Street
Dickson ACT 2602

+61 2 6262 7603
sgsact@sgsep.com.au

HOBART

Unit 2, 5 King Street
Bellerive TAS 7018

+61 (0)439 941 934
sgstas@sgsep.com.au

MELBOURNE

Level 5, 171 La Trobe Street
Melbourne VIC 3000

+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY

209/50 Holt Street
Surry Hills NSW 2010

+61 2 8307 0121
sgsnsw@sgsep.com.au

SGS Economics & Planning