GIPPSLAND FOOD PLAN
Vision & Strategic Framework

Prepared on behalf of the Regional Development Australia Gippsland Committee by

DENCH MCCLEAN CARLSON
Corporate Advisory
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Executive Summary

The Gippsland region has a highly diverse food system that involves a range and scale of enterprises, entities and service providers in the growing, harvesting, storing, transporting, processing, selling, preparation and serving of food as well as the delivery of associated services.

The Gippsland food system has a significant economic, social and environmental impact on the Gippsland region.

Food related activity in the Gippsland region generates more than $2 billion in exports, more than 14,000 jobs and is responsible for more than $1.3 billion in expenditure on goods and services within the region. Gippsland has particular strengths in dairy, beef and horticulture. The projected demand for these products is likely to grow considerably through a significant increase in world demand for food along with marked changes to consumer needs. The demand for goods and services, including for food and related services within the Gippsland region, will grow in line with projected population growth in the region.

The Gippsland food system is highly dependent on Gippsland’s diversity of natural resources including extensive farmland, above state average rainfall and significant landscapes that are the key to tourism and its related food services. It is essential that food related activity addresses pressures on these natural resources including those emanating from climate change, population growth, land use pressures and the demand for water.

It is also critical that the Gippsland food system – like the rest the regional economy - adapts to a low carbon economy including responding to the forecast increases in energy costs, reducing its carbon footprint and growing its competitiveness through this transition.

A key element of the Gippsland community’s wellbeing is having ready access to nutritious food. Social engagement also has a significant impact on community wellbeing and food is often a central element of the events and activities that bring communities together.

These opportunities and challenges, along with many others, reflect a complex interaction of factors which all have implications for food related activity in the Gippsland region.

Given such strategic implications it is critical that the Gippsland region has a vision and clear strategic approach with respect to its food related activity. This approach needs to facilitate the Gippsland food system’s ability to effectively pursue key opportunities, address major challenges and foster support from a wide range of stakeholders. Most importantly it needs to enable the achievement of long term and sustainable outcomes that generate economic, environmental and social benefits for the Gippsland region.

The Gippsland Food Plan – Vision and Strategic Framework provides direction for the future development of the Gippsland food system. It has been developed with input from a range of stakeholders.

The Vision focuses on four key elements

• Expanding the Gippsland food system’s economic worth and its overall contribution to the regional economy
• Growing the reputation of the Gippsland food system’s products and capabilities, improving its ability to respond to changing market needs and enhancing its attractiveness to investors
• Achieving sustainable environmental outcomes including reducing the Gippsland food system’s carbon footprint, water usage and waste as well as promoting the health of the region’s natural resources and ecosystems
• Supporting improved community wellbeing through improving access to nutritious food
The GFP has also adopted a number of Principles that underpin the strategic approach to achieving the Vision; these include maintaining a Strategic Focus, encouraging Innovation, pursuing Sustainable Outcomes, supporting Diversity and fostering Collaboration. The activities involved in the implementation of the GFP will be encouraged to be consistent with the Principles.

The development of the GFP has identified a wide and complex range of factors that do, and will have a significant influence on, the Gippsland food system – these include the Gippsland region’s current characteristics and capabilities, the system’s economic contribution and competitive strengths, the transition to a low carbon economy, the impacts of climate change, the projected increase in global demand for food, emerging technologies, changes in market and consumer trends and compliance with regulation and standards amongst others.

These influences have a wide range of strategic implications for the Gippsland food system. When analysed with respect to identifying the major strategic responses required to address these implications and achieve the Vision for the system four key areas of strategic focus emerge:

- **Enabling Infrastructure** – encouraging the improvement and/or development of infrastructure in a range of areas including productive land, transport, energy, water, waste, communication, and education that enable improvement in the Gippsland food systems’ efficiency and competitiveness

- **Transformed Capability** – encouraging the development of the knowledge, technologies, systems, skills and innovation required by the Gippsland food system in order to effectively respond to a range of economic, environmental and social opportunities and challenges and deliver related benefits to the Gippsland region and participants in the system.

- **Reputation and Investment Attraction** – encouraging the identification of opportunities for the Gippsland food system to achieve improved viability and relevance in existing and new markets, supporting the development of relevant products and services and promoting the system’s capabilities and the opportunities for appropriate investment

- **Advocacy and Policy Development** – advocating to Government re the needs of the Gippsland food system and the benefits it delivers, fostering the development of relevant policy and pursuing ongoing engagement with stakeholders.

In order to support these outcomes a number of Key Strategies have been identified for each of the Key Focus Areas. The Key Strategies provide a basis for further focussed strategic thinking, and the identification and development of relevant projects and programs. The Key Strategies also provide a platform for supporting existing initiatives being undertaken by a range of entities including businesses, industry organisations, service providers and community groups that are relevant to the intent of the Key Strategies.

The next phase in the development of the Gippsland Food Plan will involve engaging a range of stakeholders with the GFP Vision and Strategic Framework and initiating the process of identifying, developing and/or incorporating projects, programs and actions that are consistent with the Key Strategies, identifying those activities that are of particular priority and developing a focused GFP Action Plan.
1. **Introduction**

The development of the Gippsland Food Plan (GFP) is an initiative of the Regional Development Australia Committee Gippsland (RDAG) which acknowledges the:

- Importance of the food related sectors – including agriculture, food manufacturing and food services to the Gippsland’s economy
- Importance of access to affordable and nutritious food for the health and well-being of its communities.
- Emerging challenges and opportunities within our food systems
- Linkages to the priorities of the Gippsland Regional Plan (GRP)
- Need to be able to proactively engage within National and State food strategies and the need to align food related activity across a range of Government policy areas

1.1 **Purpose of the Gippsland Food Plan**

The purpose of the Gippsland Food Plan (GFP), as determined by RDA Gippsland, is to support a diversity of change projects which:

- Enhance the current performance of the Gippsland food system
- Build opportunities for innovation within the Gippsland food system
- Ensure global relevance of the Gippsland food system
- Support alignment with other initiatives at the local, state and federal level including the Gippsland Regional Plan
- Provide a strategic platform that can be built upon by a wide range of stakeholders to achieve positive outcomes for Gippsland.

1.2 **GFP Vision and Strategic Framework**

The development of the GFP has commenced through the development of a “Vision and Strategic Framework”, the purpose of which is to provide a:

- Framework of long term strategic directions that guide the future development of the Gippsland food system and that reflects the:
  - Principles of the GFP and the Vision for the Gippsland food system
  - Key influences on the Gippsland food system and their likely strategic implications
  - Context for the identification and development of more particular projects, programs and actions and understanding their relative impact and priority.

Accordingly, the next stage of the development of the GFP is to engage with stakeholders around the *GFP Vision and Strategic Framework* in order to identify particular projects and actions. From this engagement a Business Plan will be developed that focuses on projects and actions that are to be addressed in the shorter term.
1.3 Structure of the GFP Vision and Strategic Framework Document

The GFP Vision and Strategic Framework Document has two main components

- The Vision, Key Strategic Directions and Key Strategies.
- A summary overview of the regional characteristics, trends and influences that are likely to impact the Gippsland food system and their strategic implications, with a more detailed description of these included in Sections 4 and 5 of this document.

1.4 Gippsland Food System

The GFP is a framework for appropriate actions relevant to the needs of the entire Gippsland food system.

The Gippsland food system has a value chain like that of any other food system and comprises all the steps between food production and consumption. It includes the layers of employment and economic activity associated with food growing, harvesting, storage, transport, processing, sale, preparation and service as well as the cultural aspects of consuming/eating. The system includes a mix of small, medium and large companies, industry bodies, service providers and communities.

The system interacts with, and is highly dependent upon, a range of natural resources and ecosystems. Waste is generated by the various activities within the food system.

The system requires a range of hard and soft infrastructure in order to be able to operate.

The Gippsland food system interacts with a range of local, regional and international markets, generates exports and imports goods and services, and interacts with all levels of government.
2. Key Characteristics and Influences – A Summary

The following is a summary of the characteristics and influences that impact on the current operation and future development of the Gippsland Food System. More detailed information on these, including an overview of the Gippsland region, is provided in Sections 4 and 5 of this document.

- **Economic Characteristics** – the Gippsland food system makes a significant contribution to the Gippsland regional economy – in particular through dairy farming and manufacturing; beef farming and processing; and horticulture – all of which make a significant contribution to exports, employment and local expenditure. The Gippsland food system generates exports of more than $2 billion in value, and imports goods and services in excess of $850 million – See 4.2

- **Competitive Strengths** – include Gippsland’s diversity of natural resources, proximity to Melbourne, above average rainfall, a diverse economy, a growing population, a reputation for high quality production of dairy, beef and horticulture and a large organics sector – See 4.3

- **Increased Global Demand for Food** – the global demand for food is projected to increase significantly in the next 30 years as is the demand for food types in which Gippsland has strengths – See 5.1

- **Demographic Change** – the regional population is projected to grow by some 36,000 people to 305,700 by 2026 from the 2011 Estimated Resident Population of some 269,700 – this will generate an increased demand for goods and services including food. – See 5.3

- **Food Security and Availability** – food security is not the issue in Australia that it is in other locations in the world; however Gippsland is well placed to contribute to such demands, particularly through its commodity exports – See 5.4

- **Health and Wellbeing** – only 10% of adults in the Gippsland regional population met the guidelines for daily consumption of fruit and/or vegetables hence there is a need to support improved access to nutritious food – See 5.5

- **Environmental Sustainability** – the Gippsland food system is highly dependent on the region’s natural resources; as demand for food increases there is an ongoing need to reduce the negative impact of the food system on natural resources and improve the health of the region’s ecosystems – see 5.6

- **Climate Change** – climate change will have an impact on the food system, and in particular on horticulture. While the Gippsland region has relatively good rainfall compared to many other locations there is a need to build climate change resilience – see 5.7

- **Economic Trade and Competitiveness** – the ability to compete in international markets is a challenge, and cheaper imports have displaced many local products. Nevertheless Australian food production resources are an increasingly attractive foreign investment – particularly from countries that have food security challenges – See 5.8

- **Market and Consumer Trends** – consumers in Australia and overseas are changing their food consumption preferences. In foreign markets where incomes are growing consumers are adopting more western preferences for food types. In domestic markets there is a growing preference for access to high quality food as well as the ongoing influences of a multi-cultural society – See 5.9

- **Industry Capability** – there are increasing pressures on industry capability including improving the rate of productivity, and through the need to reduce energy costs, water usage, waste and on skilling the workforce. – See 5.10
• **Policy and Food Plans** – a number of jurisdictions have developed “food plans” and a number of these have been considered in the development of the GFP Vision and Strategic Framework - while there are many differences between plans there are also consistent themes including the need for improved productivity and the development of the capabilities needed to support such improvement. At present there is no Food Plan for Victoria, however the development of a National Food Plan is currently underway – see 5.11

2.1 **Strategic Implications**

The key characteristics and influences raise a wide number of strategic implications for the future development of the Gippsland food system and when analysed these implications fall under one or more of the following themes: -

i. The need for improved *infrastructure* that enables effective development and/or improved efficiency and competitiveness, supports improved environmental outcomes and facilitates innovation

ii. The need for *transformed capability* that enables participants in the food system to be able to remain relevant and/or improve competitiveness and/or viability. This includes the identification, development and/or adoption of new technology, systems and/or processes and the promotion the benefits of transformed capability

iii. The need for continuing to establish *a reputation and viable presence in a range of markets* – including responding to changes and challenges in existing markets and identifying opportunities for entering new markets. There is also a need to attract and promote opportunities for *more investment* into the Gippsland food system

iv. The need for *policy that is aligned* to the needs of the Gippsland food system and *advocacy* with respect to its opportunities and challenges

3. **Gippsland Food Plan Strategic Framework**

The GFP Strategic Framework provides broad direction and is intended to be a platform for the identification, development and/or incorporation of relevant projects, programs and actions.

3.1 **Principles of the Gippsland Food Plan**

The following framework of Principles guides the intention, direction and implementation of the Gippsland Food Plan.

• **Strategic Focus** – encouraging a long-term view, and understanding of the whole Gippsland food system including its economic, environmental and social impacts and how a change made in one part of the system may impact on other elements

• **Innovation** – encouraging breakthrough solutions and continuous improvement throughout the Gippsland food system in terms of the processes, practices and/or technology required to extend the system’s capability and capacity, and support improved efficiency and competitiveness

• **Sustainable Outcomes** – encouraging solutions that support sustained improvement to economic viability, community capacity and the health of the region’s natural resources and ecosystems

• **Diversity** – encouraging a wide range of activity, interests and participants within the Gippsland food system in order to grow the system’s resilience and relevance to a range of markets

• **Collaboration** – encouraging sharing of information and insight and the integration of activities across elements of the Gippsland food system that enable growth in the value and capability of the Gippsland food system

The Principles are supported by a range of stakeholders and reflect their fundamental and collective interests and aspirations with respect to the future of the Gippsland food system. The activities pursued within the Gippsland Food Plan need to be consistent with one or more of the Principles but also importantly, not be at variance with any of them.
3.2 Vision for the Gippsland Food System

The Vision represents the desired future outcomes for the Gippsland food system and its impact on the regional community.

3.3. Key Focus Areas of the Gippsland Food Plan

The Key Focus Areas of the Gippsland Food Plan are a response to:

- The strategic implications arising from a review of the Trends, Competitive Advantages, Opportunities and Challenges for the Gippsland food system
- The Principles of the Gippsland Food Plan and the Vision for the Gippsland food system

The Key Focus Areas represent the main areas of strategic focus required to fulfil the Vision for the Gippsland food system and address the various strategic implications; they are as follows:

KFA 1  **Enabling Infrastructure** – encouraging the development and improvement of the infrastructure needed to support improved capability

KFA 2  **Transformed Capability** – supporting the development, dissemination and adoption of the knowledge and processes required to meet relevant demands

KFA 3  **Outstanding Reputation and Investment Growth** – extending Gippsland’s reputation in food, fostering opportunities to develop a sustainable presence in relevant markets, and attracting investment in the Gippsland food system

KFA 4  **Aligned Policy and Advocacy** – pursuing appropriate policy frameworks and growing the support of policy makers for the needs of the Gippsland food system
3.4 Key Strategies

Each of the Key Focus Areas has a number of related Key Strategies. The Key Strategies represent the broad areas of activity required to achieve the various outcomes reflected in the Key Focus Areas and address particular categories of strategic implications. Each of the Key Strategies is a platform for the development of relevant and particular projects, programs and actions and/or the incorporation of existing and relevant activities.

3.5 Key Focus Area (1) - Enabling Infrastructure

Foster the development, upgrade and/or the optimisation of hard and soft infrastructure that enables an improvement of the Gippsland food system’s ability to:

- Meet the demands of its various target markets and grow the value of its exports
- Efficiently and sustainability produce, process and/or distribute food
- Reduce its impact on natural resources
- Support the community’s ready access to nourishing food
- Share relevant information and knowledge
- Foster the development of relevant knowledge and skills

Key Strategies

Land Use
1. Encourage the development of a regional framework of land use policies and land use management systems that enable the accessibility to the natural resources required to support the viable and sustainable production and processing of food, and the ability to increase the amount of food produced in the Gippsland region

Transport
2. Encourage investment in transport infrastructure and systems that improve the ability, and efficiency, of the distribution of goods within the region and the delivery of Gippsland’s food products to local, national and international markets

Energy
3. Encourage investment in infrastructure and systems that minimise the magnitude and cost of energy needed by the Gippsland food system

Water
4. Encourage investment in infrastructure and systems that enable a more efficient use of water by the Gippsland food system

Waste Management
5. Encourage investment in infrastructure and systems that support increased waste recycling and waste reduction within the Gippsland food system

Education & Training
6. Encourage investment in infrastructure and systems that support the effective delivery of education and training relevant to the needs of businesses and workers in the Gippsland food system

Information & Communication
7. Encourage investment in infrastructure and systems that support the effective distribution of knowledge and information in the Gippsland food system with markets and consumers and that facilitates increased opportunities in the digital economy
3.6 Key Focus Area (2) - Transformed Capability

Foster transformation of the Gippsland’s food system that enables:

- The long-term, sustainable, secure and efficient supply of food for the region and a growth in exports
- An increase in the economic worth of the food system and the economic benefits its generates for the Gippsland region
- A reduced impact on the natural resources that underpin the Gippsland food system
- Improved viability of producers and processors and other food related businesses

Key Strategies

Climate Change Resilience

8. Encourage improved climate change resilience in the Gippsland food system and the sustainable management of natural resources through the identification, development and implementation of relevant technologies and practices and the development of appropriate products.

Industry Capability

9. Encourage the development of systems and technologies that enable a significant growth in the productivity of the Gippsland food system and the quantity of food it produces while sustaining the natural resources on which it depends.

10. Encourage the development of the food related products required to add value to existing markets, and/or enable entry to new markets, secures a viable and long-term presence for various elements of the Gippsland food system and that grows its economic worth.

11. Encourage the development of effective regulatory and/or quality frameworks that foster the competitive advantage of the Gippsland food system and mechanisms that support the ability of businesses within the Gippsland food system to comply with such requirements.

Biosecurity

12. Foster improved levels of biosecurity and the appropriate mitigation of risks and impacts to the economy, the environment, social amenity or human health associated with pests and diseases.

Distribution and Access

13. Encourage a variety of means through which a diversity of locally produced and/or processed nutritious foods can be reliably and affordably accessed by the regional community.

Knowledge, Skill and Workforce Development

14. Encourage research and development relevant to the needs of the Gippsland food system, the dissemination of relevant outcomes, the development of best practice based on knowledge gained and identify opportunities to market related expertise.

15. Foster mechanisms that promote the effective and timely transfer of knowledge and the uptake of new technologies and systems by entities within the Gippsland food system.

16. Develop mechanisms for identification and sharing of innovative practices that are of relevance to the Gippsland food system.
17. Support the identification of the knowledge and skills requirements of the Gippsland food system, the development of appropriate education and training programs, and promote opportunities for participation in relevant education and training to participants in the Gippsland food system.

18. Support the workforce development needs of the Gippsland food system and promote the benefits of employment and employment opportunities.

3.7 Key Focus Area (3) - Outstanding Reputation and Investment Growth

Extending Gippsland’s reputation in food, fostering opportunities to further develop a sustainable presence in relevant domestic and international markets, and attracting investment in the Gippsland food system.

Key Strategies

19. Gather and disseminate information regarding local, national and international trends impacting on the demand for food and related services.

20. Support the ongoing review of traditional and existing markets for Gippsland’s food products and related services with a view to identifying:
   - Opportunities for additional supply of existing products
   - New products or methods of distribution that can add value to consumers and providers
   - More efficient means by which such markets can be serviced
   - A need to exit the market

21. Support the identification and prioritisation of opportunities in new national and international markets in which providers of Gippsland’s food, and related services can leverage their strengths and competitive advantages to establish, maintain and extend a viable and long-term presence.

22. Encourage the identification of opportunities to replace the goods and services imported into the regional economy by the Gippsland food system through provision by regional suppliers.

23. Foster increased opportunities for visitors to the Gippsland region to access and appreciate the capability of the Gippsland food system and the quality of the food it provides.

24. Promote the capability of the Gippsland food system, the quality of the food it provides and the benefits and opportunities associated with Gippsland’s food system to current participants, potential investors and the regional community.
3.8 Key Focus Area (4) – Advocacy and Policy Development

Grow the level of support from policy makers, encourage the development of relevant policy, and promote the benefits of the Gippsland food system

Key Strategies

25. Grow the level of support from policy makers and Government funding programs for the Gippsland food system through the effective advocacy of needs and the promotion of its capabilities, related opportunities and the benefits it generates.

26. Encourage a coordinated and integrated approach to the representation of the interests of the Gippsland food system

27. Support the collection and reporting of information relevant to the economic value of the Gippsland food system and the development of the ability to identify the economic impact of growing the capacity and capability of the system

28. Promote a high level of alignment between land use, environmental management, community development and wellbeing, infrastructure development and economic development strategies and settings of policy makers throughout Gippsland and the strategic needs of the Gippsland food system

29. Encourage ongoing stakeholder engagement within the Gippsland food system with respect to the identification of opportunities, issues and priorities and the monitoring the implementation of the Gippsland Food Plan

3.9 Implementation of Key Strategies

The implementation of the Key Strategies will involve stakeholders from industry, Government, service providers and communities in the identification of:

i. A more detailed understanding of the particular needs and priorities relevant to each Key Strategy – this will require the targeted utilisation of stakeholders who have experience, expertise and/or interests relevant to each Key Strategy

ii. Existing projects, programs and actions being delivered through the strategic initiatives of various organisations (e.g. Local Government, Victorian Government Departments, GippsDairy, East Gippsland Food Cluster, Community Gardens Cooperative Network etc.) that are relevant to the needs of each Key Strategy in areas such as:

- Transport
- Economic development and tourism
- Infrastructure development
- Natural resource management
- Community development

The Gippsland Food Plan also acknowledges that there is much effort being undertaken by individual businesses within the Gippsland food system, particularly with respect to identifying and servicing various markets.

iii. Additional projects, programs and actions that may be required and the:

- Outcomes to be achieved through such projects, programs and actions,
- Likely investment and resources that would be required to implement such activities
- Individuals, entities and/or organisations best placed to lead the implementation of the various projects, programs and actions

iv. The relative priorities amongst the various projects, programs and actions – existing and proposed. It is assumed that a “Business Case” that would support any application for funding would be developed for projects, programs and/or actions that are high priority.
3.9.1 Empowering Action

It is envisioned that GFP Vision and Strategic Framework will also empower a range of individuals and entities to pursue actions that are consistent with the intent of the various key strategies. It is not the intention of the governance of the GFP to have all activity in the Gippsland food system be registered or controlled through the GFP but rather to encourage activity that is consistent with the Vision, Principles and Key Strategies.

3.10 Monitoring and Evaluation of the GFP

Understanding the impact the Gippsland Food Plan and the performance of the Gippsland food system will require a range of both qualitative and quantitative indicators drawn from a range of areas including:

- Infrastructure
- Productivity
- Economic growth
- Investment
- Natural resource management
- Employment
- Carbon footprint
- Food security
- Community wellbeing
- Biodiversity

Collectively, these indicators will provide an insight into how the Gippsland food system has responded to the future challenges and opportunities and the effectiveness of the Gippsland Food Plan in supporting the future development of the Gippsland food system.
4 Strategic Context for the Gippsland Food System – An Overview and Key Implications

This section of the document provides an overview of the strategic context in which the Gippsland food system operates, which includes: Gippsland’s physical resources and infrastructure; the contribution of the food and beverage industry to its economy, including regional imports and exports, and workforce; the range and significance of Gippsland’s major food sectors and the region's competitive strengths.

4.1 Overview of the Gippsland Region

The Gippsland region influences the Gippsland food system, which in turn also influences the Gippsland region. To this end it is important to understand the characteristics of the region and the strategic implications that these have for the Gippsland food system.

The Gippsland Regional Plan (GRP)

The GRP was developed in 2010 and provides a strategic framework for future development of the Gippsland region. It provides a comprehensive description of the region, including its population and economy, and has identified opportunities and challenges in a range of areas including economic development, community wellbeing and natural resource management and has identified needs in these areas as well as the infrastructure required to support future development.

Area and Current Population

- Gippsland is located in eastern Victoria and consists of the six Local Government Areas of Baw Baw, Latrobe, Wellington, East Gippsland, South Gippsland and Bass Coast and forms an area of some 41,500 kms²
- The 2011 Estimated Resident Population for the Gippsland region is 269,700. The regional population is projected grow to more than 305,700 by 2026 or an increase of more than 36,000 people.
- The region is characterised by the diversity of its centres, towns and townships; the Latrobe Valley is the provincial centre with a collective population of over 73,000 living in the main centres of Moe-Newborough, Morwell, Traralgon and Churchill. Other major centres are Sale, Bairnsdale, Warragul, Wonthaggi, and Leongatha. Some 40% of the regional population resides in towns of less than 1,000 people.

Natural Resources

- The Gippsland region has significant natural assets across terrestrial, river, wetland and estuarine, marine and agricultural ecosystems as well as significant reserves of coal, oil and gas.
- These natural assets provide the basis for much of the regional economy including agriculture, mining, electricity generation and tourism including commodities that are extracted and processed including coal, oil and gas.

Land Use

- The Gippsland region has much high quality land that is zoned for farming and/or agriculture, especially around the towns of Korumburra, Leongatha, Warragul, the Macalister Irrigation District and the Lindenow and Orbost river flats.
- Agricultural land use is a mixture of dryland pasture, (mainly beef and dairy); irrigated pasture in the Macalister Irrigation District (MID), which supports dairying; horticulture and managed forestry.
- Gippsland has a great diversity of soil types. For agricultural purposes, many of these soils have some limitations (for example, acidity), which requires careful management.
- Salinity is an issue across various areas within the agricultural land in Gippsland.
Climate and Climate Change

- Gippsland has relatively high rainfall compared with most parts of Australia which, combined with extensive forested catchments, provides extensive and valuable water resources for environmental, agricultural, industrial and urban purposes. Despite such conditions, at present some major population centres have limited water supply.
- The GRP notes that while Gippsland enjoys high rainfall, climate change projections out to 2070 show rainfall as decreasing. The impact of this on demands for agricultural land and the mix of agricultural activities is yet to be fully understood.

Regional Economy

- Gippsland’s economy is based on its wide range of natural resources; it is of state and national importance generating significant exports and employment from its supplies of oil and gas; brown coal; water; timber and from its agriculture and tourism sectors. However, the regional economy is likely to be exposed to the effects of climate change and its impact on the region’s natural resources, and the coal industry in particular will be highly affected by the introduction of greenhouse gas reduction policies.
- The GRP recognises the Agriculture, Forestry and Fishing sector as one of the key propulsive sectors in the Gippsland economy, that is, one of the sectors that has a profound influence on the health of the regional economy due to its contribution to income and employment and strong linkages to other sectors in the regional economy; and on its exports. The sector is dominated by agriculture and, in particular dairy and beef farming. The GRP notes:
  - That contraction of a key propulsive sector has widespread negative impacts on the regional economy. Alternately, growth in a key propulsive sector has a significant positive impact
  - That regional economic growth requires growth in the sector including in value adding and export growth
- Manufacturing is also a key propulsive sector in Gippsland with Meat and Dairy Products being a major element of the manufacturing sector.
- Tourism also makes a significant contribution to Gippsland’s economy, and while tourism is a mixture of many industry sectors, the Food Services sector is of particular importance to tourism and the Gippsland food system.

Community Wellbeing

- The GRP notes that the regional population has a number of below state average health outcomes.
- The Gippsland Health Services Partnership has healthy eating as one of its priorities for health promotion in the region.

Transport

- A major transport corridor runs through the centre of the region from west to east, and this corridor has major freeways/highways as well as freight and passenger rail services. The South Gippsland Highway provides a major transport link to the southern area of Gippsland.
- Gippsland does not have a major trading port and relies heavily on access to Melbourne and its ports.
- The GRP supports a range of transport infrastructure projects that will expedite an increased freight task from the Gippsland region including internal projects and also projects external to the region but that will impact upon it; these transport projects include:
- East West Link in Melbourne
- Westlink in Melbourne
- Development of the Port of Hastings
- Improvements to the Dandenong Rail corridor
- The Gippsland Logistics Precinct in Morwell – as well as a range of projects as expressed in the Gippsland Freight Action Plan which aim to improve transport capability within the Gippsland region

**Post Secondary Education and Training**

The GRP supports improved access to post-secondary education and training. The recently completed *Gippsland Tertiary Education Plan* has identified a range of industries, including agriculture, that need to be effectively supported through the delivery of Post-Secondary Education and Training.

**High Speed Broadband**

NBN in Gippsland will allow the region to achieve improved access to services, improved access to relevant information and the ability to foster opportunities in the digital economy. The GRP also supports early rollout of the NBN and an improvement in the current level of business engagement with broadband within the Gippsland region.

**Strategic Implications: Gippsland Region**

- Projected population growth will create an increased demand for goods and services – including food
- Projected population growth will increase competition for agricultural land – particularly in the peri-urban growth areas in the west and south west of the region, and for water for domestic use both of which have a range of implications for food production and processing – what is needed in the way of land management systems?
- How can the Gippsland food system support improved health outcomes – including improving community access to nutritious foods?
- How can access to post-secondary education and training for key industry sectors, including those relevant to the Gippsland food system, be improved?
- How can the Gippsland food system’s existing strengths including in dairy, beef, horticulture, organics and food services (i.e. tourism) be leveraged in order to grow the value of the regional economy?
- There is a need to improve intra-regional transport in order to improve access to services and the distribution of goods within the region including those used by the Gippsland food system
- There is a need to improve access to ports and markets for Gippsland’s exports including those generated by the Gippsland food system
- How can the current level of engagement with broadband by businesses in the Gippsland region, including those in the Gippsland food system, be increased in order to develop more opportunities in the digital economy?
- There is a need to foster transition to a low carbon economy including for those industry sectors operating in the Gippsland food system
ALIGNMENT WITH GIPPSLAND REGIONAL PLAN & OTHER REGIONAL INITIATIVES

The Gippsland Regional Plan (GRP) has identified the key priorities needed to support Gippsland into the future. Each of these priorities consists of recommended projects, plans and/or policy support actions and that will impact the Gippsland food system as overviewed below;

1. **Gippsland Low Carbon Economy Transition Plan** – all businesses need to adapt to a low carbon future. The regional economy need to develop new opportunities to replace the economic contribution of coal based power generation into the future; this includes expanding current areas of economic strength including food

2. **Post-Secondary Education** – the Gippsland food system needs the support of a dynamic Post-Secondary Education system that effectively contributes to the development of knowledge and skills required within the Gippsland food system

3. **Gippsland’s Gateways** – improving Gippsland's access to ports and markets is critical to the growth of the Gippsland food system and relevant exports

4. **Centre for Sustainable Technologies** – the Centre will support innovation with respect to natural resources which are critical

5. **Gippsland Lakes Sustainable Development Framework** – this framework will support sustainable population and tourism growth both of which will create additional demand on the Gippsland food system

6. **Health and Wellbeing Outcomes** – this includes a focus on support for improving the communities secure access to affordable and nutritious food

7. **Gippsland Integrated Land Use Plan** – this will be critical to designating the space that will be available for agricultural production

8. **Gippsland’s Water** – the Gippsland Sustainable water Strategy has now been completed and includes a focus on the availability of water for food/agricultural production as well as support for the modernisation of the Macalister Irrigation District

9. **Broadband Connectivity** – access to high speed broadband will be critical to all communities and businesses in Gippsland and will facilitate knowledge sharing within the Gippsland food system

10. **Tourism Infrastructure** – this will support tourism growth which will create additional demand on the Gippsland food system

4.2 Economic Contribution of Food in Gippsland

The Gippsland food system makes a significant contribution to the economic value of the Gippsland region through activities in agriculture and fishing, food manufacturing and food services. It can also be assumed that food plays a significant part in the value of other activities such as retail, wholesale and transport.

The Gippsland Regional Plan (GRP) recognises that Agriculture and Manufacturing (along with Mining, Electricity Generation and Construction) are the Key Propulsive Sectors of Gippsland’s regional economy in that these sectors have the most impact on the value of exports, local expenditure and value adding and employment generation. The GRP notes that within these sectors Agriculture (in particular dairy and beef farming) and Manufacturing (in particular dairy processing and meat manufacturing) are of particular importance to the regional economy.

The GRP also acknowledges the importance to the regional economy of opportunities for growth in exports and value adding in agriculture and the need for the overall economy to adapt to a low carbon future and develop greater resilience to climate change.
With respect to this document – which aims to provide an overview of the characteristics and trends impacting on the Gippsland food system - an overview of economic data relating to the Gippsland food system highlights, with respect to Outputs, Exports and Employment, the relative importance of food to the regional economy.

- **Outputs** – i.e. output data represents the gross revenue generated by businesses in each of the industry sectors - food related activity accounts for at least 10.7% of the Gippsland’s economic output

- **Exports** – i.e. regional export data represents the value ($) of goods and services exported outside of the defined region that have been generated by businesses in each of the industry sectors within the region - food related activity accounts for at least more than 22% of the value of Gippsland’s exports

- **Employment** – i.e. the number of jobs within a particular industry sector - food related activity accounts for at least more than 16% of the jobs in the Gippsland economy

A review of the following tables highlights the relative contribution of food related activity to the Gippsland economy. *Dairy, Beef and Other Agriculture/Fruit and Vegetable* related activities make a significant contribution.

**Outputs**

**Manufacturing Outputs**

<table>
<thead>
<tr>
<th>Description</th>
<th>$ (M)</th>
<th>% of total regional output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Product Manufacturing (Overall)</td>
<td>$1,497.8</td>
<td>5.7 %</td>
</tr>
<tr>
<td>Dairy Product Manufacturing</td>
<td>$996.6</td>
<td>3.8 %</td>
</tr>
<tr>
<td>Meat &amp; Meat Product Manufacturing</td>
<td>$148.7</td>
<td>0.6 %</td>
</tr>
<tr>
<td>Fruit &amp; Vegetable Product Manufacturing</td>
<td>$141.0</td>
<td>0.5 %</td>
</tr>
<tr>
<td>Bakery Product Manufacturing</td>
<td>$87.1</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Other Food Product Manufacturing</td>
<td>$68.6</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Wine, Spirits &amp; Tobacco</td>
<td>$50.6</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Processed Seafood Manufacturing</td>
<td>$42.3</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Beer Manufacturing</td>
<td>$18.7</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Soft Drinks, Cordials &amp; Syrup Manufacturing</td>
<td>$18.0</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Grain Mill &amp; Cereal Product Manufacturing</td>
<td>$9.8</td>
<td>0.05%</td>
</tr>
<tr>
<td>Sugar &amp; Confectionery Manufacturing</td>
<td>$3.8</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

**Agriculture Outputs**

<table>
<thead>
<tr>
<th>Description</th>
<th>$ (M)</th>
<th>% of total regional output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep, Grains, Beef &amp; Dairy Cattle sector.</td>
<td>$1,243.5</td>
<td>4.8 %</td>
</tr>
<tr>
<td>Other Agriculture sector</td>
<td>$181.9</td>
<td>0.7 %</td>
</tr>
<tr>
<td>Poultry &amp; Other Livestock sector</td>
<td>$56.1</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Fishing, Hunting &amp; Trapping sector</td>
<td>$67.0</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Aquaculture sector</td>
<td>$8.5</td>
<td>0.09%</td>
</tr>
</tbody>
</table>

**Food Services Outputs**

The Food & Beverage Services sector contributes $515.300 million (2.0 %) of total regional output.
Exports

Manufacturing Exports

<table>
<thead>
<tr>
<th>Product</th>
<th>$ (M)</th>
<th>% of total regional exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy Product Manufacturing</td>
<td>$761.7</td>
<td>8.4 %</td>
</tr>
<tr>
<td>Fruit &amp; Vegetable Product Manufacturing</td>
<td>$81.9</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Meat &amp; Meat Product Manufacturing</td>
<td>$46.1</td>
<td>0.5 %</td>
</tr>
<tr>
<td>Other Food Product Manufacturing</td>
<td>$31.5</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Bakery Product Manufacturing</td>
<td>$25.5</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Processed Seafood Manufacturing</td>
<td>$25.1</td>
<td>0.3 %</td>
</tr>
<tr>
<td>Beer Manufacturing</td>
<td>$5.8</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Grain Mill &amp; Cereal Product Manufacturing</td>
<td>$2.8</td>
<td>0.05 %</td>
</tr>
</tbody>
</table>

Agriculture Exports

<table>
<thead>
<tr>
<th>Product</th>
<th>$ (M)</th>
<th>% of total regional exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep, Grains, Beef &amp; Dairy Cattle</td>
<td>$877.6</td>
<td>9.7 %</td>
</tr>
<tr>
<td>Other Agriculture</td>
<td>$81.1</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Fishing, Hunting &amp; Trapping</td>
<td>$55.8</td>
<td>0.6 %</td>
</tr>
<tr>
<td>Poultry &amp; Other Livestock</td>
<td>$20.1</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>$3.5</td>
<td>0.05 %</td>
</tr>
</tbody>
</table>

Food & Beverage Services Exports

The Food & Beverage Services sector contributes $48.8 million (0.5 %) of total regional exports.

Employment

Manufacturing

<table>
<thead>
<tr>
<th>Product</th>
<th>Jobs</th>
<th>% of total regional employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Product Manufacturing</td>
<td>2,524</td>
<td>2.9 %</td>
</tr>
<tr>
<td>Dairy Product Manufacturing</td>
<td>1,102</td>
<td>1.3 %</td>
</tr>
<tr>
<td>Bakery Product Manufacturing</td>
<td>763</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Meat &amp; Meat Product Manufacturing</td>
<td>339</td>
<td>0.4 %</td>
</tr>
<tr>
<td>Fruit &amp; Vegetable Product Manufacturing</td>
<td>192</td>
<td>0.2 %</td>
</tr>
</tbody>
</table>

Agriculture

<table>
<thead>
<tr>
<th>Product</th>
<th>Jobs</th>
<th>% of total regional employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep, Grains, Beef &amp; Dairy Cattle</td>
<td>6,923</td>
<td>8.1 %</td>
</tr>
<tr>
<td>Other Agriculture</td>
<td>956</td>
<td>1.1 %</td>
</tr>
<tr>
<td>Poultry &amp; Other Livestock</td>
<td>212</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Fishing, Hunting &amp; Trapping</td>
<td>138</td>
<td>0.2 %</td>
</tr>
</tbody>
</table>

Food & Beverage Services

The Food & Beverage Services sector contributes 4,472 jobs (5.2 %) to total regional employment.

4.2.1 Dairy

- Dairy in Gippsland:
  - Accounts for 19.8% of Australia’s dairy and 31% of Victoria’s dairy production.
  - Produces 1.9 billion litres or 23% of the national milk production and 33% of Victoria’s milk production.
  - Employs 6,800 people who work either on farm or in the processing and manufacturing sector.
  - Is undertaken across the whole region with South Gippsland, Wellington and Baw Baw having the highest number of dairy farms.
Gippsland dairy farmers suffered during the recent drought but finished 2010/11 in a stronger financial position than in previous years, however many will now need to reduce the debt incurred during those years. Ref: 2

The importance of dairying in Gippsland is expected to increase given that production in Northern Victoria has decreased by around 1.33 billion litres since 2001-02 primarily due to drought conditions and water allocations, and although conditions have been favourable across the state in 2011-12 with good irrigation, water allocations, improved on-farm pasture/feed production, relatively low hay and grain prices and a stronger milk price milk production in Northern Victoria is unlikely to return to pre-drought levels. Ref: 3

4.2.2 Meat

Gippsland has a significant grazing and meat processing industry that is based predominantly on beef but which also includes wool and prime lamb production. Gippsland represents 25% of the total value of Victorian beef production, a significant amount of which is exported as high value beef products. Ref: 3

4.2.3 Horticulture

The vegetable industry is an important contributor to Gippsland’s economy and there has been an increase in the quantity of value-added processing that supplies both national and international markets. Ref: 3

4.2.4 Fishing

Gippsland has fishing fleets located in Lakes Entrance and San Remo.

4.2.5 Organic

- The global organic industry is the fastest growing food category, with demand outstripping supply in most developed economies. It is predicted that the organic sector will be in the top 10 fastest growing industry sectors in Australia over the next decade.
- Organics is practiced in over 120 countries of which Australia has the largest area of certified organic land with over 12.3 million hectares available.
- Victoria has a high proportion of Australia’s organic horticultural production in particular and East Gippsland with its long history of organic production has the largest number of organic fruit and vegetable growers in the region.
- Gippsland also has food processors with organic certification.
- Both the dairy farmers’ cooperative and organic suppliers service the domestic and (international) export markets. Ref: 4 & 5

4.2.6 Food Service and Retail Sectors

- Food service is defined as food and beverage service by cafes, restaurants, food outlets, clubs, pubs and taverns.
- Nearly 14% of all tourism consumption by visitors to Australia (international and domestic) is from takeaway food and restaurant meals.
- The importance of food and food related/dining experiences are key elements of tourism marketing. Recent press suggests that Gippsland’s reputation for food related experiences is not as positive as in other locations (Age Epicure article). Ref: 6 & 7

4.2.7 Imports and Import Replacement

- Imports represent the value of what has been spent by the local economy on goods and services from other economies both domestic and overseas. The Gippsland food system generates more than $800 million or 12.1% of total regional imports.
- The presence of imported goods and services indicates that there is an existing market within the regional economy for these goods and services. Understanding what these imported goods and services are provides information for either existing businesses to expand their offering or to attract new entrants to the market.
4.2.8 Gippsland Food System Workforce

- The food industry is the fifth largest employer in Gippsland after healthcare and social assistance, retail trade, construction and manufacturing, with a workforce of 10,040 of which 78.1% are engaged in growing/farming and 21.9% in value adding.

- The agricultural workforce is characterised by a high proportion of self-employed, family and casual workers - in Gippsland approximately 22% of those engaged in agriculture, forestry and fishing are employed part time - long job tenure; and a relatively old workforce with relatively low education levels and employee wages.

- A significant number of dairy farmers are owner-operators and some two-thirds of owner-operators employ staff.

- Off-farm employment has become increasingly important and since 1990 the proportion of farm families deriving income from off-farm wages and salaries has risen from 30% – 45% Australia wide.

- 785,298 people or 6.9% of Australia’s total workforce are employed in accommodation and food services, which constitutes 6.2% of Victoria’s total workforce. In Gippsland this number is 9,319 or 6.6% of Gippsland’s total workforce.

- The accommodation and food services industry is also characterized by part time and casual labour with 4,363 people employed full time in Gippsland, but 4,956 or 53% employed part time. Ref2, 8 & 9

Strategic Implications – Economic Characteristics

- There is a lack of a current, comprehensive and reliable database of economic information relating to the Gippsland food system with information that supports the development of various projects and that can be readily disseminated.

- There is a need to support decision making and strategy development with economic modelling of changes to the Gippsland food system.

- There is a need to develop a more effective understanding of the demographics of the Gippsland food system workforce and the workforce development needs.

- There is a need to identify/quantify import replacement opportunities and marry those to existing strengths within the Gippsland food system.

- Building a notable reputation for food related/dining experiences will support both tourism and local providers in the Gippsland food system.

4.3 Competitive Strengths

- Australia operates in a stable economic and political environment with a sound financial system and a competitive tax regime, and this provides a good basis for the competitiveness of its food industry. Australia does not pay agricultural incentives to its farmers.

In addition to this Gippsland has the added advantage of:

- Growth and employment opportunities in a range of economic sectors due to population growth.

- A diversity of natural resources – coal, oil, gas, water and significant areas of agricultural land, 700 kms of coastline and a number of iconic tourism locations.

- Water: high rain-fed pasture systems and reliable access to irrigation water (MID).

- Access to reliable energy supplies (electricity and gas) – albeit that energy costs are projected to increase – not only in Gippsland.

- A diverse and resilient economy – the region’s manufacturing sector has a number of comparative advantages relative to manufacturing in general as its key activities i.e. dairy and paper production, have ready access to production inputs and strong export markets.
A reputation for high quality production and processing especially in dairy, horticulture, beef and lamb meat production and organics

Well organised industry associations e.g. GippsDairy, Agribusiness Gippsland Ltd, and positive examples of industry collaboration e.g. East Gippsland Food Cluster Inc.

Access to significant health facilities

Relatively good access to significant post-secondary and tertiary education and training and skilled human resources

Proximity to Melbourne and its ports through relatively good road transport linkages (albeit there are also access issues with respect to the Port of Melbourne and through the Melbourne metropolitan area to the highways to the west and north as well as access issues within the Gippsland region – these issues are detailed in the Gippsland Freight Action Plan – which is yet to be adopted by State Government)

Strategic Implications: Leveraging and/or Reinforcing Competitive Strengths
There are a number of strategic implications for the Gippsland food system with respect to leveraging and/or reinforcing its competitive strengths

How can existing strengths in food production and processing – i.e. dairy, beef, horticulture – be leveraged; particularly in responding to increased demand for food and including the identification of new opportunities in various markets for value adding and/or export?

How can the strengths of the organic sector be leveraged – particularly in response to an increased global demand for organic food - requires the identification of new opportunities- particularly in value adding and/or exports - in various markets?

There is a need to improve access to ports and markets through improvements to intra/inter region transport infrastructure in order to be able to more efficiently transport exports generated by the Gippsland food system (and move goods more efficiently within the region)

The food system will need to reduce its energy costs in order to maintain/improve its competitiveness and reduce its carbon footprint in line with greenhouse gas reduction policies

There is a need to identify means by which water can be used more efficiently in order to reduce industry operating costs and deliver improved environmental outcomes

There is a need to foster the Gippsland food system (as there is with much of the Gippsland economy) having greater engagement with broadband in order to grow opportunities in the digital economy and improve its access to services, information and knowledge

There is a need to improve access to relevant economic data in order to widen the understanding of the economic performance of the Gippsland food system, identify opportunities and issues with respect to economic growth and determine appropriate strategic priorities

There is a need to address workforce development within the Gippsland food system including gathering improved workforce data and improving access to post-secondary education and training for people entering the workforce and for current workers

There is a need to explore opportunities for growth of “food services” – including the identification of opportunities for growth in “farm gate” tourism

There are opportunities for import replacement relevant to the food system – there is a need to identify these in order to grow existing businesses and/or attract new businesses/investment
There is a need to understand how the food system can support improved community wellbeing outcomes including improved access to “nutritious” food

There is a need for the establishment of a mechanism for the entire Gippsland food system that enables effective and efficient gathering of relevant information, identification of system needs, the pursuit improved advocacy, support for and investment in the system, and the strengthening of the system’s profile and reputation

5. Major Influences and Trends

This section of the Strategic Context provides an overview of the factors that impact the Gippsland food system

The global food industry is currently facing a number of challenges economically and environmentally and it is in this context that a Gippsland Food Plan is being developed in order to assist the region’s food industry to enhance its current performance, capture future opportunities and address likely challenges. To this end, the strategic overview also summarises the current influences and trends affecting the food industry, and their implications for the Gippsland food industry.

5.1 Increased Global Demand for Food

• The global demand for food is increasing – this being driven by a combination of increasing population and rising consumer incomes in many international economies

• CSIRO estimates that by 2050 the world’s demand for food will double. Growth is occurring at different rates across the globe.

• Two thirds of the world’s “middle classes” – projected to be more than 3 billion by 2030, notably India and China, spending more than $55 trillion, who will expand the range of what they eat – i.e. convenience and takeaway foods.

• ABARE has noted in its 2012 Outlook Conference that:
  • Concerns around food security have grown in recent years, with food price spikes focusing attention on rising food demand and how this will be met.
  • FAO projections indicate that world food demand may increase by 70 per cent by 2050, with much of the projected increase in global food demand expected to come from rising consumer incomes in regions such as Asia, Eastern Europe and Latin America
  • The projected increase in global agrifood demand is greatest for vegetables and fruit, meats, dairy products, cereals and fish. Dairy products, meat and fish will increase their share of global agrifood demand consistent with the expected change in diets towards high value products as consumer incomes rise. – this has particular opportunities for Gippsland which has strengths in some of these areas
  • Australia is in a good position to meet some of this higher demand as it:
    • Has a comparative advantage in the production of several agricultural products
    • Its geographical location means lower transport costs in exporting to Asia
    • The projected increase in global agrifood demand is expected to lead to increased production and exports of key Australian agricultural commodities - especially for beef, wheat, milk and sheep meat.
However, the ABARE 2012 Outlook Conference noted that: "Australia will need to remain competitive to meet the opportunities provided by higher global agrifood demand. Australian agriculture is facing land and water constraints. It will therefore be increasingly important to maintain productivity growth through ongoing investment in research and development so that Australia is well positioned to take advantage of growth in global food demand". Ref: 10 & 11

5.2 Domestic Demand

• A growing national population will mean an increased demand for food within Australia.
• Melbourne, which is adjoined by the Gippsland region, has experienced significant population growth and is projected to have a population of more than 5 million people by 2028, an increase of more than 1.5 million on the current population

Strategic Implications: Global and Domestic Demand

• The projected increased global demand is for products in which the Gippsland region has a competitive export presence, particularly for dairy and beef, suggests growth opportunities. There will be a need to improve industry capability in order to meet such demands
• Changing global population growth provides opportunities to supply the increasing demand for a variety of food products especially culturally relevant food e.g. halal. – there is a need to identify how the Gippsland food system can respond to such demands and what capability it will need to develop in order to respond
• The demands of traditional export markets that are changing in line with increased consumer income in some of these markets. There is a need to identify how changes will impact current markets and/or create new markets for Gippsland food products
• There is a need to identify and understand changes in Government policy, both domestic and international, that may arise from changes in the world demand for food and how any policy change impact markets for Gippsland’s food

5.3 Demographic Change in Gippsland

• Gippsland’s current regional population is estimated to be some 269,700 (2011 ERA) and is projected to grow to 305,700 by 2026 – an increase of almost 36,000 people
• The larger regional centres particularly in the western end of Bass Coast and Baw Baw will experience the greatest growth – as an ageing population seeks out “sea change” and “tree change” but maintains relatively easy access to Melbourne – this has created a peri-urban growth pressures including increased competition for current agricultural spaces
• Gippsland’s population is ageing; by 2026 the number of those aged 65 and over is projected to increase from 41,100 to 85,300 (27.9 per cent of the population) and the numbers of those over the age of 85 will double
• At present 40% of the regional community live in towns of 1,000 people or less – this creates challenges with respect to ready access to services including food related retail
• Income levels in the region are lower than state and national averages and there are a number of communities that are classified as being in the most disadvantaged decile of the Socio Economic Indexes for Areas (SEIFA) Index of Relative Socio-economic Disadvantage for Victoria.
• Unemployment rates have fallen but there is uncertainty around the labour implications of the region’s transition to a low carbon economy particularly with respect to coal based electricity generation in the Latrobe Valley.
Strategic Implications: Gippsland Demographic Change

- Regional population growth will continue to create increased pressure on agricultural land – there is a need for land use systems that enable ongoing access to appropriate spaces for food production and processing.
- An increased regional population will grow demand for goods and services including food – there is a need to identify how the Gippsland food system can best respond to such demand.
- A growth in the number of older people will present greater challenges with respect to the ability of this population segment to access services including retail services – many older people are socially isolated and/or have low incomes. There is a need for the Gippsland food system to identify how it can best support improved access to nutritious and affordable food.
- Low-income families/persons have challenges with respect to access to and/or affordability of products and services – including retail services. There is a need for the Gippsland food system to identify how it can best support improved access to nutritious and affordable food.

5.4 Food Security and Availability

- Food security is defined by the World Health Organisation as being “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. This definition is built on the three pillars of:
  1. Food availability i.e. sufficient quantities of food available on a consistent basis
  2. Food access i.e. having sufficient resources to obtain appropriate foods for a nutritious diet
  3. Food use i.e. appropriate use based on knowledge of basic nutrition and care, as well as adequate water and sanitation. (WHO 1996)

- Australia is highly self-sufficient in food, it:
  - Produces more than twice the amount of food that it consumes – around 40%
  - Currently exports two thirds of its total production
  - Imports items that cannot readily be produced in Australia - these are purchased freely on the world market, but amount to a relatively small proportion of Australia’s total food requirements.

- Food security in Australia is not so much about being able to feed ourselves as it is about adding to global food security. We do, however, need to address insecurities in our food supply, remove barriers to investment in the food industry and ensure that people can equitably access food at a reasonable price.

- Food security is a major issue in many developing countries/economies where the greatest demand is for low cost product. Ref: 11, 12 & 15

Strategic Implications: Food Security

- Gippsland is a net exporter of food and food is readily available in the region, however some demographic cohorts (i.e. low income, older people, small populations) have difficulty in accessing nutritious foods. There is a need for the Gippsland food system to identify how it can support improved access to nutritious and affordable food for such cohorts.

- Gippsland exports relevant to low cost food will be in most demand in countries/economies with high food security challenges. There is a need to identify what market opportunities this represents for the Gippsland food system and the capabilities that will be required to effectively address these opportunities.
5.5 Health and Wellbeing

- The Victorian Health Population Survey 2009 notes that, in the Gippsland region approximately only 10% of adults met the guidelines for daily consumption of fruit and/or vegetables.
- While food availability is not an issue, there are some issues around food access and use in Gippsland: Barriers to food access in Gippsland have been identified as being: price, quality, variety, physical access (including public transport issues) and cultural appropriateness.
- Based on income levels, there are entrenched areas of social disadvantage within the region.
- The Victorian State Government current priorities for health promotion include “promoting accessible and nutritious food” as does the Gippsland Health Services Partnership, prevention priorities for 2009-12.
- In their “Health and Wellbeing Plans”, the Gippsland Local Governments have all indicated that improving access to nutritious food is a priority and have identified support for programs and projects such as community/school gardens, farmers markets and food cooperatives.

Strategic Implications: Health and Wellbeing

- For a food system to be valued by the community it needs to address not just economic, but also health and well-being considerations.
- There is a need for the Gippsland food system to identify how it can best support improved access to nutritious, affordable and culturally appropriate food for the Gippsland regional community.
- An increased emphasis on healthier lifestyles may result in changes in buying habits - there is a need to understand how the Gippsland food system can effectively respond to such changes.
- Public health considerations require an improved intake of fruit and vegetables. There are opportunities to modify choices/preferences by shifting the demand curves for foods (increasing demand for merit goods such as fruits and vegetables, and decreasing demand for demerit goods - those with high energy density) through education and marketing – how can the Gippsland food system support such efforts?

5.6 Environmental Sustainability

The availability of those resources (water, energy, land and fossil fuels) that are critical inputs into the food system is under increasing pressure and feeding a growing and more affluent population will produce an increasingly large environmental footprint. Ref: 13

Greenhouse Gas Emissions

- The Gippsland food system will be impacted by policies to reduce greenhouse gas emission and encourage a transition to a low carbon economy.
- This will require a focus on systems and practices that enable a reduction in greenhouse gas emissions and the carbon footprint including the potential for carbon sequestration technologies.

Water:

- The Gippsland Regional Sustainable Water Strategy aims to provide a plan for future water use in Gippsland over a 50 year time frame with regular revisions. Access in the future to unallocated water stored in Gippsland would significantly benefit the region’s industry and the environment.
- Due to its relatively high rainfall, Gippsland enjoys some competitive advantage against much of the state with respect to agricultural production and has a strategic role in supplying Melbourne’s water supply (however climate variability is causing uncertainty of water supplies) and there is competition for water use from other key industry sectors e.g. power, paper manufacturing.
In Victoria a low proportion of rivers meet State Environment Protection Policy water quality objectives. The Macalister Irrigation District and Thomson and Latrobe Rivers continued to receive relatively low scores on the Gippsland Natural Resources Report Card 2011, the reasons for this are not solely attributable to agriculture. Ref: 14 & 24

Energy:
- There is upward pressure on energy pricing due to a combination of infrastructure costs, market and policy settings including focus on reducing greenhouses gas emissions via carbon pricing.
- It is well documented that with global peak oil the era of abundant cheap fossil fuels is ending and this will result in higher input costs particularly with petroleum based products (which include fuels, chemicals and plastics).

Land:
- Gippsland has much high quality agricultural land and supports both dry land and irrigated farming but faces competition for land resources from other possible uses e.g. housing, recreation, plantation timber and mining (minerals, sand mining, coal seam etc.).
- The Gippsland Regional Plan notes that
  - Gippsland has a great diversity of soil types and many of these soils have some chemical and physical limitations (for example, acidity), which requires careful management.
  - Salinity is an issue across various areas within the agricultural land in Gippsland
  - Invasive plants and animals (IPA) cause significant problems to the natural environment, agricultural industries and amenities in the Gippsland region.
- Soil ecosystem: work is currently being undertaken in Gippsland to understand the role of these in production, water holding capacity and carbon sequestration.
- Carbon farming is a potential trigger for the establishment of managed forests on farm land

Waste:
- The Gippsland Regional Waste Management Group has in place a 2009 – 2012 Business Plan that commits to programs that will refocus the Group’s efforts to bring Gippsland to ‘best practice’ in waste management, in pursuit of the State Government’s Towards Zero Waste strategies and targets.
- Waste management infrastructure in Gippsland has been developed significantly over the past 10 years to rationalise the number of operational landfills and maximise resource recovery. In the coming years many of the existing facilities will be up-graded to improve service delivery and the suite of materials recovered.

Strategic Implications: Environmental Sustainability
- Sustainable food production needs to protect the natural resources on which food production depends – soil and water; there is a need to develop effective means of improving water productivity/efficiency of use.
- Water supplies are likely to be of concern as Gippsland is an important source of supply for Melbourne where demand will increase while local population growth and industrial development will also create greater demands. The ability of aquifers to maintain supplies under more variable climatic conditions is uncertain.
  - Opportunities could be explored to capitalise on changes in seasonal flows by
    - Investigating different irrigation methods e.g. subsurface and drip irrigation
    - Changing crop varieties and cropping patterns
    - Reducing inputs of agro chemicals or by growing crops capable of nitrogen fixation and using low or no till farming methods
• There is a need to support relevant initiatives in the Gippsland Sustainable Water Strategy (GSWS) and improved efficiency of the Macallster Irrigation District as espoused in the MID 2030 Strategy

• There is a need to adapt to a low carbon economy including the reduction of greenhouse gas emissions and encouraging investment in alternative energy systems.

• There is a need to foster opportunities associated with “zero waste” including encouraging investment in waste management/recycling systems.

• There will be pressure on the availability of land for agriculture if perceived higher value uses e.g. mining, are allowed to dominate – there is a need for appropriate land use management systems.

• There is an ongoing need to manage issues that impact the productivity of agricultural land including salinity and IPA

• The impact of increased tree planting and opportunities for carbon sequestration need to be more widely understood

5.7 Climate Change

For Victoria climate change means that:

• The state is expected to warm at a slightly faster rate than the global average especially in the north and east.

• By 2030 annual average temperatures are expected to increase by approximately 0.8 degrees Celsius and warming is likely to be greatest in spring and summer. By 2070 the average temperature could increase by between 1.4 – 2.7 degrees.

• The state will be drier and the number of hot days will increase in frequency and intensity.

• Due to the effect of more energetic worldwide weather systems there is likely to be occurrences of more extreme events and the state will be subject to storms, high winds, fires and floods.

• New plant and animal diseases, and significant pasture pests, will be/are being seen especially as the incidence of tropical diseases moves further south.

• Climate change for Gippsland will mirror that of the State, however although it will become drier, Gippsland is still expected to have relatively higher levels of rainfall compared to the rest of the state.

• Gippsland will also likely experience the failure of winter chilling of fruit trees; heat stress in livestock; and adverse effects on cool climate grape varieties

5.7.1 Greenhouse Gas Pollution

• The food system is directly responsible for 23% of Australia’s greenhouse pollution and the agricultural sector is highly exposed to the challenges of reducing greenhouse gas emissions through its fuel consumption, and indirectly through the use of nitrogen based fertilisers.

• Government policy relating to the reduction of carbon pollution has widespread implications for industry including those in the Gippsland food system.

Strategic Implications: Climate Change

• There is a need for the Gippsland food system to build its resilience to climate change and identify associated opportunities for new markets, products and services – this would include:
  • Reduced energy and water usage
  • Development of temperate agricultural products.
5.8 Economic Trade and Competitiveness

**Global trade:**
- Changing dynamics in global trade have seen the emergence of countries like Brazil, Russia, India, and China who also compete in Australia’s established markets. However, the shorter term effects of competition can be somewhat qualified by the long term outlook for worldwide food demands.
- The shift towards vertically integrated supply chains in international markets requires sophisticated and collaborative business practices to gain and maintain access to the food markets.
- Preferential trade agreements and the use of non-tariff trade barriers by other countries decrease Australia’s ability to compete on price, especially as free trade agreements require lengthy negotiation processes and are often difficult to rescind. Ref: 10 & 18

**Fair trade:**
- There is growing support for producers to be paid a fair, guaranteed price for their produce – and supermarkets are increasingly stocking fair trade products albeit in a narrow product range e.g. coffee, tea and chocolate (fair trade foods consist mainly of cash crops).
- The availability of fair trade products raises the unfairness of trade to public opinion and could strengthen support for the reform of trading regulations. Ref: 19

**Financial stability:**
- The continued global financial instability as a result of the Global Financial Crisis has led to the lack of availability of finance in Victoria, which includes the ability to acquire and extend finance, and the terms of finance provided.
- The high Australian dollar reduces the cost of imports but has made Australian exports less competitive on the world market.

**Foreign Investment:**
- Victoria has the lowest level of foreign investment in agricultural land and has only 0.8% foreign investment in agribusiness.
- There are concerns regarding foreign interests producing food on Australian land that is not intended for trade, but for direct supply to countries that have not managed their own food security needs. Ref: 20, 26 & 27

**Regulatory Burden:**
- The duplication and complexity of multiple levels of regulatory compliance imposes a heavy time and financial burden on businesses.

**Farming models:**
- There are reported to be tensions between traditional family farming and corporate (multinational) farming in some parts of the world as the marginal viability of agricultural production and the difficulty for potential entrants to raise the necessary capital, change ownership models. There is concern by some regarding long-term stewardship of the land. Ref: 20 & 26

**Supermarket duopoly:**
- Transfer of wealth to supermarkets - Coles and Woolworths now account for 60% of food sales - has been driven by:
  - Closed loop supply chains that have driven structural adjustment and are driving corporatised farming models
  - Category management
  - Private label programs – that result in a weakening of products’ brand power and therefore a loss of bargaining power with the supermarkets – some suppliers have had no price rise in 5 years - category growth is driven by competitive tension and innovation is lost with private label
Supermarkets’ power to tackle the hard issues e.g. hormone free beef, abolishing caged birds, abolishing farrowing pens etc.

Supermarkets are driving consumption of organic products and are expected to be the largest single channel for the future growth of the organic industry. Possible results include:
- Decline in family farms
- Growth of corporate farming
- Offshore processing
- Small inefficient farms that are locked out of the mainstream supply chain
- Private labels degrades categories

**Strategic Implications: Economic Trade and Competitiveness**
- There is a need to utilise compliance frameworks to support the competitive advantages of the Gippsland food system in various markets
- There is also a need to simplify the compliance process – particularly in relation to businesses having to complete multiple compliance obligations
- Foreign investment: what impact do current and forecast developments in ownership models and arrangements, and developments in land use, in the context of Australian agriculture, have on Gippsland’s food producing capacity?
- Are processor margins sufficient to support the reinvestment needed to remain globally competitive? There is a risk that assets will become run down and products devalued due to an inability to invest in innovation.
- Price squeeze by the supermarket duopoly, how will Gippsland’s producers and processors survive in this challenging economic environment?
- What are the opportunities to tap into emerging distribution channels: online, direct, independent supermarkets, specialist stores, niche specialties, food service, farmers’ markets etc?
- What impact will the fair trade movement have on the cost of imports in the future?

**5.9 Market and Consumer Trends**
- Global market: The long term outlook for the demand in staple food categories remains positive due to expanding populations in developing economies and shifting consumption patterns which will see greater value placed on nutritious food items in those markets.
- Asian markets will transform producers’ existing ideas of scale as by 2020 and it is expected that Asia will be importing:
  - 5.2 million tonnes of dairy = 50% of Australia’s current dairy production
  - 1.9 million tonnes of beef = 86% of Australia’s beef production
  - 1.1 million tonnes of chicken = 140% of Australia’s current chicken production
- Domestic market: there are changing consumer and community attitudes to food and production systems as more knowledgeable consumers increasingly expect high quality, ethically and environmentally produced food that is safe, but which also is healthy and convenient – this is often driven by social media.
- Consumers are judging companies on their economic, environmental and social performances therefore their competitiveness will depend on improvement in business performance beyond that of price competitiveness.
- Due to demographic shifts there is a greater diversity of market segments e.g. aged/singles/ethnicity etc. that is making mass marketing less effective.
• There is an increasing demand for new and diverse types of food:
  • “Elaborately transformed” processed food products for the Asian market
  • Animal proteins and novel foods for India and Asia
  • Halal, kosher
  • Credence
  • Organic

• Domestic popularity has focussed attention on food and its use – food is now seen as fun, fashionable and healthy and the kitchen is the new theatre e.g. the current popularity of many TV cooking shows.

• Regions are differentiating their products by marketing their specific food culture i.e. food is a reflection of the kind of society we are e.g. Barossa Valley, Yarra Valley, Margaret River and are capitalising on food tourism which is integrated into eco-tourism experiences. This leads to:
  • Sub regional and local development - connected communities
  • Distribution models through social networking technologies
  • New and micro economies - micro online entities Ref: 10, 22 & 23

Strategic Implications: Market and Consumer Trends
• There are opportunities to promote a positive profile of Gippsland as a significant food producing region and encourage a “culture of food” to complement the tourism sector’s attraction to visitors.

• There are opportunities to capture strong market signals for:
  • Niche branded products from consumer trends towards convenience lifestyle and health products
  • Specially food products tailored to individual customer
  • Culturally and ideologically diverse foods e.g. halal
  • Organic – and to promote Gippsland as the centre for organic production – capitalise on the long history (over 25 years) as the largest region for organic horticulture in the country, and on its younger farmers – innovation
  • Market for “out of specification” products i.e. “not quite right” with respect to shape etc. not quality.

• There are opportunities to foster innovative thinking by harnessing the thinking of alternative enterprises in Gippsland.

• There are opportunities to reduce price as a key competitive factors through branding differentiation and transforming business and supply chains through innovation e.g. farmers’ markets, on-line entities etc.

5.10 Industry Capability
• There has been a reduction in the annual rate of productivity improvement by agricultural industries worldwide, including Australia. This falling productivity may be related to the business competencies that an industry needs to in order to progress and these include: access to capital, innovation, access to research and development, uptake of technology, enabling infrastructure, access to knowledge and information and a skilled workforce.

• Lack of access to capital results in low capacity for investment in research and development and to develop, commercialise or adopt innovation.

• Investment in R&D has declined from the mid-1970s but the impact wasn’t apparent until the mid-1990s when there was a structural break in productivity:
  • Annual productivity between 1953-4 and 1993-4 was 2.2%
• Annual productivity between 1993-4 and 2006-7 was 0.4%. There is a need to develop technologies and systems that enable greater productivity due to a combination of a need for improved financial efficiency, increasing demand for food and the limited availability of production space or land – this will include the potential for:
  • An integration of production systems in order to reduce input and infrastructure costs and utilise waste streams.
  • The application of emerging technologies in bio-engineering and genetic modification in food production.

• Competitive market access relies on good connectivity between the region and city and significant investment is required to develop multi modal logistics interfaces between various modes of transport (road, rail, sea) and to upgrade/replace existing (ageing) infrastructure.

• With the rapid growth of the digital economy the key to sustainability/competitiveness lies in the ability to access high quality, relevant information across the supply chain.

• The agricultural industry experiences a fragmentation of knowledge as multiple associations trying to represent the same sectors with different agendas dilute available funds – there is a need for a strong combined voice to progress big issues relevant to all sectors. There is anecdotal evidence of widespread conservatism and a reluctance/resistance to change in the agricultural sector – this can be interpreted as a result of the age of the workforce.

• Shortages of skills and labour pose threats at all levels of food production ranging from farm operating labour through to farm business management and into the availability of technical and R&D skills.
  • Labour shortages can be attributed to:
    • An ageing workforce
    • Poor industry profile perceptions – of a low skilled, labour intensive industry, with unfavourable hours of work and difficult working conditions
    • Perception of lack of career opportunities - a lack of understanding of the range of skills/careers available – careers in the food industry are not pushed by career counsellors or employment agencies
    • Lower remuneration compared to other industry sectors e.g. mining
    • A high casualisation of the workforce – particularly in the food and tourism sectors – leading to lower value-add to the local economy because of lower total wages and salaries
    • HR issues as a result of poor employers' personnel management skills
  • Skills shortages can be attributed to:
    • Increasing level of skills and training required to run complex and mechanised businesses
    • The relevance and quality of training available. Ref: 2, 3 & 10

Strategic Implications: Industry Capability

• The decline in the rate of food industry productivity is incompatible with meeting the increasing global demand for food and changes in the demand for food products.

• The extent to which industry has adequate access to new information and the outputs of R & D needs to be considered. High levels of innovation and collaboration are needed to develop new technologies and new ways of processing.

• There is a need to foster greater uptake of new technologies and systems by participants in the Gippsland food system
• There is a need to explore opportunities for the integration of production systems in order to improve financial efficiency through reduced operating and infrastructure costs and the greater utilisation of waste systems.

• There is a need to attract investment that would increase the flow of capital to improve production and processing through the ability to afford new technologies.

• There are opportunities to:
  - Undertake research into new models for sustainable production systems that blend different approaches and conventional systems e.g. organic, agro-ecology etc.
  - Utilise technologies to improve productivity including those relating to bioengineering and genetic modification
  - Market expertise and best practice as an export knowledge services product
  - Market the economic/environmental/social performance of companies (as competitiveness will depend on improvement in business performance beyond price competitiveness)
  - Explore new micro models for food distribution: farmers’ markets, specialty, online, home delivery, food hubs, mobile fruit and vegetable stalls (at strategic locations e.g. schools, railway stations, universities etc.)
  - Examine regional imports i.e. why are they needed, and from where are they being obtained and the possibilities for import replacement
  - Capture on-farm products that are considered to be waste and those that don’t meet supermarkets/retail specifications Ref: 10 & 20

5.11 Food Policy Settings

• Food production, processing and distribution influences and is influenced by a range of other policies that include, but are not limited by: land use, transport, community connectivity and well-being, waste management, natural resource management and conservation, communication and infrastructure and tourism.

• There is no Victorian State based food plan – other States have developed these; there is a need to encourage the development of appropriate policy settings

• The proposed National Food Plan (being developed by the Department of Agriculture, Fisheries and Forestry) has the following objectives:
  - Identifying and mitigating potential risks to Australia’s food security
  - Contributing to global food security
  - Reducing barriers to a safe and nutritious food supply that responds to evolving preferences and needs of all Australians and supports population health
  - Supporting the long term economic, environmental and social sustainability of Australia’s food supply chain
  - Supporting the global competitiveness and productivity growth of the food supply chain, including through research, science and innovation
  - Reducing barriers faced by food businesses to access international and domestic markets
  - Contributing to economic prosperity, employment and community well-being in regional Australia Ref: 14

• A food policy needs to address a range of issues including:
  - Infrastructure issues – ensuring that public and private infrastructure supports the production, processing and distribution of Gippsland’s food.
  - Industry productivity issues: assisting access to capital through investment attraction assistance, assisting with access to R&D and innovation – particularly with respect to input constraints, market access, and education and training.
• Business capability: supporting businesses through removing unnecessary regulatory burdens, improving information flows, and assisting with the commercialisation of R&D and the costs of applying innovation
• Support for community health and wellbeing needs
• Environmental sustainability – including natural resource and waste management.

Strategic Implications: Food Policy Settings

• There is a need to promote the development of food policy that supports the Gippsland food systems efforts to address relevant opportunities and challenges and that reinforces its competitive strengths
• There is a need to align strategies regarding the future development of the Gippsland food system with food policy; this will support any future applications for government funding
• There is a need to align strategies regarding the future development of the Gippsland food system with policy setting in a range of other areas including trade and economic development, greenhouse gas reduction, waste management and transport
• There is a need to ensure that the needs and opportunities associated with the Gippsland food system are reflected in the GRP and the other relevant strategies in the Gippsland region including the economic development strategies of the GLGN Councils
• There is a need to identify and understand how changes in food policy, both domestically and internationally, impacts the Gippsland food system

5.12 Analysis of the Strategic Implications

An analysis of the strategic responses needed to address the range of implications arising indicates that there are four broad areas of response required as follows

1. Changes to the capability required of the Gippsland food system - A range of factors, and associated challenges and opportunities, drive the need for changes in capability in a range of areas. These factors include changes in the demand for food, the need to respond to impacts of climate change and the increasing requirements relating to food security and access to nourishing food. There is also a need to develop the knowledge and skills to address such change

2. The need for infrastructure that supports the effective and efficient operation and development of the Gippsland food system - The Gippsland food system has a need for a range of infrastructure to enable effective and efficient operation. The system also requires improvements to various areas of infrastructure in order to grow its capability, output and economic worth

3. The need to understand, and respond to changes in markets and consumer requirements and build reputation in appropriate markets - The changes in markets need to be understood if the Gippsland food system is to be able to effectively respond to them and grow its economic worth. Such changes also have implications for changes in the products provided by the Gippsland food system.

4. The need for policy and advocacy relevant to the needs of the Gippsland food system - There is a need to help policy makers appreciate the needs associated with such changing demands of the Gippsland food system and to develop policy that is relevant to the needs of the Gippsland food system.

Each of these four areas has a number of needs that require particular strategic attention. The combination of the four broad areas, each with a number of particular strategies is one of the major foundations for the strategic framework of the Gippsland Food Plan.
Appendices

Definitions
Development Process
Governances of the GFP
References
Definitions:

For the purposes of this document the following definitions apply:

**Agro-ecology**: the application of ecology to the design and management of sustainable agro ecosystems.

**Biosecurity**: appropriate mitigation of risks and impacts to the economy, the environment, social amenity or human health associated with pests and diseases.

**Carbon Footprint**: the total set of greenhouse gas (GHG) emissions caused by an organization, event, product or person.

**Closed loop supply chains**: supply chains that are designed and managed to explicitly consider the reverse and forward supply chain activities over the entire life cycle of the product.

**Environmental or Ecological Footprint**: is a measure of human demand on the Earth’s ecosystems, in food production it represents the amount of land and water required to produce food for a human population and to absorb corresponding waste.

**Food Security**: when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life. (WHO)

**Food System**: all processes and infrastructure involved in feeding a population: growing, harvesting, processing, packaging, transporting, marketing, consumption, and disposal of food and food-related items. It also includes the inputs needed and outputs generated at each of these steps. It operates within and is influenced by social, political, economic and environmental contexts and requires human resources that provide labor, research and education.

**Food**: Any substance that is intended for human consumption (including beverages)

**Industry capability**: the business competencies that an industry needs to progress; these include the skills and knowledge, processes, facilities and equipment that are needed to design, develop, manufacture, repair and support products.

**Organic**: products that have achieved organic certification

**Productivity**: is a measure of the efficiency of production that is, it is a ratio of production output to what is required to produce it (inputs).

**Regional exports**: Exports represent the value of what has been obtained by the local economy for goods and services sold to other economies both domestic and overseas.

**Regional imports**: Imports represent the value of what has been spent by the local economy on goods and services from other economies both domestic and overseas.
Document Development Process

The development of the Gippsland Food Plan (GFP) is an initiative of the Regional Development Australia Committee Gippsland (RDAG), which acknowledges the:

- Importance of the agrifood sector to Gippsland’s economy
- Importance of access to affordable and nutritious food for the health and well-being of its communities.
- Linkages to the priorities of the Gippsland Regional Plan (GRP)
- Emerging challenges and opportunities within our food systems
- Need to be able to proactively engage within National and State food strategies
- Opportunity to use food as a vehicle to align activity across a range of government policy areas

The purpose of this document is to develop a draft Vision and Strategic Framework for the GFP under the direction of RDAG’s Food and Agribusiness sub-committee. The draft Vision and Strategic Framework is considered an important first stage of an overall Gippsland Food Plan. It will be subject to stakeholder consultation process, with the final version being used for more detailed planning stages.

The development of the document has been supported by an independent Steering Committee, which was established in late 2011. The Steering Committee represents food industry stakeholders from across the region and is chaired by Dr Nicola Watts, Chair of the RDAG Food and Agribusiness sub-committee. The document builds upon the work already undertaken by RDAG and the Steering Committee, that is:

- Two visioning workshops led by Michael McAllum (Global Foresight Network) with a range of stakeholders across Gippsland (Bairnsdale & Warragul) in July 2011 Ref 25
- Desktop research by McKinna et al into the value of the agrifood sector in Gippsland
- A workshop in December 2011 facilitated by Dench McClean Carlson which resulted in the development of a broad framework
- A meeting of the steering committee in January 2012 which considered the process and structural requirements in relation to the Terms of Reference for the Steering Committee and for the GFP itself.

As directed by RDAG this Vision and Strategic Framework endeavours to:

- Set a positive direction for addressing the opportunities and pressures in food systems for the benefit of the Gippsland region in the next 20-30 years
- Be inclusive of, and accessible to, a diverse stakeholder group
- Provide a basis for the GFP Steering Committee to identify focus areas and drive relevant activity
- Provide a basis for identifying what is happening in various strategic spaces to support alignment of those activities
- Provide a reference point for encouraging and supporting activity that may seek funding and endorsement
- Inform Government in order to support bottom up/top down initiatives such as National and State Food Plans and state and Federal policies.

This document will provide an overview of the major influences on the Gippsland food system and will present an overarching strategic framework to deal with the implications of those influences to allow the development of specific responses.
Governance of the GFP

RDAG through its Food and Agribusiness sub-committee has overall responsibility for the Gippsland Food Plan and its governance arrangements.

An independent steering committee has been established to implement an engagement process to seek feedback from stakeholders in relation to this document and the priority actions that it should support into the future.

Stakeholders and Communications

It is recognized that there is a large and diverse range of stakeholders in the Gippsland Food System. Stakeholder Engagement and Communications planning will need to be an integral part of the GFP. This will need to

- Identify stakeholders and understand their ‘stake’
- Ensure consideration of different engagement requirements of different stakeholders at different times (Inform, Consult, Involve, Collaborate, Empower)
- Utilise on-line technologies as appropriate

Measuring Performance

It is recognised that appropriate monitoring and evaluation strategies and tools will need to be in place. These will need to consider whether the GFP has delivered against its planned activities and whether these have been effective (i.e. delivered short and longer term outcomes).

Risk Management

It is recognised that appropriate risk management will need to be an integral part of the GFP. This will need to ensure the identification and management of potential risks that could negatively impact or prevent the successful realisation of the Gippsland Regional Food Plan purpose and plan, as well as avoid potential unintended consequences associated with a GFP.
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