Notes on the realities of devaluation of neighbouring properties by broiler farms.

The devaluation effect of broiler farms on neighbouring properties is undeniable – but also variable depending on the proximity and size of the adjoining blocks of land.
In ideal set-ups, large acre broiler farms surrounded by large acre neighbours, the devaluation - if any – would be minimal.

The problem is when the number of birds relative to the size of the broiler block has already been recognised as likely to impact neighbours – by the separation distance requirements in the permit extending over neighbours' land as far as the houses. Where the predicted – and later actual – impacts invade a significant proportion of an adjoining, usually smaller, block there can be substantial devaluation which starts when the permit is granted.

What we are talking about here is mainly new broiler operations. Neighbours of long-established sheds have often bought knowing the sheds were there and profiting – in a sense – from getting their property cheap. The exception would be when sheds are upgraded - for example from curtain-sided to tunnel ventilation – increasing the impact on neighbours. The first of the following examples is such a case (this farm has closed down and the sheds have gone).

Here are three examples of devaluation, because of broiler sheds, approved by the Valuer-General following objections to valuers' assessment for local government rates. I have, and know of, several others.

Example 1 Mornington Peninsula Shire Council (2000-2001 property. number [redacted])

VALUATION	CAPITAL IMPROVED	SITE VALUE	N.A.V.
ORIGINAL	$264 000	$212 000	$13 200
CONFIRMED	$175 000	$125 000	$8 760
ADJUSTMENT	~ 34%	~ 41%	~ 34%

Reasons – Site value excessive due to proximity of broiler sheds. Improvements overstated.

Example 2 Baw Baw Shire (2004-2005 property number [redacted])

VALUATION	CAPITAL IMPROVED	SITE VALUE	N.A.V.
ORIGINAL	$324 000	$264 000	$16 200
CONFIRMED	$284 000	$224 000	$14 200
ADJUSTMENT	~ 12%	~ 15%	~ 12%

Reasons – Adjoining influences. (The objection was based solely on the broiler next-door.)

Example 3 Melton (2004-2005 property number [redacted])

VALUATION	CAPITAL IMPROVED	SITE VALUE	N.A.V.
ORIGINAL	$528 000	$300 000	$26 400
CONFIRMED	$438 000	$210 000	$21 900
ADJUSTMENT	~ 17%	~ 30%	~ 17%

Reasons – Value reduced due to restrictions and effect of broiler farm.

These confirmed devaluations - for only ONE neighbour for each of just THREE broiler farms - total a massive $219 000 on Capital Improved Value of $1 116 000 or $217 000 on Site Value of $776 000. Remember, these are from the small group of people who actually lodge objections – most don't - or haven't yet!

Up to now, VCAT tribunals – and even legal representatives of objector groups – have said that proof of devaluation is needed. That, according to them, would be records of sales of similar properties - close to, and away from, broiler farms. How stupid/hopeless is that? How many factors would need to be considered to select similar properties? Market changes would be impossible to estimate if the sales were not simultaneous. Statements from real-estate agents, confirming significant buyer reaction to broiler sheds near properties being inspected, have been dismissed as 'anecdotal'. Several agents have said that when the prospective buyers see broiler sheds nearby they won't even get out of the car. There is no doubt that the potential range of buyers for neighbouring properties is severely reduced – obviously requiring significant reduction in price to have any chance of sale.

It is my contention that assessment by the land valuers confirmed by the Valuer-General can be regarded as proof of devaluation and as such should be entertained by VCAT as an issue when considering granting broiler permits.

Notes on serious discrepancies in consultants' assertions to councils and at VCAT.

I'll give just one example here – to investigate the extent of the problem, groups of objectors need to be spoken to about their experiences in VCAT hearings.

Mr Hull's warm, fuzzy glow about VCAT's success would take a bit of a battering I'm afraid.

The case in question was an application for eight sheds – a large number at the time – in Baw Baw Shire in 1998. The sheds were to run as two separate groups of four, some 300/400 metres apart. The air modeller/consultant spent a lot of time in the hearing explaining – with accompanying pseudo-scientific proof – how the impact risk would be *greatly reduced* because the sheds would operate on a five-week lag. That is to say, baby chicks would be placed in one group of sheds and the other group would have baby chickens placed five weeks later when the first group were reaching pick-up stage. So, the consultant explained only one group of sheds would be producing significant odour at any given time.

VCAT was convinced – in part by this – and the permit was granted. When the sheds started operating it was found that the chickens in both groups of sheds were nearly the same age - the five-week lag had become less than two which is about the time it takes to get through the stocking process for so many sheds. The Council took the broiler operator to VCAT on this and other serious matters for enforcement.

At the enforcement hearing, the same air modeller/consultant stated emphatically – with accompanying pseudo-scientific proof – that the two-week lag made little or no difference to the impact risk!

VCAT was convinced! *(Interestingly, all the modelling files from the enforcement hearing vanished from the case file at VCAT shortly thereafter – followed by the two huge case files themselves, never to be seen again despite searches by VCAT staff!)*

There are many, many other instances. As I said, talk to people from objector groups and realise the extent of the problem to which Justice Warren referred.