

28/04/2025

The Hon Jaclyn Symes MP
Treasurer
Level 4 / 1 Treasury Place
EAST MELBOURNE VIC 3002

By email: treasurer@dtf.vic.gov.au



Dear Treasurer,

RE: Victorian Budget 2025-2026

The Victorian Farmers Federation (VFF) has consistently advocated for government funding to provide tangible outcomes for Victoria's agriculture industry and rural communities.

It is time to rebalance the ledger to ensure fairness and appropriate support for rural and regional Victorians. Agriculture and the food chain make a significant contribution to the State's economy, in 2022-23 Victoria accounted for 24 per cent of the Australia's food and fibre exports by value. In dollar terms, Victoria's food and fibre sector's exports amounted to \$19.6 billion.¹

This economic activity means jobs for Victorians. In 2021-22 there were approximately 154,000 employed in Victoria's agriculture and production sectors. Of these, 69,000 were employed in primary production and 85,000 in food and beverage manufacturing.

However, regulatory burdens, infrastructure shortfalls, and unfair taxation are limiting the industry's ability to expand, innovate, and improve productivity.

The agricultural sector's contribution to the State's economy needs to be recognised and supported. Agriculture is making a massive contribution to the prosperity of the State and Victorians; with the right support it could do even more.

The VFF is seeking secure ongoing additional funding for:

- An innovative capital expenditure fund for on-farm technology, energy efficiency, and safety
- Increased Regional Roads Funding and Freight Infrastructure provision
- Properly planned renewable energy transition and land use conflict
- Red tape reduction to support growth
- Environmental Stewardship: Farmers as Climate and Biodiversity Champions
- Pest animal management – especially wild dogs
- Mental health support
- Workforce & Skills Development: Addressing Labor Shortages in Agriculture

¹ [Food & Fibre Export Performance Report 2022-23 | News and articles | Department of Jobs, Skills, Industry and Regions \(djsir.vic.gov.au\)](#)

- Water & Climate Resilience: Securing Victoria's Agricultural Future

In addition, on the revenue side of the budget the VFF is seeking:

- Appropriate exemptions from unfair wealth taxes on productive agricultural land and a fairer way of funding emergency services.

Capital investment fund

The VFF proposes the creation of an innovative capital investment fund to drive further improvements agriculture sector productivity, safety, resilience and climate change adaptation.

The fund would provide grants and low interest loans to farmers to undertake on farm capital investments and improve supply chains. Grants and loans offered under the fund could be invested in:

- Capital projects to improve farm productivity, including new production equipment, upgrades and supply chain logistics
- Improvements in farm safety (for example, removing hazards, OHS training)
- Projects which reduce greenhouse emissions and support farmer in adopting renewable energy
- Projects to improve biosecurity and pest eradication.

Administration of the fund would involve the development of policy guidelines and eligibility criteria. The guidelines would outline the broad policy objectives to be achieved by the fund and then the eligibility criteria would provide more detail on how to apply and how applications would be assessed. This work would be undertaken by Agriculture Victoria in close consultation with the VFF and industry representatives and other government departments. These discussions would also determine the weighting given to the different areas that could be supported by the fund – in part this will depend on the quality of the requests received from farmers.

Farmers would be invited to apply for grants. Applications would be assessed against the eligibility criteria and ranked against how well they meet the objectives of the fund.

This competitive process would have the advantage of generating new and innovative ideas and solutions to problems.

The VFF has suggested \$250 million as the initial size of the fund. However, such a fund is scaleable and could begin quite modestly and build over time. This would provide the opportunity to test the concept at a relatively small scale. This would minimise any risk for the government in establishing such a fund and provide the ability to adjust the model considering any lessons learned before moving to a larger model.

More detail on the proposed fund is included in attachment A.

Improved and more certain road funding and freight infrastructure

The VFF is asking the Victorian Government to provide increased funding and certainty over the forward estimates for regional road repair and maintenance, including upgrading of bridges on key agricultural transport routes.

Much of Victoria's country road network was established more than a century ago and many roads no longer perform the function for which they were designed. It is critical road design can accommodate the requirements of modern agricultural machinery and high productivity freight vehicles.

Improving regional roads is of critical importance to Victorian farmers as it directly impacts their profitability and productivity. The State also benefits from increased economic activity, job creation and prosperity.

Improving roads in regional Victoria is not just about improving transport efficiency, it is also a safety issue. These roads are being used by the community every day to go about their normal lives, doing the shopping, taking kids to school, and so on. The VFF believes that poor quality roads are putting the lives of road users at risk in regional Victoria.

As well as improving road pavements, aging bridges are also impeding the efficient, cost-effective movement of agricultural produce. Weight limits on aging bridges can mean significant detours are required to avoid them, or smaller lower productivity vehicles are used. These impacts increase the cost of transporting produce, impact timeliness and contribute to greenhouse gas emissions. Weight limits also impede access for CFA vehicles, adversely impacting on safety and community resilience.

The VFF recommends that the Victorian Government undertake targeted investment in key bridges on strategic freight corridors to improve system productivity and reduce costs to farmers and the community.

The VFF is seeking:

- \$500 million for a road restoration program to repair roads and resurface those which have deteriorated
- \$500 million for a program of upgrading bridges on key agricultural freight routes to enable the use of HPVs
- \$250 million to be provided to local councils to repair and upgrade local roads, with a focus on ensuring efficient 'first and last mile' access to farm businesses
- \$1 million for the Department of Transport and Planning to undertake a regulatory stocktake of regulations impacting the use of HPV and develop a program to reduce regulatory burdens. This funding is to hire additional staff and engage consultants (if required) to undertake the review.

Properly planned renewable energy transition and land use conflict

Government planning for renewable energy generation, transmission and storage (as well as other infrastructure projects) can lead to land use conflict leading to loss of agriculture production if not well managed. Renewable energy projects (and other infrastructure) must balance food security, farm viability and community benefits.

The preparation of an Environmental Effects Statement (EES) could be one mechanism to consider potential impacts on farming. However, EES scoping documents fail to actively consider land use conflict impacts which is driving the loss of social license to host renewable energy and mining.

In Victoria, there is no guidance on how to avoid land use conflict with agriculture. In contrast, New South Wales has a land use conflict risk assessment guide.

EES projects for infrastructure and mining on farmland are not ensuring that impacts on agriculture central to project design and approvals. EES approvals are transferring project costs to landholders by not identifying risks to production to ensure these projects are avoided, mitigated or landowners are provided with fair and adequate compensation.

In addition, the poor roll out of infrastructure and mining projects is having a significant impact on the mental health of those affected.

To assist in addressing this issue, the VFF is seeking:

- \$250,000 Develop a Land Use Conflict Risk Assessment system for Victoria to help land managers and consent authorities assess the possibility for and potential level of future land use conflict. The funding would be used to hire a new staff member and consultants (as required) for 12 months to analyse existing land use conflict tools in other jurisdictions and to create a Land Use Conflict Risk Assessment and assist regulators in understanding risks in different agricultural commodities and production system.

Red Tape Reduction to Support Growth

The cumulative regulatory burden imposed on farmers is growing overtime. Complying with these regulations takes time and imposes a significant cost on farmers. In addition, there are concerns that many regulations may be duplicative or contradictory making it difficult for farmers to comply.

Unnecessarily burdensome and complex regulations stifle innovation at the farm level and hinder business growth and reduce incentives to invest in more productive farming systems.

The VFF is seeking:

- \$2.5 million to establish a dedicated Agriculture Red Tape Reduction Taskforce to reduce unnecessarily burdensome regulations, streamline regulatory approvals and improve compliance. The ultimate goal for the taskforce is to create a fit for purpose regulatory regime that reduces compliance costs and encourages innovation.

Environmental Stewardship: Farmers as Climate and Biodiversity Champions

The VFF acknowledges that climate change both poses challenges and presents potential opportunities for Victorian farmers and notes that Victoria's farmers play a critical role in carbon sequestration and sustainable land management.

The VFF believes government and industry mitigation efforts should not negatively impact productivity and should support and reward farmers in their emissions reduction and sequestration efforts.

To further support farmers, reduce carbon emissions and protect biodiversity the VFF is seeking:

- \$5 million to support investment to improve the accessibility and affordability of on farm emissions and sequestration measurement, management and reporting tools
- \$5 million to fund research and development regarding the observed and future impacts of climate change to assist farm business decision making and adaptation
- \$5 million in extra funding to support biodiversity and regenerative farming initiatives.

Pest animal management – especially wild dogs

Pest animals have a significant detrimental impact on agricultural production in Victoria. Agriculture Victoria notes that these agricultural impacts can arise from:

- Predation on livestock
- Grazing on crops and pastures
- Spreading weeds
- Contribution to erosion
- Land and water degradation.

In addition, the presence and actions of pest animals can lead to environmental and social impacts and spread exotic diseases.

Effective pest management practices must be adequately funded to minimise the impact of these animals on Victorian agricultural production and protect the environment and community.

The VFF seeks a commitment by the Victorian Government to fully fund actions required by the Crown to stop the spread of all pest animals across Victoria. This should include investment in programs to prevent and manage incursions of new and exotic pests and increase efforts to deal with established pests.

The activities of wild dogs in parts of Victoria are of great concern. The impact on farm production and farmer wellbeing is considerable as wild dogs attack and destroy livestock.

The VFF considers that it is unfair that individual farmers are being forced to bear the cost of exclusion fencing to keep wild dogs from Crown land and national parks off their farmland to protect livestock. The cost of fencing is significant, between \$10,000 and \$16,000 per kilometre, and farmers already struggling with a downturn in commodity prices, and rising input costs can ill afford another significant capital expenditure, especially when the government does not contribute to costs with neighbours bordering public land.

The VFF notes that the New South Wales Government has committed \$37 million to extend their dog fencing to protect farmers.

The VFF is seeking:

- \$5 million in additional funding for pest animal management and control
- \$20 million for the specific purpose of providing cluster fencing adjacent to the Big Desert Wilderness Park in Northwestern Victoria to prevent the incursion of wild dogs into adjacent farmland and protect livestock.

Mental health support

Pressures faced by farmers are resulting in declining mental health and, unfortunately, high rates of suicide. The National Farmer Wellbeing Report found that in recent years 45% of farmers have felt depressed and 64% have experienced anxiety. More concerning, 45% have had thoughts of self-harm or suicide, while 30% have attempted self-harm or suicide.²

This is a major health crisis that needs to be addressed to protect farmers, their families, friends and communities.

The VFF believes that the unique needs of farmers and their communities are not being met by existing mental health services.

As noted earlier in this submission, the poor rollout of mineral sands mining projects, transmission infrastructure and renewable energy projects is having significant impacts on the mental health of farmers and landowners. The localised nature of some of these projects is resulting in 'hotspots' of mental health crisis which require specialised counselling and support services in specific geographic locations.

The VFF is seeking:

- \$5 million to provide dedicated resourcing to tackle Victorian farmer's mental health challenges through support programs delivered in regional areas and counselling services.

Workforce & Skills Development: Addressing Labor Shortages in Agriculture

The VFF believes agricultural education and skills training must be a key focus of government industry policy to ensure farmers are able to improve their knowledge and skills, and to have access to a highly skilled workforce, to improve productivity and contribute to the growth of industry.

Expenditure on workforce skills and development is an investment which benefits all Victorians through stronger economic growth, and increased exports.

In relation to skill and workforce development, the VFF is seeking:

- \$2 million to attract specialist agriculture teachers to the profession, as well as increasing the awareness and understanding of agricultural issues amongst general teaching staff to ensure the ongoing quality of teaching in agricultural subjects
- \$250,000 to promote the availability of agricultural and horticultural subjects to year 12 students and to all students to increase the uptake of agriculture studies in secondary schools
- \$5 million to investigate skills gaps and expand training programs through Registered Training Organisations to ensure these gaps are filled.

² [Farmers in crisis: Depression and anxiety rife among Aussie farmers - National Farmers' Federation](#)

Water & Climate Resilience: Securing Victoria's Agricultural Future

Water security is crucial to the long-term profitability and sustainability of Victorian Agriculture. Improving the use of water and reducing water loss through poor infrastructure brings benefits to farmers and the environment.

The VFF considers that we need to invest in infrastructure to better manage the water we have and to prepare for times of drought and water shortage.

The VFF is seeking:

- \$5 million to improve water storage systems and irrigation infrastructure to reduce water loss to the benefits of the State's farmers and the environment
- \$2 million in additional support for ongoing drought resilience programs.

Exemption from Wealth Taxes on Productive Land & Emergency Services Levies

Although not an expenditure ask, the VFF is also concerned that the upcoming budget's revenue raising side does not impose a disproportionate burden on farmers which would impact on farm production costs.

The VFF recognises the agriculture industry's responsibility to contribute to the public good through a fair and efficient tax system. As a generator of wealth, the agriculture industry should make a fair contribution to funding the efficient delivery of public services and infrastructure that underpin a reasonable living standard for all Australians, including those in rural and regional communities.

The VFF is seeking a commitment in the budget that land tax and the proposed Emergency Services and Volunteers Fund settings deliver equity and certainty for farm businesses. In particular that:

- There be no extension of the land tax regime to farmland as has occurred for commercial and industrial properties as part of the transition away from using stamp duty and the imposition of an annual 'Commercial and Industrial Property Tax'
- Victoria's emergency services be funded in a fair and equitable manner that does not impose an unacceptably high burden on the State's farmers compared with residential and other land uses. The proposed transition for the Fire Services Property Levy to the Emergency Services and Volunteer Fund will see a 189% increase on the variable rate based on land value for primary production land, compared with a 99% increase for residential and 64% for industrial land use. No justification for these differential increases has been provided by the Government, and farmers are once again bearing the brunt of the cost. This is unsustainable and the VFF requests the proposed changes not proceed in their current form and that further work and consultation be undertaken to develop a fair funding regime for the State's emergency services.

Final remarks

By implementing these targeted investments and reforms, the Victorian Government can unlock agriculture's full potential, delivering billions of dollars in economic benefits over the next decade. These measures will ensure Victoria remains a global leader in food production, environmental stewardship, and regional development.

The Victorian Farmers Federation urges the government to act decisively in the upcoming budget to secure a strong, sustainable, and competitive agricultural sector for future generations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brett Hosking', written in a cursive style.

Brett Hosking
President
Victorian Farmers Federation

Attachment A: Capital Investment Fund

Context

- The Victorian economy is undergoing dramatic shifts in how it functions. Issues particularly impacting on the agricultural sector are energy production and use, competition and biosecurity concerns.
- Significant on-farm investment in infrastructure is required to adapt to this transition and significant change in the economy.
- The economic transition is occurring so quickly that the State Government has a role in supporting the transition through assisting with on-farm investment.
- The agriculture sector is a major economic driver in Victoria. In 2021-22 the sector accounted for almost 69,000 jobs directly in agricultural production and almost 85,000 jobs in food and beverage manufacturing. In 2021-22 the gross value of agricultural production was \$20.2 billion.

Outcomes

- Strong economic outcomes in regional Victoria driving growth and incomes in the state.
- A highly productive and resilient agriculture sector in Victoria.
- Energy efficient farming operations using more diverse, lower emissions, energy sources.
- Strong biosecurity protections and systems to prevent the outbreak and spread of harmful pests and diseases on Victorian farms.
- A safer farm sector with lower incidence of death and injury.

Objectives

- Increase investments in on-farm productivity enhancing infrastructure, such as new production equipment and upgrades to existing facilities to drive economic activity and growth.
- Invest in on-farm infrastructure and projects to facilitate a transition to alternative and lower emissions energy sources and promote better environmental outcomes.
- Ensure greater investment in biosecurity protection infrastructure (such as truck wash facilities).
- Support projects such as hazard removal and OHS training to improve on-farm safety.
- Encourage innovative suggestions from farmers through a competitive bidding process for support to achieve the fund's objectives.

Evidence

- The value of Victoria's exports of food and fibre in 2022-23 was \$19.6 billion. Prices for produce are set by export markets and if Victoria is to maintain and expand exports it needs to be competitive. Victorian farmers cannot simply pass on costs and survive in export markets. Reducing costs and increasing productivity are key to ensuring the long-term growth of the agricultural sector.
- ABARES analysis shows that Australia-wide farm productivity has slowed since 2000 compared with productivity improvements achieved during the 1980s and 1990s.
- Action to improve farm safety is urgent. Farms make up 14% of all workplace fatalities, despite employing only 2% of working Victorians. On average, 2 people are injured on Victorian farms every day.
- A 2017 survey of farmers conducted by Agriculture Victoria found that the high cost of investing in new more energy efficient equipment was one of the major barriers preventing or discouraging farmers from investing in energy efficiency measures.

- Implementation of the fund will encourage the spread of investment into regional areas and thereby spread the ability of Victoria to grow rather than forcing more activity into already congested Melbourne.

Projects and resources required

- The fund would provide grants and low interest loans and matched funding to eligible farmers to undertake on farm capital investments and improve supply chains.
- The fund is scalable, but the VFF suggests that initial funding of \$250 million would provide a solid foundation for the fund.
- The fund could be set up as a series of overarching modules or topic areas.
 - Productivity enhancing investments - \$75 million – for example:
 - investment in new or upgraded equipment
 - New production processes
 - New technology
 - Energy transition facilitation – \$75 million – for example:
 - Investment in new electric or energy efficient vehicles and plant
 - Development of renewable energy sources eg solar and wind power
 - Investing in on farm infrastructure to support renewable energy sources
 - Investing in technology to measure energy usage.
 - Biosecurity investments – \$50 million – for example:
 - Improving on farm hygiene to reduce the spread of diseases and pests, such as equipment cleaning facilities
 - Containment infrastructure (eg fencing, secure enclosures etc)
 - Equipment to monitor entry and movement around the farm.
 - Improving farm safety – \$50 million – for example:
 - Improving the safety of plant and equipment eg through the provision of guards and other safety equipment
 - Facilities for the safe storage of farm chemicals
 - A program of on-farm risk identification
 - Provision of personal protective equipment
 - Support for ergonomic workplaces on farm.
- Although maximum benefit would be achieved by fully funding all elements at the start of the fund it would be possible to start at more modest scale and build the size and coverage of the fund over time.
- A staged approach would enable implementation and outcomes of each stage to be evaluated, and any improvements identified and implemented before moving to a larger scale.