

28 April 2025



30 Year Infrastructure Strategy team
Infrastructure Victoria

Submitted via Engage Victoria website

Dear Infrastructure Victoria,

Re: Victoria's draft 30-year infrastructure strategy

Introduction

The Victorian Farmers Federation (VFF) appreciates the opportunity to make this submission to Infrastructure Victoria regarding its 30-year infrastructure strategy.

The VFF supports the publication of a 30-year strategy to inform discussion of Victoria's future infrastructure investment and development. Disappointingly, the VFF notes that many of the draft recommendations and future options relate to the greater Melbourne area. Regional Victoria is an important part of the State's economy and community and needs to be supported with efficient and effective economic and social infrastructure.

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, infrastructure shortfalls 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.

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

The VFF has focussed its comments on those recommendations directly relevant to farmers and those living in rural areas. In particular, the VFF will focus on recommendations and future options relating to Infrastructure Victoria's categories of:

- Victorians have good access to housing, jobs, services and opportunities
- Victorians are healthy and safe
- Victoria has a thriving natural environment
- Victoria is resilient to climate change and other future risks
- Victoria has a high productivity and circular economy.

Victorians have good access to housing, jobs, services and opportunities

Housing

The draft strategy's first draft recommendation relates to building more social housing in Melbourne and regional Victoria. The VFF supports this recommendation but suggests that another recommendation be included in the final strategy relating to rural worker accommodation.

Additional on-farm accommodation as well as rural community based housing is needed to support seasonal and permanent workers engaged in the agricultural sector find suitable accommodation close to their place of work. Accommodating workers onsite reduces pressure on rental properties in nearby towns and reduces the need for long distance travel. This in turn reduces traffic on rural and regional roads, cuts travel time and improves road safety.

The VFF would like this issue to be discussed in the final strategy leading to a recommendation that the State Government provide greater investment in rural worker accommodation.

Kindergartens and childcare

The VFF supports the draft recommendation relating to facilitating markets and greater investment in kindergartens including in regional areas.

As noted in the draft strategy, kindergartens and early childhood education facilitate better life outcomes for children. They also provide children living on farms with social development and interaction opportunities with children of a similar age that might otherwise be absent if the child stays on the farm.

Similar arguments can be made to support greater access to childcare facilities. Farmers are requiring greater access to childcare as they run more complex farming businesses leaving less time to supervise children.

The VFF requests that the final strategy acknowledges this issue and include a similar recommendation as exists for kindergartens for childcare facilities.

Expanded TAFE

The VFF supports draft recommendation 4 relating to the expansion of TAFE courses but would like to see an explicit mention of filling agricultural skill gaps along with the other sectors explicitly included in the draft recommendation.

Extend metropolitan trains and run more services in Melbourne's west

The VFF supports draft recommendation 11 relating to extending and electrifying metropolitan trains to Melton and reallocating train currently servicing this line to other areas in Melbourne's west and regional areas.

In the discussion of this recommendation the benefits to the freight network could be discussed in more detail. For example, there may be additional rail freight capacity created and to the extent that commuters switch from driving to taking the train there will be less congestion for road freight operators leading to quicker more efficient freight movements.

Phase of stamp duties

The VFF notes that one of the future options discussed in this section of the report is to 'Over the long term, phase out residential stamp duties and phase in residential land tax'. The report also notes that the Victorian Government is replacing stamp duty for commercial and industrial properties with a land tax over the next 10 years.

The VFF believes the specific circumstances and characteristics of the agriculture sector and rural communities must be recognised appropriately within the tax system including factors such as the variability of income, and the limited capacity to pass on increased costs.

The VFF opposes stamp duty in all its forms and supports the need to reform Victoria's tax system in order to abolish stamp duty on all land transfers. However, any proposed abolition of stamp duty must not occur in a way that would lead to land taxes being charged over land used for primary production. Farmland is currently exempt from land tax as it has been long acknowledged by government that land taxes have disproportionate impacts on farm businesses. This is not just the case in Victoria but has also been long-standing policy in other Australian jurisdictions, for example, New South Wales², Queensland³ and South Australia⁴.

The VFF notes that an extension of land tax to include agricultural land would have a severe impact on farm income which is often volatile. Farmers have little ability to pass fixed costs such as land taxes through the supply chain and to consumers, unlike other businesses. This predicament becomes more acute during times of bad seasonal conditions or natural disasters, creating a particular stress for farm businesses that occurs in few other industries. These are

² [Land tax exemption for primary production land | Revenue NSW](#)

³ [Primary production - Queensland Revenue Office](#)

⁴ [Exemption where you use the land for primary production | RevenueSA](#)

cyclical and intractable issues for the agricultural industry and have been widely acknowledged through making primary production land exempt from land tax in Victoria and in other states.

The introduction of a land tax on primary production land would have a crippling effect on Victoria's agricultural industry and would fundamentally change the economics of farmland values in potentially unpredictable ways. This would severely impact business confidence and certainty and the international competitiveness of the industry.

As long as land transfer duty remains a feature of Victoria's tax system, the VFF will continue to support existing arrangements for exemptions and concessions for primary production land transfer duties.

Rather than replacing stamp duty with a land tax, the VFF believes that stamp duty should be replaced through a broad-based consumption tax, as was the original intent behind the Goods and Services Tax (GST).

The VFF requests that the final draft of the 30-year infrastructure strategy report explicitly rule out the imposition of land taxes as a replacement for stamp duty on agricultural land.

Victorians are healthy and safe

Draft recommendation 19 calls on the Victorian Government to invest in digital healthcare. The VFF supports this recommendation but asks that the final strategy acknowledge the limitations of this approach in regional Victoria given poor telecommunications coverage and service quality. In many parts of regional Victoria mobile coverage and internet connectivity is either non-existent or very poor limiting the use of these services for medical and emergency care.

This issue should be explicitly mentioned in the final strategy as a current limitation of the use of digital healthcare.

Victoria has a thriving natural environment

Water is critical to Victorians and so it is important that adequate water supplies are available and that they are of an appropriate quality standard. The VFF therefore supports draft recommendation 25 relating to advancing integrated water management and using more recycled water.

The VFF believes that there are some 'quick wins' in this area that should be exploited. For example, there is scope to upgrade some existing water treatment plants to remove PFAS and other contaminants so the water can safely be used for horticulture and other agricultural purposes rather than discharged to ocean outlets.

Victoria is resilient to climate change and other future risks

The VFF acknowledges that climate change both poses challenges and presents potential opportunities for Victorian farmers.

The VFF supports a smooth transition for Australia's energy market towards renewable energy based on commercial consent from landholders and project selection and design that improves reliability of energy distribution and without significant increase to energy consumers.

Over the past decade, the energy sector sees farms as a single entity. Farms are complex. Different commodity types will have different interactions with renewable energy projects. Even within commodity types there can be differences based on soils, climate, production systems and technology used.

There is increasing demand for farmland – for urban expansion, plantation timber, carbon sequestration, and for hosting infrastructure. The transition to a renewable energy future needs to be driven by a commitment to renewable energy co-locating with agriculture.

Using the most productive and valuable agricultural land for transmission lines and renewable energy projects has a significant impact on agricultural production – the food and fibre that we need to survive. This trade off needs to be recognised and taken into account when planning new projects.

The co-location of renewable energy projects with agricultural land raises several issues which need to be addressed:

- Careful route planning is critical to minimising the impact on agricultural production. This planning must take into account the impact on agricultural production along the route.. The VFF has recommended to the Victorian Government that it create a renewable energy and transmission assessment guide that outlines how co-location with agriculture can be achieved and to identify potential conflicts with existing agricultural land uses so that proposals can avoid conflict.
- The VFF believes the generation, transmission and storage of electricity on agricultural land must be based on the principle of commercial consent. Infrastructure proponents should negotiate fair terms with landholders and neighbours that encourages voluntary land access/acquisition through fair commercial dealings. This is generally the case for renewable projects where the proponent negotiates for the location of, for example, wind turbines on farmland. Commercial consent is not in place for the location of transmission lines where transmission companies have a fallback position of being able to compulsorily acquire an easement for the lines. In effect, landowners have no market power and will be left to take whatever is offered without redress.
- The impact on neighbours also needs to be considered and taken into account early in the planning process. Buffer zones restricting activity near transmission infrastructure can extend over neighbouring land – affecting the neighbour's ability to farm. These impacts are not considered or compensated for. In addition, the neighbour may not be aware of the planned infrastructure until very late in the planning process.
- Compensation paid for locating transmission lines on agricultural land must take account of the full impact of the lines on the farm business and agricultural production. The VFF has concerns with how compensation is currently calculated with

its focus on the market value of the land impacted. Inadequate attention is paid to the impacts of severance and disturbance of the land and the operation of the farm business as a whole. In addition, transmission lines restrict a landowner's ability to invest in farm infrastructure and equipment along the transmission line, this limits their ability to grow the business as they may have planned to do. This impact must also be taken into account when determining compensation.

- During the construction and operation of infrastructure facilities employees and workers for the energy companies will need to access farmland. This has implications for farm operations, biosecurity and safety. The VFF is concerned that energy company employees feel free to enter farmland, in some cases without even notifying the landowner. This is unacceptable. The VFF has asked the State and Commonwealth Governments that such access be bound by a mandatory Land Access Code of Conduct that sets out clear expectations for engagement and behaviour. The code should also include penalties for non-compliance and breaches of its provisions.

Given this background, the VFF has concerns with the following draft recommendations:

- Draft recommendation 29 – Coordinate faster delivery of key energy infrastructure – Fast-track key energy projects and coordinate enabling infrastructure. Establish a unified energy transition project pipeline and conduct annual progress assessments. Create a central energy transition coordinator to align priorities, improve transparency and manage risks.
- Draft recommendation 30 – Improve environmental assessments and site selection for energy projects – Reform environmental assessments and help energy project proponents select good sites.

While the VFF is not opposed in principle to faster delivery of energy infrastructure or improved environmental assessments this should not occur at the expense of adequate consultation with Victoria's farmers and a full understanding of the impact of the proposed infrastructure on farmland and operations.

The VFF would like to see in the discussion an acknowledgement of the need to balance the need to protect valuable agricultural land and the provision of energy infrastructure. Coexistence is possible, but it requires consultation and knowledge. This cannot be sacrificed for the purpose of fast-tracking approvals.

Victoria has a high productivity and circular economy

Waste and recycling

The VFF supports draft recommendation 38 which calls on the government to prepare for more recycling and waste infrastructure. However, the VFF believes that the section could be enhanced by including a discussion of the role and merits of waste to energy plants.

These high temperature plants convert waste material into electricity. This can be used to supplement the electricity supply but also reduces the need for waste to be deposited in landfill on productive agricultural land.

Transport system

The VFF supports improving the State's productivity performance and is particularly encouraged by the draft recommendations relating to improving the transport system.

The freight network needs to operate as seamlessly and as efficiently as possible across transport modes to move freight from origin to destination. Achieving the highest possible level of system-wide productivity involves and adequately funded and resources transport system, quick and efficient intermodal transfers, and a supporting regulatory framework.

Maintenance and road infrastructure

Maintenance of transport infrastructure is often neglected but is critical to ensuring the efficiency and safety of the freight and passenger transport network. Too often governments construct new projects without a plan to maintain them or to maintain the existing infrastructure.

This appears to be especially the case with road infrastructure. The VFF believes that the efficiency of the current road network can be significantly improved through maintenance and upgrades which can improve productivity and reduce the time taken to transport products around the state and to ports.

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.

In this context, the VFF is highly supportive of:

- Draft recommendation 37 – Improve asset management of all government infrastructure – Fund asset managers to better understand the condition, use and performance standards of all government infrastructure. Use this information to develop asset management strategies and prioritise funding.

As the draft strategy notes, the Victorian Government needs to collect better information on the state of its assets and develop appropriate asset management strategies. The VFF supports the statement in the draft strategy that the State Government '... should then prioritise funding for infrastructure maintenance and renewal over building new.'⁵

⁵ Victoria's draft 30-year infrastructure strategy, p. 124.

While this draft recommendation relates to all government infrastructure, the VFF would like to see an explicit statement that this recommendation apply to road and freight transport infrastructure given its economic importance to the state.

In addition, the draft recommendation could make reference to guaranteeing maintenance funding over the forward estimates in the budget. This would provide certainty to contractors that there is a planned pipeline of work ahead and enable them to better plan their work program. This should lead to lower cost maintenance than attending to ad hoc callouts for emergency remedial work.

Rail infrastructure

An efficient and competitive rail freight network is vital for transporting freight to port and enhancing the international competitiveness of Victoria's agricultural production. In addition, increased use of rail and removing trucks from our roads will improve road safety and assist with decarbonisation of the transport system. Removing trucks from our roads also helps reduce Victoria's future road maintenance and upgrade costs.

Base level funding to maintain the rail network is required. Further investment in the rail system would increase axle tonne loading, train speeds and network efficiency, the benefits of which would flow through to farmers and the community more generally.

Investment and upgrades to the rail network would also help ensure the network can deal with increasingly common weather extremes. For example, the capacity and productivity of Victoria's freight rail network is severely curtailed during periods of high temperature when speed restrictions are placed on trains moving on the freight lines. Greater investment will improve the resilience of the network.

The VFF notes that draft recommendation 40 calls for the use of modern traffic control technology for efficient and safe journeys on the road network. A similar recommendation could be made to improve signalling technology on Victoria's rail network. This could help increase the number of trains on the network facilitating more rail freight movements.

Further network efficiency improvements can be achieved by further standardising Victoria's rail freight network. More standard gauge rail lines allow flexible movement of rolling stock from interstate to support Victoria's surge capacity as well as incentivising investment from local rolling stock providers as their assets can then be used in other states/locations when Victorian demand is lower for example during droughts.

In the broader context, completing the Murray Basin Rail Project is also critical to the effective movement of freight in Victoria. Mildura Economic Development, the peak economic organisation for the Mildura region has argued that: *"Australia's largest food bowl and area of internationally significant critical mineral sand and rare earth reserves does not have an efficient and effective rail system. The Murray Basin Freight Rail Network region will, over the ten years to 2035, produce 39.2 million tonnes of freight that is suited to rail. 73% of it will go*

by road, requiring 542.8 million truck kms that will emit 2.6 million tonnes of carbon and need an equivalent of 25,600,000 trees planted as an offset.”⁶

In this context, the VFF strongly supports:

- Draft recommendation 41 – Make rail freight competitive, reliable and efficient – Develop and publish a 30-year integrated rail freight network plan and fund a 10-year rail freight maintenance program. Develop a freight network coordination plan.

The VFF appreciates the explicit inclusion of a maintenance plan in the draft recommendation. As noted above, too often infrastructure projects are funded without an explicit recognition of the need for ongoing maintenance to ensure they operate at their most efficient.

Conclusion

The VFF thanks you for the opportunity to provide input to the draft 30-year infrastructure strategy. [REDACTED]

Yours sincerely,

[REDACTED]

Victorian Farmers Federation

⁶ Mildura Regional Development (2023), Submission to The Department of Infrastructure, Transport, Regional Development, Communications and the Arts' 2023 Review of the National Freight and Supply Chain Strategy (NFSC Strategy), p.1