



Victorian  
Farmers  
Federation

# SUBMISSION

**VNI-West Project Assessment Draft Report**

**9 September 2022**

## OUR POSITION

Thank you for the opportunity to submit to the Project Assessment Draft Report (PADR) for VNI West.

The VFF believes this process is premature and should be ceased and referred to a VicGrid Process that includes the modifications and suggestions made based on VFF Managing Entry to Farm Policy Statement.

The VFF also supports the key elements of the Energy Alliance submission which reflects the position of the VFF in relation to the Victorian Transmission Investment Framework document.

### Good Governance

The VFF believes the principles of good governance have not been met in relation to this project. AEMO is aware that the Western Renewables Link (WRL) has demonstrated that the Rit-T process is not fit for purpose in relation to large transmission infrastructure projects and the impact on the community and the agriculture industry. The failure to undertake a full cost benefit analysis of the total impacts to the regional economy leads to expenditure on studies for a project that is unlikely to be approved at the cost envisaged.

If the project is delivered in line with the current Rit-T then it means that significant costs will be transferred to private individuals and businesses who receive no benefit from the project. The Cost Benefit model used by AEMO fails to internalise the external costs of the project.

Governments have regulated areas such as environment to ensure polluters pay or internalise the cost of pollution. This then signals the need to invest in processes to minimise or avoid pollution. This principle should also be applied to transmission projects.

### Undergrounding

The PADR discusses that there is little knowledge or expertise in relation to undergrounding power as a reason to support overhead transmission. Other industries invest in research and training. They learn from other projects. They strive for the best outcome. By accepting a transmission model that transfers many costs to farmers and rural communities through failing to properly assess the true costs of the process AEMO is distorting the market by not signalling the need to invest in less impactful transmission methods.

### Precautionary Principle

The precautionary principle should also be applied to the project given the uncertainty over the WRL and the failure of the EES process to consider individual impacts on farm businesses. It should not treat agricultural land and expendable.

### What needs to be considered in route selection and design parameters

If this project is to proceed it should learn from the WRL and ensure that a comprehensive cost benefit study is undertaken on potential corridors. This should analyse all potential costs and all potential benefits of the project, including consideration of intangible costs and benefits. The VFF believes that neither the Rit-T or the EES process considers the costs to agriculture and tourism values, which are the key elements of the regional economies along the proposed route.

It has been 40 years since the last major transmission line was built in Victoria. Over that time not only has the nature of agriculture changed but Victoria has constructed many major projects using boring technology. There is increasing prevalence of underground and seabed cables.

We believe that when taking account of economy wide impacts from overhead transmission, undergrounding transmission along road and rail corridors will be cost effective. It will reduce the need to properly compensate for the significant impacts of transmission easement on annual production and farm earnings. It will remove the landscape and tourism impacts of the projects and significantly reduce impacts of transmission on emergency response.

### Locational and industry considerations

The following locational factors that should be considered in relation to the costs and benefits of VNI West in Victoria:

#### Agriculture

Areas within the VNI West area are highly productive agricultural areas with good soils and irrigation supply. The WRL project demonstrates that the Rit-T process did not consider the impacts of higher value cropping that use large tractors and irrigation.

These agricultural areas support thousands of regional jobs in manufacturing. Loss of production not only creates perverse outcome for farmers but can threaten manufacturing and service industry jobs.

Digital agriculture is critical to the future growth and sustainability of the industry. This means the use of larger GPS enabled tractors, auto steer and use of drones, all of which can be incompatible with transmission infrastructure.

Agriculture operates under strict biosecurity requirements and vendor declarations. Allowing access on farm can impact on the ability to comply with biosecurity requirements and vendor declarations. The use of machinery has spread invasive species between properties and is a significant risk that must be minimised.

#### Tourism

Local Government Areas such as Hepburn, Mt Alexander and Greater Bendigo are key tourism destinations. A key part of the attraction is the natural environment (volcanic landscapes, forests, agricultural landscapes) and goldfields heritage.

The proposal could devastate the regional tourism attractiveness of the region. Significant landscape studies for the area should be undertaken.

#### Goldfields World Heritage Bid

Hepburn, Mt Alexander and Greater Bendigo are goldfields municipalities, with gold first discovered in Clunes (Hepburn Shire). Areas around Smeaton and Yandoit are examples of areas that have significant heritage sites linked to gold mining.

Work is being undertaken to document the Outstanding Universal Value (OUV) of this cultural landscape for future consideration for National Heritage Listing and nomination to the UNESCO World Heritage list.

World Heritage Listing of this landscape would significantly increase the economic value of the landscape for tourism. Overhead infrastructure could significantly impact on the ability to demonstrate OUV.

#### Community safety – fire

Parts of Hepburn, Mt Alexander and Greater Bendigo are amongst some of the localities most vulnerable to fire in Victoria and the world.

While there is lower risk of a fire starting from transmission infrastructure than distribution infrastructure, there is still a significant risk. This risk is likely to be higher in this area due to significant weather events resulting from climate change.

The greater risk is the impact of transmission lines on firefighting response and other emergency responses. The Country Fire Authority's Standard Operating Procedures prohibits fire trucks from accessing under transmission lines. To operate helitankers or planes in the area, permission must be sought from the transmission line owner which significantly delays response.

Victoria has moved to a rapid dispatch model for air attack as this significantly decreases the likelihood of a small-scale fire developing into a landscape level fire with greatest risk to life and property. The community is concerned that delays in blacking out small fires may lead to fires reaching bushland such as the Wombat Forest which then places many lives and livelihoods at risk.

#### Community Safety – low altitude flights

Agricultural areas often use planes or helicopters for control of weeds, fertilising or mustering. These craft fly at low altitude and will not be able to operate in the vicinity of the powerlines. It is also likely that drones will not be able to be used.

If there is an incident near the powerlines there is a concern that ground, or air ambulance access may be delayed due to safety clearances with the power companies.

#### Significant weather – storm and tornadoes

Hepburn and Mt Alexander Shires are known to have significant storms, both high wind and thunderstorms, which increase the risk of damage to overhead transmission and the need for

emergency response. In the June 2021 and January 2022 storms significant damage was caused to structures and vegetation.

There is a history of tornadoes in the area, with loss of life (car lifted and thrown) at Sandon, and significant building damage at Vaughn, Eganstown and Daylesford.

### **Recommendations to Victorian Transmission Investment Framework**

The VFF submission to the Victorian Transmission Investment Framework is relevant to the PADR considerations. We are concerned that purely planning for transmission without understanding the broader systemic changes will lead to an inefficient and uneconomical system.

These are key issues the VFF seeks to resolve in its 2022 Victorian state election platform and relevant policies are in general accordance with the transmission and Renewable Energy Zones (REZ) issues outlined by the Australian Energy Infrastructure Commissioner's (AEIC) 2021 Annual Report.

The VFF agrees there is a need to plan for renewable energy but believes that renewable energy zones built around 20th century transmission models will not deliver an energy transformation that will see us through the next century.

The plan needs to consider Victoria's land use planning system and ensure processes have been designed with human rights considerations central to the process. Victorian Planning Policy seeks to protect agricultural land use from unplanned losses. It is important that Renewable Energy Zones do not lead to the loss of land from agricultural production.

The Rit-T and PADR process focuses on energy access rather than planning for transition to renewable energy that avoids impacts on private land, and where this cannot be avoided ensures fair compensation and land access arrangements, including rehabilitation of land, so that no landholders are worse off. These are also critical issues identified by the Australian Energy Infrastructure Commissioner (AEIC) for resolution.

The VFF is concerned that the AEMO REZ areas are being accepted as a land use planning document. The REZ covering current Western Transmission Network development contains volcanic soils around Ballarat where key vegetable (potatoes) production is based. This is an area where commercial consent for wind energy could not be gained as growing food was more valuable than generating power.

Similarly, the REZs are applied to highly productive land in South Gippsland and the Shepparton Irrigation District where there is a significant concentration of food manufacturing industries that depend on locally grown product.

The Ausnet transmission process has highlighted the need for regulators and decision makers to have information about agricultural land and the differing impacts their proposals may have on the use of the land.

The Productivity Commission Report Regulation of Australian Agriculture highlights some of the issues that poorly targeted and considered regulation can have on agriculture. This included finding many examples of:

- *regulatory impact assessments (RIAs) that failed to rigorously assess the costs or benefits of regulations*
- *RIA processes that did not adequately consider alternative options*
- *regulations that were put in place despite a finding that the regulation would impose a net cost on the community*
- *RIA processes that appear to have been disproportionately influenced by particular stakeholders.<sup>i</sup>*

The VFF believes that unless the consideration of the role of private land in the transformation of our energy system is central to the transmission Framework, then the current regulatory failures will be repeated and increased as the program is implemented leading to loss of social license and budget overruns.

### Recommendation 1

That prior to finalising the Victorian Transmission Investment Framework the government prepares a state-wide strategic plan for renewable energy to guide the process. This plan should include:

- That new transmission infrastructure will be underground and primarily along linear transport corridors.
- That in the long term, all transmission will be underground and primarily along linear transport corridors.
- Assessments of strategic agricultural land resources and their identification in the planning policy framework.
- Avoidance of renewable energy generation or transmission infrastructure development on strategic agricultural land.
- Revision of renewable energy VPP content and guidelines to better outline how proposals will be considered in relation to avoiding impact on agricultural land uses
- Energy transmission and distribution models into the next century that ensures all Victorians have access to phased power.

### Recommendation 2

That government considers ensuring that there is commercial consent required for land access for transmission.

Where land access is granted on private land used for production of food and fibre the landholder should receive an annual commercial payment to compensate for impacts on farm operations.

If the current compensation model is maintained for land access, a minimum solatium payment of 20 per cent should be paid for all land access to ensure farm businesses are fairly compensated for intangible and unforeseen impacts.

Proponents for energy infrastructure on private land should ensure landholders are paid reasonable costs to understand the impacts of the project on their operations, including legal and technical advice.

### Recommendation 3

That Government designs a program for renewable energy infrastructure on private land based on the VFF's [Managing Entry to Farm Policy Statement](#) and AEIC 2021 Annual Report recommendations.

### Recommendation 4

The VFF believes that the issues outlined in our [Renewable Energy](#) and [Managing Entry to Farms](#) Policy Statements will assist in identifying the processes that must be addressed to ensure that the regulatory and operational frameworks are fit for purpose and properly consider property rights and the regulatory principle of public benefit at public cost.

This should be supported by implementing VFFs recommendations to recognise the importance of agriculture to the Victorian economy into the Planning Policy Framework and ensuring that planning and environmental approvals properly consider the impact of proposal on individual farm businesses.

### Recommendation 5

That the Government, in consultation with landholders, undertakes a review of:

- the land access requirements of the Electrical Industries Act to require minimum standards for land access; compensation (commercial consent); rehabilitation and decommissioning;
- the appropriateness of the compensation methodology within the Land Acquisition and Compensation Act to farm businesses;
- the appropriateness of using desktop land use studies for considering impacts on farm businesses under the Environment Effects Act
- the ability of the Victoria Planning Provisions to ensure renewable energy projects on farming land are designed to minimise impacts on production of food and fibre.

### Recommendation 6

That the VFF be involved in designing the range of data that needs to be collected and analysed in relation to energy infrastructure on land used for farming.

### Recommendation 7

That DELWP organise a meeting with the AIEC and VFF to discuss how the learnings from existing transmission projects could be utilised to ensure the transition to renewable energy is fair, efficient and effective.

Gerald Leach

**Chair – VFF Planning, Environment and Climate Change Committee**

### **Attachments**

VFF Managing Entry to Farm Policy Statement.

VFF Renewable Energy Policy Statement.

2021 Annual Report Australian Energy Infrastructure Commissioner.

VFF 2022 State Election Platform.

VFF Submission to Victorian Transmission Investment Framework.

### **Endnotes**

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<sup>i</sup> Productivity Commission *Regulation of Australian Agriculture* p14