

**Submission – AEMO Consultation Report – Victoria New South Wales Interconnector**

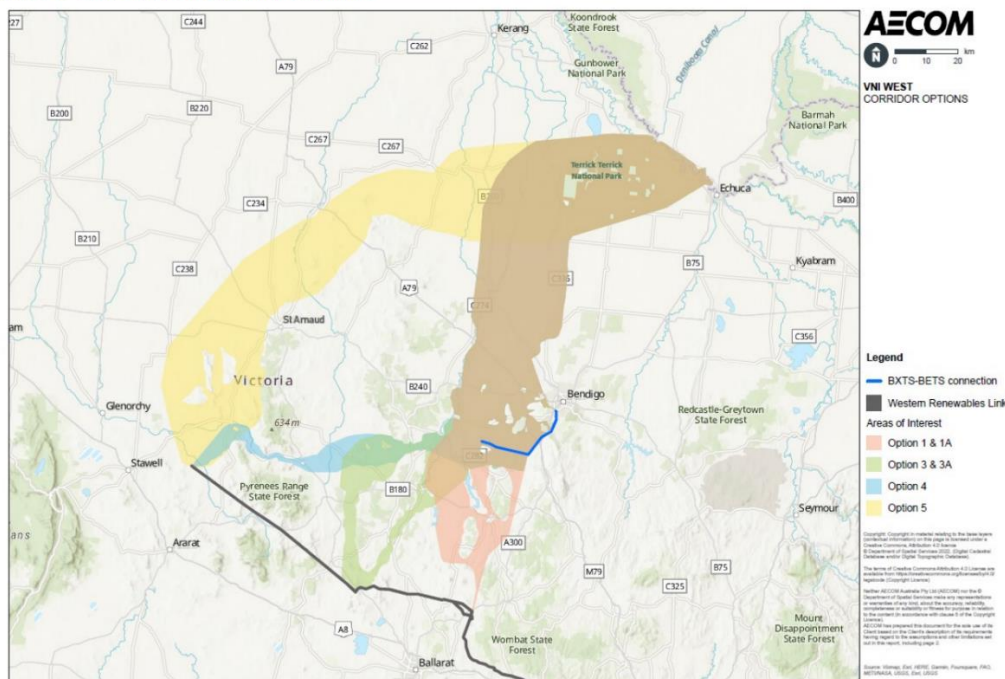
**1. Purpose**

To present the Northern Grampians Shire Council’s preliminary response to the Australian Energy Market Operator’s (AEMO) consultation report on the Victoria New South Wales Interconnector (VNI West).

Overall, the Northern Grampians Shire Council is extremely upset about the unacceptable lack of effective public consultation and an extremely short timeframe for lodging submissions. In particular the community has a raft of unanswered questions about impacts on farming operations. The Council also finds it extremely unacceptable that consultation about an option that is expressed as an area of interest of indicative alignment that covers a large swathe of the shire, has unnecessarily upset and caused distress for a significant number of landowners.

The preference would have been to have a more definitive map with a corridor closer to the final alignment, so that the actual affected property owners could engage as opposed to the large number of people that are currently indicated in the yellow indicative area below.

Figure 55 Areas of interest for indicative alignments



*VNI West Consultation Report – Options Assessment - Areas of interest map Page 120. The shaded yellow section highlights the area of interest within the Northern Grampians Shire for Option 5 Bulgana to Kerang.*

This submission will focus on representing the key issues of our local landowners and farming communities as they relate to the project area of interest in our shire and its effect on farm enterprises.

## 2. Background

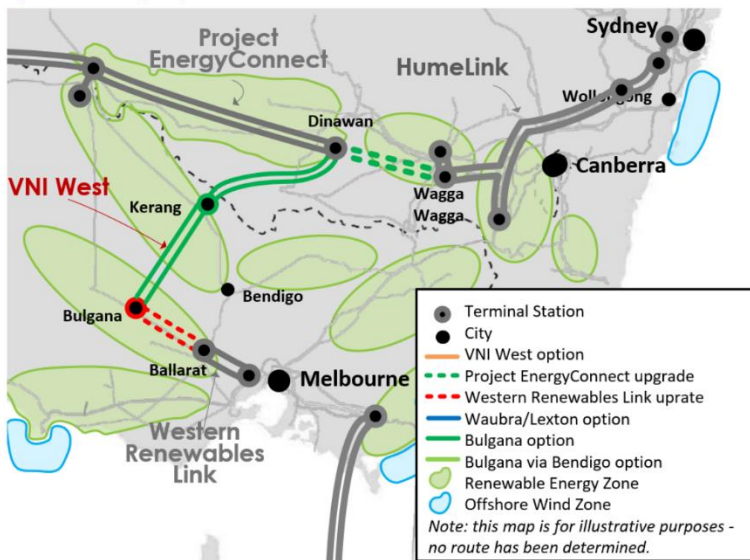
The Australian Energy Market Operator representing Victoria in its planning capacity under the National Energy Law and Transgrid representing NSW have published a [Consultation Report](#) on 23 February 2023 outlining the analysis of alternate options for the Victoria to New South Wales Interconnector West (VNI West), including its connection with Western Renewables Link (WRL).

VNI West is a proposed new high capacity 500 kilovolt (kV) double-circuit overhead transmission line between Victoria and New South Wales. The project will help maintain system security and reliability for energy users, by increasing the capacity to share electricity across the National Electricity Market (NEM).

The VNI West project is one of four key projects supported in Victoria under the Australian Government’s Rewiring the Nation Plan which seeks to fast-track renewable energy development. Other projects supported under the initiative include acceleration of offshore wind development in Victoria; concessional financing within Renewable Energy Zones; and shared equity in the interconnector between Tasmania and Victoria (Marinus Link).

Initially proposed to connect to WRL via a terminal station at Mount Prospect near Ballarat, AEMO’s consultation report identifies a new preferred alignment for the connection of WRL to VNI-West recommending Option 5, a connection to Bulgana including a new terminal station and a 500 kilovolt (kV) transmission line coming right through the heart of our shire from the south at Bulgana to north of St Arnaud.

Figure 37 Summary of Option 5



VNI West Consultation Report – Options Assessment – Summary of Option 5 Page 93.

The release of the consultation report followed a Ministerial [NEVA Order](#) issued on 20 February 2023 by the Hon. Lily D’Ambrosio, Minister for Minister for Energy and Resources under the *National Electricity (Victoria) Act 2005*. The NEVA order pertains to both the VNI West and WRL transmission projects.

The Order identifies that its intention is to authorise AEMO to undertake early works that potentially accelerate VNI West and associated transmission infrastructure to provide strategic protection against the risk of early retirement of coal generation facilities, where sufficient replacement of dispatchable capacity may not otherwise be available in the electricity system.

This includes AEMO working to undertake spring surveys as part of the planning and environmental approval process for VNI West from the third quarter of 2023. Native flora and fauna assessments can only be embarked upon during spring, which is the key factor driving the Government's objective to accelerate the project. Otherwise, this work is delayed until spring 2024.

### **3. Consultation**

Council was approached by the St Arnaud branch of the Victorian Farmers Federation in early March 2023 to co-host a community information forum on the proposed Option 5 VNI-West alignment.

The purpose of the forum was to get information out to landowners about the project impact and potential benefits. Given the AEMO submission deadline of 5 April 2023, the VFF were concerned that landowners had little opportunity to consider the key issues and respond to the report.

Key speakers organised for the night included:

- Charles Everist, VFF Head of Policy will outline the VFF's position on the proposal and right of access to property, right of refusal and biosecurity matters.
- Alistair Parker, Chief Executive Officer of VicGrid, to explain the process for developing transmission infrastructure and to respond directly to landowner concerns.

More than 160 people attended the community forum in St Arnaud on 21 March 2023.

At the meeting, the Mayor of Northern Grampians Shire Council presented a number of key issues and concerns that needed to be responded to in order to empower landowners with information that will help inform decisions about the proposed transmission infrastructure.

Apart from the issues themselves, the other main theme of the evening was concern around AEMO's engagement process and timeframe.

The engagement and the level of information provided has not been designed in a way that is perceived by the community as either being deliberative or informative. Without meaningful stakeholder engagement and the consideration of local factors at this initial phase of the process, obtaining social licence from the community has become far more challenging as the future stages of the project commence.

### **4. Key Landowner Issues and questions**

At the transmission forum, the Victorian Farmers Federation representatives and members of the community within the VNI West area of interest highlighted a number of key issues and concerns about the co-existence of transmission and agriculture.

Also in attendance were representatives of the communities within the Western Renewables Link corridor who shared their experience and the impact of transmission on farm enterprises and the wider community.

While the majority of the issues raised by the community are centred around landowner property rights, lease payments, compensation and the impact on farm operations, there are considerations that sit under those. It is therefore critical that these matters are answered or addressed as a priority.

**Landowner rights:** right of access to property, landowners right of refusal, compulsory acquisition, landowner cooperation and consent.

With the poultry and livestock market moving to free range and open production, this has created opportunities for new markets in rural Victoria, where biosecurity risks and disease prevention can be better managed. Risk mitigation of farm biosecurity due to construction and maintenance access, must be a key focus within transmission construction and operation safeguards. This can include issues as simple as failing to close gates at properties to transparency around construction and maintenance activity that deploys chemicals on site to enable producers to issue accurate vendor declarations. Carelessness in this area can have a substantial impact and in extreme cases, biosecurity breaches can result in irreversible consequences with farm businesses becoming unviable.

These issues need to be addressed by delivering an enforceable land access code with legislative teeth that delivers stronger landowner safeguards.

**Fair and equitable landowner payments and compensation:** compensation for farm enterprise value loss, lease payments, and adjacent landowner compensation.

While there is a framework in place that enables landowners to negotiate the level of compensation based on the level of financial harm, it is a zero-sum game in present value terms, not taking into account forgone future production. In addition, landowners are seeking clarification of the process for appointing independent valuers, how valuations are arrived at, whether they take into account agricultural, environmental, tourism, social and community value and landowner rights to obtain their own valuations and what avenues are available to negotiate.

Other factors not considered by this framework in terms of financial harm for properties that host transmission infrastructure are a purported 40-50% downgrade in land value by banks and financial institutions; and landowner difficulty obtaining insurance of property and machinery due to elevated risk. Valuation and insurance risk has a material impact on the ability of a farm enterprise to obtain finance to invest and grow. Landowners also need assurances that they do not carry liability and risk due to accidental damage of transmission infrastructure hosted on their properties.

The regulatory impact assessment for the project is driven by economic rationalism to maximise the benefit to end consumers in terms of cheaper energy, but it does not fully factor in landowner, environmental and community impacts.

The issue of the \$8,000 landowner payment was raised. Landowners don't see this as compensation but a lease payment. However, as it is proposed this payment will end after 25 years, at which point the transmission infrastructure will be operated rent free and become an intergenerational burden for landowners.

There are no mandated requirements for transmission to deliver a windfall benefit to landowners with the landowner payment value vastly disproportionate to the total project cost and the commercial profits the infrastructure and associated development will deliver for transmission, distribution and generation companies.

**Minimised impact to farming:** local farmers are extremely concerned about the impact to existing farm operations on land that hosts transmission. These relate to the impact of a large easement that effectively cuts a swathe right through properties and to what extent that it may prohibit activity on the easement and divide farm enterprises.

Landowners are seeking clarification on the direct impact on farming practices, machinery operation, vehicle clearances, and restrictions adjacent to, under and on transmission easements. The issues in the table below require a response and detailed explanation:

<b>Farm Machinery and Equipment Operation Under Transmission</b>				
<b>Farming Activity</b>	<b>Yes</b>	<b>Yes, but with restrictions</b>	<b>Not Permitted</b>	<b>Explanation</b>
Grain shifting augers				
Boom sprayers				
Seeders				
Harvesters				
Aircraft spraying				
Drone operation				
Autonomous vehicles				
Irrigation				
Private firefighting units				
<b>Crop Farming and Livestock Under Transmission</b>				
<b>Farming Activity</b>	<b>Yes</b>	<b>Yes, but with restrictions</b>	<b>Not Permitted</b>	<b>Explanation</b>
Broadacre cropping				
Orchards				
Livestock				
<b>Farm Infrastructure Under Transmission</b>				
<b>Farming Activity</b>	<b>Yes</b>	<b>Yes, but with restrictions</b>	<b>Not Permitted</b>	<b>Explanation</b>
Farms sheds				
Silos				
Paddock fencing				
Stubble burning				

Transmission easement guidelines, permitted activities and exclusions are different between states. Depending on the answers above, are there risks that this will change via reform to deliver a consistent framework for the national transmission network?

Where farming activity and machinery operation can co-exist on transmission easements, are there permit requirements? what is the permit cost? what are the permit assessment timeframes? Are permits easy to obtain? and do permits need to be reissued if licensed machinery is replaced (i.e., is a new permit issued to allow use of a replacement header)?

Landowners have identified that they have invested in a number of smart farming technologies, such as weather and soil sensors and GPS mapping. Are these technologies impacted by electromagnetic interference, and is there compensation available to replace with comparable and compatible technologies?

## **Emergency Management and Community Safety**

Rural communities in Victoria, all too frequently live with the cost of bushfires and floods. Landowners and emergency management agencies regularly need to conduct burn offs of grass, stubble weeds and undergrowth.

Many farmers are CFA volunteers and have the training and capability to manage incidents such as machinery fires with private firefighting units. An important part of rural Victoria bushfire response is the deployment of aerial firefighting appliances. Landowners require reassurance, that bushfire response can continue to be managed safely under transmission lines and across easements.

Landowners have also raised concerns about reports of electrical tracking through dust, where the combination of dust and moisture provides a conductive layer for current to flow.

Power distribution networks in Victoria now operate with Rapid Earth Fault Current Limiters (REFCLs). These respond by reducing the fault current almost instantaneously once an earth fault is detected and have become an important part of reducing bushfire caused by powerline infrastructure falling or coming into contact with vegetation and wildlife. What safety controls are in place to mitigate against concerns of fire risk related to transmission in host communities?

## **Confirmation of the transmission corridor**

A strategic land use assessment must be conducted immediately to identify where transmission is more suitable and where are the no go zones. This should happen much earlier in the process. In seeking to define the transmission corridor, project planners must engage with and take into consideration the views of landowners as the key priority over infrastructure cost.

Where there is opportunity to divert the trajectory of the line to avoid unnecessary impact on existing land use and amenity, this must be the first priority in negotiating with communities in good faith to establish social licence.

The community is strongly of the view that underground transmission is being ruled out due to cost. If underground high voltage transmission and highway easements are not technically feasible, this must be explained clearly to the community.

## **Support and respect for communities**

It should not be underestimated the impact of constructing major infrastructure in rural communities can have in changing the local landscape and community amenity. Consideration of minimum setbacks from residential dwellings, Aboriginal cultural heritage, community and tourism infrastructure is essential. Communities also seek information about decommissioning of energy infrastructure and guarantees that at end of life, properties will be rehabilitated to the state at which they were found.

The visual impact of transmission on the local landscape will be significant, in the terms of overhead transmission, to what extent are tubular steel poles considered as a viable alternative to lattice towers? Council would also welcome consideration of coatings that reduce glare and the visual contrast of transmission towers on the landscape.

While agriculture is a major driver of the local economy, farming families are also the backbone of our community through the generational connection of families who live and work here and participate or volunteer at our sporting clubs, community groups and emergency services.

Unlike other small businesses, the farm enterprise is also the family home, and for many the association with the property is generational. The stress substantial change and upheaval can cause in these circumstances should not be underestimated in terms of its impact on the mental health and wellbeing of farming families.

## **5. Conclusion**

Northern Grampians Shire Council have established an online transmission forum which aims to bring together local landowners, representatives organisations such as the Victorian Farmers Federation, and government agencies such as AEMO and VicGrid. The forum will continue as a regular online meeting to ensure a free flow of information. As it evolves, we will invite other stakeholders, including key businesses and economic development organisations.

While this initiative has been positive, this has been initiated by Council. As development of the new energy market and renewable energy sector is accelerating, it would be beneficial that there be government agency equipped to be a one-stop-shop that is able to respond directly to technical questions, and concerns of landowners. The inability to deliver information clearly, comprehensively and quickly will be a major factor in jeopardising these major infrastructure projects from being able to establish social license in host communities.

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