



WESTERN POWER 330kV MID-WEST AUGMENTATION

SUBMISSION

To

Economic Regulation Authority

Prepared by:-

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Background

The Western Australian Farmers Federation (Inc) (WAFarmers) is WA's largest and most influential rural lobby and service organisation.

WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers and beekeepers.

It is estimated that collectively our members are major contributors to the \$5.6 billion gross value of production (2005/06 – ABS, WA Agri-Food Industry Outlook – December 2006) that agriculture in its various forms contributes to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Introduction

WAFarmers welcomes the opportunity to provide comment on the ERA *Issues Paper on the Regulatory Test for a 330kV Transmission Line and Associated Works in the Mid-West Region of Western Australia*.

WAFarmers recognises that population growth in major regional centres places increasing demands on existing power supplies and upgraded infrastructure is required to meet this demand. In the majority of cases, smaller communities stand to benefit from the improved infrastructure.

Accordingly, WAFarmers is not opposed to Western Power's stated objective "to overcome network constraints and maintain system reliability in the face of forecast increases in load in the region and to meet demands for connection of generation." However, **WAFarmers is opposed to the methods undertaken by Western Power in determining the transmission line corridor and the impact the chosen corridor will have on farmers whose productive agricultural land falls within the boundaries of the corridor.**

For far too long, farmers have carried the burden of public good expectations across a range of issues without adequate financial recognition for doing so. The State government is proficient at paying lip service to WAFarmers regular lobbying on this matter without delivering any realistic outcomes.

The most obvious example of this burden can be found in land clearing restrictions and the associated legislative regime. Whilst farmers are effectively banned from clearing land on their properties thereby being denied opportunities to improve productivity and viability, any amount of clearing is undertaken to expand the urban sprawl of metropolitan Perth.



In meeting the public good expectation of preserving native vegetation, farmers are denied access to compensation in recognition of their environmental stewardship, instead often having to absorb additional costs in protecting native vegetation on their properties.

Further, less obvious examples of increasing public good expectations on farmers can be found in the selection of high voltage transmission lines in regional WA. Farmers are seen to be soft options in route selection as the government's agency, Western Power has the legislative firepower of "compulsory acquisition" to fall back on if farmers refuse to negotiate the inequitable once off payment to compensate for a significant easement on their property which has major impacts on future land use by the farmer.

In the majority of cases, alternative transmission line routes are available through government owned land, particularly unallocated crown land yet the government places a higher value on the preservation of native vegetation (which will regenerate after being disturbed) than it does on (fairly) compensating farmers for the permanent loss of productive capacity.

THE ISSUES PAPER

WAFarmers notes the broad scope of the ERA issues paper however, this submission will not attempt to address the technical aspects of the issues paper.

Submission content has relied heavily on input from WAFarmers members in the areas in the near vicinity of the proposed transmission line, including several whose farms are within the proposed corridor and are also members of the Midwest Powerline Action Group.

WAFarmers is aware that the ERA has met with Action Group members in Perth and travelled to the region to view the proposed corridor and alternatives and again met with stakeholders. The ERA is to be commended for conducting this level of consultation.

The Action Group will also be contributing a submission to this Inquiry and WAFarmers fully supports their submission.

The adequacy of consultation undertaken by Western Power

The majority of WAFarmers members are owner operators of their farming enterprises. Economic circumstances have seen farming operations rationalised over time to the point where outside labour is engaged on a seasonal basis e.g. seeding, harvesting, shearing. These circumstances place immense pressure of a farming family's time and time off the farm often equates to lost income. Therefore, farmers carefully prioritise time away from the farm.



In general, Western Power have undertaken a sound consultative process in relation to advertising workshops, however, it is apparent that the content of the material was insufficiently detailed at the property level to attract many farmers.

The initial information sessions were also conducted during late 2006 and early 2007 when farmers in the mid western grain belt are extremely busy harvesting, on post harvest holidays and organising children for the new school year. To reinforce this point, WAFarmers internal Council and Zone meetings are not set between December and March for the aforementioned reasons. WAFarmers also understands that while Western Power undertook a personal mail out to farmers, many did not receive any advice of the workshops.

Initial stakeholder meetings were also held in coastal towns (Moonyoonooka, Dongara and Eneabba) which impacted on the priority allocated to attending the workshops by farmers who now find themselves within the proposed corridor.

The formation of the Mid-West Powerline Action Group has provided a local focus for Western Power's ongoing consultations and WAFarmers is fully supportive of this process along with the appointment of an agricultural consultant to work with the Action Group to investigate and report on landowner concerns.

The identification of “alternative options” to the proposed transmission line in overcoming constraints in the electricity system

There is no doubt that Western Power identified “alternative options”. The question posed by WAFarmers is how thoroughly and impartially did they consider them before selecting the preferred corridor?

WAFarmers believes that a more direct route has not been considered because it will traverse Government owned land and the environmental approval process will be more expensive and time consuming than the preferred option.

This situation is totally unacceptable to WAFarmers as a precedent has been set in the construction of the Bunbury to Busselton transmission line several years ago where a portion of the transmission line traversed Government owned land. Compensation was paid to the then Department of Conservation and Land Management at a considerably higher rate than was paid to farmers.

There has been no evidence to support Western Power's claim of advice from the Department of Environment and Conservation that a transmission line is not a compatible use for a nature reserve.

Targeting farmers as “soft options” with the threat of compulsory acquisition as an expedient solution to progress the augmentation project as opposed to full transparency in the assessment of all corridor options is clearly inequitable.



WAFarmers also understands that if native vegetation on Government owned land is to be disturbed, it is rolled over as opposed to cleared and with its root system intact will regenerate in a relatively short period of time. The impact on farm land is permanent and loss of income irretrievable. In addition, farmers are still required to pay rates on the affected land, manage weeds and accept a biosecurity risk during construction and subsequently as maintenance works are undertaken by Western Power contractors.

Certified Quality Assurance and Environmental Management Systems accreditations will also be impacted during construction and subsequent maintenance works.

Another issue which requires further investigation is the impact of the proposed transmission line on farm insurance policies in the event of accidental collision of farm machinery with transmission line infrastructure.

The assessment of the relative net benefits of Western Power's proposed transmission line and alternative options.

As indicated in the Issues Paper (75), Western Power has claimed confidentiality over the cost estimates for the proposed transmission line and alternative options. Of equal frustration to WAFarmers is that when pressed on issues of public good expectations, compensation and equity, Western Power hide behind the legislative provision of compulsory acquisition.

WAFarmers support the proposal in the Issues Paper (76) that all relevant costs may not have been taken into account in Western Power's proposal and encourages the ERA to fully investigate this omission.

WAFarmers understands that farmers with wind turbines on their land constructed by private enterprise power generators are paid an annual lease payment of between \$5,000 and \$10,000 per turbine. Due to Western Power's confidentiality claims and individual landowner negotiations, WAFarmers is unable to obtain an indication of the \$ value of "one off" compensation payment to farmers within the preferred corridor, however, being based on conservative Valuer General criteria, the amount would be minimal in comparison with private enterprise arrangements.

The impact of the proposed transmission line on GPS systems now employed in many farming systems is not fully defined and WAFarmers notes that Western Power is investigating this issue. Transmission line towers and power lines will also impact on aerial spraying operations which are common in the mid-west grain belt.

CONCLUSION

A constant criticism of the Western Power process to identify the transmission line corridor is the lack of consideration of the ongoing economic impact on farmers of having a transmission line traverse their properties.



Midwest Powerline Action Group members have estimated that the economic impact per annum of the proposed transmission line on farm land is in the vicinity of \$4,200 per kilometre of transmission line. The Action Group's submission should contain detail on the calculation of this figure.

This factor combined with the inadequate compensation provided under current legislation is clear reinforcement of farmers again being forced to carry the burden of public good expectation referred to in the introduction to this submission.

WAFarmers is meeting with the Minister for Energy in the New Year to seek a legislative review to introduce some equity into this issue, however, in the interim recommends that the ERA not support Western Powers current proposal for the Mid-West Augmentation.

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