MIDWEST POWERLINE ACTION GROUP

Ms Karen Tilsed
A/Manager Projects
Electricity Access
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Dear Ms Tilsed

SUBMISSION RE: WESTERN POWER'S PROPOSED 330kV MID WEST AUGMENTATION

Thank you for the opportunity to make a submission regarding Western Power's proposed 330kV augmentation in the Mid West region.

The **Midwest Powerline Action Group** (MPAG) was formed at a public meeting of concerned private landholders before the final line route decision was made.
Three main areas were ratified by that meeting:

1. The process used by WPC to determine a possible line route did not consider the impacts on agricultural land and its uses enough, as opposed to other stakeholders.

2. A direct route through mainly Unallocated Crown Land should be pursued as the most cost effective option to the wider community.

3. Any private landholder affected by the final route should be compensated adequately. This means ongoing compensation for the loss of annual production and other impacts the line route has on their particular business.

   Note: The agricultural land potentially affected by the proposed route is considered by ABARE to be some of the highest dry land production land in Australia.

Our submission specifically relates to the Eneabba to Moonyoonooka section of the proposed transmission line and is made on behalf of the landholders affected by the proposed line route.

We would like to address the following matters:

1. **The consultation process**
2. **Alternative routes**
3. **Additional cost of longer route**
4. **Effects of compensation on relative net benefits**
5. **Conclusion**

We have tried to be as concise as possible but the amount of information we have to support our submission makes it difficult to provide a brief comment on each matter. Our comments on the five matters are attached.

We have included references from the *"Final Corridor Selection Report"* compiled by Sinclair Knight Merz (SKM), the consultants commissioned by Western Power to undertake the corridor selection process; and Western Power (WPC).

This 336 page document takes the form of three volumes:

1) *Volume 1 Main Report* 2) *Volume 2 Appendices A – H* 3) *Volume 2 Appendices L - N*

If you have any queries about this submission, please contact:

Clancy Michael
Phone: (08) 9928 1115
Email: michaelcj@bbsat.com.au

On behalf of the Midwest Powerline Action Group, thank you again for the opportunity to comment.

Yours sincerely

Clancy Michael
Spokesperson
Midwest Powerline Action Group

16 November 2007

Attachments

1. Matters 1. To 5.
2. Loss of Production Cost Estimates
3. Photo of Unallocated Crown Land, Mt Adams Rd, Irwin Shire.

1.0 THE CONSULTATION PROCESS

WPC undertook a public consultation process called "community" consultation which started in November 2006. They engaged many stakeholders in the process.

1.1 Key stakeholders

- Key stakeholders were identified as local government, regional business development and industry bodies, government agencies, utilities, power generators, gas and mineral companies, land management groups, media, members of parliament, native title claimants and other indigenous councils.

- There are a total of 81 groups listed and for many of these groups the names of their primary contacts are also listed. (Vol 2 App A – H Sect.A, P.33 – 39)

1.1.1 Communication to stakeholders

- Was very direct and individualized.

- Included one to one briefings, key utilities discussions, and invitations to more than one workshop, along with newsletters. There is a whole section containing correspondence between SKM and key stakeholders in the Final Report. (Vol 2 App A – H Sect.D)

- One to one briefings involved members of the project team meeting key stakeholders face to face, or if not possible, by phone or teleconference; including a very complex consultation process for the matter of native title and indigenous affairs. (Vol 2 App A – H Sect.F)

1.1.2 Data acquisition

- Extensive professional consultation and input through research assessments, impact studies and datasets sourced or provided for many key stakeholder areas.

1.2 Other Stakeholders

- The largest group of stakeholders to be impacted by this major augmentation, the landholders on whose land the line would be built, are listed as "Other stakeholders to be investigated further for the Sustainability Assessment Workshop" in a small box at the bottom. (Vol 2 App A – H Sect.A, P.39)

- The words "farmers" or "agricultural enterprises" are not mentioned at all even though WPC knew the majority of the landholdings in the Mid West are owned and operated by broadacre farmers.

1.2.1 Communication to landholders

- Was not consistent, often not completely factual and lacked detail.

- 1st Newsletter Nov.2006

  - Many did not receive it, were considered outside of 'original' corridor options (only 3 original corridor options at beginning, later became 16 corridor options after Feb/Mar 2007 workshops)
  - Map showing "area of interest" too simple. The broad Mid West region map did not specify enough detailed areas of interest so individuals away from a possible direct route would have assumed no direct effect on them.
  - Map did not show existing and proposed substations
  - Map did not show proposed corridors even though WPC had already identified 3 initial transmission line corridor options and some deviations (WPC used these corridor options to identify property owners for newsletter mail outs. P.61 Main Report)
  - Examples used in newsletter wording may mislead farmers to think that land of "high agricultural value" was going to be avoided.
  - Some of the terminology may 'lull' farmers into thinking that their interests were to be taken equally into consideration. This is pertinent in view of the consideration that WPC appears to have generally assumed use of farming land for the position of the powerline above all else.

    E.g. Newsletter 1 Page 2:

    "Phase 1: Collection and review of environmental, social and economic information. E.g. find out the locations of land of high agricultural value within the area of interest?"

"Phase 2: Identify the criteria (i.e. the design parameters used in phase 3). E.g. how far should the transmission line be sited from land of high agricultural value?" (Vol 2 App I – N Sect.N)

- 2nd Newsletter Feb.2007

    - First information that many landholders received
    - No map included
    - Inadequate information for the community in the area of interest
    - Advertised the community workshop

- 3rd newsletter Apr. 2007

    - More affected landholders received this newsletter as more were now aware they'd potentially be affected and followed up to make sure they received information
    - First newsletter after community workshops held
    - First newsletter to show map of original corridor options and position of substations

- 4th newsletter Jul. 2007

    - Announcing final corridor selection
    - Showed most detailed map to date
    - Mentioned issues relating to powerlines and farming operations

(Newsletters 1- 3 are in Vol 2 App I – N Sect.N)

- No one to one briefings organized by the project team – no face to face meetings, phone calls or teleconferences. Generally landholders were making the phone calls and initiating the face to face meetings with the local field officer because very few knew what was going on.

1.2.2 Data acquisition

- No professional agricultural consultation or input through research assessments or economical impact studies were sourced or provided, with only a soil mapping dataset provided by DAF. The information on the impacts on agriculture was nonspecific and generic. A lack of understanding of the economic impacts was clearly evident.

1.3 Releasing Information

- No early public information sessions were held separately and well before the community workshop to introduce an overview of the project to people in the area of interest. Information boards were on display at the community workshop but there was no mention of "information session" on the 2nd newsletter to landowners advertising the workshop dates, contrary to what WPC have said. (Vol 2 App L – N Sect.N)

- Amount and type of information presented to landholders was vague and non-detailed. In fact, most communications, including workshops, were controlled. It is questionable that any participant knew much more at the end of any workshop/communication than at the start.

- If early public information sessions had been held then information about possible corridor routes could have spread by "word of mouth" (bush telegraph) between those potentially affected landholders who attended and those unable to attend – a very good tool to use if you want information spread quickly in country areas.

  This would have achieved a higher attendance rate at the community workshop and, as a result, a more acceptable level of statistical feedback than has been used to form the final result. WPC chose not to use this method even though they are well aware of the efficiency of the bush telegraph.

- The WPC website has been equally controlled in its release of information and has been extremely limiting at times with information taking a while to be posted. There is a whole section of the Final Report (Final Report was released to landholders at end of July) that is still not available. (Vol 2 App A – H Sect.G.2) (Main Report P.122)

- In summary, WPC was limiting the information available to broadacre farmers as evidenced by:

  - The slow and vague release of information at the beginning and the lack of introductory public sessions

  - The difficulty of obtaining specific and direct answers from WPC or SKM personnel

  - Information that was potentially misleading and lacked detail

1.4 Awareness of Formal Processes

- A brief comment on general public awareness of the formal processes attached to government projects of this nature: Unless members of the communities involved in such a project had either experienced these formal processes before, or had some involvement in organizations that had similar experiences then knowledge of the due process is limited or non-existent.

- WPC assumed that generally the communities potentially involved in the proposed transmission line would more than likely be unaware of the many and varied formal processes that form part of a project such as this, and how to go about accessing the necessary information and participating in these processes.

- Part of the public consultation process required by the Access Code Section 9.16(c) involved an "Invitation for Submissions", published on 22 March 2007.

  Consultation with landholders was still in progress at that time and the final 16 corridor options had either not been finalized or not released publicly. To the best of our knowledge, no landholders were aware or were made aware by Western Power, of the availability of the public submission process through the ERA in March/April. Many landholders were still unaware that they were potentially affected by the proposed transmission line, let alone take up the opportunity of entering the early submission process.
  In September 2007 Western Power provided a loose awareness that a submission can be lodged with the ERA.
  (WPC Response to Community Issues Aug 2007)

- It is also noted in Western Power's Submission to the Economic Regulation Authority, dated 2 October 2007, that *"To improve community awareness and to encourage stakeholder submissions, Western Power went beyond the requirements of the code by holding a public forum…."* This was held at the Perth Town Hall on 4 April 2007 where submission documents were handed out.
  On 4 April 2007 the same would apply again where many landholders were unaware of potential involvement, let alone attend a public forum in Perth 400 kms away. The public forum was not advertised in either of the first two newsletters - the first form of communication that landholders received.

1.5 Workshops

All the workshops were conducted by WPC, SKM and community consultation specialists Estill & Associates.

1.5.1 Design Parameter Workshop

- This workshop took place in December 2006, was for key stakeholders and by invitation only. The same workshop was held in Geraldton, Dongara and Perth to introduce the project to key stakeholders, determine impacts and constraints, and select parameters to use in the analysis process.

- Total of 35 attendees at the three workshops, including representatives from Local government, government agencies, and conservation and industry groups. Out of the total of 35, agriculture was represented by 2 bona fide attendees.

- Issues and impacts on agriculture were raised and recorded (Vol 2 App A – H Sect.E, P.21)

1.5.2 Community Workshop

- Most landholders had only one opportunity to "participate in community consultation" - a community workshop. The same workshop was held in Moonyoonooka, Dongara and Eneabba. The positions of these towns together with WPC's previous "straight line" policies (and without being told that this project would be any different) prompted many property owners to think line placement was in these areas. There was no community workshop in Mingenew yet unbeknown to many landholders, one of the original corridor options passed within 6 kms of the Mingenew townsite.

- Attendance at one of the workshops involved:

  - A pre-designated seating plan where participants from specific areas of interest were not placed together but were distributed amongst all the tables.

  - A generalized questionnaire asking attendees to rate a series of sustainability principles and community priorities.

  - A mapping session where attendees looked at pre-determined corridor options and made comments on them.

- Issues and impacts on agriculture were raised and recorded (Vol 2 App A – H Sect.G.3, G.4) (Main Report P.133 – 135)

- WPC sent out over 900 invitations. A total of 138 attended the three workshops. Of this number, only 110 attendees completed the Sustainability Principles feedback sheets. Also out of the total of 138 attendees, 55 made up couples or families from one enterprise.

- There was a notable absence of farmers and predominance of non-agricultural attendees including representatives from Local Government, Govt agencies, industry and conservation groups.
  Did WPC/SKM not notice this imbalance, considering that the three original proposed corridors and deviations all went through agricultural land?

- Also notable that after the community workshop and prior to the final corridor selection announcement, any extra meetings held between landholders and WPC local field officer were mostly initiated by landholders, not by WPC.
  The field officer took few, if any, notes; and no SKM personnel were present to include information discussed at these meetings into the consultation process.

1.5.3 Verification Workshop

- Final of the three "workshop" phases: to comment and discuss the sustainability assessment scoring prior to the final analysis. By invitation only, total of 16 invited attendees, 4 landholders attended uninvited.

- Each workshop was for specific sustainability perspective i.e. one for **Environmental**, one for **Social**, one for **Economic & Technical** combined. Each perspective rated separately, no rating between or against each perspective. Social workshop attendees were predominantly landholders.

- Issues and impacts on agriculture were raised and recorded (Vol 2 App I – N Sect.K.3, P.4 – 9)

- An **Agricultural Impact Study** was requested for all corridors prior to the final decision because of the lack of agricultural information on which to make a fair and informed decision. An Agricultural Impact Study would enable landholders to substantiate the issues and the large annual cost burden involved with having these structures, particularly in cropping operations.

- Note: Only now are WPC undertaking an agricultural impact study after the corridor selection decision has been made. The agricultural consultancy Planfarm has been contracted to carry out the study which began in October 2007 – 11 months after data collection from key stakeholders began; and 4 months after the final corridor result was announced.

- A "level of confidence"(low, medium or high) was given to each sustainability principle. This varied depending on the amount or accuracy of baseline information or specialist knowledge available for the assessment process.
  So the aspect that encompassed impacts on agriculture ("Local industry/agriculture') rated LOW due to lack of data.

1.5.4 Agricultural Input at Workshops

- At all workshops it was made abundantly clear by farming attendees wherever possible, that there are major operational and economical impacts from a powerline of this magnitude on modern cropping enterprises. WPC continually dismissed the enormity of these impacts, choosing to say that "these issues will be addressed at line route selection stage".

  WPC's poor understanding of modern cropping practices is reflected in the consultation process though they extensively researched all other stakeholder areas.

  At no time before or during the corridor selection process, was an Agricultural Impact Study done, even though the resultant information would have been vital to the line route selection process. ONLY after the final line route was selected was a study commissioned and only on that selected route.

After a Midwest Powerline Action Group presentation to the Minister for Energy the Hon. Fran Logan, the Minister directed WPC to do an Agricultural Impact Study on another route option; however these results are still to be presented.

An Agricultural Impact Study should include the following operational, technical and general issues and been completed prior to the corridor selection process:

- Operational difficulties and costs with modern cropping machinery, time loss and hazards associated with negotiating these structures with machinery up to 36 metres wide.
- Operational restrictions to aerial spraying and its hazards.
- Production losses on various cropping systems.
- Precision Agriculture Systems restrictions and limitations. Future non-operator, GPS controlled systems included.
- Insurance and liability issues.
- Biosecurity and Integrated Weed Management.
- Quality Assurance Systems and EMS (Environmental Management Systems) now and impact also onto future production systems.
- Farm management and access restrictions.
- Soil amelioration and construction issues.
- Legal responsibilities of the easement restrictions and the line route.
- Occupational Health & Safety impacts and who is responsible.
- Land use restrictions and land value depreciation.

- It was also outlined clearly that the further away from the coast, the greater the impact on cropping operations.
- Livestock operations are impacted to a lesser degree.

1.6 The Final Result

- Two main sustainability principles involving farming scored the **highest weightings** (outside Technical aspects: rated by WPC)

1. Social/cultural perspective - "Minimize impacts on existing and potential land use" Aspect: Land use – scored 8.9

On this, WPC states that: *"A level of impacts is expected, but management of these will need to be determined during the line route stage.*

2. Economic perspective – "Avoid/reduce/mitigate impacts on agriculture/horticulture/mining/industrial operation in the region" Aspect: Local industry/agriculture – scored 8.8

On this, WPC states that*: "There is confidence in the land values provided by Western Power. However not all of the potential impacts are reflected in this data."*

And:*"At present the quantitative assessment does not take account of the impacts of the transmission line on the operation of farms and mines."*

- During the corridor selection process, weightings were determined for each sustainability principle in four main aspects: technical, social/cultural, environmental, and economic.
  The average weightings for each group are:
  Technical 6.66 Social/Cultural 6.45 Environmental 6.83 Economic 7.30
  (Vol 2 App L – N Sect L.1 Final Scoring Summary Sheet)

- Main objective of the corridor selection process as detailed to SKM by WPC upon their appointment, was to:
  "Select a transmission line corridor that will be regarded by the community, individual stakeholders and Western Power as the best overall social, environmental and economic option" (Vol 2 App A - H Sect.A, P.1)

  Why then was the **Economic** perspective removed during the final scoring process to determine the selected corridor, even though it scored the highest of all the weightings as outlined above?

  The Report states that *"as Western Power considered that given the relative closeness of the options, economic constraints were outweighed by other considerations. Finally all option scores were calculated from 'environmental' and 'social/cultural' perspectives only."* (Main Report P.188)

- "Local industry/agriculture" also removed because ALL aspects scoring a "Low level of confidence" were removed.

- Two top corridor options out of total of 16 were separated by only 0.5% in final scoring and a maximum of only 0.8% in all analyses. 3 of the top 4 corridors (with a difference in the final scoring of only 1.2% from 1st to 4th) all traverse land further to the west which is predominantly grazing.

- However Option 10 was the final corridor – an option further inland that will severely impact on prime agricultural land (over 90% of approximately 170 kms), particularly disrupting cropping operations and imposing a significant annual cost burden on each landowner.

- Incidentally, during the line route selection that has been taking place over the last few months, Option 10 has been altered considerably from the option that was part of the whole sustainability report. For example, the line route makes a significant deviation out of the corridor for over 20 kilometres and is not shown on any of the maps.

- WPC has satisfied the community consultation process as a requirement, but their loose interpretation of the consultation process results appears to have set out to achieve their own predetermined outcome, not unlike the use of statistics to substantiate any outcome. Even the peer review that was undertaken (Pope, J. and Lantzke, R. (2007) *Western Power Sustainability Assessment Peer Review,* Perth, Integral Sustainability) appears restrictive. The intent of the process appears to have deviated from any meaningful checks and balances.

1.7 Conclusion

- ALL stakeholders should have equal representation throughout the whole consultation process prior to a decision.

- ALL stakeholders should have equal opportunity to provide professional assessment and datasets throughout the whole consultation process prior to a decision.

- Without either of the above, the resultant outcome appears biased and the process potentially flawed.

- Line route options preferred by WPC should have been determined firstly then stakeholder and community workshops held to determine the weightings.

2.0 ALTERNATIVE ROUTES

2.1 Timing

- In December 2004 funds were approved for WPC's line corridor selection and in November 2006, the community consultation process started. During the consultation process, timing was considered to be *the* most important issue of all the sustainability principles, determined by WPC technical division with maximum score of 10.

- WPC have stated many times that *"if this project is not completed by the summer of 2010/2011 there is a high probability that serious power outages will occur in the region."*
  As the life of the powerline is a minimum of 50 years, the process for the line determination has to be correct for all stakeholders.

- As WPC's line route selection and approvals process began from January 2005, if the timing was that crucial, why were Department of Environment and Conservation (DEC) not approached at some stage during 2005/06 because potential corridors for the proposed transmission line from Eneabba to Moonyoonooka may need to cross Unallocated Crown Land?
  The importance of the timing of this project couldn't have only become obvious to WPC during the first half of 2007.

  From the outset it appears that at all times WPC have resisted a shorter route through Unallocated Crown Land, preferring to take a longer route through privately owned farm land but are now using the timing of the EPA approvals process as the reason.

2.2 Shorter Route

- WPC did not include the shortest route or a more direct route in the consultation process at all, not even as a "control".

- WPC's response to questions on a shorter or more direct route - "*Key issues associated with travelling in a straight line":*

  - *It will go over Eneabba townsite* - it can deviate around to the east. There is an area called the Eneabba basin (between Ocean Hill and the Brand Highway) that is already industrially, environmentally and socially compromised with marginal farming activities and no permanent population.

  - *It would be close in proximity to the Irwin townsite* – it can deviate around to the west, locally known as the eastern edge of the limestone ridge; or east, where there is a planned industrial development.

  - *It would conflict with existing infrastructure* - minor deviations could accommodate existing infrastructure on a shorter route

  - *A transmission line is not a compatible use for a nature reserve* – on the east side of Brand Hwy north of Eneabba, there is a 6591 ha nature reserve called Yardanogo approximately 20 kms south east of Dongara, and a small area of unnamed reserve surrounding a caravan park. On the west side of Brand Hwy there is an unnamed area of reserve on corner of Beekeepers Rd and Brand Hwy approximately 10kms north of Eneabba. This is NOT Beekeepers Nature Reserve which is approximately 10kms further west again and nowhere near the shorter route. A shorter route would not need to go through these nature reserves.

  - *A straight line would pass over 168 landholdings less than 40 ha in size, compared to 25 in the preferred corridor* – in the Final Report the greatest number of land titles of less than 40 ha affected by any of the 16 options was 49. WPC have obviously obtained the number of land titles of the Eneabba and Irwin townsites and added in this figure as well when, as already mentioned, deviations around these areas are available and still encompass a shorter route.

(WPC Response to Community Issues, June 2007, P.12)

2.3 Parallel Lines

- For reasons unbeknown, the original proposed corridors for the 330kV transmission line followed the 132kV transmission lines that run from Three Springs to Mungarra and Geraldton, not from Eneabba to Moonyoonooka.

- The selected corridor still parallels the 132kV lines in some areas. Some landholders under the proposed line route already have the 132kV transmission line and will now be impacted by the 330kV line when there is no apparent need for the paralleling of these lines.

2.4 Conservation Estate

- Early in the consultation process, all areas of "conservation estate" were declared as "no – go" zones. Attendees at the community workshop were told this. There was no separation between National Parks, Conservation Parks, A-Class Reserves, or Unallocated Crown Land. It was all lumped together as "conservation estate."

- MPAG understands that no formal written approach was made to DEC regarding use of vegetated areas. (An attendee question to the project team at August information session)

2.5 Unallocated Crown Land

- WPC states that *"the Mid West region of WA has been extensively cleared for agriculture"* and also quotes the EPA Position statement: *"any further reduction in native vegetation through clearing for agriculture cannot be supported."* It has been written in WPC feedback to the community that *"original vegetation in much of the region is less than 3%."*
  (WPC Response to Community Issues 1 June 2007 P.7)

  - If the proposed corridor takes a shorter route through Unallocated Crown Land, these are the "Present Vegetation Extent in WA" figures (reference: DAF website, "Native Vegetation in WA") for the shires that would be involved:

    Irwin – 47.9%, Carnamah – 38.9%, Coorow – 38.8%, Greenough – 15.0%

  - A shorter route through Unallocated Crown Land would not necessitate the need for "clearing for agriculture". WPC states that *"Adopted methods of clearing allow vegetation rootstock to remain in place."*
    (WPC Response to Community Issues 1 June 2007 P.2)

    Impacts are minimal as: - Total clearing of an easement is not necessary
    - The 'rolling vegetation' practice is adopted during construction phase
    - Regrowth is quick given the native plant rootstock remains in place

- There are large areas of Unallocated Crown Land in an area bounded by Mt Adams Rd, Tomkins Rd, Skippers Rd and Brand Hwy. These areas are flat and open; and consist of very low sandplain vegetation. The planned route of the proposed line contains many areas of 'breakaway' country, even though WPC states that *"Breakaway ridges will be avoided where possible".* (WPC Response to Community Issues Aug 2007 P.16)
  (See Photo Attachment: Unallocated Crown Land, Mt Adams Rd, Irwin Shire)

2.6 Government Land

- There is an area of land (formerly farming property) owned by the Water Authority in the north of the Irwin Shire, bounded by Allanooka Springs Rd and Mt Horner West Rd with an area of approximately 4000 ha.
  The property surrounds the Allanooka water supply and infrastructure. There is a large buffer of land around the water supply and ample room to run a transmission line down this property paying due attention to the required separation distances.

  Access to this government-owned land should be a priority before using privately owned agricultural land.

2.7 Agricultural Land vs State land

- While a transmission line of this nature will have an impact wherever it goes, there will be lesser impacts both practically and economically on areas which are predominantly livestock. With so many unresolved impacts and issues in cropping operations, the fact that a transmission line will impact grazing land to a much lesser degree should hold a greater weighting.

  "There is an increasing proportion of grazing and decreasing proportion of cropping as you go west in the 'area of interest'." (Vol 2 App I – N Sect L.2 P.7) The proposed line route is not going in predominantly grazing areas but further to the east where cropping is the dominant enterprise in most farming operations.

  This is highlighted in the "Indicative Farming Land Use" map from the Final Report (Vol 2 App I – N Sect.L.3 Fig.L2) that illustrates the position of cropping and grazing land in the area of interest, segregating farming land use into three categories: "Mostly Cropping", "More Grazing than Cropping" and "Mostly Grazing".

Using this map we have estimated the following:

- 94% of the proposed line route lies in the “Mostly Cropping” area, with the balance of 6% in Unallocated Crown Land.

- If a more direct route was used through Unallocated Crown Land: 35% would lie in the “Mostly Cropping” area, 29% would lie in the “More Grazing than Cropping” area, and 36% would lie in Unallocated Crown Land, the government owned land mentioned above and the “mostly Grazing” area.

- If the shortest route was used through Unallocated Crown Land: 20% would lie in the “Mostly Cropping” area, 27% would lie in the “More Grazing than Cropping” area, and 53% would lie in Unallocated Crown Land (also crosses nature reserve) and the “Mostly Grazing” area.

3.0 ADDITIONAL COST OF LONGER ROUTE

3.1 Shortest Distance

- The shortest distance in a direct line between Eneabba and Moonyoonooka substations is 144 kms.
  The corridor length of Option 10 is 170 kms.

3.2 Construction Cost

- Extra construction cost: 26 kms longer line, approximately $25 million more (Ref. Gary Snook MLA, Member for Moore)

3.3 Line Losses

- Transmission line losses over longer line.

3.4 Locality to Power generators

- A high scoring Technical sustainability principle was *"Ensure the transmission line is positioned close to future and existing power generators".* (Vol 2 App I – N Sect L2 Technical P.2)

  The proposed corridor option is situated approximately 26 kms from a proposed power generator therefore adding more cost to farming operations that will be impacted by connecting lines.

  A shorter route would pass in very close proximity to the proposed generator.

3.5 Taller Towers

- WPC has a standard easement condition that prohibits the landowner from *"bringing within the easement any vehicle or machinery, which together with any attachment, aerial or accessory, exceeds 4.5m in height from the natural surface of the land."* (WPC Easement Compensation Information Sheet)

  Current dimensions of cropping machinery include heights of up to 6 metres (E.g. Air seeder bar folded up in transport position)

  WPC have advised farmers that extra height will be added to each tower where necessary so that farmers comply with this easement condition. Under existing easement requirements, anything over 4.5m is NOT allowed to pass under lines.

3.6 Interference with Telstra Cable

- The positioning of the proposed line route along Burma Rd may potentially interfere with old copper telephone cabling that makes up the telephone exchange network in that area. WPC have outlined that they are undertaking tests to determine the effects of high voltage powerlines on copper cabling and if necessary, will replace the line with coaxial cable.

3.7 Infrastructure Changes

- WPC have indicated that they will bear the cost of any necessary changes to infrastructure that will be affected by the position of towers.

  E.g. The proposed line route crosses the shed complex on one property, WPC told the landowner they will relocate his shearing shed and yards, remove trees and replant elsewhere, re-fence the area, and relocate a laneway.

3.8 Crossing Existing Lines

- The proposed line route will cross existing 132kV triple lines in a minimum of six places requiring extra expense when there are alternative routes available that would only require this to occur twice.

3.9 Breakaways

- The proposed line route passes through significant breakaway areas along the length of the line. In one instance WPC have detoured around a breakaway at the extra cost of two corner towers.

3.10 River Crossing

- The proposed line route crosses at a wide area of floodplain along the Irwin River just downstream of the confluence of the Irwin and Lockier Rivers.

3.11 Annual Costs

- As already outlined, the proposed line route passes through predominantly cropping areas. Farming businesses will incur an additional annual cost burden through the disruption of normal farming activities around these structures.

- With the Agricultural Impact Study findings not due until December, we cannot include specific costs. However we are able to provide a general outline of the economic impacts and have attached our assessment of direct costs and production losses per kilometre of line.
  (See Attachment: “Loss of Production Cost Estimates for Broadacre Cropping Systems”)

- Annual costs include:

    - Increased operational costs around towers, lost efficiency, time taken to manoeuvre around towers during seeding, spreading, spraying, harvest
    - Loss of cropping area under & around towers
    - Increased input costs, overlapping of chemicals, fertilizers, seed etc
    - Extra weed management, around towers, hand spraying, areas that can’t be reached by boomspray,
    - Herbicide resistance issues to overuse of chemicals
    - Aerial spraying, managing limitations
    - Extra management costs
    - Extra Public Liability insurance required by landholder
    - Biosecurity threats and basic management and policing costs

3.12 Other Additional Costs to Landholders

- Other additional costs to landholders:

    - Long term damage to cropping country due to compaction
    - Restoration of land not back to full production capacity
    - Loss of business goodwill
    - Effects on land valuation
    - Costs of any changes to infrastructure (not covered by WPC)
    - Farm infrastructure maintenance: due to increased traffic from WPC accessing towers on private farm infrastructure
    - Impacts on planned and future land use projects
    - Occupational Health and Safety issues and responsibilities
    - Effects on Quality Assurance systems
    - Compliance with Farm Environmental Management Systems (EMS)
    - Social and visual effects of line
    - Legal responsibilities

4.0 EFFECTS OF COMPENSATION ON RELATIVE NET BENEFITS

4.1 Agricultural Impact Study

- The time constraint due to the required lodgment date of this submission precludes the use of data from the Agricultural Impact Study to be supplied by Planfarm, which will not be available until later this year. Data to date indicates that their appraisals will verify the values used in this submission.

- The consultants brief includes:

- Identify the range of impacts the transmission line will have on current farming businesses along the route.

- Assess and report on the impact of the transmission line on potential and future agricultural operations and land use along the line route.

- Provide advice to landowners affected by the transmission line, Western Power and the Valuer Generals Office.

- Investigate and report on ways that farming businesses and Western Power can minimize negative impacts and maximize positive outcomes of the transmission line.

- Investigate the lines impact on the economic value related to farm management/ operations and provide input into the easement compensation process that will be undertaken by the Valuer Generals Office.

- Investigate farm management and operational issues that are important to each landowner. This will include identifying where an issue is unique to a particular landowner or is common to all or many landowners.

- Investigate and report on appropriate means of compensation or management of negative impacts with and without regard to current legislation.

4.2 Valuation and Compensation

The issues that arise with the compensation deliberation are dependent on various provisions in the Energy Operators (Powers) Act 1979 and the Land Administration Act 1997 and in the WPC document Background Notes Acquisition of Land and Easements DMS # : 2289205v3 file # : IM/26/MI(37A)V1.

It is acknowledged that as stated in the WPC document "Easement Compensation Information Sheet" that: *"The acquiring authority can, however be considered a potential purchaser of the land."* This simply means that the Valuer General or an independent valuer agrees on land values and it is paid for accordingly.

However the following items as extracted from the "Easement Compensation Information Sheet" require interpretation and raise significant issues:

3.1 Valuation and Compensation Issues

3.1.1 Items considered by the Valuer:
- *Effect of restrictions imposed by the conditions of this easement - impact on farming activities*

- *The area of land rendered unproductive by structures and access tracks (calculated at 100% of land value)*

- *An allowance to cover the possible future additional costs of farm management such as weed control, fire control, ensuring gate security and an owners' time in liaising with WPC related to these issues and the like.*

3.3 Principles of Valuation
(c) The amount of compensation payable is therefore not necessarily limited to the market value of the land itself as determined under (a) above, nor its value to the acquiring authority: it must include all consequential losses suffered by the affected landowner as a result of the acquisition. Therefore, an amount based on the market value of the property plus an amount to cover all consequential losses, represents the value of the land to the affected landowner.

(d) Consequential losses may, according to circumstances, include matters such as:
(ii) Loss of profits due to increased working costs
(iv) Loss of growing crops and residual value of fertilizer applied to the affected land.

(Background Notes Acquisition of Land and Easements, Environment & Land Management Section – Western Power, July 2007)

4.3 Creating a Precedent

- WPC has indicated that they do not favour creating a precedent in paying compensation; consequently they favour 100% compensation under structures and a reducing ratio for the remainder of the easement. This interpretation is possibly suitable on non-arable areas and partially suitable on livestock-only enterprises as the impacts are far less severe. However the complication arises when dealing with high return cropping systems as the structures have significant long term impacts.

- Another issue is the life of the infrastructure in determining the payable compensation as applicable under *"Loss of profits due to increased working costs"* and *"An allowance to cover possible future additional costs of farm management etc."* The infrastructure life would have to be considered to be 50 years.

- The consequent increase in costs and compensation applicable to the project on high value broad acre cropping system land is significant.
  A cost increase of a minimum of $4,200/km/annum equates to $210,000/km over the 50 years,
  plus an allowance to cover possible future costs of farm management etc. of say 1 hour/week @ $100/hr for 50 years is $260,000 per farm.

- Increases in costs and inflation have not been taken into account.

4.4 Biosecurity

Past experience with 132kv lines indicates that checking gates and dealing with WPC is considerably more than 1 hour/week, in addition to which the Biosecurity and Farm Management Bill interprets that any property with a Biosecurity plan in place will impose considerably greater costs which will be passed on to WPC in order that they comply. This will require inspection and clean down of personnel, vehicles and equipment with strict entry conditions. This will be a requirement for farms to meet Quality Assurance and Environmental Management Systems programs to protect international markets for our produce.

4.5 Allowances

It is obvious that the current suite of compensation allowances is inadequate and that an access licensing system indexed to inflation would be more satisfactory, if it reflected all costs to producers.

4.6 132 kV Line Compensation

Producers impacted by both the proposed 330kV line and the current 132kV line will be offered compensation for an easement on the 132kV line. Should the interpretation of compensation be maximized, this will also add significant cost to the project as similar costs accrue to the 132kv line as they do to the 330kV line, except that the area around structures is less.

This 132kV easement compensation, depending on the final line position, could be 80kms or more, at $4,200/km/annum for 50 years adding another $16.8million to the project cost.

5.0 CONCLUSION

The Midwest Powerline Action Group would like to conclude that:

- This has not been a fair, honest and transparent process.
- It has been a rushed process with WPC taking the 'point of least resistance' i.e. the use of privately owned agricultural land in order to achieve the shortest construction time possible to meet their criteria of completion by 2010.
- The farming issues discussed in this paper are unresolved.
- Alternative options are available in the form of shorter more cost effective routes considering social, environmental, economic & technical inputs.
- The process of avoiding Unallocated Crown Land by WPC has a potential to put "neighbour vs neighbour" which cannot be measured economically but is of significant social cost to a community.
- Compensation is totally inadequate for individual private landholders affected by a community benefit project.
- The decision to proceed with the Eneabba to Moonyoonooka section should be delayed while a correct process is conducted.

The Midwest Powerline Action Group requests that the Economic Regulation Authority not support Western Power's application for the Eneabba to Moonyoonooka section of the 330kV Mid West powerline augmentation until the concerns have been addressed.

An alternative route through Unallocated Crown Land should be pursued by Western Power and formal application made to the Department of Environment and Conservation (DEC).

A delay in the decision is also supported by Parson Brinckerhoff Associates' "Technical Appraisal of Western Power's Major Augmentation Proposal for a 330kV Transmission Line & Associated Works in the Mid-West Region of Western Australia" Executive Summary:

1. Robustness of Load Forecasts

   "…..to defer the decision to proceed with a major augmentation for one to two years."

2. Comprehensiveness of Range of Alternative Options

   "….which could potentially defer the decision to augment the transmission network for 12 – 24 months."

(Parson Brinckerhoff Associates (2007) *Technical Appraisal of Western Power's Major Augmentation Proposal for a 330kV Transmission Line & Associated Works in the Mid-West Region of Western Australia*. Prepared for Economic Regulation Authority of Western Australia. Executive Summary P.1)

Midwest Powerline Action Group thanks you for the opportunity to present this submission.

Loss of Production Cost Estimates for Broadacre Cropping Systems

Assume 15m square tower, 18m airseeder, 36m boom sprayer, tower every 400m

- Area impacted by equipment on each tower is 87m by 87m = 0.75 ha
- Area effected per km 0.75 by 2.5 = 1.875 ha per km
- Yield loss by tower footprint (20 by 20 metre including buffer) @ 3.0 t/ha at $250 per tonne = $ 75 per km
- Seeding overlap effects 40% of each tower @ $120 per ha p.a of fertiliser = $90 per km
- Seeding overlap effects 40% of each tower @ $40 per ha of seed =$30 per km
- Seeding delay time per structure is 10minutes extra @ $40 per ha contract @ 18 ha per hour =$300 per km
- Fertiliser spreading delay time is 5 minutes per structure @ $12 per ha = $22.5 per km
- Harvest delay per structure is 5 minutes extra @$38 per ha contract @ 12 ha per hour =$95 per km
- Sprayer delay per structure is 8 minutes per structure $6 per ha contract @ 68 ha per hour=$136 per km
- Extra spray passes per year is 5 = $ 680 per km
- Spray overlap 50% each structure @ $140 per ha p.a herbicide costs=$175 per km
- Impact on crop yields of extra sprays, seed and fertiliser applications @30% reduction on 3t/ha crop @ $250 per tonne = $422 per km
- Impact of extra wheel tracks around each structure @ 5% yield loss = $ 70 per km
- Integrated weed management under each structure – herbicides $ 5 per litre = $50 per km
- Integrated weed management under each structure – labour/slasher $150 per hour = $187 per km
- Aerial spraying buffer caused by inability to spray foliar and insects around structures @ 30% yield loss on line at 100m buffer (10 ha per km) = $1875 per km

The total is $4207.5 per km per year.

This cost data does not include any other costs such as GPS drop outs, Insurance, Future weed resistance, OHS issues, Biosecurity and effect on equipment crossing tracks left by WP vehicles.


2007/08/14