

9 September 2022

Ms Nicola Falcon
GM Victorian Planning (Acting)
System Design
Australian Energy Market Operator Victorian Planning
Level 22 530 Collins Street
MELBOURNE VIC 3000
By email: VNIWestRITT@aemo.com.au

Dear Nicola,

Re: VICTORIA TO NSW INTERCONNECTOR WEST – REGULATORY INVESTMENT TEST FOR TRANSMISSION – PROJECT ASSESSMENT DRAFT REPORT

Thank you for the opportunity to make a submission to AEMO's VNI West Project Assessment Draft Report. Please note that Council also made a submission, dated 3 April 2020, on the VNI West Project Specification Consultation Report.

Context

Hepburn Shire is in the Central Highlands region of Victoria, about 110 kilometres north-west of Melbourne and includes the main towns of Trentham, Daylesford, Hepburn Springs, Clunes and Creswick. The Shire has a rich cultural history which began with the Dja Dja Wurrung People, the Traditional Owners, and custodians of the area. The Shire is bounded to the north by Central Goldfields and Mount Alexander shires, Macedon Ranges Shire to the east, Moorabool Shire and the City of Ballarat to the south, and Pyrenees Shire in the west.

Hepburn Shire is one of the most proactive and innovative Councils in the state regarding renewable energy. We are one of the two Councils in the state on the Z-Net pilot which is a commitment from Council in partnership with the community and business to pursue 100% renewable energy. We commenced with Z-Net around the Hepburn Wind project which provides

the local community with energy. Now we have expanded our footprint for innovation in stationary energy, transportation, agriculture, waste and wastewater and land use change.

We are including this information in our submission to stress how committed we are to renewable energy, but Council does not believe the VNI West and Western Renewables Link (WRLP) projects are quality renewables projects. Instead, these projects, especially if they proceed in the form of overhead transmission lines, are likely to have a more detrimental impact on our community (and the wider community) than benefit.

Hepburn Shire is one of the worst affected areas arising from the WRLP, with transmission lines of 500kV and 220kV proposed to traverse the shire from east to west and a terminal station on a 24ha site at Mt Prospect. The impact of this project on our shire will be doubled by the VNI West project which proposes to connect a 500kV north-south transmission line connecting the proposed Mt Prospect terminal station via Bendigo to Kerang and NSW. This infrastructure is proposed to be constructed on some of the highest value agricultural land in Australia, with Mt Prospect situated less than 15 kilometres from both Daylesford and Creswick in a rural area of high visual landscape significance. It is inconceivable how the terminal station can be proposed on Class 1 Agriculture land, the most productive land in Victoria.

At its Ordinary Council Meeting in May 2021, Council resolved:

‘That Council write to AusNet and appropriate decision-making authorities such as DELWP, the Australian Energy Market Operator, and State and Federal MP’s:

- *Urging the WVTNP (WRLP) EES process to properly consider and apply emerging technologies and construction methods that are making underground methods of power transmission a viable option.*
- *Urge the decision-making authorities to consider the wider impacts beyond the electricity market such as non-market economic, social, and environmental impacts.’*

As part of this submission on VNI West Project Assessment Draft Report, Council wants to highlight a number of considerations for your attention as it does not believe these areas have been given genuine consideration in planning and developing the WRLP, and does not want the same happening with VNI West (although it is at an earlier stage of planning):

- The necessity for the infrastructure to be placed underground
- The fire risk that will be introduced and which cannot be mitigated to zero
- The impact on prime agricultural land
- Land use planning and impact on significant heritage and cultural landscapes
- Social impact and social license within the community
- Economic impact on tourism, including the impact on the Victorian Goldfields UNESCO World Heritage bid.

Each of these concerns is explained in more detail in **Appendix 1**.

With respect to the VNI West Project Assessment Draft Report, council submits the following comments:

Consultation on the PSCR (Section 4)

Council is concerned at the comments on page 41 (4.10 Social impacts and network topology considerations) regarding submissions preferring the VNI West option described in the PSCR to avoid impacts on the high value agricultural farmland topology in north-eastern Victoria. The PADR notes further that VNI West (via Kerang) had a preferable topology and the submitters believed that it would receive more community support. Council considers too much weight may have been given to a small number of submissions (of a total of only 24) which have failed to acknowledge that the agricultural land in Hepburn Shire is some of the highest quality agricultural land in Australia, and arguably the highest quality in Victoria.

Social and Environmental Considerations (Section 5)

Council is pleased to see there are learnings about the need for early and meaningful engagement from AEMO's experience with recent RIT-T processes. However, Council's experience indicates the lack of social licence and lack of trust that has resulted from the Hepburn community's dealings with the WRLP will make it difficult to rebuild relationships for VNI-West and future projects. The decision, at an early stage of the RIT-T process, to create a terminal station junction between WRLP and VNI-West 'north of Ballarat' and no real alternative route for VNI-West is of great concern to the communities of Hepburn Shire and surrounding areas. Questions have been asked whether AEMO has used this decision to lock in the route of both projects before appropriate consultation with the community. The farmland in the Mt. Prospect area is of Class 1 Agricultural Quality, unique in Victoria with highly fertile volcanic soils suitable for horticulture. High grade potatoes are produced. The proposed siting of the terminal station and transmission lines in this area is completely inappropriate.

It is encouraging to see the discussion on pages 11 and 12 (and in 5.1.2 Lessons learnt from previous projects, p44) about AVP's reflection on recent experience and points of view from multiple stakeholder perspectives with respect to lessons learned through WRLP community and landholder engagement and other project actions.

The commitments outlined towards early engagement, involving stakeholders, being clear about engagement processes, ensuring project information is available and providing timely feedback are acknowledged and appreciated. In the early phases of VNI West project development, Council has found AVP to be proactive and willing to engage early.

The specific concerns raised by Hepburn Shire Council in Appendix 1 of this submission highlight the need to engage early with regional communities. The RIT-T process has failed communities affected by transmission projects such as the WRLP. Council supports ongoing and tailored dialogue with regional stakeholders about all existing and future transmission projects. A stronger focus on Traditional Owner engagement throughout all stages of the process is strongly recommended.

Recent Federal and State Government announcements of transmission lines being determined to hold ‘national significance’ also concerns the community and Council as to the input that community can really have on projects.

The commitment to be guided by the Energy Charter’s *Better Practice Landholder and Community Engagement Guide* is noted. The Victorian Essential Service Commission’s *Electricity Transmission Company Land Access Statement of Expectations* should also be adhered to by proponents and will be strengthened by a more formal code of practice due to be completed in 2023.

It is recommended that AVP refer to Energy Grid Alliance’s recent publication *Acquiring Social Licence for Electricity Transmission: A Best Practice Approach to Electricity Transmission Infrastructure Development* (August 2022) which advocates for the electricity market to take action to improve its efforts to acquire social licence¹. A recent report by the Australia Institute, *Renewables and regional Australia*, also provides valuable insights into community and stakeholder engagement in renewable energy projects².

On page 46 of the PADR there is reference to a land, planning and environment feasibility analysis carried out as a key step, usually not undertaken in this detail in the RIT-T process. It is stated that the analysis sought ways to minimise impact on communities and the environment while balancing key objectives of meeting the identified power system need, technical requirements, addressing cost efficiency, and constructability. However, there is no detail of this analysis provided for examination with the PADR. The constraints outlined in Table 14 in Appendix Section A.23 are provided only as a list at this point without any details. It would be helpful to stakeholders to see this early analysis presented spatially.

Council is also keen to be briefed on the desktop land, planning and environmental feasibility analysis undertaken to identify ‘no-go areas’ and avoidance measures referred to on page 12 of

¹ [Acquiring Social Licence for Electricity Transmission - Energy Grid Alliance](#)

² [P1176-Renewables-and-Rural-Australia-report-FINAL-with-Appendices-20220627.pdf \(australiainstitute.org.au\)](#)

the PADR. For early works Stage 1, we ask how a biodiversity offset strategy can be developed if no route has been determined or an Environment Effects Statement (EES) prepared that identifies biodiversity existing conditions and potential impacts? Surely the offset strategy could only be conceptual at early works stage?

Two options have been assessed (Section 6)

An ‘actionable project’ identified in the ISP has only been subject to an assessment of the potential cost to the electricity consumer and not the hidden costs of the project to every citizen (including electricity consumers) of the social and environmental impacts of the project that are assessed only at a later stage of the project. These are not able to be known and understood until an EES is prepared, which is late in the planning process. This is a fundamental flaw of the RIT-T process now widely acknowledged.

Is it only the counterfactual ‘without VNI West’ case that should be compared to the 2 assessed options? There were other potentially viable options to VNI West that were considered in the early phases of RIT-T (as outlined in Table 7 Alternative options considered by not progressed). Referring to Figure 1 Credible options assessed (page 9) we also question why a credible option is not a link between Bulgana and Kerang instead of VNI West (via Ballarat and Bendigo to Kerang). The Bulgana to Kerang corridor is likely to impact on far less properties, communities and valuable natural resources than proposed link via Bendigo.

On page 5 of the PADR (Executive Summary) the first two dot points supporting the ‘identified need’ for the VNI West project seem to contradict each other. The first aims to maintain supply reliability in Victoria following closure of coal-fired generation and decline in ageing generator reliability and the other seeks to transfer renewable energy from emerging Renewable Energy Zones between the states. It’s not apparent why Victoria would need to import energy from NSW when it could be made available from Victoria’s own extensive Renewable Energy Zones, increased battery storage and new offshore wind facilities in Gippsland and South West Victoria. Why would Victoria seek to transfer 1,930 MW to NSW via VNI West if there was a need to retain power if a Latrobe Valley power station is forced to close earlier? Interconnection

between states seems to be very costly strategy to secure supply reliability when more localised solutions are being widely advocated.

In that respect Council supports VicGrid’s proposed Victorian Transmission Investment Framework (recently subject to public consultation) that would provide a state-based regulatory regime for transmission infrastructure. This could facilitate a state network of renewable energy resources with greater use of battery storage and offshore wind energy sources together with Victoria’s already extensive wind and solar generation facilities, reducing the need for interconnection across borders.

Although it is commendable to use the ‘early works’ phase to resource engagement and consultation with the community in planning for VNI West, this seems to be contradicted by the decision under the RIT-T economic cost benefit test that identifies the project must proceed to deliver net market benefits to the NEM as a whole, in priority, before assessing how the interests of local communities that have to bear the burden of the infrastructure could be affected. At the outset AEMO and Transgrid need to be very clear with communities about on the negotiables and non-negotiables of the VNI Wet project. What changes to the project can the community reasonably be expected to influence?

Undergrounding (Section 6.4)

We question the emphatic conclusion that HVAC is the “superior technology” type for VNI West compared to HVDC and potentially underground sections of transmission line where needed. An independent assessment provided to Moorabool Shire Council by Amplitude consultants concluded the construction costs of HVDC, while higher than HVAC, are cost effective in the long run, in terms on reliability, performance and reduced social and environmental impact. Further, there are already many successful examples of HVDC underground projects overseas and in Australia that have proven their suitability and viability.

We note that potential undergrounding of sections of the Western Renewable Link in the Darley area is being seriously considered as part of that project. The potential need for undergrounding of sections near urban and more densely populated areas, and strategically important farmland, in central Victoria should not be ruled out and council will continue to advocate for its application. Further comments about Council's position on undergrounding are outlined in Appendix 1.

I trust this information will be of assistance to you. Please contact Damien Kennedy on (03) 5321 2422 if you wish to discuss this submission.

Yours sincerely,



Bradley Thomas
Chief Executive Officer

► HEPBURN SHIRE COUNCIL

ABN: 76 845 763 535
PO Box 21 Daylesford 3460
shire@hepburn.vic.gov.au
hepburn.vic.gov.au

► DAYLESFORD

76 Vincent Street
Daylesford
03 5348 2306

Corner Duke
& Albert Streets
Daylesford
03 5348 1577

► CRESWICK

68 Albert Street
Creswick
03 5345 8399

► CLUNES

The Warehouse
36 Fraser Street
Clunes
03 5345 3359

Appendix 1.

Hepburn Shire Council concerns about the Western Renewables Link and VNI West projects

The necessity for the infrastructure to be placed underground

In a report commissioned by Moorabool Shire Council, the option of underground has been explored and determined as feasible. The report “Western Victorian Transmission Project, High-Level HVDC Alternative Scoping Report” prepared by Amplitude Consultants confirms that utilizing HVDC underground cables for the WRLP is a viable, low-impact alternative to the AC overhead transmission lines currently being planned. Importantly, it also found that the underground option is significantly less than the 10 times greater as reference by the AEMO Western Victoria Renewable Integration Project Assessment Draft Report (PADR).

AusNet has estimated that the cost of HDVC was between and 17 and 24 times the cost of HVAC overhead transmission. AusNet’s assessment has been challenged by Amplitude on behalf of Moorabool Shire and it’s contended that the assumptions about HVDC and costs estimates in the AusNet are based on inaccurate information. Moorabool, Melton, Ballarat, and Hepburn councils are now waiting for further advice from AusNet on its costings of underground alternatives.

In its report, Amplitude’s key findings on undergrounding were:

- HVDC underground cables are a technically feasible alternative that is likely to be more reliable and efficient for the movement of renewable energy to major centres whilst presenting significantly reduced impact to social and environmental factors
- HVDC underground option will not be impacted by bush fires. Power does not need to be switched off during bush fires to aid firefighting, and the power transmission is highly unlikely to be disrupted due to smoke causing flashovers and potentially tripping breakers.
- HVDC underground cables provide the lowest impact solution with:
 - Little to no risk of underground cables causing fire or being affected by severe weather events.

- Little to no impact to access e.g., for emergency services and aviation operations.
- Minimal impact to private land or current land use once construction is completed as the easement could be designed to fit within existing road reserves.
- Significantly reduced impact to flora and fauna due to the possible location of the cable along roadways.
- No visual impact concerning the transmission line as the cables are buried underground.
- Equivalent or reduced visual and land-use impact from the converter station as it would be expected to occupy a relatively similar area as a typical AC terminal station with much of the equipment being housed indoors.
- No audible noise along the transmission line.
- Little to no electromagnetic field impacts.

In the cross-Council alliance, which includes Pyrenees Shire Council, City of Ballarat, Hepburn Shire Council, Moorabool Shire Council and City of Melton, we have all agreed that undergrounding of the lines is the preferred and possibly the only acceptable option. Despite the contract being awarded to AusNet for an above ground line on the WRLP, there is no reason why the scope of work of the contract shouldn't be varied by AEMO and dropped underground, and we will all continue to advocate for this preferred outcome.

Many of the other issues raised below can be addressed if the lines were undergrounded and an appropriate alignment is selected. The risk of fire would be reduced, the key vistas of our countryside and agricultural land would not be impacted through the visual blight of the towers, the community would not be as concerned about their safety and wellbeing if the transmission towers were placed underground.

Fire risk

One of the major concerns that we continue to raise regarding the WRLP is its probability to increase fire risk. Hepburn Shire has been identified as one of the highest risk municipalities of

bushfire threat in the state. We are located amongst the Wombat State Forest (with a number of settlements abutting this forest) and have expansive pastoral land which exposes us to grass and canopy fire risk. Council is responsible for emergency management planning, and we take this responsibility seriously. The harsh reality is that fire risk is already high. The community simply will not tolerate increased fire risk, and nor should they.

Work by CFA Research and Development found that climate change is increasing the frequency, severity, and timing of dangerous bushfire weather conditions in Victoria, especially in the spring and summer. They have shown on average, the fire season nowadays is starting a month earlier than it was in the 1990's. Also, at that time, there were only two-thirds the number of days that have 'very high' fire danger (those with an FFDI>25) compared to today.

In short, fire seasons are now longer and more extreme than they were a few decades ago. Models of future climate change projections show that this pattern is likely to continue – conditions will be hotter, drier and with more extreme weather events. This is expected to lead to worse fire season, including more frequent large fires (like the 2019/20 season) and more extreme fire behaviour. It is understood that these predicted changes in climate have the potential to increase the fire risk across Hepburn Shire.

Council calls for evidence in relation to the failure rate of transmission towers due to convective downbursts, tornados, and other extreme weather events. There is a well-documented history of extreme weather events in Hepburn, including tornados. The increasing risk of severe weather was recently demonstrated by the destructive storms through Daylesford and Trentham.

Council notes that six transmission towers collapsed in Cressy in January 2020 due to a convective downburst. Council insists that fire risk posed by convective downbursts (especially during summer) and other extreme weather scenarios which have the potential to damage transmission infrastructure must be fully assessed.

In addition to the actual transmission lines being a risk, fires near transmission lines are dangerous, aerial firefighting is limited, and it can cause damage to the infrastructure and interrupt electricity supply. The 2019-2020 bushfires highlighted the problems with mass evacuation of townships that arise when power is shut down. This was well documented in the

Royal Commission into National Natural Disaster Arrangements. Poor alignment decisions will not only put the community at greater risk, but also jeopardise the transmission infrastructure.

Regrettably, there are many examples and evidence where this risk has been realised across the world with major implications, including the disastrous Californian fires which were found to have been caused by transmission infrastructure. In this regard, we draw your attention to Pacific Gas & Electric's recent announcement dated 21 July 2021 where the company announced that it now intends to underground power lines in high fire risk areas to reduce fire risk and to benefit the community by avoiding the need for public safety power shutoffs.

Impact on agricultural land

Hepburn Shire Council has some of the most productive agricultural land in the state.

The Victorian Government has demonstrated its commitment to protecting the long-term future of agricultural land in Melbourne's green wedge and peri-urban areas and to develop robust planning controls with local Councils to ensure a cohesive approach to land-use planning.

Hepburn has been identified to have one of the highest quality agricultural soils in the state, particularly in the areas of Smeaton and Newlyn, this too is also where the WVTP single corridor alignment is proposed.

Please refer to image below which demonstrates the single corridor proposal traversing our prime agricultural areas. (Western Victorian Transmission Project, 2021

<https://www.westvictnp.com.au/area-of-interest/maps/single-transmission-corridor,20/07/2021>)

Central Highlands agricultural food-bowl is economically of great importance to the State of Victoria. It has access to major population centres of Ballarat, Melbourne and Geelong and employs and generates more than \$7.48 billion of gross regional product per annum as reported by Agriculture Victoria in their August 2018 document - 'Central Highlands - Invest in Victorian agriculture and food. All the land in our district has also been identified as Class 1 - the highest level of productive land in an Agricultural Land Capability Assessment also produced by Agriculture Victoria (October 2018) as part of a present DELWP study into protecting Green

Wedge and Agricultural land. This project in its current above ground form threatens the use of this land by restricting agricultural activities such as irrigation and tractor use around it.

Land use planning

The environmental effects of the WRLP cannot be assessed in isolation. The Draft EES Scope Requirements fail to require the Proponent to provide information to enable an assessment of how the project will interface with other projects, particularly current and planned projects, such as VNI West, which are intended to expand transmission capacity between NSW and Victoria. Further, it is expected that the North of Ballarat Terminal Station (now Mt Prospect) will attract co-located projects. The cumulative effect of these projects has the capacity to fundamentally change land use in the Hepburn Shire. This must be fully investigated before decisions concerning the optimal location of the North of Ballarat Terminal Station (now Mt Prospect) and the alignment of the transmission lines can be made.

This critical point above has been raised throughout this process, stressing the importance of strategically planning to ensure the appropriate placement of key infrastructure to ensure potential conflicts in land use can be avoided. Council is currently undertaking a comprehensive Planning Scheme Review which clearly articulates the importance of Significant Landscapes through an overlay, protection of critical agricultural land through local policy (this is in addition to state positions currently being developed - Planning for Melbourne's Green Wedges and Agricultural Land) and another local policy scheme inclusion being landscape protection policy.

The 'indicative' location of the terminal station is proposed to be in one of the most agriculturally valuable areas in Victoria and nationally/internationally sensitive heritage area and conflicts with the policy and overlays as specified above. The challenge regarding this proposed location is not only the sheer size of the proposed terminal station and associated infrastructure of impact such as site lighting, traffic, and associated land uses that it would attract by nature.

A site of approximately 24 hectares would impact the area significantly.

Social impact

We would like to highlight the Social Risk Analysis and the need for visibility on the strong local opposition to this project and the repeated request for undergrounding to be appropriately explored. This opposition will likely cause delivery delays and additional costs due to issues securing land access and social licence. In the past few months, we have seen examples of heightened angst within the community, with community members displaying provocative signage on their properties and even accosting workers attempting to enter their properties. This behaviour demonstrates the depth of feeling within the community on the projects impact and on the lack of genuine consultation.

The strong focus on environmental, technical, and economic assessments is missing the key social licence aspects. Without the social feasibility being analysed, a 'tick-the-box' type approach is currently being undertaken, with detrimental and long-term impacts.

We still don't believe that EES is effectively structured to consider social implications and as specified above. AusNet has, at times, lacked the 'human touch' in its community and council consultation. A Community Reference Group for the EES process walked away from the project as they didn't believe it was effective in co-sharing of information, rather more 'tokenistic' in approach.

We recommend that proponents be required to use a combination of recognised quantitative and qualitative methods to meaningfully assess potential social effects. As these elements are less clearly defined in the EES than heritage and environmental assessments, we request more detailed analysis and focus on these impacts such as:

- Potential changes to local population and demographic profile.
- Social structure and networks.
- Residential amenity and social well-being.
- Social vulnerability and differential effects on parts of the
- Community.
- Housing and social infrastructure needs.

- Perceptions of aesthetic, recreational and other social values of
- Landscape or locality.
- Attitudes to proposed development.
- Short and long-term Income loss from farming land.
- Loss of succession planning and retirement funds (that are held in land).
- Increased unemployment.
- Inability to sell land and/or heavily reduced valuation.
- Increased depression and anxiety in regional Victoria.

Hepburn Shire Council is concerned that the WLRP has already had a significant social impact and the concerns of the community have been dismissed. These concerns are both truly held and legitimate. We have never seen such a ground swell of opposition to any project, as can be seen from the tens of thousands of signs throughout the community.

Economic Impact (Tourism) and UNESCO world heritage bid

In Hepburn Shire, tourism is the second biggest contributor to the economy generating over \$300m annually. Government research confirms that the number one driver of regional tourism is the desire to take a scenic drive. The second, is the desire to experience 'diverse natural landscapes' the third is to experience nature and the fourth, fifth and six all relate to local produce and dining /drinking experiences.

In fact, the entire top ten drivers of tourism would be adversely impacted by the erection of these towers.

Work is underway on a regional tourism, community development and cultural heritage concept that has been floated since 1986 to apply for UNESCO world heritage protection for the sites of importance to the global gold rushes across our region. Last year, 13 local governments have begun progressing it, and combined funding from Regional Development Victoria and Regional Development Australia is supporting a two-year project to build the case for the UNESCO application. The specialness of this landscape and the future aspirations of the community must be accounted for early in the process. Most of the sites that are now being assessed under this

program are emergent and not listed in the State Heritage Register, therefore special consideration must be given to this.

The sites of significance currently being investigated for the UNESCO bid are directly interspersed across the area of interest for the transmission line and the proposed new terminal station area of interest. In assessing the bid, UNESCO will use two measurement pillars of Authenticity and Intactness of the sites. This creates the need to avoid certain highly valuable landscapes and cultural sites as well as the view shed impact, in order not to disrupt those areas and impact the bid process.

The community of Hepburn has raised concern that gold era heritage is now at risk due to the project which passes through well documented heritage sites. This will undermine tourism in the area. It has been estimated that the financial benefit for increased visitation to the Central Victorian Goldfields region arising from a successful bid would add an extra \$25 million per year into the economy: www.goldfieldsworldheritage.com.au .

► HEPBURN SHIRE COUNCIL

ABN: 76 845 763 535
PO Box 21 Daylesford 3460
shire@hepburn.vic.gov.au
hepburn.vic.gov.au

► DAYLESFORD

76 Vincent Street
Daylesford
03 5348 2306
Corner Duke
& Albert Streets
Daylesford
03 5348 1577

► CRESWICK

68 Albert Street
Creswick
03 5345 8399

► CLUNES

The Warehouse
36 Fraser Street
Clunes
03 5345 3359