

January 4th, 2021

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via email: VIC2021-26@aer.gov.au

**Response to Powercor Revised Proposal 2021-2026: Request to upgrade Tyrendarra,
Strathdownie Cape Bridgewater and Gorae West to three-phase power**

The purpose of this letter is to express support for upgrading single phase power to three phase infrastructure in the Tyrendarra area of South West Victoria. To achieve our regions' goals of renewable energy and water sustainability leadership, as well as to maintain and enhance our position as a world class dairy producer, we need infrastructure that supports innovation and business growth.

Our organisation represents the over 600 Victorian and Tasmanian dairy farmers who supply Fonterra Australia. We are dairy farmers representing our fellow dairy farmers, with the goal of supporting and promoting both our suppliers as well as the broader dairy industry.

Of the farmers we represent, over 170 are based in south western Victoria, with a number of these supplies to be directly and beneficially impacted by the requested upgrade.

This investment has been called for by us and by members of our community over a period spanning six years, and we are pleased to see it recommended in Infrastructure Victoria's Draft 30-year Infrastructure Strategy. Upgrading less than 100kms of single phase line supplying 1,130 Tyrendarra, Strathdownie, Cape Bridgewater and Gorae West customers directly is essential to capitalise on the Great South Coast's competitive advantages for economic growth and to unlock downstream economic and social value.

The south west regions of Victoria are acknowledged as being amongst the best and most productive in Australia for dairy farming – with significant growth opportunities if the right infrastructure is in place to support and encourage this growth. Dairy is a surprisingly energy intensive undertaking, with the current power supply to many of our farmers being insufficient and substandard to their current dairy and irrigation needs. This restriction has the flow on impact of inhibiting potential future growth in the size of their dairy, in particular as dairy farms continue to consolidate into larger more efficient operations.

If delivered, the upgrade will allow businesses and individuals to unlock new industry growth opportunities and improve macro-economic outcomes by increasing access to jobs and upskilling, and provide infrastructure that enables investment to reduce the cost of energy long-term.

We recognise this infrastructure is vital to further improve our natural resource stewardship as food, forestry and aquaculture producers, as well as to drive whole-of-region prosperity and the preservation of our natural environment.

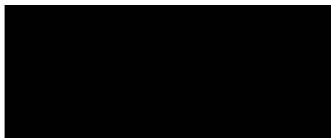
The proposed upgrade will also assist in our goal to strengthen agricultural water security by modernising irrigation to better prepare the region for the impacts of climate change is intrinsically linked to modernised power infrastructure.

The 2019-2020 Victorian Food and Fibre Export Performance Report showed that Victoria delivered a record \$14.5 billion in exports and is well on target to reach its target of \$20 billion food and fibre exports by 2030. A positive milestone for farmers and Victoria that produces over a quarter of Australia's food and fibre exports, with most of this production generated within the Great South Coast. This result and growth projection demonstrates the strength of our region, however it is contingent on the infrastructure being in place to enable investment, diversification and innovation.

We consider it is important to re-evaluate the role of population density as a deciding factor in determining the value of investments in power infrastructure upgrades. This model appears to place regional Victoria at a considerable disadvantage, which is disappointing considering regional Victoria has been acknowledged as critical in maintaining Victoria's economic resilience and food supply chain integrity during the pandemic. We encourage you to work with local stakeholders to review this process to ensure fairness for all Victorians.

We urge you to empower Victoria's Great South Coast businesses, residents and wider community to invest, build resilience and sustainability, and take advantage of opportunities to strengthen supply chains and local manufacturing.

Yours sincerely,



John Dalton
Chair – Fonterra Australia Suppliers' Council