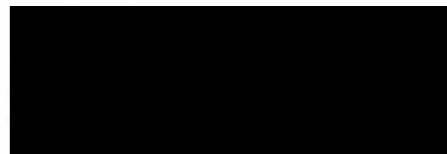


Ms Kami Kaur
General Manager, A/g
Australian Energy Regulator
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08/01/21

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

Ms Kaur,

We are contacting you to lend our support to the proposal to upgrade the SWER line infrastructure in Tyrendarra, Strathdownie, Cape Bridgewater and Gorae West in South West and Western Victoria.

We as custodians of our lands are aware of our responsibility to protect and utilise this valuable resource whilst contributing as part of Victoria's most productive food region. The potential of these four regions, like many other regions in Victoria, have been and are currently hampered by a lack of infrastructure which in turn is blocking the economic capacity, potential business opportunities and growth in revenue and employment.

Investing in regional infrastructure is necessary to unlock:

- economic growth and scaling up of key industries such as food and fibre, which drives the state economy – proving particularly robust in withstanding the challenges of climate change and the current pandemic.
- significant investment in renewables, irrigation, high tech applications and machinery, the Internet of Things and smart farming.
- new job creation, upskilling, better servicing of customers through improved turnaround times, and enhanced function of social, education and community facilities, and
- a positive flow-on effect to affiliated industries such as tourism, retail, education, hospitality, and other sectors in the region.

Furthermore, the regions are potentially disadvantaged by evaluation of infrastructure proposals being informed by population density.

This impacts regions twice – firstly in the evaluation process where fewer people is falsely equated to reduced investment value, and secondly, where the user-pays model means regional customers pay a disproportionate fee infrastructure upgrades. We understand that there are calls to re-examine this approach in terms of its unintended negative impact on regional communities and we cannot support this strongly enough.

To fully consider the contributions these regions do and could make to the economic wellbeing of not the regions but also to state and federally, I refer you to the most recent ABS data, see below.

These figures coupled with the knowledge that there is a multiplying effect of the financial contribution of dairying which is a minimum of 5 times from pre to post farm gate. (source Dairy Australia).

Number and type of farms

ABS data indicate that in 2017–18 there were 19,739 farms in Victoria with an estimated value of agricultural operations of \$40,000 or more. The state contains 25 per cent of all farm businesses in Australia.

Number of farms, by industry classification, Victoria, 2017–18

Industry classification	Victoria		Australia	
	Number of farms	% of Region	Number of farms	Contribution of Vic to Australian total %
Beef Cattle Farming (Specialised)	4,975	25	21,919	23
Dairy Cattle Farming	3,547	18	5,384	66
Sheep Farming (Specialised)	2,945	15	8,443	35
Other Grain Growing	1,986	10	9,030	22
Grain-Sheep or Grain-Beef Cattle Farming	1,956	10	9,991	20
Sheep-Beef Cattle Farming	1,286	7	5,221	25
Grape Growing	557	3	2,561	22
Vegetable Growing (Outdoors)	443	2	2,545	17
Horse Farming	382	2	1,477	26
Stone Fruit Growing	169	1	446	38
Apple and Pear Growing	159	1	404	39
Nursery Production (Outdoors)	155	1	365	42
Poultry Farming (Meat)	149	1	558	27

Number of farms, by industry classification, Victoria, 2017–18

Industry classification	Victoria		Australia	
	Number of farms	% of Region	Number of farms	Contribution of Vic to Australian total %
Other Crop Growing nec	120	1	563	21
Pig Farming	100	1	429	23
Other	810	4	9,688	8
Total agriculture	19,739	100	79,021	25

Note: Estimated value of agricultural operations \$40,000 or more. Industries that constitute less than 1 per cent of the region's industry are not shown. **nec** Not elsewhere classified.

Source: Australian Bureau of Statistics 2019

Farms in the table above are classified according to the activities that generate most of their value of production. Beef cattle farms (4,975 farms) were the most common, accounting for 25 per cent of all farms in Victoria.

Estimated value of agricultural operations (EVAO) is a measure of the value of production from farms and a measure of their business size. Around 24 per cent of farms in Victoria had an EVAO between \$50,000 and \$150,000. These farms accounted for only 4 per cent of the total value of agricultural operations in 2017–18. In comparison, 16 per cent of farms in the state had an EVAO of more than \$1 million and accounted for an estimated 54 per cent of the total value of agricultural operations in Victoria in 2017–18.

Value of agricultural production

In 2018–19, the gross value of agricultural production in Victoria was \$15.9 billion, which was 26 per cent of the total gross value of agricultural production in Australia (\$60 billion).

The most important commodities in Victoria based on the gross value of agricultural production were milk (\$2.7 billion), followed by cattle and calves (\$2.4 billion) and sheep and lambs (\$1.9 billion). These commodities together contributed 44 per cent of the total value of agricultural production in the state.

Value of agricultural production, Victoria, 2.

Source: [Australian Bureau of Statistics, cat. no. 7503.0. Value of agricultural commodities produced, Australia 2020](#)

Note: Only farms with an EVAO of \$50,000 or more in 2017–18 are included in these data. The scope of ABS Rural Environment and Agricultural Collections changed in 2015–16 to include only agricultural businesses with an EVAO of \$40,000 or greater.

Source: Australian Bureau of Statistics 2019

We own and operate two dairy farms at Southern Cross (350 cows) and north of Koroit (900 cows). Originally, our Koroit dairy enterprise was serviced by a SWER line, however we were fortunate to be able to hook up to the 3 phase transmission lines close by at a cost of \$10,000. This ability has enabled us to increase in efficiency, irrigation, and capacity, thereby increasing our herd from

650 cows to 900 cows. We now employ 3 extra staff because of the enabling factor of effective, reliable, and efficient power source.

At our Southern Cross farm which we purchased in October 2020; we have just spent \$34,000 to enable us to bring 3 phase power to the dairy shed. Whilst it irritates us immensely that we are the forgotten ones when we compare to what access our manufacturing city cousins have regarding three phase power, the reliability and capacity – the benefits of reliability and capacity means that we achieve maximum efficiencies within that farm business (the addition of disc mill and irrigation. We must have the most reliable and efficient source of power to run a profitable business. By bringing 3 phase power to this farm, we will increase our cow numbers to 500 cows and obviously increase production which means we are able to employ two additional staff.

Access to three phase power is clearly the springboard for further development and investment in our regions' future.

By upgrading these regions to three phase infrastructures, we are enabling our coastal areas to become a testament to the economic and community benefits of infrastructure upgrades and better utilization of the natural resources offering additional employment opportunities to thousands through the many different manufacturing businesses which would be attracted to the region.

South West and Western Victoria is Victoria's food bowl, the potential to build even more paddock to plate pathways and value add and service businesses is immense.

Manufacturing cannot operate without reliable power infrastructure.

Growth opportunities benefit us all by increasing job prospects and allows individuals and businesses to upskill and take advantage of a myriad of growth opportunities

We encourage you to work with local stakeholders to review the infrastructure upgrade process.

We urge you to support this campaign and empower Victoria's Great South Coast businesses, residents, and the wider community to invest, build sustainability, and take advantage of opportunities to strengthen supply chains and local manufacturing. This in turn attracts people, offers employment, and contributes financially to the region, the state and federally.

Yours Sincerely



Oonagh Kilpatrick

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