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T/A Kialla Farms Pty Ltd
"Kialla"
189 McNally's Road
GREENMOUNT QLD 4359

AUST. COMPETITION &
CONSUMER COMMISSION
MELBOURNE

20 MAR 2003

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Mr. Sebastian Roberts
General Manager
Regulatory Affairs - Electricity
Australian Competition and Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

18 March 2003

Dear Sir,

RE: MURRAYLINK APPLICATION

We submit this letter following discussions with personnel in your unit, in which it was indicated to us that our situation and our views may be relevant to the Murraylink application. Please accept it as our Company's submission to your review.

The ACCC's decision on this matter is of vital concern to us because the proposed Powerlink 330kV overhead powerline from Millmerran to Middle Ridge would cut through our farm, "Kialla", near Greenmount. (plan showing the route attachment 1) That overhead powerline would devastate the organic food production and marketing business conducted by our company, Kialla Farms Pty Ltd.

It is apparent from the Powerlink submission to you dated 28th February 2003 that the ACCC's decision on this Murraylink application will be a major factor in the forthcoming decisions by Powerlink and the Queensland Government regarding this and other proposed lines in sensitive areas in Queensland.

That is, a decision in favour of the Murraylink application could clear the way for consideration of "tactical undergrounding" and overcome the obstinate refusal of Powerlink so far to consider it even in the very sensitive rural environment such as we have here. And, no doubt the opposite would also be true - rejection of the current Murraylink application would make Powerlink even more determined to resist the undergrounding method.

We appeal to the ACCC to take into consideration the potential benefits which the undergrounding of powerlines offers in Australia, and the opportunity which this case creates to provide a stimulus for adoption and further refinement and development of new technology. It seems logical to suggest that growing use of the undergrounding technique, especially the DC system employed in Murraylink, will lead to lower costs and greater technical advantages over the conventional overhead system.

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DC undergrounding appears to offer significantly lower community costs for powerlines - especially these high-voltage lines which are so intrusive visually, have such health implications and cause such severe disruption to land use and land title.

Kialla Farms Pty Ltd is a well-established producer and marketer of organic foods. As pioneers in organic farming, it has taken us many years and a big financial investment to develop this successful organic food production and packing business, selling both domestically and on the export markets. The Company has a financial turnover of about \$8 million a year, and employs 25 to 30 people, therefore has very real economic significance in the district.

A high voltage overhead powerline would destroy the market for our organic produce. Our very health-conscious buyers would not accept that food grown in the proximity of a high voltage overhead powerline met their requirement for clean organic products. The hard-won Australian Certified Organic status of at least part of our land would be lost, as is demonstrated by the attached advice from Biological Farmers Co Op Ltd. (attachment 2)

We estimate that if the overhead line is built, our workforce would have to be cut by about two thirds, to perhaps just 10 people, and all future expansion cancelled. For instance, the organic corn mill towards which we have just been allocated a Federal Government grant of \$110,000 could not go ahead.

But, while we have a realistic commercial view of the damage our business would suffer from the proposed overhead line, we understand the precedents show it would be difficult if not impossible to win adequate compensation for it in the courts.

Since the Powerlink proposal through this area was first revealed in late 2002, we together with other affected landholders formed Power Down Under and this Group has made strenuous but so far unsuccessful efforts to communicate our concerns about the proposed line to Powerlink and the Queensland Government.

Upon reading Powerlink's submission to you, we think that at least part of Powerlink's negative attitude towards undergrounding arises from legitimate financial considerations of network assets etc. which may be influenced by the pending ACCC decision. But, even where Powerlink is foreshadowing possible adoption of "tactical undergrounding", it appears they mean undergrounding AC cables which we understand is just not comparable, cost-wise or in technical advantages, with the modern DC underground system.

Frankly, Powerlink has behaved as though it is resistant to the new technology. It and the Queensland Energy Minister the Honourable Paul Lucas have dismissed the DC underground system of the Murraylink type with claims that it costs 15 times as much as the conventional overhead system. We believe from our inquiries that the DC system used in Murraylink may actually be cheaper than conventional overhead when the substantially lower whole-of-life maintenance costs and all other relevant factors are taken into account.

We have pressed the Queensland authorities to recognise that, if the line must come through this very sensitive area, the underground system is essential. While virtually the entire route is through closely-settled, intensively-farmed land, that is especially so at this north-eastern end. We have fertile soils, a highly scenic landscape and close proximity to the city of Toowoomba. There is significant rural residential land use as well as intensive animal production (including throughbred horse enterprises), and very diverse cropping including grains and vegetables.

What we would like to see is that Powerlink, instead of its present fragmented approach, consider the advantages of the new undergrounding technology for the whole of its proposed new link all the way from Millmerran through Middle Ridge to Logan and then the Gold Coast. Then, the viability and impact of the DC underground system could be realistically evaluated for application in the predominantly sensitive environment over that whole route.

While the economic and environmental advantages of undergrounding (especially DC undergrounding) have already been set out in submissions by other parties, we feel they are especially relevant here. Examples of where, in our case, conventional overhead powerlines would cause severe impacts but underground lines would have little or no impact include -

- ▷ the underground route can follow existing public corridors (which are numerous in this area)
- ▷ clearing and destruction of environmentally significant vegetation limited or avoided altogether
- ▷ if it is necessary to go through private land, disruption to existing primary production land use is probably nil
- ▷ adverse visual impacts (which are so important here) eliminated

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- ▷ health fears concerning electromagnetic radiation - especially in our case as to organic food production - eliminated
- ▷ "injurious affection" such as loss of value of properties - and the need for compensation therefore - eliminated
- ▷ fire hazard (see press clipping attached) non-existent
- ▷ maintenance requirements and cost very low; whole-of-life cost competitive

Based on the Murraylink example, we believe that when all of the operational factors, the impacts and the community cost are counted the DC underground system would cost less than either a conventional AC overhead line, or an AC line with tactical undergrounding in selected areas.

We hope that in its decision on the Murraylink application the ACCC will give full consideration to both the economic and the aesthetic benefits which can accrue if the new DC underground technology is encouraged. We suggest the ACCC seek to influence Powerlink and the Queensland Government. From their monopolistic position they have so far disregarded the community cost of continuing with overhead transmission lines, and shown disdain for new technology which offers substantial benefits.

Yours faithfully

S. Q. McNally



GJ & SA McNally
T/A Kialla Farms Pty Ltd

FUTURE MILLMERRAN TO MIDDLE RIDGE POWERLINE PROJECT



ATT. 1

Draft Terms of Reference available for comment

The Draft Terms of Reference for the proposed Millmerran to Middle Ridge powerline project is available for public comment until **Friday, 6 December 2002**.

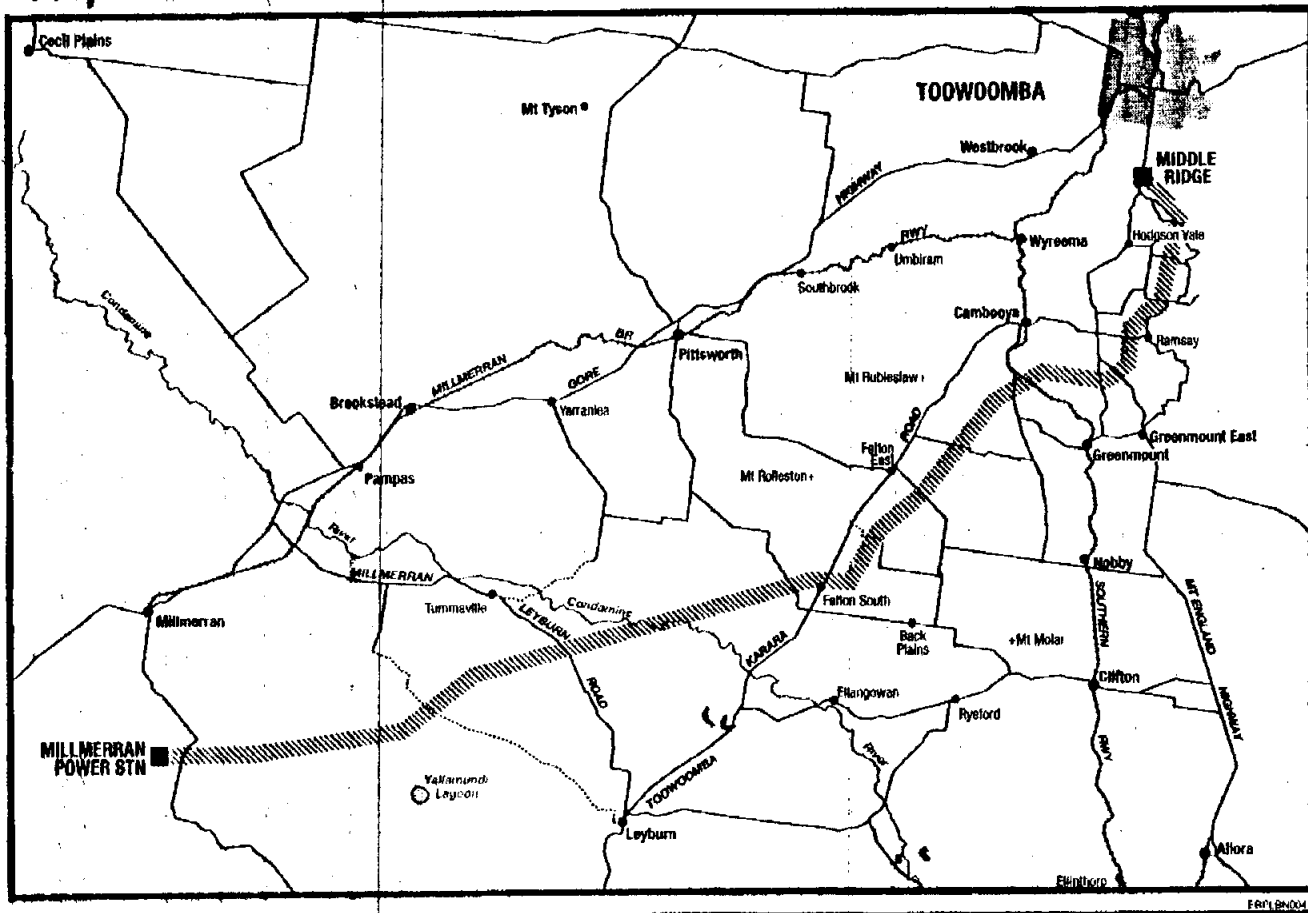
Powerlink has already issued the draft document to advisory agencies and interest groups. Following a request from a meeting with the Community Reference Group on 10 October 2002, Powerlink has forwarded the draft document to owners of all properties affected by the study corridor.

Powerlink would like to invite other interested parties to comment on the draft Terms of Reference which can be found:

- on the Powerlink website at www.powerlink.com.au (go to Transmission Projects section). Copies of past and current project newsletters can also be found on the website; or
- by contacting Powerlink on freecall 1800 635 369.

When finalised, the Terms of Reference will provide the framework for the Environmental Impact Assessment report (EIA). More information on the EIA process can be found in Project Newsletter # 2 (October).

Proposed Transmission Corridor



FACSIMILE MESSAGE

TO 46971261

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P.01/01

To: **Graham McNally**

Fax No: 07 4697 1261

Cc:

Date: 28/08/2002

From: **Bob Raabe**

Page 1 of: 1

Re: **High Voltage Power Lines**



AUSTRALIAN CERTIFIED ORGANIC

Dear Graham

As per your request for clarification on how high voltage power lines would affect you organic certification, the Certification Review Committee and Standards Committee have set the following guidelines;

No restriction for grazing animals.

For cropping operations – An area equivalent to the height of the wires either side of the outer most wires cannot be certified for crops. As an example if the wires are 30 meters above the ground and the two outer most wires are 10 meters apart, there would be a total of 70 meters along the whole length of the power lines that could not be certified.

I hope that this will clarify the issue for you.

Regards

Bob Raabe
Certification/ technical Officer



Quality Endorsed Company

ISO9001 Lic12610
Standards Australia

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MESSAGE

Power company admits to starting \$10m bushfire

John Ellicott

INTEGRAL Energy has accepted responsibility for one of the biggest bushfires to hit the Sydney area on Christmas Day 2001 and offered up to \$10 million compensation.

Integral boss Richard Powis said he accepted a coroner's finding that Integral's arcing powerlines caused the fire at Appin, which destroyed 10 homes.

The energy company is the second NSW utility to take the blame for a fire — last October, Sydney Water agreed to pay out victims of a bushfire in Engadine after homes were destroyed when sparks from workers' welding equipment started a blaze.

Integral said it would pay out up to \$10 million in compensation to 40 families whose properties south of Sydney

were destroyed or damaged in the bushfire. The fire raged for six days, destroying at least 10 homes and commercial businesses, and damaging several more.

Properties destroyed were in the area from Stanwell Tops on the coast, through Helensburgh, Waterfall, Appin and further west to Wedderburn, near Campbelltown.

Mr Powis expressed "deep regret" over the fire. "The organisation is devastated by this," he said.

Mr Powis said compensation was delayed because investigators had to be sure Integral was the source of the bushfire. He admitted the fire started because line workers did not tension powerlines adequately a month before the blaze and had not installed spacers, which prevent sparking during strong winds.

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