



**Victorian
Farmers
Federation**

SUBMISSION

Renewable Energy Zone Development Plan Directions Paper

31 March 2021

EXECUTIVE SUMMARY

Thank you for the opportunity to comment on the directions paper. As the peak industry voice for Victorian farmers, we seek assurances the VFF will be a key stakeholder to review the directions paper and guide how best to facilitate renewable energy without perverse outcomes for agriculture.

Energy transmission planning in Victoria is different from other jurisdictions. We believe that this difference underpins the key issue with the REZ Development Plan directions paper is the assumption there are strategic land use considerations underpinning the Australian Energy Market Operator (AEMO) network plan. We believe this is not the case.

The first plank of the VFF's renewable energy policy is the need for a state-wide strategic plan for renewable energy. This plan should include evaluation of the suitability of sites, transmission of energy to consumers, upgrade / modernisation of distribution, compensation, rehabilitation and planning to minimise land use conflict and impact on agriculture.

In Victoria the term 'zone' has a common meaning in the community. At face value this proposal is contrary to the existing community understanding of zoning of land, and has failed to consider any impacts on existing state planning policy and sector principles. For instance, the Green Wedges and Agricultural Land proposal seek to prioritise agricultural uses surrounding Melbourne. It talks about soil, water and protecting industrial jobs. All of this is relevant in the Ballarat to Melbourne corridor, however the directions document is silent on these considerations. It is unclear whether the REZ (define) for that area considers the high quality volcanic soils with artesian and catchment irrigation supporting McCains and Mars factories at Ballarat. Similarly it is unclear whether the Shepparton REZ considers Government investment in modernising irrigation in this "food bowl" and impacts on the viability for food processing.

VFF believes that the directions paper is premature. Land Use planning work needs to be undertaken for each corridor. The existing land uses, capability and resilience of the areas, impacts on food security / processing importance of the areas, and how renewable energy could be delivered without impact on agricultural use and versatility need to be considered. The process of consideration, like any land use strategy, should be public and consultative.

VFF supports the submission of Corangamite Shire Council to this process. It demonstrates 'local' content and issues which all directly relate to issues within VFF *Renewable Energy* and *Right to Farm* policies attached.

This submission is a brief outline of some of the issues and considerations we believe must be considered in this process and we seek to be a key advisor and stakeholder to this process.

OUR POSITION

Agriculture is a key economic driver for Victoria, yet in Victoria's planning system it is not seen as "Economic Development". Many decisions are made without even considering the impacts on farming, even when farming is the key land use. The only explanation for Government failing to consider one of the key drivers of the Victorian economy is 'urban bias'. The land, despite being productive, is seen as functionally vacant

and waiting for a better use. A document talking about “renewable energy zones” applied over some of Victoria’s most productive and resilient agricultural land without talking about agriculture continues the perception of ‘urban bias’.

Renewable Energy and transmission has been a divisive and contested land use issue in most of the renewable energy zones included in the document. However, the document is silent on this conflict. Many farmers are concerned that generation proposals are supported based on ‘agricultural production’ arguments where the facility has not been designed for coproduction. With thought and design energy generation should be able to be delivered without reduction of food and fibre output. There is concern the impact of transmission lines across farms, interfering with production, are not considered in the approvals and no effort made in upgrading Single Wire Earth Return (SWER) line distribution. The farming sector is often expected to bear the cost of renewable energy without these costs being considered during the planning and evaluation stages.

At a time when agriculture is investing in research and development to improve output of food and fibre with a lower energy / resources footprint and improve soil carbon the planning system is not supporting the need for the transition allowing VCAT to call such proposals “convenient”. Farmers who have not been able to utilise climate friendly technology do not want another competitive disadvantage loss of land / restrictions on production energy generation and transmission. Transmission lines might seem innocuous, but they limit your ability to use machinery, negatively impact the use of the irrigators in many horticultural areas, increase the use of chemicals on farm by the asset manager and increase the insurance and risks for landholders.

Considering these impacts, the VFF is calling for a review of legislation to create a ‘mining’ type approach to renewable energy. Land access agreements, compensation, rehabilitation (including bonds) are all critical issues that should be mandated and not left to contract negotiations where there are obvious imbalances in experience and expertise. In mining there is a legislative requirement to return the site to productive use, including soil profiles. Both wind and solar facilities will be quite difficult and expensive to rehabilitate.

VFF seeks assurances that the Government will guarantee full and proper rehabilitation of agricultural land from renewable energy and guarantee that VicGrid will not impose restrictions of use under transmission lines without full and adequate compensation.

DISCUSSION

Planning for Renewable Energy Zones / regulatory approach

VFF does not believe AEMO is the appropriate body to determine the highest and best use of land. Land Use Planning is constitutionally a state issue. The *Planning and Environment Act* provides the basis for the land use and development system in Victoria. At no stage does the directions paper refer to land use frameworks and how the REZ will fit in to the land use planning system.

We therefore believe the process as jumped a critical step.

The regulatory framework and interactions have not been considered. Therefore, AEMO’s vision for the area has been prioritised, without consideration of land use planning vision for these areas which are embedded in subordinate legislation.

DELWP needs review the regulatory system, discuss how the REZ will relate to the land use planning system and ensure that there is a strategic, inclusive and collaborative vision. Consideration of the full range of government policies, processes and objectives, challenges and opportunities exist for renewable energy is essential to developing that vision.

Principles to protect irrigation areas and highly productive agricultural land are a clear example of the need for a more collaborative and consultative approach. Consideration must be given to how renewable energy and/or transmission lines can go-exist with agriculture, including identification of areas where loss of agricultural land can be avoided.

These are all issues that VFF has raised with Government since early 2009.

Fair, open, transparent processes. Fair compensation and rehabilitation.

The renewable energy industry needs a clear consultative process. Without this their actions can and are leading to considerable community concern and division. There can also be associated trust and reputational damage for the renewable energy industry. An example is Waubra, where the lack of an open, transparent and respectful process for a transmission corridor (Ausnet) has generated confusion and mistrust in the process which will be hard to redress.

The VFF, through the auspices of NFF, has been working with many energy companies and coordinated by The Energy Charter in the *Better Together Landholder and Community Guidelines*. The VFF has previously worked with the Minerals Council and Water Authorities on similar guidelines for land access specific to the industry and regulatory framework. In our experience the development of these types of guidelines often uncovers regulatory voids or lack of guidance from the regulator regarding the process for impacted landholders.

It is essential that any REZ and grid process that will have ongoing impacts on private property and land use is sincere in its intent and approach to land access.

Ensuring transparency and understanding between both parties is essential to the design and operation of any proposed facilities. The landholder should not be expected to have their businesses impacted by other businesses without due process and appropriate compensation.

Where renewable energy generation or transmission is possible without impact on agricultural production, the system must ensure that:

- landholders are not impacted by increased legal liability / insurance issues,
- rates are paid by the energy producer,
- ongoing operations and biosecurity are not negatively impacted by generation or management, and
- compensation is paid where there is impact.

The VFF is aware of members who have their properties fragmented by “linear” infrastructure without these considerations. Gas, water, power and even buffers for facilities have different impacts on resultant land use, to a point where even spraying weeds can be limited. Where-ever possible linear infrastructure should be on crown reserves and, where proposed for private land, be designed and located to minimise impact.

The Government should implement processes through VCAT where the design / location of a compulsory right of easement that will impact on farm practice / viability can be assessed and compensation applied for any exclusions on existing uses / section 1 uses.

Regulatory processes must be established for the rehabilitation of facilities, including transmission infrastructure as line clearance can have withholding periods for livestock and crops.

2009 Victorian Bushfire Royal Commission

One of the key recommendations in the *2009 Victorian Bushfires Royal Commission* related to the undergrounding of transmission lines. There is no indication AEMO has considered this recommendation in identifying works. Victoria has a commitment to the protection of life and property in its Emergency Management system. The REZ process should not be based on the cheapest option for the energy companies but what location, design and operation approach minimises risk to life and avoids property (including business) impacts.

VFF 'renewable energy' and 'right to farm' policies

The VFF have prepared strategic renewable energy and right to farm policies that address the apparent misconception that a range of other uses can be housed on farming land with little or no impact to agricultural production.

The right to farm policy is about avoiding land use conflict that restricts production methods on farms. Traditionally the planning system has seen land use conflict as a dwelling, but it can be any 'secondary' use, such as renewable energy or transmission, where it has not been designed to co-exist or enhance agricultural production. The *Renewable Energy policy* outlines some of these considerations.

How we see agriculture being included in process and decision making

The key challenge for Government in relation to the REZ and VicGrid is how to protect food and fibre production with increased Government expectations agricultural land will be used for energy generation.

The VFF believes that too often the Government designs a program mainly around urban need. It is then applied without careful consideration of the impacts on agriculture. Government should not assume co-existence will ever be achieved in a distorted market unless the regulatory framework requires proper consideration of impacts on private property rights and land use priorities inherent in zoning.

The VFF believes the farming sector has demonstrated it can lead voluntary change processes. Landcare was a product of the VFF and Victorian Government. Its founding principle was to make long term change that was good for the farm and for the environment. It is disappointing that REZ has not taken this partnership approach or even the consultative 'planning system' approach. REZ should have at its core consultation with the farming sector to ensure agricultural production is not disadvantaged in favour of renewable energy.

Government should work with farmers to understand how energy generation and transmission can be designed to avoid negative impacts, and how they can enable agriculture sector adaption in accordance with the NFF / CEFC *TRANSFORMING AUSTRALIAN AGRICULTURE WITH CLEAN ENERGY A practical guide to lowering on-farm energy use and carbon emissions*.

Submissions on Smart Planning, the Solar Guidelines and Protecting Melbourne's Green Wedges and agricultural land are attached to demonstrate not only the impacts of sector specific policy implemented in isolation on farming, but also the type of planning considerations and processes required to ensure the agricultural sector is supported.

Opportunities to improve the current situation

The following suggestions have been submitted for budget consideration and are relevant to the future of the REZ program in Victoria.

Long term energy plan and safety upgrades

The VFF is seeking **\$155 million to develop a long-term energy plan** including upgrades to support energy transmission capacity in regional areas and to upskill electrical contractors to provide advice and to service farms.

The plan would incorporate:

- A pilot program to update Single Wire Earth Return (SWER) lines
- Upskilled electrical contractors to meet changing energy requirements.
- Regulation to ensure energy companies compensate agricultural users for losses stemming from unreliable electricity supply.

Renewable Energy Strategy

The VFF is seeking **\$5 million to establish a Ministerial Advisory Committee to oversee the preparation of a state-wide strategic plan for renewable energy**, including community engagement.

The plan should consider issues relating to:

- Locations for renewable energy generation and transmission facilities where impact on agriculture should be minimised – such as of strategic agricultural land, irrigation areas, highly productive agricultural land;
- Impact on agricultural use including on commodities that require a threshold of productivity in a region;
- Impact on community and physical infrastructure and processors;
- Application buffer and setbacks required to mitigate off farm impacts;
- Areas requiring detailed environmental and agricultural Impact studies;
- Funding and responsibility for rehabilitation and restoration of sites and end of life (similar to the Mineral Resources(Sustainable Development) Act);
- Access (including easements on property and distance / type of transmission infrastructure to connect to main transmission line);
- Land access guidelines for transmission; and
- Community benefit, information and assistance

Ensuring planning systems support the growth of agriculture

The VFF is seeking **\$6 million for SMART planning and agriculture program** comprised of:

- \$3 million (over two years) to improve Local Government, Planning and Environment regulation and resourcing;
- \$750,000 for VPP process review/right to farm, including Green Wedge Zone and SPPF content;
- \$750,000 for streamlined native vegetation controls for agriculture – landscape scale;

- \$250,000 for Farm Zone practice notes;
- \$250,000 for audit of referral body conditions (FZ) and training;
- \$500,000 for translation of industry standards to be reflected in EPA standards;
- \$250,000 for a study to examine existing triggers in zones, overlays and particular provisions against SMART planning;
- \$150,000 solar farm planning provision; and
- \$100,000 to prepare guidance notes/ministerial directions outlining considerations before applying overlays on farming land and in the consideration of permit triggers in zones or particular provisions to minimise the regulatory burden on modernising existing use.

Agricultural Referral Officers

- The VFF is seeking \$2.5 million to establish dedicated officer who will advise state and local governments regarding the impacts and opportunities from government programs and regulations on agriculture.

CONCLUSION

The VFF looks forward to working with the Government to develop an appropriate approach to ensuring renewable energy targets can be achieved with minimal impact on agricultural land. We are also ready to assist in the development of systems that support farmers deliver a range of community benefits in a way that best for suits their production system and generates an income stream to reinvest in sustainable productivity gains.

Jane Lovell

CEO

Victorian Farmers Federation

Attachments

VFF Renewable Energy Policy

VFF Right to Farm Policy

VFF Submissions – Solar Guidelines, Smart Planning, Planning for Melbourne’s Green Wedges and Agricultural Land.

NFF / CEFC TRANSFORMING AUSTRALIAN AGRICULTURE WITH CLEAN ENERGY A practical guide to lowering on-farm energy use and carbon emissions

The Victorian Farmers Federation

Victoria's agricultural production accounts for over \$13 billion of Victoria's economy and over 25 per cent of the State's exports per annum. Victoria's farmers produce high quality food and fibre, produced to high standards of safety, with little taxpayer support, and to some of the strictest environmental and highest animal welfare controls in the world.

The Victorian Farmers Federation (VFF) represents a farming community which creates a profitable, sustainable and socially responsible agriculture sector connecting with consumers.

We have a proud history representing Victoria's farm businesses since 1979 – primarily family farms that produce the eggs, grain, fruit and vegetables, meat, and milk that help to feed Victoria's six million people, and the bigger global community, every day.

The VFF consists of commodity groups: dairy (United Dairyfarmers of Victoria), grains, horticulture (including Flowers Victoria), intensives (chicken meat, eggs and pigs), and livestock – and expert committees representing; water, land management, agricultural and veterinarian chemicals, farm business and rural development, and workplace relations.

Our purpose is to make Victorian farmer's lives better; enhancing Victoria's future.

Our mission is to ensure a community of farmers creating a profitable, sustainable and socially responsible agricultural industry connecting with all Victorians.



Our place in Victoria

What we do



- Victoria's **20,775 farms** cover **10.6 million** hectares
- We are **24.2%** of Australian farmers
- **91%** family operated, with only **2%** foreign owned



- We employ **87,800** people mostly in regional areas
- **\$4739** of food consumed each year by every Australian
- As a net exporter we have long term food surity



- Our annual production is **\$13.16 billion**, **3.5%** of Victoria's economy
- **27.8%** of Victoria's exports are agricultural product valued at **\$11.9 billion**

How we do it



-  Farmers invest **\$80 million** in R&D
-  Every R&D **\$1** converts to **\$12** in farmer generated impact
-  **2.7%** productivity growth through innovative efficiency gains
-  Farmers receive less than **1.5%** in government support



-  **63%** reduction in greenhouse gas emissions between 1996-2016
-  Water consumption reduced by **7%** from 2014-2015
-  Land conservation has increased to **18%** of total land mass.
-  Farmers spend **\$20,000** annually on feral animals and pest weeds



-  **3.5 million** beef cattle
-  **140 million** chickens
-  **1.1 million** dairy cows producing **6.186 billion** litres of milk
-  **65,992** sows
-  **13.1 million** breeding ewes and a fleece clip of **66,100 tonnes**
-  **6.5 million** tonnes of grain
-  **\$2.35 billion** in horticultural production