

7 January 2021

Ms Kami Kaur
General Manager, A/g
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

c/- VIC2021-26@aer.gov.au

Dear Ms Kaur,

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

On behalf of the United Dairyfarmers of Victoria (UDV), I would like to express support for upgrading single phase power to three phase infrastructure in the Tyrendarra area of South West Victoria.

UDV is the peak representative body for dairy farmers in Victoria. We advocate for our members on all matters affecting the dairy industry, for the benefit of all dairy farmers. Access to reliable, affordable energy infrastructure is crucial to the Victorian dairy industry and has a direct impact on farm profitability. Lobbying for access to affordable, reliable power for dairy farms has been a UDV policy priority for many years, highlighted by numerous UDV Conference Resolutions passed by dairy farmer members including;

"That UDV calls on the State Government to take responsibility for the funding of a comprehensive upgrade of SWER and single phase lines supplying dairy farms to 3-phase. In doing so seek structured support of regional communities, businesses and local government."

This request to upgrade Tyrendarra and surrounds to three-phase power has been called for by members for many years, and we are pleased to see it recommended in Infrastructure Victoria's Draft 30-year Infrastructure Strategy. A study completed by UDV in 2017, 'New Energy Options for the Victorian Dairy Industry', found that all dairy operators being serviced by single power lines in or around Tyrendarra are constrained to some extent, even though they are not competing with other operations for power along their respective single phase lines¹.

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 south west competitive advantages for economic growth and to unlock downstream economic and social value. UDV believes this is an important first step in upgrading various growth areas for the Victorian dairy industry.

The Australian dairy industry recently launched the 'Australian Dairy Plan' which sets a clear industry direction for the next five years and beyond to deliver increased profitability, business confidence and unity across the industry. Victoria dominates the Australian dairy industry, accounting for over 60% of milk production nationwide. Furthermore with over 3,000 dairy farms in Victoria, the Victorian dairy industry creates over 26,000 jobs for our state. The Victorian dairy industry produces \$2.1 billion in total exports and continues to invest to ensure we remain competitive and well placed to meet the significant challenges of international markets. To achieve the industry goals of lifting profitability and rebuilding confidence of dairy businesses, we need infrastructure that supports innovation and business growth.



Victorian
Farmers
Federation



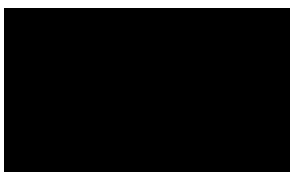
The 2019-2020 Victorian Food and Fibre Export Performance Report showed that Victoria delivered a record \$14.5 billion in exports and is well on target to reach its target of \$20 billion food and fibre exports by 2030. A positive milestone for farmers and Victoria that produces over a quarter of Australia's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

UDV believes it is crucial 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 south west dairy farmers, businesses, residents and wider community to invest, build resilience and sustainability, and take advantage of opportunities to strengthen supply chains and local manufacturing. Ideally, we would welcome an immediate re-instatement of the original Powercor proposal regarding Tyrendarra and a commitment to invest funds in the 2021-2026 period to support the continued economic and social development of regional Victoria.

Thank you for your consideration. If you need further information please contact UDV Manager, Ashlee Hammond on [REDACTED] or [REDACTED]

Yours sincerely,



Paul Mumford

President

United Dairyfarmers of Victoria

ⁱ New Energy Options for the Victorian Dairy Industry, 2017, Negotiation in consultation with the United Dairyfarmers of Victoria (UDV), funded by the New Energy Jobs Fund