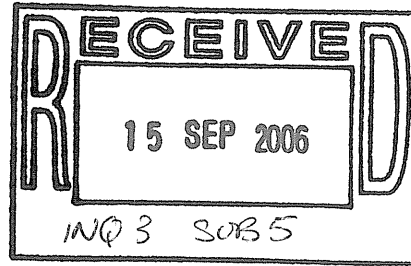


## THE BIG BERRY

Yarra Valley  
Raspberries, Blueberries  
& Blackberries



Mr Don Nardella M.P.  
Chair, Outer Suburban/Interface Services & Development Committee  
Parliament of Victoria,  
Level 3, 157 Spring Street,  
Melbourne. Vic. 3000.

14<sup>th</sup> September 2006.

Subject: Submission to State Parliamentary Inquiry.

Dear Sir,

I am aware that you chair the 'Inquiry into Local Economic Development in Outer Suburban Areas' for the Victorian Government and I wish to make a submission to your committee.

My wife and I own and operate a blueberry farm, known as the 'Big Berry' at Hoddles Creek in the upper Yarra Valley. Over the last 5 years, we have made significant improvements both in farming practice and fruit handling and packaging equipment. This has put us in a position where we can export blueberries into South East Asia and Europe.

You may be aware that there is a strong demand for Australian blueberries in the northern hemisphere. Apart from being counter seasonal (over 90 percent of world production is in the northern hemisphere) Australian blueberries enjoy a reputation as premium quality product.

Just yesterday, I was in negotiations with a Hong Kong based company – Shin Tai & Co Ltd to put berries into Hong Kong, Singapore and Dubai to service cruise ships operating out of these ports.

Present production of blueberries from our farm is around 40 tonne per year. With new plantings already established this should increase to around 100 tonne by 2009-2010. To this volume, I can add further quantities from neighbouring farmers, with whom I have commitments to pack and market their blueberry production (around 45 - 50 tonne). In our industry 4.8 tonne equates to a full time employment position.

The most recent investment we made was to install a 'state of the art' packing machine ex Italy, which happens to put the farm on the uppermost limit on electricity draw down. I refer you to copies of correspondence attached from 't squared' which



highlight both the peak load demand (up to 137%) on the system capacity and a preliminary estimate of our contribution (\$135,300) for a power upgrade.

The next planned development on the 'Big Berry' is a significant upgrade of the cool room facilities so that field temperature of the berries can be more quickly reduced prior to sorting and packing. Once cool chain is established and maintained shelf life of the berry is extended and this is a very important factor in the export of berries. Quality and consistency of product is the one advantage Australian growers can work with in competing against Argentina and Chile where labour costs are a fraction (about 15%) of what the horticultural industry must pay in Australia.

This submission calls for special government assistance to fund the installation of 3 phase power to the 'Big Berry' so that cool room facilities can be upgraded and the export potential for Victorian blueberries can be more fully exploited. The timing of such power upgrade would be ideally prior to season 2007-2008.

A study of your 'terms of reference' for the Inquiry would indicate this application meets a number of the criteria set -

- The lack of 3 phase power is a serious limitation for economic development in this part of Victoria
- The proposed development will enhance and promote employment opportunities and attract new investment in this outer suburban area
- Blueberries are a very strong export orientated industry, with huge growth potential market just to the north of Australia.

Should your committee require further information with reference to this application, please contact me either by phone (59674413) or email ([margalit@bigpond.com](mailto:margalit@bigpond.com)).

I thank you for the opportunity to make this submission and I await outcome with strong interest.

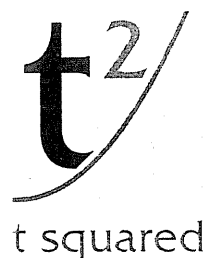
Yours faithfully,

Paul Casey  
Director, Garnett Pty Ltd.

Our Reference: 74126058

Date: 29<sup>th</sup> March 2006

GARNETT PTY LTD  
PAUL & NIKKI CASEY  
P.O. BOX 153  
WOORI YALLOCK 3139



**t squared**  
ABN 65 075 194 857  
Beaconsfield Avenue  
Beaconsfield VIC 3807  
Australia  
Telephone 03 9238 6300  
Facsimile 03 9238 6447

Dear Sir/Madam,

### **ELECTRICITY SUPPLY: NUMBER 925 GEMBROOK RD HODDLES CREEK**

I am pleased to inform you that **t-squared** is the preferred service provider of gas and electricity customer service, engineering and maintenance services for SP AusNet.

I refer to your Email dated 21<sup>st</sup> March 2006 to myself requesting a written response from SP AusNet regarding the existing SWER system that provides electricity to your property at the above mentioned address.

As you are aware, the current electricity supply system to your property is SWER (Single Wire Earth Return) which has a limited supply capacity of 100kVA for each SWER system. SWER systems are an economical supply method used by the former SECV to provide a basic electricity supply to rural farms and houses. Generally, these systems are not designed for constant heavy consumption due to the limited capacity.

#### **Previous Works**

I can confirm that in 2002 an upgrade to the SWER network you are supplied from was undertaken where the previous system was split and an additional 100kVA Isolating Substation (ISO) was installed.

#### **Policies & Practices**

For safety reasons, it is SP AusNet policy that SWER system Isolating Substations (ISO's) are no larger than 100kVA and at present, the Isolating Substation (ISO) supplying the line you are fed from has reached full capacity. Therefore, in order to make any additional capacity available to your site using the SWER network, substantial line works would be required prior to your site to relieve the load from the existing ISO. This work is necessary to prevent your requested new load causing low voltage supply issues to other existing customers connected to the SWER network.

It is standard industry practice based on regulatory requirements for customers to contribute to the capital cost of new works and augmentation to existing works, where this has been requested by the customer. This is confirmed in clause 3.2 of the Essential Services Commission Electricity Industry Guideline Number 14: Provision of Services by Electricity Distributors ('Guideline 14'). SP AusNet is required to comply with this guideline as it sets out when a customer must contribute to the capital cost of works and how those costs are to be calculated.



**SP AusNet**  
A member of Singapore Power Group

t squared is a registered business name of Tenix Alliance Pty Ltd ABN 65 075 194 857  
t squared is an alliance of SPI Networks Pty Ltd, SPI Networks (Gas) Pty Ltd, SPI Electricity Pty Ltd and Tenix Alliance Pty Ltd.

t<sup>2</sup> - the power of ty

### **Existing Supply Point**

As discussed at our site meeting each property is allowed a single point of supply in accordance with the Clause 6.2.2.2 (copy attached) of the Victorian Service and Installation Rules 2005 (SIR's) for safety reasons. The current substation capacity is 20kVA which equates to approximately 35A per phase total load over two phases.

### **Load Testing on the existing SWER system**

Specific load measurements were undertaken on the SWER system during the latter part of January 2006 and it was determined that the current SWER system is heavily loaded for short duration periods with some peak loads up to 137% of the system capacity. General loading was consistently between eighty to one hundred per cent.

### **Future Needs & Other Options**

With regards to your real long term power needs, it is apparent that an upgrade to a two phase 40kW supply (being the maximum load a SWER or single phase substation could at a one supply point) would soon become inadequate for your needs if in fact it could meet your initial load increase needs. To that end, it would be my recommendation that serious consideration be given to the provision of a three phase supply to the site at the outset.

I have had enquiries from other customers in your area (off an adjacent SWER system) with similar needs to yours and have undertaken some assessment of three phase supply options where the formation of a group of customers may make three phase supply a viable proposition to those who need it.

I trust that this letter clarifies the situation as to supply capacities hope that we can work together to meet your needs.

If you require any further information in relation to the above, please do not hesitate to contact me on (03) 9237 4468 at the Lilydale office.

Yours faithfully



Peter Reidy  
Customer Consultant  
t-squared - Lilydale

Our Reference: 74126058

Date: 11 May 2006

GARNETT PTY LTD  
PAUL & NIKKI CASEY  
P.O. BOX 153  
WOORI YALLOCK 3139



**t squared**  
ABN 65 075 194 857  
Beaconsfield Avenue  
Beaconsfield VIC 3807  
Australia  
Telephone 03 9238 6300  
Facsimile 03 9238 6447

Dear Sir/Madam,

**PRELIMINARY ESTIMATE: 925 GEMBROOK RD HODDLES CREEK**

Thank you for your inquiry regarding the supply of electricity to the property detailed below.

I am pleased to inform you that **t-squared** is the preferred service provider of gas and electricity customer service, engineering and maintenance services for SP AusNet.

**Please ensure that all Cheques made payable to "SPI Networks Pty Ltd" to ensure prompt processing of your project.**

This 'Preliminary Estimate' and 'Conceptual Design' has been based on the information supplied by you without a **detailed assessment** by **t-squared** and may change following completion of a detailed design. The Indicative Costs are not binding but **t-squared** would generally maintain it at least for negotiation purposes within 30 days of the above date.

**PROPERTY DETAILS AS PROVIDED:**

Supply Location: lot , number 925 GEMBROOK RD HODDLES CREEK.  
Crown Allotment No , Section , Parish of

**CONCEPTUAL DESIGN:**

To cater for your requirements it would be necessary to upgrade a section of the existing SWER High Voltage line to 3 Phase High Voltage line, and install a 3 phase substation on your property.

These works would allow for a 3 phase, 230/400 volt electricity supply suitable for normal Domestic and Farming purposes up to a maximum capacity of 80 kW.

All works from the underground service pit to your installation are your responsibility.

Supply of electrical loads larger than that shown above and/or of an unusual nature could impact substantially on the above works and associated costs.

**INDICATIVE COSTS:**

Based on the 'Conceptual Design' and construction occurring before 30/11/2006, **the preliminary estimate of your contribution to these works is in the order of \$123,000.00 plus \$12,300.00 GST, totalling \$135,300.00.** This cost is meant to be indicative only and **should not** be regarded as a firm quotation.

In addition to this cost a New Connection Fee will be charged for each newly metered installation. Please contact your retailer of choice for further information regarding connection fees.

### **"FREE" EASEMENTS / LICENCES:**

This estimate is subject to the granting of "free" easements and licences where distribution assets cross private property and government reserves and the approval of appropriate authorities for all line routes.

**Note: this project is contingent upon certain property owners signing MOA's (Memorandum Of Agreements) to allow SP AusNet to install either overhead or underground lines across their properties.**

### **TREE CLEARING:**

When designing an extension, **t-squared** endeavours to minimise the need for tree clearing to preserve the natural environment. Trees must be cleared properly to minimise the risk and losses from bushfires for public safety and continuity of supply. Tree clearing must meet requirements set out in the Code of Practice for Electric Line Clearance (Vegetation) 1999.

Tree clearing costs are part of the cost of installing overhead lines that are paid for by the Customer and to minimise costs clearing is usually undertaken by the Customer individually or by direct contract as agreed with **t-squared**.

**You are responsible for all costs associated with any tree clearing required.** Tree clearing costs are not included in the above Indicative Costs for the supply of electricity.

You will be required to obtain all tree-clearing permits from the appropriate authorities and arrange for the tree clearing to be undertaken prior to our construction commencing.

### **COST SHARING:**

In many cases, electricity supply extension works can directly benefit more than just the initiating customer, providing a distribution backbone to all properties crossed or passed. To facilitate sharing of costs, it is in your interest to contact this office prior to proceeding if you believe other beneficiary properties may take a supply of electricity from the extension works in the near future.

### **THIRD PARTIES:**

Any constraints placed on **t-squared** by third parties may cause additional costs and delay the expected supply availability date.

### **COMPETITIVE TENDERING:**

As part of **t-squared's** commitment to ensure our customer's receive the lowest possible price for extension works, we will be offering you the opportunity to seek competitive tenders for the proposed works.

Following completion of a detailed design and issue of a Firm Offer, you will have the option of:

1. Accepting our Firm Offer allowing **t-squared** to proceed with Construction using our normal contractor selection processes; or
- 2A. Managing a competitive tender process yourself based on specifications provided by **t-squared**; or
- 2B. Requesting **t-squared** to manage a competitive tender process.

Included in the above Indicative Costs are a number of Network Connection Service Fees relating to tasks that only **t-squared** can complete. If you choose option 2A or 2B above you will still be required to pay these Service Fees, plus any additional costs associated with that choice. Further information on these can be found in the Customer Connection Guide obtainable from our website at [www.sp-ausnet.com.au](http://www.sp-ausnet.com.au) or by contacting the above office.

Full details of which of these options apply and any associated implications will be contained in the Firm Offer.

**NEXT STEPS:**

✂ This Preliminary Estimate has been prepared at no charge. To commence your project please complete the attached Firm Offer Request form indicating your project requirements and return it together with your payment of the Firm Offer Fee of **\$1500 plus \$150 GST totalling \$1650**. This fee is included in the previously mentioned Indicative Cost; however it is not refundable should you later elect not to proceed with the project. On receipt of this fee SP AusNet will issue a Firm Offer based on the design.

A receipted Tax Invoice will be forwarded to you following payment of the Firm Offer Fee. Should you require a Tax Invoice prior to making payment, it will be provided upon request. **Cheques should be made payable to "SPI Networks Pty Ltd"**.

On receipt of the completed form and payment, **t-squared** will prepare a detailed design, establish an accurate estimate of the costs and issue a Firm Offer encompassing Contracts and full details of the competitive tendering options available.

To enable contract preparation, all information requested **MUST** be provided. Your Electrician can assist you in providing the detailed electrical loading to be entered on the attached Firm Offer Request form.

Could you please also take the time to complete the attached 'Preliminary Site Inspection Assessment'. We are committed to the safety of our employees, customers, suppliers and the community, by completing this quick assessment you will assist us in our goals should we be required to attend your site.

An important step in preparation of the Firm Offer is a site inspection, which is undertaken as part of the detailed design. It is in your interests to attend that inspection to ensure that all your requirements and concerns are fully discussed and we will be happy to schedule this inspection to suit your availability.


**PRIOR TO ENERGISING**

Prior to the energising of the electricity supply you will need to have chosen and entered into an agreement with a licensed electrical retailer.

For further information relating to current licensed electricity retailers, please contact the Essential Services Commission on 1300 134 575 or visit their website at [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

If you require any further information in relation to the above, please do not hesitate to contact me at the Lilydale Office on 03 9237 4468. Please direct all correspondence to **t-squared** Beaconsfield Avenue Beaconsfield 3807.

Yours sincerely



Peter Reidy  
Network Services Officer  
t-squared - Lilydale

Enquires: t-squared  
Network Services Centre  
Ph. 1300 360 795 Fax 9238 6447  
E-Mail [network.servicecentre@sp-ausnet.com.au](mailto:network.servicecentre@sp-ausnet.com.au)