

Submission from the Landholders of Buffalo and surrounds

6th December 2020

We are landholders affected by the proposed Marinus Link, taxpayers and energy consumers. We don't have the legal expertise or energy market knowledge that the other stakeholders making submissions have. We also haven't known about the project for as long as the other stakeholders. Despite the assertion that there has been "broad community consultation" in your December 2020 RIT-T, all of the landholders in our area only found out about the project in the last two weeks.

We insist that our submission is considered in a similar manner to those submitted from other stakeholders. We have forwarded our submission to:

- the AEMO
- TasNetworks
- federal member for Monash, Russell Broadbent
- federal member for Wannon, Dan Tehan
- state member for south west coast, Roma Britnell
- state member Gippsland South, Danny O'Brien
- the federal energy minister, Angus Taylor
- federal infrastructure minister, Michael McCormack
- the Victorian state planning minister, Richard Wynne
- the Victorian state energy minister, Lily D'Ambrosio
- the Victorian premiers office
- the Prime Minister's office
- the South Gippsland shire council

This submission relates to the RIT-T and the initial feasibility studies done in 2019. Although submissions have closed on the initial feasibility study, one of our grievances with the RIT-T relates to the lack of budgeted alternatives in this study.

We have concerns about the following items:

1. The proposed net market benefit touted at \$1.5billion
2. The lack of costing of other routes compared to the proposed route
3. The fast-tracking of environmental impact assessments
4. The lack of community consultation

We don't disagree with the broad principles of the project.

1. The proposed net market benefit

On the glossy brochure given to landholders in the suggested route last week the figure in bold listed was \$1.5billion net market benefit. As a taxpayer reading the RIT-T this figure

seems like an educated stab in the dark. There are many variables that could change the cost of the project greatly and a net benefit of \$1.5billion could easily disappear.

A few queries that we have regarding the modelling are:

- The total cost of the project is estimated at \$2.76 billion. On page 51 of the RIT-T it states that the AEMO requires that an additional 30% should be estimated routinely to account for increased expenses. It is then written that taking this into account would bring the estimated cost to \$3.15 billion. This is 15%, not 30%. 30% would be \$3.59billion – a \$440million difference or 29% less net market benefit compared to the figure advertised to affected landholders.
- The ISP uses a 7-pond system in Tasmania but the modelling uses a 10-pond system. Does this mean that three of the dams can't be relied upon and there has been an overestimation of potential electricity supply?
- As far as we have read there has been no consideration given to the risk of drought in Tasmania and its potential effect on hydroelectric power creation.
- Batteries are given some attention in this document. The document acknowledges that batteries could reduce in cost by as much as 70% but a 30% reduction in battery costs are used in the modelling. What would the figures look like if the battery cost reduction was up to 70%?
- The estimated net benefit that Marinus is suggesting of \$1.5-1.6billion is misleading because it assumes step-change will occur. This might not be the case and we believe it would be more appropriate to use the weighted average the AEMO uses of 67% central change and 33% step change.

2. The lack of costing of other routes compared to the proposed

Other routes were considered at the “desk level” in the initial feasibility study. The alternative terminals on the Victorian side included Loy Yang, Hazelwood, Cranbourne, Moorabool and Portland. Hazelwood was chosen as the substation of choice and the other routes dismissed. The reasons for dismissing the other routes have not been publicised as far as we can see.

As landholders on the proposed route and taxpayers, it is disappointing that the other options weren't fully costed in the RIT-T. The estimated net market benefit was calculated compared to doing nothing else. Other routes could have resulted in a higher estimated net-market benefit than this route. How can Marinus possibly know that this route is the least cost affective without conducting and making public costings on the other potential routes?

The proposed route entering on a popular beach (between Waratah Bay and Sandy Point) and ending up at the Hazelwood substation would be much longer distance from the coast to the substation than any of the other options. This involves more landowners, more compensation and potentially more environmental impacts. There should also be a plan B in case the suggested route doesn't go ahead on environmental/ community concern reasons.

We believe that the following options should be costed as a comparison in the RIT-T:

2.1 Portland

An undersea cable going directly to the aluminium smelter in Portland. The smelter is on the coast and there would be minimal underground cabling required. It is a much longer distance under the sea but there would be less compensation required for landholders. The other advantages would be more reliable power for the smelter, closer access to the South Australian energy market and the link would have access to Adelaide/Melbourne through completely separate lines to Basslink.

The Portland option could also have significant advantages. Did the planning department engage with Alcoa about potential public-private partnerships? Was a model considered where Alcoa contributed to funding of the interconnector in exchange for a guaranteed discounted electricity price for an extended period? This could provide Alcoa with the security it needs to invest in the smelter. Otherwise, the smelter may close resulting in the loss of hundreds of long-term jobs and yet another Australian manufacturing industry.

Further, the Portland option may provide the South Australian market with more secure electricity and the South Australian government may also invest in the project.

With current technology, an undersea interconnector from Burnie to Portland (500-600km) would be possible. The Viking Link Interconnector project between Britain and Denmark is currently being built and will be a HVDC subsea line that will be 475miles (764 kilometres) and is estimated to cost two billion pounds (equivalent to AUD\$3.6 billion on today's exchange rates). They are building an interconnector 21.5% longer but only 12.5% more expensive than Marinus' underestimate of \$3.15billion

2.2 Cranbourne/ Hastings

An undersea cable going to the Cranbourne terminal. The cable could go to Hastings in Westernport Bay then travel along existing easements to Cranbourne. Alternatively, a new underground easement to Cranbourne from a location on Westernport could be acquired. This would affect much less land than in the proposed route.

3. The fast-tracking of environmental impact assessments

An update in the RIT-T was the government's announcement that environmental approval processes are being fast-tracked. The impact on the environment is an overlooked cost in the RIT-T and we are concerned that the fast-tracking process may lead to incomplete assessments. The cost of environmental degradation can be large and long lasting, especially in the South Gippsland shire where we rely on our environment for tourism, attracting population growth and primary production.

There are non-economic aspects of environmental degradation as well. Just in the location of Buffalo we have multiple wildlife corridors that would all be intersected by the 20 metres of tree clearing required as the easement for the underground lines. These are used by one of the last strong remaining populations of koalas and are predominantly composed of the

threatened Strzelecki gum. What if erosion around the cable permanently changed the beach at Waratah Bay – how can we place an economic cost on this potential?

4. Lack of community consultation

Despite the claims that “broad community consultation” has occurred, the first the affected landholders in Buffalo heard of the proposal was in the last week of November 2020. In our case we were informed of the project and its proposed alignment on the 4th of December 2020. Most submissions on the proposed route of the link had already closed years before the community was consulted. As community members we feel we have been told late in the piece so that we don’t have time to make a fuss. Whilst the Marinus Links’ community and stakeholder engagement documents make it look like affected communities have been consulted, as actual members of the “affected community,” we disagree. We ask that the Marinus Link outlines what consultation it has had with the community, electricity consumers and affected landholders - including details of the numbers of people and the dates they have been consulted.

Summary

As landholders on the proposed route, we feel:

- The economic benefit is based on many assumptions and possibly isn’t conservative enough. It could easily turn into a net market detriment
- If the proper process was undertaken other routes should have been costed
- The Portland option has many potential benefits that have not been investigated
- We have no faith in the environmental assessment process if it is fast-tracked
- Landholders and the affected communities have not been adequately consulted

The project is already past the initial stages and revisiting the suggested route will probably be dismissed straight away by TasNetworks. Why shouldn’t the project go back to the drawing board if potential routes weren’t thoroughly investigated and there was questionable community consultation? Reading other stakeholder submissions and articles in the media, funding is going to be the limiting factor in this project. Why not revisit the proposed route if it provides the means for alternative funding. If the Portland option went ahead funding could potentially be provided by Alcoa, South Australia, Victoria, Tasmania and the Federal Government. It might mean the Tasmanian tax payers aren’t paying the project off by themselves for years to come.

Regards,
Landholders from Buffalo, Victoria

Tom & Denia Gilheany

John & Narelle Poletti

Willy Heldens