

# ISSUE 2317

# “In Support of Progress” Newsletter

6 September 2023

## Fire

## Marinus

## Chronic ailments

## Cost-of-living

## TasPorts

It is September already– winter (or rather what there was of it) has turned to Spring, and our thoughts naturally turn to:

### **FIRE**

Well, if they haven't they should have, because the prediction for this summer is for it to be very hot and very dry. The bush is already drying out.

An El Nino has formed in the Pacific, a warm water mass is drifting south along the eastern seaboard, and the recent conflagrations in Greece Canada and Hawaii are sobering, to say the least. We have been warned by the authorities to do what we can to protect our own property, and we would be mugs if we didn't. It is important to understand that fire knows no boundaries – for fire, lines on a map are irrelevant.

This may seem like a statement of the bleeding obvious, but it needs to be said. Because different jurisdictions have carriage of this matter - urban or rural, bush or farmland, public or private, municipal or state land, land use for forest or land use for national parks. Fire is not concerned who has carriage of it - it can consume the lot.

David Bowman is Professor of Fire Science at UTas, and he is spot on when he argues the need for a new approach to fire and fuel management. Traditionally we have conducted fuel reduction burning in autumn, but Bowman argues this period needs to be extended, into winter. I suspect it could even occur early Spring as well – in fact a recent fuel reduction burn back of Hobart proves the point that it can be done safely at this time of year.

So when fire authorities warn us to be ready, take heed. But I would be comforted to know they are doing all they can NOW to reduce fuel loads on public land, particularly close to cities and towns. There is no time to waste, and the window of opportunity is closing.

Bowman also makes the point that fire-fighting is different from fuel management. We have noticed in the past the problems that arise when an urban firefighting force is confronted with a rural or a forest outbreak, because it is a different beast. And fuel management is different again – the approach is proactive as distinct from reactive.

Bowman makes the point that there needs to be change in attitude to help counter what is fast becoming the new normal. Many argue for the need to end native forestry and place the land into reserves, but they are silent when it comes to fire management and fire control in these areas. That change in attitude expressed by Bowam needs to extend to areas set aside as National parks, conservation reserves and the like.

As stated earlier, fire knows no boundaries, and this coming season is going to test us all.

### **MARINUS**

Some weeks ago we were told that costs for the Marinus project had blown out to such an extent that the government was drawing a “line in the sand” (see e.g. Newsletter #2316). “Not at any cost”, we were told. On the weekend we were told that a new deal had been brokered and that it was a “ripper deal” for Tasmanians.

I cannot help but think there has been a bit of media manipulation going on here. Somehow it has all been too “convenient”. Bad news made to look like good news, but still...moving on...

When considering this ripper new deal, it would seem that the project has simply been divided into two, the first part to deal with a single cable development and the second part, presently only on deferral but slated for future development, the second cable.

From what can be ascertained, and ignoring the "spin", Marinus has been brought back to the original concept of a single cable – now at 750MW - with a subsequent reduction in cost from \$5.5b to \$3.3b, together with a realignment of debt funding.

There are 3 separate parts to the overall development:

The first is the NW high voltage transmission line. The project involves building a new transmission line plus upgrading an existing transmission line. Its purpose is to connect the cables to the grid, and is to be paid for by Tasmanian debt, presumably with TasNetworks. The NW transmission development has been calculated to cost up to \$1b, it would seem nothing has changed here, although there may be some deferral of development.

The second is the laying of two 750 MW cables, and this has now been separated into two separate projects, one for now and the other for "later". The now cable is estimated to cost upwards of \$3.3b

The cable costs are to be divided such that borrowings will be 80%, and equity 20%. Of that equity, the Tasmanian government is now up for 17.7% (it was 33%), the Victorian Govt remains at 33.3%, and the federal government has now lifted its stake to 49% (it was 33%). These percentages will determine ownership and thus the percentage take from any ongoing revenues.

The Government has paraded the fact that the cost to Tasmania has been reduced to \$117m. This figure is derived from the calculation – 17.7% of the 20% ownership by \$3.3b) There has been no mention of any cost sharing for a second cable – that has been kicked down the road.

Now, the transmission line and the interconnector do not of themselves provide more power to the Tasmanian grid. Certainly there will be an opportunity for a 2-way transfer of power across the cable(s), and provide greater access, but of themselves they produce no more power.

The third is the "Battery of the Nation" development. Two projects have been under consideration, one being the Tarraleah redevelopment and the other being the Cethana pumped hydro project. Tarraleah is an essential development and should go ahead irrespective of anything else. Such a redevelopment will allow it to produce 33% more power, while at the same time allow for greater operational flexibility. Cethana has now been deferred.

So, to summarise, the "ripper" deal is in fact a reduction in ownership, a reduction in cable capacity, and a reduction in the proposed increase in power supply. Maybe a better way of looking at it is that we have stepped away from eh hype and returned to a more realistic proposal.

The installed capacity of the existing Hydro system is somewhat shy of 2500 MW (and not 3000MW as stated in a previous newsletter). The advantage of the system (small by mainland standards) is that it can provide firming power, which means that it can provide stability in the delivery system. The new world of "renewable" supply also means a world of unreliable and variable supply. Given its head, and without firming power, such a system would soon collapse.

The Tasmanian power system is stable. It can provide Tasmania with its electricity needs. It can absorb a certain amount of variable supply (e.g. windfarms, domestic solar roof panels) without falling over, but there are limits. It is not an open slather.

It can also cover/balance any wobble in supply and demand through BassLink. Another cable would be a sensible backup to that and provide greater security (in case BassLink failed) and operational flexibility. And from a mainland perspective these cables can provide firming power – a necessary component for them considering their move away from producing their own.

But that benefit is to them, but probably at a cost to Tasmania.

Irrespective of project design and cost blowouts, the case for Marinus still needs to be made. The costs mentioned above relate to construction costs only and the debt from borrowings will need to be serviced. The debt accruing to Tasmania will no doubt be met from Tasmanian power consumers. On top of that will come the costs of operating the system and the costs of power generation. Downward pressure? I doubt it.

At this stage the benefits of Marinus would appear to be weighted in favour of Victoria. A reduced benefit for now, given only one cable. However, if Tasmanian power is of such advantage to the mainland, why come here when they can use it there. Exporting power would suggest also exporting a greater economic benefit.

Not that this is the Commonwealth's approach. With typical messianic zeal, the federal energy minister rides in on his steed, driven to make his renewables utopia a reality. Wiser heads are arguing that the reliable power stations on the mainland be kept on-line for longer to ensure the stability that renewables cannot offer. Already the AEMO (Australian Energy Market operator) is sounding the warning that the system will not be able to cope with the level of unreliability being built into the system. That concern would appear to be shrugged off. "Build more renewables!"

The Snowy Hydro 2.0 project is also about providing firming power into the national grid. Its construction budget has blown out from some \$2b to over \$10b, and climbing. Is that a problem? Apparently not.

So, no surprises to see the Federal Minister offering extraordinary concessions in order to make Marinus happen. The Investment Decision is not until the end of next year. All the more reason for wise heads to prevail on the Tasmanian side of the table.

Recent comments from the State Government would suggest that once built, the Feds would buy Tasmania's 17.7%, and that Tasmania would be happy to walk away from the project and its ongoing debt burden. But then that begs the question – why do it in the first place? A greater trading opportunity for a Tasmanian operator? It already has that with BassLink. Is that what this is really all about?

The government says Tasmania and Tasmanian consumers will benefit, but the jury is still out on that one. Surely it would be far better to use the power at home. And if supply needs to grow to meet future growth in demand, then consideration should be given to the Battery of the Nation developments proceeding without Marinus.

### **A Revolving Door**

These days the headlines are all about the chronic problems facing health (e.g. hospitals stretched to the max), housing (e.g. homelessness), education (e.g. falling standards), and cost of living (e.g. rents, power prices), with a bit of the Stadium (at Mac Point) thrown in for good measure as a diversion against all the bad news. Not a day goes by without one of these capturing the headlines. It is almost as though the media are following a formula – a set-piece play, a daily diet of troubles and woes.

The government responds to these continuing exposures playing catch-up and moving to calm the horses (with spin doctors) and longer-term approaches (more housing, downward pressure on power prices), but the problems don't and won't go away. Public services are being stretched to the limit, and there does not appear to have been much planning to resolve these matters. Like a revolving door, the issues keep appearing day after day. And we appear to be doomed to be always behind the 8-ball, playing catch-up.

It is an easy field for an Opposition to plough, but it also needs to propose its own agenda to resolve these matters.

Outside of the politics, as well as doing what we can in the present circumstance, maybe we need to think a little outside the box as well. A new approach to short-term resolutions is desperately required, even if these solutions are temporary in nature.

Tasmania has a population that is 571,000 persons strong. It is an ageing population, and in short measure the baby boomers will have passed on. Economically, that will also mean a significant transfer of wealth, from parents to their offspring. Demographers such as Dr Lisa Denny have been delving deeper into population statistics and are waving red flags regarding the changing nature of the population, the ability to deliver labour, and the services that will need to be provided.

And that is for a steady state. What if the State's population was to increase to say 700,000, through interstate and overseas migration? Where would they live, what would be the housing needs, what resources would be required and what would need to change to ensure services could accommodate such a circumstance. Because it could happen.

I would like to think that somewhere in the system these questions are being asked and some long-term planning is being conducted.

### **"Cost of Living"**

The cries are mounting regarding the "cost-of-living" pressures, and how it is becoming that much harder to make ends meet. Aspiration appears to be in decline, and stress is mounting in the community, as people worry more and more about loss of control and impoverishment.

Something is happening within and it is not good. Essentially our middle ground is being gouged. A number of US social commentators have been referring to the decline in the middle class, and with it the decline in social order. Democracy can be a fragile thing. If the populace loses respect for its processes, including the rule of law, then it can lead to dire consequences.

We may well be a wealthy nation, but few people are actually seeing it. We may well be comfortable with legal process, but there are some disquieting signs that all is not well in the way the law is being handled, whether at the level of street crime, protest activity or in the court room (e.g the ACT). And we may be a tolerant nation, but tolerance only goes so far, when suffering is the norm.

I hope that those who serve in parliament take note of the signals that surround them, and recognise the need to practice a duty of care in their service, to ensure the world does not implode around them – and us.

I know this may all seem a bit dramatic, but through my eyes the signals are there and the concern is real.

### **TasPorts**

The Hobart Harbour Master has determined that the Antarctic research vessel *RSV Nuyina* is too broad-a-beam to safely pass under the Tasman Bridge. OK going north, but not OK going south, it would seem. This is the exact opposite of previous statements from TasPorts that the vessel had been granted approval to transit the Tasman Bridge (see statement of 28 Feb 2022).

Recent commentary would suggest that the Antarctic Division, having been given approval for a 25m beam boat, then built a 35m beam boat. Such a situation seems extraordinary, and does not sit comfortably with the fact that the vessel had already been given approval.

The Harbour Master has also now announced that the boat has a high degree of side-slip, even though the boat has sufficient thrusters to steer safely through. There has been no response from the Australian Antarctic Division at this stage, but one suspects an over-abundance of caution on the part of TasPorts, if not other issues as well.

What might the Antarctic Division do to have its boat refuelled if it cannot now do it in Hobart? Travel to Burnie? Maybe, but Hobart best be careful here, as Burnie may not be the only option. Fremantle and Geelong loom as options for the AAD, and not just for fuelling the boat.