

## Representation to the Joint Select Committee on Energy Matters in Tasmania

While I have considered the terms of reference which frame this committee of enquiry, and welcome its formation, I am of the opinion that its deliberations and recommendations may be worthless with the impending transition of Marinus Link Pty Ltd from a subsidiary of TasNetworks to a “standalone entity”, where Tasmania is the minority shareholder.

Headed “A community update for Victoria”, Marinus Link declares on its website: **“Early 2024 will see Marinus Link Pty Ltd become a standalone entity...This will mean Marinus Link is no longer a subsidiary of TasNetworks, which is owned by the State of Tasmania”.**

See <https://www.marinuslink.com.au/2023/12/community-update-victoria-2/>

Tasmanians will be told “in due course”, according to a TasNetworks spokesperson, quoted in The Mercury newspaper on January 17.

The restructured company will be owned by the Federal Government (49%), the Victorian Government (33.3%) and Tasmanian Government (17.7%) – with Tasmania having a get-out option once the project is complete. The board will be transformed to reflect the equity.

The Commonwealth is also the banker for the project. When “concessional loans” were announced in October 2022, the states of Victoria and Tasmania each committed to putting up one third of 20% of the then project cost – around \$253,000 – as equal partners with the Commonwealth.

While I understand that the terms of reference are established by Parliament, I can see no reason why this committee should not look at the sell-off of Marinus Link Pty Ltd as the guiding principle for its deliberations.

**TOR (d) Marinus Link Pty Ltd and associated energy power developments (Battery of the Nation and North West Transmission Development)** provides that opportunity.

I contend that the Marinus Project has always been flawed, despite the State Liberal Government’s repeated assertions that it would shower us with social and economic benefits, and that a “final investment decision” due in December this year would prove their case.

It was only after denying cost blow-outs to \$5.5 billion, which put the project beyond economic sense, and the Premier talking of “a line in the sand”, that the Federal Government stepped in with Rewiring The Nation money – albeit for just one cable with a similar price tag (\$3.3 billion) to the 1500MW/two-cable capacity so staunchly promoted as necessary for Victoria’s well-being and Tasmania’s riches.

Tasmania has been committed to the venture by this Government. Exposure at 17.7% (roughly one-sixth, or \$585,000) is not likely to strain the treasury – however, the commitments which come as conditions of the Federal intervention are frightening.

Tasmania is locked into building the North West Transmission Developments – a billion-dollar exercise to move privately-owned power from the Robbins Island and Jims Plain windfarms to the Marinus export point at Heybridge, and to supply “surplus” wind power to circulate water for pumped hydro.

The Federal Government has said Hydro Tasmania will double the output from the Tarraleah generators – once again, another \$1,000,000,000 State project, funded by cheap national loans.

There is already a TasNetworks contingency to upgrade the Waddamana to Palmerston high voltage transmission line to accommodate an expected 1030MW of new wind energy generation in the Central Highlands.

The Cethana pumped hydro scheme will be deemed necessary to fulfill the “battery of the nation” catchcry, which in turn will be used to justify the installation of Marinus cable #2. Today it has an estimated cost of \$3.3 billion, but given the Marinus price blowout – more likely \$5.0 bn. No doubt it will be built with borrowed capital.

The second cable will require more debt to be assumed by Marinus Pty Ltd – and like the first tranche, will need to be repaid.

Professor Bruce Mountain from the Victorian Energy Policy Centre says running costs for Marinus #1 would add upwards of \$400 million a year to transmission charges – more than three times the current costs, which are recouped through our power bills.

Given that Marinus will go ahead under the auspices of the Commonwealth, and that Tasmania has been locked-in to massive infrastructure developments wedded to an interconnected National Electricity Market, I contend that our island’s energy future has been prostituted for political gratification.

As the subservient partner in a national venture, our island landscape and economy will no longer be ours to develop in a sustainable manner, and I ask this committee to look urgently at Tasmania’s vulnerability in light of a reconstructed Marinus Link Pty Ltd.

Greg Pullen



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