

Marinus Link touted as 'national recovery' project, but questions linger as to who pays

By state political reporter [Alexandra Humphries](#)

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An energy consultant says there "may well be better uses" for the amount of money the Marinus Link would cost. *(Supplied: Diving Co)*

The Federal Government is promising to fast-track the Marinus Link project — a second underwater energy cable across Bass Strait — but plenty of questions remain about the \$3.5 billion project, including who will pay for it.

[Marinus Link was one of 15 projects that Prime Minister Scott Morrison announced](#) would be prioritised and have its approvals fast-tracked during a speech at the National Press Club on Monday.

The fast-tracked projects are expected to support 66,000 jobs nationally.

The proposed 1500MW Marinus Link would require a \$3.5 billion capital spend to get up and running by 2027 — cash that, so far, no-one is offering to stump up.

According to the business case released last year, the plan stacks up. It would be commercially viable and could deliver a \$1 billion boost to Tasmania's economy through construction and operation.

Key points:

- Energy expert Marc White says Tasmanian users could end up paying for Marinus Link, which was really designed to solve energy problems on the mainland
- Mr White says work needs to be done on alternatives, cautioning that "there may well be better uses for that sort of money"
- The Tasmanian Government says the project will improve the state's energy security

It would run from Burnie to Victoria's Latrobe Valley, and would include converter stations in Tasmania and Victoria and about 220 kilometres of transmission lines through Tasmania's north-west.

But, it would be mainland energy users who would primarily benefit.

Energy expert Marc White's company has reviewed the project, and is not convinced that going forward would be in the best interests of consumers.

"It's a potential wealth transfer from consumers to wind farm developers and potentially hydro developers in terms of pumped hydro storage," Mr White said.

Mr White said there was concern that Tasmanian users could end up paying for Marinus Link, which was really designed to solve energy problems on the mainland.

He said new and nimble technology options such as solar and batteries should be more closely examined first.



Proposed route of the Marinus undersea cable between Victoria and Tasmania's north-west coast. (Supplied: TasNetworks)

"At the moment the rules would see Tasmanians pay for their share of it, and the simple fact is Tasmanians don't need this new asset," he said.

"We think more work needs to be done on the alternatives, we're concerned that this sort of asset is a 40-year asset and there may well be better uses for that sort of money."

Mr White said there was a risk of Marinus Link becoming a stranded asset in 15 to 20 years and not generating the expected benefits because the market has moved on.

The Tasmanian Government remains committed to the project, arguing it would bring forward renewable energy investment in Tasmania, and improve the state's energy security.

Energy Minister Guy Barnett said the Government would not be proceeding with the project if it did not stack up.

"We're proceeding on the basis that we have a very strong and sound business case, it's backed by the Federal Government, it's backed by our Government and absolutely the whole point of this is to bring investment and jobs to Tasmania," he said.

Work has been underway to negotiate who will pay for the link with other states and the Commonwealth Government since last year, but six months on from the release of the business case there are still no answers.

Mr Barnett has repeatedly said Tasmania would only pay its fair share for the project, but he has never said what a fair share would be.

TasNetworks has though — chief executive Lance Balcombe last year said a fair share would amount to next to nothing for Tasmanians.

UPC/AC Renewables is developing projects across Australia to deliver energy into the National Electricity Market, including a proposed wind farm at Robbins Island in Tasmania's north-west.

Chief operations officer David Pollington said the progression of Marinus Link would be crucial in allowing the Robbins Island wind farm to expand past 500MW of production.

Mr Pollington said his company was keen for certainty around how the cable would be funded.

"There are a number of different options, we have been approached by parties who are interested in funding it, it's a matter of getting it underway because of the benefits it brings to Tasmania and more broadly to Australia," he said.

'Balloon full of hot air', Greens say

The Labor Opposition wants more information about who will pay for the project, how it will be delivered and whether it will remain in public hands.

"Will a fast-track process mean that the project will end up in endless court cases?" Labor energy spokesman David O'Byrne asked.

"What are they actually fast-tracking? There is no development application, so there is nothing to fast-track.

"Labor supports more renewable energy jobs but the objective must be for Tasmanians to pay less for power, not more."

Greens leader Cassy O'Connor said the announcement was a "massive balloon full of hot air" from Prime Minister Scott Morrison.

"If the Prime Minister wanted to help Tasmania and if he really believed in the Marinus Link he would have provided some money," Ms O'Connor said.

"Instead, what we've got is hot air and not a single brass razoo for Tasmania, and a whole lot of questions now about what the Federal Government's plans are for our environment laws."