SUBMISSION

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By Ministers Web Email & Web submission

Snowy 2.0 – Transmission Connect Application No SSI-9717
Kosciuszko National Park Draft Amendment to the Plan of Management Snowy 2.0

My Dear Minister,

When it comes to "abuse" our Federal Government appears to know no bounds.

Let's talk about an alleged abuse of one of Australia's most beautiful girls, Miss Kosciuszko National Park (Miss KNP). Miss KNP is unable to speak for herself and she can't move. Recognising her beauty and vulnerability, previous NSW State Governments surrounded her with an impenetrable fortress of Legislation:

- i) The NSW Constitution
- ii) The National Parks Act
- iii) The Fisheries Management Act
- iv) The Biodiversity Conservation Act
- v) The Protection of the Environment Operations Act
- vi) The Kosciuszko Plan of Management

With all this protection how could she possibly be abused? Sadly this is only possible with the full cooperation of her elected protectors, the current Liberal NSW Government. This Government has willingly handed the perpetrator (This Liberal Federal Government) a key to Miss KNP's front door, and given an undertaking to provide "all reasonable assistance". In return, the perpetrator provided 30 pieces of silver in the form of \$4.154B. It is apparent the NSW Government may have erased the word "reasonable" from "all reasonable assistance" and providing "all assistance".

Disguised as 'renewable energy' The Federal Government has entered Miss KNP's home using the front door key provided by the NSW Government. No alternative to the abuse of Miss KNP was ever considered before committing the act. It was never a matter of if, the Federal Government and the NSW State Government have never considered any other option.

This is essentially the pathological assertion of power over a victim. In this case not simply Miss KNP, but all current and future generations of the people of NSW denied the level of KNP environmental integrity promised in NSW Legislation.

While this analogy to abuse may be uncomfortable, it is none the less real. NSW has opened the front door providing a 'key to the city' for this Federal Government's 'Trojan Horse' in the form of a "white elephant", Snowy 2.0.

Please consider these simple points that have created and enabled abuse:

- 1. No alternative to providing renewables, other than in the KNP, was ever considered.
- 2. The Snowy 2.0 project was imposed by the Federal and State Governments, as opposed to voted on by the people of Australia or NSW.
- 3. The Federal Government has no public Energy Policy.
- 4. On March 02, 2018, Prime Minister Scott Morrison announced arrangements had been reached between the NSW Government and the Federal Government that would ensure Snowy Hydro's (now a 100% Federal entity) project Snowy 2.0, would proceed in earnest. At part of this announcement our Prime minister tabled a list of key agreements reached between NSW and the Federal Government, two of which include:
 - a. In return for NSW's 58 per cent stake in Snowy Hydro NSW will receive \$4.154B.
 - b. <u>NSW will provide all reasonable assistance</u> to Snowy Hydro in relation to its current and future operations, including planning and approvals process for Snowy 2.0.
- 5. NSW Legislation is sidelined by the granting a Critical State Significant Infrastructure(CSSI) status. A status reserved in legislation for the benefit of NSW State Projects, but here extended to a Federal entity. All economic benefits from Snowy 2.0 accumulate in Snowy Hydro a 100% owned Federal entity.
 - s.5.22 (4) A development control order cannot be given in relation to critical State significant infrastructure
 - s.5.23 (3) The following directions, orders or notices cannot be made or given so as to prevent or interfere with the carrying out of approved critical State significant infrastructure—
 - (a) an interim protection order (within the meaning of the *National Parks and Wildlife Act* 1974),
 - (b) an order under Division 1 (Stop work orders) of Part 6A of the *National Parks and Wildlife Act 1974* or Division 7 (Stop work orders) of Part 7A of the *Fisheries Management Act 1994*,
 - (c) a remediation direction under Division 3 (Remediation directions) of Part 6A of the *National Parks and Wildlife Act 1974*,
 - (c1) an order or direction under Part 11 (Regulatory compliance mechanisms) of the *Biodiversity Conservation Act 2016*,
 - (d) an environment protection notice under Chapter 4 of the *Protection of the Environment Operations Act 1997*,
 - (e) an order under section 124 of the Local Government Act 1993.
 - s.5.26 (2) The only requirement of this Division that is mandatory in connection with the validity of an approval of State significant infrastructure is a requirement that an environmental impact statement with respect to the infrastructure is made publicly available under this Division.
 - (3) Any infrastructure that has been approved (or purports to be approved) by the Minister under this Division is taken to be State significant infrastructure to which this Division applies, and to have been such infrastructure for the purposes of any application or other matter under this Division in relation to the infrastructure.
 - s.5.27 (2) The third-party appeal provisions do not apply in relation to the following (except in relation to an application to the Court made or approved by the Minister)—
 - (a) a breach of this Act arising under this Division in respect of critical State significant infrastructure, including the declaration of the development as State significant infrastructure (and as critical State significant infrastructure) and any approval or other requirement under this Division for the infrastructure,
 - (b) a breach of any conditions of an approval under this Division for critical State significant infrastructure,
 - (c) a breach of this or any other Act arising in respect of the giving of an authorisation of a kind referred to in section 5.24(1) for critical State significant infrastructure (or in respect of the conditions of such an authorisation).
 - (3) The conditions of approval under this Division for critical State significant infrastructure are conditions that may only be enforced by or with the approval of the Minister (whether under the third-party appeal provisions, the judicial review jurisdiction of the Court or in any other proceedings).

- 6. The CSSI status removed any compliance with, amongst other NSW legislation, the Fisheries Management Act. Does our Minister agree, in extending 'all reasonable assistance", altering and sidelining NSW legislation, designed to protect KNP, an asset of the people of NSW, for the benefit of a Federal entity, is bridge too far?
- 7. NSW Parliament passes the Snowy Hydro Corporatisation Amendment (Snowy 2.0) Bill 2018, assented to on 28 November 2018. The National Parks Act is a key Act in defining and protecting the KNP environmental values. Does the Minister agree this Bill also removed the implications of the National Parks Act from any application to the Federal entity's Snowy 2.0 project for a period of three years?
- 8. NSW Planning, in their Approval document, could have used the word eliminate throughout the Approval in regard to the elimination of pests and pathogen transfer across the whole of the KNP. Instead the Approval also uses the word "minimize", providing an ambiguous Approval enabling the Federal Governments Snowy Hydro to a choice to either 'eliminate' or 'minimise.' Does the Minister agree these are vastly different terms producing vastly different outcomes? Does the Minister agree a NSW's Planning Approval should not be ambiguous or open to interpretation?
- 9. Our Constitution drew a line in the sand to ensure a separation between the States and Federal Government. The arrangements entered into between the Federal and State Governments for Snowy 2.0 required that line to be erased. This Federal Government Project could not proceed, as proposed, and comply with NSW Legislation. Does the Minister accept the Federal Government is only able to overcome State environmental protection legislation with the full cooperation of the State Government? Is this an ultra vires act? Has the NSW Government removed NSW legislation, created for the benefit of the people of NSW, for the benefit of the Federal Government?
- 10. Snowy Hydro is denying any access request by environmentally interested parties to inspect the Snowy 2.0 site firsthand. Snowy Hydro, a Federal entity, claim their exclusive lease over State land entitles them to refuse access. All onsite workers and visitor are required to sign a confidentiality agreement. Does our Minister agree these acts primarily serve only to remove transparency and witnesses to any Environmental Crime? And if there were nothing to hide Snowy Hydro should be prepared to grant any such reasonable request?
- 11. The Federal Government has proven their thirst for the Snowy 2.0 project at any cost.

 Announced at a cost of \$2B, it is currently on target to exceed \$10B+. Every time the project's budget blows out, the Federal Government is committed to finding the money to continue. Yet each time there is a cost option to protect KNP's environmental values E.G. prevent the transfer of pests and pathogens(\$600m), placing Transmission lines underground (Not costed by the applicant in this current Application), the NSW Government provides the Federal Government a get out of jail free card. Does our Minister agree environmental costs of the project are not a priority of this Federal Government, and they escape being held to account by "all assistance" of our State Government? Does the Minister agree this does not eliminate the cost, it simply transfers what are Federal project costs(current and future impacts), to the current and future generations of the people of NSW? Does the Minister agree the State Government has a duty to the people of NSW to ensure all costs of the project are a Federal Cost?

Please provide answers to the following questions:

- i) The application calls for Transmission Lines to be erected above ground, which is contrary to the KNP Plan of Management. In the absence of any amendment to the KNP Plan of Management, on what basis can the NSW Planning Department deal in this application?
- ii) Does the Minister agree NSW environmental cost concessions provided to the Federal Government in the avoidance of protecting the environmental integrity of KNP, simply transfers that cost burden onto the current and future generations of the people of NSW?
- iii) Does the Minister agree the Minister for Energy <u>and</u> The Environment, in his proposal to amend the KNP Plan of Management to enable transmission lines to be placed above ground has a conflict of interest?
 - The Minister for Energy and Environment is charged with the responsibilities for matters relating to resources, energy, utilities, and the environment and conservation in the state of New South Wales. In this instance the Minister is considering making a decision that will negatively impact the environment and conservation of NSW's KNP for the benefit of a Federal entity's energy needs.

In order to do so the Minister is first required to waive his responsibilities and integrity to the people of NSW in favour of a Federal entity. Placing the Transmission lines underground will not prohibit the project proceeding. But it will require the NSW Government to nullify State environmental integrity via this proposed amendment. Is this but a further example of where the NSW Government seeks to remove NSW environmental protections, for the sole purpose of saving the Federal Government a few project dollars? In this case placing them above ground will require the permanent removal of 445 acres of KNP flora and fauna and habitat. Will the Minister advise:

- a) what is the fair and equitable value of 445 acres of KNP is worth to the NSW public?
- b) Why this value has not been included in any costings by the Applicant?

This is not a State energy project, as such the responsibilities to the Environment and Conservation should outweigh considerations of the Ministers Energy portfolio.

- iv) This project was imposed on all Australians with no alternative to creating renewables other than in NSW's Kosciuszko National Park ever considered. Where NSW environmental safeguards could be implemented at the Federal Governments expense does the Minister agree there is a Ministerial responsibility to the people of NSW to do so?
- v) The Federal Government announced this project as having a cost of \$2B. Since then experts have forecast the true costs at \$10B plus. Each and every time there has been a blowout of costs the Federal Government finds the money for the project to proceed. But each time any environmental protections are identified this State Government finds a means to save the Federal Government that cost. Does the Minister agree the consequences and financial burden is left at the sole expense of the people of NSW? The two obvious examples:
 - Not requiring screens at Talbingo that would have prevented any transfer of pests and pathogens to Tantangara and across the whole Kosciuszko National Park aquatic system. (see NSW Snowy 2.0 Approval)
 - ii. And now, an Environment Department proposed amendment to the KNP POM to exclude Snowy 2.0 from the requirement of placing lines underground. Something Snowy Hydro agreed to in 2006.
- vi) Can the Minister confirm if there has ever been a cost placed on "doing business" in the internationally recognised Kosciuszko National Park(cost of destruction of Flora & Fauna

- and habitat)? What is this value? Why has the NSW Government not ensured this value was included as a project cost? What will the State Government now do to ensure this fair and equitable value is paid to the people of NSW? This should be in addition to any costs to protect the KNP.
- vii) Does the Minister agree that before the NSW Government should extend "all reasonable cooperation" to the Federal Government, where such cooperation destroys or diminishes NSW's KNP environmental values, a fair and equitable value should be determined, agreed, and that amount paid by the Federal Government as a cost of the project in NSW's KNP? Or the cost burden to avoid these costs is a project cost and not a cost of the people of NSW?
- viii) Does our Minister agree any project undertaken in NSW should be massaged to fit NSW Legislation? Where NSW Legislation has to be removed, sidelined, massaged or altered; in the first instance, consider if the project, or an element of the project, is outside the realms of "reasonable". And secondly, consider that it may be more "reasonable" the project should be amended as opposed to amending a Plan of Management?
- ix) All KNP/Snowy 2.0 negotiation have between a Liberal Federal and State Government. Both "executives of governance" have a conflicted interest. Enabling political interests to override obligations to the Australian people, and the people of NSW. As a member of the "Executive" is the Minister aware of this conflict of interest? Where conflicts of interest exist between the Federal and State Governments they may go to breaches of both the 'rule of law' and 'Constitutional Law'. In this regard, has the Minister ever sort advice on behalf of the people of NSW?
- x) Can our Minister confirm the current financial position of the NSW State Government and assure the people of NSW their Government is not financially beholding to the Federal Government in any way? Have decisions to remove environmental protection of the KNP by the NSW Government been made under financial duress. And or, obligation?
- xi) Does the Minister agree this is a Federal project, as such, no project cost should not be left to the burden of this and future generations of the NSW people alone? Does the Minister agree the NSW Government is required to place the interests of the people of NSW first?
- xii) Does the Minister agree any and all costs of this Federal project, in so much as the project impacts KNP, are the cost 'doing business' in a highly protected national Park? And that these costs are to be borne at a Federal level by all Australians not left to current and future generations of the people of NSW? Is this the overriding responsibility of our State Government?

Prior to any consideration of the application before Planning we request the Minister gives favourable consideration to the following:

- A. The Minister requests the Federal Government, in the light of the Snowy 2.0 budget blowout to \$10B Plus, in so much as the projects location is inside the NSW asset of KNP to:
 - a) immediately call a public enquiry into why costs have blown out and determine if the "end still justifies the means?"
 - b) Work with the Federal Government to ensure there are no alternative projects that may now provide better value and with less environmental impacts for the people of NSW.

- c) Require the Federal Government to publicly produce its Federal Energy Plan so the people of NSW can justify contributing to the Federal costs and the costs imposed on the asset value of KNP.
- d) A cost blowout of five times ,to \$10B plus, is unheard of and a game changer, the Federal and State Governments are obligated to at least reconsider the project in light of these current projections. If they will not all environmental cost concessions already extended should be reconsidered and insisted upon by the NSW State Government.
- e) It is an accepted principle when your neighbour requires to use your land that:
 - i) you extent your "reasonable assistance", and
 - ii) a fair and reasonable value be determined for usage and damage and loss of value of your property.
 - iii)any and all damages are paid by the neighbour.
- B. There must be a cost of 'doing business' in a National Park in regard to the land value. Will the Minister advise the fair and equitable value of the NSW KNP land content for the Federal project Snowy 2.0? Where in the current Snowy 2.0 budget has this amount been allocated? When and how will this amount be paid to the people of NSW?
- C. Require this Federal Government Project to undertake an investigation to understand how Pest and Pathogens have been able to establish in the Talbingo Reservoir. REASON: Once pristine alpine waters when built in 1971, Talbingo Reservoir from 2010 is the location of Snowy Hydro's first "pumped" hydro station, Tumut 3. T3 pumps between Journama and Talbingo. Is there any relationship to the establishment of pests and pathogens in Talbingo Reservoir as a consequence of this existing T3 pumped Hydro?
 - a. Does the Minister agree mistakes of the past should not be blindly passed on via Snowy 2.0? With tunnel connectivity across the entire KNP could the damage be permanent and irreversible?
- D. Require the Federal Government meet any and all environmental protections of KNP where possible regardless of price, to do less is not fair or reasonable to the people of NSW. E. G. the installation of the already investigated (EIS) \$600m mechanisms at Talbingo. The EIS indicates this would eliminate any transfer of pests and pathogens to Tantangara Reservoir but our Planning Minister provided a \$600m get out of jail free card. Does our Minister agree this places a Federal cost to ensure the environmental integrity of KNP on the people of NSW? Will the Minister seek compensation from the Federal Government? If not why not?
- E. By agreement between Federal and State Governments, amend the NSW Planning Approval. Deleting the word "minimise" (pets and pathogen transfer), and replace them with the word "eliminate". Does our Premier agree to use both words concurrently in a Planning Approval diminishes responsibility and leaves the Approval open to interpretation?
- F. The Minister refuses the current application and requires the installation of Transmission Lines be underground as per the current POM. Further the applicant to provide details of the various means to do so, together with their cost, and the applicants preferred option with reasons.
- G. NSW Government provide an account for how the \$4.154B has been allocated "into productive NSW infrastructure", identifying projects and budgets. Specific detail of infrastructure descriptions and budgets for any investment in the region from which the

- \$4.154B was earned. I.E. Kosciuszko National Park, Snowy Monaro Regional Council Area and the Tumut Council Area.
- H. Review the \$2M annual lease payments by the Federal Government's Snowy Hydro in return for exclusive usage of areas of KNP increasing this amount to the fair and equitable payment for exclusive usage of KNP.
- I. Require Snowy Hydro to provide a list of all Snowy 1.0 sites that have not been repatriated together with a time-line of when this work will be both undertaken and completed.

In anticipation I very much look forward to our Ministers answers and response.

Yours faithfully

Peter Anderson

Fourth Anniversary of Snowy 2.0 Announcement confirms Government was sold a White Elephant

Four years ago, on 15 March 2017, Prime Minister Turnbull announced the Snowy 2.0 pumped hydro project¹:

"The Turnbull Government will start work on an electricity game-changer: the plan for the Snowy Mountains Scheme 2.0. This plan will increase the generation of the Snowy Hydro scheme by 50%, adding 2000 megawatts of renewable energy to the National Electricity Market (NEM)".

This grand, nation-building vision was for a massive battery, dubbed 'Snowy 2.0', to be added to the Snowy Scheme. It was to be completed by 2021, cost \$2 billion (at no expense to taxpayers), bring down electricity prices, speed the transition to renewable energy and incur minimal damage on Kosciuszko National Park.

Fast forward to today. None of these grand claims has turned out to be true.

Completion is now scheduled for 2026, five years late. Many industry experts doubt even this extended timeframe.

Cost has more than doubled to at least \$5.1 billion (the Main Works contract price), though Snowy Hydro are doggedly sticking to the Business Case estimate of \$3.8 to \$4.5 billion. Experts predict the final amount will be around \$10 billion, five times the initial estimate.

Contrary to the assurance of no expense to taxpayers, the Commonwealth Government was forced to shore up Snowy 2.0's Business Case by kicking in \$1.4 billion. Further calls on taxpayer funds are inevitable according to the Standard & Poors report that downgraded Snowy Hydro's credit rating due to deteriorating finances (Sep 2020).

Far from bringing electricity prices down, Snowy Hydro's own modelling predicts that prices will rise as a result of Snowy 2.0.

At best, Snowy 2.0 will play a marginal role in our transition to renewable energy. It will be the most inefficient battery in the National Electricity Market (NEM), losing around 25% of the energy stored in each cycle of pumping and generation. Hundreds of kilometres of new transmission lines are needed, at great cost and with significant transmission losses. The best location for energy storage is at a load centre, not 500 kilometres away.

Pumped Hydro is being increasingly outcompeted by ever-cheaper batteries for multi-day storage cycling, due to higher losses (25% vs 10%) and slower reaction speeds (minutes vs milliseconds). The massive cost and environmental impacts of Snowy 2.0 cannot be justified for occasional longer-term storage. Analysis by the Australian Energy Market Operator shows that Snowy 2.0 (or its equivalent) is not needed till 2030. The existing under-utilised Tumut 3 pumped hydro station offers sufficient capacity in the meantime (1,800 MW).

It is often claimed that Snowy 2.0 will generate renewable energy. This is plainly untrue. Snowy 2.0 will be a net load on the NEM, no more renewable or 'cleaner' than any other battery. It will simply store electricity from the NEM and then supply it back again, the same as all other grid-connected batteries, though losing 2½ times more energy in the process.

¹ "Securing Australia's Energy Future with Snowy Mountains 2.0, Prime Minister, 15 March 2017 https://www.malcolmturnbull.com.au/media/securing-australias-energy-future-with-snowy-mountains-2.0

It is now obvious that the Commonwealth Government, as sole shareholder, signed off on a flawed Business Case. Compared to the Business Case assumptions, costs have since doubled (again), and projected income halved. Experts have been saying for some time that Snowy 2.0 could never pay for itself.

The latest revelation in this sorry saga is an overhead transmission connection through Kosciuszko National Park. This proposal contradicts repeated assurances that the environmental impacts of the project were being minimised by placing infrastructure beneath the Park. Instead of installing underground cables, the recently exhibited EIS proposes four 330 kV overhead lines, with two sets of massive 75-metre-high towers traversing eight kilometres of Kosciuszko and a cleared swathe up to 200 metres wide.

The statutory Plan of Management that controls activities in Kosciuszko expressly prohibits the construction of any new overhead transmission line. Such prohibition is pretty much universal for National Parks in Australia and throughout the developed world.

Inexplicably, the NSW Government is about to exempt Snowy 2.0 from its own legislative requirement for underground transmission.

Why do both the Commonwealth and NSW Governments continue to bend over backwards for Snowy 2.0, with \$billion subsidies (and more likely) and legislative exemptions, despite conclusive evidence that the project will never achieve its initial claims and is fundamentally flawed?

There are many cheaper, more efficient, and far less environmentally destructive energy storage alternatives.

If construction continues, Snowy 2.0 will bring a flurry of activity and temporary construction jobs. But in five or so years Australia will be left with a \$10 billion rarely used Snowy White Elephant, higher electricity prices, a needlessly scarred Kosciuszko National Park, and just a dozen extra Snowy Hydro jobs.

On this anniversary let's take stock and review the whole project. It is standard practice to regularly review major infrastructure projects, especially when circumstances deteriorate so markedly.

A billion dollars has been spent. But there is still \$9 billion of taxpayers' money to be saved or redirected to storage projects that are actually worthwhile.

If Snowy 2.0 is not reviewed and stopped, each succeeding anniversary will bring an even gloomier outlook.

