



Committee Secretary
Senate Standing Committees on Environment and Communications
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Parliament House
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02 November 2022

Re: Senate Inquiry
Offshore Electricity Infrastructure Legislation Amendment Bill 2022 [Provisions]

Dear Senate Committee

NTAG Inc understands the Senate is considering the Government's plans to amend the financial security requirements of the OEI Act. The amendment would allow the Minister, rather than the Regulator, to decide in accordance with Regulations the form of financial security, to decide when financial security is no longer required, and to decide when a reduced amount of security is acceptable. Under the OEI Act, licence holders must provide financial security to the Commonwealth before commencing their projects. We understand a 'bond' or similar is used to cover debts or expenses for wind farm developers.

NTAG has some experience with Korea Zinc who want to develop a wind farm at St Patricks Plains in Tasmania. While it is a land-based wind farm, the lessons learnt are applicable for offshore wind farms.

NTAG - Central Highlands (Tas) No Turbine Action Group - is opposed to a 47-turbine wind farm with turbines 240m high being proposed next to gateway and tourist roads to the World Heritage Area of the remarkable Highland Lakes area of the Central Plateau. NTAG supports alternatives to St Patricks Plains and has identified sites where there are few residences, few neighbours impacted by the noise, few populations of Nationally endangered flora and fauna (such as Wedge-tailed eagles), less impact on the iconic Tasmanian landscape and greater acceptance for a social licence to operate. NTAG seeks to keep the Central Plateau unique and supports offshore wind farms as an alternative.

Our view of the Offshore Electricity Infrastructure Legislation Amendment Bill 2022 [Provisions] is:

- The proposed Minister's powers as proposed are a disincentive for offshore wind farm investment as it creates uncertainty. Regulator control is more predictable than a Minister's intervention.
- The community has more confidence in a Regulator than a Minister. The Tasmanian experience is the Minister for Energy has taken no action to protect community interest for an upfront bond to cover rehabilitation of wind farm sites but favours developer interests including foreign government business investment by low upfront costs and taxpayer subsidies.¹

¹ A taxpayer subsidy of about \$300M has occurred for Cattle Hill and Granville Harbour Wind Farms under onerous purchase contracts imposed Aurora and HydroTasmania.

- There is no case for big business, such as multinational foreign investors, to give a reduction in any financial security requirement at the direction of the Minister. Big business such as offshore investors can afford the known costs. By way of an example, Korea Zinc, whose profits are \$8B per year and the world's largest zinc processor, sought a reduction for a Development Application fee from the Central Highlands Council for St Patricks Plains from \$600K to \$100K. The application was rejected by Council and there was strong community objection against Korea Zinc's proposal. There is no guarantee this would not occur under Ministerial discretion.
- An upfront bond to cover the cost of rehabilitation is required for both offshore and onshore wind farms and should not be at the discretion of a Minister. Companies go broke; and leave both financial and environmental costs that are borne by the community. By way of illustration, the rehabilitation costs for St Patricks Plains will be \$30M. Korea Zinc propose delayed off-sets but they can afford the upfront costs.
- Openness and transparency are needed for a social licence to operate which is essential for offshore wind farms. Offshore wind farms should be the driver for the transition to renewables rather than onshore wind farms. This is the direction being taken internationally. A known framework is required rather than a 'discretionary' process. However, openness and transparency are not hallmarks of the political process for renewables in Tasmania and the Commonwealth. The amendments reduce openness and transparency.

We trust the above will help the Committee in its deliberation. Please contact me if any further information is required.

Yours sincerely



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