

**INQUIRY INTO FEASIBILITY OF UNDERGROUNDING
THE TRANSMISSION INFRASTRUCTURE FOR
RENEWABLE ENERGY PROJECTS**

Organisation: Snowy Valleys Council
Date Received: 13 November 2023

13 November 2023

Cate Faehrmann MLC
Chair
Select Committee on the Feasibility of Undergrounding the Transmission Infrastructure of
Renewable Energy Projects
Parliament House
6 Macquarie Street
SYDNEY NSW 2000

Via Email: undergrounding.infrastructure@parliament.nsw.gov.au

Dear Select Committee Members

**FEASIBILITY OF UNDERGROUNDING THE TRANSMISSION INFRASTRUCTURE OF
RENEWABLE ENERGY PROJECTS**

Thank you for the opportunity to make a submission to this very important inquiry.

Council continues to reject and vehemently opposes the use of overhead wires and lattice towers within the Snowy Valleys Local Government Area (LGA). This position has been made resolute in its recent evidence provided to the NSW Public Inquiry into Undergrounding Electrical Infrastructure associated with Humelink and Council's response to the exhibition of the Environmental Impact Statement (EIS) (attached).

The recent release of the Amplitude Consultants Report – Undergrounding Humelink (the Report) has clearly demonstrated that the decision for overhead transmission infrastructure based on GHD cost estimates of the project do not stand up to scrutiny.

The Report indicates that the transmission infrastructure can be undergrounded at just 1.5 times the overhead option. When taking into consideration the reduced maintenance costs and electrical leakage the undergrounding of the infrastructure is the most cost-effective life cost alternative.

This is even more so when the hidden costs of overhead are taken into account:

These costs include:

- The destruction of habitat for more than 90 threatened species and endangered species;
- Increased risk of bushfires;
- Life threatening danger to firefighters from arcing during fires;
- Impossibility of effectively managing and controlling fires in the vicinity of overhead lines and infrastructure due to obstruction;
- Severe impact on local industries, including agriculture, tourism and plantation forestry;
- Mental health and wellbeing impacts on local communities; and
- The continuing existence and value of natural regional landscapes for current and future generations.

P: 1300 ASK SVC (1300 275 782)



Leading, Engaging and
Supporting Strong and
Vibrant Communities

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au

All the above hidden costs are most pertinent to Snowy Valleys Council and are articulated in our submission to previous Upper House inquiry – Submission by Snowy Valleys Council to the NSW Inquiry into the Feasibility of Undergrounding the Transmission Infrastructure for Renewable Energy Projects (attached).

It is now clear that undergrounding is a viable option, as it should have always been with clear evidence overseas and even on our own shores with Basslink and now the proposed Marinus Link.

Naturally, Snowy Valleys Council is onboard with the need for Humelink but a nation-building project such as this should not be at the detriment of local councils and local communities.

In conclusion, undergrounding of the Humelink transmission infrastructure will allay many of Council's concerns outlined in our response to the EIS for the Humelink project.

Snowy Valleys Council urges the Select Committee to carefully consider our current and previous submissions on this critical matter.

Should you require any further information please do not hesitate to contact me on

Yours Faithfully

Steven Pinnuck
INTERIM GENERAL MANAGER

Enc.

- *SVC Submission to the Department of Planning and Environment – SSI 36656827 Critical State Significant Infrastructure – Humelink*
- *SVC Submission to the NSW Inquiry – The Benefits of Undergrounding Humelink for Snowy Valleys*



Leading, Engaging and
Supporting Strong and
Vibrant Communities

P: 1300 ASK SVC (1300 275 782)

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au

11 October 2023

Anthony Ko
Energy Assessments
Department of Planning and Environment
Locked Bag 5022
PARRAMATTA NSW 2124

Via NSW Planning Portal

SUBMISSION – SSI 36656827 CRITICAL STATE SIGNIFICANT INFRASTRUCTURE - HUMELINK

Dear Mr Ko

I refer to the aforementioned matter and make particular reference to the recent exhibition of the Critical State Significant Infrastructure project lodged by Humelink with the New South Wales Department of Planning and Environment – Major Projects division.

1. The Proposal

Council has reviewed the exhibition material including the project merits and supporting consultancy reports made available via the New South Wales Planning Portal. Council understands that the project can be summarized into four main categories, being: Transmission Line Infrastructure, Substation Infrastructure, Ancillary Infrastructure and Construction facilities and associated enabling works.

The components of these four categories included within the project description consist of:

1.1 Transmission Line Infrastructure

- (i) Proposed 500kV transmission lines in 70m – 130m wide easements, with lattice steel structures between 50m and 70m high spaces between 300m and 600m.
- (ii) Proposed 330kV transmission line between Wagga and Gugaa – 60m wide easement, with transmission lattice steel structures between 24m and 50m high.

1.2 Substation Infrastructure

- (i) Proposed new 500kV Gugaa Substation.
- (ii) Proposed expansion of existing substations at Bannaby and Gregadoo
- (iii) Future Maragle Substation associated with the Snowy Hydro 2.0 Project.

1.3 Ancillary Infrastructure

- (i) Utilisation of existing roads and access tracks (with upgrades as required), new access tracks and crossings.
- (ii) Fibre optic connections between transmission line structures and the Rye Park Wind Farm substation.
- (iii) Telecommunications facilities.

1.4 Construction Facilities and enabling works

- (i) Proposed 14 construction compounds to assist in the delivery of construction works.
- (ii) Temporary Accommodation Facilities for 200 itinerant workers.
- (iii) Aerial landing pads.

2. Submission

Snowy Valleys Council supports in principle the development of key infrastructure in New South Wales that assists in the delivery of renewable energy sources to both increase energy supply options within the State of New South Wales but also to guarantee electrical supply reliability.

The Humelink proposal provides important enabling infrastructure to support the Snowy Hydro renewable energy project and deliver upon crucial commitments of the Australian Government to reduce climate change emissions to achieve net zero by 2050. Whilst Council in principal supports the expansion of clean energy initiatives such as Snowy Hydro 2.0, including the development of network infrastructure around sustainable and renewable energy projects, it has a number of concerns in relation to the current Critical State Significant Infrastructure Proposal being considered.

2.1 Expected Impacts

2.1.1 Accommodation Facilities.

Similar to other regional centres, Snowy Valleys Local Government Area is experiencing unprecedented shortages in both residential housing accommodation and low vacancy rates in its tourist and visitor accommodation providers within the town centres. These shortages are creating upward pressures on housing and rental costs with demand outstripping supply.

Whilst it is acknowledged that the development is seeking to provide a standalone temporary accommodation facility for up to 200 workers, Council has concerns that contractors and subcontractors to the Humelink project may seek to supplement this accommodation option by utilizing existing depleted housing and accommodation stock outside of the proposed accommodation which will have a detrimental effect on both the local community and more broadly the regional economy.

P: 1300 ASK SVC (1300 275 782)

Leading, Engaging and
Supporting Strong and
Vibrant Communities

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au



The town centre of Tumbarumba has been recently impacted by the effects of subcontractors associated with Humelink utilizing up to half the accommodation offering at the Tumbarumba Caravan Park. Largely contractors associated with renewable energy projects in the region are continuing to contribute to these shortages in accommodation which is impacting on tourism and seasonal workers frequenting the region. This has also had detrimental effect on the regions' ability to attract skilled and professional labour to the area due to accommodation shortages.

The site for the proposed accommodation has been identified in a location which is isolated from the main towns and villages where it is expected that the region will receive minimal benefit from the proposed development. The site is expected to place pressure on local road networks and is expected to be constrained by way of its isolation to reticulated water supplies and also sewerage disposal.

The location of the subject accommodation facility represents a missed opportunity which stems from a loss of social enrichment and connection of the workforce with the local community, a missed opportunity for local retail expenditure by the workforce investing in local communities and the diminished potential for legacy benefit through the donation of facility infrastructure to the community at time of decommissioning.

Whilst Council recognizes that an accommodation facility is required to house the workforce, Council is of the view that such a facility should be located within the town centre so social and economic benefits from the facility can be leveraged within the town centre and the local community. Council has identified a site on the fringe of Tumbarumba being the town common on Alfred Street, Tumbarumba which could be exploited for this purpose to enable these opportunities as outlined to be realized or alternatively additional investment could be made in the local caravan parks and accommodation providers which would have a similar net benefit.

2.1.2 Undergrounding versus Overhead aerial infrastructure.

Council has adopted a position that it rejects and vehemently opposes the use of overhead wires and lattice towers within the Snowy Valleys Local Government Area. This position has been made resolute in its recent evidence provided to the New South Wales Public Enquiry into Undergrounding of electrical infrastructure associated with Humelink.

Council has provided a copy of the written submission (Annexure 1) which should be considered as part of the assessment of the critical infrastructure proposal for Humelink.

Council stands by the evidence provided in the submission that the undergrounding is feasible, practical and should be pursued to optimize the project outcomes, minimize future maintenance obligations and to ensure that the Snowy Valleys community is protected from avoidable adverse impacts associated with the construction of overhead transmission lines.

2.1.3 Community Enhancement Fund (CEF)

It is widely recognized that the development as proposed will have profound social, economic and environmental impacts on the Snowy Valleys Community. Those impacts will have the greatest effect on the community during the construction phase of the development but will also have a measurable and lasting impact over the lifespan of the project.

Council had commenced preliminary discussions with the proponent prior to lodgment of the application with the Department to ascertain an appetite for the establishment of a community enhancement fund, a fund that would provide an annual indexed monetary contribution to Council for community projects and associated social infrastructure. The proponent was not

P: 1300 ASK SVC (1300 275 782)

Leading, Engaging and
Supporting Strong and
Vibrant Communities

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au



adverse the establishment of the fund and was open to the notion of how the mechanics of such fund could operate to the benefit of the local community.

In pursuit of the establishment of such fund, should the application be determined by way of approval, Council requests that the Department apply a condition to any proposed consent that commits the proponent to the establishment of a community enhancement fund, with an annual indexed contribution payable to Council. The contribution payable should be 1 per cent of capital cost of the development (\$4.89 Billion) with payments made equally over the proposed 20 year lifespan of the project and indexed annually from the base year 1 of the first payment. The apportionment of expenditure within the Snowy Valleys Local Government Area should form the basis of the 1 per cent calculation. In summary, the CEF equation for the calculation of the contribution should include:

$1\% \times (\text{Capital Investment Value of the Project apportioned within Snowy Valleys Council Local Government Area} / 20) = \text{Year 1 CEF payment.}$

The contribution amount for year 2 and beyond would be Year 1 contribution amount multiplied by the consumer price index (Sydney) all categories. Whilst the project life is expected to be 20 years, Council argues that the CEF should continue for the life of infrastructure should the project extend beyond the stated 20 year timeframe. Such contributions should continue to be levied and be indexed annually.

The Community Enhancement Fund will be an important step to ensure that the project provides a positive contribution and legacy for the Snowy Valleys Community in the delivery of programs and projects to offset a portion of the expected impacts of the development.

2.1.4 Landscape Visual Amenity Impacts

The development as proposed will have irreversible impacts on the natural environment and landscape visual amenity as the project advances, unless the transmission lines are placed underground. The proponent has identified within the EIS that considerable land clearing will be required to create 70 to 140m wide easements for the lattice towers and transmission lines. The path of the infrastructure will create significant alteration to the natural landscape and the erection of structures will have a permanent modification to the Snowy Valleys vistas within the region. The Department should consider as part of the assessment of the proposal a detailed landscaping plan that seeks to provide additional landscaping opportunities of local endemic species within important view corridors from main roads, walking trails and vantage points throughout the proposed disturbance areas.

The application identifies that the development will predominately be located within the Bargo State Forest which will intersect with the historic Hume and Hovel hiking track which has been identified as a key piece of tourist infrastructure in the Tracks and Trails Masterplan adopted by Council in 2023. Being a destination trail within the Snowy Valleys, it is expected that the proposed development will have significant visual and environmental impacts on the integrity of the trail. The proposal does not indicate how these impacts will be appropriately managed nor does it address the likely impacts on tourism as a result of the development.

2.1.5 Compensation for land owners and loss of viable agricultural land

It is understood that the proponent will be seeking to provide easements through private agricultural lands throughout the project areas. Should the proponent seek compulsory acquisition or register easements restricting the use of the land along any infrastructure route,



Leading, Engaging and
Supporting Strong and
Vibrant Communities

P: 1300 ASK SVC (1300 275 782)

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au

Council requests that landowners be fairly compensated for the loss in value and agricultural viability of the land. Council suggests that a transparent framework be established to enable both upfront payments and also ongoing compensation payments for the life of the project for the duration of the lifespan of the project.

Council acknowledges that the project will have a considerable impact on the viability of some farming operations through restrictions placed on agricultural lands affected by transmission lines and tower infrastructure. The local government area has a strong livestock farming agricultural industry and appropriate protections should be implemented to ensure that farming operations are not impacted, impaired or sterilized as a result of the proposal.

2.1.6 Biodiversity Offset Credits

Notwithstanding the requirements of the *Biodiversity Conservation Act 2016*, Council acknowledges that the land clearing associated with the project is likely to require payment of a considerable offset credit to the New South Wales State Government.

Council requests that any payments made should be re-invested in projects within the Local Government Area to ensure that there is no net loss in biodiversity as a result of the project construction and future vegetation management.

2.1.7 Biosecurity

Council partners with the New South Wales Department of Primary Industry in the administration of the Weeds Action Plan (WAP) Partnership, a successful program that targets noxious and environmental weed threats throughout the Southern Region. Council has been undertaking significant work within the defined project area in both working with landholders to identify and control weeds species and has been undertaking inspections of roadsides and employing appropriate control measures where necessary.

Council requests that the Department ensures that the WAP program is not compromised as part of the development through imposing conditions should the development be approved requiring the control of existing weeds in the project areas and emerging weeds on any disturbed areas as part of the construction process. Council also requests that conditions are imposed to prevent the migration of weeds through the movement of materials and placement of materials stockpiles and the trafficking of seeds and seed related materials on construction vehicles and vehicle tyres on any proposed traffic routes for the development.

2.1.8 Natural Hazards

Council has concerns with respect to the provision of above ground infrastructure and its proposed route locations within high risk bushfire prone areas. Whilst it is understood that the proponent is required to manage vegetation in and around the project pathways, Council still has concerns with respect to the potential for bushfire risk as a result of fallen or damaged infrastructure that could lead to potential catastrophic fire events similar to those experienced in the Dunns Road fire in 2019/2020 fire season.

With significant portions of the Local Government Area designated as bushfire prone and approximately half of the shire as both State and private sustainable forest plantations, Council request that the proponent provide assurances to the community that the infrastructure poses no increased fire risk threats within Snowy Valleys and appropriate hazard reduction and risk assessments are employed to lower any such threat.

2.1.9 Road Asset Infrastructure

Council has identified that the subject development will impact three state highways being the Snowy Mountains Highway, Batlow Road and Gocup Road. It is expected that there will be four regional roads impacted including Elliot Way, Tooma Road, Wee Jasper Road and Wondolga Road and 18 local roads. (See Attachment 2 that provides a map of impacted road networks)

Council acknowledges that State Roads are designed for higher traffic volumes with more heavy vehicle usage and are considered to be of less of a concern in relation to additional construction traffic than Local and Regional Roads. Council also notes that the state highways are controlled by Transport for New South Wales who have greater capacity to remediate pavements should they fail as a result of additional traffic loads.

The Regional Roads throughout the Snowy Valleys Local Government Area have already been heavily impacted by Natural Disasters since 19-20 and have required significant investment by Council to ensure that the roads are safe and trafficable for all road users.

Snowy Valleys Council is the Local Roads Authority under the *Roads Act 1993*, and is responsible for all aspects of management and maintenance of local roads in the Local Government Area. In 2023-2024 financial year period, Council will spend \$4.4million on the maintenance and reconstruction of its local road network which is approximately 10 percent of its adopted annual budget.

Most of the local roads throughout the Local Government Area have relatively low levels of traffic and are designed and maintained for this level of use. The condition of these roads will deteriorate quickly through heavy construction vehicle usage associated with the Hume Link Project which will compromise road quality and safety and have a significant impact on Council's ability to maintain the roads with limited financial and resourcing capacity.

Council recognises that it maintains its local roads network in a fit for purpose condition and that a detailed dilapidation report needs to be prepared by the proponent in collaboration with Council and is agreed upon by both parties prior to the project construction commencing. The Department should apply a condition to any proposed consent placing an obligation on the proponent to lodge with Council a security bond over all identified road networks associated with the project to ensure that any damage will be remedied within an appropriate timeframe at the cost of the proponent.

Council is of the view that necessary road upgrades that need to be undertaken, should be done so prior to the commencement of construction. These upgrades need to be approved by Council via a section 138 permit including submission of detailed design plans including pavement details, road geometry and drainage so that a proper assessment of the traffic impacts and flow on effects can be assessed. Such assessment will be made in relation to the broader context of Councils road network and ongoing maintenance obligations.

Council remains particularly concerned with the local road network and specifically in the case where there is the increase in wear and tear due to the increase in heavy vehicle traffic particularly concrete, sand, gravel and water trucks. The supply and delivery of materials to the construction sites including steel and construction equipment remains a tangible issue for Council. The proponent proposes to mitigate these impacts by undertaking dilapidation surveys of all local roads to determine the current condition and conducting a post construction assessment to determine any road damage and undertake the necessary repairs.

P: 1300 ASK SVC (1300 275 782)

Leading, Engaging and
Supporting Strong and
Vibrant Communities

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au



Council insists that should the development be granted approval; a condition of consent should be applied that places an obligation on the proponent to maintain and repair local roads throughout the construction phase to ensure the roads remain fit for purpose for all other road users.

The proponent should be required to undertake regular inspections and repairs throughout the construction phase not just at the completion of construction. As the roads authority, Council should have ultimate jurisdiction under the provisions of the *Roads Act 1993* and supported by conditions of development consent to direct that the proponent maintain the road to Council's standards in the event that the road should be damaged or be required to be repaired as a result of additional traffic loading.

It is envisaged that Council will be required to allocate additional financial resources being considerably more on the maintenance of its local road network that is used by Hume Link construction traffic for the next 4-5 years. Council maintains that it should be compensated for the additional costs it incurs as a result of this development. Council also upholds that all road works should be undertaken in accordance with Council's *Roads Management Policy*.

In addition to the commitment to prepare a dilapidation report on the existing condition of the road surface, the report is required to include existing structural conditions of the pavement of Local Roads to be used by construction traffic. This must involve a Geotech investigation at the pre-construction stage. The investigation shall also examine anticipated impacts during the construction phase and recommend mitigation measures that should be included as repair work commitments, in the proposed Traffic and Transport Management Plan (which Council notes should be a 'Construction Traffic Management Plan').

The Traffic and Transport Management Plan is to include a commitment that any damage caused by construction traffic movements during the construction phase shall be progressively repaired at no cost to Council. In addition, at the completion of works, a joint assessment between Council staff and the contractor be undertaken of the local roads used during construction to assess any damage caused by construction traffic.

The proponent shall be conditioned to provide a site map showing locations of proposed construction compounds and their accessways and any carparking areas that might be proposed for employees parking spaces. The proponent shall provide a commitment to remove the compounds and parking areas at the completion of construction and remediate these sites to their pre-construction condition.

Council is currently negotiating a 'Road Maintenance Agreement' with Transgrid for the Snowy 2.0 Transmission connection project. A similar 'Road Maintenance Agreement' will need to be established for all the Local Roads impacted by the Hume Link Project. This agreement specially deals with the condition and maintenance of Council roads utilised by the project, before during and after construction. The agreement must also cover the repair and make good of the construction compounds that are used by the proponent to facilitate all aspects of the construction of the project.

The agreement will ensure that Councils roads and ancillary areas used for construction are maintained during the construction period and handed back to Council after works are complete to Council's standards.

P: 1300 ASK SVC (1300 275 782)

Leading, Engaging and
Supporting Strong and
Vibrant Communities

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

E: info@svc.nsw.gov.au www.svc.nsw.gov.au



2.1.10 Communications Assets

Council understands that the proposal is within 15 metres of Council's Communications and broadcast tower at Mt Snubba in Batlow. This communications asset provides UHF communication for local government staff including communications during times of emergency, television and radio services to the Batlow Region. The tower has recently been replaced following the 2019/2020 bushfires and Council advises that the proposed route could potentially reduce the catchment coverage area serviced by the critical radio and telecommunications services.

2.1.11 Local Procurement Considerations

The application identifies that the proponent will source local supplies and materials from local businesses within the project catchment area where possible, noting that specialist materials and supplies are likely to be delivered to site through the performance of contracts outside of the project area.

Council suggests that a local supplier preference policy be developed by the proponent to assist in the provision of regional micro economy stimulus, through local procurement of trades, services and goods where possible. Council notes that any such policy should also ensure that 'boom bust' economic cycles are mitigated which can result due to short term investment in upscaling of businesses where significant investment is made in broadening capacity to deal with heightened demand that will likely cause financial difficulty for business when the project construction is completed. Mitigation of such cycles can occur when demands for goods and services are spread across businesses throughout the region without the reliance upon a limited number of suppliers.

2.1.12 Increased demand on local services

Council expects that the project will impose additional demands on already limited professional services within the town centres of Snowy Valleys Local Government Area. Council currently has two professional medical services in Tumbarumba being Roths Corner and the Tumbarumba Medical Centre and three medical service providers in Tumut being the Fitzroy Medical Centre, Tumut Family Medical and Connection Medical. There is also one medical facility in the town centre of Adelong being the Adelong Medical Centre. The application needs to identify how these services will not be impacted on as a result of the proposed work force including contractors and subcontractors residing in the area.

Council is experiencing existing strains on the provision of emergency services within the Local Government Area. Recently, Council has been subject to frequent and prolonged periods of no ambulance resource availability as a result of existing resource deployment to remote areas and lack of professional officer availability within the area.

Council requests the Department seek information from the applicant on the provision and deployment of emergency services to its workforce particularly in the case existing services are either not available or could be potentially subjected to long wait times in terms of deployment of resources. Council expects that the subject development should not create any additional demands on services to the detriment of the Snowy Valleys Community.

Council thanks the Department for the opportunity to provide comment on the merits of the subject proposal and looks forward to the proponent addressing any concerns raised in the assessment and determination of the project.

Please do not hesitate to contact me should you require additional information at 1300 275 782 or by email at info@svc.nsw.gov.au

Yours Sincerely,

Steven Pinnuck
INTERIM GENERAL MANAGER

Enc: SVC written submission; Snowy Valleys LGA impacted road network



Leading, Engaging and
Supporting Strong and
Vibrant Communities

P: 1300 ASK SVC (1300 275 782)

Tumut Office
76 Capper Street
Tumut NSW 2720

Tumbarumba Office
Bridge Street
Tumbarumba NSW 2653

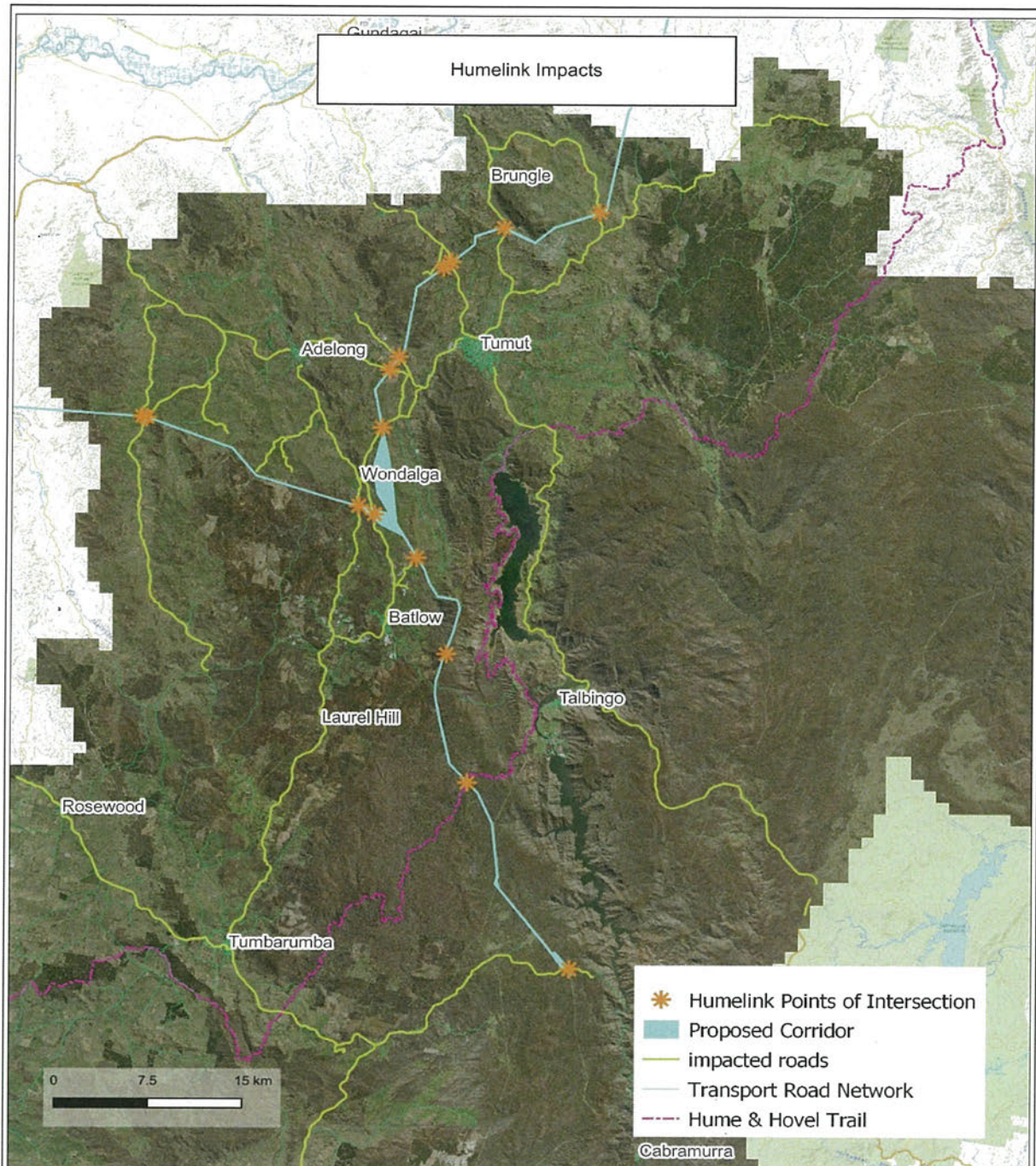
E: info@svc.nsw.gov.au www.svc.nsw.gov.au

ATTACHMENT 1 –

Written submission provided to the NSW Parliamentary Enquiry into the undergrounding of transmission lines associated with Humelink.

ATTACHMENT 2

Impacted road network of the Snowy Valleys Local Government Area



DISCLAIMER: No responsibility is taken for any errors or omissions that may be contained within any map and associated data in any form. No guarantee is given as to the accuracy of the information contained within any map or data. Onsite asset locations should be arranged before proceeding with any excavations. You should NOT rely solely on this information especially if you are buying a property, building on a property and/or making a final decision. It is recommended that you seek legal advice before proceeding.

Data is used under creative common attribution license, 2023-10-03.
© State of New South Wales (Spatial Services, a business unit of the Department of Customer Service NSW). For current information go to spatial.nsw.gov.au
Source: Australian Bureau of Statistics



**Snowy
Valleys
Council**

Snowy Valleys Council acknowledges the traditional custodians of the Snowy Valleys Council and surrounding region. We pay our respects to them and their culture, and to the elder's past, present and emerging. Snowy Valleys Council acknowledges the richness of our diverse community and respectfully advocates for the rights of each other, our community and environment.

Map Printed: 2023-10-03
Datum: GDA94 & EPSG 28355

THE BENEFITS OF UNDERGROUNDING HUMELINK FOR SNOWY VALLEYS

SUBMISSION BY SNOWY VALLEYS COUNCIL

**TO THE NSW INQUIRY INTO THE FEASIBILITY OF UNDERGROUNDING THE
TRANSMISSION INFRASTRUCTURE FOR RENEWABLE ENERGY PROJECTS**

THE BENEFITS OF UNDERGROUNDING HUMELINK FOR SNOWY VALLEYS

SUBMISSION BY SNOWY VALLEYS COUNCIL

TO THE NSW INQUIRY INTO THE FEASIBILITY OF UNDERGROUNDING THE TRANSMISSION INFRASTRUCTURE FOR RENEWABLE ENERGY PROJECTS

Scope of this Submission

Snowy Valleys Council (SVC) is providing in this submission information pertaining to item (a) the costs and benefits of undergrounding transmission infrastructure using the example of HumeLink, with reference to other renewable energy projects.

COMMITTEE TERMS OF REFERENCE

1. That the Standing Committee on State Development inquire into and report on the feasibility of undergrounding the transmission infrastructure for renewable energy projects, with particular reference to:

- (a) the costs and benefits of undergrounding,
- (b) existing case studies and current projects regarding similar undergrounding of transmission lines in both domestic and international contexts,
- (c) any impact on delivery timeframes of undergrounding, and
- (d) any environmental impacts of undergrounding.

Table of Contents

EXECUTIVE SUMMARY	3
ARE THE EXTERNALITIES OF OVERHEAD LINES MATERIALLY IMPORTANT FOR SNOWY VALLEYS?	6
OUR PERSPECTIVE	6
OUR ASSETS AND OUR ASPIRATIONS	7
NATURE AND TOURISM	7
TOURISM VALUES	9
SNOWY VALLEYS VISION IN OUR OWN WORDS	10
WHO IS ON BOARD FOR SUPPORTING SNOWY VALLEYS' VISION FOR RECOVERY AND GROWTH?	13
OUR CHAMPIONS	13
<i>Forestry Corporation NSW.</i>	13
<i>NSW is a Champion of Snowy Valleys Tourism Growth.</i>	16
<i>Snowy Hydro – Another Champion.</i>	16
SNOWY VALLEYS' VISION AND THE REALITY	17
THE CONSEQUENCES OF HUMELINK FOR SNOWY VALLEYS	20
HOW DO WE ACCOUNT FOR THE IMPACTS OF OVERHEAD LINES VERSUS UNDERGROUNDING?	26
WHAT ARE THE BENEFITS OF UNDERGROUNDING TO SNOWY VALLEYS?	26
BENEFITS	27
INADEQUATE ACCOUNTING OF NON-MARKET COSTS OF OVERHEAD LINES AND REGULATORY/POLICY CONFUSION	34
GIVEN GHD ADVICE AND TREASURY DIRECTION, WHY ARE THE NON-MARKET AND MARKET COSTS STILL NOT INCLUDED IN OVERHEAD LINE COSTINGS?	37
WHY IS THIS MATTER SO CONFUSED GIVEN TRANSGRID HAS ALREADY COMMITTED TO EVALUATION OF NON-MARKET IMPACTS?	38
WHY DOES THERE SEEM TO BE AN INCONSISTENCY OF POLICY DIRECTION THAT DISADVANTAGES AFFECTED REGIONS AND FUTURE GENERATIONS?	39
THE VALUE OF EXPANDING THE GRID	40
SNOWY VALLEYS COUNCIL POSITION AND CONCLUSIONS	41
SNOWY VALLEYS COUNCIL – BOTTOM LINE	42

The Benefits of Undergrounding HumeLink for Snowy Valleys Submission by Snowy Valleys Council to the Inquiry

Executive Summary

The Snowy Valleys Council contends that the overhead electricity transmission infrastructure planned for HumeLink will impose excessive and unfair costs on our people, our visitors and on future generations of Australians. The lines will cause degradation of beautiful and unique assets of the Snowy Valleys that is irreversible and which is likely to be multiplied over time as additional lines are constructed.

The overhead lines impose costs on Snowy Valleys that include visual amenity losses to locals and visitors, interruption to modern agricultural practices and losses to environmental condition of the Local Government Area. These costs are non-market costs but they also materialise as market costs, for example, as lost asset value and lost profits over time. Reduced land values, reduced tourism expenditures and reduced farm profits will be hard financial consequences above and beyond important non-market value losses.

The non-market and market costs of overhead infrastructure are avoided by undergrounding.

- The **benefits** of undergrounding are the **avoided costs** of building above ground.

There is insufficient evidence to choose overhead infrastructure and thereby dismiss undergrounding.

- No one has done the analysis to estimate the dollar value of the avoided costs by undergrounding.
- The net triple bottom line – social, economic and environmental – benefits of undergrounding have not been included in assessing undergrounding or above ground lines in either a qualitative or quantitative way.

However, net triple bottom line Cost-Benefit Analysis PLUS assessment of the distributional impacts of costs and benefits for capital projects is required by NSW Treasury and has been committed to by Transgrid in its published submission to the EIS process.

HumeLink, Scoping Report, TransGrid, prepared by Aurecon Australasia Pty Ltd, Reference: 507179-160522-REP-NN-001

<https://pp.planningportal.nsw.gov.au/major-projects/projects/humelink> Accessed February 2023

- Is there regulatory and policy confusion about how important it is to assess the full set of costs and benefits and distributional impacts of a major infrastructure project like HumeLink?

The only piece of substantive evidence comparing overhead to undergrounding is from GHD, which was hired by Transgrid to assess the costs of undergrounding. GHD provided a detailed professional engineering expert evaluation regarding the magnitude of the avoided costs. GHD, states that undergrounding avoids costs that when added to the financial costs of overhead lines, could make undergrounding more cost effective.

<https://www.transgrid.com.au/media/y0mpqzvwm/humelink-project-underground-report-august-2022-final.pdf> pg iii

SVC is of the strong view that undergrounding transmission lines is the most appropriate and cost-effective option considering the externalities as outlined in this Submission

Snowy Valleys Council Position and Conclusions

1. Based on all available information, SVC is of the strong view that undergrounding transmission lines is the most appropriate and cost-effective option considering the externalities affecting farming, residents throughout the Local Government Area, forestry, the tourism industry, visitors and the environment including the reduced risks and costs of fires, as outlined in this Submission.
2. Snowy Valleys plans for the future depend on maintaining the natural beauty of our Local Government Area – visual amenity and environmental values.
3. Our future depends on our attractiveness and environmental condition and sustainability.
4. Growth in the tourism industry and maintaining a desirable location to reside in and farm are paramount and depend on there being no losses in our natural assets from building overhead.
5. We need scenic drives from population centres elsewhere that encourage people to come our way today and in the future to stay here and fully enjoy what we have to offer.
6. NSW tourism policy and Forestry Corporation NSW and Snowy Hydro are investing in our future growth in values for local residents and visitors. This investment should not be wasted by a landscape marred and scarred by overhead lines.
7. What we have is a wealth of near natural assets to share while these are becoming more and more scarce elsewhere and therefore more valuable to all Australians.
8. Visual amenity losses, natural environment losses, farming losses have both negative non-market and material market consequences.
9. No one should minimise the consequences of ‘industrialising’ Australia’s iconic locations – would we build powerlines above Bondi Beach?
10. No one has enough information to know which is the better option.
11. The decision to build overhead is premature given the lack of non-market and market analysis of the costs of overhead lines compared with undergrounding.
12. GHD points out that ‘ground truthing’ their cost estimates is necessary but not yet done at all.
13. Expert analysis by GHD on Transgrid’s behalf points to the very real likelihood that amenity losses alone could make undergrounding the better choice, all things considered.
14. GHD’s estimates are compared to Transgrid’s overhead estimates – this is not best practice – risking overestimating the cost difference even without non-market values.
15. It is bewildering to us that forest fire potential risk and magnitude should be weighted by GHD to be as low as ‘40’ given what we lived through in the recent fires and their devastating aftermath. A weight of 100 for areas of very high Indigenous significance makes sense but not 40 for bushfires or 20 for unlicensed airstrips, which are vital to our farming community. <https://www.transgrid.com.au/media/y0mpqzvw/humelink-project-underground-report-august-2022-final.pdf> pg 7
16. The huge capital cost of overhead lines plus short and long-run loss of benefits of undergrounding for such an irreversible project with irreversible costs cannot be justified.
17. Besides the inefficiencies that we risk by building overhead, it is inequitable for externalities of transmission to fall on regional people when so many benefit from a modernised grid. That’s inequitable.
18. We are onboard for modernising the grid but not with bearing an unfair share of the costs. There is an alternative – undergrounding.
19. Governments must represent future generations who lose out as well.
20. Renewable energy significantly reduces the cost of electricity production thereby providing the capacity to absorb any increased costs of transmission while maintaining visual amenity and environmental condition.

Snowy Valleys Council – Bottom Line

Based on the only expert advice on undergrounding available to us for HumeLink, which is from GHD, and our own considerations, Snowy Valleys Council contends that –

The best solution is to avoid the overhead transmission externalities by undergrounding lines.

We can be reassured that we are following best practice of others worldwide. Undergrounding is a proven technology commonly adopted elsewhere in the world where communities, such as ours, will not tolerate overhead infrastructure and policy makers see the wisdom of planning infrastructure for long-run resilience to future climate events that threaten the security of supply of electricity through overhead lines, as they do here as well.

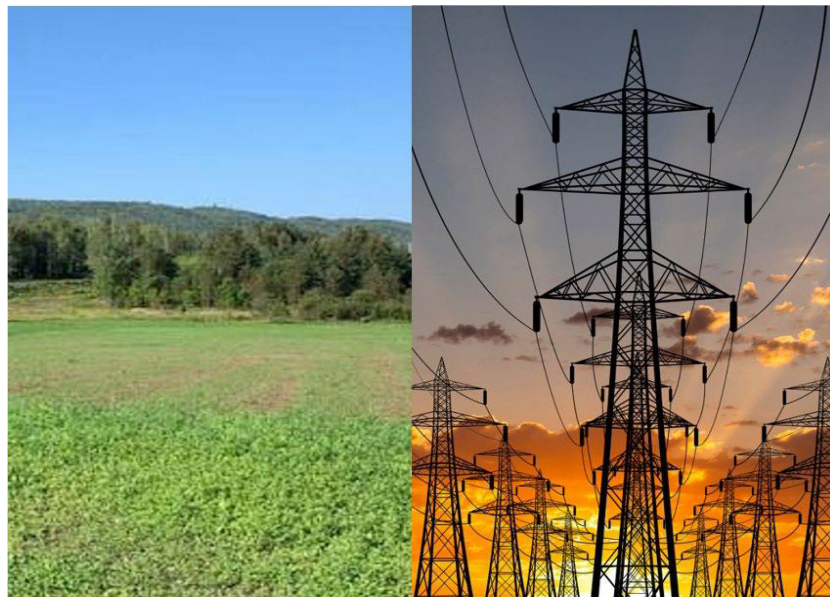
If undergrounding infrastructure costs more than overhead, then the cost gap will reflect real, tangible experiences felt today and overtime of all those who would be otherwise negatively affected by overhead lines.

- The extra cost is not lost to Australians

As a final thought regarding our conclusions, we would like to ask the following –

What value is to be gained from Nation Building projects such as Snowy Hydro and the transition to renewable energy if we merely transfer industrial pollution from energy production to energy transmission?

This question is illustrated best, given our submission and our concerns, with GHD's report cover. The choice seems obvious, does it not? Do we want to further industrialise our rural landscape?



<https://www.transgrid.com.au/media/y0mpqzvww/humelink-project-underground-report-august-2022-final.pdf> Cover

Are the externalities of overhead lines materially important for Snowy Valleys?

Our Perspective

The Snowy Valleys is our home. Our valleys are rich with landscape diversity, natural beauty and the region holds historical significance for First Nations peoples as well as Australians collectively since settlement.

In the remainder of this Submission we provide you with an overview of Snowy Valleys as both a place of natural environmental beauty and as a vibrant socio-economic community.

We document our vision for the future. We then tell the stories of our champions who agree that our natural beauty is worthy of investment.

We follow the stories with an inventory of hard facts: the itemised pros and cons of the effects of overhead lines.



Our Assets and Our Aspirations

We have survived the 2019 bushfires and we are rebuilding our homes, businesses and our farms with an emphasis on regenerating what we had before the fires and also on diversifying the basis for economic growth. Timber production is affected by forestry supply losses but new investment in trails and forest tourism assets will help keep Snowy Valleys' growth going.

- We value our renewed Snowy Valleys.

And we know that what we have is valued by others. We are committed to sharing our natural and built assets with more and more visitors. Elsewhere people are losing what we have here. Intensification of development in urban and peri-urban Australia is altering their natural surroundings. What we have is a wealth of near natural assets to share.

- What we have here now is becoming more and more scarce elsewhere and therefore what we have is becoming more and more valuable to all Australians.
- Our proximity to major population centres makes us an ideal destination for even a weekend of renewal for visitors.

Importantly, all Australians value Kosciuszko National Park as an icon of perpetual and stunning natural beauty filled with flora, fauna and priceless natural habitat.

Nature and Tourism

The diversity of the natural environment and experiences on offer in the Snowy Valleys drives visitation to the region. The Snowy Mountains Highway, Alpine Way, Hume Highway and majoring touring routes (i.e. Snowy Valleys Way & the Great River Road) traverse the region.

Parts of the Snowy Valleys act as the western gateway to the Australian Alps including Mount Kosciuszko National Park and ski fields at Thredbo, Perisher Valley and Selwyn e.g., Tumbarumba to Thredbo (238kms 3+hrs), Tumut to Thredbo (250kms 3+hrs), Talbingo to Selwyn Snow Resort (70kms 1+hr) and Khancoban to Perisher Valley (240kms 3+hrs).

The Snowy Valleys offers the best nature has to offer with beautiful scenery that is revealed through tracks and trails such as the Tumbarumba to Rosewood Rail Trail, Bicentennial National

Trail, Hume and Hovell Track, Tumut River and Wetlands Walk, Adelong Falls Gold Mill Ruins and the Snowy Valleys Sculpture Trail. It's a great place for mountain biking with hundreds of kilometres of trails winding through native, plantation forests and open country.

The Snowy Valley Region Between the Mountains and the Plains

Snowy Valleys Council (SVC) covers some 8,958 square kilometers with a population of 14,891 (ABS 2021). We are in the western foothills of the Snowy Mountains bordered by Kosciuszko National Park and the Murray River.

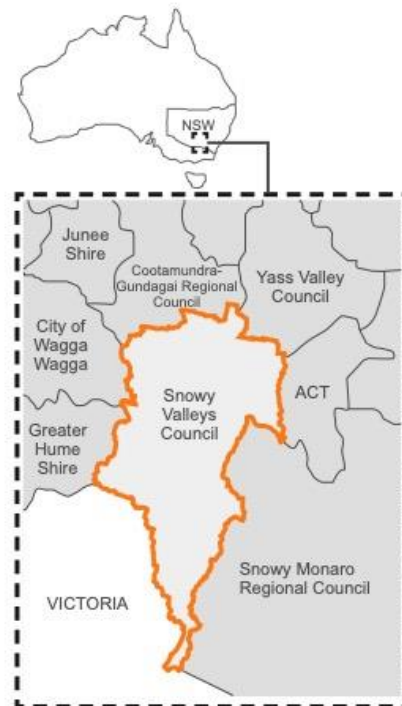
We are close to major centres – 200 kms W of Canberra and 400 kms SW of Sydney.

The Wiradjuri, Ngarigo and Wolgalu (Walgalo) people are the Traditional Custodians of the land on which the SVC is located.

Tumut is the largest town smaller townships are at Adelong, Batlow and Tumbarumba with villages at Brungle, Jingellic, Khancoban, Rosewood, Talbingo and Tooma.

Agriculture, softwood timber production and processing, health care and social assistance, retail trade, tourism-related

business, viticulture, hydro- electrical generation and horticulture support the region.



Tourism Values

While tourists generate market values estimated by Tourism Research Australia to be about \$1.78M (2020), non-market values to recreational visitors far exceed the market values.

(https://www.snowyvalleys.nsw.gov.au/files/assets/public/reports-amp-strategies/202223-ipampr/snowy-valleys-community-strategic-plan-2042_adopted_web.pdf pg 19

- There are various estimates that, with more time available for a literature search, could be provided here for other comparable regions of scenic beauty, with bike trails and water sports and fishing.
- \$57 million is the estimate of only the non-market recreation values at the Coorong - about the same as ABARES' estimated value of profits for dairy that year for the whole of the Murray-Darling Basin.
<https://publications.csiro.au/rpr/download?pid=procite:9f5079ad-92ca-4e7a-9ed7-8a852ba5e10d&dsid=DS1>



Snowy Valleys Vision in Our Own Words

“We enjoy and are proud of our beautiful scenery, clean waterways and natural landscape and recognise and respect the environment and First Nations people of the country.

We value community, encourage belonging, and support one another.

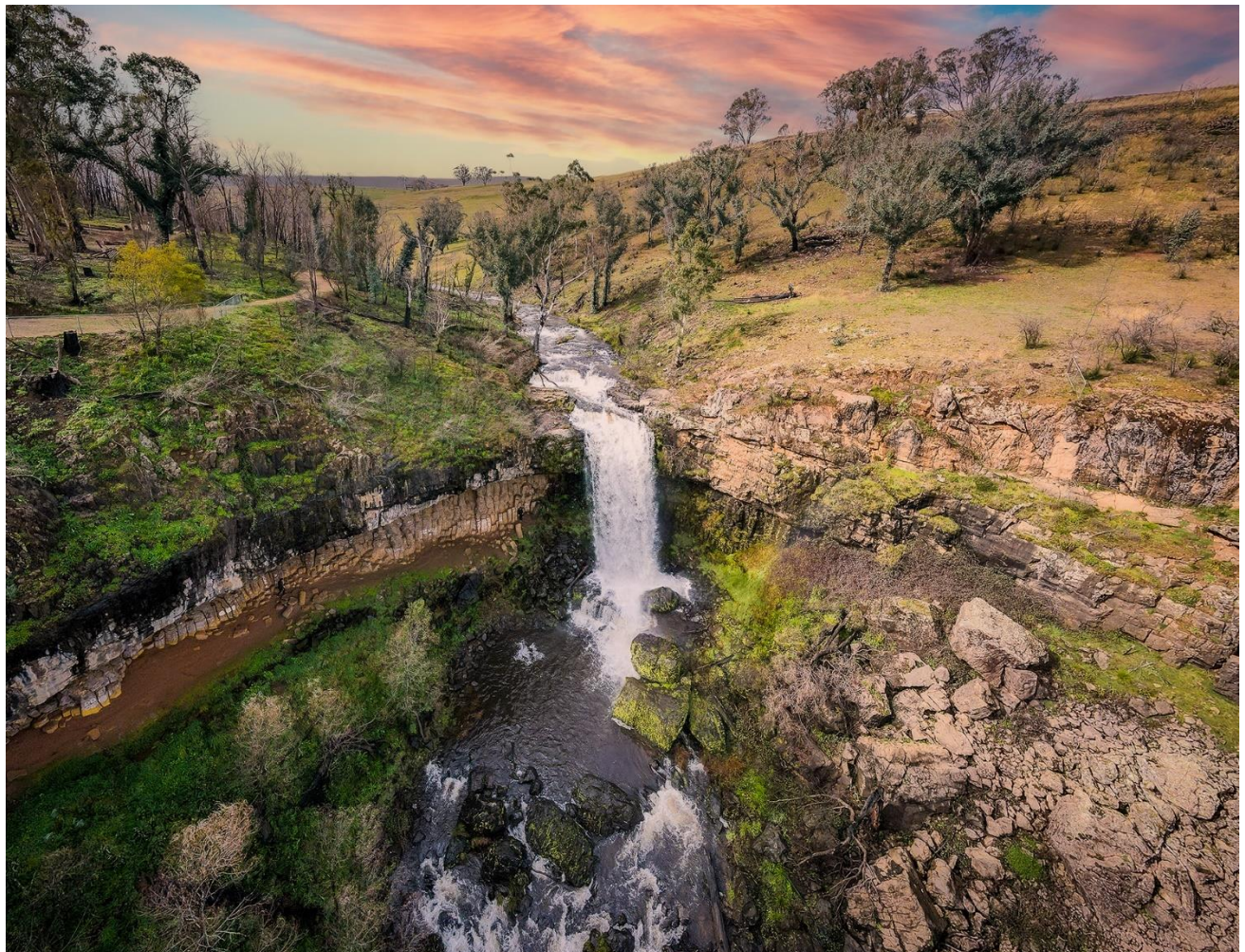
We have an excellent standard of living with infrastructure and services that support us through all stages of life.

We are free to enjoy the peace and quiet regional life and remain well-connected through technology and high-quality transport accessibility.

Our communities enjoy diverse employment and education opportunities, and we continue to innovate and promote our area to ensure we prosper in the future.”

Snowy Valleys Council, Snowy Valleys Community Strategic Plan 2042

https://www.snowyvalleys.nsw.gov.au/files/assets/public/reports-amp-strategies/202223-ipampr/snowy-valleys-community-strategic-plan-2042_adopted_web.pdf



Externalities imposed by overhead transmission lines are in conflict with our aspirations for the following:

- Welcoming and encouraging visitors to our region and supporting development of new and diverse tourism experiences as a way to boost our economy.
- We need sustainable tourism initiatives that contribute to a thriving economy.
- We need to boost income from our visitor economy that has been \$1.78M.
- We need our natural environment to be cared for and protected to ensure future generations can experience and enjoy its beauty.
- Embracing sustainable practices to protect our natural environment and resources and ensure we are resilient to a changing climate.
- We intend to work collectively to manage our environmental footprint and respect and preserve the beauty of our landscapes.
- We plan for sustainable growth, that protects and enhances the local character and amenity.
- We are improving our tracks, trails and paths provide the community and visitors with sustainable transport and recreational opportunities.
- We plan for providing and maintaining a safe local transport network.
- We plan to extend our community facilities and spaces that cater for active and passive recreation and are well maintained, safe and accessible.



In a nutshell, our strategic vision is to promote all the following that will be impeded, compromised and/or prevented by overhead infrastructure.

- Maintaining and improving collective wellbeing
- Being attractive for new residents without noises and views of transmission
- Increasing economic diversity through increased tourism
- Maintaining the wealth of natural assets
- Offering valuable experiences to visitors
- Increasing visitation to Snowy Valleys
- Reducing forest fire risk for all and eliminating the costly recoveries

Snowy Valleys Regional Economic Development Strategy (2023)

<https://www.snowyvalleys.nsw.gov.au/files/assets/public/reports-amp-strategies/snowy-valleys-reds-2023-update-final-2.pdf>

Snowy Valleys' four current priorities are affected by the choice to put lines overhead.

1. Support the growth of the forestry and timber processing industry through direct support during the bushfire recovery phase and sustainable diversification of industry in the long-term.
 - a. The forestry and timber industry are affected by fire risk, which is greater with overhead lines.
2. Increase value-add opportunities in the agriculture sector, in particular horticulture and viticulture, through improved access to and reliability of digital and transport infrastructure.
 - a. Agricultural practices such as aerial spraying, irrigation, drone use are impeded by overhead lines and fires are devastating to infrastructure, farming and particularly perennial viticulture that takes years to recover production.
3. Expand and diversify the Snowy Valleys region's visitor economy by growing the region's agritourism and adventure tourism offerings.
 - a. Reduced visual amenity and environmental condition reduce both visitor total values of enjoyment – important and large non-market values – but also tourism dollars when visitors do not come at all or stay for shorter times because of their disappointment with the amenities.
4. Boost and sustain the supply of skilled workers for the region's core industries with regional skills development and initiatives to attract new residents.
 - a. People value views. Moving to regional Australia would not be expected to involve a move to an industrialized landscape. Land values can be affected by impeded views and transmission vibration and noise.

Source: Department of Regional NSW, Snowy Valleys Regional Economic Development Strategy – 2023 Snowy Valleys Regional Economic Development Strategy (2023)

<https://www.snowyvalleys.nsw.gov.au/files/assets/public/reports-amp-strategies/snowy-valleys-reds-2023-update-final-2.pdf>

Who is on Board for Supporting Snowy Valleys' Vision for Recovery and Growth?

Our Champions

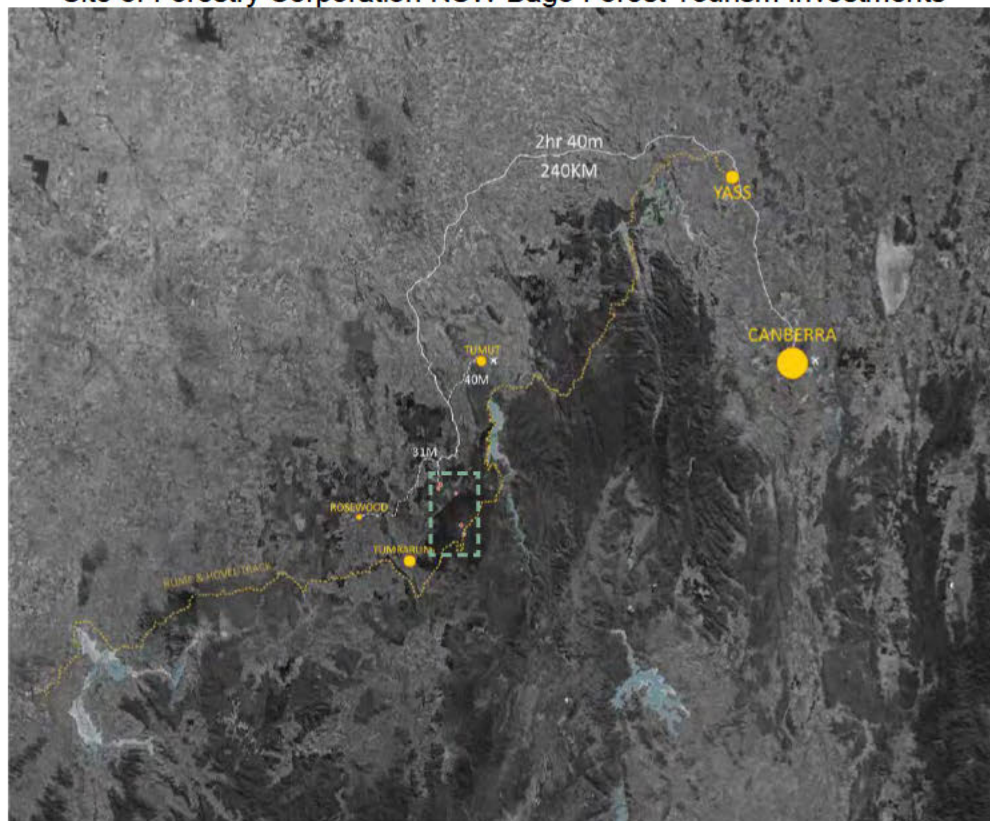
Forestry Corporation NSW

Forestry Corporation NSW is already actively upgrading sites in the Bago Forest to attract visitors. The works respond to the loss of timber resources for Forestry with a creative and positive approach to generating sustainable growth for Snowy Valleys.

- The Snowy Valley Tourism Upgrade Program is a project made possible with support from the NSW Government's Regional Growth Environment & Tourism Fund grant. The master plan presents a series of concept designs which will inform future works at each of our five major visitor areas within Bago State Forest.
- The project will upgrade amenities and supporting infrastructure at each site, feature art and sculpture, embrace Traditional Owner culture and heritage, showcase beautiful hardwood and softwood timber and deliver improved environmental outcomes, particularly for the sensitive Montane Peatlands in the area.
- Overall the project will deliver a visitor experience that honours local memories, heritage and connection to country.

https://www.forestrycorporation.com.au/data/assets/pdf_file/0020/1453232/bago-state-forest-masterplan.pdf

Site of Forestry Corporation NSW Bago Forest Tourism Investments



https://www.forestrycorporation.com.au/data/assets/pdf_file/0020/1453232/bago-state-forest-masterplan.pdf pg 23

Their words mirror the vision of the people of the Snowy Valleys for protection and enjoyment of the Local Government Area.

“State Forests occupy a unique position in the recreation and tourism arena in NSW, providing for a wide and distinct blend of leisure and visitor experiences. Our sustainability ethos means we can manage and provide for the biggest variety of recreation activities of any NSW public lands.

FCNSW's Recreation & Tourism Policy recognises our role as a land manager, a member of local/regional communities, and as a stakeholder in the NSW tourism industry. The policy commits Forestry to providing safe and enjoyable recreation for visitors, tourism marketing, visitor data collection and supporting the visitor economy, and is supported by a Forestry Tourism Strategy.

When it comes to State Forests of the Snowy Valleys, we understand the importance of forests as places for people to play, especially following the extraordinary 2019/20 bushfire season and advent of COVID. It's never been more important to be able to walk the Hume & Hovell, mountain bike, pitch a tent and camp, travel with horses, embrace nature and enjoy stunning scenery.” Pg 8



Release of the Plan this year in 2023 brought accolades.

Dr Joe McGirr MP, Independent Member for Wagga Wagga, noted that the announcement was important for the Bago State Forest and for the local community as a whole. “The investment made here is going to greatly bolster tourism opportunities, leading to more jobs and economic benefits for the community.”

“This is a particularly special project in the wake of the 2019/20 bushfires. I hope it will help in the ongoing recovery of community – not only financially through tourism, but also emotionally through a regenerated, accessible landscape,” said Mr. McGirr.

“I am greatly pleased to see First Nations practices, culture and heritage being placed front and centre of the masterplan; an important consideration of respect, and leading to improved environmental, educational and cultural outcomes.”

Duty MLC for Wagga Wagga Wes Fang said the \$300 million Regional Growth - Environment and Tourism Fund has backed projects that activate iconic tourist

attractions, grow destinations, and drive economic growth by increasing overnight visitation and business activity in regional NSW.

“The Regional Growth - Environment and Tourism Fund is delivering tourism projects and infrastructure that unlock growth in our regions by attracting more visitors and tourists to our beautiful regional towns,” Mr Fang said.

“The program has funded over 60 projects across regional NSW and this project is a great example of what the fund is designed to deliver, I look forward to seeing the economic benefits it will produce for the region.”

Member for Albury, Mr Justin Clancy MP, said “This region was impacted in a devastating way by the bushfires, and much was lost, including the much-loved Sugar Pines,” said Mr. Clancy.

“I’m excited to see this masterplan launched, as the iconic Sugar Pines were a feature of tourism in the area. This collaboration with Sculpture by the Sea will literally see another iconic tourism project rise from the ashes.”

“This is how we come back from disaster. It has had an ongoing effect on the community as well as the forest, and this program and Masterplan will support sensitive environments whilst backing local tourism and hospitality businesses as they work hard to attract visitors and promote economic development and growth.”



- The Bago State Forest Snowy Valleys Tourism Upgrade Program is made possible through \$1,910,988 in funding from the NSW Government Regional Growth Environment & Tourism fund.

<https://www.forestrycorporation.com.au/about/releases/2023/bago-masterplan#:~:text=Developed%20under%20the%20NSW%20Government,and%20wellness%2C%20and%20environmental%20projects.>

NSW is a Champion of Snowy Valleys Tourism Growth

According to the NSW Visitor Economy Strategy 2020 – A Roadmap for Growing the NSW Visitor Economy, the NSW Government's investment attraction strategy targets industries that grow the economy and leverage NSW's natural endowments.

- Planning is well advanced for the first tourism Special Activation Precinct (SAP) in the Snowy Mountains, creating Australia's premier alpine and adventure tourism playground.

The NSW Government will plan, coordinate and deliver the SAP by making land ready for investors and building enabling infrastructure. [NSW Visitor Economy Strategy 2030 \(destinationnsw.com.au\)](https://www.destinationnsw.com.au)

NSW has also designated the Snowy as one of its 'Hero' Destinations and Experiences meaning that it is a world class, iconic and unique destination. 'Heroes' are accessible, have appropriate infrastructure and developed world-class products and experiences that are available all year round.

- The role of the 'hero' destination is to attract visitors and provide them with outstanding unforgettable experiences that keep them coming back and encourage them to travel further and explore less well-known destinations.
- They have high brand awareness themselves, and also define the essence of the country they are located in.

Snowy Mountains are right up there with Sydney as a 'Hero' currently with Tumbarumba and nearby Gundagai on the list for the next set of heroes. Besides the snow sport focus the Snowy focus is also on regional festivals in Snowy Valleys towns. Snowy Mountains Highway to Talbingo and Tumut and the Batlow Road from Tumut to Tumbarumba for apple country, cool climate wines, many vineyards, cellar doors & restaurants. Hiking and bike trails are not forgotten.

<https://www.destinationnsw.com.au/wp-content/uploads/2019/02/nsw-statewide-destination-management-plan.pdf>

Snowy Hydro – Another Champion

Snowy Hydro states that it is committed to supporting the local communities in which we live, work and serve.... Snowy Hydro has invested millions of dollars into not-for-profit organisations and initiatives that align with our company values. We also contribute funding to local infrastructure projects which support regional growth and bring economic investment.

Also, stated is that Snowy Hydro and its people are committed to the local communities of the Snowy Mountains region where the Snowy story began more than 70 years ago. We see a bright future for the region, where we will continue to grow and support the communities we live and work in, and the areas we serve. While our operations continue to expand beyond the

original Snowy Scheme, the communities in which we operate in the mountains remain critical to our success.

- We aim to form partnerships to assist the sustainability and success of towns.

One of the major ways in which we achieve this is through supporting and partnering with different regional events and initiatives that not only benefit the local economy but encourage people to come and experience the best the Snowy region has to offer.

<https://www.snowyhydro.com.au/community-2/>

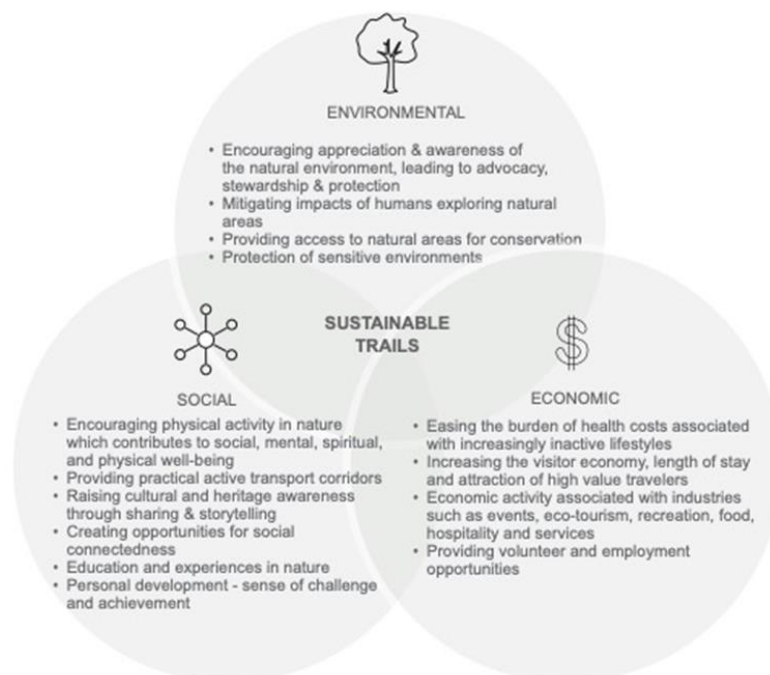
Snowy Valleys' Vision and the Reality

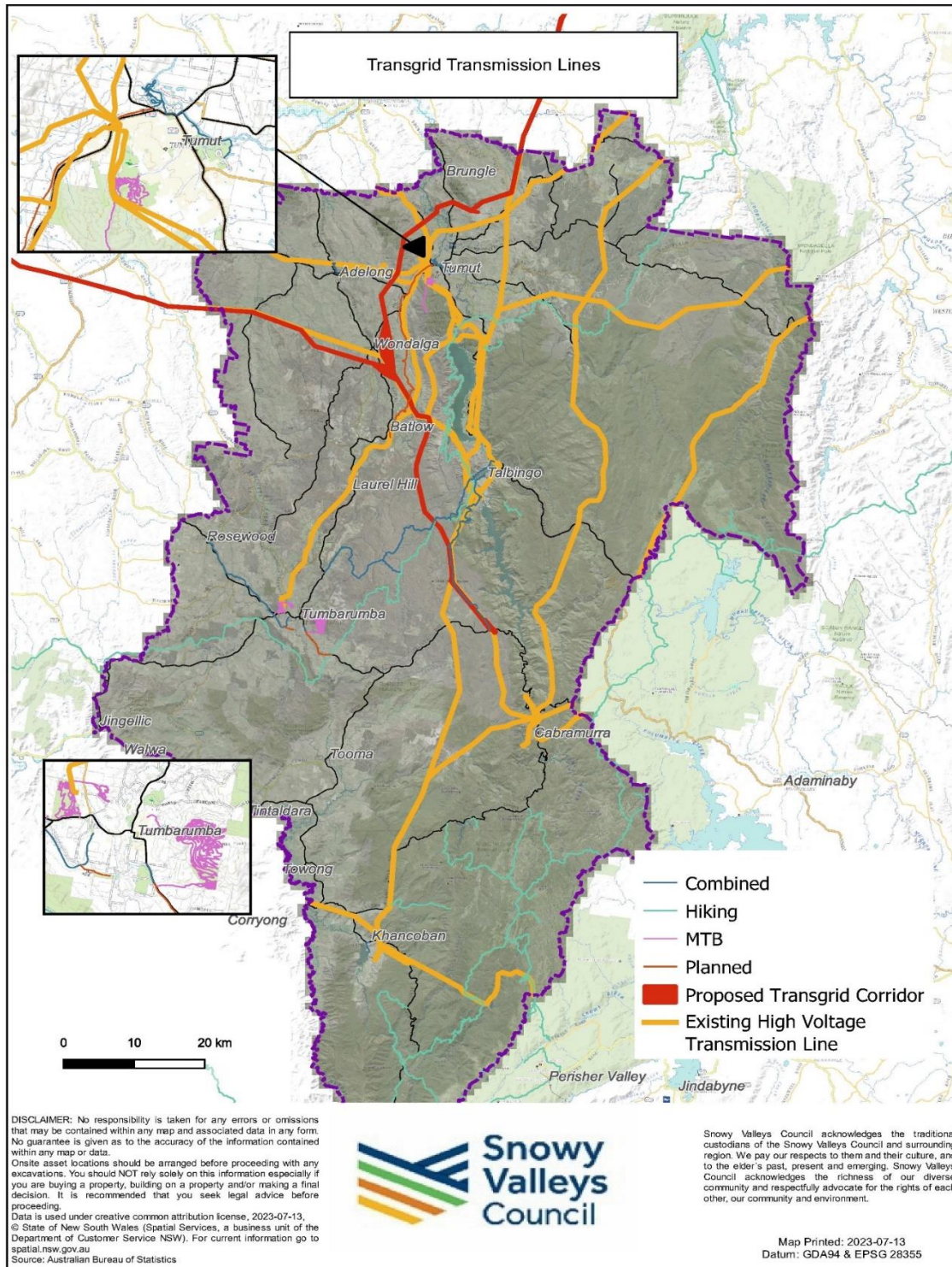
We are on track with implementation of our plans for the future.

For example, a special program of works is our 'Developing Tracks and Trails' which is a major initiative for the enjoyment of residents and visitors.

We are now implementing our sustainable trails network plan that facilitates a wide range of benefits for both local people and visitors now and into the future across the triple bottom line incorporating positive environmental, economic and social outcomes.

- The Masterplan for Bike Trails and tracks was adopted by SVC in March 2023 after extensive consultation, expert input, analysis and planning while ensuring the Plan coincided with all related local, state and Commonwealth strategies and plans. <https://yourvoice.svc.nsw.gov.au/regional-tracks-and-trails-masterplan> pg 8





Map1. Walking Trails and Bike Tracks.

Map 1 shows the Snowy Valleys Councils Master Plan Map of Walking Tracks and Bike Trails – Adopted by Council May 2023. This Map shows the existing extent of trails and tracks as well as those that are planned to be built for the next 10 years. It also shows the overlay of the existing and proposed Transmission Line Corridors (Yellow lines = Existing Corridors) Red lines = the new proposed “Hume Link Corridors”.

SUBMISSION BY SNOWY VALLEYS COUNCIL TO THE NSW INQUIRY INTO THE FEASIBILITY OF UNDERGROUNDING THE TRANSMISSION INFRASTRUCTURE FOR RENEWABLE ENERGY PROJECTS

The lines depicted in “Black” on the map are both the existing and planned “Hiking” and “Mountain Bike” (MTB) Trails that Council is committed to maintain and build over the next 10 years.

The lines depicted in “Green” on the map are “Hiking” Trails only that Council is committed to maintain and build over the next 10 years.

The lines depicted in “Magenta” on the map are Mountain Bike (MTB) Trails only that Council is committed to maintain and build over the next 10 years



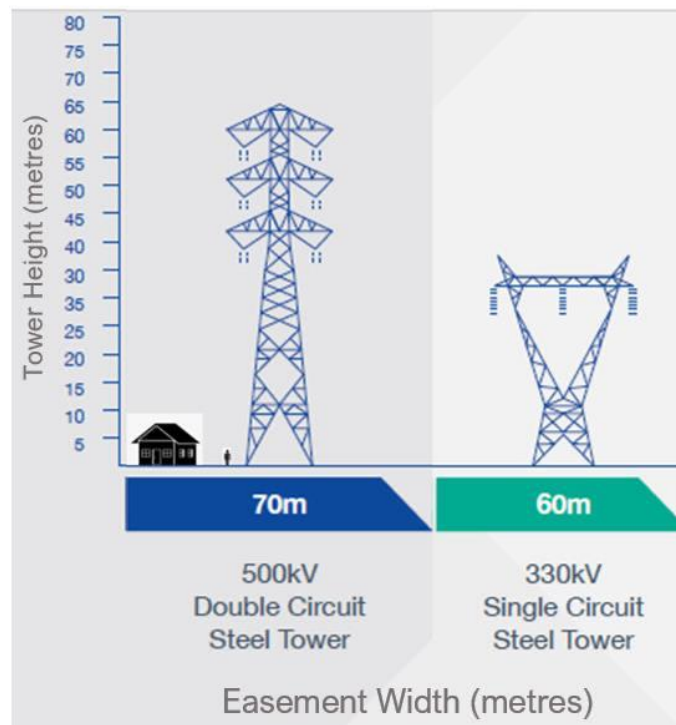
Above: Hume and Hovell Track, Below: Tumbarumba to Rosewood Rail Trail



The Consequences of HumeLink for Snowy Valleys

We understand that the increasing NSW and wider Australian population and inevitable future economic growth means greater demand for energy and that greater demand for renewables is the way to go given global warming risks to wellbeing. Australia is well endowed with sun and wind with important hydro sites here in the Snowy Mountains. Security of energy supply is crucial.

- We are onboard.
- But we are not onboard with bearing the large majority share of the significant and long-lived costs of the planned overhead HumeLink transmission lines in NSW. And we all know that these will soon multiply manifold.
 - We are not onboard either with any other of the regions being left to bear the majority of costs of transmission of renewable energy generated by wind or solar.



Height of HumeLink 500kV double circuit tower relative to the existing 330kV towers, a house with an 8m roofline and a 6'6" person

Source: Undergrounding HumeLink - Reducing impacts on the Upper Lachlan region, Villages of ULSC, Resist HumeLink, 23/9/2021 based on information provided by Transgrid

Visual impact is not trivial. The diagram below may in fact underestimate the visual impact with some estimating that the new towers will reach 80m, as illustrated in the second diagram below.

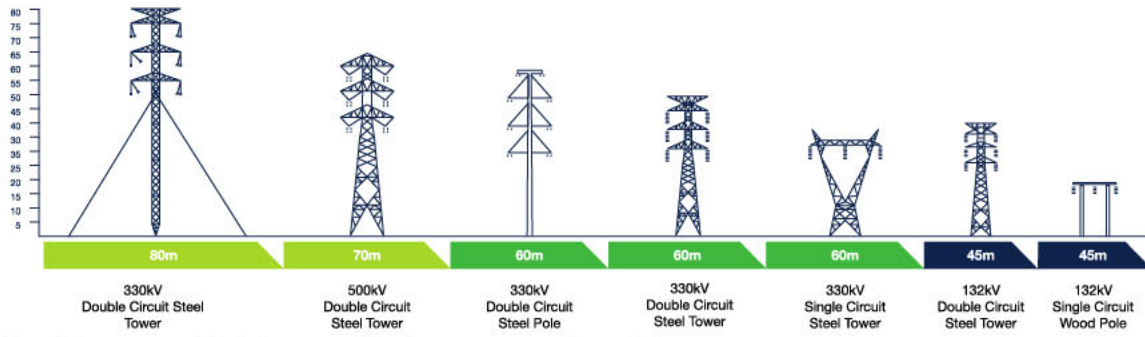


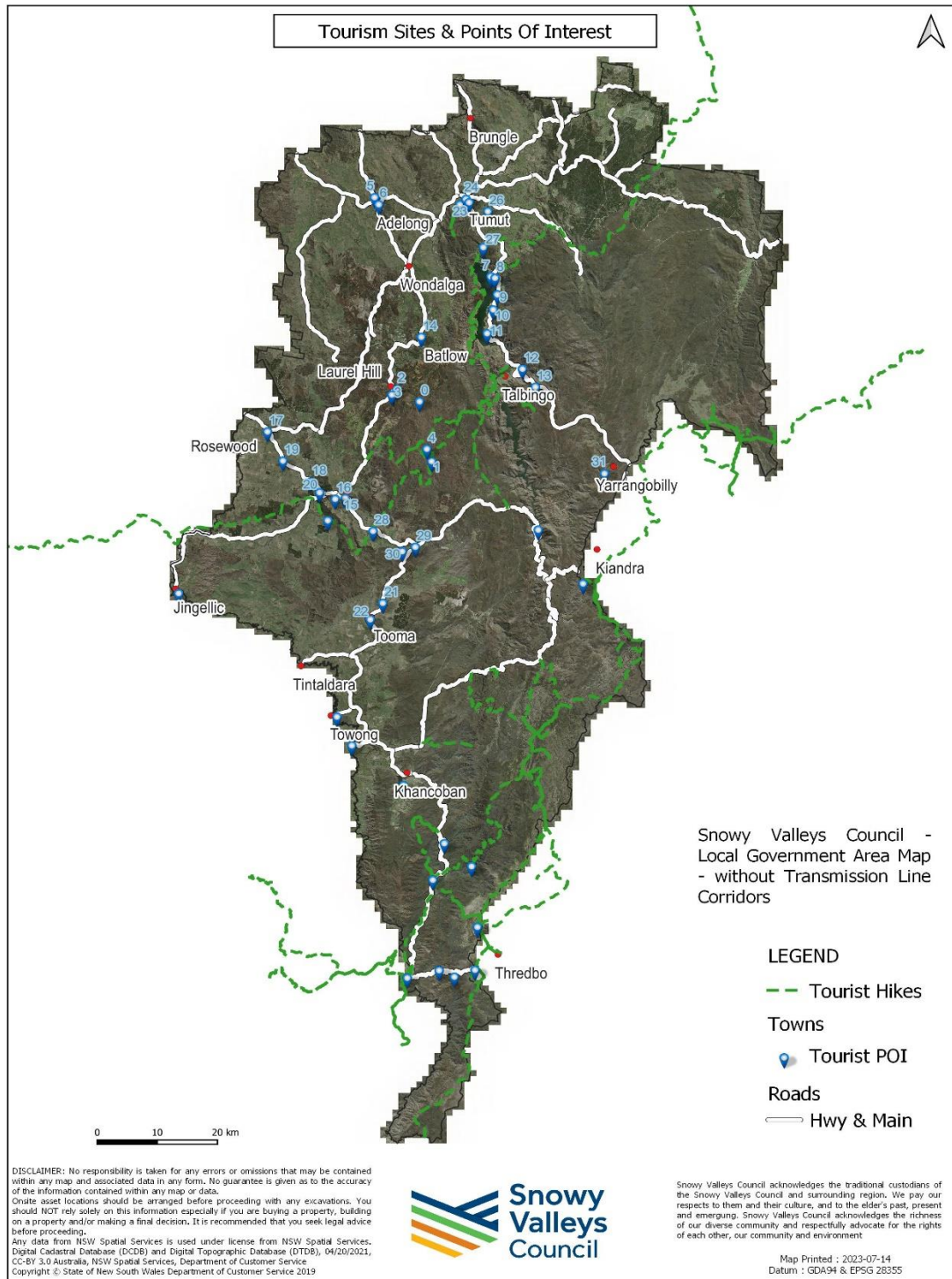
Figure 1: Figure not to scale. Typical easement widths only, may vary on a case by case basis.

Transgrid, Easement Guidelines - Living and working with electricity transmission lines, pg 3
<https://www.transgrid.com.au/media/3tkdd5lr/easement-guidelines.pdf>



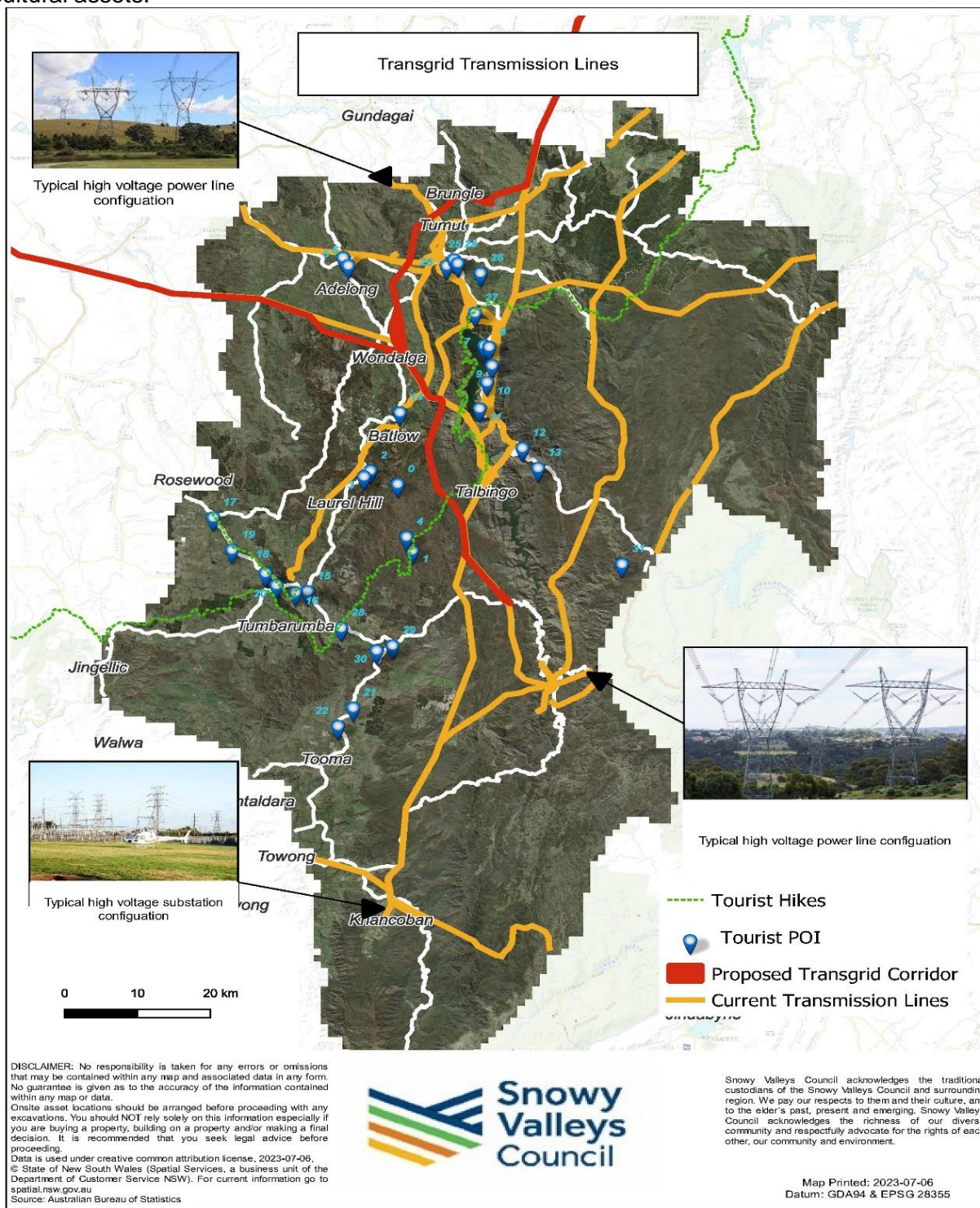
Above: Photo of typical existing transmission line corridor in Snowy Valleys Local Government Area.

Transmission infrastructure already negatively impacts our region, limiting our plans for the future. Our natural environment without any overhead lines would be far more valuable to all and less at risk of forest fires. Our current values including forestry and visitor market and non-market values would be much higher without overhead lines. The following map (Map 2) shows our valleys in a pristine state without transmission infrastructure above ground.



Map 2. Snowy Valleys Tourism Sites and Points of Interest without Transmission Lines

Our expected reality is much different with existing lines in place and much higher lines with HumeLink. This is dramatically illustrated with the following map (Map 3) that shows existing and new lines that interfere with our natural assets and built recreational and cultural assets.



Map 3. Snowy Valleys Tourism Sites and Points of Interest with the Transmission Line Corridor overlay of existing Transmission Line corridors – depicted in Yellow and the new proposed Hume Link in Red

Number	Point Name
0	Pilot Hill Arboretum
1	Paddys River Dam Campground
2	Sugar Pines 2.0 Walk and Picnic Area
3	Lochinvar Rest Area
4	Paling Yards
5	Adelong Falls
6	Snowy Valleys Sculpture Trail - Adelong
7	Log Bridge Creek Picnic area
8	Blowering Cliffs Picnic Area
9	The Pines
10	Humes Crossings
11	Yatching Point
12	Jounama Creek Campground
13	Black Perry Lookout
14	Snowy Valleys Sculpture Trail - Batlow
15	Snowy Valleys Sculpture Trail - Tumbarumba
16	Tumbarumba Rosewood Rail Trail - Tumbarumba
17	Tumbarumba Rosewood Rail Trail - Rosewood
18	Tumbarumba Rosewood Rail Trail - Glenroy
19	Tumbarumba Rosewood Rail Trail - Woolsey Park
20	Tumbarumba Rosewood Rail Trail - Sawpit Creek
21	Southern Cloud Lookout
22	Snowy Valleys Sculpture Trail - Tooma
23	Tumut Lookout
24	Billa Park
25	Pioneer Park - Labyrinth
26	Junction Park
27	Jones Bridge Campground
28	Henery Angel Campground
29	Paddys Flat Campground
30	Paddys River Falls Picnic area
31	Yarrangobilly Caves

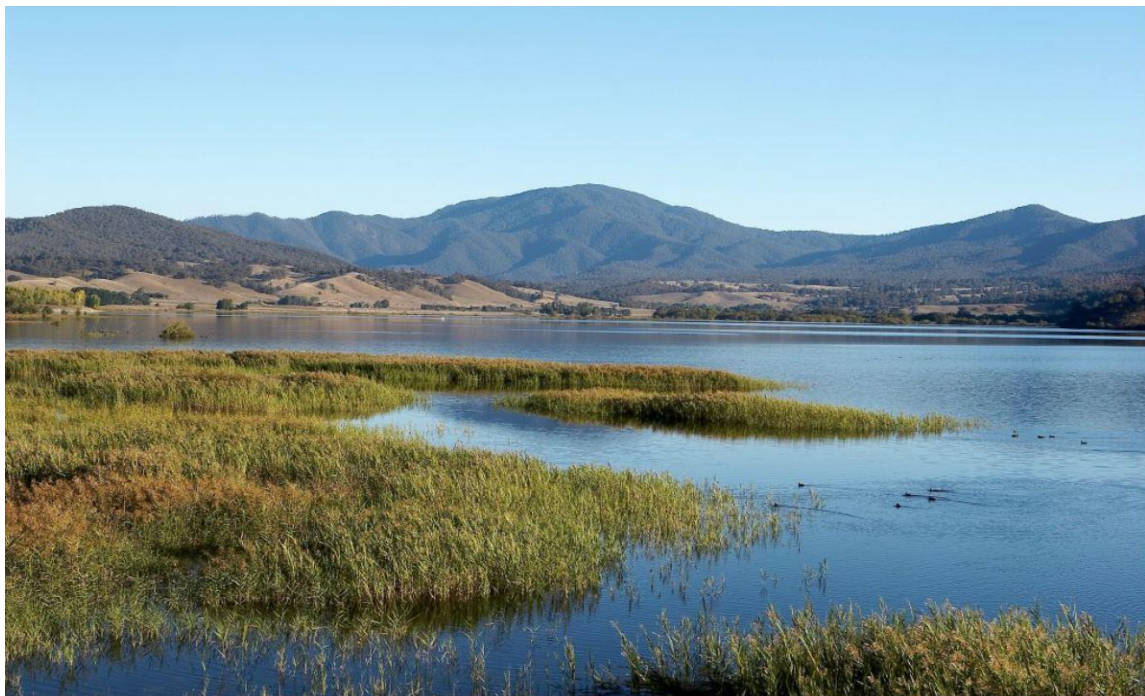
Hiking Trail
Tumbarumba Rosewood Rail Trail
Hume Hovel Track

Legend to Map 2 and 3 – List of Tourism Sites and Points of Interest in the Snowy Valleys Local Government Area.

- We are adamant that the future does not repeat the past.

There are alternatives to above ground infrastructure that interferes with natural and built assets reducing values and marring and scarring the landscape.

- The real alternative is to underground infrastructure.

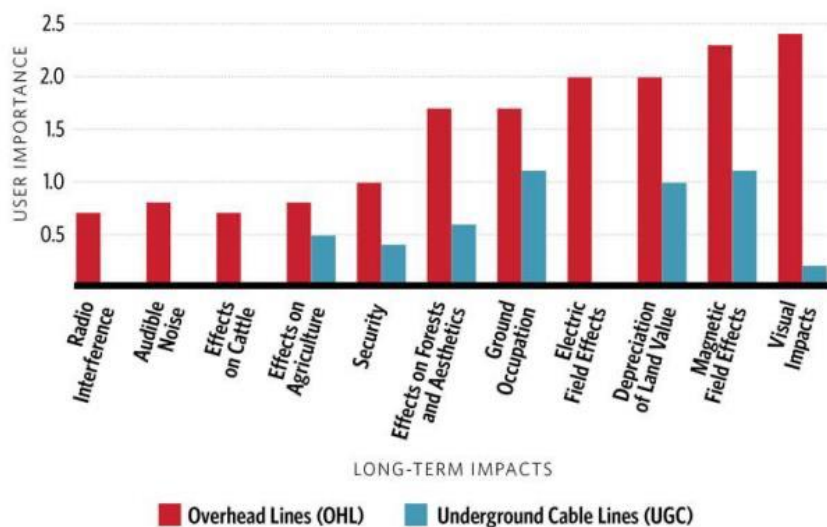


How do we Account for the Impacts of Overhead lines versus Undergrounding?

International work pointed out by HumeLink Alliance shows that Visual Impacts are of greatest user importance.

- Where are the data for Snowy Valleys? We have not been surveyed so there is none.

A study by the International Council on Large Electrical Systems, or CIGRÉ, shows the relative environmental impact of overhead and underground lines. In all cases undergrounding reduces impacts.



Source - CIGRÉ as referenced by HDR <https://www.hdrinc.com/insights/top-5-reasons-use-underground-transmission-lines> (As identified by HumeLink Alliance)

If there were a survey undertaken of the effects here in Snowy Valleys and other affected regions, the next step would be analysis to estimate the dollar value of the effects.

- It is important, as the ones to bear non-market and market costs, that our views and values should be assessed and included in decisions that affects us now and into the future.

What are the benefits of undergrounding to Snowy Valleys?

The benefits of undergrounding are equal, for the most part, to the costs avoided by not going with overhead infrastructure. These are provided in the table below along with benefits that are derived for Snowy Valleys if lines are undergrounded. In order to maintain consistency in comparing various inputs to the issue, this table mostly replicates a similar table provided by GHD in its report to Transgrid. We have added material and commentary in the last column in order to reflect the impact on the Snowy Valleys.

Benefits

Pros and Cons of overhead versus underground lines/cables are listed in the table below along with our assessment of the Benefits to Snowy Valleys of Undergrounding.

Pros and Cons of Underground and Overhead Transmission Infrastructure				Snowy Valleys Benefits
		Undergrounding Effects Compared to Overhead	Overhead Effects Compared to Undergrounding	Benefits that flow from Undergrounding versus Overhead
1	Environmental Effects	<ul style="list-style-type: none"> – Less land disruption following construction – Less easement width required for ongoing access for maintenance and repair – Post construction lower ongoing vegetation clearance for underground easements reducing impacts on fauna – collision with wires – and less habitat impacts esp. no habitat fragmentation 	<ul style="list-style-type: none"> - Potentially less vegetation clearing during construction - Shorter construction time and less overall disturbance and disruption 	<ul style="list-style-type: none"> - Less environmental damage so less tangible impact on Snowy Valleys assets - Less impact means less cost in terms of visitation values and local recreation values and therefore greater benefits. - Higher existence and bequeath values. - In general, higher use and non-use values.
2	Productive efficiency of agriculture and communities	<ul style="list-style-type: none"> – Reduction in visual impact to agricultural and community land with undergrounding – Possible conditional agriculture activity directly above the buried cable circuits – No risk for aerial spraying activity – No risk of tall machinery or equipment impacts to buried cables 	<ul style="list-style-type: none"> - Potential future land use allowed which includes agriculture and digging (i.e., mining, dams, bores) if minimum clearances to overhead lines maintained 	<ul style="list-style-type: none"> - Overhead means costs to the productive efficiency of agriculture and therefore reduced profits - Modern farming practices are increasingly rely on technologies like

				<p>drones and GPS to improve productive efficiency. These technologies can't be utilised and many other activities, like aerial operations and irrigation, can't be performed in close proximity to overhead transmission lines. Therefore, transmission lines reduce the efficiency and therefore profits of neighbouring agricultural operations.</p>
3	Electromagnetic fields (EMF) and Electromagnetic compatibility (EMC) Implications	<ul style="list-style-type: none"> - Magnetic field reduced quickly with distance from the cable centre line - No electric fields 	<ul style="list-style-type: none"> - Magnetic fields are 20% of their allowable limit at their maximum. 	<ul style="list-style-type: none"> - Residents and visitors experience less impact on human wellbeing and on their communications abilities. - Avoided cost is benefit.
4	Community Benefits – Visual Amenity, Audible Noise, etc.	<ul style="list-style-type: none"> - Lower visual impact - No operational noise with AC undergrounding options but there is with underground DC options - Lowest density of sensitive receivers (residences) along preferred route that will be subject to air quality, noise, light and traffic impacts. - Preferred route least likely to impact areas of high indigenous values or known historical heritage items. - Negligible impact to public and wildlife activity and safety following construction – avoids 	<ul style="list-style-type: none"> - All negative and costly. 	<ul style="list-style-type: none"> - All non-market and market costs of overhead avoided – loss in visual amenity and irritating noise, reduce wellbeing, visitor values, SV property values - Avoided costs support SV vision. - Overhead transmission infrastructure is

		accidental contact with energised infrastructure		destroying areas as desirable places for lifestyle farmers – a growth sector for regional economies located two to three hours from major cities. Lifestyle farmers have invigorated and brought prosperity to many regional and local businesses. By not considering environmentally sensitive transmission infrastructure solutions such as undergrounding, this important economic stimulus for rural areas is being lost.
5	Bushfire Risk	<ul style="list-style-type: none"> - Negligible potential for bushfire ignition - No restricted access for bushfire fighting - Power transmission unlikely to be affected during bushfire - Negligible potential for above-ground bushfire to impact and damage underground assets 	<ul style="list-style-type: none"> - Potential for power transmission loss or reduction during bushfires 	<ul style="list-style-type: none"> - According to the Australian Energy Market Operator (AEMO), "good engineering design will ensure that any new infrastructure does not lead to unsustainable deterioration in grid resilience. Building additional transmission lines along a bushfire prone transmission corridor would be an example of resilience

				<p>deterioration". To help defend Australia's communities, economy and the environment against extreme weather events especially expected with global warming and future-proof critical energy infrastructure, the Government, network planners, and operators need to adopt best planning practices and design resilience into the grid by avoiding or undergrounding bushfire prone regions and heavily forested corridors. Routing critical transmission infrastructure away from bushfire prone areas or underground, would enable our energy networks to better withstand extreme weather events and build increased network resilience. (Quoted from EGA Submission to this Inquiry. See EGA for details.)</p>
--	--	--	--	--

6	Construction Effects for community and environment	<ul style="list-style-type: none"> - Potential to underground only sensitive sections - Negligible impact to public and wildlife living in the area following construction and remediation - However, disruption during construction greater than for overhead. 	<p>The following are all Short Run Construction benefits of overhead</p> <ul style="list-style-type: none"> - Smaller construction footprint - Lower potential for exposure of contaminated soil due to no trenching - Less interruption to community activities during construction - Lower dust and noise generation during construction - Less impact to land use during construction - Lower disturbance to roads and infrastructure during construction 	<ul style="list-style-type: none"> - Long run benefits of undergrounding are important to Snowy Valleys.
7	Operation and Maintenance work along the cable route	<ul style="list-style-type: none"> - Lower ongoing operation and maintenance costs, due to lower likelihood of faults occurring. - Less likely to require upkeep due to external factors – falling trees, wildfire, bushfires, vehicles, etc. - Minimal ongoing regular access along cable route required - Overall less maintenance activity required compared to overhead lines 	<ul style="list-style-type: none"> - Quicker and easier to locate faults along the line - Potentially less outage time if fault occurs 	<ul style="list-style-type: none"> - The benefits here imply greater reliability for SVs and everyone.
8	Human Safety – aerial operations	<ul style="list-style-type: none"> - Uninterrupted power transmission during extreme weather conditions 	<ul style="list-style-type: none"> - Permitted digging on agricultural land with approved machinery 	<ul style="list-style-type: none"> - Benefits here are critical to the grid.

	personnel, agricultural machinery operators, line workers at heights and the public	<ul style="list-style-type: none"> - Unlikely for asset damage to occur due to falling trees, passing vehicles, etc. - Conditional opportunity to use land for cropping within the easement - No interruption with aerial operations such as crop dusting - Lower interference with radio, television and other communications signals - Substantially reduced working at heights requirements along cable route - But necessary to 'Dial before you Dig' 	<ul style="list-style-type: none"> - Permitted use of land for cropping with easement 	<ul style="list-style-type: none"> - By providing a safe environment supports the growth goals for Snowy Valleys. - Agriculture less impacted. - Less intrusion for repairs on private land and public lands where locals and residents will be. - Less risk of injury for residents, farmers and visitors. - Safety for outdoor activities in our plans for tracks and treks.
9	Reliability of power supply	<ul style="list-style-type: none"> - Higher reliability and performance - Uninterrupted power transmission during extreme weather conditions - Negligible chance for power transmission interruptions due to vehicle accidents, falling trees, wildlife, etc. - Negligible chance of power transmission interruptions due to lightning strikes and other severe weather conditions - Flooding risks need to be managed in construction and design choices. 	<ul style="list-style-type: none"> - Normally high due to design criteria 	<ul style="list-style-type: none"> - These seem to be tremendous benefits for all in region and consumers. - Supports economic growth goals and tourism attractiveness of Snowy Valleys according to our plans.
10	Resilience to Climate change Impacts (EGA submission to this Inquiry provides extensive	<ul style="list-style-type: none"> - Underground transmission, which require a higher upfront outlay than above-ground systems, can significantly reduce potential damage from climate impacts and save recovery costs. - Transmission lines above ground tend to be more vulnerable to climate hazards such as 	<ul style="list-style-type: none"> - Vulnerable with damage likely then lengthy repairs and outages. 	<ul style="list-style-type: none"> - Valuable. - Less risk of fire damage and disasters affecting the short run and longer run wellbeing of residents and visitors as well as

	important input on this)	<ul style="list-style-type: none"> - high-speed winds, wildfires, floods, and landslides, than underground systems. 		<ul style="list-style-type: none"> - businesses including forestry. - Less intrusion for repairs on private land and public lands where locals and residents will be. - Less risk
11	Snowy Hydro	<ul style="list-style-type: none"> - We consider climate risk/hazards under different credible scenarios, such as increased fire, drought, storm and high rainfall events in our asset plans. - We ensure that procurement and supply strategies incorporate whole-life evaluation of risks, costs and performance. - https://www.snowyhydro.com.au/sustainability/ 	<ul style="list-style-type: none"> - Whole of life is +50 years, which will expose overhead infrastructure to expected extreme climate events. 	<ul style="list-style-type: none"> - Undergrounding eliminates the exposure to fire, drought, storm, high rainfall, etc. as expected by Snowy Hydro. - Tangible benefits of costs avoided. - Undergrounding would meet Snowy Hydro's goals here more than overhead.

The first two columns of this table largely replicate the table provided by GHD in its commissioned report to Transgrid on the options and costs of undergrounding HumeLink (Page ix) with additional information inserted from Tables 6.1 – 6.10 (pages 74 – 83).
<https://www.Transgrid.com.au/media/y0mpqzvw/HumeLink-project-underground-report-august-2022-final.pdf>

Inadequate Accounting of Non-Market Costs of Overhead Lines and Regulatory/Policy Confusion

Transgrid has acknowledged GHD's assessment that amenity value losses associated with overhead lines may be large enough to make undergrounding cost-effective. However, Transgrid has not gone on to heed this advice and conduct valuation studies to assess the dollar value of the avoided costs. They effectively dismiss the advice and continue to favour overhead lines.

In its February 13 2023 letter of reply to The Community Consultative Group representatives on the HumeLink Undergrounding Steering Committee (CCGSC) Transgrid argues that CCGSC is not justified in suggesting that the GHD Report highlighted the negative aspects of undergrounding whilst downplaying the positive aspects. Transgrid says:

"We note that the <GHD> Report states that "A significant benefit of undergrounding cables is the reduction in visual impact. In certain areas, such as protected landscapes, this benefit could be a primary consideration and outweigh disadvantages of undergrounding such as restrictions on land use and the impact on ecological and archaeological sites.

<https://www.Transgrid.com.au/media/e0jmnsdp/Transgrid-response-to-undergrounding-feasibility-study-2023-final.pdf>

https://www.Transgrid.com.au/media/mwafmnbb/ccgsc-position-on-HumeLink-undergrounding-study_20220824.pdf

Transgrid does not highlight visual amenity loss because they say this cost is included in the overhead option with the payments to landowners, which is an included item. However, landowners themselves have been vocal in challenging the size of these payments and importantly, all other non-market values are excluded namely the total of use and non-use town and other community and national social, environmental, bequeath and existence values in the short and long runs.

Transgrid states "Based on our assessment of the <GHD> Report, where possible, these benefits (referred to as non-market benefits) have been accounted for within the cost for both underground and overhead solutions where the non-market benefits are tangible costs to the project. This includes accounting for the environmental impact (via biodiversity offsets) and the impact on land use and agriculture (via payments to landowners)."

(Excerpted from the Transgrid reply letter. Our underlining added for emphasis.)

<https://www.Transgrid.com.au/media/e0jmnsdp/Transgrid-response-to-undergrounding-feasibility-study-2023-final.pdf>

Biodiversity offsets do nothing to minimise costs in the HumeLink corridors given they represent payments for preservation elsewhere.

- It is worth noting, however, that if the cost of biodiversity offsets is one estimate of one portion of the environmental costs borne by Snowy Valleys of overhead lines. Undergrounding will have its own costs, of course.

- Note: GHD includes Biodiversity offset costs: \$2,090,000 / km (70 m easement). (Scaled for the easement on each option) and Land costs: \$475,000 / km (70 m easement). (Scaled for the easement on each option)

GHD, exercising due diligence, documents an extensive list of non-market effects of the alternative options in Section 6 of their report including negligible impact to public and wildlife activity following construction, better performance during a bushfire, and higher reliability of supply all of which are benefits above and beyond the benefits of maintaining visual amenity.

GHD admits theirs is a desktop study and needs 'ground-truthing' before decisions are made regarding undergrounding.

- Without ground-truthing, how do we know that overhead lines are best?

While GHD expert engineering advice is very useful, and the best there is to date, there are two significant faults with this analysis that could materially alter even their preliminary desktop cost balance in favour of undergrounding.

1. It was Transgrid that did the costing for overhead lines so GHD estimates for undergrounding are not, in fact, comparable.
2. GHD ranked the underground options using a mechanism that introduces bias.
 - Their Multi-criterion Analysis (MCA) tool called InDeGO, ranks undergrounding options.
 - GHD identified constraints facing the undergrounding options as a whole.
 - Then GHD sets numerical weights for each constraint according to what GHD assessed as the likelihood and magnitude of the constraint for each category of impact for each underground option.
 - The weights were applied to the conditions they could identify with their desktop study of alternative undergrounding options.
 - The ones with the lowest total score were identified using InDeGO and then this short list went on to be costed in comparison to Transgrid's overhead costing.
 - Buried in this final short list of options are the weights chosen by GHD for the importance of each constraint.
 - Note: weights are *chosen* by the assessor - GHD.

The weights used by GHD are the following rankings of importance and all options are first ranked by these weights and then the highest ranked options – the lowest total weighted score – were costed using standard engineering methods but including biodiversity offset costs and easement payments.

GHD's Identified Constraints and Weights Used for Ranking Underground Options

Constraint	Total rating
Areas of very high indigenous significance (AHIMS sites)	100
Slope (>50%)	999
National Park / nature reserve	100
Endangered ecological communities (CEEC and EEC)	80
Wetlands (RAMSAR site)	100
Commonwealth land	20
Native title	80
Heritage areas (State and local)	80
Residences	60
Unlicensed airstrips	20
Bushfire risk (bush fire prone land)	40
Forested areas (State Forest land)	60
Agricultural land (BSAL land)	60
Industry (industrial land use zone)	60
Waterway crossing (> 800m)	100

<https://www.transgrid.com.au/media/y0mpgzvw/humelink-project-underground-report-august-2022-final.pdf>

pg 7

It is bewildering to us that forest fire potential risk and magnitude should be weighted by GHD to be as low as '40' given what we lived through in the recent fires and their devastating aftermath. A weight of 100 for areas of very high Indigenous significance makes sense but not 40 for bushfires or 20 for unlicensed airstrips, which are vital to our farming community.

This is the source of bias; the weights rank what is important at the very start of the analysis. Importantly, the weights will be different depending on the person setting them and their scope of concerns whether they be electricity consumers, farmers, residents of Snowy Valleys, etc.

- Setting MCA weights is a powerful input to comparing options that Snowy Valleys Council does not think should be provided only by engineers but inclusive more broadly of the input of affected groups and individuals.
- NSW Treasury does not recommend reliance on MCA for assessing alternatives –

"A CBA <Cost-Benefit Analysis> with valuations is preferred over MCA. At an early stage some understanding of cost and the primary outcome should be known, hence <Cost Effectiveness Analysis> CEA may also be preferred to MCA or at least complementary. MCA may be useful where it is not possible or practical to value all costs or benefits in monetary terms in an efficient and timely manner before undertaking a CBA or CEA to assess the long-listed options. MCA has some advantages relative to informal and undocumented judgment but does not substitute for CBA or CEA. MCA can provide a degree of structure to the early-stage assessment process. It can be open, explicit, relatively simple, require less detailed information than CBA or CEA and permit the assessment process to be documented for future reference.

It is worthwhile noting that this version of the Treasury Guide very recently replaced a previous version that included in its website the following requirements:

“Who needs to know and/or comply with this?

- Advisory Entities (including Boards and Committees)
- Councils under the Local Government Act
- State Government Departments
- Federal Government Departments
- Executive agencies related to State and Federal Departments
- Separate agencies
- State Owned Corporations
- Statutory Authorities/Bodies
- Subsidiaries of the NSW Government established under the Corporations Act
- Universities
- Other Compliance Organisations

The mandatory requirement for compliance no longer meets anyone seeking the Guide and guidance. Why? Is the Treasury advice not applicable in all cases? Why not?

New website: <https://arp.nsw.gov.au/tpg23-08-nsw-government-guide-to-cost-benefit-analysis/>

Previous website: <https://arp.nsw.gov.au/tpp17-03-nsw-government-guide-cost-benefit-analysis> and https://arp.nsw.gov.au/assets/ars/attachments/TPP17-03_NSW_Government_Guide_to_Cost-Benefit_Analysis_archived.pdf

Given GHD advice and Treasury direction, why are the non-market and market costs still not included in overhead line costings?

1. Is it because financial costings of isolated projects are in the domain of engineers while economists consider wider social and environmental implications and have the tools to cost non-market and downstream market dollar values?

- Why were experts in non-market valuation not included in costings?

2. Transgrid itself hired GHD to provide expert advice.

Why did Transgrid not act on the findings that amenity costs alone could tip the balance in favour of undergrounding?

Transgrid's apparent position on these questions is reflected in their statement that asserts that it is basically impossible to include non-market values for the following reasons. In its own words, TransGrid writes the following:

“Furthermore, there are no applicable mechanisms to quantify the non-market benefits of undergrounding as compared to overhead. The comparison and consideration of non-market benefits is based on qualitative and subjective assessments.

Based on the findings from the <GHD> report, undergrounding HumeLink will not be consistent with the rules that require TransGrid to propose the most efficient option for consumers based on the capital cost of the solution, the ongoing operational costs, the market benefits, the expected reliability, and the costs associated with the impact on landowners, the community, and the environment.”

<https://www.transgrid.com.au/media/e0jmnscdp/transgrid-response-to-undergrounding-feasibility-study-2023-final.pdf>

These comments by TransGrid are either (1) uninformed regarding the advanced and accepted state of economic non-market valuation techniques, especially by Australian practitioners, as outlined and recommended by NSW Treasury; (2) unknowing of the relevance of these techniques (3) dismissive of the best practice non-market valuation expertise of any and all practitioners both at Australian consultancies, the CSIRO and universities, 4) officially excused from Treasury guidelines. <https://arp.nsw.gov.au/tpp17-03-nsw-government-guide-cost-benefit-analysis>

HumeLink is a huge and long-lived project with significant public costs and benefits involved. This is exactly the class of project that must ensure non-market values are included in a full social Cost-Benefit Analysis. This is the kind of project that no doubt would have motivated Treasury to draw up its Cost-Benefit guidelines in the public interest in the first place.

Why is this matter so confused given Transgrid has already Committed to Evaluation of Non-Market Impacts?

TransGrid has specifically reported that it would be assessing costs and benefits of non-market effects, as part of the EIS process, and following the NSW Treasury Guide to Cost-Benefit Analysis. Aurecon for TransGrid states:

7.5.3. Approach to assessment in the EIS

A detailed economic impact assessment will be undertaken for the proposal.

The economic impact assessment will:

- ☐ Identify and quantify the potential significant impacts (costs and benefits) including use of land (land capability), construction, recurrent costs, benefit of electricity amplification and any other relevant impacts. Ways to quantify these impacts will be considered, such as opportunity cost of the land (land value impacts), construction costs, marginal recurrent costs such as maintenance and security, and the benefit of electricity amplification (wholesale revenue or gross value added / gross domestic product)
- ☐ Consider impacts to businesses (including agriculture, horticulture and forestry), which will be checked for consistency against the agricultural impact assessment
- ☐ Assess economic impacts from construction including quantification of job generation resulting from construction and post construction
- ☐ Consider intergenerational benefits and equitable distribution of electricity amplification, once operational, assuming a 50-year design life.

The methodology for the economic impact assessment will be guided by the *TPP17-03 NSW Government Guide to Cost-Benefit Analysis*.

Excerpts from - HumeLink, Scoping Report, TransGrid, prepared by Aurecon Australasia Pty Ltd, Reference: 507179-160522-REP-NN-001

<https://pp.planningportal.nsw.gov.au/major-projects/projects/humelink> Accessed February 2023

However, TransGrid revokes its commitment to evaluating costs and benefits, that include non-market values, in its other public comments and especially its response to CCGSC criticisms, as outlined above. <https://www.transgrid.com.au/media/e0jmnsdp/transgrid-response-to-undergrounding-feasibility-study-2023-final.pdf>

- The reason non-market values cannot be assumed to be zero, as TransGrid has done, for HumeLink, is because they are likely to be large enough to make or break an option.
- GHD says this, as noted earlier above when they say undergrounding could be the best option from a cost-benefit comparison if the non-market costs and benefits were valued and included.

Why does there seem to be an inconsistency of policy direction that disadvantages affected regions and future generations?

On the one hand, we are not clear about whether NSW policy has specifically excluded non-market costs and benefits from project evaluations for electricity transmission during this critical stage of upgrading the grid.

- Does Australian Society forfeit due diligence when a project is designated as ‘State Significant Infrastructure’?
- While non-market costs and benefits may be removed from evaluations, this does not remove the costs from the lived experience of Snowy Valleys people.
- These costs remain as externalities – costs external to the infrastructure itself and the owners of the infrastructure and all beneficiaries of the infrastructure – that are nevertheless experienced by others as a direct consequence of building the infrastructure.

On the other hand, we know that NSW Treasury Guidelines are clear on the treatment of externalities for project evaluation.

- Especially when externalities are expected to be large and long lived, Cost-Benefit Analysis (CBA) needs to include them.
- A Triple Bottom Line – Social, Economic and Environmental – analysis for the net benefit of society requires all market and non-market values to be included in the CBA.
- Externalities can be market or non-market, tangible or intangible.
- Treasury outlines the non-market valuation tools that should be used to estimate the costs and benefits in Appendix 2.

Is there an inconsistency of NSW policy on non-market valuation that needs to be clearly communicated along with consequences?

In its own defence for not including non-market values, TransGrid goes says that, in fact, it is not allowed to assess the non-market values, including visual amenity values.

“Other non-market benefits such as visual amenity are currently not able to be accounted for in the rules for the economic regulation of transmission infrastructure. We

acknowledge the importance of these non-market benefits, and we appreciate that most landowners do not want a new transmission line on their property, and we are committed to minimise impacts to landowners wherever feasible.”

(Excerpted from the TransGrid reply letter. Underlining added for emphasis.
<https://www.transgrid.com.au/media/e0jmnsdp/transgrid-response-to-undergrounding-feasibility-study-2023-final.pdf>)

If this is accurate, that the economic regulation of transmission infrastructure does not allow for accounting for what could be the majority of the non-market values, then this is not only goes against a governmental public duty of care but also runs contrary to other requirements for TransGrid reporting according to its own submission to the EIS process as described above.

Policy has been confused further by the fact that in the plan Transgrid submitted towards its Environmental Impact Statement, as noted above, Transgrid has already committed to following Treasury Guidelines.

The Value of Expanding the Grid

We know we will enjoy the valuable security of supply along with everyone in NSW but the majority of the beneficiaries are elsewhere.

We understand that keeping electricity prices affordable is paramount. We want this too.

- But it is not equitable to have a regressive policy that imposes unreasonable costs on some to benefit others, at least not in modern democracies.

Importantly, it is not just those in the Snowy Valleys who will bear the burden of unreasonable costs but visitors to the region and Kosciuszko today and forever including all those who never come but want to know this land is protected and not further degraded.

What value is to be gained from Nation Building projects such as Snowy Hydro and the transition to renewable energy if we merely transfer industrial pollution from energy production to the energy transmission?

Snowy Valleys Council Position and Conclusions

- 1 Based on all available information, SVC is of the strong view that undergrounding transmission lines is the most appropriate and cost-effective option considering the externalities affecting farming, residents throughout the Local Government Area, forestry, the tourism industry, visitors and the environment including the reduced risks and costs of fires, as outlined in this Submission.
- 2 Snowy Valleys plans for the future depend on maintaining the natural beauty of our Local Government Area – visual amenity and environmental values.
- 3 Our future depends on our attractiveness and environmental condition and sustainability.
- 4 Growth in the tourism industry and maintaining a desirable location to reside in and farm are paramount and depend on there being no losses in our natural assets from building overhead.
- 5 We need scenic drives from population centres elsewhere that encourage people to come our way today and in the future to stay here and fully enjoy what we have to offer.
- 6 NSW tourism policy and Forestry Corporation NSW and Snowy Hydro are investing in our future growth in values for local residents and visitors. This investment should not be wasted by a landscape marred and scarred by overhead lines.
- 7 What we have is a wealth of near natural assets to share while these are becoming more and more scarce elsewhere and therefore more valuable to all Australians.
- 8 Visual amenity losses, natural environment losses, farming losses have both negative non-market and material market consequences.
- 9 No one should minimise the consequences of ‘industrialising’ Australia’s iconic locations – would we build powerlines above Bondi Beach?
- 10 No one has enough information to know which is the better option.
- 11 The decision to build overhead is premature given the lack of non-market and market analysis of the costs of overhead lines compared with undergrounding.
- 12 GHD points out that ‘ground truthing’ their cost estimates is necessary but not yet done at all.
- 13 Expert analysis by GHD on Transgrid’s behalf points to the very real likelihood that amenity losses alone could make undergrounding the better choice, all things considered.
- 14 GHD’s estimates are compared to Transgrid’s overhead estimates – this is not best practice – risking overestimating the cost difference even without non-market values.
- 15 It is bewildering to us that forest fire potential risk and magnitude should be weighted by GHD to be as low as ‘40’ given what we lived through in the recent fires and their devastating aftermath. A weight of 100 for areas of very high Indigenous significance makes sense but not 40 for bushfires or 20 for unlicensed airstrips, which are vital to our farming community. <https://www.transgrid.com.au/media/y0mpqzvw/humelink-project-underground-report-august-2022-final.pdf> pg 7
- 16 The huge capital cost plus short and long-run loss of benefits for such an irreversible project with irreversible costs cannot be justified.
- 17 Besides the inefficiencies that we risk by building overhead, it is inequitable for externalities of transmission to fall on regional people when so many benefit from a modernised grid. That’s inequitable.
- 18 We are onboard for modernising the grid but not with bearing an unfair share of the costs. There is an alternative – undergrounding.
- 19 Governments must represent future generations who lose out as well.
- 20 Renewable energy significantly reduces the cost of electricity production thereby providing the capacity to absorb any increased costs of transmission while maintaining visual amenity and environmental condition.

Snowy Valleys Council – Bottom Line

Based on the only expert advice on undergrounding available to us for HumeLink, which is from GHD, and our own considerations, Snowy Valleys Council contends that –

The best solution is to avoid the overhead transmission externalities by undergrounding lines.

We can be reassured that we are following best practice of others worldwide. Undergrounding is a proven technology commonly adopted elsewhere in the world where communities, such as ours, will not tolerate overhead infrastructure and policy makers see the wisdom of planning infrastructure for long-run resilience to future climate events that threaten the security of supply of electricity through overhead lines, as they do here as well.

If undergrounding infrastructure costs more than overhead, then the cost gap will reflect real, tangible experiences felt today and overtime of all those who would be otherwise negatively affected by overhead lines.

- The extra cost is not lost to Australians.

As a final thought regarding our conclusions, we would like to ask the following –

What value is to be gained from Nation Building projects such as Snowy Hydro and the transition to renewable energy if we merely transfer industrial pollution from energy production to energy transmission?