

General Manager Circular Head Council

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Re Development Application Representation Development Application, No: DA 2020/00042 Address of Development: Robbins Island & 366 West Montagu Road, West Montagu

Name of Representor: Leanne Minshull, Tasmanian Senate Candidate for The Local Party

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**Reason for Representation: Need for adequate economic and social opportunity vs risk assessment of project**

Start any project and economic activity will be produced. Every project will also carry with it an economic impact to existing industries. The proposal for a windfarm at Robbins Island in the Northwest of Tasmania, requires an analysis of its potential impact on agriculture, aquaculture, and tourism. In addition to this, opting for one form of energy could come at an opportunity cost for other renewable projects.

This is often not covered in the economic analysis from proponents of projects. The Robbins Island Wind farm project has not outlined if wind is the best form of energy for Tasmania to be investing in and what if any it's negative impact could be on existing industries and employment.

Below is an overview of some issues I believe should be addressed by Council when assessing the viability of the project. In doing this, I am putting forward facts drawn predominantly from The Tasmanian Department of State Growth and the Australian Bureau of Statistics.

I do not want this paper to be read as reasons for not approving the project, but as further issues to be investigated and assessed.

**Potential to impact upon Tourism industry.**

Tourism and community cohesion

A major part of Tasmania's Unique Selling Proposition (USP) is its unspoilt vistas, wilderness, and tightknit communities. Tourism Tasmania acknowledges this on its West by North West website cover page starts with the slogan...*Stronger communities across our region through a sustainable tourism industry*.<sup>1</sup>

The Robbins Island proposal has clearly divided the community.

**Has any analysis been done by the proponent, council, or state government on the effect of the proposal to the cohesion of the community and possible impacts to visitor experience?**

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<sup>1</sup> <https://www.wxnw.com.au/>

Tourism's contributions to the Tasmanian economy in 2019/20 were

- Tasmania's share of tourism employment is higher than the national average and the highest in Australia. The overall contribution of tourism in Tasmania accounts for around 14.9 per cent of total Tasmanian employment.
- Overall, tourism directly and indirectly supports around 37,400 jobs in Tasmania. o Tourism in Tasmania directly supports around 21,000 jobs, or about 8.4 per cent of total Tasmanian employment.
- Tourism in Tasmania directly and indirectly contributes about \$2.95 billion or 9.0 per cent to Gross State Product (GSP). The direct and indirect contribution of tourism in Tasmania to GSP is the highest in the country.
- Tourism directly contributes \$1.50 billion to Tasmania's Gross State Product, or about 4.6 per cent share. o It also indirectly contributes a further \$1.45 billion to Tasmania's Gross State Product, or about 4.4 per cent share.<sup>2</sup>

There were 276,200 visitors to the NW in the Year ending September 2021. This represented a drop of 15%. This is inline with drops in tourism across the state due to the COVID-19 pandemic. However, interstate visitation increased by 6% indicating that the reputation of the North-West is gaining prominence and desirability for interstate tourists.

During this same period supply of available night's accommodation declined whilst demand increased.

**Short-stay accomodation Year ending total and % change**

		TAS	Hobart	Launceston	Orford-Freycinet	NE Coast	West Coast	North West	King Is	Flinders Is
Supply (nights available)	YE Sep 21	1,079,900	178,500	82,700	165,400	79,300	28,700	105,400	7,500	10,300
	YE Sep 20	1,148,500	211,300	106,300	163,700	75,900	25,700	111,700	9,200	7,200
	% change	▼-6%	▼-16%	▼-22%	►1%	▲4%	▲12%	▼-6%	▼-18%	▲44%
Demand (nights booked)	YE Sep 21	620,200	106,300	50,900	73,500	46,600	15,800	63,000	4,600	6,200
	YE Sep 20	604,100	131,300	59,800	65,200	37,600	12,500	55,500	4,100	2,900
	% change	▲3%	▼-19%	▼-15%	▲13%	▲24%	▲26%	▲13%	▲12%	▲117%

**Has any analysis been done by the proponent, council, or state government on the effect of the proposal on the availability of short-term accommodation for an expanding tourism market?**

### Availability of housing

Housing prices across Tasmania have soared during the pandemic. The president of the Real Estate Institute of Tasmania, Mandy Welling reported that median house prices increased by 28.5 per cent in the year to April 2021<sup>3</sup> In the same report, North West real estate agent, Colin Tunn attributed 84.5% of the growth to local – not interstate buyers.

<sup>2</sup> [https://www.tourismtasmania.com.au/\\_\\_data/assets/pdf\\_file/0004/107248/Tasmanian-Tourism-Snapshot-YE-September-2021-TVS,-NVS,-IVS.PDF](https://www.tourismtasmania.com.au/__data/assets/pdf_file/0004/107248/Tasmanian-Tourism-Snapshot-YE-September-2021-TVS,-NVS,-IVS.PDF)

<sup>3</sup> <https://www.abc.net.au/news/2021-04-28/tasmanian-real-estate-strongest-growth-since-2002/100098548>

The increase in property prices has led to an increase in rental stress to levels that have been described as a crisis<sup>4</sup> According to the Real Estate Institute of Tasmania, rent in the Circular Head area have jumped by 34% over the previous 5 years.<sup>5</sup> With no corresponding rise in local wages many locals are being pushed out of the area.

This is before any influx of workers for the proposal move to town. In the mining town of Price in the Pilbara region of Western Australia, a house that would have rented for \$400 six years ago was advertised this time last year for \$2,500. Whilst the influx of workers may not mirror the mining boom of Western Australia, the company is expecting to create hundreds of jobs during the construction phase of the project.

**Has any analysis been done by the proponent, council, or state government on the effect of the proposal on the local housing market? What would be the impact if more people moved to the area to fill the hundreds of jobs the company estimates will be available during the construction period? Will these workers price out locals from the property ownership and rental market?**

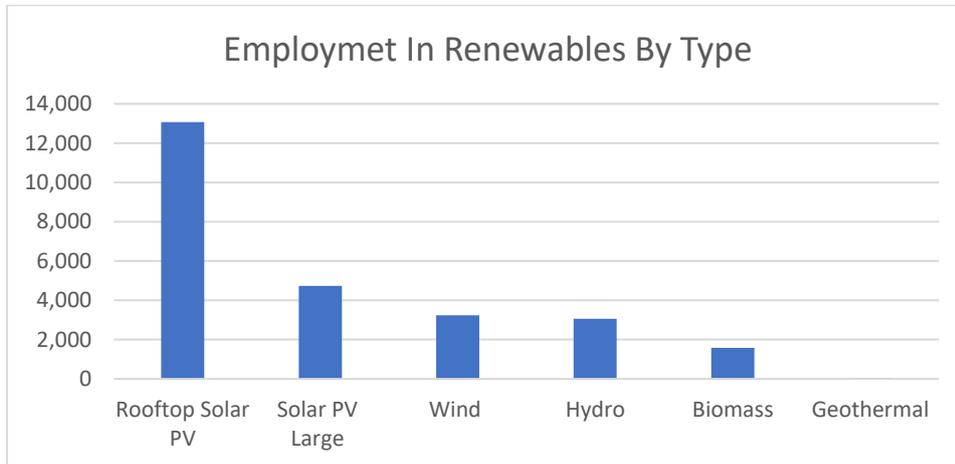
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<sup>4</sup> <https://www.abc.net.au/news/2021-11-07/housing-crisis-worsens-in-tasmania-north-west/100594030>

<sup>5</sup> <https://www.abc.net.au/news/2021-11-07/housing-crisis-worsens-in-tasmania-north-west/100594030>

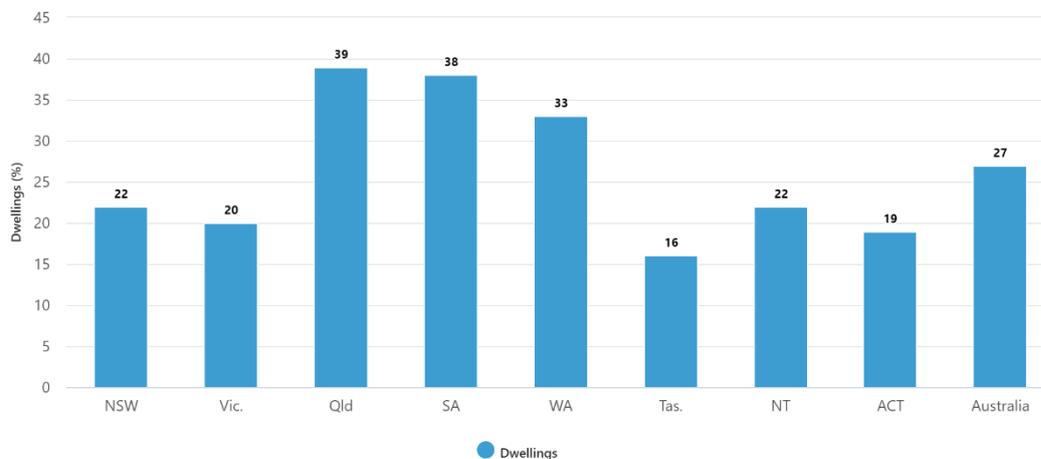
## Employment activity Wind vs Solar

Employment activity from windfarms was low when compared to PV rooftop solar during the period 2018 – 2019<sup>6</sup> Solar projects have quicker lead in times and a larger proportion of components can be made locally.



There is still massive potential for solar in Tasmania – both large scale and rooftop

Figure 5 - Percentage of suitable dwellings with roof-top solar PV (a), 2017-18



a. Roof-top solar includes solar hot water systems and small scale batteries.

Source: Australian Bureau of Statistics, Employment in Renewable Energy Activities, Australia 2018-19 financial year

**To what extent has the council or state government undertaken what if any impact the proposal may have on the viability of current or future solar projects**

<sup>6</sup> Employment in Renewable Energy Activities, Australia

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/employment-renewable-energy-activities-australia/latest-release>

## Economic activity

Financial benefits of solar projects, like the energy itself is distributed throughout the community rather than concentrated in one landowner or company.

The largest single direct economic beneficiaries of the Robbins Island windfarm will be the landholder who is leasing the property and the shareholders of the foreign owned company.

Operational Expenditure Item (\$M)	Stage 1 OPEX	Stage 2 OPEX
Rent of land	\$26.3	\$62.5
Plant office expenses	\$7.0	\$15.9
Mid-life refurbishment of Balance of plant	\$7.2	\$16.4
Corporate social responsibility programs	\$5.1	\$11.6
Agency/Monitoring/Admin Fee/Annual Fee	\$3.9	\$8.9
Connection Fee	\$40.0	\$40.0
TasNetwork operations and maintenance Fees	\$37.5	\$37.5
Rates	\$1.7	\$3.9

To calculate the annual operating expenditure for Robbins Island an average was applied to the total operational expenditure. As a result, the annual operational expenditure for Robbins Island stage 1 and 2 is outlined in the table below.

According to the proponent's website a \$900,000 community fund will be set up. There is no legislative requirement for this fund, nor how it will be delivered or administered.

Potential impacts to other industries are of course counterbalanced by new proposals forecast economic activity in the region. The economic impact for the Robbins Island project (the report) was undertaken by GHD Advisory.

The report uses a standard input – output model but acknowledges the shortcomings of an Input – Output model when applied to a regional area, specifically.

“Not applicable for small regions: Multipliers that have been calculated from the national input output table are not appropriate for use in economic impact analysis of projects in small regions. **For small regions multipliers tend to be smaller than national multipliers since their inter–industry linkages are normally relatively shallow. Inter–industry linkages tend to be shallow in small regions since they usually do not have the capacity to produce the wide range of goods used for inputs and consumption, instead importing a large proportion of these goods from other regions.** (Emphasis added)

GHD further notes ....

“Lack of supply–side constraints: The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is

assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.”

The report estimates economic activity will be split between Tasmania and the mainland in the following table

**Table 3 Distribution of Annual Capital Expenditure by ANZSIC Classifications – Robbins Island Renewable Energy Park**

ANZSIC Classification (\$M)	2021	2022	2023	2024	2025
Professional, Scientific and Technical Services	\$4.1	\$13.8	\$9.7	\$14.0	\$9.4
Construction Services	\$11.2	\$37.4	\$26.2	\$38.0	\$25.3
Heavy and Civil Engineering Construction	\$14.6	\$48.8	\$34.1	\$49.5	\$33.0
Non-Metallic Mineral Product Manufacturing	\$1.2	\$4.1	\$2.8	\$4.1	\$2.8
Road Transport	\$1.2	\$4.1	\$2.8	\$4.1	\$2.8
<b>Total Tasmanian Expenditure</b>	<b>\$32.4</b>	<b>\$108.1</b>	<b>\$75.6</b>	<b>\$109.7</b>	<b>\$73.2</b>
<b>Non-Tasmanian Expenditure</b>	<b>\$65.1</b>	<b>\$216.9</b>	<b>\$151.9</b>	<b>\$220.3</b>	<b>\$146.9</b>

The expenditure in these industries was applied to REMPLAN's IO model for Tasmania to estimate the direct and indirect impacts of the expenditure.

**To what extent has the council or state government undertaken independent analysis of the economic activity projections, considering these acknowledged modelling restraints?**