

ISSUE 1905

“In Support of Progress”

Newsletter

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Hobart City Deal

It's done. The PM flew into Hobart airport on Sunday to sign the deal, then flew out again. Depending on one's point of view, it is either the best thing since sliced bread, or a dud. It certainly has been a long time coming, and many repeat announcements, what with all the “planning” that needed to be done, apparently.

So, what does this deal involve? The following table dissects the data (in \$'m).

	<u>Federal</u>	<u>State</u>	<u>Local</u>	Comment
ANNOUNCEMENT				a 10-year program
B/water bridge	461.0	115.0		announced previously
Airport - border services	82.3			private airport, private benefit?
Mac. Pt Antarctic i/structure	450.0			what plans exactly?
Affordable Housing	30.0			where?
Nthn suburbs corridor activation	25.0			investigate best future option
Kingston bus interchange		0.80		
Kingston traffic i/structure		20.00		details?
Transport initiatives (below)		85.05		already announced
Other (see below)		109.07		
Local Govt initiatives			50.0	undefined as yet
TOTALS (\$'m)	1,048.3	329.9	50.0	1,428.2
State Govt transport initiatives				
A Hobart Transit Centre		0.75		identify locations, planning
Nthn Suburbs Transit Corridor		0.30		activate
Single Ticketing System		7.50		to be developed
Derwent R ferry service		2.00		to progress the trial
Davey/Macquarie dual carriageway		16.00		Improvements to be made
SE traffic package		21.00		Which is ?? - to implement
Southern Outlet 5th lane		35.50		to progress
Cycling Lanes		2.00		to support councils
		85.05		
Other State Govt initiatives				
Implementation of deal, incl Act		4.00		
Mac Pt sewage move		100.00		whenever
Major cultural venues a		0.05		a review
Major cultural venues b		0.02		a review
Transformation of Mac Pt		5.00		commencement
key parcels of land		???		unstated, uncosted
		109.07		

Hobart City Deal Renewable Energy

Removing all the spin, there is very little that is new. The University missed out on getting any funds at all for its transfer into the CBD, and much of what was announced is a reworking of existing promises.

The Bridgewater bridge, the upgrade of a privately-owned airport, and funding for an Antarctic infrastructure (as yet undefined) make up the bulk of the deal. Activating the Northern Suburbs corridor actually gets two licks, whatever "activating" means. Including these four things, which of all these projects are "shovel-ready". Very little, it seems to me. The talk continues to be around planning for things, rather than doing things. My comments in the right-hand column of the table refer.

And how long has this deal and its content been talked about? Three years is a conservative estimate. One would have assumed that most if not all the "planning" would have well and truly occurred by now. But no. An election looms, but planning continues. It seems to be taking forever to consummate this deal and getting some action.

Sorry, but I have become very cynical about this deal. A 10 - year program, but nothing in the guidelines to say what is going to be done in any or each of those 10 years. Lots of talk, lots of promises, expect lots of backsliding.

Renewable Energy

A lot of noise has been generated of late by those supplying rooftop solar power into the grid. The feed-in-tariff has been changed. They are not getting as much as they once got. I don't have much sympathy for their plight.

Aurora offered a generous feed-in tariff (read subsidy) of 28 cents per kilowatt hour for a limited period to encourage people to install solar panels. That period is over, and the new tariff has been set at 8.5c/kWh. It was always going to be this way. However, the government for its own reasons agreed to an extension of time (one year) and an increase in the tariff to 13.5c for those who had signed on early.

As I have said before, the real value of solar (and most other renewable sources) would be if all those producing solar power also had battery storage, such that power could be supplied when needed, as distinct from when the sun shone or the wind blew. However batteries are not cheap, and so not many people have them - another subsidy perhaps?

Hydro is the exception, as it is a classic storage mechanism. Water in storage is a battery equivalent. You can turn it on (i.e dispatch it) when you need it.

At present, renewable supply into the grid is heavily subsidized and is, by its very nature, a disruptive force. It only occurs when it is there. Anyone feeding into the grid will also require the poles and wires to do so. And anyone accessing the poles and wires outside their premises for providing or taking power should need to pay for that network, irrespective of how much they use it. Why not?

The energy debate is fraught with – riddled with - such arguments. How to encourage a more expensive and less reliable option? For a cause which is still arguably impractical and does not resolve the underlying issue. Renewables is good, if only it was cheap and dispatchable when you needed it. To date that is not the case. And there is the rub.

People paying more, for a less reliable product. Not very smart at all.