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Victoria to NSW Interconnector VNI West

RIT-T PSCR

The Major Energy Users is pleased to respond to the AEMO Project Specification Consultation Report (PSCR) of its proposed new Victoria to NSW Interconnector (VNI West) regulated transmission network project.

As a headline principle, the MEU supports the increase of interconnection between the regions but not at any cost. Any increased interconnection must result in no loss of reliability over the long term and provide lower overall costs to consumers. Further, consumers are not prepared to pay more for delivered electricity if the only benefit is an increased reliability of supply.

The MEU notes that the draft 2020 Integrated System Plan (ISP) is proposing that there is to be a 30%+ increase[1] in the transmission networks regulatory asset base (RAB) just through the implementation of the group 1 projects detailed in the ISP. This is a massive increase in costs for consumers so the increases in RAB must be offset by lower costs elsewhere and not by an increase in reliability of supply. We are currently uncertain that this is the case based on the provided information provided in the PSCR.

About the MEU

The Major Energy Users Inc (MEU) represents the interests of large energy consumers operating in the NEM and in the WA and NT energy markets. The MEU comprises some 30 large energy using facilities in NSW, Victoria, SA, WA, NT, Tasmania and Queensland. MEU member companies – from the steel, cement, paper and pulp,

[1] The MEU has assessed the group 1 projects in the draft 2020 ISP to cost in excess of $6 Bn should the current costs be maintained. The MEU has concerns that the current costs are at the lower end of reasonable and could well be exceeded

automobile, tourism, mining and the mining explosives industries – are major manufacturers in the NEM states and in other jurisdictions, are significant employers of labour and contractors, and are located in many regional centres, including Gladstone, Newcastle, Port Kembla, Albury, Western Port, Mount Gambier, Port Pirie, Kwinana and Darwin.

Analysis of the energy usage by the members of MEU shows that in aggregate they consume a significant proportion of the gas used domestically and of the electricity generated in Australia. As such, they are highly dependent on the competition that applies to the provision of gas and electricity, the retail functions needed to enable competition to apply and to the transport networks needed to deliver efficiently the energy so essential to their operations.

Many of the members, being regionally based, are heavily dependent on local suppliers of hardware and services, and have an obligation to represent the views of these local suppliers. With this in mind, the members of the MEU require their views to not only represent the views of large energy users, but also those of smaller power and gas using facilities, and even at the residences used by their workforces that live in the regions where the members operate.

The companies represented by the MEU (and their suppliers) have identified that they have a deep interest in the **cost** of the energy as well as the associated network services as this comprises a large cost element in their electricity and gas bills.

A failure in the supply of electricity or gas effectively causes every business affected to cease production, and MEU members' experiences are no different. The loss of supply effectively prevents the operations deliver the products the members make for their markets. Thus the **reliable supply** of electricity and gas is an essential element of each member's business operations.

With the introduction of highly sensitive equipment required to maintain operations at the highest level of productivity, the **quality** of energy supplies has become increasingly important with the focus on the performance of the energy transmission and distribution networks, because the transport systems effectively control the quality of electricity and gas delivered. Variation of electricity voltage (especially voltage sags, momentary interruptions, and transients) and gas pressure, by even small amounts, now have the ability to shut down critical elements of many production processes. Thus member companies have become increasingly more dependent on the quality of electricity and gas services supplied.

Each of the businesses represented by MEU has invested considerable capital in establishing their operations and in order that they can recover the capital costs invested, long-term **sustainability** of energy supplies is required. If sustainable supplies of energy are not available into the future, these investments will have little value.

Accordingly, MEU members are keen to address the issues that impact on the **cost, reliability, quality** and the long-term **sustainability** of their gas and electricity supplies.

The members of MEU have identified that in addition to the need for strong competition in the competitive parts of the energy supply chains, energy transport plays a pivotal role in the energy markets. This role encompasses the ability of consumers to identify the optimum location for their investment in their production facilities, and provides the facility for generators and gas producers to also locate where they can provide the lowest cost for energy supplies. Equally, consumers recognise that the cost of providing the transport systems are not an insignificant element of the total cost of delivered energy, and due consideration must be given to ensure there is a balance between the competing elements of price versus reliability, quality and long-term security;

The MEU recognises there is tension between the four elements of cost, reliability, quality and long-term security and therefore makes its comments in this submission in full knowledge of the need for managing this tension.

About transmission interconnection

The MEU observes that the National Electricity Market (NEM) is in reality a series of connected regions and that the connection between regions is relatively modest and this has been the cause of too many price separation occurrences between regions. Price separation events are an indication that there is a surplus of supply in one region that could be used to supply a shortfall in another region. The MEU points out that with the market price cap set at such a high level, these price separation events cause a considerable transfer of wealth from consumers to generators when they occur, Further, when interconnectors are constrained, there is also the potential for voluntary and even forced load shedding to occur. As the MEU has consistently observed, while voluntary load shedding is an option to ensure there is continuity of supply to other consumers. It is not a costless exercise for the end user that incurs the reduction in supply.

The MEU considers that in order to incorporate increased amounts of variable renewable generation (most commonly in recent times driven by wind and solar and therefore intermittent in nature), increased transmission interconnection between regions and within regions is necessary to provide the diversity of supply that is an essential part to ensure reliability of electricity supply with large amounts of intermittent generation.

While the NEM is basically orientated on a north/south axis which imposes some limits of the benefits of diversity of supply for solar generation sources, significant diversity is present for wind generation and for solar generation to overcome cloud cover impacts making the need for greater inter-connection an important aspect for maximising the use of renewable but intermittent generation

With this in mind, the MEU supports, in principle, the need for investment in the electricity transmission network to increase the ability to transfer electricity between regions and thereby increase reliability of supply in the NEM. However, the MEU sees that this is only part of the solution to increase reliability in supply from such intermittent sources and that intermittent generation, along with other forms of generation, also needs to take steps to improve the reliability of their supplies[2].

Equally, the MEU sees that this will increase costs to provide this increase in inter-regional transmission and therefore there is a need to ensure that the costs of this increased interconnection is demonstrated through the RIT-T process to be economically efficient and that it delivers tangible benefits to consumers who will pay for the augmentation.

Further, the MEU is concerned that many of the proposed increases in inter-regional connection are driven, in part, to provide new renewable generation with much easier access to the shared network and this provides these new generators with reduced signals for efficiently locating their assets. As consumers pay over 90% of the cost of the transmission network, effectively what is occurring, is that consumers are providing a cross-subsidy through the provision of transmission network assets to these new generators that should rightly be a cost to the generation that is connecting to the shared transmission network.

The MEU points out that the current test for whether new transmission assets are efficient is that should provide a net market benefit. The MEU disagrees with this concept because consumers are paying for a benefit to generators and there is no certainty that consumers will ever a benefit from this new generation which has received the cross-subsidy from consumers.

The MEU considers that it should be the beneficiary of the investment that should pay for the investment. AEMO has made reference to the AEMC program (Coordination of Generator and Transmission Investment – CoGaTI) that is intended to address this issue of consumers paying for a benefit enjoyed by generators; the MEU points out that this proposed framework does not avoid consumers continuing to cross-subsidise generators for network access.

The RIT-T programs for other elements of interconnection

The MEU is aware that other elements of the interconnection proposed under the ISP are at various stages of approval. Construction of the Western Victorian upgrade and the Victorian Reactive Power Support have commenced, EnergyConnect has been approved for construction by the AER, HumeLink and VNI upgrade are undergoing the final stages of approval and most recently AEMO has sought expressions of interest in the supply of a System Integrity Protection Scheme (SIPS) which will increase the

[2] In this regard, the MEU notes that while the focus of reliability is on intermittent generation, the NEM has seen many instances of failure of generation which uses more dispatchable technology

southward transfer capacity of the existing VNI. All of these projects have varying degrees of ability to increase the capacity for power transfer between Victoria and NSW.

What is concerning is that despite these projects reaching various stages of regulatory acceptance, there has been no formal commitment for most of these projects to proceed (ie formal decisions by the firms involved to commit the funds). Despite this, analysis for VNI West has assumed that they will all proceed. The MEU points out that should, for instance HumeLink not proceed or be in a different form to that assumed in the VNI West PSCR, this will have a significant impact on the best option for the VNI West investment for increasing flows between the two regions.

The MEU considers that all of these projects are very dependent on each other to deliver benefits to consumers as does the proposed VNI West project. In particular it is unclear to the MEU that HumeLink will a deliver net benefit absent VNI West or that VNI West can deliver a net benefit absent HumeLink.

As all of the eight projects have a degree of co-dependency, the MEU considers that all of the projects should have their benefits assessed as an entire project so that benefits claimed by one project are not also claimed by another project. For example, VNI West identifies that the retirement of Yallourn Power station is a trigger for the project to be implemented and therefore greater imports would be needed from NSW. SIPS also delivers similar benefits which will impact the value of the benefits included in the PSCR for VNI West.

It is highly likely that the aggregation of the benefits claimed for each of the individual projects will be significantly more that the benefits that are actually delivered when all of the projects are treated as one augmentation[3].

This means that AEMO must carryout a due diligence process to assure consumers that the combination of all the projects still delivers a net benefit against the massive cost they will be required to fund (noting that all the projects will be added to the regulatory asset bases for transmission in Victoria, NSW and SA). It is essential that the combined augmentation does actually deliver a net benefit and this is an analysis only AEMO can now undertake, but this should be undertaken in close consultation with stakeholders.

While the MEU considers that AEMO will be diligent in its assessment of both VNI West and the aggregated project to ensure that there is a net benefit for consumers from the augmentations proposed, the MEU considers that AEMO should also implement an independent assessment of the work carried out, such as carried out by the AER for the EnergyConnect project. Such an independent assessment is an essential element when considering such a large investment to ensure that consumers see the value of the augmentation to offset the additional costs they will incur.

[3] The MEU also notes that a number of these projects might avoid independent assessment by the AER under the RIT-T process as a result of the changes introduced by the ESB to “action the ISP”

Modelling of the future

As an overarching observation about modelling for the future, the MEU has observed on many occasions that AEMO forecasts of future demand and consumption are excessively conservative (ie are higher than is likely to occur). While the MEU accepts that there needs to be some conservatism (ie forecasting higher outcomes), it is very concerned that the historic forecasts have been demonstrably excessively higher than what has actually occurred, much to the detriment of consumers; current performance has continued this excessively conservative trend. This means that modelling for future investments needs to reflect sensitivities and weightings that include forecasts that are more likely to lower than higher.

Whilst the MEU recognises that the change in the generation mix has resulted in new generation being added to the NEM much more quickly than in the past, the MEU points out that network assets have a long life (>40 years) while the new generation being added is seen to have a shorter life, an average possibly as short as ~25 years[4]. This introduces a concerning dichotomy in that decisions to incorporate new generation have to reflect that the transmission assets allowing this to occur will still have many years remaining of technical life after the new generation has been retired – effectively these transmission assets will become stranded.

Further, the MEU has noted that there is considerable effort being applied into developing a hydrogen industry which might be fully established and operational within 10-20 years. If this new industry does get established, it might be that the output from many of these remotely located renewable generation sources will be used to generate hydrogen. So in addition to the shorter lifespan of renewable generation potentially leading to under-utilisation (even stranding) of the longer lived transmission assets, the development of the hydrogen industry might well exacerbate this aspect of long lived assets that are made redundant (or severely under-utilised) but continue to be fully funded by consumers.

The MEU is aware that AEMO has developed scenarios of the future to assist in their modelling of the impacts of new augmentations, but the MEU is not convinced that these scenarios reasonably reflects the realities of more recent changes.

With this in mind, the MEU considers that AEMO needs to refine its scenarios of the future to reflect the changes noted above and other potential options noting that are consistently occurring

The need for greater southward flows from NSW to Victoria

Following on from the observations above, the MEU does not object to the concept of increasing the ability to transfer more electricity to better transfer power between NSW

[4] For example, the MEU notes that AEMO assumes that Li-ion batteries have a life of perhaps 15 years "2019 forecasting and planning scenarios, inputs and assumptions" p41

and Victoria and expresses a special interest in southward flows that it identified during the RIT-T process for the VNI Upgrade project. The MEU considers that the PSCR for VNI West addresses the aspect for increased transfer capability well.

In its response to the PSCR for the VNI Upgrade, the MEU commented

> "Increasing the capacity of the VNI southward flow is needed to better provide for the long term interests of consumers."

The PSCR for VNI West addresses this MEU concern.

The PSCR for the VNI West

Despite its support for increased flow capacity both north and south, the MEU has some very real concerns about the PSCR for VNI West. The PSCR states (page 4) that

> "The identified need is for additional transfer capacity between New South Wales and Victoria to realise net market benefits by:
> - Efficiently maintaining supply reliability in Victoria following the closure of further coal-fired generation and the decline in ageing generator reliability – including mitigation of the risk that existing plant closes earlier than expected.
> - Facilitating efficient development and dispatch of generation in areas with high quality renewable resources in Victoria and southern New South Wales through improved network capacity and access to demand centres.
> - Enabling more efficient sharing of resources between NEM regions."

What is absent from the identified need is:

- An assessment as to the level of transfer capability that is being sought by the augmentation.

  The PSCR provides a table of the costs and transfer capacity increases from the various options considered "credible" in the PSCR, but there is no detail as to how these costs were developed other than a statement that the costs have an accuracy of +/- 50%. The MEU points to the recent review of the EnergyConnect project reviewed by the AER under the RIT-T process where the AER raises concerns about the accuracy of the expected costs and the risk to the project should the costs be higher than forecast.

  Further, the MEU considers that all options considered need to be included in the table and reasons provided why some options are not considered to be credible.

Table 9 Summary of credible network options

Option		Estimated cost ($M)[A]	Estimated lead time (years)[2,3]	Notional VNI export increase (MW)[B]	Notional VNI import increase (MW)[C]	Approximate Route Length[D] (km)
Augmentation to existing VNI corridor						
VNI 5A	New 330 kV transmission lines from South Morang to Dederang to Murray with New South Wales upgrades	815	6-8	380	1,000	350
Augmentation on new corridor via Bendigo/Shepparton						
VNI 6	New 500 kV transmission lines from North Ballarat – Shepparton – Wagga	1,335	6-8	1,930	1,800	440
VNI 6-V1	New 500 kV transmission lines from North Ballarat – Bendigo – Wagga	1,290	6-8	1,930	1,800	440
VNI 6-V2	New 500 kV transmission lines from North Ballarat – Bendigo – Shepparton – Wagga	1,455	6-8	1,930	1,800	440
Augmentation on new corridor via Kerang						
VNI 7	New 500 kV transmission lines from North Ballarat – Bendigo – Kerang – Darlington Point – Wagga	1,855	6-8	1,930	1,800	605
VNI 8	New 330 kV transmission lines from North Ballarat – Kerang – Darlington Point – Wagga	1,445	6-8	1,130	800	605

Option Expansions		Estimated cost ($M)[A]	Estimated lead time (years)[2,3]	Generation capacity unlocked (MW)	Approximate Route Length[D] (km)
Additional expansions to unlock REZs[E]					
A	New transmission lines to unlock generation capacity from Kerang – Wemen – Red Cliffs (REZ V2)	320[F]	6-7[F]	2000[F]	233[F]
B	New transmission lines to unlock generation capacity from Shepparton – Glenrowan (REZ V6)	100[F]	6-7[F]	2000[F]	77[F]

A. *Option cost estimates provided here have an accuracy of +/- 50 percent, commensurate with the development stage of the project. Specifically, the costs provided here must not be interpreted as a cap or maximum cost but rather as the midpoint of range of possible cost outcomes. The costs have been prepared through desktop studies, utilising preliminary plant and material cost data available at the date of preparation to provide for inter-option comparison. An extensive range of factors will affect the final project cost. For the transmission line component, these factors include (but are not limited to) environmental approvals, land acquisition, easement requirements, construction implications arising from route dynamics, currency fluctuations and construction contractor costs during*

Without identifying what the needed transfer capacities is needed by consumers (in terms of MW flow north and south), the MEU is at a loss to see how AEMO identify which option best meets the needs of consumers and so determine what baseline value the proposed augmentation is to provide. While the costs for each option identified as credible are provided, there is no ability to determine

which option which best meets the needs of consumers for increased interconnection between Victoria and NSW.

AEMO must declare what needed increase in flows north and south are required and then compare these to the carrying capacities for each option, including those options considered not credible.

- Where the need is required and why certain options have been excluded (ie are not considered credible).

The MEU notes that the expected earliest closure of existing coal fired plant in Victoria is in the Latrobe Valley (probably Yallourn W power station). This means that the supply needed from NSW would have to replicate the delivery of power to the eastern side of Melbourne in order to replace the reduction in supply from the Latrobe Valley.

There is already a high capacity powerline from Bannaby in NSW to Melbourne via Yass, the Tumuts and Murray power stations, Dederang and South Morang so an initial view is that strengthening the existing powerline would be the lowest cost option (presumably option 5A) yet the other preferred options (6, 7 and 8) do not use the existing assets or already acquired easements. The MEU notes references to options 1-4 (and presumably at least one other option 5) yet there no explanation as to what these options are and why they have been excluded.

The PSCR should have provided information on what these options are, why they are excluded, and why there is little assessment of non-network options included noting that a relatively small change in assumed non-network options (such as new scheduled generation in Victoria to meet a declared Retailer Reliability Obligation shortfall) could result is a significant reduction in assessed net market benefit of the proposed augmentation.

The MEU notes observations made by AEMO at the VNI West forums that there is a need to provide a duplicate (new) interconnector via an alternative route so there is a reliability benefit in the unlikely event there is the loss of the existing VNI (the benefit of powerline diversity) due to prevailing local conditions. This raises the question as to the cost to benefit should there be a loss of a larger existing VNI (a reasonably unlikely scenario based on historical performance). There is no assessment of the reliability impacts by having a separate interconnector, noting that much of the proposed additional flow would transit the Bannaby substation in NSW[5], reducing much of the benefit of a separate powerline.

AEMO must provide a cost benefit analysis on the improvement in reliability that will occur by having the VNI West separated from the existing VNI easement and what this improved reliability will do to the reliability seen by consumers,

[5] The MEU notes that some of the additional flow to Victoria could also come from Uranquinty and Snowy 2.0

noting the earlier comment that consumers do not want to pay for increased reliability.

- Should consumers fund augmentations to benefit generators?

We believe there must be a detailed assessment as to why consumers should pay for new generation in the identified REZs to be given subsidised access to the shared network. If this new generation seeks to locate in the western Victoria and southwest NSW because these are "attractive locations for new generation projects" (page 20) then the developers should include in their costs for the new generation, the costs of getting their product to market. There is no reason for consumers to pay for more increased interconnection than they need so that generators in the REZs can have a "free ride".

It is important to note that high on consumers identified need is that the cost of delivered electricity be reduced from currently being amongst the highest in the developed world. To impose on consumers a cost that should rightly be a cost to generators (to connect to the shared network) is unreasonable and not in accordance with the National Electricity Objective (NEO) which looks to ensure the electricity supply is efficient and be in the long-term interests of consumers.

The MEU notes that in the descriptions of each of the options considered credible, it is the needs of new (renewable) generation network connection that features most prominently. The MEU accepts that where possible when examining the best options for consumers, if an option does provide a benefit for new generation, then this must be seen only as an advantage, not a reason for selecting it. But the MEU does not consider that providing new generation with a free ride via reduced network connection costs at consumer expense should be the dominating feature for what are considered to be credible options.

The specific options

Option 5A

This option uses the existing VNI corridor and is the lowest cost option, but having lesser transfer capacities than options 6, 7 and 8. The option is based on a single additional transmission line of 330 kV rating between Murray, Dederang and South Morang, which ultimately connects to TransGrid's proposed HumeLink project which is to be 500 KV from Bannaby to a new 500/330 kV switchyard at Maragle in southern NSW and which also connects to the 330 kV transmission lines north of Upper and Lower Tumut power stations.

While options 6, 7and 8 are assessed with sub-options for both 330 kV and 500 kV operation, option 5A is not discussed for the higher voltage option. While TransGrid's HumeLink preferred option (3c) provides twin route dual 500 kV links between Bannaby, Wagga and a new substation at Maragle (to connect

Snowy 2.0) the cost to link Murray to Maragle at 500 KV should not be significant as it already has an existing easement.

The MEU considers that option 5A should be assessed for a 500 kV sub-option with a 500 kV link from Hume substation to Maragle.

The MEU notes that the PSCR only considers that the new 330 kV line under option 5A would provide a nominal rating southwards flow of only 1000 MW. The MEU understands that most new 330 kV transmission lines have a rated capacity of 1400 MW, so there is a need to explain why option 5A has been effectively derated to a low transfer capability.

The MEU is also intrigued why the proposed cost for option 5A is as high as $815 m considering it is an upgrade of the existing network. In comparison, the entirely new higher voltage and longer powerline from North Ballarat to Wagga requires only 50% more capital (ie option VNI 6 V1 compared to option 5A).

This concern exacerbated when it is considered that the cost estimate for option 5A is well above that indicated in AEMO's 2017 Victorian Transmission Network Annual Planning Report (page 46) where the estimated costs of a new single circuit 330 kV between Murray, Dederang and South Morang was indicated as $420M.

A.3 Northern Corridor – monitored limitations

Table 10 Limitations being monitored in the Northern Corridor

Limitation	Possible network solution	Trigger*	2016 NTNDP status	Contestable project status
Murray – Dederang 330 kV line loading	Install a third 1,080 MVA 330 kV line between Murray and Dederang with an estimated cost of $180.3 million (excluding easement costs). Install a second 330 kV line from Dederang to Jindera at an estimated cost of $149 million (excluding easement costs)	Increased NSW import and Murray generation.	The NTNDP did not identify this as a material limitation in the scenarios modelled.	These are both likely to be contestable projects.
Dederang – South Morang 330 kV line loading	Up-rate the two existing lines to 82 °C (conductor temperature) operation and series compensation at an estimated cost of $16.5 million. Install a third 330 kV, 1,080 MVA single circuit line between Dederang and South Morang with 50% series compensation to match the existing lines, at an estimated cost of $239.6 million (excluding easement costs, and subject to obtaining the necessary easement).	Increased NSW import. This constraint will be alleviated by the development proposed to increase the VIC to NSW export limit.	This constraint was identified in the NTNDP during high transfer between VIC to NSW (export or import)	The new line is likely to be a contestable project.

Specifically, the MEU notes that the 2017 APR costs the third 330 kV line between Dederang and South Morang as ~$240m yet the new assessment for option 5A costs this as $415m (nearly twice the cost) and the expansion of the Murray to Dederang line in the option 5A cost estimate is 50% more than similar works in the 2017 APR.

These cost disparities between option 5A and 6-V1 and between option 5A and 2017 APR need detailed explanation.

Options 6, 7 and 8

As noted above, the MEU sees these options are primarily being routed to provide new (renewable) generation with easier access to the shared network. The MEU only supports this additional benefit as a secondary consideration.

All of these options provide significantly more carrying capacity than option 5A yet there is no clarity as to whether consumers receive a benefit from this additional capacity as AEMO has not provided any detail as to what additional capacity for north and south flows is required by consumers.

The MEU accepts that the diversity that is provided from the alternate routes is a benefit, but this benefit needs to be quantified so that consumers are not paying for a reliability benefit that is exceeded by the additional cost.

While accepting that diversity of route might be an advantage, the MEU also points out that having parallel AC powerlines can also lead to issues of constraint depending on the impedance each line has which will be impacted by the location and dispatch of generators connected to each line and the timing and size of demand. The MEU assumes that AEMO has addressed this concern, however, it needs to be made clear that this is the case.

Of the options 6, 7and 8, the MEU has a preference for option 6 as this provides the maximum transfer capacities for a lower cost compared to options 7 and 8, and of the options 6, 6-V1 and 6-V2, the MEU has a preference for option 6-V1 which has the lowest cost for the same transfer capacities.

The MEU does not consider that the expansions A and B to unlock the REZs V2 and V6 respectively should be considered as part of the RIT-T process. While the MEU can see the value of these expansions to new generation in these zones, there is little benefit to consumers and so should not be considered in terms of consumer value.

Staging of projects

The MEU is a strong supporter of staging these new transmission projects as there is significant uncertainty as to what market development changes might

occur in the future, so it encourages AEMO to consider more staging of the projects than less.

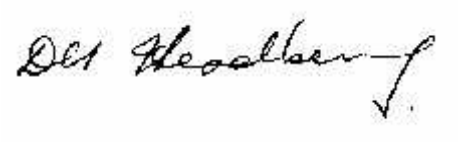
The cost benefit analysis of the options

In addition to the absences from the identified need, the PSCR does not provide any assessments of the benefits other than carrying capacity that have been used to cull the various options examined by AEMO. As there is no determination as to what carrying capacity is needed to provide for the needs of consumers, the MEU is at a loss to understand how AEMO has culled the other options.

The MEU notes that the RIT-T is a market benefits test, but considering that so much of the benefits identified for the options relate to creating easier and lower cost access to new renewable generation in the REZs, the MEU considers that AEMO should also include in its assessments, the calculation of benefits that consumers will gain from each of the various options.

The MEU is happy to discuss the issues further with you if needed or if you feel that any expansion on the above comments is necessary. If so, please contact the undersigned at davidheadberry@bigpond.com or (03) 5962 3225

Yours faithfully



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