

9 June 2020

Mr Don Challen AM
Chair, Premier's Economic and Social Recovery Advisory Council
HOBART TAS 7000

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Dear Don

Premier's Economic and Social Recovery Advisory Council

On behalf of Hydro Tasmania, I wish to congratulate you on your appointment as Chair to the Premier's Economic and Social Recovery Advisory Council.

As a major contributor to Tasmania's economy, Hydro Tasmania is committed to helping the state rebuild now and in the longer term. We would welcome the opportunity to provide the Council with a briefing on our energy, water and community initiatives we believe can be significant elements of Tasmania's COVID-19 economic and social recovery plans.

In addition to our ongoing local business support, we are implementing short-term assistance programs to support our communities through this difficult period, and progressing strategic initiatives that will support the state's long-term recovery.

Local business support

Hydro Tasmania makes substantial efforts to support local businesses. In the last financial year, we invested over \$40 million with Tasmanian businesses, and utilised local capability where possible. Looking ahead, we are planning to spend around \$150 million each year on our generation assets to 2024, which again represents a significant local investment.

Supporting communities through COVID-19

Our long-standing community grants program has this year been expanded to include an even greater number of recipients, with 11 organisations receiving up to \$5000 in support (this is normally 5 recipients).

We recently launched a special COVID-19 grants round, offering grants of up to \$10,000 for community groups who are supporting Tasmanians through the impacts of the pandemic. Discussions are also ongoing with peak bodies and agencies on what additional support and assistance we may be able to provide.

Tasmania's long-term economic recovery

Hydro Tasmania, in collaboration with the Tasmanian Government, is progressing the *Battery of the Nation* initiative which could see a significant expansion in the state's hydropower capacity through optimising existing assets and building new pumped hydro plants. *Battery of the Nation* and Marinus Link will be important contributors to the state's new 2040 renewable energy target and are recognised in the Draft Tasmanian Renewable Energy Action Plan as engines for the state's future economic prosperity.

In the short-term, investigations into our most promising pumped hydro sites are continuing, supporting the regional economy and our Tasmanian suppliers and contractors. Approval of the state's first pumped hydro development and more interconnection will mean a huge injection of investment and jobs to Tasmania, which reinforces the need to keep progressing *Battery of the Nation* and Marinus Link.

Hydro Tasmania has also identified a further economic stimulus opportunity, with the potential acceleration of work on the Tarraleah hydropower scheme. With an injection of funding from the Federal Government in the order of \$30 million, project work could commence in the second half of 2020. This would bring forward by 10 years, up to \$85 million of dam and reservoir upgrade works.

The scale and nature of this work is ideally suited to local contractors and suppliers, particularly in the areas of civil design and construction and heavy machinery earthworks. This can provide a significant opportunity for local jobs at a time of uncertainty and economic impact.

Hydro Tasmania has provided a Briefing Note to the Minister for Energy regarding this proposal and stands ready to support this work should a decision to accelerate be made.

The Draft Tasmanian Renewable Energy Action Plan also recognises the considerable brand benefit that renewable energy can bring to Tasmania as it moves towards a 200% renewable energy target and net zero emissions. Further, the development of new manufacturing and opportunities such as hydrogen production will also build on our strengths and provide additional employment and economic benefits to the state. We note other sectors such as vocational and higher education would also benefit significantly through the reinforcement of Tasmania's clean, green renewable energy brand.

We would welcome the opportunity to expand on these important initiatives with the Council and look forward to working with you and your team on identifying ways for Hydro Tasmania to support the recovery and rebuilding effort.

Please contact Andrew Catchpole, Chief Strategy Officer, for further information and to set up an appropriate time for a further briefing.

Yours sincerely



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