

Doorstop at SMEC Office with the Hon. John Barilaro MP, Deputy Premier of New South Wales and Mr Paul Broad, Chief Executive of Snowy Hydro

PRIME MINISTER:

Well it's great to be here with John Barilaro the Deputy Premier and of course local member, and of course Paul Broad, Chief Executive of Snowy Hydro and all the team from Snowy and Snowy Mountain Engineering Corporation, SMEC.

This is the engineering firm that designed the Snowy Mountains Scheme and it's great that they're here back in their old premises getting started again. There's 250 people working on Snowy Hydro 2.0 now and when the new scheme is underway, the new pumped hydro scheme is underway, there will be 5,000 people working on building it. So that's a massive investment in jobs and in the renewable energy that Australia needs.

This is the storage which will be the biggest pumped hydro storage system in the Southern Hemisphere and one of the biggest in the world. It will keep the lights on. It will keep Australians' homes warm on cold winter nights, it will keep them cool when everyone has their air-conditioners on in the heat of summer.

This is the investment in the infrastructure, the energy infrastructure that we need.

Now I spoke about the importance of storage at the press club 15 weeks ago, I think. And now, in two weeks, the boring machines will start. They'll start drilling their first bores to get 40 of them, to get the better understanding of the geology along the line of the tunnels and particularly where the big generator chamber is going to be built. This will be 200m long, 50m high and 30m wide. That's a very, very big hole, very deep under the ground. But that is the scale of this investment.

This is building on the vision and the passion, the patriotism of the men and women that built the Snowy Mountains Scheme. You know this plan here, this plan was first drawn up over 30 years ago and what Paul and his team at Snowy Hydro are doing is bringing it up so that it can be built with 21st century technology. The feasibility study, all that work, will be finished by December.

So we're getting on with the job. This is building, securing Australia's energy future.

Our commitment is affordable, reliable energy and meeting our emissions reduction commitments and this scheme does all of that.

This is a massive addition to Australia's electricity security and it will underpin the renewables that we have, this type of storage makes renewables reliable.

I will now ask the Deputy Premier to speak about this. He's very passionate because this is, this is your 'hood, your neighbourhood.

THE HON. JOHN BARILARO MP, DEPUTY PREMIER OF NEW SOUTH WALES:

Absolutely. Well thank you and can I welcome the Prime Minister back to Cooma and of course the CEO of Snowy Hydro Paul Broad and my Parliamentary Secretary Bronnie Taylor.

This is significant today. This is delivering on a vision and a promise by the federal government and the Prime Minister reminding Australians that we can still build infrastructure in this nation.

Building off the back of the Snowy Hydro legacy, the Snowy Scheme, something that we're all proud of in this region and something that we're connected to not just in this region but right across Australia. It doesn't matter where you travel, people know clearly about the Snowy Scheme. Its legacy and Snowy 2.0 today will deliver an energy solution not just for this region, not just for this state but for all Australians. This is using new technology off what is of course infrastructure from decades past.

I congratulate the Prime Minister and the federal government for not only announcing something but now delivering.

The rigs that will be up there will be working in a couple of weeks. This is the first stage, it means jobs for the regions. In the short-term during the initial work, but if this scheme gets off the ground it's going to be significant jobs for this region. Reminding us of our heyday where my father-in-law who worked on the scheme who said it was some of the toughest work of the day but some of the best time of his life was the parties here in Cooma.

This is great for the region. Thank you Prime Minister for following through. This is significant and it is an energy solution for today.

PRIME MINISTER:

It is, thanks, thank you very much. Paul come and talk to us.

PAUL BROAD, CHIEF EXECUTIVE, SNOWY HYDRO:

Thank you Prime Minister, yeah look at our conference down at T3 we talked about the geology and we talked about the risks and the point of today is to highlight the fact we are going to have 40 drill rigs in the mountains de-risking this project.

The sort of capital spends will change significantly based on what we find down at depth. A cave, a kilometre underground, 200 metres long is enormous and if you look out the back there is a football oval there which is 100 metres long. You double it and getting that down at depth and finding it in

the right spot.

While it seems expensive in one sense, the energy we will generate is 100 times less than what the equivalent amount would be in batteries. So get that right. Batteries will cost \$180 million for the equivalent amount of energy.

This is enormous. So we can build storage, storage is the heart of keeping the dam working and keeping the lights on, a crucial part of what we want to do in the decarbonised economy.

We very much appreciate the Prime Minister's support, the Deputy Premier's support, all sides of politics are getting behind it because it is the right thing to do, not just for this part of the world but for the whole electricity market on the eastern sea board.

PRIME MINISTER:

Fantastic, excellent, thank you. Do you have some questions for us?

JOURNALIST:

Now, Mr Turnbull talking about energy policy, would you support a freeze on the Renewable Energy Target or a moratorium on new wind farms as Tony Abbott has said-

PRIME MINISTER:

No. We need more generation and I mean Paul you might want to add to that, but we need more generation and so there is a large amount of renewable energy committed under the RET that has been where projects have been committed and contracted and we need them to all come on. I mean we can't afford to have a slowdown in the delivery of more generation.

What we also need of course is storage and you know this is a massive battery. This is a battery, if you like, that would be able to run 2,000 megawatts for 175 hours.

So if you're going to do that in terms of batteries, literally, that would be Paul's estimate is it would be \$180 billion which is around 100 times what you'll be spending on this project.

So this is absolutely necessary but we need more generation and so that's good that it's being built.

JOURNALIST:

But Prime Minister this message is undermined when Tony Abbott, the former Prime Minister, is outlining an alternative vision for this Government.

PRIME MINISTER:

Well, let me just remind you that the Renewable Energy Target was recently renegotiated and legislated in 2015 while Mr Abbott was Prime Minister. So

the law has been passed, the law has been confirmed, there is certainty in the industry, investments are being made and what is needed to make renewables reliable is obviously storage.

So you see, I'm not into political slogans. I'm into engineering and economics. Storage pumped hydro is being built around the world. Some of our engineers here have just come back from Japan and seen a big pumped hydro project similar to this, which are underway. So this is a global trend and what we're doing is we're getting on with it.

My job as Prime Minister is to deliver affordable and reliable electricity. I mean obviously it is a shared responsibility with the states naturally, but that's our job as leaders, to deliver affordable, reliable electricity and storage is a very big part of it because it makes renewables reliable.

JOURNALIST:

On that Prime Minister it appears that the Coalition has been more divided than it has been in some time and it looks like you are tied to a sinking ship-

PRIME MINISTER:

[Laughs]

JOURNALIST:

How do you change the direction of the party and is it time Christopher Pyne perhaps was moved to the backbench?

PRIME MINISTER:

I'm sorry that the largest pumped hydro storage project in the Southern Hemisphere has lost your interest so quickly. Do we have some more questions on energy? What about Snowy FM? Yeah c'mon we've got to have a local question.

JOURNALIST:

What kind of geotechnical tests have been underway during the feasibility study?

PRIME MINISTER:

Well Paul, you can answer that.

PAUL BROAD, CHIEF EXECUTIVE, SNOWY HYDRO:

What we are doing is taking huge rock samples and a test to look at the different forms of sediment which determine the structures we can build. So the stronger the rock, the less the physical structure you have to put over the top of it.

Remember the old days when they built Snowy they were the leaders in rock

bolting, holding the rocks together when you build through tunnels. So the less the rock bolting then the stronger the structure, the lower the cost.

PRIME MINISTER:

The other point is, the other point we were discussing earlier is that obviously with tunnels of this kind, if you can choose the alignment in a way that doesn't need, doesn't require the tunnel to be lined that obviously saves a lot of money so this is what Paul is doing here with these 40 bores that are going to be drilled that will produce core samples. I think you're going down about 900m?

PAUL BROAD, CHIEF EXECUTIVE, SNOWY HYDRO:

Yes, 900m.

PRIME MINISTER:

So that will give them the very clear indication of what the rock is, where the faults lie and what the optimum course is.

JOURNALIST:

[Inaudible]

PRIME MINISTER:

Yeah I am, look I think they're doing a fantastic job. You know we are really lucky that we are standing, you know, on the shoulders of the pioneers of Snowy Hydro who not only built the scheme but also did the designs as you've seen in there for this pumped hydro project.

They could see then 30 odd years ago how important it was and so what Paul is doing is bringing it up and SMEC and so forth, they're bringing it up to the state where it can be done with 21st century technology and therefore much faster and at much lower cost.

JOURNALIST:

Prime Minister, a moment ago you spoke about leadership. As leader what is your message to your MPs who are fighting at each other's throat and as leader do you intend or would you move Christopher Pyne or consider an early reshuffle?

PRIME MINISTER:

Can I just say to you, and this is a very, I want this to be very, very clear. I understand the media's fascination with personalities. But I'll tell you, the only personalities I'm interested in are 24 million Australians.

My job and my government's job is to deliver for them. Australians are bored, fed up with journalists and politicians talking about themselves. They're not interested in the personalities among politicians.

They want to know what they're doing. So their interest, Australians' interest is in the Snowy Hydro 2.0. Why? Because it's taking on this great nation-building project, proving as John Barilaro said that we can build nation-building infrastructure in this country, we can still do it and we can do it bigger and better than before and that we can do it in a way that will keep the lights on and will keep the heating on in winter and the air conditioner on in summer and it will give us more affordable, more reliable electricity in the future. They want results.

They want to know that school funding is assured and we've delivered that. They want to know that Medicare is guaranteed and we've delivered that.

They want to know that child care is reformed and we've delivered that. They want to know business taxes are coming down so that there is an incentive to invest and employ and you saw in the last jobs figures a reminder I might add, that jobs and growth is not a slogan it is an outcome.

So that's my job and that's my government's job and my message to politicians and journalists alike, in the happy family, in the big house in Canberra is: Don't focus on yourselves, focus on the people who elected us, the 24 million Australians. It is our job to serve. That's my commitment.

JOURNALIST:

While you're here talking about energy and [inaudible], yesterday Tony Abbott put forward his own suggestions on energy and saying that we need a strong conservative voice now more than ever. How is that not a threat to your authority?

PRIME MINISTER:

There is nothing more conservative, there is nothing more conservative than ensuring you have affordable and reliable electricity. The Snowy Mountain scheme is one of the great achievements of our nation and one of the great engineering wonders of the world and it was an achievement that had bipartisan support. Back in those days all those years ago Chifley and Menzies and now I am confident, that I look forward to all sides, all parties, supporting this project.

This is a nation-building project. This will deliver in the first stage 2,000 megawatts of power, that's enough to power over 500,000 homes. It's a massive amount of power. Imagine what that does to all of the renewables? I mean, the challenge that we have in the 21st century energy economy is we've got these renewable technologies, solar and wind being the main ones, they're getting cheaper all the time. There's no question about that but they're variable. The wind doesn't blow all the time. The sun doesn't shine all the time. Hence, you need storage, you need back-up, you need firming power. This is doing it on a massive scale and isn't it great that the plans are there already? And what we've got to do is now optimise it for the 21st Century.

JOURNALIST:

Prime Minister, is it good to be back in the leather jacket?

PRIME MINISTER:

Yep, yes it's good particularly on this cold day.

JOURNALIST:

The latest on the security attack, are Australian businesses vulnerable and is ASIO or would ASIO launch a response attack if this was state-sponsored?

PRIME MINISTER:

Firstly ASIO, our signals intelligence and both offensive and defensive cyber activities is done by another agency, the Australian Signals Directorate. This attack does appear to be very similar to the WannaCry ransomware attack. At this stage we're monitoring it very carefully, gathering as much information as we can. And businesses that, anyone that is affected by it should contact the Australian Cyber Security Centre. We will have more to say about it as more information becomes available.

JOURNALIST:

Mr Turnbull this is not about personalities. Tony Abbott is outlining alternative policy prescriptions for your Government including on Gonski, your victory last week. You need to counsel him.

PRIME MINISTER:

Well thanks for the free advice.

JOURNALIST:

Well he's undermining your message.

PRIME MINISTER:

Thank you for the free advice. Gonski 2.0 was passed by the House of Representatives and all members of the Coalition voted for it. So that's the position. It is now law. So you know something, people talk about the Parliament not being workable and you can't get anything through the Senate? There you are, for decades federal governments have been unable to have a national, consistent, transparent, needs-based model funding for funding schools. There's always been a series of special deals brought to the height of course by Julia Gillard and all the 27 special deals and they were inconsistent and with all of the problems that entailed, also unaffordable.

What we've achieved is a massive reform and we've achieved that, it is a great Coalition reform. It is a great Liberal-National reform and we're proud of it and we voted for it and we carried the day. Labor and the Greens will have to answer why they for purely political reasons didn't support it.

I will have just one more.

JOURNALIST:

Does Christopher Pyne have your support?

PRIME MINISTER:

I have an outstanding ministry. All of my ministers have my support. I've got a great team and we're delivering great results for the Australian people.

Again I just leave you with this thought. You may be interested in personalities I know they fascinate you, they fascinate you. You know what Australians are interested in? Keeping the lights on, being able to pay the electricity bill, being sure that there'll be the infrastructure that delivers the services they need in the years ahead and they want a Prime Minister and a government that gets on and does that, and they have that Prime Minister, they have that government. I'm getting on with the job. The personalities I'm interested in are 24 million Australians, that's my commitment. Thank you all very much.

[ENDS]