

Joint Press Conference with the Premier of Tasmania

PRIME MINISTER: Well I welcome everybody and it's wonderful to be here with you again, Will on your birthday as I've noted several times. Never enough, but here at the Trevallyn Power Station. Hydro Tasmania is the largest provider of hydroelectric power in Australia. Larger, produces more hydro power than Snowy Hydro. It is a very big system and its importance has become greater as the energy market has evolved. What we're seeing today is more renewable energy. We're seeing more distributed energy.

We are seeing here in Tasmania the opportunity for this state to provide even more renewable energy, wind and hydro, than it does today. And we recognize that as the energy system changes, as you get more wind and solar in particular into the mix, you need to have the ability to back that up, to store it or to provide the backup power with gas. You know we have been doing a lot of work to ensure that our domestic gas market is well supplied. We're also ensuring that we have the storage and we've announced a big project is underway, the study to get it underway is happening in Snowy Hydro which would add an enormous additional pumped hydro storage capacity.

But there's the opportunity here in Tasmania because Tasmania has both the opportunity to double the capacity of Hydro Tasmania with new investment and with pump storage, and of course, it has the best wind assets in Australia, the Roaring 40s may not please everybody, depending on what the temperature is, but they are fantastic for wind farms, obviously. And so, there is an opportunity here for Tasmania to play an even bigger part in ensuring that Australians have reliable and affordable energy and, of course, that we meet our emissions reduction targets as we do.

So we are looking ahead, my Government is looking ahead as is the Hodgman Government, to ensure that we make the investment and make the plans to secure our energy future. So what we are announcing today and I am here with the Energy Minister and the Regional Development Minister, Fiona Nash, and my Tasmanian colleagues, we're here with Will and his colleagues to announce that the Australian Renewable Energy Agency ARENA is going to be working with Hydro Tasmania on a feasibility study, to examine the potential for increasing of this massive scale, the hydro capacity of Tassie Hydro. It is a huge opportunity. Potentially Tasmania could become a battery for Australia.

In an age of distributed, variable renewable power Tasmania's capacity to contribute not just to the energy security of Tasmania but the energy security of Australia is greatly enhanced. So, Will, on your birthday, Josh and I and the team, Fiona, we're all happy to be here with you. This is a great opportunity we believe, a second generation for Hydro Tasmania. We've talked about Snowy Hydro 2.0. This could be Tassie Hydro 2.0. Over to you, Premier.

PREMIER OF TASMANIA: Thank you Prime Minister, this is far more exciting than

any birthday I'll have. Can I also acknowledge my state colleagues Minister Matt Groom and Treasurer Gutwein and Member for Bass Sarah Courtney and also Steve Davy the CEO of Hydro Tasmania.

But most importantly, it is great to welcome our federal colleagues here, the Prime Minister and his ministerial colleagues. We've had a very, very productive morning already, discussing some of the opportunities presenting to our state, to ensure the continued growth in our economy, high levels of confidence, investment opportunities and Tasmania's place being cemented as the renewable energy battery of the nation. It's long been our vision for that to be so and there is no reason why it can't be. Tasmania is already the renewable energy state.

We have an extraordinary competitive advantage and we can play a very important role in the national electricity market. Now it was only last year, of course, that we faced our own energy security challenges and we got through those. We delivered a plan which kept the lights on, we have since then and with improved weather conditions, been able to restore dam levels. We've been able to ensure that Tasmanian businesses and households can have the lowest possible power prices.

Hydro Tasmania has an extraordinary 100-year history and track record. What we are talking about today sets up Hydro Tasmania and, indeed, our state for the next 100 years. This will place us as the renewable energy battery of the nation, doubling hydro's capacity and we're talking in another 500,000 homes and that will be fuelled through the projects that we are talking about today and we welcome the strong collaboration of the national government here with ARENA and with the assistance and the expertise that Hydro Tasmania provides, this is a very exciting look to the future and Tasmania's role in it. Thank you.

JOURNALIST: What kind of funding are we talking about with the feasibility study?

PRIME MINISTER: Well we are, ARENA will contribute, its intention is to contribute, \$2.5 million to the feasibility study. The study itself will be, obviously, of a larger scale than that. We'd like to see it completed as soon as possible. We believe the energy market is progressing, the evolution of it is very rapid. So I think the sooner we can see the opportunities here in Tasmania the better. Hydro Tasmania, of course, is a big business, it is a state-owned business but it is a very successful business. So it has considerable financing capabilities itself. But there are a number of pieces of infrastructure where the Clean Energy Finance Corporation, for example, could play a role.

Obviously, with enhancements to the Hydro Tasmania system just as with the Snowy Hydro system. And, of course, there is the opportunity, which is going to be the subject of further work, of a second interconnector to the mainland. But you've got to look over the horizon and that's what we're doing. I mean this is, you can see the way the energy market is evolving with more variable renewable energy, with the need for more storage, hydro assets like this, and we don't have enough of them in Australia, we've got a

big continent but it's fairly flat, as we all know. So we don't have as many hydro resources as other nations but what we do are more valuable than ever, and you produce twice as much, generally about twice as much hydro power as Snowy Hydro. Is that right?

STEVE DAVY: That's correct, so Hydro Tasmania produces about 9000 gigawatt hours of electricity a year which is more than twice the average output of the Snowy Hydro.

PRIME MINISTER: Snowy Hydro is now more of a peaking power operation, vitally important of course, in this changed electricity network. It is very important to recognise that change. Josh, you've been working very well with Mathew on this.

MINISTER FOR THE ENVIRONMENT AND ENERGY: Absolutely. Prime Minister. Thank you for the leadership that you and the Premier have shown in relation to this announcement. This plays to Tasmania's strengths in having, as Will said, an enormous source of renewable power. But it also plays to Australia's needs and it builds on the momentum that we have already got from Snowy Hydro 2.0, the feasibility studies we've announced for Cultana in South Australia as well as in Kidston. So there's a number of pumped hydro storage projects that the Prime Minister and ARENA are driving and I think this will provide a very important source of power particularly after the closure of Hazelwood in Victoria and the connection between Victoria and Tasmania is important. We do have now the Tamblyn report about a second interconnector and its something we'll continue to work on.

JOURNALIST: Prime Minister what specifically is the feasibility study looking at? Is it looking at an undersea Bass link interconnected tunnels? [inaudible]

PRIME MINISTER: There are four, perhaps I could ask the chief executive to say more about this but there are four major projects, potential projects and a number of enhancements. The Hydro Tasmania system involves a large number of generators and turbines, and power stations, in fact. So it's a very big system, it's a complex system. But there is the opportunity to optimise it both in terms of more storage and in a more efficient use of your water resource, which of course you know, water at an elevation is essentially stored electricity so that's, perhaps you could say a bit more about that?

STEVE DAVY: That's right. So we are talking to ARENA about two separate studies. One study looks at how to increase the energy output from our system. The biggest component is the potential replacement of the Tarraleah Power Station, which was built over 80 years ago and that would increase the output of Tarraleah Power Station by around about 40 per cent.

The second study is looking at 13 separate pumped hydro opportunities to test them for feasibility. The nine smaller ones increase the amount of energy from the system and increase the efficiency of the system. But the four larger ones, the stand-alone pumped hydro projects, in total the pumped hydro projects add up to about 2,500 megawatt hours which would about double the capacity of the hydro system in Tasmania.

JOURNALIST: Do we need more dams or is it more about the actual power stations?

STEVE DAVY: There is very little that requires new dams. It is mostly about connecting existing reservoirs and converting some power stations that run as power stations to have some pumping capability as well.

JOURNALIST: So how would you connect those power stations?

STEVE DAVY: So the power stations, to build those power stations would require strengthening of Tasmania's transmission system and to fully utilise that extra hydro capacity we would require more connection with the mainland, which is where the Tarnbly study comes in as well.

JOURNALIST: [inaudible]

STEVE DAVY: Having more pumped hydro in Tasmania with more interconnection will make the Tasmanian system more reliable as well as providing a battery to the mainland.

PRIME MINISTER: If I could just give you an example, and, sorry, Fiona, we have with this great, we've got this great hydro resource in Tasmania. We've talked about it. We also have some of the most productive wind resources. Now, what we're seeing across the electricity market is not only have you got traditional thermal power stations, baseload power stations running 24 hours a day, and obviously generating power in the middle of the night when there is not a lot of demand, but you've also got wind farms generating a lot of power in the middle of the night and sometimes in a state like South Australia, where they have got a lot of wind, the price can actually go into negative territory, there is so much energy being generated by wind.

This is where pumped hydro can constitute a very good baseload customer – we talk a lot about baseload supply – but baseload customer. So what that would enable Hydro Tasmania to do, is to with the pump storage capacity is when energy is cheap, it's literally just to pump it back up the hill.

And so, going to your point about drought and water scarcity it enables you to conserve and reuse your water resource without any detriment to the environment and pumping it back up to the hill and then of course when the demand is higher during the day, running it down through the turbine. The modern turbines nowadays, we have these in different parts of Australia, and some in the Snowy, have got a basically have two capacities, so they can either be used to generate electricity or they can be used to drive a pump which sits at the bottom of the turbine and a propeller which will then pump the water back up the hill. So you have got effectively an operation, a turbine that can go in both directions. That gives a flexibility and an ability to Hydro Tasmania to really optimise this very valuable resource.

JOURNALIST: Prime Minister have you started to get in touch with senators about your changes to the citizenship test and how likely do you think it is that Labor will pass this?

PRIME MINISTER: Let's see if we can exhaust the questions on energy first.

JOURNALIST: [inaudible] will this create more jobs in Tasmania?

PRIME MINISTER: Oh yes, yes, absolutely. I mean you put in more, of course, you build more infrastructure in Tasmania, I mean we've been talking about jobs today with the Launceston City Deal, you know the commitment of \$130 million and more, to moving the University of Tasmania campus into Inveresk and of course the City Heart project and the work we are going to do on the Tamar. You know Will, and I and the Mayor, we're working together and this is all creating jobs. The big infrastructure enhancements of Hydro Tasmania create many, many jobs not to speak of other energy projects like wind farms.

Senator Abetz was saying that his, your parents came out to work for Hydro Tasmania. This is a great Australian nation-building story here, just like Snowy Hydro and the change in the energy market, the change in the nature of the way energy is produced is giving these, making these hydro assets vastly more valuable and important not just as generators in the traditional sense but as storage mechanisms. So it is very exciting.

JOURNALIST: Prime Minister, Tony Abbott said just three people had access to the leaked Warringah polling. Do you know who leaked it?

PRIME MINISTER: Well I don't, I don't and look can I just say, these things are always regrettable but you know something it was a, we put in a great team effort last year. I know there have been a few regrets about the election result and we're obviously very sorry to lose our great three amigos here in Tasmania but we won the election, and we're getting on with the job and we are delivering right around Australia including for the people of Tasmania.

JOURNALIST: Have you asked for an investigation into who leaked the polling? Are you concerned that has been leaked?

PRIME MINISTER: I'll certainly make some inquiries but I'm focused on delivering for the people of Australia today. No what we're doing today here in Tasmania and for the nation is securing energy, affordable, reliable energy, and at the same time being able to meet our reductions in emissions. This morning with Peter Dutton we announced important changes to the way in which citizenship is granted in Australia that will underline and defend and reinforce Australian values and strengthen Australian citizenship. So that's what we're doing; getting on with the job.

JOURNALIST: [inaudible]

PRIME MINISTER: You will have to ask the Labor Party about their intentions. We certainly would expect them to. I think they've been widely welcomed and as far as the crossbench and Labor is concerned as the Minister and I said today, the Minister is arranging for all parties to be briefed about the changes, proposed changes.

JOURNALIST: Prime Minister what are you trying to achieve through changes to the citizenship test?

PRIME MINISTER: What we are doing is securing the foundation of ours, the

most successful multicultural society in the world. You know, we do not define ourselves by reference to a common religion or a culture, or a race, or an ethnic background. We define ourselves by commitment to shared values; democracy, the rule of law, mutual respect. It's the foundation of our society; respect for men and women, equality for men and women. We have a unique Australian understanding of a fair go.

We combine both the readiness to encourage people to get ahead, that spirit of enterprise, with also the commitment that when people fall behind they'll get a hand up. So we should be so proud of our Australian values. And it is important that our citizenship process reinforces that and celebrates that and there are practical changes. So, I think it's fair that people should be a permanent resident for four years before they can become a citizen. That's good, it's good that they demonstrate that they are integrated and engaged with our Australian community. It is clearly to their advantage that they demonstrate that they have a competent level of English, how can you succeed economically or socially in Australia without that. So these are all very important, very constructive reforms.

JOURNALIST: On the City Deal Prime Minister, you just signed it, one of the key components is the northern campus and a community led program for the vacated campus where the AMC is. But a lot of Tasmanians have concern about the future of the AMC given the recent announcement in Adelaide for a Maritime Technical College, how will the AMC's future be ensured given that this extra funding is going to Adelaide?

PRIME MINISTER: Well, the Australian Maritime College's future is brighter than ever. I mean this massive investment we're making in naval ship building is going to secure more demand for graduates of the Australian Maritime College. It will work closely with the technical college in Adelaide, which is going to be more of a vocational skills-based institution, whereas the AMC is a degree-based institution. But the two will obviously work very closely together. I think as Christopher Pyne has described, this is a gigantic opportunity for the Australian Maritime College, which I have to say is admired not just around Australia but around the world.

JOURNALIST: How realistic is an east-west pipeline to solving the east coast the gas issue?

PRIME MINISTER: Well, it is certainly an option that we are looking at. Josh may be able to say a little bit more about that. But, clearly, connectivity is vitally important for resilience and energy security and that's true whether you're transporting electrons or whether you're transporting gigajoules of gas or cubic metres of gas, it's important to have that so the more pipelines give you more security and flexibility. But we're looking at that, we're looking very closely at a pipeline opportunity between the Northern Territory and the east coast and also of course to connect the huge gas resources in North Western Australia as an opportunity but Josh do you want to say a bit more about this?

MINISTER FOR THE ENVIRONMENT AND ENERGY: Sure, this idea goes back to Rex Connor and it has been talked about for some time but the Prime Minister has

placed great emphasis on getting the infrastructure in place to transport the gas from the resource to the market. In Western Australia there is an abundance of resources, in particular gas, and we do have a tight gas market on the east coast. There are other options that have also been suggested for example, LNG import terminals on the east coast to ship it around from Western Australia. But, certainly, the pipeline one is one that's appealing, it is nation-building and it is one that the Government is seriously considering.

JOURNALIST: Prime Minister, have you put money for the UTas relocation in the upcoming Budget?

PRIME MINISTER: I'll leave all that for the Budget but I can assure you the funding is committed.

JOURNALIST: Prime Minister, a Miss World Australia finalist has spoken out about violence in the Sudanese community here in Australia. Is enough being done to crack down on crime within the more diverse communities in Australia?

PRIME MINISTER: Well, look, I don't want to, ah – let me just make this observation. Certainly, in particular in Victoria, you can say that the State Government, the State Labor Government, has not done enough to keep Victorians safe from street crime. That is, again, Josh is a Victorian Member would be able to say more about it, but the Andrews Government is being rightly criticised and held to account for its failure to keep, to do enough, to put enough resources into keeping Victorians safe. Do you want to add to that Josh?

MINISTER FOR THE ENVIRONMENT AND ENERGY: Well thanks Prime Minister. Well we've seen skyrocketing crime in Victoria and it's in all aspects of crime. We've seen home invasions, car-jackings, aggravated burglaries, and people are very, feeling very unsafe. We've called upon the State Government in Victoria to take further action, to put more police on the beat. Of course, we've also seen an increase in drug use and the impacts that that has had.

But in terms of domestic violence Prime Minister, there has been so much that's been done by your Government, by Michaelia Cash and others to invest in more resources to ensure that people are speaking out when they see domestic violence and that they get the right support, both from a legal law enforcement perspective but also the additional support that they do need.

PRIME MINISTER: Yes and I'll just underline that point that Josh made about domestic violence or violence against women and children. It's an important part of what we stand for as Australians, as part of our values; respect for women. Women and children must be respected. Women are equal in Australia. That's part of our values, part of our culture. What we stand for. As I've said many times, not all disrespect of women leads to violence against women but, believe me that's where it begins.

JOURNALIST: Prime Minister you mentioned the cost of the feasibility study for this but what is the total of the project, what do you expect that to cost?

PRIME MINISTER: Well that depends on where it is defined but I I can ask the CEO. Is it too early to be able to give an estimate?

STEVE DAVY: If we were to do everything, we spend a billion dollars on our ten-year asset management plan already. So if we were to embark on all the projects that we are thinking about getting feasibility of, the total cost would be well in excess of \$3 billion.

JOURNALIST: How soon could this become a reality?

STEVE DAVY: Look, we are seeing this as a way of over the next 12 months or so setting up a blueprint about how Tasmania's renewable resources developed over the coming decades. Not every power station can built at once. The current hydro system was built over many decades. It is the blueprint for what Tasmania can contribute with these great resources, with augmenting the hydro system, with more interconnection what Hydro Tasmania can do, what Tasmania can do in the future over a couple of decades.

JOURNALIST: Are we talking more wind farms?

STEVE DAVY: That's one of the sources of the intermittent generation the Prime Minister was referring to. It could be new intermittent generation on the mainland, so Tasmania has been used as a giant battery, or that generation could be built in Tasmania and there's lots of people who are looking at great wind farm projects in Tasmania at the moment. This kind of investment, this kind of planning would see those ideas become reality.

JOURNALIST: Would this be federally funded or state funded?

PRIME MINISTER: Well this is what I was saying earlier. ARENA's job is to provide seed funding for projects like feasibility studies, and very early stage funding. And Ivor Frischknecht the CEO for ARENA is here with us today.

In terms of long-term finance for renewable energy and clean energy projects, the Clean Energy Finance Corporation is a very substantial contributor to that. But of course it's a concessional lender but it makes a profit, it's run as a business. Now Hydro Tasmania is a very substantial business with financial resources of its own.

So what we're doing is working with them to encourage Hydro Tasmania to, as I said, look over the horizon, see where the energy market is evolving and make sure we start doing the work, making the plans now, to prepare for the future. Because what people often say, when we talk about things like this is to say "Well what are you doing to have done next month?", Well, the answer is you can't build a power station in a month. But equally, you won't have a power station in five years or three years or ten years for that matter if you don't start planning now. This is about forward planning. So I think-

JOURNALIST: [inaudible]

PRIME MINISTER: My attitude to energy generation and the Government's attitude, and I know that Will's attitude is, all of the above. Every element has a role to play. The cost of renewables has been coming down dramatically.

Wind, and I would say even more so photovoltaics, solar I mean, so but it's all got a role to play and there this is energy, our energy security should be planned on the basis of economics and engineering, not ideology.

So I'm not interested in ideology. I'm interested in engineers, economists, long-term planning, making sure we deliver those three things; reliable energy, secure energy, affordable energy and of course, we meet those emissions targets reduction.

OK thank you all very much on this beautiful day in Tasmania. Thank you.