

5 October 2023

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Department of Premier and Cabinet Suburb STATE Postcode

cameron.mclennan@dpac.tas.gov.au

Dear Cameron,

### **Submission to Tasmania's Sustainability Strategy consultation**

Hydro Tasmania supports the Tasmanian Government's ambition to create a Sustainability Strategy for Tasmania. We look forward to working further with the Tasmanian Government to support the Sustainability Strategy, especially in our capacity as a Government Business Enterprise (GBE) and renewable energy generator.

For more than a century Tasmanians have relied on hydropower to grow the economy and support communities. Hydro Tasmania's ongoing investment in the continual upkeep and modernisation of Tasmania's extensive renewable resources underpins Tasmania's renewable energy supply and its contribution to the United Nations Sustainable Development Goal 7 (SDG7) 'Affordable and Clean Energy'. The Battery of the Nation initiative can support Tasmania's sustainability ambition through further emissions reductions within the electricity sector. Hydro Tasmania also supports further electrification of activities in the Tasmanian economy, additional renewable energy will support this. Our consulting arm, Entura, directly contributes to Targets 7.a and 7.b<sup>1</sup> under the SDG7 in the Asia-Pacific through its training activities and consulting services.

The legislated Tasmanian Renewable Energy Target (TRET), complemented by the Tasmanian Renewable Energy Action Plan, offers a significant opportunity for Tasmania to continue to play a leading role in emissions reduction and renewable energy, nationally and internationally. As pointed out in the discussion paper, there are many policies, programs, strategies and services in place already that contribute to improvement across all areas covered by the United Nations SDGs. It is integral that the Sustainability Strategy brings together existing, and future policies and strategies to ensure they work in harmony to achieve the goals that are set.

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<sup>1</sup> Targets 7.a and 7.b relate to international cooperation and supporting developing countries in clean energy

## ***Vision, Goals and Actions***

- The consultation paper notes that the vision for the Sustainability Strategy is to be developed. Hydro Tasmania encourages the government to set a vision that is all encompassing. We propose something along the lines of “A sustainable future for all” could be a suitable vision. Hydro Tasmania’s current vision is “A sustainable energy future for all”.
- We support the inclusion of the United Nations Sustainable Development Goals under the priority goals for Tasmania. It is important that the Sustainability Strategy is in alignment with Tasmania’s current Climate Change Action Plan and future iterations of the Climate Change Action Plan are in alignment with the Sustainability Strategy.
- In regards to the possible priority goals for Tasmania outlined in the discussion paper, Hydro Tasmania suggests that perhaps the ‘Climate and Renewable Energy’ priority goal could either be split into individual goals, or be renamed ‘Climate and Industry’ (with energy being captured under ‘industry’). A large portion of Tasmania’s emission reduction needs to come from industrial users. It is unclear where the use of resources (water, mineral, agriculture) sits in the priority areas. There is a tension between these and the health of the environment which needs to be clear in the structure.
- We suggest that economy should also be included as a priority goal. The interrelated nature of sustainability combines social, environmental, and economic considerations. It would be good to see an even weighted focus to all three areas and explore how they are entwined in the Tasmanian context.

## ***Leveraging our GBEs***

### **Leveling up on energy program**

- Tasmania has a high proportion of low-income households accessing subsidies for energy bills. Is there an opportunity for Tasmanian energy businesses to collaborate on providing means-tested energy upgrades (in addition to, and outside the scope of the TEELS scheme)? This could help reduce energy bills, lessening government subsidy costs and improving heating, and therefore in some cases, health outcomes. Previous programs in Tasmania have had proven positive return on investment outcomes while also helping those who are least able to invest due to financial circumstances or barriers such as not owning their dwelling.

### **Circular economy**

- The circular economy is an important aspect in any sustainability strategy. We encourage consideration as to how we can leverage our existing GBEs to address circular economy challenges and particular materials that might be difficult to recycle. An example of this is products that must be sent to the mainland to be recycled, which can be cost inhibitive and unsustainable. There should be consideration towards a state-wide approach to resource recovery, including potential off-take partners and support for local reuse/recycling industries to reduce the amount of waste sent off-island for processing.

### ***Other opportunities***

- Strategic planning to support equitable infrastructure and service provision across regional and remote Tasmania:

- A significant proportion of proposed major energy and resource projects are in regional and remote areas of the state. In some cases, host communities across regional and remote Tasmania lack adequate infrastructure and service provision. Major projects and their workforces can place unintended pressure on already stretched infrastructure and services within host communities (particularly where multiple proponents are active in one area), exacerbating existing issues and challenging equity of access.
- There is an opportunity for the State Government to play a more active role in the strategic planning of infrastructure and service provision across regional and remote Tasmania to guide proponents of major projects and support host communities to participate in proposed major projects and access the associated social and economic benefits. We see the strategic regional partnerships model as an existing mechanism for delivering sustainability targets and objectives at the local and regional levels. Following the signing of the Western Strategic Partnership Group Memorandum of Understanding, discussions on the first of these Strategic Regional Partnerships is about to commence for the West Coast region. Ideally, all relevant GBEs would be involved in these partnerships due to their presence and impact in the region, in addition to Hydro Tasmania, industries and government (who are already involved).

Hydro Tasmania has also been part of a sustainability working group that comprises other GBEs and State-Owned Corporations (SOCs). The aim of this has been to share knowledge and experiences amongst GBEs and SOC's, to identify common areas of interest. Areas of interest identified amongst this group include water management, emissions reduction planning, renewable energy supply, diversity, equity and inclusion particularly with Tasmania's indigenous communities and climate adaptation, transparency and disclosure. Hydro Tasmania believes that GBE's and SOC's could and should play a major part in leading and contributing to the Sustainability Strategy for Tasmania, however a coordinated approach is essential to maximise this potential.

We have also provided further detail in Attachment A on the existing and upcoming Hydro Tasmania sustainability initiatives.

We welcome the opportunity to further discuss and engage on the Sustainability Strategy. Should you have any queries or require further information, please contact Carolyn Maxwell (carolyn.maxwell@hydro.com.au).

Yours sincerely,



Cameron McCulloch  
Head of Asset, Environment Strategy and Risk

## **Attachment A - Hydro Tasmania initiatives**

### **Towards Net Zero**

- Hydro Tasmania has adopted an emissions reduction target of achieving *Net zero for reportable scope 1 and 2 emissions and quantifying scope 3 emissions by 2025* as its first step towards achieving net zero. This involves emissions reduction activities, including transitioning our passenger vehicles to fully electric by 2030, as well as purchasing offsets for emissions from Tamar Valley Power Station and diesel that is consumed to support the renewables on Bass Strait Islands as Hydro Tasmania develops further initiatives and projects to physically reduce its remaining emissions which are already very low for the size of the organisation and sector it operates in.

### **Battery of the Nation**

- Hydro Tasmania is continuing to progress the Battery of the Nation initiative which can support further emissions reductions within the electricity sector and underpin further renewable electrification of activities in the Tasmanian economy. Along with Marinus Link and associated additional renewable energy production, the Battery of the Nation initiative provides a pathway of future development opportunities in hydropower system expansion, including the Tarraleah redevelopment project and the Cethana Pumped Hydro Energy Storage (PHES) project.
- The Battery of the Nation initiative includes:
  - the redevelopment of the Tarraleah hydropower scheme to significantly increase its capacity and make it more flexible and responsive to changes in demand;
  - the development of deep storage through the Cethana PHES project at Lake Cethana; and
  - capacity upgrades of up to 70 MW across Hydro Tasmania's five West Coast hydropower stations.
- Battery of the Nation allows Hydro Tasmania to firm variable renewable generation both in Tasmania and the broader National Electricity Market thereby supporting the renewable energy transition.
- Tasmanians can be proud that we are a significant contributor in addressing climate change, while also reaping the benefits of lower power prices, greater economic returns to the state, and the jobs and investment that will help grow our economy for the future.

### **Disability Inclusion action plan (DIAP)**

- As a large organisation, we have the capacity to make a significant and positive difference to the many Australians who have a lived experience of disability. Our 2020-2023 DIAP sets four initial focus areas: 1. Create more opportunities for people with disability to engage with us. 2. Increase employment opportunities for people with disability. 3. Change attitudes towards people with disability. 4. Create more inclusive systems and processes. These goals are

informed by state, federal and international law and policy. Our DIAP has been developed to support the Tasmanian Government's commitment to implementing socially just policies and practices for Tasmanians with disability now and in the future, as outlined in *Accessible Island: Disability Framework for Action 2018-2021*. This framework was very valuable in developing our DIAP.

### **Gender Target**

- Hydro Tasmania's gender balance in leadership goal is to pursue a ratio of 40:40:20 (which refers to 40% women, 40% men and 20% any gender) by 2030. The timeframe is consistent with both SDG indication 5.5.2 'Women in managerial positions' and Hesta's 40:40:20 Vision (supported by WGEA and Chief Executive Women).

### **Community benefits – impacted communities, vulnerable people and intergenerational poverty.**

- Community benefits sharing has been standard practice at Hydro Tasmania for many years through our community grants program, community sponsorships, volunteering and free education program. This work aligns with our environmental rehabilitation program and our approach to a circular economy to provide social and environmental assistance as well as benefits to Tasmanian communities. We work with all of our communities, regardless of how long assets have been in situ, to enable a more holistic and sustainable approach to business operation.
- Intergenerational poverty is indirectly addressed through our community program and also through the Education Program by providing schools without access to STEM teachers an avenue to learn and be inspired by STEM, opening up a range of potential careers. We support schools in disadvantaged areas to provide breakfast and after-school learning clubs to assist with student wellbeing and capacity to learn.
- The Engagement Program at Hydro Tasmania recently received a request to help fund solar panels and batteries at a local women's shelter. In response to this and considering that many of the assistance schemes are loans that need to be repaid over time, we are currently considering a solar/battery grants program to assist vulnerable communities. Grants programs such as these are relatively easy to implement and could have real impact.

### **Land management**

- Hydro Tasmania's Regenerate program has set a target of restoring 30 degraded sites on its land by 2030. This includes unused worksites, borrow pits and quarries supporting the state to implement actions related to SDG 15 Life on Land.

### **First Nations Commitment**

- We are developing a commitment statement that will outline our company's contribution to the equality and wellbeing of Aboriginal and Torres Strait Islander people. Our commitment statement will be underpinned by a set of actions designed in collaboration with Tasmanian Aboriginal people to help us deliver on our promise.

### **Cultural heritage management**

- We have a mature approach to managing both Aboriginal and historic (built) heritage on Hydro Tasmania land and for our assets through our Cultural Heritage Management Procedure in our Environmental Management System. We promote sustainable use and sensitive development so these places and values can be experienced by future generations.
- We acknowledge and respect the places on Hydro-managed land that are important to the Tasmanian Aboriginal community. We are working with Aboriginal people to better understand and ameliorate the impacts of our operations on Aboriginal heritage and cultural values and we are exploring opportunities for Aboriginal people to access land in areas which are suitable.
- We have a proactive approach to historic (built) heritage management going beyond compliance. We work closely with Heritage Tasmania and the community to manage and interpret our heritage listed places and we ensure that the heritage values of all our assets are documented and conserved both during and after their operational life. We ensure that all heritage features on our land are managed appropriately, working with the community to protect and interpret them where appropriate.

#### **Too Good to Waste program & Circular Economy initiatives**

- We initiated the Too Good To Waste program to shift attitudes towards waste management and resource recovery at Hydro Tasmania. We are working hard to reduce how much waste, we generate and send to landfill by reusing, repurposing and recycling. We have also initiated several circular economy initiatives to transform how we source, store and consume products and materials across the business. (Supports Tasmanian efforts towards SDG 12 Responsible Consumption and Production, Target 12.5)