

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Structural Reform Group

Question No: 316

Topic: Snowy Mountains 2.0

Reference: Written

Senator: Ketter, Chris

Question:

1. When did the Treasury first learn about the Government's plans to expand the capacity of the Snowy Hydro Scheme?
2. Has the treasury performed any analysis of increasing the storage capacity of the Snowy Hydro scheme by 2000MW?
3. If no, Is it Treasury's view that decisions regarding the expenditure of up to \$2 billion of taxpayer funds for projects such as the 2000MW storage expansion of Snowy Hydro should be subject to some form of Treasury analysis?
4. If yes,
 - a. Please provide any analysis Treasury has undertaken on the expansion of the Snowy Hydro Scheme, including economic impact and costings
 - b. Has Treasury done any costings on the commonwealth's contribution to any expansion?
 - c. Has Treasury come to an estimate of the appropriate level of taxpayer funding for such a project?
 - d. Has the Treasury concluded that such an expansion would be an appropriate use of \$2 billion of taxpayer funds?
5. Has the treasury performed any analysis of alternative options to the expansion of the Snowy Hydro scheme storage?
6. Has the Treasury performed any analysis of the impacts of such a project on the functioning of the electricity market or the broader economy?
7. Would such a Treasury analysis be appropriate to ensure well informed decisions could confidently be made by government about the merits of such a project?
8. If decisions on such a project were made without being informed by Treasury analysis, they would not be as well informed as they could or should be; is this correct?

Answer:

Treasury was involved in the development of Government's plan to evaluate the feasibility of expanding the capacity of the Snowy Hydro Scheme, and as such, was aware of the plan prior to the public announcement of the policy. The feasibility study that has been announced will provide further assessment of the proposal.