

Minister for Energy and Renewables
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27 September 2024

Hon Ruth Forrest MLC
Chair
Legislative Council Select Committee
Estimates A

Email: simon.scott@parliament.tas.gov.au

Dear Hon Ruth Forrest

APPROPRIATION BILL (No. 1) 2024

Thank you for your letter of 24 September 2024 requesting additional information following examination of my portfolio by Legislative Council Select Committee Estimates A.

**Department of State Growth
Output Group 7 – Renewables, Climate and Future Industries Tasmania**

Q1. Please table the savings strategies identified to meet the budget efficiency dividend for the Department of State Growth

- The 2023-24 Budget indicated the Government would seek operating efficiencies while protecting frontline services.
- The Efficiency Dividend to be achieved by DSG is:
 - \$2.6 million in 2024-25;
 - \$5.1 million in 2025-26;
 - increasing to a structural reduction of \$7.7 million in 2026-27.
- The department will achieve these efficiencies through a combination of efficiency measures and ceasing or scaling back on non-core and non-priority activities that are either not the highest strategic priorities or have been replaced with new commitments.
- Efficiency measures must be achievable in both the short and long term.
- This means that our agency must identify efficiency measures that are structural and achievable on an ongoing basis.
- The department has recently undertaken an internal organisational realignment. This is a separate process to consideration of the efficiency dividend, however by its very nature, we are finding ways to operate more efficiently.
- Our approach is to deliver a simpler/more efficient operating model which delivers the Government's priorities and our core services for the Tasmanian community.

State Growth Strategies

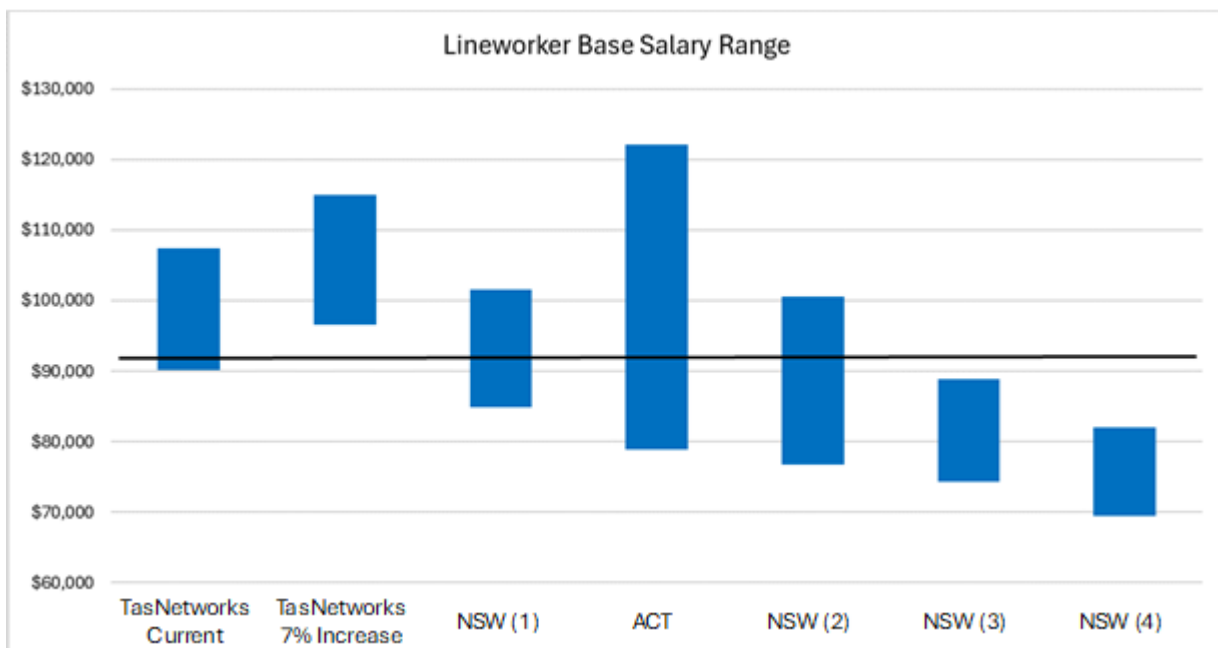
- The Department has identified several strategies that it will use to meet the Budget Efficiency Dividend:
 - Combining functions and service delivery areas to implement leaner operating models.
 - Reviewing how we administer programs (for example grants or our capital program) to ensure they deliver value for the Tasmanian community and considering process improvements and systematising processes to ensure they are efficient.
 - Reducing operational expenditure on supplies and consumables including:
 - marketing and consultancies
 - accommodation
 - ICT costs (including telecommunications)
 - Travel
 - Postage (which is significant for registration and licencing renewals)
 - Managing our workforce to ensure that resources are targeted to the areas of highest priority.
- The Department does not have a formal vacancy control process currently in place.

Q2. Please provide a breakdown of the costs included in the \$11m capital investment in the hydrogen bus project (costs attributed to bus purchase, purchase of refueller, fuel supply agreement)

- A total of \$11.3 million was allocated from the Tasmanian Renewable Hydrogen Industry Fund to demonstrate three hydrogen buses as part of the Zero Emissions Bus Trial.
- The below table provides a breakdown of expenditure for the trial

HEB Trial Budget Item	Expense
Bus supply (3x)	\$3,225,000
Refueller supply & install	\$3,173,055
Hydrogen 'fuel' supply	\$1,836,507
Refueller operation & maintenance	\$712,895
Project management	\$550,437
Bus commissioning	\$395,865
Trial studies & reporting	\$252,570
Professional services	\$198,299
Bus maintenance	\$118,800
Planning permits	\$99,324
Contingency	\$737,249
Total	\$11,300,000

Q3. Please table the comparison of TasNetworks wages with mainland sector employees (graph referred to in hearing)



Note: provided by Ministers Office

Q4. Is there a limit on the kilowatt charging for rooftop solar? Is there any plan to reduce this?

The ability of the network to absorb rooftop solar will vary across the network.

There is no hard and fast limit on solar injections, but depending on the size of the system, there are varying arrangements for the process.

In brief, rooftop solar connections above 10KW require a non-standard solar connection study completed by TasNetworks. (at TasNetworks cost). This assessment will confirm if distribution system upgrades are required to enable the larger solar connections. Solar connections under 10KW per phase do not require a separate technical study.

TasNetworks has advised current levels of solar installations across the State do not warrant any change to TasNetworks existing standards. TasNetworks have no plans to reduce the 10KW to 5KW.

Q5. If there is a limit what are the barriers to this?

See above.

Yours sincerely

Hon Nick Duigan MLC
Minister for Energy and Renewables