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30 July 2020

Natasha Exel  
Committee Secretary  
Public Accounts Committee  
Legislative Council Parliament House  
Hobart TAS 7000

Attention: Hon Ivan Dean MLC

Dear Natasha

**TasNetworks Submission - Inquiry in the Government's Financial Response to the COVID-19 Pandemic**

I refer to your recent letter in relation to the Public Accounts Committee, and the invitation to participate in the inquiry into the Government's financial response to the COVID-19 pandemic.

There have been significant changes to economic conditions affecting Australia and many of TasNetworks' customers. Vulnerable sectors of the Australian economy have been disrupted and many countries have entered into recession, the severity and duration unknown.

This environment has triggered significant changes in global monetary conditions beyond our control. These monetary challenges will impact the cost of capital and may flow through to our forecast revenues due to changes to inflation. As this economic environment continues to unfold, the tangible impacts to Tasmania and TasNetworks still remain largely unknown.

Despite this, in early moves to address these challenges, the Government has responded with suppression strategies and, in concert with the Federal Government, provided financial assistance across industry sectors as part of hardship support to businesses and individuals. In collaboration with other State-owned utilities, TasNetworks has supported the Government's efforts by ensuring critical electricity supply remains available through this period, particularly to vulnerable customers. With the Government's backing, TasNetworks also supported local businesses through improved payment terms (15 days) and for some significantly impacted industry sectors, we offered flexible commercial arrangements to support reduced load profiles.

One of the important factors driving Tasmania's economic recovery will be the strength of local businesses. A key recommendation from the Premier's Economic and Social Recovery Advisory Council, is for Government owned businesses to be subject to strong 'buy local' policies. TasNetworks is supportive of this recommendation and is currently reviewing procurement strategies to incorporate this request.

In terms of the inquiry and timing, we appreciate the importance of scrutiny and accountability and we welcome the opportunity to support where appropriate. However, the timing of this inquiry is challenging as many of the economic costs to the business and, ultimately the State, remain unquantified. TasNetworks looks forward to participating in Government Business Scrutiny hearings in December when more information and a clearer idea of the tangible impacts of the pandemic may be available.

I trust that this information is of assistance. Should you require additional clarification, please contact Josh Bradshaw at [Josh.Bradshaw@tasnetworks.com.au](mailto:Josh.Bradshaw@tasnetworks.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to be 'LB' or similar initials, written in a cursive style.

**Lance Balcombe**

**Chief Executive Officer**

*cc Hon. Guy Barnett MP*