



PARLIAMENT OF TASMANIA

Joint Select Committee on Energy Matters

**Inquiry into energy prices and related matters in
Tasmania**

Interim Report (No. 2)

MEMBERS OF THE COMMITTEE

Legislative Council

Hon. Mr *Edmunds* (Deputy Chair)
Hon. Ms *Forrest* (Chair)
Hon. Mr *Hiscutt* (from 26 May 2026)
Hon. Ms *Lovell*

House of Assembly

Mr *Bayley*
Ms *Finlay*
Mr *Garland*
Ms *Ogilvie* (from 11 August 2026)

CONTENTS

Contents	1
Chair’s Foreword.....	3
Findings	10
Recommendations.....	18
Glossary of Terms and Abbreviations.....	23
1 Inquiry process.....	25
Appointment and Terms of Reference.....	25
Conduct of the Inquiry.....	27
Structure of this Report.....	27
2 Project Marinus developments since June 2025.....	29
Project Marinus	29
Alternative viewpoints on Project Marinus.....	49
3 The Project Marinus Whole-of-State Business Case	55
Claims and assumptions in the Whole-of-State Business Case.....	61
Non-release of the Whole-of-State Business Case in 2025.....	69
4 Project Marinus Stage 1 Final Investment Decision Assessment Report	76
Claims and assumptions in the FID Assessment Report	87
5 Data centres and energy demand.....	105
Firmus Technologies’ AI factories.....	105
6 Related matters raised with the Committee.....	126
Workforce and Accommodation Strategy.....	126
Negotiations with landowners in north-west Tasmania	132
Appendices.....	136
Appendix A - List of witnesses	136
Appendix B – Minutes	138
Appendix C – Correction.....	178
Appendix D - Transcripts of Evidence.....	179

CHAIR'S FOREWORD

On behalf of the Committee, I am pleased to present this report to the Parliament.

This second Interim Report on energy prices and related matters in Tasmania covers developments since 11 June 2025, when the House of Assembly was dissolved and the Parliament prorogued. It should be read with the first Interim Report, tabled on 21 May 2026. This Report also covers initial evidence received related to the emergence of new Artificial Intelligence (AI) Infrastructure, energy supply for Major Industrials and the role of and impact on our government owned energy businesses, that will be subject to further inquiry and reported on at a later date.

The report focuses on Project Marinus, comprising Marinus Link Stage 1 and the North West Transmission Developments (NWTD) Stage 1. It examines the two key documents behind the Tasmanian Government's investment decision: the Whole-of-State Business Case (WoSBC) and the Final Investment Decision (FID) Assessment Report. It also considers emerging energy demand from AI infrastructure and regional impacts in north-west Tasmania.

The Committee received unredacted copies of the WoSBC and FID Assessment Report in confidence. As these were not released publicly, the redacted material could not be publicly scrutinised or expertly tested, and the Committee's findings and recommendations reflect that limitation.

The Committee's central conclusion is that Project Marinus Stage 1 is approved and early works have begun, yet Tasmanians still lack clear answers on:

- what the project will mean for their electricity bills;
- what financial risk the State and its energy businesses carry; and
- whether the assumptions behind the projected benefits remain valid.

Most of the Committee's recommendations aim to close that information gap through regular, plain-English reporting to Parliament. This Foreword summarises the Report by key themes.

1. Project Marinus has moved from planning to delivery

The Minister for Energy and Renewables signed the Government's positive FID for Project Marinus Stage 1 on 1 August 2025, during the election caretaker period and

before the Fifty-Second Parliament was sworn in. Financial close followed for Marinus Link Stage 1 on 3 September 2025 and the NWTD on 8 May 2026.

Marinus Link Stage 1 is expected to cost \$3.85 billion. Tasmania's equity contribution is capped at \$103.5 million, already drawn down. Tasmania, through TasNetworks, is solely responsible for delivering the NWTD and it will be funded 84 per cent by concessional debt and 16 per cent by State equity, with \$191 million appropriated. The Australian Government is also providing a \$346 million grant to be applied against TasNetworks' regulated asset base to reduce transmission cost impacts for customers.

Stage 1 decisions do not constitute approval of Stage 2. The Committee recommends any future Stage 2 FID be supported by a comprehensive business case, current market scenarios, independent validation and bill-impact analysis for all customer classes, made public at least six weeks before the decision.

2. Transparency and the timing of the decision

The Government committed to releasing the WoSBC 30 days before the FID but did not. The stated reason was to avoid prejudicing negotiations with the Australian Government, particularly by keeping Hydro Tasmania's projected financial position out of them. Whatever the merits of that position, Parliament, independent experts and the community could not scrutinise the analysis before the decision.

Scrutiny was further limited because:

- Marinus Link Pty Ltd (MLPL) and TasNetworks were each shown, only briefly, the material relevant to their own project.
- The published FID Assessment Report was heavily redacted.
- Government witnesses declined to disclose Tasmania's financial exposure if Project Marinus is not completed, even in general or order-of-magnitude terms.

3. The 'point-in-time' evidence base

The WoSBC was a point-in-time, holistic impact assessment, not a commercial business case or cost-benefit analysis, and made no recommendation on whether to proceed. Its limitations include:

- Modelling inputs were largely finalised by December 2024 and not updated for later Australian Energy Market Operator (AEMO) Integrated System Plan releases, which change materially between editions.

- Treasury reviewed the underlying models only at a high level for reasonableness, without auditing or replicating them.
- The modelling treated the Tasmanian Renewable Energy Target as an outcome rather than a binding input, which Treasury acknowledged materially affects renewables timing and wholesale prices.

Material changes after the WoSBC – the \$346 million grant and equity cap, the project entities' FID recommendations, Hydro Tasmania's supplementary modelling and the Expert Advisory Panel's advice – influenced the decision but are not reflected in the underlying modelling.

The FID Assessment Report relied heavily on future mitigation:

- After mitigation, three of eight criteria were clearly met and five only partially met; before mitigation, two were rated not met.
- MLPL's FID recommendation was assessed as conditional and TasNetworks' as highly conditional, with significant information gaps unusual at a conventional commercial FID.
- Conditions subsequent remained open as at June 2026. Their deadlines, the consequences of non-satisfaction and Tasmania's resulting exposure are not public.

4. The impact on electricity bills remains uncertain

Modelled wholesale price reductions are relative to a scenario where Marinus is not built; they do not mean prices will fall from current levels. The FID Assessment Report models wholesale prices rising in absolute terms under every scenario.

Any net bill effect depends on transmission costs, concessional financing, the \$346 million grant and the regulatory pricing method.

Victorian customers will meet 72.4 per cent of Marinus Link's annual transmission costs and Tasmanian customers 27.6 per cent – better than the former 50:50 default. However, the evidence did not show how projected benefits would adequately compensate Tasmanian customers for their share of the cost.

Key elements remain unsettled:

- The grant's final accounting and regulatory treatment, and how its benefit is distributed across customer classes.

- The Tarraleah-related rebate included in the WoSBC's bill results, which is a modelling assumption only; the project is unapproved and the rebate's design undecided.
- The current regulated pricing method, which references Victorian contract prices and underpins the modelled household benefit, is under review.
- The mechanism, eligibility, duration and fiscal cost of the Government's commitment to protect directly connected customers, including Major Industrials, from significant transmission cost increases.
- The impact of rapid technological development and deployment of battery storage in mainland jurisdictions and its impact on demand assumptions.

5. Returns to government and risk to State-owned businesses

The FID case rests significantly on Hydro Tasmania's projected returns. The central case projects an average annual increase of about \$470 million (nominal) over 2031–2050 compared with no Marinus. This varies substantially year to year and depends on up to 800 MW of new Tasmanian renewable generation operating by 2034, adequate water storages and greater price volatility.

There is no evidence that any new Tasmanian generation project has reached FID since the WoSBC was finalised, nor any quantified fallback plan or cost estimate should the market fail to deliver.

Hydro Tasmania's evidence established that inter-regional residues are not the main driver of its projected profitability; rather, it relies on generating into higher-priced periods as wind and solar supply more bulk energy.

The NWTD is a material financial risk to TasNetworks and a contingent risk to the State as sole shareholder. The FID Assessment Report forecasts lost returns of about \$93 million during construction and \$205 million over the first 20 years of operation. Implications for TasNetworks' viability, dividends, borrowing and any need for government support were not resolved in public evidence.

Tasmania's 17.7 per cent shareholding in MLPL (July 2025) is expected to dilute to 9–11 per cent, reducing returns proportionally, though Tasmania retains a Board seat and reserved-matter rights.

6. Data centres and new energy demand

Firmus Technologies has a three-year Retail Services Agreement with Aurora Energy for a maximum of 104 MW at St Leonards. Its disclosed demand across three sites

totals about 444 MW, well above the roughly 300 MW of new load assumed in the WoSBC's mid-case from 2030.

Neither the WoSBC nor the FID Assessment Report contemplated AI demand at this scale, and its interaction with the 800 MW of new generation assumption behind Hydro's projected returns is unclear.

The Government states that new major load must bring new renewable generation, but this is not a settled, enforceable policy:

- The Draft Expectations for data centres, released on 7 September 2026, are expressly non-statutory.
- The Firmus agreement allows substantial load to begin before any new generation is operational.
- Ongoing jobs are modest relative to energy demand – around half a full-time position per megawatt.

The Committee also notes that evidence from Aurora Energy and the Office of the Coordinator-General was inconsistent on whether the Office introduced the parties, and that the agreement was first disclosed through broadcast media comments by Firmus's Co-Chief Executive Officer. This and other matters will be examined further in a subsequent report.

7. Impacts on north-west Tasmania

Project Marinus and other major developments will place significant, overlapping demands on workforce, housing, short-stay accommodation, transport and services in the north-west, yet the evidence showed no single, quantified whole-of-government plan to manage them.

MLPL's Workforce and Accommodation Strategy prioritises local employment but leaves contractors largely responsible for housing non-local workers. Reliance on hotels, motels and caravan parks risks displacing visitors and seasonal workers and harming regional tourism.

TasNetworks has reached voluntary agreement with most of the 261 affected landowners on the NWTG Stage 1 route, with about 20 still negotiating. Tasmania Police visits to some landowners, following TasNetworks' advice of intended access, were perceived by some as intimidatory, despite evidence that this was not intended by either party.

Summary of recommendations

The Committee makes 17 recommendations to the Tasmanian Government across four themes.

Ongoing transparency and accountability to Parliament (Recommendations 1–6)

- An annual plain-English Project Marinus update tabled by 31 October each year, covering costs, schedule and conditions subsequent; shareholding and returns; State financial exposure; bill impacts by customer class; and changes to key assumptions (Recommendation 1).
- By the first sitting week after 30 June 2027, tabling of:
 - any bill-mitigation mechanism (Recommendation 2)
 - a conditions subsequent register, including consequences and exposure (Recommendation 3)
 - final arrangements for the \$346 million grant (Recommendation 4)
 - the status of new generation assumed in the FID modelling (Recommendation 5)
- TasNetworks reports annually on NWTB enterprise risks and a financial sustainability plan (Recommendation 6).

A stronger evidence base for future decisions (Recommendations 7–10)

- An independent update of WoSBC assumptions by 31 October 2027, including current AEMO scenarios, credible data-centre load scenarios, a clear no-Marinus counterfactual and customer bill results without any rebate (Recommendation 7).
- Stage 2 FIDs supported by a comprehensive, independently validated business case published six weeks in advance (Recommendation 8).
- Future FID assessments to distinguish criteria met at decision from those relying on future or non-binding mitigation (Recommendation 9).
- Any wholesale-pricing reform informed by a tabled independent assessment of its effect on Marinus customer impacts (Recommendation 10).

Managing new major energy loads (Recommendation 11)

- Subsidies or concessions for new major energy-related contracts should be provided only after an independent assessment is publicly released and shows a net benefit to Tasmania..

Regional and community impacts (Recommendations 12–17)

- Coordinated planning and reporting to manage the cumulative workforce, accommodation and service pressures of major projects in north-west Tasmania, with lasting community benefit from temporary accommodation (Recommendations 12–15).
- Greater transparency in land access for infrastructure projects, including published protocols on police involvement and annual TasNetworks reporting on access, acquisition and dispute outcomes (Recommendations 16–17).

I acknowledge the expert assistance of Professor Magnus Soederberg, Director, Centre for Applied Energy Economics and Policy Research at Griffith University, whose advice in supporting the Committee and preparing both Interim Reports has been invaluable. I also thank our Committee Secretary, Michael Barnier, for his support and commitment throughout this inquiry.

The Committee will continue examining recent energy related developments with a particular focus on Tasmania’s major industrials, large energy contracts and emerging large-scale energy demand, focusing on Terms of Reference paragraphs 1(b) and 1(c) – the challenges and opportunities related to energy supply and costs in Tasmania and the role of government-owned businesses.



Hon. Ruth Forrest MLC
CHAIR

26 October 2026

FINDINGS

Chapter 2: Project Marinus developments since June 2025

1. Project Marinus Stage 1 has moved from planning to delivery, following positive final investment decisions and financial close for Marinus Link Stage 1 and the North West Transmission Developments Stage 1.
2. The Tasmanian Government's positive Final Investment Decision for Project Marinus Stage 1 was signed by the Honourable Nick Duigan MLC, Minister for Energy and Renewables, on 1 August 2025, during the 2025 election caretaker period and prior to the Fifty-Second Parliament being sworn in on 11 August 2025.
3. Financial close for Marinus Link Stage 1 was reached on 3 September 2025, and financial close for the North West Transmission Developments was reached on 8 May 2026.
4. The Tasmanian Government's decision to proceed relied on the Whole-of-State Business Case, the Project Marinus Final Investment Decision Assessment Report, recommendations from the project entities, and other government and expert advice.
5. The post-Final Investment Decision financing arrangements for Project Marinus Stage 1 reduce much of the cost exposure identified in the Committee's first Interim Report. However, it remains unclear how the costs and benefits are shared between Tasmanian customer groups, government businesses, private generators and mainland consumers, and whether the projected benefits received by Tasmania are realised, large enough and effectively passed through to Tasmanian customers.
6. The net impact of Project Marinus on electricity prices for Tasmanian customers remains uncertain. Publicly stated wholesale-price benefits must be considered together with transmission costs, concessional financing, the Commonwealth grant, customer class impacts and the regulatory pricing methodology. References to wholesale-price reductions should be understood as reductions compared with a no-Marinus case - that is, what prices are estimated to be if Marinus is not built. They do not necessarily mean that prices will fall from current levels. The Project Marinus Final Investment Decision Assessment Report models wholesale prices increasing in absolute terms under all scenarios.
7. Under the agreed Project Marinus Stage 1 cost allocation, Victorian customers will pay 72.4 per cent and Tasmanian customers 27.6 per cent of Marinus Link's annual regulated revenue requirement (annual transmission costs). This cost-sharing arrangement is separate from equity ownership and whilst more favourable to Tasmania than the former default 50:50 split, the evidence

received did not clearly show how the benefits projected to accrue in Tasmania would adequately compensate Tasmanian customers who will bear the 27.6 per cent share of costs.

8. The modelled financial benefits of Project Marinus attributed to Hydro Tasmania are uncertain and depend on a range of assumptions, including sufficient new renewable generation, adequate water storages, increased market-price volatility and Hydro Tasmania's ability to shift generation to higher-value periods.
9. Hydro Tasmania's evidence established that inter-regional revenues are not the primary driver of their projected increase in future profitability.
10. The North West Transmission Developments are projects of material scale and significance for TasNetworks, including financial, delivery, safety, regulatory, and reputational risks.
11. TasNetworks advised that project risks are subject to project, executive and board oversight; however, the longer-term effect of the North West Transmission Developments on TasNetworks' financial sustainability and returns to government remains uncertain.
12. The North West Transmission Developments pose a material financial risk to TasNetworks and by extension a contingent financial risk to the State as sole shareholder.
13. The Committee received qualitative evidence that greater interconnection can improve system security and resilience. However, it did not receive a quantified assessment of the additional operational or service-level consequences that would arise specifically if the North West Transmission Developments were significantly delayed or not completed.
14. The Tasmanian Government has committed to protect existing directly connected transmission customers, including Major Industrials, from significant increase in transmission costs but the public evidence did not establish the final protection mechanism, who will be eligible, the funding source, how long the protection will apply, how it will be indexed, or the full fiscal cost to Government.
15. The positive final investment decisions relating to Project Marinus Stage 1 do not constitute approval of Project Marinus Stage 2.

Chapter 3: The Project Marinus Whole-of-State Business Case

16. The Whole-of-State Business Case (WoSBC) was a point-in-time assessment, rather than a traditional commercial business case or cost-benefit analysis, and did not contain a recommendation on whether Project Marinus should proceed. The WoSBC was provided to the Tasmanian Government in April 2025.

17. The Whole-of-State Business Case was undertaken prior to the renegotiated Commonwealth equity cap and \$346 million grant (announced 1 August 2025), the Marinus Link Pty Ltd and TasNetworks Final Investment Decision recommendations (May 2025), Hydro Tasmania's supplementary modelling (June 2025), and advice from the Expert Advisory Panel (June 2025).
18. The Whole-of-State Business Case relied on complex modelling and inputs from multiple entities. The Department of Treasury and Finance reviewed the models at a high level for reasonableness but did not independently audit or replicate the underlying models.
19. Key modelling inputs were predominantly finalised by December 2024, and the Department of Treasury and Finance has not updated the modelling to reflect subsequent changes to Australian Energy Market Operator scenarios or other material developments.
20. The Department of Treasury and Finance has not updated its core Whole-of-State Business Case modelling scenarios against more recent Australian Energy Market Operator Integrated System Plan (ISP) releases, notwithstanding evidence that ISP demand and probability assumptions change materially between each biennial release.
21. The modelling altered some Australian Energy Market Operator assumptions to reflect Tasmanian policy and project information, including treating the Tasmanian Renewable Energy Target as an outcome rather than a binding model input, a modelling choice which the Department of Treasury and Finance has stated materially affects the timing of renewables development and wholesale price outcomes in both Tasmania and Victoria.
22. The Whole-of-State Business Case results are indicative and sensitive to assumptions, rather than definitive forecasts of future prices, generation, government returns or customer bills.
23. The Whole-of-State Business Case customer retail bill analysis estimates the additional effect of Project Marinus-related transmission costs, wholesale-price changes and assumed rebate components under the current pricing framework. It is not a forecast of customers' future total retail bills, and it does not reproduce a full standing-offer determination by the Tasmanian Economic Regulator.
24. The Whole-of-State Business Case's combined customer retail bill results include a Tarraleah-related rebate as a modelling assumption. The Tarraleah project has not been finally approved and the rebate was not a settled policy commitment. Its eligibility rules, delivery mechanism and amount remained undecided.

25. The modelled wholesale benefit for households and small businesses depends on the current Tasmanian wholesale-pricing method, which refers to Victorian contract prices. If that pricing method changes materially before Project Marinus begins operating, the way Victorian wholesale-price effects flow through to regulated Tasmanian tariffs could also change.
26. The Tasmanian Government committed to publicly release the Whole-of-State Business Case 30 days prior to the Project Marinus Final Investment Decision but this did not occur.
27. The Tasmanian Government stated that release of the Whole-of-State Business Case was delayed to avoid prejudicing negotiations with the Australian Government. This prevented Parliament, independent experts and the Tasmanian community from scrutinising the analysis before the investment decision was made.
28. Neither Marinus Link Pty Ltd nor TasNetworks were provided an opportunity to review the Whole-of-State Business Case in its entirety; each business was shown only material specific to its own project, and for a limited period.

Chapter 4: Project Marinus Stage 1 Final Investment Decision Assessment Report

29. The Final Investment Decision Assessment Report evaluated Project Marinus against eight assessment criteria that were not individually weighted.
30. In the final assessment after mitigation, three of the eight criteria in the Final Investment Decision (FID) Assessment Report were assessed as clearly met and five as partially met. Before mitigation, two criteria had been assessed as not met. The positive FID therefore relied materially on mitigation measures and future actions. No criterion remained formally rated not met in the final assessment, although five of the eight criteria were still only partially met.
31. The independent review found Marinus Link Pty Ltd's Final Investment Decision (FID) recommendation to be conditional and TasNetworks' recommendation to be highly conditional. It identified unresolved critical-path matters and, particularly for TasNetworks, significant information gaps that would be unusual at a conventional commercial FID.
32. A number of conditions subsequent identified in the Final Investment Decision Assessment Report remained outstanding as at 22 June 2026. The public evidence did not provide a complete list of their deadlines, what would happen if they were not satisfied, or the resulting financial exposure for Tasmania.
33. The positive Final Investment Decision for Project Marinus Stage 1 was materially influenced by a \$346 million Commonwealth grant and a cap on Tasmania's equity contribution, both negotiated after the prorogation of the

Fifty-First Parliament in June 2025 and therefore not reflected in the underlying Whole-of-State Business Case modelling completed in April 2025.

34. The stated purpose of the \$346 million Commonwealth grant is to reduce TasNetworks' existing transmission regulated asset base and thereby reduce the annual transmission revenue recovered from customers. However, the evidence received did not clarify the final accounting and Australian Energy Regulator regulatory treatment, the implementation details, or how the price impacts would be distributed across customer classes.
35. As a consequence of the equity cap, Tasmania's shareholding in Marinus Link Pty Ltd (MLPL) as at July 2025 was 17.7 per cent, and its proportional share of MLPL returns (estimated at \$12 million per annum at that shareholding), will be diluted to an estimated 9–11 per cent over time. The negotiated MLPL arrangements retain a Tasmanian Board position and decision rights over specified reserved matters.
36. In the Final Investment Decision (FID) Assessment Report's central FID modelling case, Hydro Tasmania is estimated to provide the Tasmanian Government with an average annual increase in returns of approximately \$470 million in nominal dollars over 2031-2050, compared with a no-Marinus case. The estimated increase varies substantially between years and depends materially on market assumptions and on up to 800 MW of new renewable generation being operational in Tasmania by 2034.
37. Since the publication of the Final Investment Decision (FID) Assessment Report, and as at 2 April 2026, no new Tasmanian generation project had reached Final Investment Decision. The Tasmanian Government identified Hydro Tasmania contracting, the Commonwealth Government's Capacity Investment Scheme, and Renewables, Climate and Future Industries Tasmania support as its main mechanisms for bringing forward new generation. However, the Tasmanian Government had not provided a quantified fallback intervention plan or cost estimate for the case in which those measures fail to deliver the new generation assumed in the FID modelling by 2034.
38. The Final Investment Decision Assessment Report forecasts approximately \$93 million of lost TasNetworks returns over the five-year construction period of the North West Transmission Developments and a further \$205 million losses in aggregate over the first 20 years after commissioning. Positive returns are then projected to emerge over the remaining life of the asset. The implications for TasNetworks' viability, dividends, borrowing and possible government support were not satisfactorily resolved in public evidence.
39. Tasmanian Government witnesses declined to publicly disclose, even in general or order-of-magnitude terms, Tasmania's financial exposure in the event Project Marinus does not proceed to completion, citing shareholder and commercial confidentiality.

40. Extensive redactions to the published Final Investment Decision Assessment Report limited the ability of the Parliament of Tasmania, independent experts, and the public to test important assumptions and risks.

Chapter 5: Data centres and energy demand

41. Firmus Technologies has entered into a three-year Retail Service Agreement with Aurora Energy for its St Leonards facility, with load expected to increase to approximately 104 MW.
42. Firmus Technologies' confirmed and disclosed prospective energy demand across its three proposed Tasmanian sites (St Leonards 104 MW, George Town/Bell Bay approximately 288 MW, and Wesley Vale approximately 52 MW) totals approximately 444 MW, exceeding the approximately 300 MW of new load assumed in the Whole-of-State Business Case's mid-case scenario from 2030 onward.
43. The Tasmanian Government stated new major energy load should be accompanied by new variable renewable generation. However, the Government did not give evidence of a settled, published and enforceable Tasmanian policy establishing what constitutes sufficient new generation, when it must be operational or what occurs if it is delayed or does not proceed.
44. On 7 September 2026, the Tasmanian Government released a Draft Statement of Expectations for data centres and AI infrastructure developers, however, has stated it is not its intention to legislate or otherwise make them enforceable. The final Expectations are due to be released by the end of 2026.
45. The draft Tasmanian and proposed national statements of expectations for data centres and AI infrastructure developers, provide an opportunity to establish clear expectations for energy, water, infrastructure, employment, community benefit and transparency.
46. Firmus Technologies' existing Retail Services Agreement permits substantial energy load to commence before associated new generation has become operational.
47. The Project Marinus Whole-of-State Business Case and Project Marinus Final Investment Decision Assessment Report did not contemplate the potential scale and timing of the additional energy demand from new Artificial Intelligence infrastructure, and was therefore not incorporated into base assumptions or modelling.
48. There is a lack of clarity as to how the confirmed and prospective energy demand from Firmus Technologies' proposed Artificial Intelligence factories interacts with, or affects the achievability of, the 800 MW new renewable

generation assumption underpinning the returns projected in the Final Investment Decision Assessment Report.

49. Large new energy loads could materially affect Tasmania's generation needs, energy security, transmission requirements, wholesale market position, the financial sustainability of state-owned energy entities, and the availability of generation for export.
50. Energy-intensive data centres may impact on transmission costs and renewable investment, and may also create risks for electricity prices and energy security if load growth precedes additional generation, storage or network capacity.
51. The ongoing operational employment associated with data centres and Artificial Intelligence infrastructure may be modest relative to their electricity demand and capital investment, requiring transparent assessment of their wider net benefits and costs.
52. Evidence from Aurora Energy and the Office of the Coordinator-General was inconsistent as to whether the Office facilitated an introduction between Firmus Technologies and Aurora Energy in relation to the current Retail Service Agreement.
53. The Aurora Energy–Firmus Technologies Retail Service Agreement was first disclosed publicly through broadcast media comments by Firmus' Co-Chief Executive Officer, Mr Oliver Curtis, ahead of the parties' joint media statement of 25 March 2026.

Chapter 6: Related matters raised with the Committee

54. Project Marinus and other major developments will create significant and overlapping workforce and accommodation demands, particularly in north-west Tasmania.
55. The evidence did not demonstrate the existence of a single, quantified whole-of-government plan addressing the cumulative effects of Project Marinus and other major projects on housing, accommodation, transport, health, emergency services and community infrastructure for north-west Tasmania.
56. TasNetworks and Marinus Link Pty Ltd have separate workforce and accommodation obligations, but cumulative impacts require coordinated regional oversight.
57. Marinus Link Pty Ltd's Workforce and Accommodation Strategy prioritises local employment and requires contractors to respond if accommodation pressures emerge.
58. Responsibility for securing non-local workforce accommodation in Marinus Link Pty Ltd's Workforce and Accommodation Strategy rests substantially

with contractors, and proposed responses may include existing short-stay accommodation, transport arrangements or temporary facilities.

59. Reliance on hotels, motels, caravan parks and other short-stay accommodation for non-local workforce during Marinus Link construction has the potential to displace visitors, seasonal workers and other users and to affect regional tourism.
60. As at 23 February 2026, TasNetworks had reached voluntary agreement with the substantial majority of the 261 affected private landowners along the North West Transmission Developments Stage 1 route, with approximately 20 option agreements still under negotiation, half of which were reported as more difficult to resolve.
61. TasNetworks' stated preference is to reach voluntary agreements with landowners affected by the North West Transmission Developments; however, statutory access and acquisition processes may be used where agreement cannot be achieved.
62. Tasmania Police proactively visited some landowners affected by the North West Transmission Developments after being advised by TasNetworks of intended property access. These visits to landowners were perceived by some as intimidating, notwithstanding evidence that this was not the stated intention of TasNetworks or Tasmania Police.

RECOMMENDATIONS

The Committee recommends the Tasmanian Government:

1. Require the Department of Treasury and Finance, in consultation with the Office of the Tasmanian Economic Regulator and relevant government businesses, to prepare and table in both Houses of Parliament by 31 October each year, a plain-English annual Project Marinus (Marinus Link Stage 1 and North West Transmission Developments Stage 1) update setting out:
 - (a) forecast and actual project costs;
 - (b) schedule and approval status, including conditions subsequent;
 - (c) Tasmanian Government shareholding in Marinus Link Pty Ltd;
 - (d) equity transfers to government businesses and any other financial exposure to the State;
 - (e) forecast and actual returns to Marinus Link Pty Ltd and government businesses, including Hydro Tasmania and TasNetworks;
 - (f) a consolidated customer bill-impact assessment, including transmission and wholesale-price impacts by customer class (residential, small business, Major Industrial and directly connected customers) and the impact of any rebate/offset components;
 - (g) Tasmania's share of regulated revenue recovery; and
 - (h) material changes to the assumptions underlying the investment decision.
2. Prepare and table in both Houses of Parliament, as soon as practicable but no later than the first sitting week after 30 June 2027, the details of any new mechanism intended to address negative Project Marinus-related customer bill impacts, including the amount, eligibility, funding source and duration of any rebate, offset or other mitigation.
3. Prepare and table in both Houses of Parliament, as soon as practicable but no later than the first sitting week after 30 June 2027, a conditions subsequent register for Project Marinus (Marinus Link Stage 1 and North West Transmission Developments Stage 1) identifying:
 - (a) each outstanding condition;
 - (b) the responsible entity;

- (c) the due date or milestone;
 - (d) its current status;
 - (e) the consequence of non-satisfaction; and
 - (f) Tasmania's associated financial exposure, subject to narrowly justified redactions.
- 4. Prepare and table in both Houses of Parliament, as soon as practicable but no later than the first sitting week after 30 June 2027, the final arrangements for the \$346 million Commonwealth grant, including:
 - (a) payment conditions and timing;
 - (b) accounting and regulatory treatment;
 - (c) application to TasNetworks' regulated asset base;
 - (d) estimated benefit by customer class; and
 - (e) treatment for GST distribution purposes.
- 5. Prepare and table in both Houses of Parliament, as soon as practicable but no later than the first sitting week after 30 June 2027, a status report identifying when proposed new renewable generation assumed in the Project Marinus Final Investment Decision Assessment Report is expected to be constructed and commissioned, including approvals and other milestones, dependencies, responsible parties and consequences if projects fall behind schedule.
- 6. Require TasNetworks to include in its annual report to Parliament:
 - (a) detail on the material enterprise-level risks arising from the North West Transmission Developments, including delivery, safety, regulatory, and reputational risks, and financial covenant headroom and the measures being taken to protect its financial sustainability; and
 - (b) a financial sustainability plan addressing the effect of the North West Transmission Developments on:
 - i. cash flow and profitability;
 - ii. debt and financial covenants;
 - iii. dividends and returns to government;
 - iv. potential cost overruns; and

- v. any prospective requirement for additional State equity or other financial support.
- 7. Commission and table in Parliament by 31 October 2027, an independent update of the assumptions and sensitivities relating to the Project Marinus Whole-of-State Business Case, incorporating the latest available:
 - (a) Australian Energy Market Operator scenarios;
 - (b) project costs and schedules;
 - (c) generation and demand forecasts;
 - (d) major new load proposals, including the impact of credible data-centre and Artificial Intelligence infrastructure load scenarios on:
 - i. required new generation;
 - ii. Hydro Tasmania's operating and export opportunities;
 - iii. wholesale and transmission prices;
 - iv. Tasmanian energy security;
 - v. achievement of the Tasmanian Renewable Energy Target; and
 - vi. forecast returns to government;
 - (e) regulatory determinations;
 - (f) financing and government support arrangements; and
 - (g) sensitivity testing showing bill results without any rebate.

The independent update should include a clearly specified and consistently applied no-Marinus counterfactual, together with alternative on-island supply, storage and demand-side options.

- 8. Any future Final Investment Decisions (FIDs) in relation to Project Marinus Stage 2 be supported by:
 - (a) a comprehensive business case;
 - (b) current Australian Energy Market Operator scenarios and project-cost assumptions;
 - (c) independent validation; and
 - (d) an assessment of bill impacts for all customer classes.

The supporting material should also be published at least 6 weeks before any FID is made to allow for meaningful parliamentary and public scrutiny.

9. Require that future Final Investment Decision assessments clearly identify which criteria are satisfied at decision, which rely on future mitigation, and which mitigations constitute binding commitments rather than prospective policy options.
10. Require any reform of the Tasmanian wholesale-pricing framework to be informed by an independent assessment. The assessment is to address how the reform affects assumptions that relate to Project Marinus customer impacts, consider the impacts on each customer class, and is to be tabled in Parliament.
11. Ensure that no subsidy or concession is provided by the Government or a Government-owned business to a project requiring a new major energy contract, without a transparent assessment that demonstrates a net benefit to Tasmania.
12. Develop and publish a north-west Tasmania major projects workforce and infrastructure plan, covering:
 - (a) cumulative workforce demand;
 - (b) housing and short-stay accommodation;
 - (c) transport and aviation capacity;
 - (d) health and emergency services;
 - (e) local government infrastructure;
 - (f) training requirements; and
 - (g) impacts on tourism and existing industries.
13. Require Marinus Link Pty Ltd, TasNetworks and major contractors for Project Marinus (Marinus Link Stage 1 and North West Transmission Developments Stage 1) to report biannually on local employment, non-local workforce numbers, accommodation use and measures taken to avoid resident displacement.

14. Ensure that where temporary or project-specific accommodation is built by proponents of major projects or Government, it delivers an appropriate ongoing community benefit wherever practicable.
15. Encourage proponents of major projects to coordinate project schedules and workforce planning to reduce unmanageable peaks in demand on regional workforce and local services.
16. Publish any protocols governing Tasmania Police involvement in property access associated with infrastructure projects, to avoid any perception of Tasmania Police participation in commercial and/or legal negotiations between project entities and landowners.
17. Require TasNetworks to include in its annual report the progress of land access arrangements, compulsory acquisition processes, complaints and dispute resolution outcomes.

GLOSSARY OF TERMS AND ABBREVIATIONS

5MS	Five Minute Settlement
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AI	Artificial Intelligence
APA	APA Group Limited (owner of Basslink)
CEFC	Clean Energy Finance Corporation
CIS	Capacity Investment Scheme – Australian Government initiative to provide revenue support/safety net for new renewable energy (wind, solar) and clean dispatchable (battery) projects to support the 82 per cent renewables target by 2030
CSO	Community Service Obligation – where governments mandate for public entities to provide essential services that are not, or may not be, commercially viable
EST	Energy Security Taskforce
EV	Electric Vehicle
FID	Final Investment Decision
FTE	Full Time Equivalent
GWh	A gigawatt-hour – A measure of energy (one GWh equals one million kilowatt-hours)
HVDC	High Voltage Direct Current
HRL	High Reliability Level
IRR / IRRs	Inter-Regional Residues – settlement residues arising from price differences between NEM regions and interconnector flows.
ISP	Integrated System Plan – AEMO’s long-term blueprint for the national grid.
LCOE	Levelised cost of energy – measures the cost of building, operating, and maintaining a system divided by total energy output over its lifetime.
LGC	Large-scale Generation Certificate - a renewable energy certificate created for each MWh of eligible renewable generation.
MIIs	Major Industrials, in a Tasmanian context referring particularly to Bell Bay Aluminium, Boyer Paper Mill (formerly Norske Skog), TEMCO/Liberty Bell Bay, and Nyrstar
MLPL	Marinus Link Pty Ltd
MW	Megawatt – A measure of power or capacity (one MW equals one million watts).
NEM	National Electricity Market
NWTD	North West Transmission Developments

OTTER	Office of the Tasmanian Economic Regulator
PPA	Power Purchase Agreement
PSL	Prudent Storage Level
PV generation	Photovoltaic generation, i.e. solar
ReCFIT	Renewables, Climate and Future Industries Tasmania
REGO	Renewable Energy Guarantees of Origin - digital certificates in Australia's Guarantee of Origin scheme to track and verify renewable electricity, proving when, where, and how it was generated
Government-owned business returns to government	Dividends (ordinary and special), income tax equivalent payments, rate equivalent payments, and guarantee fees.
REZ	Renewable Energy Zone
RIT-T	Regulatory Investment Test for Transmission
TRET	Tasmanian Renewable Energy Target
TVPS	Tamar Valley Power Station
VRE	Variable Renewable Energy
WEP	Wholesale Electricity Price
WoSBC	Whole-of-State Business Case - the Tasmanian Government's business case for Marinus Link

1 INQUIRY PROCESS

Appointment and Terms of Reference

1.1 The substantive Terms of Reference for this Inquiry require the Joint Select Committee on Energy Matters (the Committee) to consider and report on:

(1) ... –

(a) Factors that impact energy prices for Tasmanian household and small and medium business customers, with particular reference to energy generation, distribution and retail costs.

(b) The challenges related to energy supply and energy costs in Tasmania including –

(i) Role and participation of State-owned energy entities;

(ii) Energy requirements;

(iii) Expansion of State-owned renewable energy generation including associated community and economic benefits;

(iv) Private energy generators;

(v) Energy generation, storage and transmission capacity; and

(vi) Energy security considerations.

(c) Opportunities related to energy supply and energy costs in Tasmania including –

(i) Role and participation of State-owned energy entities;

(ii) Energy requirements;

(iii) Expansion of State-owned renewable energy generation including associated community and economic benefits;

(iv) Private energy generators;

(v) Energy generation, storage and transmission capacity; and

(vi) Energy security considerations.

(d) Tasmania's past, current and future participation in the National Electricity Market with a focus on impacts for Tasmania, including matters related to the national renewable energy transition:

(i) Current and future energy demand;

(ii) Costs, risks and benefits; and

(iii) Resource opportunities.

(e) Marinus Link PTY Ltd and associated energy power developments (Battery of the Nation and North West Transmission Development) including –

(i) Likely beneficiaries;

(ii) Funding arrangements, including the potential for private sector contribution;

(iii) Impact on Tasmanians' energy bills and concessional pricing arrangements; and

(iv) Alternative options and associated costs and/or benefits to Tasmania including costs and cost of a 'do nothing approach'.

(f) Any other matters incidental thereto.

...

- 1.2 On 25 September 2025, the Committee was re-established in the Fifty-Second Parliament of Tasmania.
- 1.3 On 15 October 2025, the Committee resolved to publish an interim report on the evidence received by the Committee up to and including 11 June 2025, when the House of Assembly was dissolved and the Parliament of Tasmania prorogued, and to receive further evidence and publish a final report later in 2026 considering energy developments in Tasmania occurring after 11 June 2025, particularly in relation to Project Marinus.
- 1.4 On 21 May 2026, the Interim Report of the Committee addressing all Terms of Reference was tabled in both Houses. This Report, and the first Interim Report, should be read together to give a full understanding of the evidence received by the Committee, as well as all findings and recommendations.
- 1.5 The Committee in the Fifty-Second Parliament had the following membership of eight Members equally drawn from both Houses: Mr Vica Bayley MP, the Hon. Mr Luke Edmunds MLC (Deputy Chair), Mr Craig Garland MP, Ms Janie Finlay MP, the Hon. Ms Ruth Forrest MLC (Chair), the Hon. Mr Dean Harriss MLC, the Hon. Ms Sarah Lovell MLC, and Mr Marcus Vermey MP.
- 1.6 Following the Legislative Council election for the division of Huon on 2 May 2026, the Hon. Casey Hiscutt MLC was appointed to the resulting vacancy on the Committee on 26 May 2026.
- 1.7 On 11 August 2026, Ms Madeleine Ogilvie MP was appointed to the Committee in the place of Mr Vermey MP.
- 1.8 On 14 August 2026, the Committee resolved to table a second Interim Report instead of a Final Report. A Final Report will be tabled after further targeted evidence gathering in relation to recent developments relating to energy supply and demand matters associated with current and potential future large energy users in Tasmania.

Conduct of the Inquiry

- 1.9 To inform the second Interim Report, the Committee resolved to invite targeted stakeholders to public hearings to give evidence on major energy developments in Tasmania since June 2025, with a focus on Project Marinus.
- 1.10 The Committee held six public hearings and one private hearing at Parliament House, Hobart (see Appendix A – Lists of witnesses). No further written submissions were sought or received, however, the Committee did receive, on a confidential basis, unredacted copies of the Project Marinus Whole-of-State Business Case and Project Marinus Final Investment Decision Assessment Report from the Treasurer, the Hon. Eric Abetz MP, and Minister for Energy and Renewables, the Hon. Nick Duigan MLC, respectively.
- 1.11 Despite the Committee having access to the unredacted documents, the Ministers refused to publicly release these documents. This meant public scrutiny and expert verification of the redacted sections was not possible and the findings and recommendations reflect this limitation.
- 1.12 The minutes of the Committee of the Fifty-Second Parliament up to 26 October 2026 are attached at Appendix B. A correction to the first Interim Report is at Appendix C, and the transcripts of evidence from public hearings of the Committee of the Fifty-Second Parliament up to 22 June 2026 are at Appendix D.

Structure of this Report

- 1.13 The Committee's aim for the second Interim Report was to consider the significant energy developments in Tasmania since Parliament was prorogued and the House of Assembly dissolved on 11 June 2025, in accordance with the Terms of Reference.
- 1.14 The focus of the second Interim Report is the progression of Project Marinus and related energy developments but also considers recent energy-intensive Artificial Intelligence (AI) infrastructure developments in Tasmania.
- 1.15 Accordingly, the second Interim Report addresses paragraph 1(e) of the Terms of Reference regarding Marinus Link but also considers matters relevant to paragraph 1(d) regarding energy demand and future participation in the National Electricity Market (NEM).
- 1.16 This Report consists of the following Chapters that reflect the Terms of Reference for this Inquiry:
 - Chapter 1 provides a brief overview of the Inquiry in the Fifty-Second Parliament.
 - Chapter 2 presents the developments in relation to Project Marinus and associated developments since 11 June 2025.

- Chapter 3 considers the evidence received regarding the Project Marinus Whole-of-State Business Case.
- Chapter 4 assesses evidence gathered on the Project Marinus Final Investment Decision Assessment Report.
- Chapter 5 presents evidence received on the construction of a new AI factory in Launceston, and two further proposed AI factories in Tasmania, by Firmus Technologies.
- Chapter 6 considers related matters raised with the Committee in this Inquiry since June 2025, including updated information on workforce and accommodation strategies relating to Project Marinus, and highlighting the ongoing negotiations with landowners in north-west Tasmania.

2 PROJECT MARINUS DEVELOPMENTS SINCE JUNE 2025

- 2.1 At the time the Parliament of Tasmania was prorogued and the House of Assembly dissolved on 11 June 2025, the Tasmanian Government was approaching the receipt of Final Investment Decisions (FIDs) from Marinus Link Pty Ltd (MLPL) and state-owned TasNetworks.
- 2.2 The Government had received the Department of Treasury and Finance's Whole of State Business Case (WoSBC) to inform its own FID for Project Marinus as a shareholder government of MLPL. The then Treasurer, the Hon. Guy Barnett MP, had scheduled a briefing about the WoSBC with the Committee for 19 June 2025.¹
- 2.3 This Chapter seeks to outline Project Marinus developments in Tasmania since June 2025, including the assessments and analysis underpinning the Tasmanian Government's decision for a positive FID.

Project Marinus

- 2.4 Project Marinus was considered throughout the Committee's first Interim Report, particularly at Chapter 7 from pages 147 to 192.
- 2.5 The Committee heard from Government Ministers, state-owned government businesses, and MLPL to understand the progress on Project Marinus since June 2025, and provided the opportunity to update the Committee on any material changes.
- 2.6 To provide a brief overview of Project Marinus, the Project Marinus FID Assessment Report provides the following:

Marinus Link is a proposed 1,500-megawatt (MW) interconnector between Tasmania and Victoria, to be delivered in two 750 MW stages. It is supported by major upgrades to Tasmania's transmission network, known as the North West Transmission Developments (NWTD Stages 1 and 2).

Together, these are collectively known as Project Marinus, with an investment decision at this time focused solely on Stage 1 of both the interconnector and the transmission upgrade.

Marinus Link is being developed by Marinus Link Pty Ltd (MLPL) and has three shareholder-owners – the Australian, Tasmanian and Victorian governments.

NWTD is being developed by TasNetworks, with the Tasmanian Government the sole shareholder-owner of TasNetworks.

...

¹ Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, Transcript of Evidence, 20 March 2026, p. 1.

Marinus Link Stage 1 and NWTD Stage 1 includes 750 MW of transmission capacity between Tasmania and Victoria through a combination of high-voltage direct current (HVDC) undersea cable and high-voltage alternating current (HVAC) on-land transmission.²

Evidence received

- 2.7 The Tasmanian State Election took place on 19 July 2025, the Government was sworn in on 11 August 2025, and the Fifty Second Parliament was opened on 19 August 2025.³
- 2.8 During the 2025 caretaker period, on 1 August 2025, the Hon. Nick Duigan MLC, Minister for Energy and Renewables, signed agreements on behalf of the Tasmanian Government indicating a positive FID for Project Marinus. The Australian Government and the Victorian State Government, as the other MLPL shareholding governments, also signed agreements making a positive FID.⁴
- 2.9 At the 22 June 2026 public hearing, Minister Duigan gave evidence on the decision to progress Project Marinus:

Mr DUIGAN - ... The government is continuing to deliver on that energy agenda following the positive final investment decision (FID) late last year and with the North West Transmission Developments (NWTD) now achieving financial close, Project Marinus is moving from planning into delivery, and it is, of course, the most significant energy infrastructure investment in Tasmania's history. It will bring jobs, deliver economic value and facilitate the delivery of new energy generation and load on island. The value of Project Marinus to Tasmania is not solely based on exporting additional energy; it's about providing greater flexibility to utilise our existing assets more effectively.⁵

- 2.10 On 3 September 2025, a joint media release on behalf of the three shareholder governments announced financial close for Marinus Link Stage 1:

... Financial close has been reached for Stage 1 of Marinus Link, marking the final decision for one of the most important energy projects in our nation's history.

Securing the \$3.8bn funding from the Commonwealth's Clean Energy Finance Corporation, along with equity commitments from the Commonwealth, Tasmania and Victoria in August, gives the community, suppliers, contractors, and workers the certainty to get on with the job.

It will strengthen grid reliability in Victoria and other mainland states as part of the energy transition and provide long-term certainty to major industrial users in

² Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 4-5. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

³ Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, Transcript of Evidence, 20 March 2026, p. 11.

⁴ Renewables, Climate and Future Industries Tasmania website, *Project Marinus*. Accessed at: https://www.recfit.tas.gov.au/what_is_recfit/major_investment_projects/project_marinus

⁵ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 1.

Tasmania by utilising the mainland's cheap solar during the day and powering homes with Tasmanian hydro power at night.

Marinus Link is a nation-building project that sits at the heart of the Albanese Government's plan for cheaper, cleaner and more reliable energy. Stage 1 will comprise of 750 megawatts of capacity – enough to power roughly 750,000 homes. It will create around 2,400 jobs and drive \$2.4 billion of investment across Tasmania and Victoria.

Analysis released by Marinus Link Pty Ltd shows expected reductions in wholesale electricity prices that consumers across the states in NEM should see in their energy bills.

The construction of Marinus Link Stage 1 will enable future wholesale electricity prices to fall by an estimated \$15 per MWh for Tasmania and \$17 per MWh in Victoria on average compared to a no-Marinus Link scenario. The net effect is an expected reduction of \$25 – \$36 on average every year for typical household power bills in Tasmania and Victoria.

Stage 1 construction would commence in 2026 and is slated for completion in 2030.⁶

- 2.11 On 8 May 2026, financial close for the North West Transmission Development (NWTD) was announced by Minister Duigan:

The next generation of Tasmania's energy infrastructure continues to power forward with another major milestone completed.

TasNetworks has reached financial close for the North West Transmission Developments, taking us another step closer to delivering Project Marinus.

The decision by TasNetworks locks in the funding and provides certainty for the project to move towards construction later in 2026 once all regulatory and approval processes are finalised...⁷

- 2.12 The Tasmanian Government stated the positive Project Marinus FID was made in consideration of the Project Marinus Whole of State Business Case (WoSBC), the Project Marinus FID Assessment Report, independent expert advice, and advice from government agencies.⁸

- 2.13 The Committee received unredacted copies of the WoSBC and FID Assessment Report, both on the basis that they be kept confidential. The Committee has

⁶ Hon. Chris Bowen MP, Minister for Climate Change and Energy, website, *Joint media release: Marinus Link reaches financial close, connecting Tasmania's renewables to the world* – Hon. Chris Bowen MP, Minister for Climate Change and Energy, Hon. Lily D'Ambrosio MP, Victorian Minister for Climate Action, Energy and Resources, and Hon. Nick Duigan MLC, Tasmanian Minister for Energy and Renewables, 3 September 2025. Accessed at: <https://minister.dcceew.gov.au/bowen/media-releases/joint-media-release-marinus-link-reaches-financial-close-connecting-tasmanias-renewables-world>.

⁷ Premier of Tasmania website, *Financial close milestone powers Tasmania's energy future forward* – Hon. Nick Duigan MLC, 8 May 2026. Accessed at: <https://www.premier.tas.gov.au/latest-news/2026/may/financial-close-milestone-powers-tasmanias-energy-future-forward>.

⁸ Renewables, Climate and Future Industries Tasmania website, *Project Marinus*. Accessed at: https://www.recfit.tas.gov.au/what_is_recfit/major_investment_projects/project_marinus.

not published unredacted, confidential information from the WoSBC and the FID Assessment Report nor disclosed confidential material in the second Interim Report.

- 2.14 The Committee heard from Deputy Premier and then-Acting Minister for Energy and Renewables, the Hon. Guy Barnett MP, about the importance of the WoSBC and FID Assessment Report in informing the positive FID for Project Marinus:

Mr BARNETT - ... since May 2025, we've made substantial progress in delivering on Tasmania's energy future, most notably the positive financial investment decision taken for Project Marinus in July 2025. Over the next decade, Project Marinus is expected to generate up to \$4.4 billion in economic activity, support more than 2000 Tasmanian jobs at peak construction. Project Marinus will strengthen regional economies, particularly across the north-west and create enduring capability in engineering, transmission and clean energy delivery.

...

Government's FID assessment and the whole-of-state business documents were instrumental in informing the government's FID decision last year. Understand that in the interest of transparency, these documents, along with other confidential documents... have been provided in-confidence to the Committee. Marinus Link, TasNetworks and Hydro Tasmania were consulted by the state during the preparation and release of the FID documentation...⁹

- 2.15 The WoSBC is further considered in Chapter 3 and the FID Assessment Report in Chapter 4 of this Report.
- 2.16 Minister Duigan gave evidence on the prospective new load and generation for Tasmania:

Mr DUIGAN - On the other side, new load can provide greater grid stability and allows our transmission cost to be spread over more load, lowering costs and making our energy-intensive industries more cost competitive. Importantly, a new load can help pull through new energy generation projects, and we have been very clear about this requirement. We have the energy generation pipeline to support new load in Tasmania, with more than 5 gigawatts in projects across wind, solar and storage at various stages.

It's also being supported by national policy settings, including the Commonwealth's Capacity Investment Scheme, and I'm pleased to see Tasmanian projects successfully participate in that process, supported by our case-management function as part of our Renewable Energy Approval Pathway (REAP) program within ReCFIT...¹⁰

- 2.17 The Committee heard evidence that the proposed 5 gigawatts of wind, solar and storage projects would be encouraged by Project Marinus proceeding:

⁹ Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, Transcript of Evidence, 20 March 2025, at pp. 1-2.

¹⁰ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 1-2.

Mr DUIGAN - ... there is 5 gigawatts of projects... in the pipeline...

CHAIR - Those have been going for a long time.

Mr DUIGAN - Yes, but that's the way of the world; that's the way the approvals process works. I would also point to the fact that having certainty around Marinus provides some greater impetus to those projects, and ability for them to get their electrons to market. I think we are seeing a greater level of progress than we had previously. I think there had been something of a stalemate.¹¹

- 2.18 The Deputy Premier whilst Acting Minister for Energy and Renewables also gave evidence on Tasmania's energy future:

Mr BARNETT - ... Whilst Marinus is essential to Tasmania's energy future, it is only one part of a broader transformation underway across Tasmania's energy system.

We've secured our first Capacity Investment Scheme project at Bell Bay, strengthening Tasmania's contribution to national energy reliability and have tasked Hydro Tasmania to bring on 500 megawatts of new renewable energy generation by 2030. We're progressing the Tasmanian Green Hydrogen Hub with commitment deeds signed and enabling infrastructure advancing. Hydrogen and future fuels present opportunities for regional industry, low-emissions manufacturing and export diversification. We're getting on with the job and construction, and Project Marinus will commence in 2026.¹²

- 2.19 Ms Stephanie McGregor, Chief Executive Officer of MLPL, provided an update on the progress of Marinus Link Stage 1:

Ms McGREGOR - ... Marinus Link is now moving into its construction phase with preparatory work underway across the project footprint. A series of major milestones last year brought us to this point, including final investment decisions from each of our shareholders, financial close on our funding facility with the Clean Energy Finance Corporation, an issuance of notices to proceed to our major key suppliers and the selection of our major construction contractor, also referred to as the balance of works contractor.

For the committee's purpose, on funding, stage 1 of Marinus Link has a total cost of \$3.85 billion. Tasmania's equity contribution is capped at \$103.5 million, which has already been drawn down. This means that the Tasmanian Government is funding less than 3 per cent of the project.

We've also secured primary environmental approvals from the Commonwealth and Victorian governments. In Tasmania, the EPA [Environment Protection Authority] approved the Heybridge Shore Crossing and Burnie City Council granted a permit for the Heybridge Converter Station, with one third-party appeal now before the Tasmanian Civil and Administrative Tribunal.

¹¹ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 3.

¹² Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, Transcript of Evidence, 20 March 2026, at pp. 1-2

I acknowledge that the committee's core focus will be on what the project's completion in 2030 will mean for Tasmania's future...

...

... This month the economic case culminated in the Australian Energy Regulator's final decision, which found Marinus Link has been managed efficiently and that electricity consumers will pay no more than necessary to develop the project. Years of analysis has consistently shown that Tasmania's economic future is stronger with Marinus Link. Greater interconnection gives Tasmania a larger, more resilient and flexible energy market. It supports investment in renewables and new industries, gives major load customers more options and enables Hydro Tasmania to optimise its system for the benefit of Tasmanians. By increasing competition and improving access to the national market, Marinus Link puts downward pressure on wholesale electricity prices and lowers overall systems cost. These savings will flow to households and businesses in Tasmania from 2030 onwards.¹³

2.20 The Committee heard evidence from MLPL about the risks of Marinus Link Stage 1 project:

Ms FINLAY - *Can I ask a question on the status of your project now and the risk register or registers that you might be running across the project as a whole? Can you outline for the committee the top matters on the risk for the project going forward?*

Ms MCGREGOR - *I can speak to risk, generally, to the committee. Obviously, as we're moving from the development phase of the project into construction phase, we are doing a lot of work as we're onboarding our final major contractor on looking at a range of risks of different types in different areas of delivery. There are a number of areas, obviously, front of mind as we start to mobilise. I have mentioned a couple of relevant areas in my opening statement, particularly around consents and approvals...*

CHAIR - *It would be predominantly on the Victorian side, wouldn't it?*

Ms MCGREGOR - *No, we have consents and approvals to deal with across all three jurisdictions. We have secured our approvals in Victoria, which we now need to then translate into our operating plans with our contractor. We are waiting on only one other approval from the federal jurisdiction, which relates to the offshore infrastructure licence. Then, as I mentioned before, we have one approval in Tasmania that is going through an appeal process. I will pass to my colleague, Clare, if there's anything that she wanted to add on those questions.*

Ms GLEGHORN - *No, in terms of those risks, you've outlined those well. The mitigations are in place with regards to managing those consents and approvals. Obviously, safety and construction safety is higher now in mind and that's part of the element of working through with our balance of works contractor and ensuring that constructability and looking at that program and scheduling. We*

¹³ Ms. Stephanie McGregor, Chief Executive Officer, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, pp. 1-2.

continue to work really closely with the community on engaging them on those matters.

Ms FINLAY - Outside safety consents and approvals, are there other matters you're considering as part of your risk matrix?

Ms GLEGHORN - There's always a significant amount of things we're looking at on a regular basis. That's part of proper good due diligence and we've spoken about being able to deliver the project prudently, efficiently, safely, on time and on budget. We explore a whole range of risks in relation to all those things. Some of those, it's fair to say, would be commercially sensitive to talk openly to as on any project matters in terms of our contracts and relationships there. But, needless to say, they're all being managed and mitigated. There's nothing at this stage that suggests there's a high risk.

Ms FINLAY - And they're all at a fairly operational level, but in terms of risks to the entity or the organisation, any higher-order risks that are concerning, as the CEO, that 'keep you awake at night' moments?

Ms McGREGOR - As a corporate entity, we have a standard set of risks we need to be mindful of: solvency is always one under the Corporations Act; the obligations to ensure we deliver prudently and efficiently to the parameters of the regulatory environment we operate in; the importance of operating within the terms of the financing obligations. There are a range of those things we need to manage and monitor.

I wouldn't say any of them keep me awake at night as a shareholder, but delivering this project well and safely, and in accordance with the expectations of the various stakeholders and shareholders is front of mind for our organisation and therefore front of mind for me.¹⁴

- 2.21 Mr Seán McGoldrick, then Chief Executive Officer of TasNetworks, provided an update on the progress of the NWTD, including funding for the project:

Mr HARRISS - In the hearings last year in April, we heard about the North West Transmission Developments focused on a timing point, network charge impacts, and how that would reflect final concessional finances. In that, from TasNetworks' point of view, what updated capex, financing and cost-recovery assumptions are used for the North West Transmission Developments, and, I suppose, how do they differ from what was presented in 2025? Then, are we able to have provided customer impacts and what changes that is in capex - if capex is higher, or concessional finances are reduced or delayed, or timing slips of the project?

Mr McGOLDRICK - I will start by saying, fortunately, since we've last appeared, quite a lot of progress has been made in the project. You're always working to get your inputs sharper and better and so on. So, a number of important things have happened after we've made the financial investment decision in June. That was a key point, but we had to continue to work with the regulator to get a

¹⁴ Ms. Stephanie McGregor, Chief Executive Officer, and Ms. Clare Gleghorn, Director Corporate Affairs, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, pp. 8-9.

regulatory decision. We have succeeded in doing that. In fact, there were two regulatory decisions: one for the portion of early works, one for the construction phase. That essentially tells us how much revenue we're allowed to recover from customers for this project. Though that was an important thing, that milestone has passed, and we have a regulatory decision for early works and for our construction phase, which Michael [Westenberg] will be happy to share the details on pricing - sorry, what revenue we're allowed to recover.

We've also continued to negotiate with the CEFC, and our existing backer, TASCORP and the state, to fund this project. The funding model is: we're going to have 84 per cent debt and 16 per cent equity. So we will get an amount of debt for the project from the Clean Energy Finance Corporation, and we will also have a direct-equity injection from the state that has been provided for in the budget process. That's the funding, and the details behind those agreements are currently being finalised. We've spent a number of months, in particular Michael and his team, spent a number of months negotiating the details behind those funding agreements and making sure that our existing backer, TASCORP, is also comfortable with those details. That's been a significant progress.

We've also worked to make sure that the project has progressed with respect to permitting, and we've made sure it's progressed with respect to our detailed design work. You start out these projects with estimates, but then you have to do a lot of detailed design work. We're probably somewhere between the 90 and 95 per cent finality on the detailed design work. We still have some elements to sort out, but I'm expecting that in the coming weeks we will have the final detailed design from our contractor, Genus, which is delivering the project for us.

All those things since we last appeared in front of the committee have been progressed, have been developed further, have been sharpened. I am going to hand over to Michael to share some of the details in terms of the numbers approved.

Mr WESTENBERG - ...Between what we call early works and construction, the AER has now approved \$1.0732 [billion]... in 2023-24 for the capex -

...

...That now gives us an understanding of the amount of revenue that TasNetworks' - capex we're allowed to spend and the revenue associated with that. Just a couple of points on that. For what we call early works or the contingent project application, number one, they approved 100 per cent of that proposal. For the recent proposal or submission we provided for construction they approved around 95 per cent of what we submitted.

There were two elements they considered. One was a component of \$14.7 million that was probably duplicated between ourselves and Marinus Link at the Heybridge site where we connect into. That was removed from our submission, which is fine because Marinus Link will now be constructing that element. The second part was they scrutinised our risk and contingencies we have within the project and reduced that by an amount.

Holistically, that submission and the decision from the AER was earlier than we expected, which was a good outcome for ourselves. Also, the fact they approved a large component of those submissions to us shows the prudence and efficiency in the detail we're providing the AER was at a level that we provided confidence to them on what we're building. That provides the capex and revenue.

In relation to the [CEFC] and I'll move on to pricing after that - but as Seán said, we spent the last 18 months working with the [CEFC] on the finance deal -

...

... the Clean Energy Finance Corporation. What we've managed to do - you have access to the whole-of-state business case - you would know that particularly early on there were concerns on how that deep concessional finance works. The CEFC has assisted us in facilitating how we manage the early cashflow in the early years of that. Also, been very focused in ensuring once we have the concessional finance arrangement completed, the concessionality must be passed on to the Tasmanian community.

That's at the final stages. It's been a complex process, but the CEFC has been really constructive in its work. We have incorporated feedback from the relevant departments within the Tasmanian government being Treasury, Renewables, Climate and Future Industries Tasmania and TASCORP to ensure that all fits together.

...

CHAIR - ... if I could ask what the state's equity contribution now is in dollar terms, based on that process?

Mr WESTENBERG - Yes, on the top of my head, it's \$191 million has been appropriated in the budget for the 16 per cent of the equity allocation.¹⁵

- 2.22 TasNetworks also provided evidence relating to risks to the NWTD project as well as TasNetworks itself:

Ms FINLAY - ...now that you are sharper on the costs of the North West Transmission and you're more progressed with understanding the concessional finances and things, what changes have you made to your risk, and I'm going to use 'register' as the language, but have you elevated or decreased the risk in your risk assessments to TasNetworks as a business as a result of what you're required to do to deliver the North West Transmission Developments as part of Marinus?

Mr McGOLDRICK - ... There are two separate elements here: there is the overall business TasNetworks and its risk and risk register, and then there is the project and it's risk and risk register. We need to think of these things separately.

First of all, from an overall business point of view, it is absolutely essential that we deliver this project well - we bring it in on time, on schedule, on budget. That's an enormous focus of our executive, of our board, indeed of our shareholders, that we do the very best in those aspects. The big risk there, of course, is

¹⁵ Mr. Seán McGoldrick, then-Chief Executive Officer, and Mr. Michael Westenberg, Executive Finance and Regulation, TasNetworks, Transcript of Evidence, 23 February 2026, pp. 12-14.

reputational risk as well as financial risk. It's part of our job; this is our core job. It's a very important project. It's doubling the size of our transmission asset base. It does feature large in our company risk register or corporate risk register and we're devoting an incredible amount of time to it.

With respect to the project: we, of course, have our own assessment of risk in detail of the project itself and the risk register does change over time. An element in the risk register that would have loomed large in previous months would have been, 'Are we going to get a regulatory decision that we can work with, and will we get it on time?'

I'm happy to say that risk has not crystallised; in fact it's gone positive because we actually have a regulatory decision and it's a very good regulatory decision that we can work with and we've received it early. But there's a range of different things in the risk register, including things that might impact on the schedule, things that might impact on the cost and how we manage those.

Large elements include: will we get a permitting decision? Will it be on time? What conditions will be associated with that and how will we manage those conditions? So that's, for example, a very big risk. How are we going to manage in the field? We make certain assumptions through our detail design process and genesis detail design process, but inevitably when you go out onsite, things may be different.

So, how do we manage those things? For each of those things in the risk register we allocate an estimated cost and a probability. We do the assessment, we actually do a Monte Carlo assessment of it, but each individual line item has an allocated cost that we did provide through our regulatory submission, which is on the regulator's website. That was the thing that Michael [Westenberg] said they examined very closely and they gave greater or lesser weight, greater or lesser probability, greater or lesser sums of money against each of those line items. They came out with a determination to grant us a risk amount - and I believe the risk amount is just shy of \$100 million at \$98 million. So that will allow us to manage those risks as the project matures into construction and as we move on towards the commissioning phase...

Ms FINLAY - ...I'm interested in the risk of the project to TasNetworks as an entity as opposed to the risks of the project developing, if the answer could be in that context.

Could you please outline for the committee currently what the status in the risk register is of the North West Transmission Developments project to TasNetworks as an entity. Where does that sit in the register at the moment?

Mr McGOLDRICK - I don't have that with me right now and rather than say something that's incorrect, I'd like to provide that to the committee on notice if that's acceptable so I can be absolutely accurate on it.

...

Mr WESTENBERG - ...

... we have spent a lot of time looking at the risk to TasNetworks from a financial perspective - that's an area, obviously, I'm involved in - and ensuring that we're doing a lot of forecasting to ensure that, particularly in the early years during construction, and from a finance perspective, we stay within our covenants. We have financial covenants both from the Clean Energy Finance Corporation and TASCORP - stay well within those and that we manage any risk associated with cashflow, debt and financial impacts which the board has been very focused on.¹⁶

- 2.23 In responses to questions on notice dated 7 May 2026, TasNetworks provided further information on risk and the NWT D:

2. Could you please outline what the current status is in the risk register of the North West Transmission Developments project to TasNetworks as an entity?

TasNetworks manages risk for the North West Transmission Developments (NWT D) through both project-level and enterprise-level risk governance.

At the project level, the NWT D maintains a detailed project risk register covering delivery risks such as safety, schedule, cost, approvals, land access, environmental management, procurement, contractor performance, construction conditions and commissioning risks.

At the enterprise level, NWT D is not treated as a single standalone enterprise risk in isolation. Rather, because of its scale, complexity and strategic importance, NWT D related risks are captured and monitored across several enterprise risk categories and associated risk appetite settings. These include risks relating to safety, financial sustainability, regulatory compliance, delivery performance, customer and community outcomes, stakeholder confidence, reputation and organisational capacity.

This reflects the nature of the NWT D as a major transmission infrastructure project, including its role in enabling Marinus Link and its significance to TasNetworks' transmission asset base.

The risk profile has evolved as the project has matured. Some earlier risks have reduced, including the risk of not receiving a workable regulatory determination within the required timeframe. The Australian Energy Regulator's final decision provided an approved forecast capital expenditure allowance and included a risk allowance of approximately \$98 million to support management of defined project risks.

Other risks will become more prominent as the project moves from planning, design and early works into construction. These include safety, delivery, field conditions, schedule, contractor performance, approvals compliance and cost-management risks.

TasNetworks manages these risks through established governance and controls, including:

- regular project risk review and reporting

¹⁶ Mr. Seán McGoldrick, then-Chief Executive Officer, and Mr. Michael Westenberg, Executive Finance and Regulation, TasNetworks, Transcript of Evidence, 23 February 2026, pp. 17-19.

- Executive and Board oversight
- financial forecasting and covenant monitoring
- contractor governance and performance oversight
- regulatory, planning and environmental approvals management
- ongoing landholder and community engagement; and
- escalation of material risks through TasNetworks' enterprise risk framework.

TasNetworks recognises NWTD as a major project with material enterprise implications and a high level of Board and Executive attention. Its risks are being actively managed through project, Executive and Board governance, and through TasNetworks' broader enterprise risk framework.¹⁷

Impact of greater interconnectivity on Hydro Tasmania

- 2.24 At the 10 March 2026 public hearing, representatives of Hydro Tasmania gave evidence on the effect of the decision to progress Project Marinus on Hydro, as well as the impact of the Australian Energy Regulator's decision regarding the regulation of Basslink:

Mr BOLT - ...I would like to update you on Hydro's priorities arising from the Marinus decision...

The construction of Marinus will build on what is now the pending regulation of Basslink to increase the value of our hydro-power assets and business. It will support our move from supplying bulk energy to firming new wind and solar generation as mainland coal power closes. It'll grow the most secure and clean power system in the country, support new industries and jobs and allow Hydro to earn higher revenues by generating at higher prices while importing at lower prices. And, of course, the growth of interconnection has now been locked in by both the Basslink and Marinus decisions, so the benefits can be realised now with the parallel growth in firmed renewable power, and I emphasise that there does need to be that parallel growth. Basslink and Marinus provide the foundation then the growth in power will provide the benefits; and that's what Hydro Tasmania's focus is.

Specifically, we are investing in our existing assets substantially; working with wind and solar providers to bring on new generation in the state. We are negotiating supply contracts with existing and new industries as users of power and we are continuing to develop robust business cases to inform decisions on new hydro-power works at Tarraleah and Cethana. They are prospective; they're not locked in.

I also wanted to make three points if I could... about how the market and Hydro work to clarify some points that have arisen in recent debates. First of those is that Hydro is in a sound position to realise the benefits of interconnection. We

¹⁷ Responses to questions on notice, TasNetworks, 7 May 2026, pp. 2-3.

have a strong balance sheet. We are well managed; as evidence of that, we maintained supply reliability - best in the country - and adequate water storages while returning dividends and tax payments to government through two of the driest years on record.

There will always be volatility in our returns because we have comparatively fixed costs, but revenues, which vary much more due to rainfall and market movements and the odd unexpected contingency, so changes in our revenue have much larger impacts on our margin than the actual percentage change in the revenue itself. That's why the longer-term trend over rain and price cycles is a better guide to our performance than one year's result. Over the last decade, we have returned more than \$1.2 billion to government in dividends, rates and other payments, and the outlook is for average profits to grow.

Second, we do strive to be honest and open in our public reports and statements. Whilst it is true that our accounts are complex, that's due to the complexities of our business, the complexities of the energy market, and of the mandatory accounting rules that we have to comply with. That's one reason we go well beyond annual reporting, to help parliamentarians understand our business, and we only withhold information for legitimate reasons, such as commercial confidentiality.

Thirdly and finally, we do not rely on windfalls to inflate our reported earnings. To clear up a public misunderstanding on this point, the inter-regional settlement residues, which form part of our revenue stream, are integral to the operation of the spot market. They are not a windfall. We can assure the committee that the full value of those inter-regional residues will be available for Hydro to bid for when Basslink becomes regulated; a technical point, but an important one given the debate.¹⁸

- 2.25 Mr Richard Bolt, Chair, Ms Erin van Maanen, Executive General Manager Strategy, and Mr Timothy Peters, Executive General Manager Finance, of Hydro Tasmania gave further evidence on how greater interconnectivity will change Hydro's operational behaviours to maximise profitability:

CHAIR - ...looking into the future, which all of this is, with Marinus and everything, how will that change Hydro's behaviour to maximise those returns? Behaviour in an operating sense...

Ms van MAANEN - ...I think principally if the redevelopment were to proceed, it really takes an inflexible asset that provides base-load energy and it increases its capacity from 90 megawatts to 190 megawatts; it increases the energy output by roughly 30 per cent, and it becomes a flexible asset as well. So, when I was talking earlier about our ability to move from achieving an average price outcome to a higher-volume weighted price outcome, it increases our ability to do that and to really be providing firming around increasing levels of wind and solar, whether they're built on island or able to be imported from Victoria. It really is consistent with our strategy in terms of getting the highest value from the Hydro assets that are owned by the people of Tasmania.

¹⁸ Mr. Richard Bolt, Chair, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 1-2.

Mr PETERS - To add to that, the existing Tarraleah asset is 85 years old; it's very inflexible and the time to change water flow from the dam to the station takes about four hours. The idea of the new redevelopment - if it does proceed - is you can turn that on and off. It becomes intraday, intraweek, intraseasonal, and to capture Erin's [van Maanen] point, that's where the value is - being able to do that with a station, a newer station, is really valuable to us.

CHAIR - I appreciate that value; I'm asking how Hydro will maximise the benefit of that.

Mr PETERS - The benefit is, instead of letting the old Tarraleah station run, we can turn this one on and off very quickly. We can turn it on to generate into higher prices. At the moment, with the old Tarraleah, it just runs.

CHAIR - This is off in the future when Marinus Link is probably built or being built and soon to be completed and commissioned perhaps. We hear from various parties that the price separations will be less once this all washes through. Won't there be less opportunity to make the money?

Mr BOLT - This goes back to our earlier point, doesn't it, Chair? Because we have more capacity that will be freed up to target the higher-price periods that will still occur and are occurring now, but will probably be accentuated by the closure of coal, if you have a plant that is more dispatchable, you have more ability to zoom in on those and capture them. That's the point, I think. You can earn more.

CHAIR - You only generate for generation's sake? Short-lived, perhaps, high-priced periods.

Mr BOLT - You generate to maximise value to the benefit of the state and then obviously the revenues flow from that and they ultimately benefit the state as well. It's a win-win. All of that is predicated on being free to do that by having more bulk energy supply coming from other sources, assuming that there is a growth in demand, overall demand. But, to have the ability to zoom in on those prices with about 190 megawatts that is not currently available to be dispatched exactly when we want it to be does offer some additional earning opportunities. It comes at a cost and that's the issue that the business case will have to address: is that value worth the cost?¹⁹

- 2.26 Mr Bolt, Ms Rachel Watson, Chief Executive Officer, and Mr Peters of Hydro Tasmania provided evidence on the challenges presented to manage, develop, and fund existing and future hydro assets:

CHAIR - ... there's major capital investment being considered at Tarraleah and Cethana - prospective, I think you called it - but you've also got a lot of old assets that have served the state very well, but they don't last forever either without significant expenditure. Particularly in this transition period, where there are a lot of additional pressures on Hydro to be all things to all people... are you confident that you can maintain the assets that you've got, Tarraleah and

¹⁹ Mr. Richard Bolt, Chair, Ms. Erin van Maanen, Executive General Manager Strategy, and Mr. Timothy Peters, Executive General Manager Finance, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 15-16

Cethana aside, to ensure that we can continue to operate in an effective and profitable way?

Ms WATSON - Sustaining our existing asset base is a massive focus for the organisation, and we have been increasing, in recent years, the amount of capex that we spend on the existing asset base. Typically, hydro plants about halfway through their life - at about the 40-year mark - need a major equipment upgrade, and we've had a bunch of hydro stations that have reached that point, as well as the older stations that you referred to, and Tarraleah is the prime example. We're about halfway through a major 10-year campaign to refurbish our big power stations. We're in the middle of doing one at Gordon, we're in the middle of doing one at Poatina, we're working our way over to the west coast. Lemonthyme's underway, John Butters is on the cards. We've got a very large campaign of sustaining capex that we are working our way through.

In my view, that's an enormous privilege for Hydro Tasmania. When you look at the other energy generators of comparable size to Hydro in the rest of the Australian market, other than Snowy Hydro, they're all looking at shutting down their generation assets because they're coal-fired power stations and they're basically planning to run them to failure, because they don't have a future beyond the 2030s.

CHAIR - I appreciate that. My question is more - to being all things to all people - it's really important that Hydro invests in these assets and update them and keep them going more efficiently, one would expect. That's the whole purpose of it.

Ms WATSON - Completely, and that's the whole philosophy behind what we're proposing to do with the Tarraleah redevelopment.

CHAIR - How much pressure is that putting on the current Tarraleah - let's leave the new project out of it for now - is it reasonable that Hydro can do this work and still return dividends to the government when this is critical work to ensure the longevity of Hydro?

Mr PETERS - If I may - prior to starting the Tarraleah and Cethana projects - over the previous 10 years - the investment or the reinvestment of those assets has always been handled by Hydro internally. It's been able to manage its debt limits. We see that continuing into the future. One of the issues with the major projects, subject to them going ahead, is that has increased our debt limit. On a standalone basis where Hydro operates in a normal year, it will be able to maintain its assets and deliver on its 10-year asset plan. It's proven it can do that over time.

CHAIR - ... we know the last two years particularly have been very challenging. The need to invest in the business hasn't gone away.

Mr PETERS - In those last two years - last year they would have spent over \$170 million on major refurbishments. In the year before that, they would have spent \$150 million on major refurbishments as well.

CHAIR - Yes, but I go back to the point that when you're having to invest in this without the revenues coming in, and particularly in this transition period where things are different with your access to the inter-regional revenues this year, for

example, when it's a very different arrangement to previously and will be different to what happens from 1 July –

Mr PETERS - Our outlook in a normal operating year is that Hydro can maintain and keep maintaining its existing asset space. The issue that we currently have is around the money that we choose to set aside for the major projects. If we weren't doing the major projects, would the Hydro portfolio continue to be maintained? Absolutely.

...

In a normal year when we're getting normal, average revenues from the portfolio, the spend that Hydro generates, we would be able to maintain our existing assets over that future 10-year period. There is no plan to increase our borrowings based on our current level of operations for our existing portfolio.

CHAIR - ... but in the next couple of years, when the challenging two years wash through, if you like, is it likely that Hydro is going to need additional financial support from the government to ensure that these major capital refurbishments and works can continue?

Mr PETERS - Over a period of time, Hydro might have to get more borrowings one year, but on average, it should be able to pay for itself. So, in the next couple of years, we might have to borrow a little bit more than we'd expect, but we don't see that as a long-term thing. The longer-term borrowing commitments are around the major projects, not the existing asset base.

CHAIR - Cethana and Tarraleah, you're talking about?

Mr PETERS - Yes, that's correct.

CHAIR - Yes, but that's a separate question, obviously. I think there's some expectation that the Clean Energy Finance Corporation may assist with that. Am I right?

Mr BOLT - There is, but there's still a substantial cost to be met if we proceed with them. As I said before, prospective, but still not decided. But yes, that's right, they will be part of the solution is our expectation - at least Tarraleah.

CHAIR - In terms of the challenge that we're currently seeing, is there a risk of you breaching any of your financial covenants with TASCORP to deliver the work that you've committed to?

Mr PETERS - No, I don't believe so.

CHAIR - And you've still got some headroom in the debt that you've got now?

Mr PETERS - We enter into a borrowing program every year with TASCORP, and that's what we think we can sustainably use on our asset base. We will do that. We've done that every year with TASCORP and that's signed off by Treasury. For our existing asset base, I think, again, there will be ups and downs in the short term, but over a longer period we think it'll be okay.²⁰

²⁰ Mr. Richard Bolt, Chair, Ms. Rachel Watson, Chief Executive Officer, and Mr. Timothy Peters, Executive General Manager Finance, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 28-31.

2.27 Hydro Tasmania gave further evidence on how enhanced interconnection will impact on inter-regional revenues (IRRs):

CHAIR - So then going to the third part, this next financial year, when the link will operate more freely, as you describe, how are the inter-regional revenues dealt with in that situation? When I go to AEMO's site, there's a whole range of steps in that process, so I'd like to know from the beginning to the end, because that's what makes the difference about how much money Hydro can make through this process.

Ms van MAANEN - So I guess there are a few elements to that. One thing we would like to emphasise is that the inter-regionals are an important part of how we trade, particularly across interconnection, and they contribute to the overall outcomes, but they are part of our broader portfolio and commercial and trading strategy. So, they're an important element, but they are not, in their sole right, the determinant of our earnings or our future earnings, so –

CHAIR - I appreciate that. I was asking about that part. This is one part of it.

Ms van MAANEN - I understand. So, with respect to how the inter-regionals will be handled going forward, which we've talked through previously, there will be settlement residue auctions in which market participants will be able to bid for the right to the inter-regional or a proportion of the inter-regional, based on the volume that they bid for. If you are a holder of that right, then you will receive that full IR value for that proportion of the link flow.

CHAIR - When you say the full IR value, are any costs taken out before that point?

Ms van MAANEN - No, in terms of the regulated revenue being paid to the owner of the link, that is recovered from the uses of energy through transmission charges. The proceeds from the SRA auctions reduce that. That is a separate process. But then the inter-regionals themselves that are bid for gives the holder the full right to that IR value, that full difference between the Tasmanian and Victorian price at that point in time. So, there's no deduction from that.

CHAIR - But there are still costs attributed before that value is set of what the inter-regional revenue... When that amount is determined, of how much is available into the SRA process, the residue auction process, AEMO takes out costs and things like that?

Ms van MAANEN - It's the full inter-regional residue between the prices in the two regions at the time of trading.

Ms WATSON - I think it might be helpful to distinguish between the money that participants pay in order to participate in the auction. I suspect if you've read something on AEMO's website about costs coming out, I'd have to confirm this, but I suspect that they'd deduct from those fees the costs they bear in running the auction.²¹

²¹ Ms. Rachel Watson, Chief Executive Officer, and Ms. Erin van Maanen, Executive General Manager Strategy, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 4-5.

2.28 Hydro Tasmania representatives gave evidence that IRRs are not key to Hydro's future profitability:

CHAIR - ... You've talked about firming new renewables to maximise the return to Hydro... I know it's in five-minute intervals, and it can be quite volatile at times, but how will you operate in this new environment?

Mr BOLT - I think the issue, but I'll let the team correct this while they're gathering their thoughts, is that as bulk energy is increasingly supplied by wind and solar, we can move our deployment of water to where the higher prices - just thinking about the price curve, where the higher prices are. They're there now and we could earn them more reliably if wind and solar are picking up more of the bulk energy supply. It's not so much about access or inter-regional residues. It's about being able to operate in a different part of the price curve.

CHAIR - That's assuming that you maximise the revenues from the inter-regional revenues if you're relying on the Victorian price being higher, isn't that right?

Mr BOLT - Only at such time as prices separate and, as I think Erin [van Maanen] was indicating, as interconnection grows, particularly with Marinus, we'd expect the amounts of - the times in which there is price separation, where inter-regional residues become an important access or can be an access tool to Victorian prices, they will be fewer.

CHAIR - This is the point - if they're fewer, then where is the money-making capacity for Hydro?

Mr BOLT - In the higher price periods that already exist, but we can now more reliably get access to, because wind and solar are doing more of the heavy lifting for bulk energy supply.

CHAIR - This is just counterintuitive to me. Like, we're saying here that there'll be less separation of prices, but you're going to make money in the higher price periods in Victoria? Both things don't seem to line up for me. If you can somehow explain this to someone who just doesn't get it, right?

Ms van MAANEN - Let's say, in simple terms, when we're talking about our future profitability, including the uplift we see with greater interconnection, there are a few things driving the increase in value: IRRs and access to IRRs are not a key part of that. The key parts of that are increased volatility in prices that's anticipated in the future versus now, so -

CHAIR - But only if the Tasmanian price goes up?

Ms van MAANEN - No - so, coming back to the part that we talked about, that most of the time the Tasmanian and Victorian price are equal, or roughly equal, and that we can buy the right to access the Victorian price when they're not. So, we're talking about the shape of prices more generally becoming the spread between the highest prices and the lowest prices becoming greater at times in future years, particularly as coal retires in Victoria.

We're not generating into that average price all of the time. We are trying to generate more into the higher-price periods and less into the lower-price periods. We're constrained, to an extent, in doing that today because of constraint of the

size of the link, in terms of Basslink, and also because our generation in Tasmania provides a large portion of energy to meet state needs. But we do still produce, run into a higher volume-weighted price than the average spot price, because we're generating more into higher prices and less into lower prices.

So, in the future, as the following things happen, one being more supply coming online in Tasmania - whether that be from solar or wind - that frees us up from running into average prices. The second one being increased volatility in prices generally. So, if the higher prices are higher and the lower prices are lower, regardless of whether there's a change in the average price, that increases the price we capture. The third thing being the increased interconnection that allows us to push even further into the higher proportion of prices.

They are the three things that are really driving our increased profitability in the future. Yes, if we don't have the inter-regional for particular parts of the day, week, month or year, we won't be fully accessing the Victorian price in those periods, but that is not a key determinant of the overall profitability and we can purchase those rights, as we have in the past.²²

2.29 Hydro Tasmania provided evidence explaining the applicable pricing for IRRs:

CHAIR - Can you then perhaps explain to us how - one point, I think Erin, you said that you have access to the Victorian price. Can you explain what you mean by that, because aren't all things settled at the Tasmanian price?

Ms van MAANEN - So, I'm talking about - I guess in a holistic sense, once you add the inter-regional revenue to the Tasmanian spot price. As I said previously, when the link is freely flowing and it's unconstrained, the prices closely follow, so you generally have a very similar price, noting adjusted for any specific electrical losses across the two regions.

What you have when the price is separated in that particular trading interval; we, in generating in Tasmania, would be paid the Tasmanian spot price for that generation, but if that's associated with export and we have an inter-regional for the same volume as that generation, then that inter-regional price value added to the spot price gives you the Victorian price as the sum of those two things.

It is important to note, however, that, largely speaking, we're not exposed to the Tasmanian spot price, kind of after the fact, because we have contracts in place with major industrials and with other customers in Tasmania through retailers. So, our contract position also needs to be taken into account to understand the full revenue picture...²³

2.30 The Committee heard from Ms van Maanen of Hydro Tasmania that the changes to interconnectivity and the operation of IRRs will not impact commercial negotiations with major industrial contracts:

²² Mr. Richard Bolt, Chair, and Ms. Erin van Maanen, Executive General Manager Strategy, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 8-9.

²³ Ms. Erin van Maanen, Executive General Manager Strategy, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 7-8.

Mr BAYLEY - ... you mentioned that you're negotiating new contracts with major industrials - that's something that's been in the news before. These inter-regional revenues previously under the contract sort of provided a bit of a cushion... for those major industrial contracts, increasing exposure to Tasmanian spot prices for those major industrials. So, how will Hydro replace that revenue, the annual inter-regional revenue, that previously supported major industrial contract pricing?

...

...So, as you negotiate those new major industrial contracts, how do you accommodate for this revenue that's going to be lost by Hydro?

Ms van MAANEN - So, I will probably start by saying in simple terms for us, the change in the interconnection arrangements and how inter-regional revenues will operate going forward doesn't have a direct bearing on our commercial negotiations with major industrial customers. I know there's kind of a reference to them in terms of how they are titled as inter-regional revenues, but in reality, how we operate within our business, they're a hedging tool that allows us to access, yes, the Victorian price at a time when the link is constrained.

When we're talking about our market position and the difference between Tas and Vic prices, it's important to note that, for the majority of time, the link is not constrained and when we look forward to a future where we have Basslink and Marinus Link both in operation, you would expect there would be less time when the links will collectively be constrained. So, most of the time Victoria and Tasmania are following each other in terms of price, and having access to those IRRs allows us to hedge price risk between Tasmania and Victoria in our position. So, yes, it can be termed a revenue, but it's addition to Tasmanian spot price outcomes that forms our overall revenue, noting we have contracts in place for most of our customers, including through the regulated instrument to Tasmanian customers.

So, I guess I would like to emphasise that the IRRs are largely a hedging tool for us and, yes, provide access to Victorian prices when the link is constrained. We have also always paid a price for our access to inter-regional revenues. So, the net outcome is the difference between the price we are paying for them, when we valued them originally, and what they finally settle at...

Mr BAYLEY - So, as you go into those major industrial negotiations, how does this change affect Hydro's approach to those negotiations?

Ms van MAANEN - I guess we seek to negotiate those contracts commercially, based on the cost of providing that energy to the major industrial customer over time and we need to consider that in the context of the market. I think maybe where we might have talked about that before would be an instance where we see, potentially, a change in the load and the ability to export and import allows us to balance out changes in demand. So, there is a relevance to the access to

import and export - to how we think about the opportunity cost, if you like, of major industrial load.²⁴

Alternative viewpoints on Project Marinus

- 2.31 As considered in the Committee's Interim Report, Project Marinus is a polarising, highly contentious project attracting supporters and detractors.
- 2.32 In a report entitled *Project Marinus – in Tasmania's Interest, and Australia's* dated 7 April 2026, commissioned by Clean Energy Tasmania (a sub-committee of the Tasmanian Chamber of Commerce and Industry), Mr Saul Eslake²⁵ of Corinna Economic Advisory, concludes that there are "four good arguments" for why Project Marinus "represents a sound investment for Tasmania and the Tasmanian Government":

First, it is in Australia's national interest, and in Victoria's interest - and, appropriately, the Federal and Victorian Governments are therefore footing the bulk of the capital and operating costs of the project.

Second, it provides a means of breaking the deadlock which has, over the past two decades, acted as an almost insuperable obstacle to the addition of new electricity generation capacity in Tasmania and new demand for electricity (from both existing and new businesses, and from households).

Third, it will materially enhance Tasmania's energy security, given the likelihood that rainfall over Tasmania's principal water catchment areas may continue both to decline and become more volatile and less predictable.

*And fourth, it will allow Tasmania to capture increased value from its existing and (potentially new) hydro generation assets...*²⁶

- 2.33 Mr Eslake notes the risks, and also the prospects, of proceeding with Project Marinus:

Like any major infrastructure project, Project Marinus is not without risks - including cost escalation and delays in construction, though not (given the terms on which concessional finance is being provided) higher interest rates. However it also holds out the prospects of higher returns - not just in the form of increased economic activity and greater security of Tasmania's energy supplies, but also... in the form of greater financial returns to the Tasmanian Government which can

²⁴ Ms. Erin van Maanen, Executive General Manager Strategy, Hydro Tasmania, Transcript of Evidence, 10 March 2026, pp. 5-6.

²⁵ Mr Saul Eslake served a non-executive director on the Board of Hydro Tasmania between March 2008 and September 2018, see *Initial Assessment – Potential Government Business Divestment*, dated 22 April 2025, p. 30. Accessed at: <https://www.treasury.tas.gov.au/Documents/Initial%20Assessment%20-%20Potential%20Government%20Business%20Divestment%20-%20Stage%201%20Final%20Report%20-%20April%202025.PDF>.

²⁶ Mr. Saul Eslake of Corinna Economic Advisory, *Project Marinus – in Tasmania's Interest, and Australia's*, 7 April 2026, published 22 June 2026, p.17. Accessed at: <https://www.sauleslake.info/project-marinus-in-tasmanias-interest-and-australias/>.

be used to pay for the initial costs which the Government will incur in bringing Marinus into existence.²⁷

- 2.34 At the 22 June 2026 public hearing, Minister Duigan provided evidence in relation to Mr Eslake's report:

Mr DUIGAN - ... Marinus supports the business case for new Variable Renewable Energy. Too often these benefits, as I say about energy security, dry years, they're taken for granted. Mr Eslake's report combined with the Integrated System Plan prepared by the Australian Energy Market Operator and the Whole-of-State Business Case prepared by the Department of Treasury and Finance, the Final Investment Decision Assessment Plan, the FID recommendations from Marinus Link [Pty Ltd] and from TasNetworks, all go together as a very substantial suite of documentation, opinion and advice to support why this is a good thing for Tasmania...²⁸

- 2.35 An opponent of Project Marinus, the Bob Brown Foundation, commissioned a report from Professor Bruce Mountain, of the Victorian Energy Policy Centre at Victoria University, *An analysis of the economics of Marinus Link: 2026 update*, dated May 2026.²⁹

- 2.36 In his report, Professor Mountain states his main conclusion on Project Marinus:

...is that the original case for Marinus Link – which was not compelling when it was announced - has weakened even further as technology and market developments predicted in our first (2020) report for the Bob Brown Foundation and confirmed in our 2021 report, have come to pass. The Australian, Tasmanian and Victorian governments' recent decision to proceed with Marinus Link will impose very large needless costs on electricity consumers and taxpayers.³⁰

- 2.37 Professor Mountain's key findings in his report are that:

- Analysis of Basslink flows suggests Tasmania has small exportable surplus beyond Basslink's existing capability, for less than 1 per cent of the time.
- The report argues that current Victorian midday low prices are unlikely to persist once coal closures reshape that market.

²⁷ Mr. Saul Eslake of Corinna Economic Advisory, *Project Marinus – in Tasmania's Interest, and Australia's*, 7 April 2026, published 22 June 2026, p. 17. Accessed at: <https://www.sauleslake.info/project-marinus-in-tasmanias-interest-and-australias/>.

²⁸ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 18-19.

²⁹ Prof. Bruce Mountain, Victorian Energy Policy Centre at Victoria University, *An analysis of the economics of Marinus Link: 2026 update*, prepared for the Bob Brown Foundation, May 2026. Accessed at: <https://bobbrown.org.au/new-report-finds-marinus-link-would-raise-household-power-bills-while-failing-to-deliver-promised-benefits/>.

³⁰ Prof. Bruce Mountain, Victorian Energy Policy Centre at Victoria University, *An analysis of the economics of Marinus Link: 2026 update*, prepared for the Bob Brown Foundation, May 2026, p. 3. Accessed at: <https://bobbrown.org.au/new-report-finds-marinus-link-would-raise-household-power-bills-while-failing-to-deliver-promised-benefits/>.

- Tasmania is not shown to have a durable comparative advantage in either renewable generation or electricity storage.
- Rapid deployment of electrochemical batteries across the NEM – as predicted in our initial report for the Bob Brown Foundation - has proven earlier arguments on the absence of an economic rationale for long-duration pumped hydro in Tasmania.
- Marinus Link would not have proceeded without AEMO's endorsement. The report contends that AEMO's analysis has overstated Marinus Link's benefits and understated its contingent costs.

The most predictable consumer impact of Marinus Link is a large increase in network charges, particularly in Tasmania, while offsets from inter-regional settlement residues are expected to be modest. Such large increases will occur despite very substantial taxpayer subsidy of Marinus Link and of Tasmanian transmission and hydro development.³¹

2.38 The Committee heard evidence from Minister Duigan on Professor Mountain's report:

Mr BAYLEY - ...Out of the recent report by Bruce Mountain from Victoria University, he flags the energy regulator has already approved or signalled that transmission charges in Tasmania will increase by approximately 140 per cent, Victoria by 90 per cent, and there will be a near-doubling of the regulated transmission asset base across both states. On that basis, he argues that Tasmanian power bills will absolutely rise, but you've been promising since day one that they will reduce. How can you guarantee that power bills won't increase with Marinus?

Mr DUIGAN - The numbers that you quote there are absent of any of the concessional arrangements that have been put in place. That's very, very disingenuous, if I may say, because –

Mr BAYLEY - He argues that they don't make a significant difference.

Mr DUIGAN - Well, he can argue what he likes, but the reality is that the North West Transmission Developments will be 84 per cent paid for using deeply concessional financing. The benefits of that concessionality will be passed on to customers: that's written in. That's very important. Also, as an adjunct to that, there's a \$346 million grant that will go to TasNetworks' asset base that again hasn't been factored into that. That again brings down the cost to customers. This is a project that's being delivered by three governments using all the concessionality that they are able to do, to build something for Tasmania at a much, much lower cost to customers than otherwise would be the case, and that's an advantage.³²

³¹ Prof. Bruce Mountain, Victorian Energy Policy Centre at Victoria University, *An analysis of the economics of Marinus Link: 2026 update*, prepared for the Bob Brown Foundation, May 2026, at pp. 3-4. Accessed at: <https://bobbrown.org.au/new-report-finds-marinus-link-would-raise-household-power-bills-while-failing-to-deliver-promised-benefits/>

³² Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 30-31.

Findings

The Committee finds:

1. Project Marinus Stage 1 has moved from planning to delivery, following positive final investment decisions and financial close for Marinus Link Stage 1 and the North West Transmission Developments Stage 1.
2. The Tasmanian Government's positive Final Investment Decision for Project Marinus Stage 1 was signed by the Honourable Nick Duigan MLC, Minister for Energy and Renewables, on 1 August 2025, during the 2025 election caretaker period and prior to the Fifty-Second Parliament being sworn in on 11 August 2025.
3. Financial close for Marinus Link Stage 1 was reached on 3 September 2025, and financial close for the North West Transmission Developments was reached on 8 May 2026.
4. The Tasmanian Government's decision to proceed relied on the Whole-of-State Business Case, the Project Marinus Final Investment Decision Assessment Report, recommendations from the project entities, and other government and expert advice.
5. The post-Final Investment Decision financing arrangements for Project Marinus Stage 1 reduce much of the cost exposure identified in the Committee's first Interim Report. However, it remains unclear how the costs and benefits are shared between Tasmanian customer groups, government businesses, private generators and mainland consumers, and whether the projected benefits received by Tasmania are realised, large enough and effectively passed through to Tasmanian customers.
6. The net impact of Project Marinus on electricity prices for Tasmanian customers remains uncertain. Publicly stated wholesale-price benefits must be considered together with transmission costs, concessional financing, the Commonwealth grant, customer class impacts and the regulatory pricing methodology. References to wholesale-price reductions should be understood as reductions compared with a no-Marinus case - that is, what prices are estimated to be if Marinus is not built. They do not necessarily mean that prices will fall from current levels. The Project Marinus Final Investment Decision Assessment Report models wholesale prices increasing in absolute terms under all scenarios.

7. Under the agreed Project Marinus Stage 1 cost allocation, Victorian customers will pay 72.4 per cent and Tasmanian customers 27.6 per cent of Marinus Link's annual regulated revenue requirement (annual transmission costs). This cost-sharing arrangement is separate from equity ownership and whilst more favourable to Tasmania than the former default 50:50 split, the evidence received did not clearly show how the benefits projected to accrue in Tasmania would adequately compensate Tasmanian customers who will bear the 27.6 per cent share of costs.
8. The modelled financial benefits of Project Marinus attributed to Hydro Tasmania are uncertain and depend on a range of assumptions, including sufficient new renewable generation, adequate water storages, increased market-price volatility and Hydro Tasmania's ability to shift generation to higher-value periods.
9. Hydro Tasmania's evidence established that inter-regional revenues are not the primary driver of their projected increase in future profitability.
10. The North West Transmission Developments are projects of material scale and significance for TasNetworks, including financial, delivery, safety, regulatory, and reputational risks.
11. TasNetworks advised that project risks are subject to project, executive and board oversight; however, the longer-term effect of the North West Transmission Developments on TasNetworks' financial sustainability and returns to government remains uncertain.
12. The North West Transmission Developments pose a material financial risk to TasNetworks and by extension a contingent financial risk to the State as sole shareholder.
13. The Committee received qualitative evidence that greater interconnection can improve system security and resilience. However, it did not receive a quantified assessment of the additional operational or service-level consequences that would arise specifically if the North West Transmission Developments were significantly delayed or not completed.
14. The Tasmanian Government has committed to protect existing directly connected transmission customers, including Major Industrials, from significant increase in transmission costs but the public evidence did not establish the final protection mechanism, who will be eligible, the funding

source, how long the protection will apply, how it will be indexed, or the full fiscal cost to Government.

15. The positive final investment decisions relating to Project Marinus Stage 1 do not constitute approval of Project Marinus Stage 2.

3 THE PROJECT MARINUS WHOLE-OF-STATE BUSINESS CASE

- 3.1 This Chapter focuses on the Tasmanian Government’s Whole-of-State Business Case (WoSBC) assessing Project Marinus.

Evidence received

- 3.2 The WoSBC is a 400-page “comprehensive analysis of Marinus Link and other major energy projects in Tasmania” undertaken by the Tasmanian Department of Treasury and Finance (Treasury).³³

- 3.3 Specifically, the WoSBC aimed to:

*... to assist the Tasmanian Government in deciding whether Marinus Link Stage 1 and the associated on-island transmission network upgrades are in Tasmania’s overall interests and should proceed.*³⁴

- 3.4 Treasury outlined the need for a WoSBC for Project Marinus:

The need for the WoSBC arises due to:

- the unique nature of Tasmanian Government ownership of the vast majority of the State’s electricity assets;
- the legacy of the State’s energy intensive industries; and
- Tasmania’s relatively small economy, State Budget and population and the sheer scale of the investments.

*Such characteristics are not present in other Australian jurisdictions.*³⁵

- 3.5 The WoSBC states that it is “not a traditional “commercial” business case or cost-benefit analysis but rather a holistic impact assessment which aims to provide a comprehensive and objective evaluation of the wide-ranging impacts of Marinus Link and other major energy projects”.³⁶

- 3.6 The WoSBC considered three primary cases for its assessment of Project Marinus:

³³ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 8. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

³⁴ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 8. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

³⁵ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 338. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

³⁶ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 338. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

The WoSBC is led by the Department of Treasury and Finance, with a Steering Committee of senior Government officials and an independent peer reviewer overseeing the process. Three primary cases are assessed over a 25-year period:

- “No Marinus” - which assumes Basslink remains as a fully open interconnector (at around 500 MW) and Tasmanian on-island generation is responding to Tasmania’s own assumed energy needs and the trading opportunities presented by Basslink;
- Marinus Link Stage 1 - which assumes the first 750 MW Marinus Link cable; the required Tasmanian transmission upgrades to support that first Marinus Link cable (NWTG Stage 1); and Hydro Tasmania’s proposed Tarraleah redevelopment; and
- Marinus Link Stage 2 - which assumes Marinus Link Stage 1; plus the second 750 MW Marinus Link cable; further enhancements to the Tasmanian transmission network to support that second cable (NWTG Stage 2); and Hydro Tasmania’s proposed 750 MW Cethana pumped hydro development.³⁷

3.7 The WoSBC assessment models these primary cases to 2050:

These cases represent potential future “states of the world” for analytical purposes. They are not intended to be predictive and there are other possibilities, including different staging and composition of Hydro Tasmania’s major projects which are still working through their individual business cases. Similarly, Marinus Link Stage 1 and the NWTG Stage 1 could be progressed in the absence of Hydro’s major projects.

In order to ensure that the Government has access to the WoSBC as it considers the MLPL and TasNetworks’ board FID recommendations on Marinus Link and NWTG Stage 1, the WoSBC approach allowed for information gathering and analysis throughout 2024, with modelling and inputs predominantly finalised by end-Q4 2024.

The assessment covers a 25-year period from 2025-26 to 2049-50, capturing both the construction and operational phases of the proposed projects.³⁸

3.8 Treasury used the Australian Energy Market Operator’s (AEMO) draft 2024 Integrated System Plan modelling scenarios to inform its analysis:

The WoSBC uses two scenarios from the Australian Energy Market Operator’s (AEMO) draft 2024 Integrated System Plan (ISP) - the Step Change and Progressive Change scenarios which differ in expected renewables investment, economic growth and electricity demand and the timing of emissions reduction. Using different ISP scenarios allowed for the modelling of on-island transmission projects triggered by specific load growth levels to be built by TasNetworks.

³⁷ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 74. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

³⁸ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 10. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF).

Scenario adjustments are also made to on-island generation builds by Hydro Tasmania.³⁹

- 3.9 As referred to in paragraph 1.11, a redacted WoSBC was publicly released and an unredacted WoSBC was provided to the Committee in confidence.
- 3.10 The Hon. Eric Abetz MP, Treasurer, gave evidence on the WoSBC, explained its point-in-time nature and its role in informing the Tasmanian Government's positive FID but noted the WoSBC did not make a recommendation to the Tasmanian Government to approve or not approve Project Marinus:

Mr ABETZ - ... The business case was a comprehensive point-in-time assessment designed to inform the government's consideration of Marinus Link stage 1 and the associated North West Transmission Developments.

The business case was completed in April 2025, with modelling inputs finalised by December [20]24. This was ahead of further regulatory, commercial and procurement information that became available prior to Cabinet's final investment decision.

The whole-of-state business case, therefore, did not make a recommendation, but instead provided detailed analytical support to government...The government's FID was taken after considering not only the business case but also the recommendation of the Marinus Link Pty Ltd and TasNetworks boards...⁴⁰

- 3.11 The WoSBC was informed by two attachments:
- the Deloitte Marinus Link Electricity Market Modelling Final Report;⁴¹ and
 - the Centre of Policy Studies Modelling Assessment of the Economic Impacts of Project Marinus and Associated Projects Report.⁴²
- 3.12 Treasury was also informed by inputs provided by government businesses:⁴³

³⁹ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 10. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF)

⁴⁰ Hon. Eric Abetz MP, Treasurer, Transcript of Evidence, 26 February 2026 pp. 29-30.

⁴¹ Department of Treasury and Finance, *Project Marinus Whole of State Business Case Attachment 1 – Deloitte* <https://www.treasury.tas.gov.au/Documents/Attachment%201%20-%20Deloitte%20-%20Marinus%20Link%20electricity%20market%20modelling%20final%20report.PDF>

⁴² Department of Treasury and Finance, *Project Marinus Whole of State Business Case Attachment 2 – Centre of Policy Studies* <https://www.treasury.tas.gov.au/Documents/Attachment%202%20-%20Centre%20of%20Policy%20Studies%20-%20Modelling%20assessment%20of%20the%20economic%20impacts%20of%20Project%20Marinus%20and%20associated%20Project.PDF>

⁴³ Department of Treasury and Finance, *Project Marinus Whole of State Business Case*, p. 94. Accessed at: [https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20\(Redacted\).PDF](https://www.treasury.tas.gov.au/Documents/Project%20Marinus%20Whole-of-State%20Business%20Case%20Report%20(Redacted).PDF)

Appendix 4.1: WoSBC summary inputs information

WoSBC Input	Finalised	Key Assumptions and Inputs
Deloitte energy market modelling (refer Attachment 1)	Dec-24	<ul style="list-style-type: none"> AEMO's Draft 2024 Integrated System Plan (ISP) Treasury adjusted Hydro generation assets, existing and new
Centre of Policy Studies (CoPS) economic modelling (refer Attachment 2)	Dec-24	<ul style="list-style-type: none"> AEMO's Draft 2024 ISP Tasmanian and Victorian new entrant generation builds modelled by Deloitte Capital expenditure profiles, employment, export/import component and other project specific information supplied by project proponents
Hydro financial modelling	Oct-24	<ul style="list-style-type: none"> Tarraleah redevelopment (P50) cost estimate (as at July 2024) Cethana pumped hydro (P50) cost estimate (as at June 2024) Hydro's internal energy market modelling (2024)
TasNetworks' financial modelling	Jul-24	<ul style="list-style-type: none"> NWTD Stage 1 (P50) cost estimate (December 2023 - AEMO's Draft 2024 ISP) NWTD Stage 2 (P50) cost estimate (December 2023 - AEMO's Draft 2024 ISP)
MLPL financial modelling	Nov-24	<ul style="list-style-type: none"> Marinus Link Stage 1 (P50) cost estimate (November 2024 - AER Marinus Link's Stage 1 Revenue Proposal – Part B (Construction costs)) Marinus Link Stage 2 (P50) cost estimate (December 2023 - AEMO's Draft 2024 ISP)
Government finance modelling	Feb-25	<ul style="list-style-type: none"> 2024-25 Revised Estimates Report Government businesses' financial modelling

- 3.13 Mr Seán McGoldrick, then-Chief Executive Officer of TasNetworks, gave evidence on the extent to which TasNetworks was involved with the WoSBC:

Mr McGOLDRICK - We look at each individual project from a system point of view. I view the Whole-of-State Business Case as it's a business case; it was the state's business case. Our responsibilities here are to run prudent and efficient expenditure on the power system. If AEMO [Australian Energy Market Operator] puts a project in its Integrated System Plan, we would go ahead and bring it through its development path. If one of our contingent projects is triggered because we have a load application or a generation application, we would go ahead and process and deliver the most prudent and efficient expenditure to deliver that requirement. That's our job.

CHAIR - ... to what the impact would be on the assumptions in that Whole-of-State Business Case if a project didn't proceed or was significantly delayed...?

Mr McGOLDRICK - We did not do the studies. We did not do the analysis on the whole-of-state business case. We certainly provided input data and we responded to inquiries. We've given them the best view of what we see as our power system, currently and moving into the future. But what was put in or not put in to any individual study or decision or business case, that was somebody

*else's responsibility. We just made sure when we were putting things in that they were correct. We received draft versions that were redacted that just had our portions, and we just made sure that our portion was correctly reflected. That was our involvement in the Whole-of-State Business Case.*⁴⁴

- 3.14 Ms Stephanie McGregor, Chief Executive Officer of Marinus Link Pty Ltd (MLPL), provided the extent of MLPLs involvement with the WoSBC process:

Ms McGREGOR - *On the Whole-of-State Business Case, we as Marinus Link provided inputs to the Tasmanian Treasury specifically relating to Marinus Link. We were only privy to the elements that relate to Marinus Link. We were not involved in the commissioning of the rest of the work that was done to support the Whole-of-State Business Case. Some of that detail is more appropriately addressed towards Tasmanian Treasury and the relevant shareholding minister. We were not privy to the whole-of-state business case and haven't seen the whole document, only the publicly redacted elements.*

...

*During the preparation of the whole-of-state business case by Treasury, we were invited for a very brief moment - about an hour - to have a look at content relevant specifically to our project. That was the extent of our opportunity to look at any material relating to the Whole-of-State Business Case.*⁴⁵

- 3.15 In response to questions on notice, Treasurer Abetz provided further evidence on the oversight and independent review of the WoSBC and the treatment of the modelling used:

The WoSBC was overseen by a cross agency Steering Committee established under formal Terms of Reference (WoSBC Appendix 4.2), including an independent peer reviewer, Glenn Appleyard (former Tasmanian Economic Regulator). The Committee guided the Treasury Project Team, ensured rigorous scrutiny of inputs, and secured full participation from Hydro Tasmania, MLPL, TasNetworks and relevant agencies. This governance model provided a structure whereby the key commercial, technical, financial and policy dimensions of the Project Team's findings could be challenged (when appropriate) to test their veracity.

The WoSBC is a Treasury-authored document, prepared in Treasury's capacity as the Government's central economic and financial adviser. The analysis, conclusions and presentation of material in the WoSBC were wholly undertaken by Treasury and was prepared independently of Government direction, ensuring that Ministers received an objective, analytically grounded assessment to support - but not predetermine - policy and investment decisions.

The WoSBC drew on several independently developed modelling platforms, including:

⁴⁴ Mr. Seán McGoldrick, then-Chief Executive Officer, TasNetworks, Transcript of Evidence, 23 February 2026, at p. 11.

⁴⁵ Ms. Stephanie McGregor, Chief Executive Officer, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, at p.8.

- Deloitte's PLEXOS based wholesale electricity market modelling, which is independent of Hydro's modelling;
- CGE economic modelling by the Centre of Policy Studies (Victoria University);
- MLPL's EY built financial model; and
- Hydro Tasmania's internal PLEXOS models which are specially tailored for the Tasmanian system.

These models are developed and maintained by their respective organisations and subject to their own validation processes, providing an additional layer of independence.

Hydro provided Treasury with 14 market scenarios - nine internal and five external consultant derived scenarios - allowing Hydro to benchmark and test its internal assumptions against industry-recognised projections and to illustrate the potential spread of future revenue outcomes.

Beyond wholesale-price projections, Deloitte also undertook broader NEM-wide PLEXOS modelling for Treasury to help assess revenue implications for Hydro Tasmania and test the robustness of Hydro's internal revenue scenarios (including dispatch outcomes, price spreads and generation profiles).

Section 4.2.6 makes clear that Treasury did not audit or independently quality-assure the underlying models. These models are extremely large and highly complex, many having been developed over years with specialist tools, datasets, optimisation engines and deep domain knowledge. As the WoSBC notes, Treasury reviewed models at a "high level for reasonableness" and it would be neither feasible nor proportionate - given the time, cost and specialist expertise required - to re-build, independently replicate or externally audit the full suite of modelling used by Hydro Tasmania, MLPL or TasNetworks. Model interpretation and accuracy remain the responsibility of the businesses and their consultants. Several models were provided in draft form with legal disclaimers restricting reliance by third parties.

The WoSBC highlights that:

- it relies on complex models, some custom, some "off the shelf";
- key project inputs were still being finalised at the time;
- Treasury's scrutiny prompted multiple modelling iterations, demonstrating the sensitivity of results; and
- model outputs are indicative rather than definitive, given uncertainty, simplifications and model error.

...

For customer bill impacts, the WoSBC combined Deloitte's wholesale-price modelling, TasNetworks' transmission-price modelling, and Treasury's treatment of Government rebates (including the Tarraleah-related rebate). Consistent with Chapter 7 and the WoSBC limitations, these results are indicative only and heavily dependent on wholesale price trajectories in Victoria.

Overall, the WoSBC treats modelling as an input to judgement, reflecting its status as a point-in-time assessment intended to inform - not determine - Government decision-making. For this reason, the WoSBC did not make a specific recommendation on whether to proceed with Marinus Link Stage 1 but instead provided the analytical foundation for Government decision making.⁴⁶

Claims and assumptions in the Whole-of-State Business Case

- 3.16 Witnesses provided evidence in relation to the claims and assumptions on aspects of the WoSBC of interest to the Committee, as well as the WoSBC attachments, particularly the modelling in the Deloitte report.
- 3.17 Mr Anton Voss of the Department of Treasury and Finance responded to questions about any changes or updates to the core modelling scenarios or any further work undertaken by Treasury since the WoSBC was concluded:

CHAIR - ... there have been quite a few changes since the original business case was prepared, as I understand it, and the October 2024 evidence suggested that the project assessment relied on AEMO scenarios, progressive change, step change and a hydrogen-related scenario and associated modelling. The Deloitte modelling used for the Whole-of-State Business Case is based on the AEMO draft 2024 ISP scenarios. So that's the background.

Have the core modelling scenarios been materially changed from what witnesses said they relied on in October 2024 and, if so, can you explain what has changed, why those changes were necessary, and provide a sensitivity showing how our conclusions shift if the scenarios are run without those adjustments?

...

Mr VOSS - ... We did a range of scenarios in the Whole-of-State Business Case, as you are aware, so no Marinus, Marinus stage 1, Marinus stage 2. We looked at a range of demand profiles from AEMO using what we had available at the time, which was the 2024 draft integrated system plan from AEMO. That deals with a whole range of supply and demand forecasts across the entire NEM, including Tasmania. We looked at some load-growth scenarios. We looked at hydrogen development, for example. We looked at contingent projects that TasNetworks might need to support those developments, and that load growth, obviously, included the hydro projects as well, but the base behind all that, as you say, was the AEMO 2024 ISP.

The document, the Whole-of-State Business Case is a point-in-time document. We're very clear about that in the executive summary and throughout, and it was presented to the government in that light. As the Treasurer said, after the Whole-of-State Business Case was presented, a range of additional information came from the various boards, from Hydro Tasmania as well. The government also did some further negotiation with the Australian Government, as the Treasurer says and as you're aware, around equity capping, for example, and also the \$346 million grant.

⁴⁶ Responses to questions on notice from Hon. Eric Abetz MP, Treasurer, 24 March 2026, pp. 4-6.

That was the position as it was presented, and we haven't done - since then - an update with the AEMO ISP profiles. The decision has been made. The AEMO and ISP profiles are different and they were different in 2022, and they will be different again in 2028. They change quite a lot between each biennial release. I think we actually mentioned that in here as a risk or something to consider. They do change quite significantly, but again, that was the information the government had before them at the time they had to make the decision.

...

CHAIR - The changes from the 2024 ISP.

Mr VOSS - Yes.

CHAIR - How does that change the picture for Tasmania, or doesn't it?

Mr VOSS - Compared to the most recent ISP, are you talking about?

CHAIR - Yes.

Mr VOSS - We haven't done the modelling for that. It did change, so it changed demand profiles, for example, was my recollection. They changed across the country; they changed their expectation around probabilities of demand profiles across the country, so - testing my memory here, it was well over a year ago now - I think the likelihood in the 2024 ISP of the so-called progressive change scenario and the step change scenario was about the same on probabilities, that AEMO, the Australian Energy Market Operator, had. It was about 35 per cent each, from memory, and then they had a green hydrogen superpower option which we didn't look at. In fact, when they do these scenarios, they do a whole range of them and they pick the sort of most optimal development path out of those. I think there are well over a dozen that they actually have, ultimately, and then pick a range of them. The most recent update, again testing my memory, does show different demand profiles, as you'd expect because they do change every two years. We haven't done an update of the modelling since then. The modellings are very complicated and an expensive exercise and the decision around final investment decision has been made. So, we haven't done an update since then.⁴⁷

- 3.18 Mr Voss gave comprehensive evidence about how the WoSBC, and its attachments, model the impact of Project Marinus on wholesale pricing on regulated customers:

Mr BAYLEY - ...we [have] heard evidence about the household benefits of Marinus and there was an exchange about how those figures are often quoted without the transmission costs, which is where we know a lot of the increases are going to come, and the Deloitte report attached to the Whole-of-State Business Case explicitly warned that wholesale prices are not retail prices and that that report didn't actually model retail prices.

⁴⁷ Mr. Anton Voss, Executive Director, Project Marinus Whole-Of-State Business Case, Department of Treasury and Finance, Transcript of Evidence, 24 February 2026, pp 30-32.

The heart of this I'm trying to get to is where the public statements about consumer savings are consistent with what the Whole-of-State Business Case actually models and what it doesn't model and show. The question really is, can you set out the method used in the Whole-of-State Business Case to translate wholesale modelling outputs into a net bill impact for Tasmanian households once Marinus and North West Transmission Developments charges are incorporated, plus whatever offsets are planned - and confirm whether that method differs from what was relied on for the hearing in a dollar-per-customer ... context...

...

The real question is whether there have been any changes to the way the modelling has been done. The Deloitte report did demonstrate under one scenario, Marinus Link 1 versus no Marinus Link, a 59 per cent increase in wholesale prices. Can you outline whether there have been any sort of changes in the context of or review of that work?

Mr VOSS - ...we don't have a redone modelling... But I don't think the fundamentals are any different, and if the committee will indulge me, this stuff is complicated and there's a lot of moving parts.

CHAIR - It's all the more reason to try to explain it to people.

Mr VOSS - Yes, and so I will try to go through this in pieces.

The first thing I'd say is to stress again that regulated customers, so that's households and small business customers, the pricing that they currently pay and have paid for many years for wholesale energy, so the price of energy generated largely by Hydro Tasmania, but not exclusively now, references the price in Victoria. That has been the case for a very long time and is still the case. There's a whole range of reasons for that.

If you step back - there's a couple of markets, I suppose. We will start with wholesale; I will do it in pieces if I can. There's like the wholesale energy, there's distribution, which is the small poles and wires down your street. There's the transmission, which is the big stuff going over the farmers land, and then there's this other stuff at the end: retail margins and various other bits. All those add up to the bill.

Mr BAYLEY - And that's the price stack, effectively?

Mr VOSS - Yes, the price stack. Let's start with the wholesale energy bit because that's sort of the more complicated bit. As I said, the wholesale energy price has for many years and continues to be linked to the price in Victoria. We are connected to Victoria through Basslink. The price that the Tasmanian economic regulator looks at - and it's done independently, there's a model which is all covered on the regulator's website about how they work those prices out - it does take some Tasmanian conditions into account, for example, around dam levels and various other things.

The regulator works through a wholesale price for Tasmania largely based on the Victorian market... with regard to the wholesale prices that go into mums and

dads' prices and small business regulated prices, they look at contract prices, they look at forward prices that are in the market - so the price for the next year as it's currently trading, that's a forward price, a contract price. The other one that is often talked about is the spot price. That's the price that's happening right now. I've actually just pulled it up because you can pull it all up on the AEMO website. The spot price in Tasmania, as we speak, is \$88.12. The generators around the country - Victoria is [\$]62 - the generators around the country put in bids continuously, 24 hours a day, seven days a week, and the price changes every five minutes. That's spot price.

In theory, the spot price over time will reflect the forward contract prices, so when they're making the market - the price in a year's time from now will be \$88, they're predicting on the basis of the average of all the spot prices every five minutes, 24 hours a day, 365 days a year; in theory, those two things should largely equate. So the wholesale spot price, which is often talked about, and no doubt you're going to talk to me about arbitrage at some point, maybe you're not, there's a range of things that sit behind the energy trading that Hydro does and all generators do, and there are complications between contracts that they strike with major industrial customers, contracts they strike with retailers, hedging they might do, and then the spot price, which is the thing that's going on, which is really how the generators are actually paid through the Australian Energy Market Operator.⁴⁸

3.19 Mr Voss then specifically addressed the modelling in the Deloitte report:

Mr VOSS - ... So just stepping back a bit: the wholesale energy modelling that we did for the Whole-of-State Business Case –

Mr BAYLEY - This is the Deloitte report?

Mr VOSS - The Deloitte report. Essentially we tried to - the modelling, it's a PLEXOS-based model it's called, it's a particular brand that most in the market use - essentially where it goes is it goes on a whole range of assumptions, it tries and calculates, based on load profiles, supply in the market, what these prices will be going forward. So in the case of the Whole-of-State Business Case we went 25 years forward and in this document, which is fully publicly available, we have in here the expectations around wholesale prices - ...

... It tries to model what forward prices are going to be going, which we did. So, it's very long on assumptions and Hydro does this modelling as well. A whole range of market participants do this modelling to try to work out what's going to happen with prices going forward. The wholesale price - going back to the start, the wholesale price in Tasmania that goes to mums and dads and small business, set by the regulator, relates to prices in Victoria and, as I said, the challenge is there is a range of different prices you look at, but it basically it reverts to prices in Victoria. So that's been the case for many years and remains to be the case.

⁴⁸ Mr. Anton Voss, Executive Director, Project Marinus Whole-Of-State Business Case, Department of Treasury and Finance, Transcript of Evidence, 24 February 2026, pp. 37- 39.

... our modelling says, and this is consistent with modelling I've seen from Hydro, third parties, some public and some confidential: over time, as the NEM transitions from coal to more renewables, the wholesale energy price across the National Electricity Market - so Tas, Vic, Queensland, South Australia, New South Wales - will go up. It will go up in nominal terms anyway because of inflation, but more broadly, it will go up because you are pulling a lot of that coal out of the system and they've got to replace it with new stuff. So that means that over time the tide rises. So, absolute prices in the NEM will go up, and that's what our modelling shows, and because Tasmania is linked to Victoria, and because regulated prices reference Victoria, and market prices reference Victoria, the overall energy price for wholesale energy, the price that generators receive, will go up over time.

Just to give you, again, the scale: Yallourn in Victoria is a - that coal plant is over a gigawatt, so that's more than Tasmania is currently using today. So, right now, in the last five minutes, we used 766 megawatts of energy across the state. That's all the major industrials, mums and dads, business, used 766 megawatts five minutes ago; Yallourn is over a gigawatt - so, that's in Victoria; and then Eraring in New South Wales is 2.9 gigawatts coal-fired. Those plants are running 24/7, 365 days a year. They are massive coal-fired power plants. They're coming out because of all the issues around climate and carbon, et cetera. Those things are going to be expensive to replace, and they've got to come up with batteries, renewables - Hydro's going to participate through Marinus Link. That's why electricity prices in the NEM over time - in the modelling, at least - in the modelling on various assumptions, will rise progressively...

CHAIR - The wholesale price?

Mr VOSS - Wholesale prices. Then to that you add transmission prices, distribution prices and the other small bits for retail margin, et cetera.

Mr BAYLEY - But this report you're quoting that was informing the Whole-of-State Business Case, I mean, it has a Marinus Link, one cable versus - relative to no Marinus Link in a volume-weighted average price, which shows that there's going to be a 59 per cent increase in that wholesale price in Tasmania versus a 7 per cent decrease in Victoria. That's what it shows on page 20 [of the Deloitte Report], as I understand it.

Under a no-Marinus Link situation Tasmania experiences a moderate price increase relative to Victoria. This is associated with minimal load growth and limited exposure to market volatility in mainland NEM states. Relative to no Marinus Link, the Marinus Link one-cable scenario results in relatively higher Tasmanian prices in line with Victorian price trends due to greater exposure to mainland NEM market dynamics from 2030 onwards. So, given that, wholesale prices plus local transmission costs that get laid on top on the stack, plus whatever else, how is it that the government has anchored the whole argument around Marinus on it reducing power prices?

Mr VOSS - It goes back to that Victorian number. So, see that Victoria number's lower, that you're quoting, minus-\$11 megawatt hour, as modelled, or whatever the period that was on average. Tasmanian prices reference Victorian prices. The

regulator goes and looks at Victorian prices. So, if the Victorian price is lower by \$11 a megawatt hour, then the Tasmanian price will be lower because it references that price. The Tasmanian price in here, which you're looking at, which is the no-Marinus price, if we don't do it - and this gets a little bit complicated when we go through it - the reason why it goes up, no Marinus versus Marinus 1, in a wholesale sense, is, as you say, it's the connection between Tasmania and Victoria. Just economic theory would show you if you get more interconnection, and you have less constraints, then the price will rise going forward. The Tasmanian price in this circumstance also relates to how much generation is built in Tasmania. If you go to another section of –

Mr BAYLEY - Forgive me, but it says here that there's a \$40-a-megawatt hour, or 59 per cent increase, relative to no Marinus.

Mr VOSS - For the wholesale spot price, not the contract price. So, that Tasmanian price –

CHAIR - Doesn't the spot price inform the wholesale price 12 months out? That's what you were saying earlier.

Mr VOSS - Again, just going back to the start: the Victorian price is the thing we reference right now, have done for years and will continue to do; not the Tasmanian price. The Victorian price will be lower because when you connect Marinus up, Hydro will be able to send energy to Victoria during periods when the price is particularly high. I think the cap price in the NEM is around \$16,000 a megawatt hour. So, when there's really tight supply and really high demand, Hydro will be able to step in, send energy north to Victoria and keep those prices - the peaks of those prices - lower, which is where that minus-\$11 number's coming from.

Mr BAYLEY - So, where does the plus-\$40 for Tasmania come from?

Mr VOSS - That is relative to us not doing Marinus [Stage] 1... ⁴⁹

- 3.20 The Treasurer provided further evidence on notice to the Committee on why the WoSBC combines network charges with wholesale-market modelling to discuss net customer impacts, explaining the methodology used to translate market modelling outputs (wholesale price/dispatch results) into retail bill outcomes, and regulated tariff mechanics (standing offer/OTTER methodology) into projected customer impacts, while avoiding double counting or omission:

Wholesale price forecasts from Deloitte's PLEXOS modelling are converted into the wholesale energy component of Tasmanian regulated retail tariffs on the basis that:

- Tasmanian wholesale contract prices reflect modelled Victorian wholesale spot price trends; and

⁴⁹ Mr. Anton Voss, Executive Director, Project Marinus Whole-Of-State Business Case, Department of Treasury and Finance, Transcript of Evidence, 24 February 2026, pp. 39-41.

- Regulated retail tariffs incorporate those contract prices as per existing wholesale-pricing regulatory settings.

These wholesale-energy components are applied to representative customers (residential: 7 932 kWh; small business: 20 000 kWh) to produce the wholesale price contribution to annual bills. The analysis compares with and without-Marinus wholesale price outcomes, yielding the wholesale price component of bill differences.

This process is undertaken for the various WoSBC scenarios (Progressive Change, Step Change, Stage 1, Stage 2) ensuring consistent treatment of load, network and wholesale assumptions.

The WoSBC emphasises that the bill impact analysis is not intended to replicate a full OTTER standing offer determination. Instead, it

- holds distribution prices constant;
- applies TasNetworks' modelled transmission charges, and
- as outlined above, links wholesale prices to modelled Victorian prices as per the current wholesale pricing regulatory framework.

The analysis uses a "before and after" method, comparing modelled future bills to the 2024-25 estimated bill for each customer class. It does not construct a full retail tariff model, because the purpose is to isolate marginal Marinus-related impacts rather than forecast full retail bills.

The WoSBC avoids double counting by separately calculating:

- transmission price impacts (TasNetworks modelling);
- wholesale price impacts (Deloitte modelling); and
- the Tarraleah related rebate (Treasury modelling as a distinct offset, noting this is yet to be confirmed as a policy outcome as explained in the answer to Q2 above).

These three elements are then combined to show net bill impacts, with the decomposition for residential customers shown explicitly in Figure 7.18.

The methodology is fully documented in:

- Section 7.2 - Approach to customer price impacts
- Section 7.4 - Transmission price impacts
- Section 7.5 - Wholesale price modelling
- Section 7.6 - Rebates
- Section 7.7 - Combined bill impacts⁵⁰

3.21 The WoSBC includes a dedicated discussion on the customer bill impact in Chapter 7. In response to a question on notice, the Treasurer provided evidence elaborating on how the impacts were modelled, distinguishing what was a

⁵⁰ Responses to questions on notice from Hon. Eric Abetz MP, Treasurer, 24 March 2026, pp. 6-7.

modelling assumption versus what was a firm policy commitment, particularly around rebates/credits and the intended pass-through of any concessional finance benefits:

The WoSBC's bill-impact results in Chapter 7 rely primarily on modelling assumptions, not settled policy decisions, regulatory outcomes or final project costs. The only element that can be characterised as "firm" (in the sense of existing approved policy) relates to existing Government concessions that continue irrespective of Marinus Link (e.g. pensioners, Health Care Card holders). These concessions apply irrespective of Marinus Link's construction and therefore were excluded from bill-impact comparisons.

Other rebates or transfers are assumed for modelling purposes only. For example, the WoSBC assumes that the Renewable Energy Dividend (RED) program does not apply after 2024-25, because Hydro's Corporate Plan profit projections at the time of preparing the WoSBC were insufficient to generate RED payments and the scheme is due for review in 2028.

Instead, the WoSBC assumed the RED was replaced by the Tarraleah concessional-finance rebate. The WoSBC assumed this was delivered as an annual fixed rebate to all residential and business customers (excluding Major Industrial customers). However, the Tarraleah project is not yet confirmed and as such, no decisions have yet been made by Government as to eligibility, delivery mechanism or quantum. The Tarraleah rebate was included for pricing purposes because the construction of Tarraleah was incorporated into the Marinus Stage 1 WoSBC scenario.

The WoSBC does not label a specific scenario explicitly as "no rebate" but the document provides equivalent comparisons so the individual impacts can be determined (e.g. waterfall charts include the isolated bill impact of the Tarraleah rebate across various scenarios).⁵¹

- 3.22 The Treasurer provided further information on how the legislated 200 per cent Tasmanian Renewable Energy Target (TRET) was treated in Deloitte's market modelling which is a departure from the AEMO's Integrated System Plan:

The WoSBC explains that its wholesale price and investment modelling modifies the standard AEMO Draft 2024 ISP settings so that the Tasmanian Renewable Energy Target (TRET) is not "forced" in the model. Deloitte's Electricity Market Modelling report notes that:

"Unlike AEMO's 2024 ISP, TRET is not assumed under any of these scenarios and sensitivities. This is to understand how Marinus Link may impact achievement of TRET if it is not assumed as a requirement in the model. This modelling approach allows for new generation capacity to be installed in response to Tasmanian market conditions and effect of Marinus Link on the achievement of TRET."

Accordingly, TRET is treated as an observed outcome, not a binding input. This approach allowed Treasury to show:

⁵¹ Responses to questions on notice from Hon. Eric Abetz MP, Treasurer, 24 March 2026, pp. 2-3.

- how much additional renewable generation Marinus Link enables; and
- whether TRET is achieved earlier, later, or not at all under different Marinus and No Marinus scenarios.

The Deloitte modelling tracks TRET achievement under each scenario. Under Step Change, TRET is achieved - and accelerates - when Marinus Link 1 and 2 proceed (M1SF and M2SF). Under some Progressive Adjusted scenarios, TRET is achieved later or not at all within the modelling horizon. While TRET is established in legislation, it functions as a policy target rather than a mandated build path; renewable proponents will still make commercial decisions based on project costs, expected revenues, and environmental and planning requirements.

Regarding Hydro Tasmania's generation assumptions, the Deloitte report sets out the detailed basis for the modelling. These assumptions incorporate updated information provided by Hydro for the WoSBC, including specific capacity uplifts at Tarraleah, the West Coast, Gordon, Poatina and, for Stage 2, Cethana. Deviations from AEMO's Draft 2024 ISP are documented in both the Deloitte report and Chapter 4 of the WoSBC (Methodology).

These modelling choices do influence the results. Removing TRET as a binding requirement and applying Hydro-updated Tasmanian capacity assumptions change the timing of renewables development, shift wholesale price outcomes in both Tasmania and Victoria, and alter export volumes and the pattern of new generation builds. These effects underpin the wider modelling insights and provide context for the Hydro-related assumptions used in the WoSBC.

The WoSBC analysis applied the two highest probability NEM scenarios in the Draft ISP - Step Change and Progressive Change - but modified them to reflect specific Tasmanian Government policy positions and updated Tasmanian-specific information, rather than simply adopting the NEM-wide ISP settings unchanged. These refinements were necessary to ensure the modelling captured Tasmania's likely future load profiles, including the potential emergence of hydrogen production or other major industries enabled by Marinus Link. While additional scenarios could have been included, the selected suite was considered sufficient to give Government a robust understanding of plausible future market conditions, noting the cost, time and resourcing constraints in preparing the WoSBC.⁵²

Non-release of the Whole-of-State Business Case in 2025

- 3.23 As the Committee noted in its Interim Report, the Tasmanian Government promised to publicly release the WoSBC 30 days before the Project Marinus FID was required in August 2025. The WoSBC was not released 30 days before the FID.
- 3.24 The House of Assembly Select Committee on Caretaker Conventions recently heard evidence from Minister Duigan about why the WoSBC was not released until after the positive FID:

⁵² Responses to questions on notice from Hon. Eric Abetz MP, Treasurer, 24 March 2026, pp. 3-4.

CHAIR [Ms Badger] - ... So on the matter of being transparent at all times: the government had previously committed to releasing the whole-of-state business case 30 days prior to a decision being made; part of caretaker conventions is not exclusively consulting with the opposition parties but ensuring there is transparency for the community. Why then did you not transparently put forward the whole-of-state business case at the time of making that decision, let alone 30 days prior to making the decision, as you had pledged to do?

Mr DUIGAN - ... I think what is very important to understand is that at that time and through that period of time up until, you know, the signing of the Tasmanian Government Final Investment Decision for Marinus, there were very material conversations happening with the Commonwealth Government about the Tasmanian position and what we were seeking from the Commonwealth as one of the shareholders in Project Marinus to help the Tasmanian position, and I believe we got to a really positive place in that in terms of capping our equity, securing a very large grant; but the important part, the Whole-of-State Business Case, contained confidential information, particularly around Hydro Tasmania, and we were very keen that that information not be in the public realm and not be shared with the Commonwealth because that would seek to undermine our negotiating position. So, that was the key rationale for why we couldn't put the Whole-of-State Business Case out in the public, because it was unhelpful in the conversations that we were having with the Commonwealth.

CHAIR - So, just to clarify that decision, even putting out a redacted version you chose not to do on the basis of Hydro's figures; and was it you, Minister, that made the decision not to put out the Whole-of-State Business Case?

Mr DUIGAN - So, the whole-of-state business case is a Treasury document.

CHAIR - Okay. So, Treasury decided not to release it as you'd previously promised?

Mr DUIGAN - Yes. Well, it doesn't live in my realm, so, no, it was not a decision I made.

Mr WINTER - ... given what you said about the reasons why you couldn't release the Whole-of-State Business Case, why was the commitment made initially that you would?

Mr DUIGAN - Well, I think, you know, in the normal course of events, you know, potentially that was what we would have hoped to have done. There may have been some redactions required, but, you know, as it was - and I won't speak for the Treasury, but as it turned out, there was this period of negotiation that was ongoing and did not complete until Tasmania took a FID decision. So, in the context of that we felt that the benefit of keeping that information private and not giving the Commonwealth the opportunity to look under the hood of Hydro was worth, you know, not putting that information into the public realm.

Mr WINTER - The way Ms Badger just outlined this - correctly, if I recall - is that the statement was that you would release the business case at least 30 days prior to a decision being made, which demonstrates there'd been some thought put into it; what was the change in thinking from when the Government initially said you would release the business case, until afterwards, when you wouldn't?

Mr DUIGAN - So, you know, again, I would lean on the fact that we had these ongoing negotiations with the Commonwealth, you know, they were material. We're talking about millions upon millions of dollars year on year that we were able to secure in that last piece of those negotiations, and it was agreed that we wouldn't jeopardise those negotiations by releasing information that might run counter to those aims.⁵³

- 3.25 The House of Assembly Select Committee on Caretaker Conventions also questioned the Premier as to the rationale for the delayed release of the WoSBC until after the signing of the FID. At a public hearing the Premier and Mr Shane Gregory, Acting Secretary of Building Tasmania, who previously held senior roles in the Department of Premier and Cabinet (DPAC), discussed the matter:

CHAIR [Ms Badger] - ... your Government had previously committed to releasing the Whole-of-State Business Case transparently to Tasmanians, and after having seen it and received it yourself, determined not to. Premier, can you help us understand how, and who, made that decision not to release the Whole-of-State Business Case to Tasmanians at that point in time? Was it the Minister for Energy? Was it the Treasurer? Or is that more of a whole-of-Cabinet decision?

Mr ROCKLIFF - Well, we wanted to ensure that we got the best deal possible from the Commonwealth, and between the months of - if my memory serves me correctly - April [2025] and the signing, we extracted a better deal from the Commonwealth to the tune of millions of dollars in the best interests of Tasmanians. That is my job, to do that. I take responsibility for getting the best deal for Tasmanians, and I'm aware also that I well and truly staked my leadership on it, as has been reported, such is the significant benefit to Tasmania...

...

Mr GREGORY - ... In essence, the Whole-of-State Business Case laid everything bare. We identified that there were risks in terms of the capital exposure in the delivery of the Marinus Link and risks in terms of flow-through costs to consumers, in particular, direct connect customers, to TasNetworks.

There was an extensive negotiation going on with the Commonwealth to address both of those issues. The Commonwealth had the view that it should take into account Hydro's performance and financial position in terms of reaching that negotiation. That's not a position that applied in Victoria, that the Commonwealth wasn't looking at the performance of electricity generators in Victoria, that they wanted to do that in Tasmania.

On the basis that Hydro and its assets and its performance and everything that it does is as a result of 100 years of investment by the Tasmanian community, the steering committee formed the view that was inappropriate to do that. We didn't

⁵³ Hon. Nick Duigan MLC, Minister for Energy and Renewables, House of Assembly Select Committee on Caretaker Conventions, Public Hearing, Transcript of Evidence, 15 June 2026, pp. 2-3.

think that was in the best interest of the state, and that's the advice we provided through to Cabinet, through the Energy Minister, that it was not appropriate, and in fact, it would be very damaging to the negotiations that were being led by the Secretary of DSG [the Department of State Growth] at the time in achieving the best outcome. So, that's the advice we provided very, very strongly, through the Energy Minister, to Cabinet.

Mr ROCKLIFF - It was our intention, Chair, to release the Whole-of-State Business Case, as committed. However, due to the ongoing negotiations with the Federal Government, it would have been very disadvantageous to Tasmania to do so, again, acting in the best interest of Tasmania. So, from the beginning, we always sought to achieve the best outcome for Tasmania through the Project Marinus investment.

Of course, the detail of the Whole-of-State Business Case showed the benefits arising from Marinus to Tasmania, and I've mentioned some of that today in terms of our bottom line, but also opportunities to improve the outcomes for Tasmania by negotiating strongly with the Federal Government in relation to Marinus agreements on behalf of the Tasmanian people.

We were negotiating with the Commonwealth to cap our equity exposure in Marinus and seek financial contributions to reduce the financial impact of transmission charges on consumers through the Commonwealth funding for the North West Transmission Developments, for example. So, the Federal Government wanted to factor into those negotiations the underlying financial performance of Hydro, an existing Tasmanian community asset, and the upside that would've been realised through Project Marinus. As Mr Gregory's pointed out, Hydro is the product of 100 years of investment by Tasmanians for Tasmanians, and that shouldn't be leveraged by the Federal Government to limit their investment into Marinus, which is strategically important for the nation, not just for Tasmania. As a state, we did not believe this was appropriate. For this reason, we made a commercial decision to withhold the business case, as we progressed negotiations, to ensure that we did not compromise those negotiations and get the best deal for Tasmania.⁵⁴

- 3.26 At the 22 June 2026 public hearing, Minister Duigan gave evidence about why the Tasmania Government did not allow the federal government to review the finances of Hydro Tasmania as modelled in the WoSBC throughout the Project Marinus negotiations:

Mr BAYLEY - ...In relation to this and projections going forward in the Business Case, last week in the caretaker convention committee, you said numerous times, as did some other witnesses, that you basically withheld information from the Commonwealth during negotiations by not letting them look...under the hood of Hydro; that's an omission that could cost Tasmania dearly into the future if things don't work out. Why did you do that and what were the things that you

⁵⁴ Hon. Jeremy Rockliff MP, Premier, and Shane Gregory, Acting Secretary, Building Tasmania, House of Assembly Select Committee on Caretaker Conventions, Public Hearing, Transcript of Evidence, 3 July 2026, pp. 11-13.

didn't want the federal government to see under the hood of Hydro? Does it relate to these projections or are there other things that you didn't want the federal government to see?

Mr DUIGAN - Well, I think as a broad principle, the federal government would have some interest in what's the upside for Hydro and whether that should in some way offset how much it would invest into Project Marinus. So, if the federal government saw substantial upside for Hydro Tasmania, as may have been reported in the Whole-of-State Business Case, then it may have felt less inclined or less compelled to provide more support for Tasmania.

Mr BAYLEY - Why is that? Is that simply because Tasmania should be expected to do it on its own two feet because of the profitability for Hydro or is it something to do with Snowy 2.0 and the competition between the two? What is it that was driving their negotiation then?

Mr DUIGAN - Well, it is the fact that Tasmania is one of the few jurisdictions that still owns its major generating assets, and by proxy they can be seen as an arm of government. If the generator is doing well then the government is doing well and that might obviate the need for the federal government to step in to provide support where we would say it's not something you'd be asking AGL - wouldn't be letting you look under the hood to see what sort of dollars they were going to make and the same should be true for Hydro Tasmania.

Mr BAYLEY - AGL is not a public company and they're not a shareholder in the exercise.

Mr DUIGAN - No, my point is if this were being contemplated in a jurisdiction where a privately-owned company owned the generating assets, they wouldn't be leant on to do the heavy lifting.

Mr BAYLEY - Do you still think it's appropriate to sort of withhold this kind of information from a negotiating partner, a shareholder in the project?

...

In many ways it's misleading by omission because they're not getting to see the full story.

Mr DUIGAN - No. I would say it's absolutely appropriate that I try to secure the best deal possible for Tasmania.

Mr BAYLEY - Including by withholding information? Isn't it by the strength of the argument and the strength of the negotiation based on the data that's on the table?

Mr DUIGAN - I don't agree with your characterisation. I will continue to put the interests and the outcomes for Tasmania above those other considerations.

Mr BAYLEY - What happens if the assumptions that the federal government were left with - assuming because they didn't have access under the hood - what happens if they don't come to fruition and cost them more? Do you see any liability for Tasmania as a result of this?

Mr DUIGAN - No. I think what is generally and broadly acknowledged is that Project Marinus is good for Tasmania, but it also provides benefits for the national electricity network and for Victoria and the Commonwealth Government and shareholders in that outcome, and they have made their investments in full view of those benefits that will be realised.⁵⁵

Findings

The Committee finds:

16. The Whole-of-State Business Case (WoSBC) was a point-in-time assessment, rather than a traditional commercial business case or cost-benefit analysis, and did not contain a recommendation on whether Project Marinus should proceed. The WoSBC was provided to the Tasmanian Government in April 2025.
17. The Whole-of-State Business Case was undertaken prior to the renegotiated Commonwealth equity cap and \$346 million grant (announced 1 August 2025), the Marinus Link Pty Ltd and TasNetworks Final Investment Decision recommendations (May 2025), Hydro Tasmania's supplementary modelling (June 2025), and advice from the Expert Advisory Panel (June 2025).
18. The Whole-of-State Business Case relied on complex modelling and inputs from multiple entities. The Department of Treasury and Finance reviewed the models at a high level for reasonableness but did not independently audit or replicate the underlying models.
19. Key modelling inputs were predominantly finalised by December 2024, and the Department of Treasury and Finance has not updated the modelling to reflect subsequent changes to Australian Energy Market Operator scenarios or other material developments.
20. The Department of Treasury and Finance has not updated its core Whole-of-State Business Case modelling scenarios against more recent Australian Energy Market Operator Integrated System Plan (ISP) releases, notwithstanding evidence that ISP demand and probability assumptions change materially between each biennial release.
21. The modelling altered some Australian Energy Market Operator assumptions to reflect Tasmanian policy and project information, including treating the Tasmanian Renewable Energy Target as an outcome rather than a binding model input, a modelling choice which the Department of Treasury and Finance has stated materially affects the timing of renewables development and wholesale price outcomes in both Tasmania and Victoria.
22. The Whole-of-State Business Case results are indicative and sensitive to assumptions, rather than definitive forecasts of future prices, generation, government returns or customer bills.

⁵⁵ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 3-4.

23. The Whole-of-State Business Case customer retail bill analysis estimates the additional effect of Project Marinus-related transmission costs, wholesale-price changes and assumed rebate components under the current pricing framework. It is not a forecast of customers' future total retail bills, and it does not reproduce a full standing-offer determination by the Tasmanian Economic Regulator.
24. The Whole-of-State Business Case's combined customer retail bill results include a Tarraleah-related rebate as a modelling assumption. The Tarraleah project has not been finally approved and the rebate was not a settled policy commitment. Its eligibility rules, delivery mechanism and amount remained undecided.
25. The modelled wholesale benefit for households and small businesses depends on the current Tasmanian wholesale-pricing method, which refers to Victorian contract prices. If that pricing method changes materially before Project Marinus begins operating, the way Victorian wholesale-price effects flow through to regulated Tasmanian tariffs could also change.
26. The Tasmanian Government committed to publicly release the Whole-of-State Business Case 30 days prior to the Project Marinus Final Investment Decision but this did not occur.
27. The Tasmanian Government stated that release of the Whole-of-State Business Case was delayed to avoid prejudicing negotiations with the Australian Government. This prevented Parliament, independent experts and the Tasmanian community from scrutinising the analysis before the investment decision was made.
28. Neither Marinus Link Pty Ltd nor TasNetworks were provided an opportunity to review the Whole-of-State Business Case in its entirety; each business was shown only material specific to its own project, and for a limited period.

4 PROJECT MARINUS STAGE 1 FINAL INVESTMENT DECISION ASSESSMENT REPORT

Evidence received

- 4.1 A key piece of work considered by the Tasmanian Government in making its positive FID was the assessment by the Project Marinus Taskforce, governed by the Energy Executive Steering Committee (EESC), encapsulated within the Project Marinus FID Assessment Report:

Project Marinus is not a typical private sector large capital project just requiring a company board approval. It also involves a strategic decision for Government with implications for the Tasmanian community at large.

To ensure the Government is equipped to consider broader policy, financial, economic, social and environmental implications of Project Marinus, the State FID recommendation considers eight government-endorsed criteria.

These specific criteria are broadly aligned with the key categories of a typical FID but have much greater focus on approvals, agreements and financial factors – all being assessed through the lens of net benefits to the State. Overseen by the Energy Executive Steering Committee (EESC), the Project Marinus Taskforce completed an assessment against these eight criteria based on information from multiple sources, including the WoSBC (April 2025), the MLPL and NWT D FID recommendations (May 2025), Hydro Tasmania detailed analysis (June 2025), independent advice from the Project Marinus Expert Advisory Panel (June 2025), recent renegotiations with the Australian Government (June, July 2025) and other due diligence conducted by the State. These sources have been supplemented by additional written input from developers and stakeholders.⁵⁶

- 4.2 The Project Marinus Taskforce comprised of:

...officers from the Departments of State Growth, Premier and Cabinet, and Treasury and Finance, and supported by the Office of the Crown Solicitor, [Redacted] and an Expert Advisory Panel.

The independent advisers included an Expert Advisory Panel (EAP) of five experts - the Chair and CEO of Hydro Tasmania (Richard Bolt and Rachel Watson respectively), the Chair of TasNetworks, Roger Gill, and two independent, highly qualified energy market experts, Dr Kerry Schott AO (Chair of the EAP) and Mr Paul Binsted.⁵⁷

- 4.3 The EESC, who approved the FID Assessment Report, comprised of:

⁵⁶ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 7. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

⁵⁷ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 25-26. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

...the Heads of Agencies for the Department of State Growth, Department of Premier and Cabinet, Department of Treasury and Finance, and the Department of Natural Resources and Environment Tasmania.⁵⁸

- 4.4 The EESC “reported to the Energy Committee of Cabinet prior to the election being called [and] [d]uring the caretaker period, the EESC became the authorising environment for this advice prior to it being presented to Cabinet.”⁵⁹
- 4.5 The FID Assessment Report evaluates eight criteria to see if Project Marinus was in Tasmania’s best interest:

...The eight agreed assessment criteria define the elements of what ‘in the State’s best interest’ means and provide a way to evaluate the information available across financial, economic, social, environmental, community, project, and market benefits, impacts and risks.

To support a transparent and consistent assessment across a mix of quantitative and qualitative data, each of the eight FID criteria has defined parameters and thresholds, which guide whether the criterion is assessed as clearly met, partially met, or not met.

The FID criteria provide a structured framework for evaluating the project’s merits and risks. They are not individually weighted and are intended to inform, rather than strictly determine, the final investment decision. The assessment does not require every criterion to be fully met in order to support a positive FID. Instead, the decision is based on whether, taken together, the criteria demonstrate that the project delivers net benefits to the Tasmanian community, aligns with strategic objectives, and that any identified risks and impacts can be acceptably managed or mitigated.⁶⁰

- 4.6 The FID Assessment Report provides a description of criteria assessment methodology that formed the basis of the EESC’s recommendation:

An assessment of the criteria was completed and considered all available inputs...assigned a rating and documented its justification...Where a policy decision had already been taken by the Government, and which could provide a mitigation that improved a criterion assessment, these were considered. This is the “Current rating” in the table. Other possible mitigations were also considered which could change the assessment of partially met or not met criteria (should a future government pursue the mitigation). This is the “Mitigated rating” in the table below.

⁵⁸ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 26.
Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

⁵⁹ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 26.
Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

⁶⁰ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 35.
Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

The EESC made its recommendation based both on the current ratings and potential future mitigated ratings.⁶¹

- 4.7 At Table 3 of the FID Assessment Report, there is a summary of the eight criteria, the assigned current and mitigated rating, together with conditions to meet the mitigated rating:⁶²

Table 3: Final assessment results

Criteria	Current rating	Mitigated rating	Conditions to meet mitigated rating
1 Acceptable typical customer bill impacts, by customer	Partially met Small customer bill increases of less than 10% and material impacts for Direct Connect Customers (Major Industrials)	Partially met	Small customer bill impacts do not materially worsen Government will need to consider the mechanism to be used to offset customer bill impacts for Transmission Direct Connect Customers (including MI's).
2 Acceptable FID recommendation from MLPL and TasNetworks	Not met Conditional FID recommendations	Partially met	Agreement between the state and TasNetworks on the manner in which conditions regarding equity commitments and Treasurer's borrowing guarantee can be resolved).
3 Acceptable equity exposure	Not met No approved equity	Partially met	Marinus Link: Execution of amendments to the Marinus Link shareholders agreement that allows for Tasmania's equity contribution to be capped at our existing investment of \$103.5m and for Tasmania's shareholding to be diluted as further equity is contributed by other shareholders. TasNetworks: An incoming government would need to include funding (of \$191 million) in the State Budget for the NWTD, and provide an equity contribution agreement (or similar) noting that TasNetworks and the State bears the risk of project cost overruns

⁶¹ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 37. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf

⁶² Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 37-38. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf

4	Individual projects financially sustainable	Partially met Marinus Link is financially viable but the NWTD is not	Partially met	The Marinus Link remains financially sustainable. The NWTD financial model is reviewed to improve outcomes, noting this could be at the expense of passing on concessional financing benefits to customers.
5	Acceptable impact on state finances, budget & credit rating	Clearly met Strong modelled government returns driven by Hydro Tasmania	Clearly met	That Project Marinus costs do not materially increase, which would likely impacts returns from MLPL and TasNetworks and that Hydro Tasmania returns do not materially worsen.
6	Tasmanian economic impacts	Clearly met Very strong economic and employment impacts	Clearly met	That the investments which drive economic and employment figures are realised at the scale and timing currently envisaged.
7	Tasmanian environmental and social impact	Partially met Mixed social and environmental outcomes Strong contribution to state/national energy and emissions reduction targets	Partially met	The scale of investment will have mixed outcomes and may require future consideration from government.
8	Acceptable outcomes for the Tasmanian energy market	Clearly met Unquestionable improvement in energy security	Clearly met	No material adverse technical implications arise that materially change the assessment undertaken at FID.

- 4.8 Although redacted, it is apparent that a consultant or expert “was engaged to support the Project Marinus Taskforce’s assessment of the FID criteria and review supporting materials provided by MLPL [Marinus Link Pty Ltd] and TasNetworks.”⁶³ What was in scope and out of scope for the consultant or expert was set out in the FID Assessment Report:

[REDACTED] scope included assessment of the completeness of the issues considered in FID recommendations, review of the documentation supporting these recommendations, and the identification of any potential information gaps or areas that required clarification. It also included commentary on how these recommendations compare with typical project development status when other organisations are considering FID.

[REDACTED] scope did not include the provision of advice on whether the final advice to Government should recommend proceeding with FID, or not.

[REDACTED] found the Taskforce’s assessment of the FID process to be comprehensive and well-founded, noting that the assessment developed against eight government-endorsed criteria focused on a broad range of inputs. concluded that this process has enabled the Taskforce to form a well-evidenced view of the benefits, risks, and trade-offs to support the Tasmanian Government

⁶³ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 37-38. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

in making an informed investment decision on Stage 1 of Project Marinus.
[REDACTED]

In terms of assessing the information-base for the FID recommendations of MLPL and TasNetworks:

- [REDACTED] found that while MLPL's FID recommendation is conditional, the supporting information is generally complete. However, the nature of the recommendation is atypical when compared to a standard commercial FID, with several critical path activities remaining unresolved, exposing shareholders to risks unusual at FID, but of which MLPL are explicitly aware.
- [REDACTED] found that TasNetworks' FID recommendation for the NWTD was highly conditional, with significant information gaps. In addition, the nature of the recommendation is atypical when compared to a standard commercial FID, with many critical path activities remaining unresolved, exposing shareholders to risks unusual at FID, but of which TasNetworks are explicitly aware.⁶⁴

Renegotiation with the Australian Government after June 2025

- 4.9 A key development after the prorogation of Parliament in June 2025, and included in the FID Assessment Report, was the Tasmanian Government's negotiation of a \$346 million Commonwealth grant to offset the cost impacts of Project Marinus Stage 1 on Tasmanian consumers.
- 4.10 At the 24 February 2026 public hearing, Treasurer Abetz provided evidence that the Tasmanian Government's FID did not occur until after the grant was received:

Mr ABETZ - ... The government's FID was taken after... the changed arrangements subsequently negotiated with the Australian Government, including the provision of a \$346 million Commonwealth grant to TasNetworks. This grant, formalised through an amendment to the Federation Funding Agreement, is intended to reduce the non-concessional component of TasNetworks' regulated asset base, and therefore helps to mitigate transmission price impacts on Tasmanian customers...⁶⁵

- 4.11 Mr Gary Swain, Secretary, and Mr Anton Voss, Executive Director, Project Marinus Whole-Of-State Business Case, of the Department of Treasury and Finance gave further particulars on the \$346 million Commonwealth grant:

Ms FINLAY – ... the \$346 million amount negotiated and will go to TasNetworks, depending on how that's treated will have a material impact on the benefits to consumers. Can you outline for the committee your instructions to TasNetworks

⁶⁴ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 40.
Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf

⁶⁵ Hon. Eric Abetz MP, Treasurer, Transcript of Evidence, 24 February 2026, pp. 29-30.

on how you expect them to treat and how to apply those funds over different parts of the business?

...And over which part of the system will it be applied? Because depending on where the transmission impacts it's directed - connected customers or contracted customers - it will have a material difference to the consumer.

Mr VOSS - ...these things are still being worked through and, ultimately, TasNetworks is working through these matters as well. ... The federal financing agreement, with regard to this payment, I'm pretty sure is actually online.

CHAIR - It's quite a long document.

Mr VOSS - It's quite a long document. It has a timeframe of the delivery of the \$346 million - my recollection is July 2029, which is around the timing of the commissioning of the NWTD. That's sort of the milestone. So, when the NWTD is built and it's commissioned, then the payment flows from the Commonwealth government. My expectation is it's going to come as a grant from the Commonwealth government to the state, like most payments are made to the state. In this case, the expectation would be that it would go to TasNetworks as a grant. Again, that's still got to be worked through.

CHAIR - As opposed to an equity transfer?

Mr VOSS - As opposed to an equity transfer. Part of the reason behind that is still being worked through with the AER, even in this circumstance, because this is a bit unusual. This is not something that happens frequently in regulated, massive transmission businesses around the country. The intention behind it is to reduce the regulated asset base, and this goes to Ms Finlay's question, so that all customers would benefit from that. How that works is the regulated asset base - again, don't quote me - but I would say for argument's sake, it's \$2 billion. That \$346 million will come off the regulated asset base. Therefore, when the AER does its standard regulatory calculations on the regulated asset base and applies a weighted average cost of capital to that, the number is lower than \$2 billion - it's \$1.7 billion or whatever the number is going to be. So therefore, the charge to customers - all customers: major industrials, mums and dads, businesses - will be lower as a result of that because the regulated asset base is smaller and therefore the weighted average cost of capital is applied to that. When it's applied to a smaller number, it's a smaller revenue requirement.

That's my expectation of how it's to happen. Again, I will caveat that they're still working through this with the AER because it's not something that's usual. I think it's going to be treated something like a standard customer contribution. But that's my understanding of how it will flow. It should be captured in the upcoming Budget because I do think it captures it in the very far out year of the forward estimate.

Mr BAYLEY - Just to be clear: across the whole regulated asset base, not just North West Transmission Developments.

Mr VOSS - Again, that is my understanding. It's to help customers more broadly.

CHAIR - TasNetworks confirmed that.

...

Mr SWAIN - That was the exact point I was going to make. I think there has been discussion about if it were applied narrowly to the project because of the concessional finance, it would be a very limited benefit to customers. It's been applied in a way that will maximise the benefit to the Tasmanian customer.

Mr VOSS - That's correct.⁶⁶

- 4.12 Minister Duigan gave evidence that the “\$346 million grant that will go to TasNetworks' asset base that again... brings down the cost [of Project Marinus] to customers.”⁶⁷

- 4.13 Minister Duigan gave evidence on the total electricity bill impact of Project Marinus in the FID Assessment Report:

CHAIR - ... Can I ask, are the FID Assessment Report figures of \$16 to \$155 intended to represent total bill impacts, or networking component impacts only, and what is the implied total impact in dollars for each particular customer class?

Mr DUIGAN - My memory of that is that they are total bill impacts, but do not include the value of the grant that was secured from the Commonwealth Government, the \$346 million, so I think they are blind to that, which brings down the costs, I think, for residential customers to around \$2 per annum and, I think, for small business it's around \$104.

CHAIR - How many?

Mr DUIGAN - [\$]104, if memory serves.

CHAIR - That's for the total bill impact?

Mr DUIGAN - Total bill impact.⁶⁸

- 4.14 The FID Assessment Report states that negotiation also resulted in the dilution of Tasmania's equity share in MLPL:

The Tasmanian and Australian Governments have reached an agreement to improve the financial position of Tasmania under Project Marinus [REDACTED]. Key elements include a \$346 million Commonwealth grant to help offset electricity transmission costs for Tasmanian consumers, and a cap on Tasmania's equity contributions at \$103.5 million, removing the need to contribute a further \$98.5 million in equity. This deal will reduce annual transmission charges by approximately \$15 million for existing transmission costs, better protecting Tasmanian households and businesses.

[REDACTED]

⁶⁶ Mr. Gary Swain, Secretary, and Mr Anton Voss, Executive Director, Project Marinus Whole-Of-State Business Case, Department of Treasury and Finance, Transcript of Evidence, 24 February 2026, pp. 32-33.

⁶⁷ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 31.

⁶⁸ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 28-29.

As a result of reducing Tasmania's equity share, the State's exposure to cost overruns and potential wind-up costs will be mitigated. While Tasmania will retain decision-making rights over key reserved matters, [REDACTED] its overall influence will diminish over time due to shareholding dilution and associated changes in governance arrangements.⁶⁹

- 4.15 Minister Duigan told the Committee that Tasmania retained an MLPL board member position:

Mr DUIGAN - ... one of the good things we did do in that last bit of negotiation, when we kept a seat at the board despite the dilution of Tasmania's equity position...⁷⁰

- 4.16 On 3 June 2026, Minister Duigan appointed former minister, Matthew Groom, as a Director of MLPL.⁷¹

- 4.17 The FID Assessment Report details the impact of the renegotiations with the Australian Government on Tasmania's shareholding in MLPL over time:

o Equity – through re-negotiations with the Australian Government (June, July 2025) Tasmania has been relieved of any further equity contributions, which in-turn relieves the State's budget (minimum of \$98.5 million saving). At Tasmania's current sunk investment of \$103.5 million our shareholding is 17.7 per cent. Over time as the remaining shareholders (Australian Government and Victoria) contribute equity – Tasmania's share will reduce from 17.7 per cent to approximately 9 to 11 percent depending on final project cost.

o Returns to Government - once operational, MLPL will deliver positive returns to all shareholders, including Tasmania. At 17.7 per cent, Tasmania's share was estimated to be \$12 million per annum. These returns will reduce proportional to Tasmania's final shareholding.

Options and recommendation

- 4.18 At page 105 of the FID Assessment Report, the EESC states its conclusion:

The FID Assessment confirms that there is both a credible and strong investment case for the Tasmanian Government to consider taking a positive FID for Stage 1 of Project Marinus. There remains a task to develop appropriate mitigation policies, however, most of these issues are not expected to materialise until the project is commissioned in 2030-2031.⁷²

⁶⁹ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 33. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

⁷⁰ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 30.

⁷¹ Premier of Tasmania website, *Energy leader Matthew Groom appointed to Marinus Link Board*, 3 June 2026. Accessed at: <https://www.premier.tas.gov.au/latest-news/2026/june/energy-leader-matthew-groom-appointed-to-marinus-link-board>.

⁷² Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, p. 105. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

4.19 The EESC presented two options in the FID Assessment Report to the Tasmanian Government:

The FID is to be determined by the Tasmanian Government, and it is considered that there are two options available:

Option 1 – *take a Positive FID for Project Marinus Stage 1: the State agrees to proceed on the basis of:*

- i. *Improved energy security outcomes for the State*
- ii. *Project Marinus enabling significant returns from Hydro Tasmania to the State, circa \$470 million²⁰ per annum on average over 20 years in nominal terms, but acknowledging this is based on modelling, there will be significant volatility between years and there are scenarios where returns will not be as favourable. However returns are still expected to be positive and exceed costs of the project to the Tasmanian community in the conservative scenario.*
- iii. *An extended construction stimulus for the north and north West of the State and resultant job opportunities*
- iv. *Measures that reduce the cost impact of Project Marinus on Tasmanian customers including:*
 - *An Australian Government grant of \$346 million to TasNetworks to reduce its existing transmission Regulatory Asset Base which equates to an [sic] reduction of customer costs of around \$15 million per annum.*
 - *A cost allocation arrangement for the Marinus Link component that will see Victorian customers pay 72.4 per cent of its annual transmission costs.*
 - *Deeply concessional debt financing for Project Marinus provided by the Clean Energy Finance Corporation.*
 - *Modest Tasmanian wholesale pricing reductions are modelled relative to a no Marinus world for residential and small business customers, noting wholesale prices increase in absolute terms under all scenarios.*
- v. *the benefits above outweighing and providing the ability to offset (if such a policy were pursued) the costs of the project which are primarily:*
 - *increased electricity bills to Tasmanian customers equivalent to an annual cost of approximately \$105 million per annum.*
 - *additional equity investments to TasNetworks totalling \$191 million and the risk of cost overruns on the NWTD requiring further equity injection*
 - *initial lost returns from TasNetworks of \$93 million over the five years to 2030 and a further \$205 million over the next 20 years to 2050, noting that these losses may be able to be improved through adjustments to the NWTD financial model (subject to higher customer contributions).*
- vi. *A Positive FID being subject to satisfaction of the following conditions:*

- A Federal Financial Agreement being entered into with the Australian Government for the \$346 million grant.
- The satisfactory finalisation of transaction documentation that can be executed by the Minister for Energy and Renewables and/or the Treasurer as appropriate.

This option is recommended.

Option 2 – take a Negative FID for Project Marinus Stage 1: the Government may elect not to take the project forward due to the following reasons and with the following consequences:

- i. The 2025 Pre-Election Financial Outlook confirms a fiscal position for the State which has no flexibility to deal with material additional cost.
- ii. The risks of cost overruns for mega projects such as the NWTD are high and additional equity would need to be met by the Government as shareholder.
- iii. Many elements that would normally be expected at a FID (e.g. final revenue determination, environmental approvals) are outstanding for Project Marinus with the State having little control over their delivery. There are material contract termination cost exposures for the shareholders if the project is cancelled [REDACTED] for the State if the project is wound up at the end of 2026).
- iv. Forecast returns to government will be volatile and based on modelled outcomes that are subject to many market variables that could change before commissioning and over the 40-year life of the asset. Other risks include sovereign, regulatory, technology and competition risks.
- v. While a negative FID triggers negotiations under the existing shareholders' agreement for Marinus Link that could allow the other owners to pursue the project, there is unlikely sufficient time for this to yield a path to the project proceeding.
- vi. Should the negotiations referred to in paragraph (v) not resolve a path forward and the project is terminated, then the following outcomes are likely to eventuate:
 - The State's existing equity contribution at the time of FID of \$103.5 million in Marinus Link is sunk
 - Additional wind-up costs of ~\$2 million for Marinus Link would be incurred by the State through its shareholding
 - It is unlikely that such favourable concessional financing terms will be available if interconnection is considered again in the future as the NEM would have implemented other solutions to the renewables transition.
 - Economic stimulus and modelled returns to Government are foregone.
 - Increased risks to energy security in the event of an outage for Basslink and estimated end of life by 2046.

This option is not recommended

If Option 1 is taken, the Minister for Energy and Renewables (as shareholder in Marinus Link and TasNetworks) and the Treasurer (shareholder in TasNetworks), should finalise and execute all necessary transaction documents that will progress the positive FID, including, but not limited to:

- Marinus Link Shareholder Agreement amendments
- Equity contribution agreement for Marinus Link with MLPL and other Marinus shareholders
- Equity contribution agreement for TasNetworks
- TasNetworks exemptions and approvals to utilise non-TasCorp financing
- Marinus Link Equitable Share Mortgage Deed
- Cost allocation bilateral
- Formal responses to MLPL and TasNetworks Boards on their conditional FID recommendations.⁷³ [original emphasis]

Post-FID governance for Project Marinus Stage 1

- 4.20 Section 9 of the published FID Assessment Report provides for the post-FID governance for Project Marinus Stage 1:

... there will be ongoing strategic and project level risks post-FID that will require active management from the businesses and shareholders. There are a number of mechanisms proposed, including through an amended Marinus Link Shareholders' Agreement (SHA), and additional company and Tasmanian state-specific arrangements, to manage identified risks.

Proposed under an amended SHA for Marinus Link:

- **Budget Oversight Committee** to provide shareholders oversight of project spending and any budgetary issues.
- **Project Oversight Committee** to maintain oversight and engage with the delivery of the project.
- **Ongoing working groups**, including shareholder officer-level tripartite working group, senior official's shareholder forums, and company/shareholder communications group.
- **Stringent project reporting obligations, including (but not limited to)**

⁷³ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 105-107. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf, including internal Footnote 20 in the publication which states - The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

- o detailed project execution and management plans
- o monthly progress reports on scope, cost, schedule and risks
- o key risks and mitigations, including NWTD-related risks that the business may be aware of (such as potential delays to revenue determination or contingent project applications)
- o progress on satisfying conditions subsequent.

- **Shareholder Reserved Matters** in which shareholders have decision rights over key project matters.⁷⁴ [original emphasis]

Claims and assumptions in the FID Assessment Report

- 4.21 The Committee questioned witnesses on the veracity of some of the assumptions and claims contained in the FID Assessment Report, and requested updated information, modelling and estimates.
- 4.22 MLPL gave evidence on the veracity of criterion 5 modelling on returns to government which are based on 800 MW of new renewable generation in Tasmania by 2034:

CHAIR - ... in the Project Marinus Stage 1 Final Investment Decision Assessment Report, approved by the Energy Executive Steering Committee in July 2025, criterion 5 states the Project Marinus generates an:

Acceptable impact on State finances, budget & credit rating –

That is on pages 8 and 9 of that report. However, the condition associated with that criterion states:

These returns are modelled on the basis of a maximum of 800 MW of new renewable generation being operational in the State by 2034. Without this new generation, Hydro Tasmania will not be able to maximise the benefits of further interconnection. A future government may have to consider whether it intervenes to ensure the generation is in place and this may come at the expense of some of the forecast returns.

That part is a matter for Hydro and the government, but what's your assessment of the likelihood of this new renewable generation actually being built? Have you a probability on that because it's pretty contingent? All the modelling and that's contingent on this.

Ms McGREGOR - As Prajit mentioned, we've done some of our own modelling as part of the regulatory process which has been going on since 2019 and very much follow the assessment of the market and the market dynamics that is undertaken around projects like this by AEMO. Prajit, did you want to speak to any specifics on that?

⁷⁴ Department of State Growth, *Project Marinus Final Investment Decision Assessment Report*, pp. 100-101. Accessed at: https://www.recfit.tas.gov.au/_data/assets/pdf_file/0006/598110/Project-Marinus-Final-Investment-Decision-Assessment-Report.pdf.

Mr PARAMESWAR - ... Chair, Tasmania has the one of the best wind resources in the NEM. This is not only based on historical analysis that has been released very recently, but also AEMO's draft integrated service plan talks about the levelised cost of energy of Tasmanian wind being one of the lowest in the NEM.

CHAIR - We haven't had many wind farms built in recent times.

Mr PARAMESWAR - That is mainly an outcome of the supply-demand balance that we have here. When you don't have access to market, it is very difficult for you to build something new. We believe that Marinus Link provides that access to market that wind proponents will need in the future. Even if you look at TasNetworks' Annual Planning Report, it talks about approximately 5000 megawatts of prospective wind developers knocking on their doors now that Marinus Link has got FID and financial close.

CHAIR - Knocking on the door and saying, 'Hello, we are here' is a little bit different from getting approval in the state. We've seen some real challenges in getting approval, not for the wrong reasons necessarily, but it's just been a very lengthy process for a lot of proponents. To be clear, Prajit, are you telling me that because Marinus is now underway, that will change?

Mr PARAMESWAR - I won't be able to speak about changes in regulatory processes or approvals, but what I will say is we have four or five wind farms that are operating. We've got Woolnorth, we've got Musselroe, we've got Granville Harbour, we've got Cattle Hill. What I also know is that there are three or four wind farms that are knocking on the door and are working very closely with TasNetworks. What I also understand is we're in 2026, and they've got a few years of lead time to develop. From my perspective, very simplistically, there's a lot of work to do and I don't think anyone is saying it's going to be easy. What I can say is with the capacity factors we have in Tasmania for wind, and I've personally done this analysis many years ago, the internal rate of return you have for a wind farm developer is reasonably workable.

CHAIR - If you had to give a probability from zero to 10 of the 800 megawatts being built, where would you place it?

Ms McGREGOR - It's probably not one for us to comment on. As Prajit mentioned, we won't be participating in generation trading. We are here as an enabling link. It's not really one for us to comment on probability.⁷⁵

- 4.23 The Committee put the view of Professor Bruce Mountain to MLPL on Tasmania's lack of competitive advantage for new renewable energy production:

Mr BAYLEY - Can I go back to the 800 megawatts of new wind development and put to you some evidence we heard from Bruce Mountain in Victoria, an expert and academic in this area. He told the committee, firstly:

In terms of energy production, Tasmania has no meaningful advantage relative to the mainland on clean energy production. Its wind production

⁷⁵ Ms. Stephanie McGregor, Chief Executive Officer, and Mr. Prajit Parameswar, Chief Financial and Commercial Officer, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, pp. 18-19.

has, on average, a slightly higher yield, but it's considerably more expensive to build wind farms in Tasmania than it is in Victoria.

Solar has no advantage at all, according to him. His question, and he poses it to us as an inquiry, so I will put it to you:

The question, therefore, for this inquiry, as well as for the Tasmanian government, is: who will pay for Marinus in the first instance? Not the capital outlays.

You've got that squared away, of course.

The critical variable is, who's going to accept the regulatory right to impose it on customers? It can't be determined by the authorities. It needs to be determined by governments. The question is: why would Victoria be willing to pay a penny for any storage service that it can meet itself at a fraction of the cost of what it can get from Tasmania? Tasmania does not have the storage resource now. There is no free resource available. Even if it was, the enormous cost of the interconnection needs to be amortised.

What do you say to his take on the meta economics of this?

Ms McGREGOR - Marinus Link is aware of the Victorian Energy Policy Centre's [VEPC] submission to the committee and we welcome all the scrutiny on the project, and both understand and respect the public interest in it. Marinus - we commissioned our own independent analysis of VEPC's modelling and conclusions when that report was issued. We had it done by Endgame Economics, and we've previously tabled that report to this committee, but I'll pass to Praj to comment on the specifics around that modelling.

Mr PARAMESWAR - ... I think that report says that Tasmanian wind is 18 to 20 per cent lower than Victorian wind, but more importantly –

CHAIR - To build?

Mr PARAMESWAR - Sorry, the LCOE - or the levelised cost of energy - more importantly, to your question, the battery energy storage systems, or as we call it BESS, in Victoria are estimated to be around 40 to 70 per cent more expensive than Cethana pumped hydro in 2035. This is based on levelised cost of storage analysis, and considers economic lifetime of each asset, roundtrip efficiency and other factors, and as I previously pointed out as well, Tasmania has significant existing latent storage capacity. This was also repeated not only by Endgame, which was an independent report, but also by AEMO, and we've also seen this as part of the independent analysis that FTI Consulting has done.

Mr BAYLEY - Can you explain again the latent capacity you talk about?

Mr PARAMESWAR - Sure. I don't want to go back to the 2019 example, so I will make a simple example up: in terms of the generation capacity that we have in Tasmania, we've got approximately 2400 megawatts. If we assume 2400 megawatts as the number, the demand that we have in summer is approximately 1400 megawatts, and generally in Tasmania that's your max demand in summer.

So, the difference between the 2400 megawatts and 1400 megawatts is approximately 1000 megawatts, and Basslink can export, as we know, approximately 500 megawatts. So, when I refer to the latent capacity I refer to that capacity, which is the difference between what Tasmania can export, or could export, versus what Basslink can export; and when Basslink is constrained, what is the capacity that can be unlocked to effectively help the NEM and to monetise the opportunity for Tasmania.⁷⁶

- 4.24 In response to questions on notice dated 17 April 2026, Minister Duigan provided further evidence to a series of questions regarding the 800 MW of new renewable generation in Tasmania by 2034 target in the FID Assessment Report:

2. How many MW of committed/financially closed projects exist today toward the 800 MW target, and what is the year-by-year schedule to 2034?

Answer

As of 2 April 2026, there are no new Tasmanian generation projects that have reached Final Investment Decision (FID). The present pipeline of renewable energy projects has over 5GW of new Variable Renewable Energy (VRE) projects. While the state has a strong pipeline of interest in developing new renewables and a number of projects are targeting FID in the next 12-24 months, the “schedule” will be largely determined by those projects that can negotiate Power Purchase Agreements (PPA) with Hydro Tasmania, agree offtakes with other significant loads or retailers and/or gain support under the Australian Government’s Capacity Investment Scheme (CIS).

The commitment of Stage 1 of Project Marinus in 2025 has helped the investment case certainty for new renewable projects. We have also seen good developments recently through Hydro Tasmania’s Expression of Interest (EOI) process for new supply and renewable energy projects and the Australian Government’s Capacity Investment Scheme (CIS). I expect further outcomes from both programs in 2026 and am hopeful they will support more renewable projects.

3. What is the Government’s plan to ensure that 800 MW is delivered on time, and what is the estimated cost of intervention if the market does not deliver

Answer

The Tasmanian Government’s principal policy mechanism to deliver new generation is via Hydro’s contracting and market engagement framework. This is consistent with the revised Ministerial Charter for Hydro Tasmania and our election commitments, which included Hydro Tasmania bringing on 500MW of new renewables prior to Marinus’ commissioning. This will support achievement of the Tasmanian Renewable Energy Target.

As mentioned above, Hydro Tasmania’s EOI process is ongoing and is expected to be concluded in mid-2026 which is considered on track and on time to support

⁷⁶ Ms. Stephanie McGregor, Chief Executive Officer, and Mr. Prajit Parameswar, Chief Financial and Commercial Officer, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, pp. 19-21.

Marinus Link. The Australian Government's CIS is another avenue to support new generation and storage projects in Tasmania. The Case Management service in ReCFIT also actively supports new generation projects, including assistance to help secure Australian Government funding under programs such as the CIS and the proposed changes under the NEM review, including the national Electricity Services Entry Mechanism which will provide financial support to VRE proponents. Combined, these programs could provide significant support to help bring on new VRE, and as such there is no other intervention currently planned.

4. Does the Tasmanian Government intend to cap supported renewable generation development at 800 MW, or change Hydro Tasmania's market role to accommodate more?

Answer

There is no intention or plan to cap generation at 800MW, or to change Hydro Tasmania's market role, or to prevent private sector VRE projects proceeding. Hydro will consider new generation proposals through its EOI process on a commercial basis and consistent with its Ministerial Charter. The National Electricity Market is going through a period of unprecedented change and Tasmania is in a unique position where it can benefit from the transition, utilising increased interconnection with the mainland afforded by Project Marinus. The 800MW has been modelled by Hydro as a 'least regret' amount of new generation that Hydro Tasmania can support to maximise the benefits of Project Marinus while maintaining on-island demand.⁷⁷

Returns to government

- 4.25 The Committee enquired about assumptions informing the average annual increase in returns from Hydro Tasmania to government of \$470 million per annum as compared with a no Marinus scenario, and the confidence in the modelling:

Mr BARNETT - ...The Project Marinus financial investment decision, and the modelling in it, noted that the average annual increase in returns from Hydro Tasmania to the government of \$470 million per annum compared to no Marinus –

CHAIR - What were the assumptions that fed into that \$470 million figure, from your perspective? What confidence did you have that those figures would materialise or those results would materialise?

Mr BARNETT - Well, we're based on advice of experts and again, I'll pass to the Deputy Secretary in terms of the advice of the Secretary of Treasury who headed our secretarial committee that advised Cabinet and others. I think I'll pass to the Deputy Secretary to speak to that.

Ms PINTO - ...I just want to clarify, Chair, you were specifically asking for confidence in the \$470 million?

⁷⁷ Responses to questions on notice received from Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 17 April 2026, pp. 2-3.

CHAIR - Yes.

Ms PINTO - Thank you. I just wanted to make sure I was clear. I've noted for the benefit of the Committee the whole-of-state business case, which was a very comprehensive body of work that was undertaken over a period of probably about 18 months. That, as a body of work, was undertaken at a point in time - and if you were to time stamp the point in time, probably towards December of 2024, if we look at it from that perspective. It was considering it at a point in time and undertook significant modelling. I believe the Committee had a forum with the Treasurer, and the members of that core group led by Anton [Voss] in his capacity.

That body of work that was undertaken at that time used extensive modelling, utilising Deloitte as the consultant that supported that process. At the time, as a shareholder, the government needed to consider a financial investment decision. That period of time, if we move ourselves into 2025, as the Deputy Premier noted, was within what I would say was that first one to two quarters of 2025. What we sought to do at that point in time is to ensure that the information - and also to reaffirm the modelling undertaken in the Whole-of-State Business Case - we sought to reassess the modelling of what would occur, particularly for Hydro operating in that market, and Hydro were requested and provided additional modelling information at that point in time to input into the financial investment decision assessment process.

The \$470 million, which is an average increase in modelled revenue for Hydro over the period from 2030 roughly to 2050, average in those nominal dollars, was based on analysis that Hydro had contributed, in a second request of modelling information, they provided modelling information into this as part of the whole-of-state business case. This was the second request that was undertaken. Now, as a part of that process, what had been determined, as the Committee would be aware, there were a number of criteria. There were eight criterion that were in the assessment and there were assessment parameters that were undertaken as a part of that process. The important element with regards to returns to the state and the value, the injection into the state - so from Hydro as a GBE, from Marinus Link as an incorporated shareholder, there would be funds from that - was considered. In order to test the veracity of the \$470 million, as you have referred to, what was thought to do was to look at bounds. In Hydro's modelling, it had considered the ranges that you would experience and there are a number of factors -

CHAIR - The ranges in what?

Ms PINTO - Ranges that a generator seeking to operate into a market, what the modelled revenue that it would achieve in that market, may be impacted by a number of things. It could be impacted by the mix of generation that's in the portfolio in the broader market; it could be impacted by things, as this Committee would be aware, by Hydro's own yield levels. It may be impacted by access or what is occurring in that market. Various modelling options were considered, scenarios were considered. In doing that, what the FID assessment sought to do was to test what you would almost call a worst-case scenario. In the FID assessment itself - I'm sure a colleague can tell me the exact page number -

under that criterion 5, it goes through the conservative, the mid-case, and an opportunistic or a high-opportunity case. That tested the veracity very strongly.

Separate to that, we had engaged consultants to assess the work that had been undertaken. The name of that consultant is not in the public arena, but they tested the veracity of the assessment's parameters, to test the veracity of the criteria and the data that was coming out. That also determined the validity of the information that was provided to government.

Lastly... the data and modelling that Hydro undertook was within the realms of Deloitte modelling that had been provided previously. We were testing the veracity of that data. Again, it was within the ranges that we would have expected.⁷⁸

- 4.26 The Committee received evidence about any impact of increased wholesale prices and the expected profitability of Hydro Tasmania once Project Marinus comes online:

Mr BAYLEY - ... do those Hydro profits - super profits, let's call them, \$470 million plus - do they then rely on the sort of pricing assumptions built into the Deloitte report, which is the wholesale pricing components, which is what I'm hearing you say, because, of course, the Deloitte report it's abundantly clear that under a Marinus scenario, wholesale electricity prices in Tasmania will go up by as much as 59 per cent in some cases. Is that the input - 59 per cent increases in wholesale electricity prices - that are transferred over to Hydro modelling, that drive some of those super profits?

...

Ms PINTO - ... as a part of the modelling, there are a number of outputs that need to be considered. One output that needs to be considered is what is going to occur in a market with the wholesale prices in that market? To understand then which - a lot of modelling has been done, FTI modelling has also looked at what would, with an increased interconnection between Tasmania and the National Electricity Market, deliver in terms of movement in wholesale prices in that market. Deloitte modelled what those movements in wholesale prices would look like - again, I'm talking on behalf of my colleagues at the Department of Treasury and Finance, this is their body of work - that modelled what the movements in that wholesale price would be to - very importantly, to understand what the benefits would be for consumers.

What's very important to understand is if you're going to make an investment of this magnitude - this is a piece of infrastructure that is going to be inputted into the National Electricity Market. The Australian Energy Regulator, which is the regulator across Australia, needs to determine if an investment in a piece of infrastructure is prudent and efficient. In doing that, they need to be confident that if that piece of infrastructure is invested in, that consumers are going to be better off. There's a body of work that FTI did that Marinus Link Pty Ltd has

⁷⁸ Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 20 March 2026, pp. 12-13.

utilised, there're lots of different consultants that do this, and they use a lot of the same core modelling tools, if that makes sense. They've undertaken that modelling and determined that yes, Marinus Link as a piece of infrastructure invested into the National Electricity Market will benefit consumers and put downward pressure on wholesale prices. That's the first piece.

The second, in answer to your question, which was: do those prices, how do they relate to Hydro, it's sort of related... The separate matter of Hydro, which is a generator, bidding into a market to then receive revenue or returns from that, it's a slightly different matter. That really is a function of them - how they bid into that market, the opportunities for timing for bidding - so, there are times in a market where it is opportune, for example, for Hydro as we know to import when energy on the mainland is at a very competitive rate. There are equally opportunities for Hydro bidding its energy - or, we've also considered it - it's flexible capacity to be available to bid in that would then receive prices into that market. That is what's the basis of the revenue modelling that has been determined.⁷⁹

- 4.27 Mr Adrian Christian of Renewables, Climate and Future Industries Tasmania (ReCFIT) gave evidence on the complexity of how Hydro Tasmania will make increased profits if the Tasmanian and Victorian prices converge and lower:

CHAIR - ... how Hydro can continue to make super profits if the overall price is converged and lower, even when we point to Victoria. This is the bit that just doesn't make sense.

...

Mr CHRISTIAN - ... I think it's worthwhile thinking about the spot price and what prices customers actually pay, because customers don't pay the spot price. The Deloitte modelling looks at the impact on spot prices. You've read out the report. It's a pretty factual, accurate position by Deloitte.

Mr BAYLEY - So, you accept that position by Deloitte?

Mr CHRISTIAN - I accept that's what Deloitte wrote, and it's logical.

...

...But then you have to ask yourself the question: what relevance does the Tasmanian spot price have for anybody? Because the price in your electricity at home is not linked to the Tasmanian spot price, as Vanessa [Pinto] explained.

CHAIR - Not directly - you're saying not directly or not at all?

Mr CHRISTIAN - Not at all.

Mr BAYLEY - How so?

Mr CHRISTIAN - ... the wholesale pricing model, by its very design, looks to Victoria to establish what is a fair and reasonable price - not the Tasmanian spot market, because the Tasmanian spot market is a peculiar market in the NEM

⁷⁹ Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 20 March 2026, pp. 13-14.

because of the position that Hydro has as the dominant player. If you take the clock back to 2012 - this is the background to what Vanessa was explaining - there were proposed structural reforms to the wholesale market to make it more competitive, from Hydro, that the government of the day agreed to reject. They implemented a regulatory solution to the problem, and that's the wholesale contracting instrument.

CHAIR - Based on huge volatility at the time. That was the decision, wasn't it? Because there was a lot of volatility at the time, and that's why the regulator put a cap on it a couple of times in that period. That's the period we're talking about?

Mr CHRISTIAN - No, that's a subsequent development. The structural arrangements for the regulatory framework for the Tasmanian wholesale market are a regulatory solution because of the structure of our generation sector.

The model - which is highly complex and I don't propose to explain it because I don't understand the internal workings of what we call the black box - effectively what it does, it looks to the Victorian forward contract market, so for the prices for small business and households, and in the regulated tariff that the Economic Regulator sets for those customers; it doesn't look at the Tassie spot price at all. The box looks at the forward Victorian contract price, makes some adjustments for net flows across the link, makes some adjustments for the fact that the peaking nature of the Victorian market and the Tasmanian market are different, but effectively tries to translate the Victorian price into a relevant price for Tasmania. That's done by the regulatory instrument. It doesn't make any reference to the Tasmanian spot price at all.

For that class of customer, under that policy design - this is explained in the Whole-of-State Business Case, and Anton [Voss] did explain it when he was here before the Committee. Under that policy setting, which is set now, the Tasmanian spot price doesn't matter at all. When you look at the major industrial customers, their price is not set by reference to the Tasmanian spot price either. It's set by bilateral negotiations with Hydro. So, then you're left with a group of customers in the middle, which are the commercial and industrial customers, which the regulatory instrument doesn't necessarily touch specifically, but the way that that's priced is off the same model as the regulated customer base. That's why the conclusion in the whole-of-state business case is the way that it is. On the Deloitte modelling that you referenced, Victorian prices come down, post-Marinus, are modelled to be lower than they otherwise would be, with Maribus than without, and under our regulatory function as it exists today, and the whole-of-state business case caveats with that, then that will put downward pressure on Tasmanian regulated prices. Not the Tasmanian spot price: that ceases to be relevant. That's the explanation and they've explained it in the whole-of-state business case.

Mr BAYLEY - So, the inputs into the black box, are they set and forget? They don't change?

Mr CHRISTIAN - The regulator owns the instrument, and the regulator reviews that instrument routinely. As part of the Maribus investment decision, the government has said one of the outworkings of that is to review the pricing

mechanism, not the internals of the black box, but the principle, the higher-up principles of, 'How do we set prices?' and to ask that question: is that the most appropriate methodology to go forward? That's a job that's been tasked to Treasury and that work is in its infancy. That's how you can reconcile those two things; that's what's explained in the Whole-of-State Business Case. It's explained in the Marinus FID. That's how that works.

CHAIR - To go to my question –

Mr CHRISTIAN - To your question...Anton [Voss] explained that, and it's in the whole-of-state business case. If you remember, he showed you at the last hearing, the chart - I can't remember the number of it - the chart showed Snowy's production and contrasted it to Hydro's current production. That showed - if you remember, he was explaining that the average revenue obtained by Snowy relative to average spot prices in Victoria was quite a lot better than Hydro could achieve. What you have in the data and the compression of pricing is on either time-weighted or value-weighted averages, so the average price across a year, 2032, 2035, and they converge; but because Hydro will be changing the nature of its production, it won't be receiving the average price. It will be receiving the average of the prices when it's dispatching, which are the higher-price periods.

CHAIR - I understand that; but from all I've heard - I know there's five-minute intervals and there will be times in some of those five-minute intervals where there will be significant differential in the price - it seems that they will become less frequent and less peaky, if you like, and with greater convergence of the prices overall, which means that there'll be less opportunity for Hydro to operate in that manner. It does also rely on having a lot more renewable generation in the system to enable Hydro to bank their water, to use those opportunities. Now, that's all assumptions; am I right in that?

Mr CHRISTIAN - Well, when you're analysing future investment that comes on in 2030 to 2050, all you can use are assumptions, right? There are no facts that one can rely on.⁸⁰

- 4.28 The Committee heard evidence from the Acting Minister for Energy and Renewables about the what the FID Assessment Report stated on negative returns to government from the NWTD:

Mr BAYLEY - This is North West Transmission Developments and TasNetworks.

... Okay, so returns to government. This is your financial investment decision - returns to government.

... It is estimated that over the 5-year construction period there is a net project loss of \$(redacted) million; and post commissioning the project makes a loss of (redacted) million for the first 20 years before moving to positive returns over the remaining 40 years.

...

⁸⁰ Mr. Adrian Christian, Director Energy, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 20 March 2026, pp. 17-19.

The initial losses are likely to place pressure on the state's credit rating in the short-to-medium term until there is evidence that Hydro Tasmania's modelled returns will be realised.

So, your document says there is going to be a significant redacted amount of, let's say, millions of dollars of losses for 25 years by TasNetworks. And my question was how is TasNetworks going to sustain this and has government entertained how it will subsidise this or will it pass on these losses to consumers?

Mr BARNETT - Be assured that our government made a tough call that was in the best interest of Tasmania which will deliver on average \$470 million per year to Tasmania, on average, over the number of decades ahead compared to if there is no Marinus Link. We are very aware of the views of the Greens and some others with respect to Marinus Link.

So we've factored all that up in our decision-making. We've made the call; we received expert advice. We've received the Whole-of-State Business Case, the FID Assessment Report. We've had advisory panels and expert advice and you're referring to one part of that –

Mr BAYLEY - And I'm asking you how will you accommodate TasNetworks.

Mr BARNETT - And be assured that we've considered all of the pros and cons, and we believe it's best for Tasmania. In fact we are overwhelmingly assured of the benefits for growing Tasmania's economy, creating more jobs and delivering a cleaner environment.

Mr BAYLEY - So, given that information in the FID, let me just ask the question straight: does the government intend to compensate for reduced TasNetworks dividends by changing the regulated revenue profile, i.e., higher customer contributions and, if so, by how much?

Mr BARNETT - I will pass to the Deputy Secretary very shortly. We have ongoing liaison and discussion with, of course, Hydro Tasmania, which will benefit significantly of some, on average, \$470 million a year.

Mr BAYLEY - This is a question about TasNetworks.

Mr BARNETT - We obviously have ongoing discussions and liaison with TasNetworks on an ongoing basis, as does Treasury. Treasury has done modelling and advice on this. They've acted on expert advice in the FID assessment report. Having said that, I will pass to the Deputy Secretary.

Ms PINTO - ... as I noted earlier, the criteria 2 which related to the two businesses and, in particular TasNetworks, and over the life of that asset, being 60 years, there is a period of time, on the basis of the modelling that had been done at that point in time, that had the returns negative to 25 years.

Mr BAYLEY - Losses: 25 years?

Ms PINTO - Yes, losses. Part of the condition associated with that, or the next step that was required, was for Treasury to work with TasNetworks on that financial model...

Mr BARNETT - In addition to that, as you would be aware, which we've made clear on the public record, we have received significant concessions from the federal government, through concessional finance and grants, including for the North West Transmission on north-west Tasmania, so we are very pleased with the outcomes of those concessions, and we thank the federal government for seeing what's in the best interest of Tasmania and supporting Tasmania in that regard. All that needs to be factored in going forward. Just picking out one small little bit of detail, Mr Bayley, and attempting to undermine the merits of Marinus Link, I think does you no good at all.

Mr BAYLEY - It is a simple question. It's a simple question about how do you accommodate those losses?⁸¹

- 4.29 The expected 25 years of losses for TasNetworks and the impact on its viability and the need for subsidies remains unanswered.
- 4.30 The Committee also received evidence on the outstanding conditions subsequent to be satisfied post-FID. At the 20 March 2026 public hearing, the Committee heard evidence from the Deputy Premier and Acting Minister for Energy and Renewables, the Hon. Guy Barnett MP, and representatives of ReCFIT:

CHAIR - Acting Minister and Deputy Premier, the FID assessment says certain matters were still unresolved at FID and are contained in the conditions subsequent to be satisfied after the decision. The first question is: why did the government approve the FID before those matters were settled? What conditions subsequent are still open today? When does each one have to be met?

Mr BARNETT - Thank you very much for the question. Again, I'll check with the Deputy Secretary to add to the answer. Obviously, we made the decision in the best interests of Tasmania. It was based on advice we had, subject to and conditional upon the timeframes that were put to us as a state government vis-à-vis, obviously, the federal government and the Victorian Government, and the agreements that Marinus Link had in place. And based on advice from, obviously, the various entities - GBE entities like Hydro, TasNetworks - and certain contractual arrangements in place. That's the reason the decision was made at the time.

CHAIR - So what conditions subsequent are still open? What is the maximum exposure Tasmania may face as a result of that, if they're not met?

Mr BARNETT - Well, I'll just check with the Deputy Secretary and take advice on that.

Ms PINTO - ... what I might start with, Chair, is to explain the FID criterion and the process of undertaking assessment and providing the recommendation to the government. A set of eight criterion were set and, as I have noted earlier, parameters for assessment were undertaken as a part, I earlier referred to an

⁸¹ Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 20 March 2026, pp. 27-28.

energy task force. At the time there was a Marinus Task Force, very similar composition across government and providing advice into that task force was an expert advisory panel and also legal, commercial and energy market experts providing advice into that task force.

Mr BARNETT - Can I confirm, that's really quite important in terms of the energy task force and advice to myself and others in Cabinet. There was an advisory panel in addition and then, of course, other advice was received from time to time.

CHAIR - The question is particularly about the conditions.

Mr BARNETT - Yes, but I do think the governance framework would be useful if you could just share that because this is treated seriously in terms of your question and there is a governance framework...

Ms PINTO - ...What we had was a set of eight criterion and an agreed set of assessment parameters, and for each of the criterion against those assessment parameters - and this is documented in the FID assessment document - where you assessed whether for that particular criterion it was not met, partially met or clearly met; and they were robust assessment parameters against each of those.

The timing of making a financial investment decision, at that time, for a normal infrastructure project; normally you will have resolved all matters associated with an investment. For example, you'd ensure you have your equity lined up, you have your debt and –

CHAIR - I understand that, I'm trying to understand - there were some conditions subsequent that were not able to be satisfied at the time, how many are there still outstanding and what potential exposure [does] Tasmania have?

Ms PINTO - In terms of the eight criterion that we had in particular, criterion 2 related to the FID recommendations from Marinus Link and TasNetworks. At the commencement of assessment, recommendation had been provided from MLPL [Marinus Link Pty Ltd] in regard to their FID recommendation, and the conditions that were set by MLPL at that point in time. Some were what I would class hardline conditions that had to be met in order for a financial close. I'll give you an example: equity as shareholders - the shareholders had to have their equity contribution available appropriated within the state to be able to meet financial investment decision and meet financial close. That is why initially that criterion was assessed as not met. Now, the negotiation with the Australian Government that had us capping our equity then moved that from a rating of 'not met' to 'partially met'.

If I point to TasNetworks and their requirements, and the assessment of TasNetworks in the north-west, the assessment undertaken at that point in time was only partially met because the project, although over its 60-year life, the project returned quite significant losses in the early part of the asset's life. To clarify - and again, it's very clear in the FID assessment - that situation was derived as a result of the concessional financing and the concessional opportunities provided through that to put downward pressure on consumers, in its out working in the financial model... That was a condition that needed to be - as a part of it being partially met, that was a mitigating action that needed to be

resolved, and there were a couple of other elements that were identified within that criterion.

In answer to your question, resolving a financial model - and that has been an area that Treasury and Finance has taken the lead on - they are working through an acceptable financial model with TasNetworks and working through an appropriate debt access arrangement with TASCORP. They are the primary elements. The other elements that have needed to be resolved pertain also to TasNetworks with the strategic benefit payment, which was part of the North West Transmission Developments project. That was also a condition that was attached to that project. They're the primary matters.

CHAIR - So, what's the total exposure then? The things that aren't resolved or aren't settled?

Ms PINTO - The primary matters that, in summary, are still in a stage of finalising are conditions subsequent in categories such as - and I'll clarify some that have been resolved: revenue determinations by the AER, in majority they've all now been resolved; appropriate approvals, so I'll give you an example, the Northwest Transmission Developments project has had the TPC [Tasmanian Planning Commission] approval just come through in just the last one to two weeks, it is now going through an approval process at a federal level through the EPBC [Environment Protection and Biodiversity Conservation Act 1999 (Cth)]. So, there are approval mechanisms that are still being undertaken. The other, probably key, area is in regards to Marinus Link. They would have been speaking to the Committee about a month ago in regards to land access.⁸²

- 4.31 At the 22 June 2026 public hearing, the Committee asked Minister Duigan for an update on outstanding conditions subsequent:

CHAIR - Minister, with the FID Assessment Report, were there any conditions subsequent that still remain open post FID, and what are they?

Mr DUIGAN - Good question, and I suspect Vanessa or Sean will be well placed to discuss those.

Ms PINTO - In relation to North West Transmission, which was one component of Project Marinus, that has now passed financial close, and all the primary requirements for conditions have been met. With Marinus Link, there are a number of conditions that are related predominantly to things like environmental approvals. A lot of that has now gone through process, acquisition of land for the purposes of the cable on the Victorian side, and there's some, I think, minor -

Mr TERRY - There is an offshore electricity infrastructure licence that's a part of this. There are various connections, agreements and technical issues that need to be sorted; there's probably about 10 or so. Security is another issue that needs working through, which we've got a pathway for.

⁸² Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 20 March 2026, pp. 23-24.

CHAIR - Security of?

Mr TERRY - The CEFCs debt - so how they secure their debt. There are those kinds of issues that need to be –

CHAIR - That's not locked down?

Mr TERRY - We always knew that was going to be a condition subsequent (CS), so, we've got a pathway through on –

CHAIR - What's the due dates for the finalisation of these? I know some things depend on appeals, et cetera, but the things that you have control over?

...

Mr TERRY - Once again, it's mainly Marinus [Link] Pty Ltd who is responsible for satisfying the CSs, and they're mainly, largely to satisfy the CEFC drawdown on the debt; I think they're trying to get all those sorted by the end of the year. They will have different kind of deadlines or milestones around each of those CSs.

CHAIR - They're not publicly available, the timelines around that?

Mr DUIGAN - Are they? No. I don't know. They're certainly –

Mr TERRY - No.

Ms PINTO - I don't think so, I will have to check. No.

Mr DUIGAN – No.⁸³

- 4.32 Minister Duigan and ReCFIT representatives gave evidence about protections for Tasmania should Project Marinus Stage 1 fail to proceed, which is redacted in the published version of the FID Assessment Report:

CHAIR - Does the Australian Government provide any written indemnity to Tasmania, then, for termination costs, if it just fails to get away?

Mr DUIGAN - No. I think there are termination costs that sit within each jurisdiction, would be my memory.

CHAIR - What sort of exposure does Tasmania have?

Mr TERRY - We're probably getting into some kind of confidential –

Mr DUIGAN - Yes, shareholder, yes –

Mr TERRY - commercial and shareholder issues that are subject to all the confidentiality requirements around the shareholders, and the syndicate facility.

Mr DUIGAN - Just to be conscious, we are not the only party to that document, so if –

CHAIR - I am interested in what the exposure is for Tasmania here, the financial exposure particularly. Is there a financial exposure if, for whatever reason, things can't be ticked off and progressed?

⁸³ Hon. Nick Duigan MLC, Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, and Mr. Sean Terry, Executive Director Energy, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 22 June 2026, pp. 33-34.

Mr DUIGAN - Look, again, I think I will –

Ms PINTO - Through you, Minister, the FID Assessment document does include the amount of potential wind-up costs in there. Some of that information is not in the public domain, but as I noted earlier - also, excuse me, the Minister noted earlier - the full document has been submitted to the Committee. There is a section in there that covers what those estimated wind-up costs would be.

CHAIR - I think it's of interest to people, if for some reason it can't go ahead or doesn't go ahead, then what is Tasmania's financial exposure? What is the risk to Tasmania?

Mr DUIGAN - I take your point.

CHAIR - No, it is a question. It's not a point.

Mr DUIGAN - Well, as I say, I don't think it's in the public realm, so it's not something I will be talking –

CHAIR - Maybe we could write to you to get clarity on what Tasmania's financial exposure is.

Mr DUIGAN - Again, if I'm able to provide it, you know, again with the comfort –

CHAIR - We will put it on notice to you.⁸⁴

- 4.33 In a response to questions on notice dated 27 August 2026, Minister Duigan provided the following answer about Tasmania's exposure:

Information on the State's potential financial exposure should Project Marinus not proceed to completion has been provided to the Committee in full unredacted form in the Final Investment Decision (FID) Assessment Report (see for example page 106).

Financial exposure for the State is proportionate to our shareholdings, and may include any wind-up costs for the company, along with contract termination costs. The actual dollar amount would be dependent on the time at which the project ended.⁸⁵

- 4.34 The Committee notes that unredacted information in the FID Assessment Report has been provided to the Committee in confidence on the basis that it would not be published.

Findings

The Committee finds:

29. The Final Investment Decision Assessment Report evaluated Project Marinus against eight assessment criteria that were not individually weighted.

⁸⁴ Hon. Nick Duigan MLC, Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, and Mr. Sean Terry, Executive Director Energy, Renewables, Climate and Future Industries, Department of State Growth, Transcript of Evidence, 22 June 2026 pp. 34-35.

⁸⁵ Responses to questions on notice from Hon. Nick Duigan MLC, Minister for Energy and Renewables, 24 March 2026, p. 1.

30. In the final assessment after mitigation, three of the eight criteria in the Final Investment Decision (FID) Assessment Report were assessed as clearly met and five as partially met. Before mitigation, two criteria had been assessed as not met. The positive FID therefore relied materially on mitigation measures and future actions. No criterion remained formally rated not met in the final assessment, although five of the eight criteria were still only partially met.
31. The independent review found Marinus Link Pty Ltd's Final Investment Decision (FID) recommendation to be conditional and TasNetworks' recommendation to be highly conditional. It identified unresolved critical-path matters and, particularly for TasNetworks, significant information gaps that would be unusual at a conventional commercial FID.
32. A number of conditions subsequent identified in the Final Investment Decision Assessment Report remained outstanding as at 22 June 2026. The public evidence did not provide a complete list of their deadlines, what would happen if they were not satisfied, or the resulting financial exposure for Tasmania.
33. The positive Final Investment Decision for Project Marinus Stage 1 was materially influenced by a \$346 million Commonwealth grant and a cap on Tasmania's equity contribution, both negotiated after the prorogation of the Fifty-First Parliament in June 2025 and therefore not reflected in the underlying Whole-of-State Business Case modelling completed in April 2025.
34. The stated purpose of the \$346 million Commonwealth grant is to reduce TasNetworks' existing transmission regulated asset base and thereby reduce the annual transmission revenue recovered from customers. However, the evidence received did not clarify the final accounting and Australian Energy Regulator regulatory treatment, the implementation details, or how the price impacts would be distributed across customer classes.
35. As a consequence of the equity cap, Tasmania's shareholding in Marinus Link Pty Ltd (MLPL) as at July 2025 was 17.7 per cent, and its proportional share of MLPL returns (estimated at \$12 million per annum at that shareholding), will be diluted to an estimated 9–11 per cent over time. The negotiated MLPL arrangements retain a Tasmanian Board position and decision rights over specified reserved matters.
36. In the Final Investment Decision (FID) Assessment Report's central FID modelling case, Hydro Tasmania is estimated to provide the Tasmanian Government with an average annual increase in returns of approximately \$470 million in nominal dollars over 2031-2050, compared with a no-Marinus case. The estimated increase varies substantially between years and depends materially on market assumptions and on up to 800 MW of new renewable generation being operational in Tasmania by 2034.
37. Since the publication of the Final Investment Decision (FID) Assessment Report, and as at 2 April 2026, no new Tasmanian generation project had

- reached Final Investment Decision. The Tasmanian Government identified Hydro Tasmania contracting, the Commonwealth Government's Capacity Investment Scheme, and Renewables, Climate and Future Industries Tasmania support as its main mechanisms for bringing forward new generation. However, the Tasmanian Government had not provided a quantified fallback intervention plan or cost estimate for the case in which those measures fail to deliver the new generation assumed in the FID modelling by 2034.
38. The Final Investment Decision Assessment Report forecasts approximately \$93 million of lost TasNetworks returns over the five-year construction period of the North West Transmission Developments and a further \$205 million losses in aggregate over the first 20 years after commissioning. Positive returns are then projected to emerge over the remaining life of the asset. The implications for TasNetworks' viability, dividends, borrowing and possible government support were not satisfactorily resolved in public evidence.
 39. Tasmanian Government witnesses declined to publicly disclose, even in general or order-of-magnitude terms, Tasmania's financial exposure in the event Project Marinus does not proceed to completion, citing shareholder and commercial confidentiality.
 40. Extensive redactions to the published Final Investment Decision Assessment Report limited the ability of the Parliament of Tasmania, independent experts, and the public to test important assumptions and risks.

5 DATA CENTRES AND ENERGY DEMAND

- 5.1 An emerging significant energy issue in Tasmania and Australia more broadly since June 2025, is the construction and operation of artificial intelligence (AI) factories. In Tasmania, three AI factories have recently been proposed by Firmus Technologies (Firmus).
- 5.2 The Committee received evidence from witnesses, including Firmus, about the energy demand of AI factories, the impact of the prospective demand of AI factories on Project Marinus assumptions in the Whole-of-State Business Case (WoSBC) and Final Investment Decision (FID) Assessment Report, and the adequacy of consultation with the affected communities.
- 5.3 The Committee has resolved to undertake further inquiry into these and other matters, which will be reported in a subsequent report.

Firmus Technologies' AI factories

- 5.4 On 25 March 2026 Aurora Energy, the state-owned electricity retailer, released a media statement jointly with Firmus Technologies. This followed comments by Firmus' Co-Chief Executive Officer Oliver Curtis, announcing a Retail Services Agreement between Firmus and Aurora Energy on ABC Radio Mornings program. The statement confirmed Aurora had entered into a:

new three-year Retail Service Agreement (RSA) with Firmus Technologies, supporting the company's expansion of cutting-edge, energy-efficient artificial intelligence (AI) infrastructure in Tasmania.⁸⁶

- 5.5 The media statement also noted:

Under the agreement, Firmus will progressively ramp up its Tasmanian operations from August 2026, increasing to a maximum of 104MW from November 2026.

...

A key principle underpinning the Firmus strategy is the development of new baseload capacity rather than drawing on existing supply...⁸⁷

- 5.6 As a result, the Committee resolved to invite both Aurora Energy and Firmus Technologies to a hearing of the Committee.
- 5.7 Representatives of Aurora Energy agreed to appear at a public hearing on 30 April 2026, which also included an *in camera* session. The transcript of the *in camera* session remains confidential.

⁸⁶ Aurora Energy, Media Release *Aurora Energy and Firmus Technologies sign energy agreement to power Tasmania's AI future*, 25 March 2026.

⁸⁷ Aurora Energy, Media Release *Aurora Energy and Firmus Technologies sign energy agreement to power Tasmania's AI future*, 25 March 2026.

- 5.8 Firmus Technologies agreed to an *in camera* hearing, which took place on 11 May 2026. The transcript of the *in camera* hearing was later published with the approval of Firmus Technologies with a redaction.

Evidence received

- 5.9 At the 30 April 2026 public hearing, Mr Nigel Clark, Chief Executive Officer of Aurora Energy, gave evidence of the deal struck with Firmus for its Launceston-based AI factory at St Leonards:

Mr CLARK - ... the deal that we've done with Firmus is a really good deal, but it's also not unusual to deals that we do every day, every week, every month with other C and I (commercial and industrial) customers in Tasmania. I think today is a chance for us to just break that out and just show the process followed. As I said, we think it's a very positive deal for Tasmania, and both for Aurora Energy and Hydro Tasmania.

CHAIR - ... with the arrangement that's been entered into, was that a decision of Aurora or were you directed by the minister to do that?

Mr CLARK - No, absolutely it was a decision of Aurora. It was basically a normal commercial transaction, whereas an industrial customer they came to us seeking a retail energy contract and we negotiated with Firmus and executed that deal. There was no government involvement with us in any way.

CHAIR - Has that agreement been finalised or is it still in the negotiation period?

Mr CLARK - No, the deal's been finalised and executed on 5 March [2026]. We entered into a three-year retail service agreement with Firmus, so it's got a three-year duration. Effectively, it will build in load over the duration. We'll start out at circa 50 megawatts and by November [2026] build to about 105 megawatts...⁸⁸

- 5.10 Mr Curtis, Co-Chief Executive Officer of Firmus Technologies, gave evidence on the company's prior energy demand in Tasmania and negotiations for the St Leonard's AI factory:

Mr CURTIS - Originally, yes, which was a 20 megawatt or 30 megawatt load originally. So that was back in 2020 when we were building our research and development facility. So the original back and forth between ERM [ERM Power now Shell Energy Australia], or the other parties, ERM, I believe we even contacted Shell and Aurora, and we ended up contracting with Aurora over I think a few months after that, just for the original contract period which was the original 20 megawatts.

Beyond 2020, we had a few times where we increased our load capacity and decreased our load capacity based off what was going on as far as the energy markets were concerned, based off how much activity we were undertaking in the R&D facility itself. Then, obviously, around 2021 we went up to Singapore and built out some - had a large investment from the Singapore state government entity. So we ended up winding back the power requirements that were needed

⁸⁸ Mr. Nigel Clark, Chief Executive Officer, Aurora Energy, Transcript of Evidence, 30 April 2026, pp. 1-2.

as far as the data centre was concerned because it was pretty much a research and development facility.

We then subsequently received quite a substantial amount of investment to come back to Australia and deploy some further capacity in Australia based off the opportunity that was presented globally as far as these AI factories are concerned.

I believe it was some time in August 2025 when I recontacted with Aurora and commenced some conversations around what we were planning on doing as far as the Launceston site was concerned.

We announced our project Southgate with NVIDIA and our partner CDC in October, I believe, but there was an intent and we came down here with NVIDIA to talk to the various different constituents around our potential investment in the state. It was about August that we commenced the conversation again with Aurora, talked about an increase in potential capacity –

CHAIR - Up to?

Mr CURTIS - Up to, I believe we were talking about 95 megawatts, between 95 and 104 or whatever the final number ended up being - about 104 megawatts I think is the total contract value. But, as my records go, we commenced that conversation again in August and then subsequently fully executed the contract around early March 2026.

CHAIR - It is quite a large load.

Mr CURTIS - Yes.

CHAIR - Some companies would know to go straight to Hydro because ultimately someone's going to buy it from somewhere, mostly from Hydro.

Mr CURTIS - Sure.

CHAIR - So you never went to Hydro at all?

Mr CURTIS - No. We've had many conversations with Hydro over the years. My understanding of the process is that until such time as you're above a 55 megawatt industrial load, then you must buy through a retailer, so because we were doing it as two-stage process, our first chunk, which was 52 megawatts fell on the other side of it, so obviously we were always going to require to continue that relationship with Aurora. But, again, I don't believe that there would be an intent from our business to necessarily go direct to Hydro per se because there are ways in which you have to manage an energy contract of this nature where you have to buy STCs and LGCs and various other things. We pay a margin through to Aurora as a retailer to manage the contractual obligations associated with what is required to procure that sort of size –

CHAIR - So, you are purchasing LGCs up until they finish in 2030?

Mr CURTIS - Yes, well, we're purchasing what is required, based on the government policies.

Mr BAYLEY - Through that contract with Aurora?

Mr CURTIS - Yes. Aurora effectively sits in front of us as the retailer, and my understanding is, I believe it is well documented, that obviously Hydro is...backing that contract behind Aurora but we don't directly contract with Hydro.⁸⁹

- 5.11 Mr Curtis gave evidence on why the agreement was only for three years and its vision to support new load in the future:

CHAIR - ... You've got a three-year contract with Aurora. Is that because you're looking after three years to have some of these new generators come on?

Mr CURTIS - Yes, we made a conscious decision. There were two offers that were given. It was a request from us what a short-to-medium term contract would look like whilst we were working through the various different proponents and the advanced stages of different projects.

We obviously needed to get access, or we needed to sign an energy contract. We decided the three-year contract was appropriate because basically that would give us sufficient time to then enact our energy policy and support new load which we will require 15-year power deals for, or we will be signing long 10 to 15-year power deals to support those projects.

Ms FINLAY - On that 10 to 15-year power deal, obviously with Marinus coming in the mix, there's a commitment to the state that that will be an on-island generator?

Mr CURTIS - Yes, I mean, I can confirm that the conversations that we're having at the moment are with proponents on-island, although noting that there is an ability to, by design, for both Marinus and Basslink to procure energy from the mainland. But our PPAs at this point in time in relation to what we're discussing are with proponents on-island.⁹⁰

- 5.12 Mr Curtis confirmed that Firmus Technologies is paying fair market value for electricity and that makes it distinct from other industries attempting to secure load:

CHAIR - It is a natural question though, isn't it? Here's a big company with a huge energy load coming into the state.

Mr CURTIS - I agree with that. In hindsight, yes, sure.

CHAIR - There are very few people who can provide it.

Mr BAYLEY - And other existing companies had failed to secure a load.

Mr CURTIS - ... we're paying fair market value for energy, right? It's statement of fact that you either sell it at a price that works for an industrial load in on-island or you export it, right? I didn't really think it would be a major concern nor really

⁸⁹ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, pp. 3-4.

⁹⁰ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, p. 6.

all that much... conjecture, if I'm able to pay fair market value for energy, then it's better to create new jobs and industry on-island.

Mr BAYLEY - *To be fair, that's not something that... was... publicly disclosed at the time? I'm not sure whether –*

Mr CURTIS - *What do you mean?*

Mr BAYLEY - *The fair market. There was a lot of speculation around price. I know we know it is now. We've heard from Aurora.*

Mr CURTIS - *Well, no. If you listen to the ABC Radio, I think I made a pretty clear statement that I am a fair market buyer of energy. I made that numerous times. That was absolutely the position because it is 100 per cent a statement of fact.⁹¹*

- 5.13 Mr Clark of Aurora Energy gave evidence on how Aurora secures the electricity load and price for major contract customers:

Ms FINLAY - *You mentioned the contract then with Hydro and how that relationship works. Can you describe the process and the task of securing that contract, so the actual energy that you are then on-selling? What the relationships are with Hydro? How that process works?*

Mr CLARK - *We operate, obviously, with Hydro all the time. They are the dominant generator in Tasmania, but we are not limited to just having to buy energy from them. At the moment, before Marinus gets built, they are the prime supplier.*

In essence, when a customer approaches us for a major contract, we'll have the discussion with them about the term, what they're seeking. We will then put that to Hydro Tasmania to get a price, so, one - are they happy to supply that energy? And secondly, what's the price they are willing to supply that at? We are obviously the retailer, so we are in the middle of that transaction.

We have to take the price that we get from Hydro or from a market participant and turn that into a price that the customer is going to pay.

Now there's different types of contracts. You can take on no risk and have the load following contract where basically the load is matched by the deal or we, at times, for smaller loads we will do what they call flat swaps and different types of instruments and we will have to wear some of the risk of the shape of the customer, so do they use a lot in peak times, do they use a lot in the flat time. We have to make a price that covers our risk because at the end of the day we are the liable party if the wholesale prices deviate.

Ms FINLAY - *...What is the level of risk that Aurora holds in the contract that you've entered into now?*

Mr CLARK - *This one effectively is a load-following swap. What that means is that the price covers the full load shape of the Firmus load. From that point of view,*

⁹¹ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, p. 9.

we have no exposure to their shape pattern, so if they happen to use more or less in certain times of the day, the contract covers that.⁹²

- 5.14 Mr Curtis gave evidence about Firmus' intention to expand to three AI factories in Tasmania, and the energy required for these projects:

Mr BAYLEY - Can I ask, in terms of data, in terms of that load aspiration and plans, I think for the Launceston facility it was going to be, stage one, 45 megawatts, then another 45, bringing it up to 90. You've signed a 104-megawatt agreement. I guess just spitballing 10 to 15 years ahead, in terms of the power deals you're wanting to seek, what will you be looking for there? Are you looking to go beyond 104 megawatts per year?

Mr CURTIS - Yes, we publicly stated this, and there are records available. We own two other sites in Tasmania, one in Wesley Vale and the second one up in George Town. Our intent is definitely to - as long as the state wants us here - to continue to invest. As it pertains to the first one, it's about a \$US3 billion investment that we've made already into the state, and if George Town goes ahead, that'll be about another \$US7 billion that we would be investing and about another \$US1 billion in Wesley Vale.

Mr BAYLEY - What sort of power load would you require for this?

Mr CURTIS - For George Town, it's a little under 300 megawatts and then for Wesley Vale, it's around 50 megawatts.

Ms FINLAY - Sorry, for clarification the \$US3 billion, that's fully funded?

Mr CURTIS - Yes Janie, I've mentioned it once before and I'll mention it again. It is fully funded.

Ms FINLAY - I'm just confirming the details.

Mr BAYLEY - Do you think you'll see a need, with that kind of load going forward, to be talking to the state-owned entities as well or do you think you can secure a power purchase agreement for all of that 300 plus 50 plus 100, I suppose?

Mr CURTIS - Yeah, no, I mean it's very clear that we will be, as I said, announcing our energy policy, which involves us requiring the ability to bring on new generation to support that size of load increase and that's definitely our intent. In relation to the state-owned side of things, I think there's about 80 per cent of total generation on-island is state owned at this point in time.

Mr BAYLEY - But, in terms of the power purchase agreements...you're mainly looking to the private sector to sort of tick those boxes around new generation content?

Mr CURTIS - No, I think you'll find that - I mean Tas Hydro [Hydro Tasmania] has stated that they want to be a firming business; i.e. they want to use Hydro assets to firm new generation that is brought online. So, I think you'll find that we would

⁹² Mr. Nigel Clark, Chief Executive Officer, Aurora Energy, Transcript of Evidence, 30 April 2026, pp. 3-4.

likely work with their policy, which is around balancing both whatever new generation might come online with firm capacity that Hydro would provide.⁹³

- 5.15 The Committee heard evidence about the network upgrades required and that Firmus would bear the cost:

CHAIR - With these, obviously 300 megawatts is a large load, and even 50 up in the north-west area. Are you in discussions with TasNetworks about the capacity of the grid?

Mr CURTIS - Absolutely.

CHAIR - Are upgrades needed, particularly up around the George Town area? I mean, the North West Transmission Developments might deal with Wesley Vale, but –

Mr CURTIS - Yes. I can confirm our Wesley Vale development will include an upgrade of that substation that is on our site.

CHAIR - That's your cost?

Mr CURTIS - Of course it is. We're a transmission-connected load. As such, two things happen: one, we actually assist in bringing down the cost for transmission, because, by my understanding, certainly when we connected even our 20-megawatt load, I believe we were the first transmission-connected load for 30 years in Tasmania. That's a good thing, though, because as all of this new transmission upgrade is done, that's generally passed across to mums and dads, right?

CHAIR - Not generally - it's entirely passed across, yes.

Mr CURTIS - Exactly. Well, and industrial load though, right? So, a very large, new industrial load, we pick up a very large share of that through our TOU, through our transmission charges. So, we actually assist in that.

CHAIR - Which is Time of Use charges - services, sorry.

Mr CURTIS - Yes, correct. Certainly...George Town will be building a large substation on our land, but again, one of the things about choosing both those areas was they'd had significant investment, or had investment, into the transmission network, but –

CHAIR - So, the transmission network itself that services George Town area doesn't need additional, from your knowledge –

Mr CURTIS - I can't speak on behalf of TasNetworks. What I can tell you is that, as it pertains to our site there, we will be building a very large new substation on our land and that's going to be fed from the George Town substation. There are big transmission lines that go straight through our site, so we will basically cut straight in off that one, which comes up and down.

Ms FINLAY - Can you remind me which site that is?

⁹³ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, p. 7.

Mr CURTIS - That's the old Gunns site, Janie.⁹⁴

- 5.16 Mr Curtis also gave evidence on the expected number of jobs created by the AI factory in St Leonards:

Ms FINLAY - Ongoing, post construction, what are the number of jobs on site? I know that's in the public, but what is your position about the direct and indirect benefit? You mentioned in your opening that you bring economic and employment benefit...

Mr CURTIS - Sure. Obviously, there's quite a substantial number of jobs created during the construction period. I think we've stated it but we'll state it again, I think there's modelled somewhere in the order of about 1100 people peak at site, is my understanding of what has been modelled. I haven't done a big fancy McKinsey model to know what the flow-on effect is out to all different industries. I do know that the pubs are full and it's a pretty good situation in Launceston at the moment...

Ms FINLAY - When you say, 'the pubs are full,' are they coming from elsewhere? What do you mean by that?

Mr CURTIS - As it pertains to the actual site. There are people who come to the site every day. We have a big car park there that's full of cars, so I'm assuming that they're local parties. Then there are buses that bring people back in and around Launceston. As it pertains to the numbers as far as ongoing employment is concerned, we say that roughly, per megawatt... it's about a half FTE. It's about 50 people, I guess full time for –

CHAIR - That's in full operation?

Mr CURTIS - In full operation, but we pretty much go straight to full operations in day one. So, I think, Janie, as it pertains specifically to the factory itself the 100 megawatts, or 80 or 90 megawatts, is for roughly 50 people. But, again, the ancillary job creation around the industry coming, and new industry being made, we believe there are going to be quite substantial benefits there for surrounding industries.⁹⁵

- 5.17 In response to a question on notice dated 17 June 2026, Ms Kate McLaughlin of Firmus Technologies, provided further evidence on construction job numbers on the St Leonards' site:

During May we averaged 90 contractors on site each day with around 6 on average from interstate. Our biggest day in May was 118 contractors on site. We expect total contractor numbers to ramp up shortly with more than 120 contractors expected on site each day later this month, peaking this year at around 400 contractors on site and around 1,000 contractor employees supporting off-site fabrication and major equipment production.⁹⁶

⁹⁴ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, pp. 12-13.

⁹⁵ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, p. 10.

⁹⁶ Responses to questions on notice, Ms. Kate McLaughlin, Firmus Technologies, dated 17 June 2026, p. 1.

Involvement of the Office of the Coordinator-General

- 5.18 The Committee heard evidence from Aurora and Firmus regarding the role of the Office of the Coordinator-General in securing the Retail Services Agreement:

Ms FINLAY - In that direct relationship between Firmus and Aurora, were there introductions or referrals from the office of the Coordinator-General or from ReCFIT or other places for them to land with you?

Mr CLARK - No. We already had a relationship with Firmus. We'd been supplying energy to their early operation since... June 2020, so we already have been operating with Firmus for a number of years. Obviously, a different contract to this contract, so we had no introductions. We were familiar with them.

Ms FINLAY - And at that time you mentioned in the introduction you've been the CEO for three, three and a half years. So that predates you. At that time, did the introductions to Firmus come through the Office of the Coordinator-General or department or ministerial officers, the initial relationship?

Mr CLARK - I don't believe so. I mean based on the wholesale team, I think it was just basically a commercial deal, as was this one here, where they approached Aurora. But remember, they can also approach any retailer in the market to be the retailer to them, so we have to compete and win the business. But I don't believe there were any specific introductions back then.⁹⁷

- 5.19 Mr Curtis gave evidence on the role of the Office of the Coordinator-General:

CHAIR - Did you have any interaction at all with the Office of the Coordinator-General?

Mr CURTIS - Since 2019 when I first came down here, I went and met with John [Perry]. Ever since then, I guess, we've kept in contact as far as me keeping his office abreast of the developments of what we were doing. So yes, we do speak to them quite often.

CHAIR - In terms of providing support or information or advice, what's that relationship been? You keep them in the loop, but what does that mean?

Mr CURTIS - From my point of view, being a central point of contact, for me to kind of give updates and say, 'This is what we're doing, this is what we're planning on doing.' If there is advice sought, occasionally I might ask, 'Who should I speak to? What should I do?' in certain situations. But nothing more than just general conversation around, really, what we are doing as far as the investment into the state. Again, my understanding of that office is that it's there to assist new industry or industry itself in navigating its way through –

CHAIR - Did the Coordinator-General have any role in the negotiation of the purchase agreement?

⁹⁷ Mr. Nigel Clark, Chief Executive Officer, Aurora Energy, Transcript of Evidence, 30 April 2026, p. 2.

Mr CURTIS - No, absolutely not.⁹⁸

- 5.20 The Committee resolved to write to the Office of the Coordinator-General to clarify its role in the Aurora-Firmus agreement, but also generally as it relates to attracting energy-intensive development in Tasmania. In relation to the Aurora-Firmus agreement, the Acting Coordinator-General, Mr Dennis Hendricks, stated:

Firmus Technologies has been a customer of Aurora Energy since about 2019. Our office facilitated an introduction between Firmus and Aurora Energy representatives to facilitate discussions about potential additional energy requirements at the Company's St Leonard's site. This type of introductory facilitation is consistent with our usual role when supporting proponents seeking to understand Tasmania's energy landscape.

*However, neither I nor my office were involved in discussions, negotiations, or arrangements between Aurora Energy and Firmus Technologies. We do not participate in, or have visibility of the commercial negotiations or the Retail Services Agreement, which are commercial matters between the parties. In many cases, we are not aware of the outcomes of such discussions beyond what proponents may voluntarily choose to share with us.*⁹⁹

- 5.21 In the letter to the Office of the Coordinator-General, the Committee asked about the role the Office plays in facilitating, securing or supporting energy negotiations and/or agreements when attracting investors or developers proposing energy-intensive projects in Tasmania. Mr Hendricks replied:

Our office does not facilitate, secure, or support energy negotiations or commercial agreements between proponents and energy providers. Those negotiations are undertaken directly between the relevant parties.

As part of our role in attracting and supporting investors and developers, including proponents of energy-intensive projects, we do facilitate introductions to energy providers (public and private), as well as proponents of new renewable energy generation projects seeking offtake, where appropriate. This is done in the same way we facilitate introductions to other relevant stakeholders and government agencies (including GBE's).

Our engagement with proponents is ongoing and typically spans the lifecycle of a project. We work with proponents across a range of issues where it is appropriate and within our remit to do so, including matters such as energy, transmission, site identification, supporting infrastructure, and planning and regulatory processes. In this broader facilitation role, we may help proponents navigate relevant processes and coordinate with agencies, but we do not participate in commercial negotiations or decision-making.

We may also maintain a watching brief on projects to better understand barriers to investment and opportunities to improve facilitation processes. While

⁹⁸ Mr. Oliver Curtis, Co-Chief Executive Officer, Firmus Technologies, Transcript of Evidence, 11 May 2026, pp. 13-14.

⁹⁹ Letter from Mr. Dennis Hendricks, Acting Coordinator-General, dated 12 May 2026, p. 1.

*proponents may at times voluntarily share their perspectives on the progress or outcomes of commercial discussions, we are generally not aware of the outcomes of energy negotiations beyond what is shared with us, and we are not involved in those negotiations[.]*¹⁰⁰

- 5.22 Further, Mr Hendricks advised of the Office's relationship with Renewables, Climate, and Future Industries Tasmania (ReCFIT) when attracting energy-intensive projects to Tasmania, particularly around the availability of energy to facilitate these projects:

*Our office maintains a positive and constructive working relationship with Renewables, Climate, and Future Industries Tasmania (ReCFIT). At times, we may seek general guidance on energy-related issues relevant to Tasmania's broader policy, regulatory, and market environment. Our offices may also work in parallel or collaboratively in facilitation roles in relation to large energy-related projects.*¹⁰¹

AI factory energy demand and Project Marinus

- 5.23 The Committee sought evidence in relation to the impact of the prospective energy demand of AI factories in Tasmania on the modelling and assumptions underpinning the Tasmanian Government's positive FID for Project Marinus.
- 5.24 Minister Duigan, together with ReCFIT representatives, gave evidence in relation as to whether Firmus' prospective energy demand undermined the modelling in the WoSBC and FID Assessment Report as to the viability of Project Marinus:

Mr BAYLEY - ... You spoke before about the Whole-of-State Business Case and FID modelling assessment. I guess since then we've heard of some really huge aspirations of energy consumption by Firmus, as one company - 400 megawatts. Were those consumption figures considered in the financial investment decision modelling?

Mr DUIGAN - For the base case, and I'll come to you in a moment, Ness [Vanessa Pinto], because you have good detail around this - essentially no, I don't think. It sort of looked at a more organic load growth. There was a case that looked, you know, sort of this organic load growth and then there was a step change model examined as well and I think a 400 megawatt in one sort of bite would fulfil the needs of step change. But Ness, for the detail around what was looked at and what was assumed in the mid-case.

Ms PINTO - ... there was a consideration of additional new load into Tasmania over and above organic load. Numbers of around 300 megawatts was considered towards the latter years. I'm talking from commissioning onwards that was being considered.

Mr BAYLEY - Latter years being when?

¹⁰⁰ Letter from Mr. Dennis Hendricks, Acting Coordinator-General, dated 12 May 2026, pp. 1-2.

¹⁰¹ Letter from Mr. Dennis Hendricks, Acting Coordinator-General, dated 12 May 2026, p. 2.

Ms PINTO - 2030 onwards, in that sort of timeframe.

Mr BAYLEY - Firmus, it's on the record now saying it's looking for 400 megawatts. Can you confirm: is that the extent of it? Do you know if it's looking for more? How much is it looking for in Wesley Vale specifically?

Mr DUIGAN - I think for all three stages it's circa 420 or thereabouts.

Mr BAYLEY - Can you detail your knowledge of what that is for each particular project: St. Leonards, George Town, Wesley Vale?

Mr DUIGAN - Yes. St Leonards, 104 [megawatts]; George Town, Bell Bay, 288 [megawatts]; and Wesley Vale is 40 [megawatts]. That's my memory, but it is of that nature.

...

Ms PINTO - ... just to confirm: 444 megawatts, so 104 megawatts as the minister had noted at St Leonards; 288 megawatts at the George Town area or Bell Bay Area; and then approximately 50 to 52 megawatts at Wesley Vale.

Mr BAYLEY - So, that's already 144 megawatts ahead of the 300 mid-case scenario... I guess it begs the question, if this is the case - you know, Matt Kean, the former New South Wales Energy minister and chair of the Climate Council [Climate Change Authority], is on the record last week saying, 'You can't have both. You can't have this kind of data centre demand in Tasmania and a viable business case for Marinus going forward'. What do you say to that?

Mr DUIGAN - Well, I would say that Matt Kean has made the point and I think that, you know, large-scale data centres on mainland Australia probably make emissions reductions more challenging there. I think that has been pretty well elucidated.

Mr BAYLEY - Back to the point –

Mr DUIGAN - My understanding of the Climate Council is that the Marinus case has not been discussed by the Climate Council, and so Matt Kean, while he has made some comments, I don't think they're reflective of the Climate Council, in my understanding of follow-up conversations with him.

Mr BAYLEY - But you can see the logic?

Mr DUIGAN - Well, to a point.

...

CHAIR - ... The Business Case relied on, as a base case or a mid-range least-risk approach, of 800 megawatts of new energy. So, doesn't that then by design, because these weren't necessarily contemplated, mean that... on-island we're going to have to build an extra roughly 400 megawatts of energy to make the business case stack up, in addition to the 800?

Mr DUIGAN - Yes, but that's nothing new. We've always been very clear whether it be hydrogen or whatever it be, new load comes with new generation.

CHAIR - So that's used there and is not available for export because Hydro's business relies on exporting into the market.

Mr DUIGAN - Hydro continues to participate in the market and we continue to see the need for new generation to support new load.¹⁰²

- 5.25 In his response to questions on notice dated 27 August 2026, Minister Duigan provided further information on what was included in ‘organic load growth’ assumptions for the future electricity demand base case in Tasmania:

The organic load growth assumptions were based on the Australian Energy Market Operator’s 2024 Integrated System Plan (ISP) Progressive Change scenario for Tasmania, with adjustments made to isolate underlying demand growth from assumptions regarding changes in Tasmania’s large industrial load profile.

This was intended to provide a forecast of underlying demand growth from residential, commercial and industrial users in Tasmania, without assumptions relating to individual large industrial facilities impacting the modelling of the organic load growth base case.

Organic load growth therefore captured factors such as population and economic growth, changes in consumption by existing customers, electrification, energy efficiency improvements and consumer energy resources. Major new loads, such as new data centres, hydrogen projects or other large industrial developments, were modelled separately where applicable.¹⁰³

- 5.26 In a report by Professor Bruce Mountain, Director of the Victorian Energy Policy Centre at Victoria University, he questions, in a wider review of Project Marinus, whether Tasmania has sufficient spare generation to export over Marinus Link, including future AI demand:

2. Does Tasmania have spare capacity that Marinus Link would unlock?

A central question in the report is whether Tasmania already has significant generation or storage capability that could be profitably exported if the interconnection limit were relaxed. If this was the case, the argument for Marinus Link would be much stronger since Marinus Link would be able to make use of latent potential. To examine this, the report analyses actual Basslink power flows and the associated Tasmania–Victoria price differences. Its conclusion is that only for a very small share of the year does Tasmania appear to have a small amount of exportable production more than what can already be carried on Basslink.

The report extends the analysis by examining rolling one-, two-, four-, eight-, twelve- and twenty-four-hour export periods. This is intended to test the stronger claim that Tasmania can operate as a provider of deep storage to Victoria. The conclusion again is negative: even over sustained durations, the data do not show that Tasmania frequently has valuable continuous export capability that is being trapped by Basslink’s existing transfer limit.

¹⁰² Hon. Nick Duigan MLC, Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 22 June 2026, pp. 4-6.

¹⁰³ Responses to questions on notice from Hon. Nick Duigan MLC, Minister for Energy and Renewables, 24 March 2026, p. 1.

This report finds that Marinus Link would therefore not simply unlock a latent strategic asset already sitting inside the Tasmanian hydro system. Rather, it would require a substantial prior expansion of the Tasmanian power system before the new interconnector could be used in the way its proponents envisage. In that sense, the report argues that Marinus Link and the generation build-out are not separable: the cable depends on new generation and storage development in Tasmania, and that new development is costly.

It might be suggested that declining demand in Tasmania frees up generation that can then be exported to Victoria. For example, average grid demand in Tasmania was 1 GW in the first quarter of 2026 and was 1.08 GW in the first quarter of 2025. We also note Hydro Tasmania's expectation of declining hydro production, of 21 GWh per year on average, in the period to 2050.¹ TEMCO, one of Hydro Tasmania's biggest customers is currently in administration and if it closes that will also reduce demand by a further 100 MW (about 10% of Tasmania's average demand). It has also recently been speculated that Nyrstar will not continue operation in Tasmania unless significantly supported by the Government. More than half of Tasmania's electrical consumption is accounted for by just four large industrial customers². On the other hand Tasmania's electricity retailer, Aurora, claims that it has agreed a contract for more than 100 MW of supply to AI data centre company Firmus.¹⁰⁴

- 5.27 At Legislative Council 2026 Budget Estimates, Minister Duigan and Mr Sean Terry of ReCFIT, gave evidence to Estimates Committee A on the expectation of new AI load bringing new generation:

CHAIR - So where's that expectation come from that new load will bring new generation? Because you just did say that was true. Where's that? Where's that sit?

Mr DUIGAN - It is a –

Mr TERRY - Well, basically, it's essentially a principle we've been applying as we're dealing, trying to manage this kind of really big step changes in load and demand. Now, I can give you a concrete example recently - and you can talk to this minister - at... [ECMC - Energy and Climate Change Ministerial Council], Energy ministers agreed to a number of principles around data centres particularly and the two kinds of key principles are, yes, they those data centres must bring new VRE.

CHAIR - So it's just really related to data centres not other new load, is that right?

Mr TERRY - No, no, no, we apply that principle to other loads.

CHAIR - Right.

¹⁰⁴ Prof. Bruce Mountain, Victorian Energy Policy Centre at Victoria University, *An analysis of the economics of Marinus Link: 2026 update*, May 2026. Accessed at: <https://bobbrown.org.au/new-report-finds-marinus-link-would-raise-household-power-bills-while-failing-to-deliver-promised-benefits/>, including internal Footnote 1 - https://www.parliament.tas.gov.au/data/assets/pdf_file/0026/102878/Hydro-Tasmania-Climate-and-system-modelling-summary.pdf, and Footnote 2 - <https://www.economicregulator.tas.gov.au/Documents/25%204379%20Annual%20Energy%20Security%20Review%202024-25.PDF>.

Mr TERRY - You won't find a document with it all written up. These are essentially kind of the principles that we're applying when we're discussing new load coming to Tasmania, but that one is prescribed.

CHAIR - What you're saying to me, Sean, I think and correct me if I'm wrong here minister, is that the policy position of this government is that if we're to accept new load, like data centres, like hydrogen generation, whatever it is, that those new loads will bring with them, effectively, or make sure that they're using, new generation, not Hydro.

Mr DUIGAN - Yes.¹⁰⁵

- 5.28 The Minister also provided evidence regarding the national expectations for AI that are being translated by the Australian Energy Market Commission (AEMC) into operational and technical rules for the National Electricity Market, this includes an expectation of supporting Australia's energy transition:

Mr DUIGAN - ...

Expectation 1: prioritising Australia's national interest...

- *Deliver positive outcomes while minimising adverse effects on local communities wherever possible;*
- *Build and maintain social licence;*
- *Protect sensitive and personal data;*
- *Prepare for threats and disruptions; and*
- *Limit physical and digital access to the data centres.*

Expectation 2: supporting Australia's energy transition. New data centres and AI infrastructure should not place upward pressure on energy prices and should make a positive contribution to Australia's energy transition. They should:

- *Secure new and additional clean energy generation and/or storage to offset demand;*
- *Cover their share of transmission and distribution infrastructure costs;*
- *Minimise their energy demand and emissions by adopting industry-leading efficiency measures and technologies; and*
- *Improve the overall security and stability of the energy grid, including by enhancing demand flexibility and opportunities for peak-load management and appropriate sharing of consumption data.*

Expectation 3: sustainable and efficient water use. Data centres should use innovative, efficient, and sustainable solutions to minimise water use. They should:

- *Cover their share of infrastructure and delivery costs;*

¹⁰⁵ Hon. Nick Duigan MLC, Minister for Energy and Renewables, and Mr. Sean Terry, Executive Director Energy, Renewable, Climate, and Future Industries Tasmania, Legislative Council Estimates Committee A, 2 June 2026, Transcript of Evidence, p. 39.

- Build resilience into operations to mitigate the impacts of water disruptions, drought, and climate change;
- Provide ongoing transparency reporting about their water usage and efficiency.

...

Expectation 4: investment in Australian skills and workforce. Data centre operators should support Australia's economic benefit by creating fair, safe, secure, and well-paid jobs for Australian workers. They should invest in apprenticeships and other structured training pathways to help a pipeline of skilled workers support the construction and operation of data centres.

Expectation 5: research, innovation, and local capability. They should contribute to building local technical and innovation capability and invest in Australian supply chains.¹⁰⁶

5.29 Minister Duigan added that the Government is developing Tasmania's own statement of expectation for AI infrastructure:

Mr DUIGAN - This is emerging work that's happening across all of the jurisdictions. The other thing that we're doing is the Tasmanian government is currently developing a Tasmanian statement of expectation for data centre and AI infrastructure, and this will set clear guidelines for any data centres looking to establish in Tasmania, building on, as I say, that national expectation while recognising the Tasmanian context. We'll have a draft released in coming months and look forward to sharing that soon...¹⁰⁷

5.30 According to the Minister, the Tasmanian AI statement of expectations will be released for consultation in accordance with the latest 100-day plan:

Mr DUIGAN - ... I can confirm that the commitment is to release a draft Tasmanian statement of expectation for data centres and AI infrastructure for consultation and that will, of course, occur within the next 100 days...¹⁰⁸

5.31 On 7 September 2026, the Tasmanian Government released its draft *Expectations for Data Centres and AI Infrastructure* for feedback until 12 October 2026, with release of the Final Expectations by the end of 2026.¹⁰⁹

5.32 The Draft Expectations are not intended to be an enforceable statutory instrument:

¹⁰⁶ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, pp. 9-10.

¹⁰⁷ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 8.

¹⁰⁸ Hon. Nick Duigan MLC, Minister for Energy and Renewables, Transcript of Evidence, 22 June 2026, p. 38.

¹⁰⁹ Building Tasmania website, *Draft Expectations for Data Centres and AI Infrastructure Developers*, dated 7 September 2026. Accessed at: https://engage.building.tas.gov.au/draft-expectations-data-centres-and-ai-infrastructure-developers?_kx=bHYamhfRiJCKjIPx3hFMUqvWgqi94M_D6wKZGtPgvyOM8xpwsIpP6iu1D_E0bEcK.TidPmQ

These expectations are a non-statutory statement of government policy. They do not create a new approval or regulatory process, alter statutory assessment criteria, fetter independent decision-makers or replace any requirement to comply with existing laws. They provide early guidance on the outcomes the Government expects proponents to pursue through existing approval, connection and commercial processes.¹¹⁰

5.33 The Draft Expectations includes an energy-related principle that will guide the Tasmanian Government's approach to data centres and AI infrastructure developments:

2. Energy

Tasmanian Government expects developers to:

- a. Unlock new renewable energy generation and storage projects in Tasmania to offset demand*
- b. Maintain network reliability and grid security*
- c. Ensure energy and related network costs do not negatively impact existing customers¹¹¹*

5.34 Expectation 4 of the Draft Expectations is 'Supporting Tasmania's energy system' which details the following:

What distinguishes data centre and AI infrastructure from most other developments is not their physical form, but the scale of their electricity demand, which presents both opportunities and risks.

The principles set out in this document are intended to ensure that Tasmania can maximise the benefits of investment while minimising negative impacts on communities, existing electricity customers and the energy system.

The Tasmanian Government is committed to attracting investment that supports a reliable, secure and affordable electricity system for all Tasmanians.

a. Supporting new renewable projects

Tasmania has a significant opportunity to use data centre and AI infrastructure investment to accelerate the development of new renewable energy generation and storage.

¹¹⁰ Building Tasmania website, *Draft Expectations for Data Centres and AI Infrastructure Developers*, dated 7 September 2026, p. 4. Accessed at: https://engage.building.tas.gov.au/draft-expectations-data-centres-and-ai-infrastructure-developers?_kx=bHYamhfRiJCKjIPx3hFMUqvWgqi94M_D6wKZGtPgvyOM8xpwsIpP6iu1D_E0bEcK.TidPmQ

¹¹¹ Tasmanian Government, *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, September 2026, p. 4. Accessed at: https://hdp-au-prod-app-sgtas-engage-files.s3.ap-southeast-2.amazonaws.com/4517/8849/8926/Data_Centre_and_AI_Statement_of_Expectations_4_September_2026.pdf.

Proponents are required to bring on additional renewable energy generation in Tasmania which is a significant opportunity translating into economic benefits for Tasmanians.

Proponents must partner with new energy generation projects, including variable renewable energy projects, to support their electricity demand.

The Tasmanian Government requires new data centre and AI infrastructure proponents in Tasmania to enter into commercial arrangements that are sufficient to support the development of new wind and solar projects.

New electricity demand may be supplied from existing generation where there is spare capacity. The Tasmanian Government requires data centre and AI infrastructure proponents to be transparent about how they source electricity and support additional renewable energy generation and storage. Proponents must demonstrate, through recognised certification schemes or commercial arrangements, that their commitments are genuine and independently verifiable.

b. Firming arrangements

As renewable energy sources such as wind and solar do not always generate electricity, they are often supported by “firming” services that help provide a reliable and consistent electricity supply. Hydro Tasmania may be able to provide firming services, subject to availability and commercial agreement.

Any firming services provided by Hydro Tasmania should:

- occur on commercial terms that provide an appropriate return and protect the interests of Tasmanians
- maintain Tasmania’s energy security and system reliability
- not reduce Hydro Tasmania’s ability to pursue broader market opportunities

Data centres and AI infrastructure will not generally be expected to directly procure or construct new firming capacity where existing firming from Hydro Tasmania is available on commercial terms.

c. Demand management and back-up energy supply

Data centres and AI infrastructure are typically built with significant back-up infrastructure, including large batteries, to meet the high reliability expectations of their customers.

As this infrastructure is required for operational resilience, it also presents an opportunity to deliver broader benefits to Tasmania’s energy system.

Proponents should:

- be flexible and able to reduce electricity consumption, if needed
- explore emerging renewable fuels and storage technologies for back-up energy supply, including batteries, hydrogen, biodiesel, biomethane and other technologies including forestry waste

The Tasmanian Government encourages proponents to consider how back-up energy infrastructure can contribute to both project reliability and wider benefits for Tasmania's energy system.

This could also assist with decarbonisation of other sectors and support development of new clean-fuels industries in Tasmania.

d. Timing of new load and generation

It is acknowledged that the timeframes for new renewable generation coming online may not align with proposed data centre and AI infrastructure projects becoming operational.

Where new demand is introduced ahead of supporting additional generation, proponents must demonstrate how this will be appropriately managed through commercial and operational arrangements. Proponents must also demonstrate how renewable energy commitments will be progressively delivered to support increased electricity demand.

e. Energy security

New demand must not compromise Tasmania's energy security arrangements or adversely affect system reliability.

f. Paying for network costs

TasNetworks is responsible for planning, building, operating and maintaining Tasmania's electricity transmission and distribution network.

Proponents of data centre and AI infrastructure developments are required to pay their fair share of network costs and pay for all connection costs, so that there be no net cost on existing Tasmanian customers.

Proponents should also seek to:

- provide sufficient and timely information to enable TasNetworks to assess system, infrastructure and potential customer-pricing impacts
- engage early with TasNetworks and seek to locate projects in parts of the network with available capacity, minimising unnecessary transmission infrastructure

National work is underway to consider appropriate cost recovery arrangements for large energy users, including data centres and AI infrastructure, to ensure that existing customers are not unfairly cross-subsidising new developments or exposed to costs associated with infrastructure that is no longer required.¹¹²

¹¹² Tasmanian Government, *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, September 2026, pp. 10-12. Accessed at: https://hdp-au-prod-app-sgtas-engage-files.s3.ap-southeast-2.amazonaws.com/4517/8849/8926/Data_Centre_and_AI_Statement_of_Expectations_4_September_2026.pdf.

Findings

The Committee finds:

41. Firmus Technologies has entered into a three-year Retail Service Agreement with Aurora Energy for its St Leonards facility, with load expected to increase to approximately 104 MW.
42. Firmus Technologies' confirmed and disclosed prospective energy demand across its three proposed Tasmanian sites (St Leonards 104 MW, George Town/Bell Bay approximately 288 MW, and Wesley Vale approximately 52 MW) totals approximately 444 MW, exceeding the approximately 300 MW of new load assumed in the Whole-of-State Business Case's mid-case scenario from 2030 onward.
43. The Tasmanian Government stated new major energy load should be accompanied by new variable renewable generation. However, the Government did not give evidence of a settled, published and enforceable Tasmanian policy establishing what constitutes sufficient new generation, when it must be operational or what occurs if it is delayed or does not proceed.
44. On 7 September 2026, the Tasmanian Government released a Draft Statement of Expectations for data centres and AI infrastructure developers, however, has stated it is not its intention to legislate or otherwise make them enforceable. The final Expectations are due to be released by the end of 2026.
45. The draft Tasmanian and proposed national statements of expectations for data centres and AI infrastructure developers, provide an opportunity to establish clear expectations for energy, water, infrastructure, employment, community benefit and transparency.
46. Firmus Technologies' existing Retail Services Agreement permits substantial energy load to commence before associated new generation has become operational.
47. The Project Marinus Whole-of-State Business Case and Project Marinus Final Investment Decision Assessment Report did not contemplate the potential scale and timing of the additional energy demand from new Artificial Intelligence infrastructure, and was therefore not incorporated into base assumptions or modelling.
48. There is a lack of clarity as to how the confirmed and prospective energy demand from Firmus Technologies' proposed Artificial Intelligence factories interacts with, or affects the achievability of, the 800 MW new renewable generation assumption underpinning the returns projected in the Final Investment Decision Assessment Report.
49. Large new energy loads could materially affect Tasmania's generation needs, energy security, transmission requirements, wholesale market position, the

- financial sustainability of state-owned energy entities, and the availability of generation for export.
50. Energy-intensive data centres may impact on transmission costs and renewable investment, and may also create risks for electricity prices and energy security if load growth precedes additional generation, storage or network capacity.
 51. The ongoing operational employment associated with data centres and Artificial Intelligence infrastructure may be modest relative to their electricity demand and capital investment, requiring transparent assessment of their wider net benefits and costs.
 52. Evidence from Aurora Energy and the Office of the Coordinator-General was inconsistent as to whether the Office facilitated an introduction between Firmus Technologies and Aurora Energy in relation to the current Retail Service Agreement.
 53. The Aurora Energy–Firmus Technologies Retail Service Agreement was first disclosed publicly through broadcast media comments by Firmus' Co-Chief Executive Officer, Mr Oliver Curtis, ahead of the parties' joint media statement of 25 March 2026.

6 RELATED MATTERS RAISED WITH THE COMMITTEE

- 6.1 This Chapter considers related matters that were raised with the Committee in relation to matters after 11 June 2025 but did not directly accord with the Terms of Reference.
- 6.2 Specific issues raised with the Committee considered in this Chapter are the update on workforce and accommodation strategies for Marinus Link Stage 1, as well as the ongoing negotiations with landowners in north-west Tasmania for the North West Transmission Developments (NWTD).

Workforce and Accommodation Strategy

- 6.3 The Committee asked questions regarding the impact the required workforce for Project Marinus will have on services in local communities, predominantly in north-west Tasmania, including housing, transport, and other services (see Chapter 8 of the first Interim Report pages 193 to 198).

Evidence received

- 6.4 At the 24 February 2026 public hearing, Marinus Link Pty Ltd (MLPL) provided evidence on the progress of developing solutions to prospective workforce and accommodation issues:

Ms FINLAY - ... One of the other things that we've seen, historically, when there's been challenges with projects that have an uplift in people, is then their support services around that - so, the accommodation, transport, those sorts of things. Where are conversations and preparations for that work? One of the concerns has been, on the north-west coast, displacement - if you could talk through that?

Ms MCGREGOR - Absolutely. Look, we are actively engaged with a number of bodies in the north-west around these discussions and with the appointment of TVGL [TasVic Greenlink] at the back end of last year, they are now inputting into those conversations. But, Clare, did you want to add some specifics?

Ms GLEGHORN - Yes, I think when we last appeared before the committee, I mentioned that as part of the balance of works contracting process, we gave primacy to workforce accommodation and workforce participation strategies for both the bidding teams. That's obviously now activated, that we have our successful contractor in place. They're well advanced in terms of doing that mapping and modelling. I think for us, and what we're seeing starting to play out, is the primacy of local workforce. So, you mitigate that risk completely by being able to actually engage locally.

From the timing, in terms of working really closely with TasNetworks around the impacts of NWTD and the geography of where and how you're looking at that workforce, we've been able to give primacy to local workforce. We're really confident that in looking at that, and looking at the mapping and the timing and scheduling, that that will work quite well.

There's a whole range of other things: looking at different types of accommodation as well and what's suitable; safety is really important; displacement and understanding some of those local challenges, and we are very aware of the challenges, particularly in the north-west and around Burnie. We have really strong relationships with the local council and a lot of the local business and industry groups. We meet weekly with the Cradle Coast Authority, Business Northwest and a lot of the community organisations because our desire is to not only not make those matters worse but also look to where we can provide uplift or support and provide better outcomes as a result of our project.

CHAIR - Do you have any plans in that space yet? It takes a while to build housing. We see how that's been a real challenge everywhere - not just here.

Ms GLEGHORN - Yes, the drafting of that strategy is well advanced. We will be in a position to make some announcements about that over the next little while. Importantly, what we need to do is go through that really detailed consultation process. We're not far away, Chair, from being able to share that and I'm really happy to share that once it's finalised.

CHAIR - When you say not very far - we're talking weeks, months?

Ms GLEGHORN - Yes, within a couple of months that will be finalised.¹¹³

6.5 In May 2026, MLPL released its Workforce and Accommodation Strategy (the Strategy).¹¹⁴ The Strategy states:

While projects of this scale bring clear benefits, they can also place additional demand on local housing and essential services if not carefully managed. For Marinus Link, the scale and duration of construction mean these impacts are expected to be manageable. However, the project is being delivered at a time when several other major infrastructure and energy developments are occurring in Gippsland and North West Tasmania. As a result, the cumulative impact of multiple projects has the potential to influence local housing availability and affordability.

Marinus Link Pty Ltd (MLPL) recognises the importance of proactively managing these risks to ensure local communities continue to benefit from development without experiencing unintended pressures on housing or essential services.

This Workforce and Accommodation Strategy (the Strategy) provides the approach MLPL, through its contractors, will take to minimise potential impacts and support positive outcomes for local communities. Central to the approach is a local-first workforce strategy, which prioritises local recruitment, training and upskilling to maximise participation by people already living in the regions.¹¹⁵

¹¹³ Ms. Stephanie McGregor, Chief Executive Officer, and Ms. Clare Gleghorn, Director Corporate Affairs, Marinus Link Pty Ltd, Transcript of Evidence, 24 February 2026, pp. 13-14.

¹¹⁴ Marinus Link Pty Ltd website, *Workforce, supply chain and accommodation*. Accessed at: <https://www.marinuslink.com.au/workforce/>.

¹¹⁵ Marinus Link Pty Ltd, *Workforce and Accommodation Strategy*, May 2026, p. 4. Accessed at: <https://www.marinuslink.com.au/wp-content/uploads/2026/05/Marinus-Link-Workforce-and-Accommodation-Strategy-May-2026.pdf>

- 6.6 The Strategy considers workforce development and workforce accommodation.
- 6.7 The workforce development strategy prioritises local and regional workers wherever possible, supports training and upskilling opportunities, increase participation by young people, First Peoples and other underrepresented groups, and builds workforce capability for future energy and infrastructure projects. The Strategy emphasises collaboration between contractors, industry, education providers and local businesses to identify skills shortages early, develop training pathways, and strengthen regional supply chains. A key objective is ensuring Marinus Link's workforce needs are met without drawing workers away from other critical regional industries, while leaving enduring economic and workforce benefits for affected regions.¹¹⁶
- 6.8 The workforce accommodation strategy aims to ensure Marinus Link's construction workforce does not place undue pressure on housing availability, affordability or community services in affected regions.
- 6.9 Individual contractors are responsible for planning and providing accommodation for non-local workers throughout the construction period. This may include using existing short-stay, hotels, motels, serviced accommodation and caravan parks, while minimising reliance on local residential housing. Contractors are required to report to MLPL on workforce accommodation matters. MLPL has a “pressure framework” to assess when and where the “workforce demand may contribute to housing stress, reduced availability or declining affordability in local communities.”¹¹⁷
- 6.10 If accommodation pressures emerge, contractors may be required to secure additional accommodation, adjust workforce arrangements, provide transport from surrounding areas, or develop temporary workforce accommodation facilities.¹¹⁸
- 6.11 The Committee heard from Minister Duigan about the impact of the NWTD on north-west Tasmania and what is planned to address them:

CHAIR - ... The north-west coast is going to be the most hard hit by - Marinus Link... After some interesting conversations, they're now looking at taking over all the accommodation in town in Burnie to put their workforce, which does absolutely destroy the tourism opportunities for that region. If you add on all the

¹¹⁶ Marinus Link Pty Ltd, *Workforce and Accommodation Strategy*, May 2026, pp. 10-11. Accessed at: <https://www.marinuslink.com.au/wp-content/uploads/2026/05/Marinus-Link-Workforce-and-Accommodation-Strategy-May-2026.pdf>

¹¹⁷ Marinus Link Pty Ltd, *Workforce and Accommodation Strategy*, May 2026, p. 21. Accessed at: <https://www.marinuslink.com.au/wp-content/uploads/2026/05/Marinus-Link-Workforce-and-Accommodation-Strategy-May-2026.pdf>

¹¹⁸ Marinus Link Pty Ltd, *Workforce and Accommodation Strategy*, May 2026, pp. 22-23. Accessed at: <https://www.marinuslink.com.au/wp-content/uploads/2026/05/Marinus-Link-Workforce-and-Accommodation-Strategy-May-2026.pdf>

other renewable energy projects that are required to make this stack up, that's a huge workforce. It's a huge impact on our transport sector, our access on and off the island through our local airports, housing, accommodation. Then we've got the mines down the west coast that are about to ramp up too. Minister, what are you doing to look at the real issues that affect the local community up there particularly?

Mr DUIGAN - ... One of the things we did on Friday was head up to Burnie for the launch of the TasNetwork's Bright Future Fund, which is a \$10 million community benefit fund, which is being supported by an independent community assessment panel. This is substantial investment in that community, which bears - and not just Burnie, but through the LGAs where the North West TD will traverse.

CHAIR - I'm talking about - let's focus on Marinus.

Mr DUIGAN - This is one example of that.

CHAIR - They're not going to build houses, are they?

Mr DUIGAN - No, but they're going to do other things.

CHAIR - What are they going to do?

Mr DUIGAN - The community will dictate what they do with that \$10 million from TasNetworks, particularly. In terms of the other impacts, this is something that's being considered at a wider, whole of government level - and Ness [Vanessa Pinto], probably as you sit on - the name of the body escapes me - but this is work that you have direct input into, in terms of the wider implications around housing and transport and those sorts of impacts.

Ms PINTO - ... the governance structure for Project Marinus is widely available online at the ReCFIT website and outlines a structure across government to ensure that there's engagement across government. So, matters that are very specific in the energy policy space overseeing through the energy task force which goes up through the Energy Executive Steering Committee and reports up to government, and that has representation across the Department of Treasury and Finance, State Growth, Natural Resources and Environment Tasmania, and the Department of Premier and Cabinet. More broadly though, as a part of that governance structure, there's engagement through the State Growth executive across a number of areas: Housing is obviously one of them, transport, and the impact on infrastructure. So, that's more broadly considered -

CHAIR - Where's the plan? We know there's work being done. What's the plan? Where's the plan? Is there a plan?

Mr DUIGAN - I won't speak for your plans, Ness, but take, for example, the East Devonport caravan park where I think TasNetworks is housing a few of its people through the course of the NWTD build out. Then there's a substantial plan there for augmenting that site.

CHAIR - All you are doing is moving the problem there. That's a tourism - yes?

Mr DUIGAN - Well, yes, but it typically does house a lot of workers. There has been a high level of use for that site.¹¹⁹

6.12 In relation to the NWTD, TasNetworks, in its North West Transmission Developments Fact sheet – Social and Economic, has committed to “preparing a Workforce Accommodation Strategy to minimise impacts on rental housing during construction.”¹²⁰

6.13 Ms Pinto of Renewables, Climate and Future Industries Tasmania (ReCFIT) advised the Committee that TasNetworks is required to have its NWTD workforce strategy approved by the Tasmanian Planning Commission:

Ms PINTO - ... TasNetworks have to get their workforce strategy approved by the Tas Planning Commission. For the benefit of the committee, they're already regulatory roles that are undertaken across government that ensure that developments, not just like a development of this nature but other developments ... meet the expectations and that any impacts in a regional area are considered and are part of that planning permit. That's a key role that the Tasmania Planning Commission requires of developers of this nature. They are already undertaking what are already pre-existing regulatory requirements. At a more broader level, the State Planning Office looks more broadly in regional areas to what some of the supply and demand implications would be and that's the appropriate area to be considering those impacts across multiple developments and multiple changes that are occurring in the population profile for an area.¹²¹

6.14 TasNetworks has developed the required Tasmanian Industry Participation Plan (TIPP) for the NWTD. A TIPP seeks to ensure local Tasmanian small and medium enterprises are actively engaged, local supply chains are supported, and economic benefits are reported throughout project delivery. TasNetworks representatives gave evidence to Legislative Council GBE Estimates in 2025 regarding the TIPP:

CHAIR - Minister, I asked you some questions around the Tasmanian Industry Participation Plan that's been signed under contract with Genus. You didn't have a lot of information, which is fine because it's not really your job to be across all that detail. But, I note that the ... the TIPP... commits to only 15 per cent of Tasmanian based employees with 85 per cent FIFO workers. The minister himself did call this 'not particularly ambitious' last week. So, who negotiated the deal? Was the board briefed on this before it was signed? Did the board or the CEO seek government guidance on minimum acceptable targets for this?

¹¹⁹ Hon. Nick Duigan MLC, Minister for Energy and Renewables, and Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 22 June 2026, pp. 40-41.

¹²⁰ TasNetworks, *North West Transmission Developments Fact sheet Social and economic*, April 2025, p. 5. Accessed at: <https://www.tasnetworks.com.au/config/getattachment/c155152f-d8b8-42a8-af63-e52e9df08cae/02874-nwtd-factsheet-social-economic-2-0-wcag.pdf>.

¹²¹ Ms. Vanessa Pinto, Deputy Secretary, Renewables, Climate and Future Industries Tasmania, Department of State Growth, Transcript of Evidence, 22 June 2026, p. 42.

Mr DUIGAN - Given we have the relevant experts in the room to talk to this, I would refer to probably the CEO - or chair.

Mr GILL - This is really important and I think there's a chance for us given that we know this was discussed last week to be able to give you the exact numbers. What I can say... I went up with Genus to a big session up in Burnie where we were meeting all the local contractors... the Burnie Centre was packed to the rafters with people looking to get involved with this, lots of local business capability putting their hand up to contract with Genus, so I think the contracting environment here is going to make significant opportunities of this major project along the north-west coast.

In terms of employees –

CHAIR - Which makes the 15 per cent seem silly.

Mr GILL - Hang on, that's just the employee component. Certainly, the contracting capability of local contractors on this task will be strong. I will let Seán just set the record for the employment arrangements.

Dr McGOLDRICK - Happy to share some of the detail, but this was a procurement event, so we had to set down some numbers. Happy to report on those numbers and what we see now in the detail from Genus.

So, Genus direct labour involved in this project. It will be somewhere between 100 and 110 staff members - that's labour. Genus direct, in other words, Genus employs themselves on the island, so Tasmanian employees will be somewhere between 30 and 40 of that 100 to 110, so that exceeds the minimum 15 per cent that we've set there.

In terms of the indirect employee or the supply chain, so Genus indirect supply chain. We think that, at peak, it will be somewhere between 250 and 260. This is on the basis of detailed work that we've been doing with Genus. Between peak, between 250 and 260, on average between 100 and 140 people employed. In terms of the Tasmanian content of that, at peak we will have 225 to 234 people and on average between 90 and 126. That well exceeds the 45 per cent minimum we've put for indirect.

Obviously, these things are a commercial decision by a business coming in. We've set the standards, and they have exceeded those standards, which I'm happy to report and there has been tremendous interest from the supply chain on the island.

A lot of these projects are digging, soil shifting, road construction, concrete, and that's all on the island. There will be a local supply chain that Genus will utilise. It's important to remember in this context that Genus is a well-established entity on the island, with two existing depots, one at Spreyton and one at Bridgewater. They've been in our supply chain for lower voltage work for some years and have proven to be a very good contractor. They have the supply chain on the island and they're going to really bring it to bear in this project. Those are the exact numbers I have.

*Mr GILL - I wonder if I could wrap that up in the sort of vicinities terms. We're really targeting 45 per cent involvement of Tasmanian workforce, which is both those direct employees and subcontractors. It's a very substantial involvement, which turns into something like \$175 million of contract value going into Tasmania of the total project, and remember this is a project of big chunks of aluminium and steel, so it's the people putting it up and you're buying a lot of hardware. That's the Tasmanian investment of \$175 million into the north-west coast, substantially gaining from that.*¹²²

Findings

The Committee finds:

54. Project Marinus and other major developments will create significant and overlapping workforce and accommodation demands, particularly in north-west Tasmania.
55. The evidence did not demonstrate the existence of a single, quantified whole-of-government plan addressing the cumulative effects of Project Marinus and other major projects on housing, accommodation, transport, health, emergency services and community infrastructure for north-west Tasmania.
56. TasNetworks and Marinus Link Pty Ltd have separate workforce and accommodation obligations, but cumulative impacts require coordinated regional oversight.
57. Marinus Link Pty Ltd's Workforce and Accommodation Strategy prioritises local employment and requires contractors to respond if accommodation pressures emerge.
58. Responsibility for securing non-local workforce accommodation in Marinus Link Pty Ltd's Workforce and Accommodation Strategy rests substantially with contractors, and proposed responses may include existing short-stay accommodation, transport arrangements or temporary facilities.
59. Reliance on hotels, motels, caravan parks and other short-stay accommodation for non-local workforce during Marinus Link construction has the potential to displace visitors, seasonal workers and other users and to affect regional tourism.

Negotiations with landowners in north-west Tasmania

- 6.15 The Committee heard evidence of ongoing negotiations with landowners in north-west Tasmania regarding the North West Transmission Developments (NWTD).

¹²² Mr. Roger Gill, Chair, and Mr. Seán McGoldrick, then-Chief Executive Officer, TasNetworks, Legislative Council Government Business Scrutiny Committee A, Transcript of Evidence, 24 November 2025, pp. 38-39.

Evidence received

- 6.16 Mr Seán McGoldrick, then-Chief Executive Officer of TasNetworks, provided the Committee with an update:

Mr BAYLEY - In relation to stage 1, it's a flashpoint with concern amongst landowners in the north-west. How are you going with signing up landowners along that route in terms of the strategic purpose payments and the other payments they get. Where are you at, percentage or kilometre-wise...

Mr McGOLDRICK - A few facts I will put on the record, and again the team may comment. Stage 1 is 129 kilometres in length: 3 kilometres of greenfield and 126 kilometres in brownfield where we have adjacent structures or within existing easements. We were planning to put up 295 new towers and take down 399, so it's actually a net reduction. Those will be larger towers, but it's fair to say that the number of towers will overall be reduced.

We will have a new switching station shared with Marinus Link at Heybridge and we've to upgrade three of our substations - 65 per cent of the route is privately owned, 32 per cent is in government or publicly owned, and 3 per cent is forestry land. Of the total number of private landowners - it's important to get this number right - while we have 271 private properties, we have 261 landowners because some owners own multiple properties, as you might imagine.

In terms of brownfields with no easement change, 129 have all agreed to provide access. Brownfields with easement amendment - so the existing infrastructure we're taking down and we're widening or changing the easement slightly - there are 137 of those and 118 have agreed to provide access. Greenfields, we have five properties and three have agreed to provide access.

In terms of options agreement, we did actually sign an option agreement just on Friday as well - I have written 21 outstanding options agreements here, but actually 20 now it has come down to. We have about 20 we're still working with out of those 261 properties. Those 20 we remain in negotiation with. I would say that probably around 10 of those I'm quite hopeful in the coming weeks we will actually have option agreements signed. Those 10 are delayed for reasons associated with there's a legal agreement that has to be reviewed and the lawyer hasn't been available or the land valuer they wish to use has not been available.

We're in active negotiation on 10. I would say the other 10 are proving more difficult, but we're still available for negotiations. Our first preference is always to have a voluntary agreement on this matter.¹²³

- 6.17 The Committee enquired of TasNetworks about media coverage in relation to Tasmania Police visiting landowners' properties in connection with the NWTN negotiations:

Mr BAYLEY - Some of those 10 [properties] last week or the week before we had some less than desirable media coverage in relation to the police visiting these

¹²³ Mr. Seán McGoldrick, then-Chief Executive Officer, TasNetworks, Transcript of Evidence, 23 February 2026, pp. 25-26.

particular properties. Can you talk [about] how that happens? Does TasNetworks ask the police? Is this a normal thing in the way you do things? Obviously, it was seen through an intimidatory kind of lens, I would say. Is that normal practice? Do you think it's wise or ethical for the police to sort of pre-empt –

Mr McGOLDRICK - I will be happy to comment on that. Just like any major developments, when we're going on people's land, we have been keeping Tasmania Police informed about our project. That's something that we regularly do and we're very grateful for their support. We also inform them when we need to go on land. We were very conscious. It's part of the process - the statutory process - for acquiring easements in a non-voluntary way, we have to actually, for the cadastral record, go on land and survey what portion of land we're taking an easement over. That requires a surveyor to go on the land. We explained that was the timing; we have to send out notices in that regard, which we duly did. We informed the police those notices were going out. As part of, I understand - so, I don't compel in any way, shape or fashion the police –

Mr BAYLEY - Do you ask them to go to certain properties?

Mr McGOLDRICK - No. What we said was, 'We are going to go to those properties', and we then made sure we told them about that. As part of their approach, I understand, to community policing, they took the initiative to go visit a number of those properties and to explain that people would be coming on land to carry out a survey and that they were entitled to do so. We then subsequently visited those properties, a number of those properties, and Tasmania Police did not accompany us when we visited those properties, and we did indeed get access. That was the sequence, but very happy for Renée [Anderson] to comment on that and fill it out.

Ms ANDERSON - Yes, thank you. The message around community safety wasn't a directive for Tasmania Police. It certainly wasn't intended to be intimidatory for those landholders. We know that there is a lot of emotion around this project, particularly understandably for some of those landowners. We've been talking practically with Tasmania Police for a while, particularly given their knowledge of people in the area, knowledge of the process that we're going to have to go through. It seems like after conversations with them, their role in community, community safety, knowing landowners, knowing people, that they could play a proactive role in assuring landowners that we were there for a legitimate lawful reason - that there would be people coming onto their properties, but we had very specific parameters around why we were coming on the property. It was very much around wanting to assure landholders while we're there, but also for that Tas Police presence in that community, given their connections and relationships with people there.¹²⁴

¹²⁴ Mr. Seán McGoldrick, Chief Executive Officer, and Ms. Renée Anderson, Executive People and Stakeholder, TasNetworks, Transcript of Evidence, 23 February 2026, at pp. 26-27.

Findings

The Committee finds:

60. As at 23 February 2026, TasNetworks had reached voluntary agreement with the substantial majority of the 261 affected private landowners along the North West Transmission Developments Stage 1 route, with approximately 20 option agreements still under negotiation, half of which were reported as more difficult to resolve.
61. TasNetworks' stated preference is to reach voluntary agreements with landowners affected by the North West Transmission Developments; however, statutory access and acquisition processes may be used where agreement cannot be achieved.
62. Tasmania Police proactively visited some landowners affected by the North West Transmission Developments after being advised by TasNetworks of intended property access. These visits to landowners were perceived by some as intimidating, notwithstanding evidence that this was not the stated intention of TasNetworks or Tasmania Police.

APPENDICES

Appendix A - List of witnesses

Joint Select Committee on Energy Matters (Fifty Second Parliament)

PUBLIC HEARING – 23 February 2026 (Hobart)

1. Mr. Seán McGoldrick, then-Chief Executive Officer, Mr. Michael Westenberg, Executive Finance and Regulation, Ms. Renée Anderson, Executive People & Stakeholder, and Ms. Chantal Hopwood, Executive Governance, TasNetworks.

PUBLIC HEARING – 24 February 2026 (Hobart)

1. Ms. Stephanie McGregor, Chief Executive Officer, Mr. Prajit Parameswar, Chief Financial and Commercial Officer, and Ms. Clare Gleghorn, Director Corporate Affairs, Marinus Link Pty Ltd.
2. Hon. Eric Abetz MP, Treasurer, Mr. Gary Swain, Secretary, and Mr. Anton Voss, Executive Director, Project Marinus Whole of State Business Case, Department of Treasury and Finance, Tasmanian Government

PUBLIC HEARING – 10 March 2026 (Hobart)

1. Mr. Richard Bolt, Chair, Ms. Rachel Watson, Chief Executive Officer, Ms. Erin van Maanen, Executive General Manager Strategy, and Mr.

Tim Peters, Executive General Manager Finance, Hydro Tasmania.

PUBLIC HEARING – 20 March 2026 (Hobart)

1. The Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, Ms. Vanessa Pinto, Acting Chief Executive Officer, Renewables, Energy, Climate and Future Industries (ReCFIT), Mr. Sean Terry, Executive Director Energy, ReCFIT, and Mr. Adrian Christian, Director Energy, ReCFIT, Department of State Growth, Tasmanian Government.

PUBLIC HEARING – 30 April 2026 (Hobart)

1. Mr. Nigel Clark, Chief Executive Officer Mr. Oliver Cousland, Company Secretary / General Counsel Aurora Energy

PRIVATE HEARING – 11 May 2026 (Hobart)

1. Mr. Oliver Curtis, Co-Chief Executive Officer, and Mr. Ben Webb, General Counsel, Firmus Technologies.

PUBLIC HEARING – 22 June 2026 (Hobart)

1. The Hon. Nick Duigan MLC, Minister for Energy and Renewables, Tasmanian Government, and Ms. Vanessa Pinto, Acting Chief Executive Officer, Renewables, Energy, Climate and Future

Industries (ReCFIT), and Mr. Sean Terry, Executive Director Energy, ReCFIT, Department of State Growth.

Appendix B – Minutes

Fifty-Second Parliament Joint Select Committee on Energy Matters in Tasmania

TUESDAY, 15 October 2025

The Committee met in Committee Room 1, Parliament House, Hobart at 2.02 p.m.

Members Present:

Mr Bayley
Mr Garland (by Webex)
Ms Finlay (by Webex)
Ms Forrest
Mr Harriss
Ms Lovell

ORDER OF THE HOUSES READ

The Secretary took the Chair and read the Resolution appointing the Committee.

APOLOGIES

Mr Edmunds
Mr Vermey

ELECTION OF CHAIR

The Secretary called for nominations, Ms *Finlay* nominated Ms *Forrest*, who consented to the nomination, seconded by Mr *Bayley*.

There being no other nominations, the Secretary declared Ms *Forrest* elected as Chair.

Ms *Forrest* took the Chair.

ELECTION OF DEPUTY CHAIR

Resolved, that the election of the Deputy Chair be deferred to the next meeting. (Ms *Forrest*)

PROCEDURAL MOTIONS

Resolved, that unless otherwise ordered the Standing Orders of the House of Assembly be adopted as the Standing Orders of the Committee. (Ms *Forrest*)

Resolved, that Officers of the Parliamentary Research Service be admitted to the proceedings of the Committee whether in public or private session, unless otherwise ordered. (Ms *Forrest*)

Resolved, that the Chair be the spokesperson in relation to the operations of the Committee. (Ms *Forrest*)

Resolved, that unless otherwise ordered, press statements on behalf of the Committee be made only by the Chair after approval in principle by the Committee or after consultation with committee members. (Ms *Forrest*)

Resolved, that the Committee receive all submissions and related correspondence and papers received by the Joint Select Committee on Energy Matters from the Fifty-First Parliament. (Ms *Forrest*)

Resolved, that Professor Magnus Soederberg, Director of the Centre for Applied Energy Economics and Policy Research, Griffith University, continue

in the role of Specialist Advisor to the Committee until the conclusion of his contract. (Ms Forrest)

Resolved, that Professor Magnus Soederberg be permitted to attend deliberative meetings of the Committee, unless otherwise ordered. (Ms Forrest)

MINUTES

Resolved, that the minutes of the previous meetings on 29 and 30 April 2025 be confirmed (Ms Forrest).

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Responses to Questions on Notice from Marinus Link Pty Ltd dated 30 May 2025
 - ii. Responses to Questions on Notice from TasNetworks dated 30 May 2025
 - iii. Responses to Questions on Notice from Minister Duigan dated 2 June 2025
 - iv. Responses to Questions on Notice from Hydro Tasmania received 3 June 2025
- b. Outgoing
 - i. Letter to Deputy Premier, the Hon. Guy

Barnett MP, dated 9 May 2025

- ii. Letter to Deputy Premier, the Hon. Guy Barnett MP, dated 3 June 2025

(Ms Forrest)

CONDUCT OF THE INQUIRY

The Committee discussed the status of the inquiry and the further work of the Committee.

The Committee agreed to compile an interim report relating to evidence received by the Committee prior to prorogation of Parliament on 11 June 2025, and agreed to receive further evidence by way of public hearings relating to the Marinus Link Whole of State Business Case, Marinus Link final investment decision, and Marinus Link financial close, to inform a final report.

Resolved, that the Chair sends correspondence to Professor Magnus Soederberg to advise of the revised approach to the inquiry and to seek his capacity to assist the Committee. (Ms Forrest)

Resolved, that the Committee agreed to hold deliberative meetings and public hearings on the following dates:

- 10 February 2026;
- 11 February 2026;
- 23 February 2026; and
- 24 February 2026

(Ms Forrest)

Resolved, that the Committee invites the following witnesses to a further public hearing:

- The Treasurer together with officials from the Department of Treasury and Finance working on the Marinus Link Whole of State Business Case;
- The Minister for Energy and Renewables together with officials from Renewables, Climate and Future Industries Tasmania (ReCFIT);
- Marinus Link Pty Ltd;
- Hydro Tasmania; and
- TasNetworks.

(Ms Forrest)

At 2.36 p.m. the Committee adjourned until 10 February 2025.

Confirmed,

FRIDAY, 14 November 2025

The Committee met in Committee Room 1, Parliament House, Hobart at 11.02 a.m.

Members Present:

Mr Bayley
Mr Garland (by Webex)
Ms Forrest
Mr Harriss
Ms Lovell
Mr Vermey

APOLOGIES

Mr Edmunds
Ms Finlay

ELECTION OF DEPUTY CHAIR

Resolved, that the election of the Deputy Chair be deferred to the next meeting. (Ms Forrest)

MINUTES

Resolved, that the minutes of the previous meeting on 15 October 2025 be confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Email from Professor Magnus Soederberg, Specialist Advisor, dated 22 October 2025.
- b. Outgoing
 - i. Letter to Professor Magnus Soederberg, Specialist Advisor, dated 22 October 2025.
 - ii. Letter to Hon. Eric Abetz MP, Treasurer, dated 12 November 2025.
 - iii. Letter to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 12 November 2025.
 - iv. Letter to Marinus Link Pty Ltd, dated 12 November 2025.
 - v. Letter to Hydro Tasmania, dated 12 November 2025.

vi. Letter to
TasNetworks, dated 12
November 2025.
(Ms Forrest)

SPECIALIST ADVISOR

The Committee discussed the scope of additional work required from the Specialist Advisor to assist with the final report for the purpose of obtaining a quote.

Resolved, that the Chair sends correspondence to Professor Magnus Soederberg requesting a quote for additional work in relation to the Committee's final report. (Ms Forrest)

Resolved, that the Chair sends correspondence to the Clerks and Presiding Officers once the Professor Soederberg's quote is received to seek funding from the Tasmanian Government for additional work in relation to the Committee's final report. (Ms Forrest)

Resolved, that the Chair sends correspondence to the Treasurer seeking an unredacted copy of the full Project Marinus Whole of State Business Case for the Committee's consideration. (Ms Forrest)

Resolved, that Professor Magnus Soederberg be authorised to consider the unredacted copy of the full Project Marinus Whole of State Business Case. (Ms Forrest)

ANY OTHER MATTERS

Resolved, that the responses to questions on notice received from Marinus Link, TasNetworks, Minister Duigan, and Hydro Tasmania be published on the inquiry's webpage with personal contact information redacted. (Ms Forrest)

At 11.20 a.m. the Committee adjourned until 9.00 a.m. on 10 February 2025.

Confirmed,

THURSDAY, 11 December 2025

The Committee met in Committee Room 1, Parliament House, Hobart at 1.06 p.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay (by Teams)
Ms Forrest
Mr Garland (by Teams)
Mr Harriss
Ms Lovell

APOLOGIES

Mr Vermey

ELECTION OF DEPUTY CHAIR

The Chair called for nominations for Deputy Chair. Ms Lovell nominated Mr Edmunds, who consented to the nomination.

This nomination was seconded by Ms Finlay.

There being no other candidates nominated, the Chair declared Mr Edmunds elected as Deputy Chair.

MINUTES

Resolved, that the minutes of the previous meeting on 14 November 2025 be confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Letter from Professor Magnus Soederberg to the Chair dated 18 November 2025.
 - ii. Letter from the Presiding Officers to the Chair dated 25 November 2025.
 - iii. Letter from Hon. Eric Abetz MP, Treasurer, and Hon. Nick Duigan MLC to the Chair, undated, received 2 December 2025.
 - iv. Letter from the Clerks to the Chair, enclosing a letter from the Premier to the Presiding Officers, dated 10 December 2025.
- b. Outgoing
 - i. Letter from the Chair to Hon. Eric Abetz MP, Treasurer, dated 17 November 2025.

- ii. Letter from the Chair to Professor Magnus Soederberg, Specialist Advisor, dated 17 November 2025.

- iii. Letter from the Chair to the Presiding Officers and Clerks, dated 19 November 2025.

(Ms Forrest)

At 1.09 p.m. Mr Bayley joined the meeting.

Resolved, that the Chair sends correspondence to the Treasurer and Minister Duigan advising that the Committee will receive the unredacted Project Marinus final investment decision documents in confidence, and to request that the documents are marked up to clearly indicate the redacted sections of the public documents. (Ms Forrest).

At 1.16 p.m. Ms Finlay left the meeting.

Resolved, that the Chair, in her correspondence to the Treasurer and Minister Duigan, include a request for provision of any other advice and reports that informed statements or findings in the Project Marinus final investment decision documents in relation to the impacts on all components of energy prices. (Ms Forrest)

SPECIALIST ADVISOR

Resolved, that the Chair sends correspondence to the Specialist Advisor notifying of the approval of

funding for an additional ten days of advisory services, and that the Secretary be empowered to finalise any necessary commercial terms with Griffith University. (Ms Forrest)

At 1.26 p.m. Mr Bayley left the meeting.

PUBLIC HEARINGS

Resolved, to invite Hydro Tasmania to a public hearing on 10 March 2025 between 10.00 a.m. and 12.00 p.m. (Ms Forrest)

At 1.28 p.m. the Committee adjourned until 9.00 a.m. on 10 February 2025.

Confirmed,

TUESDAY, 10 February 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.00 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay
Ms Forrest (Chair)
Mr Garland
Ms Lovell

APOLOGIES

Mr Harriss, Mr Vermey

MINUTES

Resolved, that the minutes of the previous meeting on 11 December 2025 be confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Email from David Meacham (late submission request) dated 14 December 2025.
 - ii. Email from the Department of Treasury and Finance, dated 19 December 2025, providing an unredacted, marked-up Marinus Link Whole of State Business Case, together with attachments.
 - iii. Letter from Hon. Nick Duigan MLC, Minister for Energy and Renewables to the Chair dated 2 January 2026.
 - iv. Email from Craig Limkin, Secretary, Department of State Growth, dated 20 January 2026.
 - v. Email from Jane Adams, Executive Officer, Office of the Hon. Nick Duigan MLC, dated 10 February 2026.
- b. Outgoing
 - i. Letter from the Chair to Hon. Eric Abetz MP, Treasurer, and Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 12 December 2025.

ii. Letters from the Chair to witnesses for the upcoming public hearings, dated 12 December 2025.

iii. Letter from the Chair to Professor Magnus Soederberg, dated 12 December 2025.

iv. Letter from the Chair to Professor Magnus Soederberg, dated 22 December 2025.
(Ms Forrest)

Resolved, that the Chair sends correspondence to David Meacham advising the Committee has received his proposed late submission as correspondence. (Ms Forrest)

Resolved, that the unredacted, marked-up Project Marinus Whole of State Business Case be received as confidential. (Ms Forrest)

Resolved, that the Chair sends correspondence to Hon. Nick Duigan MLC, Minister for Energy and Renewables, requesting delivery, or an update on the delivery, of Project Marinus final investment decision assessment and other documents, together with a request for additional information regarding the allocation of costs agreed between Tasmania and Victoria as referenced in the Australian Energy Regulator's Final Decision: Marinus Link Stage 1, Part B (Construction costs), released on 6 February 2026. (Ms Forrest)

Resolved, that the Chair sends correspondence to the Deputy Premier,

Hon. Guy Barnett MP, to invite him to give evidence at the 24 February 2026 public hearing as Acting Minister for Energy and Renewables. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

The Committee undertook preliminary consideration of the Chair's Draft Interim Report.

Suspension of sitting 11.01 a.m. to 11.18 a.m.

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

Suspension of sitting 12.57 p.m. to 2.06 p.m.

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

Suspension of sitting 3.50 p.m. to 4.00 p.m.

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

NEXT MEETING

At 4.54 p.m. the Committee adjourned until 9.00 a.m. on 11 February 2025.

Confirmed,

WEDNESDAY, 11 February 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.04 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay
Ms Forrest
Mr Garland
Mr Harriss
Ms Lovell
Mr Vermey

MINUTES

The minutes of the previous meeting on 10 February 2026 are in progress.

CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

The Committee undertook preliminary consideration of the Chair's Draft Interim Report.

Suspension of sitting 10.54 a.m. to 11.17 a.m.

Mr Vermey joined the meeting at 11.17 a.m.

The Committee's preliminary consideration of the Chair's draft report continued.

Suspension of sitting 12.59 p.m. to 2.03 p.m.

UPCOMING PUBLIC HEARINGS

The Committee considered the witness schedules for upcoming public hearings on 23 and 24 February 2026, and 10 March 2026, as well as related material

from Prof. Magnus Soederberg, Specialist Advisor.

CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

Suspension of sitting 3.15 p.m. to 3.26 p.m.

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

The Committee agreed to continue preliminary consideration of the Chair's Draft Interim Report following the public hearing on 23 February 2026.

ANY OTHER MATTERS

The Committee agreed to further deliberative meetings:

- Monday 16 March 2026, 9.00 a.m. to 12.30 p.m.
- Monday 13 April 2026, 9.00 a.m. to 2.00 p.m.
- Friday 17 April 2026, 9.30 a.m. to 1.30 p.m.

NEXT MEETING

At 4.51 p.m. the Committee adjourned until 9.00 a.m. on 23 February 2025.

Confirmed,

MONDAY, 23 February 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.00 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay (via Teams and in-person)
Ms Forrest (Chair)
Mr Harriss
Ms Lovell
Mr Vermey

Professor Magnus Soederberg, Specialist Advisor, was present as per a previous resolution of the Committee.

APOLOGIES

Mr Garland

MINUTES

Resolved, that the minutes of the previous meetings on 10 and 11 February 2026 be confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Letter from Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 12 February 2026, with seven attachments relating to the Project

Marinus final investment decision (previously circulated and located in the M: Drive).

- ii. Email from Andrew Wallace, Senior Advisor for Minister Duigan, dated 18 February 2026.

b. Outgoing

- i. Letter from the Chair to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 12 February 2026.
- ii. Letter from the Chair to Hon. Guy Barnett MP, Deputy Premier, dated 12 February 2026.
- iii. Letter from the Chair to David Meacheam, dated 18 February 2026.

(Ms Forrest)

Resolved, that the unredacted, marked-up Project Marinus final investment decision documents be received as confidential. (Ms Forrest)

The Committee considered the witness schedule for the public hearing as well as material from Prof. Soederberg.

Suspension of sitting from 9.20 a.m. to 9.28 a.m.

PUBLIC HEARING

At 9.28 a.m. the public hearing commenced.

At 9.28 a.m. Mr Seán McGoldrick, Chief Executive Officer, Mr Michael Westenberg, Executive Finance and Regulation, Ms Renée Anderson, Executive People & Stakeholder, and Ms Chantal Hopwood, Executive Governance, TasNetworks, were called, made the Statutory Declaration and were examined by the Committee in public.

At 11.00 a.m. the witnesses withdrew.

Suspension of sitting from 11.00 a.m. to 11.23 a.m.

PRIVATE DELIBERATIVE MEETING

PRELIMINARY CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

At 11.23 a.m. the Committee resumed the private deliberative meeting.

The Committee undertook preliminary consideration of the Chair's Draft Interim Report.

Suspension of sitting from 1.00 p.m. to 2.03 p.m.

At 2.03 p.m. Ms *Finlay* withdrew.

The Committee's preliminary consideration of the Chair's draft report continued.

At 2.08 p.m. Ms *Finlay* returned.

The Committee's preliminary consideration of the Chair's draft report continued.

Suspension of sitting from 12.59 p.m. to 2.03 p.m.

At 2.03 p.m. the Committee's preliminary consideration of the Chair's Draft Interim Report continued.

At 2.58 p.m. Mr *Bayley* withdrew.

The Committee's preliminary consideration of the Chair's Draft Interim Report continued.

Suspension of sitting from 3.15 p.m. to 3.26 p.m.

At 3.26 p.m. the Committee's preliminary consideration of the Chair's Draft Interim Report continued.

At 4.30 p.m. Ms *Lovell* withdrew.

The Committee agreed to continue preliminary consideration of the Chair's Draft Interim Report on 24 February 2026.

NEXT MEETING

At 4.38 p.m. the Committee adjourned until 9.00 a.m. on 24 February 2026.

Confirmed,

TUESDAY, 24 February 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.03 a.m.

Members Present:

Mr *Bayley*
Mr *Edmunds* (via Teams from 1.07 p.m.)
Ms *Finlay*

Ms Forrest (Chair)
Mr Harriss (from 9.16 a.m.)
Ms Lovell
Mr Vermey

Professor Magnus Soederberg,
Specialist Advisor, was present as per a
previous resolution of the Committee.

APOLOGIES

Mr Garland

MINUTES

The Committee noted the minutes of
the previous meeting on 23 February
2026 were in progress.

PRELIMINARY CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

The Committee undertook preliminary
consideration of the Chair's Draft
Interim Report.

At 9.16 a.m. Mr Harriss joined the
meeting.

The Committee considered the witness
schedule for the public hearings as well
as material from Prof. Soederberg.

Suspension of sitting from 9.21 a.m. to
9.28 a.m.

PUBLIC HEARING

At 9.28 a.m. the public hearing
commenced.

At 9.28 a.m. Ms Stephanie McGregor,
Chief Executive Officer, Mr Prajit
Parameswar, Chief Financial

Commercial Officer, and Ms Clare
Gleghorn, Director Corporate Affairs,
Marinus Link Pty Ltd, were called, made
the Statutory Declaration and were
examined by the Committee in public.

At 10.55 a.m. the witnesses withdrew.

Suspension of sitting from 10.55 a.m. to
11.15 a.m.

PRIVATE DELIBERATIVE MEETING

At 11.15 a.m. the Committee resumed
the private deliberative meeting.

The Committee's preliminary
consideration of the Chair's draft report
continued.

Suspension of sitting from 11.52 a.m. to
12.53 p.m.

CORRESPONDENCE

At 12.53 p.m. the Committee resumed
the private deliberative meeting.

Resolved, that the following late
incoming correspondence be received:

- a. Incoming
 - i. Email from Jane
Adams, Executive
Officer, Minister
Duigan's dated 24
February 2026.
(Ms Forrest)

The Committee considered the late
incoming correspondence which
provided notice of changed witness
attendance arrangements for the
public hearing with the Honourable Guy
Barnett MP, Deputy Premier and Acting

Minister for Energy and Renewables, Mr Craig Limkin, Secretary, Ms Vanessa Pinto, Acting Chief Executive Officer, Renewables, Energy, Climate and Future Industries (ReCFIT), and Mr Sean Terry, Executive Director, ReCFIT, Department of State Growth, scheduled at 3.15 p.m.

The Committee considered the changed witness attendance arrangements unacceptable.

Resolved, that the public hearing with Deputy Premier and Acting Minister for Energy and Renewables, together with Departmental representatives, scheduled on 24 February 2026 not proceed and it be rescheduled to a date to be determined. (Ms Forrest)

Suspension of sitting from 12.56 p.m. to 12.58 p.m.

PUBLIC HEARING

At 12:58 p.m. the public hearing resumed.

At 12.58 p.m. the Honourable Eric Abetz MP, Treasurer; and Mr Gary Swain, Secretary, and Mr Anton Voss, Executive Director, Project Marinus Whole of State Business Case, Department of Treasury and Finance, were called, made the Statutory Declaration and were examined by the Committee in public.

At 1.07 p.m. Mr Edmunds joined the meeting.

The public hearing continued.

At 1.44 p.m. Mr Edmunds withdrew.

The public hearing continued.

At 3.00 p.m. the witnesses withdrew.

Suspension of sitting from 3.00 p.m. to 3.04 p.m.

PRIVATE DELIBERATIVE MEETING

At 3.04 p.m. the Committee resumed the private deliberative meeting.

Resolved, that the documents tabled at the public hearing by Marinus Link Pty Ltd be published on the Committee's webpage. (Ms Forrest)

PRELIMINARY CONSIDERATION OF THE CHAIR'S DRAFT INTERIM REPORT

The Committee's preliminary consideration of the Chair's draft report continued.

ANY OTHER MATTERS

The Committee agreed to further meetings:

- Friday 20 March 2026, 11.15 a.m. to 1.30 p.m.
- Thursday 30 April 2026, 9.00 a.m. to 5.00 p.m.
- Monday 11 May 2026, 9.00 a.m. to 3.00 p.m.
- Monday 18 May 2026, 12.00 p.m. to 1.00 p.m.

NEXT MEETING

At 3.17 p.m. the Committee adjourned until 9.45 a.m. on 10 March 2026.

Confirmed,

TUESDAY, 10 March 2026

The Committee met in Committee Room 2, Parliament House, Hobart at 9.46 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Forrest (Chair)
Mr Garland
Mr Harriss
Ms Lovell
Mr Vermey

Professor Magnus Soederberg, Specialist Advisor, was present as per a previous resolution of the Committee.

APOLOGIES

Ms Finlay

MINUTES

The minutes of the previous meetings on 23 and 24 February 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

The Committee undertook preliminary consideration of the Chair's

Resolved, that the following outgoing correspondence be endorsed:

- a. Outgoing

- i. Letter from the Chair to TasNetworks, dated 8 March 2026.

- ii. Letter from the Chair to Marinus Link Pty Ltd, dated 8 March 2026.

- iii. Letter from the Chair to Hon. Eric Abetz MP, dated 8 March 2026.

- iv. Letter from the Chair to Hon. Guy Barnett MP, dated 8 March 2026.

(Ms Forrest)

The Committee considered the witness schedule for the public hearing as well as material from Prof. Soederberg.

Suspension of sitting from 9.56 a.m. to 10.02 a.m.

PUBLIC HEARING

At 10.02 a.m. the public hearing commenced.

At 10.02 a.m. Mr Richard Bolt, Chair, Ms Rachel Watson, Chief Executive Officer, Ms Erin van Maanen, Executive General Manager Strategy, and Mr Tim Peters, Executive General Manager Finance, Hydro Tasmania, were called, made the Statutory Declaration and were examined by the Committee in public.

At 11.16 a.m. Mr Vermey withdrew.

The public hearing continued.

At 12.00 p.m. the witnesses withdrew.

Suspension of sitting from 12.00 p.m. to 12.04 p.m.

PRIVATE DELIBERATIVE MEETING

At 12.04 p.m. the Committee resumed the private deliberative meeting.

Resolved, that the document tabled at the public hearing by Hydro Tasmania be published on the Committee's webpage. (Ms Forrest)

ANY OTHER MATTERS

Resolved, that the Office of the Tasmania Economic Regulator's Energy in Tasmania Report 2024-25 be received as evidence. (Ms Forrest)

NEXT MEETING

At 12.14 p.m. the Committee adjourned until 9.00 a.m. on 16 March 2026.

Confirmed,

MONDAY, 16 March 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.46 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay
Ms Forrest (Chair)
Mr Garland
Mr Harriss
Ms Lovell (via Teams)
Mr Vermey

APOLOGIES

Nil.

MINUTES

The minutes of the previous meeting on 10 March 2026 are confirmed. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

The Committee undertook preliminary consideration of the Chair's Updated Draft Interim Report.

At 9.52 a.m. Mr Edmunds withdrew.

The Committee's preliminary consideration of the Chair's updated draft report continued.

At 9.59 a.m. Mr Edmunds returned.

The Committee's preliminary consideration of the Chair's updated draft report continued.

At 9.52 a.m. Mr Vermey withdrew.

The Committee's preliminary consideration of the Chair's updated draft report continued.

Suspension of sitting from 10.25 a.m. to 10.38 a.m.

At 10.38 a.m. Mr Vermey returned.

At 10.38 a.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

NEXT MEETING

At 11.58 a.m. the Committee adjourned until 11.15 a.m. on 20 March 2026.

Confirmed,

FRIDAY, 20 March 2026

The Committee met in Committee Room 2, Parliament House, Hobart at 11.17 a.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay (via Teams)
Ms Forrest (Chair)
Ms Lovell

Professor Magnus Soederberg, Specialist Advisor, was present (via Teams) as per a previous resolution of the Committee.

APOLOGIES

Mr Garland, Mr Harriss, Mr Vermey

MINUTES

The minutes of the previous meeting on 16 March 2026 are confirmed. (Ms Forrest)

PUBLIC HEARING

The Committee considered the witness schedule for the public hearing as well as material from Prof. Soederberg.

Suspension of sitting from 11.26 a.m. to 11.30 a.m.

At 11.30 a.m. the public hearing commenced.

At 11.30 a.m. Honourable Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables; and Ms Vanessa Pinto, Acting Chief Executive Officer, Renewables, Energy, Climate and Future Industries (ReCFIT), Mr Sean Terry, Executive Director, ReCFIT, and Mr Adrian Christian, Director Energy, ReCFIT, Department of State Growth, were called, made the Statutory Declaration and were examined by the Committee in public.

At 12.02 p.m. Mr Terry withdrew.

The public hearing continued.

At 1.30 p.m. the witnesses withdrew

Suspension of sitting from 1.30 p.m. to 1.32 p.m.

ANY OTHER MATTERS

The Committee agreed for the Chair to send correspondence to the Deputy Premier and Mr Terry of ReCFIT containing a question taken on notice about fuel consumption patterns in Tasmania as a matter of priority, with the balance of questions seeking additional information to be sent at a later date.

NEXT MEETING

At 1.35 p.m. the Committee adjourned until 9.00 a.m. on 13 April 2026.

Confirmed,

MONDAY, 13 April 2026

The Committee met in Committee Room 2, Parliament House, Hobart at 8.58 a.m.

Members Present:

Mr Bayley
Mr Edmunds (from 12.15 p.m.)
Ms Finlay
Ms Forrest (Chair)
Mr Garland (via Teams)
Ms Lovell
Mr Vermey

APOLOGIES

Mr Harriss

MINUTES

The minutes of the previous meeting on 20 March 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Response to Questions on Notice from Hon. Eric Abetz MP dated 24 March 2026
 - ii. Response to Questions on Notice from Marinus Link Pty Ltd dated 27 March 2026.
 - iii. Letter from Marinus Link Pty Ltd to the Chair dated 30 March 2026.

- iv. Response to Priority Question on Notice from Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables, dated 2 April 2026.

- b. Outgoing
 - i. Letter from the Chair to the Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables dated 23 March 2026.
 - ii. Letter from the Chair to Hydro Tasmania dated 25 March 2026.
 - iii. Letter from the Chair to the Hon. Guy Barnett MP, Deputy Premier and Acting Minister for Energy and Renewables dated 1 April 2026.

(Ms Forrest)

Resolved, that the responses to questions on notice from the Deputy Premier, Treasurer, and Marinus Link Pty Ltd be published on the inquiry's webpage, with personal contact details redacted. (Ms Forrest)

FINAL REPORT

The Committee considered an Aurora Energy media release dated 25 March 2026 regarding Retail Service Agreement with Firmus Technologies.

Resolved, that Aurora Energy and Firmus Technologies be invited to a

public hearing on a date to be determined. (Ms Forrest)

Resolved, that the Chair sends correspondence to the Coordinator-General regarding the Aurora Energy and Firmus Technologies agreement. (Ms Forrest).

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

The Committee undertook preliminary consideration of the Chair's Updated Draft Interim Report.

Suspension of sitting from 10.45 a.m. to 11.01 a.m.

At 11.01 a.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

At 11.42 a.m. Mr Bayley withdrew.

The Committee's preliminary consideration of the Chair's updated draft report continued.

At 11.47 a.m. Mr Bayley returned.

The Committee's preliminary consideration of the Chair's updated draft report continued.

At 12.15 p.m. Mr Edmunds joined the meeting.

NEXT MEETING

At 12.44 p.m. the Committee adjourned until 9.30 a.m. on 17 April 2026.

Confirmed,

THURSDAY, 30 April 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.01 a.m.

Members Present:

Mr Bayley (via Teams)
Mr Edmunds (via Teams)
Ms Finlay
Ms Forrest (Chair)
Mr Garland (via Teams)
Ms Lovell (in-person and via Teams)

APOLOGIES

Mr Harriss, Mr Vermey

MINUTES

The minutes of the previous meeting on 13 April 2026 are confirmed. (Ms Forrest)

MEETING SCHEDULED FOR 17 APRIL 2026

The Committee noted that the scheduled 17 April 2026 meeting did not proceed for want of quorum.

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Email from Mr. Giles Whitehouse, Aurora Energy, dated 13 April 2026.

- ii. Response to Questions on Notice Hydro Tasmania dated 14 April 2026, together with an Explainer document and supporting material.
- iii. Responses to Questions on Notice from Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 17 April 2026.
- iv. Email from Ms. Kate McLaughlin, Firmus Technologies, dated 28 April 2026.

b. Outgoing

- i. Letter from the Chair to Mr. John Perry, Coordinator-General, dated 16 April 2026.
- ii. Letter of invitation from the Chair to Aurora Energy dated 20 April 2026.

(Ms Forrest)

Resolved, that the responses to questions on notice, together with the Explainer document, from Hydro Tasmania, and the responses to questions on notice from Minister Duigan, be published on the inquiry's webpage. (Ms Forrest)

Resolved, that the hydrological information provided by Hydro Tasmania, in support of its responses to questions on notice, be received as commercial-in-confidence and not published. (Ms Forrest)

Resolved, that the Chair sends correspondence to Firmus

Technologies inviting its representatives to a one-hour in camera hearing on 11 May 2026 at 9.15 am. (Ms Forrest)

HEARING WITH AURORA ENERGY

Resolved, that today's hearing with Aurora Energy be permitted to proceed to an in camera hearing, without further deliberation, for the Committee to receive commercial-in-confidence evidence. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

The Committee undertook preliminary consideration of the Chair's Updated Draft Interim Report.

Suspension of sitting from 10.15 a.m. to 10.29 a.m.

PUBLIC HEARING

At 10.29 a.m. the public hearing commenced.

At 10.29 a.m. Mr. Nigel Clark, Chief Executive Officer, and Mr Oliver Cousland, Company Secretary/General Counsel, Aurora Energy, were called, made the Statutory Declaration and were examined by the Committee in public.

At 11.00 a.m. the public hearing concluded and an in camera hearing with Mr Clark and Mr Cousland commenced. Two further Aurora Energy representatives remained in the room with the consent of the witnesses.

At 11.31 a.m. the witnesses withdrew.

Suspension of sitting from 11.31 a.m. to 11.40 a.m.

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

At 11.40 a.m., the private deliberative meeting resumed.

At 11.40 a.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

At 12.38 p.m. Ms Lovell withdrew.

Suspension of sitting from 12.38 p.m. to 1.45 p.m.

At 1.45 p.m. Ms Lovell returned via Teams.

At 1.45 p.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

NEXT MEETING

At 3.58 p.m. the Committee adjourned until 9.30 a.m. on 17 April 2026.

Confirmed,

MONDAY, 11 May 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.00 a.m.

Members Present:

Mr Bayley
Mr Edmunds

Ms Finlay (via Teams)
Ms Forrest (Chair)
Mr Garland
Ms Lovell
Mr Vermey

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 30 April 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Responses to Questions on Notice from TasNetworks dated 7 May 2026, together with two attachments.
- b. Outgoing
 - i. Letter from the Chair to Firmus Technologies dated 1 May 2026.

(Ms Forrest)

Resolved, that the responses to questions on notice from TasNetworks be published on the inquiry's webpage, except for Attachment 2 which is received in confidence as requested by the submitter. (Ms Forrest)

Suspension of sitting from 9.11 a.m. to 9.15 a.m.

PRIVATE HEARING

At 9.15 a.m. the private hearing commenced.

At 9.15 a.m. Mr. Oliver Curtis, Co-Chief Executive Officer, and Mr Ben Webb, General Counsel, Firmus Technologies, were called, made the Statutory Declaration and were examined by the Committee in private.

Two further Firmus Technologies representatives remained in the room with the consent of the witnesses.

At 10.18 a.m. the witnesses and representatives withdrew.

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

At 10.18 a.m. the Committee undertook preliminary consideration of the Chair's Updated Draft Interim Report.

Suspension of sitting from 10.49 a.m. to 11.21 a.m.

At 11.21 a.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

Suspension of sitting from 11.59 a.m. to 1.00 p.m.

At 1.00 p.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

Suspension of sitting from 2.08 p.m. to 2.30 p.m.

At 2.30 p.m. the Committee's preliminary consideration of the Chair's updated draft report continued.

Resolved, that the Chair's Updated Draft Interim Report be sent to Prof. Magnus Soederberg, Specialist Advisor, for consideration and comment. (Ms Forrest)

ANY OTHER MATTERS

Resolved, that the Chair sends correspondence to Aurora Energy enclosing a confidential draft transcript of the 30 April 2026 in camera hearing requesting it be reviewed for mistranscriptions, as well as any potential excerpts of the transcript that could be released publicly. (Ms Forrest)

Resolved, that the Chair sends correspondence to Firmus Technologies enclosing a confidential draft transcript of the 11 May 2026 in camera hearing requesting it be reviewed for mistranscriptions, as well as any potential excerpts of the transcript that could be released publicly, together with any questions on notice. (Ms Forrest)

The Committee discussed receiving further evidence in relation to the final report.

Resolved, that Hon. Nick Duigan MLC be invited to provide further evidence at a public hearing on 22 June 2026 at a time to be agreed. (Ms Forrest)

At 3.04 p.m. Mr Bayley withdrew.

The Committee agreed to final report deliberative meetings on:

- Friday 14 August 2026 between 10.00 a.m. and 2.00 p.m.
- Monday 17 August 2026 between 9.00 a.m. and 1.00 p.m.

NEXT MEETING

At 3.09 p.m. the Committee adjourned until 11.55 a.m. on 18 May 2026.

Confirmed,

MONDAY, 18 May 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 12 noon.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay
Ms Forrest (Chair)
Mr Garland (via Teams)
Ms Lovell
Mr Vermey

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 11 May 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received:

- a. Incoming

- i. Letter from Acting Coordinator-General dated 12 May 2026.

(Ms Forrest)

Resolved, that the letter from the Acting Coordinator-General be published on the Committee's webpage, subject to any claims for confidentiality, with personal contact details redacted. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S UPDATED DRAFT INTERIM REPORT

The Committee considered the comments on the Chair's Updated Draft Interim Report of Prof. Magnus Soederberg, Specialist Advisor.

The Committee commenced consideration of the Chair's Updated Draft Interim Report.

The Chair's Foreword, as read and agreed to, stand part of the Interim Report.

The Findings, as amended and agreed to, stand part of the Interim Report.

The Recommendations, as amended and agreed to, stand part of the Interim Report.

The Glossary of Terms, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 1, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 2, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 3, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 4, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 5, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 6, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 7, as amended and agreed to, stand part of the Interim Report.

The paragraphs in Chapter 8, as amended and agreed to, stand part of the Interim Report.

The Appendices, as read and agreed to, stand part of the Interim Report.

Resolved, that the Chair's Updated Draft Interim Report (as amended) be the Interim Report of the Committee. (Ms Forrest)

Resolved, that the Interim Report is to be tabled on Thursday 21 May 2026. (Ms Forrest)

The Committee agreed that the Chair table the Interim Report in the Legislative Council and Ms Finlay table

the Interim Report in the House of Assembly.

Resolved, that the Secretary has administrative oversight of the Interim Report, and may change references, spelling, layout and other such matters for accuracy. (Ms Forrest)

ANY OTHER MATTERS

The public hearing with Hon. Nick Duigan MLC, Minister for Energy and Renewables, on 22 June 2026, was yet to be confirmed.

NEXT MEETING

At 12.55 p.m. the Committee adjourned until a date to be determined.

Confirmed,

MONDAY, 22 June 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 1.47 p.m.

Members Present:

Mr Bayley
Mr Edmunds
Ms Finlay
Ms Forrest (Chair)
Mr Garland (via Teams)
Mr Hiscutt
Ms Lovell
Mr Vermey

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 18 May 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received:

- a. Incoming
 - i. Email from Hydro Tasmania dated 2 June 2026.
 - ii. Email from Aurora Energy dated 3 June 2026.
 - iii. Email from Firmus Technologies dated 17 June 2026.
- b. Outgoing
 - i. Letter to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 22 May 2026.
 - ii. Letter to Aurora Energy attaching in camera transcript, dated 26 May 2026.
 - iii. Letter to Firmus Technologies attaching in camera transcript, dated 26 May 2026.
 - iv. Letter to Firmus Technologies including in camera questions taken on notice, dated 27 May 2026.

(Ms Forrest)

Resolved, that the Chair sends correspondence to Hydro Tasmania regarding typographical errors identified in the Interim Report in the

Committee's Final Report, and offering Hydro an opportunity to publish correspondence correcting the errors. (Ms Forrest)

Resolved, that the transcript of the 30 April 2026 in camera hearing with Aurora Energy be kept confidential to the Committee, as requested. (Ms Forrest)

Resolved, that the transcript of the 11 May 2026 in camera hearing with Firmus Technologies be published with a redaction, as requested. (Ms Forrest)

Resolved, that the answers to questions on notice received from Firmus Technologies be published, with personal contact details redacted. (Ms Forrest)

Resolved, that the Chair sends correspondence to Firmus Technologies seeking a better particularised answer to the question on notice relating to water usage. (Ms Forrest)

Suspension of sitting between 1.57 p.m. and 2.01 p.m.

PUBLIC HEARING

At 2.01 pm the Committee commence a public hearing.

At 2.01 p.m. Honourable Nick Duigan MLC, Minister for Energy and Renewables; and Ms Vanessa Pinto, Acting Chief Executive Officer, Renewables, Energy, Climate and Future Industries (ReCFIT), and Mr Sean Terry, Executive Director, ReCFIT,

Department of State Growth, were called, and were examined by the Committee in public.

At 4.04 p.m. the witnesses withdrew.

Suspension of siting between 4.04 p.m. and 4.06 p.m.

NEXT STEPS

At 4.06 p.m. the Committee resumed the private deliberative meeting.

The Committee discussed the next steps of the inquiry and issues to be included in the Draft Chair's Final Report.

NEXT MEETING

At 4.13 p.m. the Committee adjourned until 1.30 p.m. on Monday 3 August 2026.

Confirmed,

MONDAY, 3 August 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 1.39 p.m.

Members Present:

Mr Bayley
Mr Edmunds (via Teams)
Ms Finlay (via Teams)
Ms Forrest (Chair)
Mr Garland (via Teams)
Mr Hiscutt (via Teams)
Ms Lovell
Mr Vermey

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 22 June 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Email from Carol-Ann Fletcher dated 14 July 2026.
- b. Outgoing
 - i. Letter to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 7 July 2026.
 - ii. Letter to Ms. Amy Breen, Hydro Tasmania, dated 7 July 2026.
 - iii. Ms. Kate McLaughlin, Firmus Technologies, dated 7 July 2026.

(Ms Forrest)

Resolved, that the Chair sends correspondence to Carol-Ann Fletcher acknowledging receipt of her letter and the issue she raises regarding Project Marinus. (Ms Forrest)

Resolved, that the Chair sends correspondence to the Minister for Energy and Renewables and Firmus

Technologies seeking a response to the Chair's letters dated 7 July 2026. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S DRAFT FINAL REPORT

The Committee undertook preliminary consideration of the Chair's draft Final Report.

Resolved, that the following be received as tabled papers:

- *Project Marinus – in Tasmania's Interest, and Australia's*, Mr Saul Eslake, Corinna Economic Advisory, dated 7 April 2026, commissioned by Clean Energy Tasmania (a sub-committee of the Tasmanian Chamber of Commerce and Industry);
- *An analysis of the economics of Marinus Link: 2026 update*, Professor Bruce Mountain, Victorian Energy Policy Centre at Victoria University, dated May 2026, commissioned by the Bob Brown Foundation; and
- *Energy In Tasmania Report 2024-25*, Tasmanian Economic Regulator, February 2026.
(Ms Forrest)

The Committee's preliminary consideration of the Chair's draft Final Report continued.

At 3.04 p.m. Mr Bayley withdrew.

Suspension of sitting between 3.04 p.m. and 3.16 p.m.

At 3.16 p.m. the Committee's preliminary consideration of the Chair's draft Final Report continued.

ANY OTHER MATTERS

Ms Finlay raised further evidence gathering, in accordance with the Terms of Reference, in relation to energy demand and Tasmania's major industrials. The Committee agreed to make further evidence gathering an item for the next meeting.

NEXT MEETING

At 4.28 p.m. the Committee adjourned until 10.00 a.m. on Friday 14 August 2026.

Confirmed,

FRIDAY, 14 August 2026

The Committee met in Committee Room 3, Parliament House, Hobart at 1.39 p.m.

Members Present:

Mr Bayley
Mr Edmunds (via Teams)
Ms Finlay (via Teams)
Ms Forrest (Chair)
Mr Garland (via Teams)
Mr Hiscutt (via Teams)
Ms Lovell
Ms Ogilvie

APOLOGIES

None.

NEW MEMBER

The Committee noted Ms Ogilvie was appointed to the Committee in place of Mr Vermey on 11 August 2026.

MINUTES

The minutes of the previous meeting on 3 August 2026 are confirmed. (Ms Forrest)

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Email from Ms. Kate McLaughlin, Firmus Technologies, dated 6 August 2026.
- b. Outgoing
 - i. Letter to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 5 August 2026.
 - ii. Letter to Ms. Kate McLaughlin, Firmus Technologies, dated 5 August 2026
 - iii. Letter to Carol-Ann Fletcher dated 5 August 2026.

(Ms Forrest)

Resolved, that the further answer to a question on notice received from Firmus Technologies be published, with personal contact details redacted. (Ms Forrest)

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

Resolved, that the Committee:

1. Finalise and table its current draft Report as a second Interim Report, with a focus on Project Marinus; and
2. Further examine recent developments relating to major industrial energy users, industrial energy contracts and emerging large-scale energy demand, to be included in the Committee's Final Report. (Ms Forrest)

The Committee agreed to consider further evidence gathering at the next meeting, including receiving written submissions, targeted stakeholders, and witnesses for public hearing. Members agreed to send the Secretary names of proposed stakeholders.

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

The Committee continue preliminary consideration of the Chair's draft second Interim Report.

Suspension of sitting between 10.39 a.m. and 10.50 a.m.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

Suspension of sitting between 11.28 a.m. and 11.34 a.m.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 12.23 p.m. Mr *Hiscutt* withdrew.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 12.44 p.m. Mr *Hiscutt* returned.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 12.59 p.m. Mr *Garland* withdrew.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

ANY OTHER MATTERS

The Committee agreed on further meeting dates for this Inquiry:

- Wednesday 23 September 2026 from 9.00 a.m. to 5.00 p.m. for a deliberative meeting;
- Tuesday 13 October 2026 from 9.00 a.m. to 5.00 p.m. for deliberative meeting;
- Tuesday 20 October 2026 from 9.00 a.m. to 3.00 p.m. for a prospective public hearing.

Resolved, that the following be received as a tabled paper:

- *Federation Funding Agreement*, relating to the Commonwealth Grant of \$346 million for Network Cost Reduction. (Ms *Forrest*)

The Committee agreed to Ms *Ogilvie's* request for declarations of conflicts of interest to be a standing agenda item for this Inquiry.

The Committee agreed to send Prof Magnus Soederberg, Specialist Advisor, the Chair's draft second Interim Report to review and comment once the Committee's preliminary review concluded.

NEXT MEETING

At 1.28 p.m. the Committee adjourned until 9.00 a.m. on Monday 17 August 2026.

Confirmed,

MONDAY, 17 August 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.07 a.m.

Members Present:

Mr *Bayley*
Mr *Edmunds*
Ms *Finlay* (via Teams and in-person)
Ms *Forrest* (Chair)
Mr *Garland*
Mr *Hiscutt* (via Teams)
Ms *Lovell*
Ms *Ogilvie*

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 14 August 2026 are confirmed. (Ms Forrest)

DECLARATIONS OF CONFLICTS OF INTEREST

The Committees noted Ms Ogilvie's declaration of conflicts of interest dated 14 August 2026.

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

The Committee agreed on a media advisory to be published and circulated for its further evidence gathering about recent developments relating to major energy users, industrial energy contracts and emerging large-scale energy demand.

Resolved, the Chair sends correspondence to invite the following stakeholders to make a written submission:

- The Premier, on behalf of the Tasmanian Government, and copy in the Minister for Energy and Renewables, the Minister for Business, Industry and Resources, and the Minister for Innovation, Science and the Digital Economy;
- Hydro Tasmania;
- TasNetworks;
- Aurora Energy;
- Tasmanian Minerals, Manufacturing and Energy Council (TMEC);
- Firmus Technologies;
- Mr Saul Eslake;
- Ms Susie Bower, Bell Bay Advanced Manufacturing Zone;

- Office of Coordinator-General;
- Mr Marc White, Goanna Energy;
- Mr Julian Amos;
- UTAS Tasmanian Policy Exchange;
- Australian Aluminium Council;
- Mr John Deveraux;
- Professor Bruce Mountain (Victoria University);
- AWU;
- AMWU;
- CEPU;
- Senator the Hon. Tim Ayers, Minister for Industry and Innovation;
- Mr Russell Kelly, TasICT;
- Mr Stuart Mitchell, Intuit Technologies;
- Mr Mark Bowles, Dean Business & Economics, UTAS;
- Marinus Link Pty Ltd;
- Ms Ingrid Learey and Ms Felicity Turner, Microsoft;
- Amazon Web Services (AWS); and
- AARNET (UTAS).

(Ms Forrest)

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

The Committee continued preliminary consideration of the Chair's draft second Interim Report.

Suspension of sitting between 10.15 a.m. and 10.31 a.m.

At 10.31 a.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 11.15 a.m. Mr Edmunds withdrew.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 12.04 p.m. Mr Edmunds returned.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

ANY OTHER MATTERS

The Committee agreed on further meeting dates for this Inquiry:

- Wednesday 21 October 2026 from 9.00 a.m. to 5.00 p.m. for a prospective public hearing; and
- Monday 30 November 2026 from 9.00 a.m. to 2.30 p.m. for a deliberative meeting.

Resolved, that the following be received as a tabled paper and published with personal contact details redacted:

- *Aurora Energy Media Release* dated 25 March 2026, relating to the Retail Services Agreement between Aurora Energy and Firmus Technologies.
(Ms Forrest)

Resolved, that the Chair sends correspondence to the Hon. Nick Duigan MLC, Minister for Energy and Renewables, seeking his overdue response to questions on notice from the 22 June 2026 public hearing. (Ms Forrest)

NEXT MEETING

At 12.54 p.m. the Committee adjourned until 9.00 a.m. on Wednesday 23 September 2026.

Confirmed,

WEDNESDAY, 23 September 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.02 a.m.

Members Present:

Mr Bayley
Mr Edmunds (via Teams and in-person)
Ms Finlay (via Teams)
Ms Forrest (Chair)
Mr Garland (via Teams)
Mr Hiscutt (via Teams)
Ms Lovell (via Teams and in-person)
Ms Ogilvie

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 17 August 2026 are confirmed. (Ms Forrest)

DECLARATIONS OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CORRESPONDENCE

Resolved, that the following incoming correspondence be received, and the outgoing correspondence be endorsed:

- a. Incoming
 - i. Response to questions on notice, Hon. Nick Duigan MLC,

Minister for Energy and Renewables, dated 27 August 2026.

- b. Outgoing
- i. Bundle of 27 letters from Chair inviting written submissions from targeted stakeholders dated 19 August 2026.
(Ms Forrest)

At 9.06 a.m. Ms Ogilvie joined the meeting.

Resolved, that the response to questions on notice received from Minister Duigan be published, with personal contact details redacted. (Ms Forrest)

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

At 9.08 a.m. Mr Edmunds and Ms Finlay joined the meeting.

Resolved, that submissions no. 1 and no. 3 to 11 be published in full on the Committee's webpage, with personal contact details redacted. (Ms Forrest)

Resolved, that submission no. 2 be published in full on the Committee's webpage, with personal contact details redacted, and the attachment be kept confidential. (Ms Forrest)

Resolved, the Chair sends correspondence to invite the following stakeholders to appear at a public hearing:

- Minister for Energy and Renewables;
- Minister for Business, Industry and Resources, and the Minister for Innovation, Science and the Digital Economy;
- Renewables, Climate and Future Industries Tasmania.
- Hydro Tasmania;
- TasNetworks;
- Aurora Energy;
- Tasmanian Minerals, Manufacturing and Energy Council (TMEC);
- Firmus Technologies;
- Mr Saul Eslake;
- Ms Susie Bower, Bell Bay Advanced Manufacturing Zone;
- Office of Coordinator-General;
- UTAS Tasmanian Policy Exchange and School of Business and Economics;
- Australian Aluminium Council;
- Mr John Deveraux;
- CEPU Tasmania;
- Mr Russell Kelly, TasICT; and
- TASCORP

(Ms Forrest)

The Committee agreed on further meeting dates for this Inquiry:

- Monday 26 October 2026 from 9.00 a.m. to 12.00 p.m. for a prospective public hearing;
- Tuesday 9 February 2027 from 9.00 a.m. to 5.00 p.m. for a report deliberative meeting; and
- Wednesday 10 February 2027 from 1.00 p.m. to 5.00 p.m. for a report deliberative meeting.

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

The Committee continued preliminary consideration of the Chair's draft second Interim Report.

At 9.50 a.m. Mr *Hiscutt* withdrew.

The Committee's preliminary consideration of the Chair's draft second Interim Report continued.

Suspension of sitting between 10.30 a.m. and 10.50 a.m.

At 10.50 a.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

At 11.46 a.m. Mr *Hiscutt* rejoined the meeting.

Suspension of sitting between 11.48 a.m. and 11.59 a.m.

At 11.59 a.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

Suspension of sitting between 1.22 p.m. and 2.33 p.m.

At 2.33 p.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

Suspension of sitting between 3.50 p.m. and 4.03 p.m.

At 4.03 p.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

NEXT MEETING

At 4.48 p.m. the Committee adjourned until 9.00 a.m. on Tuesday 13 October 2026.

Confirmed,

TUESDAY, 13 October 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 9.04 a.m.

Members Present:

Mr *Bayley*
Mr *Edmunds*
Ms *Finlay*
Ms *Forrest* (Chair)
Mr *Garland* (via Teams)
Mr *Hiscutt* (via Teams)
Ms *Lovell*
Ms *Ogilvie* (from 9.24 a.m.)

APOLOGIES

None.

MINUTES

The minutes of the previous meeting on 23 September 2026 are confirmed. (Ms *Forrest*)

DECLARATIONS OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CORRESPONDENCE

Resolved, that the outgoing correspondence be endorsed:

- a. Outgoing

- i. Bundle of 16 letters from the Chair inviting attendance at public hearings dated 25 September 2026.

(Ms Forrest)

Resolved, that the Chair sends correspondence to Minister Duigan further inviting him to attend a public hearing, together with Renewables, Climate and Future Industries Tasmania representatives, on 21 October 2026. (Ms Forrest)

Resolved, that the Chair sends correspondence to Firmus Technologies offering a private hearing on Tuesday 20 October 2026 from 1.30 p.m. to 2.15 p.m. (Ms Forrest)

Resolved, that Aurora Energy be provided a private hearing, upon request, to provide commercially sensitive information at its public hearing on Tuesday 20 October 2026 from 12.15 p.m. to 1.00 p.m. (Ms Forrest)

The Committee discussed maintaining the confidentiality of private hearings, particularly the risks when attending hearings remotely.

At 9.24 a.m. Ms Ogilvie joined the meeting.

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

The Committee continued preliminary consideration of the Chair's draft second Interim Report.

The Committee commenced consideration of the Chair's draft second Interim Report.

The Cover Page, as read and agreed to, stand part of the second Interim Report.

The Contents, as read and agreed to, stand part of the second Interim Report.

The Findings, as amended and agreed to, stand part of the second Interim Report, being:

Findings 1 to 4, agreed to.

Findings 5 and 6, as amended, agreed to.

Finding 7, agreed to.

Findings 8 and 9, as amended, agreed to.

Finding 36, as amended, agreed to.

Findings 10 to 15, agreed to.

Findings 16 and 17, as amended, agreed to.

Findings 18 to 22, agreed to.

Finding 23 and 24, as amended, agreed to.

Finding 25, agreed to.

Findings 26 to 29, as amended, agreed to.

Findings 30 to 33, agreed to.

Finding 34, as amended, agreed to.

Finding 35, agreed to.

Findings 37 and 38, as amended, agreed to.

Findings 39 to 41, agreed to.

Finding 42, as amended, agreed to.

Findings 43 and 44, agreed to.

Findings 45 to 47, as amended, agreed to.

Findings 48 and 49, agreed to.

Findings 50 to 52, as amended, agreed to.

Findings 53 to 60, agreed to.

Findings 61 and 62, as amended, agreed to.

Finding 63 deleted.

At 11.33 a.m. Mr *Edmunds* withdrew.

The Recommendations, as amended and agreed to, stand part of the second Interim Report, being:

Recommendations 1 to 4, as amended, agreed to.

Suspension of sitting between 11.48 a.m. and 1.00 p.m.

At 10.50 a.m. the Committee's preliminary consideration of the Chair's draft second Interim Report continued.

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

At 1.00 p.m. Mr *Edmunds* returned.

At 1.00 p.m. the Committee commenced a public hearing.

At 1.00 p.m. Mr. Ray Mostogl, Chief Executive Officer, Tasmanian Minerals, Manufacturing and Energy Council (TMEC), was called, made the Statutory Declaration and was examined by the Committee in public.

At 1.59 p.m. the witness withdrew.

Suspension of sitting between 1.59 p.m. and 2.14 p.m.

At 2.15 p.m. Mr. Luke Moore, Chief Operations Officer, Bell Bay Advanced Manufacturing Zone (BBAMZ) was called, made the Statutory Declaration and was examined by the Committee in public.

At 3.15 p.m. the witness withdrew.

Suspension of sitting between 3.15 p.m. and 3.20 p.m.

At 3.20 p.m. Ms. Renée Anderson, Interim Chief Executive Officer, Ms. Chantal Hopwood, Executive Governance, Mr. Jason King, Head of Network Operations, TasNetworks, were called, made the Statutory Declaration and were examined by the Committee in public.

At 4.17 p.m. the witnesses withdrew.

Suspension of sitting between 4.17 p.m. and 4.29 p.m.

At 4.29 p.m. Mr. Saul Eslake, Principal, Corinna Economic Advisory, was called, made the Statutory Declaration and was examined by the Committee in public via Microsoft Teams.

At 5.01 p.m. the witness withdrew.

NEXT MEETING

At 5.01 p.m. the Committee adjourned until 8.50 a.m. on Tuesday 20 October 2026.

Confirmed,

TUESDAY, 20 October 2026

The Committee met in Committee Room 2, Parliament House, Hobart at 8.57 a.m.

Members Present:

Mr Bayley
Ms Finlay
Ms Forrest (Chair)
Mr Garland (via Teams from 9.02 a.m.)
Mr Hiscutt
Ms Lovell
Ms Ogilvie

APOLOGIES

Mr Edmunds

MINUTES

The minutes of the previous meeting on 13 October 2026 are confirmed. (Ms Forrest)

DECLARATIONS OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CORRESPONDENCE

Resolved, that the outgoing correspondence be endorsed:

- a. Outgoing
 - i. Letter from the Chair to Hon. Nick Duigan MLC, Minister for Energy and Renewables, dated 13 October 2026.
 - ii. Letter from the Chair to Firmus Technologies dated 13 October 2026.

(Ms Forrest)

The Committee discussed the importance of it receiving evidence from the Hon. Nick Duigan MLC as Minister for Energy and Renewables, together with Renewables, Climate and Future Industries Tasmania representatives, at a public hearing.

Resolved, that the Chair sends correspondence to Minister Duigan further inviting him to attend a public hearing, together with Renewables, Climate and Future Industries Tasmania representatives, on 30 November 2026. (Ms Forrest)

Suspension of sitting between 9.02 a.m. and 9.03 a.m.

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

At 9.03 a.m. Mr Garland joined via Teams.

At 9.03 a.m. the Committee commenced a public hearing.

At 9.03 a.m. Prof. Richard Eccleston, Director, and Dr. Lachlan Johnson, Senior Research Fellow, UTAS Tasmanian Policy Exchange, were called, made the Statutory Declaration and was examined by the Committee in public.

At 10.03 a.m. the witness withdrew.

At 10.03 a.m. Ms Lovell withdrew.

Suspension of sitting between 10.03 a.m. and 10.15 a.m.

At 10.15 a.m. Dr. Katie Hepworth, National Policy Director, Electrical Trades Union of Australia on behalf of CEPU Tasmania, was called, made the Statutory Declaration and was examined by the Committee in public via Teams.

At 11.04 a.m. the witness withdrew.

Suspension of sitting between 11.04 a.m. and 11.15 a.m.

At 11.15 a.m. Ms Lovell returned.

At 11.15 a.m. Ms. Marghanita Johnson, Chief Executive Officer, Australian Aluminium Council Ltd, was called, made the Statutory Declaration and was examined by the Committee in public via Teams.

At 12.02 p.m. the witness withdrew.

Suspension of sitting between 12.02 p.m. and 12.15 p.m.

At 12.15 p.m. Mr. Nigel Clark, Chief Executive Officer, Mr. Oliver Cousland, Company Secretary / General Counsel, and Ms. Elisabeth Flett, Head of Legal, Aurora Energy, were called, made the Statutory Declaration and were examined by the Committee in public.

At 1.04 p.m. the witnesses withdrew.

Suspension of sitting between 1.04 p.m. and 1.30 p.m.

At 1.30 p.m. Mr. Paul Grzinic, General Manager, Energy, Firmus Technologies, was called, made the Statutory Declaration and was examined by the Committee in public.

At 2.17 p.m. the witness withdrew.

ANY OTHER MATTERS

The Committee briefly discussed the meeting and public hearings on the following day, 21 October 2026.

NEXT MEETING

At 2.20 p.m. the Committee adjourned until 8.50 a.m. on Wednesday 21 October 2026.

Confirmed,

WEDNESDAY, 21 October 2026

The Committee met in Committee Room 2, Parliament House, Hobart at 8.52 a.m.

Members Present:

Mr Bayley
Ms Finlay (in-person and via Teams)
Ms Forrest (Chair)
Mr Garland (via Teams)
Mr Hiscutt
Ms Lovell (from 11.45 a.m.)
Ms Ogilvie

APOLOGIES

Mr Edmunds

MINUTES

The minutes of the previous meeting on 20 October 2026 are in progress and will be considered at the next meeting.

DECLARATIONS OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CORRESPONDENCE

Resolved, that the outgoing correspondence be endorsed:

- a. Outgoing
 - i. Letter from the Chair to Hon. Nick Duigan MLC, Minister for Energy and Renewables, offering a further invitation to appear at a hearing, dated 20 October 2026.

(Ms Forrest)

Suspension of sitting between 8.58 a.m. and 9.00 a.m.

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

At 9.00 a.m. the Committee commenced a public hearing.

At 9.00 a.m. Hon. Felix Ellis MP, Minister for Business, Resources and Industry, was called and examined in public via Teams; and Mr. Dennis Hendriks, Acting Coordinator-General, Mr. David Bennett, Executive Director, Investment Attraction, Office of the Coordinator-General, and Mr. Michael Mogridge, Deputy Secretary, Building Tasmania, were called, made the

Statutory Declaration and were examined by the Committee in public via Teams.

At 10.18 a.m. the witnesses withdrew.

Suspension of sitting between 10.18 a.m. and 11.45 a.m.

At 11.45 a.m. Ms Lovell joined.

At 11.45 a.m. Mr. Russell Kelly, Chief Executive Officer, TasICT, was called, made the Statutory Declaration and was examined by the Committee in public.

At 12.45 p.m. the witness withdrew.

Suspension of sitting between 12.45 p.m. and 1.38 p.m.

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

At 1.38 p.m. Ms Finlay joined via Teams.

At 1.38 p.m. the Committee continued consideration of the Chair's draft second Interim Report.

The Recommendations, as amended and agreed to, stand part of the second Interim Report, being:

Recommendation 5, as amended, agreed to.

Recommendation 6, agreed to.

Recommendations 7 and 8, as amended, agreed to.

Recommendation 9 deleted.

Recommendations 10 and 11, as amended, agreed to.

Recommendation 12 deleted.

Recommendation 13, as amended, considered.

Question was put – That Recommendation 13, as amended, be agreed to;

The Committee divided

Ayes 6

Noes 1

Ms Finlay

Mr Bayley

Ms Forrest

Mr Garland

Mr Hiscutt

Ms Lovell

Ms Ogilvie

And it was resolved in the Affirmative.

Recommendation 14 deleted.

Recommendation 15 deleted.

Recommendation 16, as amended, agreed to.

Recommendation 17, agreed to.

Recommendation 18 deleted.

Recommendation 19, as amended, agreed to.

Recommendation 20, agreed to.

Recommendation 21, as amended, agreed to.

Recommendation 22 deleted.

Recommendation 23, as amended, agreed to.

Recommendations 24 and 25 deleted.

Recommendation 26, agreed to.

The Glossary of Terms, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 1, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 2, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 3, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 4, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 5, as amended and agreed to, stand part of the second Interim Report.

The paragraphs in Chapter 6, as amended and agreed to, stand part of the second Interim Report.

The Appendices, as read and agreed to, stand part of the second Interim Report.

The Committee agreed to complete consideration of the Chair's draft second Interim Report No.2 at the next meeting.

NEXT MEETING

At 3.14 p.m. the Committee adjourned until 9.00 a.m. on Monday 26 October 2026.

Confirmed,

MONDAY, 26 October 2026

The Committee met in Committee Room 1, Parliament House, Hobart at 8.52 a.m.

Members Present:

Mr Bayley

Mr Edmunds (via Teams)

Ms Finlay (via Teams and in-person)

Ms Forrest (Chair)
Mr Garland
Mr Hiscutt
Ms Lovell (via Teams)
Ms Ogilvie

APOLOGIES

Nil.

MINUTES

The minutes of the previous meetings on 20 and 21 October 2026 are confirmed. (Ms Forrest)

The resolution confirming the minutes of the 13 October 2026 is rescinded, and the amended minutes are confirmed. (Ms Forrest)

DECLARATION OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CORRESPONDENCE

Resolved, that the outgoing correspondence be endorsed:

- a. Outgoing
 - i. Additional information from UTAS Tasmania Policy Exchange received 20 October 2026; and
 - ii. Additional information from Aurora Energy received 21 October 2026.

(Ms Forrest)

Resolved, that the additional information provided by Aurora Energy be published with personal contact details redacted. (Ms Forrest)

Resolved, that the additional information provided by Tasmanian Policy Exchange be published with personal contact details redacted, subject to consultation. (Ms Forrest)

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

The draft Chair's Foreword was considered and discussed by the Committee.

The Committee further considered Recommendation 11 (former Recommendation 13).

The Committee agreed to complete consideration of the Chair's draft second Interim Report No.2 after the scheduled public hearings.

At 9.42 a.m. Ms Lovell withdrew.

Suspension of sitting from 9.42 a.m. and 9.46 a.m.

FURTHER EVIDENCE GATHERING ON ELECTRICITY DEMAND AND TASMANIA'S MAJOR INDUSTRIALS

At 9.46 a.m. the Committee commenced a public hearing.

At 9.46 a.m. Mr. Gary Swain, Chair, and Mr. Heath Baker, Chief Executive Officer, TASCORP, were called, made the Statutory Declaration and were

examined by the Committee in public via Teams.

At 10.18 a.m. the witnesses withdrew.

Suspension of sitting between 10.18 a.m. and 10.30 a.m.

At 10.30 a.m. Mr. Richard Bolt, Chair, Ms. Rachel Watson, Chief Executive Officer, and Ms. Erin van Maanen, Executive General Manager Strategy and Commercial, Hydro Tasmania, were called, made the Statutory Declaration and were examined by the Committee in public.

At 12.00 noon the witnesses withdrew.

At 12.00 noon Mr Garland withdrew.

Suspension of sitting between 12.00 noon and 2.32 p.m.

CONSIDERATION OF THE CHAIR'S DRAFT SECOND INTERIM REPORT

At 2.32 p.m. Ms Finlay joined via Teams.

At 2.32 p.m. the Committee continued consideration of the Chair's draft second Interim Report.

The Chair's Foreword, as amended, stand part of the second Interim Report.

The previous resolution relating to Recommendation 11 (former Recommendation 13) is rescinded, and Recommendation 11 be deleted.

The previous resolution relating to Recommendation 12 (former

Recommendation 16) is rescinded, and Recommendation 12, as amended, be agreed.

Resolved, that the Chair's Draft second Interim Report (as amended) be Interim Report No.2 of the Committee. (Ms Forrest)

Resolved, that Interim Report No. 2 is to be tabled on Thursday 29 October 2026. (Ms Forrest)

Resolved, that the Chair table Interim Report No.2 in the Legislative Council and Ms Finlay table Interim Report No.2 in the House of Assembly. (Ms Forrest)

Resolved, that the Secretary has administrative oversight of the Interim Report, and may change references, spelling, layout and other such matters for accuracy. (Ms Forrest)

ANY OTHER MATTERS

The Committee discussed Minister Duigan failing to respond to a further invitation to attend a public hearing on 30 November 2026. The Committee discussed sending a further invitation for the Minister to appear and, failing acceptance or response, holding a further meeting to discuss compelling the Minister's attendance.

Resolved, the Chair send correspondence to Minister Duigan further inviting him to a public hearing on 30 November 2026. (Ms Forrest)

NEXT MEETING

At 2.43 p.m. the Committee adjourned
until 9.00 a.m. on Monday 30
November 2026.

Unconfirmed,

Appendix C – Correction

The Joint Select Committee on Energy Matters was informed of two typographical errors in Appendix C of the Interim Report tabled on 21 May 2026, at page 214.

The names of two Hydro Tasmania representatives were incorrectly recorded:

*Fedorin Kovac should read **Vedran Kovac***

*Jack Perolt should read **Jack Penny***

Appendix D - Transcripts of Evidence