

Minister for Energy and Renewables
Minister for Parks
Minister for Sport



Level 1, 7-9 Franklin Wharf HOBART TAS 7000 Australia
GPO Box 123 HOBART TAS 7001 Australia
Phone: +61 3 6165 7739
Email: minister.duigan@dpac.tas.gov.au

28th May 2026

Roger Jaensch MP
Liberal Member for Braddon
via Clerk of the House of Assembly
haprocedure@parliament.tas.gov.au

Dear Mr Jaensch

Thank you for your question in Parliament on 21 May 2026 on behalf of your constituent in regards to the Basslink interconnector.

Basslink is an integral component of Tasmania's energy network and plays a key role in ensuring ongoing energy security for our State. As you note, the Tasmania Government has consistently supported APA's application to convert Basslink to a regulated asset.

Regulation of Basslink will ensure a transparent, reliable and efficiently utilised interconnector that supports market stability, energy security, and places downward pressure on wholesale electricity prices. It will also align Basslink's operation with all other interconnectors in the National Electricity Market.

One of the key benefits arising from Basslink regulation, and something the Tasmanian Government has consistently advocated for, is a fairer allocation of costs between Tasmania and Victoria. Historically, Tasmania has effectively carried the full cost burden of Basslink. Under the new revenue arrangements approved by the Australian Energy Regulator (AER), the majority of Basslink's costs will instead be recovered from Victoria, reflecting the significantly larger size of that market and the benefits Victoria receives from Basslink's operation. Under regulation, Victoria will pay 75% of all Basslink costs, a positive outcome for all Tasmanians.

Additionally, the regulated model ensures there is greater transparency, oversight, and long-term certainty over the interconnector's operation. Under the regulated model, the AER will oversee Basslink's revenues, operations and investment requirements, which does not currently occur under its current classification as a merchant interconnector. This will provide greater scrutiny of operating and capital expenditure, clearer reliability obligations, and a more transparent framework for customer and stakeholder input on issues that affect performance and costs.

In terms of timing, I am pleased to confirm following the AER's approval of Basslink's conversion to a regulated interconnector in June 2025, APA has confirmed the new arrangements will commence from 1 July 2026.

Thank you again for raising this important topic and I trust this information is useful to both yourself and your constituent.

Yours sincerely

A handwritten signature in black ink, appearing to be 'ND', with a long horizontal flourish extending to the right.

Hon Nick Duigan MLC
Minister for Energy and Renewables