

16 May 2025

The Secretary
Select Committee on the performance, governance, and ownership structure of Government
businesses
Parliament of Tasmania
Parliament House
Hobart TAS 7000

c/- gbselect@parliament.tas.gov.au

Dear Secretary

**Submission to the Select Committee on the performance, governance, and ownership structure of
Government businesses**

Thank you for the invitation to provide a submission to the Select Committee on the performance, governance, and ownership structure of Government businesses.

As a Government Business Enterprise, Tasmanians are Hydro Tasmania's ultimate owners. Our portfolio of assets, including 54 major dams and 30 hydropower stations, earns us the place of Australia's leading clean energy business and largest generator of renewable energy. Hydro Tasmania's system has a total capacity of more than 2,290 megawatts, producing on average around 8,800 gigawatt hours of clean electricity from hydropower annually. We also generate energy from wind and gas, through Woolnorth Wind Farm Holding joint venture and the Tamar Valley Power Station subsidiary respectively.

Hydro Tasmania is embarking on the next generation of Tasmanian hydro power development, transforming our network to increase capacity, efficiency and flexibility. This work includes progressing commercial and technical analysis of a proposed redevelopment of the Tarraleah hydropower scheme, and building our first pumped hydro station at Lake Cethana.

In FY2023-24, Hydro Tasmania achieved an underlying profit of \$193.7 million (compared to the corporate target of \$182 million) and paid an above budget ordinary dividend of \$122 million in FY2023-24 (in comparison to the \$114.7 million forecast in the State Budget).

Hydro Tasmania invests significant resources to maintain and upgrade its network of assets to ensure ongoing reliability and efficiency. Through our Strategic Asset Management Plan, we have a program of targeted, cost-effective upgrades and replacements of existing assets. The forward plan for capital works includes major refurbishments across 10 power stations and five dams.

Momentum Energy (Momentum) is a 100% owned subsidiary of Hydro Tasmania, and retails electricity and gas to more than 200,000 residential, small and medium enterprise and commercial

and industrial sites across the mainland States of the National Electricity Market. It is not permitted to operate in Tasmania except on the Bass Strait Islands.

Momentum's retail electricity services to the Bass Strait Islands complement Hydro Tasmania's provision of electricity generation, storage, distribution and metering services in accordance with a Community Service Obligation (CSO) that provides the islands' consumers with electricity at a subsidised price.

Hydro Tasmania acquired 51% of Victorian-based Momentum Energy in 2008 and purchased the remaining 49% stake in 2009. Momentum has around 300 employees, with 110 based in Tasmania. In FY2023-24, Momentum delivered a profit of \$12.1 million and has contributed EBIT of \$58m over the past five years.

Entura is Hydro Tasmania's consulting business and uses our Tasmanian experience and knowledge to solve complex issues for water and energy businesses and projects locally, nationally and internationally. Entura is helping communities around the world transition to low carbon energy, while also bringing the benefits of international experience back to Tasmania.

Entura is not a subsidiary but operates as a department of the Hydro-Electric Corporation under the same ABN with its own registered trading name. Entura's revenue income and profits are consolidated in the Hydro Tasmania financial statements. Entura allocates approximately 60% of its effort towards Hydro Tasmania and 70% of its effort towards power and water assets in Tasmania.

Hydro Tasmania is a partner in the Woolnorth Wind Farm Holding (WWFH) joint venture with wind farms at Musselroe, Studland Bay and Bluff Point, which generate separately to the Hydro Tasmania portfolio of assets. Hydro Tasmania has a 25% share in the joint venture with the Shenhua Clean Energy Group.

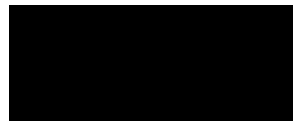
Hydro Tasmania is actively participating in the Government Business Governance Reform process. We have submitted feedback on the Draft Plan and regularly engage in roundtable discussions with the Treasurer. We appreciate the opportunity to contribute to the process and look forward to continuing our involvement throughout the consultation. We will continue to work closely with the Government on the reform process, including the current review of the potential for the divestment of government businesses.

Again, thank you for the opportunity to contribute to the Committee's inquiry, and we welcome continued engagement as this progresses.

Yours sincerely



Richard Bolt
Chair



Rachel Watson
CEO