

Minister for Energy and Renewables
Minister for Parks and Heritage
Minister for Sport



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12th June 2026

Mr Rob Fairs MP
Chair
House of Assembly Estimates Committee 'B'
fiona.murphy@parliament.tas.gov.au

Dear Mr Fairs

APPROPRIATION BILLS 2026-27

Thank you for your letter dated 1 June 2026, requesting additional information following examination of my portfolio by the House of Assembly Budget Estimates Committee 'B'. Please find the requested information below for noting.

DEPARTMENT OF STATE GROWTH

Output Group 7 – Renewables, Climate and Future Industries Tasmania

7.1 Energy and Renewables

1. Please provide the Hydro Tasmania advice regarding its future dividend forecasts outlined in the budget and the basis for those projections.

The dividend forecasts for Hydro Tasmania were prepared, as is standard practice, through the entity's corporate planning and annual budget processes and then incorporated into the State Budget through the Department of Treasury and Finance. The detailed commercial assumptions that underpin Hydro Tasmania's planning and financial outlook are matters for the company. Accordingly, Hydro Tasmania is best placed to respond to any detailed questions about those assumptions.

2. Please provide details of the response to the EOI process regarding the Hampshire Hills to Burnie transmission line?

In March 2024, TasNetworks released a prospectus seeking connection Expressions of Interest (EOI) for the Burnie to Hampshire Hills line. Under this approach, TasNetworks would build the Burnie to Hampshire Hills lines on an unregulated basis as a Designated Network Asset.

The EOI process closed on 19 April 2024. Three proponents responded to the EOI process (the "Foundation Parties"). The Foundation Parties have been discussing progressing the DNA with TasNetworks since June 2024. These ongoing commercial discussions are a matter for TasNetworks and the potential Foundation Parties.

a. What are the triggers that would see the \$50 million Government commitment to underwrite the project?

b. What are the 'conditions' as mentioned in the Budget Papers for a government investment in this transmission line?

The Government's commitment to underwrite the Burnie to Hampshire Hills transmission line was included in 2024-25 Budget Papers, with up to \$50 million to support the development "under certain conditions".

At around the time of the commitment, the Government was also consulting the community on a draft REZ framework. ReCFIT proposed a model where REZ infrastructure (in this case the Burnie to Hampshire Hills line) could be triggered should load and generation parties wanting to connect subscribe to a certain line capacity/cost (e.g. 75 per cent).

Under the proposal, if the trigger was met, TasNetworks would then be required to build the line and any shortfall to full subscription would be 'underwritten' by Government, up to \$50 million. Government would have made annual payment to cover any gap in costs recovered through annual access fees paid by connecting parties, until such time as the line was fully subscribed.

Also at the same time, TasNetworks was developing its Designated Network Asset (DNA) framework for the Burnie to Hampshire Hills line. A similar underwriting mechanism would be possible under that model.

As these approaches are still under consideration, I am advised Treasury has determined it appropriate to include the commitment to underwriting up to \$50 million as a risk in the 2026-27 Budget papers.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nick Duigan', with a long horizontal flourish extending to the right.

Hon Nick Duigan MLC
Minister for Energy and Renewables