

Robert G. Richardson,

The Inquiry Secretary,  
Legislative Council,  
Parliament House,  
Hobart, Tas. 7000

October 10, 2023

Re: Inquiry into Tasmanian Energy Prices

Hardly a day goes by without electronic and print media reports of Tasmanian community members experiencing financial stress; apart from rental prices and interest rates, electricity costs rank very high amongst financial stressors.

There is also an impression (probably real) that electricity prices have escalated relative to price movements of many other items. There is also a perception that electricity price movements seem to have been the consequence of linking Tasmanian prices to National electricity prices.

Personally, I also have the impression that prices escalated when the Hydro Electric Commission (H.E.C.) was split into three entities - Hydro Tasmania, Ausora Energy and TasNetworks. This led to three, instead of one, set of highly-paid administrative (executive) staff with attendant resourcing. Simultaneously, many employees were replaced with contractors with dubious savings.

It also appears that a culture has evolved amongst the Boards and executives of the three entities that they are running private companies; they are not. These entities together are effectively a Government department, responsible to the "shareholders" and customers - the people of Tasmania and "supervised" by members of Tasmanian parliament, (selected by the people.

It is difficult to comment upon, nor make decisions about issues where information is either unavailable, or deliberately withheld. Unfortunately, that has been my experience.

I have requested copies of Annual Reports of the "Hydro entities", so I have information upon which I can make informed comment. They have not been forthcoming.

As far back as the 1960's special deals have apparently been done with about 6 to 8 large foreign-owned industrial companies (including Bell Bay Aluminium, "Femco", Hobart's Zincworks, Port Latta). These entities are reported to use  $\frac{2}{3}$  of the State's electricity. It seems the "secret" supply price is about 10% of the supply price to Tasmanian people - residents and small businesses.

As a shareholder (and consumer) should not I (and other Tasmanian shareholders) know whether or not we are cross-subsidising these foreign companies? It is my understanding that the current State Government (via our government departments) is negotiating similar heavily-discounted rates with would-be developers, including dubious hydrogen suppliers.

It is also my belief that an ACCC investigation into (probable) cross-subsidy may well have enlightening outcomes.

The standard Tasmanian Government (and its "Departments") response that discounted, cross-subsidised, supply prices to these large, foreign companies is that they are "commercial-in-confidence". Are not shareholders entitled to these deals?

The expanding entry of ordinary Tasmanians into electricity production and storage, has not been handled at all well by the current entities. Feed-in tariffs are seen by most as unfair.

The opportunities for Government are significant; when private individuals install p.v. panels and/or batteries, the total capital cost is borne by them, not "government"! So why not pursue this potential?

So many opportunities, so many questions, but still prices rise beyond C.P.I. And antagonism to its customers.

It is my opinion that there should be a Royal Commission into "The Hydro" to consider efficiency issues, administrative structures, attempts to privatise (sections), cross-subsidies, and so on.

I respectfully submit these thoughts to the Legislative Council Government Administration Committee "A".

Yours faithfully,

*Robert G. Richardson*

Robert G. Richardson

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## INQUIRY INTO ENERGY PRICES IN TASMANIA

The Legislative Council Government Administration Committee 'A' has recently resolved to establish an inquiry to inquire into energy prices in Tasmania.

The Committee invites submissions from interested stakeholders and members of the community. **Electronic submissions are encouraged** and all submissions can be provided by email to [epr@parliament.tas.gov.au](mailto:epr@parliament.tas.gov.au) or alternatively: Inquiry Secretary, Legislative Council, Parliament House, Hobart 7000.

The Terms of Reference and other relevant information are available on the inquiry webpage <https://www.parliament.tas.gov.au/committees/legislative-council/sessional-committees/govadmina/current-inquiries/inquiry-into-energy-prices-in-tasmania> or by contacting the Inquiry Secretary - phone (03) 6212 2320.

Submissions become the property of the Committee and are generally made publicly available via the Inquiry webpage prior to the Committee releasing its Final Report. However, authors of submissions should not publish their submission elsewhere until after the Committee has reported.

Submissions should be received by no later than close of business on **Friday, 13 October 2023**.

### Members of the Committee:

Hon Nick Duigan MLC  
Hon Luke Edmunds MLC (Inquiry Deputy Chair)  
Hon Ruth Forrest MLC (Inquiry Chair)  
Hon Mike Gaffney MLC  
Hon Dean Harriss MLC  
Hon Sarah Lovell MLC

Mercury  
Sept 2, 2023



Parliament of Tasmania  
LEGISLATIVE COUNCIL SESSIONAL COMMITTEE  
GOVERNMENT ADMINISTRATION 'A'