



**PARLIAMENT OF TASMANIA**

**TRANSCRIPT**

**LEGISLATIVE COUNCIL**

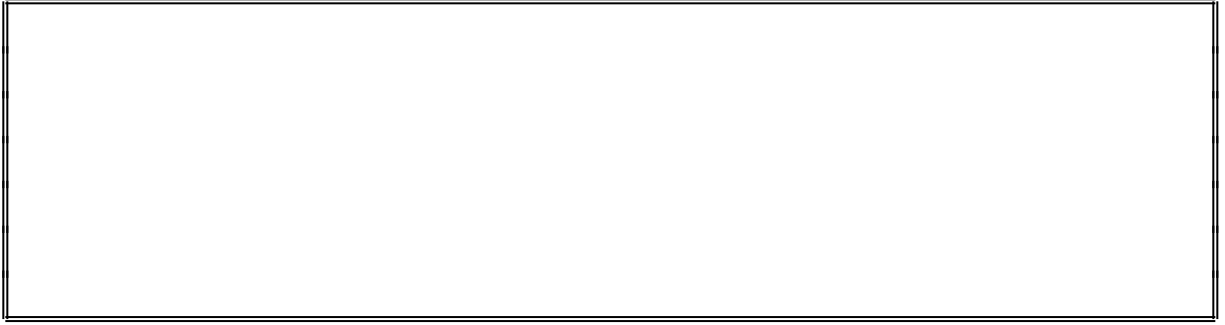
**GOVERNMENT BUSINESS SCRUTINY COMMITTEE A**

**TasNetworks Pty Ltd**

**Thursday 23 November 2023**

**MEMBERS**

Hon Luke Edmunds MLC;  
Hon Ruth Forrest MLC (Chair);  
Hon Mike Gaffney MLC;  
Hon Dean Harriss MLC; and  
Hon Sarah Lovell MLC



**WITNESSES IN ATTENDANCE**

**Hon Nick Duigan MLC**, Minister for Energy and Renewables, Minister for Heritage,  
Minister for Parks, Minister for Small Business

**Mr Roger Gill** Chair

**Mr Seán McGoldrick** Chief Executive Officer

**Mr Michael Westenberg** Executive Finance

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## **The committee met at 9.00 a.m.**

**CHAIR** (Ms Forrest) - Welcome, minister, to not your first episode of the GBEs, but the first real serious ones, here with us. In a moment, I will ask you to introduce the team at the table that are appearing with you and acknowledging that your Chair is on the Webex link. Hearings are from 9 till 11 and a short break for 15 minutes then we will finish at 12. We will have a short turnaround for another minister.

Everything here is covered by parliamentary privilege, as you are aware. If there are questions taken on notice, we will ask our members to be really clear about those and send them through so we can send them back to you, because we will need to get a pretty quick turnaround on those, we do need to report in a fairly timely manner.

**Mr DUIGAN** - What is your reporting window?

**CHAIR** - 15 December. The reports have to be tabled with the presiding officer in that time. Anything that will come to you in writing, as soon as we can after the hearing and be the date before that obviously, because we will need to deliberate and finalise our report before that date.

I will open the hearing and invite you to introduce your members at the table.

**Mr DUIGAN** - Thank you very much, Chair, and thank you for the opportunity to appear alongside TasNetworks for our GBE scrutiny hearing. TasNetworks is at the forefront of the Tasmanian Government's plan to massively expand the state's -

**CHAIR** - Introduce the team first, if you would not mind.

**Mr DUIGAN** - I am joined virtually on the screen, by the Chair, Roger Gill, currently in Brazil, but I would treat him as though he is here in the room. I hope that is okay with you, Chair, and you are able to manage that interface. Roger is here and I would like him to be treated as though he is in the room. Next to me is Sean McGoldrick, CEO and Michael Westenberg, CFO.

TasNetworks is at the forefront of the Tasmanian Government's plan to massively expand Tasmania's clean energy capacity, attract thousands of high-tech, well-paid clean energy careers to our shores through wind, solar, pumped hydro development and transmission developments, slash emissions by about 70 million tons in the coming decades to 2050 That is the equivalent of taking half a million cars off the roads and help keep power prices affordable, by connecting Tasmanians to the cleaner, cheaper and abundant electricity of the future.

These are exciting times for the energy industry and for energy policy likewise and TasNetworks, like the Government, is determined to stay laser focused on the task of building and upgrading the power network Tasmania will need. Thank you for having us. We look forward to a positive and productive session and ask the Chair, Mr Gill, to make some opening comments.

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**Mr GILL** - Thanks, minister and Chair, for letting me come in virtually on this occasion from Sao Paulo, where I am working. I wanted to open by reinforcing TasNetworks exists to serve customers in Tasmania. We are all about delivering safe, clean, reliable and affordable electricity for Tasmanians. You would mostly see us when we respond 24/7 in the dark, the rain, the wind to restore customer's power, something we feel we do extremely well.

We serve Tasmanians by this year posting a modest profit of \$26 million and we returned almost \$23 million in dividends from previous years. We have been investing strongly in boosting the safety and reliability of our network, which saw \$277 million invested in this last financial year. We are streamlining and there is a significant transformation going on in our business. We aim to save some \$200 million over five years and keep downward pressure on power prices.

We are serving Tasmanians by tripling our community grants investment this year, with a special focus on cost-of-living. We serve Tasmanians at the frontline to double our island's clean energy income in decades. We are championing the project, Marinus Link, of which I am the Chair, and we are building North West Transmission Developments, which occurs over the Tasmanian TasNetworks brand.

We are really working very hard to keep our network charges as low as possible so we can deal with the cost of living issues everyone is facing. We employ about a thousand Tasmanians across the state, we have major depots at Cambridge, Rocherlea, Devonport, and smaller regional depots at Burnie, Scottsdale, New Norfolk and St Mary's. We are truly a state-wide organisation. Our focus is running a prudent and sustainable business and that is what we will be talking about most today. We really appreciate the role we play in supporting the wellbeing and living standards of Tasmanians. We are very pleased to have the team here to address you on our performance this year.

**CHAIR** - In the Chair's opening comments and perhaps, you also agree, minister, but reiterated in the annual report in both the CEO's message and the Chair's message, there's a really strong commitment to the North West Transmission Developments, with a focus on connecting new renewables and new energy intensive industries. It is outlined right throughout the report in many respects. How does TasNetworks reconcile the actions taken to not provide the connection point - you could call it the missing link - at Hampshire to enable renewable energy projects in the vicinity?

**Mr DUIGAN** - To start somewhere, not at the start, but in the rescoping of the Marinus Link Project, when recently in the year costs for the Marinus Link Project migrated from the 3.3 as originally estimated into the 5.5 region. A look at the project needed to be had on what that cost would mean to the people of Tasmania and the rescoping, ultimately, of Marinus Link from a single project into a staged project; one cable, two cables. As you rescope Marinus Link that then has clearly an impact on the on-island transmission requirement. There is a rescope of the North West Transmission Developments, which are a contingent project relying on Marinus Link.

**CHAIR** - To clarify, minister, the Burnie to Hampshire link, or [inaudible] depending on which way you look at it, is a contingent project.

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**Mr DUIGAN** - It forms stage two of the North West Transmission Developments. Stage two is contingent on FID the second Marinus Link cable.

**CHAIR** - Which confirms my very great concern, minister. For any significant renewable energy development west of Burnie when live projects are on the go - there are several others proposed and not quite as far progressed at the moment - that simply cannot proceed without that missing link between Hampshire and Burnie, unless the Hampshire-Staverton line does and that certainly is further down the track.

**Mr DUIGAN** - With the rescoping of Marinus Link and the rescoping of North West Transmission Developments, that does have an impact. We are very aware of many proponents in the north-west corner of the state who are looking to potentially, at some stage in the future connect to the network.

**CHAIR** - Some quite soon.

**Mr DUIGAN** - Some quite soon.

**CHAIR** - Stage two is possibly after 2030. When is stage two?

**Mr DUIGAN** - Stage two is contingent on stage one progressing. The point I would make is there are options for the particular line you are talking about. We are very alive to the fact that what needs to be built, will be built. There are options available to those proponents to speak about the detail of what those options potentially are -

**CHAIR** - Yes, I would like to hear about those options.

**Mr DUIGAN** - Of course. That is probably a place for Mr McGoldrick and the TasNetworks team to take you through that. It's important to get on the record why the rescoping is required -

**CHAIR** - I understand why.

**Mr DUIGAN** - and the regulatory framework in which that rescope has to stand up. There are some reasonably complex elements to that, but there are options available.

**CHAIR** - It would be helpful if the average punter out there could also understand this, because it's significant to my part of the state. I call it mine, the area I represent.

**Mr DUIGAN** - No doubt.

**Mr Mc GOLDRICK** - I am happy to comment, minister. First of all, we of course are both the jurisdictional planner and the regional operator for the island here. As jurisdictional planner, when there was a decision made to stage Marinus Link, we had to look almost mechanistically then, a direct flow-on. We had to look at what was the appropriate delivery mechanism for the first cable, which has to serve to import or export of 750 megawatts, and we determined that it was best to stage it.

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Prior to working through that and finalising it we went and met with several proponents in the area and we've encouraged them to reach out to us after they have understood the implication that that has for their projects. It's an important business decision for them, they have to make some decisions of their own. We've been working co-operatively with a number of them to try and find a solution for their individual projects.

There are two solutions possible broadly. In the regulated space where this project exists at the moment, so both stage one and stage two, Project Marinus together, Marinus Link and the Northwest TT, is a regulated project. In order to continue or to have the possibility of a link between Burnie and Hampshire Hills as a regulated project, I have put in a contingent project into our regulatory submission.

**CHAIR** - For when?

**Mr McGOLDRICK** - The manner in which we do a contingent project is I make a regulatory submission, and the last revision of that is going in 30 November. On 30 November it goes for consideration to the Australian Energy Regulator. There are a number of contingent projects. I have added one that represents that connection between Burnie and Hampshire Hills. They will make a determination about whether to accept it as a contingent project, and the triggers I have put there, the triggers being an amount of load or generation wishing to connect in that vicinity.

If they accept that as a contingent project, if the need arises any time in the period 2024-29, which is the next regulatory reset, we can advance that as a regulatory project. Advancing it means we have to produce a contingent project application that has to be passed. If that is passed by the regulator we get to build that and to charge in the manner that we charge for all core network, which goes to the rate pace for the whole island.

In the event that that doesn't succeed, we have another alternative option, which is we are going to put in place an unregulated option. Nothing to do with the regulator. What I will issue with my unregulated business, Tasnet Connections, in the coming months is a prospective to build it as an unregulated asset, and encourage people to come along and show interest. If sufficient people show interest and are willing to pay what is required, they can pay directly to have that build as an unregulated asset and get connection to the power system.

I might add that any individual proponent always has that option. They can come to TasNetworks and say, 'We're going to get an unregulated element built here, will you connect it to the regulated system?', and we will. They can have any particular party who is competent build it. I would compete for that business, but it's up to the proponent themselves to decide who they want to build. I will make sure it is to the right standard, but they will have to pay.

**CHAIR** - Isn't this exactly what ACEN has been doing with the rest of it? Potentially, the Robbins Island area, Jim's Plain through to Hampshire, they were building that anyway, and then there was also an agreement they would build the Hampshire to Staverton link as an unregulated asset until it was hooked in and became a regulated link.



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**Mr McGOLDRICK** - That was certainly under discussion. No agreement has been reached.

**CHAIR** - I thought an agreement was reached some time ago on this. Are you saying it wasn't?

**Mr McGOLDRICK** - There was no contract signed. There has been a lot of discussion, a lot of engagement, as we engage with many proponents across the island for these sorts of predictions. With respect to the - as you've said - missing link between Hampshire and Burnie, I think we have a couple of paths that could be successful for proponents who wish to connect. We are very happy to connect those proponents to build that link either regulated or unregulated, because ultimately it will form part of the backbone transmissions estimate, which we want to make sure is developed in a sensible fashion.

**CHAIR** - Do you prioritise the contingency projects when you submit them?

**Mr McGOLDRICK** - For example, yesterday, we were meeting with a wide range of stakeholders on the island and the AER. We told them all about this contingent project. We're going to put it in in our final submission - the final chance we get to make a submission - on 30 November. That was broadly accepted by our stakeholders. The AER has yet to make a decision on it, but I'm hopeful they will accept that as a contingent project. And then, if the triggers are met, we'll go on and built it.

**CHAIR** - My question was do you prioritise? Is there more than one contingent project that you put forward?

**Mr McGOLDRICK** - That's correct, but it is not a case of priority. Each contingent project has its separate reasons and separate triggers. If the triggers are met then we build the project and we are allowed to recover revenue.

**CHAIR** - Can you give us a list of all the contingent projects that have been put forward?

**Mr McGOLDRICK** - Yes, that is in our submission. We're happy to make that available. I believe there are six.

**CHAIR** - Can you provide that across the table, or you don't have that right now?

**Mr McGOLDRICK** - We can get it to you very soon.

**Mr DUIGAN** - In that conversation it is important to also recognise that ReCFIT has been working with - in the space of renewable energy zones, obviously there's been four renewable energy zones identified potentially in Tasmania. The north-west is the first of those, we are working to -

**CHAIR** - The north-west has no transmission.

**Mr DUIGAN** - This is the point.

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**CHAIR** - That is the point, yes.

**Mr DUIGAN** - We need to, in a really careful and considered and a well-planned manner, come together and decide where we're going to build our renewable generation. What are the best areas? What are the community benefits that we can provide? What are the infrastructure needs that we need in that area?

What I would say, is that there is a plan for a north-west renewable energy zone currently being worked through by ReCFIT, and it is in its final stages. And again, a lot of this stuff comes down to timing, meshing the timing of projects and design phases and all of those things. But, I think it is important to put into the mix that there is a body of work going into what a renewable energy zone would look like in the north-west part of the state and what potentially is the shared infrastructure that we could lean into as part of that design work.

**Ms LOVELL** - Minister, I wanted to go back to the contingent project submission. Can I clarify - and I will be the first to admit this is not my wheelhouse, so forgive me if I am asking obvious questions - the contingent project submission, should that be accepted, you mentioned 24 to 29 in terms of a timeline, that happens regardless of what's happening with stage 1? Or, can happen?

**Mr DUIGAN** - I will take your question which involves some detail around contingent projects and ask the CEO to have a crack.

**Mr McGOLDRICK** - If it's accepted as a contingent project, if we can demonstrate that the triggers - so, when you put in a contingent project, you put in the description of the project and the triggers associated with it - if those triggers are met at any stage during the regulatory period, then you can go ahead as a utility and you can construct and be assured of getting revenue recovery for what you build.

**Ms LOVELL** - What are the triggers for this project, are you able to share that with the committee?

**Mr WESTENBERG** - Each contingent project has separate trigger. Those triggers are based on either what we call a 'load trigger', which is, we get a new customer, such as hydrogen, and the network needs to be augmented to increase and meet that load requirement. Or, it could be a generation requirement, so we get a new generator connecting to the network. So, each of the triggers we generally have are megawatts, as an example, so, the trigger that Sean was talking about in relation to the new north-west component that we've added in as a separate contingent project, that's 100 megawatts that we are looking at either in a load or a generation. It could be triggered either way. In other words, any change within the network above 100 megawatts would require augmentation to that network, and that would be the trigger if its accepted by the Australian Energy Regulator.

**Mr McGOLDRICK** - To be crystal clear about it, we don't just automatically build them, what we have to do is to make a contingent project application, which is like a mini business case or a regulatory submission. That is evaluated. If AER agrees that the benefits exceed the costs, then we can go ahead and build.

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**Ms LOVELL** - In relation to the cost, if that contingent project is accepted and that process is complete and it is all approved, who pays for the building of that part of the link?

**Mr McGOLDRICK** - What we've been talking about in this element of discussion, a contingent project, that is paid for by everybody in Tasmania. All of the customers. It goes into our rateable asset base and is effectively socialised across the -

**Ms LOVELL** - So TasNetworks essentially pays for that?

**Mr McGOLDRICK** - Exactly. We put the money up, but then we recover it through our rates to everybody in Tasmania.

**Ms LOVELL** - In relation to the second option, the unregulated option, if that's the path you end up needing to go down, the proponents pay for the cost of building that link?

**Mr McGOLDRICK** - Correct.

**Ms LOVELL** - And that, I presume, depends on how many proponents want access to it?

**Mr McGOLDRICK** - Or how deep their pockets are.

**Mr DUGAN** - If I may, it really demonstrates why we have to be so careful and considered when it comes to these kinds of projects. They are big. In a Tasmanian context, these are big, expensive projects. Who pays and where that cost turns up is something we really need to be alive to. I'm all about having all the numbers and knowing what it costs, who bears that cost and working through it.

**Mr GAFFNEY** - Sean, I want to understand the process. If it goes into the regulator to be evaluated, you said, do you get feedback from the regulator that says, look, we're happy with 90 per cent, but this section that you've got here concerns us and you need to go away and address that? Or is it something like a tick or a cross process?

**Mr McGOLDRICK** - We are fortunate in TasNetworks that, at officer level, we have an excellent working relationship between our staff and the AR staff. Also, at a more executive level, we enjoy that relationship too. The feedback you talked about frequently happens and I would expect that would occur. They don't just ruthlessly say yes or no. It's not a tick box exercise; there is a lot of engagement that occurs.

**Mr GAFFNEY** - By the time the project gets to the table, all the kinks are worked out?

**Mr McGOLDRICK** - I wouldn't say all the kinks are worked out, but there's a lot of detailed analysis that is carried out, as well as exchange of information. Michael, would you like to comment?

**Mr WESTENBERG** - There are a couple of points. As Sean mentioned, each of the contingent projects have a trigger. If that trigger was met, we have to go through the contingent project application. That has quite stringent requirements about us being able to demonstrate net benefits to the Tasmanian community. If we can't do that, if the environment

has changed, energy prices have changed, that project would not go ahead. In relation to the AR feedback on the contingent projects in our draft submission, they gave us feedback that we need to be more specific on the triggers, which is what we've done and what you'll see in our revised proposal that will be issued on 30 November.

**Mr GAFFNEY** - Is there ever a time when a project, when the environment at that time might not be conducive for that to be accepted, so they just say to put that on hold and come back to it? It could be a change in the economic circumstance or whatever with the prices. Does that ever happen?

**Mr McGOLDRICK** - We are in a very significant energy transition at the moment. Lots of things do change. What I would say is that the AR is a very considered body, it is a deep thinker, it makes excellent decisions, in my view, and we work cooperatively with them. They're very minded to assist in the development of the network in a sensible way, but if the numbers don't stack up and consumers are not getting the benefits associated with the investment, they would simply say, 'no, you cannot do that now'. But again, if things change, we can go back and engage again. Once we have lodged a contingent project, it is, essentially, a placeholder. Once we have the placeholder in, it gives us some ability to deliver a regulated project. We can always deliver an unregulated project. This is less about the technical aspect of connecting, but as the minister said, more about who pays.

**Mr DUIGAN** - Potentially, another avenue that exists in this space is the fact that we could stand up what might be an unregulated asset for a period of time and at a future time when Marinus 2 passes FID, or whatever the other trigger might be, that this section of the network could pass into a regulated phase.

**CHAIR** - Going back about who pays, if the trigger is a new load issue, as opposed to a generator issue, then the analogy has been put to me and others around here, that it's a bit like someone from private enterprise comes in builds a toll road, you can choose not to use the toll road, you can drive around the back and take a bit more time or perhaps suck it up pay the toll and get there quicker. When a new load comes in what I think I heard the CEO say was that the costs of network charges are shared evenly across all Tasmanians. Is that always the case or is there sometimes situations where you might strike another arrangement with those who are creating that greater demand to carry a larger share of the burden?

**Mr McGOLDRICK** - Again, this comes down to whether it's a regulated project or an unregulated project.

**CHAIR** - I'm talking about a regulated project.

**Mr McGOLDRICK** - Okay. In my experience, it's much easier to demonstrate overall benefits for a project that is load, then a project that is generation, that can be quite tricky.

**CHAIR** - In terms of evenly distributing the costs as opposed to perhaps apportioning a higher recovery of those costs from the load.

**Mr McGOLDRICK** - Again, I will distinguish between the project, which is adding new load onto the system or the generic load that we have here in Tasmania.

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**CHAIR** - Yes, I'm talking about new load.

**Mr McGOLDRICK** - If new load comes along and there's a cost associated with the project, that's balanced against the revenue we get, as a system, from that new load which will pay rates. When we add load, we get more revenue.

**CHAIR** - I'm talking about the cost recovery here. You get more revenue, but is that revenue achieved from all customers equally? The question goes back to, if someone, I have a lot of power outages at my place it's on a bad link, but there are some people who have very good reliable supply, never have an outage except in massive storms. They will pay for a major load that comes in just down the line or anywhere really because it's all one network. So, when a new load comes in where the people who are already hooked into that network don't actually need any more energy, they are not using any more energy or intending to use more, they're probably reducing their energy use, is there a way or any consideration is given to perhaps not evenly distributing that cost back but - ?

**Mr DUIGAN** - If I could potentially just jump in there, Chair. As I was discussing before in terms of renewable energy zones, as I understand it, one of the things feeding into a development of a renewable energy zone (REZ) would be the ability for costs to be allocated somewhat differently depending on where they fit into that system. So, the point you raise is -

**CHAIR** - Is there that capacity?

**Mr DUIGAN** - Well it is work that's undergoing, as I say our REZ framework isn't quite complete, it's very close, but it's one of the factors, as you've raised.

**CHAIR** - In terms of the cost recovery?

**Mr DUIGAN** - Yes, the allocation of costs and who pays and how that is spread across the zone.

**CHAIR** - How are the costs then apportioned to new generation?

**Mr DUIGAN** - I don't have that level of detail and I will be speculating on that. I know it is work that is being done, so won't get into it, but I hope to be able to release it in its entirety in the coming weeks.

**Mr McGOLDRICK** - Again, not talking about renewable energy zones but with respect to the regulated connectional new loader generation, as I have said for new load we get extra revenue in. So, the cost overall should be met by that extra revenue and therefore the price is neutral - or less, for some contingent projects for everybody. New generation is slightly different.

**Mr WESTENBERG** - Just to clarify, with new load coming on, the modelling that we show is with most of the contingent projects - because of the way in which the new load is required to pay for the connection and the volume of energy across the network is shared - the general price impact to residential customers comes down. With the generation side, talking through what the minister mentioned, they are slightly different rules in relation to what a

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generator is required to connect in. They are required to pay for the connection piece but not the augmentation of the network, at this point in time. With potential changes to the REZ zones, that's where there is an opportunity to facilitate a different way in which that cost would be recovered.

**CHAIR** - I want to look at the North West Transmission Developments a bit further, with the development of renewable energy zones, acknowledging that's a work in progress at the moment. Regarding the broader North West Transmission Developments, what proportion of the work that is being undertaken, proposed, scheduled, et cetera there, is replacing like for like? What is upgrades and maintenance as opposed to new or particular upgrades to deal with Marinus or the additional load that is being considered here, or additional transmission?

**Mr DUIGAN** - My understanding is it is a fairly substantial upgrading of in NWTD 1 line is a substantial upgrade of existing assets. I will ask the CEO to take you through that in more detail.

**CHAIR** - I'm particularly talking about the Northern Transmission Line, the one that in the north.

**Mr DUIGAN** - The coastal route that we are talking about?

**CHAIR** - Yes.

**Mr DUIGAN** - So, stage one.

**CHAIR** - Yes.

**Mr McGOLDRICK** - I will first of all talk about the generalities of the full North West TD and then I will come back on stage one. There's 240 kilometres of upgraded or new 220KV high voltage alternating current, overhead transmission lines, substations and switching stations. Of the routes chosen for the North West TD, 72 per cent or 177 kilometres are upgrades to existing transmission corridors, and 28 per cent or 66 kilometres are new builds or greenfield corridors. Some of those upgrades to the existing transmission corridors can be quite substantial. But, the goal would be - and that's why we have done it this way - to try and keep within the easement. We may have to change structures; we may have to find alternate locations for towers; we may have to retire certain pieces and build new pieces; but keeping it within the easement. We have managed to accomplish that for about 70 per cent of the route. That's for the whole North West project.

**CHAIR** - Percentage-wise, how much is maintenance and upgrade as opposed to new?

**Mr McGOLDRICK** - I am drawing a distinction between new easements and existing easements. In terms of the full North West TD, 72 per cent is on existing easements but with changes to the assets on those easements.

**CHAIR** - Is that upgrades that are required regardless of Marinus one, two, or otherwise going ahead?

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**Mr McGOLDRICK** - This is to facilitate Marinus Link one and two.

**CHAIR** - Obviously, all assets need upgrading and maintaining. If we were to connect other renewables from the north-west or from other parts of the state - but mainly the north-west because they feed into this area - could significant additional generation go through that link now without these upgrades?

**Mr McGOLDRICK** - Significant? No. We do have some capacity on that route but it's rather limited. It is my view - and if we look at our annual planning report, which we publish every year - it goes out 10 years - this is a fundamental reinforcement of the backbone network, and it's required for Marinus Link, initially -

**CHAIR** - But it's also required if we didn't have Marinus Link.

**Mr McGOLDRICK** - Correct. In due course, if sufficient generational load was to be located in the north or north-west, it would also trigger this development - probably in a different timescale.

**CHAIR** - Possibly, yes. To be clear: there's a significant portion of the current network within that easement, that if people were to build new renewables to feed in, to be used on the island for new load, we would need to invest this sort of money anyway?

**Mr McGOLDRICK** - Not quite. If we get a new proponent coming along, even lower generation, we study what is required. We would only build what is required, when it is required.

**CHAIR** - Why would you only build what's required when it's required when we've got Chris Bowen saying they're about to 'supercharge' - or a word similar to that - renewable development? They're going to change the whole way of trying to stimulate renewable development. So, why would we only build what we need when we need it - from a Tasmanian perspective; forget the mainland.

**Mr McGOLDRICK** - Now, I do have the job and the glory of working within an existing regulatory regime that allows me to recover costs in a very structured way. A fundamental tenet of that regulatory system is you only build what you need when you need it, and you only then charge people for that. Many years ago, this industry was accused of gold plating and building stuff - 'build it and they will come'. That changed decades ago, and there is now a very strict regime in place - and I support that regime - where it's 'best value'. So, you build when it's required, and if it stacks up as a business case, then you get to recover. To be clear, I could go ahead and build all of this right now but I would not be allowed to recover the costs from the ratepayers here in Tasmania.

**Mr DUIGAN** - It's important to understand that what we are looking at here is contingent on Marinus One reaching FID. If that occurs sometime in the future, next year, then this rolls in. Again, it's about building what is required.

**CHAIR** - The CEO said, 'We could do it all but not be able to recover the costs'. So, we don't do that, because we want to be able to recover the costs. How is Marinus not a

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'build it and they will come' approach, then? At this stage, that's how I see it - a 'build it and they will come' approach. Mr McGoldrick said, 'We don't do that'.

**Mr DUIGAN** - What we will do, and have committed to doing, is a whole-of-state business case for Marinus. I will ask Mr McGoldrick to comment from a TasNetworks perspective; but the Government is committed to a whole-of-state business case, so we understand what the benefits will be to Tasmania - this year, next year, and 30 years down the track. Only then will Project Marinus reach that final investment decision. That will be public, the business case. You'll be able to scrutinise it, and you'll be able to decide for yourself whether you think it stacks up; and that's the point.

**CHAIR** - I don't think [inaudible] would say yes or no, but anyway, thanks for the opportunity.

**Mr DUIGAN** - The other point I make is that the market operator has identified it, I think, as the number one priority in the network. So, it's not just us saying that it's a good idea; but I will pass to Mr McGoldrick.

**Mr McGOLDRICK** - Thank you minister, and indeed you're correct. The Australian Energy Market Operator (AEMO), one of its duties is to do an integrated system plan every two years, with an annual update. That integrated system plan looks out into the future, and it looks across Australia in the national electricity market on the east coast, and it checks what the necessary development of the power system is: what projects it believes would represent the optimal path towards development of the network of the future.

For the last several iterations of that plan, Marinus Link and Project Marinus, properly said, that includes Marinus Link in the North West TD has been the number one actionable projects, so the project is not only in their overall plan, in their optimal development path, it is an actionable project, which is a higher status, again, and that gives it a certain regulatory impetus, so it is assuredly not a case of, 'build it and they will come,' it is shown to be beneficial for the overall network, the national electricity market in all jurisdictions, especially including Tasmania and Victoria.

**CHAIR** - With Marinus, the budget for Marinus Link was stated as being \$244 million to reach the FID, as I understand it. Can you outline how much has been spent and what it's been spent on to date? I am interested in the work that's actually been done with that money. You could build half a stadium with that money.

**Mr DUIGAN** - While we are seeking that information, I do have the revised proposed contingent projects from the AER that you did ask for, so I will table those.

**CHAIR** - There's six of them, is that right?

**Mr DUIGAN** - Yes. I believe that is correct. I will pass to the TasNetworks team to give you some more details shortly, but in terms of how much has Tasmania contributed to date, and I know you have given some figures there, both Tasmania and the Commonwealth contributed grants to Marinus Link to deliver early works, Tasmania's contribution to this is planned to be \$93.5 million, with the Commonwealth covering the remainder.



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As at the end of June 2023, Tasmania had contributed \$57.1 million, which will form part of our equity contribution, and our equity contribution is 17.7 per cent, as part of the newly negotiated ownership arrangement, with Victoria having 33 per cent and the Commonwealth, 49 per cent, so that 17 per cent equity allocation is estimated to be around \$115 million in total. As to what that money has been spent to at this point in the design and approvals process, I will throw to the TasNetworks team.

**Mr McGOLDRICK** - I will take a first crack at this, but then I'll pass onto Michael. The total funding commitment for Project Marinus, which includes MLPL and the North West TD for this developmental approval phrase is, as you have said, Chair, \$244 million. Of that, \$190.5 million has been allocated to Marinus Link and the remaining \$53.5 million has been allocated to North West TD. In terms of the funding received, so that's for the entire development and approval phase, that goes up until FID, which is at the end of next calendar year, so far MLPL has received \$128 million, so just MLPL has received \$128 million of the \$190.5 million.

As the minister said, of course there's equity contributions in various portions by the individual governments, but to give you a flavour of what has been spent, so at the moment there are 83 active contracts helping to deliver the MLPL design and approvals phase. The collective contract value at the moment is in the order of \$98.5 million across a range of project areas, including many highly specialised services. So, that's a lot of work on land, a lot of testing, a lot of environmental studies, a lot of efforts to make sure that the route is correct, that the easements are correct. There is work -

**CHAIR** - This is including NWTG as well?

**Mr McGOLDRICK** - So, no, I'm at the moment talking just on Marinus.

**CHAIR** - Just on Marinus. Okay. Sure.

**Mr McGOLDRICK** - Because Marinus has a small portion on land here in Tasmania. It has significant sub-sea and then it has a cable on land, 90-plus kilometres of cable on land in Victoria. So, that requires a lot of work both sub-sea and on land, on the beach making sure that we have the right engineering, the right specification in our tendering contracts. So, a lot of this work is to get the necessary information to put into tender specifications so that companies can then bid. That is the preparatory, that's the development piece.

The approvals piece is to do with securing environmental and other approvals with a number of highly specialist firms who work in that area. Similarly, for the North West TD, we currently have 24 active contracts helping to deliver the design and approvals phase and the collective contract value at the moment, total contract value, is \$33.4 million. Again, that's across a range of land, geotech engineering and environmental activities in order to ensure that we get the right specification in our tender documents and we get the right product at the end of the day. Michael, I'd like to hand over to you.

**Mr WESTERNBERG** - I think Seán has covered most of it. I think for any project or mega project like Marinus, as you work towards FID, you need to have every part of that component ready to make a very informed decision to move forward. So, in addition to the work such as the design of the environmental approvals, there's a large component around

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engaging the contractors. That is building your request for proposals and the information that is required to make those decisions. There are also other costs such as acquisition of small components of land for converter stations, those sorts of things, which have been made where strategically they should, you know, they're required. I think along with the costs that Seán mentioned, they're the types of costs that we look at.

**CHAIR** - In terms of the use of consultants, I understand that this \$ 3.3 million has been spent on consultants for Marinus Link. Can you give us some detail of what sort of consultancies have been - that make up that \$ 3.3 million?

**Mr DUIGAN** - I will throw to the TasNetworks team to provide that detail, noting that it's a pretty specialised area and accessing experts in that field is -

**Mr WESTERNBERG** - Certainly. So, the types of consultants you would expect to see would be people doing the surveying of the undersea bed and the geotech services, so that's understanding what the ground situation is like both over the land and also under the sea. Consultants and contractors around modelling, so as you can imagine, the questions that are being asked around the benefits.

There's a large amount of work to do economic modelling to understand, to ensure that those benefits are understood and known before any FID decision is made. You've got general consulting for accounting, legal - as you can imagine, going through the approval processes making sure that all of that is overseen correctly, engineering support and another couple would be land and access management services. As you can imagine, TasNetworks has engaged heavily with the landowners in the local communities. That requires a large, coordinated approach and ensuring that is done in an appropriate way. I think they're the key types.

**Mr McGOLDRICK** - Likewise, for the North West Transmission Developments, you have environmental approval consultants who've been working diligently to make sure we are doing the right thing environmentally and can secure the correct approvals. There are geotechnical consultants, legal advice. We have -

**CHAIR** - Can you provide a breakdown of all of these? I know you've got the notes on your sheet that you're reading from, but are you able to provide a list of the contracts, not necessarily the value, just who the contractors are?

**Mr WESTENBERG** - It's in the annual report. All over \$50 000.

**Mr McGOLDRICK** - Yes, everything over \$50 000 is in the annual report.

**CHAIR** - Are they broken up for Marinus? I didn't think they were.

**Mr WESTENBERG** - I would have to check that.

**CHAIR** - We can move on and come back. I thought they were just a collective. There's consultancies on pages 58 and 59, but to me it doesn't - oh, there are some on Project Marinus.

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**Mr WESTENBERG** - Yes, we've separated them out.

We do use the definition provided by the requirements as to what a consultant is versus bringing in people who undertake work, as opposed to providing consultancy services. That is the definition we use in providing that information.

**CHAIR** - In terms of your PR -

**Mr DUIGAN** - Can I just check that you are content with that list that has been provided?

**CHAIR** - Yes, that is fine. There are obviously smaller ones, which might be where my next question is. In terms of your PR and marketing, I presume from looking at these lists that they are not included in that because they are probably not of that value. One would hope they're not, to be frank. How much have you spent annually on PR and promotion of these projects?

**Mr McGOLDRICK** - I spend a lot of personal time going around talking to communities and making sure they -

**CHAIR** - That's why you get paid the big bucks. I'm talking about consultants.

**Mr McGOLDRICK** - Just to make the point that there is a significant effort from TasNetworks, as the owner of Marinus, to convince people that this is the right thing and it is often at the local community level. With respect to other work that we get specialist advice for, it's less PR as such, it's more with stakeholder engagement, monitoring of media and consumer sentiment surveys that we need the help. As I said, I am very happy and confident to promote the benefits of this project. I look to TasNetworks people and Marinus Link people to do that, but for very specialist services like engaging stakeholders in that structured fashion, monitoring media both on and off island, and carrying out independent surveys of consumer sentiment, we look to the private sector to assist us in doing that.

**CHAIR** - Can you provide a breakdown of the organisations and the cost of those services for those particular matters? The monitoring of media, the stakeholder engagement and the independent surveys of community sentiment.

**Mr WESTENBERG** - We don't have that here broken down by type.

**CHAIR** - Type and the company you engage.

**Mr WESTENBERG** - We don't have -

**CHAIR** - I didn't expect to find it there. One would hope it's less than \$50 000. Well, it depends, if there is one company you are engaging to do all of it, maybe it would fit, but if it's a one-off community sentiment survey, I don't know, maybe they do cost that much.

**Mr McGOLDRICK** - It's typically not one-off, what we do is a sequence of these over years.

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**CHAIR** - Where would they appear, then? Where would the cost of these appear?

**Mr WESTENBERG** - Again, it depends on the definition of whether they are consultants or contractors. A consultant is someone who comes in and provides advice to us, whereas contractors are someone you are bringing in to actually undertake the work. That's not in here. We would need to have a look at those numbers and see whether that's something that would be able to be broken down by the type of work that they do.

**CHAIR** - If you are unable to provide it by the end of the day, we will send a question on notice regarding that.

**Mr DUIGAN** - We are happy to take that one on notice, but we will endeavour to get it to you before the end of the day. To that point, I would say that these are large, significant projects for Tasmania, and it is very important that we do seek to keep the community informed and engaged. I think having a good public facing look at these projects -

**CHAIR** - What about writing opinion pieces for major industry bodies?

**Mr DUIGAN** - I won't comment there. What I will do at this point is offer the Chair the opportunity - I know you have been patiently watching over us, Chair. Maybe not to that particular question, but if there is anything you'd like to add at this stage that has piqued your interest?

**Mr GILL** - Thank you, minister. It is interesting listening to the discussions. In relation to the contingent projects, the value of the North West development, the regulatory framework in which we operate is there and has been developed over a number of years in order to provide value for the community. We spend a lot of time planning our way ahead.

The question of whether we build it and they will come, or otherwise, the reason we've got Marinus in place is so that we find ways to enhance the growth of the Tasmanian power sector and the grid that can deliver it, in a very long-term bit of thinking. That's the role that TasNetworks plays.

When it actually comes down to who pays for it, when it gets done, there is a very transparent regulatory process in place which enables the community to be confident that we are spending the money at the right time and on the right things to enable costs to be appropriately shared around. I think that is a really important point.

In relation to Marinus, at \$5.5 billion, this is a mega project. The degree of analysis and assessment, the understanding of the seabed, the connection with customers and stakeholders has to be done at a great level so, that by the time we get to FID, our confidence level in the number that we are assuming on a cost side and the benefits that come out from it, is really rigorous. You would expect nothing less from us.

That requires a lot of specialist services that would never ever exist within TasNetworks. Therefore, we search for them both nationally and where ever we can, we get them within Tasmania. We are very pleased that this project is progressing on a path that is unfortunate that we're not going to be able to go cable 1 and cable 2 at the same time, but there lies the cost increases that we've seen at a global level in these large projects. I can

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assure you that a huge amount of effort is going into being as considered and value for money for the Tasmanian community, as could possibly be done.

**CHAIR** - Can I clarify from the Chair's comment. The current cost estimate for the one cable is \$5.5 billion, is that right? What is the current cost estimate for one cable?

**Mr GILL** - It is \$3 billion to \$3.3 billion. When I take \$5.5 billion, we are progressing on laying out where the overall project will go. So, by assessing the seabed, that of course assesses for where two cables will lay, by getting those easements that will facilitate the future potential for a second cable. We've put forward a regulatory investment test which looked at the two-cable solution. What we are doing is staging it. We will do stage 1, and depending on the outcomes of that, depending on where the market goes, we'll be ready to be able to move towards stage 2.

That also applies to North West Transmission Developments. Whilst we are doing it in a staged process, we are still looking very carefully at the full development, so that we understand what the implications of that are.

**CHAIR** - If the \$5.5 billion number relates to both, can we assume then it will be \$2.2 billion for the second cable?

**Mr DUIGAN** - We would be very carefully assuming anything in the current market we are in.

**CHAIR** - Well, true, yes, assuming they can build at a similar time.

**Mr DUIGAN** - We've got to be so careful about numbers, to get the numbers right.

**CHAIR** - But this is what matters to people.

**Mr DUIGAN** - Of course it does.

**CHAIR** - The overall figure given was \$5.5 billion, that's correct? Yes, \$3.3 billion for one cable?

**Mr GILL** - I will just add the minister is quite right, we really do have to be careful about the numbers, because we are in the pre-financial investment decision phase. We are in the process of understanding and uncovering what confidence we will have in the numbers. By the time we get to the end of 2024, we'd be at the point where the numbers are the confident numbers. What we have at the moment is an estimate to \$5.5 billion, increased confidence over the stage one, because that's what we've tendered for. The \$3 - \$3.3 we have increasing confidence on.

When I talk about the scale of a project, which is where I was using the \$5.5 as an indicative number, that is to represent the mega-nature of the project going ahead here in Tasmania.

**CHAIR** - Minister, who actually made the decision to go back to one cable?

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**Mr DUIGAN** - My understanding is that was a decision that was taken - I will just seek some advice.

**CHAIR** - It's a pretty significant decision. One would think we would know who made that decision.

**Mr DUIGAN** - Yes, I do understand that, but I do not want to misrepresent. It was a decision made jointly between the State of Tasmania and the Commonwealth Government.

**CHAIR** - At ministerial level? Who made the decision? The Commonwealth level and the Tasmanian state level are pretty big entities. These guys sit in the Tasmanian -

**Mr DUIGAN** - My understanding is it was made at a high level.

**CHAIR** - So, who made the decision? Someone must make a decision, that says okay, now we're going to go with one.

**Mr DUIGAN** - My understanding is the Premier, Jeremy Rockliff, the Energy minister at the time, Guy Barnett, and minister Bowen, the federal minister for Energy.

**CHAIR** - What date was that decision made?

**Mr DUIGAN** - I don't know what date the decision was made. The decision was announced on 3 September.

**CHAIR** - You don't know when it was made though? Meetings must have occurred for a decision to be made. It was a joint, three-way decision, yes? Yes.

**Mr EDMUNDS** - What date did you become minister? Google isn't helping me on that front.

**Mr DUIGAN** - An excellent question: 26 September.

**CHAIR** - What day was the decision announced, did you say?

**Mr DUIGAN** - The decision was announced on 3 September and I became minister on 26 September. Luke, yes, the 26 is etched into my memory.

**Mr EDMUNDS** - It will be now. On page 47 of the annual report it outlines that Samantha Hogg left the organisation, having been the chair of Marinus Link. What was the reason for Ms Hogg's departure?

**Mr DUIGAN** - This is probably a matter for the Chair.

**Mr GILL** - As we moved into this area, we realised it was a very close relationship between TasNetworks and the operations of Marinus Link and it was deemed appropriate, as a result, I step in and take over both spots. Thinking about how we've progressed since June, I started on 21 June, it's been very useful to be able to have that closer connection between the two of us as we move forward to this next stage.

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Notwithstanding that, Samantha Hogg has done an excellent job bringing it to that point. But like all projects, they move through various stages. This later stage where we're also transitioning this business into the triparty ownership of Victorian, Tasmania and Commonwealth governments, it's been really good to be have a more close-knit control within the TasNetworks group.

**Mr EDMUNDS** - It wasn't a resignation?

**Mr GILL** - She ultimately did resign and I took over.

**Mr EDMUNDS** - Was there a termination payment and if so, what was it?

**Mr GILL** - That's not how chairs - directors work on directors' fees and they operate for months and months, we are not any long-term contract.

**Mr EDMUNDS** - There wasn't one, okay, thank you. Who made the decision and you alluded to this, that Ms Hogg should no longer be in that role?

**Mr GILL** - It was a decision between the shareholder ministers and I was asked to take on the role.

**Mr EDMUNDS** - Who was Ms Hogg actually reporting to? Was it the Chair of TasNetworks, the Treasurer or the Energy minister?

**Mr GILL** - The way we set it up as a subsidiary, go back a phase, in 2022 it was expected we would separate Marinus Link out onto its own in around March 2023. However, for a number of reasons it was taking much longer than that. In that period, she was reporting to the minister for energy and the Treasurer. Now, by bringing it in with a smaller group and work directions of Marinus Link in line with the new triparty arrangements.

**Mr EDMUNDS** - Had ministers Ferguson or Barnett raised any concerns about the performance of the previous chair?

**Mr GILL** - No, not with me.

**Ms LOVELL** - Is the minister aware of any concerns that were raised?

**Mr DUIGAN** - No, certainly not.

**Mr EDMUNDS** - Are you aware if the previous minister had asked for her to be removed from that position or given any reasons?

**Mr DUIGAN** - Can I just quickly correct the record and I will answer that question; 3 October was the date, I should have backed myself. Sworn in as the minister on 3 October. The question was, had anything been raised with me. No.

**Mr EDMUNDS** - You are not aware of any requests of either of the ministers to have Ms Hogg removed from that position? Or any reasons.

**Mr DUIGAN** - No, I'm not.

**Mr EDMUNDS** - In previous years and going over the *Hansard*, when we've had guests from TasNetworks at the table, we've also had the GM or CEO such as Ms Clark last time at the table. I just wondered, is there a reason why the CEO of Marinus Link isn't here today?

**Mr DUIGAN** - Because we have the Chair of the board of Marinus Link and another director, we felt that was a reasonable position to be in. There are probably a number of TasNetworks subsidiaries where the CEOs aren't represented.

**CHAIR** - Ours is probably the really significant one, minister.

**Mr EDMUNDS** - I guess that's my question. We are fortunate with GBEs pending the disorganisation of the lower House, but the upper House's date is set in stone 12 months ago. We have TasNetworks here exclusively talking about Marinus Link this morning and why the CEO of Marinus Link has something else on other than government scrutiny.

**Mr DUIGAN** - It wasn't a request from my office. I haven't decided who's here at the table from TasNetworks. I will throw to the Chair to answer that question.

**Mr GILL** - We are comfortable that with the CEO, Seán, and me, both of whom are directors of Marinus Link, and with Michael who has oversight of all the finances of the group, we feel very comfortable that we can answer all the questions you need, and I hope we can.

**Mr EDMUNDS** - I am happy to take this on notice. Do you have a number of FTEs working on Marinus and their total wage?

**Mr McGOLDRICK** - We certainly have the FTEs. Michael, correct me if I am wrong, but I believe it's a 104 FTEs that work directly on Marinus.

**Mr DUIGAN** - In terms of payroll?

**Mr WESTENBERG** - That's correct, 104.

**CHAIR** - Do you have an organisational structure of Marinus Link there so we can - in terms of who fills what positions in the senior level in that? As a whole subsidiary that has its own structure.

**Mr McGOLDRICK** - Yes.

**CHAIR** - Have you got a copy of that structure?

**Mr McGOLDRICK** - I don't have a copy of that here, but we're happy to provide that, but just to confirm it's a 104 FTEs that are working on Marinus, ably assisted of course by - as we have already talked to - a range of different consultants, because it is a very significant endeavour.



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**Mr GILL** - I'd also add that TasNetworks itself provides a number of support services. The value at the moment of having Marinus inside the TasNetworks group is that we are able to provide a charter services, financial reporting services, auditing services, so there is great benefit. Because we're in this process where we are getting towards FID, we are in the development stage, we're not in an execution stage, and so it may well transpire that issues arise and this project doesn't go ahead. So, we have to keep the cost down as much as possible so that's supported in the TasNetworks Group overall.

**Mr EDMUNDS** - Just on that, was there a number for the total wage or can we put that on notice?

**Mr McGOLDRICK** - We can certainly endeavour to provide before the end of today.

**Mr EDMUNDS** - Thank you.

**CHAIR** - So, just while we are on staffing matters, I do commend - as I have in previous years - TasNetworks addressing the gender pay gap, in terms of naming it up, big tick, no one else in the world scrutinising has even gotten anywhere near that, some of them don't even talk about what the gender makeup of their workforce is. I would like a bit more detail around that and the breakup between Marinus Link and the employers there for the gender mix and the gender pay gap that may exist in those two entities. So, in terms of understanding more about the gender pay gap, are you able to provide a breakdown of the senior staffing positions by gender?

**Mr McGOLDRICK** - I am happy to do it for the executive team. Marinus Link, the CEO is Caroline Wykamp, so that face is female. On our executive team we have Renee Anderson, who identifies as female, and she is our People and Culture Executive.

**CHAIR** - How many on that level?

**Mr McGOLDRICK** - There are six on that level.

**Ms LOVELL** - Is that TasNetworks? Not Marinus.

**Mr McGOLDRICK** - Not including Marinus, if you include Marinus it would be seven overall.

**CHAIR** - Are you able to provide a breakdown of that? This is the only way we keep a check on this, it is the only way we hold people to account.

**Mr McGOLDRICK** - So at the executive level, as I have said of the seven executives, two are female, or in TasNetworks pure regulated business sense, six executives, one of which is female.

**CHAIR** - So if you go down to the next level, like senior manager roles, who can you provide that level as well?

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**Mr McGOLDRICK** - The head of function level in our business which I think has 19 or 20 people, the majority are actually female. I believe over 10 are female.

**CHAIR** - Can you provide this to the committee? It's much easier if we are able to see it. I am not disputing that you are obviously making inroads in this, whereas many other companies aren't even looking at it let alone trying to address it.

**Mr Mc GOLDRICK** - I am happy to do that at executive and head function level, so happy to do that.

**CHAIR** - Yes. About time.

**Mr GILL** - I am very pleased to indicate that on the board of TasNetworks, we have a 50/50 -

**CHAIR** - Yes. I noticed that as well.

**Mr GILL** - Three excellent female directors.

**CHAIR** - No one's doubting anyone's capacity here, I'm just making that point. I'd really appreciate the breakdown as far as it's relatively straightforward to go, acknowledging that a lot of the technical skills are very male-dominated industries, absolutely acknowledge that when you get down to the linesmen levels and that sort of thing and, you know, the majority of people that you see out on the road fixing down power lines are male, obviously.

**Mr McGOLDRICK** - That is changing and we have some really excellent female engineer graduates.

**CHAIR** - It would be good to see this right down to the levels. -

**Mr McGOLDRICK** - We will endeavour to provide an overall breakdown.

**CHAIR** - Sure. That would be helpful.

**Mr McGOLDRICK** - We can certainly provide the detailed one down to head of function, but just indicate recruitment of graduates, recruitment of apprentices, we actively seek female participants in our recruitment. We are progressively introducing more females into the frontline services, many of whom I meet regularly, who are very supportive of each other. It's a case, as you well understand, of getting a mass together here and working so we reach -

**CHAIR** - Then I will be able to stop talking about it and I won't ask you again. Okay? It's a pretty good incentive, I would have thought.

**Mr McGOLDRICK** - Happy to talk.

**CHAIR** - Luke, did you have something else on that?

**Mr EDMUNDS** - Yes, sort of back where I was.

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**CHAIR** - Sorry. You go back and I'll come to other, I think, matters of diversity.

**Mr EDMUNDS** - No, if you want to keep going, that's fine.

**CHAIR** - I notice that you are doing some other diversity and inclusion work which is really great to see this reported in your annual report too. Sadly, it's lacking in some others, but in terms of your diversity in equity and inclusion framework that you're rolling out, you're doing respectful workplace programs and Call it Out workshops. Can you tell us who's actually running those and do all employees have to participate in that?

**Mr McGOLDRICK** - So, we are very determined as a business to be as inclusive as possible. I've always felt strongly that a good utility is a mirror for the society it's serving. That is a personal passion of mine, having worked in a number of war-torn areas bringing utilities back where that was a key in ensuring that a utility worked to heal a society. So, I strongly feel and I'm - great to be supported by our board in this regard - that we need to have as diverse a workforce as the community we serve.

There are many different aspects of that. The first is you have to recruit for that, so we actively do that, but also you have to celebrate the service of those people who were inside your business from diverse communities. One of the things we do is we have a diversity and inclusion calendar and we celebrate a range of different festivals across the spectrum. I particularly enjoy doing that, but it makes our employees feel welcomed and we've started doing this in the last two years.

A number of the festivals that we did for the very first time were notable moments in the career of many of the employees, so they were very kind to express their happiness with that. This is about attracting skills from a diverse base. It's about retaining skills from that diverse base. So, the first and most important thing we do is we show board and executive committee an executive commitment to this.

Recently, for example, we celebrated Diwali, the festival of light, and our board and the executive team participated in the festivities. We spent a very good hour and a half, I believe, making somewhat of a mess of an agenda, but we enjoyed it thoroughly because our board was on that day. There's an aspect here of commitment from the senior levels to ensure people understand that.

**CHAIR** - I appreciate that, and those things are all part of it. I'm interested in the framework and who is conducting the workshops?

**Mr WESTENBERG** - Yes, certainly. Minister, if I could add to that -

**CHAIR** - And is it compulsory?

**Mr WESTENBERG** - Yes, it is. We've used what we call a 'train the trainer approach'. We did initial work with building the framework, but the training has actually been led by our own team of people. We have our internal people going out and leading those sessions. They are managing and we've had over 1000 of our 1100 employees attend, so the participation rate has been absolutely fantastic. Then for leaders, as leaders, we're actually required to

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undertake additional call-it-out training. We're a firm believer that any of this sort of work starts with leaders. It is our responsibility to set a culture where people feel psychologically safe and are in a position where they can, as we say, call out behaviour or inappropriate behaviour or potential concerns to their leaders.

**CHAIR** - This additional training you're talking about, who actually provides that training? I'm interested in who provides the training.

**Mr WESTENBERG** - We do. We take -

**CHAIR** - No, but you said the managers, the leaders, have to do additional training?

**Mr WESTENBERG** - Yes, so that is undertaken by our own internal teams of either volunteers, generally people from People and Culture. Our People and Culture business partners, but there has been a number of people in the organisation that have put their hand up and said, 'I would really like to participate in this, and I am prepared to undertake' -

**CHAIR** - So these people who undertake the training have had the appropriate level of training themselves?

**Mr WESTENBERG** - Yes.

**Ms LOVELL** - Can I just ask a clarifying question on that?

**CHAIR** - Sure.

**Ms LOVELL** - I noticed the use of the word now - and in the annual report - you've just used it now as well, 'voluntary'. I'm presuming that means people have volunteered to undergo the training but they are paid for that time that they are being trained, are they? And also, when they're training others?

**Mr WESTENBERG** - Yes, absolutely.

**Ms LOVELL** - It's not training they do out of work hours?

**Mr WESTENBERG** - No, definitely not. This is part of their roles or they do it in their work time, but we've provided the space for them, given the importance of the program and ensuring that we do create an environment where people feel they can call something out. They can talk to their leader, they can talk to someone in People and Culture, or appear, and really setting the expectations around what is acceptable behaviour, what is non-acceptable behaviour. And if they see that, what is their role as a bystander?

**CHAIR** - I'll just ask one and I'll come back to Sarah. This includes safe and effective bystander training -

**Mr WESTENBERG** - Use of assets. Yes, absolutely.

**CHAIR** - Yes, right. To Sarah.

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**Ms LOVELL** - I have a couple of questions on this. You spoke about the festivals and other days of inclusion that you're celebrating, which is all commendable. Can you outline a bit what you're doing in flexible work arrangements, or other tangible practices within the workplace that help to accommodate people with cultural differences and different backgrounds?

**Mr McGOLDRICK** - We grew a lot of engagement with communities that are represented in our workforce. We came to realise that perhaps the approach we'd taken to annual leave at certain parts of the year, and certain holidays, didn't quite meet the needs. Interestingly, this was not something that people complained about, but when we talked to them, they raised this. And that was an easy fix for us, because we were able to allow people to flexibly change particular might I say, Christian holidays for other religious holidays, or different festivals at different times of year. We were very happy to work around that and to flexibly allocate time appropriately. That's one aspect.

Of course, this is part of a general philosophy of flexible service that we have. We also have very good terms and conditions with respect to paternity leave, maternity leave. We make sure that people can take care of elderly parents, and carers leave. There is an appropriate consideration for the fact that we all have lives, and that we have to cope with life. We do work as well, but our family, our community is hugely important.

Might I say, the vast majority of people in TasNetworks are very community oriented, very committed to the community. One of the things we have, as well, is a very active volunteering program, where you can take a number of days of company time to volunteer in your community for a range of different causes. Each of the festivals that we talked about as well, we fundraise, each of the calendar events, we fundraise.

We had a gloriously Pink Day in TasNetworks recently, where we were campaigning for funds for breast cancer and breast cancer research. Again, that was something that somebody in the business organically came to us and said can you please include this. We raised significant funds - significant in our terms - and were able to donate that. A range of different things like that.

Flexible arrangements where people value being in the company, because we are approachable in that regard, we listen and, where we can, we try to accommodate their lives so that they can commit to us. I have to say, the payback we get is tremendous. It's just wonderful. For a flexible attitude and a sensible approach, we aren't handing out blank cheques or anything, not giving people extra leave, but just by being flexible, it has definitely been a retention strategy that is very successful.

**Mr WESTENBERG** - If I could add in a couple of additional pieces. First of all, this week we also released our, what we call a neurodiverse space in our building. We are aware that some people have different work requirements relating to the amount of noise. We have quite an open office environment, so we had a small section that wasn't being utilised as well as it could and we just opened that up this week. That provides people with a really quiet area that they can go to and work with different requirements.

The other item is we do have a hybrid way of working as far as for some roles, where we can facilitate the need for people to work from home. We are very mindful of managing

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that with people who are also required to work in all conditions, so that is something that we work through.

**Ms LOVELL** - These are all good initiatives. The celebrating different days and things is great, but unless you are going to make a tangible difference to people's ability to work it can be seen as a bit tokenistic. I am pleased to hear that is happening.

**CHAIR** - That neurodiverse workplace is a really positive thing. Not many others would be doing that.

**Ms LOVELL** - Minister, you are probably aware that there are new workplace health and safety regulations involving managing psychosocial risks and hazards in the workplace. I understand that TasNetworks has undertaken a psychosocial risk survey of staff. Are you able to share with the committee what that survey showed?

**Mr DUIGAN** - Thank you, I will pass to the CEO to talk to that one.

**Mr McGOLDRICK** - Earlier this year, we engaged a consultant to conduct a survey and a series of focus groups and workshops to assess and discuss psychosocial hazards and to consult with staff about workplace mental health issues more generally. Very new territory for us, I have to say. It was a proactive initiative by the business to improve the understanding of how psychosocial hazards - even the phrase was new to our business - fit with the risk profile of the business and the extent to which the TasNetworks workforce is coping with the impact of these hazards. We received the results at the end of October and some of the results indicated the presence of psychosocial hazards that are of a very high level of concern.

The broad sweep of the report indicated the majority of people were in a reasonably good space. Some people were not travelling at all well and that caused a high level of concern to us, as an executive and board when we reviewed the results. We're committed to developing an evidence-informed workplace mental health and wellbeing action plan. That work is ongoing and will be an area of significant focus for the business over the coming months.

When we got the results, I took some time to reflect. It's not so much the power of the statistics but the power of the comments that were in the survey really struck me. At stages, I was thinking, 'Is this really the workplace that I'm in charge of here; what is happening and why is this happening?' You're in a bit of shock first of all and then you go, 'What can we do about it?'

We've enlisted the help of our head of function group, which is the direct reports to executives. We've shared the results with them and we've come up with a workplan. They're currently holding sessions with the individual areas they're responsible with sharing the information. It's anonymous, so we're not trying to call people out or try to identify where it is. We're trying to understand where this is, what it is and, more importantly, what we can do about it. That work is ongoing now -

**CHAIR** - Who's leading? Are the people and culture people leading that work?

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**Mr McGOLDRICK** - No, it's the head of function. Each functional area has a leader - including People and Culture as well. For example, Michael, you would have many heads of functions reporting to you -

**Mr WESTENBERG** - Yes, I have four. That's allowed me to run those sessions with the help of our People and Culture team.

**Mr DUGAN** - I'm interested to know, Chair, whether you might have something to say more broadly on this one?

**Mr GILL** - The board's put a huge amount of effort into the safety side of our business. Since I've been on the board, we've seen significant improvements in our safety performance and now we're extending that into this wellbeing area. As Sean said, this psychosocial assessment material is new ground in Australia. It's happening around the world and we're very keen to be at the forefront of understanding these issues. It's reflective of societal concerns and questions. When you have 1000 people in your business, we need to be aware of this, and the board's very supportive of the work that management's doing in this regard.

**Ms LOVELL** - You mentioned before that the survey results showed that people broadly were travelling okay but there were some people who indicated high levels of concern or indicated things that gave you high levels of concern. Do you have any data on what the numbers show - like what proportion of staff or anything quantifiable - that you can share with us?

**Mr McGOLDRICK** - Given that this is emotional and how sensitive it is, I would not like to share this at this point in time. To give you a flavour of it, as I said, we've over 2000 comments so that will tell you that people -

**CHAIR** - Some positive or mostly negative?

**Mr McGOLDRICK** - Mostly people who commented, commented about areas of concern; and, of course, we had multiple comments from individuals. It has allowed us to dig into this. The areas of concern are - we were trying to determine, as you might imagine, things like: what was driving it; was it a particular bad egg in a particular place that was causing this.

That is a work in progress and we're trying to still find a way through this.

**Ms LOVELL** - Were the areas of concern consistent? Were there lots of areas of concern? Can you share with us what some of those areas were?

**Mr McGOLDRICK** - Some of the areas of concern are: bullying; assault; sexual assault. These were things that were raised in the survey and were extremely worrying. We're not talking at the minor end of the scale; we're talking small numbers but -

**Ms LOVELL** - Very serious.

**Mr McGOLDRICK** - at the very serious end. That's what has given us pause to think that we need to address this completely and thoroughly.

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It was a confidential survey. It was carried out most professionally by the on-island consultant that we hired to do it, Pracademia, who did an excellent job collating it. We've been analysing and absorbing it and now we are in motion, to first of all, share the results with our people. That is why I don't want to share it with this committee right now, because we are layering it through the business, giving them the respect to share it with them first, and then come up with a response for how we deal with it.

**Ms LOVELL** - There are some matters that you've identified that potentially are criminal offences.

**Mr McGOLDRICK** - Agreed.

**Ms LOVELL** - I appreciate the survey's confidential, and I also appreciate that people who have been subject to those behaviours might not want to make reports. Have you looked into any liability issues for TasNetworks as an employer?

**Mr McGOLDRICK** - Honestly, I am not concerned about that aspect at all. I am more concerned about the health and wellbeing of our people. What was particularly confronting for me was there were no recorded reports of those very serious issues.

**Ms LOVELL** - That is my point. What is TasNetworks doing to ensure people are feeling that they can report those things?

**Mr McGOLDRICK** - That is job number one. That raised a huge level of concern. Our people are suffering and they're not even confident to report to us so we can formally take action. That is our challenge, to change that.

**CHAIR** - When did the 'Call it Out' workshop start?

**Mr McGOLDRICK** - They started this year about four months ago.

**CHAIR** - After the survey or before the survey?

**Mr McGOLDRICK** - Before the survey.

**Mr WESTENBERG** - If I could add a couple of things. Getting our team members comfortable with escalating concerns is definitely part of 'Call it Out'. As part of that, and not taking away from the serious nature of the findings of the survey, is education about what might be poor behaviour versus bullying. Really being clear on what that is, is part of it.

The other difference in what we are doing this time is, as Sean said, we are focused on communication. The board and the executive haven't gone out and said, 'This is our plan to address it'. We are going out to communicate to our team members and ask them those very questions about - what is it that you feel needs to be done to address these concerns? Because we do have other policies that should support, such as Confidential Whistleblower Policy et cetera that is used and has been used in the past, but not for the sort of items that Sean flagged previously. Again, it is about talking to our people about what else do we need to do to ensure that they feel comfortable to call out any of these behaviours.



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The last point I make, sometimes we see concerning incidents raised in our safety report which we get every day. Some of the interactions that people may be talking about may be direct interactions with customers. Again, the survey is confidential, so we cannot make any assumptions, we can't go back to people to clarify. But, we do sometimes get people in situations with aggressive dogs, aggressive customers, that they may have added into that survey, which is something that we need to work through.

**Ms LOVELL** - To clarify, I appreciate that the psychosocial side of things is fairly new in the workplace health and safety space for a lot of businesses. Some of the things you've talked about are not really psychosocial, they are physical safety issues. Bullying - that's been on the radar for a long time. Has TasNetworks undertaken any kind of employee satisfaction survey in the past or anything that might have indicated some issues, particularly in relation to those reporting structures and dispute resolution and reporting mechanisms that are in place that might have led to things getting to this point; which looks like it is pretty bad.

**Mr McGOLDRICK** - We do all of those things. We do them diligently and frequently. But, this survey was a very different and very skilful survey in a whole new area. I am grateful that we did it because it has ripped the bandaid off and we can now address the issue.

A lot of those more traditional things which we do - like all good businesses - didn't quite hit the mark for what this was and what it needed to be. You get good, rich data out of those more tradition things, and we do implement things as a result of that, and it does help us. But, this was a whole different end of the spectrum. As you said, its new, we're grappling with, it is great that we've made a start, but, we do need to make some progress.

Somebody once said to me:

Culture in an organisation is what you feel in your gut when you walk in the door on a Monday morning, or you're worrying about it on a Sunday night.

What struck me about this was, I have a small number of important people, who are feeling really terrible and dreading coming into work. That is what we have to address. A general participation in a survey that talks about whether you're meeting your career goals is very different. We are on a journey, we've some good advice, good specialists who are going to help us. We're going to roll up our sleeves and make it a much better place to work so nobody comes in feeling this dreadful I can't do this anymore.

**CHAIR** - Maybe you need to rejig your annual staff satisfaction survey.

**Mr McGOLDRICK** - We certainly will, but this is a separate, almost specialism, that we certainly do need as well.

**Ms LOVELL** - Are you engaging with the union on this?

**Mr McGOLDRICK** - Yes, I did mean to say that. Not only with our leaders and our team members, but we have consulted with the unions at a high level. Through the coming months, we need their assistance in this because we understand, from analysis of the detailed

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comments, it's not merely or only or exclusively leader-to-staff-member, it is also between staff members. We absolutely need the help of the unions to also address that.

**Mr EDMUNDS** - Thank you for your candour about the survey, that's really commendable. Sitting here as a member of parliament, as a Tasmanian, it is a Government-owned business and really concerning to hear you're getting reports of assault, bullying, sexual assault, and for you to actually use a sentence 'our people are suffering.' I really appreciate the comment, but it is very alarming for me, as a parliamentarian.

Minister, my question is were you aware of this report before this morning?

**Mr DUIGAN** - No, I haven't seen any of the detail that has been discussed here. What has been outlined in the last few minutes is concerning and you've heard the organisation is very committed to addressing those issues. This is the first time I've heard details of concerns at the high level that have just been articulated.

**Mr EDMUNDS** - I don't disagree on that; based off the answer from the CEO, we could have no doubt about how seriously he is taking the issue. As you are literally the shareholder minister of this Government business, what's the next steps for you as the shareholder minister?

**Mr DUIGAN** - This is a matter for the board of this organisation to be absolutely addressing. As we've heard, that is clearly their intention to deal with this, to look at and work through it.

**Mr EDMUNDS** - Can you commit to taking a hands-on role and seeing how this goes over the next 12 months. Not to overdramatise, but this is really serious stuff we've just been told about. We get to sit here once a year, you can get out to Maria Street every day of the week if you wish, what are you going to do? Are you prepared to leave it to TasNetworks to completely see this through or what role will you take, as the shareholder minister. The Treasurer is the other person that could be asked this question, to deal with this? Because this is really alarming stuff.

**Mr DUIGAN** - I have full confidence in the board of TasNetworks. They ought to be commended for the work they have done in facing these types of issues, about being proactive in this area. As you would expect, as shareholder minister, have frequent contact with the board, with the senior management. This will be an area of interest for me and my other shareholder minister, the Treasurer, to keep on top of. What I would say is that I have confidence in the board.

**CHAIR** - Would you expect the board to report this to you? As Sarah said, there is potentially criminal activity in terms of sexual assault and -

**Mr DUIGAN** - Yes, I would expect that. Yes, and potentially I would ask the chair to give his thoughts here about what he feels the board ought to share with its shareholders.

**Mr GILL** - This material is very fresh. We are looking to get to the bottom of it so that we can then provide good advice to our shareholders because (a) how we are dealing with it, and (b) do we actually have matters that require other methods of escalation? We are not into

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the answers of all that yet. The CEO has shared with you some of his concerns about this matter. The board also is taking it very seriously.

As we said a moment ago, we have taken the bold step to surveying and understanding matters inside the company we felt were important to understand. It will be interesting to see as these sorts of things occur both in other businesses around the country, just what evolves and how many others businesses will be facing dealing with these sorts of issues.

**CHAIR** - We don't want to hear about other businesses. We want to hear about - you asked the questions yourself, minister, with all due respect, what was the board's view on this matter in terms of reporting it to the minister? That is what the question is.

**Mr GILL** - This matter is very fresh. We are in the process of making sure we understand it and we will be keeping our minister fully informed of how we are addressing it.

**Mr EDMUNDS** - That is where my questioning to the minister comes from, is that this is a very serious issue raised with us. The next time the people on this side of the table potentially get to seek an update on this is in 12 months' time. What we want to know is where is the accountability measures going to be, if we have effectively a minister who said he is happy for TasNetworks to run their own show on this?

**Mr DUIGAN** - I think you're putting words in my mouth there.

**Mr EDMUNDS** - I have asked you how you are going to be hands-on about it.

**Mr DUIGAN** - I am saying I will be asking the board to report to me and to my shareholder minister on this particular issue.

**Mr EDMUNDS** - Okay. That wasn't the first answer, but I think that is a better answer. Thank you. On that front, can I ask, excluding this week how many meetings have you had with the TasNetworks CEO, since taking the job of minister?

**Mr DUIGAN** - I would need to seek some advice on that, but suspect it would be in the order of four.

**Mr EDMUNDS** - Okay, and with the board?

**Mr DUIGAN** - With the Chair, a similar number.

**Mr EDMUNDS** - Thank you.

**Mr Mc GOLDRICK** - If I could just have one comment. Culture in a business is my responsibility. The first and foremost group we actually shared this with was the people who participated in the survey. We will be briefing the minister on a regular basis about this, but our first job was to get out to the people who trusted us with this information. As I've said, it is very fresh, we only got the results on 13 October. We have been working through that since. We are happy to report for the minister about the steps we're going to take, when we have formulated the steps. That is likely to be a number of months away by the time we

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ripple it down and formulate the appropriate plan. But I'll be happy to make sure the minister is regularly briefed about this.

**Mr DUIGAN** - Through those conversations we have had, I had been made aware a survey had been done. As I say, the results of the survey I was not aware of some of the details have been raised today.

**Mr EDMUNDS** - Again, I reiterate I appreciate the candour of the answer, but it is concerning when it comes to accountability, there might have been more knowledge about it on this side of the table than in the minister's office.

**CHAIR** - If we can wrap up the people questions by 11.00 and have our break.

**Ms LOVELL** - Moving on from this particular area we've been talking about, I understand the CEPU ran a survey over a year ago on mental health and culture in the workplace and they found some concerning results and those results were shared with the organisation. Can you talk through what those results showed and what steps have been taken to address those issues?

**Mr McGOLDRICK** - So, what I would say is perhaps the background to that is useful. We have been going through a very significant and, indeed, successful transformation program, including a big reorganization of our structure, redundancies, people leaving the business. It was in that broad context that the survey was carried out and I was glad that the CEPU shared those results with us. It formed part of a background where we have also carried out similar surveys and it had informed our approach to how we dealt with our organisation restructuring, how we communicated, how we worked through, what assistance we offered both individuals who going through significant change, the organisation going through a change, some people having their roles been redundant and how we cope. So that was the background to that and it certainly informed our approach.

Change is difficult for many people and it's a time of great uncertainties. We have focused, as a result, on making sure that people had options, that they were communicated to themselves first. Part of peoples' frustration was, in previous reorganisations, they were sometimes the last people to find out about. So, we made a very determined during this reorganisation to make sure that we consulted first with the affected people and then communicated outwards from there.

We made sure that there was a full suite of options available for people during the reorganisation, including no forced redundancies, including an ability to swap with somebody whose role wasn't redundant but perhaps needed a redundancy, including reallocation to other areas of business, other business where there were growth and there were opportunities. If somebody decided to leave the business, they left with their full entitlements, but also our best wishes and assistance in terms of finding further work.

**Mr WESTENBERG** - That also fed into the Call it Out workshops, and that was a really key point, because the common thread is building an environment where people feel safe to raise these issues within the organisation and giving them mechanisms to do that, so it took some time to build that framework and to build the Call it Out training. That was a key component of it.

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**Ms LOVELL** - If I can go to the restructure and where you're at with that, so last year in the house assembly hearings, I understand that Mr McGoldrick told the hearing that the positions will be cut from the workforce of around 1150 by 250. Can we get an update on the progress of that? So how many people have departed the business, how many redundancies there were, or have been so far and how many people have been redeployed to other positions?

**Mr McGOLDRICK** - I will take first stab at this and I'm sure Michael will come in behind me. It's important to understand that roles are made redundant, sometimes those are vacancies, so we don't necessarily need to make the person redundant, and it was a broad sweep of reorganisation. As I recall, we started with 1233 roles or so and we've now reached - and again in round numbers - down to 1128, but not all of those would have been people who directly left the business, some were reallocated to other areas, some were vacancies that we just decided we don't need those vacancies anymore.

**Ms LOVELL** - To clarify, 1233 was not necessarily 1233 people, those roles might not have been all filled at the time, is that correct?

**Mr McGOLDRICK** - Correct.

**Ms LOVELL** - Now we're down to 1128 roles, are all of those roles filled currently?

**Mr McGOLDRICK** - No, we have certain vacancy, but they've been affirmed as being in need of filling.

**Ms LOVELL** - Do you know what the vacancy rate is?

**Mr McGOLDRICK** - It's about -

**Ms LOVELL** - Or how many roles are vacant?

**Mr WESTERNBERG** - Off the top of my head, no, generally around 80 to 90 roles that are vacant at any one time. It has been quite consistent.

**Ms LOVELL** - 80 to 90 roles?

**Mr McGOLDRICK** - We are continuing through that journey of transformation, what we'd be talking about there is one specific initiative in transformation, which is the strategic organisation redesign. In December of this year we will be calling a halt to that initiative, it will have done its job, there will still be people leaving the business and we will deal with that under the same principles that we've adopted up until the end of 2024, but I envisage that we will reach about 1 050 roles in the business by the end of next calendar year.

**CHAIR** - Does that include Marinus staff?

**Mr McGOLDRICK** - As I'm aware, it does not include Marinus. Marinus are treated as a separate entity because they've an independent board and ultimately, there's a sales process going on at the moment.

**Mr WESTERNBERG** - If I add a couple of points to that initial part of your question about redundancies, as Seán said, we've gone through this process insuring we've had no forced redundancies, as of today, we've had 107 redundancies where people have taken those up. The numbers don't add up directly because we haven't stopped recruiting as we move towards recruiting different types of roles, but one of the good news stories is we've had over 56 people redeployed as part of that process, so I think that's a really good sign that people are taking up the offer to say, 'Look, your role is redundant, not you as a person, we value what you are doing but we're shifting the type of workload that we do or the positions that we need and are they capable of doing those positions'.

**Mr DUIGAN** - I think it's potentially important here just to bring the chair in to talk about the transformation plans from a strategic point of view just to provide some context to that.

**Ms LOVELL** - Can I ask more questions before we do that? Around redeployment, I understand there's a redeployment pool, essentially where people can nominate to be part of that. Can you talk through how that works, what happens to people when they decide they might want to take up the offer to be redeployed?

**Mr McGOLDRICK** - It starts with somebody making the decision that they want to stay with the business as opposed to leave the business. If they want to stay with the business, sometimes we can immediately allocate them to a role where they have suitable skills, it doesn't need to be an identical match, 70 -80 per cent match will put them into the new role or a role that needs somebody, take them out of the role that has been made redundant and retrain them as necessary.

If we can't do that immediately, people go into a redeployment pool and their terms and conditions are the same, but they might be doing shorter term pieces of work, a special project or something that needs to be addressed and they might do a number of those over time. After a period in the redeployment pool, some people do secure, either internally in TasNetworks or externally, different roles or decide that they want to take up redundancy. There's a mixture of people and we've seen lots of people go in and out of that pool over several months now.

**Ms LOVELL** - In terms of the number of people that have gone in and out, do you have a breakdown of that, the number of people who have elected to go into that pool and then those that have been redeployed versus those that have taken a redundancy?

**Mr McGOLDRICK** - We do know how many were redeployed.

**Mr WESTERNBERG** - Fifty-six.

**Ms LOVELL** - Minister, could I get that breakdown, would you take that on notice? The number of people who have gone into that pool and then the number of people that have - we've got the redeployed number - exited the business?

**Mr McGOLDRICK** - Or been redeployed inside the business.

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**Ms LOVELL** - And also those remaining in that pool?

**Mr WESTERNBERG** - There's only one remaining in the pool at the moment.

**Ms LOVELL** - Okay, right.

**Mr McGOLDRICK** - That does change, it might be different next week, but right now there's only one.

**Mr WESTERNBERG** - I did have an update, data, in relation to the gender split within the organisation. By level now - this is just for TasNetworks, so we're aware - our Chair talked about the great balance we've got on the board, the Executive was also -

**CHAIR** - Is this in a table form you could perhaps table with the Committee?

**Mr WESTENBERG** - Yes, can do. But yes, I was going to say it's 64 per cent of the next level down is female, so I think that's really -

**CHAIR** - And further down?

**Mr WESTENBERG** - It is 28 per cent for what we might call our 'mid-leaders', and then down to 22 per cent for the general team member population.

**CHAIR** - If you could table the table in it, just -

**Ms LOVELL** - I have one last question on that, sorry - oh, do you have another one on that?

**CHAIR** - Yes, when you look at the employee expenses across TasNetworks, it hasn't gone down. You've cut, or you've reduced your staff, significantly. When do we expect - and I'm sure there are payouts, long service leave that is paid out that impacts on this. When do you expect it to be more normalised? Because it's still significant. It has gone up, rather than down.

**Mr McGOLDRICK** - In terms of the savings overall, this year is part of the broad transformation program, including a strategic reorganisation. We've hit over \$30 million, and that was in excess of what we had forecast. We're well on track to hit \$200 million over a five-year period in overall savings.

**CHAIR** - It's not just staff savings?

**Mr McGOLDRICK** - No. A range of different things. But one of the most significant initiatives is the strategic organisation redesign. There are costs attendant to any transformation program, but I'm happy to report that again, our costs for implementing the transformation program, including the strategic organisation redesign, are well below what we had estimated. Again, I'm very comfortable to report that. It's already beginning to show efficiencies in financial savings, but also in how we do business and the ease with which -

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**CHAIR** - So when do we expect to see a decline, where in 2024's figures show a decline in the employee expenses?

**Mr WESTENBERG** - We would expect to see that gradually coming down for this year. The impact would have been, as you're aware, as you said, there would be termination payments and redundancies included in our overall expenses this year, which we would expect to see as we end that part of the organisational design, those to come off and the expenses to -

**Mr McGOLDRICK** - To give a further level of detail here, because of the nature of the accounting rules in which we must report, until the end of June. If we, as an organisation, have had a conversation with somebody about them being made redundant in October or November of this year, we had to accrue for that at that point. There's about \$5 million worth -

**CHAIR** - Okay, so there's a bit of a lumpy bit.

**Mr WESTENBERG** - That is correct.

**Mr McGOLDRICK** - Yes.

**CHAIR** - We just need to wrap up this, if we can -

**Ms LOVELL** - Yes, I just had two questions.

Minister, do you have a number - and it might have been given, but I've got a bit lost in all the numbers - do you have a single number of how many roles have actually been made redundant through this process?

**Mr DUIGAN** - It is 107.

**Ms LOVELL** - That's the 107? Thank you.

My last question is, we talked about the CEPU survey and the fact that it referenced that change processes like this can have an impact on morale, and that there was some work done to inform your processes. Has there been any checking in with staff who have left the business perhaps, but also those who are still going through this process, about how those changes you've made have either made it better or not?

**Mr McGOLDRICK** - Yes, we frequently do that. I personally do it with people I have had to make redundant and catch up with them. It's part of our overall philosophy. I'm happy to report that many of the people who've left the business have been able to secure excellent employment in what is a very buoyant industry, much of it on-island as well. We hear good new stories about that almost every day of the week. Those people are going with great experience and good wishes and good grace and good references from us as a business.

We do carry out Pulse Surveys in various areas as well to check in with people. In the main, people have valued the experience in terms of a respectful experience, they felt informed and communicated with. I have had zero complaints to me about how these things



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have been handled. Of course, people are disappointed when their role becomes vacant and it can be a time of stress for people but we have been working hard to give them time and space to work through that, respectfully dealing with them first with that important news.

We have also boosted our EAP so that they and their family members can reach out to professionals in this area to assist. That is a confidential service but we understand that it is being used very well and we get broad statistics from that. The provider is happy to report that their people are accessing the right sort of services at the right time. We have also given people career assistance and advice on how to - we have people in the business who have 30, 40, 45-years of service. If they have been made redundant, the last time that they will have gone through a recruitment process has been quite some time ago. We give people specific training on how to address that and what to do and how you would approach it in the modern sense.

**Mr WESTENBERG** - The only other thing that I would add is we do have an exit survey for all of our team members which we then analyse through the People and Culture team. If that points out anything specific that is then worked through.

**Ms LOVELL** - Given the fact that you have been surveying your staff annually for some time and you have had the other survey we were talking about more recently that you have accepted - I take from what you have said you are accepting and you said it was done skilfully and done by consultants. It has thrown up some very different results to the other surveys that you have been conducting. Do you have confidence in the checking in that you are doing on this process that that is giving you the information you need?

**Mr McGOLDRICK** - On this aspect, the aspect of redundancies and people leaving the business, I am fairly confident about that. The bigger question I have is on the other matters we spoke about. Why weren't our well-known and well-advertised routes of reporting utilised? That is part of what we have to find out. Maybe -

**Ms LOVELL** - Surely it raises the question about whether people feel confident through those processes that you are undertaking to be upfront and honest?

**Mr McGOLDRICK** - My judgment from this would be that they feel confident reporting certain things. Other things they do not feel confident about. We have to pick that apart. Issues associated with leaving the business, our people are fairly vocal about that and we have had some good feedback. Where things have not been good, we have managed to adjust things. There have been great suggestions.

**Ms LOVELL** - And for the people who remain with the business? I imagine it is much easier to be honest about those things when you have left.

**Mr McGOLDRICK** - What I worry about more is people who are still in the business and they have had good colleagues who they have been working with for many years. Indeed, I put out a company-wide communication just yesterday talking about that and how you need to reach out if you have problems or issues. It has been a time of change. It has been a time where people have looked at their roles and what they might do. That is coming to a close now and we have managed to navigate it very well. I likened it to rebuilding an aeroplane when you are in flight. We have managed to accomplish some excellent things in

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the middle of all of that. We now need to make sure that our people are solid and reassess. That is going to be the focus going forward.

**CHAIR** - I would not have been able to be on that flight so I am going to call it off now. If you are rebuilding it while you are flying, I am not on that plane. Not a plane, not in the air, jeez. We will have a 15-minute break -

**Mr GILL** - The minister asked me to make a couple of comments. That is just before we break -

**CHAIR** - We might do that when we come back. I think we need to have a break. We will come back to the Chair after the break to talk about that. Then we will move on to some other matters.

### **The Committee suspended from 11.09 a.m. until 11.25 a.m.**

**CHAIR** - Welcome back, minister. The Chair wanted to make some comments if, or do you want any other comment before we start?

**Mr DUIGAN** - Yes, to provide some context around the transition and the strategic direction.

**Mr GILL** - TasNetworks' board had set an objective over the next five years of producing its costs by, in total, \$200 million, but in doing so we recognise that we had to manage the business to ensure no impact on reliability, no impact on safety and certainly, no reduction in customer service. In other words, to Seán's point of flying the plane, we needed a going business in those matters. Therefore, we had taken the view that this needed to be done steadily and very diligently. Part of the reason you're not seeing those numbers drop into the accounts at the moment is we've taken that time to analyse the business, understand the business and decide where we should make changes and where we should not make changes.

At the same time, we have been monitoring on a monthly basis those benefits that we have been looking to achieve. Many of these big transformation processes occur, they start out with an expectation of a lot of benefits but they do not monitor the benefits as you go along. In this case, we are monitoring them very carefully. As these scrutiny hearings continue over the next few years we will be able to bring to you the outcomes of those benefits because benefits realisation is a key focus for a board.

We've seen most of the changes occur, not at the frontline because it's frontline that has been delivering the customer service reliability and safety on a day to day basis. We have made choices about what not to do. At the forefront in our minds is reducing and keeping control on prices for our customers. I want to give you that sort of strategic framework upon which that previous discussion had been held.

**CHAIR** - I might go to the borrowings of TasNetworks, which have significant borrowings and the Treasurer has just extended the facility. Can you explain, with regard to your borrowings, how you apply the Treasury Management Policy regarding your borrowings? Particularly as we've got significant capital works in the pipeline, but also in the

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contingent projects that are being assessed right now? I am interested in how this will be managed and could we see any restrictions on borrowings in the future, because it's already at pretty high levels?

**Mr DUIGAN** - I am happy for that one either to go to the Chair or the CEO to talk around borrowings. Chair?

**Mr GILL** - I am happy to pass directly to the team to run you through that.

**Mr McGOLDRICK** - Just before Michael gives his chapter. First of all, to say that as we stand we are in a very healthy position with respect to our debt equity ratio of about 62 per cent. That is a good place for us to be as a utility. I want to draw distinction between borrowings we will make and should make for our regulated ventures and businesses and what we're approved to do by the Australian Energy Regulator and then borrowings we might need for our unregulated business. Two slightly different things. It's all in that one borrowing limit. We have only one lender that we can go to, it's TASCORP and we have a very good relationship with them. We get great support and meet with them on a regular basis.

Our existing debt limit of \$ 2.5 billion is sufficient for our existing operations. If we get the North West Transmission Developments approved through the contingent project application to the regulator and we have then the right to recover that money, once the asset is built, we may need to adjust that limit. That is a conversation we're already engaged in -

**CHAIR** - Further adjusted about the 2.5?

**Mr McGOLDRICK** - Yes, that is a conversation we're already engaged with TASCORP. That is a regulated stream of income we're getting and the issue is one of financability where we essentially expend the money very much upfront and then we recover it over 40 years. Balancing that is the job of an executive finance in a utility.

**CHAIR** - I will come back to a point you made earlier that was one option, that Hampshire link in terms of building a regulated link, the other option was an unregulated link.

**Mr Mc GOLDRICK** - Unregulated. Yes. So, unregulated link, we would have to make sure we have the stream of income from the proponents we're building it for. Typically, we would build, own, operate that link. Again, that would be an annuity style payment they would make every year to us. We would expend the money upfront and then recover it over a period somewhat less than 40 years, usually about 20 years in the unregulated area.

Again, it would necessarily be a conversation with our lender, TASCORP to demonstrate there is a good business case for that. If we can demonstrate there is a good business case and a good rate of return, they would increase the borrowing limit for as long as it's required. It's a very normal conversation between our banker and ourselves as a business, but we're in good shape at the moment because of that very reasonable debt equity ratio. That is just my overall comments.

**CHAIR** - With the risk assessment associated with that, you would need a fairly high degree of confidence the funder of an unregulated link is not going to go belly-up.

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**Mr Mc GOLDRICK** - Absolutely. There would be all sorts of credit checks, warranties, all sorts of stuff we would put in place through the normal financial processes that would ensure if the entity disappears for whatever reason, we can fully recover the money we've invested.

**CHAIR** - You are looking at roughly \$ 174 million for that project.

**Mr McGOLDRICK** - For example.

**CHAIR** - According to you, that's your contingency project estimated costs, right?

**Mr McGOLDRICK** - If I could hand over to Michael now for more detail.

**Mr WESTERNBERG** - Certainly. It's important to split the regulated and unregulated components. Talking about the regulated components first, we meet with TASCORP on a regular basis at an executive and officer level. Part of that process is an annual review of our debt limit and that assessment is made every year, based on our corporate plan projections and our latest financial results. Yes, this year on 26 June, we received an increase in our debt limit to \$ 2.5 billion. As Sean said, each year we'll consider what our requirements are.

In the regulated component, there are a number of factors TASCORP would take into account, such as each year our regulatory asset base which is in the vicinity of \$ 3.7 billion, increases with CPI. The gearing levels or the debt-to-equity ratios people talk about and Sean mentioned debt-to-equity, there are lots of different ways to measure that. We have a measure either gearing ratio or net debt to our regulatory asset base.

**CHAIR** - What did you say your RAB was?

**Mr WESTENBERG** - About 3.7.

**Mr McGOLDRICK** - That's covering both transmission and distribution.

**Mr WESTENBERG** - As that increases, your ability to borrow also increases. The other component that TASCORP was very open about when we had our discussions this year was we had regulatory determination coming up, which they see as a risk as part of their due diligence and risk assessment they undertake.

They have seen in the past jurisdictions have large cuts in the capital or operating expenditure which impact their profit. In this case, we've had a draft submission and about to put our submission in.

**CHAIR** - To AER?

**Mr WESTENBERG** - To AER. That is something TASCORP would consider in the future, that they would then consider once our revenue is locked in for the next five years. That's part of the process. As Sean said, for the unregulated component, it is very clear there's very stringent guidelines around the GB investment criteria and investment guidelines. We would need to put a business case forward that would include all the risks, such as you

mentioned and returns etcetera. That would need to go up through the shareholding ministers for approval if that was the case, that we would undertake that.

A couple of other small pieces. If we're talking about the north west and the contingent project, let's not forget, if you're talking about the larger north west component, that funding through the triparty agreement between the three governments has been agreed the Clean Energy Finance Corporation would fund that through concessional debt and at quite a high level of debt-funding for it. That funding probably wouldn't come through TASCORP, although we have had some discussions on the mechanism and whether that money is provided directly from the CEFC to TasNetworks or is provided through TASCORP for the ease of administration. That's only in early stages.

**CHAIR** - A bit like the Mersey money.

**Mr McGOLDRICK** - No.

**CHAIR** - That was part of the TASCORP so it wasn't counted all in one year, because it was apportioned over 10 or so.

**Mr McGOLDRICK** - It's a very significant and good deal for Tasmania to get this concessional data. It's 84 per cent, a very good rate, a very good amount, it ensures the consumers an excellent deal out of this and are charged less than they would be otherwise so it's very good.

**Mr DUIGAN** - Chair, while we are on this topic, TASCORP were asked to reflect on this in their hearing yesterday.

**CHAIR** - Not that I will take any notice of that yesterday.

**Mr DUIGAN** - I know you wouldn't. I would seek to put some comments made by Tony Ferrall regarding TasNetworks debt. He said TasNetworks is a very strong business. TasNetworks has a canvased current limit of \$2.5 billion, a current exposure of \$2206 billion and; 'as far as TASCORP go, we are comfortable it has the capacity to service the debt it has and future projects will increase its revenues.' Another point is; 'we're comfortable with the level of borrowing they have' and importantly as it applies to north west is we haven't expressed concern about them taking on debt for that, that being the North West Transmission Developments project.

**CHAIR** - Can I clarify then, you said the debt to equity ratio is 62 per cent at the moment. Is that your debt to RAB?

**Mr WESTENBERG** - Yes, or gearing levels. There's a couple of different ways of providing that.

To put some context, one of the things we've done in engaging with TASCORP this year in our debt orient, we undertook some long-term forecasting and building a model. Given all of the uncertainty we've been talking about here today, that gives us a much longer outlook of what some of those scenarios would be. As part of that, we also benchmarked ourselves against other network providers across Australia. Not forgetting the gearing ratio,

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the AER work on for our revenue is a 60:40 split with one tenth of debt being refinanced each year. We're very much in line with that.

Some of our peers are much higher geared than we are but, again, we're comfortable with the current gearing and our approach to the debt.

**CHAIR** - The level of borrowings is taken into consideration by the AER in their determination.

**Mr WESTENBERG** - Yes, it is, in the way they calculated the proposed returns.

**Mr DUGAN** - While there is a brief pause, we have TasNetworks workforce statistics to table, which was asked for before the break.

**Mr MCGOLDRICK** - We also have some other information that needs to be read into record.

**Mr WESTENBERG** - Yes.

**CHAIR** - Alright.

**Mr WESTENBERG** - I believe they need to be read into the record. There were two items. First of all, Marinus Link FTE and wage bill: 96.86 FTEs or 104 headcount. Some of those are part-timers. The wage bill for the year 2023, including contractors, was \$16.4 million. Secondly, in relation to Marinus you asked us about our contractor/consultant spend in relation to stakeholder management and those sorts of things: that spend for our major contractor - and it is a contractor, not a consultant - \$345 895, and they provide a large amount of services to us across that range-

**CHAIR** - Who is the contractor?

**Mr WESTENBERG** - The contractor is 89 Degrees East. [CHECKED]

**CHAIR** - We can talk about consultants and contractors until the cows come home; but the reality is that a significant amount of money is being paid to a contractor. Why isn't this in your annual report?

**Mr WESTENBERG** - Again, following the guidelines that we need to follow in relation to the definition of a consultant versus a contractor-

**CHAIR** - I understand all that. Maybe we should change the guidelines, minister. Do you have a view on changing the guidelines? This is \$345 000 paid to a contractor to spruik a matter that is of great public interest and completely hidden from public view.

**Mr DUGAN** - My view is that we should be as open and transparent as we're able to be.

**CHAIR** - Will you look at the guidelines and review those to perhaps progress that sort of openness and transparency that you support?

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**Mr DUIGAN** - I would certainly not rule that out, I would need to have a more detailed understanding of my role in those guidelines; but I am very much behind having the numbers out there. The more we embrace the numbers, the stronger our cases can be.

**CHAIR** - Okay.

**Mr DUIGAN** - Yes, something else to provide - the Marinus Link workforce statistics.

**Mr EDMUNDS** - Regarding that wage bill, is it possible to get that without contractors?

**Mr WESTENBERG** - I don't have that in front of me but we can check and get back.

**CHAIR** - Any other questions on the debt matter? In terms of risk management, we've seen some pretty serious risks play out with people like Optus, [in DP world? Unclear 11.43.26] in terms of cyber, as well as network failure.

I don't need all the details of the plans, but I understand high level plans are in place for managing significant outage, either by some sort of cyber attack or a massive storm event. Have they been tested - particularly the cyber ones. They've had a few tests of storms but I'm more interested in the cyber attack and what sort of risk management plans you've got there and the testing of those plans?

**Mr McGOLDRICK** - We continue to grow our cyber specialist capability, to minimise and mitigate any current cyber risks and to maintain pace with the increasing risk landscape. This is not a stationary space; it's changing every week.

We have certainly legislated requirements relating to cyber hazards, and we've identified the additional controls that will be implemented across the business. The delivery and rollout of defined initiatives over the past 12 months have included an established data loss prevention capability business-wide, as well as the introduction of vulnerability and track-management operations across key functional areas.

A significant uplift in cyber awareness has been delivered through online training, phishing campaigns, roadshow events and promotional material. The cyber operations team have also advanced the security logging and monitoring capability for critical functions, to establish consolidated log data storage and optimise alerting and reporting.

Cyber security has contended with a large number of potential vulnerabilities specifically related to data breach attacks on third parties. TasNetworks has not seen a major direct impact as a result of any of these attacks over the last 12 months, however, the volume of these attacks is increasing.

The federal government has passed into legislature a number of security requirement obligations from the Security of Critical Infrastructure Act 2021. We continue to highlight the importance of the work at hand across the affected areas of the business to ensure that those obligations are met. Recruitment and retention of cyber security skills is very challenging, with the ongoing global skills shortage and increased market rates.

In terms of our current status, I'm happy to say that work continues to focus on improving the treatment of, and reducing the consequences of, cyber security risk whilst imbedding good cyber security behaviour and culture across the business. The planning for the delivery of the outcomes through the cyber program of work and optimisation of our operational capability is vitally important to the successful achievement of our target future state, as defined within our R24regulatory submission which contains significant elements of cyber.

TasNetworks is continuing to work with industry peers in Government on co-design of regulatory changes to uplift cyber security for critical infrastructure as part of the Security of Critical Infrastructure Act. The introduction of additional, specialised capability and specialised resources for cyber security resilience is essential to our business as we take a more proactive approach to minimising and mitigating cyber risk.

Tas Networks is required to uplift security requirements across a number of standards and key processes that relate to our highest areas of vulnerability. This is dependent upon the business actively responding to necessary changes of operation and to prioritise the need to harden certain key security controls, including physical security controls. Recent measurable data has identified that the TasNetworks collective workforce, which remains the greatest cyber risk for our business - and any business - have advanced their awareness and response to cyber threats. This confirms that our methods of cyber training and awareness are working to better protect our business. This also highlights the dependence that we have on the need to deliver continued and regular awareness. That is a key focus.

**CHAIR** - A cyber risk plan that you've tested?

**Mr WESTENBERG** - That was an area that I used to look after. We monitor the risk and we have tested a number of elements of that, including real life scenarios including the board and the CEO and executives. From a risk perspective, we have a high risk in our operational technology as opposed to our IT. Without going into the details, one of the key risks that we mitigate is our ability to separate those two. We have done a live test of our ability to do that and manage the network without connectivity between the IT and OT systems.

**Mr GILL** - This is a very high priority for the board. We have an audit and risk and compliance committee that also is very focused on this. We have regular monthly reporting on our cyber exposures and, as Michael just indicated, testing and running scenarios where we put ourselves through a penetration risk have been done. Great learnings from that. I also reiterate this point between information technology and operational technology; they are fundamental issues. The operational systems - the ones that switch power lights on and off - are key in keeping them separated from the emails that come through is important monitoring. The Security of Critical Infrastructure Act 2021 puts huge regulatory obligations on us but it comes from within us. We really work on this.

**CHAIR** - In terms of risk, I notice your insurance costs are up; not hugely, but they are still up. What accounts for that increase? Do you have any uninsured risks?



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**Mr McGOLDRICK** - The increase is mostly as a result of a number of providers withdrawing from the Australian market. Like many utilities, we get our insurance with a local broker here but we get an insurance from a number of reinsurance companies in a square mile in London. We regularly go over there once a year and we demonstrate our business and how safe it is, and what we do. Unfortunately, particularly because of bushfire risk in other jurisdictions, notably Europe and North America and the west of North America, a number of significant providers some who are writing for us, are withdrawing from the market. That and the lessening of the supply in to the market did drive the prices up for us. We worked very hard to minimise that increase but that is the principal cause behind, just simply withdrawing of services.

**CHAIR** - Uninsured risks?

**Mr McGOLDRICK** - We carry a number of different tranches of insurance. We do self-insure for things. For example, if a steel tower collapses we don't have insurance for steel towers. We just go and repair that steel tower and put it in as part of operational expenditure and sometimes capital expenditure. If a storm comes through and takes out part of our network, again we do not have insurance for that but what we go fix this. We take careful accounting and put in a CapEx and OpEx split. CapEx goes into our replacement asset value (RAV), the OpEx we flow through our books. We do not insure for the network itself but things like bushfire or public liability and so on, we do insure.

**CHAIR** - A cyber risk? Are you insured for that?

**Mr McGOLDRICK** - Yes, we are.

**Mr WESTENBERG** - If I may, the increases that we had seen are in areas such as bushfire risk and cyber risk, they are increasing. Again, you will see as part of our regulatory proposal, for the two areas you have spoken about - being insurance and cyber - are the only areas that we have provided for additional operating expenses that we feel we cannot maintain within a normal operating level.

**Mr EDMUNDS** - On page 137 of the annual report, it talks about the termination payments of Mike Paine being \$371 000 and Bess Clark being \$220 000. The footnote says, and that is on page 139, termination benefits include all forms of benefits paid or accrued as a consequence of termination, including leave entitlements paid out on termination. Are we able to get a breakdown of how that all fits into that dollar figure, even if it is on notice?

**Mr WESTENBERG** - Are you talking about Mike Paine or -

**Mr EDMUNDS** - Both.

**Mr DUIGAN** - I will handle that one. Typically, these sorts of termination governance ones are handled in your space but I understand, Michael, you might have some more detail if that's the nature of the question?

**Mr GILL** - We very much report, as we did in the annual report, for our executives who are subject to contracts and those have that have become public, I will pass it back to Sean as to what we are able to provide.

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**Mr McGOLDRICK** - Happy to talk about the various categories that such payments include. For example, annual leave is paid out, there is long service leave, there are aspects associated with perhaps a vehicle, the FBT taxable value, but there are a number of different categories in that. I will hand now to Michael to give us a break down.

**Mr WESTENBERG** - Out of Mike Paine's payout of \$371 000 that represents two components. First is a termination component which is \$261 000 and his long service leave and all the entitlements that he would take is the remainder of that, \$110 000. For Bess Clark, the \$221 000, a termination payment of \$85 000 and long service leave and leave components of \$135 000.

**Mr EDMUNDS** - Have any other executives left in this financial year?

**CHAIR** - In what we are in now or the one before?

**Mr EDMUNDS** - Yes, the one we are in now. Since the annual report have any other executives left?

**Mr McGOLDRICK** - Yes, there have been. We will be reporting on those in the annual report next year.

**Mr EDMUNDS** - Did those executives resign?

**Mr McGOLDRICK** - Again, just like every other level in the business, we have been restructuring and a number of people were made redundant.

**Mr EDMUNDS** - So those executives were made redundant?

**Mr McGOLDRICK** - Yes, and I have also had a resignation in that time period, I believe.

**Mr EDMUNDS** - Going back to Mr Paine and Ms Clark, were they redundancies or were they resignations?

**Mr McGOLDRICK** - Again, Michael, correct me if I am wrong, but I believe that Mr Paine was a redundancy. I am not a 100 per cent on Ms Clark. We will keep that one on notice.

**Mr EDMUNDS** - It is on a press release on the Marinus website. It says -

**Mr McGOLDRICK** - We will take it on notice, we will have an answer in the next short period.

**Mr DUGAN** - It is my understanding that Ms Clark resigned.

**Mr EDMUNDS** - That is what it says here, 'announced her resignation'.

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**Mr WESTENBERG** - Just a question that you provided that was asked before in relation to the Marinus wage bill. Without contractors it is \$10.5 million.

**Ms LOVELL** - You mentioned some executives have left the business since the end of this financial year that the annual report relates to. How many have there been?

**Mr McGOLDRICK** - Two have left via redundancy and one resigned.

**Mr EDMUNDS** - I have worked for Ms Clark. She is very well respected in the energy sector. Was she asked to resign?

**Mr DUIGAN** - That is one for the board or for the senior executive.

**Mr GILL** - This was done under the previous Marinus chair's period. Bess had done a fabulous job at getting the Marinus Link project from shovel-ready to accepted as a critical piece of infrastructure for the country. It was then, you move that project from that significant tick, it has gone from regulatory space then into a very commercial space. At that point, like all businesses, there are times when changes of personnel are suitable. It was deemed that a change of personnel made sense at that point.

We then moved across to Caroline Wykamp who comes with enormously strong commercial arrangements. As you have seen clearly, the issues that we have confronted in the last 12 months have been about the commercial viability of the project. Caroline has effectively monitored us through. So that is where the transition had occurred.

**Mr EDMUNDS** - The deputy CEO, Ms McGregor also left the organisation after a short period of time after coming from, I believe the Premier's office. Did she receive a termination payment?

**Mr McGOLDRICK** - That is not something we are reporting on in this period so I don't have any facts or figures about that at the moment.

**CHAIR** - Thank you minister, is there any closing comment you wish to make or any other information that -?

**Mr DUIGAN** - I think we are pretty good for our information, I would simply like to -

**CHAIR** - The redeployment pool was the other one I think, wasn't it? There was some information related to that.

**Mr DUIGAN** - It is still outstanding? We will work on that.

**CHAIR** - I think that's the only one from memory. You gave us -

**Ms LOVELL** - The organisational structure.

**CHAIR** - The organisational structure for Marinus Link. You gave us the headline figure for the PR, the question on notice.

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**Ms LOVELL** - The wages bill?

**Mr EDMUNDS** - Yes, I got that.

**CHAIR** - We will check. I think we got most of those. In that 345 000, I think it was, for the contractor, I did mention breaking that down to monitoring of media and stakeholder engagement and independent surveys.

**Mr WESTERNBERG** - No, we wouldn't break that down in our system.

**Mr McGOLDRICK** - That is just the generality of the services they provide.

**CHAIR** - Okay.

**Mr DUIGAN** - In closing, I would like to take this opportunity to say thank you to the 1500 - or thereabouts - Tasmanians who keep our lights on and keep our poles and wires standing and deliver an outstanding service.

**CHAIR** - And turn up in the terrible weather.

**Mr DUIGAN** - Turn up in the terrible weather, turn up in storms, do the job. TasNetworks and the people, thank you so much for doing what you do.

**CHAIR** - Thanks, minister. We will let you go somewhere else.

**The witnesses withdrew.**

**The Committee suspended from 12.01 p.m. to 12.10 p.m.**