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16 April 2025

Ms Ruth Forrest MLC  
Chair  
Joint Standing Committee on Energy Matters  
Email: [energymatters@parliament.tas.gov.au](mailto:energymatters@parliament.tas.gov.au)

Dear Chair

I refer to the hearing on 20 March 2025 of the Energy Matters Committee and am pleased to provide a response to the matters taken on notice.

1. Chair / Vica Bayley

*In relation to Marinus shareholder contributions (including those by the Commonwealth prior to becoming a shareholder) and recognised equity to date (i.e. how much Tasmania equity has been recognised and how much equity / contributions have been made / recognised for Commonwealth and Victoria):*

*How much has been put in by other parties, particularly the Commonwealth? Could you provide that to the committee? How much has already been put in by the Commonwealth? (Chair)*

*The Victorian governments got a 33.3 per cent stake in a project that has a notional value of at least \$103 million, which sounds like \$153 million (Bayley)*

RESPONSE

In the 2024-25 State Budget, the Tasmanian Government budgeted to transfer \$103.5 million to TasNetworks to make it whole for the costs it had incurred in respect to its Marinus Link Pty Ltd (MLPL) subsidiary.

In recognition of the costs incurred by Tasmania up to March 2024, when MLPL was sold by TasNetworks to the new owners for a nominal sum, a credit mechanism was agreed between the Shareholders that allows Tasmania to convert that credit into shares in MLPL as funding calls are made.

Since this time, there have been a number of funding calls that have been made by MLPL, whereby the Shareholders are required to make equity injections into the business in accordance with the Shareholders' Agreement. When those funding calls are made, Shareholders contribute equity in accordance with their ownership shares. To date, Tasmania has not had to commit any further equity to MLPL as a result of the credit that was recognised for the initial costs incurred.

As at 30 June 2024, MLPL had recognised equity contributions from its owners as follows:

Equity Contributed by	Number of shares (‘000)	Contributed equity (\$’000)
Commonwealth of Australia	81 925	81 925
State of Victoria	55 676	55 676
State of Tasmania	29 594	29 594
<b>Total</b>	<b>167 195</b>	<b>167 195</b>

A further update will be provided by MLPL in its 2024-25 Annual Report.

Separately, under the terms of the Federation Funding Agreement that relates to Support for Project Marinus, the Commonwealth agreed to provide up to \$75 million towards the delivery of Project Marinus. To date, \$60 million has been received under the Agreement for this purpose.

## 2. Michael Ferguson

*Given that there are a number of large energy projects in different stages of development, including Tarraleah, Marinus, and potentially, Lake Cethana, how can they make money for the state in a way that our consumers get looked after?*

## RESPONSE

The Whole of State Business Case will be considering the financial implications of proceeding with each of the Major Energy Projects, both in terms of the costs expected to be incurred in their development and the revenues that are likely to be earned once each project is operational. What this may mean for future returns to Government has also been considered, noting that:

- any returns will not eventuate for some time;
- the modelled outlook for returns will necessarily be at a point in time and subject to the vagaries and limitations inherent in financial models; and
- actual returns will be subject to the market and operating conditions that are present at that future time (which are difficult to predict).

Once the Government receives the Whole of State Business Case, it will review the anticipated impacts to customers from the development of the Major Energy Projects.

Any increases in returns from Government businesses that do eventuate will provide further revenue for the Government to use to meet its various expenditure responsibilities and priorities at that time, including support for impacted customers where that may be considered appropriate.

Yours sincerely



Hon Guy Barnett MP  
**Deputy Premier**  
**Treasurer**