

Major Projects Committee

TERMS OF REFERENCE

TITLE	Major Projects Committee
AUTHOR	Hydro Tasmania Corporation Secretary
APPROVED	Board of Hydro Tasmania
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Hydro Tasmania pays respect to the rich, long and ongoing history of the Traditional Owners and Custodians and their connections to land, sea and community.

The mountains, natural lakes and rivers that capture and channel water for hydropower are rich in Aboriginal history, culture and tradition. We acknowledge ongoing connection to culture and custodianship of the lands and waters of places we share. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

1. Purpose

The Major Projects Committee (Committee) is established by the Board of Hydro Tasmania (Board) to assist in overseeing Major Projects that are referred to the Committee by the Board.

The Committee provides oversight and advice to the Board to support sound decision-making and effective oversight, and compliance with Hydro Tasmania’s governance framework and statutory obligations.

2. Scope

The Committee will oversee the Major Projects (“Projects”), which are:

- the redevelopment of the Tarraleah hydro scheme; and
- the Cethana pumped hydro project.

The Committee will also oversee any other major construction project that is referred to the Committee by the Board, such as a project proposed to materially increase hydro storage and/or generation output.

In these Terms of Reference, the projects over which the Committee has oversight are referred to as “the Projects”.

The Committee will oversee: all activities required to achieve delivery of the Projects, including:

- business case development, project and program planning,
- Shareholder, Parliamentary and regulatory approvals,
- external stakeholder engagement,
- commercial and financing activities,
- related business and change management workstreams, and
- construction, and;
- major interdependencies with related developments, policies and programs (including the North West Transmission Developments project, Marinus Link, and the Commonwealth Capacity investment Scheme).

The Committee is supported by internal governance arrangements including a Major Projects Steering Committee.

3. Objectives

The Committee’s objectives are to:

- Provide focused oversight and review of matters delegated by the Board.
- Ensure that management frameworks, policies, and processes within its remit are effective and aligned with Hydro Tasmania’s strategic objectives.

- Monitor performance, compliance, and continuous improvement in the Committee’s area of responsibility.
- Facilitate transparent communication between management and the Board.
- Promote good governance, integrity, and accountability in decision-making.

4. Authority

The Committee has delegated authority from the Board as outlined in Attachment A.

Except as expressly set out in Attachment A, the Committee has no further delegated decision-making authority unless specifically conferred by the Board. The scope of the Committee’s delegated authority may be revised by the Board from time to time.

5. Membership, Operation and Administration

5.1 Membership

- The Committee will comprise no fewer than three (3) non-executive directors of the Board, each with appropriate qualifications, skills, or experience to assist the Committee to perform its functions.
- At least one (1) Member is to have engineering, or construction management expertise.
- Members will be appointed by the Board, and terms of appointment are at the discretion of the Board.

5.2 Chair

- The Chair of the Committee will be a non-executive director appointed by the Board.
- The Chair is responsible for leadership of the Committee, approving agendas, facilitating effective meetings, and communicating the Committee’s deliberations, recommendations and endorsements to the Board.

5.3 Invitees

- All non-executive directors, the CEO, Corporation Secretary (or nominee), EGM Strategy, EGM Construction, EGM Finance, EGM Assets and Infrastructure, Major Projects Program Directors and independent advisers have standing invitations to attend meetings.
- The Committee may meet in camera as required.
- Any director who is not a Committee member may attend Committee meetings and have access to all Committee papers but will not have voting rights.
- Management and other personnel may be invited to present on issues relevant to the Committee’s duties.

- The Committee may invite external parties experts or subject matter experts to attend meetings as it deems appropriate.

5.4 Independent Expert Advisors

- The Committee may appoint one or more independent expert advisors (“Advisors”) who will provide advice to the Committee as more particularly described in a professional services agreement between Hydro Tasmania and the advisors.
- Such Advisors may be directed to attend and participate in Committee meetings and receive meeting papers to provide advice on relevant matters.
- The Committee will make available to the Advisors any other information or materials and access to personnel they may reasonably require in order to provide the services set out in the relevant professional services agreement.

5.5 Committee Executive Lead and Secretariat

- The Committee Executive Leads will be the EGM Strategy & the Interim EGM Construction, or other suitable person appointed by the Committee.
- The Committee Secretariat will be the Major Projects Governance Partner or nominee.
- Meeting agendas will be prepared by the Secretariat and Committee Executive Lead, in consultation with the Committee Chair.
- The Secretariat will coordinate meeting logistics, distribute agendas and papers, and record minutes, actions and resolutions, working closely with the Committee Executive Lead.
- The Secretariat is to record minutes and resolutions with minutes to be reviewed and approved by the Committee Chair and provided to the Board at its next meeting for noting.
- Committee members will declare interests at Committee meetings. The Secretariat will maintain a register of declared interests and provide it to the Board in accordance with Hydro Tasmania’s governance framework.

5.6 Meetings

- The Committee will meet as frequently as required to discharge its responsibilities, with a general expectation that meetings will be held monthly.
- All Committee members, and the Corporation Secretary or nominee, are expected to attend each meeting in person or via teleconference or videoconference.
- A quorum will be at least two (2) Committee members.

- In the absence of the Committee Chair, the remaining members will elect one of the members to chair the meeting.
- Meeting agendas and papers will be distributed at least five (5) working days in advance of each meeting, where practicable.

5.7 Conflicts of Interest

- Committee members will declare any conflicts of interest at the commencement of each meeting.
- Ongoing conflicts need not be re-declared at each meeting once formally recorded.
- Members or invitees with a real or perceived conflict will not be present for discussions or decisions on the relevant matter.

5.8 Access to advice

- The Committee may obtain independent professional, legal, or technical advice as necessary, at Hydro Tasmania's expense.
- The Committee may meet with external advisers without management present.
- The Chief Executive Officer and other senior executives have direct access to the Committee Chair to raise material matters that, due to urgency, sensitivity or risk, cannot reasonably be progressed through normal management or governance channels.
- The Committee may require the attendance of any Hydro Tasmania personnel or representatives from subsidiaries at Committee meetings to support its work.

5.9 Review of Performance and Terms of Reference

- The Committee will review its performance annually and provide results to the Board.
- These Terms of Reference will be reviewed every two (2) years or more frequently if deemed necessary by the Committee, with any amendments submitted to the Board for approval.

6. Responsibilities

The Committee's responsibilities will align with its purpose and delegated authority include, but are not limited to, the following:

6.1 General

- Maintain oversight of Projects referred to the Committee by the Board.
- Facilitate prudent, timely and efficient decision-making within the Committee's delegated authority.

- Provide assurance to the Board regarding the identification, management and escalation of project risks, issues and performance.
- Make project-related decisions within delegated authority and recommend matters outside that authority to the Board.

6.2 Key Responsibilities

- Review, evaluate and endorse (for Board approval) project budgets and major investment proposals.
- Provide strategic, delivery, commercial and financial oversight of Projects.
- Review and recommend improvements to project governance, risk management, internal controls, procurement strategies and readiness of major work packages.
- Ensure appropriate governance structures, organisational capability and resourcing are in place to support effective delivery.
- Monitor project performance against approved scope, schedule, budget and risk parameters.
- Review project-wide plans, including capital works programs, to support efficient delivery within approved timeframes and budgets

6.3 Environmental, Social, and Governance (ESG)

- Monitor ESG-related project risks, including environmental impacts, biodiversity, land use, health and safety, workforce matters and human rights.
- Provide oversight of controls, mitigations and compliance obligations associated with ESG and critical infrastructure risks.
- Ensure ESG considerations are appropriately reflected in business cases, investment decisions and reporting.
- Receive regular updates on ESG performance, compliance outcomes, and material stakeholder issues during project execution.

7. Reporting

The Committee Chair will provide a verbal summary and/or written report to the Board following each meeting, highlighting key matters for decision or noting.

8. General

- All information received by the Committee is confidential and must be treated in accordance with Hydro Tasmania's confidentiality and information management policies.

- The Secretariat will retain all agendas, papers, and minutes in accordance with established Hydro Tasmania records management policies and relevant legal and regulatory requirements.
- Administrative updates to these Terms of Reference may be made by the Secretariat, with material changes to be approved by the Board.

ATTACHMENT A
COMMITTEE DELEGATED AUTHORITY

REFERENCE	DELEGATED AUTHORITY	SCOPE OF/LIMITATIONS ON AUTHORITY
B2023.01	Approve contract for the appointment of Delivery Partner	Contract value of up to \$15m
B2023.02	Approve contracts for the Projects between \$10m and \$50m	Expenditure must fall within the approved budget for the relevant Project. Any contract with a risk rating under the IBRM standard of “high” must be referred to the Board.
B2023.03	Appointment of employees or contractors to key management roles	Appointments for roles reporting directly to the CEO must be approved by the Board.
B2024.01	Approve changes to Integrated Master Schedule	Authority to approve changes to the timing of the Final Investment Decision and Financial Close milestones of no more than 3 months (with notice to the Board).
B2026.01	Approve Terms of Reference and panels of independent reviewers for all Major Projects gated assurance reviews.	The relevant Senior Responsible Officer for each gate will present a formal recommendation, including the Terms of Reference and a suggested panel of reviewers, to the Major Projects Committee for approval as required.