

# Statement of Corporate Intent

## FY2025/26

*We acknowledge the rich and long history of the traditional owners of the lands on which we live and work and recognise 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 the current custodians and their ongoing connection to culture, and the lands and waters on the 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.*

## Statement of Corporate Intent

Hydro Tasmania is the trading name of the Hydro-Electric Corporation, an integrated energy business owned by the State of Tasmania. Hydro Tasmania operates under the *Government Business Enterprises Act 1995* (GBE Act) and the *Hydro Electric Corporation Act 1995*. The GBE Act requires Hydro Tasmania to prepare a Statement of Corporate Intent each year that provides an overview of the business and its strategic direction.

### Hydro Tasmania

Hydro Tasmania is Australia's largest producer of renewable energy, and its largest water manager. For more than a century Tasmanians have relied on its hydropower to grow and support the state's communities and economy.

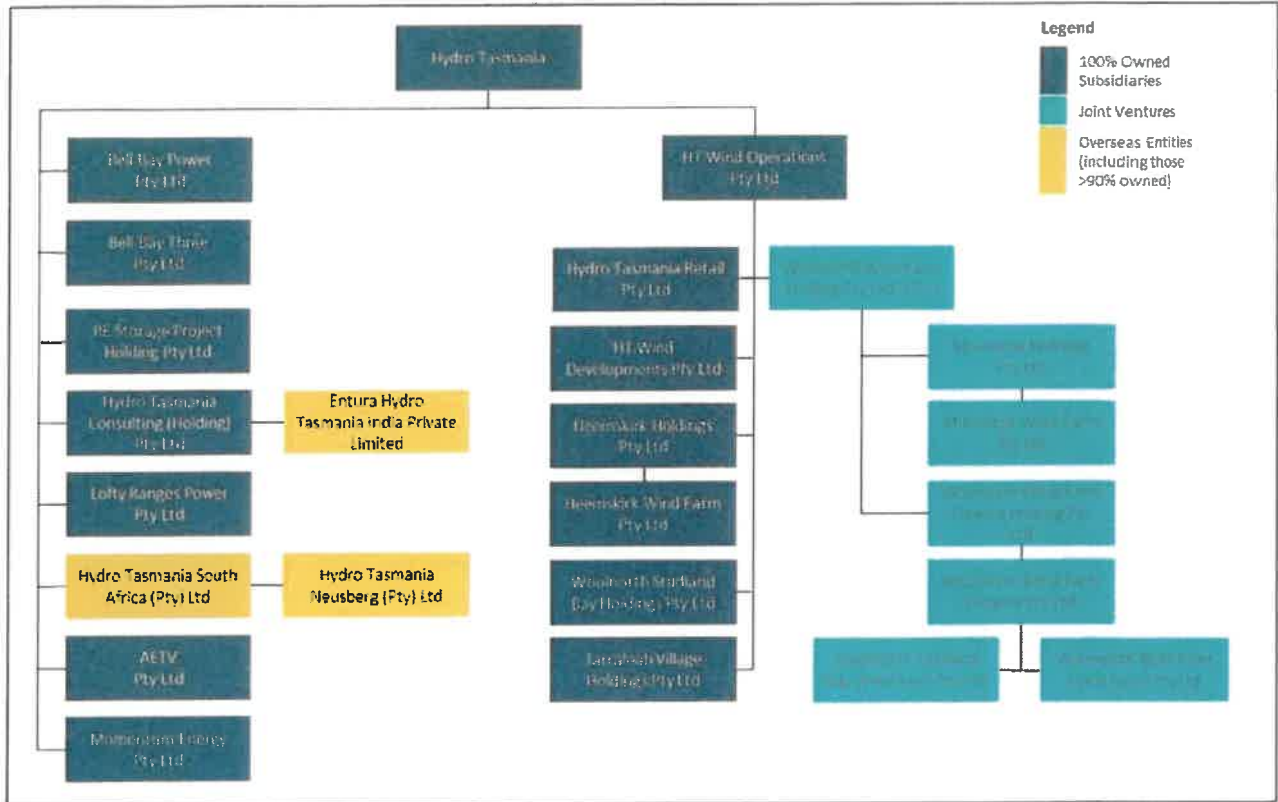
### Momentum Energy

Hydro Tasmania's electricity and gas retailer, Momentum Energy, is a leading supplier of electricity and gas solutions to business customers and residential markets across the National Energy Market (excluding Tasmania), providing competitive rates and quality sustainable products and services.

### Entura

Hydro Tasmania's consulting business, Entura, delivers leading solutions in water and energy to clients locally, nationally, and internationally.

### Ownership structure



## Strategic Direction

Hydro Tasmania is at the forefront of Tasmania’s clean energy transition, leveraging over a century of hydropower expertise to drive a secure, sustainable, and economically resilient energy future. As Australia’s largest producer of renewable energy, we are committed to *a sustainable energy future for all* – delivering affordable, reliable energy, supporting Tasmania’s energy security, and helping to advance the national move towards a low-carbon future. Our leadership in renewable energy not only benefits Tasmania’s economy but also strengthens the State’s position as a key player in the evolving Australian energy market.

### Operating environment: navigating market complexity and change

Hydro Tasmania operates in a highly dynamic and uncertain energy market, shaped by market volatility, evolving regulatory settings, and shifting consumer demands. The energy sector is undergoing a once-in-a-century transformation, with increasing demand for flexible, low-carbon energy solutions balanced with the need to ensure the system remains stable during periods of low renewable output. The transition to renewable energy presents vast opportunities, but also challenges—including economic and social pressures, policy uncertainty, and the need for greater energy firming solutions to underpin the reliability of a changing energy system.

Tasmania’s energy transition aligns with national trends but presents a unique operating environment to navigate including climate change-induced variability in rainfall and inflows to hydro dams increasing the complexity of energy planning and generation as well as the changing electricity profile with growing rooftop solar PV reducing reliance on the grid and suppressing overall demand.

Hydro Tasmania is well positioned to address these challenges and contribute to Tasmanian and national energy security through our hydropower capabilities, which are central to Australia’s evolving renewable energy and firming mix. We are committed to balancing these external factors with our strategic and operational priorities to harness Tasmania’s hydropower assets and continue to support energy reliability, affordable electricity, innovative technology, local jobs and economic growth.

### Strategic focus: growing and adapting Tasmanian generation and developing our workforce for the future

Hydro Tasmania’s strategy for the future is focused on growing and adapting our energy generation portfolio to meet future Tasmanian market needs. To position Hydro Tasmania and Tasmania for long-term success, we are progressing the following strategic actions:

- **Facilitating investment in new VRE projects:** Hydro Tasmania is enabling more VRE sources to diversify Tasmania’s energy portfolio, supporting our transition to a more flexible energy system, which will be integral to long-term stability and reliability.
- **Major Projects:** Hydro Tasmania is working towards the two largest investment decisions in its history during the corporate planning period, focusing on two flagship projects: Tarraleah redevelopment and Cethana Pumped Hydro. These initiatives aim to enhance Tasmania’s renewable energy capabilities, strengthen grid reliability, and support Australia’s transition to clean energy:
  - Tarraleah Scheme Redevelopment to upgrade and adapt an aging asset that will more than double the capacity of the power station to ~190MW and provide for more flexible and dispatchable generation to support Tasmania's renewable energy future.
  - Cethana Pumped Hydro to provide 750MW of deep storage (up to 20 hours) helping to firm VRE and improve drought resilience
- **Capital investment program:** To modernise and adapt our existing hydropower network to meet the growing demand for flexible, responsive energy generation, Hydro Tasmania is embarking on one of the largest capital investment programs in recent years. The works will improve operational reliability and flexibility and

extend the life of our assets and are essential to maintaining our assets' competitiveness and adaptability in the face of changing market dynamics.

The actions to progress our strategic focus areas are informed by rigorous financial, risk, and climate modelling, ensuring we are well-positioned to continue delivering long-term sustainable value to Tasmania.

As we advance this ambitious program, we recognise the scale of the challenge, and the significant commitment required from our workforce to ensure its successful delivery. We are proud of our successful track record in maintaining and fostering a highly skilled, diverse, professional and technical workforce supported by a dedication to continually improving workplace health and safety. This focus on the well-being of our employees ensures they have the tools, resources, and care they need to excel in their roles and contribute to our shared vision for Tasmania's future.

At the heart of our success is a collaborative, growth-oriented culture. We believe that fostering innovation, adaptability, and alignment with Hydro Tasmania's Purpose, Vision, and Strategy is crucial to our ongoing success. This approach ensures that all team members are empowered to contribute to the company's long-term goals, supporting the transition to a greener, more sustainable energy system.

Hydro Tasmania is dedicated to *accelerating the renewable energy transition* to a low-carbon, sustainable future. Our approach is multifaceted, encompassing environmental responsibility, client and customer solutions, working with the community, innovation, and a commitment to delivering affordable, reliable energy in a secure reliable system. By working together, we are *creating renewable energy for generations* and long-term value for Tasmania; ensuring that Hydro Tasmania will continue to be a driving force in the State's energy future and economic development.



## PURPOSE

Creating renewable energy for generations

and delivering sustainable value to Tasmania, communities, customers and clients

## VISION

A sustainable energy future for all

## STRATEGY

Accelerate the renewable energy transition



Grow and adapt our business and assets to maximise value for Tasmania and support expansion of renewable generation.



Be a leading custodian of assets, water, environment and heritage in a changing climate



Enable the transition through innovation, partnering, working with community, and client & customer solutions.



Develop our workforce for the future and grow a safe, inclusive and adaptive culture.



## Hydro Tasmania Statement of Corporate Intent 2025:

### Key Performance Indicators

Key Performance Indicator	Target
<b>Financial Indicators</b>	
Results before fair value movements and revaluations	\$72.9m
Net debt (excluding leases)	\$1,089m
Return on equity	2.8%
Tarraleah Redevelopment	Key milestones achieved: RFP released
Cethana Pumped Hydro Project	Key milestones achieved: Commercialisation model established
Operating expenditure efficiency target	Operating expenditure (excluding retail, AETV and exceptional items) of \$194.2m
Momentum Energy earnings before interest tax (EBIT)	\$16.1m
<b>Non-financial Indicators</b>	
Total recordable injury frequency rate	<2.50
Portfolio availability	80%
Regulatory compliance obligations	Zero breaches resulting in enforced regulatory undertakings or penalty notices
Storage levels	Consistent with the High Reliability Level
<b>Returns to Government (accrual)</b>	
Ordinary dividend	\$4.7m
Other returns to Government	\$18.4m
Total returns to Government	\$23.1m


**Directors' Statement of Corporate Intent and Agreement of Shareholding Ministers**

In signing this Statement of Corporate Intent, the Board of Hydro Tasmania commits to the targets proposed for FY2025/26 on a best endeavours' basis, subject to Section 24 of the GBE Act. The Board of Hydro Tasmania agrees to provide the Shareholding Ministers with information on progress against the targets included in this Statement of Corporate Intent, as required under the Reporting Guidelines.


This Statement of Corporate Intent has been agreed between:

A handwritten signature in black ink, appearing to read "Michael Bolt".

R Bolt  
Chair  
Hydro Tasmania  
On behalf of the Board

A handwritten signature in black ink, appearing to read "Eric Abetz".

Hon Eric Abetz MP  
Treasurer

A handwritten signature in black ink, appearing to read "Nick Duigan".

Acting Minister  
Hon Nicholas (Nick) Duigan MP  
Minister for Energy and Renewables