Powering Tasmania for generations

Annual Report 2024–25

Hydro Tasmania

We acknowledge the rich and long history of the Traditional Owners and Custodians of the lands on which we live and work and recognise their connections to land, water 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 ongoing connection to culture and custodianship of the lands and waters of the places we share.

We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people today.

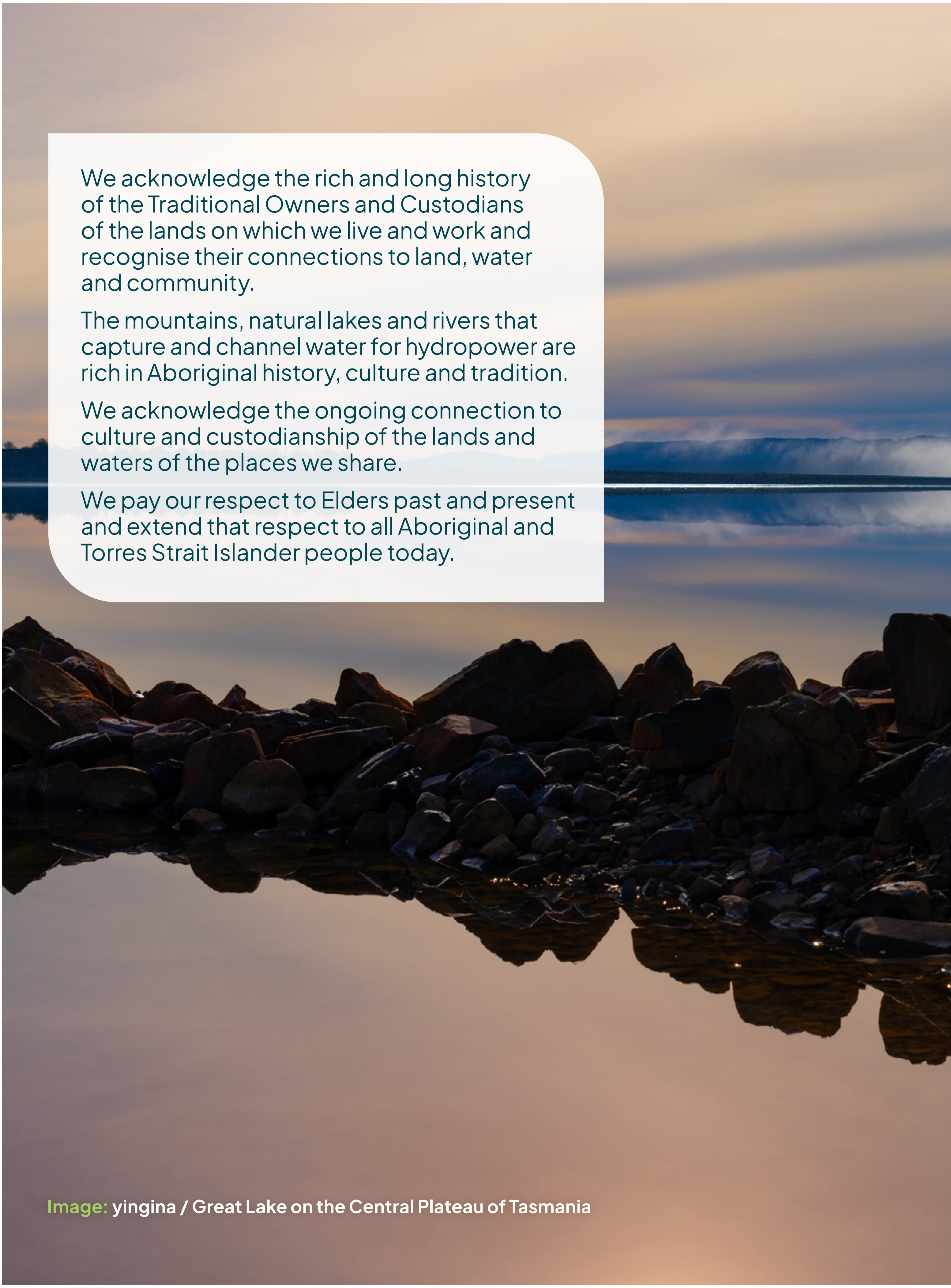


Image: yingina / Great Lake on the Central Plateau of Tasmania

Directors' statement

To the Honourable Nick Duigan, Minister for Energy and Renewables, in compliance with the requirements of the *Government Business Enterprises Act 1995*. In accordance with Section 55 of the *Government Business Enterprises Act 1995*, we hereby submit for your information and presentation to Parliament, the report of the Hydro-Electric Corporation for the year ending 30 June 2025. The report has been prepared in accordance with the provisions of the *Government Business Enterprises Act 1995*.

Richard Bolt
Chair, Hydro-Electric Corporation
September 2025

Helen Galloway
Director, Hydro-Electric Corporation
September 2025

Hydro-Electric Corporation
ABN 48 072 377 158

Image: Michael Pulford and Phillip Pulford at Poatina Power Station

The year at a glance

$7.5M
annual profit before fair value and tax

$4.7M
returning to the Tasmanian Government as dividends (to be paid FY2025–26)

2.29
total recordable injury frequency rate against target of <2.5

33.5%
total energy in storage at 30 June 2025

6,631 GWh
total energy generated

2,295 MW
installed hydro capacity

$284M
spent on our capital program

74%
employee inclusion score

71%
employee engagement score

Our *Purpose*, *Vision* and *Strategy*

Our purpose is

Creating renewable energy for generations

Our vision is

A sustainable energy future for all

Our strategy is to

Accelerate the renewable energy transition by:

- Growing and adapting our business and assets
- Being a leading custodian
- Enabling the energy transition
- Developing our workforce for the future.

Our *values*

We keep each other safe

We are all about our customers

We are better together

We find a way

We do the right thing

Image: Jane Alpine touring Tasmania

Contents

Message from the Chair

Richard Bolt, Chair

Our business faced challenges in FY2024–25. In particular, our second successive record dry year required careful management of our storages and nonetheless resulted in a large fall in profit.

Protecting our water reserves by importing more energy at low prices and running Tamar Valley Power Station comes at an unavoidable cost, with profits falling from last year's $193.7 million to $7.5 million. It is disappointing to lose income to the vagaries of rainfall, but I am very proud of our people who worked tirelessly this year in the face of difficult conditions.

A large and rising effort continues to go into the core task of maintaining and operating our large and complex network of hydropower assets, to maximise their value to Tasmanians now and into the future.

In an energy future based increasingly on wind and solar, our deep hydro storage will help underpin future energy reliability. We are advancing proposals to grow our hydropower network by further developing two major construction projects, for consideration by the Board and government.

Tasmania's demand for power is growing, and more clean energy is needed from other sources. I am pleased that our efforts to grow renewable energy in Tasmania began coming to fruition through an offtake agreement with TasRex's 288 MW Northern Midlands solar farm.

We also developed a framework to attract more wind and solar investment in future years.

Excellent service was also provided to our diverse customer base: Momentum Energy's households and businesses, major industrial customers who experienced trading difficulties, our Bass Strait island customers, our irrigation customers, and the external clients to which Entura provides engineering services.

During the year, Selina Lightfoot, Carlo Botto and David Middleton left the Board, having given valuable service through some challenging times. We welcomed Elli Baker and Will McIndoe to the Board.

The CEO's baton was also passed on through the year, from the steady hand of Ian Brooksbank to Erin van Maanen as a capable interim CEO, then to Rachel Watson in April 2025. Rachel's experience and expertise in energy company leadership will be crucial to the successful delivery of our Ministerial Charter and strategy, to contribute to a prosperous and sustainable future for Tasmanians.

Message from the Chief Executive Officer

Rachel Watson, Chief Executive Officer

I have always deeply admired the legacy of Hydro Tasmania, the future opportunities, and the depth of the organisation with its retailer Momentum Energy and specialist consulting arm Entura.

The organisation is at a pivotal time in the energy transition and in our own clean energy ambitions. Operationally, it is a challenging time, with back-to-back dry years. It's no surprise that less rain means less generation, and that impact is felt through financial outcomes that are well under target.

This is not a reflection of the outstanding work that's been carried out across the business to manage these challenges. It has been very humbling and pleasing for me to see first-hand the passion, dedication and enthusiasm of our people in all corners of our businesses. What has also stood out is the resilience and deep commitment to delivering great outcomes for Tasmania and our valued customers across Australia and internationally.

This annual report summarises our achievements. Despite the headwinds, we have delivered in many ways for the community, for the Tasmanian economy and for the future.

We have invested in maintaining and modernising our assets, while planning for new flexible capacity and storage and enabling wind and solar development.

We have kept our people safe, maintaining a very low rate of recordable injuries and we have introduced new diversity, equity and inclusion initiatives. We have also been part of coordinated efforts to respond to fires and contain an oil spill on the west coast.

This makes me very proud and confident that we can continue to achieve our vision of a sustainable energy future for all.

Operations report

Major asset upgrades FY2024–25

1 Cethana transformers upgrade

FY 2024–25:	STAGE:
$2.78m	Planning/ Procurement

2 Lemonthyme station upgrade

FY 2024–25:	STAGE:
$8.58m	Planning/ Procurement

3 Mackintosh station upgrade

FY 2024–25:	STAGE:
$8.58m	Planning/ Procurement

4 Bastyan station upgrade

FY 2024–25:	STAGE:
$4.67m	Planning/ Procurement

5 Reece no.1 machine upgrade

FY 2024–25:	STAGE:
$2.20m	Planning/ Procurement

6 Reece no.2 machine upgrade

FY 2024–25:	STAGE:
$2.78m	Planning/ Procurement

7 Rowallan station upgrade

FY 2024–25:	STAGE:
$2.20m	Implementation/ Finalisation

8 Fisher station machine upgrade

FY 2024–25:	STAGE:
$2.32m	Planning/ Procurement

9 Parson's Falls pump upgrade

FY 2024–25:	STAGE:
$4.56m	Implementation

10 Poatina no.3 machine upgrade

FY 2024–25:	STAGE:
$18.16m	Implementation

11 Poatina no.2 machine upgrade

FY 2024–25:	STAGE:
$2.49m	Planning/ Procurement

12 Poatina no.6 machine upgrade

FY 2024–25:	STAGE:
$3.45m	Planning/ Procurement

13 Murchison Dam upgrade

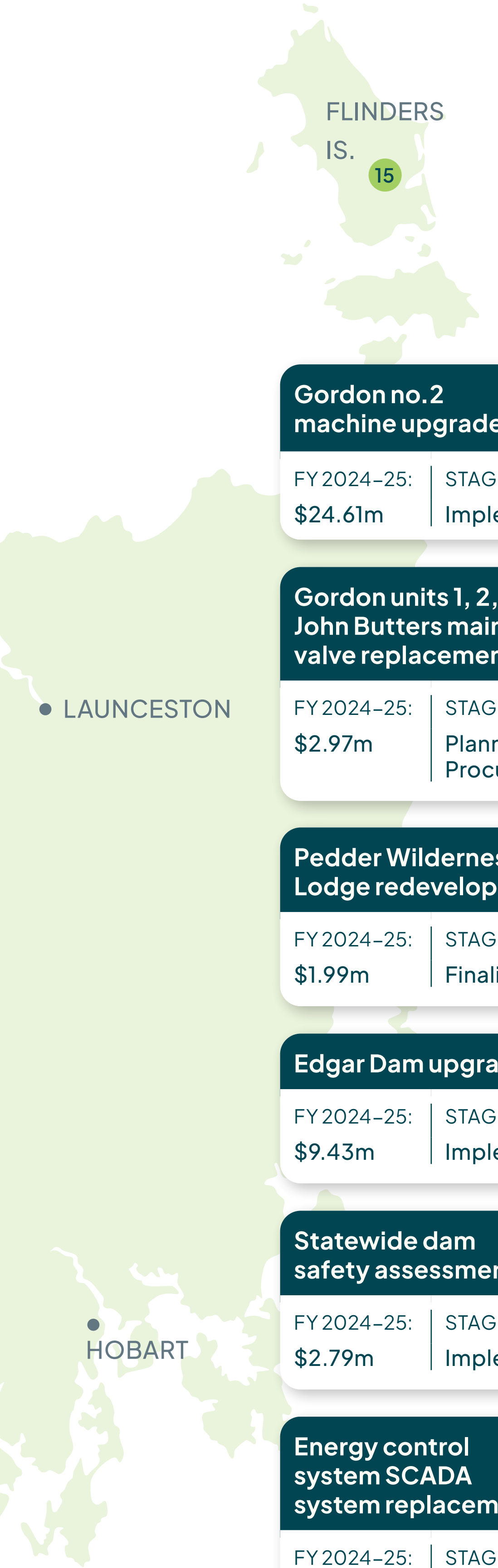
FY 2024–25:	STAGE:
$7.92m	Planning/ Procurement

14 King Island renewables upgrades

FY 2024–25:	STAGE:
$3.50m	Implementation

15 Bass Strait Islands capital works

FY 2024–25:	STAGE:
$3.31m	Implementation



Gordon no.2 machine upgrade (16)

FY 2024–25:	STAGE:
$24.61m	Implementation

Gordon units 1, 2, 3 & John Butters main inlet valve replacement project (17)

FY 2024–25:	STAGE:
$2.97m	Planning/ Procurement

Pedder Wilderness Lodge redevelopment (18)

FY 2024–25:	STAGE:
$1.99m	Finalisation

Edgar Dam upgrade (19)

FY 2024–25:	STAGE:
$9.43m	Implementation

Statewide dam safety assessments (20)

FY 2024–25:	STAGE:
$2.79m	Implementation

Energy control system SCADA system replacement (21)

FY 2024–25:	STAGE:
$1.98m	Implementation/ Finalisation

Gordon Dam celebrated 50 years with some of the original workers and village members.

Tasmania's mighty Gordon Dam turns 50

On 25 November 1974, the final bucket of concrete was poured at Gordon Dam in the state's southwest, creating the tallest arch dam in Australia.

Fifty years on, Hydro Tasmania pays tribute to the hundreds of workers who brought this visionary project to life, a feat of engineering and innovation that established Tasmania as a global leader in hydropower.

We recognise their legacy, while acknowledging the significant political and environmental history of the Gordon-Pedder scheme.

Key facts and figures:

- The Gordon Power Station generates around 13 per cent of Tasmania's electricity every year.
- Together, Lake Gordon and Lake Pedder make up Hydro Tasmania's largest water storage and the largest in Australia.
- Chief engineer Dr Sergio Giudici led the design of the dam. Today, his grandson, Oliver Giudici is the fourth generation of his family to work at Hydro Tasmania.
- Gordon Dam is the tallest arch dam in Australia at 140 metres tall.
- It contains 154,000 cubic metres of concrete.
- Before the dam could be built, workers cut an 80km road from Maydena to the dam, the first to ever go through rugged southwest Tasmania.

Our energy future

The demand for renewable energy is growing as we electrify our lives and our industries. Hydro Tasmania has a key role in helping to expand the state's generation capacity to support jobs and economic growth.

Maintaining and investing in existing assets to maximise value

The previous two pages (see map on pages 10 and 11) demonstrate our considerable investment in maintaining and upgrading our existing portfolio. This is an ongoing program of work to ensure the assets are fit for a modern energy system and will operate efficiently and reliably for generations to come.

Major project proposals to build new capacity

We are also developing proposals to expand our dispatchable capacity through the redevelopment of the iconic Tarraleah Power Scheme, which is reaching the end of its operational life, and by developing Tasmania's first pumped hydro facility at Cethana.

We are methodically working through the commercial analysis, technical and engineering assessments and funding models for both projects, within strong governance frameworks.

The Tasmanian Government and parliament, under existing statutory arrangements, will review and approve the proposals before any final investment decisions are made. Ultimately, they will only proceed if the business cases stack up and they deliver value for Tasmania.

For both projects, Hydro Tasmania has successfully implemented a gateway review framework, designed to provide independent assurance reviews at key project stages.

Tarraleah progress highlights over the year include:

- Board approval of the updated project business case
- Optimisation of project design through value engineering exercise
- Submission of an updated Commonwealth environment referral
- Planning for advanced procurement readiness including Early Contractor Involvement
- Completion of intake excavation and connecting tunnel as part of the Lake King William upgrade works.

Cethana progress highlights over the year include:

- Preparations for an updated Commonwealth environment referral
- Workforce accommodation facility preferred site selected
- Planning for advanced commercialisation strategy
- Completion of detailed reference design supported by comprehensive geotechnical investigations.

Enabling the growth of variable renewable energy

This year, we entered into an offtake agreement to enable development of a large-scale solar project in Tasmania (see story on the right). This demonstrates our commitment to enabling the development of new renewable energy to meet future energy needs.

We followed this with the development of our proposed Market Engagement Approach setting out the principles and processes for proponents of new generation projects to explore contracting opportunities.

The approach aims to facilitate new generation projects, such as wind and solar, with a variety of contract options including firming and power purchase agreements.

It includes stages for engagement with clear evaluation criteria. It also provides for Hydro Tasmania to run a structured procurement approach, such as through an expression of interest process, if there is a need to meet a specific portfolio requirement.

288MW solar farm at Cressy

In December, Hydro Tasmania finalised key terms with local renewables company TasRex to buy energy generated from what will be Tasmania's largest solar farm near Cressy in the Northern Midlands.

At 288 megawatts (MW), the solar farm will be capable of powering around 70,000 homes and will be an important new source of renewable energy for the state.

When operating at full capacity, it will be Tasmania's fourth largest generator after Gordon and Poatina hydropower stations, and the Tamar Valley Power Station.

TasRex CEO Bess Clark says she expects the solar farm to be fully operational in 2027.

"We are looking at staged development of the project, to bring new clean energy to market as soon as possible," Ms Clark said.

"TasRex is a Tasmanian company and our team, including landowner Roderic O'Connor, has been working hard to realise this ambitious project. We are actively engaging with surrounding landowners and the local community."

Kate and Roderic O'Connor; Hydro Tasmania's Erin van Maanen; TasRex CEO Bess Clark and the Hon. Nick Duigan, Minister for Energy and Renewables.

Our energy security

Despite the record dry period, Hydro Tasmania maintained a secure level of energy in storage throughout the year. We recorded a Total Energy in Storage (TEIS) of 33.5 per cent at 30 June 2025, well above the High Reliability Level required by the Tasmanian Energy Security Risk Response Framework as well as above Prudent Storage Level (see Figure 1).

Maintaining storages was a key focus throughout an exceptionally dry period – this has been our biggest multi-year drought in recorded history (over a century of records). It required careful modelling, planning and coordination to ensure large contingencies for unplanned events. We increased our reliance on energy imports via Basslink, and imported energy when prices in the National Electricity Market were low or negative. We ran the Combined Cycle Gas Turbine at Tamar Valley Power Station in July and August 2024 as a pre-emptive measure to conserve water.

This careful management enabled Hydro Tasmania to maintain dam levels, generate sufficient energy to meet demand and to deliver on our commitments to the environment and to irrigators.

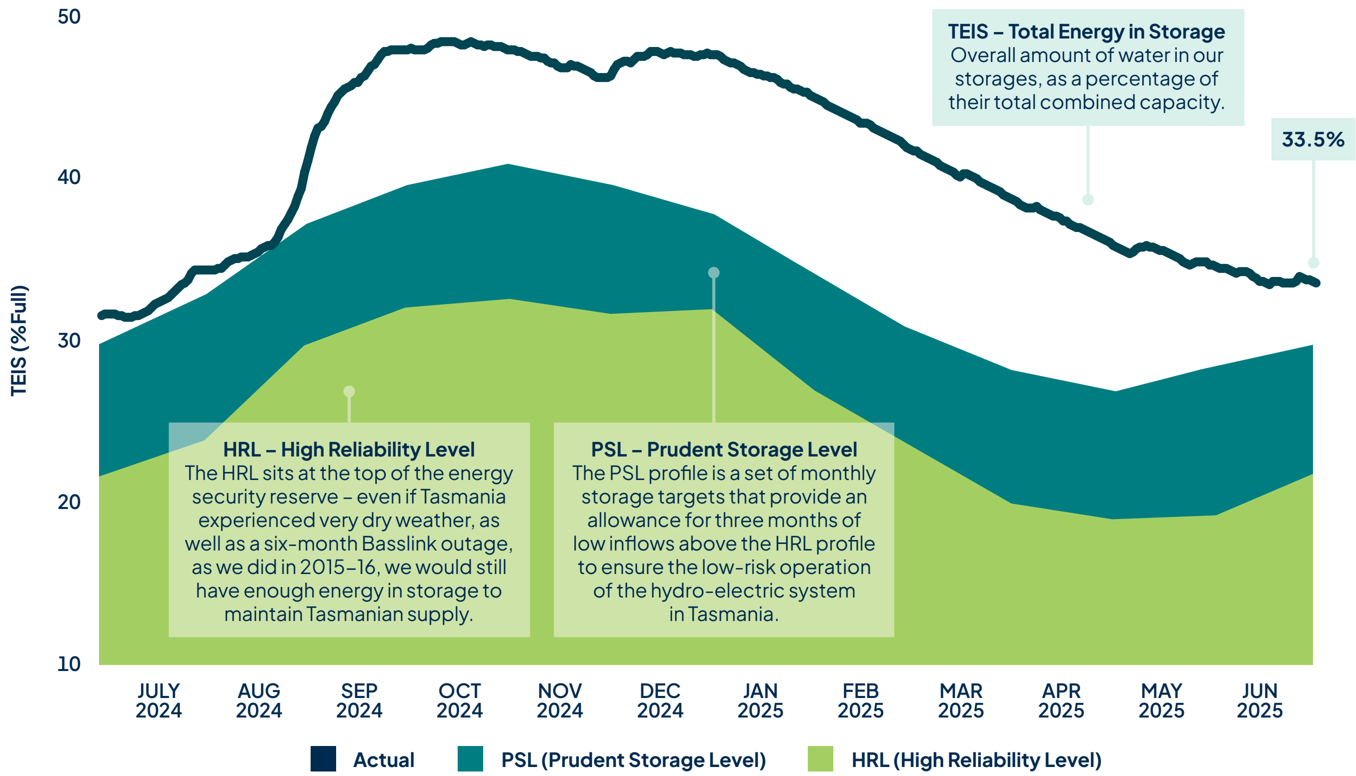
Our finances

The second year of extremely dry conditions in Tasmania required careful management of our water storages and resulted in a lower annual profit of $7.5 million, before fair value and tax, which will produce a return of $4.7 million in dividends to the people of Tasmania (to be paid in FY2025-26).

We invested in our existing assets with $284 million spent on our capital program, which saw major works undertaken across the state to ensure our critical infrastructure continues to operate reliably for Tasmania.

Hydro Tasmania's net debt as of 30 June 2025 was $1,023 million, which has increased mainly due to investing in our capital program.

Figure 1: How we measure energy security



A review of the PSL and HRL profiles was completed by the Office of the Tasmanian Energy Regulator (OTTER), following the completion of new wind farms and resultant impact on Tasmania's electricity generation, and took effect on 1 September 2021.

One of our many Girls in Power groups held in southern Tasmania visiting the Cluny Power Station.

Highlights:

- $190,000 provided to 18 organisations as part of our Community Program.
- $70,000 in community grants given to not-for-profit organisations.
- 3,755 Prep to Year 12 students across 37 schools engaged in a Generation Hydro lesson and learned about renewable energy and future careers.
- 121 students across 19 schools participated in our Girls in Power events.
- 168 students from six schools participated in power station tours.
- 472 Year 5 to 12 students gained career exposure through six Hydro Tasmania work exposure programs and three career events.
- 36.5 per cent of staff gave back to the community through our corporate volunteering program.
- 2 power station open days, welcoming over 850 visitors.
- Aboriginal and Torres Strait Islander commitment statement approved by the Board.

Our community

Delivering for Tasmanian communities is at the heart of everything we do. We work closely with the communities we operate within, supporting a range of community organisations through partnerships and volunteering. We deliver wide-ranging education programs, inspiring young people to discover how renewable energy is generated and explore career pathways. We also welcome the community to our stations, such as at our successful Tarraleah open day in February 2025 where hundreds of Tasmanians had the chance to explore the inner workings of the iconic Tarraleah Power Station, enjoy games, treasure hunts and live music, and celebrate the Tarraleah scheme's vibrant past and future.

"My favourite part of Girls in Power was giving us space to engage in STEM activities and understand its importance, especially regarding women in the field. The opportunity to hear other women's struggles and how they are coping now was very inspiring." **– Student, 2024**

Our Hydro Tasmania and Entura colleagues at the 2025 University of Tasmania Engineering Fair

Our people

As of 30 June 2025, we employed 1,462 employees across Hydro Tasmania, Entura and Momentum Energy, with 77 per cent of staff based in Tasmania.

A key pillar of our strategy is to develop our workforce for the future, and grow a productive, safe, inclusive and adaptive culture. This includes programs to help people develop their careers, to break down barriers to workforce participation and to build a strong pipeline of talent.

Highlights:

- 2.29 Total Recordable Injury Frequency Rate.
- 15 new apprentices were hired.
- 170 staff participated in culture, leadership and internal education programs.
- 321 opportunities for staff members to gain new experience and skills through our internal mobility program.
- The gender pay gap dropped to 20.4 per cent, down 0.6 per cent since last year.
- Our commitment to diversity, equity and inclusion continued to be anchored in our Expect Respect program, now in its sixth year.
- Recognised by WORK180 as a top 101 employer for women.
- Launched Momentum University in 2025, our in-house learning school offering both informal and formal certifications.
- Finalised our second Disability Inclusion Action Plan.
- Continued membership of the Champions of Change Coalition's Energy Group.

Awards and recognition

Our people have shared their expertise throughout FY2024–25 on local, national and international stages.

Hydro Tasmania leaders shared their insights and the latest updates on our major projects, our history in hydropower and our plans to do more in the clean energy space at various industry events, including the Australian Clean Energy Summit, International Hydropower Association events on pumped storage, All Energy Australia conference, the Tasmanian Geoscience Forum and the Tasmanian Major Projects Conference.

Our Entura colleagues took to the international stage showcasing skills and successful projects, including at two International Commission on Large Dams congresses (in Chengdu, China and New Delhi, India), the Pacific Power Association Conference in Tonga, the Independent Power Producers' Association Nepal in Kathmandu, and the International Conference on Sustainable Energy, Infrastructure, and Environment in Malaysia.

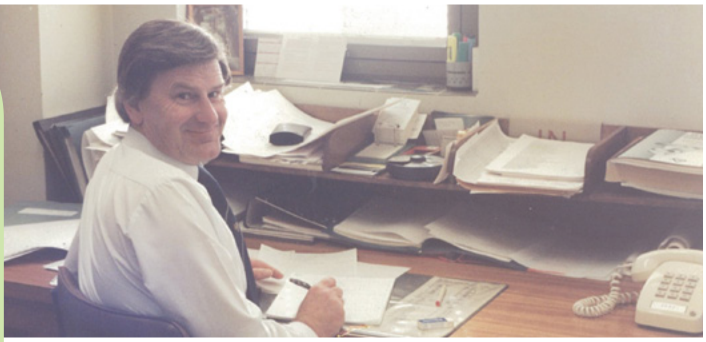
During the year we celebrated:

- Sammy Gibbs (Entura) – Young Professional Best Paper winner, 2024 Australian National Committee on Large Dams conference
- Kate Hammerton (Entura) – Emerging Engineer of the Year winner (Tasmania chapter), Engineers Australia 2024 Excellence Awards
- Hydro Tasmania – Student Employer of the Year winner, Study Tasmania International Education Awards
- Hydro Tasmania Education team finalist, Tasmania Government's STEM 2024 Communicator of the Year award
- Hydro Tasmania – Ranked one of Australia's Top 75 Employers of Choice by the Australian Association of Graduate Employers
- Momentum Energy – Shortlisted in the Australian Financial Review BOSS Best Places to Work list for 2025
- Momentum Energy – Mozo Expert's Choice Award for small business electricity plans.

60 year milestone

Entura's Principal Civil Engineer Michael Wallis celebrated 60 years of service during FY2024–25. He has had a positive impact on our business, shaping projects, mentoring countless colleagues and leaving a lasting legacy in our industry.

"People ask me why I have stayed as long as I have." says Mike. "I like the work, I like the people. And if I didn't, I wouldn't still be here."



Michael in the early days (top) and with Erin van Maanen and Amanda Ashworth at the celebrations (bottom)

Our environment

Our operations are governed by federal, state and local environmental laws and state specific permits. We maintain an environmental management system which was re-certified to ISO14000 in 2024. The recertification was undertaken by external auditors from British Standards Institution. No non-conformances were identified.

Activities undertaken with significant environmental aspects were construction of the upgrade works at Tarraleah, commencement of the Edgar Dam Strengthening, commencement of the demolition of the old Bell Bay power station and Murchison Dam upgrades.

We work collaboratively with various external agencies to address environmental concerns in the catchments we operate in. During FY2024–25, Hydro Tasmania had formal partnerships with the Tamar Estuary and Esk Rivers program, Derwent Estuary Program and Derwent Catchment Program. We maintained our collaboration with advisors from CSIRO, Griffith University, University of Tasmania and University of Western Australia for the management of the algal bloom at Woods Lake.

Hydro Tasmania met all of its contractual water supply obligations and provided water releases for recreational activities. Management of water levels in recreational fishing lakes occurred in accordance with the Memorandum of Understanding between Hydro Tasmania and Inland Fisheries Service, with the exception of water releases from Lake Augusta which were altered upon requestion from Inland Fisheries Service to support trout spawning in yingina/Great Lake.

We worked on the multiagency response in January 2025 to clean up 25.9km of shoreline affected by oil when heavy rainfall flushed oil from privately owned historic infrastructure into Lake Rosebery. We managed water levels in Lake Rosebery to reduce the spread of the oil and assisted crews on the ground with the clean-up. For safety reasons, public access to the lake was closed during the clean-up but we worked hard to reinstate access in time for the *A Day at the Lake* community event in Tullah at the end of February.

We are a member of the National Maugean Skate Recovery Team and support the conservation management of the Maugean skate, an endangered species known to live only in Macquarie Harbour in Tasmania. Our experience using acoustic resonance imaging sonar (ARIS) to count the number of eels passing through the eel bypass at Trevallyn dam is now being applied to assist researchers at the University of Tasmania's Institute for Marine and Antarctic Studies (IMAS) to obtain more robust population estimates for the critically endangered species. We also loaned an ARIS instrument to IMAS to support this work and have installed a flow monitoring gauge in the lower Gordon River to improve modelling of the harbour.

At Lake Mackenzie, we worked with Tasmanian Aboriginal heritage experts, Aboriginal businesses and ecological restoration experts to restore degraded areas along the foreshore of the lake. This project drew on the Tasmanian palawa people's traditional knowledge and deep connection to Country to apply culturally – and environmentally sensitive restoration techniques to this unique environment.

We supported Aboriginal Heritage Tasmania to develop the ability of the Aboriginal community to protect their heritage by supporting Aboriginal Heritage trainees with opportunities to develop their skills in the field. The trainees participated in surveys with Hydro Tasmania.

Reasonable assurance was provided over Hydro Tasmania's National Greenhouse and Energy Reporting Scheme emissions.

Hydro Tasmania is continuing to roll out electric vehicles in our fleet of cars as part of our Towards Net Zero Action Plan.

Our climate commitments

Launched in July 2023 and updated in September 2024, our Towards Net Zero Action Plan is an evolving voluntary initiative that involves a raft of activities to measure, reduce and offset emissions across Hydro Tasmania, Momentum Energy and Entura.

We've made some important strides this year, including:

- electrifying more of our vehicle fleet.
- adding solar to the hybrid energy system on King Island.
- using Australian Carbon Credit Units to offset our reportable scope 1 emissions on a monthly basis from 1 June 2025. This program doesn't cover emissions from the lakes and reservoirs we manage (which we are working to quantify, and which may become reportable in future) or future emissions from the combined-cycle gas turbine at the Tamar Valley Power Station (which is operated, for example, if hydro resources are limited or the Basslink interconnector is offline).
- matching our electricity consumption (scope 2 emissions) with International Renewable Energy Certificates produced from Tasmanian hydropower generation.
- continuing to quantify our scope 3 emissions, which will be independently audited ahead of publication.
- partnering with 'Goodbye Gas' to support Momentum Energy customers to electrify their homes and reduce their carbon footprint.

Our Toward Net Zero Action Plan recognises some key challenges we face including, emissions from the Tamar Valley Power Station and the lack of agreed quantification methodology for scope 1 lake emissions.

We'll continue to review our approach to managing our climate impact based on emerging global research, evolving perspectives and shareholder expectations. In addition to our Towards Net Zero actions, Hydro Tasmania's strategy aims to make a positive impact on climate mitigation and adaption including through contributing to Australia's energy sector decarbonisation.

Momentum Energy

Momentum Energy is our mainland retailer supporting more than 200,000 residential, small and medium enterprises, and commercial and industrial sites across Bass Strait islands, Victoria, New South Wales, Queensland, South Australia and the ACT.

This year, Momentum Energy is proud to have over-achieved on its profit target while continuing to increase scale through growth of customer load. It has achieved this through a strong focus on cost control, delivering value to customers and maintaining a strong position in a competitive market.

It has maintained focus on its objective to become a trusted partner to its customers and community as part of Australia's energy transition. This is reflected in its ongoing investment in energy solutions, brand aligned partnerships and initiatives that seek to support consumers – both residential and businesses – in becoming more energy efficient and empowered to participate in the energy transition.

FY2024–25 snapshot

$13.9M
Profit before tax

210,000+
active sites

3.8 TWh
customer load coverage

325
total employees (110 Hobart based)

Momentum Energy's Managing Director Lisa Chiba at the launch of the first commissioned batteries in the community batteries project, which was enabled by grant funding from the Australian Renewable Energy Agency.

This includes the growth of key products over the last year, including:

- **Virtual Solar Sharing (VSS) –** Momentum Energy's innovative VSS product, which allows large businesses to maximise their investment in solar by distributing excess energy across sites, was extended to small to medium enterprise customers this year.
- **Australian Renewable Energy Agency (ARENA) community batteries and virtual power plant (VPP) –** Momentum Energy is proud to be coordinating an innovative project that drives greater use of renewable energy and helps customers store and sell excess solar energy. A total of $11.3 million in ARENA funding was secured to support deployment of 39 community batteries across Australia; five batteries have now been installed in South Australia.

Both VSS and ARENA also feature on the Energy Matters TV series that Momentum Energy was a part of, which explores cutting-edge innovations supporting the energy transition and covers topics like Net Zero, electrification and hydropower.

Momentum Energy was recognised at the Australian Financial Review BOSS Place to Work awards – pictured Electra Davis and Louise Kirby.

Entura

Entura is our specialist power and water consulting business. In FY2024–25 Entura continued to add significant value to the delivery of Hydro Tasmania's Strategic Asset Management Plan and its major construction projects.

In FY2024–25, Hydro Tasmania projects accounted for 66 per cent of Entura's total resource effort. This equates to approximately 186,000 person-hours of specialised technical work, delivered via 262 packages of work, including the ongoing Tarraleah redevelopment and Cethana pumped hydro services.

Entura also made significant contributions to TasNetworks and TasWater, supporting the operation and development of critical infrastructure through engineering and scientific services.

As our consulting arm, Entura brought financial returns to Hydro Tasmania this year by supporting the delivery of water and renewable energy projects with 137 projects across Tasmania, 165 across the rest of Australia and 52 projects in the Indo-Pacific region. Expertise and experience gained from working with clients across the Indo-Pacific region will continue to bring valuable insights to Hydro Tasmania and its projects.

Entura maintains focus on the water sector as well as integrating its capabilities in utility-scale hydropower, pumped hydro and battery energy storage, solar and wind farm development, and systems and grid connection capability.

Entura's Richard Herweynen, Amanda Ashworth, Rajeev Raina and Sunita Pant at the 2024 Internal Commission on Large Dams symposium in New Delhi, India.

FY2024–25 snapshot

44
Client delivery excellence survey score

>5.01 GW
Renewable energy services under contract

262
Packages of work completed with Hydro Tasmania

Entura continues to screen all potential new countries, clients, partners and projects against its Integrity Framework. The process assesses sustainability and governance risks, including environmental, health and safety, human rights, community impact, modern slavery, corruption and bribery, legal, financial and reputational.

All new companies and projects were subject to Entura's sustainability screening through FY2024–25. Of the 140 screens conducted, 120 were found to be low risk. Of the 20 company and project screens that returned a 'greater than low risk' rating, four projects proceeded to bid phase as it was determined the risk could be appropriately managed.

The following table includes international projects Entura worked on during FY2024–25, including those commencing in previous years.

Table 1: Entura's international projects

Country	Project type	Type of services	Status at 30/6/25
Cook Islands	Funding agency	Owner's engineer for solar and battery project	Current
	Developer	Owner's engineer for solar and battery project	Closed
India	Developer	Pumped hydro energy storage expert review	Closed
Indonesia	Utility	Tender assessment of respondents' technical solutions	Closed
Laos	Government agency	Technical due diligence for hydro power	Current
Malaysia	Utility	Independent review panel members for hydropower development project	Current
	Research and development	Independent review of remote area power supplies	Current
Maldives	Funding agency	Owner's engineer for integrated renewable energy project	Current
Federated States of Micronesia	Funding agency	Owner's engineer for integrated renewable energy project	Current
	Government agency	Owner's engineer for potential renewable energy sites	Current
Nepal	Government agency	Owner's engineer for pumped storage hydro development	Current
New Zealand	Government agency	Technical engineering and feasibility design for remote wind farm	Closed
	Utility	Hydropower assessment expert review	Current
Papua New Guinea	Operator	Hydropower asset management service	Current
	Funding agency	Renewable energy mini-grid services	Closed
Philippines	Developer	Technical advisor for wind farm	Closed
	Financial institution	Technical due diligence for potential pumped storage hydro sites	Current
	Utility	Owner's engineer for electrical upgrades at hydro-electric site	Current
Samoa	Funding agency	Technical advisor for dam engineering project	Current
		Technical advisor for solar power project	Current
Singapore	Consultant	Technical feasibility for pumped hydro energy storage project	Current
Solomon Islands	Funding agency	Technical advisor for a solar energy program	Closed
	Utility	Grid reliability and integration studies	Current
	Utility	Owner's engineer for SCADA development	Current
	Utility	Asset management maturity assessment	Current
Sri Lanka	Funding agency	Technical advisor for battery energy storage solutions	Current
Timor Leste	Funding agency	Technical advisor for feasibility and development of solar and battery project.	Closed
	Utility	Grid impact assessments of solar plants	Current
Tonga	Funding agency	Owner's engineer for renewable energy project	Closed
	Government agency	Technical engineering and review for infrastructure resilience	Current
	Utility	Construction supervision for renewable energy project	Current
Tuvalu	Funding agency	Technical engineering and design feasibility for hydro renewable energy system	Current

Statement of Corporate Intent FY2024–25

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.

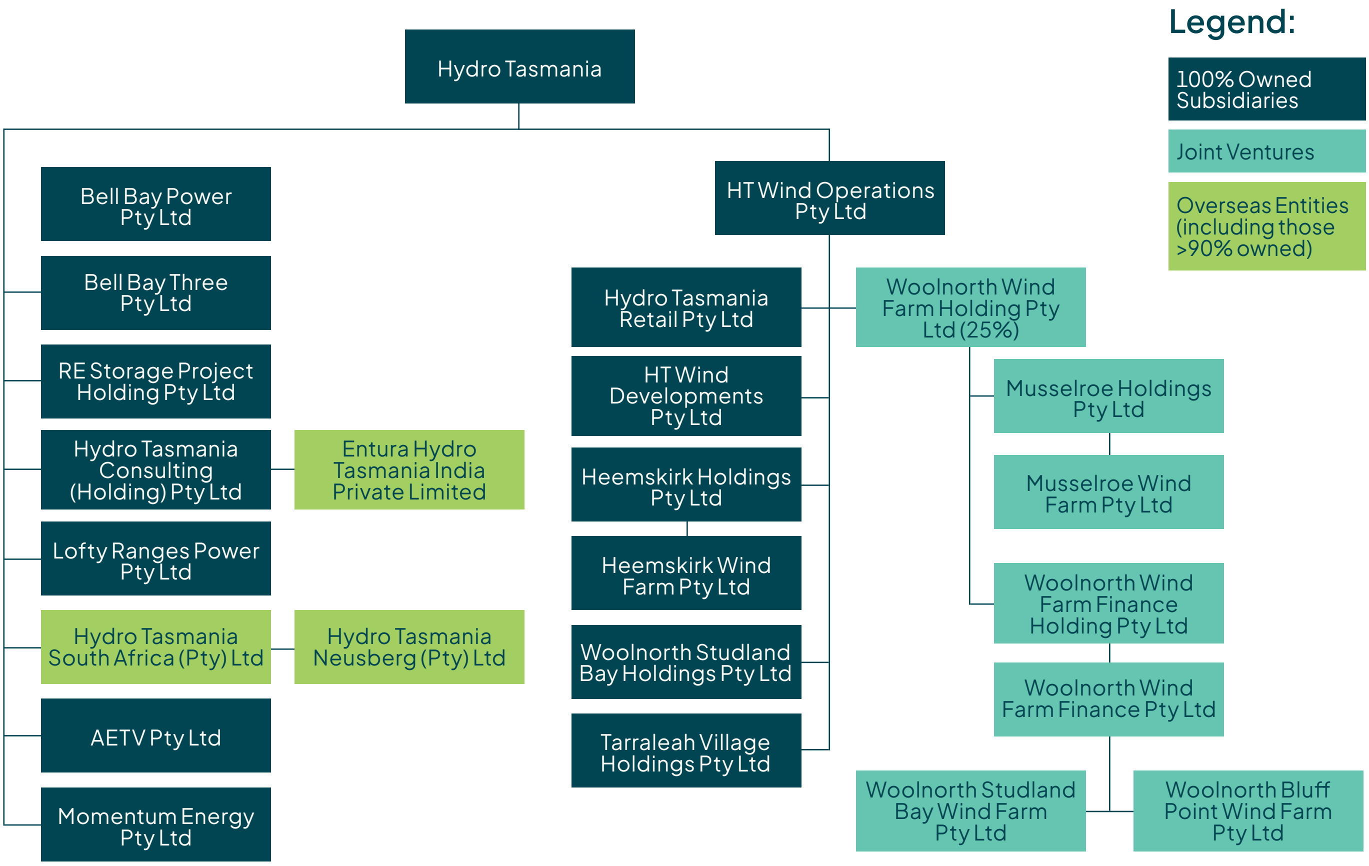
Entura

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

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.

Figure 2: Hydro Tasmania ownership structure



Operating environment

Hydro Tasmania operates in a rapidly evolving and highly variable environment influenced by changes in the Tasmanian and national markets, alongside global economic shifts, geopolitical instability, and a rising societal demand for clean energy. The stakes are high: investments in energy markets are becoming more complex and uncertain, and the cost of getting it wrong is rising.

On a national level, the National Electricity Market (NEM) is undergoing a major transformation as Australia accelerates its transition towards a more renewable and diverse energy system. The Australian Government aims to achieve an ambitious target of 82 per cent renewable electricity generation in the NEM by 2030, highlighting the scale of this transformation. While the shift to wind, solar, and other renewable sources is gaining momentum, it also results in significant market volatility, growing price pressures, and increased infrastructure build costs.

To meet this 2030 goal, the NEM will need to massively scale up its renewable energy sources, as outlined by the Australian Energy Market Operator's (AEMO) most likely 'Step Change'[1] scenario:

- An increase of energy storage capacity from 3 gigawatts (GW) to 22 GW to maintain grid reliability
- Grid-scale variable renewable energy (VRE) to increase from 21 GW to 55 GW
- Distributed solar PV to increase from 21 GW to 36 GW
- Electricity usage from the grid to increase from 174 TWh to 202 TWh
- Gas-fired peaking generation to increase from 11 GW to 15 GW (by 2050)
- All coal generation to be withdrawn from the NEM by 2038.

This transformation highlights the immense infrastructure and system challenges the NEM faces, requiring technological, market, policy, and operational changes.

Tasmania's energy transition aligns with national trends, but the local context brings unique opportunities and challenges. With over a century of hydropower expertise, Hydro Tasmania is well-positioned to adapt to this shifting landscape. However, climate change-induced variability in rainfall and inflows to hydro dams introduces uncertainty into water resource management and generation, adding a layer of complexity to energy planning.

At the same time, Tasmania faces a rise in electricity demand, driven by household electrification, industrial decarbonisation, and emerging industries. These trends add pressure on the existing energy infrastructure and create a need for significant investment in both capacity and flexibility to meet growing demand sustainably.

[1] Australian Energy Market Operator 2024 Integrated System Plan (2024)

Strategic direction

Hydro Tasmania is uniquely positioned to navigate this complex environment while continuing to play a central role in the Tasmanian energy system. With over 100 years of experience managing hydropower assets, Hydro Tasmania has a deep understanding of both the opportunities and challenges of a renewable energy system. As the share of variable renewable energy (VRE), particularly wind and solar, grows, Hydro Tasmania must adapt from its role as a predominantly baseload generator to providing more flexible, dispatchable, and firming capacity. This shift towards firming capacity – filling the gaps when wind and solar generation is insufficient – is essential to realising the full value of Tasmania's hydropower resources in a renewable-dominated future and meeting future Tasmanian energy demand.

To embrace these changes, Hydro Tasmania is embarking on a bold new era of hydropower transformation, focusing on delivering greater capacity, flexibility, and efficiency in a carefully planned manner. This will strengthen the reliability and resilience of Tasmania's energy system while supporting the growth of on-island VRE and new industries. In line with this, Hydro Tasmania is taking a more active role in enabling new on-island VRE generation by engaging with private sector wind and solar developers whose projects align with our strategic objectives. These activities will seek to support Tasmania's energy policy objectives, drive economic development, and create job opportunities, ensuring the state remains at the forefront of Australia's clean energy industry.

Central to this strategy are two proposed major developments:

- Redevelopment of the Tarraleah hydropower scheme, which will modernise and enhance one of Tasmania's most important energy assets
- Pumped hydro at Lake Cethana, providing the critical energy storage needed to balance renewable generation and support energy reliability and security.

These projects, alongside investments to optimise existing infrastructure, are designed to secure Tasmania's position as a renewable energy powerhouse, providing reliable renewable electricity while supporting lowest power prices for Tasmanians. As interconnection with the mainland increases, Hydro Tasmania is set to play a leading role in the national firming market, capitalising on opportunities within the NEM and delivering sustainable returns to the Tasmanian Government and economic value to Tasmanians.

To deliver its vision of ***a sustainable energy future for all,*** Hydro Tasmania is focused on achieving long-term operational and financial sustainability, delivering for its customers and community, and continuing to improve its employee experience and inclusive and adaptive culture.

Key financial and non-financial performance indicators and associated targets for FY2024–25 are shown in the Performance against the Statement of Corporate Intent table on page 28. This table also shows our results against the targets. Dividend recommendations are made annually by Hydro Tasmania's Board, based on financial sustainability and other strategic considerations agreed with the shareholder.

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 FY2024–25 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:

R Bolt
Chair
Hydro Tasmania
On behalf of the Board

Hon Guy Barnett MP
Deputy Premier and Treasurer

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

Performance against the SOCI

Table 2: Performance against Statement of Corporate Intent

Key performance indicators	Full year target FY2024-25	Results as at 30 June 2025
Financial indicators		
Results before fair value movements and revaluations	$91.2m	$7.5m
Net debt (excluding leases)	$1,014m	$1,023m
Return on equity	2.8%	0.2%
Tarraleah Redevelopment	All milestones met as per the Tarraleah federal grant funding agreement.	Revised target dates have been agreed upon and the funding receipt is expected in August 2025
Earnings before interest & tax (EBIT) improvement target	Operating expenditure (excluding retail, AETV and exceptional items) of $184.3m	$184.5m
Momentum Energy EBIT	Momentum Energy EBIT equal to or greater than budget $13.7m	$13.9m
Non-financial indicators		
Total recordable injury frequency rate (TRIFR)	<2.5	2.29
Portfolio availability	Availability target of 80.0% achieved	82.39%
Regulatory compliance obligations	Zero breaches resulting in enforced regulatory undertakings or penalty notices.	Zero breaches resulting in enforced regulatory undertakings or penalty notices.
Storage levels	Consistent with High Reliability Level	Storages finished the quarter at 33.5%, above the High Reliability Level of 21.7%.
Returns to government (accrual)		
Ordinary dividend	$122m	$122m
Total other returns to Government	$42m	$47m
Total returns to Government	$164m	$169m

Generation summary

Table 3: Generation summary 2019–2025

	Units*	Financial years						
		2019	2020	2021	2022	2023	2024	2025
Mainland Tasmania								
Power stations								
Hydro	Number	30	30	30	30	30	30	30
Thermal (gas)	Number	1	1	1	1	1	1	1
Total	**Number**	**31**	**31**	**31**	**31**	**31**	**31**	**31**
Installed capacity[a]								
Hydro	MW	2,283	2,287[b]	2,290[c]	2,290	2,290	2,295[d]	2,295
Thermal (gas)	MW	372	372	372	372	372	372	372
Total	**MW**	**2,655**	**2,659**	**2,662**	**2,662**	**2,662**	**2,667**	**2,667**
Energy generated[e]								
Hydro	GWh	9,681	9,697	8,177	9,560	8,232	7,467	6,343
Thermal (gas)	GWh	465	87	76	31	71	221	288
Total	**GWh**	**10,146**	**9,784**	**8,253**	**9,591**	**8,303**	**7,688**	**6,631**
Generation peak	MW	2,175	2,131	2,152	2,158	2,172	2,188	2,236
Generation load factor[f]	%	53	52	44	51	44	40	34
Bass Strait islands								
King Island								
Diesel	MWh	5,939	5,834	6,343	6,746	9,548	9,929	10,900
Wind/solar[g]	MWh	6,520	7,329	7,642	7,666	4,847	4,616	3,970
Flinders Island								
Diesel	MWh	2,609	2,064	2,383	2,295	2,581	2,460	2,746
Wind/solar[h]	MWh	1,970	2,769	2,733	2,902	2,785	3,688	4,121
Total Bass Strait islands	**MWh**	**17,038**	**17,996**	**19,101**	**19,609**	**19,761**	**20,693**	**21,737**

* MW (megawatt); MWh (megawatt hour = one thousand kilowatt hours); GWh (gigawatt hour = one million kilowatt hours).
a Power station registered nameplate capacity.
b From September 2019, installed capacity increased by 3.6 MW due to Liapootah unit 3 upgrade.
c From 19 February 2021, installed capacity increased by 3 MW due to Catagunya unit 1 upgrade.
d Installed capacity increased due to Catagunya unit 2 and Lake Echo upgrades.
e Mainland Tasmania energy generated is calculated as the net energy measured at the power station market and distribution connection points.
f Calculated as average MW divided by peak MW. Average MW calculated from total energy divided by hours in the year.
g King Island wind and solar generation is calculated as the net output for the year from Hydro Tasmania's wind generators and solar installations.
h Net energy supplied to customers from Hydro Tasmania's wind turbine, Flinders Island Renewable Energy Developments Pty Ltd's wind turbine and Hydro Tasmania's solar installation at Flinders Island.

Generation summary

Table 4: Basslink imports and exports at 30 June 2019–2025 (based on publicly available data)

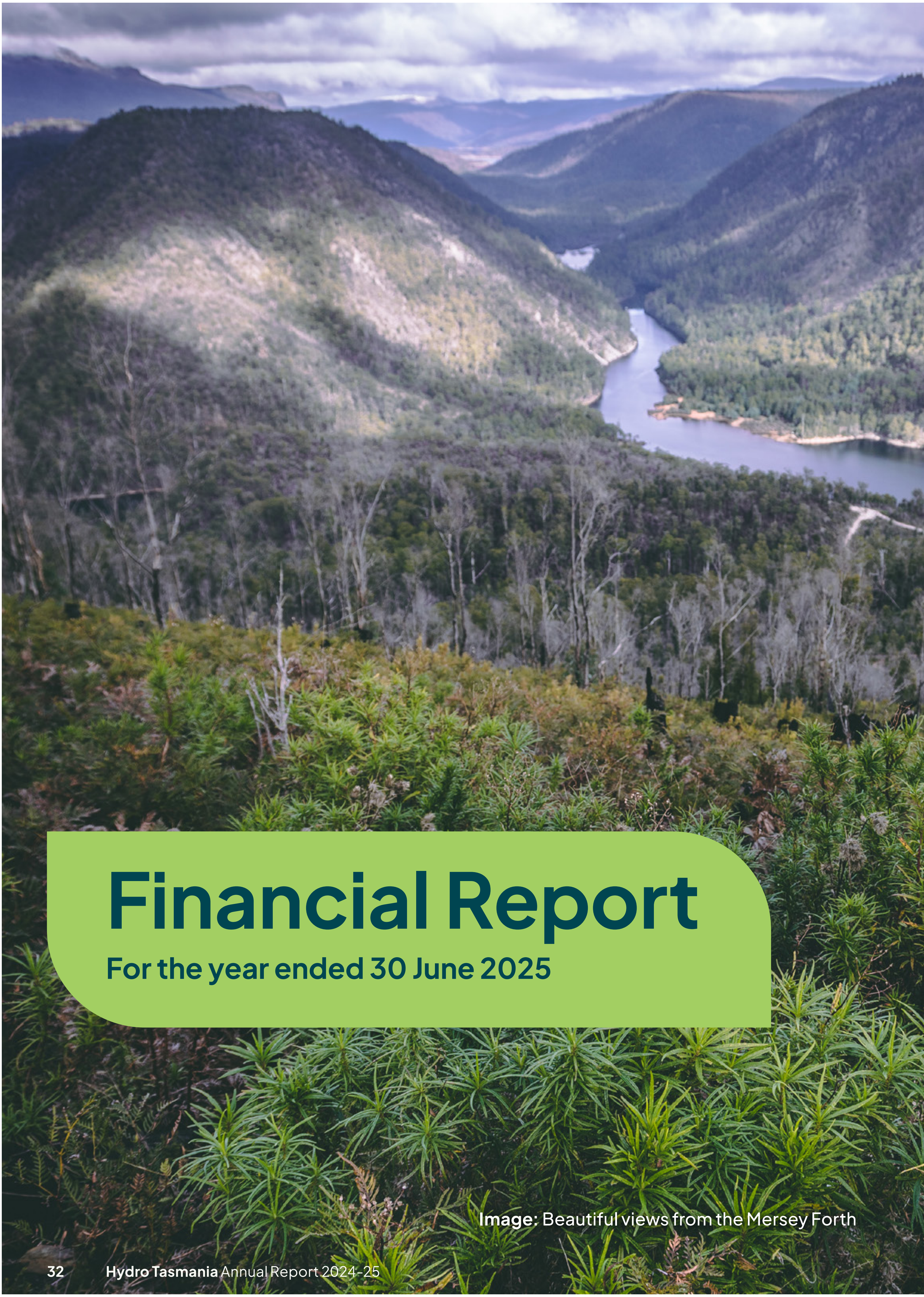
	Financial year ending 30 June						
	2019	2020	2021	2022	2023	2024	2025
Export[a] (GWh)	1,496	1,376	1,007	1,417	728	860	548
Import[b] (GWh)	991	867	1,612	1,145	1,628	2,062	2,458
Net[c] (GWh)	505	509	(605)	272	(900)	(1,202)	(1,910)

Table 5: Energy in storage at 1 July

	Storage at 1 July						
	2019	2020	2021	2022	2023	2024	2025
GWh	5,007	5,774	5,228	4,887	5,832	4,547	4,843
%	34.7	40.0	36.2	33.9	40.4	31.5	33.5

a Measured at Loy Yang Victoria
b Measured at George Town, Tasmania
c Positive numbers indicate net export, negative numbers indicate net import

Image: First snow at Tarraleah Lodge in May 2025



Financial Report

For the year ended 30 June 2025

Image: Beautiful views from the Mersey Forth

Financial Report for the year ended 30 June 2025

Statement of Financial Performance

for the year ended 30 June 2025

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
Revenue					
Sale of products and services	2(a)(i)	1,644,424	1,689,587	637,804	781,415
Fair value gains	2(c)	165,228	125,929	157,657	115,211
Share of profit of associates and joint ventures	31	-	14,436	-	-
Other	2(a)(ii)	15,972	11,643	15,016	10,991
Total revenue		1,825,624	1,841,595	810,477	907,617
Expenses					
Direct expenses		1,143,283	1,027,125	248,511	207,349
Labour		197,919	182,262	154,696	138,057
Depreciation and amortisation		137,562	134,635	124,111	118,227
Finance expenses	2(b)	82,479	74,546	82,011	73,975
Fair value losses	2(d)	69,216	95,580	60,524	94,410
Revaluation and impairment expenses/(gains)	2(e)	(379,912)	-	(366,156)	(4,332)
Share of loss of associates and joint ventures		4,099	-	-	-
Other		96,063	92,890	58,182	58,398
Total expenses		1,350,709	1,607,038	361,879	686,084
Profit/(loss) before income tax equivalent expense		474,915	234,557	448,598	221,533
Comprising:					
Result before fair value movements and revaluation expenses		7,503	193,783	(14,691)	196,400
Net fair value gains/(losses)		96,012	30,349	97,133	20,801
Net fair value gains/(losses) from associates and joint ventures		(8,512)	10,425	-	-
Revaluation and impairment (expenses)/gains		379,912	-	366,156	4,332
Profit/(loss) before income tax equivalent expense		474,915	234,557	448,598	221,533
Income tax equivalent expense/(benefit)	4(a)	139,650	71,978	139,671	64,638
Profit/(loss) after tax attributable to owners of the parent		335,265	162,579	308,927	156,895

The Statement of Financial Performance is to be read in conjunction with the notes to and forming part of the financial report included on pages 39 to 116.

Statement of Comprehensive Income

for the year ended 30 June 2025

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
Profit/(loss) after tax attributable to owners of the parent		335,265	162,579	308,927	156,895
Other comprehensive income					
Items that will not be reclassified in subsequent years to operating result					
Revaluation of property, plant and equipment		222,540	-	222,540	-
Actuarial gain/(loss) on RBF net defined benefit liability	20	(654)	(5,222)	(654)	(5,222)
Income tax relating to components of other comprehensive income	4(b)	(66,566)	1,567	(66,566)	1,567
Items that may be reclassified in subsequent years to operating result					
Foreign currency translation gain/(loss)		188	(31)	-	-
Fair value gain/(loss) on cash flow hedges					
Derivative revaluation		(95,215)	89,677	(95,215)	89,677
Share of other comprehensive income of associates	31	(766)	(587)	-	-
Income tax relating to components of other comprehensive income		28,738	(26,718)	28,564	(26,904)
Total other comprehensive income		88,265	58,686	88,669	59,118
Total comprehensive income/(loss) attributable to the owners of the parent		423,530	221,265	397,596	216,013

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial report included on pages 39 to 116.

Statement of Financial Position

as at 30 June 2025

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
Current assets					
Cash		14,979	15,228	12,468	12,620
Receivables	6	579,574	455,131	395,081	282,106
Inventories	8	10,971	9,831	10,971	9,831
Other financial assets	11(a)	153,734	307,117	153,628	307,033
Current tax asset	4(c)	19,937	-	19,937	-
Other	12(a)	38,037	61,453	30,043	56,266
Total current assets		817,232	848,760	622,128	667,856
Non-current assets					
Investments in subsidiaries	7	-	-	203,827	203,827
Investments in associates and joint ventures	7	66,787	75,026	-	-
Property plant and equipment	9	4,846,653	4,089,274	4,802,047	4,035,702
Intangible assets	10	44,893	54,834	31,202	36,509
Other financial assets	11(b)	38,011	136,507	38,011	136,507
Goodwill	13	16,396	16,396	-	-
Other	12(b)	7,245	3,846	1,555	546
Total non-current assets		5,019,985	4,375,883	5,076,642	4,413,091
TOTAL ASSETS		5,837,217	5,224,643	5,698,770	5,080,947
Current liabilities					
Payables	14	492,594	350,588	422,658	276,381
Interest-bearing liabilities	15(a)	210,614	127,593	210,007	125,351
Provisions	17(a)	154,289	125,668	89,235	58,788
Provision for income tax	4(c)	-	9,123	-	9,123
Other financial liabilities	18(a)	248,098	478,729	248,098	478,729
Other	19	18,585	38,147	183,831	187,959
Total current liabilities		1,124,180	1,129,848	1,153,829	1,136,331
Non-current liabilities					
Interest-bearing liabilities	15(a)	836,448	689,603	836,448	686,471
Deferred tax liability	4(d)	656,359	481,146	711,485	538,867
Provisions	17(b)	394,653	372,074	358,068	328,009
Other financial liabilities	18(b)	239,512	267,438	239,512	267,438
Total non-current liabilities		2,126,972	1,810,261	2,145,513	1,820,785
TOTAL LIABILITIES		3,251,152	2,940,109	3,299,342	2,957,116
NET ASSETS		2,586,065	2,284,534	2,399,428	2,123,831
EQUITY					
Contributed equity		688,006	688,006	688,006	688,006
Reserves		57,248	(31,475)	57,319	(31,808)
Retained earnings		1,840,811	1,628,003	1,654,103	1,467,633
TOTAL EQUITY		2,586,065	2,284,534	2,399,428	2,123,831

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial report included on pages 39 to 116.

Cash Flow Statement

for the year ended 30 June 2025

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
CASH FLOW FROM OPERATING ACTIVITIES					
Inflows:					
Receipts from customers		1,899,953	1,817,782	805,693	845,354
Interest received		2,782	3,161	2,709	3,108
Outflows:					
Payments to suppliers and employees		(1,667,332)	(1,456,326)	(575,048)	(477,360)
Interest paid		(54,344)	(51,459)	(54,350)	(51,469)
Lease interest paid		(545)	(461)	(441)	(277)
Government guarantee fee		(5,826)	(5,087)	(5,826)	(5,087)
Income tax equivalent paid		(31,162)	(64,703)	(31,162)	(64,703)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5(b)	143,526	242,907	141,575	249,566
CASH FLOW FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		508	605	508	602
Net proceeds from financial derivatives		28,878	-	28,878	-
Dividends from joint venture		3,375	278	-	-
Dividends from subsidiaries		-	-	-	28
Outflows:					
Net payments for financial derivatives		-	(16,345)	-	(16,385)
Net payments of intercompany loans		-	-	(3,565)	(14,437)
Payments for property, plant and equipment		(284,277)	(241,557)	(277,654)	(236,092)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(251,516)	(257,019)	(251,833)	(266,284)
CASH FLOW FROM FINANCING ACTIVITIES					
Inflows:					
Proceeds from Tascorp loans		1,161,010	800,152	1,161,010	800,152
Equity contributions received		-	9,800	-	9,800
Outflows:					
Repayment of Tascorp loans		(926,542)	(706,751)	(926,543)	(706,751)
Repayment of lease liabilities		(4,727)	(5,070)	(2,361)	(2,795)
Dividends paid		(122,000)	(105,000)	(122,000)	(105,000)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		107,741	(6,869)	110,106	(4,594)
NET (DECREASE)/INCREASE IN CASH		(249)	(20,981)	(152)	(21,312)
CASH AT BEGINNING OF THE YEAR		15,228	36,209	12,620	33,932
CASH AT END OF THE YEAR	5(a)	14,979	15,228	12,468	12,620

The Cash Flow Statement is to be read in conjunction with the notes to and forming part of the financial report included on pages 39 to 116.

Statement of Changes in Equity

for the year ended 30 June 2025

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
CONTRIBUTED EQUITY					
Balance at the beginning of the year		688,006	688,006	688,006	688,006
Equity contributions from the State of Tasmania		-	-	-	-
Balance at the end of the year		688,006	688,006	688,006	688,006
RESERVES					
Asset revaluation reserve					
Balance at the beginning of the year		-	-	-	-
Asset revaluation increment/(decrement)		222,540	-	222,540	-
Deferred income tax recognised directly in reserves	4(b)	(66,762)	-	(66,762)	-
Balance at the end of the year		155,778	-	155,778	-
Cash flow hedge reserve					
Balance at the beginning of the year		(31,322)	(93,685)	(31,808)	(94,581)
Share of associates interest rate swaps		(766)	(587)	-	-
Derivative revaluation		(95,215)	89,677	(95,215)	89,677
Deferred income tax recognised directly in reserves	4(b)	28,794	(26,727)	28,564	(26,904)
Balance at the end of the year		(98,509)	(31,322)	(98,459)	(31,808)
Foreign currency translation reserve					
Balance at the beginning of the year		(153)	(131)	-	-
Foreign currency translation		188	(31)	-	-
Deferred income tax recognised directly in reserves	4(b)	(56)	9	-	-
Balance at the end of the year		(21)	(153)	-	-
TOTAL RESERVES		57,248	(31,475)	57,319	(31,808)
RETAINED EARNINGS					
Balance at the beginning of the year		1,628,003	1,574,079	1,467,633	1,419,393
Net profit/(loss)		335,265	162,579	308,927	156,895
Dividend paid		(122,000)	(105,000)	(122,000)	(105,000)
Deferred income tax recognised directly in equity	4(b)	196	1,567	196	1,567
Actuarial (loss)/gain on defined benefit plans	20	(654)	(5,222)	(654)	(5,222)
Other		1	-	1	-
Balance at the end of the year		1,840,811	1,628,003	1,654,103	1,467,633
TOTAL EQUITY		2,586,065	2,284,534	2,399,428	2,123,831

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial report included on pages 39 to 116.

1.1 Details of reporting entity

The consolidated financial statements and notes thereto relate to Hydro-Electric Corporation (the Corporation) and its controlled entities (the Group), which is a Tasmanian Government Business Enterprise, a consolidated reporting entity, and a for-profit entity. The Corporation was established as the Hydro-Electric Commission by the *Hydro-Electric Commission Act 1944* and was incorporated by the *Hydro-Electric Corporation Act 1995*. The Group trades using the business names, Hydro Tasmania, Entura and through the Group's subsidiaries, Momentum Energy Pty Limited and AETV Pty Ltd.

The Corporation's Australian Business Number is 48 072 377 158. Its principal place of business is 4 Elizabeth Street, Hobart, Tasmania.

The Group owns 55 major dams, 30 operating hydropower stations, and the Tamar Valley gas-fired power station, and supplies electricity to Bass Strait islands via diesel, solar and wind power generation. The Group sells energy to retail customers through its subsidiary, Momentum Energy Pty Limited, trading in all regions of the National Electricity Market (NEM) except mainland Tasmania. The Group also operates the Entura consulting business.

At 30 June 2025, the Group had 1,462 full-time and part-time equivalent employees (2024: 1,395) including 4 non-executive directors (2024: 5 non-executive directors).

The Group holds Australian Financial Services Licence number 279796. This licence authorises the Group to carry on a financial services business in accordance with the licence conditions.

The financial report for the year ended 30 June 2025 was adopted by the directors on 14 August 2025.

1.2 Summary of material accounting policies

The material accounting policies which have been adopted in the preparation of these financial statements have been consistently applied by each entity in the consolidated group.

(a) Basis of preparation

The financial report is a general purpose financial report prepared on an accrual basis under the historical cost convention except for derivative financial assets and liabilities, environmental energy products and hydro generation assets which are carried at fair value.

The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The financial report is prepared in accordance with:

- *Hydro-Electric Corporation Act 1995;*
- *Government Business Enterprises Act 1995 (GBE Act)* and related Treasurer's Instructions;
- Australian Accounting Standards and Interpretations; and
- Financial disclosure requirements of the *Corporations Act 2001,* where applicable to the operations of the Group and its subsidiaries, and other requirements of the law.

(b) Statement of compliance

The financial report is compliant with Australian Accounting Standards.

1.2 Summary of material accounting policies (continued)

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The following Australian Accounting Standards are applicable to the Group and have recently been issued or amended. As they are not yet effective, the Group has chosen not to adopt them for the year ended 30 June 2025:

Standard/Interpretation	*Effective for annual reporting periods beginning on or after*	*Expected to be initially applied in the financial year ending*
AASB 2014–10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2025	30 June 2026
AASB 2023–5 'Amendments to Australian Accounting Standards – Lack of Exchangeability'	1 January 2025	30 June 2026
AASB 2024–2 'Amendments to Australian Accounting Standard – Classification and Measurement of Financial Instruments'	1 January 2026	30 June 2027
AASB 2025–1 'Amendments to Australian Accounting Standard – Contracts Referencing Nature Dependent Electricity'	1 January 2026	30 June 2027
AASB 18 'Presentation and Disclosure in Financial Statements'	1 January 2027	30 June 2028

The Group anticipates that the adoption of these Standards in future periods will have no material financial impact on the financial statements of the Group. There will be some changes in the disclosures and presentations made.

1.2 Summary of material accounting policies (continued)

(c) Principles of consolidation

The consolidated financial report includes the Group, being the parent entity, and its controlled entities.

The financial report includes the information and results of each controlled entity from the date on which the Group obtained control and until such time as the Group ceased to control the entity. The financial reports of subsidiaries are prepared for the same reporting period as the Group.

In preparing the consolidated financial report, the effects of all transactions between entities in the Group have been eliminated.

(d) Material accounting judgements

In the process of applying the Group's accounting policies, the Group has made the following judgements, apart from those involving estimates, which have a material effect on the amount recognised in the financial report.

- **Fair value of hydro generation assets**
  Note 1.2(i) and note 9 describe the judgement process adopted in assessing the fair value of hydro generation assets. Note 1.2(m) describes the judgement process adopted to estimate the recoverable amount of property, plant and equipment when an indication of revaluation exists or when current factors and circumstances indicate the current carrying value does not reflect fair value.
- **Financial liabilities and financial assets**
  Notes 1.2(ac), 1.2(ad) and 1.2(ae) describe the valuation methods applied to the Group's financial liabilities and financial assets which include judgements about market conditions and activity.

Note 3 details assumptions on financial assets and liabilities.

(e) Material accounting estimates and assumptions

The Retirement Benefits Fund liability detailed in note 20 has been assessed by the State Actuary and various actuarial assumptions have been applied to arrive at the carrying value reported.

1.2 Summary of material accounting policies (continued)

(f) Receivables

Current trade receivables include amounts receivable on 30 day terms from Australian Energy Market Operator (AEMO) for electricity sales and amounts receivable on 30 to 90 day terms for consulting services. They also include amounts receivable on terms varying from 14 to 90 days for retail sales of electricity and gas. Receivables are recognised and carried at the invoiced amount less an allowance for impairment. Any bad debts are written off as an expense or against the provision for impairment.

The Group uses an expected credit loss model in the provisioning for impairment of trade receivables. Trade receivable amounts are disaggregated into customer segments. Loss rates are estimated in each segment and are based on the probability of a receivable progressing through to write-off. Factors to estimate the loss rate are based on risk assessments performed for each customer segment and prevailing economic factors.

All trade receivables are non-interest bearing except for Entura consulting receivables which, if past due, are charged interest in accordance with the contract.

Non-current receivables are recognised and carried at amortised cost. Amortisation of receivables is calculated using the effective interest method. Any allowance for impairment is deducted from the carrying value.

Prior to extending credit to new Entura consulting clients and Momentum Energy retail customers, credit checks are undertaken by referencing external credit reports and/or contacting credit referees. Additional risks are reviewed in relation to new international clients.

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. The carrying amounts of financial assets represent the maximum credit exposure.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment terms and conditions are offered. The review includes credit agency information and bank references and, in some cases, financial statements. Sale limits are established for each customer and reviewed in accordance with the internal risk management guidelines.

Ongoing credit evaluation is performed on the financial condition of debtors and, where necessary, recovery action is undertaken and contract penalty clauses activated. Appropriate credit management practices are adopted to protect against exposure to non-payment by retail customers.

Contract assets

Contract assets are recognised when an energy sale has been consumed by the customer without the Group establishing an unconditional right to consideration. The Group estimates customer consumption between the last invoice date and the end of the reporting period. Contract assets are treated as financial assets for impairment purposes.

Expected credit loss assessment for customers

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

An expected credit loss rate is calculated for trade receivables and contract assets for each customer segment based on delinquency status and actual credit loss experience over the historic performance of the base. These rates are applied to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

1.2 Summary of material accounting policies (continued)

(g) Inventories

Inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents reported in the Statement of Financial Position and Cash Flow Statement comprises cash and short-term deposits. Short-term deposits have an original maturity of three months or less, are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(i) Property, plant and equipment

The Group carries its hydro generation assets at fair value. The basis for the fair value calculation is described in note 9.

The Group's other property, plant and equipment assets are carried at cost less accumulated depreciation and impairment.

The remaining useful life of property, plant and equipment and the residual value at the end of the useful life are reviewed annually.

Depreciation of property, plant and equipment, other than land, is based on remaining useful life using the straight-line method. Useful lives applicable to each class are as follows:

	2025	2024
Hydro generation	3–150 years	3–150 years
Other generation	3–60 years	3–50 years
Motor vehicles	3–33 years	3–33 years
Minor assets	1–40 years	1–10 years
Buildings	5–80 years	5–50 years

Property, plant and equipment are written off upon disposal or when there are no future economic benefits expected from its continued use. Any gain or loss is reported in the Statement of Financial Performance.

Items may be produced while bringing an item of property, plant and equipment to an operational condition. The Group will recognise the sales proceeds and cost of producing these items in the Statement of Financial Performance.

(j) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.2 Summary of material accounting policies (continued)

(j) Intangible assets (continued)

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation of intangibles is based on remaining useful life. The remaining useful life of intangibles are reviewed annually and are currently 3–20 years (2024: 3–13 years).

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud providers' application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers' application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

(k) Goodwill

Goodwill represents the excess of the cost of the acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired. Goodwill is measured at cost less accumulated impairment losses. Note 1.2(m) contains more information on the treatment of goodwill.

(l) Research and development

Research expenditure is expensed when incurred. Expenditure incurred during the development phase of an internal project is recognised as an asset only when all of the following criteria are met:

- technical feasibility demonstrates the asset to be available for use or sale currently or after completion of development;
- there is an intention, and the ability, to use or sell the asset upon completion;
- generation of probable future economic benefits can be demonstrated;
- adequate technical, financial and other resources are available to develop the asset to a state where it can be used or sold; and
- expenditure incurred in the development phase can be reliably measured and attributed to the asset.

Following initial recognition of development expenditure, the asset is valued in accordance with note 1.2(j).

1.2 Summary of material accounting policies (continued)

(m) Asset impairment

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists the Group makes an estimate of the asset's recoverable amount. For Goodwill, an assessment of impairment is performed and the recoverable amount is estimated each year. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Value in use is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such cases the asset is tested for revaluation as part of the cash generating unit (CGU) to which it belongs. Goodwill acquired in a business combination, for the purpose of revaluation testing, is allocated to the CGUs that are expected to benefit from the synergies of the combination.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. Impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis. The Group classifies its hydro generating assets, the Momentum Energy retail business and the gas-fired generation business as separate CGUs.

In assessing value in use, the estimated future cash flows are discounted to their present value using the post-tax nominal weighted average cost of capital that reflects current market assessment of the time value of money and the expected life of the asset. In assessing fair value, estimates are made of the current market value of an asset less estimated cost of sale.

An assessment is also made at each reporting date as to whether there is any indication that the cause of previously recognised impairment losses may no longer exist or have decreased. A previously recognised impairment loss is only reversed if there has been a material change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount and a gain is recognised in the Statement of Financial Performance. The impairment reversal cannot result in a carrying amount exceeding the amount that would have been determined, net of depreciation or amortisation, had no revaluation loss been recognised for the asset in prior years. An impairment of goodwill is not reversed.

(n) Payables

All trade payables and accrued expenses are unsecured and non-interest bearing, are normally settled within supplier credit terms and are carried at amortised cost. Payables are gross amounts and accrued expenses are net of GST.

(o) Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event, it is probable that a future sacrifice of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Provisions relating to a liability that is expected to be settled more than 12 months after the balance date are discounted using a pre-tax rate that reflects the risks of the underlying liability.

An onerous contract is considered to exist when the Group is party to a contract under which the unavoidable cost of fulfilling contractual obligations exceeds the economic benefits to be received. Net obligations arising under onerous contracts are recognised as a provision.

The cost of fulfilling a contract comprises the costs that relate directly to the contract, which include:

- the incremental costs of fulfilling the contract; and
- an allocation of other costs that relate directly to fulfilling the contract.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

1.2 Summary of material accounting policies (continued)

(p) Employee benefits

- **Wages, salaries and annual leave**
  Liabilities for wages, salaries and annual leave are recognised as the present obligations resulting from employees' services provided to the reporting date. These liabilities include related on-costs. Liabilities expected to be settled within 12 months are based on wage and salary rates that the Group expects to pay at the time of settlement. For those expected to be settled later than 12 months, the liability is calculated using expected future increases in wage and salary rates, including related on-costs and the expected rate of utilisation based on historical patterns, and is discounted using Corporate Bond rates at reporting date.

- **Long service leave**
  The provision for long service leave represents the present value of the expected future cash payments for entitlements earned through employees' services provided to reporting date.

  The provision is calculated using expected future increases in wage and salary rates including related on-costs and the expected rate of utilisation based on historical patterns and is discounted using Corporate Bond rates at reporting date. The provision is segregated into current and non-current portions based on vesting of entitlements in the next 12 months.

- **Defined benefit plan**
  The Retirement Benefits Fund (RBF) is a defined benefit plan funded by employee and employer contributions. Employee contributions to the fund are transferred to independent RBF administrators while employer obligations are raised as a provision. The defined benefit plan is closed to new members.

  An interest charge, calculated by the application of market-related interest rates, is added to this provision each year after advice from the State Actuary. This is reported in the Statement of Financial Performance as part of finance costs.

- **Defined contribution plans**
  Contributions to defined contribution superannuation plans are made as directed by the employee and are expensed when the employee has rendered service entitling them to the contribution.

- **Employee termination benefits**
  Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(q) Taxation

Income tax equivalent

Under the *Government Business Enterprises Act 1995* and the National Tax Equivalents Regime (NTER), the Group is required to pay an income tax equivalent to the State of Tasmania as if it were a company under Commonwealth income tax laws. As a result, the Group applies tax accounting principles prescribed in AASB 112 Income Taxes.

Current tax assets and liabilities are measured at the amount expected to be paid or recovered. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Subject to the condition noted below, deferred income tax assets and liabilities are recorded for all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future profits available to recover the asset.

1.2 Summary of material accounting policies (continued)

(q) Taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable income will be available against which deductible temporary differences can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Income taxes relating to items recognised directly in equity are recognised as other comprehensive income or expense in the Statement of Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right of set-off exists and they relate to the same taxable entity and the same taxation authority.

Tax consolidation

Income tax legislation allows groups, comprising a parent entity and its Australian wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes.

The Group and its wholly owned Australian resident subsidiaries have consolidated for tax purposes under this legislation and have elected to be taxed as a single entity. The head entity within the tax consolidation group is Hydro-Electric Corporation.

Tax sharing agreements between the Corporation as head entity and its subsidiaries define the liability for tax of each member of the group and the process by which members can exit the group. As a result of these agreements, amounts equivalent to the deferred tax assets and liabilities are disclosed by each subsidiary as intercompany loan balances as if the subsidiary were a standalone tax entity.

Each of the entities in the tax consolidated group has agreed to make a tax equivalent payment to the head entity based on that entity's tax payable on a standalone basis. Such amounts are reflected as amounts receivable from or payable to other entities in the tax consolidated group.

Other taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- When the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1.2 Summary of material accounting policies (continued)

(r) Leases

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets, personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation of the right-of-use asset starts at the commencement date of the lease.

Recognition of a right-of-use asset and lease liability is at the commencement date of the lease contract.

The Group determines whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 1.2(m).

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.2 Summary of material accounting policies (continued)

(s) Borrowing expenses

Borrowing costs are expensed when incurred except those borrowing costs directly attributable to an asset. Borrowing costs attributable to a qualifying asset are included in the capital cost of the asset. The capitalisation rates applied are updated monthly.

(t) Interest-bearing liabilities

Loans are recognised initially at the fair value of the consideration received. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

(u) Foreign currency

The consolidated statements of the Group are presented in the functional currency which is Australian dollars.

All foreign currency transactions are brought to account using the spot exchange rate in effect at the date of the transaction. Foreign currency amounts at balance date are translated to Australian dollars using the exchange rate in effect at that date.

Foreign currency transactions that are hedged are accounted for as detailed in note 1.2(ac), 1.2(ad) or 1.2(ae).

Exchange variances resulting from the translation of balances of foreign subsidiaries are recognised in the foreign currency translation reserve in equity.

All other exchange differences in the consolidated financial report are reported as gains or losses from current year operations in the Statement of Financial Performance.

(v) Associates and joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

Associates are those entities that the Group has significant influence, but not control, over the financial and operating policies of the entity.

An investor controls an investee if they have power over the investee, are exposed to variable returns, and are able to use their power over the investee to affect the amount of the returns. The Group has assessed power over the joint ventures by reference to the shareholders agreement relating to each joint venture, the respective voting rights held and the percentage of vote required to effect a decision. In each case, the requirement to have unanimous agreement to a decision prevents the Group having power over any of the joint ventures. The Group is subject to variable returns but is unable to influence the amount of those returns in the absence of having power over the joint venture.

Interests in incorporated joint venture and associate entities are reported using the equity method. If the carrying amount of an investment in a joint venture or associate is zero, the Group's share of a loss by the joint venture or associate is reported as a loss against the current year operations in the Statement of Financial Performance and accrued as a provision for later offset against any investments.

Unincorporated joint ventures which operate jointly controlled assets are accounted for by recognising the Group's share of the venture's assets, liabilities, revenues and expenses.

(w) Segment information

The Group has identified segments based on internal management reports. Refer to note 34.

(x) Contributed equity

Contributed equity from the State of Tasmania is recorded when received or recognised when deed obligation have been satisfied.

1.2 Summary of material accounting policies (continued)

(y) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Where a grant is received as compensation for certain expenditure, the grant is recognised as revenue in the Statement of Financial Performance on a basis that matches the timing of the expenditure.

Where a grant is received relating to an asset, it is recognised in the Statement of Financial Position by deducting the grant received from other costs incurred in arriving at the carrying amount of the asset.

(z) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognise revenue when it transfers control of a product or service to a customer.

- **Electricity and gas sales**
  Revenue from generated electricity is earned from AEMO at market prices and is recognised at the time the electricity is provided. Revenue from sale of gas to other parties is recognised at contract prices at the time of delivery. Revenue from sale of retail electricity is earned at contract prices and is recognised at the time of delivery to the customer. Retail electricity sold is purchased from AEMO at market prices. Exposure to fluctuations in market price is managed through the use of derivative contracts executed principally in the Tasmanian and Victorian regions. The effective and ineffective portion of electricity derivatives designated as cash flow hedges and those derivatives not designated as cash flow hedges but considered to represent economic hedges under the Group's Board approved financial risk management policy are recognised in revenue in the period when the contract settles. Note 18 discloses the amount of realised gains and losses included in revenue during the financial year. Customers are billed on a regular basis. At the end of each reporting period, gas and electricity revenue include an accrual (unbilled revenue) for energy delivered to customers but not yet billed.
- **Environmental energy products**
  Revenue from environmental energy products are recognised at the time the Group transfers the products to a third party.
- **Consulting services**
  Consulting revenue is recognised over time based on the completion of performance obligations identified within the contractual agreements that exist with the client.
- **Interest income**
  Interest income is recognised on an accrual basis using the effective interest method. This is based on the amortised cost of a financial asset and the allocation of the interest income over the relevant period using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.
- **Dividends**
  Revenue is recognised when the Corporation's right to receive the payment is established.
- **Rental revenue**
  Rental revenue from land and buildings is recognised on a straight-line basis over the term of the lease.
- **Contracts revenue**
  Contracts revenue is recognised when it is received or when the right to receive payment is established.
- **Other revenue**
  Other revenue is recognised when it is received or when the right to receive payment is established.

(aa) Rounding

The Group is a company of the kind referred to in ASIC (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in the financial report are rounded to the nearest thousand dollars unless otherwise indicated.

1.2 Summary of material accounting policies (continued)

(ab) Comparative figures

Where necessary, the comparative figures for the previous year have been reclassified to facilitate comparison with the current year.

(ac) Financial assets

Financial assets in the scope of AASB 9 'Financial Instruments' are classified as being carried at amortised cost, or at fair value through profit or loss. When financial assets are initially recognised, they are measured at fair value. The Group determines the classification of its financial assets after initial recognition and, where appropriate, re-evaluates this designation at each financial year end. All routine purchases and sales of financial assets are recognised on the trade date being the date that the Group commits to purchase the assets.

- **Amortised cost**
  Investments and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Financial Performance when the loans and receivables are derecognised or impaired, as well as through the amortisation process.
- **At fair value through profit or loss**
  Financial assets are classified as being at fair value through profit or loss where the financial asset has been acquired principally for resale in the near future, is part of an identified portfolio of financial instruments that the Group manages together, has a recent actual pattern of trading and is a derivative that is not designated and effective as a hedging instrument.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Group transfers substantially all the risks and rewards of the financial assets.

(ad) Financial liabilities

Financial liabilities include trade payables and interest-bearing liabilities carried at amortised cost and derivative financial instruments such as energy contracts, credit swaps, interest rate swaps, forward foreign exchange contracts and the Basslink Network Services Agreement (NSA) (expired 30 June 25) are carried at fair value through profit or loss.

(ae) Derivative financial instruments

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures, and some electricity price, gas and aluminium exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in electricity prices and interest rates and certain derivatives.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1.2 Summary of material accounting policies (continued)

(ae) Derivative financial instruments (continued)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

2. Revenue and expenses

Revenue by product and customer type is disaggregated below:

(a)(i) Revenue

	2025 CONSOLIDATED				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	194,757	721,383	588,336	-	1,504,476
Sale of gas	94,101	16,253	-	-	110,354
Rendering of services	-	-	-	29,594	29,594
	288,858	737,636	588,336	29,594	1,644,424

	2024 CONSOLIDATED				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	205,617	613,942	723,961	-	1,543,520
Sale of gas	103,329	17,525	-	-	120,854
Rendering of services	-	-	-	25,213	25,213
	308,946	631,467	723,961	25,213	1,689,587

	2025 PARENT				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	4,884	-	603,487	-	608,371
Rendering of services	-	-	-	29,433	29,433
	4,884	-	603,487	29,433	637,804

	2024 PARENT				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	4,785	-	752,279	-	757,064
Rendering of services	-	-	-	24,351	24,351
	4,785	-	752,279	24,351	781,415

Timing of revenue recognition

1 Products transferred at a point in time.
2 Services transferred over time.

2. Revenue and expenses (continued)

		NOTE	CONSOLIDATED 2025 $'000	CONSOLIDATED 2024 $'000	PARENT 2025 $'000	PARENT 2024 $'000
(a)(ii)	**Other revenue**					
	Dividends from subsidiaries		-	-	-	28
	Other		15,972	11,643	15,016	10,963
			15,972	11,643	15,016	10,991
(b)	**Finance expenses**					
	Loan interest		59,240	52,846	59,240	52,846
	Government guarantee fee		7,786	6,019	7,786	6,019
	RBF net interest	20	14,543	14,832	14,543	14,832
	Lease interest expense		545	462	441	275
	Other finance costs		365	387	1	3
			82,479	74,546	82,011	73,975
(c)	**Fair value gains**					
	Basslink financial assets and liabilities		5,827	10,599	5,827	10,599
	Energy price derivatives - unwind of fair value of cash flow hedges		44,126	51,688	44,126	51,688
	Energy price derivatives - economic hedges		81,153	20,948	81,153	20,948
	Treasury derivatives		26,551	21,439	26,551	21,439
	Onerous contracts		7,571	19,873	-	10,537
	Site rehabilitation provision		-	1,382	-	-
			165,228	125,929	157,657	115,211
(d)	**Fair value losses**					
	Energy price derivatives - economic hedges		-	94,410	-	94,410
	Site rehabilitation provision		8,692	1,170	-	-
	Onerous contracts		60,524	-	60,524	-
			69,216	95,580	60,524	94,410
	Net fair value gains/(losses)		96,012	30,349	97,133	20,801
(e)	**Revaluation and impairment (gains)/ expenses**					
	Impairment expense/(gain) of loans carried at amortised cost		-	-	18,021	(4,332)
	Reversal of impairment of generation assets		(379,912)	-	(384,177)	-
			(379,912)	-	(366,156)	(4,332)

3. Assumptions and judgements

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Financial assets and liabilities

Changes in the fair value of financial assets and liabilities described below are presented as gains or losses through the Statement of Financial Performance and are calculated based on the present value of projected cash flows. None of the adjustments reflect cash flow transactions during the year. In the case of those financial liabilities valued using published forward prices, while fair value represents an estimate of the cost of closing out the obligations at year end, the intention of the Group is to let the obligations run their course and deliver the associated financial benefits.

- **Energy price derivatives**
  The Group trades in energy price derivatives in all regions of the NEM as a means of securing the value of future electricity revenue or the cost of future electricity to be delivered under retail contracts. Financial derivatives are recorded at their fair value. Movement in fair value is recorded as a gain or loss in the Statement of Financial Performance as detailed in note 2(c) and 2(d).

  Mainland electricity contracts are valued using published forward energy prices. The re-measurement of the fair value of energy price derivatives during the current financial year is recorded in the Statement of Financial Performance (note 2).

  In the event of a lack of quoted market prices, the fair value of financial instruments has been calculated using valuation models that make maximum use of available market inputs to produce a reasonable estimate of the price that would be determined by the market. In many cases this entails projecting future cash flows that are then discounted to present value using the appropriate discount rate, including the credit risk of the in and out of the money party to the agreement. The calculation of projected future cash flows requires, among other things, a forecast electricity price. Beyond the period when market prices are observable, the Group derives forecast prices from an internal model.

- **Basslink financial asset and liabilities**
  The financial asset and liabilities associated with the Basslink Network Services Agreement (NSA) (expired 30 June 2025) were recorded at fair value. The re-measurement of the net financial liability to fair value was recorded in the Statement of Financial Performance (note 2). Note 21(c) details the methodology used to calculate the fair value of the Basslink financial asset and liabilities.

Asset valuation

Assets are fair valued and assessed for impairment in accordance with the methodology described in note 1.2(m). Note 9 describes the inputs to the asset revaluation model. Goodwill generated by acquisition of a business is attributed to CGUs as described in note 1.2(m). Assessment of this goodwill for impairment is conducted in conjunction with the revaluation assessment of the relevant CGUs. Impairment assessment is undertaken on a value-in-use basis involving assessment of future cash flows associated with the strategic direction over the ensuing five years or useful life of the plant discounted at the Group's weighted average cost of capital.

Site rehabilitation provision

The Group has provided for the cost of removing the Bell Bay plant and the Tamar Valley Power Station at the end of its useful life. The provision includes the cost of remediating the site within prescribed limits. The provision is reassessed each year to reflect the current estimated cost of the demolition and remediation. Any adjustment to the provision is reflected as a gain or loss in the Statement of Financial Performance.

3. Assumptions and judgements (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of fulfilling the obligations under the contract exceed the economic benefits expected to be received from the contract.

Regulatory environmental schemes

Under the Renewable Energy (Electricity) Act, liable entities are required to meet the Renewable energy targets. Liable entities are required to discharge their liability by surrendering Environmental Energy Products (EEPs) to the regulator or pay a shortfall charge. To provide for this, a liability is recognised and this is extinguished when the EEPs are surrendered. The Group is also a registered GreenPower provider and is required to make offers of 'voluntary surrender' of eligible EEPs (those created by a GreenPower generator), as created under the renewable energy target for each megawatt hour of generation acquired by the GreenPower provider and sold as part of a GreenPower product within a settlement period. It is also a condition of the Group's retail licences that it comply with similar environmental and energy efficiency schemes on a jurisdictional basis.

Unbilled energy

The Group recognises revenue from electricity and gas services by estimating customer consumption between the last invoice date and the end of the reporting period and applying this estimate against the various customer pricing data.

4. Income tax equivalent

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
		$'000	$'000	$'000	$'000
(a)	**Income tax expense/(benefit) reported in Statement of Comprehensive Income**				
	Current income tax liability/(receivable)	7,140	72,380	6,792	71,729
	Adjustments in respect of current tax of prior years	(4,850)	(243)	(1,816)	(320)
	Income tax expense in relation to foreign operations	(26)	(1,059)	78	(249)
	Deferred income tax expense arising from origination and reversal of temporary differences	136,080	849	133,347	(6,376)
	Adjustments in respect of deferred tax of prior years	1,306	(221)	1,270	(146)
	Recognition/derecognition of deferred tax assets/(liabilities)	-	272	-	-
	Income tax expense/(benefit) recognised in the Statement of Comprehensive Income	139,650	71,978	139,671	64,638
	A reconciliation between income tax expense and accounting profit before income tax multiplied by the Group's income tax rate is as follows:				
	Accounting profit/(loss) before income tax	474,915	234,557	448,598	221,533
	Income tax expense/(benefit) calculated at 30%	142,475	70,367	134,579	66,460
	Adjustment in respect of income tax of previous years	(3,545)	(464)	(545)	(466)
	Income tax expense in relation to foreign operations	(26)	(1,059)	78	(249)
	Expenditure not deductible for income tax purposes	1,759	204	153	192
	Income assessable for income tax purposes	-	3,000	-	-
	Franking credits from investments	(1,013)	(75)	-	-
	Effect of transactions within the tax consolidated group that are not subject to taxation	-	-	5,406	(1,299)
	Recognition/derecognition of deferred tax assets/(liabilities)	-	5	-	-
	Income tax expense/(benefit) recognised in the Statement of Comprehensive Income	139,650	71,978	139,671	64,638
(b)	**Income tax (expense)/benefit recognised directly in equity**				
	Revaluation of effective hedges	28,564	(26,904)	28,564	(26,904)
	Actuarial assessment of RBF provision	196	1,567	196	1,567
	Revaluation of property, plant and equipment	(66,762)	-	(66,762)	-
	Foreign currency translation reserve	(56)	9	-	-
	Share of other comprehensive income of associates	230	177	-	-
	Income tax (expense)/benefit recognised in equity	(37,828)	(25,151)	(38,002)	(25,337)
(c)	**Current tax assets and liabilities**				
	Current tax asset	19,937	-	19,937	-
	Provision for income tax	-	(9,123)	-	(9,123)
(d)	**Deferred tax balances**				
	Deferred tax assets comprise:				
	Deductible temporary differences	280,581	289,898	252,238	255,538
	Deferred tax liabilities comprise:				
	Assessable temporary differences	936,940	771,044	963,723	794,405
	Net deferred tax liabilities	**656,359**	**481,146**	**711,485**	**538,867**

4. Income tax equivalent (continued)

The tax effect of assessable and deductible temporary differences arises from the following:

	2025 CONSOLIDATED				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	757,240	100,715	66,762	(82)	924,635
Investments in associates and joint ventures	5,404	(2,242)	(230)	-	2,932
Other	8,400	978	-	(5)	9,373
	771,044	99,451	66,532	(87)	936,940
Deferred tax assets:					
Provision for employee entitlements	93,063	(30)	196	-	93,229
Basslink and other financial liabilities	53,986	(8,035)	-	-	45,951
Electricity derivatives	71,891	(37,584)	28,565	-	62,872
Provisions	59,360	14,068	-	(1,421)	72,007
Other	11,598	(5,048)	(56)	28	6,522
	289,898	(36,629)	28,705	(1,393)	280,581
Net deferred tax liabilities	481,146	136,080	37,827	1,306	656,359

	2025 PARENT				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	790,298	102,484	66,762	(91)	959,453
Other	4,107	168	-	(5)	4,270
	794,405	102,652	66,762	(96)	963,723
Deferred tax assets:					
Provision for employee entitlements	91,246	(202)	196	-	91,240
Basslink and other financial liabilities	53,986	(8,035)	-	-	45,951
Electricity derivatives	71,891	(37,584)	28,565	-	62,872
Provisions	26,751	18,101	-	(1,395)	43,457
Other	11,664	(2,975)	-	29	8,718
	255,538	(30,695)	28,761	(1,366)	252,238
Net deferred tax liabilities	538,867	133,347	38,001	1,270	711,485

4. Income tax equivalent (continued)

	2024 CONSOLIDATED				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	769,375	(12,074)	-	(61)	757,240
Investments in associates and joint ventures	1,330	4,251	(177)	-	5,404
Other	9,338	(916)	-	(22)	8,400
	780,043	(8,739)	(177)	(83)	771,044
Deferred tax assets:					
Provision for employee entitlements	91,585	(89)	1,567	-	93,063
Basslink and other financial liabilities	64,532	(10,546)	-	-	53,986
Electricity derivatives	92,263	6,532	(26,904)	-	71,891
Provisions	65,334	(6,094)	-	120	59,360
Other	11,234	609	9	(254)	11,598
	324,948	(9,588)	(25,328)	(134)	289,898
Net deferred tax liabilities	455,095	849	25,151	51	481,146

	2024 PARENT				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	802,044	(11,746)	-	-	790,298
Other	4,306	(193)	-	(6)	4,107
	806,350	(11,939)	-	(6)	794,405
Deferred tax assets:					
Provision for employee entitlements	89,951	(272)	1,567	-	91,246
Basslink and other financial liabilities	64,532	(10,546)	-	-	53,986
Electricity derivatives	92,262	6,533	(26,904)	-	71,891
Provisions	28,819	(2,201)	-	133	26,751
Other	10,732	925	-	7	11,664
	286,296	(5,561)	(25,337)	140	255,538
Net deferred tax liabilities	520,054	(6,378)	25,337	(146)	538,867

All deferred tax balances relate to continuing operations.

At the end of the current financial year, there was no recognised or unrecognised deferred tax liability (2024: nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, joint ventures or associates. The Group has no liability for additional taxation should such amounts be remitted.

5. Note to the cash flow statement

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
		$'000	$'000	$'000	$'000
(a)	Cash reconciliation				
	Cash	14,979	15,228	12,468	12,620
		14,979	15,228	12,468	12,620
	Reconciliation of net cash provided by operating activities to net profit for the year				
(b)	Profit/(loss) after income tax equivalent expense	335,265	162,579	308,927	156,895
	Adjusted for non-cash items of income and expense:				
	Depreciation of property, plant and equipment	111,916	109,316	105,988	103,120
	Amortisation	25,646	25,319	18,123	15,107
	Revaluations and impairment	(379,912)	-	(366,156)	(4,332)
	Loss on derecognition of property, plant and equipment	959	1,704	959	1,646
	Equity accounted share of associates (profit)/loss	4,099	(14,436)	-	-
	Dividend from subsidiary	-	-	-	(28)
	Net fair value (gains)/losses	(96,012)	(30,349)	(97,133)	(20,801)
	Income tax expense/(benefit)	139,650	71,978	139,671	64,638
	Cash from operating profit before changes in working capital	141,611	326,111	110,379	316,245
	(Increase)/decrease in receivables	(124,236)	(193,135)	(112,273)	(160,137)
	(Increase)/decrease in inventories	(1,140)	(2,792)	(1,140)	(2,842)
	Increase/(decrease) in other financial assets and liabilities	27,708	23,942	30,329	22,558
	Increase/(decrease) in payables	141,845	149,745	146,114	139,351
	(decrease)/Increase in provisions	(42,262)	(60,964)	(31,834)	(65,609)
	NET CASH PROVIDED BY OPERATING ACTIVITIES	143,526	242,907	141,575	249,566

6. Receivables

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Trade receivables	455,003	349,971	387,934	277,504
Allowance for expected credit loss	(8,321)	(8,680)	(80)	(752)
	446,682	341,291	387,854	276,752
Contract assets	150,050	129,086	7,227	5,354
Customer payments received in advance	(14,795)	(12,518)	-	-
Allowance for expected credit loss	(2,363)	(2,728)	-	-
	132,892	113,840	7,227	5,354
	579,574	455,131	395,081	282,106

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025	2024	2025	2024	2025	2024
Consolidated	%	%	$'000	$'000	$'000	$'000
Contract assets	2%	2%	150,050	129,086	2,363	2,728
Not overdue	-	-	435,089	323,035	401	427
< 30 days overdue	7%	5%	5,648	8,897	403	440
30 to 60 days overdue	32%	16%	2,101	2,890	672	469
60 to 90 days overdue	29%	33%	1,728	1,803	494	601
90+ days overdue	61%	51%	10,437	13,346	6,351	6,743
			605,053	479,057	10,684	11,408

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Movements in the allowance for expected credit losses				
Balance at the beginning of the period	11,408	9,655	752	40
Additional provisions recognised	7,909	7,901	112	760
Receivables written off during the year as uncollectable	(7,501)	(5,431)	(277)	(23)
Unused amounts reversed	(1,132)	(717)	(507)	(25)
Balance at the end of the period	10,684	11,408	80	752

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Contract assets				
Balance at the beginning of the period	129,086	102,159	5,354	5,537
Additions	150,050	129,086	7,227	5,354
Transfer to receivables	(129,086)	(102,159)	(5,354)	(5,537)
Balance at the end of the period	150,050	129,086	7,227	5,354

6. Receivables (continued)

The amount past due but not impaired included in trade receivables is predominantly attributable to consulting service clients and retail customers. The methodology for doubtful debt provisioning includes an allocation for additional credit risk due to business or economic issues. A provision for impairment has been recorded following assessment of the credit quality of the clients or customers with overdue accounts. This provision represents the expected amount of receivables to be written off in the future. The Group wrote off $7.5m of bad debts during the year (2024: $5.4m). The Group does not hold any security over the balances past due.

Price volatility has impacted the trade debtors balance between years.

7. Investments

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
Non-current investments					
Investment in associates and joint ventures	31	66,787	75,026	-	-
Investment in subsidiaries		-	-	203,827	203,827
		66,787	75,026	203,827	203,827

8. Inventories

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Maintenance stores	10,971	9,831	10,971	9,831
	10,971	9,831	10,971	9,831

9. Property, plant and equipment

Asset valuation

The hydro generation class of assets is carried at fair value using a discounted cash flow model. The fair value calculation incorporates long-term electricity price forecasts from an in-house market model and references observable Victorian forward contract prices in the first three years. The market model forecasts expected future prices based on a range of input assumptions reflecting the many variables that may influence future prices including existing generation cost and bidding assumptions and likely future plant build and retirements. The price curve has been validated with reference to other published price predictions in the NEM. The valuation also includes projected revenue under the existing large-scale mandatory renewable energy target with forecast prices based on observable contract market prices and projected revenue from the sale of future environmental products such as Renewable Energy Guarantee of Origin (REGO) certificates.

The other principal inputs to the fair value of generation assets are forecast generation, major industrial contracts, inflation, discount rate and terminal growth rate. The Group meets forecast contractual obligations from generation or by purchasing energy from the market. Opportunities for export of generation over Basslink will also be taken into account. The volume of energy generated from hydro assets is principally determined by actual and forecast water storage positions. These are in turn affected by the expected annual inflows to water storages from rainfall over catchments. The financial forecasts used to value the hydro generation assets are based on an assumed equivalent generation volume of 8,689 Gigawatt hours (GWh) per annum at the generator, adjusted to the node for the valuation.

Revenue and expenses in the fair value calculation are inflated at the forecast CPI and are discounted using the Group post-tax nominal weighted average cost of capital (WACC) of 7.50% (2024: 7.50%). This has been substantiated against Australian financial and equity market data.

Movements in fair value of hydro generation assets will offset movement in the fair value of financial liabilities for the same forecast price change. Fair value of hydro generation assets will increase by $557m (2024: $414m) for a 10% increase in forecast prices and decrease by a similar amount for a 10% reduction in forecast prices. In both scenarios, prices have been uniformly changed across all years of the fair value calculation.

Had the Group's generation assets been measured on a historic cost basis, their carrying amount would be $3,859m (2024: $3,853m).

Gas-fired generation assets are carried at fair value based on an independent valuation every 3 years.

Revaluation of assets

Notes 1.2(i) and 1.2(m) detail the Group's valuation policy with respect to assets.

The fair value of the Hydro Tasmania generation assets was determined using the income approach which reflects current market expectations about future cash flows and expenses. In FY2024–25 an assessment indicated there was a requirement to increase the valuation of the Hydro Tasmania generation class of assets by reversing previous impairment. During the year, the generation assets were revalued upwards by $602m.

Details of the Group's generation assets fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Fair value as at 30/06/25
	$'000	$'000	$'000	$'000
Generating plant				
Consolidated	-	15,755	4,119,097	4,134,852
Parent	-	-	4,119,097	4,119,097

	Level 1	Level 2	Level 3	Fair value as at 30/06/24
	$'000	$'000	$'000	$'000
Generating plant				
Consolidated	-	22,307	3,493,447	3,515,754
Parent	-	-	3,493,447	3,493,447

There were no transfers between Level 1 and Level 2 during either year.

9. Property, plant and equipment (continued)

	2025 CONSOLIDATED						
	Generation at fair value $'000	Other generation at cost $'000	Motor vehicles at cost $'000	Land & buildings at cost $'000	Minor assets at cost $'000	Capital work in progress at cost $'000	Total $'000
Gross carrying amount							
Balance at the beginning of the year	4,385,514	32,070	21,174	159,676	113,446	439,068	5,150,948
Additions	-	-	-	2,057	28	284,277	286,362
Disposals	(938)	-	(1,105)	(3,114)	(4,859)	(978)	(10,994)
Transfers#	103,464	474	2,433	12,177	10,610	(145,023)	(15,865)
Impairment expense of work in progress	-	-	-	-	-	116	116
Net revaluation adjustment	(161,301)	-	-	-	-	-	(161,301)
Balance at the end of the year	4,326,739	32,544	22,502	170,796	119,225	577,460	5,249,266
Accumulated depreciation							
Balance at the beginning of the year	(869,760)	(17,886)	(11,896)	(69,226)	(92,906)	-	(1,061,674)
Disposals	938	-	1,105	479	4,703	-	7,225
Revaluation and impairment	763,752	-	-	-	-	-	763,752
Depreciation expense	(86,817)	(976)	(2,174)	(11,240)	(10,709)	-	(111,916)
Balance at the end of the year	(191,887)	(18,862)	(12,965)	(79,987)	(98,912)	-	(402,613)
Net book value at the end of the year	4,134,852	13,682	9,537	90,809	20,313	577,460	4,846,653

Included in the above line items are right-of-use assets over the following:	*$'000*
Land & buildings at cost	6,394
Minor assets	1,206

\# Net transfers relate to transfers of capital work in progress to intangible assets (note 10).

9. Property, plant and equipment (continued)

2025 PARENT	Generation at fair value $'000	Other generation at cost $'000	Motor vehicles at cost $'000	Land & buildings at cost $'000	Minor assets at cost $'000	Capital work in progress at cost $'000	Total $'000
Gross carrying amount							
Balance at the beginning of the year	4,221,817	31,890	20,893	112,412	109,568	437,744	4,934,324
Additions	-	-	-	2,057	28	277,654	279,739
Disposals	(938)	-	(1,105)	(607)	(4,436)	(978)	(8,064)
Transfers#	103,464	474	2,433	12,177	10,610	(142,134)	(12,976)
Impairment expense of work in progress	-	-	-	-	-	116	116
Net revaluation adjustment	(161,301)	-	-	-	-	-	(161,301)
Balance at the end of the year	4,163,042	32,364	22,221	126,039	115,770	572,402	5,031,838
Accumulated depreciation							
Balance at the beginning of the year	(728,370)	(17,728)	(11,663)	(50,773)	(90,088)	-	(898,622)
Disposals	938	-	1,105	479	4,280	-	6,802
Revaluation and impairment	768,017	-	-	-	-	-	768,017
Depreciation expense	(84,530)	(964)	(2,173)	(7,938)	(10,383)	-	(105,988)
Balance at the end of the year	(43,945)	(18,692)	(12,731)	(58,232)	(96,191)	-	(229,791)
Net book value at the end of the year	4,119,097	13,672	9,490	67,807	19,579	572,402	4,802,047

Included in the above line items are right-of-use assets over the following:	***$'000***
Land & buildings at cost	6,273
Minor assets	1,206

Net transfers relate to transfers of capital work in progress to intangible assets (note 10).

9. Property, plant and equipment (continued)

	2024 CONSOLIDATED						
	Generation at fair value $'000	Other generation at cost $'000	Motor vehicles at cost $'000	Land & buildings at cost $'000	Minor assets at cost $'000	Capital work in progress at cost $'000	Total $'000
Gross carrying amount							
Balance at the beginning of the year	4,335,448	30,200	18,653	137,401	108,595	307,901	4,938,198
Additions	-	-	-	3,540	1,319	241,557	246,416
Disposals	(2,486)	(965)	(1,814)	(1,286)	(4,730)	(1,023)	(12,304)
Transfers#	52,552	2,835	4,335	20,021	8,262	(109,932)	(21,927)
Impairment expense of work in progress	-	-	-	-	-	565	565
Balance at the end of the year	4,385,514	32,070	21,174	159,676	113,446	439,068	5,150,948
Accumulated depreciation							
Balance at the beginning of the year	(787,258)	(18,015)	(11,520)	(60,750)	(85,313)	-	(962,856)
Disposals	2,230	920	1,766	922	4,660	-	10,498
Depreciation expense	(84,732)	(791)	(2,142)	(9,398)	(12,253)	-	(109,316)
Balance at the end of the year	(869,760)	(17,886)	(11,896)	(69,226)	(92,906)	-	(1,061,674)
Net book value at the end of the year	3,515,754	14,184	9,278	90,450	20,540	439,068	4,089,274

Included in the above line items are right-of-use assets over the following:	*$'000*
Land & buildings at cost	10,383
Minor assets	1,496

Net transfers relate to transfers of capital work in progress to intangible assets (note 10).

9. Property, plant and equipment (continued)

	2024 PARENT						
	Generation at fair value $'000	Other generation at cost $'000	Motor vehicles at cost $'000	Land & buildings at cost $'000	Minor assets at cost $'000	Capital work in progress at cost $'000	Total $'000
Gross carrying amount							
Balance at the beginning of the year	4,172,009	30,020	18,342	90,392	104,342	305,035	4,720,140
Additions	-	-	-	3,540	1,317	236,092	240,949
Disposals	(2,410)	(965)	(1,784)	(1,286)	(4,301)	(1,766)	(12,512)
Transfers#	52,218	2,835	4,335	19,766	8,210	(102,182)	(14,818)
Impairment expense of work in progress	-	-	-	-	-	565	565
Balance at the end of the year	4,221,817	31,890	20,893	112,412	109,568	437,744	4,934,324
Accumulated depreciation							
Balance at the beginning of the year	(648,484)	(17,868)	(11,278)	(45,422)	(82,483)	-	(805,535)
Disposals	2,202	920	1,753	922	4,236	-	10,033
Depreciation expense	(82,088)	(780)	(2,138)	(6,273)	(11,841)	-	(103,120)
Balance at the end of the year	(728,370)	(17,728)	(11,663)	(50,773)	(90,088)	-	(898,622)
Net book value at the end of the year	3,493,447	14,162	9,230	61,639	19,480	437,744	4,035,702

Included in the above line items are right-of-use assets over the following:	**$'000**
Land & buildings at cost	6,089
Minor assets	1,496

Net transfers relate to transfers of capital work in progress to intangible assets (note 10).

10. Intangible assets

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	Software at cost $'000	Software at cost $'000	Software at cost $'000	Software at cost $'000
Gross carrying amount				
Balance at the beginning of the year	261,052	241,783	177,448	165,188
Additions	-	-	-	-
Disposals	(6,614)	(2,658)	(6,614)	(2,558)
Transfers from capital work in progress	15,865	21,927	12,976	14,818
Balance at the end of the year	270,303	261,052	183,810	177,448
Accumulated amortisation				
Balance at the beginning of the year	(206,218)	(183,448)	(140,939)	(128,284)
Disposals	6,454	2,549	6,454	2,452
Amortisation expense	(25,646)	(25,319)	(18,123)	(15,107)
Balance at the end of the year	(225,410)	(206,218)	(152,608)	(140,939)
Net book value at the end of the year	44,893	54,834	31,202	36,509

11. Other financial assets

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
(a) Current other financial assets					
Energy price derivatives - economic hedges	18	132,702	197,141	132,702	197,141
Basslink financial asset (i)	18	-	61,399	-	61,399
Environmental energy products		21,032	48,577	20,926	48,493
		153,734	307,117	153,628	307,033
(b) Non-current other financial assets					
Energy price derivatives - economic hedges	18	38,011	136,507	38,011	136,507
		38,011	136,507	38,011	136,507

(i) The Basslink financial asset represented the fair value of the contractual rights to receive revenue under the Basslink Network Services Agreement (NSA). The NSA expired 30 June 2025.

12. Other assets

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
(a) Current other assets				
Prepayments	16,328	12,319	11,972	10,534
Premiums paid in advance	12,513	45,528	12,513	45,528
Other	9,196	3,606	5,558	204
	38,037	61,453	30,043	56,266
(b) Non-current other assets				
Prepayments	1,555	546	1,555	546
Other	5,690	3,300	-	-
	7,245	3,846	1,555	546

13. Goodwill

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	16,396	16,396	-	-
Balance at the end of the year	16,396	16,396	-	-

The Group tests annually for events or changes in circumstances that would indicate impairment in accordance with accounting policy stated in note 1.2(m). The assessment found there were no indicators for impairment of goodwill.

14. Payables

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Trade creditors	399,467	255,925	384,641	237,853
Accrued expenses	77,262	83,688	22,152	27,553
Accrued interest payable	15,865	10,975	15,865	10,975
	492,594	350,588	422,658	276,381

Market conditions and price volatility impacted the trade creditors balance between years.

15. Interest-bearing liabilities

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
(a) Interest-bearing liabilities				
Current				
Loans from Tascorp (i)	207,900	123,400	207,900	123,400
Lease liability (ii)	2,714	4,193	2,107	1,951
	210,614	127,593	210,007	125,351
Non-current				
Loans from Tascorp (i)	829,956	679,988	829,956	679,988
Lease liability (ii)	6,492	9,615	6,492	6,483
	836,448	689,603	836,448	686,471

(i) The loans from Tascorp are unsecured

(ii) The leases are secured by the leased assets

15. Interest-bearing liabilities (continued)

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
(b) Loan facilities				
Master loan facility				
Facility limit	1,524,400	2,009,000	1,524,400	2,009,000
Facility used/committed	1,147,856	933,388	1,047,856	903,388
Facility balance	376,544	1,075,612	476,544	1,105,612
Standby revolving credit facility				
Facility limit	30,000	30,000	30,000	30,000
Facility used/committed	-	-	-	-
Facility balance	30,000	30,000	30,000	30,000
Bank overdraft				
Facility limit	1,000	1,000	1,000	1,000
Facility used/committed	-	-	-	-
Facility balance	1,000	1,000	1,000	1,000
Corporate purchasing card				
Facility limit	7,500	7,500	7,500	7,500
Facility used/committed	3,506	3,287	3,506	3,287
Facility balance	3,994	4,213	3,994	4,213

The Group manages its debt portfolio under a Board approved Treasury Policy and Procedure, in line with the requirement of the GBE Act and related Treasurer's Instructions. The procedure includes a minimum weighted average term to repricing of 3 years. The procedure also places limits around the maturity profile of the debt. The maturity profile of the Group's debt is included in note 21. At the end of the current financial year, the consolidated entity has a deficiency of current assets to current liabilities of $307m (2024: $281m). Having regard to the budgeted cash flows for the year ending 30 June 2025 and the unused loan facilities of $407m (2024: $1,106m), there is sufficient funding to settle the current liabilities as and when they become due and payable.

Under the *Tasmanian Public Finance Corporation Act 1985*, the Government has provided a guarantee of Hydro Tasmania's borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2025, this support was limited to a maximum amount of $1,554m (2024: $2,039m).

15. Interest-bearing liabilities (continued)

	2025 CONSOLIDATED			
	Less than one year $'000	Between one and five years $'000	Later than five years $'000	Total $'000
(c) Lease liabilities				
Future minimum lease payments	3,129	5,827	1,652	10,608
Interest	(395)	(845)	(162)	(1,402)
Present value of future minimum lease payments	2,734	4,982	1,490	9,206

	2024 CONSOLIDATED			
	Less than one year $'000	Between one and five years $'000	Later than five years $'000	Total $'000
Future minimum lease payments	4,681	8,997	1,657	15,335
Interest	(488)	(813)	(226)	(1,527)
Present value of future minimum lease payments	4,193	8,184	1,431	13,808

	2025 PARENT			
	Less than one year $'000	Between one and five years $'000	Later than five years $'000	Total $'000
Future minimum lease payments	2,520	5,827	1,652	9,999
Interest	(393)	(845)	(162)	(1,400)
Present value of future minimum lease payments	2,127	4,982	1,490	8,599

	2024 PARENT			
	Less than one year $'000	Between one and five years $'000	Later than five years $'000	Total $'000
Future minimum lease payments	2,316	5,809	1,657	9,782
Interest	(365)	(757)	(226)	(1,348)
Present value of future minimum lease payments	1,951	5,052	1,431	8,434

15. Interest-bearing liabilities (continued)

(d) Reconciliation of financing activities

	CONSOLIDATED						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2024	Non-cash changes			Cash flows		2025
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	13,808	2,086	(2,506)	545	-	(4,727)	9,206
Tascorp loans	803,388	-	-	-	1,161,010	(926,542)	1,037,856
	817,196	2,086	(2,506)	545	1,161,010	(931,269)	1,047,062

	CONSOLIDATED						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2023	Non-cash changes			Cash flows		2024
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	13,560	3,516	1,341	461	-	(5,070)	13,808
Tascorp loans	709,987	-	-	-	800,152	(706,751)	803,388
	723,547	3,516	1,341	461	800,152	(711,821)	817,196

	PARENT						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2024	Non-cash changes			Cash flows		2025
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	8,434	2,085	-	441	-	(2,361)	8,599
Tascorp loans	803,388	-	-	-	1,161,010	(926,542)	1,037,856
	811,822	2,085	-	441	1,161,010	(928,903)	1,046,455

	PARENT						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2023	Non-cash changes			Cash flows		2024
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	6,095	3,516	1,341	277	-	(2,795)	8,434
Tascorp loans	709,987	-	-	-	800,152	(706,751)	803,388
	716,082	3,516	1,341	277	800,152	(709,546)	811,822

(e) Fair value disclosures

Details of the fair value of the Group's interest-bearing liabilities are set out in note 18.

16. Leases

Leases as a Lessee

The Group leases many assets including land and buildings and IT equipment. Information about leases for which the Group is lessee is presented below.

Right-of-use assets

	2025					
	CONSOLIDATED			PARENT		
	Property $'000	Equipment $'000	Total $'000	Property $'000	Equipment $'000	Total $'000
Balance at 1 July 2024	10,383	1,496	11,879	6,089	1,496	7,585
Additions	2,057	28	2,085	2,057	28	2,085
Disposals	(2,506)	-	(2,506)	-	-	-
Depreciation	(3,540)	(318)	(3,858)	(1,873)	(318)	(2,191)
Balance at 30 June 2025	6,394	1,206	7,600	6,273	1,206	7,479

	2024					
	CONSOLIDATED			PARENT		
	Property $'000	Equipment $'000	Total $'000	Property $'000	Equipment $'000	Total $'000
Balance at 1 July 2023	10,969	469	11,438	4,613	469	5,082
Additions	3,540	1,317	4,857	3,540	1,317	4,857
Disposals	-	-	-	-	-	-
Depreciation	(4,126)	(290)	(4,416)	(2,064)	(290)	(2,354)
Balance at 30 June 2024	10,383	1,496	11,879	6,089	1,496	7,585

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Less than one year	3,129	4,681	2,520	2,316
One to five years	5,827	8,997	5,827	5,809
More than five years	1,652	1,657	1,652	1,657
Total undiscounted lease liabilities	10,608	15,335	9,999	9,782
Current	2,714	4,193	2,107	1,951
Non-current	6,492	9,615	6,492	6,483
Lease liabilities in Statement of Financial Position	9,206	13,808	8,599	8,434

16. Leases (continued)

Amounts recognised in Statement of Financial Performance

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Depreciation expense on right-of-use assets	3,858	4,416	2,191	2,354
Interest expense on lease liabilities	545	461	441	277
Expense relating to short-term leases	155	139	128	110
Expense relating to leases of low value assets	5	4	1	-
	4,563	5,020	2,761	2,741

Amounts recognised in the Statement of Cash Flows

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Total cash outflow for leases*	4,887	5,212	2,490	2,905
	4,887	5,212	2,490	2,905

* cash outflow includes right-of-use assets, short-term and low value leases

Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $8.2m (2024: $13m).

17. Provisions

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
(a) Current provisions					
Employee entitlements		35,455	33,621	29,651	28,292
Retirement Benefits Fund provision	20	18,922	18,974	18,922	18,974
Other provisions		99,912	73,073	40,662	11,522
		154,289	125,668	89,235	58,788
(b) Non-current provisions					
Employee entitlements		6,264	4,973	5,548	4,361
Retirement Benefits Fund provision	20	250,500	253,012	250,500	253,012
Other provisions		137,889	114,089	102,020	70,636
		394,653	372,074	358,068	328,009

17. Provisions (continued)

	CONSOLIDATED			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2024	102,946	38,637	45,579	187,162
Additional/(reduction in) provision recognised	60,524	91,692	-	152,216
(Reductions) arising from payments	-	-	(15,190)	(15,190)
(Reductions) from settlement	-	(87,509)	-	(87,509)
Movements resulting from re-measurement or settlement without cost	(7,571)	-	8,693	1,122
Balance at 30 June 2025	155,899	42,820	39,082	237,801

	PARENT			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2024	82,158	-	-	82,158
Additional/(reduction in) provision recognised	60,524	-	-	60,524
Balance at 30 June 2025	142,682	-	-	142,682

	CONSOLIDATED			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2023	122,818	31,478	48,915	203,211
Additional/(reduction in) provision recognised	(10,537)	82,058	-	71,521
(Reductions) arising from payments	-	-	(3,124)	(3,124)
(Reductions) from settlement	-	(74,899)	-	(74,899)
Movements resulting from re-measurement or settlement without cost	(9,335)	-	(212)	(9,547)
Balance at 30 June 2024	102,946	38,637	45,579	187,162

	PARENT			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2023	92,695	-	-	92,695
(Reduction)/additional provision recognised	(10,537)	-	-	(10,537)
Balance at 30 June 2024	82,158	-	-	82,158

(i) Onerous contracts include gas contracts and Large Generation Certificates valuation. There is judgement required in estimating the costs and timing of the future cash flows relating to the Large Generation Certificates.

(ii) Site rehabilitation provision represents estimated future cost of demolishing the Bell Bay plant and the Tamar Valley Power Station at the end of its useful life and of rehabilitating the site.

18. Other financial liabilities

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
		$'000	$'000	$'000	$'000
(a)	**Current other financial liabilities**				
	Basslink financial liability (i)	-	67,226	-	67,226
	Interest rate swaps	51,068	67,680	51,068	67,680
	Energy trade credit support	350	6,600	350	6,600
	Energy price derivatives - economic hedges	131,793	171,926	131,793	171,926
	Energy price derivatives - cash flow hedges	64,887	165,297	64,887	165,297
		248,098	478,729	248,098	478,729
(b)	**Non-current other financial liabilities**				
	Interest rate swaps	108,364	112,394	108,364	112,394
	Energy price derivatives - economic hedges	29,045	120,371	29,045	120,371
	Energy price derivatives - cash flow hedges	102,103	34,673	102,103	34,673
		239,512	267,438	239,512	267,438

(i) The Basslink Network Services Agreement (NSA) expired 30 June 2025.

18. Other financial liabilities (continued)

		CONSOLIDATED		PARENT	
		2025	2024	2025	2024
	NOTE	$'000	$'000	$'000	$'000
Energy price derivatives movement reconciliation:					
Liability/(asset) at the beginning of the year		158,619	242,351	158,619	242,351
Amount included in electricity revenue due to settlement during the year		(543,010)	(41,020)	(556,472)	(42,852)
Net cash payments/(receipts) on futures margin account		(28,561)	15,829	(28,561)	15,829
Fair value (gain)/loss on contracts outstanding as at 30 June		570,067	(58,541)	583,529	(56,709)
Liability/(asset) at the end of the year		157,115	158,619	157,115	158,619
Represented by:					
Current energy price derivative liability - economic hedges	18(a)	131,793	171,926	131,793	171,926
Current energy price derivative liability - cash flow hedges	18(a)	64,887	165,297	64,887	165,297
Non-current energy price derivative liability - economic hedges	18(b)	29,045	120,371	29,045	120,371
Non-current energy price derivative liability - cash flow hedges	18(b)	102,103	34,673	102,103	34,673
		327,828	492,267	327,828	492,267
Current energy price derivative asset - economic hedges	11(a)	132,702	197,141	132,702	197,141
Non-current energy price derivative asset - economic hedges	11(b)	38,011	136,507	38,011	136,507
		170,713	333,648	170,713	333,648
Net energy price derivatives liability/(asset)		157,115	158,619	157,115	158,619
Net Basslink financial liability movement reconciliation:					
Balance at the beginning of the year		5,827	16,426	5,827	16,426
Current year net (revenue) and operating expenses realised during the year and included in the operating valuation		(5,827)	(6,825)	(5,827)	(6,825)
Increase/(decrease) in present value of projected rights and obligations of later years as at the beginning of the year		11,653	17,424	11,653	17,424
(Gain)/loss arising on re-estimation of fair value of contract rights and obligations over the remaining contract term as at 30 June		(11,653)	(21,198)	(11,653)	(21,198)
Balance at the end of the year		-	5,827	-	5,827
Represented by:					
Current Basslink financial liability	18(a)	-	67,226	-	67,226
Non-current Basslink financial liability	18(b)	-	-	-	-
		-	67,226	-	67,226
Current Basslink financial asset	11(a)	-	61,399	-	61,399
Non-current Basslink financial asset	11(b)	-	-	-	-
		-	61,399	-	61,399
Net Basslink financial liability		-	5,827	-	5,827

19. Other liabilities

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Current other liabilities				
Income received in advance	18,559	38,106	15,974	38,014
Loans from subsidiaries (i)	-	-	167,857	149,910
Other	26	41	-	35
	18,585	38,147	183,831	187,959

(i) Loans from associates and subsidiaries are interest-free and on-call and presented on a net basis.

20. Retirement benefits fund provision

Plan information

The Retirement Benefits Fund (RBF) is a defined benefit fund which pays lump sum or pension benefits on retirement, death, invalidity or upon reaching preservation age after resignation. The defined benefit section of RBF is closed to new members. All new members receive accumulation-only benefits.

The Scheme operates under the *Public Sector Superannuation Reform Act 2016* and the *Public Sector Superannuation Reform Regulations 2017.*

Although the Scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the Scheme in accordance with the SIS legislation, as far as practicable.

As an exempt public sector superannuation scheme (as defined in the SIS legislation), the Scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* such that the fund's taxable income is taxed at a concessional rate of 15%. However, RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the Tasmanian Government and the Superannuation Commission so elect) up to the amount of 'untaxed' benefits paid to members in the year.

The Superannuation Commission (the Commission) has fiduciary responsibility for, and oversees the administration of, the Scheme. The day-to-day running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

There are a number of risks to which the Scheme exposes the Group. The more significant risks relating to the defined benefits are:

- **Investment risk –** The risk that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long-term.
- **Salary growth risk –** The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long-term.
- **Inflation risk –** The risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long-term.
- **Benefit options risk –** The risk that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.
- **Pensioner mortality risk –** The risk that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- **Legislative risk –** The risk that legislative changes could be made which increase the cost of providing the defined benefits.

There were no Scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

Information in this note applies equally to the parent and consolidated entities.

20. Retirement benefits fund provision (continued)

Reconciliation of the net liability recognised in the Statement of Financial Position:

	NOTE	2025 $'000	2024 $'000
Defined benefit obligation		342,719	342,176
Fair value of plan assets		(73,297)	(70,190)
Net superannuation liability		269,422	271,986
Comprising:			
Current net liability	17	18,922	18,974
Non-current net liability	17	250,500	253,012
Net superannuation liability		269,422	271,986

Reconciliation of the present value of the defined benefit obligation:

	2025 $'000	2024 $'000
Present value of defined benefit obligations at the beginning of the year	342,176	340,385
Current service cost	2,135	1,951
Interest cost	18,285	18,653
Contributions by plan participants	972	931
Actuarial losses/(gains) arising from changes in financial assumptions	4,877	4,882
Actuarial losses/(gains) arising from liability experience	987	2,705
Benefits paid	(26,678)	(27,298)
Taxes, premiums and expenses paid	(35)	(33)
Present value of defined benefit obligations at year end	342,719	342,176

The asset ceiling has no impact on the defined benefit liability.

Reconciliation of the fair value of Scheme assets:

	2025 $'000	2024 $'000
Fair value of plan assets at beginning of the year	70,190	69,816
Interest income	3,742	3,821
Actual return on plan assets less interest income	5,210	2,365
Employer contributions	19,896	20,588
Contributions by plan participants	972	931
Benefits paid	(26,678)	(27,298)
Taxes, premiums and expenses paid	(35)	(33)
Fair value of plan assets at end of the year	73,297	70,190

20. Retirement benefits fund provision (continued)

Fair value of Scheme assets:

	2025			
		Quoted prices in active markets	Significant observable inputs	Unobservable inputs
Asset category	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Cash deposits	2,419	-	2,419	-
Australian equities	16,419	-	16,419	-
International equities	18,104	-	18,104	-
Infrastructure	8,942	-	-	8,942
Diversified fixed interest	19,130	-	19,130	-
Property	8,283	-	-	8,283
Alternative investments	-	-	-	-
Total	73,297	-	56,072	17,225

	2024			
		Quoted prices in active markets	Significant observable inputs	Unobservable inputs
Asset category	Total	Level 1	Level 2	Level 3
Australian equities	12,283	-	12,283	-
International equities	15,231	-	15,231	-
Infrastructure	11,020	-	2,808	8,212
Diversified fixed interest	15,652	-	15,652	-
Property	10,950	-	1,123	9,827
Alternative investments	5,054	-	5,054	-
Total	70,190	-	52,151	18,039

The fair value of the Scheme assets includes no amounts relating to any of the Group's own financial instruments or to any property occupied by, or other assets used by the Group.

Assets are not held separately for each reporting entity but are held for the fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total fund assets in proportion to the value of each reporting entity's funded liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, a Government Bond yield of 4.55% has been used, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

For the purpose of performing the calculations necessary under AASB 119, various actuarial assumptions are required. The Department of Treasury and Finance has approved these assumptions.

20. Retirement benefits fund provision (continued)

Significant actuarial assumptions as at balance date:

Financial year ending	2025	2024
	%	%
Assumptions to determine defined benefit cost		
Discount rate (active members)	5.55	5.70
Discount rate (pensioners)	5.55	5.70
Expected rate of increase in compulsory preserved amounts	3.50	3.50
Expected salary increase rate	3.50	3.50
Expected pension increase rate	3.5% for 2024/25, 3.0% for 2025/26; and then 2.5% pa.	3.5% for 2023/24, 3.5% for 2024/25, 3.0% for 2025/26; and then 2.5% pa.

	2025	2024
	%	%
Assumptions to determine defined benefit obligation		
Discount rate (active members)	5.40	5.55
Discount rate (pensioners)	5.40	5.55
Expected rate of increase in compulsory preserved amounts	3.50	3.50
Expected salary increase rate	3.50	3.50
Expected pension increase rate	3.0% for 2025/26; and then 2.5% pa	3.5% for 2024/25, 3.0% for 2025/26; and then 2.5% pa.

	2025	2024
	$'000	$'000
Profit and loss impact		
Service cost	2,135	1,951
Interest cost	14,543	14,832
Defined benefit cost recognised in profit and loss	16,678	16,783
Gain/(loss) recognised in Other Comprehensive Income		
Actuarial (loss)/gain	(654)	(5,222)

20. Retirement benefits fund provision (continued)

Sensitivity analysis:

The defined benefit obligation as at 30 June 2025 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A: 1.0% pa lower discount rate assumption

Scenario B: 1.0% pa higher discount rate assumption

Scenario C: 1.0% pa lower expected pension increase rate assumption

Scenario D: 1.0% pa higher expected pension increase rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-1.0% pa discount rate	+1.0% pa discount rate	-1.0% pa pension increase rate	+1.0% pa pension increase rate
Discount rate %	5.40	4.40	6.40	5.40	5.40
Pension increase rate %	2.50	2.50	2.50	1.50	3.50
Defined benefit obligation (A$'000s)	342,719	378,828	312,475	317,362	372,438

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

We are not aware of any asset and liability matching strategies adopted by the fund.

The Group contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

The weighted average duration of the defined benefit obligation for the Group is 10.8 years.

	2026
	$'000
Expected employer contributions	18,922

21. Financial instruments disclosures

The Group's primary purpose for holding financial instruments is to fund its operations and manage its financial risks.

The Group's principal financial instruments are derivatives and loans. The Group has other financial assets and liabilities such as a bank overdraft, cash and short-term investments, and trade receivables and payables which arise directly from its operations.

The main risks arising from the Group's operations which are managed through financial instruments are electricity price risk, interest rate risk, liquidity risk, foreign currency risk and credit risk.

(a) Financial instrument categories

The categories and fair value of financial instruments the Group holds are detailed in the following table:

	CONSOLIDATED				PARENT			
	2025		2024		2025		2024	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets								
Amortised cost								
Cash	14,979	14,979	15,228	15,228	12,468	12,468	12,620	12,620
Receivables	579,574	579,574	455,131	455,131	395,081	395,081	282,106	282,106
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	-	-	74,927	74,927	-	-	74,927	74,927
Fair value through profit or loss								
Interest rate swaps	63,239	63,239	54,380	54,380	63,239	63,239	54,380	54,380
Forward foreign exchange contracts	5,553	5,553	1,728	1,728	5,553	5,553	1,728	1,728
Basslink financial asset	-	-	61,399	61,399	-	-	61,399	61,399
Energy price derivatives - economic hedges	170,713	170,713	258,721	258,721	170,713	170,713	258,721	258,721
Other assets	16,253	16,253	12,379	12,379	11,972	11,972	10,534	10,534
	850,311	850,311	933,893	933,893	659,026	659,026	756,415	756,415
Financial liabilities								
Amortised cost								
Accounts payable	476,730	476,730	339,613	339,613	406,793	406,793	265,407	265,407
Tascorp loans	1,053,721	1,055,030	814,363	771,526	1,053,721	1,055,030	814,363	771,526
Lease liabilities	9,206	9,206	13,808	13,808	8,599	8,599	8,434	8,434
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	166,990	166,990	199,970	199,970	166,990	166,990	199,970	199,970
Fair value through profit or loss								
Interest rate swaps	224,505	224,505	236,559	236,559	224,505	224,505	236,559	236,559
Forward foreign exchange contracts	173	173	1,762	1,762	173	173	1,762	1,762
Basslink financial liability	-	-	67,226	67,226	-	-	67,226	67,226
Energy price derivatives - economic hedges*	160,838	160,838	292,297	292,297	160,838	160,838	292,297	292,297
Other liabilities	2,936	2,936	6,692	6,692	350	350	6,600	6,600
	2,095,099	2,096,408	1,972,290	1,929,453	2,021,969	2,023,278	1,892,618	1,849,781

* Energy price derivatives – economic hedges includes a balance of $52.5m relating to Hydro-Electric Corporation futures cash account.

21. Financial instruments disclosures (continued)

(a) Financial instrument categories (continued)

Cash flow hedges

The Group designates specific electricity and interest rate derivative hedging transactions in cash flow hedge relationships as described in accounting policy note 1.2(ae). These electricity derivative hedging transactions are used to manage electricity price risks associated with the Group's operations. These interest rate derivative hedging transactions are used to manage interest rate risks associated with the Group's funding positions.

The effective portion of the changes in the fair value of the derivative is recognised in other comprehensive income and presented in cash flow hedge reserve under equity. Any ineffective portion of the derivative is recognised immediately in profit or loss. The amount accumulated in the cash flow hedge reserve is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the derivative no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and the balance in equity is reclassified to profit or loss when the forecast transactions are not expected to occur in the future.

The hedge ratio between the notional amount of the hedging instrument and hedged item is one. Potential sources of ineffectiveness include:

- Changes in credit risks of the derivative counterparties and the group;
- Designating the economic hedges after trade date resulting in a non-zero fair values on hedge designation date;
- Contractual features embedded in the actual hedging instruments that cannot be replicated in the hedged item.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	2025 CONSOLIDATED				
	Carrying liability $'000	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Unwind of hedge instrument recognised in profit or loss $'000	Amount reclassified from hedge reserve to profit or loss $'000
Energy price derivatives - cash flow hedges[1,2,3]	166,990	(95,215)	9,142	44,126	-

	2024 CONSOLIDATED				
	Carrying liability $'000	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Unwind of hedge instrument recognised in profit or loss $'000	Amount reclassified from hedge reserve to profit or loss
Energy price derivatives - cash flow hedges[1,2,3]	125,043	89,677	20,948	51,688	-

1 The line item in the Statement of Financial Position where the hedging instrument is included is in other financial liabilities.
2 The line item in the Statement of Financial Performance that includes reversal of hedge ineffectiveness and hedge unwind is fair value gains.
3 The line item in the Statement of Financial Performance that includes hedge ineffectiveness is fair value losses.

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies

The Group enters into derivative contracts, being principally energy price contracts, interest rate swaps and forward currency exchange contracts. The risk management objective is to manage exposure to market electricity prices, interest rates and foreign currency rates arising from operations and funding. The Group enters into these derivatives in accordance with the policies approved by the Board. All these hedges are cash flow hedges (refer note 1.2(ac), 1.2(ad) and 1.2(ae)).

The Basslink Network Services Agreement (NSA) was designated a derivative.

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect to each class of financial asset and financial liability are disclosed in notes 1.2(ac) and 1.2(ad).

The Group's objectives, policies and processes for managing its risk exposures are consistent with previous years.

(i) Capital risk management

The Group's policy is to maintain an appropriate capital structure to ensure it will continue as a going concern while maximising the return to stakeholders through an appropriate balance of debt and equity.

The capital structure of the Group includes loans disclosed in note 15, contributed equity and cash and cash equivalents disclosed in note 5.

The Group is subject to financial covenants on its borrowings. The loan agreement with Tascorp sets a maximum financial leverage ratio and a minimum interest coverage ratio.

The Group reviews its capital risk and performance against these covenants on a monthly basis.

The Group has been compliant with all financial covenants.

(ii) Market risk management

The Group's activities primarily expose it to energy price risk and interest rate risk. In addition, the Corporation operates consulting businesses in foreign countries and enters into foreign currency transactions which expose it to foreign currency risk.

(A) Energy prices

The Group's revenue is exposed to fluctuations in the market price of electricity in Tasmania. In addition, on 1 January 2014 wholesale regulation began in Tasmania. The wholesale pricing methodology links Tasmanian regulated contract prices to Victorian market prices. The Group's revenue was also exposed to fluctuations in the Victorian market price to the extent of electricity flows over Basslink. The Group is also exposed to fluctuations in electricity market prices in all NEM regions in relation to its retail operation in Victoria and other NEM regions. Exposure to these fluctuations in market price is managed through the use of derivative contracts executed in all regions of the NEM in accordance with Board approved policy. Contract volumes for many of the Group's current Tasmanian forward contracts are determined by the actual load consumed in the contract period.

The Group manages electricity trading risk using an earnings at risk approach combined with an asset-backed trading model.

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

The Group assesses its electricity price risk exposure through sensitivity analysis. The following table shows the effect on the Statement of Financial Performance of a feasible movement (10%) in forecast electricity prices.

	2025				2024			
	CONSOLIDATED		PARENT		CONSOLIDATED		PARENT	
	Income $'000	Equity $'000	Income $'000	Equity $'000	Income $'000	Equity $'000	Income $'000	Equity $'000
Increase/(decrease)								
Electricity forward price +10%								
Basslink net liability	-	-	-	-	6,140	-	6,140	-
Energy derivative - economic hedges net liability	26,119	-	26,119	-	(1,920)	-	(1,920)	-
Energy derivative - cash flow hedges net liability	87	(121,938)	87	(121,938)	(2,406)	(93,371)	(2,406)	(93,371)
Electricity forward price -10%								
Basslink net liability	-	-	-	-	(6,140)	-	(6,140)	-
Energy derivative - economic hedges net liability	16,603	-	16,603	-	1,914	-	1,914	-
Energy derivative - cash flow hedges net liability	-	121,938	-	121,938	(1,571)	102,804	(1,571)	102,804

The NSA, executed on 20 October 2022, expired 30 June 2025. The sensitivity of the fair value of the NSA to energy price movements was based on adjustments to forecast price differences between the Tasmanian and Victorian regions. The sensitivity of the fair value of energy price derivatives to energy price movements was determined by adjusting the forecast prices for the Tasmanian and mainland regions.

The forecast price methodology was based on published three-year NEM electricity price curves. These prices are determined by market assessment of the many variables that may influence future prices including pending regulation and legislation. The price curves have been validated by comparison to other published price trend predictions in the NEM. Beyond the period when market prices are observable, the Group derives forecast prices from an in-house long-term price curve.

The fair value movements in the energy trading derivatives arising from variation in forecast prices are offset by movements in the fair value of the generation assets to the extent that they hedge generation revenue. An energy price derivative instrument may also expose the Group to commodity price risk.

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

(B) Interest rates

The Group's exposure to changes in market interest rates arises primarily from the Group's borrowings and the Basslink contract.

The Group has entered into interest rate swap contracts to achieve an interest rate risk exposure profile that is consistent with the long-term cash flow stability and the debt management strategy of the Group. Interest rate exposure on specific loans is managed using highly effective hedge derivatives. The Group applies hedge accounting treatment to hedges of the Tascorp debt as described in note 1.2(ae).

In pursuit of these objectives, the Group manages its debt through setting and achieving benchmarks for the two key portfolio indicators of repricing profile and weighted average term to maturity.

At 30 June 2025 fixed rate loans varied from 0.77% to 5.48% (2024: 0.77% to 5.04%). There were no floating rates based on bank bill rates at 30 June 2025 (2024: nil).

The Government Guarantee Fee rate varied from 0.52% to 1.60% for this financial year (2024: 0.52% to 1.90%). The Group designates specific interest rate swaps in cash flow hedge relationships. Refer to note 21(a) for further details.

Basslink

The NSA between Hydro Tasmania and Basslink Pty Ltd (BPL) commenced on 20 October 2022 and expired 30 June 2025.

The NSA included rights and obligations for both parties with respect to the operation of Basslink including an obligation on Hydro Tasmania to pay the facility fee to BPL. This agreement was a financial asset and financial liability whereby Hydro Tasmania was committed to make payments to BPL over the term of the contract should BPL meet its obligations to bid the interconnector's full capacity into the market at $0/MWh in exchange for the right to receive all of the Inter Regional Revenues (IRRs).

In June 2025, the Australian Energy Regulator (AER) accepted the application from APA Group to convert the Basslink interconnector from a market network service provider to a regulated transmission service provider. The AER will now consult on a revenue determination for Basslink. The AER's timetable for this consultation would enable Basslink to become a regulated service on 1 July 2026 provided BPL reclassifies its registration with AEMO by that date.

Hydro Tasmania and BPL entered a new agreement on 3 July 2025 (refer note 27) which has a term from 1 July 2025 until the earlier of the date of Basslink regulation and 30 June 2027. Under the new agreement, Hydro Tasmania will support operation of the Frequency Control System Protection Scheme (FCSPS) and pay a fee in exchange for a minority portion of the Inter Regional Revenues. The new agreement contains no provisions with respect to how BPL will bid the interconnector and BPL remains fully responsible for pricing and making all bids for dispatch independently from Hydro Tasmania. It will be designated a derivative.

As the contract was signed post balance date the fair value of the contract has not been recognised at 30 June. The net fair value of the financial elements of the contract if in place at 30 June would have been:

	$'000
Basslink financial asset - current	47,223
Basslink financial asset - non-current	55,971
Total Basslink financial asset	103,194
Basslink financial liability - current	39,919
Basslink financial liability - non-current	36,058
Total Basslink financial liability	75,977
Total Basslink net fair value	27,217

The valuation assumes the contract is in place for the full term; however, it will terminate on 30 June 2026 if BPL chooses to regulate in accordance with the AER's proposed timetable.

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

Interest rates

The Group assesses its interest rate risk exposure through sensitivity analysis. The following table shows the effect on the Statement of Financial Performance of a movement of 1 basis point (bps) in forecast interest rates.

	2025				2024			
	CONSOLIDATED		PARENT		CONSOLIDATED		PARENT	
	Income $'000	Equity $'000	Income $'000	Equity $'000	Income $'000	Equity $'000	Income $'000	Equity $'000
Increase/(decrease)								
Forward interest rates +1 bps								
Financial assets	207	-	207	-	241	-	241	-
Financial liabilities	(423)	177	(423)	177	(493)	200	(493)	200
Forward interest rates -1 bps								
Financial assets	(207)	-	(207)	-	(241)	-	(241)	-
Financial liabilities	423	(177)	423	(177)	493	(200)	493	(200)

The sensitivity of the fair value of financial assets and liabilities to interest rates has been determined by adjusting closing published forward market rates. The impact on the fair value of financial instruments is calculated using standard Australian treasury valuation formulae.

The weighted average cost of debt for 2025 for both the parent and consolidated entities is 4.27% (2024: 4.02%). This incorporates both loans and interest rate swaps as at the reporting date and also includes the average Government Guarantee Fee of 0.94% (2024: 0.85%).

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

(C) Foreign currency

The Group owns and operates companies in India and South Africa and is exposed to foreign exchange rate risks upon translation into Australian dollars. This risk is considered to be insignificant relative to the Group as a whole.

The Group transacts in foreign currency for operational and capital requirements and enters into forward foreign exchange contracts to eliminate currency exposure in accordance with Board approved policy. Due to the relatively small size of the transactions, the Group considers the risk exposure to be insignificant.

The Group ensures that the term of the hedge derivatives matches the term of the currency exposure in order to maximise hedge effectiveness and enable application of hedge accounting.

The settlement dates and principal amounts of the Group's outstanding foreign exchange hedge contracts were:

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Receivables				
Not later than one year	63,808	38,310	63,808	38,310
Later than one year but not later than two years	21,709	41,154	21,709	41,154
Later than two years	8,159	21,399	8,159	21,399
Total	93,676	100,863	93,676	100,863
Payables				
Not later than one year	60,288	37,919	60,288	37,919
Later than one year but not later than two years	20,083	41,335	20,083	41,335
Later than two years	7,724	21,635	7,724	21,635
Total	88,095	100,889	88,095	100,889

(iii) Credit risk

Credit risk represents the loss that would be recognised at the reporting date if counterparties failed to meet their contractual obligations. The Group measures credit risk on non-derivative financial instruments as the carrying amount of any instruments that represent an asset to the Group.

Derivative financial instruments

The credit exposure on a derivative financial instrument is its positive market valuation at the reporting date. Exposure tables below exclude credit exposures with other Tasmanian government agencies.

In the main, the Group reduces credit risk on derivative financial assets by only transacting with high credit quality counterparties up to a predetermined counterparty limit or by limiting credit exposure to unrated counterparties. The Group also obtains credit support for counterparties of low credit quality. Interest rate swaps and energy contracts are subject to the industry recommended International Swap Dealers Association documentation. Where possible, this documentation contains clauses enabling the netting of exposures.

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

Receivables

Receivables represent amounts due from AEMO, electricity, gas, treasury and environmental energy product counterparties, consulting service clients and retail energy customers.

The Group's credit exposure to AEMO is regulated by the provisions of the National Electricity Rules (NER). The NER define the rules for conduct of the wholesale electricity market.

Consulting services clients are spread across diverse industries and geographical locations. Ongoing credit evaluation is performed on the financial condition of debtors and, where necessary, recovery action is undertaken and contract penalty clauses activated.

Appropriate credit management practices are adopted to protect against exposure to non-payment by retail customers.

Loan and receivables balance approximate fair value.

Interest rate swaps

The Group has also entered into supplementary interest rate swap transactions with other counterparties to mitigate the potential credit risk associated with a single counterparty. These swaps are readily tradeable financial instruments.

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Credit risk exposure by instrument type				
Financial assets				
Investments and bank balances	14,979	15,291	12,468	12,620
Receivables	579,574	455,131	395,081	282,106
Derivative financial instruments				
Energy price derivatives	52,430	22,109	52,430	22,109
Environmental product contracts	5,627	5,388	5,627	5,388
Total credit risk exposure	652,610	497,919	465,606	322,223
Credit risk exposure by entity ratings				
Australian-based entities				
AA+ to AA- ratings	125,176	110,038	116,570	100,298
A+ to A- ratings	2,913	-	2,913	-
BBB+ to BBB- ratings	41,269	18,672	41,269	18,672
Unrated	456,748	342,411	304,854	203,253
	626,106	471,121	465,606	322,223
Overseas-based entities				
AA+ to AA- ratings	3,418	1,047	-	-
A+ to A- ratings	23,056	25,396	-	-
BBB+ to BBB- ratings	30	355	-	-
Unrated	-	-	-	-
	26,504	26,798	-	-
Total credit risk exposure	652,610	497,919	465,606	322,223

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

(iv) Liquidity risk

Liquidity risk represents the possibility that the Group may be unable to settle an obligation on the due date.

To manage this risk, the Group maintains adequate standby funding facilities and other arrangements as detailed in note 15.

The Group's exposure at 30 June 2025 is detailed in the tables below. The tables are based on the undiscounted cash flows of the financial assets and liabilities based on the date on which the payments fall due. The tables include principal and interest cash flows.

The Group monitors its liquidity risk on a daily basis. The following table details the Group's liquidity exposure.

	2025							
	CONSOLIDATED				PARENT			
	Less than 6 months $'000	6–12 months $'000	1–5 years $'000	Over 5 years $'000	Less than 6 months $'000	6–12 months $'000	1–5 years $'000	Over 5 years $'000
Financial assets								
Amortised cost								
Cash	14,979	-	-	-	12,468	-	-	-
Receivables	579,574	-	-	-	395,081	-	-	-
Fair value through profit or loss								
Interest rate swaps	6,301	7,072	50,729	4,436	6,301	7,072	50,729	4,436
Forward foreign exchange contracts	(13,618)	(7,645)	(11,942)	-	(13,618)	(7,645)	(11,942)	-
Energy price derivatives - economic hedges	57,330	24,299	49,024	1,255	57,330	24,299	49,024	1,255
Other assets	16,253	-	-	-	11,972	-	-	-
	660,819	23,726	87,811	5,691	469,534	23,726	87,811	5,691
Financial liabilities								
Amortised cost								
Accounts payable	476,730	-	-	-	406,793	-	-	-
Tascorp loans	168,801	136,447	523,362	470,752	168,801	136,447	523,362	470,752
Lease liabilities	1,565	1,565	5,827	1,652	1,260	1,260	5,827	1,652
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	49,981	16,528	147,556	(6,795)	49,981	16,528	147,556	(6,795)
Fair value through profit or loss								
Interest rate swaps	35,705	36,821	271,678	41,535	35,705	36,821	271,678	41,535
Forward foreign exchange contracts	734	2,032	25	-	734	2,032	25	-
Energy price derivatives - economic hedges	80,567	53,383	30,838	-	80,567	53,383	30,838	-
Other liabilities	2,936	-	-	-	350	-	-	-
	817,019	246,776	979,286	507,144	744,191	246,471	979,286	507,144

21. Financial instruments disclosures (continued)

(b) Financial risk management objectives and policies (continued)

	2024							
	CONSOLIDATED				PARENT			
	Less than 6 months $'000	6–12 months $'000	1–5 years $'000	Over 5 years $'000	Less than 6 months $'000	6–12 months $'000	1–5 years $'000	Over 5 years $'000
Financial assets								
Amortised cost								
Cash	15,228	-	-	-	12,620	-	-	-
Receivables	455,131	-	-	-	282,106	-	-	-
Fair value through profit or loss								
Interest rate swaps	5,284	4,539	40,868	11,030	5,284	4,539	40,868	11,030
Forward foreign exchange contracts	(3,426)	(3,956)	(6,990)	-	(3,426)	(3,956)	(6,990)	-
Energy price derivatives - economic hedges	64,604	54,058	64,632	-	64,604	54,058	64,632	-
Basslink financial asset	33,987	33,987	67,975	-	33,987	33,987	67,975	-
Other assets	12,379	-	-	-	10,534	-	-	-
	583,187	88,628	166,485	11,030	405,709	88,628	166,485	11,030
Financial liabilities								
Amortised cost								
Accounts payable	339,613	-	-	-	265,407	-	-	-
Tascorp loans	136,246	136,246	348,329	462,898	136,246	136,246	348,329	462,898
Lease liabilities	2,340	2,341	8,997	1,657	1,158	1,158	5,809	1,657
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	109,779	61,853	(52,113)	(25,251)	109,779	61,853	(52,113)	(25,251)
Fair value through profit or loss								
Interest rate swaps	34,033	31,463	262,167	118,744	34,033	31,463	262,167	118,744
Forward foreign exchange contracts	(33,714)	3,553	16,298	-	(33,714)	3,553	16,298	-
Basslink financial liability	37,851	36,575	74,426	-	37,851	36,575	74,426	-
Energy price derivatives - economic hedges	119,919	55,289	130,394	19,422	119,919	55,289	130,394	19,422
Other liabilities	6,692	-	-	-	6,600	-	-	-
	752,759	327,320	788,498	577,470	677,279	326,137	785,310	577,470

21. Financial instruments disclosures (continued)

(c) Fair values

AASB 9 requires recognition of some financial assets and financial liabilities at fair value on the Statement of Financial Position.

Where possible, this fair value is determined from prices quoted for the financial instrument on an active market.

In the event of a lack of quoted market prices, the fair value of financial instruments has been calculated using valuation models that make maximum use of available market inputs to produce a reasonable estimate of the price that would be determined by the market. In many cases, this entails projecting future cash flows that are then discounted to present value using the appropriate discount rate, including the credit risk of the out of the money party to the agreement. The calculation of projected future cash flows requires, among other things, a forecast electricity price. Beyond the period when market prices are observable, the Group derives forecast prices from an internal model.

The fair values of financial assets and liabilities carried at fair value through profit or loss and other comprehensive income are determined using the following valuation inputs:

	CONSOLIDATED & PARENT							
	2025				2024			
	Level 1 Quoted market prices $'000	Level 2 Valuation technique – market observable inputs $'000	Level 3 Valuation technique – non market observable inputs $'000	Total $'000	Level 1 Quoted market prices $'000	Level 2 Valuation technique – market observable inputs $'000	Level 3 Valuation technique – non market observable inputs $'000	Total $'000
Financial assets								
Designated hedge accounting derivatives								
Energy price derivatives – cash flow hedges	-	-	-	-	-	-	74,927	74,927
Fair value through profit or loss								
Interest rate swaps	-	63,239	-	63,239	-	54,380	-	54,380
Forward foreign exchange contracts	-	5,553	-	5,553	-	1,728	-	1,728
Basslink financial asset	-	-	-	-	-	-	61,399	61,399
Energy price derivatives – economic hedges	95,616	28,316	46,782	170,714	194,663	17,771	46,287	258,721
	95,616	97,108	46,782	239,506	194,663	73,879	182,613	451,155
Financial liabilities								
Designated hedge accounting derivatives								
Energy price derivatives – cash flow hedges	-	-	166,990	166,990	-	-	199,970	199,970
Fair value through profit or loss								
Interest rate swaps	-	104,580	119,925	224,505	-	95,632	140,927	236,559
Forward foreign exchange contracts	-	173	-	173	-	1,762	-	1,762
Basslink financial liability	-	-	-	-	-	-	67,226	67,226
Energy price derivatives – economic hedges	53,838	7,363	99,637	160,838	79,906	23,756	188,634	292,296
	53,838	112,116	386,552	552,506	79,906	121,150	596,757	797,813

21. Financial instruments disclosures (continued)

(c) Fair values

The following table shows a reconciliation of movements in the value of instruments included in Level 3 of the fair value hierarchy.

	CONSOLIDATED & PARENT	
	2025	2024
	$'000	$'000
Balance at the beginning of the period	(414,144)	(491,148)
Net (loss)/gain recognised in other comprehensive income	(95,215)	89,677
Net gain/(loss) from financial instruments at fair value	169,589	(12,673)
Balance at the end of the period	(339,770)	(414,144)

Basslink derivatives

The fair value of expected receipts of IRRs under the NSA was calculated based on experience to date and projected operating conditions, and reported as a financial asset. The expected contractual payments under the NSA were reported as financial liabilities.

The fair value of the NSA was calculated using the pre-tax weighted average cost of capital as the nominal discount rate.

Energy price derivatives

The Group has entered into derivative contracts in the electricity market to manage its exposure to market price risks and has developed a model to value these contracts. To the extent that each contract incorporates special term, load or other conditions, the price at commencement of the contract will be at a discount from the spot price at that time. Fair value at balance date has been calculated as the present value of the difference between the projected market price and each contract price, adjusting for any inception day one fair value gains/losses. Projected market price is based on an in-house long-term price curve.

The financial instruments above are valued using non-market unobservable inputs. The following table details the nature and sensitivities of those inputs.

The relationship of unobservable inputs to the fair value of energy price derivatives is as follows:

- The lower the electricity price, the smaller the fair value liability of energy price derivatives.

Description	Fair value at end of year	Valuation technique	Unobservable input	Range (weighted average)	Valuation change
	$'000				$'000
Energy price derivatives - economic hedges	9,875	Discounted cash flow	Long-term flat electricity price	-10% to +10%	16,603 to 26,119
Energy price derivatives - cash flow hedges	(166,990)	Discounted cash flow	Long-term flat electricity price	-10% to +10%	121,852 to (121,852)

22. Commitments for expenditure

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
(a) Capital expenditure commitments				
Not later than one year	89,910	149,870	89,021	149,804
Later than one year but not later than two years	40,466	17,674	40,466	17,674
Later than two years but not later than five years	20,892	20,660	20,892	20,660
Later than five years	-	372	-	372
	151,268	188,576	150,379	188,510

23. Contingent assets and liabilities

Under the terms of ASIC Instrument [15-0576] and [15-0577], AETV Pty Ltd and Momentum Energy Pty Limited have been granted relief from the requirement to prepare audited financial statements. The Group has entered into an approved deed of indemnity for the cross-guarantee of liabilities with those controlled entities. The parties to the deed are the Hydro-Electric Corporation, AETV Pty Ltd and Momentum Energy Pty Limited.

A consolidated Statement of Comprehensive Income and retained profits, and a consolidated Statement of Financial Position, comprising the Corporation and controlled entities which are a party to the Deed of Cross Guarantee, after eliminating all transactions between parties to the deed, at 30 June 2025, are set out in note 32.

The Group had no contingent assets or contingent liabilities at 30 June 2025 (2024: nil).

24. Auditor's remuneration

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	2025 $	2024 $	2025 $	2024 $
Amounts received, or due and receivable, by the Auditor-General from the Group for auditing the financial statements of the Group	460,500	447,000	460,500	447,000
Amounts received, or due and receivable, for compliance audits	13,300	13,000	13,300	13,000
	473,800	460,000	473,800	460,000

25. Key management personnel compensation

(a) Remuneration policy

Remuneration levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced executives. The People, Culture and Safety Committee, a committee of the Board, obtains independent advice on the appropriateness of remuneration packages given trends in comparative entities both locally and interstate and the objectives of the Group's remuneration policy.

The remuneration structures take into account:

- the capability and experience of key management personnel
- the key management personnel's ability to control the relevant segment's performance
- achievement of the Group's strategic initiatives
- Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration
- government wages and salaries expectations.

Remuneration packages include contribution to post-employment superannuation plans.

The Chief Executive Officer's (CEO) remuneration package was approved by the Government in December 2024.

Non-executive directors' remuneration

Non-executive directors are appointed by the Governor-in-Council on the joint recommendation of the Treasurer and portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be reappointed in accordance with the relevant Guidelines for Tasmanian Government Businesses – Board Appointments.

The level of fees paid to non-executive directors is administered by the Department of Premier and Cabinet, as are additional fees paid in respect of their work on Board committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation.

No other leave, termination or retirement benefits are accrued or paid to directors.

Directors are entitled to reimbursement of expenses incurred while attending to Board business.

Non-executive directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and portfolio Minister.

25. Key management personnel compensation (continued)

Senior executives

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Remuneration levels for key management personnel are set in accordance with the Director and Executive Remuneration Guidelines. Under these guidelines, remuneration bands for Chief Executive Officers (CEOs) are determined by the Government Business Executive Remuneration Panel, reflect the principles outlined in the guidelines, and broadly align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO band as prescribed by the Department of Treasury and Finance.

The CEO is appointed by the Premier and portfolio Minister following selection and recommendation by the Board. The Board consults with the Government Business Executive Remuneration Advisory Panel when determining the CEO's remuneration package.

The CEO and executive-level employees are also eligible for a short-term incentive payment subject to meeting agreed key performance indicators. The Executive Incentive Plan is aligned to the Corporation's strategic objectives and business performance results across a mix of corporate and individual measures. The Executive Incentive Plan is also aligned with the Director and Executive Remuneration Guidelines.

Short-term incentive payments are those that are dependent on achieving specified performance goals within specified timeframes. These payments are non-recurrent and are capped at a percentage of base salary.

The performance of each senior executive, including the CEO, is reviewed annually including a review of the remuneration package.

The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executive or the CEO to provide a minimum notice period in line with individuals' contracts prior to termination of the contract. CEO contracts for GBEs include a set term consistent with the requirements of *the Government Business Enterprises Act 1995*. While not automatic, contracts can be extended.

The aggregate compensation to key management personnel of the Group is set out below:

	Director remuneration		Executive remuneration		Consolidated	
	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000
Short-term employee benefits	450	398	3,787	3,772	4,237	4,170
Post-employment benefits	51	42	381	414	432	456
Other long-term employee benefits	-	-	(2)	102	(2)	102
Termination benefits	-	-	16	-	16	-
	501	440	4,182	4,288	4,683	4,728

For director remuneration, short-term employment benefits includes director fees, committee fees and other benefits. Post employment benefits represents superannuation contributions.

For executive remuneration, short-term employment benefits includes salary, short-term incentive payments, other monetary benefits, vehicle benefits and other non-monetary benefits. Post employment benefits represents superannuation contributions and long-term employee benefits includes leave movements. Termination benefits are as provided for below.

25. Key management personnel compensation (continued)

(b) Director remuneration[1]

The following tables disclose the remuneration details for each person who acted as a non-executive director during the current and previous financial years:

			2025				
Name	Position	Period	Directors' fees $'000	Committee fees[4,5] $'000	Other benefits[2] $'000	Super-annuation[3] $'000	Total 2024-25 $'000
Non-executive directors							
Mr R Bolt	Chairman	Full term	122	25	2	17	166
Ms E Baker	Director	From 25/02/25	19	7	1	3	30
Mr C Botto	Director	To 24/02/25	37	7	1	5	50
Ms H Galloway	Director	Full term	56	23	1	9	89
Ms S Lightfoot	Director	To 24/02/25	37	5	1	5	48
Mr W McIndoe	Director	From 25/02/25	19	5	1	3	28
Mr D Middleton	Director	To 09/05/25	49	30	2	9	90
Total			339	102	9	51	501

			2024				
Name	Position	Period	Directors' fees $'000	Committee fees[5] $'000	Other benefits[2] $'000	Super-annuation[3] $'000	Total 2023-24 $'000
Non-executive directors							
Mr R Bolt*	Chairman	Full term	121	10	2	14	147
Mr C Botto	Director	Full term	56	10	2	7	75
Ms H Galloway	Director	Full term	56	14	1	8	79
Ms S Lightfoot	Director	Full term	56	8	2	7	73
Mr D Middleton	Director	Full term	56	2	2	6	66
Total			345	44	9	42	440

* Mr R Bolt commenced 1 July 2023

Board remuneration notes and statements

1 Amounts are all forms of consideration paid, payable or provided by the entity.
2 Other benefits include a travel allowance for attending board meetings.
3 Superannuation means the contribution to the superannuation fund of the individual.
4 A Major Projects committee was established to govern any project of significance that the Group undertakes. This includes the work on Tarraleah and Cethana Pumped Hydro. Remuneration for committee members commenced this financial year.
5 Other board sub-committees are established as and when required. Members of these other sub-committees are not remunerated for their services.

25. Key management personnel compensation (continued)

(c) Executive remuneration[1]

The following table discloses the remuneration details for each person who acted as a senior executive during the current financial year:

	2025								
Executive remuneration	Salary[1] $'000	Short term incentive payments[2] $'000	Super-annuation[3] $'000	Vehicles[4] $'000	Other benefits[5] $'000	Reported Remuneration[6] $'000	Termination benefits[7] $'000	Other long-term benefits[8] $'000	Total 2024-2025 $'000
Ms A Ashworth Acting Managing Director Entura	323	-	37	-	-	360	-	19	379
Mr C Boon*** Acting EGM Commercial (from 20/12/24 to 31/01/25)	32	-	4	-	-	36	-	-	36
Mr I Brooksbank^ Chief Executive Officer (to 03/10/24)	140	-	16	-	-	156	16	(3)	169
Ms L Chiba Managing Director Momentum Energy	359	-	41	-	-	400	-	4	404
Ms T Chu Interim EGM Construction	355	-	30	-	59	444	-	(57)	387
Mr J Clark EGM Assets & Infrastructure	365	-	30	24	-	419	-	3	422
Ms R Groom EGM People & Corporate Affairs	356	-	30	-	-	386	-	21	407
Ms K Kiemele** Acting EGM Strategy (04/10/24 to 23/05/25)	197	-	23	-	-	220	-	15	235
Mr V Kovac*** EGM Commercial	350	-	40	-	-	390	-	(16)	374
Ms K McKenzie EGM Governance	323	-	37	-	-	360	-	(30)	330
Mr T Peters EGM Finance	361	-	30	-	-	391	-	23	414
Ms E van Maanen* EGM Strategy, Acting CEO (04/10/24 to 13/04/25), Advisor to CEO (14/04/25 to 01/05/25)	399	-	46	-	-	445	-	2	447
Ms R Watson Chief Executive Officer (from 14/04/25)	144	-	17	-	-	161	-	17	178
Total	3,704	-	381	24	59	4,168	16	(2)	4,182

^ Mr Brooksbank retired on 03/10/24.

* Ms van Maanen was Acting Chief Executive Officer from 04/10/24 to 13/04/25. Ms Watson was appointed Chief Executive Officer from 14/04/25. Ms van Maanen was acting in an Advisor to the CEO role from 14/04/25 to 01/05/25.

** Ms Kiemele was Acting EGM Strategy from 04/10/24 to 23/05/25 while Ms van Maanen was Acting Chief Executive Officer.

***Mr Boon was Acting EGM Commercial from 20/12/24 to 31/01/25 while Mr Kovac was on leave.

25. Key management personnel compensation (continued)

(c) Executive remuneration[1]

The following table discloses the remuneration details for each person who acted as a senior executive during the previous financial year:

	2024								
Executive remuneration	Salary[1] $'000	Short term incentive payments[2] $'000	Super-annuation[3] $'000	Vehicles[4] $'000	Other benefits[5] $'000	Reported Remuneration[6] $'000	Termination benefits[7] $'000	Other long-term benefits[8] $'000	Total 2023-2024 $'000
Ms A Ashworth# Acting Managing Director Entura (from 25/03/24)	84	14	11	-	-	109	-	5	114
Mr I Brooksbank^ Chief Executive Officer	509	70	72	-	-	651	-	36	687
Ms L Chiba* Managing Director Momentum	179	40	30	-	-	249	-	11	260
Ms T Chu# Managing Director Entura (to 24/03/24) Interim EGM Construction (from 25/03/24)	349	45	33	-	-	427	-	6	433
Mr J Clark EGM Assets & Infrastructure	344	47	48	4	-	443	-	(6)	437
Ms R Groom* EGM People Culture & Engagement & Acting Managing Director Momentum (09/10/23 to 02/04/24)	357	47	33	-	-	437	-	6	443
Ms R Johnson** Acting EGM People Culture & Engagement (09/10/23 to 02/01/24)	76	8	14	-	-	98	-	4	102
Mr V Kovac EGM Commercial	340	46	47	-	-	433	-	(3)	430
Ms K McKenzie EGM Governance	314	43	41	-	-	398	-	14	412
Ms J Nixon** Acting EGM People Culture & Engagement (03/01/24 to 02/04/24)	76	8	9	-	-	93	-	8	101
Mr T Peters EGM Finance	356	46	33	-	-	435	-	8	443
Ms E van Maanen EGM Strategy	326	44	43	-	-	413	-	13	426
Total	3,310	458	414	4	-	4,186	-	102	4,288

^ Mr I Brooksbank announced his retirement on 28/03/24 and ceased working with the business on 03/10/24.

* Ms L Chiba was on parental leave from 09/10/23 to 02/04/24. Payments made during the period of parental leave have not been recognised in the table as the person is not considered to be key management personnel while someone else is acting in the role. Ms R Groom was Acting Managing Director Momentum Energy during this period.

** Ms R Johnson was Acting EGM People Culture & Engagement from 09/10/23 to 02/01/24. Ms J Nixon was Acting EGM People Culture & Engagement from 03/01/24 to 02/04/24. These acting roles covered Ms R Groom while Acting Managing Director Momentum Energy.

Ms T Chu was Managing Director Entura to 24/03/24 and then appointed Interim EGM Construction from 25/03/24. Ms A Ashworth was Acting Managing Director Entura from 25/03/24.

25. Key management personnel compensation (continued)

Executive remuneration notes and statements

Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accrual basis and includes all accrued benefits at 30 June.

[1] Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

[2] Short-term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary as per the Director and Executive Remuneration Guidelines. The CEO incentive payment is in line with the remuneration package approved by the Government in December 2024. In 2025 there were no short-term incentives paid due to the executive performance gates not being met.

[3] Superannuation means the contribution to the superannuation fund of the individual being the amount of superannuation contributions paid or accrued.

[4] The personal use component of the total cost of providing and maintaining a vehicle for an executive's use, including registration, insurance, fuel and other consumables, maintenance cost and parking (i.e., the notional value of parking provided at premises that are owned or leased) and the fringe benefit tax amount referable to a vehicle.

[5] Other benefits include other monetary or non-monetary benefits of all other forms of employment allowances (excluding reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable to the executive, either directly or indirectly.

[6] Reported remuneration includes the individual's salary, short-term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purposes of assessing compliance with the guidelines, other long-term employee benefits and termination benefits are not included in the reported remuneration amount.

[7] Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements. Termination benefits are paid according to employee contracts and statutory guidelines.

[8] Other long-term benefits include annual and long service leave movements.

[9] When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

During the year, no non-executive directors of the Group undertook any overseas trips (2024: nil).

Employees undertook overseas travel on 92 occasions during the year at a cost of $1,006,233 (2024: $902,045). Of these, 24 trips related to supplier visits and asset testing and inspections, with 49 trips at a cost of $448,475 (2024: $442,273) taken while undertaking work for Entura clients. The cost of Entura travel on client business is recovered from these clients.

26. Related party information

	Sales to related parties		Purchases from related parties		Amounts owed by related parties		Amounts owed to related parties	
	2025	2024	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
CONSOLIDATED								
Woolnorth Wind Farm Holding Pty Ltd	172	1,073	23,718	55,718	27	328	-	-
PARENT								
HT Wind Operations Pty Ltd	-	-	-	-	-	-	176,891	173,516
Bell Bay Power Pty Ltd	311	151	-	-	16,253	7,089	-	-
Bell Bay Three Pty Ltd	-	-	-	-	-	-	1,424	1,424
Lofty Ranges Power Pty Ltd	-	-	-	-	-	-	1,247	1,247
Hydro Tasmania Consulting India Pvt Ltd	-	-	-	-	-	-	255	31
HT Wind Developments Pty Ltd	-	-	-	-	-	-	1,112	1,006
RE Storage Project Holding Pty Ltd	-	-	-	-	660	668	-	-
Woolnorth Bluff Point Holdings Pty Ltd	-	-	-	-	11,353	11,485	-	-
Momentum Energy Pty Limited	459,386	427,343	-	-	5,879	19,505	-	-
AETV Pty Ltd	311	474	-	-	325,795	316,939	-	-
Hydro Tasmania South Africa (Pty) Ltd	-	-	-	-	6,497	5,403	-	-
Hydro Tasmania Neusberg (Pty) Ltd	-	-	-	-	-	1,578	-	-

Transactions with related parties are made at arm's length at normal market prices and on normal commercial terms.

Outstanding balances at year end are unsecured and interest free. Settlement with related parties not wholly owned, occur in cash. Cash settlement does not occur between wholly-owned subsidiaries and the parent.

Helen Galloway is a non-executive director of Hydro Tasmania. A close associate of Helen Galloway is employed by Helicopter Resources. Hydro Tasmania used services from Helicopter Resources amounting to $29,000 during the year (2024: $64,000). The sales of these services were made at arm's length and were on normal commercial terms.

There were no other transactions with director-related entities during the year.

Amounts owed by AETV to the parent are fully impaired.

27. Events subsequent to balance date

Hydro Tasmania and BPL entered a new agreement on 3 July 2025 which has a term from 1 July 2025 until the earlier of the date of Basslink regulation and 30 June 2027. Under the new agreement, Hydro Tasmania will support operation of the Frequency Control System Protection Scheme (FCSPS) and pay a fee in exchange for a minority portion of the Inter Regional Revenues. The new agreement contains no provisions with respect to how BPL will bid the interconnector and BPL remains fully responsible for pricing and making all bids for dispatch fully independently from Hydro Tasmania (refer note 21).

After due enquiry, there are no other matters or circumstances since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.

28. Government grants

The Corporation has recognised no (2024: nil) grant and equity funding during the year ended 30 June 2025.

Tarraleah Hydropower Scheme Redevelopment

In April 2022, the Commonwealth and State Governments entered into a funding agreement through the federal Department of Industry, Science, Energy and Resources (now the Department of Climate Change, Energy, the Environment and Water) to provide up to $65m to support the redevelopment of the Tarraleah hydropower scheme. The funding will enable the project to be progressed to Final Investment Decision (FID) and will contribute to a package of upgrade works prior to FID. The funding is expected to be a mixture of both grant ($13m) and equity ($52m) contributions.

During the year ended 30 June 2025, the Department of Treasury and Finance paid no funding (2024: $13.0m) for Tarraleah.

At 30 June 2025, the most recent Tarraleah Hydropower Scheme Redevelopment milestone had been completed. The requisite documentation has been submitted to the Department of Treasury and Finance, pending approval. Payment of the next equity instalment is due in 2026.

29. Controlled entities

			Percentage of share held by the Group	
			2025	2024
	Footnote	Country of incorporation	%	%
Parent entity				
Hydro-Electric Corporation				
Controlled entities				
Bell Bay Power Pty Ltd	1	Australia	100	100
Lofty Ranges Power Pty Ltd	2	Australia	100	100
Bell Bay Three Pty Ltd	3	Australia	100	100
RE Storage Project Holding Pty Ltd	4	Australia	100	100
Entura Hydro Tasmania Consulting (Holding) Pty Ltd	5	Australia	100	100
Momentum Energy Pty Limited	6	Australia	100	100
HT Wind Operations Pty Ltd	7	Australia	100	100
Hydro Tasmania South Africa (Pty) Ltd	8	South Africa	100	100
AETV Pty Ltd	9	Australia	100	100

Footnotes

Bell Bay Power Pty Ltd was incorporated on 20 December 2001.

Lofty Ranges Power Pty Ltd was incorporated on 26 April 2002.

Bell Bay Three Pty Ltd was incorporated on 7 December 2005.

RE Storage Project Holding Pty Ltd was incorporated on 11 April 2006.

Hydro Tasmania Consulting (Holding) Pty Ltd was incorporated on 20 October 2006. It holds a 99.9% interest (9,999 shares) in Hydro Tasmania Consulting India Private Limited with Hydro-Electric Corporation holding 1 share.

Hydro Tasmania acquired 51% of the issued capital of Momentum Energy Pty Limited on 31 August 2008. The remaining 49% of the issued capital was acquired on 30 September 2009. Momentum Energy was incorporated on 8 July 2002.

Hydro Tasmania acquired 100% of the issued capital of HT Wind Operations Pty Ltd on 30 June 2011. HT Wind Operations Pty Ltd owns 100% of Tarraleah Village Holdings Pty Ltd (previously named Woolnorth Bluff Point Holdings Pty Ltd), Woolnorth Studland Bay Holdings Pty Ltd, Heemskirk Holdings Pty Ltd, HT Wind Developments Pty Ltd and Hydro Tasmania Retail Pty Ltd (previously named HT Wind New Zealand Pty Ltd). HT Wind Operations Pty Ltd was registered on 29 November 2004. Heemskirk Holdings Pty Ltd holds 100% ownership of the issued capital of Heemskirk Windfarm Pty Ltd.

Hydro Tasmania acquired 100% ownership of Hydro Tasmania South Africa (Pty) Ltd on 23 January 2012. Hydro Tasmania South Africa (Pty) Ltd holds a 92% ownership interest in Hydro Tasmania Neusberg (Pty) Ltd.

AETV Pty Ltd was transferred to Hydro Tasmania by Ministerial direction at midnight 1 June 2013.

30. Interest in associates and joint ventures

			CONSOLIDATED				PARENT			
			2025	2024	2025	2024	2025	2024	2025	2024
	Principal activity	Associate and Joint venture balance date	Ordinary share ownership interest %	%	Associate and joint venture agreement voting rights %	%	Ordinary share ownership interest %	%	Associate and joint venture agreement voting rights %	%
Associates										
Woolnorth Wind Farm Holding Pty Ltd	Wind farm operation	30 June	25	25	25	25	-	-	-	-

A subsidiary of the Group, HT Wind Operations Pty Ltd, became a partner in Woolnorth Wind Farm Holding Pty Ltd with Shenhua Clean Energy Holding Pty Ltd in February 2012 and holds a 25% interest. The principal activity of the business is to operate wind farms.

31. Incorporated associates and joint ventures

The Statement of Financial Performance and Position of the following incorporated associate and joint venture are not consolidated but are instead accounted for under the equity method.

	2025 CONSOLIDATED
	Associate
	Woolnorth Wind Farm Pty Ltd 25%
	$'000
Statement of Financial Performance	
Revenue	96,446
Expenses	70,069
Profit/(loss) before fair value	26,377
Fair value (losses)/gains	(48,642)
(Loss)/profit before income tax benefit	(22,265)
Income tax benefit/(expense)	5,871
Net (loss)/profit after tax	(16,394)
Statement of Financial Position	
Current assets	52,019
Non-current assets	398,651
Total assets	450,670
Current liabilities	43,366
Non-current liabilities	140,156
Total liabilities	183,522
Net assets	267,148
Share of accumulated profits/(losses)	
Share of accumulated profits/(losses) at the beginning of the year	61,683
Share of (loss)/profit after income tax expense	(4,099)
Share of accumulated profits/(losses) at the end of the year	57,584
Movements in carrying amount of investment	
Carrying amount at the beginning of the year	75,026
Dividends received	(3,375)
Share of associates other comprehensive income	(766)
Share of (loss)/profit after income tax for the year	(4,099)
Carrying amount at the end of the year	66,787

31. Incorporated associates and joint ventures (continued)

	2024 CONSOLIDATED		
	Associate	Joint venture	
	Woolnorth Wind Farm Pty Ltd 25%	Cathedral Rocks Construction and Management Pty Ltd 50%	Total
	$'000	$'000	$'000
Statement of Financial Performance			
Revenue	93,086	-	93,086
Expenses	71,744	-	71,744
Profit/(loss) before fair value	21,342	-	21,342
Fair value gains/(losses)	59,573	-	59,573
Profit/(losses) before income tax benefit	80,915	-	80,915
Income tax (expense)/benefit	(23,169)	-	(23,169)
Net profit/(loss) after tax	57,746	-	57,746
Statement of Financial Position			
Current assets	91,223	-	91,223
Non-current assets	453,705	-	453,705
Total assets	544,928	-	544,928
Current liabilities	67,382	-	67,382
Non-current liabilities	177,441	-	177,441
Total liabilities	244,823	-	244,823
Net assets	300,105	-	300,105
Share of accumulated profits/(losses)			
Share of accumulated profits/(losses) at the beginning of the year	47,247	(21)	47,226
Share of profit/(loss) after income tax expense	14,436	-	14,436
Share of accumulated profits/(losses) at the end of the year	61,683	(21)	61,662
Movements in carrying amount of investment			
Carrying amount at the beginning of the year	61,427	17	61,444
Dividends received	(250)	(27)	(277)
Share of associates other comprehensive income	(587)	-	(587)
Share of profit/(loss) after income tax for the year	14,436	-	14,436
Gain on sale of investment	-	10	10
Carrying amount at the end of the year	75,026	-	75,026

32. Deed of cross guarantee

The following consolidated Statement of Comprehensive Income and retained profits, and the Statement of Financial Position comprises the Group and its controlled entities which are party to the deed of Cross Guarantee (refer note 23), after eliminating all transactions between parties to the deed.

	CONSOLIDATED	
	2025	2024
	$'000	$'000
Consolidated Statement of Comprehensive Income and retained profits		
Revenue	1,824,980	1,826,144
Expenses	1,348,923	1,612,354
Profit/(loss) before income tax equivalent expense	476,057	213,790
Income tax equivalent (benefit)/expense	145,327	65,185
Profit/(loss) for the period	330,730	148,605
Other comprehensive income	88,669	59,118
Total comprehensive income/(loss) for the period	419,399	207,723
Retained earnings at the beginning of the period	1,559,347	1,519,398
Dividends paid	(122,000)	(105,000)
Net profit/(loss)	330,730	148,605
Other movements	(457)	(3,656)
Retained earnings at the end of the period	1,767,620	1,559,347

32. Deed of cross guarantee (continued)

	CONSOLIDATED	
	2025	2024
	$'000	$'000
Current assets		
Cash	12,712	12,873
Receivables	577,256	452,832
Inventories	10,971	9,831
Other financial assets	153,734	307,117
Current tax asset	19,937	-
Other	37,697	61,131
Total current assets	812,307	843,784
Non-current assets		
Investments	184,410	184,410
Property plant and equipment	4,824,890	4,067,322
Intangible assets	44,893	54,834
Deferred tax asset	56,216	58,526
Other financial assets	38,011	136,507
Goodwill	16,396	16,396
Other	7,246	3,846
Total non-current assets	5,172,062	4,521,841
TOTAL ASSETS	5,984,369	5,365,625
Current liabilities		
Payables	491,446	349,530
Interest-bearing liabilities	210,614	127,593
Provisions	146,957	111,639
Provision for income tax	-	9,123
Other financial liabilities	248,098	478,728
Other	192,210	207,463
Total current liabilities	1,289,325	1,284,076
Non-current liabilities		
Interest-bearing liabilities	836,448	689,603
Deferred tax liability	711,485	538,867
Provisions	394,653	370,096
Other financial liabilities	239,512	267,438
Total non-current liabilities	2,182,098	1,866,004
TOTAL LIABILITIES	3,471,423	3,150,080
NET ASSETS	2,512,946	2,215,545
EQUITY		
Contributed equity	688,006	688,006
Reserves	57,320	(31,808)
Retained earnings	1,767,620	1,559,347
TOTAL EQUITY	2,512,946	2,215,545

33. Dividend

	CONSOLIDATED		PARENT	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Declared during the year and paid the following year				
Statutory dividend	-	122,000	-	122,000
Proposed for approval (not recognised as a liability as at 30 June)				
Statutory dividend	4,700	-	4,700	-

The dividend is calculated in line with the *Guidelines for Tasmanian Government Businesses – Dividend.* The policy requests a 90% payout calculated from the profit before fair value movements and revaluation expenses less tax. For the current year this is $7.5m, less tax of $2.3m giving an underlying profit of $5.3m multiplied by the 90% payout ratio to equal $4.7m (2024: $193.78m less tax $58.13m equals profit of $135.65m multiplied by 90%, to equal $122.0m).

34. Segment information

Identification of reportable segments

The Group has identified its material operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (CEO) as chief operating decision-maker in assessing the performance and determining the allocation of resources. Three material segments have been identified as Momentum Energy, AETV and the rest of the Hydro Tasmania Group.

Types of products and services by segment

(i) Hydro Tasmania

Hydro Tasmania generates and sells wholesale energy into the NEM from hydro generation assets and provides consulting services.

(ii) AETV

AETV generates and sells wholesale energy into the NEM from gas fired generation assets and sells gas to wholesale customers in Tasmania.

(iii) Momentum Energy

Momentum Energy sells energy to retail customers trading in all regions of the NEM except mainland Tasmania.

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all financial information reported to the CEO with respect to individual segments is determined in accordance with the accounting policies adopted in the financial statements as detailed in note 1.2.

Inter-segment revenues are eliminated on consolidation.

34. Segment information (continued)

	YEAR ENDED 30 JUNE 2025					
	Hydro* Tasmania $'000	AETV $'000	Momentum Energy $'000	Total segments $'000	Adjustments/ eliminations $'000	Consolidated $'000
Revenue						
External customers	637,965	131,130	1,021,610	1,790,705	(146,281)	1,644,424
Fair value gains	157,657	7,571	-	165,228	-	165,228
Other revenue	15,499	-	473	15,972	-	15,972
Total revenue	811,121	138,701	1,022,083	1,971,905	(146,281)	1,825,624
Segment results						
Depreciation & amortisation	124,301	2,581	10,680	137,562	-	137,562
Finance expenses	82,011	-	468	82,479	-	82,479
Fair value losses	67,031	2,185	-	69,216	-	69,216
Net revaluation and impairment	(375,320)	4,265	-	(371,055)	(8,857)	(379,912)
Share of associates and joint venture	4,099	-	-	4,099	-	4,099
Other expense	461,543	125,012	996,991	1,583,546	(146,281)	1,437,265
Total expense	363,665	134,043	1,008,139	1,505,847	(155,138)	1,350,709
Profit/(loss) before income tax equivalent expense	447,456	4,658	13,944	466,058	8,857	474,915
Comprising:						
Result before fair value movements and revaluation	(9,978)	3,537	13,944	7,503	-	7,503
Net fair value gains/ (losses)	90,626	5,386	-	96,012	-	96,012
Net fair value (losses)/ gains from associates and joint ventures	(8,512)	-	-	(8,512)	-	(8,512)
Revaluation and impairment gains/ (expenses)	375,320	(4,265)	-	371,055	8,857	379,912
Profit/(loss) before income tax equivalent expense	447,456	4,658	13,944	466,058	8,857	474,915
Income tax equivalent expense	133,994	1,398	4,258	139,650	-	139,650
Segment profit/(loss) after tax	313,462	3,260	9,686	326,408	8,857	335,265
Total assets	5,568,015	69,003	219,616	5,856,634	(19,417)	5,837,217
Total liabilities	2,753,277	393,266	104,609	3,251,152	-	3,251,152
Other disclosures						
Investment in associate	66,787	-	-	66,787	-	66,787
Capital expenditure	277,656	-	6,621	284,277	-	284,277

Inter-segment revenues are eliminated on consolidation.

* Hydro Tasmania represents Hydro Tasmania parent entity plus the remaining subsidiaries in the Hydro Tasmania Group.

34. Segment information (continued)

	YEAR ENDED 30 JUNE 2024					
	Hydro* Tasmania $'000	AETV $'000	Momentum Energy $'000	Total segments $'000	Adjustments/ eliminations $'000	Consolidated $'000
Revenue						
External customers	782,276	109,792	935,628	1,827,696	(138,109)	1,689,587
Fair value gains	115,212	10,717	-	125,929	-	125,929
Share of associates and joint ventures	14,436	-	-	14,436	-	14,436
Other revenue	11,144	-	499	11,643	-	11,643
Total revenue	923,068	120,509	936,127	1,979,704	(138,109)	1,841,595
Segment results						
Depreciation & amortisation	118,731	2,715	13,189	134,635	-	134,635
Finance expenses	73,975	-	571	74,546	-	74,546
Fair value losses	95,580	-	-	95,580	-	95,580
Net revaluation and impairment	(5,188)	-	-	(5,188)	5,188	-
Other expense	402,002	128,082	910,302	1,440,386	(138,109)	1,302,277
Total expense	685,100	130,797	924,062	1,739,959	(132,921)	1,607,038
Profit/(loss) before income tax equivalent expense	237,968	(10,288)	12,065	239,745	(5,188)	234,557
Comprising:						
Result before fair value movements and revaluation	202,723	(21,005)	12,065	193,783	-	193,783
Net fair value gains/ (losses)	19,632	10,717	-	30,349	-	30,349
Net fair value gains/ (losses) from associates and joint ventures	10,425	-	-	10,425	-	10,425
Revaluation and impairment gains/ (expenses)	5,188	-	-	5,188	(5,188)	-
Profit/(loss) before income tax equivalent expense	237,968	(10,288)	12,065	239,745	(5,188)	234,557
Income tax equivalent expense	71,431	(3,085)	3,632	71,978	-	71,978
Segment profit/(loss) after tax	166,537	(7,203)	8,433	167,767	(5,188)	162,579
Total assets	4,956,358	72,606	215,096	5,244,060	(19,417)	5,224,643
Total liabilities	2,430,204	400,130	109,775	2,940,109	-	2,940,109
Other disclosures						
Investment in associates and joint ventures	75,026	-	-	75,026	-	75,026
Capital expenditure	236,092	-	5,465	241,557	-	241,557

Inter-segment revenues are eliminated on consolidation.

* Hydro Tasmania represents Hydro Tasmania parent entity plus the remaining subsidiaries in the Hydro Tasmania Group.

34. Segment information (continued)

	YEAR ENDED	
	2025	2024
	$'000	$'000
Reconciliation of profit		
Segment profit	326,408	167,767
Energy sales	146,281	138,109
Purchased energy	(146,281)	(138,109)
Intercompany loan impairment	8,857	(5,188)
Consolidated profit	335,265	162,579
Reconciliation of assets		
Segment total assets	5,856,634	5,244,060
Elimination of investment in subsidiary	(19,417)	(19,417)
Corporation total assets	5,837,217	5,224,643
Reconciliation of liabilities		
Segment total liabilities	3,251,152	2,940,109
Elimination of intercompany revaluation and balances	-	-
Corporation total liabilities	3,251,152	2,940,109

Statement of Certification

STATEMENT OF CERTIFICATION

In the opinion of the directors of the Hydro-Electric Corporation (the "Corporation"):

a) the financial statements and notes of the Corporation and of the consolidated entity are in accordance with the *Government Business Enterprises Act* 1995, including:

(i) giving a true and fair view of the results and cash flows for the year ended 30 June 2025 and the financial position at 30 June 2025 of the Corporation and the Consolidated entity;

(ii) complying with the Australian Accounting Standards and Interpretations, and with the Treasurer's Instructions.

b) there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they fall due.

c) there are reasonable grounds to believe that the Corporation, AETV Pty Ltd and Momentum Energy Pty Limited will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between those entities pursuant to ASIC Instrument [15-0576] and [15-0577].

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer of the Corporation:

a) the financial records of the Corporation for the year ended 30 June 2025 have been properly maintained in accordance with Section 51 of the *Government Business Enterprises Act* 1995;

b) the financial statements and notes for the year ended 30 June 2025 have been prepared in accordance with Section 52 of the *Government Business Enterprises Act* 1995; and

c) the financial statements and notes for the year ended 30 June 2025 give a true and fair view.

Signed in accordance with a resolution of the directors:

R Bolt
Chairman
14 August 2025

H Galloway
Director
14 August 2025

Superannuation Declaration

SUPERANNUATION DECLARATION

I, Rachel Watson, hereby certify that the Hydro-Electric Corporation has met its obligations under the Commonwealth's *Superannuation Guarantee (Administration) Act 1992* in respect of any employee who is a member of a complying superannuation scheme to which the Hydro-Electric Corporation contributes.

Rachel Watson

R Watson
Chief Executive Officer
14 August 2025

Independent Auditor's report

Audit Tasmania

Independent Auditor's Report

To the Members of Parliament

Hydro-Electric Corporation

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Hydro-Electric Corporation (the Corporation) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statements of financial performance, comprehensive income, changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the directors.

In my opinion, the accompanying financial report is in accordance with the *Government Business Enterprises Act 1995*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance and its cash flows for the year then ended

(b) complying with Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Fair value of generation assets *Refer to notes 1.2(i), 3 and 9*	
As at 30 June 2025, the Group's generation assets of $4,135 million recognised at fair value, representing 71% of the total assets. The hydro generation class of assets are carried at fair value using a discounted cash flow model. The fair value calculation is based on long-term electricity prices determined with reference to published energy prices and price trend predictions in the National Energy Market. The valuation also includes projected revenue under the existing large-scale mandatory renewable energy target with forecast prices based on internal models. Other key inputs to the fair value model are forecast generation, inflation, discount rate and terminal growth rates. Significant management judgment was required in determining the key assumptions used in the model and changes in the underlying assumptions can significantly impact the valuation.	In conjunction with corporate finance / valuation specialists: • Assessing the reasonableness of key assumptions used in the model with reference to relevant internal and external evidence. The key assumptions included the long-term electricity prices, generation capacity, expenses, capex, inflation rate, discount rate and terminal growth rate for reasonableness of achievability and consistency with the external and / or internal environment. • Assessing the reasonableness of cashflow forecasts relative to corporate plans and other relevant internal and external evidence. Performed sensitivity analysis in relation to key assumptions in the model to assess the potential reasonable change. • Undertaking integrity checks of the model calculations, including reperforming the valuation of generation assets and comparing the result to the valuation and performing sensitivity analysis in relation to key model assumptions. • Testing, on a sample basis, the mathematical accuracy of the discounted cashflow model. • Assessing the adequacy of relevant disclosures in the financial statements in accordance with *AASB 13 Fair Value Measurement* and the appropriateness of the classification of cash generating units.
Energy price derivatives	

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Refer to notes 1.2(ae), 2, 3, 11, 18 and 21	
As at 30 June 2024, the Group's energy price derivative assets totalled $171 million and energy price derivative liabilities totalled $328 million. Significant management judgment is required in determining the value of the energy price derivative assets and liabilities due to the highly technical and complex nature of the valuations, which included management estimation of future electricity prices, inflation and discount factors. Changes in the underlying estimates can significantly impact the value of energy price derivative assets and liabilities.	In conjunction with corporate finance / energy derivative valuation specialists: • Assessing the effectiveness of middle office control and oversight function, and its involvement in fair value measurement process. Including access and version controls. • Reviewing the design and testing the effectiveness of key controls associated with trading of energy price derivatives, including verification of trades. • Evaluating the methodology of the internal valuation models applied to Level 3 financial instruments against market practices and testing the internally derived inputs, such as long-term price curves and forecast volumes. • Assessing and challenging market data inputs and assumptions in valuation models for consistency with publicly available and other external market data. • Evaluating the configuration of internal models and the valuation methodology applied to fair value structured and complex energy derivatives classified as Level 3 having regard to generally accepted market practices. • Reperforming fair value calculations for a sample of derivative financial instruments using industry acceptable valuation practices. • Reperforming a sample of Level 1 and Level 2 financial instruments valuations and hedge accounting results. • Assessing the documentation, measurement of hedge effectiveness, and accounting for cashflow hedges. • Checking, on a sample basis, the key terms for the entry of trades to underlying third party transaction documents. • Reviewing the completeness and accuracy of the financial statement

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
	disclosures relating to the financial assets and liabilities to ensure compliance with applicable Accounting Standards disclosure requirements, including testing the integrity and mathematical accuracy of disclosure spreadsheets. • Assessing the fair value hierarchy disclosures and validate appropriateness of disclosures based on observable and/or unobservable inputs.

Responsibilities of the Directors for the Financial Report

The directors of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Government Business Enterprises Act 1995* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

14 August 2024
Hobart

Image: Aerial view of Tarraleah village

Summary information

Community service obligations summary

Formalised directions issued by the Minister for Energy and Renewables and The Treasurer to Hydro Tasmania to perform community service obligations (CSOs) pursuant to section 65(1) of the *Government Business Enterprises Act 1995* (Tas) (GBE Act) as required by section 55(2)(a) of the GBE Act are set out below.

Bass Strait islands

Hydro Tasmania has been directed since 1998 to provide subsidised electricity and electricity concessions to the Bass Strait islands customers in accordance with the terms of a CSO deed. Retail services are provided by Momentum Energy.

Since 1 July 2019, Hydro Tasmania has been required to perform the CSO in accordance with the Net Avoidable Cost methodology. In FY2024–25, the net cost to Hydro Tasmania of performing this CSO was $11.98 million.

Granville Harbour Wind Farm

On 5 September 2017, Hydro Tasmania was directed to enter a power purchase agreement with West Coast Wind to facilitate the construction of the Granville Harbour Wind Farm. The power purchase agreement took effect once the wind farm became operational in 2020. In FY2024–25, this unfunded CSO direction had an implied cost to Hydro Tasmania of $1.9 million due to the prevailing market price for large-scale generation certificates.

Financial Summary

Financial results

Table 6: Financial results 2021–25

Year ending 30 June:	2021	2022	2023	2024	2025
	$m	$m	$m	$m	$m
Result before fair value, impairment and tax	217.0	148.8	168.4	193.8	7.5
Profit/(loss) before tax[a]	357.9	1,120.1	332.8	234.6	474.9
Comprehensive income/(loss)	337.2	212.8	382.0	221.3	423.5
Cash flow from operating activities	236.3	189.1	276.1	242.9	143.5
Net debt	647	522	674	788	1,023
Weighted average cost of debt	3.5%	3.7%	3.9%	4.0%	4.3%
Capital expenditure	156.0	119.1	180.8	241.6	284.3
Total assets	4,930	6,000	4,882	5,225	5,837

[a] Profit/(loss) before tax is impacted by movements in the fair value of energy derivatives, and by the impairment of generation assets

Year ending 30 June:	2021	2022	2023	2024	2025
	$m	$m	$m	$m	$m
Government guarantee fee	6.3	5.8	5.4	5.1	5.8
Income tax equivalent	56.9	74.3	7.1	64.7	31.2
Ordinary dividend[b]	115.0	112.3	74.0	105.0	122.0
Rates equivalent	4.6	5.0	5.3	5.7	6.1
Total returns	182.8	197.4	91.8	180.5	165.1

[b] Represents the dividend paid in the period, relating to performance in the previous period

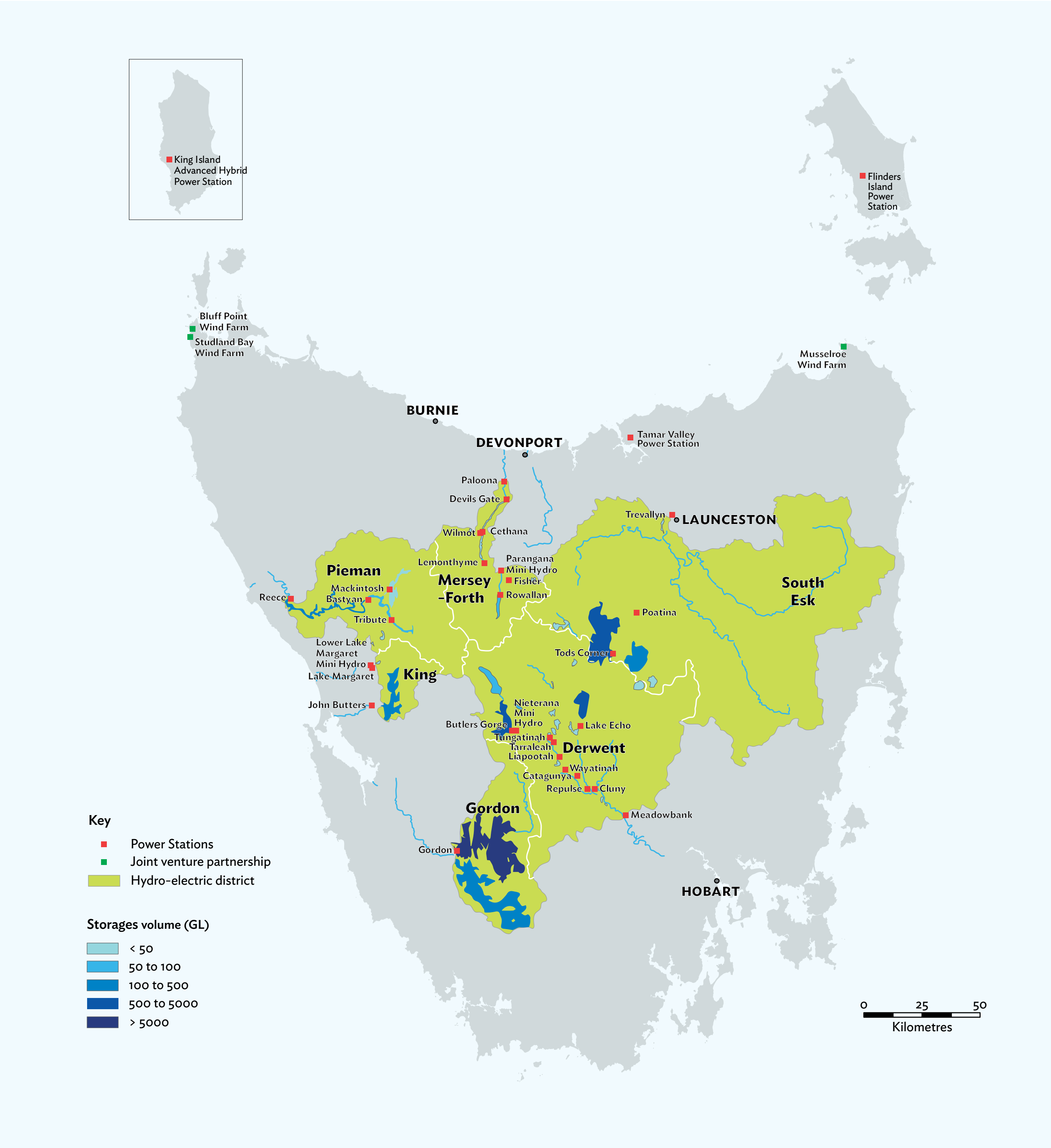
Five-year Profile

Table 7: Statement of Comprehensive Income 2021–25

Year ending 30 June:	2021	2022	2023	2024	2025
	$'000's	$'000's	$'000's	$'000's	$'000's
Income					
Sales of goods and services	1,660,414	1,488,544	1,450,727	1,689,587	1,644,424
Other income	36,301	5,476	10,482	11,643	15,972
TOTAL INCOME	**1,696,715**	**1,494,020**	**1,461,209**	**1,701,230**	**1,660,396**
Less Expenses					
Labour	170,032	147,410	163,794	182,262	197,919
Direct operating expenses	1,060,549	901,157	830,794	1,027,125	1,143,283
Depreciation and amortisation of non-current assets	114,847	122,720	132,064	134,635	137,562
Impairment/(reversal) of non-current assets	-	(482,675)	683	-	(379,912)
Finance costs	39,873	79,083	71,671	74,546	82,479
Net fair value movements	(130,022)	(511,839)	(164,651)	(30,349)	(96,012)
Other operating expenses	83,564	118,100	94,033	78,454	100,162
TOTAL EXPENSES	**1,338,843**	**373,956**	**1,128,388**	**1,466,673**	**1,185,481**
NET PROFIT/(LOSS) BEFORE TAX	**357,872**	**1,120,064**	**332,821**	**234,557**	**474,915**
Five Year Profile – Balance Sheet					
Assets					
Cash and cash equivalents	92,720	178,125	36,145	15,228	14,979
Investments	71,073	58,038	61,444	75,026	66,787
Receivables	351,803	798,113	275,015	455,131	579,574
Property, plant and equipment	3,518,784	3,992,895	4,033,677	4,144,108	4,891,546
Financial and other assets	895,141	972,467	476,109	535,150	284,331
TOTAL ASSETS	**4,929,521**	**5,999,638**	**4,882,390**	**5,224,643**	**5,837,217**
Liabilities					
Payables	278,773	712,948	201,100	350,588	492,594
Provisions	720,578	528,325	508,865	497,742	548,942
Interest bearing liabilities	765,827	721,068	723,547	817,196	1,047,062
Tax liabilities	290,403	341,575	457,574	490,269	656,359
Financial liabilities	1,123,914	1,845,219	823,035	784,314	506,195
TOTAL LIABILITIES	**3,179,495**	**4,149,135**	**2,714,121**	**2,940,109**	**3,251,152**
NET ASSETS	**1,750,026**	**1,850,503**	**2,168,269**	**2,284,534**	**2,586,065**
EQUITY	**1,750,026**	**1,850,503**	**2,168,269**	**2,284,534**	**2,586,065**
Five Year Profile – Capital Works					
Expenditure					
Generation assets	94,313	80,488	94,926	96,780	143,028
Bass Strait islands	2,934	2,834	6,567	4,047	7,398
Land and buildings	7,812	4,883	14,789	22,846	6,126
Fleet	863	3,003	1,586	4,343	4,349
Information systems	35,720	23,994	28,135	26,990	27,974
Renewable developments[a]	10,772	(155)	31,317	83,729	84,375
Other assets	3,564	4,074	3,462	2,822	11,027
TOTAL CAPITAL EXPENDITURE	**155,978**	**119,121**	**180,782**	**241,557**	**284,277**

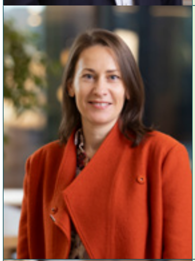
[a] Grant revenue received as been recognised against the carrying amount of the asset

Figure 3: Hydro Tasmania's Tasmanian operations



Governance summary

The directors of the corporation during FY2024–25 were:

	**Richard Bolt** Chair	Richard Bolt was appointed to the Board in July 2023 and is a member of the Corporation's Audit Committee, Risk Management Committee, People, Culture and Safety Committee (until March 2025), Basslink Committee and Major Projects Committee. **Appointed:** 1 July 2023 **Current term:** 1 July 2023 to 30 June 2026.
	**Helen Galloway** Independent Director	Helen Galloway was appointed to the Board in August 2021 and is Chair of the Audit Committee, Chair of the People, Culture and Safety Committee (from March 2025), and a member of the Risk Management Committee, Major Projects Committee (until February 2025), and Basslink Committee. **Appointed:** 24 August 2021 **Current term:** 24 August 2021 to 25 August 2027.
	**Will McIndoe** Independent Director	Will McIndoe was appointed to the Board in February 2025 and is Chair of the Risk Management Committee, and a member of the People, Culture and Safety Committee, Major Projects Committee and Basslink Committee. **Appointed:** 23 February 2025 **Current term:** 23 February 2025 to 22 February 2028.
	**Elli Baker** Independent Director	Elli Baker was appointed to the Board in February 2025 and is a member of the Audit Committee, People, Culture and Safety Committee, Major Projects Committee and Basslink Committee. **Appointed:** 23 February 2025 **Current term:** 23 February 2025 to 22 February 2028.
	**David Middleton** Independent Director	David Middleton was appointed to the Board in September 2022 and was Chair of the Major Projects Committee and a member of the People, Culture and Safety Committee and Basslink Committee. **Appointed:** 26 September 2022 **Term:** 26 September 2022 to 25 September 2025* *David Middleton resigned from the Board effective 8 May 2025.
	**Carlo Botto** Independent Director	Carlo Botto was first appointed to the Board in July 2018 and was Chair of the Risk Management Committee. **Appointed:** 31 July 2018 **Term:** 23 August 2021 to 22 August 2024 (extended until 22 February 2025) Carlo Botto's second term ended on 22 February 2025.
	**Selina Lightfoot** Independent Director	Selina Lightfoot was first appointed to the Board in July 2018 and was Chair of the People, Culture and Safety Committee and a member of the Audit Committee. **Appointed:** 31 July 2018 **Term:** 23 August 2021 to 22 August 2024 (extended until 22 February 2025). Selina Lightfoot's second term ended on 22 February 2025.

Governance summary (continued)

Table 8: Board Committee membership table

Audit Committee	Risk Management Committee	People, Culture and Safety Committee	Major Projects Committee	Basslink Committee
Helen Galloway*	Will McIndoe*[4]	Helen Galloway*	Richard Bolt*	Will McIndoe*[4]
Richard Bolt	Richard Bolt	Will McIndoe[4]	Will McIndoe[4]	Richard Bolt
Elli Baker[5]	Helen Galloway	Elli Baker[5]	Elli Baker[5]	Helen Galloway
Selina Lightfoot[1]	Carlo Botto[3]	Selina Lightfoot*[1]	David Middleton*[2]	Elli Baker[5]
		David Middleton[2]		

* Committee Chair
1 Selena Lightfoot's term ended on 22 February 2025.
2 David Middleton resigned from the Board on 8 May 2025.
3 Carlo Botto's term ended on 22 February 2025.
4 Will McIndoe's term began on 23 February 2025.
5 Elli Baker's term began on 23 February 2025.

Table 9: Directors' attendance at board and committee meetings during FY2024–25

	Board (regular and special meetings)		Audit Committee		Risk Management Committee		People, Culture & Safety Committee		Major Projects Committee		Basslink Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Richard Bolt	13	13	5	5	3	3	3	4**	12	12	8	8
Helen Galloway	13	13	5	5	3	3	2	1*	7	7	8	6*(x2)
Will McIndoe[4]	5	5	0	1**	2	2	2	2	1	2**	8	8
Elli Baker[5]	5	5	2	2	0	1**	1	1	5	5	8	6*(x2)
Carlo Botto[3]	9	9	0	0	2	2	0	0	0	0	0	0
Selina Lightfoot[1]	9	9	3	3	0	0	2	2	0	0	0	0
David Middleton[2]	11	11	0	0	1	1	3	3	11	10*	3	2*

A Number of meetings held during the time the director held office or was a member of the committee during the year.
B Number of meetings attended.
* Leave of absence granted.
** Not a member of this committee; however, attended as a guest.

In addition to scheduled meetings, directors conducted visits of company operations at various sites and met with operational management during the year.

1 Selina Lightfoot's term ended on 22 February 2025.
2 David Middleton resigned from the Board on 8 May 2025.
3 Carlo Botto's term ended on 22 February 2025.
4 Will McIndoe's term began on 23 February 2025.
5 Elli Baker's term began on 23 February 2025.

Governance summary (continued)

Board and Executive performance evaluation

At the conclusion of each Board meeting, one of the independent directors, on a rotating basis, evaluates the meeting. This process enables timely reflection on the meeting's strengths and areas for improvement, including its structure, the quality of presentations, and the effectiveness of discussions.

Each director, including the Chair, undergoes a performance review when being considered for reappointment at the end of their term. Additionally, the Chair provides ongoing individual feedback to directors on their performance.

Board committees are assessed in accordance with their terms of reference, typically on an annual basis. Feedback on committee effectiveness is sought from the Hydro Tasmania leadership team and relevant management personnel.

An external board evaluation was not conducted during FY2024–25 year.

The performance of the CEO and other senior executives is reviewed annually, using a combination of measurable and qualitative key performance indicators.

Director induction, education and training

Each new board member receives an induction pack and participates in introductory briefings with the Hydro Tasmania leadership team and the Corporation Secretary. Directors are also granted access to key governance, board administration, and reference materials through a secure, web-based platform. The information provided aligns with the *Guidelines for Tasmanian Government Businesses on Director Induction, Education and Training.*

Ongoing education is delivered through a combination of in-house presentations, site visits, and external training as required. The training program is designed to ensure directors remain informed about key developments relevant to Hydro Tasmania's business, its industry, and the broader operating environment.

Public interest disclosures

In accordance with the *Public Interest Disclosures Act 2002* (the Act), Hydro Tasmania is required to report any disclosures relating to improper conduct by public officers or Hydro Tasmania. Pursuant to section 86 of the Act, Hydro Tasmania advises that no such disclosures were received during FY2024–25.

Corporate Governance Principles

As a Government Business Enterprise, Hydro Tasmania has a robust approach to governance, which is based on and consistent with the Guidelines for Tasmanian Government Businesses, Corporate Governance Principles ("Guidelines"). The principles outlined in the Guidelines are based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for ASX listed companies.

Payment of accounts summary

Table 10: Accounts due or paid within each year – Hydro Tasmania and subsidiary companies

Measure	
Creditor days: 1,763 creditors with the following payment terms:	
7 days	118
14 days	261
21 days	26
30 days	1,358
Total number of accounts due for payment	29,101
Number of accounts paid on time	26,714
Amount due for payment	$360,800,086
Amount paid on time	$328,209,793
Number of payments for interest on overdue accounts	17
Interest paid on overdue accounts	$4,311

To continue assisting Tasmanian-based suppliers, suppliers with 30 day terms were paid within 14 days.

Procurement summary

Table 11: Consultancies valued at more than $50,000 (ex GST), FY2024-25

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
PSM Tunnel QLD Pty Limited	Drummoyne, NSW	Engineering Consultant	01 July 2024 to 30 June 2025	$7,928,322
MinterEllison	Sydney, NSW	Legal Advisor	01 July 2024 to 30 June 2025	$3,561,040
Worley Services Pty Ltd	Melbourne, VIC	Project Management Consultant	01 July 2024 to 30 June 2025	$3,145,032
ILF Consulting Engineers Australia	Sydney, NSW	Renewable Energy Consultant	01 July 2024 to 30 June 2025	$3,102,894
KPMG	Sydney, VIC	Financial Consultant	01 July 2024 to 30 June 2025	$1,451,137
Pitt and Sherry Operations Pty Ltd	Launceston, TAS	Compliance and Risk Consultant	01 July 2024 to 30 June 2025	$1,060,907
ReGenerateNZ Ltd	Christchurch, NZ	Engineering Consultant	01 July 2024 to 30 June 2025	$678,647
TSA Riley Pty Ltd	Brisbane, QLD	Transaction Manager	01 July 2024 to 30 June 2025	$673,805
GHD Pty Ltd - TAS	Hobart, TAS	Engineering Consultant	01 July 2024 to 30 June 2025	$671,610
Intuit Technologies Pty Ltd	Sandy Bay, TAS	Information Technology Consultant	01 July 2024 to 30 June 2025	$666,158
Ernst and Young Melbourne	Melbourne, VIC	Financial Consultant	01 July 2024 to 30 June 2025	$652,609
Boston Consulting Group Pty Ltd	Melbourne, VIC	Strategic Management Consultant	01 July 2024 to 30 June 2025	$595,000

Procurement summary (continued)

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Azure Capital Pty Ltd	Perth, WA	Financial Consultant	01 July 2024 to 30 June 2025	$507,611
WSP UK Limited	London, UK	Engineering Consultant	01 July 2024 to 30 June 2025	$492,673
IPD Consulting Pty Ltd	Launceston, TAS	Engineering and Project Management Consultant	01 July 2024 to 30 June 2025	$468,684
AECOM Australia Pty Ltd	Melbourne, VIC	Engineering Consultant	01 July 2024 to 30 June 2025	$444,711
Info-Tech Research Group Pty Ltd	Sydney, NSW	Information Technology Consultant	01 July 2024 to 30 June 2025	$440,545
Jagcon	Northgate, QLD	Engineering Consultant	01 July 2024 to 30 June 2025	$418,479
Page Seager Lawyers	Hobart, TAS	Legal Advisor	01 July 2024 to 30 June 2025	$402,741
Acutel Consulting	Rosny Park, TAS	Technology Consultant	01 July 2024 to 30 June 2025	$389,912
Elgin Associates	North Hobart, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$358,431
Marsden Jacob Associates	Camberwell, VIC	Market Modelling and Analysis	01 July 2024 to 30 June 2025	$350,799
AMCL Pty Ltd	Sydney, NSW	Asset Management Consulting	01 July 2024 to 30 June 2025	$305,085
HoustonKemp Economists	Sydney, NSW	Economic Consultants	01 July 2024 to 30 June 2025	$296,571
Aurecon Australasia Pty Ltd	Docklands, VIC	Engineering Consultant	01 July 2024 to 30 June 2025	$244,247
Deswik Mining Consultants (Australia)	Brisbane, QLD	Mining Consultant	01 July 2024 to 30 June 2025	$234,908
Ranbury Management Group Pty Ltd	Brisbane, QLD	Project Management Consultant	01 July 2024 to 30 June 2025	$189,348
CyberCX	Melbourne, VIC	Cyber Security Consultant	01 July 2024 to 30 June 2025	$178,039
Fire Risk Consultants Pty Ltd	Glengarry, VIC	Fire Management Consultant	01 July 2024 to 30 June 2025	$174,578
Gilbert + Tobin	Melbourne, VIC	Legal Advisor	01 July 2024 to 30 June 2025	$150,727
Power Vision Engineering Sàrl	St Sulpice, Switzerland	Modelling and Analysis	01 July 2024 to 30 June 2025	$140,456
Resonance	Moonah, TAS	Project Management Consultant	01 July 2024 to 30 June 2025	$134,305
Aurora Energy Research	Haymarket, NSW	Market Advisory Services	01 July 2024 to 30 June 2025	$127,680
Paliti Rruni Island Spirit	Old Beach, TAS	Cultural Advisory Services	01 July 2024 to 30 June 2025	$127,099

Procurement summary (continued)

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Howarth Fisher and Associates	Sandy Bay, TAS	Engineering Consultant	01 July 2024 to 30 June 2025	$125,507
Invictus Partners	Melbourne, VIC	Information Technology Consultant	01 July 2024 to 30 June 2025	$125,000
ESS Earth Sciences Pty Ltd	Richmond, VIC	Engineering Consultant	01 July 2024 to 30 June 2025	$121,990
George Consulting Service	Hobart, TAS	Communication Consultant	01 July 2024 to 30 June 2025	$115,479
EDF-CIH (Hydro)	La Motte-Servolex, France	Engineering Consultant	01 July 2024 to 30 June 2025	$105,559
Cumulus Studio Pty Ltd	Hobart, TAS	Architectural Consultant	01 July 2024 to 30 June 2025	$104,928
Envoca	Mt Stuart, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$103,571
Derwent Catchment Project	Hamilton, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$100,440
Chrome Consulting Pty Ltd	West Melbourne, VIC	Information Technology Consultant	01 July 2024 to 30 June 2025	$95,419
Independent Project Analysis, Inc.	Collingwood, VIC	Project Management Consultant	01 July 2024 to 30 June 2025	$95,278
G5 Engenharia e Gerenciamento Ltda.	Curitiba, Brazil	Infrastructure Consultant	01 July 2024 to 30 June 2025	$94,707
Cohorte Workplace Law	Battery Point, TAS	Legal Advisor	01 July 2024 to 30 June 2025	$94,240
Osterman Pty Ltd	Mona Vale, NSW	Environmental Consultant	01 July 2024 to 30 June 2025	$93,040
K and L Gates	Melbourne, VIC	Legal Advisor	01 July 2024 to 30 June 2025	$90,687
Cushman and Wakefield Pty Ltd	Melbourne, VIC	Tenant Advisory Services	01 July 2024 to 30 June 2025	$90,000
Edge Legal Employment & Safety	Hobart, TAS	Legal Advisor	01 July 2024 to 30 June 2025	$87,400
Currie Communications Pty Ltd	Melbourne, VIC	Public Relations Consultant	01 July 2024 to 30 June 2025	$86,053
Delve Underground Limited	Melbourne, VIC	Project Management Consultant	01 July 2024 to 30 June 2025	$85,840
Deloitte Private PL Melbourne	Melbourne, VIC	Financial Consultant	01 July 2024 to 30 June 2025	$80,913
Stephen Casey Ecological Consulting	Hobart, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$78,925

Procurement summary (continued)

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Biodiversity Maintenance Australia	Swansea, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$74,901
White Legal Pty Ltd	Brisbane, QLD	Legal Advisor	01 July 2024 to 30 June 2025	$72,900
Johnstone McGee and Gandy P/L	Hobart, TAS	Engineering Consultant	01 July 2024 to 30 June 2025	$70,822
IPM	New Town, TAS	Environmental Consultant	01 July 2024 to 30 June 2025	$68,780
Dunlop Consulting Limited	Auckland, NZ	Project Management Consultant	01 July 2024 to 30 June 2025	$68,705
Disruptive Consulting Pty Ltd	Hobart, TAS	Strategic Advisory	01 July 2024 to 30 June 2025	$67,370
Mercer Consulting Australia Pty Ltd	Melbourne, VIC	Human Resources Consultant	01 July 2024 to 30 June 2025	$66,240
Jenname	Lauderdale, TAS	Cultural Advisory Services	01 July 2024 to 30 June 2025	$56,389
Inspiring Place Pty Ltd	Hobart, TAS	Visual Impact Assessments	01 July 2024 to 30 June 2025	$55,784
Simple Nimble Pty Ltd	Hobart, TAS	Strategic Advisory	01 July 2024 to 30 June 2025	$54,223
EnerBright	Fitzroy, VIC	Organisational Planning Consultant	01 July 2024 to 30 June 2025	$54,000
Currie & Brown (Australia) Pty Ltd	Melbourne, VIC	Project Management Consultant	01 July 2024 to 30 June 2025	$53,875
Pledge Consulting	Ultimo, NSW	Project Management Consultant	01 July 2024 to 30 June 2025	$53,336
Rachel Trindade	South Yarra, VIC	Legal Advisor	01 July 2024 to 30 June 2025	$51,700
Klaus Schneider	Wehr, Germany	Independent Technical Advice	01 July 2024 to 30 June 2025	$51,533
Total				$33,660,324
Total expenditure on 60 other consultants engaged for $50,000 or less				$1,288,659
Total payments to consultants				**$34,948,983**

Procurement summary (continued)

Table 12: Consultancies valued at more than $50,000 (ex GST), FY2024–25

Indicator	Location of supplier	2020–21	2021–22	2022–23	2023–24	2024–25
Proportion of spending on local suppliers for the Hydro Tasmania group (%)[a]	Mainland Australia	25.7	28.5	16.9	28.5	29.6
	Tasmania	61.5	62.2	81.4	63.1	60.4
	Overseas	12.8	9.2	1.7	8.4	9.9
Value of spending on suppliers for the Hydro Tasmania group ($AUD)	Mainland Australia		$53,272,990	$53,433,343	$85,339,658	$95,995,112
	Tasmania		$116,190,476	$137,421,980	$189,100,867	$195,802,022
	Overseas		$17,250,475	$25,127,543	$25,278,668	$32,159,776
Proportion of spending on local suppliers for Momentum Energy (%)	Mainland Australia	98.5	95.5	96.1	98.5	98.4
	Tasmania	1.3	4.0	3.3	0.8	1.4
	Overseas	0.2	0.5	0.7	0.7	0.2
Value of spending on local suppliers for Momentum Energy ($AUD)	Mainland Australia		$25,367,208	$13,752,095	$30,896,814	$34,994,006
	Tasmania		$122,995	$121,813	$238,713	$499,909
	Overseas		$1,071,398	$340,697	$226,301	$83,610

[a] Includes Entura and AETV Power

Modern Slavery

Hydro Tasmania is committed to identifying and responding to modern slavery risks in our operations and supply chain. Our Modern Slavery Statement is published annually on the Modern Slavery Register at https://modernslaveryregister.gov.au/ and on our website at www.hydro.com.au/about-us/our-governance. Hydro Tasmania's Modern Slavery Statement for FY2024–25 will be submitted to the Modern Slavery Register by the end of the 2025 calendar year.

Remuneration report

For the financial year 2024–25, Hydro Tasmania has complied with the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration.*

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration including superannuation and incentives.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Executive remuneration framework

Remuneration levels for senior executives are intended to attract and retain top talent while also complying with the *Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration Guidelines.* Hydro Tasmania seeks independent expert remuneration guidance annually to position executive salaries in the market. Individual roles are evaluated based on a range of factors including the expertise and judgement required to perform the role, as well as the level of accountability for managing the organisation's resources. This market data, combined with individual role evaluations, forms the basis of our executive remuneration framework. All matters related to executive remuneration are governed by the People, Culture and Safety Committee, comprised of independent non-executive directors, some of whom are also members of the Audit Committee and Risk Management Committee.

Executive remuneration components

Executive annual remuneration arrangements are comprised of two components:

- Total Employment Package (i.e. base salary and superannuation paid at the statutory level of 11.5%) and
- Executive Incentive Program.

Executive-level (EL) employees are eligible for an executive incentive payment subject to meeting the corporate and individual targets. These payments are non-recurrent and capped at 15 per cent of base salary, in line with the guidelines.

Individual targets for CEO and executive-level employees are directly aligned with the corporate targets, so achievement of individual performance goals contributes directly to the achievement of Hydro Tasmania's performance.

The performance and remuneration of each senior executive, including the CEO, is reviewed annually by the Board.

The Board approves the release of an incentive if the following criteria or 'gate openers', are met:

- At least 85% of earnings before interest and tax (EBIT) forecast, and
- No extreme safety, environmental or compliance incidents.

The Hydro Tasmania Board retains the discretion to withdraw availability of the Executive Incentive Program or reduce the budgeted amount in any financial period, notwithstanding the achievement of the 'gate-openers'.

At the beginning of the financial year, each eligible participant will, in consultation with their leader, set a personalised scorecard for the review period (1 July – 30 June).

Remuneration report (continued)

The scorecard will include a set of group targets, the same for all executive-level staff across the business, and individual targets, which will reflect the participant's position, accountability and influence. Both group and individual targets should align to the organisation's Purpose, Vision and Strategy and link to the strategic pillars. These individual goals will be recorded in the SuccessFactors Performance Development Review system.

Each target should have equal weighting, and more substantial goals can be broken down into achievable milestones, provided they are still considered 'stretch' in nature.

Performance against individual agreed work and development plan targets is reviewed by line managers throughout the review period and rated as either 'stretch achieved' or 'stretch not achieved' at the end of the review period, with achievement against the scorecard rated as a percentage out of 100.

Depending on seniority within the business, the proportion of group vs individual goals increases as follows:

Table 13

	Group performance	Individual key performance indicators
Hydro Tasmania leadership team (HLT)	80%	20%
Senior leadership team (direct reports to HLT)	60%	40%
Level 3 (direct reports to SLT)	40%	60%
All other executives	20%	80%

The incentive is then calculated on the following formula:

Step 1.

Gate openers met at least 85% of EBIT forecast and no extreme safety, environmental or compliance incidents.

Step 2.

Base Salary x Target Percentage x Scorecard Performance (up to 100%) = Bonus Payable

Remuneration report (continued)

The below is a summary of the corporate targets achieved by the corporation in financial year 2024–25, which formed the basis of the Board release multiplier:

Table 14

Group target	%	Met/Not met	Comments
Group profit $91.2m	20%	Not met	FY2024–25 result was $7.5 million.
TRIFR <2.5	20%	Met	FY2024–25 result was 2.29. This is the second lowest recorded for Hydro Tasmania since measuring TRIFR from 2016.
Culture Factor Score 71%	20%	Not met	FY2024–25 result from the March 2025 Employee Engagement Survey was 68%, a decrease of 1% from 2024 results.
Delivery of major development & construction projects			
Tarraleah final business case	10%	Met	Approved by the Board in March 2025.
Cethana final business case	5%	Not met/ On pause	Deferral of the business case was recommended by the Major Projects Committee in May 2025 and approved by the Board in June 2025, with the focus on developing a robust commercial model to underpin this project.
Tamar Valley Power Station strategy	5%	Met	Approved by the Board in June 2025.

No executive incentives were paid for the financial year 2024–25 due to a shortfall by a significant margin of the EBIT forecast gate-opener.

Further information on our performance against these corporate targets can be found in the Performance against the Statement of Corporate Intent on page 28.

Each executive's performance was assigned an individual rating based on their contribution towards the achievement of their own individual objectives, each linked to the targets on the corporate scorecard objectives.

Image: Underground at Tribute Power Station

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We welcome feedback, comments and any queries regarding this report or its contents so that we can continue to improve its value to our readers.

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About this report

Hydro Tasmania's Annual Report covers the financial year from 1 July 2024 to 30 June 2025. The report complies with the requirements of the *Government Business Enterprises Act 1995* and the associated Treasurer's Instructions and guidelines for Tasmanian Government businesses.

Hydro Tasmania