Hydro Tasmania

Delivering power and prosperity for Tasmanians, today and tomorrow

Annual Report 2024

We acknowledge the rich and long history of the traditional owners of the lands on which we live and work and recognise their connections to land, sea and community.

The mountains, natural lakes and rivers that capture and channel water for hydropower are rich in Aboriginal history, culture and tradition.

We acknowledge the current custodians and their ongoing connection to culture, and the lands and waters 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 peoples today.

Cover image: Leah Powell at Meadowbank Dam

This page: Woolnorth Wind Farm's Musselroe Bay Wind Farm in 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 2024.

The report has been prepared in accordance with the provisions of the *Government Business Enterprises Act 1995.*

Richard Bolt
Chairman, Hydro-Electric Corporation
September 2024

Helen Galloway
Director, Hydro-Electric Corporation
September 2024

Hydro-Electric Corporation
ABN 48 072 377 158

The year at a glance

$193.7M
annual profit before fair value and tax

$122M
returning to the Tasmanian Government as dividends
(to be paid FY2024-25)

2.51
total recordable injury frequency rate

31.5%
total energy in storage at 30 June 2024

7,688 GWh
total energy generated

2,295 MW
installed hydro capacity

$241M
spent on our capital program

77%
employee inclusion score

73%
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

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: King Island

Contents

Chair foreword	8
Message from the Chief Executive Officer	9
Operations report	10
Momentum Energy report	18
Entura report	20
Statement of Corporate Intent	22
Financial report	29
Auditor’s independence declaration	101
Independent Auditor’s report	102
Summary information	109

Chair foreword

It gives me great pride to reflect on the past 12 months, my first year as Chair. We have successfully navigated the opportunities and challenges that come with a rapid market transition and volatile weather conditions and delivered on our purpose of creating sustainable value to Tasmania, communities, customers, and clients.

Our responsibility is to manage our resources as efficiently as possible, on behalf of Tasmanians, and we have delivered. Our strong financial position has been achieved despite the extremely dry weather conditions. The last 12 months have been the second driest in Hydro Tasmania's catchments.

We achieved this positive result due to careful management of water storages and sound trading decisions. Alongside this, we balanced the many needs for our resources including for irrigation, recreational use, and sustainable management of our precious aquatic environments.

None of this is possible without the commitment, passion and hard work of our people. Our success is Tasmania's success because we deliver dividends back to the Tasmanian Government to fund public services and infrastructure.

This year brought changes to the Tasmanian political environment, with new energy policy commitments from the re-elected state government aimed at delivering the lowest possible power prices for Tasmanians. We will continue to work closely with the shareholding ministers on our shared vision of delivering the best possible outcomes for Tasmania.

Our continued focus is on the day-to-day operations of our vast and complex hydropower network, managing our resources efficiently and effectively on behalf of Tasmanians. We are also committed to supporting new renewable developments in Tasmania, to help meet growing demand for energy.

Long-term, we are embarking on a new era of hydropower, with plans to grow our network to help meet the future needs of Tasmania's energy system and become a cornerstone of the national transition to clean energy. With the combined expertise of Hydro Tasmania and Entura, we are progressing the proposed redevelopment of the Tarraleah hydropower scheme and new pumped hydro at Lake Cethana. These projects would be larger than anything we have done for decades. Our last power station was commissioned in 1994 on the West Coast.

Chair Richard Bolt

Successful delivery will bring benefits back to Tasmania in jobs, skills development, investment, boosting economic development and sharing benefits with communities. These benefits grow when coupled with the opportunities that greater interconnection will bring.

We must also keep our eye firmly on 'business as usual' to continue managing our existing operations to a high standard. Maintaining and modernising our assets will underpin our success.

I would like to convey my sincere gratitude to the staff, the executive leadership, my fellow board members and to our shareholder ministers for their important contributions to our organisational success.

Finally, I thank our CEO Ian Brooksbank, who steps down in October to head into retirement. Ian's steady and inclusive leadership has been a great asset, as has his genuine care and compassion for our people. I know he will continue to watch with keen interest the progress of our important work, having played a pivotal role in it.

Message from the Chief Executive Officer

The past 12 months have brought challenge, change and opportunity across our businesses and once again, Hydro Tasmania has delivered positive results for the benefit of Tasmanians.

For a business that relies on rain, the very dry 12 months created challenges for storage management, generation and energy trading but as always, our people delivered. Thanks to careful management and planning, we maintained a secure level of energy in storage and met our profit target.

My thanks go to the teams who have skilfully navigated the ongoing operation and maintenance of our complex hydropower system to generate clean energy and the equally complex task of modelling and trading to achieve the best return for every drop of water.

With $122 million of profits returning to the Tasmanian Government as a dividend (to be paid in FY2024-25), the smart management of our hydropower infrastructure is playing a vital role in helping cover the cost of services.

I am very pleased that in such a complex and challenging year, we have kept our people safe. We have maintained a very low rate of recordable injuries and are seeing a strong increase in our people reporting safety interactions.

As well as keeping our people safe, we strive for a vibrant, inclusive culture. It is very pleasing to see our employee survey showing positive upward trends in inclusion and engagement. This reflects our significant efforts and investment in the growth and development of our people, our diversity and inclusion initiatives, and deeply valuing the work our people do every day for Tasmanians, our customers, and our clients, both nationally and internationally.

Our specialist consulting firm, Entura, delivered impressive results, completing over 100 packages of work for Hydro Tasmania, including critical support to our major construction projects and strategic asset management planning. Entura continues to provide vital support to the energy transition through service expertise and excellence to Australian and international power and water projects that bring knowledge and revenue home.

Momentum Energy had an excellent year, achieving its profit target while navigating the competitive retail market. New products, partnerships and campaigns have been a feature of this year and are key to delivering excellent customer service and value.

It was a year of change and opportunity for me personally as I will be stepping down as CEO in October. I will leave proud to have been at the helm of Australia's largest renewable energy generator, working with a skilled team to manage an impressive network of hydropower stations, dams, wind farms and hybrid energy systems. There is nothing like it anywhere else in the world.

Chief Executive Officer Ian Brooksbank

Ian with Chair, Richard Bolt, visiting Cethana in 2023

The power of our past will fuel our future as we embark on ambitious plans to grow our energy system and dovetail with other renewable energy opportunities to meet growing demand. Our plans to redevelop the Tarraleah hydropower scheme and build pumped hydro at Lake Cethana would maximise the value and use of additional interconnection and deliver significant benefits back to Tasmanians.

I know I leave Hydro Tasmania in great shape and ready to embark on a very exciting phase.

Operations report

Major asset upgrades FY2023–24

1 Murchison Dam upgrade stage 2

FY 2023-24: **$9.68m** | STAGE: **Implementation**

2 Mackintosh machine upgrade

FY 2023-24: **$2.88m** | STAGE: **Planning/ Procurement**

3 Lemonthyme machine upgrade

FY 2023-24: **$4.54m** | STAGE: **Planning/ Procurement**

4 Rowallan station upgrade

FY 2023-24: **$9.28m** | STAGE: **Commissioning**

5 Gordon unit 2 machine upgrade

FY 2023-24: **$7.51m** | STAGE: **Implementation**

6 Pedder Wilderness Lodge redevelopment

FY 2023-24: **$7.08m** | STAGE: **Implementation**

7 Gordon units 1, 2, 3 & John Butters unit main inlet valves replacement project

FY 2023-24: **$2.93m** | STAGE: **Planning/ Procurement**

8 Gordon units 1 & 2 runner replacement

FY 2023-24: **$1.74m** | STAGE: **Procurement**

9 Gordon Serpentine valve house refurbishment

FY 2023-24: **$1.44m** | STAGE: **Implementation**

10 Tarraleah upgrade works

FY 2023-24: **$39.45m** | STAGE: **Implementation**

11 Cethana power transformer replacement

FY 2023-24: **$4.76m** | STAGE: **Planning/ Procurement**

12 Poatina unit 3 turbine and station upgrade

FY 2023-24: **$9.60m** | STAGE: **Implementation**

13 Poatina unit 3 stator and secondary systems upgrade

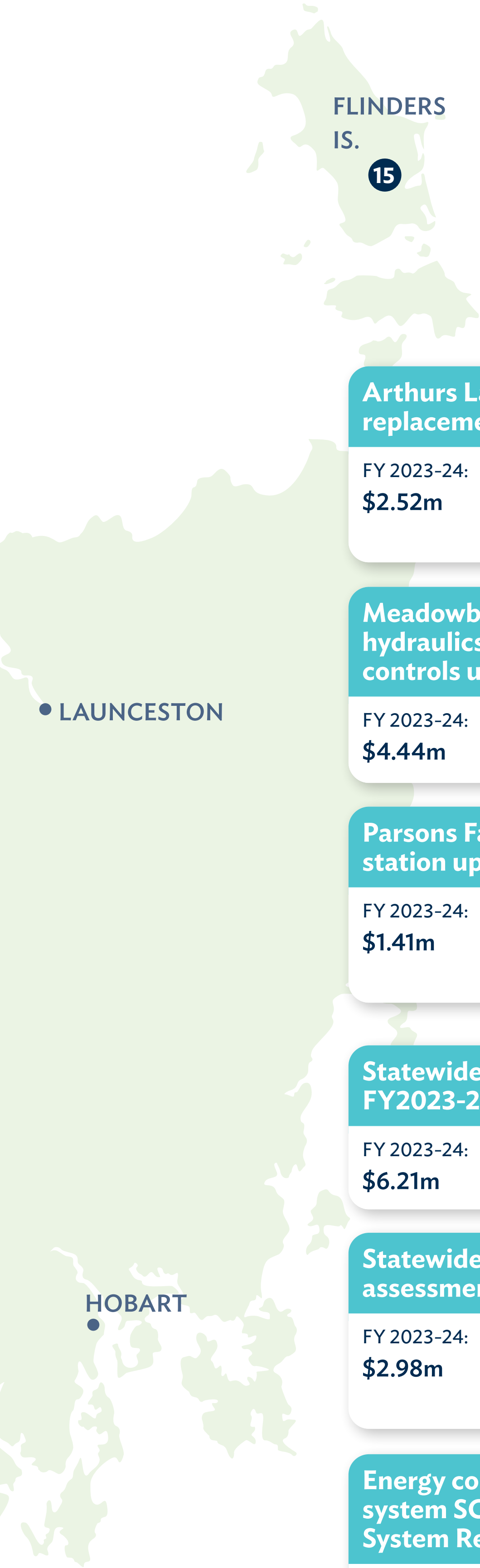
FY 2023-24: **$2.38m** | STAGE: **Planning/ Procurement**

14 Poatina unit 6 major refurbishment

FY 2023-24: **$2.10m** | STAGE: **Planning/ Procurement**

15 Bass Strait islands capital works FY2024

FY 2023-24: **$1.79m** | STAGE: **Implementation**



Arthurs Lake pump replacement 16

FY 2023-24: **$2.52m**
STAGE: **Planning/ Procurement**

Meadowbank crest gates hydraulics & electric controls upgrade 17

FY 2023-24: **$4.44m**
STAGE: **Commissioning**

Parsons Falls pumping station upgrade 18

FY 2023-24: **$1.41m**
STAGE: **Planning/ Procurement**

Statewide office facilities FY2023-25

FY 2023-24: **$6.21m**
STAGE: **Finalisation**

Statewide dam safety assessments FY2024-26

FY 2023-24: **$2.98m**
STAGE: **Planning/ Procurement**

Energy control system SCADA System Replacement

FY 2023-24: **$2.82m**
STAGE: **Commissioning**

Hydro Tasmania made significant advances in the planning and preparation of two major renewable energy projects. Together with Entura, we progressed activity to support the commercial and technical analysis for a proposed redevelopment of the Tarraleah hydropower scheme and our first pumped hydro station at Lake Cethana.

The Tarraleah scheme is being reimagined to increase capacity and flexibility. We advanced activities to support the upcoming procurement phase, progressed environmental approvals and technical studies, and completed the preliminary business case. We have now commenced the next stage business case to refine cost estimates, procurement approach and timeframes.

Upgrade works at Lake King William are well advanced on key pieces of infrastructure – an intake, tunnel portal and one kilometre connecting tunnel. This activity supports a potential new scheme and power station in the future.

Our proposed pumped hydro project at Lake Cethana is Tasmania's first – a 750 MW scheme with up to 20 hours' storage duration capacity.

Detailed analysis of the commercial and technical feasibility was completed and a preliminary business case endorsed by the Board. Work is progressing on the final business case, further shaping the market opportunities, commercial analysis and demonstration of benefits.

An extensive geotechnical program was undertaken to support design finalisation and construction planning. We advanced our readiness to commence procurement and progressed regulatory approvals and technical studies.

In order to proceed, each project will need to demonstrate a robust and positive business case with an acceptable financial return on investment, and receive Tasmanian parliamentary approval.

Energy security

Despite it being the second driest year for Hydro Tasmania's catchments, and below average inflows for most months, we maintained a secure level of energy in storage throughout the year. Total Energy in Storage (TEIS) was 31.5 per cent at 30 June 2024, well above the High Reliability Level required by the Tasmanian Energy Security Risk Response Framework.

Maintaining storages was a key focus throughout the unusually dry period. It required careful planning and coordination and conservative modelling to ensure large contingencies for unplanned events. We increased our reliance on energy imports via Basslink, leveraging market conditions to import energy when prices in the National Electricity Market were low or negative. And in June, we fired up the Combined Cycle Gas Turbine at Tamar Valley Power Station 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. With dry conditions forecasted to continue, we are in a good position to manage the impacts of low inflows.

Our finances

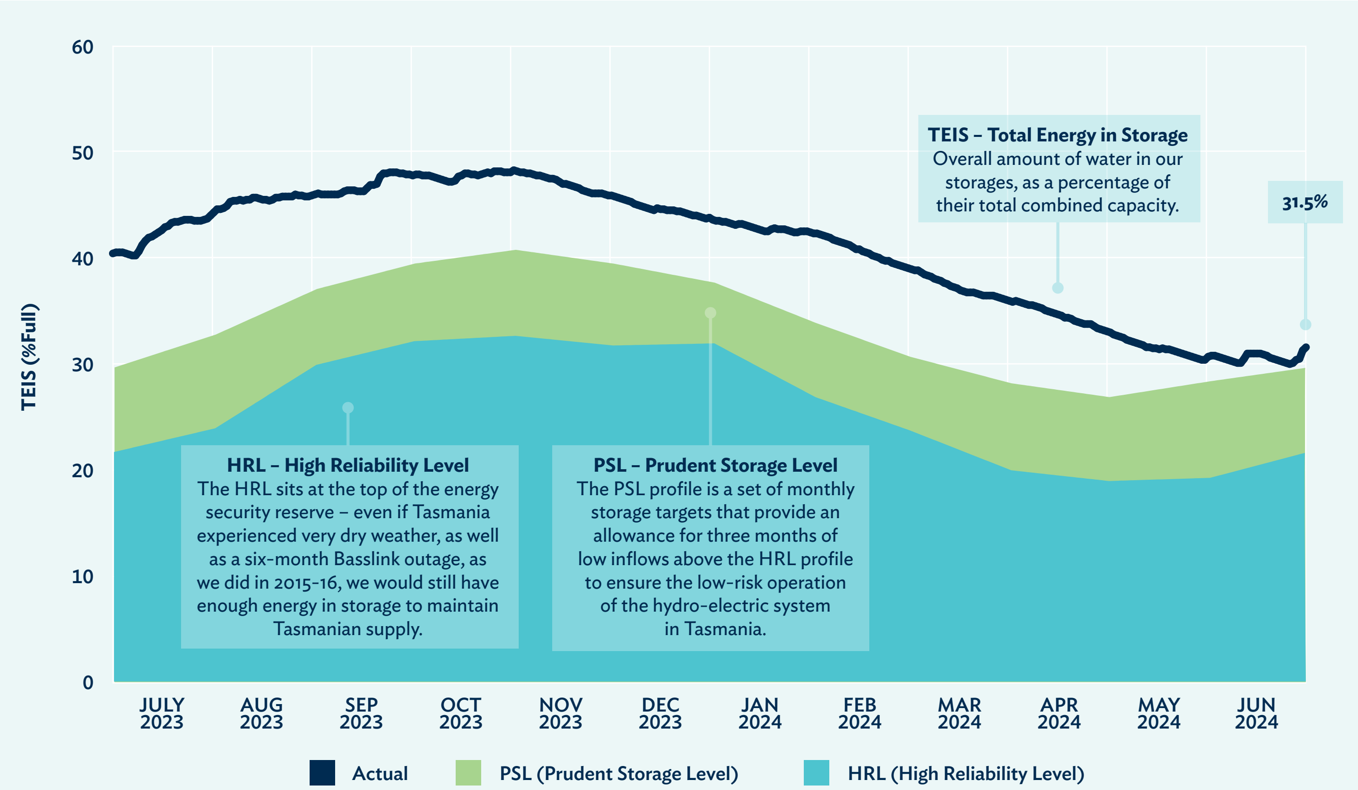
Despite dry conditions through the year, Hydro Tasmania delivered a strong result with an annual profit of $193.7 million, before fair value and tax, and will return $122 million in dividends to the people of Tasmania (to be paid in FY2024-25).

We continued to invest in our existing assets with $241 million spent on our capital program. The capital works program ensures we invest in our critical infrastructure so that we can continue to deliver reliable energy to Tasmania for the next 100 years.

We also forged ahead with the proposed Tarraleah redevelopment and the Cethana pumped hydro projects. These major projects would contribute to Tasmania's energy requirements into the future and will enable us to operate with more flexibility in a changing market.

Hydro Tasmania's net debt as of 30 June 2024 was $788 million, which has increased by $114 million on the previous year to partly finance our investments in our critical infrastructure.

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.

On 23 March 2024, we welcomed visitors to Liapootah Power Station. Our attendees got a behind-the-scenes look into how we generate renewable energy, plus enjoyed some interactive games and a sausage sizzle of course!

Giving back to the community

We supported local Tasmanian communities and grass-roots organisations across the state with financial and in-kind support during FY2023–24. In addition, we worked with local communities in the regions where we operate to identify their priorities and how to best help them to achieve goals in the local area.

Hydro Tasmania also supported Tasmanian communities through our Corporate Volunteering Program. This year, 37 per cent of staff volunteered their time to help others through programs such as the Guide Dogs, Daffodil Day, and sorting donations and presents at Christmas time for the Salvation Army.

We made great progress towards developing a genuine and meaningful Aboriginal and Torres Strait Islander Commitment Statement and Action Plan for the Hydro Tasmania group during the year. The early draft was shaped with Aboriginal advisors and during FY2024–25, we will engage externally with Aboriginal people in lutruwita/Tasmania. Our Commitment Statement will be finalised in FY2025, along with a roadmap of actions that will actively respond to the identified needs of Aboriginal and Torres Strait Islander people.

We provided $195,000 to 20 partner organisations undertaking activities that have broad measurable benefits for Tasmanians. These sponsorships focused on skills and education; diversity, equity and inclusion; environment; community; and sporting teams.

In 2024, we entered a new agreement with Hobart City Mission, providing funds to upgrade the bathroom facilities for people experiencing homelessness.

We also signed a new three-year agreement with the Beacon Foundation, supporting a program that aims to encourage students at risk of dropping out of school to continue their education and to raise awareness of career opportunities in the renewable energy industry.

Our work with communities also included:

- keeping communities updated on plans and progress on the proposed Tarraleah redevelopment and Cethana pumped hydro projects
- commencement as a foundation member of the Western Region Strategic Partnership Group, which brings industries on the West Coast and all levels of government together to collaborate on positive community outcomes
- working with irrigators, recreational water users and neighbours to ensure the final testing of the Meadowbank crest gates could be successfully undertaken with minimal impacts
- hearing and responding to Rosebery Neighbourhood House calls for games and activities to encourage children to visit and spend time in a safe and supported environment
- reopening our power stations for public tours for the first time since tours were put on hold due to COVID-19
- providing six community grants totalling $28,000 to enable community-led initiatives.

Hydro Tasmania's Sue Street and Jordon Castle joined Flinders Island kids William, Maddy, Isla and Jacob in September 2023 as part of our education sessions teaching young children about energy and electricity.

Educating our kids

Hydro Tasmania's education program, Generation Hydro, inspires students to learn about STEM, providing engaging hands-on activities in schools and at events.

The program provides primary and secondary teachers with opportunities to increase students' knowledge of:

- the renewable energy industry
- how power is generated in Tasmania
- the history of hydropower
- energy and electricity
- how we care for the environment.

In FY2023-24, we:

- attended 49 schools, teaching more than 4,500 students between Prep and Year 12
- ran 11 power station tours for 435 students
- engaged the public and schools with hands-on activities at Science Week events around the state
- attended career events
- ran school holiday programs in libraries

Hydro Tasmania's Education Officer, Gina Loewen, visiting students at Lansdowne Crescent Primary School.

- sponsored and ran career-readiness programs with Beacon Foundation
- ran Girls in Power for Year 9–10 girls to expose them to opportunities in the power industry.

Hydro Tasmania's Samantha Briscoe, Josh Cooper, Hayley Crichton, Jason Ash-Williams and Sammy Gibbs from Entura at the UTAS Engineering Careers Fair in March 2024.

Investing in our people

Hydro Tasmania has designed a strategic workforce plan linked to the achievement of the business strategy. The plan ensures we're best placed to attract, develop and retain the workforce required into the future, and to connect people-related decisions to strategic goals to maximise and drive business outcomes.

We focused on the early career's development during FY2023–24 with intakes of apprentices, graduates, vacation students and trainees through structured programs that fostered professional development.

Our apprentices benefited from hands-on training and mentorship, complemented by academic coursework. Our graduates participated in rotational programs across various departments to gain a broad understanding of the business and experience within their discipline. Vacation students engaged in internships or short-term projects to apply their academic knowledge in a professional setting, and trainees received specialised training and guidance to enhance their skills.

These early career programs incorporated performance evaluations, feedback sessions and networking opportunities.

Awards and recognition

Hydro Tasmania's people are our greatest assets and we saw multiple people across our business recognised during FY2023–24 for their efforts and skills, including:

- Lucy Aird – Diversity and Inclusion Award winner at the Clean Energy Council Awards.
- Josh Hawkins – Geospatial Professional of the Year at the Geospatial Excellence Awards.
- Aloka Senadeera – Accounting Student of the Year at the Australian Accounting Awards.
- David Gerke – Professional Engineer of the Year by the Tasmanian chapter of Engineers Australia.
- Entura's Environmental and Planning Team – Stakeholder Engagement Award winner at the Planning Institute of Australia's Planning National Excellence Awards.
- Momentum Energy – Highly Commended Green Energy Retailer of the Year at the Finder Green Awards.
- Tammy Chu and Richard Herweynen – recognised as top 75 most influential individuals in the hydropower industry by International Water Power & Dam Construction magazine.

Sarah Button and Cameron McCulloch have shared equal parental leave as part of Hydro Tasmania's policy.

Championing diversity, equity and inclusion

Our commitment to diversity, equity and inclusion continues to be underpinned by our Expect Respect program, established six years ago to foster inclusion and respect within our culture. This year, we delivered refresher training to our first responding staff and Workplace Support Officers, and developed a People Leader Toolkit, providing guidance and practical tools to bring conversations about everyday respect to life across our organisation.

We launched our five-year Gender Equality Strategy with goals in pay, leadership and flexibility, including a goal to halve our gender pay gap by 2030. The strategy was informed by a gender pay gap analysis, showing a gap across the Hydro Tasmania group of 21 per cent based on median total remuneration figures for 2022. This aligned with industry comparators for the same year.

Recognising that representation and pay gaps are societal and involve sector-wide challenges, we joined the National Champions of Change Coalition's Energy Group to work collectively towards a more gender-equal and inclusive future. Approximately 120 of our leaders participated in Change Makers, a program facilitated by Future Women to enhance skills in inclusion and gender equality.

We will track our organisation-wide gender pay gap and other key metrics annually to evaluate the success of our initiatives under the strategy.

We sustained our focus on accessibility. Our newly formed Disability Employee Network will contribute to our second Disability Inclusion Action Plan and consult on related policies and procedures, such as our new Workplace Adjustment Procedure.

Caring about our environment

Hydro Tasmania has worked collaboratively to address environmental concerns in the catchments we operate in. The Maugean skate is an endangered species known to live only in Macquarie Harbour on Tasmania's West Coast. Hydro Tasmania is a member of the recovery team for the skate. As part of our commitment to the recovery team, we have developed inflow models for the King and Gordon rivers, which will help CSIRO to model the dynamics of Macquarie Harbour and understand the role that river flows play in the oxygen demand in the harbour. We will continue to work with the recovery team to secure the future of the species.

A bloom of blue-green algae at Woods Lake persisted throughout the year. Hydro Tasmania is working with experts from Griffith University, CSIRO, University of Tasmania, Natural Resources and Environment Tasmania and University of Western Australia to understand the dynamics of the bloom and to identify possible management options. Genetic testing has confirmed that the bloom is non-toxic. Aquatic plants remain sparse across the lake. Ecosystem modelling will be conducted in FY2024-25 to inform management scenarios for the lake. Woods Lake remains open to the public and we provide timely safety information via our online channels, local signage and through the Inland Fisheries Service. Lake Trevallyn experienced a short-lived bloom in February 2024. Hydro Tasmania worked collaboratively with the Tamar Estuary and Esk Rivers program and its partners to manage the bloom and provide timely safety information to the public.

Scientists estimate there are fewer than 1,000 mature Australasian bitterns remaining in Australia. Hydro Tasmania has supported the Bookend Trust's CallTrackers program to listen in to the birdlife at Lagoon of Islands. We were thrilled when this program detected a breeding pair with chicks in residence.

We finished our plantings of the endemic Pencil Pines near Lake Mackenzie in April 2024. Having undertaken this work every spring and autumn since 2020, we've now planted a total of over 1,000 trees, which we continue to monitor. We also recorded approximately 3,500 eels safely moving through the downstream eel bypass at Trevallyn dam during the migration season to complete their lifecycle in the Coral Sea.

We also support Tasmania's agricultural industry. Hydro Tasmania manages two irrigation districts (Lake River and River Ouse districts) and facilitates access to water in 10 other districts, as well as to individual irrigators across the state.

There are two threatened fish species, *Paragalaxias dissimilis and Paragalaxias eleotroides*, that lay their eggs in the shallow waters of *yingina* / Great Lake. Hydro Tasmania manages the operation of Poatina Power Station during spawning season to ensure that the draw down of *yingina* / Great Lake does not impact the breeding success of these species. Experienced staff from Entura conducted field surveys of the spawning during the season. The results from this survey informed decisions made during the dry conditions to ensure recruitment was successful and environmentally sound. Follow-up population surveys confirmed the successful recruitment of both species during the FY2023–24 breeding season.

Towards Net Zero

As Australia's largest generator of renewable energy, we are already one of the lowest emitters in the energy sector at just 0.1 per cent of Australia's biggest emitter in the energy sector. But we can – and must – do more. In July 2023, we announced a raft of initiatives to measure, reduce and offset emissions across Hydro Tasmania, Momentum Energy and Entura.

Twelve months on, we've made important strides and are on track to achieve net zero scope 1 and 2 emissions from 1 June 2025. We are well advanced in our work to quantify our scope 3 emissions, which will support further emission reduction strategies.

Achieving net zero is not an easy task for any business. As a renewable energy business that already has very low carbon emissions, emissions reductions are an important part of the plan, with offsets playing a role when reductions are not possible. We recognise that in low inflow conditions such as those experienced recently, the use of Tamar Valley Power Station may be necessary. While this can add to our own carbon footprint, gas fired generation still has an important role to play in the renewable energy transition as a back up to variable renewable energy such as wind and solar. We are taking a portfolio approach to optimising our generation and emissions impact and Hydro Tasmania will continue to significantly contribute to accelerating the renewable energy transition and the decarbonisation of the NEM. Our work over the past year to implement our Towards Net Zero plan includes:

- electrifying more of our vehicle fleet – we now have 20 electric vehicles and 10 charging stations across the state
- reducing the use of diesel on King Island through the new Huxley Hill solar farm
- supporting Momentum Energy customers seeking to electrify their homes through a partnership with services provider 'Goodbye Gas'
- requesting and reviewing proposals for Australian Carbon Credit Units (ACCU) to offset scope 1 emissions from 1 June 2025.

Hydro Tasmania completed a new $3.35 million, 1.5MW solar farm on King Island during the financial year, setting a global standard for hybrid renewable energy systems.

The almost six-hectare solar farm comprises 5,000 panels and is part of a long-term plan for King Island to transition away from diesel and to renewables.

Over the last 10 years, diesel consumption on the island has decreased by 50 per cent. This has saved 2.1 million litres and cut carbon emissions by 5,700 tonnes a year.

An additional 300,000 litres in diesel and 800 tonnes in carbon emissions will be saved annually allowing us to deliver even greater reliability in electricity supply for local homes and businesses.

This type of hybrid, renewable energy system is a model for the National Electricity Market. How we integrate wind, solar and storage, while reducing fossil fuels and maintaining grid stability, is an important lesson as the nation transitions to renewable energy.

The King Island solar farm development is part of Hydro Tasmania's plans to achieve net zero reportable scope one and two emissions by 1 June 2025.

Momentum Energy

Hydro Tasmania's mainland retailer, Momentum Energy (Momentum), supports more than 200,000 residential, small and medium enterprise, and commercial and industrial sites across Victoria, the Bass Strait islands, NSW, QLD, SA, and the ACT.

This year, it exceeded its profit target delivering a profit of $12.1 million, a strong result in a competitive market.

Momentum's mission is to be a trusted green partner in Australia's energy transition. To this end, they launched a number of new products, partnerships and marketing campaigns to show their customers – large and small – how they can benefit from adopting cleaner energy solutions.

These solutions include a Virtual Energy Network, a 'solar sharing' initiative that can help large businesses supersize their investment in solar as well as improve their bottom line. For smaller customers, Momentum released:

- its first electric vehicle plan and partnered with leading EV infrastructure partner EVIE Networks
- an electrification support proposition for gas customers in partnership with Goodbye Gas
- an incentive to purchase a solar product – such as solar panels or a battery – from another new partner, SolarGain.

FY2023–24 snapshot

$12.1M
EBIT

329
total employees (110 Hobart based)

3.5 TWh
Customer load coverage

200,000+
active sites

Momentum's 100% marketing campaign was a successful initiative launched in FY2023–24.

Ben Morice, Area Coordinator at Hydro Tasmania, with Lucy Feagins from content partner, The Design Files, visiting Tarraleah Power Station to showcase renewable energy generation to The Design Files audience as part of a brand partnership with Momentum.

Momentum continues to work with trusted partners such as The Design Files in developing climate and energy content to increase awareness and interest in how individuals can take part in the energy transition. To support these activities, the organisation launched a new 100% marketing campaign, reinforcing Hydro Tasmania's strong renewable energy credentials.

Customers have been supported through the cost-of-living crisis by moving more than 48 per cent of small customers onto direct debit and by offering a SmoothPay product – now used by more than 11,000 customers – to help avoid bill shock. Through its Keeping Momentum hardship program, Momentum has a range of solutions and support available, such as placing debt on hold, payment matching and energy audits.

Internally, team members continued to receive training to help them continue delivering outstanding service, and there was an ongoing focus on creating a more inclusive work environment.

Managing Director, Lisa Chiba, took parental leave from October 2023 to April 2024 for the birth of her second daughter, while Hydro Tasmania's Executive General Manager of People, Culture and Engagement, Ruth Groom, stepped into the acting role.

Twenty-one employees used the gender-neutral parental leave policy of 15 weeks. Leadership and Development programs included The Momentum Academy (designed to develop emerging talent), Human Centred Communications Training for phone-based employees, the Future Women's Changemakers program for inclusive leadership, and Mental Health First Aid Training. A certificate of Business and a Diploma of Leadership and Management are being piloted to add greater value to employees by providing formal accreditation opportunities.

Momentum is proud of its support for jobs in Tasmania, which remained at around 110 employees, covering contact centre sales roles as well as customer service, retail, IT, learning and development, people and culture, credit and operations. The Tasmanian team relocated from Cambridge to Hydro Tasmania's Elizabeth Street office this year, bringing together all three Hydro Tasmania brands into one head office.

Entura

Entura is Hydro Tasmania's specialist power and water consulting business. This financial year, it continued to build its national and international reputation.

In FY2023–24, Entura expended 59 per cent of total resource effort directly supporting Hydro Tasmania projects. This equates to approximately 140,000 person hours of specialised technical support. Over 100 packages of work were consolidated and completed with Hydro Tasmania, including ongoing Tarraleah redevelopment and Cethana pumped hydro services and significant work supporting the Strategic Asset Management Plan.

In addition to this, Entura leveraged its technical expertise to support the delivery of water and renewable energy projects across Tasmania (11 per cent) Australia (21 per cent) and the Indo-Pacific region (9 per cent), bringing financial returns to Tasmania.

This year, the work and skills of our people were shared and acknowledged on the national and international stage, including at the global CIGRE Symposium in Cairns and at the World Hydropower Congress in Indonesia.

The organisation made a significant contribution to Tasmania through its engineering and scientific services to Hydro Tasmania, TasNetworks and TasWater supporting the operation and development of critical Tasmania power and water assets.

Entura continues to support the national renewable energy transition via engineering and scientific services for water management, solar, wind, pumped hydro and battery energy storage projects, as well as due diligence services associated with project transactions. International services are bounded by their Indo-Pacific regional focus integrity and sustainability screenings, which are applied to ensure we only work with clients and opportunities that align with our expertise and values.

Entura screens all potential new countries, clients, partners and projects against its Integrity Framework. The process assesses sustainability and governance risks, including

FY2023–24 snapshot

>40
Client feedback excellence score

>2.5GW
Renewable energy services under contract

100
Packages of work completed with Hydro Tasmania

On Country cultural experience for our ECEWI delegation as part of the South Asia Regional Infrastructure Connectivity (SARIC) initiative.

environment, health and safety, human rights, community impact, modern slavery, corruption and bribery, legal, financial and reputation issues.

All new companies and projects were subject to Entura's sustainability screening through FY2023–24. Of the 124 screens conducted, 115 were found to be low risk. Of the nine company and project screens that returned a 'greater than low risk' rating, three 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 the FY2023-24, including those commencing in previous years.

Hydro Tasmania's EGM Strategy, Erin van Maanen; Hydro Tasmania CEO, Ian Brooksbank; Governor of Washington State, USA, Jay Inslee; and Entura Managing Director, Tammy Chu met in November 2023 as part of the Australian Study and Trade Mission aimed at strengthening relationships between Washington and Australia and to discuss common climate ambitions and decarbonisation.

Table 1: Entura's international projects

Country	Project type	Type of services	Status as at 30/6/2024
Cook Islands	Funding agency	Owner's engineer for solar and battery project	Current
Laos	Financial institution	Technical due diligence for hydropower projects portfolio	Current
India	Developer	Pumped hydro energy storage atlas	Closed
Indonesia	Utility	Feasibility, design, environmental and social impact assessments for a hydropower development project	Closed
Malaysia	Utility	Independent Review Panel members for hydropower development project	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
New Zealand	Government Agency	Technical engineering and design feasibility for remote wind farm	Closed
	Utility	Hydropower asset management review	Closed
Tuvalu	Funding agency	Technical engineering and design feasibility for hybrid renewable energy system	Current
Philippines	Developer	Technical advisor for wind farm	Closed
	Financial institution	Technical due diligence for renewable energy project	Closed
	Utility	Technical condition assessment of hydropower scheme	Closed
	Funding agency	Technical advisor for a hydropower scheme	Current
Timor Leste	Funding agency	Technical advisor for feasibility and development of a solar and battery project	Current
Papua New Guinea	Operator	Hydropower asset management service	Current
	Funding agency	Renewable energy mini-grid services	Current
Samoa	Funding agency	Technical advisor for dam engineering project	Current
Solomon Islands	Funding agency	Technical advisor for solar energy program	Closed
	Utility	Electrical engineering design services for electrical infrastructure upgrades	Current
	Utility	Owner's engineer for SCADA system	Current
	Utility	Asset management maturity assessment	Current
Singapore	Consultant	Technical feasibility for a pumped hydro energy storage project	Current
Tonga	Funding agency	Owner's engineer for renewable energy project	Current
Vietnam	Financial institution	Technical due diligence for hydropower project	Closed

Statement of Corporate Intent FY 2023-24

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 our strategic direction.

Hydro Tasmania

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

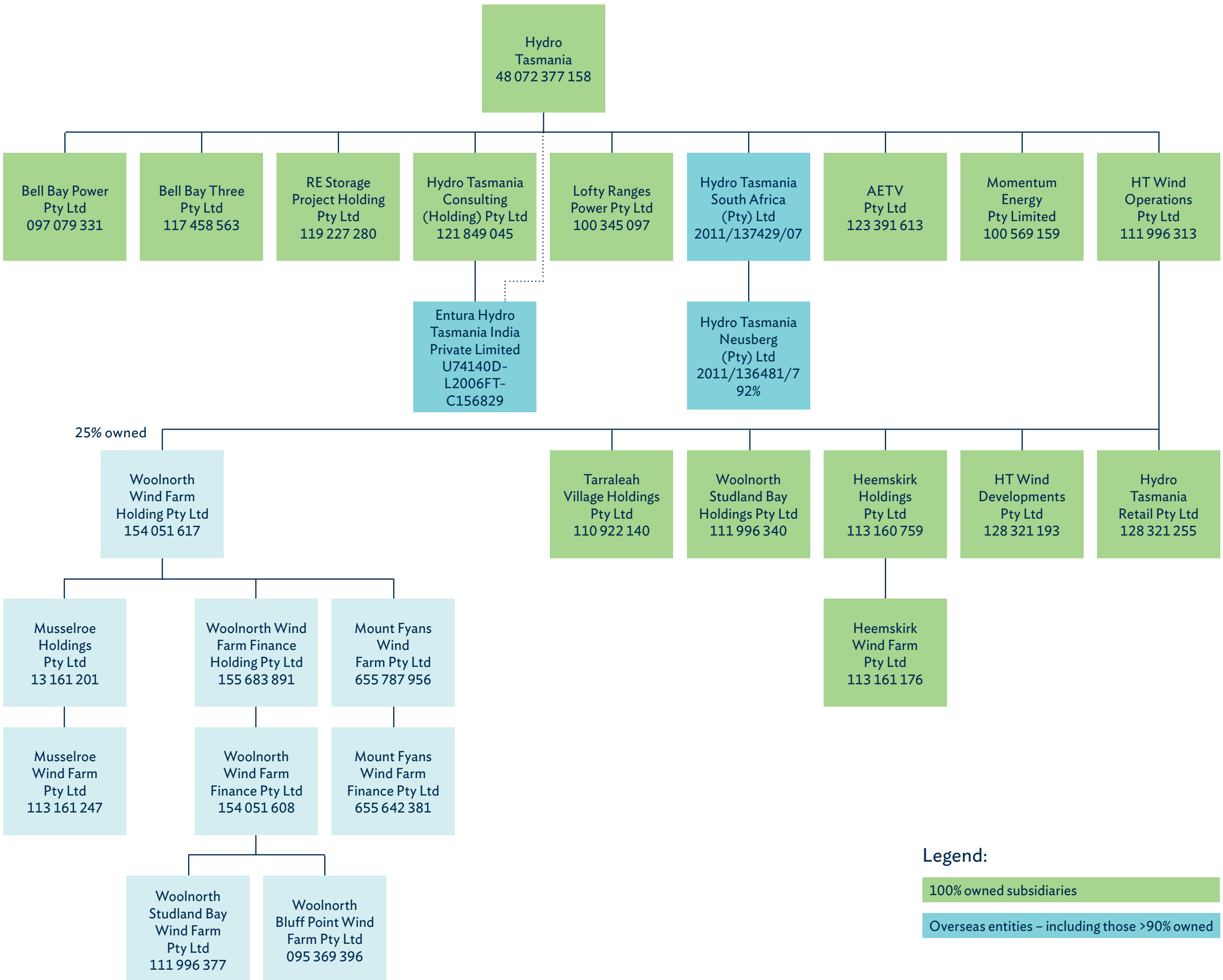
Momentum Energy

Our electricity and gas retailer, Momentum Energy, is a leading supplier of electricity and gas solutions to business customers and residential markets across Australia, providing competitive rates and quality sustainable products and services.

Entura

Our consulting business, Entura, delivers clever solutions in water and energy that support Hydro Tasmania's operational and development aims, while also exporting our largely Tasmanian-based talent and services to external clients locally, nationally, and internationally that brings new knowledge and service fees home to Tasmania.

Figure 2: **Hydro Organisational Structure**



Operating environment

Hydro Tasmania's strategic focus is to demonstrate long term commercial success and underpin Tasmania's development in such a way that the state's natural water resource and infrastructure continues to sustainably drive economic growth.

Hydro Tasmania operates in the highly dynamic and competitive National Electricity Market (NEM), which is undergoing a period of significant transition, from being dominated by large low-cost fossil fuel energy sources to new smaller scale variable renewable energy sources such as wind and solar. These energy sources by themselves are not capable of matching the demand pattern of electricity consumers and require substantial 'firming' capacity to make the energy available at the time customers need it. This service is currently provided mostly by coal and gas plants that are progressively being removed from the grid. Tasmania is uniquely placed to help lead Australia through its energy transition. Large storage options like reservoir storage hydro, pumped storage hydro and batteries are becoming valuable for their ability to support variable wind and solar. As a provider of dispatchable renewable capacity Hydro Tasmania can provide some of the substantial firming services required to support this transition.

Hydro Tasmania's operating environment is affected by:

- a volatile wholesale market driven by increasing penetration of variable renewables coupled with the sequenced closure of aging coal-fired generation
- a highly competitive national electricity retail market.
- changes in the way that electricity is produced, sold, bought and consumed due to developments in technology and enhanced customer awareness
- strong ambition and change in national and state policies to address climate change, transition the NEM to renewables and meet energy reliability requirements
- the cost of gas as a transitionary fuel for peaking or firming, and a move away from high-volume, lower-value uses.

Our strategic direction

Hydro Tasmania is focussed on taking advantage of the opportunities of the NEM's transition to renewable energy. With new interconnection becoming more likely, Hydro Tasmania is focussed on sustaining our assets and progressing Battery of the Nation projects.

We are working on progressing to final investment decision for our two flagship projects – the Tarraleah hydropower scheme redevelopment and the pumped hydro development at Lake Cethana.

Hydro Tasmania's strategy is underpinned by continued investment in our assets to maximise their flexibility and value. We continue to be focussed on producing affordable and reliable renewable electricity. We effectively manage risk to ensure our business is profitable and provides sustainable returns to Government.

We are transforming our workforce to deliver our major projects and adapt to the changing energy market.

We will continue to maximise value from our mainland retail brand Momentum Energy, creating value for all Tasmanians by strengthening and diversifying revenue sources, leveraging the battery of the nation initiative and providing employment opportunities in the state. Momentum Energy is working to become a trusted green retail partner with its customers.

Entura continues to work with clients across Australia, the Pacific and South/South-East Asia to drive the energy transition and solve water management and infrastructure problems. Entura's highly skilled workforce will be critical to both delivering and maintaining Hydro Tasmania's current asset portfolio and battery of the nation projects.

The success of our business is underpinned by our people, the effective management of Hydro Tasmania's water resource and generation assets, and the systems and processes in place to support our business operation.

Key financial and non-financial performance indicators and associated targets for FY2023–24 are shown in the Performance against the Statement of Corporate Intent table on page 25. 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 FY2023–24 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:

Richard Bolt
Chairman
Hydro Tasmania
On behalf of the Board

Hon Michael Ferguson MP
Deputy Premier and Treasurer

Hon Guy Barnett MP
Minister for Energy and Renewables

Performance against the Statement of Corporate Intent

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 which includes a performance agreement between the business and the shareholding ministers. Performance against the FY2023-24 targets is outlined below.

Table 2: **Performance against Statement of Corporate Intent**

Key performance indicators (KPIs)	Full year target 2023-24	Results as at 30 June 2024
Financial indicators		
Results before fair value movements and tax[1]	$182.0m[1]	$193.7m
Net debt (excluding leases)	$735.0m	$788.1m
Return on equity	6.5%	6.1%
Capital expenditure	For capital expenditure projects greater than $2,000,000: 100% on time 100% on budget	For capital expenditure projects greater than $2,000,000: 100% on time 100% on budget
Tarraleah Redevelopment	All milestones met as per the Tarraleah grant funding agreement.	Not all the milestones were met as per the revised Tarraleah funding agreement.
EBIT Improvement Target	Net general operating expenses (excluding retail and exceptional items) equal to $183.0m	$174.7m
Entura earnings before interest & tax (EBIT)	Entura EBIT equal to or greater than budget	Entura EBIT above budget
Momentum Energy earnings before interest & tax (EBIT)	Momentum Energy EBIT equal to or greater than $11.1m	$12.1m
Non-financial indicators		
Total recordable injury frequency rate (TRIFR)	<3.5	The TRIFR as at 30 June 24 was 2.51
Portfolio availability	Availability target of 80% achieved	The portfolio availability as at 30 June 24 was 85.54%
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 the High Reliability Level	Storages finished the quarter at 31.5%, above the High Reliability Level of 21.7%.
Returns to government (accrual)		
Ordinary dividend	$103.0m[2]	$105.0m
Total other returns to government	$67.0m	$83.3m
Total returns to government	$170.0m	$188.3m

1 Subject to Hydro Tasmania's operating environment (refer to page 23). Assumes yield of 8,900 GWh, a flat Victorian cap price of $14/MWh and flat swap price $106/MWh. Tasmanian energy volumes are assumed to be contracted at 98% of total demand. The Tasmanian energy system is assumed to be a small net importer (239 GWh net imports). These are Hydro Tasmania's central estimates, but they are subject to large annual variations due to external factors such as market conditions and weather.

2 Assumes a 90% dividend and is subject to Board approval.

Generation summary

Table 3: Generation summary 2018-2024

		Financial year ending 30 June						
	Units*	2018	2019	2020	2021	2022	2023	2024
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[b]	2,283	2,287[c]	2,290[d]	2,290	2,290	2,295[e]
Thermal (gas)	MW	372	372	372	372	372	372	372
Total	MW	2,655	2,655	2,659	2,662	2,662	2,662	2,667
Energy generated[f]								
Hydro	GWh	9,178	9,681	9,697	8,177	9,560	8,232	7,467
Thermal (gas)	GWh	820	465	87	76	31	71	221
Total	**GWh**	**9,998**	**10,146**	**9,784**	**8,253**	**9,591**	**8,303**	**7,688**
Generation peak	MW	2,160	2,175	2,131	2,152	2,158	2172	2188
Generation load factor[g]	**%**	**53**	**53**	**52**	**44**	**51**	**44**	**40**
Bass Strait islands								
King Island								
Diesel	MWh	6,010	5,939	5,834	6,343	6,746	9,548	9,929
Wind/Solar[h]	MWh	5,679	6,520	7,329	7,642	7,666	4,847	4,616
Flinders Island								
Diesel	MWh	2,721	2,609	2,064	2,383	2,295	2,581	2,460
Wind/Solar[i]	MWh	1,887	1,970	2,769	2,733	2,902	2,785	3,688
Total Bass Strait islands	MWh	16,297	17,038	17,996	19,101	19,609	19,761	20,693

* MW (megawatt); MWh (megawatt hour = one thousand kilowatt hours); GWh (gigawatt hour) = one million kilowatt hours

a Power station registered nameplate capacity.

b From 2 May 2018, installed capacity increased by 2 MW due to Cluny Power Station upgrade.

c From September 2019, installed capacity increased by 3.6 MW due to Liapootah Unit 3 upgrade.

d From 19 February 2021, installed capacity increased by 3 MW due to Catagunya Unit 1 upgrade.

e Installed capacity increased due to Catagunya Unit 2 and Lake Echo upgrades.

f Mainland Tasmania energy generated is calculated as the net energy measured at the power station market and distribution connection points.

g Calculated as average MW divided by peak MW. Average MW calculated from total energy divided by hours in the year.

h King Island wind and solar generation is calculated as the net output for the year from Hydro Tasmania's wind generators and solar installations.

i Flinders Island wind and solar generation is calculated as the net output for the year from Hydro Tasmania's wind generators and solar installations.

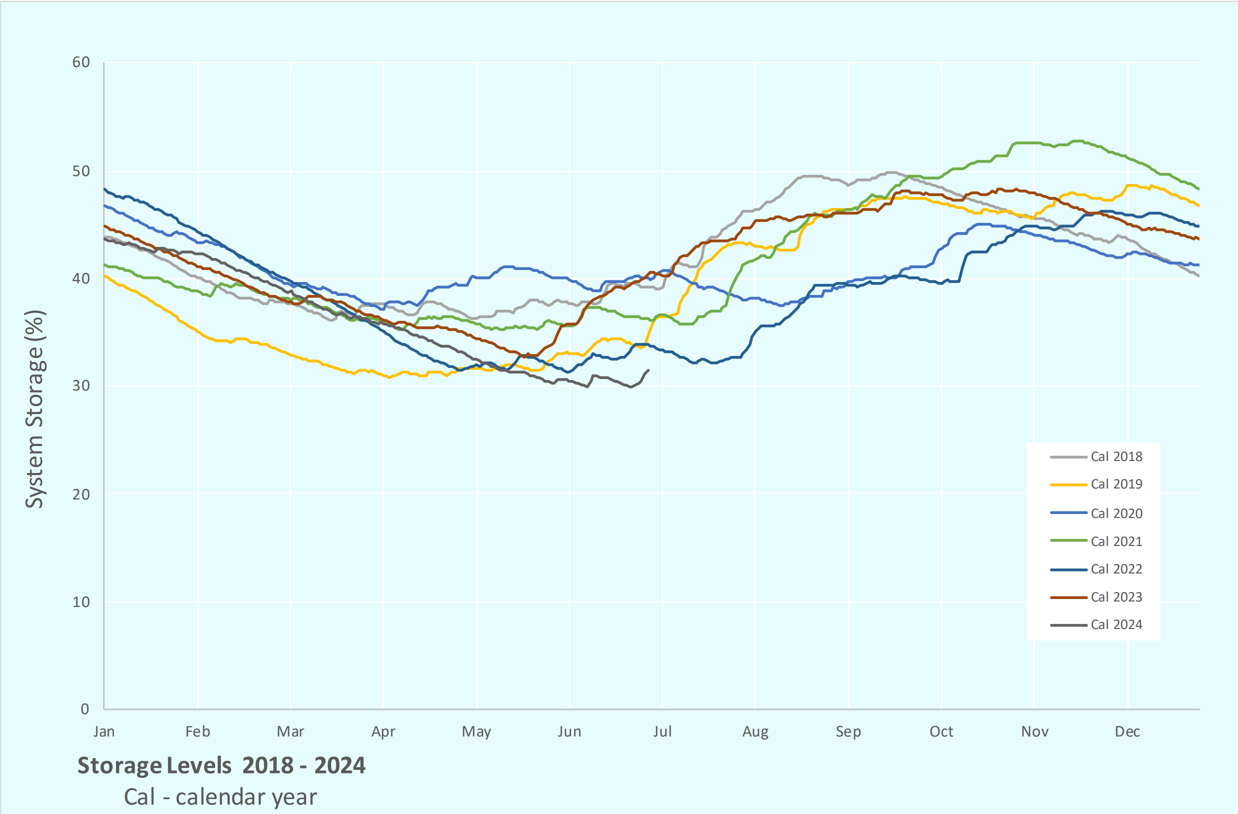
Table 4: **Basslink imports and exports at 30 June 2018-2024 (Based on publicly available data)**

	Financial year ending 30 June						
	2018	2019	2020	2021	2022	2023	2024
Export[a] (GWh)	1,074	1,496	1,376	1,007	1,417	728	860
Import[b] (GWh)	865	991	867	1,612	1,145	1,628	2,062
Net[c] (GWh)	209	505	509	(605)	272	(900)	(1,202)

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

Table 5: **Energy in storage at 1 July**

	Storage at 1 July						
	2018	2019	2020	2021	2022	2023	2024
GWh	5,658	5,007	5,774	5,228	4,887	5,832	4,547
%	39.2	34.7	40.0	36.2	33.9	40.4	31.5



Above: ***Diving barge at Lake Cethana***

Financial Report

For the year ended 30 June 2024

Statement of Financial Performance		30
Statement of Comprehensive Income		31
Statement of Financial Position		32
Cash Flow Statement		33
Statement of Changes in Equity		34
1.1	Details of reporting entity	35
1.2	Summary of material accounting policies	35
2.	Revenue and expenses	45
3.	Assumptions and judgements	47
4.	Income tax equivalent	48
5.	Note to the cash flow statement	51
6.	Receivables	52
7.	Investments	53
8.	Inventories	53
9.	Property, plant and equipment	54
10.	Intangible assets	57
11.	Other financial assets	57
12.	Other assets	58
13.	Goodwill	58
14.	Payables	58
15.	Interest-bearing liabilities	59
16.	Leases	62
17.	Provisions	63
18.	Other financial liabilities	65
19.	Other liabilities	67
20.	Retirement benefits fund provision	67
21.	Financial instruments disclosures	72
22.	Commitments for expenditure	83
23.	Contingent assets and liabilities	83
24.	Auditor's remuneration	83
25.	Key management personnel compensation	84
26.	Related party information	89
27.	Events subsequent to balance date	89
28.	Government grants	90
29.	Controlled entities	90
30.	Interest in associates and joint ventures	91
31.	Incorporated associates and joint ventures	92
32.	Deed of cross guarantee	94
33.	Dividend	96
34.	Segment information	96
Statement of certification		100
Superannuation declaration		100
Auditor's independence declaration		101
Independent Auditor's report		102

Statement of Financial Performance

for the year ended 30 June 2024

	NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
Revenue					
Sale of products and services	2(a)(i)	1,689,587	1,450,727	781,415	664,542
Fair value gains	2(c)	125,929	183,952	115,211	166,686
Share of profit of associates and joint ventures	31	14,436	6,158	-	-
Other	2(a)(ii)	11,643	10,482	10,991	32,964
Total revenue		1,841,595	1,651,319	907,617	864,192
Expenses					
Direct expenses		1,027,125	830,794	207,349	155,766
Labour		182,262	163,794	138,057	122,418
Depreciation and amortisation		134,635	132,064	118,227	113,841
Finance expenses	2(b)	74,546	71,671	73,975	71,040
Fair value losses	2(d)	95,580	19,301	94,410	16,426
Revaluation and impairment expenses/(gains)	2(e)	-	683	(4,332)	(2,143)
Other		92,890	100,191	58,398	57,226
Total expenses		1,607,038	1,318,498	686,084	534,574
Profit/(loss) before income tax equivalent expense		234,557	332,821	221,533	329,618
Comprising:					
Result before fair value movements and revaluation expenses		193,783	168,417	196,400	177,215
Net fair value gains/(losses)		30,349	164,651	20,801	150,260
Net fair value gains/(losses) from associates and joint ventures		10,425	436	-	-
Revaluation and impairment (expenses)/gains		-	(683)	4,332	2,143
Profit/(loss) before income tax equivalent expense		234,557	332,821	221,533	329,618
Income tax equivalent expense/(benefit)	4(a)	71,978	96,226	64,638	88,269
Profit/(loss) after tax attributable to owners of the parent		162,579	236,595	156,895	241,349

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 35 to 99.

Statement of Comprehensive Income

for the year ended 30 June 2024

		CONSOLIDATED		PARENT	
	NOTE	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Profit/(loss) after tax attributable to owners of the parent		162,579	236,595	156,895	241,349
Other comprehensive income					
Items that will not be reclassified in subsequent years to operating result					
Actuarial gain/(loss) on RBF net defined benefit liability	20	(5,222)	1,674	(5,222)	1,674
Income tax relating to components of other comprehensive income	4(b)	1,567	(502)	1,567	(502)
Items that may be reclassified in subsequent years to operating result					
Foreign currency translation gain/(loss)		(31)	7	-	-
Fair value gain/(loss) on cash flow hedges					
Interest rate swaps		-	302	-	302
Derivative revaluation		89,677	205,685	89,677	205,685
Share of other comprehensive income of associates	31	(587)	5	-	-
Income tax relating to components of other comprehensive income		(26,718)	(61,799)	(26,904)	(61,796)
Total other comprehensive income		58,686	145,372	59,118	145,363
Total comprehensive income/(loss) attributable to the owners of the parent		221,265	381,967	216,013	386,712

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 35 to 99.

Statement of Financial Position

as at 30 June 2024

		CONSOLIDATED		PARENT	
	NOTE	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current assets					
Cash		15,228	18,145	12,620	15,932
Receivables	6	455,131	275,015	282,106	135,154
Investments	7(a)	-	18,000	-	18,000
Inventories	8	9,831	7,038	9,831	6,988
Other financial assets	11(a)	307,117	257,682	307,033	257,682
Other	12(a)	61,453	72,891	56,266	66,235
Total current assets		848,760	648,771	667,856	499,991
Non-current assets					
Investments in subsidiaries	7(b)	-	-	203,827	203,827
Investments in associates and joint ventures	7(b)	75,026	61,444	-	-
Property plant and equipment	9	4,089,274	3,975,342	4,035,702	3,914,605
Intangible assets	10	54,834	58,335	36,509	36,904
Other financial assets	11(b)	136,507	116,884	136,507	116,884
Goodwill	13	16,396	16,396	-	-
Other	12(b)	3,846	5,218	546	1,274
Total non-current assets		4,375,883	4,233,619	4,413,091	4,273,494
TOTAL ASSETS		5,224,643	4,882,390	5,080,947	4,773,485
Current liabilities					
Payables	14	350,588	201,100	276,381	137,032
Interest-bearing liabilities	15(a)	127,593	4,210	125,351	2,121
Provisions	17(a)	125,668	112,602	58,788	53,406
Provision for income tax	4(c)	9,123	2,479	9,123	2,479
Other financial liabilities	18(a)	478,729	393,421	478,729	393,421
Other	19	38,147	42,576	187,959	211,543
Total current liabilities		1,129,848	756,388	1,136,331	800,002
Non-current liabilities					
Interest-bearing liabilities	15(a)	689,603	719,337	686,471	713,961
Deferred tax liability	4(d)	481,146	455,095	538,867	520,054
Provisions	17(b)	372,074	396,263	328,009	339,612
Other financial liabilities	18(b)	267,438	387,038	267,438	387,038
Total non-current liabilities		1,810,261	1,957,733	1,820,785	1,960,665
TOTAL LIABILITIES		2,940,109	2,714,121	2,957,116	2,760,667
NET ASSETS		2,284,534	2,168,269	2,123,831	2,012,818
EQUITY					
Contributed equity		688,006	688,006	688,006	688,006
Reserves		(31,475)	(93,816)	(31,808)	(94,581)
Retained earnings		1,628,003	1,574,079	1,467,633	1,419,393
TOTAL EQUITY		2,284,534	2,168,269	2,123,831	2,012,818

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 35 to 99.

Cash Flow Statement

for the year ended 30 June 2024

	NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
CASH FLOW FROM OPERATING ACTIVITIES					
Inflows:					
Receipts from customers		1,817,782	1,709,145	845,354	833,730
Interest received		3,161	2,520	3,108	2,456
Outflows:					
Payments to suppliers and employees		(1,456,326)	(1,377,944)	(477,360)	(540,202)
Interest paid		(51,459)	(44,689)	(51,469)	(44,680)
Lease interest paid		(461)	(495)	(277)	(250)
Government guarantee fee		(5,087)	(5,387)	(5,087)	(5,387)
Income tax equivalent paid		(64,703)	(7,130)	(64,703)	(7,130)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5(b)	242,907	276,020	249,566	238,537
CASH FLOW FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		605	792	602	792
Net receipts of intercompany loans		-	-	-	9,182
Dividends from joint venture		278	2,758	-	-
Dividends from subsidiaries		-	-	28	23,245
Outflows:					
Net payments for financial derivatives		(16,345)	(170,485)	(16,385)	(170,486)
Net payments of intercompany loans		-	-	(14,437)	-
Payments for property, plant and equipment		(241,557)	(180,782)	(236,092)	(174,971)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(257,019)	(347,717)	(266,284)	(312,238)
CASH FLOW FROM FINANCING ACTIVITIES					
Inflows:					
Proceeds from Tascorp loans		800,152	771,855	800,152	771,855
Equity contributions received		9,800	-	9,800	-
Outflows:					
Repayment of Tascorp loans		(706,751)	(761,864)	(706,751)	(761,864)
Repayment of lease liabilities		(5,070)	(6,274)	(2,795)	(4,087)
Dividends paid		(105,000)	(74,000)	(105,000)	(74,000)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(6,869)	(70,283)	(4,594)	(68,096)
NET INCREASE/(DECREASE) IN CASH		(20,981)	(141,980)	(21,312)	(141,797)
CASH AT BEGINNING OF THE YEAR		36,209	178,125	33,932	175,729
CASH AT END OF THE YEAR	5(a)	15,228	36,145	12,620	33,932

The Cash Flow Statement is to be read in conjunction with the notes to and forming part of the financial report included on pages *35 to 99.*

Statement of Changes in Equity

for the year ended 30 June 2024

	NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
CONTRIBUTED EQUITY					
Balance at the beginning of the year		688,006	678,206	688,006	678,206
Equity contributions from the State of Tasmania		-	9,800	-	9,800
Balance at the end of the year		688,006	688,006	688,006	688,006
RESERVES					
Cash flow hedge reserve					
Balance at the beginning of the year		(93,685)	(237,880)	(94,581)	(238,772)
Interest rate swaps		-	302	-	302
Share of associates interest rate swaps		(587)	5	-	-
Derivative revaluation		89,677	205,685	89,677	205,685
Deferred income tax recognised directly in reserves	4(b)	(26,727)	(61,797)	(26,904)	(61,796)
Balance at the end of the year		(31,322)	(93,685)	(31,808)	(94,581)
Foreign currency translation reserve					
Balance at the beginning of the year		(131)	(136)	-	-
Foreign currency translation		(31)	7	-	-
Deferred income tax recognised directly in reserves	4(b)	9	(2)	-	-
Balance at the end of the year		(153)	(131)	-	-
TOTAL RESERVES		(31,475)	(93,816)	(31,808)	(94,581)
RETAINED EARNINGS					
Balance at the beginning of the year		1,574,079	1,410,313	1,419,393	1,250,873
Net profit/(loss)		162,579	236,595	156,895	241,349
Dividend paid		(105,000)	(74,000)	(105,000)	(74,000)
Deferred income tax recognised directly in equity	4(b)	1,567	(502)	1,567	(502)
Actuarial gain/(loss) on defined benefit plans	20	(5,222)	1,674	(5,222)	1,674
Other		-	(1)	-	(1)
Balance at the end of the year		1,628,003	1,574,079	1,467,633	1,419,393
TOTAL EQUITY		2,284,534	2,168,269	2,123,831	2,012,818

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 35 to 99.

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 hydro power stations, 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 Tasmania. The Group also operates the Entura consulting business.

At 30 June 2024, the Group had 1,395 full-time equivalent employees (FTEs) (2023: 1,290 FTEs) including 5 non-executive directors (2023: 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 2024 was adopted by the directors on 14 August 2024.

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.

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 2024:

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 2020-1 'Classification of Liabilities as Current or Non-current'	1 January 2024	30 June 2025
AASB 2022-5 'Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024	30 June 2025
AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	1 January 2024	30 June 2025

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 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.

(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 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.

1.2 Summary of material accounting policies (continued)

(f) Receivables (continued)

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.

(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:

	2024	2023
Hydro generation	3–150 years	3–150 years
Other generation	3–50 years	3–50 years
Motor vehicles	3–33 years	3–33 years
Minor assets	1–10 years	1–10 years
Buildings	5–50 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 3-13 years (2023: 3-13 years).

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's 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).

(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.

1.2 Summary of material accounting policies (continued)

(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.

(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.

1.2 Summary of material accounting policies (continued)

(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.

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 stand-alone 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 stand-alone 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

Corporation 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 and 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 assets comprise 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. They are 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 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. The depreciation starts at the commencement date of the lease.

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.

(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.

1.2 Summary of material accounting policies (continued)

(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.

(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.

1.2 Summary of material accounting policies (continued)

(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 has earned the right to register the products.

- 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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Group's Instrument, amounts in the financial report are rounded to the nearest thousand dollars unless otherwise indicated.

(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.

1.2 Summary of material accounting policies (continued)

(ac) Financial assets (continued)

De-recognition 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) 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, 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.

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

	CONSOLIDATED 2024				
	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

	CONSOLIDATED 2023				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	193,815	518,904	596,361	-	1,309,079
Sale of gas	99,215	15,041	1,999	-	116,256
Rendering of services	-	-	-	25,392	25,392
	293,030	533,945	598,360	25,392	1,450,727

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

	PARENT 2023				
	Residential[1] $'000	Business[1] $'000	Wholesale[1] $'000	Other[2] $'000	Total $'000
Sale of electricity	4,448	-	635,373	-	639,821
Sale of gas	-	-	-	-	-
Rendering of services	-	-	-	24,721	24,721
	4,448	-	635,373	24,721	664,542

Timing of revenue recognition

1 Products transferred at a point in time.

2 Services transferred over time.

2. Revenue and expenses (continued)

		NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
(a)(ii)	**Other revenue**					
	Dividends from subsidiaries		-	-	28	23,245
	Other		11,643	10,482	10,963	9,719
			11,643	10,482	10,991	32,964
(b)	**Finance expenses**					
	Loan interest		52,846	51,715	52,846	51,715
	Government guarantee fee		6,019	4,959	6,019	4,959
	RBF net interest	20	14,832	14,116	14,832	14,116
	Lease interest expense		462	495	275	250
	Net other finance costs/(revenue)		387	386	3	-
			74,546	71,671	73,975	71,040
(c)	**Fair value gains**					
	Basslink financial assets and liabilities		10,599	-	10,599	-
	Energy price derivatives - unwind of fair value of cash flow hedges		51,688	61,236	51,688	61,236
	Energy price derivatives - economic hedges		20,948	66,303	20,948	66,303
	Treasury derivatives		21,439	31,113	21,439	31,113
	Onerous contracts		19,873	20,536	10,537	8,034
	Site rehabilitation provision		1,382	4,764	-	-
			125,929	183,952	115,211	166,686
(d)	**Fair value losses**					
	Basslink financial assets and liabilities		-	16,426	-	16,426
	Energy price derivatives - economic hedges		94,410	-	94,410	-
	Site rehabilitation provision		1,170	2,875	-	-
			95,580	19,301	94,410	16,426
	Net fair value gains/(losses)		30,349	164,651	20,801	150,260
(e)	**Revaluation and impairment (gains)/expenses**					
	Impairment (gain)/expense of loans carried at amortised cost		-	-	(4,332)	(2,826)
	Impairment expense of work in progress		-	683	-	683
			-	683	(4,332)	(2,143)

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) is recorded at fair value. The re-measurement of the net financial liability to fair value is 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.

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 MWh 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	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	**Income tax expense/(benefit) reported in Statement of Comprehensive Income**				
	Current income tax liability/(receivable)	72,380	47,634	71,729	45,462
	Adjustments in respect of current tax of prior years	(243)	(3,474)	(320)	(3,446)
	Income tax expense in relation to foreign operations	(1,059)	847	(249)	853
	Deferred income tax expense arising from origination and reversal of temporary differences	849	51,441	(6,376)	45,652
	Adjustments in respect of deferred tax of prior years	(221)	(222)	(146)	(252)
	Recognition/derecognition of deferred tax assets/(liabilities)	272	-	-	-
	Income tax expense/(benefit) recognised in the Statement of Comprehensive Income	71,978	96,226	64,638	88,269
	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	234,557	332,821	221,533	329,618
	Income tax expense/(benefit) calculated at 30%	70,367	99,846	66,460	98,885
	Adjustment in respect of income tax of previous years	(464)	(3,699)	(466)	(3,698)
	Income tax expense in relation to foreign operations	(1,059)	847	(249)	853
	Expenditure not deductible for income tax purposes	204	59	192	50
	Income assessable for income tax purposes	3,000	-	-	-
	Franking credits from investments	(75)	(827)	-	-
	Effect of transactions within the tax consolidated group that are not subject to taxation	-	-	(1,299)	(7,821)
	Recognition/derecognition of deferred tax assets/(liabilities)	5	-	-	-
	Income tax expense/(benefit) recognised in the Statement of Comprehensive Income	71,978	96,226	64,638	88,269
(b)	**Income tax (expense)/benefit recognised directly in equity**				
	Revaluation of effective hedges	(26,904)	(61,796)	(26,904)	(61,796)
	Actuarial assessment of RBF provision	1,567	(502)	1,567	(502)
	Foreign currency translation reserve	9	(2)	-	-
	Share of other comprehensive income of associates	177	(1)	-	-
	Income tax (expense)/benefit recognised in equity	(25,151)	(62,301)	(25,337)	(62,298)
(c)	**Current tax assets and liabilities**				
	Provision for income tax	(9,123)	(2,479)	(9,123)	(2,479)
(d)	**Deferred tax balances**				
	Deferred tax assets comprise:				
	Deductible temporary differences	289,899	324,948	255,538	286,296
	Deferred tax liabilities comprise:				
	Assessable temporary differences	771,045	780,043	794,405	806,350
	Net deferred tax liabilities	481,146	455,095	538,867	520,054

4. Income tax equivalent (continued)

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

	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

4. Income tax equivalent (continued)

	2023 CONSOLIDATED				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	770,913	(1,538)	-	-	769,375
Investments in associates and joint ventures	309	1,020	1	-	1,330
Other	9,281	57	-	-	9,338
	780,503	(461)	1	-	780,043
Deferred tax assets:					
Provision for employee entitlements	92,057	30	(502)	-	91,585
Basslink and other financial liabilities	54,622	10,001	(91)	-	64,532
Electricity derivatives	205,538	(51,570)	(61,705)	-	92,263
Provisions	72,686	(7,573)	-	221	65,334
Other	14,025	(2,790)	(2)	1	11,234
	438,928	(51,902)	(62,300)	222	324,948
Net deferred tax liabilities	341,575	51,441	62,301	(222)	455,095

	2023 PARENT				
	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Adjustments $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	805,251	(3,207)	-	-	802,044
Other	2,154	2,152	-	-	4,306
	807,405	(1,055)	-	-	806,350
Deferred tax assets:					
Provision for employee entitlements	90,456	(3)	(502)	-	89,951
Basslink and other financial liabilities	54,622	10,001	(91)	-	64,532
Electricity derivatives	205,537	(51,570)	(61,705)	-	92,262
Provisions	31,991	(3,423)	-	251	28,819
Other	12,443	(1,712)	-	1	10,732
	395,049	(46,707)	(62,298)	252	286,296
Net deferred tax liabilities	412,356	45,652	62,298	(252)	520,054

All deferred tax balances relate to continuing operations.

At the end of the current financial year, there is no recognised or unrecognised deferred tax liability (2023: 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	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	Cash reconciliation				
	Cash	15,228	18,145	12,620	15,932
	Money market investments	-	18,000	-	18,000
		15,228	36,145	12,620	33,932
	Reconciliation of net cash provided by operating activities to net profit for the year				
(b)	Profit/(loss) after income tax equivalent expense	162,579	236,595	156,895	241,349
	Adjusted for non-cash items of income and expense:				
	Depreciation of property, plant and equipment	109,316	106,954	103,120	100,851
	Amortisation	25,319	25,110	15,107	12,990
	Revaluations and impairment	-	683	(4,332)	(2,143)
	Loss on derecognition of property, plant and equipment	1,704	3,122	1,646	3,108
	Equity accounted share of associates (profit)/loss	(14,436)	(6,158)	-	-
	Dividend from subsidiary	-	-	(28)	(23,245)
	Net fair value (gains)/losses	(30,349)	(164,651)	(20,801)	(150,260)
	Income tax expense/(benefit)	71,978	96,226	64,638	88,269
	Cash from operating profit before changes in working capital	326,111	297,881	316,245	270,919
	(Increase)/decrease in receivables	(193,135)	532,972	(160,137)	533,803
	(Increase)/decrease in inventories	(2,792)	(1,602)	(2,842)	(1,552)
	Increase/(decrease) in other financial assets and liabilities	23,942	(38,230)	22,558	(46,061)
	Increase/(decrease) in payables	149,745	(512,510)	139,351	(511,431)
	Increase/(decrease) in provisions	(60,964)	(2,491)	(65,609)	(7,141)
	Net cash provided by operating activities	242,907	276,020	249,566	238,537

6. Receivables

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Trade receivables	349,971	193,460	277,504	129,657
Provision for Impairment	(8,680)	(7,004)	(752)	(40)
	341,291	186,456	276,752	129,617
Contract assets	129,086	102,159	5,354	5,537
Customer payments received in advance	(12,518)	(10,949)	-	-
Provision for Impairment	(2,728)	(2,651)	-	-
	113,840	88,559	5,354	5,537
	455,131	275,015	282,106	135,154

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2024 %	2023 %	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Contracted assets	2%	3%	129,086	102,159	2,728	2,651
Not overdue	-	-	323,035	173,705	427	720
< 30 days overdue	5%	10%	8,897	4,726	440	493
30 days overdue	16%	20%	2,890	2,551	469	519
60 days overdue	33%	24%	1,803	1,694	601	399
90+ days overdue	51%	45%	13,346	10,783	6,743	4,873
			479,057	295,618	11,408	9,655

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Movements in the allowance for expected credit losses				
Balance at the beginning of the period	9,655	11,605	40	81
Additional provisions recognised	7,901	6,664	760	106
Receivables written off during the year as uncollectable	(5,431)	(7,515)	(23)	(25)
Unused amounts reversed	(717)	(1,099)	(25)	(122)
Balance at the end of the period	11,408	9,655	752	40

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Contract assets				
Balance at the beginning of the period	102,159	100,355	5,537	11,807
Additions	129,086	102,159	5,354	5,537
Transfer to receivables	(102,159)	(100,355)	(5,537)	(11,807)
Balance at the end of the period	129,086	102,159	5,354	5,537

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 $5.4m of bad debts during the year (2023: $7.5m). 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	
		NOTE	2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	**Current investments**					
	Money market investments		-	18,000	-	18,000
(b)	**Non-current investments**					
	Investment in associates and joint ventures	31	75,026	61,444	-	-
	Investment in subsidiaries		-	-	203,827	203,827
			75,026	61,444	203,827	203,827

8. Inventories

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Maintenance stores	9,831	7,038	9,831	6,988
	9,831	7,038	9,831	6,988

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.

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 8900 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% (2023: 7.10%). 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 $414m (2023: $425m) 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 $3,853m (2023: $3,898m).

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

Revaluation of assets

Note 1.2(i) and 1.2(m) details 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 the current financial year an assessment indicated there was a requirement to increase the valuation of the Hydro Tasmania generation class of assets by partially reversing previous impairment.

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

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value as at 30/06/23 $'000
Generating plant				
Consolidated	-	24,354	3,523,836	3,548,190
Parent	-	-	3,523,525	3,523,525

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

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

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 reversal 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).

9. Property, plant and equipment (continued)

2023 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	4,321,137	28,508	16,647	122,712	99,614	206,006	4,794,624
Additions	-	-	-	772	253	179,757	180,782
Business acquisitions	-	-	15	10,996	627	(11,638)	-
Disposals	(4,193)	(353)	(754)	(3,624)	(7,858)	(1,791)	(18,573)
Transfers#	18,504	2,045	2,745	6,545	15,959	(63,750)	(17,952)
Impairment expense of work in progress	-	-	-	-	-	(683)	(683)
Balance at the end of the year	4,335,448	30,200	18,653	137,401	108,595	307,901	4,938,198
Accumulated depreciation							
Balance at the beginning of the year	(705,259)	(17,498)	(10,485)	(51,591)	(82,958)	-	(867,791)
Disposals	2,273	302	717	757	7,840	-	11,889
Depreciation expense	(84,272)	(819)	(1,752)	(9,916)	(10,195)	-	(106,954)
Balance at the end of the year	(787,258)	(18,015)	(11,520)	(60,750)	(85,313)	-	(962,856)
Net book value at the end of the year	3,548,190	12,185	7,133	76,651	23,282	307,901	3,975,342

Included in the above line items are right-of-use assets over the following:	$'000
Land & buildings at cost	10,969
Minor assets	469

2023 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	4,156,498	28,328	16,351	86,783	96,394	202,754	4,587,108
Additions	-	-	-	772	49	174,150	174,971
Disposals	(2,665)	(353)	(754)	(3,624)	(7,790)	(14,103)	(29,289)
Transfers#	18,176	2,045	2,745	6,462	15,689	(57,084)	(11,967)
Impairment expense of work in progress	-	-	-	-	-	(683)	(683)
Balance at the end of the year	4,172,009	30,020	18,342	90,392	104,342	305,035	4,720,140
Accumulated depreciation							
Balance at the beginning of the year	(568,678)	(17,362)	(10,243)	(39,315)	(80,469)	-	(716,067)
Disposals	1,836	302	717	757	7,771	-	11,383
Depreciation expense	(81,642)	(808)	(1,752)	(6,864)	(9,785)	-	(100,851)
Balance at the end of the year	(648,484)	(17,868)	(11,278)	(45,422)	(82,483)	-	(805,535)
Net book value at the end of the year	3,523,525	12,152	7,064	44,970	21,859	305,035	3,914,605

Included in the above line items are right-of-use assets over the following:	$'000
Land & buildings at cost	4,613
Minor assets	469

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

10. Intangible assets

	CONSOLIDATED		PARENT	
	2024 Software at cost $'000	2023 Software at cost $'000	2024 Software at cost $'000	2023 Software at cost $'000
Gross carrying amount				
Balance at the beginning of the year	241,783	229,517	165,188	158,907
Additions	-	-	-	-
Disposals	(2,658)	(5,686)	(2,558)	(5,686)
Transfers from capital work in progress	21,927	17,952	14,818	11,967
Balance at the end of the year	261,052	241,783	177,448	165,188
Accumulated amortisation				
Balance at the beginning of the year	(183,448)	(163,455)	(128,284)	(120,411)
Disposals	2,549	5,117	2,452	5,117
Amortisation expense	(25,319)	(25,110)	(15,107)	(12,990)
Balance at the end of the year	(206,218)	(183,448)	(140,939)	(128,284)
Net book value at the end of the year	54,834	58,335	36,509	36,904

11. Other financial assets

		NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
(a)	**Current other financial assets**					
	Energy price derivatives - economic hedges	18	197,141	143,215	197,141	143,215
	Basslink financial asset (i)	18	61,399	56,298	61,399	56,298
	Environmental energy products		48,577	58,169	48,493	58,169
			307,117	257,682	307,033	257,682
(b)	**Non-current other financial assets**					
	Basslink financial asset (i)	18	-	51,736	-	51,736
	Energy price derivatives - economic hedges	18	136,507	65,148	136,507	65,148
			136,507	116,884	136,507	116,884

(i) The Basslink financial asset represents the fair value of the contractual rights to receive revenue under the Basslink Network Services Agreement (NSA).

12. Other assets

		Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
(a)	**Current other assets**				
	Prepayments	12,319	10,977	10,534	9,521
	Premiums paid in advance	45,528	53,557	45,528	53,557
	Other	3,606	8,357	204	3,157
		61,453	72,891	56,266	66,235
(b)	**Non-current other assets**				
	Prepayments	546	1,274	546	1,274
	Other	3,300	3,944	-	-
		3,846	5,218	546	1,274

13. Goodwill

	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Balance at the beginning of the year	16,396	16,396	-	-
Balance at the end of the year	16,396	16,396	-	-

At the end of each reporting period, the Group is required to assess if there are any indications of impairment. The assessment found there were no indicators for impairment of Goodwill.

14. Payables

	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Trade creditors	255,925	117,752	237,853	103,439
Accrued expenses	83,688	73,751	27,553	23,996
Accrued interest payable	10,975	9,597	10,975	9,597
	350,588	201,100	276,381	137,032

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

15. Interest-bearing liabilities

		CONSOLIDATED		PARENT	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	**Interest-bearing liabilities**				
	Current				
	Loans from Tascorp (i)	123,400	-	123,400	-
	Lease liability (ii)	4,193	4,210	1,951	2,121
		127,593	4,210	125,351	2,121
	Non-current				
	Loans from Tascorp (i)	679,988	709,987	679,988	709,987
	Lease liability (ii)	9,615	9,350	6,483	3,974
		689,603	719,337	686,471	713,961

(i) The loans from Tascorp are unsecured
(ii) The leases are secured by the leased assets

		CONSOLIDATED		PARENT	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(b)	**Loan facilities**				
	Master loan facility				
	Facility limit	2,009,000	1,909,000	2,009,000	1,909,000
	Facility used/committed	933,388	824,987	903,388	794,987
	Facility balance	1,075,612	1,084,013	1,105,612	1,114,013
	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	3,287	3,092	3,287	3,092
	Facility balance	4,213	4,408	4,213	4,408

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 $281m (2023: $193m). Having regard to the budgeted cash flows for the year ending 30 June 2024 and the unused loan facilities of $1,136m (2023: $1,229m), 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 2024, this support was limited to a maximum amount of $2,039m.

15. Interest-bearing liabilities (continued)

		CONSOLIDATED			
		2024 $'000 Less than one year	2024 $'000 Between one and five years	2024 $'000 Later than five years	2024 $'000 Total
(c)	**Lease liabilities**				
	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

	CONSOLIDATED			
	2023 $'000 Less than one year	2023 $'000 Between one and five years	2023 $'000 Later than five years	2023 $'000 Total
Future minimum lease payments	4,526	9,715	-	14,241
Interest	(316)	(365)	-	(681)
Present value of future minimum lease payments	4,210	9,350	-	13,560

	PARENT			
	2024 $'000 Less than one year	2024 $'000 Between one and five years	2024 $'000 Later than five years	2024 $'000 Total
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

	PARENT			
	2023 $'000 Less than one year	2023 $'000 Between one and five years	2023 $'000 Later than five years	2023 $'000 Total
Future minimum lease payments	2,251	4,162	-	6,413
Interest	(130)	(188)	-	(318)
Present value of future minimum lease payments	2,121	3,974	-	6,095

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
	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

	CONSOLIDATED						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2022	Non-cash changes			Cash flows		2023
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	21,072	128	(1,861)	495	-	(6,274)	13,560
Tascorp loans	699,996	-	-	-	771,855	(761,864)	709,987
	721,068	128	(1,861)	495	771,855	(768,138)	723,547

	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

	PARENT						
	Closing balance	New leases acquired	Change in fair value	Interest charged	Cash received	Cash repayments	Closing balance
	2022	Non-cash changes			Cash flows		2023
Liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	11,668	126	(1,862)	250	-	(4,087)	6,095
Tascorp loans	699,996	-	-	-	771,855	(761,864)	709,987
	711,664	126	(1,862)	250	771,855	(765,951)	716,082

(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

	CONSOLIDATED 2024			PARENT 2024		
	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

	CONSOLIDATED 2023			PARENT 2023		
	Property $'000	Equipment $'000	Total $'000	Property $'000	Equipment $'000	Total $'000
Balance at 1 July 2022	18,225	724	18,949	9,807	724	10,531
Additions	771	49	820	771	49	820
Disposals	(2,555)	-	(2,555)	(2,555)	-	(2,555)
Depreciation	(5,472)	(304)	(5,776)	(3,410)	(304)	(3,714)
Balance at 30 June 2023	10,969	469	11,438	4,613	469	5,082

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Less than one year	4,681	4,526	2,316	2,251
One to five years	8,997	9,715	5,809	4,162
More than five years	1,657	-	1,657	-
Total undiscounted lease liabilities	15,335	14,241	9,782	6,413
Current	4,193	4,210	1,951	2,121
Non-current	9,615	9,350	6,483	3,974
Lease liabilities in Statement of Financial Position	13,808	13,560	8,434	6,095

16. Leases (continued)

Amounts recognised in Statement of Financial Performance

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Depreciation expense on right-of-use assets	4,416	5,776	2,354	3,715
Interest expense on lease liabilities	461	495	277	250
Income from sub-leasing right-of-use assets	-	(3)	-	(3)
Expense relating to short-term leases	139	143	110	115
Expense relating to leases of low value assets	4	9	-	5
	5,020	6,420	2,741	4,082

Amounts recognised in the Statement of Cash Flows

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Total cash outflow for leases*	5,212	6,426	2,905	4,207
	5,212	6,426	2,905	4,207

*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 $13m (2023: $10.6m).

17. Provisions

		NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
(a)	**Current provisions**					
	Employee entitlements		33,621	31,025	28,292	26,175
	Retirement Benefits Fund provision	20	18,974	19,803	18,974	19,803
	Other provisions		73,073	61,774	11,522	7,428
			125,668	112,602	58,788	53,406
(b)	**Non-current provisions**					
	Employee entitlements		4,973	4,060	4,361	3,579
	Retirement Benefits Fund provision	20	253,012	250,766	253,012	250,766
	Other provisions		114,089	141,437	70,636	85,267
			372,074	396,263	328,009	339,612

17. Provisions (continued)

	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
(Reduction)/additional 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

	Consolidated			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2022	143,354	26,599	51,146	221,099
(Reduction)/additional provision recognised	(8,034)	77,029	(1,889)	67,106
(Reductions) arising from payments	-	-	(342)	(342)
(Reductions) from settlement	-	(72,150)	-	(72,150)
Movements resulting from re-measurement or settlement without cost	(12,502)	-	-	(12,502)
Balance at 30 June 2023	122,818	31,478	48,915	203,211

	Parent			
Other provisions	**Onerous contracts(i) $'000**	**Regulatory schemes $'000**	**Site rehabilitation(ii) $'000**	**Total $'000**
Balance at 1 July 2022	100,729	-	-	100,729
(Reduction)/additional provision recognised	(8,034)	-	-	(8,034)
Balance at 30 June 2023	92,695	-	-	92,695

(i) Onerous contracts include gas contracts and Large Generation Certificates valuation. There is judgement required in estimating the costs and timing of the future cashflows 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	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	**Current other financial liabilities**				
	Basslink financial liability	67,226	63,124	67,226	63,124
	Interest rate swaps	67,680	72,522	67,680	72,522
	Energy trade credit support	6,600	100	6,600	100
	Energy price derivatives - economic hedges	171,926	89,665	171,926	89,665
	Energy price derivatives - cash flow hedges	165,297	168,010	165,297	168,010
		478,729	393,421	478,729	393,421
(b)	**Non-current other financial liabilities**				
	Basslink financial liability	-	61,336	-	61,336
	Interest rate swaps	112,394	132,663	112,394	132,663
	Energy price derivatives - economic hedges	120,371	73,692	120,371	73,692
	Energy price derivatives - cash flow hedges	34,673	119,347	34,673	119,347
		267,438	387,038	267,438	387,038

18. Other financial liabilities (continued)

	NOTE	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000	PARENT 2024 $'000	PARENT 2023 $'000
Energy price derivatives movement reconciliation:					
Liability/(asset) at the beginning of the year		242,351	792,051	242,351	792,051
Amount included in electricity revenue due to settlement during the year		(41,020)	(800,832)	(42,852)	(803,322)
Net cash payments/(receipts) on futures margin account		15,829	216,477	15,829	216,477
Fair value (gain)/loss on contracts outstanding as at 30 June		(58,541)	34,655	(56,709)	37,145
Liability/(asset) at the end of the year		158,619	242,351	158,619	242,351
Represented by:					
Current energy price derivative liability - economic hedges	18(a)	171,926	89,665	171,926	89,665
Current energy price derivative liability - cash flow hedges	18(a)	165,297	168,010	165,297	168,010
Non-current energy price derivative liability - economic hedges	18(b)	120,371	73,692	120,371	73,692
Non-current energy price derivative liability - cash flow hedges	18(b)	34,673	119,347	34,673	119,347
		492,267	450,714	492,267	450,714
Current energy price derivative asset - economic hedges	11(a)	197,141	143,215	197,141	143,215
Non-current energy price derivative asset - economic hedges	11(b)	136,507	65,148	136,507	65,148
		333,648	208,363	333,648	208,363
Net energy price derivatives liability/(asset)		158,619	242,351	158,619	242,351
Net Basslink financial liability movement reconciliation:					
Balance at the beginning of the year		16,426	-	16,426	-
Current year net (revenue) and operating expenses realised during the year and included in the operating valuation		(6,825)	-	(6,825)	-
Increase/(decrease) in present value of projected rights and obligations of later years as at the beginning of the year		17,424	(16,426)	17,424	(16,426)
(Gain)/loss arising on re-estimation of fair value of contract rights and obligations over the remaining contract term as at 30 June		(21,198)	32,852	(21,198)	32,852
Balance at the end of the year		5,827	16,426	5,827	16,426
Represented by:					
Current Basslink financial liability	18(a)	67,226	63,124	67,226	63,124
Non-current Basslink financial liability	18(b)	-	61,336	-	61,336
		67,226	124,460	67,226	124,460
Current Basslink financial asset	11(a)	61,399	56,298	61,399	56,298
Non-current Basslink financial asset	11(b)	-	51,736	-	51,736
		61,399	108,034	61,399	108,034
Net Basslink financial liability		5,827	16,426	5,827	16,426

19. Other liabilities

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current other liabilities				
Income received in advance	38,106	42,582	38,014	42,494
Loans from subsidiaries (i)	-	-	149,910	169,049
Other	41	(6)	35	-
	38,147	42,576	187,959	211,543

(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	2024 $'000	2023 $'000
Defined benefit obligation		342,176	340,385
Fair value of plan assets		(70,190)	(69,816)
Net superannuation liability		271,986	270,569
Comprising:			
Current net liability	17	18,974	19,803
Non-current net liability	17	253,012	250,766
Net superannuation liability		271,986	270,569

Reconciliation of the present value of the defined benefit obligation:

	2024 $'000	2023 $'000
Present value of defined benefit obligations at the beginning of the year	340,385	344,861
Current service cost	1,951	2,036
Interest cost	18,653	17,741
Contributions by plan participants	931	816
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3,894
Actuarial (gains)/losses arising from changes in financial assumptions	4,882	(8,191)
Actuarial losses/(gains) arising from liability experience	2,705	3,136
Benefits paid	(27,298)	(23,874)
Taxes, premiums and expenses paid	(33)	(34)
Present value of defined benefit obligations at year end	342,176	340,385

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

Reconciliation of the fair value of Scheme assets:

	2024 $'000	2023 $'000
Fair value of plan assets at beginning of the year	69,816	70,467
Interest income	3,821	3,625
Actual return on plan assets less interest income	2,365	513
Employer contributions	20,588	18,303
Contributions by plan participants	931	816
Benefits paid	(27,298)	(23,874)
Taxes, premiums and expenses paid	(33)	(34)
Fair value of plan assets at end of the year	70,190	69,816

20. Retirement benefits fund provision (continued)

Fair value of Scheme assets:

		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

		2023		
		Quoted prices in active markets -	Significant observable inputs -	Unobservable inputs
Asset category	Total	Level 1	Level 2	Level 3
Australian equities	10,822	-	10,822	-
International equities	13,124	-	13,124	-
Infrastructure	11,101	-	2,723	8,378
Diversified fixed interest	16,476	-	16,476	-
Property	13,196	-	1,327	11,869
Alternative investments	5,097	-	5,097	-
Total	69,816	-	49,569	20,247

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	2024 %	2023 %
Assumptions to determine defined benefit cost		
Discount rate (active members)	5.70	5.35
Discount rate (pensioners)	5.70	5.35
Expected rate of increase in compulsory preserved amounts	3.50	5.5% for 2022/23, and then 3.5% pa
Expected salary increase rate	3.50	3.50
Expected pension increase rate	3.5% for 2023/24, 3.5% for 2024/25, 3.0% for 2025/26; and then 2.5% pa.	5.5% for 2022/23, 3.25% for 2023/24; and then 2.5% pa

	2024 %	2023 %
Assumptions to determine defined benefit obligation		
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

	2024 $'000	2023 $'000
Profit and loss impact		
Service cost	1,951	2,036
Interest cost	14,832	14,116
Defined benefit cost recognised in profit and loss	16,783	16,152
Gain/(loss) recognised in Other Comprehensive Income		
Actuarial gain/(loss)	(5,222)	1,674

20. Retirement benefits fund provision (continued)

Sensitivity analysis:

The defined benefit obligation as at 30 June 2024 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 -1.0% pa discount rate	Scenario B +1.0% pa discount rate	Scenario C -1.0% pa increase rate	Scenario D +1.0% pa increase rate
Discount rate %	5.55	4.55	6.55	5.55	5.55
Pension increase rate %	2.50	2.50	2.50	1.50	3.50
Defined benefit obligation (A$'000s)	342,176	378,323	311,901	317,209	371,395

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst 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 10.9 years.

	2025 $'000
Expected employer contributions	18,974

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			
	Carrying amount 2024 $'000	Net fair value 2024 $'000	Carrying amount 2023 $'000	Net fair value 2023 $'000	Carrying amount 2024 $'000	Net fair value 2024 $'000	Carrying amount 2023 $'000	Net fair value 2023 $'000
Financial assets								
Amortised cost								
Cash	15,228	15,228	18,145	18,145	12,620	12,620	15,932	15,932
Receivables	455,131	455,131	275,015	275,015	282,106	282,106	135,154	135,154
Investments	-	-	18,000	18,000	-	-	18,000	18,000
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	54,380	54,380	66,877	66,877	54,380	54,380	66,877	66,877
Forward foreign exchange contracts	1,728	1,728	3,254	3,254	1,728	1,728	3,254	3,254
Basslink financial asset	61,399	61,399	108,034	108,034	61,399	61,399	108,034	108,034
Energy price derivatives - economic hedges	258,721	258,721	208,363	208,363	258,721	258,721	208,363	208,363
Other assets	12,379	12,379	11,510	11,510	10,534	10,534	9,521	9,521
	933,893	933,893	709,198	709,198	756,415	756,415	565,135	565,135
Financial liabilities								
Amortised cost								
Accounts payable	339,613	339,613	191,504	191,504	265,407	265,407	127,436	127,436
Tascorp loans	814,363	771,526	719,584	674,806	814,363	771,526	719,584	674,806
Lease liabilities	13,808	13,808	13,560	13,560	8,434	8,434	6,095	6,095
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	199,970	199,970	287,357	287,357	199,970	199,970	287,357	287,357
Fair value through profit or loss								
Interest rate swaps	236,559	236,559	273,529	273,529	236,559	236,559	273,529	273,529
Forward foreign exchange contracts	1,762	1,762	131	131	1,762	1,762	131	131
Basslink financial liability	67,226	67,226	124,460	124,460	67,226	67,226	124,460	124,460
Energy price derivatives - economic hedges*	292,297	292,297	163,357	163,357	292,297	292,297	163,357	163,357
Other liabilities	6,692	6,692	253	253	6,600	6,600	165	165
	1,972,290	1,929,453	1,773,735	1,728,957	1,892,618	1,849,781	1,702,114	1,657,336

* Energy price derivatives – economic hedges includes a balance of $81.0m 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 includes:

- 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:

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

	CONSOLIDATED				
	2023				
	Carrying liability	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Unwind of hedge instrument recognised in profit or loss	Amount reclassified from hedge reserve to profit or loss
	$'000	$'000	$'000	$'000	
Interest rate swaps[1,3]	-	301	-	-	-
Energy price derivatives - cash flow hedges[1,2,3]	287,357	205,685	47,279	61,236	-

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) has been designated a derivative.

Details of the significant 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.

	2024				2023			
	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	-	10,803	-	10,803	-
Energy derivative - economic hedges net liability	(1,920)	-	(1,920)	-	6,692	-	6,692	-
Energy derivative - cash flow hedges net liability	(2,406)	(93,371)	(2,406)	(93,371)	3,154	(141,218)	3,154	(141,218)
Electricity forward price -10%								
Basslink net liability	(6,140)	-	(6,140)	-	(10,803)	-	(10,803)	-
Energy derivative - economic hedges net liability	1,914	-	1,914	-	(5,753)	-	(5,753)	-
Energy derivative - cash flow hedges net liability	(1,571)	102,804	(1,571)	102,804	5,507	132,951	5,507	132,951

The NSA was executed on 20 October 2022. The sensitivity of the fair value of the NSA to energy price movements has been 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 has been determined by adjusting the forecast prices for the Tasmanian and mainland regions.

The forecast price methodology is 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.

(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 2024 fixed rate loans varied from 0.77% to 5.04% (2023: 0.77% to 5.04%). There were no floating rates based on bank bill rates at 30 June 2024 (2023: nil).

The Government Guarantee Fee rate varied from 0.52% to 1.90% for this financial year (2023: 0.52% to 0.89%). The Group designates specific interest rate swaps in cash flow hedge relationships. Refer to note 21(a) for further details.

21. Financial instruments disclosures (continued)

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

Basslink

The NSA between Hydro Tasmania and Basslink Pty Ltd (BPL) commenced on 20 October 2022 for a term up to 30 June 2025, with options to extend.

The NSA includes 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 is a financial asset and financial liability whereby Hydro Tasmania is committed to make payments to BPL over the term of the contract should BPL meet its obligations to keep Basslink available in exchange for the right to receive Inter Regional Revenues (IRRs).

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.

	2024				2023			
	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	241	-	241	-	287	-	287	-
Financial liabilities	(493)	200	(493)	200	(588)	233	(588)	233
Forward interest rates -1 bps								
Financial assets	(241)	-	(241)	-	(287)	-	(287)	-
Financial liabilities	493	(200)	493	(200)	588	(233)	588	(233)

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 2024 for both the parent and consolidated entities is 4.02% (2023: 3.88%). This incorporates both loans and interest rate swaps as at the reporting date and also includes the average government guarantee fee of 0.85% (2023: 0.77%).

21. Financial instruments disclosures (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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Receivables				
Not later than one year	38,310	20,174	38,310	20,174
Later than one year but not later than two years	41,154	25,103	41,154	25,103
Later than two years	21,399	37,926	21,399	37,926
Total	100,863	83,203	100,863	83,203
Payables				
Not later than one year	37,919	19,497	37,919	19,497
Later than one year but not later than two years	41,335	23,533	41,335	23,533
Later than two years	21,635	36,712	21,635	36,712
Total	100,889	79,742	100,889	79,742

(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 pre-determined 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Credit risk exposure by instrument type				
Financial assets				
Investments and bank balances	15,291	36,209	12,620	33,932
Receivables	455,131	275,015	282,106	135,154
Derivative financial instruments				
Energy price derivatives	22,109	18,499	22,109	18,499
Environmental product contracts	5,388	7,031	5,388	7,031
Total credit risk exposure	497,919	336,754	322,223	194,616
Credit risk exposure by entity ratings				
Australian-based entities				
AA+ to AA- ratings	110,038	123,525	100,298	106,112
A+ to A- ratings	-	-	-	-
BBB+ to BBB- ratings	18,672	5,429	18,672	5,429
Unrated	342,411	184,416	203,253	83,075
	471,121	313,370	322,223	194,616
Overseas-based entities				
AA+ to AA- ratings	1,047	656	-	-
A+ to A- ratings	25,396	22,089	-	-
BBB+ to BBB- ratings	355	639	-	-
Unrated	-	-	-	-
	26,798	23,384	-	-
Total credit risk exposure	497,919	336,754	322,223	194,616

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 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.

	2024				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)

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

	2023 CONSOLIDATED				2023 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	18,145	-	-	-	15,932	-	-	-
Receivables	275,015	-	-	-	135,154	-	-	-
Investments	18,000	-	-	-	18,000	-	-	-
Fair value through profit or loss								
Interest rate swaps	6,466	4,634	45,790	20,680	6,466	4,634	45,790	20,680
Forward foreign exchange contracts	2,862	326	417	-	2,862	326	417	-
Energy price derivatives - economic hedges	33,735	57,600	76,109	(4,965)	33,735	57,600	76,109	(4,965)
Basslink financial asset	31,012	31,012	62,776	-	31,012	31,012	62,776	-
Other assets	11,510	-	-	-	9,521	-	-	-
	396,745	93,572	185,092	15,715	252,682	93,572	185,092	15,715
Financial liabilities								
Amortised cost								
Accounts payable	191,504	-	-	-	127,436	-	-	-
Tascorp loans	10,715	10,715	386,541	475,546	10,715	10,715	386,541	475,546
Lease liabilities	2,263	2,263	9,715	-	1,125	1,126	4,162	-
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	77,628	99,083	149,972	(17,560)	77,628	99,083	149,972	(17,560)
Fair value through profit or loss								
Interest rate swaps	22,759	20,739	171,399	96,983	22,759	20,739	171,399	96,983
Forward foreign exchange contracts	66	12	56	10	66	12	56	10
Basslink financial liability	37,049	32,494	74,426	-	37,049	32,494	74,426	-
Energy price derivatives - economic hedges	40,439	49,420	82,479	-	40,439	49,420	82,479	-
Other liabilities	253	-	-	-	165	-	-	-
	382,676	214,726	874,588	554,979	317,382	213,589	869,035	554,979

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							
	2024				2023			
	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	-	54,380	-	54,380	-	66,877	-	66,877
Forward foreign exchange contracts	-	1,728	-	1,728	-	3,254	-	3,254
Basslink financial asset	-	-	61,399	61,399	-	-	108,034	108,034
Energy price derivatives - economic hedges	194,663	17,771	46,287	258,721	155,812	19,405	33,146	208,363
	194,663	73,879	182,613	451,155	155,812	89,536	141,180	386,528
Financial liabilities								
Designated hedge accounting derivatives								
Energy price derivatives - cash flow hedges	-	-	199,970	199,970	-	-	287,357	287,357
Fair value through profit or loss								
Interest rate swaps	-	95,632	140,927	236,559	-	111,314	162,215	273,529
Forward foreign exchange contracts	-	1,762	-	1,762	-	131	-	131
Basslink financial liability	-	-	67,226	67,226	-	-	124,460	124,460
Energy price derivatives - economic hedges	79,906	23,756	188,634	292,296	62,618	42,444	58,296	163,358
	79,906	121,150	596,757	797,813	62,618	153,889	632,328	848,835

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	
	2024 $'000	2023 $'000
Balance at the beginning of the period	(491,148)	(1,113,319)
Net gain/(loss) recognised in other comprehensive income	89,677	205,685
Net gain/(loss) from financial instruments at fair value	(12,673)	416,486
Balance at the end of the period	(414,144)	(491,148)

Basslink financial instruments

The fair value of the Basslink financial instruments has been calculated using a valuation model based on the present value of expected contractual cash flows. The fair value of expected receipts of IRRs under the NSA has been separately calculated based on experience to date and projected operating conditions and reported as a financial asset. The expected contractual payments under the NSA have been reported as financial liabilities.

The fair value of the NSA has been 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 $'000	Valuation technique	Unobservable input	Range (weighted average)	Valuation change $'000
Energy price derivatives - economic hedges	(33,576)	Discounted cash flow	Long term flat electricity price	-10% to +10%	1,914 to (1,920)
Energy price derivatives - cash flow hedges	(125,043)	Discounted cash flow	Long term flat electricity price	-10% to +10%	97,349 to (95,777)
Basslink financial liability	(5,827)	Discounted cash flow	Weighted average cost of capital	10% to 11.43% (10.72%)	(38) to 38
			Average Victorian price spread	-10% to +10%	(6,140) to 6,140
			Long term average annual generation (GWh)	8,600 to 9,200 (8,900)	(9,391) to 9,391

22. Commitments for expenditure

		CONSOLIDATED		PARENT	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
(a)	**Capital expenditure commitments**				
	Not later than one year	149,870	67,583	149,804	66,977
	Later than one year but not later than two years	17,674	40,223	17,674	40,223
	Later than two year but not later than five years	20,660	35,355	20,660	35,355
	Later than five years	372	1,263	372	1,263
		188,576	144,424	188,510	143,818

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 2024, are set out in note 32.

The Group had no contingent assets or contingent liabilities at 30 June 2024.

24. Auditor's remuneration

	CONSOLIDATED		PARENT	
	2024 $	2023 $	2024 $	2023 $
Amounts received, or due and receivable, by the Auditor-General from the Group for auditing the financial statements of the Group	447,000	424,600	447,000	424,600
Amounts received, or due and receivable, for compliance audits	13,000	12,400	13,000	12,400
	460,000	437,000	460,000	437,000

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 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 July 2022.

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 re-appointed 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.

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, and 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 Guidelines for Director and Executive Remuneration. 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 Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration issued by the Treasurer.

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 government business enterprises (GBEs) include a set term consistent with the requirements of the *Government Business Enterprises Act 1995*. While not automatic, contracts can be extended.

25. Key management personnel compensation (continued)

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

	Director remuneration		Executive remuneration		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Short-term employee benefits	398	400	3,772	3,218	4,170	3,618
Post-employment benefits	42	42	414	288	456	330
Other long-term employee benefits	-	-	102	76	102	76
Termination benefits		-	-	113	-	113
	440	442	4,288	3,695	4,728	4,137

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 below.

b) Director remuneration[1]

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

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

*R Bolt commenced 1 July 2023.

			2023				
Name	Position	Period	Directors' fees $'000	Committee fees $'000	Other benefits[2] $'000	Super-annuation[3] $'000	Total 2022–23 $'000
Non-executive directors							
G Every-Burns	Chairman	Full term	121	10	3	14	148
C Botto	Director	Full term	56	10	3	7	76
H Galloway	Director	Full term	56	14	1	7	78
K Hodgson	Director	To 25/09/22	13	1	-	2	16
S Lightfoot	Director	Full term	56	8	3	7	74
D Middleton	Director	From 26/09/22	43	1	1	5	50
Total			345	44	11	42	442

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 committee meetings.
[3] Superannuation means the contribution to the superannuation fund of the individual.

25. Key management personnel compensation (continued)

c) Executive remuneration

The following table discloses the remuneration details for each person that acted as a senior executive during the current 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 Remun-eration[6] $'000	Termin-ation benefits[7] $'000	Other long-term benefits[8] $'000	Total 2023–24 $'000
A Ashworth# Acting Managing Director Entura (from 25/03/24)	84	14	11	-	-	109	-	5	114
I Brooksbank^ Chief Executive Officer	509	70	72	-	-	651	-	36	687
L Chiba* Managing Director Momentum	179	40	30	-	-	249	-	11	260
T Chu# Managing Director Entura (to 24/03/24), Interim EGM Construction (from 25/03/24)	349	45	33	-	-	427	-	6	433
J Clark EGM Assets & Infrastructure	344	47	48	4	-	443	-	(6)	437
R Groom* EGM People Culture & Engagement & Acting Managing Director Momentum (09/10/23 to 02/04/24)	357	47	33	-	-	437	-	6	443
R Johnson** Acting EGM People Culture & Engagement (09/10/23 to 02/01/24)	76	8	14	-	-	98	-	4	102
V Kovac EGM Commercial	340	46	47	-	-	433	-	(3)	430
K McKenzie EGM Governance	314	43	41	-	-	398	-	14	412
J Nixon** Acting EGM People Culture & Engagement (03/01/24 to 02/04/24)	76	8	9	-	-	93	-	8	101
T Peters EGM Finance	356	46	33	-	-	435	-	8	443
E van Maanen EGM Strategy	326	44	43	-	-	413	-	13	426
Total	3,310	458	414	4	-	4,186	-	102	4,288

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

* 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 KMP while someone else is acting in the role. R Groom was Acting Managing Director Momentum during this period.

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

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

25. Key management personnel compensation (continued)

Executive remuneration (continued)

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

	2023								
Executive remuneration	Salary[1] $'000	Short term incentive payments[2] $'000	Super-annuation[3] $'000	Vehicles[4] $'000	Other benefits[5] $'000	Reported Remun-eration[6] $'000	Termin-ation benefits[7] $'000	Other long-term benefits[8] $'000	Total $'000
I Brooksbank* Chief Executive Officer	495	75	52	-	-	622	-	(4)	618
S Brown Acting General Counsel (from 19/09/22 to 02/06/23)	154	19	16	-	-	189	-	5	194
L Chiba Managing Director Momentum	336	51	37	-	-	424	-	26	450
T Chu Managing Director Entura	337	39	25	-	-	401	-	4	405
J Clark EGM Assets & Infrastructure	332	40	38	-	-	410	-	4	414
R Groom EGM People Culture & Engagement	324	39	37	-	-	400	-	16	416
V Kovac*** EGM Commercial (from 09/12/22)	174	22	18	-	-	214	-	(1)	213
K McKenzie# General Counsel & Corporate Secretary (to 16/09/22 & from 01/05/23)	105	13	14	-	-	132	-	11	143
T Peters** EGM Finance	329	50	28	-	-	407	-	11	418
E van Maanen EGM Strategy (from 20/02/23)	115	15	12	-	-	142	-	14	156
C Wykamp EGM Commercial (to 08/12/2022)	154	-	11	-	-	165	113	(10)	268
Total	2,855	363	288	-	-	3,506	113	76	3,695

* I Brooksbank was appointed Acting Chief Executive Officer 06/09/21 and subsequently appointed Chief Executive Officer 13/07/22.

** T Peters was appointed Acting EGM Finance and Strategy 20/09/21 and subsequently appointed EGM Finance 19/12/22.

*** V Kovac was appointed Acting EGM Commercial 09/12/22 and subsequently appointed EGM Commercial 06/03/23.
C Wykamp resigned as EGM Commercial 08/12/22.

\# K McKenzie was on a period of extended paid leave from 19/09/22 to 30/04/23, working 3 days per week on return until 02/06/23.
S Brown was acting general counsel from 19/09/22 to 30/04/23 and 2 days per week from 01/05/23 to 02/06/23.

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 July 2022.

[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 (2023: nil).

Employees undertook overseas travel on 109 occasions during the year at a cost of $902,045 (2023: $693,776). Of these, 62 trips at a cost of $442,273 (2023: $424,944), were made 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
CONSOLIDATED								
Woolnorth Wind Farm Holding Pty Ltd	1,073	911	55,718	18,845	328	589	-	-
PARENT								
HT Wind Operations Pty Ltd	-	-	-	-	-	-	173,516	173,266
Bell Bay Power Pty Ltd	151	71	-	-	7,089	1,901	-	-
Bell Bay Three Pty Ltd	-	-	-	-	-	-	1,424	1,424
Lofty Ranges Power Pty Ltd	-	-	-	-	-	-	1,247	1,247
Hydro Tasmania Consulting India Pvt Ltd	-	-	-	-	-	-	31	227
HT Wind Developments Pty Ltd	-	-	-	-	-	-	1,006	891
RE Storage Project Holding Pty Ltd	-	-	-	-	668	677	-	-
Woolnorth Bluff Point Holdings Pty Ltd	-	-	-	-	11,485	11,662	-	-
Momentum Energy Pty Limited	427,343	333,172	-	-	19,505	-	-	-
AETV Pty Ltd	474	413	-	-	316,939	326,459	-	-
Hydro Tasmania South Africa (Pty) Ltd	-	-	-	-	5,403	5,403	-	-
Hydro Tasmania Neusberg (Pty) Ltd	-	-	-	-	1,578	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 $64k during the year (2023: $39k). These sales were made at arm's length and were on normal commercial terms.

David Middleton is a non-executive Director of Hydro Tasmania. David was also an employee of AECOM Australia Pty Ltd as Director, Strategy and Growth, Global Water Business Line until 15 December 2023. Hydro Tasmania used services from AECOM amounting to $312k during the period David was employed (2023: $493k full year). These sales 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

After due enquiry, there have not been any 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 nil (2023: $13.0m) grant and equity funding during the year ended 30 June 2024.

Tarraleah Hydro Power 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.

At 30 June 2024, nil grant funding (2023: $3.2m) and nil equity contribution (2023: $9.8m) were recognised for Tarraleah funding.

During the year ended 30 June 2024, the Department of Treasury and Finance paid $13.0m (2023: nil) for Tarraleah funding.

29. Controlled entities

			Percentage of share held by the Group	
	Footnote	Country of incorporation	2024 %	2023 %
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

1. Bell Bay Power Pty Ltd was incorporated on 20 December 2001.
2. Lofty Ranges Power Pty Ltd was incorporated on 26 April 2002.
3. Bell Bay Three Pty Ltd was incorporated on 7 December 2005.
4. RE Storage Project Holding Pty Ltd was incorporated on 11 April 2006.
5. 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.
6. 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 was incorporated on 8 July 2002.
7. 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.
8. 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.
9. AETV Pty Ltd was transferred to Hydro Tasmania by Ministerial direction at midnight 1 June 2013.

30. Interest in associates and joint ventures

	Principal activity	Associate and Joint venture balance date	CONSOLIDATED Ordinary share ownership interest 2024 %	CONSOLIDATED Ordinary share ownership interest 2023 %	CONSOLIDATED Associate and joint venture agreement voting rights 2024 %	CONSOLIDATED Associate and joint venture agreement voting rights 2023 %	PARENT Ordinary share ownership interest 2024 %	PARENT Ordinary share ownership interest 2023 %	PARENT Associate and joint venture agreement voting rights 2024 %	PARENT Associate and joint venture agreement voting rights 2023 %
Joint ventures										
Cathedral Rocks Construction and Management Pty Ltd	Wind farm construction and operation	30 June	-	50	-	50	-	50	-	50
Associates										
Woolnorth Wind Farm Holding Pty Ltd	Wind farm operation	30 June	25	25	25	25	-	-	-	-

The Group held a 50% interest in a dormant joint venture (Cathedral Rocks Construction and Management Pty Ltd) with Acciona Energy Oceania Pty Ltd. The joint venture was previously engaged in managing the construction and operation of a wind farm at Cathedral Rocks, South Australia. The deregistration of the joint venture was effective 28 September 2023.

A subsidiary of the Group, HT Wind Operations Pty Ltd, became a partner in Woolnorth Wind Farm Holdings 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 associates and joint ventures are not consolidated but are instead accounted for under the equity method.

	CONSOLIDATED		
	Associate	Joint venture	
	Woolnorth Wind Farm Pty Ltd 25% 2024 $'000	Cathedral Rocks Construction and Management Pty Ltd 50% 2024 $'000	Total 2024 $'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 (losses)/gains	59,573	-	59,573
(Loss)/profit before income tax benefit	80,915	-	80,915
Income tax benefit/(expense)	(23,169)	-	(23,169)
Net (loss)/profit 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

31. Incorporated associates and joint ventures (continued)

	CONSOLIDATED		
	Associate	Joint venture	
	Woolnorth Wind Farm Pty Ltd 25% 2023 $'000	Cathedral Rocks Construction and Management Pty Ltd 50% 2023 $'000	Total 2023 $'000
Statement of Financial Performance			
Revenue	107,821	-	107,821
Expenses	75,122	-	75,122
Profit/(loss) before fair value	32,699	-	32,699
Fair value (losses)/gains	2,493	-	2,493
(Loss)/profit before income tax benefit	35,192	-	35,192
Income tax benefit/(expense)	(10,559)	-	(10,559)
Net (loss)/profit after tax	24,633	-	24,633
Statement of Financial Position			
Current assets	85,756	55	85,811
Non-current assets	415,521	-	415,521
Total assets	501,277	55	501,332
Current liabilities	40,576	-	40,576
Non-current liabilities	214,992	-	214,992
Total liabilities	255,568	-	255,568
Net assets	245,709	55	245,764
Share of accumulated profits/(losses)			
Share of accumulated profits/(losses) at the beginning of the year	41,089	(21)	41,068
Share of profit/(loss) after income tax expense	6,158	-	6,158
Share of accumulated profits/(losses) at the end of the year	47,247	(21)	47,226
Movements in carrying amount of investment			
Carrying amount at the beginning of the year	58,021	17	58,038
Dividends received	(2,757)	-	(2,757)
Share of associates other comprehensive income	5	-	5
Share of profit/(loss) after income tax for the year	6,158	-	6,158
Carrying amount at the end of the year	61,427	17	61,444

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 2024 $'000	CONSOLIDATED 2023 $'000
Consolidated Statement of Comprehensive Income and retained profits		
Revenue	1,826,144	1,639,172
Expenses	1,612,354	1,318,050
Profit/(loss) before income tax equivalent expense	213,790	321,122
Income tax equivalent (benefit)/expense	65,185	93,621
Profit/(loss) for the period	148,605	227,501
Other comprehensive income	59,118	145,363
Total comprehensive income/(loss) for the period	207,723	372,864
Retained earnings at the beginning of the period	1,519,398	1,364,725
Dividends paid	(105,000)	(74,000)
Net profit/(loss)	148,605	227,501
Other movements	(3,656)	1,172
Retained earnings at the end of the period	1,559,347	1,519,398

32. Deed of cross guarantee (continued)

	CONSOLIDATED 2024 $'000	CONSOLIDATED 2023 $'000
Current assets		
Cash	12,873	16,185
Receivables	452,832	272,531
Investments	-	18,000
Inventories	9,831	6,988
Other financial assets	307,117	257,682
Other	61,131	72,593
Total current assets	843,784	643,979
Non-current assets		
Investments	184,410	184,410
Property plant and equipment	4,067,322	3,952,865
Intangible assets	54,834	58,335
Deferred tax asset	58,526	60,849
Other financial assets	136,507	116,884
Goodwill	16,396	16,396
Other	3,846	5,218
Total non-current assets	4,521,841	4,394,957
TOTAL ASSETS	5,365,625	5,038,936
Current liabilities		
Payables	349,530	197,129
Interest-bearing liabilities	127,593	4,209
Provisions	111,639	186,191
Provision for income tax	9,123	2,479
Other financial liabilities	478,728	393,421
Other	207,463	211,543
Total current liabilities	1,284,076	994,972
Non-current liabilities		
Interest-bearing liabilities	689,603	719,336
Deferred tax liability	538,867	520,054
Provisions	370,096	304,713
Other financial liabilities	267,438	387,038
Total non-current liabilities	1,866,004	1,931,141
TOTAL LIABILITIES	3,150,080	2,926,113
NET ASSETS	2,215,545	2,112,823
EQUITY		
Contributed equity	688,006	688,006
Reserves	(31,808)	(94,581)
Retained earnings	1,559,347	1,519,398
TOTAL EQUITY	2,215,545	2,112,823

33. Dividend

	CONSOLIDATED		PARENT	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Declared and paid during the year				
Statutory dividend	-	105,000	-	105,000
Proposed for approval (not recognised as a liability as at 30 June)				
Statutory dividend	122,000	-	122,000	-

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 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 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 (expenses)/gains	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 30 JUNE 2023					
	Hydro* Tasmania $'000	AETV $'000	Momentum Energy $'000	Total segments $'000	Adjustments/ eliminations $'000	Consolidated $'000
Revenue						
External customers	688,811	90,425	822,527	1,601,763	(151,036)	1,450,727
Fair value gains	171,450	12,502	-	183,952	-	183,952
Share of associates and joint ventures	6,158	-	-	6,158	-	6,158
Other revenue	9,921	3	558	10,482	-	10,482
Total revenue	876,340	102,930	823,085	1,802,355	(151,036)	1,651,319
Segment results						
Depreciation & amortisation	113,949	2,946	15,169	132,064	-	132,064
Finance expenses	71,040	-	631	71,671	-	71,671
Fair value losses	16,426	2,875	-	19,301	-	19,301
Net revaluation and impairment	(2,383)	-	-	(2,383)	3,066	683
Other expense	359,236	91,306	795,273	1,245,815	(151,036)	1,094,779
Total expense	558,268	97,127	811,073	1,466,468	(147,970)	1,318,498
Profit/(loss) before income tax equivalent expense	318,072	5,803	12,012	335,887	(3,066)	332,821
Comprising:						
Result before fair value movements and revaluation	160,229	(3,824)	12,012	168,417	-	168,417
Net fair value gains/(losses)	155,024	9,627	-	164,651	-	164,651
Net fair value gains/(losses) from associates and joint ventures	436	-	-	436	-	436
Revaluation and impairment (expenses)/gains	2,383	-	-	2,383	(3,066)	(683)
Profit/(loss) before income tax equivalent expense	318,072	5,803	12,012	335,887	(3,066)	332,821
Income tax equivalent expense	90,874	1,741	3,611	96,226	-	96,226
Segment profit/(loss) after tax	227,198	4,062	8,401	239,661	(3,066)	236,595
Total assets	4,633,334	89,205	179,268	4,901,807	(19,417)	4,882,390
Total liabilities	2,222,215	409,526	82,380	2,714,121	-	2,714,121
Other disclosures						
Investment in associates and joint ventures	61,444	-	-	61,444	-	61,444
Capital expenditure	174,982	-	5,800	180,782	-	180,782

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	
	2024 $'000	2023 $'000
Reconciliation of profit		
Segment profit	167,767	239,661
Energy sales	138,109	151,036
Purchased energy	(138,109)	(151,036)
Intercompany loan impairment	(5,188)	(3,066)
Consolidated profit	162,579	236,595
Reconciliation of assets		
Segment total assets	5,244,060	4,901,807
Elimination of investment in subsidiary	(19,417)	(19,417)
Corporation total assets	5,224,643	4,882,390
Reconciliation of liabilities		
Segment total liabilities	2,940,109	2,714,121
Elimination of intercompany revaluation and balances	-	-
Corporation total liabilities	2,940,109	2,714,121

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 2024 and the financial position at 30 June 2024 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 2024 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 2024 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 2024 give a true and fair view.

Signed in accordance with a resolution of the directors:

R Bolt
Chairman
14 August 2024

H Galloway
Director
14 August 2024

Superannuation declaration

I, Ian Brooksbank, 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.

I Brooksbank
Chief Executive Officer
14 August 2024

Auditor's independence declaration

Tasmanian Audit Office

Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address: GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

14 August 2024

The Board of Directors
Hydro-Electric Corporation
4 Elizabeth Street
HOBART TAS 7000

Dear Board Members

Auditor's Independence Declaration

In relation to my audit of the financial report of Hydro-Electric Corporation for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of Australian Auditing Standards in relation to the audit

(b) any applicable code of professional conduct in relation to the audit.

As agreed with the Audit Committee, a copy of this declaration must be included in the Director's Report.

Yours sincerely

Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General

Independent Auditor's report

Tasmanian Audit Office

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 2024, 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 2024 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 confirm that the independence declaration was provided to the directors on the same date as this auditor's report.

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 2024, the Group's generation assets of $3,516 million recognised at fair value, representing 67.3% 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.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
	• 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 *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 $334 million and energy price derivative liabilities totalled $492 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.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
	• 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 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.
- 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

Above: Hydro Tasmania employee taking pictures as part of the Cethana visual impact studies

Summary information

Community service obligations summary

Formalised directions issued by the Minister for Energy and Renewables and 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 FY2023–24, the net cost to Hydro Tasmania of performing this CSO was $11.51 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. The CSO was unfunded. In FY2023–24, there was no cost to Hydro Tasmania to perform this CSO.

Financial summary

Financial results

Table 6: Financial results 2020–24

Year ending 30 June:	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m
Result before fair value, impairment and tax	171.8	217.0	148.8	168.4	193.8
Profit/(loss) before tax[a]	(778.1)	357.9	1,120.1	332.8	234.6
Comprehensive income/(loss)	(99.0)	337.2	212.8	382.0	221.3
Cash flow from operating activities	227.8	236.3	189.1	276.1	242.9
Net debt	627	647	522	674	788
Weighted average cost of debt	4.92%	3.52%	3.67%	3.88%	4.02%
Capital expenditure	141.5	156.0	119.1	180.8	241.6
Total assets	4,763	4,930	6,000	4,882	5,225

[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:	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m
Government guarantee fee	6.7	6.3	5.8	5.4	5.1
Income tax equivalent	70.6	56.9	74.3	7.1	64.7
Ordinary dividend[a]	120.0	115.0	112.3	74.0	105.0
Rates equivalent	4.6	4.6	5.0	5.3	5.7
Total returns	201.9	182.8	197.4	91.8	180.5

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

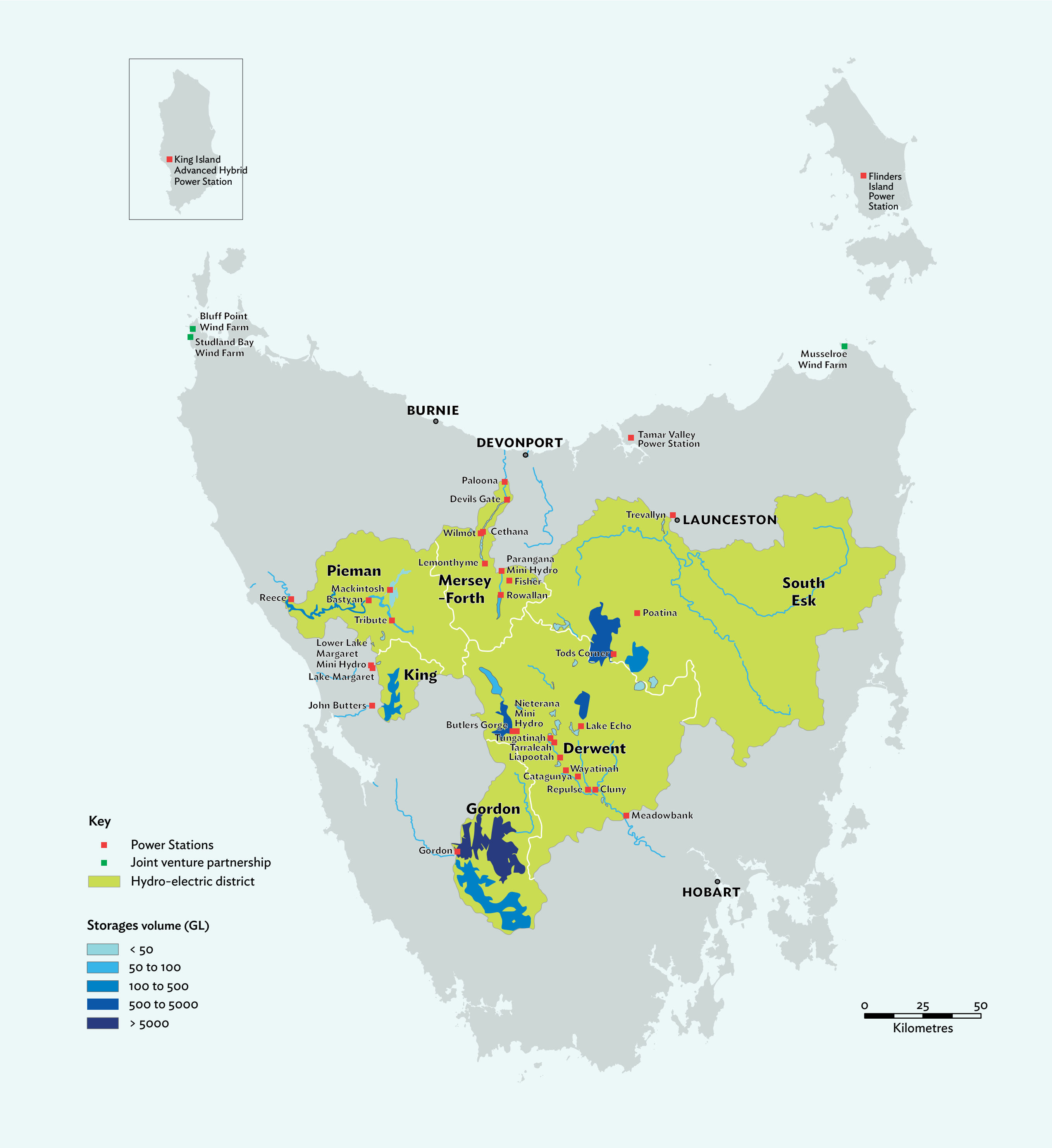
Five-year summary

Table 7: Financial statistics 2020–24, year ending 30 June

	Year Ending 30 June				
	2020 $'000's	2021 $'000's	2022 $'000's	2023 $'000's	2024 $'000's
Five Year Profile - Statement of Comprehensive Income					
Income					
Sales of goods and services	1,784,507	1,660,414	1,488,544	1,450,727	1,689,587
Other income	5,636	36,301	5,476	10,482	11,643
TOTAL INCOME	**1,790,143**	**1,696,715**	**1,494,020**	**1,461,209**	**1,701,230**
Less Expenses					
Labour	159,659	170,032	147,410	163,794	182,262
Direct operating expenses	1,184,848	1,060,549	901,157	830,794	1,027,125
Depreciation and amortisation of non-current assets	125,966	114,847	122,720	132,064	134,635
Impairment/(reversal) of non-current assets	878,931	-	(482,675)	683	-
Finance costs	44,185	39,873	79,083	71,671	74,546
Net fair value movements	96,840	(130,022)	(511,839)	(164,651)	(30,349)
Other operating expenses	77,776	83,564	118,100	94,033	78,454
TOTAL EXPENSES	**2,568,205**	**1,338,843**	**373,956**	**1,128,388**	**1,466,673**
NET PROFIT/(LOSS) BEFORE TAX	**(778,062)**	**357,872**	**1,120,064**	**332,821**	**234,557**
Five Year Profile - Balance Sheet					
Assets					
Cash and cash equivalents	15,143	92,720	178,125	36,145	15,228
Investments	57,440	71,073	58,038	61,444	75,026
Receivables	341,739	351,803	798,113	275,015	455,131
Property, plant and equipment	3,479,968	3,518,784	3,992,895	4,033,677	4,144,108
Financial and other assets	868,701	895,141	972,467	476,109	535,150
TOTAL ASSETS	**4,762,991**	**4,929,521**	**5,999,638**	**4,882,390**	**5,224,643**
Liabilities					
Payables	307,052	278,773	712,948	201,100	350,588
Provisions	738,210	720,578	528,325	508,865	497,742
Interest bearing liabilities	671,373	765,827	721,068	723,547	817,196
Tax liabilities	200,863	290,403	341,575	457,574	490,269
Financial liabilities	1,317,644	1,123,914	1,845,219	823,035	784,314
TOTAL LIABILITIES	**3,235,142**	**3,179,495**	**4,149,135**	**2,714,121**	**2,940,109**
NET ASSETS	**1,527,849**	**1,750,026**	**1,850,503**	**2,168,269**	**2,284,534**
EQUITY	**1,527,849**	**1,750,026**	**1,850,503**	**2,168,269**	**2,284,534**
Five Year Profile - Capital Works					
Expenditure					
Generation assets	95,559	94,313	80,488	94,926	96,780
Bass Strait Islands	2,387	2,934	2,834	6,567	4,047
Land and buildings	5,134	7,812	4,883	14,789	22,846
Fleet	2,937	863	3,003	1,586	4,343
Information systems	26,618	35,720	23,994	28,135	26,990
Renewable developments*	7,726	10,772	(155)	31,317	83,729
Other assets	1,138	3,564	4,074	3,462	2,822
TOTAL CAPITAL EXPENDITURE	**141,499**	**155,978**	**119,121**	**180,782**	**241,557**

* 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 at any time during or since the end of the financial year 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 and Safety Committee and Major Projects Committee. **Appointed:** 1 July 2023 **Current term:** 1 July 2023 to 30 June 2026.
	**Carlo Botto** Independent Director	Carlo Botto was appointed to the Board in July 2018 and is Chair of the Risk Management Committee. **Appointed:** 31 July 2018 **Current term:** 23 August 2021 to 22 August 2024.
	**Selina Lightfoot** Independent Director	Selina Lightfoot was appointed to the Board in July 2018 and is Chair of the People and Safety Committee and a member of the Audit Committee. **Appointed:** 31 July 2018 **Current term:** 23 August 2021 to 22 August 2024.
	**Helen Galloway** Independent Director	Helen Galloway was appointed to the Board in August 2021 and is Chair of the Audit Committee and a member of the Risk Management Committee and Major Projects Committee. **Appointed:** 24 August 2021 **Current term:** 24 August 2021 to 23 August 2024.
	**David Middleton** Independent Director	David Middleton was appointed to the Board in September 2022 and is Chair of the Major Projects Committee and a member of the People and Safety Committee. **Appointed:** 26 September 2022 **Current term:** 26 September 2022 to 25 September 2025.

Governance summary (continued)

Table 8: Board committee membership table

Audit Committee	Risk Management Committee	People and Safety Committee	Major Projects Committee
Helen Galloway*	Carlo Botto*	Selina Lightfoot*	David Middleton*
Richard Bolt	Richard Bolt	Richard Bolt	Richard Bolt
Selina Lightfoot	Helen Galloway	David Middleton	Helen Galloway

* Committee Chair

Table 9: Directors' attendance at Board and committee meetings during FY2023–24

	Board (regular and special meetings)		Audit Committee		Risk Management Committee		People & Safety Committee		Major Projects Committee	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Richard Bolt	12	12	5	5	4	4	4	4	7	7
Helen Galloway	12	12	5	5	4	4	4	1**	7	7
Carlo Botto	12	12	5	1**	4	4	4	0^	7	1**
Selina Lightfoot	12	12	5	5	4	1**	4	4	7	2**
David Middleton	12	11*	5	0^	4	0^	4	4	7	7

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.

^ Not a member of this committee.

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

Board and Executive performance evaluation

One of the independent directors, on a rotating basis, evaluates the meeting at the conclusion of each board meeting. This process allows for contemporaneous consideration of the strengths and opportunities of the meeting, how it ran, the presentations given and the discussions.

Each director, including the Chair, undergoes a performance review when being considered for reappointment at the expiry of their term.

In addition, the Chair provides individual feedback on performance to each director.

The performance of board committees is assessed in accordance with their Terms of Reference, usually annually. The Hydro Tasmania leadership team and relevant management personnel are asked to provide feedback on the effectiveness of the committees and their members.

An external board evaluation was undertaken during FY2023–24 year. The performance of the CEO and other senior executives is reviewed annually using robust, measurable and qualitative key performance indicators.

Director induction, education and training

Each new board member receives a board induction pack and meets with the Hydro Tasmania leadership team and the Corporation Secretary for introductory briefings. Access to the main governance, board administration and reference materials is available through a secure web-based application used by directors. The information made available to directors includes content suggested by the Guidelines for Tasmanian Government Businesses on Director Induction, Education and Training.

Ongoing training and education for directors is provided through a combination of in-house presentations and site visits as well as through external providers as required. Training is structured to enable directors to be informed of and understand all key developments relating to Hydro Tasmania's business and the industry and environment in which we operate.

Public Interest Disclosures

Under the *Public Interest Disclosures Act 2002* (the Act), Hydro Tasmania is required to report on any disclosures about improper conduct by its public officers or Hydro Tasmania. In accordance with the requirements of section 86 of the Act, Hydro Tasmania advises that there were no reportable disclosures for FY2023–24.

Payment of accounts summary

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

Measure	
Creditor days: 1,836 creditors with the following payment terms:	
7 days	119
14 days	283
21 days	23
30 days	1,411
Total number of accounts due for payment	29,977
Number of accounts paid on time	28,294
Amount due for payment	$331,977,052
Amount paid on time	$318,333,927
Number of payments for interest on overdue accounts	8
Interest paid on overdue accounts	$251

In an effort to continue helping our Tasmanian based suppliers, suppliers with 30 day terms were being paid within 14 days.

Procurement summary

Table 11: Consultancies valued at more than $50,000 (ex GST), FY2023-24

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Tunnel QLD (PSM)	Drummoyne, NSW	Engineering Consultant	01 July 2023 to 30 June 2024	$4,260,311.50
Hazell Bros Tunnelling Solutions JV	Glenorchy, TAS	Construction	01 July 2023 to 30 June 2024	$3,355,239.62
MinterEllison	Sydney, NSW	Legal Advisor	01 July 2023 to 30 June 2024	$2,793,862.67
ILF Consulting Engineers Australia	Sydney, NSW	Renewable Energy Consultant	01 July 2023 to 30 June 2024	$2,589,797.15
PSM Consult Pty Ltd	North Ryde, NSW	Consultant	01 July 2023 to 30 June 2024	$2,472,118.01
EDF-CIH (Hydro)	LA-MOTTE-SERVOLEX	Engineering Consultant	01 July 2023 to 30 June 2024	$1,575,009.37
KPMG Australia - Victoria	Melbourne, VIC	Compliance and Risk Consultant	01 July 2023 to 30 June 2024	$1,123,414.52
GHD Pty Ltd - TAS	Hobart, TAS	Engineering Consultant	01 July 2023 to 30 June 2024	$1,088,252.62
Pitt and Sherry Operations Pty Ltd	Launceston, TAS	Compliance and Risk Consultant	01 July 2023 to 30 June 2024	$1,066,430.93
Howarth Fisher and Associates	Sandy Bay, TAS	Engineering Consultant	01 July 2023 to 30 June 2024	$563,795.00
Contino Pty Ltd	Melbourne, VIC	Digital Transformation Consultants	01 July 2023 to 30 June 2024	$559,584.50
ReGenerateNZ Ltd	Christchurch, CAN	Engineering Consultant	01 July 2023 to 30 June 2024	$547,921.99
AECOM Australia Pty Ltd	Melbourne, VIC	Engineering Consultant	01 July 2023 to 30 June 2024	$545,889.25
DEMECON	Williamstown, VIC	Risk Management	01 July 2023 to 30 June 2024	$524,450.63
Page Seager Lawyers	Hobart, TAS	Legal Advisor	01 July 2023 to 30 June 2024	$469,079.78
Cova Thinking Pty Ltd	Hobart, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$463,962.99

Procurement summary (continued)

Table 11: Consultancies valued at more than $50,000 (ex GST), FY2023-24

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Price Waterhouse Coopers - VIC	Melbourne, VIC	Financial Consultant	01 July 2023 to 30 June 2024	$429,500.64
Deswik Mining Consultants (Australia)	Brisbane, QLD	Mining Consultant	01 July 2023 to 30 June 2024	$355,409.42
Geosensor Wireline Pty Ltd	Seaford, SA	Geotechnical Consultant	01 July 2023 to 30 June 2024	$349,697.39
Deloitte Risk Advisory Pty Ltd	Melbourne, VIC	Financial Consultant	01 July 2023 to 30 June 2024	$345,928.27
APTIC	Arthurs Seat, VIC	Asset Management Consultant	01 July 2023 to 30 June 2024	$341,150.00
Woodland Management Pty Ltd	Prospect Vale, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$338,860.00
Tamar Hydro Pty Ltd	Exeter, TAS	Engineering Consultant	01 July 2023 to 30 June 2024	$331,557.65
HoustonKemp Economists	Sydney, NSW	Economist	01 July 2023 to 30 June 2024	$314,937.74
Cumulus Studio Pty Ltd	Hobart, TAS	Architecture	01 July 2023 to 30 June 2024	$282,647.36
Mercer Consulting Australia Pty Ltd	Melbourne, VIC	Human Resources Consultant	01 July 2023 to 30 June 2024	$280,954.16
Greg Hobbs Engineering Pty Ltd	Cooma, NSW	Engineering Consultant	01 July 2023 to 30 June 2024	$251,016.40
Aurecon Australasia Pty Ltd	Melbourne, VIC	Engineering Consultant	01 July 2023 to 30 June 2024	$237,718.80
WSP UK Limited	London, BK	Engineering Consultant	01 July 2023 to 30 June 2024	$237,016.35
Ranbury Management Group Pty Ltd	Brisbane, QLD	Project Management Consultant	01 July 2023 to 30 June 2024	$227,209.49
Jagcon	Northgate, QLD	Engineering Consultant	01 July 2023 to 30 June 2024	$219,041.54
Elgin Associates	North Hobart, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$216,548.52
IPD Consulting Pty Ltd	Launceston, TAS	Engineering and Project Management Consultant	01 July 2023 to 30 June 2024	$179,822.82
WMA Water Pty Ltd	Hobart, TAS	Hydrological Consultant	01 July 2023 to 30 June 2024	$159,425.00
Truth Agency	Melbourne, VIC	PR Consultant	01 July 2023 to 30 June 2024	$144,000.00
Veris Australia Pty Ltd	Devonport, TAS	Survey Consultant	01 July 2023 to 30 June 2024	$143,905.99
ESS Earth Sciences Pty Ltd	Richmond, VIC	Engineering Consultant	01 July 2023 to 30 June 2024	$132,126.78
Merlehan Group	Brisbane, QLD	Legal Advisor	01 July 2023 to 30 June 2024	$131,127.20
Osterman Pty Ltd	Mona Vale, NSW	Environmental Consultant	01 July 2023 to 30 June 2024	$130,798.21
ESL Environmental Services	Bonnet Hill, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$127,636.33
Gilbert + Tobin	Melbourne, VIC	Legal Advisor	01 July 2023 to 30 June 2024	$127,560.30
Hydropower Engineering Ltd	Hamilton, NZ	Engineering Consultant	1 July 2023 to 30 June 2024	$122,461.59
White and Case	Melbourne, VIC	Legal Advisor	01 July 2023 to 30 June 2024	$122,152.42
Simple Nimble Pty Ltd	Hobart, TAS	Strategic Advisory Service	01 July 2023 to 30 June 2024	$113,950.00
George Consulting Service	Hobart, TAS	Estimate Service	01 July 2023 to 30 June 2024	$108,517.50
Worley Services Pty Ltd	North Sydney, NSW	Project Management Consultant	01 July 2023 to 30 June 2024	$107,604.60
Gartner Australasia Pty Limited	Melbourne, VIC	Financial Consultant	01 July 2023 to 30 June 2024	$106,298.00
Flagstaff Partners	Melbourne, VIC	Strategic Advisory Service	01 July 2023 to 30 June 2024	$101,512.59
CSIRO	Hobart, TAS	Scientific Consultant	01 July 2023 to 30 June 2024	$100,601.00
G5 Engenharia e Gerenciamento Ltda.	Curitiba, PR	Infrastructure Consultant	01 July 2023 to 30 June 2024	$92,665.44

Procurement summary (continued)

Table 11: Consultancies valued at more than $50,000 (ex GST), FY2023-24

Name of consultant	Location	Description	Period of engagement	Total paid (AUD)
Make Studios Australia Pty Ltd	Melbourne, VIC	Strategic Design Consultant	01 July 2023 to 30 June 2024	$89,280.00
Bureau of Meteorology - VIC	Melbourne, VIC	Meteorolgical Consultant	01 July 2023 to 30 June 2024	$87,051.15
Baynes Geologic Pty Ltd	Malmsbury, VIC	Geotechnical Consultant	01 July 2023 to 30 June 2024	$84,939.08
Advisian Pty Ltd	Melbourne, VIC	Engineering Consultant	01 July 2023 to 30 June 2024	$81,300.57
Frontier Economics	Melbourne, VIC	Economist Consultant	01 July 2023 to 30 June 2024	$80,400.00
Cohorte Workplace Law	Battery Point, TAS	Legal Advisor	01 July 2023 to 30 June 2024	$71,700.00
Rachel Trindade	South Yarra, VIC	Legal Advisor	01 July 2023 to 30 June 2024	$70,437.50
Deloitte Private PL Melbourne	Melbourne, TAS	Financial Consultant	01 July 2023 to 30 June 2024	$68,391.75
Peter Gordon Stuart-Smith	Kingston Beach, TAS	Geotechnical Consultant	01 July 2023 to 30 June 2024	$65,196.64
Osborn Consulting Engineers Pty Ltd	Warwick, QLD	Engineering Consultant	01 July 2023 to 30 June 2024	$57,759.90
Stephen Casey Ecological Consulting	Hobart, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$57,100.00
ARRB Group Limited	Port Melebourne, VIC	Infrastructure Consultant	01 July 2023 to 30 June 2024	$56,652.00
ADG Engineers (Aust) Pty Ltd	Toowong, QLD	Engineering Consultant	01 July 2023 to 30 June 2024	$55,000.00
TasNetworks	Cambridge, TAS	Engineering Consultant	01 July 2023 to 30 June 2024	$52,500.00
Dunlop Consulting	Auckland, NZ	Engineering Consultant	01 July 2023 to 30 June 2024	$50,993.42
Envoca	Mt Stuart, TAS	Environmental Consultant	01 July 2023 to 30 June 2024	$50,739.38
Total				$32,089,921.42
Total expenditure on 63 other consultants engaged for $50,000 or less				$1,101,932.87
Consultants engaged by Entura or Hydro Tasmania on a confidential basis				$112,691.56
Total payments to consultants				**$33,304,545.85**

Table 12: Proportion of spending on local suppliers

Indicator	Location of supplier	2019-20	2020-21	2021-22	2022-23	2023-24
Proportion of spending on local suppliers for the Hydro Tasmania group (%)[a]	Mainland Australia	32.1	25.7	28.5	16.96	28.5
	Tasmania	61.6	61.5	62.2	81.4	63.1
	Overseas	6.2	12.8	9.2	1.7	8.4
Value of spending on local suppliers for the Hydro Tasmania group ($)	Mainland Australia			$53,272,990	$53,433,343	$85,339,658
	Tasmania			$116,190,476	$137,421,980	$189,100,867
	Overseas			$17,250,475	$25,127,543	$25,278,668
Proportion of spending on local suppliers for Momentum Energy (%)	Mainland Australia	98.6	98.5	95.5	96.1	98.5
	Tasmania	0.4	1.3	4.0	3.3	0.8
	Overseas	1	0.2	0.5	0.7	0.7
Value of spending on local suppliers for Momentum Energy ($)	Mainland Australia			$25,367,208	$13,752,095	$30,896,814
	Tasmania			$122,995	$121,813	$238,713
	Overseas			$1,071,398	$340,697	$226,301

[a] Includes Entura and AETV Power

Remuneration report

For the financial year ended 2024, 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 and Safety Committee, comprised of independent directors, some of whom are also members of the Audit and Risk Committee.

Executive Remuneration Components

Executive annual remuneration arrangements are comprised of two components:

1. Total Employment Package (TEP, i.e. base salary and superannuation paid at the statutory level of 11%) and
2. Executive Incentive Program (EIP).

The CEO and executive-level 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 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). The scorecard will include a set of group targets, the same for all ELs 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 (PVS) and link to the strategic pillars. These individual goals will be recorded in the SuccessFactors Performance Development Review (PDR) 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.

Remuneration report (continued)

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

Table 13:

	Group performance	Individual KPIs
HLT	80%	20%
SLT (direct reports to HLT)	60%	40%
Level 3 (direct reports to SLT)	40%	60%
All other execs	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 ✖ Target Percentage ✖ Scorecard Performance (up to 100%) = Bonus Payable

The below is a summary of the corporate targets achieved by the corporation in FY2023-24, which formed the basis of the Board release multiplier:

Table 14:

Group target	Met/Not met
EBIT of 219.3m	Met
TRIFR <2.5	Met
Engagement Uplift	Met
Inclusion Uplift	Met
Battery of the Nation milestones	
Tarraleah (BotN 1)	Not met
Cethana (BotN 2)	Met

Based on the attainment of the corporate targets as outlined above, and strong financial performance despite difficult market conditions in quarter 1, the Board approved a release of 90% of the corporate scorecard result.

Further information on our performance against these corporate targets can be found in the Performance against the Statement of Corporate Intent on Page 25.

Remuneration report (continued)

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.

Table 15: Summary of executive individual goals

Name	Position	Individual goal attainment	Total result
Lisa Chiba	Managing Director Momentum Energy	100%	90%
Tammy Chu	Managing Director Entura	100%	90%
Jesse Clark	Executive General Manager Assets & Infrastructure	100%	90%
Ruth Groom	Executive General Manager People, Culture & Engagement	100%	90%
Kate McKenzie	Company Secretary and General Counsel	100%	90%
Timothy Peters	Executive General Manager Finance	100%	90%
Vedran Kovac	Executive General Manager Commercial	100%	90%
Ian Brooksbank	Chief Executive Officer	100%	90%
Erin van Maanen	Executive General Manager Strategy	100%	90%

Refer to Note 25 of the Financial Statements – Key management personnel compensation – which includes the details of payments made to senior executives for FY2023–24.

Note 1. Lisa Chiba incentive is a pro-rata figure due to parental leave.

Above: ***Hydro Tasmania Graduate, Marshall Maher, at Gordon Dam***

Hydro Tasmania

www.hydro.com.au

4 Elizabeth Street
Hobart, Tasmania 7000
Postal Address: GPO Box 355
Hobart Tasmania 7001

Phone within Australia: 1300 360 441
Phone international: +61 3 6230 5111
Fax: +61 3 6230 5855
Email: contactus@hydro.com.au

Entura

www.entura.com.au

4 Elizabeth Street
Hobart, Tasmania 7000
Phone: +61 3 6245 4500
Fax: +61 3 6245 4550
Email: enquiry@entura.com.au

Melbourne

Level 8, 530 Collins Street
Melbourne, Victoria 3000
Phone: +61 3 6245 4500
Fax: +61 3 6245 4550

Adelaide

25A King William Road,
Unley, South Australia 5061
Phone: +61 8 8338 0085
Fax: +61 8 8338 4733

New Delhi, India

Unit 3A, 3rd Floor
Plot No. FC-24, Film City Sector-16A,
Noida, District Gautam Budh Nagar,
Uttar Pradesh-201301, India
+91 120 403 3100
+91 120 403 3130

Momentum Energy

www.momentumenergy.com.au

Postal Address:
PO Box 353 Flinders Lane
Melbourne, Victoria 8009

Phone: 1800 794 824 (1800 SWITCH)
1300 662 778 (Customer Care)
Contact us:
www.momentumenergy.com.au/contact-us

Contact

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.

Contact us by phone on 1300 360 441 or email contactus@hydro.com.au or write to GPO Box 355, Hobart, Tasmania, Australia 7001

facebook.com/HydroTasmania

twitter.com/HydroTasmania

linkedin.com/company/hydro-tasmania

youtube.com/HydroTasmania

About this report

Hydro Tasmania's Annual Report covers the financial year from 1 July 2023 to 30 June 2024. 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