

# Annual Review

2020-21



Powering a  
Bright Future

# Contents

## About the Annual Review

TasNetworks' Annual Review presents a condensed view of our Annual Report for 2020-21. Our Annual Report, including detailed financial performance and statements can be found on our website.

This report reviews the operations of Tasmanian Networks Pty Ltd and its subsidiaries TasNetworks Holding Pty Ltd, Fortytwo24 Pty Ltd, Marinus Link Pty Ltd and Large Scale Renewables Pty Ltd for the 2020- 21 financial year.

TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

<b>About us</b>	<b>2</b>
<b>Chairman message</b>	<b>4</b>
<b>CEO message</b>	<b>6</b>
<b>Renewable energy and growth</b>	<b>16</b>
<b>Our people</b>	<b>24</b>
<b>Our customers</b>	<b>27</b>
<b>Our community</b>	<b>31</b>
<b>Environment and sustainability</b>	<b>36</b>
<b>Technology</b>	<b>38</b>
<b>42-24</b>	<b>40</b>
<b>Corporate governance</b>	<b>42</b>

Find the full Annual Report  
on the TasNetworks website.



# About us

**TasNetworks owns, operates and maintains the electricity transmission and distribution network in Tasmania.**

We deliver a safe, cost-effective and reliable electricity supply to more than 295,000 residential, commercial and industrial customers. We facilitate the transfer of electricity between Victoria and Tasmania via Basslink, the sub-sea electricity interconnector. We also provide telecommunications and technology services. We are owned by the State of Tasmania and operate as a commercial business with assets of \$3.6 billion.

Our responsibilities include:

- Keeping our people and our customers safe
- Tasmanian jurisdictional planner in the National Electricity Market (NEM)
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers
- Connecting new customers to the network (including small and large-scale generators)
- Investing in the network to support capacity growth
- Operating the network on a day-to-day basis, including all power outage restoration
- Maintaining the public lighting system
- Recording and providing regulated meter data to retailers
- Providing telecommunications, data centre and information technology services to customers, including those in the Tasmanian electricity supply industry.

## Our locations

We have two administrative offices: one in the Hobart suburb of Lenah Valley and the second in the Launceston suburb of Rocherlea. Our field-based team members are located at major resource centres at Cambridge, Rocherlea, Devonport and Burnie; substations in Trevallyn and Glenorchy; and at smaller regional depots known as response centres. Our Training Centre is located at Mornington, near Hobart.

## Our subsidiaries

The subsidiaries of Tasmanian Networks Pty Ltd are TasNetworks Holdings Pty Ltd (non-trading subsidiary), Fortytwo24 Pty Ltd (42-24), Marinus Link Pty Ltd (MLPL) and Large Scale Renewables Pty Ltd (LSR).

### Fortytwo24 Pty Ltd

42-24 provides telecommunications, information technology and data centre services to Tasmanian customers, including those in the Tasmanian electricity supply industry. This business is developing new growth opportunities within its current services and also opportunities to provide unregulated energy services.

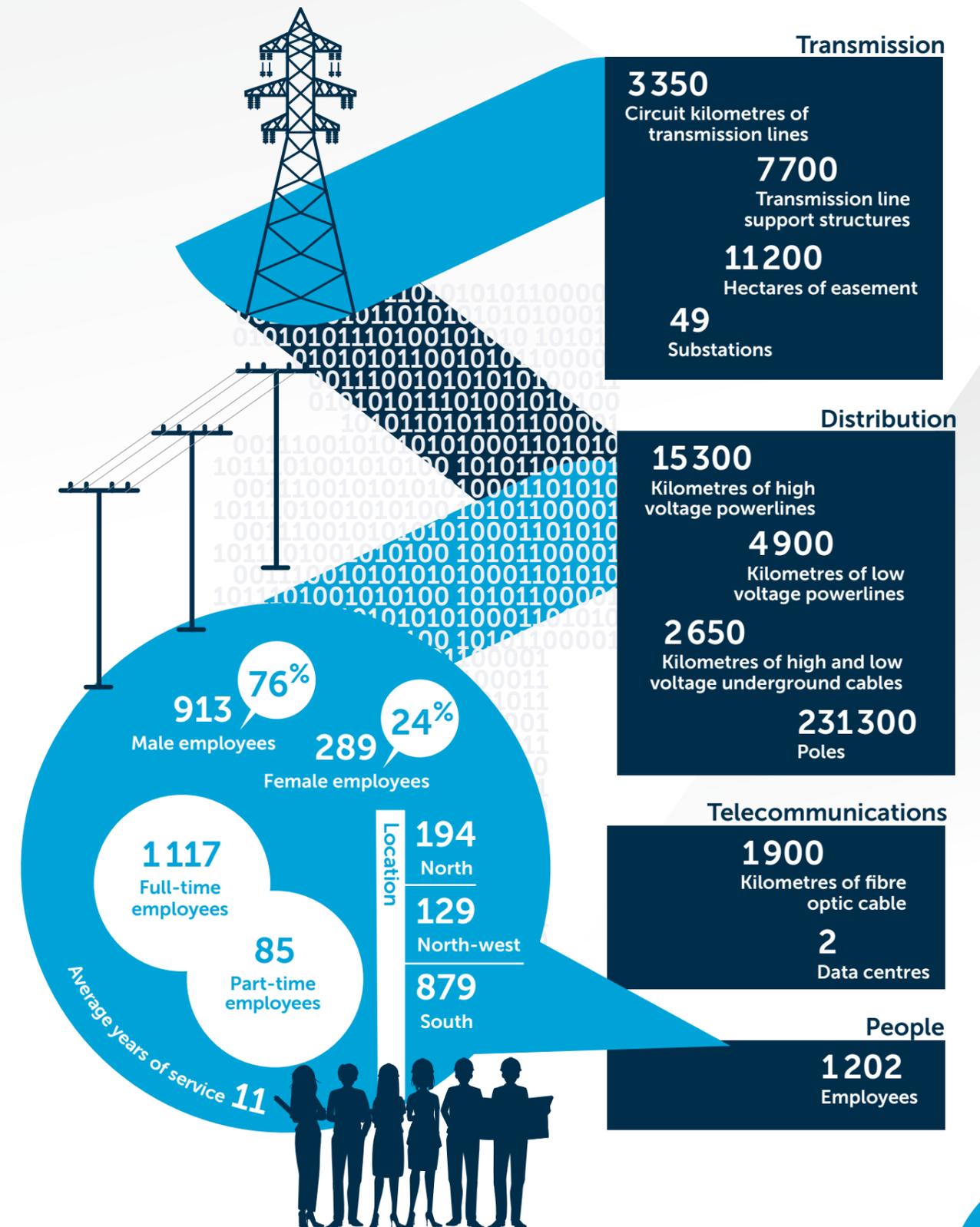
### Marinus Link Pty Ltd

MLPL was established with a broad remit to allow for the Project Marinus feasibility and business case; to take any steps necessary to establish the interconnector; to build, own or operate the interconnector; and to undertake any other associated activity. The proposed interconnector, known as Marinus Link, is a 1,500 megawatt capacity undersea and underground high voltage direct current electricity and telecommunications connection that will link Tasmania's renewable energy generation and storage resources to Victoria and the rest of NEM. MLPL is presently used as the vehicle for land access and acquisitions for Marinus Link and is also the proponent for environment and planning approvals for Marinus Link.

### Large Scale Renewables Pty Ltd

LSR was established to support the growth of TasNetworks' unregulated transmission connection services business, facilitating large scale generation and other large industry connections to our network. Once fully operational, contestable transmission connection services will be provided through LSR to provide customers with a 'one-stop shop' for large connections. Services to be provided include professional services to support project development (such as preliminary design) as well as build, own and operate asset services.

## What it takes to deliver your power



# Chairman message

Our work and mission together at TasNetworks is more important than ever.

Over the past 12 months, we've continued to witness a rapid pace of change in the Australian energy landscape. With the growth of renewables continuing at unprecedented levels, there's no doubting that we're entering some of the most exciting and challenging years in TasNetworks' history.

TasNetworks' owners, the Tasmanian Government, have established ambitious targets and projects in the pursuit of a renewable energy future. This agenda includes a 200 per cent renewable energy target by 2040 (doubling Tasmania's renewable energy generation of 10,500 gigawatt-hours to 21,000 gigawatt-hours) and a range of other policy initiatives captured in the **Tasmanian Renewable Energy Action Plan 2020**.

The Tasmanian Renewable Energy Action Plan 2020 remains the Tasmanian Government's platform to establish the state as a world-leading provider of clean, reliable and affordable energy. Importantly, the plan has a number of priorities that rely heavily on TasNetworks to deliver, including Project Marinus, a hydrogen hub, new large-scale renewable generation and further opportunities for load growth.

To play our role in achieving the Tasmanian Renewable Energy Target (TRET), TasNetworks must embark on significant upgrades to the existing transmission network. This work has already started across the north-west of Tasmania and via Project Marinus, signifying some of



**Dr Dan Norton AO**  
Chairman

the largest construction activity undertaken in Tasmania since hydro industrialisation. North West Transmission Developments will enable new, large-scale renewable generation as well as underpinning additional load growth opportunities in the Bell Bay area. We remain conscious that this work relies on the support of as many Tasmanians as possible and we will continue our community and stakeholder engagement in impacted regions.

As the energy sector visibly evolves and we respond to that, we also respond to other changes, like the climate. When these new and unexpected challenges present themselves, we adapt and evolve. Community expectations are that industries and businesses care more about how they impact the environment and shape society. To meet these expectations, TasNetworks is aligning with the United Nations Sustainable Development Goals and I'm personally pleased that climate change is one of a number of Strategic Initiatives identified by the TasNetworks Board.

We are looking ahead and have chosen 2030 as an important milestone in the transition towards our long-term future. For us, 10 years is a relatively short timeframe

when you consider that our assets can be in service for 40, 50 or even 80 years. Our Purpose over this time is to Power a Bright Future. Although the future is uncertain, we have chosen five focus areas that will likely endure and guide TasNetworks' course towards 2030 - Safety, Resilience, Efficiency, Renewable Energy and Growth.

Everyone in our business has a crucial role to play in delivering on Tasmania's ambitions.

That includes the line-workers and field operators who respond any time, in any weather, with skill and dedication, to help keep Tasmanians safe and connected. It includes the people who build and maintain our transmission and distribution assets of today, and will build the key developments of tomorrow. It includes the people who liaise with our customers, solving complex problems, and putting our best foot forward to 'keep the lights on' right across Tasmania. It includes the network planners laying the foundations for our future grid, for Marinus Link; for hydrogen innovation; for the improvements that will help us work smarter, more efficiently and let us realise opportunities in our rapidly-changing market.

I want to pay special tribute to Lance Balcombe, our inaugural CEO, who departed TasNetworks in March. In his seven-and-a-half years in charge, Lance made

TasNetworks is aligning with the United Nations Sustainable Development Goals and I'm personally pleased that Climate Change is one of a number of Strategic Initiatives identified by the TasNetworks Board.

TasNetworks a safer, more caring, and customer-focused business. The vision we pursue is only possible because of the platform Lance left us.

I am grateful for the interim leadership provided under Acting CEO, Ross Burridge and welcome Dr Seán Mc Goldrick as the new CEO.

I would also like to thank my Board of Directors for their ongoing support and counsel over the past 12 months. I am confident TasNetworks is prepared for the transformation to a cleaner, brighter future for the energy industry and to support Tasmania's 200 per cent renewable energy target.

Tasman bridge at peak hour.



# CEO message

After what has been another challenging year for all of us, I'm pleased to report that TasNetworks has remained focused on the job at hand, with another productive year the result.

Across many areas, including safety, customer service and major projects, we've met all our anticipated targets.

I am pleased to report that our safety performance continues to improve exponentially, in line with our commitment to ensure 'safety is at the heart of what we do'. Our Total Recordable Injury Frequency Rate was well under target, as was the number of incidents. This continued progress, achieved under the disruption of COVID and many new ways of working, has been particularly pleasing.

Improving our safety performance remains one of our key priorities and there can be no complacency. Any and every incident or injury is one too many, but we're making great strides towards having the very safest workplace possible.

This year, we've also worked to build improvements in our customer service, making ourselves more customer-focused and more in touch with our customers' needs and priorities. Initiatives like self-service and SMS notifications for outages have helped us communicate better and give customers more flexibility and control. In 2020-21, we met our Customer Satisfaction Target and complaints were well down. Those efforts start on the front line with our field crews, who respond any time, in any weather, to help keep the lights on right across Tasmania. This work continues behind the scenes with everyone who liaises, listens and works hard to meet and exceed our customers' needs and expectations.

We also delivered reliable network services in 2020-21



**Ross Burridge AM**  
Acting CEO

and significantly improved our on-time performance for negotiated distribution connections, as well as basic connection applications approved in fewer than five business days. We understand the important role we play in supporting Tasmania's building sector and are improving our efficiency and responsiveness to help reduce design and construction timeframes where possible.

We proudly launched our Reflect Reconciliation Action Plan (RAP) in partnership with the Aboriginal Elders Council of Tasmania. Our RAP commits us to build respect, relationships and opportunities with Aboriginal and Torres Strait Islander peoples. Importantly, it includes our commitment to deliver and report on our progress. In particular, I am delighted to be TasNetworks' very first 'RAP Champion' and represent the business at our launch.

Our people are very passionate about protecting Tasmania's iconic birds of prey, particularly the wedge-tailed eagle. We have greatly increased our efforts to make the network safer for threatened birds in recent years, and we are encouraged by the recent drop in reported incidents. In 2020-21, there were 15 threatened bird incidents, which is three fewer than 2019-20 (18), and much lower than 2018-19 (24), and 2017-18 (33). Over the next five years, we'll invest \$4 million to install more than

260 kilometres of mitigation devices on infrastructure in high-risk areas, to help prevent collisions and electrocutions. In 2020-21, we strengthened partnerships with the Tasmanian Museum and Art Gallery, the University of Tasmania and Greening Australia to further our research efforts and provided additional financial support to the Raptor Refuge, who play a critical role in rescuing and rehabilitating injured raptors.

This year, we took major steps towards shaping a more clean and affordable future for Tasmanian drivers by recruiting 22 local participants who own an electric vehicle (EV) for a charging trial. The trial data will help chart EVs' existing impact on the energy network (at different times and loads), and prepare energy networks for rapid EV uptake most efficiently and cost-effectively. EVs are the way forward for Tasmanians in the coming years, but our island's electricity network must be ready and equipped for that significant transition.

Tasmanians rightly expect social and community contribution from their government-owned businesses. TasNetworks understands this and that duty is front-of-mind as we strive to keep people connected, keep power costs down, and make a difference in Tasmanians' lives.

We were pleased to see residential and business power prices drop for 2021-22 due to an overall downward trend. Despite making significant contributions in other areas, we never lose sight of cost and reliability as the number one priority for many Tasmanians.

Project Marinus is progressing well and meeting key milestones. Our subsidiary businesses 42-24 (which we successfully separated from TasNetworks in location and staffing in 2020-21) and Large Scale Renewables are making good progress towards their goals. We recognise our skill, innovation and efficiency is vital for Tasmania's clean energy expansion and meeting the Government's targeted 200 per cent TRET. We'll keep focusing on these ambitions as we harness opportunities from the energy transformation currently underway across the nation.

By the time our Annual Report is released, our new CEO will have commenced. It's been a privilege to serve as TasNetworks' Acting CEO following Lance Balcombe's departure in March. I commend the TasNetworks team for their efforts over the past year and look forward to tackling the challenges and opportunities ahead for our business as we continue Powering a Bright Future for Tasmanians.



Previous CEO, Lance Balcombe supporting The Mind Games.

The vision we pursue is only possible because of the platform Lance left us.

Dr Dan Norton

# 2020-21 highlights

## Performance

### Our customers

We care for our customers and make their experience easier.

Customer satisfaction

7.6/10



Network prices decreased by an average of

5.2%

Spend on local business

68%

(41% Tas based & 27% interstate with local presence)

### Our people

We keep safe, build trusting relationships, and enable our people to deliver value.

Employee engagement

67%



Total recordable incident frequency rate reduced by

1.8

Gender pay gap

5.6%

A leader against the national average and electricity industry average

### Our business

We manage our assets to deliver safe and reliable services, while transforming our business.

Invested back into our network

\$212.6m



Network supply availability

99.97%

Proactive bird mitigation installed on distribution lines

70km

### Our owners

We operate our business to deliver sustainable shareholder outcomes.

Operating profit after tax

\$16.9m



Dividends

\$26.7m

Large scale connections revenue

\$5.6m

## 2030 Focus areas



**Resilience** of our network, and people and the community we serve.



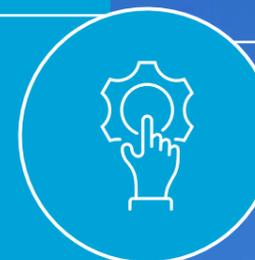
**Growth** at scale, in competitive energy services.



**Safety** of our people, the community and the environment.



**Renewable energy**  
Connecting new customers and progressing Marinus Link energy services.



**Efficiency**  
Achieve efficiencies and reinvest gains in innovation for customers and growth.



**At its heart, Corporate Social Responsibility at TasNetworks is about building trust.**

**Our commitment to Corporate Social Responsibility**

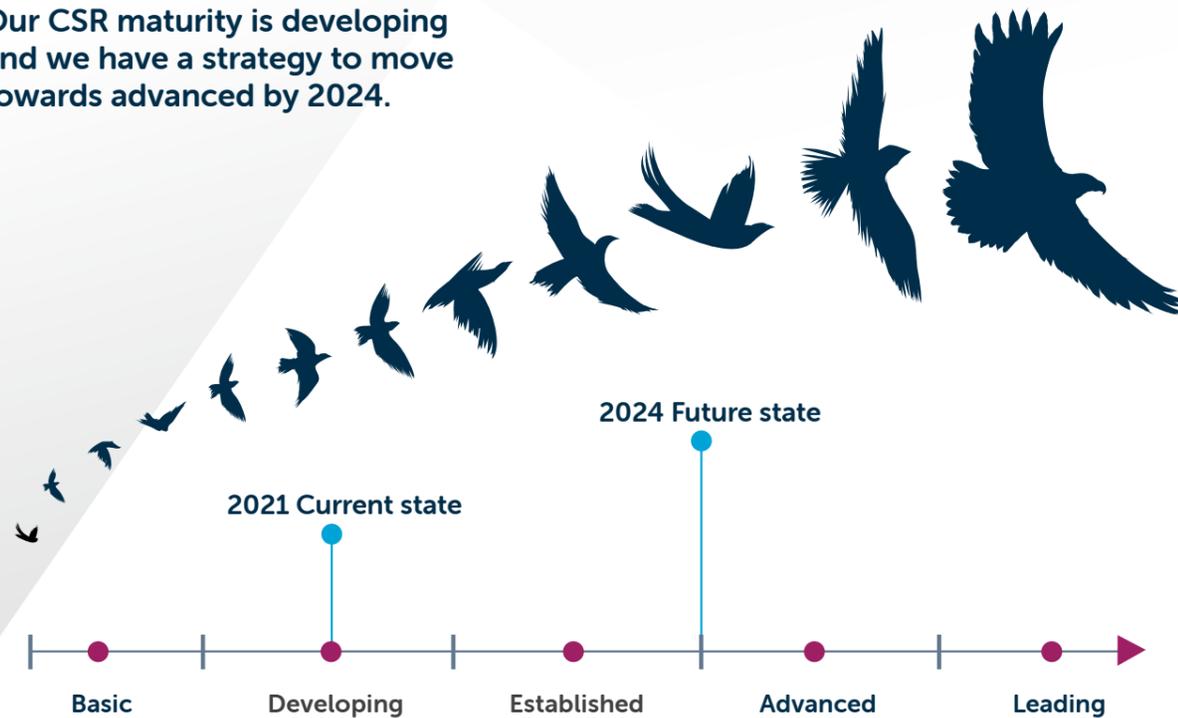
As a large business providing an essential service to all Tasmanians, we recognise our relationship to the community, the economy and the environment. At its heart, Corporate Social Responsibility (CSR) at TasNetworks is about building trust. Trust is developed by working to minimise our impact and create shared value for our customers, our people and our broader community over the long term.

At this time, our most important contribution is our role in the renewable energy transition, which can drastically

reduce carbon emissions and support the fight against climate change. Our biggest challenge is to see through this transition by upgrading our existing electricity grid so that impacted communities can benefit, and our natural environment is respected. As we navigate these challenges, we are strengthening our focus on CSR. We play an important role in shaping Australia's energy future, and as we implement our business strategy we will act responsibly and with integrity.

Our initiatives and activities contribute to and address impacts identified across our key material issues, and our four focus United Nations Sustainable Development Goals. We have outlined our commitments and progress for 2020-21 on pages 12 and 13.

**Our CSR maturity is developing and we have a strategy to move towards advanced by 2024.**



**Our focus United Nations Sustainable Development Goals**

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

For us the SDGs can help define our CSR impacts and opportunities, and communicate how we can deliver our Purpose of Powering a Bright Future in a way that is relevant and inspiring to our people and the Tasmanian community.

We have aligned reporting of our key CSR performance indicators with our focus SDGs.



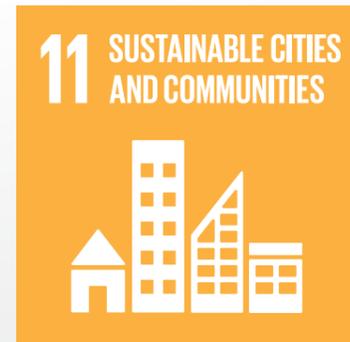
# 2020-21 Sustainability snapshot



**Supporting the renewable energy transition, keeping prices sustainable and taking climate action.**

- Commitments**
- We commit to keeping prices at a sustainable level for our customers.
  - We commit to working with developers to support positive progress in Tasmanian renewable energy developments.
  - We will strengthen our actions on climate change, providing a solid foundation for resilience and mitigation initiatives.

- ✓ Delivered sustainable network prices for our customers. Network prices decreased by an average of 5.2% for most households and small businesses
- ✓ Developing our Electric Vehicle Strategy with commitment to increase EVs in light fleet by 25% by 2024
- ✓ Working with developers on an additional 13 large scale renewable energy projects, to those already in progress
- ✗ Customer trust decreased by 4% (70%) compared with 2019-20
- ✓ Customer Satisfaction up .1 at 7.6/10, meeting benchmark
- ✗ Vehicle fleet emissions increased by 3.7% compared with 2019-20 (152 tonnes CO2-e 1)
- ✗ Electricity use increased by 0.97% compared with 2019-20 (998 MWh)
- ✓ Project Marinus - Completed all activities in the Tender Preparation sub-phase of the Design and Approvals phase



**Maintain a sustainable network resilient to disaster, reduce waste and build resilient communities.**

- Commitments**
- We partner with diverse Tasmanian communities, to deliver projects and activities that address emerging social and environmental challenges.
  - We will bring agility to our distribution system for the advantage of all our customers.

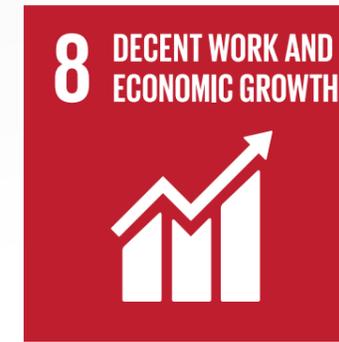
- ✓ Network supply availability - 99.97%
- ✓ Met 80% of community reliability targets
- ✓ Network Climate Change Resilience and Adaptation Strategy updated
- ✓ Completed Waste Management Current State Assessment
- ✓ Total waste to landfill decreased by 13% (127 tonnes)
- ✓ Invested \$260k in community organisations in Tasmania
- ✗ Two failures to notify life-support customers of planned outages
- ✓ Customer Outage Review Initiative progressed - system updates to improve visibility of network connections and planned power outages
- ✓ Developed our Future Network System Vision



**Minimise environmental risks posed by our operations and assets and improve conservation outcomes.**

- Commitments**
- We care about our environment and advocate for a sustainable future.

- ✓ Reportable Environmental Incidents reduced by 20% (8 Incidents) compared with 2019-20
- ✓ Commenced enterprise-wide Climate Change Strategy
- ✓ Number of reportable oil spills decreased by 10% (2 oil spills) compared with 2019-20
- ✓ Proactively mitigated approximately 70km of distribution lines to reduce bird strikes



**Promote inclusive and sustainable economic growth, employment and decent work.**

- Commitments**
- We strive for Zero Harm to our people and the public and demonstrate a strong safety culture.
  - We support diversity and inclusion and embrace our differences.
  - We promote sustainable economic growth and stimulating demand for socially-responsible products and services.

- ✓ Released our Reflect Reconciliation Action Plan
- ✓ Released first Modern Slavery Statement and implemented into procurement suite
- ✓ 68% spend on local business (41% Tas based & 27% interstate with local presence)
- ✓ NWTD Procurement Strategy developed, supporting local suppliers and employment
- ✓ Gender Pay Gap - 5.6%, a leader against the national average and electricity industry average
- ✗ Gender Balance: 24% Female and 76% Male
- ✓ Total Recordable Injury Frequency Rate reduced by 1.8 (4.8 for 20-21)
- ✓ Safety and Wellbeing maturity increased ('Established' level achieved)
- ✓ Developed a Responsible Procurement Standard
- ✓ Employee engagement - 67%, down 2% compared with 2019-20, but remaining close to the utility benchmark

## Our response to COVID-19

Despite major disruption from COVID-19, our focus remains on ensuring our island's energy supply remains secure and reliable. Like the rest of the world, COVID-19 has changed the way many Tasmanians live their lives.

To stop the spread of the virus, we adapted our operations to ensure a safe and secure supply of electricity to our customers, while doing our part to protect our people and the community.

### OUR PEOPLE

We're committed to protecting our people and our customers by doing our part to limit the spread of COVID-19. By July 2020, the majority of our people had returned to the office, while maintaining hybrid working arrangements.



- We socially distanced our workforce, both in the office and in the field.
- Early in the 2020-21 financial year, we completed our phased approach to returning team members to the workplace, managed by our COVID response teams.
- We continued to work remotely where practical.
- Our new induction procedure ensured we informed all team members of new COVID-19 work practices.
- Through regular communications via multiple channels, we kept our team members informed about COVID-19. We established a COVID-19 mailbox, where team members could communicate directly with the COVID-19 team.
- We used video conferencing to keep teams connected.
- We provided free online counselling sessions run by psychologists, directly addressing the challenges of living with COVID.
- We maintained work flexibility.

### OUR CUSTOMERS

We continued to deliver our essential services to customers, while maintaining COVID-19 safety.



- We maintained many COVID precautions, such as asking customers if anyone at their property had been isolating/travelling before attending fault call-outs.
- We engaged with our customer and stakeholder representative groups through online platforms. This has been a positive experience to improve accessibility.

### OUR COMMUNITY

To support our community through the rapidly evolving situation we continued a number of initiatives aimed to create a better tomorrow.



- We continued to promote our Bright Sparks Online Program, allowing teachers and parents to carry out electrical safety lessons at home.
- With more people spending time at home and using more electricity than normal, we continued our partnership with the Australian Energy Foundation to help customers become more energy efficient.
- We increased our engagement activities using digital and online methods via our Talk With TasNetworks engagement platform.

### OUR BUSINESS

As with any emergency, we have plans in place to ensure our business decisions are swift and in line with government and health authorities.



- We revised our workplace layout to allow 1.5m between team members and one person per 2m<sup>2</sup>.
- We increased cleaning regimes and made hand sanitiser available at all locations, including in vehicles.
- We implemented a COVIDSafe Visitor induction to anyone intending to visit a TasNetworks site.
- We promoted the use of the COVIDSafe app to our corporate mobile devices and encouraged its use on personal devices.
- We continually reviewed our Business Continuity Plans in light of current situations across all states to ensure we were ready to respond.
- We implemented COVID-19 check-in QR codes at all our depots and facilities.
- We implemented travel registers and approval processes to ensure that all travel situations were low or no risk and managed appropriately.
- We regularly communicated with contractors to ensure that if any of their employees identified as higher risk, then they did not attend our facilities.
- To minimise economic impacts, we implemented a COVID-19 Procurement Policy in response to the Premier's Economic and Social Recovery Advisory Council Interim Report (PESRAC).
- We reviewed ventilation systems to ensure adequate fresh air circulates.



P&C Program Intergration Specialist, Darryl White working from home.

# Renewable energy and growth

**TasNetworks is preparing to connect and deliver power for the production of renewable hydrogen in Tasmania.**

## Preparing for hydrogen

As the operator of both the state's transmission and distribution networks, TasNetworks is preparing to connect and deliver power for the production of renewable hydrogen in Tasmania.

The emergence of a hydrogen economy creates an opportunity for Tasmania. Tasmania can use existing and future renewable energy generation assets in conjunction with water resources to become a global competitor in large-scale green hydrogen production by 2030. This opportunity is supported through the Tasmanian Government's Renewable Hydrogen Action Plan and is expected to boost economic activity in Tasmania.

To prepare for increased hydrogen production, we've strengthened our external communications, including the release of a brochure on Renewable Hydrogen Connections to the Tasmanian Electricity Network, **available on our website**. This document outlines the Tasmanian power system and its ability to supply the loads involved with producing hydrogen on an industrial scale.

Australia's National Hydrogen Strategy identifies Tasmania as having a very high potential for producing renewable hydrogen. The Tasmanian Renewable Hydrogen Action Plan sets out the State Government's vision to capitalise on its advantages to become a world leader in large-scale renewable hydrogen production. Both the National Hydrogen Strategy and the Tasmanian Renewable Hydrogen Action Plan recognise the importance of developing hydrogen production hubs to leverage existing infrastructure and develop the industry.



Bluff Point Wind Farm.

Tasmania has several potential sites for large-scale hydrogen production facilities, including the Bell Bay Advanced Manufacturing Zone (**BBAMZ**), and other locations in north-west Tasmania. For producers that don't need access to facilities like a deep-water port or Tasmania's rail network, there are many different locations around the state where the distribution network can support hydrogen production facilities.

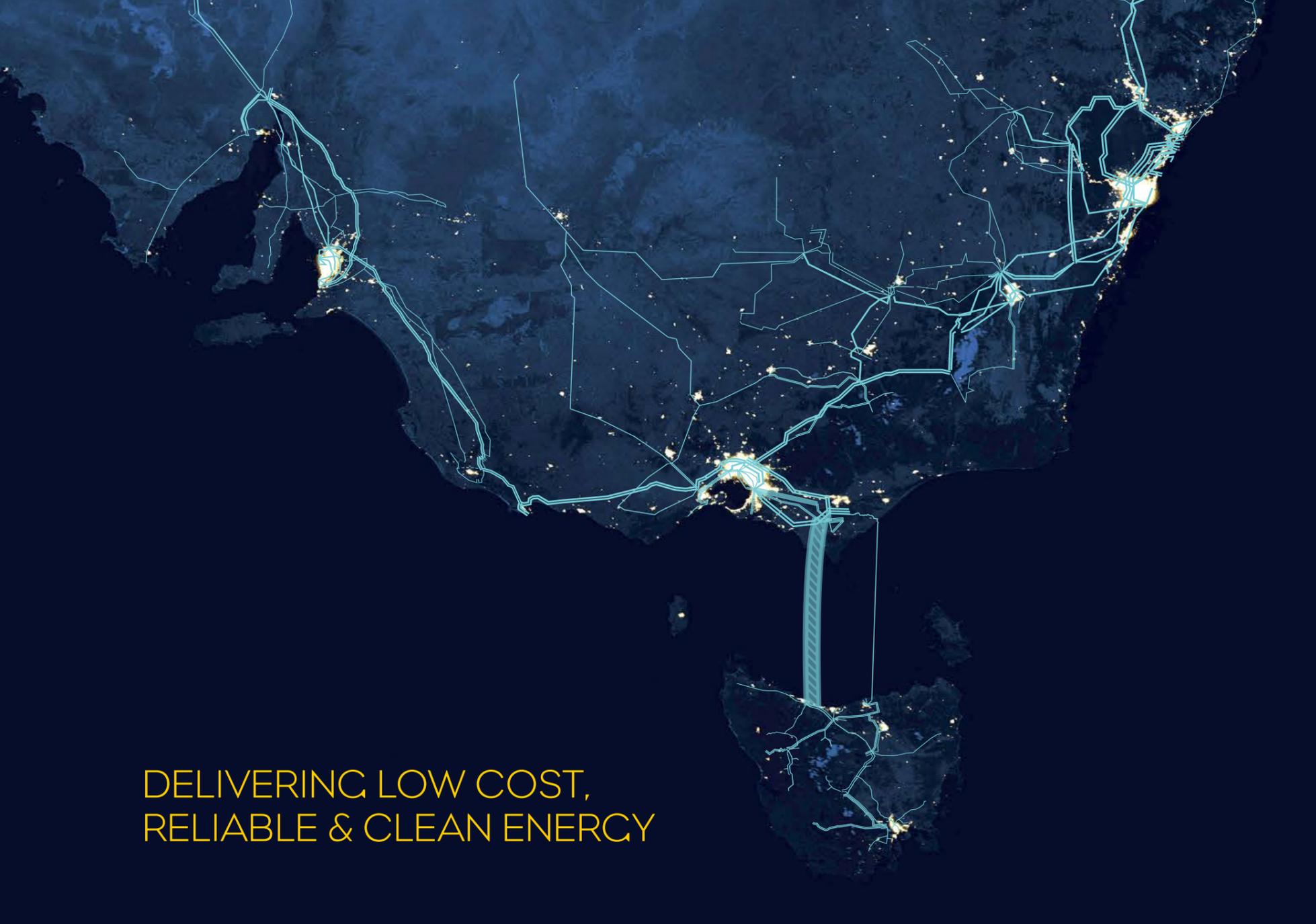
Large industrial loads, like those associated with the large-scale production of renewable hydrogen, when partnered with intermittent renewable energy generating systems, can help stabilise the power system to increase its hosting capability. We're developing flexible plans that account for this and other scenarios. We're working with stakeholders to ensure that new hydrogen production facilities are connected in a cost-effective manner that also maintains the security and resilience of the Tasmanian power system.

This work aims to minimise the impact on local landowners and the environment, maximise benefits to the local community, and create opportunities for local businesses. Regardless of size, location or voltage; as the operator of both the state's transmission and distribution networks, we're eager to connect and deliver power for the production of renewable hydrogen in Tasmania.

## Large scale connections

As a state, Tasmania leads the way in offering low cost, reliable, and clean electricity resources for new and expanded industrial developments. In response to this, we continue to see an increase in large-scale connection enquiries compared to previous years. Connecting new large-scale generators and loads, such as wind farms and hydrogen plants, is crucial to achieving Tasmania's Renewable Energy Action Plan and Hydrogen Action Plan targets.

Our services offer proponents a seamless, end-to-end transmission connections solution tailored to meet each project's needs. We are proud to support Tasmania's pathway to securing a renewable energy future, growing the economy, attracting investment and creating jobs in Tasmanian regional communities.



## Toward a clean, reliable energy future

Australia's transition to renewables is occurring quickly. The National Energy Market (**NEM**) needs access to affordable, 'on-demand' dispatchable energy and long-duration deep storage to ensure the lights stay on and power bills stay low.

In December 2019, TasNetworks completed a positive feasibility and business case assessment for the Project Marinus interconnector, inclusive of the 1500 MW Marinus Link and Tasmania's supporting North West Transmission Developments (**NWTD**). It showed that Project Marinus will deliver low-cost, reliable and clean energy for Tasmania, Victoria and the broader NEM. It also showed that Project Marinus will add significant economic value to regional communities in Tasmania and Victoria, and unlock a pipeline of additional investment in renewable energy and long-duration energy storage developments.

## Progressing the Design and Approvals phase

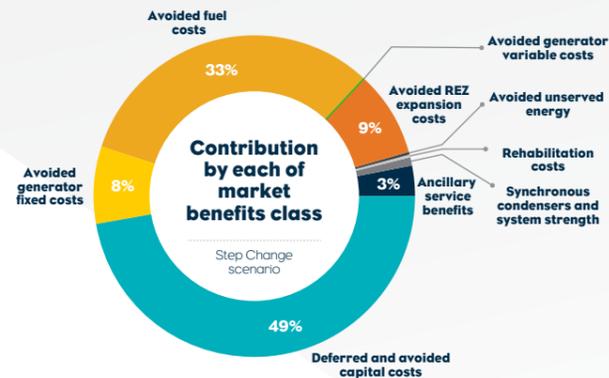
Many indicators suggest the energy transition is likely to further accelerate this decade due to factors including State policy initiatives, major trading partners setting a net zero emissions target by 2050, and sustained pressure from investors and customers to align objectives with the Paris Agreement. TasNetworks is continuing through the Design and Approvals phase, with funding support provided by the Australian Government, to position Project Marinus to be ready for 2027 and 2029 commissioning to support the NEM's transition.

Activities in Victoria, Bass Strait, and Tasmania continued throughout FY2020-2021, including marine surveys, eagle nest surveys, field surveys, economic modelling, and design. Significant community and landowner engagement campaigns were also progressed in both States, including the public release of the preferred route for Staverton to Hampshire Hills, the proposed land routes for the North West Transmission Developments and Marinus Link, and a broad route corridor across Bass Strait. The COVID-19 pandemic affected the format and timing of some project activities which the project team managed with safety of stakeholders and staff being the highest priority.

DELIVERING LOW COST,  
RELIABLE & CLEAN ENERGY

# PROJECT MARINUS

# Completing the Regulatory Investment Test for Transmission (RIT-T)

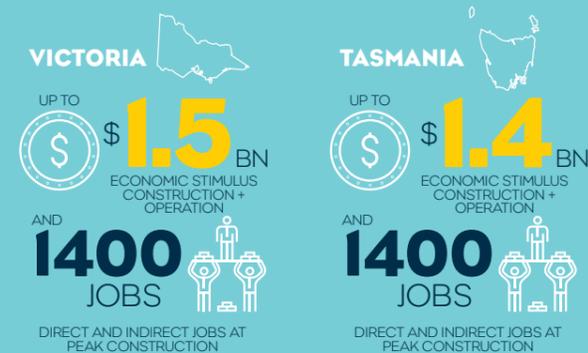


In June 2021, Project Marinus released its Project Assessment Conclusions Report (**PACR**) and wholesale pricing report (**WPR**). The PACR is the final step in the RIT-T process, required under the National Electricity Rules. Combined, these reports provide a body of detailed, independent data that demonstrates that Project Marinus satisfies the RIT-T, is technically and economically feasible, and will deliver significant positive net economic benefits to the NEM from its earliest commissioning timeline of 2027 for the first 750 MW stage, and 2029 for the second 750 MW stage. Along with price savings and increased reliability, Project Marinus will also cut emissions, deliver 2800 direct and indirect jobs in both Tasmania and Victoria, attract billions of dollars in regional investment to both states and unlock a pipeline of future renewable energy development.

New pricing arrangements will need to be agreed to achieve fair pricing outcomes. A fair cost allocation methodology for interconnectors is being investigated by the Energy National Cabinet Reform Committee. An appropriate pricing outcome is required for Project Marinus to proceed. Project Marinus proceeding will see downward pressure on wholesale prices.

# Jobs and economic contribution

**Project Marinus will add significant economic value to regional communities in Tasmania and Victoria, based on expert modelling.**



Project Marinus is supporting workforce participation in Victoria and Tasmania by fostering the development of skills related to the energy industry as it transitions from coal-fired power generation to a greater mix of renewables and dispatchable capacity by 2035. Project Marinus is already working with representative bodies in Victoria and in Tasmania, including the Latrobe Valley Authority and Cradle Coast Authority, fostering cooperation across Bass Strait and identifying opportunities to share knowledge and resources to the mutual benefit of the North West Tasmania and Cippisland regions.

# Toward net zero emissions

The Australian Energy Market Operator (**AEMO**) has identified Renewable Energy Zones (**REZ**) in Tasmania that have the potential to host significant additional renewable energy generation and storage opportunities, which Project Marinus can unlock. Tapping into such low cost/high volume dispatchable energy resources means that Project Marinus will be a significant contributor to Australia's emissions reduction ambitions, being a cost-effective means to rapidly cut emissions, leading to savings of up to 70 million tonnes of CO2 equivalent. The 200% renewable energy target announced by the Tasmanian Government in 2020 reinforces the potential for Project Marinus to provide access to low cost, clean and reliable energy resources as part of Australia's transition to a lower emissions energy future.

# A priority national infrastructure project

PROJECT MARINUS HAS BEEN RECOGNISED AS A:

- ◇ National priority project by the Australian Government to stimulate economic recovery in the wake of COVID-19
- ◇ High priority initiative by Infrastructure Australia
- ◇ Major Infrastructure Development by the Tasmanian Government
- ◇ Australian Energy Market Operator Integrated System Plan 2020 actionable project, to be shovel ready from 2023



DELIVERING LOW COST, RELIABLE & CLEAN ENERGY

PROJECT **MARINUS**

# North West Transmission Developments

Our network will need significant changes in coming years to support the electricity transmission developments in north-west Tasmania. These changes include building new transmission lines and substations and upgrading existing lines to increase the network's capacity. These developments will also help to improve the reliability of Tasmania's power system.

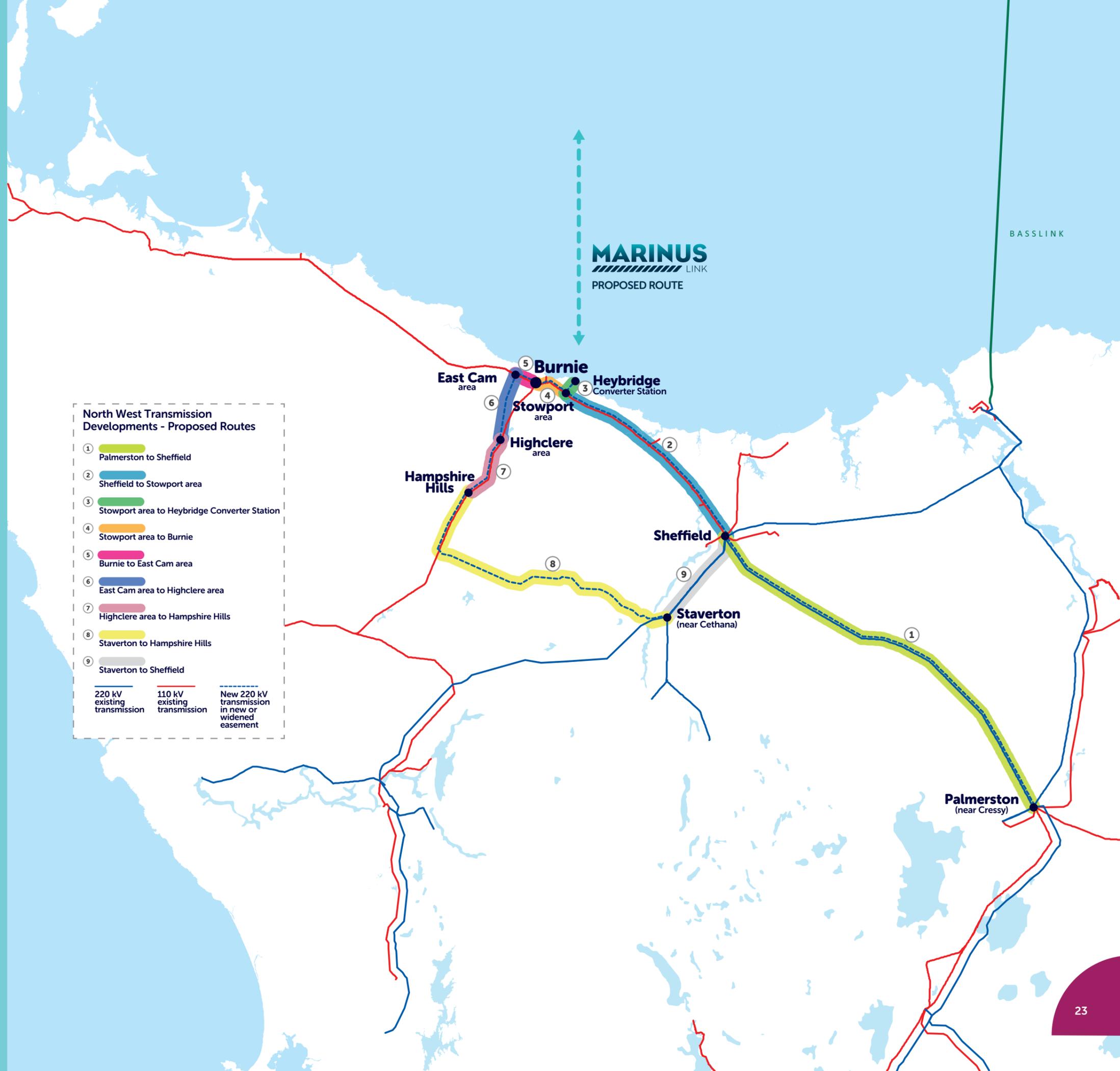
In considering future network requirements, we've developed a strategic plan for the north-west Tasmanian transmission network. The plan considers future load and generation connection requirements as well as existing and forecast transmission network constraints.

Our strategic transmission plan concluded that strengthening the transmission network in north-west Tasmania is required. To do this, we must create a double circuit 220 kilovolt (kV) 'rectangle' and tail that connects the existing Sheffield and Burnie substations with two new switching stations in Hampshire Hills and Staverton, plus upgrades down to the Palmerston Substation (near Cressy).

The NWTD are comprised of nine routes, constructed in stages to meet the connection requirements of generation customers and the delivery of Marinus Link.

We're committed to establishing trusted relationships with the landowners impacted by the proposed transmission developments, including entering into land access agreements. This includes communicating in a transparent, respectful, and timely manner.

Find out about our NWTD engagement approach on our Talk with TasNetworks platform (**North West Transmission Developments | Talk With TasNetworks**).



# Our people

Today more than ever, we rely on the energy, commitment and engagement of our people in order to thrive.

67% of those who participated in the survey responded favourably to the engagement questions.



## Culture and engagement

We will continue to look at ways to improve our culture and engagement and create a more productive and constructive environment for the people in our workforce.

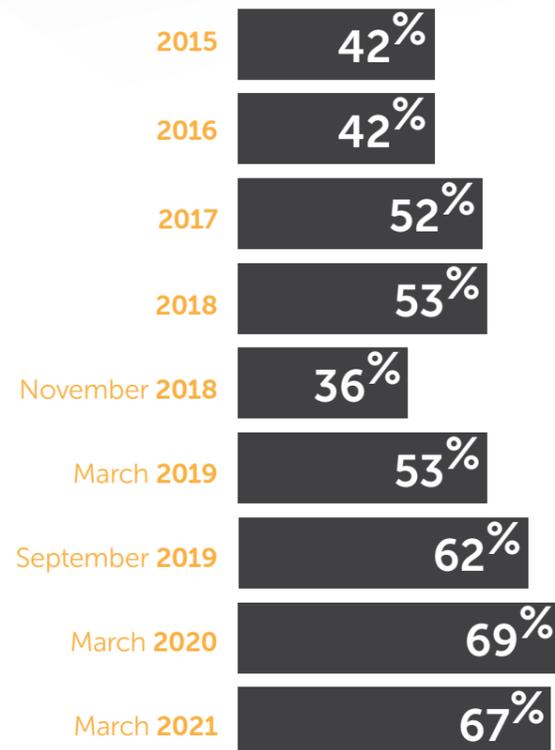
Each year we measure our culture and engagement through our People Survey. Since we formed in 2014, we have seen a strong positive change in both culture and engagement.

This includes a positive shift in the two constructive styles of achievement and self-actualising. This means our culture encourages discussions and the exchange of ideas amongst team members. This shift is also reflected in our engagement.

Engagement is close to meeting the utility industry benchmark, with a score of 67 per cent (March 2021). This score however, has dropped slightly from our 2020 engagement score of 69 per cent. Participation rates in our engagement (75 per cent) and culture (72 per cent) surveys has continued to rise.

We acknowledge that cultural change takes time and concentrated, consistent effort. We work to improve our culture by implementing action plans based on each team's profiles and dynamics and specifically target areas that need work. TasNetworks' ongoing positive culture and engaged workforce helps build a culture of trust and accountability.

## Engagement evolution



## Talent attraction

A key part of our journey towards 2030 is developing the key business capabilities to serve our customers now and into the future.

The talent of our people underpins our ability to adapt to the rapidly changing energy industry. To support this transition, we have embarked on a journey to identify and acquire the future skills, competency and capability requirements for our business.

We have broadened our recruitment methods to reach high-quality candidates. We have also strengthened our external workplace accreditations, to be recognised as a company that promotes employee safety, development and a positive workplace culture.

As part of our large-scale development planning, we are investigating opportunities to strengthen skills and capability in regional areas. We recognise that we can build community resilience and support economic development through employment.

Our Workforce Strategy supports our transition towards 2030. We aim to have the right people, in the right place, with the right capabilities to meet our long term strategic objectives.

## Employer accreditations

### The Circle Back Initiative

The Circle Back accreditation showcases our commitment to give candidates the experience they deserve. We will respond to every candidate every time and inform them of their application outcomes.

### Summer Student program voted number 10 in Australia

This year, our Summer Student intern program placed 10th in Australia as voted by the Australian Association of Graduate Employers (AAGE). To achieve our ranking, AAGE surveyed over 1200 undergraduates to recognise those organisations that provide the most positive experience for their interns.

### Work 180

Work 180 empowers women to choose workplaces where they can thrive. Our Work 180 badge highlights our commitment to supporting women in the workplace, knowing that we are committed to the ongoing development of policies that support them. We received the accreditation after a positive review of our Employee Value Proposition, including flexible working opportunities and paid parental leave.



Our talented and motivated team members assist us to achieve continued success.



**Safety is at the heart of what we do.**

### Safety and wellbeing

We take responsibility for the safety of our people, our communities and the environment. We speak up and stop work when we believe it is unsafe. TasNetworks continues to implement its Safety and Wellbeing Strategy that commenced in 2019-20. The strategy has four pillars: Capable Leadership; Clear Systems and Structures; Continuous Improvement and Innovation; and Capable and Engaged Workforce. The strategy maintains the core aspiration of moving to a safety culture based upon behavioural safety philosophy. Our safety and wellbeing targets demonstrate our commitment to implement our new approach, lift our level of maturity and improve our current performance levels. We aim to reach our goal of no harm to our people, the public and minimise environmental impact.

### Automated external defibrillators

TasNetworks is enhancing the safety of our field crews with the purchase of 98 new automated external defibrillators (AED).

Tasmania's state-wide ambulance response time is on average 12.9 minutes. When our crews work in remote locations, these response times can be longer, and access can be challenging. At 10 minutes, there is less than a 10 per cent chance of cardiac arrest survival with no access to an AED. TasNetworks acquired the AEDs in partnership with St John's Tasmania to ensure that all our team members, regardless of location, have rapid access to life-saving equipment.

We are fitting the new, fully automated AEDs into all heavy fleet and 'on call' vehicles. Once fitted, vehicles will be marked with 'AED on-board', so it will be visible to the public that these vehicles carry life-saving equipment. Our field crews are First Aid and CPR trained and in the event of a sudden cardiac arrest situation, our crews, in partnership with St Johns, are ready to offer support.

### Improved health, safety and environment training programs

We all play a key role in preventing, preparing, responding and recovering from incidents, injuries and adverse environmental impacts.

Our ability to recognise health, safety and environment (HSE) hazards is key to reducing the number of incidents and how we need to manage them. TasNetworks is continuing to invest in training programs that build knowledge of HSE hazards and provide our people with tools to help prevent associated risks.

This year, we commenced HSE risk, incident and injury management training which will be rolled out across the business. This training directly supports our Safety and Wellbeing Strategy objective to improve overall HSE performance.

# Our customers

**We are committed to keeping network prices at a sustainable level for our customers.**

### Providing clearer price signals to customers

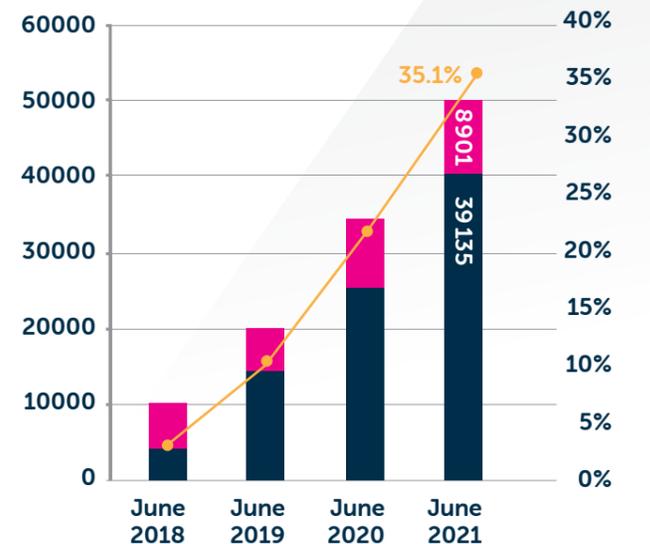
TasNetworks is continuing to reform its pricing by providing signals that better reflect our customers' use of the electricity distribution network. This is known as 'cost-reflective pricing'. Changes to our assignment rules in 2019 has allowed more customers to access cost-reflective pricing, specifically through one of our time of use network tariffs. In the last year, we saw more customers move towards cost-reflective network tariffs, with 16 per cent of residential and small business customers currently assigned to time of use pricing as at June 2021.

We are also seeing many customers save money by moving to a time of use network tariff. In 2021-22, by switching from a flat rate to a time of use network tariff, residential customers can save on average around \$14 per year and small business customers around \$190 per year. This is based on the average network charges for what is known as the 'typical' customer (a residential customer using 7,420 kWh p.a. and a small business customer using 11,405 kWh p.a.).

We recognise that with Tasmania's colder climate, the electricity bills for some households can represent a greater contribution to the cost of living. We are committed to keeping network prices at a sustainable level for our customers. In 2020-21, we delivered a decrease in distribution network charges by an average of 5.2 per cent for most Tasmanian households and small businesses.

### Increasing uptake of cost-reflective tariffs over four years

Total residential customers : 253, 651  
Total business customers : 38,832



# of business customers on cost reflective tariffs  
# of residential customers on cost reflective tariffs  
% of customers on advanced meters

## Customer Connections Refresh Program

### December 2020

We enhanced our internal systems used to process applications from customers connecting embedded generation systems (e.g. solar). This change delivered a reduction in application processing timeframes for our customers.

### June 2021

We aligned Electrical Works Request (EWR) and basic connection application processing within one team. This change has reduced handoffs between teams and enabled us to consistently achieve 100% of basic connection and embedded generation applications processed under five business days.

### July 2021

We launched our new dedicated subdivisions team one month ahead of schedule. This team will focus on supporting developers through the connection of new subdivisions.

### August 2021

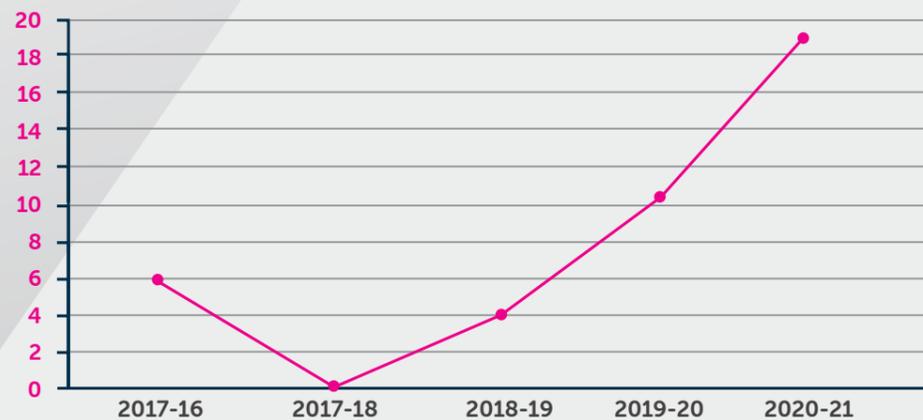
CCRP will deliver additional improvements to the connections portal and our internal IT systems, resulting in more efficient processing of applications with a further reduction in manual data entry processes.

The Customer Connections Refresh Program (CCRP) aims to deliver trusted, faster, and simpler connections for customers through consistent and transparent pricing, processes, and communications. The team has been working hard to design and deliver a new service model that aligns our people, systems and processes to drive improved customer experience.

From here, we will turn our attention to how we can improve our systems and processes to better manage more complex connection requests.

### Net promoter score

This graph shows our net promoter score (NPS) trending upwards over the past four years:



NPS is a widely used measure of customer loyalty and is based on how likely a customer would be to recommend or speak highly of TasNetworks.

Net promoter score



### The voice of our customers

"I can't give them any more praise. The blokes were there at 1 am to look at the job just to prepare for the work in the morning. That was great."

"Firstly I didn't get handed from person to person. The initial contact was trained and empowered to deal with the matter, and they did."

Elena Mitsakis,  
TasNetworks Meter Reader.

## Customer satisfaction results trending upwards over four years

We measure customer satisfaction, ease of business, NPS and trust as major indicators of success across our key interactions: planned outages, new connections, general enquiries and complaints. Our results have been positive.

We are tracking well with overall satisfaction for 2020-21 at 7.6 out of 10. Our customer satisfaction performance uplift has been attributed to our Voice of the Customer Program, which aims to make the experience of customers easier. This program included the implementation of additional self-service options and SMS notifications.

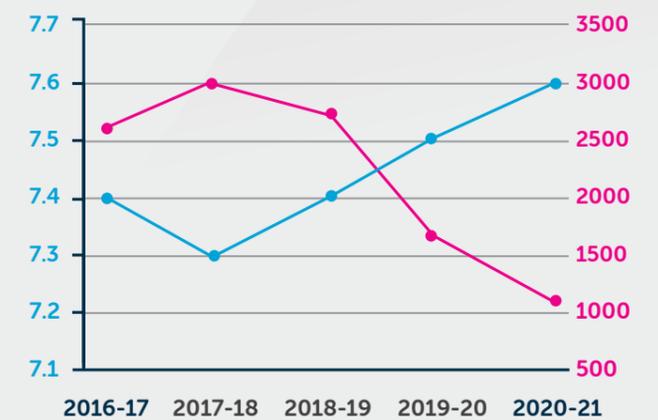
We have also seen a significant reduction in complaints over the past four years. Most notably, a reduction in complaints regarding property access for meter reading due to the increased availability of advanced meters, providing a welcome solution for customers with a history of access issues.

### Energy benchmarking program

In July 2020, TasNetworks joined an energy benchmarking research program run by Customer Service Benchmarking Australia (CSBA). The program tracks, measures and compares customer experience across Tasmanian, South Australian and Victorian electricity distributors. By providing a structured approach to measuring customer satisfaction, the program helps us to further understand our customers' experience across various enquiry types. planned interactions, general enquiries and complaints are all tracking above the industry benchmark.

### Customer satisfaction and complaints

This graph shows our customer satisfaction trending upwards as complaints trend down over the past four years:



Customer satisfaction  
Complaints



# Our community

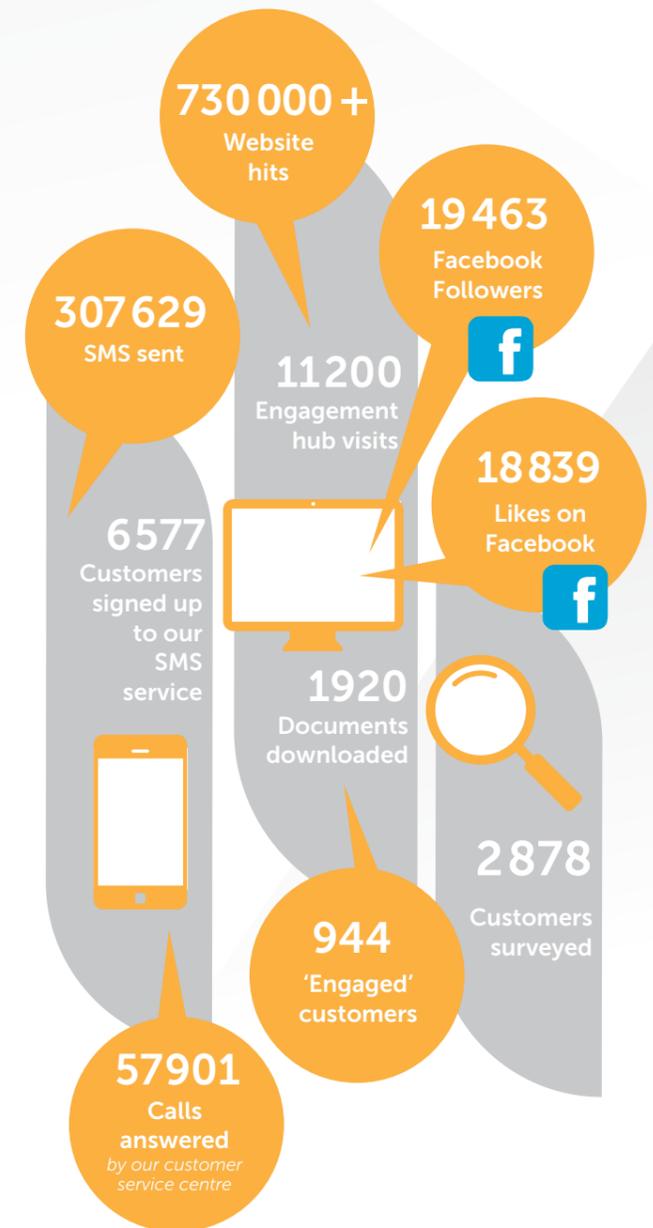
At TasNetworks, we are committed to engaging in a meaningful way with our customers and stakeholders.

## Talk with TasNetworks

In May 2020, we established our digital engagement hub – Talk with TasNetworks. We designed Talk with TasNetworks to give our customers a convenient platform to share thoughts, feedback and stories on a range of current and developing projects. The platform is online, giving most of our customers access to make meaningful contributions and have their say, at a time that is convenient to them. Hearing about what matters to people is essential to shaping our forward plans.

This year, we continued to establish our online engagement by placing Talk with TasNetworks at the centre of our engagement process. We now conduct many surveys through Talk with TasNetworks, allowing us to cross-reference and report on data in a single location. Our Annual Customer Survey proved to be a successful pilot of large-scale engagement on Talk with TasNetworks. Our customers' contributions in that survey revealed important information about community perceptions and sentiment towards future spending.

Digital engagement has been essential during the COVID-19 pandemic, and we are grateful for our stakeholders' willingness to adopt new ways of giving feedback on our services. In 2020-21, we had 11,200 visits to the platform where stakeholders interacted in a variety of ways. Customers downloaded 1920 documents, showing their interest in understanding the specific details of our projects. Of most interest was our North West Transmission Developments. In total, 944 customers engaged in some way, a number we hope to increase as Talk with TasNetworks becomes a core platform for capturing community sentiment.



## Better serving our life support customers

To maintain our network's safety and reliability, we must perform planned outages throughout the year. For our vulnerable customers reliant on medical equipment (life support machines), it's imperative that they're notified to prepare for the duration of works. Unfortunately, TasNetworks has been responsible for failing to notify a number of life support customers of a planned outage, including two customers in 2020-21 and three in 2019-20. Fortunately, none of these failures resulted in harmful circumstances but we did put these customers at risk, and did not meet our regulatory obligations.

We acknowledge that we need to do better and have committed to gaining a better understanding of how we can best serve these customers. This includes a comprehensive end-to-end review of our customer outage processes, known as the Customer Outage Review (COR). Since 2020, the COR project has improved our access to up-to-date customer information and strengthened our process for planned outages, ensuring we meet our obligations. We are also working more collaboratively with retailers and customers to ensure contact details are accurate.

This project will help deliver on our commitment to support our vulnerable customers, keep the community safe and provide a high-quality service.



Ross Burrige presenting our RAP to Luana Towner and Uncle Clyde Mansell

## Launching our Reconciliation Action Plan

During Reconciliation Action Week this year, we proudly partnered with the Aboriginal Elders Council of Tasmania to launch our Reflect Reconciliation Action Plan (RAP).

The RAP is a living plan that commits us to meaningful actions to build respect, relationships and opportunities with Aboriginal and Torres Strait Islander peoples. Since October 2019, we have provided cultural learning resources and educational opportunities to support our team members to gain a deeper understanding of Tasmanian Aboriginal history and culture. We are also investing in partnerships with Aboriginal and Torres Strait Islander peoples and Aboriginal organisations in Tasmania and have supported future Aboriginal and Torres Strait Islander leaders.

We acknowledge that Aboriginal and Torres Strait Islander cultures are the oldest surviving cultures in the world, and as part of our RAP, we set out to build trust.

The truth is that there remains a gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians – economically, socially, and politically. We want to do our part to close that gap and to celebrate and respect Aboriginal and Torres Strait Islander history, knowledge and culture.

Reconciliation is an ongoing journey, and we all have a role to play in acknowledging our history and championing a path forward. We are honoured to be taking steps to help shape a future of equality, respect and unity with Aboriginal and Torres Strait Islander peoples.

[Read our RAP or watch our launch event video.](#)

**As part of our RAP, we set out to build trust.**

## Investing in our community

Our Community Investment Framework is an important part of Corporate Social Responsibility. Each year, we invest in the community through partnerships and sponsorships that are established based on the concept of shared value.



The Energy Wise hub in action at Deloraine High School

### Clean and Affordable Energy

**TasNetworks has a vital role in Australia's transition to a cleaner, lower-carbon future.**

We are focused on investing in projects that will help our community to adapt to challenges and opportunities arising from this transition and equip people to understand their energy needs better, now and into the future.

### Alignment to the United Nations Sustainable Development Goals

**7 AFFORDABLE AND CLEAN ENERGY**



**11 SUSTAINABLE CITIES AND COMMUNITIES**



## Helping the next generation wise up about energy

As part of our Energy Wise partnership with Greening Australia, we've supported the activation of a mobile energy classroom, a trailer called the 'Energy Wise Hub.'

In 2020, Greening Australia took the hub on its very first journey to the north of the state, with visits to Smithton, Wynyard and Deloraine High Schools. Over three days, they provided more than 500 students with an introduction to energy sources, the electricity network, energy efficiency and technology innovations. The Energy Wise Education Resource and lesson plans were collaboratively developed by TasNetworks, in partnership with Greening Australia.

The hub is fully insulated, solar-powered and has LED lighting. It is packed full of practical educational activities and demonstrations so students can learn about Australia's ever-evolving renewable energy landscape.

The Energy Wise hub will live at Greening Australia's Sustainable Learning Centre and form part of its integrated Energy Wise education program, which we proudly helped to develop.

## Resilient and Inclusive Communities

In order to create a better tomorrow, first, we need to support our community to overcome the challenges of today.

We want to help improve the lives of Tasmanians and are focused on investing in initiatives that promote greater inclusion, build community resilience and advocate for people facing vulnerable circumstances.

## Alignment to the United Nations Sustainable Development Goal

8 DECENT WORK AND ECONOMIC GROWTH



### Resilient Communities Grants Program

In 2020 we sought to strengthen community resilience by developing our new Resilient Communities Grants Program, which focused on supporting the community to bounce back from emerging and unexpected challenges.

We received applications for support from 80 organisations for projects happening around the state. Congratulations to our eight grant recipients.

**Dress for Success** is establishing a new Career Centre, which will provide greater access to technology and support services, empowering women to achieve self-sufficiency through gainful employment.

**Gran's Van** is upgrading their van to a truck, which will significantly boost their service offering and further extend their reach to surrounding communities in the Devonport region.

**Blueline Laundry** will develop and implement a new online Learning Management System to provide employment pathways for people with disabilities, from disadvantaged backgrounds and those from culturally and linguistically diverse communities.

**Live Well Tasmania** is creating a more inclusive space for the community by installing a wheelchair ramp at the Community Hub, enabling people with mobile disabilities and support needs to access their health and wellbeing workshops.

**Palliative Care Tasmania** is developing a new online referral pathway tool, giving all Tasmanian GPs access to immediate, up to date information to better support their patients living with a life-limiting illness or chronic medical condition.

**CORES – Community Response to Eliminating Suicide** is delivering a training program to high school students, teachers, carers and parents in the north-west of Tasmania. They hope to provide individuals with the essential skills and resources required to identify and respond to a person at risk of suicide.

**Dorset Community Association Inc** is developing a new outreach program, 'Out and About' that will take their services such as no interest loans, food supplies and service provider referrals, to people located in isolated pockets of Tasmania's north east.

**Agency Arts Health** has delivered a number of engagement workshops and on country excursions with Aboriginal community members to develop a series of digital stories, telling of the connection to land and culture in the Central Coast region.

## Life on Land

### The protection and preservation of the environment is a vital part of TasNetworks' Corporate Social Responsibility.

TasNetworks' electricity and telecommunications networks spans around 35,500 Km across Tasmania. Our network can cause changes to the landscape and impact on nature, biodiversity, and threatened species. Our assets and operations produce controlled wastes and energy losses. Electricity transmission and distribution, produce greenhouse gas emissions which can impact on the climate. Through effectively managing our operations and the way we build and maintain our network, we can address goal 15. More specifically, we are taking action on targets 15.5 and 15.8 to reduce the degradation of natural habitats, halt the loss of biodiversity, prevent the extinction of threatened species and reduce pests and disease.

## Alignment to the United Nations Sustainable Development Goal

15 LIFE ON LAND



### Threatened bird partnerships

**Understanding the eagle view**  
Our partnership with Greening Australia and the University of Tasmania (UTAS) will support UTAS School of Architecture students to design bird-friendly perches to be installed on our power poles as part of Greening Australia's 'Species Hotels' project near Ross.

**Understanding our incidents**  
Our partnership with the Tasmanian Museum and Art Gallery (TMAG) is funding a new part-time TMAG technical officer, an ultra-cold freezer and a forensic light source. The new researcher and equipment will help TMAG process bird remains more effectively, enabling us to respond quickly to mitigate high-risk sites and prevent repeat incidents.

**Understanding eagle populations**  
Our partnership with Bookend Trust supports ongoing scientific research on the population change of birds of prey in Tasmania. We are funding the development of a new app, website and long term running costs for the annual Where? Where? Wedgie! citizen science surveys. The partnership also supports Dr James Pay's research at UTAS, which includes tracking wedge-tailed eagle movement using GPS tags.

**Further Support for Raptor Refuge**  
TasNetworks is a long-time supporter of the Raptor Refuge at Kettering. In 2020 we further extended our support through sponsorship of a bushfire suppression system.

The funding of ember protection equipment and a new sprinkler system will help protect the refuge in the event of a bushfire.

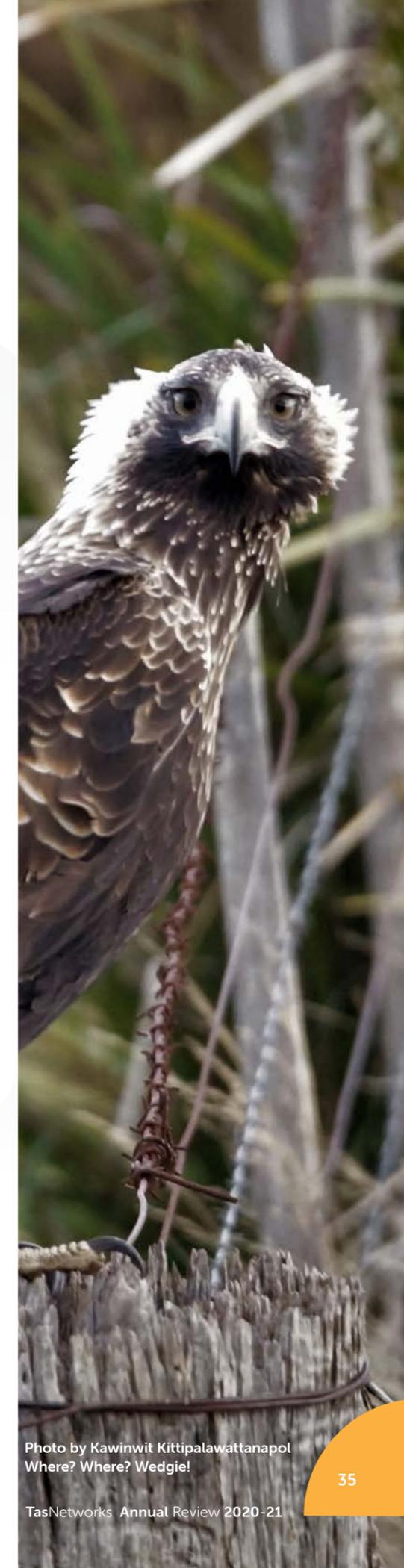


Photo by Kawinwit Kittipalawattanapol  
Where? Where? Wedgie!

# Environment and sustainability

## Stepping up to care for the environment

At TasNetworks, we care about the environment and advocate for a sustainable future. As part of an environmental maturity step change, we are working hard to manage our environmental impact responsibly and improve our environmental performance, which will help Power a Bright Future for all Tasmanians.

In 2020-21, our focus has been on creating cultural change within our business and empowering our people to make environmentally sustainable decisions every day. We have developed an Environment and Sustainability Policy to embed environmentally sustainable practices across our entire business. Our Environment and Sustainability Team has grown to include three new environmental specialists who have been developing environmental awareness training material for our people, enhancing our environmental management system and developing an environmental audit plan.

As a business working for Tasmanians, we're making changes to ensure we look after our beautiful island environment for future generations.

As a business working for Tasmanians, we're making changes to ensure we look after our beautiful island environment for future generations.



We're working hard to minimise risks to birds of prey, such as this white-bellied sea eagle

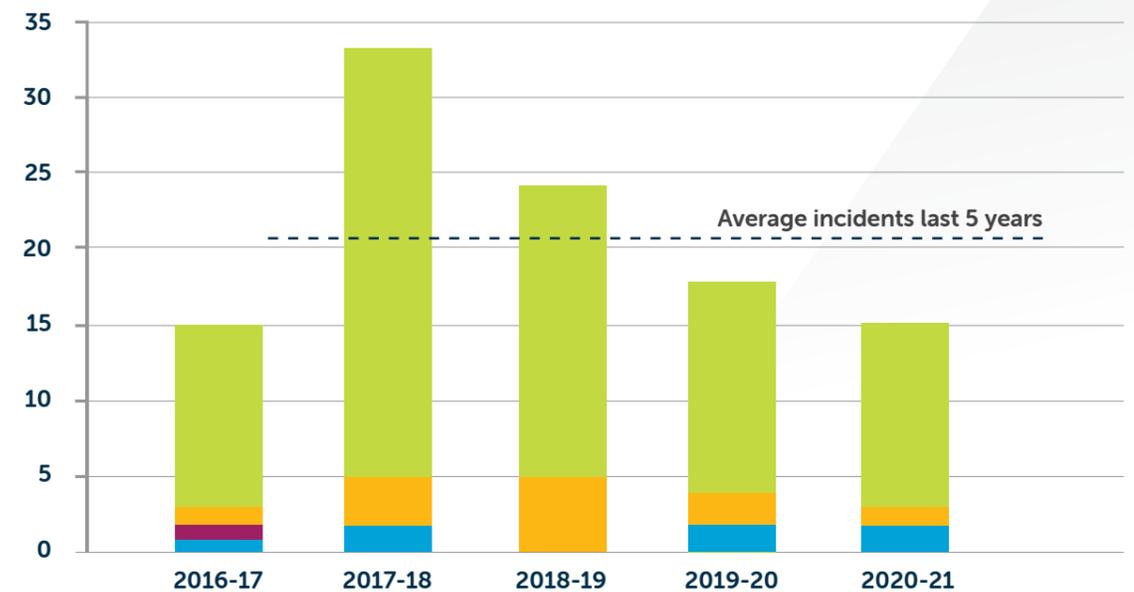
## Focusing on key risks

**Oil management** – Our network contains over 33,000 oil-filled assets, such as transformers, and we're working hard to ensure our people understand the risks associated with oil leaks and spills. Proper oil management procedures include prevention, minimisation, and rapid spill response. Our environment team has provided support with distributing spill equipment, conducting training and clean-up efforts.

**Controlled waste** – TasNetworks assets and operations can produce controlled wastes, including asbestos, waste oil, arsenic ash, oil containing polychlorinated biphenyl (PCB), lead, mercury and sulphur hexafluoride gas (SF6) waste. In 2020-21, we developed Controlled Waste Training as part of relevant team members and contractor induction procedures, so our people know to do their jobs safely while keeping the environment safe.

**Threatened birds** - Over the last four years, we have invested over \$4 million to reduce our distribution network's impact on our threatened birdlife. This investment has primarily involved installing bird flight diverters or 'flappers' to 400km of our network and installing bird perches above high-risk poles. While we still have a lot of work to do, we are proud of our collaborative response based on the best available data and research.

## Reportable threatened bird incidents - last five years



In 2020-21, TasNetworks reported 15 threatened bird incidents, 16.6% less than the previous year (18) and 37.5% less than 2018-19 (24). While recent data shows that our impact is declining, historic under-reporting of incidents means it's difficult to know the true extent of our impact, particularly in remote areas. All of our reported incidents in 2020-21 occurred on our distribution network.

Wedge-tailed eagle  
White-bellied sea eagle  
Masked owl  
Grey goshawk

# Technology

**Our vision for distribution is to bring agility to our distribution system for the advantage of all our customers.**

## Future Distribution System Vision and Roadmap

The Future Distribution System Vision and Roadmap project is establishing a foundational plan for Tasmania's distribution network in response to the evolving needs of our customers, emerging community expectations and efficiencies from accelerating technology transformation. A major focus is facilitating customer adoption of Distributed Energy Resources (DER), which include rooftop solar photovoltaics (PV), battery storage and forthcoming electric vehicles (EV). This initial roadmap is nearing completion, enabling future steps such as external consultation, improvement and focused action.

The tools available to us are rapidly growing in capability, including advances in measurement, communications, data, computing, and analytics. Automation will deliver considerable long-term benefits in safety, efficiency, reliability and grid resilience. It is also an important enabler of efficient and sustainable DER integration and provision of customer DER services.

We will design a sustainable, coordinated and robust approach to DER that addresses hosting capacity barriers and leverages the present Australian focus on grid stability. Our principles are to share DER value equitably, use DER to improve electricity affordability and optimise access for DER connections.

To achieve our vision, we will:

- Grow and share expertise
- Modernise and adopt new technologies
- Find new ways to serve customers
- Secure customer equity, affordability and access to DER

## TasNetworks Electric Vehicle Strategy

EVs are critical to a brighter, more sustainable future for Tasmanians. They're cheaper to run, quieter to drive and produce zero emissions when powered by renewable energy.

Australia is entering the age of EVs as part of a broader turn towards decarbonisation and electrification. Roughly a quarter of light vehicle sales globally by 2030 will be EVs, with significant implications for electrical utilities such as TasNetworks.

We play a critical role in this transition by ensuring we prepare our energy networks for the community's changing behaviours. We're working towards better understanding our customers' expectations and evolving needs to determine the best way to integrate EVs and emerging technology into our network. This includes hydrogen vehicle possibilities in line with the Tasmanian Government's hydrogen ambitions.

Our vision is to be an enabler of EV uptake with a whole system approach. We want our customers to easily connect to our network where they want, when they want and at an affordable cost. Some of the areas we are taking action to deliver this are:

- Increasing the availability and accuracy of our EV data to inform our near-future forecasting, monitoring and planning efforts.



The Flora, Fauna and Reserves layer highlights sections of our existing easements that have significant environmental value.

- Actively informing investment and industry policy based on the needs of our customers.
- Maximising the efficiency of our existing infrastructure by investigating the use of smart solutions.

## EV Grid Trial

EVs are a rapidly developing technology. Their increased uptake will challenge our current energy network and provide many opportunities, such as increased energy security. TasNetworks is currently running the EV Grid Trial, in line with our Electric Vehicle Strategy to help further our EV knowledge.

The EV Grid Trial is a collaborative project with four other participating distribution network service providers from Vic and ACT and is partially funded by the Australian Renewable Energy Agency. The trial recruited 176 residential customers to demonstrate the capability of smart charging technology. Using real-time network capacity information, we can better prepare to manage the potential impacts from a high uptake of EVs on our electricity system.

The EV Grid Trial is helping us to understand:

- How to manage EV charging in real-time following network conditions.
- Available spare capacity in the low voltage network.
- How to appropriately integrate EVs without excessive network infrastructure upgrades.
- Technology and customer behaviour.

## Managing our environmental impact with technology

As part of a broader initiative to improve the visibility of environmental information, we have upgraded our geographic information system by adding a Flora, Fauna and Reserves layer, and Eagle Strike Risk model.

The Flora, Fauna and Reserves layer highlights sections of our existing easements that have significant environmental value, such as the presence of threatened species or within a reserve. The Flora, Fauna and Reserves considerations layer provides an intuitive visual guide to help field crews, scopers, and vegetation officers understand the risk posed by our work and better enable them to protect our environment.

The Eagle Strike Risk model enables us to identify areas where Tasmanian wedge-tailed eagles are more likely to interact with our distribution network and plan the installation of bird mitigation more effectively.

# 42-24

Since 2018, 42-24 has been delivering quality services to our Tasmanian customers.

Our name embodies our commitment to reliability and local service: 42 degrees is Tasmania's central latitude, while 24 speaks to our round-the-clock reliability, cover and service.

The first three years of 42-24's journey as a separate business has been directed towards building a solid foundation for future success. We have successfully established ourselves as a standalone business and continue to build our brand within the Tasmanian market.

## Future growth

42-24's vision for our future is bold: to be the first choice for trusted technology and energy solutions. Our Purpose is to enable, innovate and power success for our customers, and to bring agility, integrity and trust to our work. Our growth strategy is focused on two pillars: providing specialised technology services and delivering market-leading energy solutions.

We will continue to provide Tasmanians access to state-of-the-art infrastructure, whilst expanding our technology services value proposition, and leveraging our collective expertise to develop innovative energy services to the Tasmanian community. 42-24's energy division is in start-up mode and is currently assessing the market in order to determine how to execute its growth strategy.

## Infrastructure

42-24 operates a state-wide optic fibre telecommunications network that offers high-reliability services to our customers. 42-24 has been working closely to develop a significant network capacity upgrade. This will enable 42-24 to deliver large capacity services between population centres and provide choice for Tasmanian businesses seeking competitive, high performance, local access services.



42-24 has completed the construction and implementation of Tasmania's first enterprise-grade Internet of Things (IoT) LoRaWAN® network. This network is a natural extension of the capacity and capability that exists today within the 42-24 asset portfolio. The network has been developed to capitalise on the increasing demand for data-driven business practices within the Tasmanian business community.

## Technology solutions

Tasmania is experiencing rapid growth in the demand for local enterprise technology services. Consequently, 42-24 will continue to invest in this area, leveraging our extensive capabilities and skills.

Work continues on establishing foundational commercial offerings, with a heightened level of focus on cyber

security and the creation of a state-based Cyber Security Operations Centre that will assist in bridging the cyber skills gap within Tasmania.

## Functional separation

For 42-24 to achieve its growth strategy through the provision of additional commercial offerings, it was necessary to functionally separate from TasNetworks. We achieved this functional separation in January 2021. As part of this process, 42-24 relocated to new offices and implemented a range of changes that affected how it interacts with the broader TasNetworks business. This functional separation was conducted to satisfy the Australian Energy Regulator's Distribution Ring-fencing Guideline as we look to move into contestable energy services.

# 42 24



# Corporate governance

## Role and responsibilities of the Board

The TasNetworks Board is responsible for the strategic guidance and oversight of the company.

TasNetworks' Board Charter provides the framework for TasNetworks' corporate governance structure and practices. The Charter describes the responsibilities of the TasNetworks Board of Directors and the TasNetworks Leadership Team. The Board is responsible for:

- Leadership to and oversight of TasNetworks, including its risk management control and accountability systems;
- appointing and removing the CEO and Company Secretary;
- setting strategic direction by input into and final approval of corporate strategy and performance objectives developed with the TasNetworks Leadership Team;

- input into and final approval of regulatory applications;
- setting the risk appetite for TasNetworks and key policy documents such as the Code of Conduct;
- monitoring organizational culture;
- reviewing, ratifying and monitoring systems of risk management and internal compliance and control;
- monitoring management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- monitoring the performance of the CEO and management;
- setting remuneration for the CEO and TasNetworks Leadership Team in accordance with TasNetworks' purpose, risk appetite, strategic objectives and Tasmanian Government Guidelines;

- ensuring succession planning for the Board Chair, CEO and TasNetworks Leadership Team;
- approving and monitoring the progress of major capital expenditure and capital management, and acquisitions and divestitures;
- approving and monitoring regular financial and other reports;
- approving annual financial statements and reports; and
- communication with Members about matters that may affect TasNetworks' ability to achieve its objectives or financial targets.

## Board composition

The TasNetworks Board comprises six non-executive directors.

At the Annual General Meeting on 13 November 2020, Roger Gill and Julie Beeby were re-appointed to the Board as non-executive directors for a further three years each.

### Dr Daniel Norton AO (Chairman)

BAgric (Hons), MEc, PhD, Hon LLD, FAICD  
**Appointed 4 February 2014 (and the Network Integration Transition Board from May 2013)**  
**Re-appointed 20 November 2018**  
**Current term expires November 2021**

Dan is a Senior Advisor at Dandolopartners International and a Director of his consulting company Trinitas Pty Ltd. Dan is also a Member of the Advisory for the Tasmanian Way (auspiced by Tasmanian Leaders Inc.). Dan is also the Chairman of TasNetworks Holding Pty Ltd.

His former positions include: Chairman of WINconnect, Board Member of Infrastructure Australia, Chairman of the Executive Steering Committee Royal Hobart Hospital Redevelopment, Interim Chairman of Forestry Tasmania, Chairman of Tasmanian Ports Corporation, Chairman of Menzies Research Institute Tasmania, Chairman of the National Electricity Market Management Company, Deputy Chairman of Tasmanian Water and Sewerage Corporation (**TasWater**), Deputy Chairman of Aurora Energy, CEO and Managing Director of both Aurora Energy and Hydro-Electric Corporation, Secretary of Department of Premier and Cabinet (Tas) and Deputy Secretary of Department of Treasury and Finance (Tas).

### Joanne Doyle

BCom, FCA, RCA, MAICD  
**Appointed 1 July 2016**  
**Re-appointed 20 November 2018**  
**Current term expires November 2021**

Joanne is a partner of WLF Accounting and Advisory and a member of the Trans-Tasman Audit and Advisory Committee and a Trustee of the Solicitors' Trust. Joanne is an audit and advisory specialist, having worked in the industry for over 30 years. Joanne is a Fellow of the Institute of Chartered Accountants and a Registered

Company Auditor, Probity Advisor, Registered SMSF Auditor and a Registered Organisation Commission Auditor, with significant experience in the manufacturing, finance, health, infrastructure and not-for-profit sectors.

Joanne is a past director of Civil Construction Services Corporation.

### Peter McIntyre

BSc, BE (Hons.), MBA, FIEAust, CPEng, EngExec, FAICD  
**Appointed 1 November 2016**  
**Re-appointed 26 November 2019**  
**Current term expires November 2022**

Peter is the Chief Executive Officer at the Royal Australasian College of Physicians. He was previously employed at Engineers Australia, where he held the position of Chief Executive Officer, and at TransGrid, where he served as its Managing Director for six years. Prior to that, he held several executive positions at TransGrid, with responsibilities including regulatory strategy, revenue reset, customer engagement, asset management, network planning and system operations.

Peter is a past Deputy Chairman of the Energy Networks Association, past Chairman of Grid Australia and past Deputy Chairman of the Australian Power Institute.

### Roger Gill

BE, GAICD, FIHA  
**Appointed 27 November 2017**  
**Re-appointed 13 November 2020**  
**Current term expires November 2023**

Roger has broad experience in the electricity, water, agriculture, transport, infrastructure development and construction sectors. He is Director and Principal Consultant in his Hydro Focus international consulting company specialising in renewable energy in Australia, Asia, Africa and South America.

Roger is also President of the International Hydropower Association (UK), and a Non-Executive Director of Pacific Hydro (Aust.), SPIC Pacific Energy Pty Ltd, SPIC Pacific Hydro Pty Ltd and UHE São Simão Energia S.A. (Brazil). His former extended corporate governance roles have included Non-Executive Director of Tasmanian Railway (**TasRail**), and Tasmanian Irrigation.

### Dr Julie Beeby

BSc (Hons 1), PhD, MBA, FAICD, FTSE  
**Appointed 20 November 2018**  
**Re-appointed 13 November 2020**  
**Current term expires November 2023**

Julie has more than 25 years of experience in the resources sector, specifically in the minerals and petroleum industries. She was recently a Non-Executive Director of Powerlink Queensland and was Chair for the last four years of her tenure. She is currently a Non Executive Director of Whitehaven Coal and a member of the Queensland Financial Provisioning Scheme Advisory Panel.

Julie has previously held non-executive director positions on the Boards of Zerogen, Gloucester Coal, Forge Group, CRC Mining, Australian Coal Association Low Emissions Technology and Australian Coal Research.

Her executive career spanned senior roles in chemicals and natural resources, including CEO of a listed public company. Her qualifications include Bachelor of Science (Hons) in Organic Chemistry, PhD in Physical Chemistry, Graduate Diploma in Technology Management and Master of Business Administration. Julie is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technology and Engineering.

### Sarah Merridew

BEC, FCA, FAICD

Appointed 20 February 2019

Current term expires November 2021

Formerly a Partner of Deloitte, Sarah is a Chartered Accountant and experienced company director of listed public companies, government-owned corporations, private companies and community organisations. With expertise in audit, risk management, governance and business advisory services across a broad range of industries, including financial services, dairy, mining, transport and heavy manufacturing.

Sarah is a Director of the Merridew Foundation and the Supported Affordable Accommodation Trust, and a member of the Finance Risk and Investment Committee for RFDS Tasmania Ltd. Sarah's previous non-executive director roles include TasRail, MyState and subsidiary companies, Royal Flying Doctor Service Tasmania, TasWater and Tasmanian Public Finance Corporation.

### Board committees

The Board has two standing committees:

- the Remuneration Committee (comprised of three non-executive directors); and
- the Audit and Compliance Committee (comprised of three non-executive directors).

Other committees are established by the Board as and when required. TasNetworks has established a Revenue Reset Committee and Project Marinus Board Committee.

Remuneration Committee	Audit and Compliance Committee	Revenue Reset Committee	Project Marinus Board Committee
Dr Julie Beeby (Chair)	Joanne Doyle (Chair)		
Dr Dan Norton AO	Peter McIntyre	All Directors	All Directors
Roger Gill	Sarah Merridew		

The responsibilities of the Audit and Compliance Committee are documented in the Audit and Compliance Committee Terms of Reference and Charter. The committee oversees and monitors TasNetworks' corporate reporting, audit and compliance obligations, and oversees the company's internal control activities.

The Audit and Compliance Committee met six times during the 2020-21 financial year and provided the Board with minutes from each meeting.

The responsibilities of the Remuneration Committee are documented in the Remuneration Committee Terms of Reference and Charter. The Committee assists the Board in the oversight of TasNetworks' remuneration for the Chief Executive Officer and employees.

The Remuneration Committee met seven times during the 2020-21 financial year and provided the Board with minutes from each meeting.

### TasNetworks Leadership Team

TasNetworks' executive management team comprises a chief executive officer, an executive assistant and eight executive managers.

(Names listed left to right as shown in below photo)

**Phillippa Bartlett** BA, LLB

Company Secretary and General Counsel (full year except as noted below)

Acting General Manager People, Culture and Community (from 13 November 2020 to 29 March 2021)

**Mike Paine** BEng, Grad Dip Eng, FIE Aust, FAICD  
General Manager Operations and Customer Service Delivery

**Michele Percey**  
Executive Assistant, Office of the CEO

**Michael Westenberg**  
General Manager Technology and Performance

**Ross Burrige AM** BCom, FCPA, FAICD, FFTP  
Acting Chief Executive Officer (from 26 March 2021)  
General Manager Strategy, Finance and Business Services (until 25 March 2021)

**Renee Anderson** BBus, CAHRI  
General Manager People, Culture and Community (from 29 March 2021)

**Bess Clark** BCom, Grad Dip Urb Reg Plan, GAICD  
General Manager Marinus Link

**Amy-Marie Parker** BCom, CA  
Acting General Manager Strategy, Finance and Business Services (from 26 March 2021 to 30 June 2021)

**Wayne Tucker** Grad Dip Eng. Maint, Ass Dip Elect Eng, MBA, GAICD  
General Manager Regulation, Policy and Strategic Asset Management

**Michael Ash**  
General Manager Network, Commercial and Major Customer

(The following are not pictured below)

**Michael Chan** BA, LLB, MEc  
Acting Company Secretary and General Counsel (from 13 November 2020 to 29 March 2021)

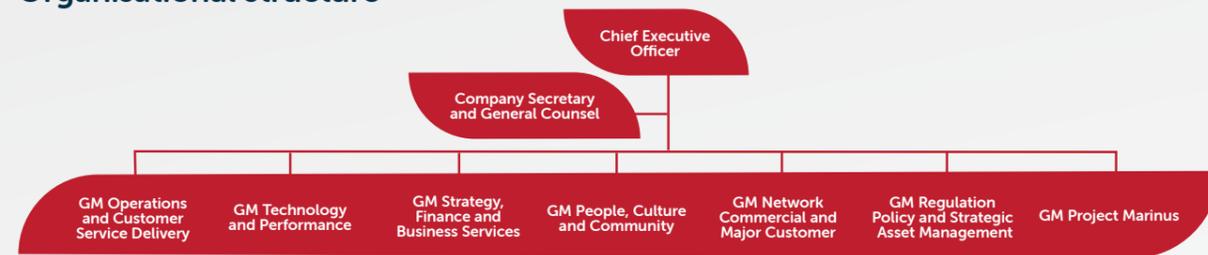
**Justine McDermott** BA (Hons Psych), MAPS (COP), FAHRI  
General Manager People, Culture and Community (until 13 November 2020)

**Lance Balcombe** BCom, FCPA, FCA  
Chief Executive Officer (until 25 March 2021)



TasNetworks Leadership Team as at 30 June 2021.

## Organisational structure



### Company Secretary and General Counsel

The Company Secretary and General Counsel is responsible for delivering corporate governance advice and counsel to the Board, Chief Executive Officer and the business, and management of the TasNetworks Legal Services Team and, since March 2021, the Government Relations and Communications Team. The Group provides legal, governance, media, communications and government relations support to all parts of the business including: the engagement of legal advisers; preparation of government briefs; managing complex disputes; managing obligations under right to information, privacy and relevant public interest legislation; managing wayleaves legislative obligations; managing property law issues; and preparing internal communications.

### Regulation, Policy and Strategic Asset Management

Regulation, Policy and Strategic Asset Management manages transmission and distribution assets, champions the development of asset management strategies and leads forecasting and modelling activities so that we understand and are prepared to meet future system demands. It is also responsible for regulatory management and looking at other new technologies.

### Network Commercial and Major Customer

Network Commercial and Major Customer (NCMC) group creates value for our customers, community and owners by building expert commercial strategies and marketing capabilities that create unprecedented opportunities. The team translates longer term strategies into an effective rolling Program of Work (POW) - optimised for safe and efficient delivery.

NCMC is made up of three teams: Enterprise Asset Management, Engineering and Network Business Development with a focus on optimisation of the POW from a long-term and short-term perspective and the management and delivery of major customer connection work.

### Operations and Customer Service Delivery

Operations and Customer Service Delivery is responsible for: network operations and the Control Centre; network access management; managing our relationships with

customers and the market; retailer liaison; the Customer Contact Centre; connection point management and billing; meter data management and publishing; billing enquiries and dispute resolution; field operations; EHV line work (transmission); line work capital and maintenance and response (distribution); ground services work (substations and turrets); meter reading; design; and project delivery.

### Strategy, Finance and Business Services

Strategy, Finance and Business Service's role is to build TasNetworks' financial strength by delivering sound, independent advice and analysis and by directing financial strategies, capital structure development, debt portfolio and business risk management.

The main areas of responsibility are: business strategy; treasury; corporate modelling; financial reporting; management accounting; risk management and insurance; audit and compliance; procurement; fleet and facilities; accounts payable and receivable; payroll; information management; and 42-24 complimentary services business.

### People, Culture and Community

People, Culture and Community is responsible for: safety and wellbeing; talent leadership and capability; people and culture (including recruitment, performance management systems and industrial relations); operational and technical capability (registered training organisation); and corporate social responsibility (including environment and stakeholder relations).

### Technology and Performance

Technology and Performance aims to provide solutions that improve performance, utilising secure, reliable and innovative technology. The group is responsible for cyber security; information technology; operational technology; performance (facilitating the ideation, prioritisation, execution and governance of change (outside the network program or work); and telecommunications services.

### Project Marinus

The Project Marinus group is investigating the benefits and costs for building a second Bass Strait interconnector between Tasmania and Victoria.



### Further Information

Our Annual Report, including detailed financial performance and statements can be found on our website.



Powering a  
Bright Future

[TasNetworks.com.au](https://www.tasnetworks.com.au)