



Marinus Link Pty Ltd
Statement of Expectations
12 February 2025

This Statement of Expectations ('this statement') is issued by the Commonwealth, the State of Victoria and the State of Tasmania (the 'Shareholders') in respect of Marinus Link Pty Ltd ('Marinus Link' or 'the Company'). This statement is subject to the Company's governance documents. The Company is to conduct its business in accordance with this statement so that its strategic direction is aligned with the Shareholders' objectives for the construction, ownership and operation of an electricity and telecommunications interconnector between Tasmania and Victoria; and delivering the governments' commitments to renewable energy and energy security. This statement may be updated by the Shareholders from time to time.

Ownership

Marinus Link is a unique, tri-government owned electricity transmission company established under the *Corporations Act 2001 (Cth)*. The intention is to maintain Marinus Link as a publicly owned, concessionally financed, regulated asset to provide the Company with the certainty needed to continue delivering its objectives while keeping electricity prices affordable.

Purpose and Objectives

The Company's initial objective is to prudently and efficiently design, build and commission the Stage 1 interconnector as soon as practicable (subject to a positive final investment decision being made) while acting commercially and minimising risk to Shareholders. It will also work with Shareholders on a business and investment case for the second proposed interconnector for the Shareholders to consider.

Once commissioned, the enduring purpose of Marinus Link is to maintain and operate the interconnector(s) to provide increased security of supply and access to low-cost, reliable and clean energy for customers in the National Electricity Market (NEM) through increased transfer capacity for electricity transmission across the Bass Strait. The interconnector has a key role in enabling the three jurisdictions to meet their emissions reduction targets and diversifying electricity supply sources to Australian NEM households, as well as improving energy resilience. Where appropriate and with consideration for any consumer impacts, Marinus Link will investigate opportunities for utilising the cable asset for unregulated, non-energy revenue streams, for example telecommunications. The Shareholders expect the Company to act commercially while minimising the cost to consumers through prudent and efficient expenditure. Marinus Link will also drive a culture of efficiency and innovation that yields results.

Role and Responsibilities of Marinus Link

The Shareholders expect the Company to adopt governance policies in line with the values expected of a public sector enterprise and note that Marinus Link will develop governance guidelines with reference to the principles contained in the Commonwealth Government Business Enterprise Guidelines.

The Shareholders also expect the Company to promote high standards of governance, operating performance, capital management, project implementation, integrity, transparency, accountability

and professionalism in all of its dealings.

The Board of Marinus Link has ultimate responsibility for the performance of the Company and is accountable to the Shareholders.

Policy Objectives

- **Promote investment in clean energy** – Marinus Link will facilitate investment in renewable energy through enhanced interstate electricity flows. This will promote the expansion of renewable energy generation in Victoria and Tasmania, including onshore and offshore wind generation and access to clean dispatchable capacity in the Tasmanian hydropower system. This will help Australia meet its emissions reduction targets by reducing the emissions intensity of the electricity grid, while also delivering reliable and clean energy to consumers across all regions in the NEM.
- **Improve access to reliable and affordable energy** – Marinus Link will enable better sharing of renewable energy resources by increasing the transfer capacity between Tasmania and the mainland NEM regions. This will benefit energy users across the NEM through providing improved access to geographically and technologically diverse low-cost renewable energy generation sources which is expected to reduce total system generation costs to the benefit of consumers.
- **Timely delivery of new capacity** – It is intended for the Stage 1 interconnector to be delivered as soon as practicable to support energy reliability and security of supply across the NEM.
- **Minimising cost impacts on Tasmanian and Victorian customers** – Marinus Link will consider the impact of its decision making on Tasmanian and Victorian customers who ultimately pay the project's transmission costs through their electricity bills. Decision making should balance short term cost with long-term reliability and management of operational risk to provide a cost effective, reliable asset which is capable of delivering the target return agreed by its investors. The company will also minimise operational and capital expenditure outlays through prudent asset management strategies in line with good industry practice, and development costs will be minimised by running competitive procurement processes. Marinus Link will also receive concessional equity, and is working with the Clean Energy Finance Corporation to secure concessional debt via the Rewiring the Nation program, during Stage 1 to support this outcome. These arrangements will provide project revenue that is concessional compared to regulated transmission assets, the benefit of which is to be enjoyed by Tasmanian and Victorian customers. This project revenue will also be sufficient to ensure the company's sustainable financial operations and capability to meet the terms of the concessional financing provided.
- **Creating jobs and stimulating the economy** – Marinus Link Stage 1 will enable investment, boost economic activity and support thousands of jobs across regional Tasmania and Victoria. The construction and operation of Marinus Link is anticipated to deliver and support economic stimulus, including to electricity users, while also unlocking new capability and skills in regional communities.
- **In achieving its primary policy objectives** – the Company is expected to continue to provide socially and economically responsible employment conditions, while maintaining training and safety standards consistent with industry best practice.

Working with Stakeholders

- The Company will promote community engagement and foster and maintain good working relationships with local communities, First Nations people, landholders and stakeholders, including through:
 - Efficiently managing, overseeing and assuring the initial design, build and commissioning of the interconnector(s) and effectively managing the resulting risks and uncertainties;
 - Working closely with generators, retailers and other transmission operators to promote energy security and certainty and provide affordable high-quality services to end users;
 - Acknowledging that Traditional Owners are more than stakeholders. Traditional Owners have rights that must be upheld under State and Commonwealth legislation regarding, but not limited to, cultural heritage and native title. Traditional Owners have legal rights and cultural responsibility that will be recognised;
 - Acknowledging, understanding and respecting First Nations peoples' legal and cultural rights, along with their deep connections with Land and Sea Country as original custodians;
 - Maintaining best practice standards in working with landholders and communities and First Nations peoples affected by the Company;
 - Engaging constructively with government agencies, regulators, industry groups and communities;
 - Implementing a best practice approach to health and safety of all workers and the broader community, including contractors and visitors; and
 - Actively promoting a culture of diversity and inclusion with a focus on increasing opportunities for women and First Nations employment at all levels of the workforce, across all business operations.

Transparency, Integrity, Governance and Accountability

The Shareholders expect Marinus Link's Board to meet the highest standards of transparency, integrity, governance and accountability for corporate and government-owned entities.

- Marinus Link's Board is fully accountable for:
 - **the performance of Marinus Link**, including (but not limited to) promoting: (1) best industry practice in constructing and commissioning the interconnector(s); (2) the proper use and management of the economic resources for which the Board is responsible; (3) the achievement of the objectives and/or purposes of the Company; (4) a high standard of prudence, operating efficiency and effectiveness; and (5) financial sustainability;
 - **internal governance of Marinus Link**, including (but not limited to) establishing and maintaining: (1) an appropriate best industry practice system of uncertainty and risk oversight and management; and (2) an appropriate system of internal governance and controls;
 - **setting strategic direction, organisational leadership and establishing and maintaining a culture** that meets the high standards expected by the public in relation to (but not limited to): (1) efficient, prudent, effective, economical and ethical expenditure of money; (2) proactive, timely and open disclosure of information that is reasonably in the public interest; (3) following best practice principles and guidelines, where appropriate, for example, in relation to integrity, probity and value for money; (4) ensuring a culture which encourages the highest standards of performance, respect, diversity and inclusion; (5) setting targets and programs for gender equity; and (6) creates an engaged results-orientated staff culture that minimises unplanned turnover;

- **ongoing compliance with external governance obligations**, including (but not limited to): any obligations that apply to the Company under: (1) the *Corporations Act 2001* (Cth); (2) the National Electricity Law; (3) the National Electricity Rules; (4) any governance documents that operate between the Shareholders and Marinus Link; (5) any other frameworks and guidelines as agreed and notified by the Shareholders; and
 - **timely, accurate, full, equal, open and transparent provision of information**, on a “no surprises” basis including (but not limited to): (1) budgets, strategic plans, quarterly and annual financial reports and internal and external audit reports to Shareholders and the government departments advising them (2) any obligation to keep Shareholders and their departments otherwise informed; (3) all other materials, documents, assistance and information reasonably required by the Shareholders, their departments, relevant auditors-general, integrity bodies or their nominees to verify compliance with Marinus Link’s obligations or performance; and (4) advance notice of, and the opportunity to review, public statements and media releases in relation to major or significant matters.
- Where Marinus Link engages a third-party (e.g. a contractor), it must take into account the risks associated with that approach and impose on them obligations consistent with the expectations that Marinus Link’s objective is to ensure the prudent, efficient, effective, economical and ethical expenditure of money.
 - The Shareholders expect Marinus Link to be a model employer and seek to promote similar outcomes from its contractors.
 - Where Marinus Link’s Board delegates its power (or authorises an employee or third-party to exercise its power) it must be clearly documented and recorded.
 - A **company secretary** should be made available to the board and provide advice as required to the board on all of their duties including governance and administration.

Senator the Hon Katy Gallagher
Commonwealth Minister for Finance

The Hon Chris Bowen MP
Commonwealth Minister for Climate Change
and Energy

The Hon Jaclyn Symes MP
Treasurer of Victoria

The Hon Nick Duigan MLC
Tasmanian Minister for Energy and Renewables