

Jeff Dimery, MD & CEO, Alinta Energy - Opening Statement
15 May 2020

Thank you for this opportunity to make an opening statement.

Alinta Energy is a privately-owned energy generator and retailer. We have been operating in Australia for 25 years and now have around one million customers.

I have been the CEO of Alinta Energy for nearly a decade. During this time the company has had two owners. The first was a British and American private equity group led by TPG Capital and then in April 2017, Chow Tai Fook Enterprises purchased Alinta Energy. The majority of the Australian executive team along with the Australian Independent Chair of the Board and the Australian Independent Chair of the Audit & Risk committee continued in their roles when the ownership changed.

Chow Tai Fook Enterprises is a Hong Kong based family-owned business. Since our sale to CTFE, Alinta Energy has grown its employees, customers and sustainable generation footprint, having been supported through a willingness and ability to make significant investment for growth in Australia.

This investment has driven our entry into new markets and delivered more choice and competition for Australian customers. Let me be clear: Where we have entered retail electricity markets, we have contributed to making energy more affordable for Australian customers.

Our growth has increased the regulatory requirements for our business. The energy sector is now one of the most scrutinised and regulated industries in Australia.

We have spent tens of millions of dollars, and we are continuing to invest significant resources and funding on new systems and processes to meet regulatory expectations.

Given the nature of today's inquiry I'd like to provide some context to our status as a foreign-owned Australian company.

At the time of sale to our current owners in 2017, Alinta was already foreign owned. The sale was subject to approval by FIRB. FIRB imposed conditions on Alinta Energy's operations. The conditions predominantly relate to the operations and maintenance of power generation assets, data security and

Board composition. For our company to meet what were essentially new operating requirements, the conditions expressly included a mechanism to transition Alinta Energy's operations over time. It would have been impossible to make this transition overnight.

As our transition progressed, we put in place a 'remedial implementation plan'. So I just want to be clear that in this instance, the word "remedial" doesn't mean it is a corrective plan as a result of lack of compliance by Alinta Energy.

In fact, quite the opposite is the case.

Alinta Energy has worked constructively with FIRB over time to develop and execute that plan.

Some conditions were met quickly, prior to the agreement of our remedial implementation plan. For example, majority Australian representation on our Board and an independent Australian Chairman. However, requirements relating to data security and the operation and maintenance of power generation assets require significant investment and variations to more than 40 complex IT systems, 560 data sets as well as the review of 1400 contracts .

FIRB Compliance is an extensive and significant exercise. It involves all our 700-plus employees.

We have a good story to tell on our path to meeting our FIRB commitments. We remain on track to complete this work and fulfil all of the FIRB conditions by the end of 2020 – on schedule and as agreed in 2017.

But there is another important point to make in all of this: even as we continue our work to meet the FIRB conditions we remain subject to all of the energy, security, privacy and data laws and regulations throughout Australia.

Privacy and data handling is an issue I expect you will want to raise. We have never had a widespread data breach but, like many companies, Alinta Energy is continually improving in this area. It is important to note our managed customer data is only stored in secure servers in Australia and we continue to embed a culture of high-quality privacy and information management.

It's a complex business, but we listen to our stakeholders and fix things if needed. We have built a transparent and open culture. People are comfortable to speak up if they have issues within the business.

The Alinta Energy Board also has CTFE's full support to take any appropriate and timely action required.

We're serious about playing a positive role in a competitive Australian energy market.

To ensure a comprehensive response today, Daniel McClelland, our Executive Director of Corporate Services and Sharon Eacott, our General Counsel, are also present to provide detailed information where appropriate.

Question Number	Corresponding page in Transcript	Question	Response
1	2	Thank you very much, Mr Dimery, for that opening statement. If you would be able to send that to the secretariat	Attached
2	2	In total how much was paid in dividends to shareholders of Alinta Energy in the year ending 30 June 2019?	<p><u>Response at Hearing:</u></p> <p>We have a policy that prescribes that 70 per cent of our net profits, after tax and outgoings, is available for dividend, as a maximum, and in that particular year we paid that amount</p> <p>Further Response:</p> <p>To be precise, Alinta Energy maintains dividend guidance of paying out an appropriate amount having regard to available free cashflow. See answers to Q3 and Q4 below for the amounts.</p>
3	3	What's the quantum of that amount?	<p><u>Response at Hearing:</u></p> <p>I can take that on notice, but, certainly directionally, it's around \$120 million to \$130 million</p> <p>Further response:</p> <p>Alinta Energy declared and paid \$160m dividends to its 100% shareholder Pioneer Sail Australia Pty Ltd in relation to the Financial Year ending 30 June 19 (FY19).</p>

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4	3	And the dividends that were paid last financial year to Pioneer Sail Holdings Pty Ltd—how much was that?	<p><u>Response at Hearing:</u></p> <p>We'll have to take that on notice. I think, as Jeff indicated before, it was in the \$100-million territory</p> <p>Further response:</p> <p>We understand that Pioneer Sail Australia Pty Ltd paid approximately \$87m in dividends to Pioneer Sail Holdings Pty Ltd in relation FY19</p>
5	3	Who are the major shareholders of Pioneer Sail Singapore?	<p><u>Response at Hearing:</u></p> <p>There are a couple of holding entities that exist between Pioneer Sail Singapore, but the ultimate holding company is Chow Tai Fook Enterprises Ltd.</p> <p>Further Response:</p> <p>The sole shareholder of Pioneer Sail Singapore is Pioneer Sail Limited, which is a direct wholly-owned subsidiary of Chow Tai Fook Enterprises Limited ("CTFE").</p> <p>We would like to take the opportunity correct the record. The ultimate holding company of Alinta Energy Pty Ltd (as that term is defined under the Corporations Act 2001 (Cth) is Chow Tai Fook Capital Limited.</p> <p>Please also see the answer to Q6.</p>
6	3	You might want to provide on notice a detailed chart of that; I think that it is registered with ASIC. Who are the major	<p><u>Response at Hearing:</u></p>

Question Number	Corresponding page in Transcript	Question	Response
		<p>shareholders of Chow Tai Fook Enterprises Ltd? Could you name those people?</p>	<p>We would have to take that on notice and respond separately on those matters</p> <p>Further Response:</p> <p>Please see the attached corporate chart provided to Alinta Energy management by CTFE, showing the ownership structure of Alinta Energy and the ownership structure of CTFE.</p> <p>Alinta Energy management are responsible for the operations of the group controlled by Alinta Energy Pty Ltd.</p> <p>The ASIC register records Chow Tai Fook Capital Limited as the ultimate holding company of Alinta Energy Pty Ltd. Alinta Energy management have been instructed that this entity meets the definition as contained in the Corporations Act 2001 (Cth).</p> <p>In addition, we further understand that:</p> <ol style="list-style-type: none"> 1. Dr. Henry Cheng (“Dr. Cheng”) is not involved in the day to day management and operations of Alinta Energy. 2. As shown in the corporate chart: <ul style="list-style-type: none"> (a) CTFE is wholly-owned by Chow Tai Fook (Holdings) Limited (“CTFH”), which is in turn

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			<p>controlled by Chow Tai Fook Capital Limited ("CTFC").</p> <p>(b) CTFC is the ultimate holding company of CTFE and also Alinta Energy.</p> <p>(c) CTFC is in turn controlled by two companies which are under the control of the Cheng family.</p> <p>3. CTFE does not have any direct or indirect controlling shareholder who is an individual, and Dr. Cheng is not a direct or indirect controlling shareholder of CTFE.</p> <p>(a) However, on account of Dr. Cheng's stature within the Cheng family, Dr. Cheng has influence over the CTFE board in respect of very major strategic decisions requiring his leadership and input.</p> <p>(b) As explained further below, Alinta Energy is one of the many investments of CTFE. Operational and management matters concerning Alinta Energy are not matters which come before the CTFE board.</p>

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7	3	How many shareholders are there in Chow Tai Fook Enterprises Ltd?	<p><u>Response at Hearing:</u></p> <p>Again, I would need to take that on notice and provide some information to you separately</p> <p>Further Response:</p> <p>The sole shareholder of CTFE is CTFH. Please see the answer to Q5.</p>
8	3	I think it matters that we know who the predominant shareholder is for the purposes of the questioning that I have today. So could you name the major shareholders in Chow Tai Fook for the record today?	<p><u>Response at Hearing:</u></p> <p>Again, there is a holding structure that exists in relation to Chow Tai Fook Enterprises. I would need to provide that information to you separately.</p> <p>Further Response:</p> <p>The sole shareholder of CTFE is CTFH.</p> <p>Please see the answer to Q5.</p>
9	3	Is there anyone else that's significant that you should name for the public record today, rather than take it on notice, in the interests of transparency?	<p><u>Response at Hearing:</u></p> <p>That's the extent of my understanding</p> <p>Further Response:</p> <p>Please see the answer to Q5</p>

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10	3	Mrs Eacott, is there anybody else we should get on the record as a critical shareholder in this company?	<p><u>Response at Hearing:</u></p> <p>Again, Chow Tai Fook Enterprises is a family owned company. Dr Henry Cheng is a shareholder in that company. In terms of further detail around the shareholding, we would need to take that on notice and provide that information to you separately</p> <p>Further Response:</p> <p>Please see the answer to Q5.</p>
11	4	You said in your opening statements that the board composition was one of the conditions set by the FIRB. At what date did you meet that requirement?	<p><u>Response at Hearing:</u></p> <p>As Mr Dimery outlined earlier, from the outset there was continuation not only of the management team but of a number of those directors—our independent chair of the board, our independent chair of the audit and risk committee and Jeff Dimery continued in their roles. So those directors were up and running from day 1 for Alinta Energy's operations under Chow Tai Fook ownership. I have to take <u>on notice</u> the appointment of a further Australian independent director, but that was certainly within the first couple of months of operation. As to the security clearances required under the condition of an extension of that condition, we commenced seeking those security clearances within the first couple of months of operation—almost immediately—and they came in at varying points. But the entire condition was complete and operating within six months.</p>

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			<p>Further response:</p> <p>All independent Australian resident directors as required by the FIRB Conditions had been appointed prior to or on the date of acquisition, being 28 April 2017.</p> <p>Our independent Australian resident directors have received the requisite security clearances as required under the FIRB Conditions. The last clearance was obtained from AGSVA on 23 March 2018 after a lengthy process.</p>
12	4	<p>Is it correct that Dr Henry Cheng, the chairperson of Chow Tai Fook Enterprises Ltd, is the controlling interest shareholder of Alinta Energy through any of the holding companies?</p>	<p><u>Response at Hearing:</u></p> <p>We would have to take that question on notice</p> <p>Further Response:</p> <p>Please see the answer to Q5 and note in particular our understanding that:</p> <ul style="list-style-type: none"> (a) Dr. Cheng is not a direct or indirect controlling shareholder of CTFE, and we understand that Dr. Cheng does not sit on the board or hold any shares in any of the intermediate holding companies between CTFE and Alinta Energy. (b) On account of Dr. Cheng's stature within the Cheng family, Dr. Cheng has influence over the

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			<p>CTFE board in respect of very major strategic decisions requiring his leadership and input.</p> <p>(c) CTFE has a diverse range of businesses and investments internationally (which we understand comprises not less than 25 countries at this time), and Alinta Energy is one of the many investments of CTFE. Operational and management matters concerning Alinta Energy are not matters which come before the CTFE board.</p>
13	4	<p>Is it that you don't know or that you need to check, because I expected you to come prepared to answer questions about this entity for which you're significantly responsible.</p>	<p>Response at Hearing:</p> <p>I understand that. We have provided information about the upstream corporate structure from our owners. My understanding, at this point in time, is that Chow Tai Fook Enterprises is the ultimate holding company for Alinta Energy Pty Ltd, but—</p> <p>Further Response:</p> <p>Please see the answer to Q5 and note that CTFC is the ultimate holding company of CTFE and hence, Alinta Energy.</p>

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14	4	Is the controlling interest shareholder of Alinta Energy Dr Henry Cheng?	<p><u>Response at Hearing:</u></p> <p>I would need to take instructions on that.</p> <p>We understand he is the chair of Chow Tai Fook Enterprises.</p> <p>Further Response:</p> <p>Please see the answers to Q5 and Q12.</p>
15	4	What role does Dr Henry Cheng have in Pioneer Sail Singapore Pty Ltd?	<p><u>Response at Hearing:</u></p> <p>I would have to take that on notice. In terms of my specific role, we're not responsible for the administration of Pioneer Sail Singapore.</p> <p>Further Response:</p> <p>Please see the answers to Q5 and Q12.</p>
16	4	I understand that. Mr McClelland, though, do you have an understanding of Dr Cheng's role in Pioneer Sail Singapore?	<p><u>Response at Hearing:</u></p> <p>I'd have to take that on notice.</p> <p>Further Response:</p> <p>Please see the answers to Q5 and Q12.</p>
17	5	Was Dr Cheng required to provide Alinta Energy's Board members to FIRB with a	<p><u>Response at Hearing:</u></p>

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		list of his positions as Director of other companies or entities pre acquisition or post acquisition?	<p>Yes. We maintain an active register of interests for the governing and performance of the Board duties.</p> <p>Further response:</p> <p>Unless a situation has arisen for a relevant declaration of interests to be made (and no such situations have arisen in the context of these questions – the potential for conflicts of interest is the key threshold for notification), Dr. Cheng is not required to provide such information relating to his personal appointments or businesses to the Alinta board, and the Alinta board has not communicated with FIRB or Treasury in respect of such matters.</p>
18	5	If you could provide on notice copies of correspondence of communications between Alinta Energy board members, FIRB or Treasury with notifications of any significant shareholdings in other entities pre acquisition and post acquisition, that would be helpful	No such communications or correspondence between Alinta Energy board members and FIRB or Treasury exist.
19	5	It's been reported in the Nine newspapers that Stanley Ho and Lawrence Ho have been banned from any involvement in Crown's new Barangaroo facility due to their links to organised crime. In fact,	<p><u>Response at Hearing:</u></p> <p>I will have to take that on notice</p> <p>Further Response:</p>

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		<p>Stanley Ho's nephew Alan Ho was sentenced in December last year to eight years in China for heading up an organised criminal group. The same article goes on to say that Dr Henry Cheng of Chow Tai Fook, who is a significant shareholder of the Star Entertainment Group, is strongly connected with the Ho family by having a 9.6 per cent stake in the Ho family's company SJM, the Macau gambling giant.</p> <p>Did Dr Cheng advise Alinta Energy's management or Alinta Energy's board members that Chow Tai Fook holds a 9.6 per cent stake in SJM, that gambling giant which Mr Stanley Ho founded and which his family members control?</p>	<p>We understand that:</p> <ul style="list-style-type: none"> (a) The Cheng Family holds a minority interest of about 9.6% in a private company that controls SJM Holdings Limited ("SJM"), a publicly listed company in Hong Kong that operates various casinos in Macau. (b) The investment was made many years ago by the late Dato. Cheng Yu Tung, the patriarch of the Cheng family, in his personal capacity. As a personal investment of the late Dato Cheng, the investment was separate from the Chow Tai Fook Group ("CTF Group"). (c) Following the late Dr. Cheng's passing on 29 September 2016, for ease of administration, this legacy investment was transferred to the CTF Group, taking into account that it would in any event be difficult to realise the investment on appropriate terms as it only comprises a passive minority interest held within a private company. <p>Dr. Cheng has not formally advised Alinta Energy management or the Alinta Energy Board about the 9.6% holding mentioned above. As we understand the</p>

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			position, there is no requirement for Dr. Cheng to make such disclosure.
20	5	Were Alinta management or board members made aware that Chow Tai Fook had purchased a five per cent interest in the Star casino?	<p><u>Response at Hearing:</u></p> <p>Yes, we were.</p> <p>Further Response:</p> <p>This was not formally notified to Alinta Energy management nor the Alinta Energy Board as such a notification was not required, although some board members were aware.</p>
21	5	When did that occur?	<p><u>Response at Hearing:</u></p> <p>I'd have to take that on notice</p> <p>Further Response:</p> <p>We note that public disclosure (Form 603) was duly made in accordance with applicable legal requirements in Australia and as disclosed, the subscription agreement was signed in March 2018 and closing took place in April 2018.</p>
22	5	Does Dr Cheng have any role in relation to the Star casino of which Alinta management, Alinta board members or the Treasury department of Australia are aware?	<p><u>Response at Hearing:</u></p> <p>We wouldn't be able to answer for the Treasury. As for Alinta management, once again I'd have to take that on notice</p>

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			<p>Further Response:</p> <p>We understand that:</p> <ol style="list-style-type: none"> 1. CTFE has a joint venture with Star and another party in respect of a development project in Queen Wharf Brisbane ("QWBJV"). The development involves an integrated resort and one of the facilities of the resort complex will be a casino. 2. However, CTFE will not be involved in the operations of the casino and the joint venture has agreed with Star that the casino will be operated by Star. Dr. Cheng is not a director of the joint venture entity established under the QWBJV.
23	5	Have you advised the board members of that link to the Star casino?	<p><u>Response at Hearing:</u></p> <p>As before, I'd need to take that on notice just to check</p> <p>Further Response:</p> <p>See Q20</p>
24	6/7	So there's a separate document that's been given to you by FIRB. You say it's about 15 pages. I wonder if, as an exercise that would help the committee—as I said, I'm not directing this at you; I will direct	<p><u>Response at Hearing:</u></p> <p>We can take that on notice</p>

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		<p>this at FIRB more generally—you could perhaps go through that document and provide the committee with the conditions, or perhaps a redacted version that shows how many you would consider to be sensitive and how many you would consider not to be sensitive</p>	<p>Further Response:</p> <p>We believe the committee is already aware of the conditions in broad terms, covering board composition, data security, maintenance, operation and control of generation, transmission and distribution systems, audit and tax. These conditions are in fact discussed at some length in the FIRB Conditions Compliance Policy that the Acting Chair tabled at the hearing.</p> <p>The FIRB conditions are set out in an approval letter from FIRB to the legal counsel acting on behalf of CTFE. Alinta Energy is not a party to the letter, but it is made aware of those conditions for implementation purposes.</p> <p>We understand CTFE considers that the conditions are, by their nature, commercially sensitive, as the conditions, taken as a whole, define the very framework subject to which CTFE is allowed to own Alinta Energy. CTFE considers that disclosure will adversely affect its competitiveness, both in terms of its other existing investments as well as future investments. For Alinta Energy, as explained at the hearing (see page 6 of the transcript), the conditions are commercially sensitive to us because they prescribe things that Alinta can and cannot do and this can impact commercial negotiations across a broad range of services and other requirements.</p>

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			<p>We appreciate the proposal that a redacted copy may be submitted instead, and have given careful thought to the proposal.</p> <p>However, we believe it is necessary to look at the conditions as a whole and this cannot be achieved by looking at isolated aspects or requirements, which will be the result of a redacted copy, particularly one with extensive necessary redactions. We believe that a heavily redacted copy does not assist in achieving a comprehensive understanding of the combined effect of the conditions, and may potentially create more misunderstandings than providing answers.</p>														
25	8	What quantum of payroll tax would you be paying—say, in the last financial year?	<p><u>Response at Hearing:</u></p> <p>I'd have to take that question on notice</p> <p>Further response:</p> <p>At the Alinta Energy level , total payroll tax paid in FY2019 was \$5.7m, split by state below.</p> <table><tr><th>\$m</th><th>WA</th><th>VIC</th><th>SA</th><th>NSW</th><th>QLD</th><th>Total</th></tr><tr><td>FY18-19</td><td>1.8</td><td>1.3</td><td>0.2</td><td>2.3</td><td>0.2</td><td>5.7</td></tr></table>	\$m	WA	VIC	SA	NSW	QLD	Total	FY18-19	1.8	1.3	0.2	2.3	0.2	5.7
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26	8	That's fine. If you could do that for the last three years—2017, 2018 and 2019—that would be helpful.	<p><u>Response at Hearing:</u></p> <p>Senator, I will just make one last point on that. Whilst I can't give you the quantum of payroll tax at this point in time and we will take that on notice, I can tell you that, during the time of ownership by Chow Tai Fook, our workforce has almost doubled in size. So, whatever the number is, it will be a growing number</p> <p>Further response:</p> <table><tr><th>\$m</th><th>WA</th><th>VIC</th><th>SA</th><th>NSW</th><th>QLD</th><th>Total</th></tr><tr><td>FY16-17</td><td>1.6</td><td>0.4</td><td>0.4</td><td>1.8</td><td>0.1</td><td>4.3</td></tr><tr><td>FY17-18</td><td>1.5</td><td>0.7</td><td>0.2</td><td>1.4</td><td>0.1</td><td>3.9</td></tr><tr><td>FY18-19</td><td>1.8</td><td>1.3</td><td>0.2</td><td>2.3</td><td>0.2</td><td>5.7</td></tr><tr><td colspan="7">Total payroll tax paid since 2017: \$13.9m</td></tr></table>	\$m	WA	VIC	SA	NSW	QLD	Total	FY16-17	1.6	0.4	0.4	1.8	0.1	4.3	FY17-18	1.5	0.7	0.2	1.4	0.1	3.9	FY18-19	1.8	1.3	0.2	2.3	0.2	5.7	Total payroll tax paid since 2017: \$13.9m						
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27	11	Are you paying company tax in Australia now?	<p><u>Response at Hearing:</u></p> <p>Last year we paid \$120 million in tax.</p> <p>Further Response:</p> <p>To clarify, Alinta Energy Pty Ltd (Alinta Energy) and its subsidiaries are members of an Australian income tax consolidated group, the Head Company of which is Pioneer Sail Holdings Pty Ltd (PSH).</p>																																			

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			<p>In respect of FY19, the Alinta subgroup generated taxable income of \$388m which gave rise to a prima facie tax liability of \$116.4m. However, the PSH tax consolidated group had carried forward tax losses available for utilisation (subject to an available fraction) and as a result, the net tax payable for FY19 for the PSH tax consolidated group was \$49.7m.</p> <p>The PSH tax consolidated group is expected to continue to pay company income tax going forward</p>
28	11	Could you give us the short version of how that approach came about?	<p><u>Response at Hearing:</u></p> <p>I can. As mentioned before, we had a consortium of private equity owners managed by TPG. TPG put the company up for sale. We were running a dual sale process. There were a number of corporate banks working with the business to prepare an IPO—an initial price offer—on the Australian stock exchange. In parallel with that, we were marketing the company for sale to private investors. In fact my very first meeting with Chow Tai Fook occurred in Hong Kong, as part of a global roadshow that we were undertaking at the time; I'll take on notice the precise date of that. The sale occurred in April 2017. From memory it was about February 2017 that I met with them.</p> <p><u>Further Response:</u></p>

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			<p>18 Feb 2017: Management presentation in HK - participants: CTFE / Alinta (CEO, CFO) / TPG</p> <p>27 Apr 2017: Completion</p>
29	12	If you could take that on notice and provide us some detail, that would be helpful	<p>Further response:</p> <p>There are a number of meetings that were attended by multiple participants in Mr Dimery's capacity as an AEC Board member. As for meetings solely between Alinta and Minister Frydenberg, they occurred as follows</p> <p>22 May, 2018 – meeting in Canberra</p> <p>13 Oct, 2017 - meeting in Canberra</p> <p>15 June, 2017 - meeting in Canberra</p>
30	13	At what stage did you engage in discussions with the Treasury, as the representative of the FIRB, in respect of the conditions of sale?	<p><u>Response at Hearing:</u></p> <p>I will take it on notice, but I'm just drawing from my memory. We certainly met with the FIRB preceding the completion of the sale, which would have been around April 2017, and we also met with them very shortly thereafter. The meeting that preceded the sale was more an information sharing meeting just so the FIRB had a good understanding about how our business operated and how it was structured, as they were contemplating</p>

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			<p>the conditions, or otherwise, that they were going to place on the sale. And the meetings immediately following that were for us to understand how to progress a number of those key conditions that were going to be absolutes and require our immediate attention, particularly having regard to the requirements for the directors and the process for directors to be compliant with those conditions</p> <p>Further response:</p> <p>As is the case with applications for Foreign Investment Review Board approvals, the acquirer, in this case CTFE, made the application. CTFE's advisors engaged with FIRB throughout the application process. As Alinta Energy was the target entity, Alinta Energy management supplied information about Alinta Energy's business pre-acquisition and imposition of the conditions. There was a meeting with CTFE and Alinta Energy in Canberra on 29 March 2017. The conditions were issued on 24 April 2017 and the acquisition was completed on 27 April 2017. Alinta Energy management met with FIRB officials on 11 May to discuss compliance with the FIRB conditions and have met with them on many occasions since that time</p>
31	15	Did you ever meet with the now Treasurer to discuss amending or varying the FIRB conditions? Have you had any	<p><u>Response at Hearing:</u></p> <p>No I have not.</p>

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		meetings with Mr Frydenberg in his role now as Treasurer?	<p>Can I take that on notice, please.</p> <p>Further response:</p> <p>Alinta met with Treasurer Frydenberg on 17 Sep, 2019 – meeting in Canberra.</p> <p>The discussion touched on early elements of a particular refurbishment procurement without going into specific details, though the purpose of the meeting was also to understand the Treasurer’s general views on the conditions, how they were viewed alongside broader energy policy objectives and the Cth’s recommendations/views on changes if they became required at any point in time. There was no follow up or requests from that meeting</p>
32	17	Can I ask whether those transmission lines are going to be built with Australian steel? Was there any requirement placed on you by the Australian government, or ARENA or the NAIF, to use Australian steel in the construction of the transmission towers?	<p><u>Response at Hearing:</u></p> <p>Can I take that question on notice? I can tell you that there were definitely requirements associated with the process whereby we are required, for instance, to employ local Indigenous community et cetera. I'm not sure, to be specific, whether or not that was a requirement</p> <p>Further response:</p> <p>The transmission lines will not be built with Australian steel. NAIF has a threshold for Australian Industry Participation and Indigenous Employment (either goods or services). These are included in Alinta’s agreement</p>

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			<p>with NAIF and these requirements were also included in the EPC Contracts with Downer</p> <p>There was no requirement to use specific Australian supplied materials, but there are minimum thresholds for Australian industry participation which are being met by our suppliers under contract</p>
33	17	Are you in contract in relation to the steel for the transmission lines?	<p><u>Response at Hearing:</u></p> <p>I'd need to take that on notice</p> <p>Further response:</p> <p>Yes</p>

Chow Tai Fook Enterprises Limited
Organizational Chart regarding Alinta Energy Pty Limited
(as of [●] May 2020)

