

3 Customer Engagement

3.1 Introduction

This chapter outlines Powerlink's customer engagement activities and how these influenced the development of our 2027-32 Revenue Proposal.

Key highlights:

- Input from customers and other stakeholders shaped every major element of our engagement approach and plan.
- The engagement scope, schedule and participation levels were co-designed with our Customer Panel, Australian Energy Regulator (AER), government, and other stakeholders, including members of the AER's Consumer Challenge Panel (CCP34).
- We ran an expression of interest to form our Revenue Proposal Reference Group (RPRG), a subset of our Customer Panel, and established an independent Chair, to engage more intensively and deeply on key aspects of the Revenue Proposal.
- The breadth of our engagement was extended following RPRG feedback, and we sought the views of Queensland households, as well as commercial and industrial load customers.
- Our Transmission Network Forums, Queensland Household Energy Survey, and commercial and industrial load customer survey brought new voices and priorities into the process, with input from more than 4,000 households and 700+ customers and stakeholders.
- Our Engagement Plan and schedule was shaped by RPRG feedback, including meeting agendas, priorities and additional sessions.
- RPRG members were provided with six updates on forecasts for capital and operating expenditure across eleven meetings during 2025.
- Input and feedback from this engagement directly influenced several aspects of our Revenue Proposal, including:
 - capable of acceptance criteria, which were developed collaboratively with the RPRG
 - operating expenditure forecast, including empowering the RPRG to select the output growth measures used in our trend calculation
 - capital expenditure forecast, with deep dives into Powerlink's project identification, estimating, lessons learnt and portfolio deliverability
 - empowering the RPRG to determine the approach Powerlink applied to smoothing the indicative price path to reduce the initial price impact and improve the predictability of increases over the remainder of the regulatory period
 - transparency of potential price impacts for other material transmission works considered outside the Revenue Proposal, and
 - approach to the Demand Management Innovation Allowance Mechanism (DMIAM) – based on RPRG advice, Powerlink has not sought this allowance.
- Our approach to engagement has resulted in high levels of influence and satisfaction from our RPRG and broader Customer Panel, with 100% of RPRG members satisfied with the quality of information, their influence, level of engagement, and overall management of the process, and engagement key performance indicators were exceeded for both the RPRG and the Customer Panel.

3.2 Our engagement approach

3.2.1 Overview

Powerlink has a long history of strong engagement with our customers and other stakeholders. Genuine and timely engagement informs our decision making as part of normal business operations. It is fundamental to the way we do business and has consistently delivered improved outcomes for our customers and other stakeholders.

Our purpose is to serve Queenslanders and provide world-class transmission services that are safe, reliable and cost-effective. We are a founding signatory of The Energy Charter ²⁸and strive to align with the Charter's principles, in particular Principle One – *we will put customers at the centre of our business*.

As our operations stretch across Queensland, we regularly engage with a diverse range of stakeholders, including our customers, landholders, environmental, cultural and community groups, government agencies and industry bodies, including the AER.

Our engagement is designed to create a shared understanding of our operating environment to inform future decisions and the trade-offs involved, e.g. cost, reliability. This engagement occurs as part of business as usual (BAU) through:

- our Customer Panel, which meets at least three times a year and provides input on our activities to inform our decision making across a broad range of areas, e.g. the business environment, growing network complexity and Regulatory Investment Test for Transmission (RIT-T) assessments
- our annual Transmission Network Forum, a flagship engagement activity, which typically involves more than 600 stakeholders across a range of groups
- our Central Queensland Transmission Network Forum for engaging directly with regional stakeholders
- the dedicated teams that engage directly with communities and landholders impacted by Powerlink projects, as well as our ongoing maintenance activities
- targeted webinars and workshops on RIT-Ts, network connections, regional developments, demand and energy forecasts, and
- regular direct briefings to government, industry and community representatives across Queensland about our operations in their areas.

3.2.2 Engagement goal

Powerlink's engagement goal remains:

To deliver a Revenue Proposal that is capable of acceptance by our customers, the AER and Powerlink.

This overarching objective provided the 'north star' for the development of Powerlink's previous Revenue Proposal for the 2022-27 regulatory period. It created greater focus, innovation, collaboration and constructive discomfort within the business, with our customers, stakeholders and the AER. Based on circumstances at that time, Powerlink's expenditure forecasts showed a small reduction in capital expenditure and no real growth in operating expenditure. As a result, the AER in its Draft Decision considered Powerlink's 2023-27 Revenue Proposal was capable of acceptance in all material respects.

By retaining this goal, we have continued to test and challenge our expenditure forecasts and key positions included in this Revenue Proposal. We are of the view our Revenue Proposal is capable of acceptance as an overall package and is in the long-term interests of customers.

²⁸ The Energy Charter - <https://www.theenergycharter.com.au/>

Further information on capable of acceptance is provided in Section 3.5.

3.3 Engagement planning

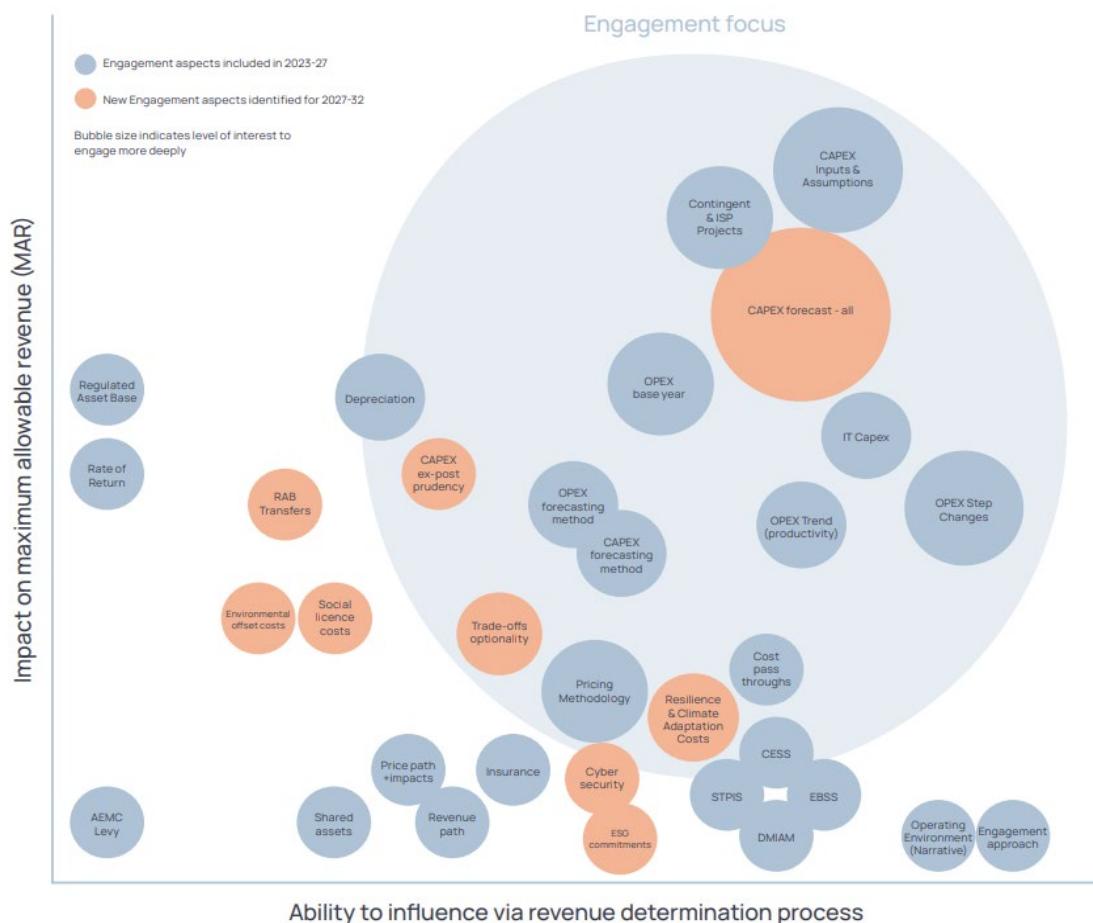
3.3.1 Engagement scope co-design process

A clear scope allows all stakeholders to better allocate time, energy and resources to the areas of the Revenue Proposal that have a material impact and can be influenced through engagement.

Powerlink held a co-design workshop on 26 November 2024 to help establish the scope of engagement for our 2027-32 Revenue Proposal. The workshop comprised representatives from Powerlink's Customer Panel, the AER, including a member of its Board, the AER's Consumer Challenge Panel, Queensland Government, as well as senior Powerlink representatives, including members of the Executive and Board.

At the session, participants proposed elements they considered would have the greatest impact on Powerlink's Maximum Allowed Revenue (MAR) and mapped these against their potential to be influenced through engagement. As engagement on the revenue determination process has progressed and actual impact on MAR has been quantified, some scope elements have been repositioned. The resulting scope of engagement for Powerlink's 2027-32 Revenue Proposal from the co-design workshop is shown in Figure 3.1.

Figure 3.1 - Engagement scope



3.3.2 IAP2 Spectrum Participation Level

We plotted the outputs of the co-design workshop against what we considered to be the appropriate level of engagement in the International Association for Public Participation (IAP2) Spectrum in Table 3.1.

Table 3.1 - IAP2 Spectrum Participation Level

IAP2 Spectrum Level of Engagement	Aspect of Revenue Proposal
Empower – to place final decision making in the hands of customers and stakeholders.	<ul style="list-style-type: none"> Operating expenditure – trend (output change) Price path impacts
Collaborate – to work together with our customers and other stakeholders to formulate alternatives and incorporate their advice into final decisions to the maximum possible extent.	<ul style="list-style-type: none"> Engagement approach (Engagement Plan) Operating environment (Business Narrative) Demand Management Innovation Allowance Mechanism (DMIAM) Capable of acceptance criteria
Involve – to work directly with customers and stakeholders to ensure their concerns and aspirations are directly reflected in the alternatives developed.	<ul style="list-style-type: none"> Capital expenditure – inputs and assumptions Capital expenditure – contingent and ISP projects²⁹ Capital expenditure – business IT Capital expenditure – trade-offs and optionality* Operating expenditure – step changes Operating expenditure – trend (price change & productivity change)
Consult – to obtain feedback on alternatives and draft proposals.	<ul style="list-style-type: none"> Capital expenditure forecasting methodology Capital expenditure – forecast, inc. reinvestment and augmentation* Capital expenditure – ex post prudence* Capital Expenditure Sharing Scheme (CESS) Cost pass throughs Cyber security* Depreciation Efficiency Benefit Sharing Scheme (EBSS) Insurance Operating expenditure forecasting methodology Operating expenditure – base year Service Target Performance Incentive Scheme (STPIS)
Inform – to provide balanced information to keep customers and stakeholders informed.	<ul style="list-style-type: none"> Environmental offset costs* Social licence costs* Australian Energy Market Commission (AEMC) Levy Regulatory Asset Base (RAB) RAB transfers* Rate of return Revenue path Shared assets Pricing methodology Environmental, Social and Governance (ESG) commitments* Resilience and climate adaptation*

* New engagement aspects identified for our 2027-32 revenue determination process.

²⁹ An augmentation project identified on the Optimal Development Path in the Australian Energy Market Operator's Integrated System Plan.

Increasing level of influence on decision

The outputs of the workshop were directly incorporated into Powerlink’s Engagement Plan, which was first produced as a draft in November 2024 for feedback by the RPRG. The plan was initially finalised in January 2025 and then updated in June and December 2025 reflecting Powerlink’s dynamic approach to engagement.

Further detailed information on aspects of our Revenue Proposal engagement is provided in our Engagement Plan, included as Appendix 3.01.

3.3.3 Powerlink’s Customer Panel and Revenue Proposal Reference Group

Powerlink’s Customer Panel is well established, having been formed in May 2015 to make a positive step-change in our engagement activities. Our Customer Panel has played, and will continue to play, a primary role in informing our business decisions, including the development of Powerlink’s Revenue Proposal.

In late 2024, Powerlink established a RPRG as a subset of our Customer Panel. The RPRG is an advisory body that meets frequently (every 4-6 weeks) throughout the revenue determination process. This allowed for detailed discussion on important matters, as well as testing positions that shaped our Revenue Proposal.

This group reports back to the broader Customer Panel and assists in ensuring that our Revenue Proposal is aligned with customer expectations. Powerlink prepared a Terms of Reference, included as Appendix 3.02, for the RPRG and sought initial interest from Customer Panel members in mid-2024. The group met formally for the first time in February 2025 and a further 10 times prior to lodgement of our Revenue Proposal.

More information on the members and role of both the Customer Panel and the RPRG is included in Appendix 3.01 Engagement Plan and Appendix 3.02 RPRG Terms of Reference.

3.3.4 Powerlink senior management engagement

Powerlink’s senior leadership team recognises the importance of genuine engagement and hearing the voices of customers and other stakeholders directly. Our Executives regularly attend Customer Panel meetings, either as presenters or observers, to listen and gain a better appreciation of what is important to customers and why. Powerlink Board members also attend Customer Panel meetings for similar reasons.

This approach extends to the RPRG meetings, where all meetings to date were attended by at least one or more of Powerlink’s Executives. The Executive General Manager Network Investment has attended all meetings while our Chief Executive attended the majority of the meetings to date.

In addition, Powerlink has brought in a range of General Managers and subject matter experts to enable direct engagement with our RPRG and Customer Panel members.

3.4 Engagement timeline

The RPRG met monthly since February 2025, and all meeting records are on Powerlink’s website³⁰. RPRG members were provided six updates on forecasts for capital and operating expenditure across eleven meetings during 2025.

A timeline of engagement activities is shown in Figure 3.2. Engagement will continue throughout 2026.

³⁰ <https://www.powerlink.com.au/customer-panel>

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Figure 3.2 - Engagement activities and timeline relating to 2027-32 Revenue Proposal

	JUNE	Customer Panel meeting - Regulatory timeframes and initial engagement proposal
2024	SEPTEMBER	Revenue Determinations 101 - Introductory training session to new members of our Customer Panel
	NOVEMBER	Revenue Determination Scoping Workshop - Co-design of engagement scope with critical stakeholders
	FEBRUARY	RPRG meeting 1 - Initial expenditure forecasts
	MARCH	RPRG meeting 2 - Capital and operating expenditure forecasting methodologies
	APRIL	Customer Panel meeting - RPRG member report back and criteria for capable of acceptance RPRG meeting 3 - Capital expenditure forecasting methodology (additional meeting in response to RPRG feedback)
	MAY	RPRG meeting 4 - Updated expenditure forecasts Queensland Household Energy Survey - Two additional questions to inform the 2027-32 Revenue Proposal
2025	JUNE	RPRG meeting 5 - Cyber security and business IT expenditure forecast and contingent projects Customer Engagement Survey - Powerlink reached out to directly connected and C&I customers ³¹
	JULY	Customer Panel meeting - RPRG member report back and updated expenditure forecasts RPRG meeting 6 - Operating expenditure base year, step changes and trend
	AUGUST	RPRG meeting 7 and Powerlink Substation and Control Room Site Tour – depreciation and review of actions Central Queensland Transmission Network Forum
	SEPTEMBER	RPRG meeting 8 – Overview of draft Revenue Proposal Customer Panel meeting – Overview of draft Revenue Proposal
	OCTOBER	RPRG meeting 9 – Operational Technology and related programs, incentive schemes
	NOVEMBER	RPRG meeting 10 – Insurance, non-network property, lessons learnt and project deliverability Annual Transmission Network Forum
	DECEMBER	RPRG meeting 11 – Updated expenditure forecasts, engagement report back

³¹ We defined commercial & industrial (C&I) customers as Energy Queensland customers in the following tariff classes – Individually Calculated Customers (ICC), Connection Asset Customers (CAC), and Standard Asset Customers (SAC) Large. This includes all customers connected at 11kV and above, and those connected at low voltage that have an annual energy consumption of 100MWh or more.

3.5 Capable of acceptance criteria

The AER's Better Resets Handbook³² provides guidance on its expectations with a view to encouraging networks to develop high quality revenue proposals through genuine engagement with customers. While this ongoing engagement delivers significant benefits to a network operator, the AER notes that high quality proposals should increase the efficiency of the regulatory process, allowing more issues to be settled at the Draft Decision stage so that proposals may be fully accepted³³.

The AER identifies three criteria to assess the engagement undertaken – *the nature of engagement, breadth and depth of engagement, and clearly evidenced impact of the engagement*. These criteria are set out in Table 3.2 and are consistent with those applied by the AER to assess the capability of acceptance of Powerlink's 2023-27 Revenue Proposal.

The RPRG proposed further engagement on what capable of acceptance could mean for customers. To enable this, we developed the criterion below.

3.5.1 Proof point criterion

Powerlink proposed a proof point criterion to the RPRG that reflects the context of the current and forecast operating environment, namely:

Reasonable operating and capital expenditure forecasts are proposed that reflect prevailing conditions, and are:

- *underpinned by appropriate and transparent forecasting methodologies*
- *supported by clear explanations as to why forecasts are different from historical expenditure*
- *have regard to the AER's top-down analysis of expenditure, and*
- *align with the AER's expectations for capex, opex and regulatory depreciation stated in the AER's Better Resets Handbook.*

Following input and feedback from the RPRG on this matter, the proof point above was agreed as being suitable for Powerlink's 2027-32 Revenue Proposal.

3.5.2 Framework for application of the criteria

We recognise that the RPRG and Customer Panel do not have the capability to assess all aspects of the capable of acceptance criteria as defined. We worked with the RPRG to develop a matrix to clarify the expectations of which party would comment on each of the criteria. This capable of acceptance criteria matrix is provided in Table 3.2.

Table 3.2- Capable of acceptance criteria

Capable of Acceptance Criteria	Customer Panel	AER	Powerlink
Nature of engagement	Yes	Yes	Yes
Breadth and depth	Yes	Yes	Yes
Clearly evidenced impact	Yes	Yes	Yes
Proof point	Optional	Yes	Yes

³² Better Resets Handbook - Towards Consumer Centric Network Proposals, Australian Energy Regulator, July 2024.

³³ Better Resets Handbook - Towards Consumer Centric Network Proposals, Australian Energy Regulator, July 2024, page 3.

3.5.3 Powerlink self-assessment against the capable of acceptance criteria

Table 3.3 details our self-assessment against the capable of acceptance criteria for the 2027-32 Revenue Proposal.

Powerlink considers that we have met all criteria and that this Revenue Proposal provides the evidence summarised in Table 3.3.

Table 3.3 - Capable of Acceptance self-assessment

Criteria	Assessment	Evidence
Nature of engagement (AER Better Resets Handbook)	<ul style="list-style-type: none">• Sincerity of engagement• Consumers as partners• Equipping customers• Accountability	<ul style="list-style-type: none">• Powerlink co-designed the engagement approach and scope with the Customer Panel and other key stakeholders, including government, the AER and the AER's Consumer Challenge Panel.• The capable of acceptance criteria were developed collaboratively with the RPRG.• Every RPRG meeting has been attended by:<ul style="list-style-type: none">○ between one and four executives, including the Chief Executive○ AER CCP34 members○ representatives of the AER.• Six out of 35 scope elements have been raised to the empower or collaborate level on the IAP2 spectrum.• We ran a 'Revenue Determination 101' session in 2024 to develop the knowledge and understanding of new members of the RPRG/Customer Panel to maximise engagement participation and insights.• The RPRG Terms of Reference sets out all governance and remuneration arrangements for participants.• Meeting presentations, additional information and meeting notes (with clear actions identified) are published on our website.• RPRG meeting agendas were informed by member preferences and Powerlink has committed to ongoing engagement.

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Criteria	Assessment	Evidence
Breadth and depth	<ul style="list-style-type: none">Accessible, clear and transparent engagementConsultation on desired outcomes and the inputsMultiple channels of engagementCustomers' influence on the proposal <p>(AER Better Resets Handbook)</p>	<ul style="list-style-type: none">Powerlink's Engagement Plan outlines engagement objectives, scope elements and the level of participation and influence for each element. This was developed collaboratively with our customers and other stakeholders and published in January 2025.Our Engagement Plan was updated in line with emerging priorities and preferences of the RPRG, and revised in June 2025 and December 2025.We engaged directly with the RPRG on our Expenditure Forecasting Methodology prior to its lodgement with the AER.We routinely provided the RPRG and Customer Panel with direct access to executives, senior managers and other relevant subject matter experts.We widened the breadth of our engagement to ensure the views of all customers (households, generators, commercial and industrial loads) were considered. Channels of engagement included:<ul style="list-style-type: none">detailed, frequent meetings with the RPRG and Customer Panelpublication of a draft Revenue Proposal, and overview, with opportunity to make a submission or provide feedbacka dedicated presentation at the Central Queensland Transmission Network Forum held in Gladstonededicated questions in Queensland Household Energy Surveysurvey of large energy demand customers (C&I).Multiple channels of engagement have been used including:<ul style="list-style-type: none">face-to-face meetingslarger engagement forumsmarket research surveyssite tourswebsitesocial media.All topics discussed were referenced against the IAP2 spectrum to indicate the level of influence.Powerlink consistently asked the RPRG and Customer Panel to test and challenge assumptions with six of 35 elements raised to empower or collaborate level on the IAP2 spectrum.Actions from all RPRG meetings were clearly documented and responded to.

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Criteria	Assessment	Evidence
Clearly evidenced impact	<ul style="list-style-type: none">Proposals linked to consumer preferencesIndependent consumer support for the proposal (AER Better Resets Handbook)	<ul style="list-style-type: none">Section 3.7 of this chapter outlines how customer feedback has influenced the Revenue Proposal.Market research identified customer priorities that have shaped this Revenue Proposal.We published a draft Revenue Proposal in September 2025 and invited feedback via an online form, email and in-person at our Transmission Network Forum.The RPRG provided a submission on the draft Revenue Proposal, engagement process and outcomes.Powerlink responded to the RPRG submission by tailoring the agenda items of the subsequent three RPRG meetings to address its questions and concerns. We also published two RPRG briefing papers to provide further information on the alternative output growth measures and the alternative CESS calculation approach.Where customers were not supportive of Powerlink's positions in the draft Revenue Proposal, those positions were reconsidered and adjusted where appropriate (refer Appendix 3.03).The RPRG provided a statement in support of the quality of engagement undertaken by Powerlink (refer Section 3.81 and Appendix 3.06).
Proof point	<p>Reasonable operating and capital expenditure forecasts are proposed that reflect prevailing conditions, and are:</p> <ul style="list-style-type: none">underpinned by appropriate and transparent forecasting methodologiessupported by clear explanations as to why forecasts are different from historical expenditurehave regard to the AER's top-down analysis of expenditure, andalign with the AER's expectations for capital and operating expenditure and regulatory depreciation stated in the AER's Better Resets Handbook. (Powerlink definition – refer Section 3.5.1)	<ul style="list-style-type: none">Powerlink prepared a Business Narrative to provide insights into the current and future operating environment.We engaged directly with the RPRG on our Expenditure Forecasting Methodology prior to lodging it with the AER.We continued to engage with the RPRG on expenditure forecasts and associated processes, including lessons learnt and deliverability assessment of the portfolio of work.We presented six forecasts over 11 months with an explanation of changes between forecasts – addressing capital and operating expenditure, revenue and price impacts.Our expenditure forecasts reflect the unprecedented cost increases in the current regulatory period – future growth is in line with historical average.We provide explanations of why forecasts are different from historical expenditure in this Revenue Proposal.Powerlink presented benchmarking outcomes to the RPRG, explaining reasons for historical performance and expected future performance.We engaged with the RPRG in August 2025, detailing no material change to our approach to depreciation from our previous Revenue Proposal.Powerlink's positions and assumptions consider AER analysis, approaches and expectations set out in the AER's Better Resets Handbook.

3.6 End-user and stakeholder engagement

Early in the engagement process, the RPRG recommended Powerlink engage a broader representation of stakeholders, including Queensland households and commercial and industrial (C&I) energy users that are connected directly to Powerlink's transmission network or to the distribution network.

3.6.1 Commercial and Industrial load customer engagement

Powerlink initiated a dedicated engagement program for this customer segment.

- Hosting an interactive engagement session on the Revenue Proposal at Powerlink's inaugural Central Queensland Transmission Network Forum in Gladstone in August 2025.
- Undertaking an Expression of Interest (EOI) process with over 600 direct-connect and C&I customers to participate in a survey to understand the strategies and other factors that will shape their electricity use, allowing Powerlink to calibrate our own strategies, plans and forecasts to respond to their evolving needs.
- One-on-one engagement with Powerlink's directly connected customers as part of BAU practices and as requested.

Key insights from this engagement included:

- **Cost and price predictability** – predictable and transparent pricing is as critical as affordability for commercial and industrial customers, who seek to avoid sudden cost changes, particularly increases.
- **Investment preferences** – there is support for targeted, timely investment to meet future needs to avoid disproportionate cost impacts on existing C&I customers. Predictability in pricing and network upgrades are fundamental to long-term planning for industrial customers.
- **Electrification and emissions reduction** – most respondents are advancing electrification and energy efficiency to meet emissions targets. Approaches differ across sectors.
- **Demand expectations** – industrial customers foresee greater reliance on the transmission network as they electrify core processes and introduce new loads. Commercial customers expect their grid demand to remain steady or increase gradually alongside on-site renewables, batteries, and small-scale electrification.
- **Load profiles and flexibility** – commercial loads connected at the distribution network tend to be smaller, more flexible, and better suited to demand management technologies.
- **Customer priorities** – commercial customers value peak and nighttime reliability, with stronger emphasis on resilience through self-supply options (e.g. batteries, backup generation). Industrial users consider the grid a critical backbone, requiring additional capacity, reliability, and a cleaner energy supply.

3.6.2 Queensland Household Energy Survey

Each year, Powerlink and Energy Queensland undertake the Queensland Household Energy Survey (QHES)³⁴, to gain insights from more than 4,000 households across the State.

Powerlink leveraged input from the RPRG to design two new questions which were added to the QHES in 2025 to help inform the Revenue Proposal. The questions aimed to gauge support for investment in the network and identify which long-term benefits of upfront investment are most important to residential customers.

The results of the survey indicate that more than 57% of surveyed households support upfront investment in the power system for long-term benefits. Less than 7% are opposed and the remainder are neutral or require further

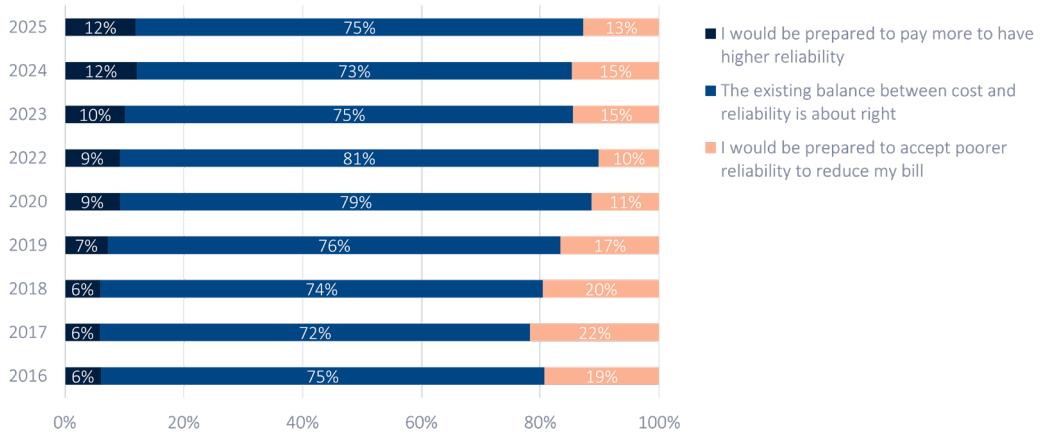
³⁴ <https://www.powerlink.com.au/community/stakeholder-engagement/customer-research>

information to form an opinion. A range of benefits are valued, with the most important benefits identified by respondents being affordability, reliability and resilience, as discussed in Chapter 2 Operating Environment.

Survey results also showed reliability has continued to grow in importance over time and household trust in energy suppliers to provide a reliable system hit an all-time high of 76% in 2025, up from 71% in 2024. Households that perceive energy suppliers are working to make energy more affordable decreased slightly from 38% in 2024 to 36% in 2025.

Figure 3.3 charts the QHES data on the balance between cost and reliability from 2016 to 2025.

Figure 3.3 - Balance of cost and reliability 2016-2025



3.6.3 Transmission Network Forums

Powerlink hosted its first ever Central Queensland Transmission Network Forum in Gladstone in August 2025 to broaden its engagement and allow regionally based stakeholders the opportunity to engage directly with key Powerlink staff, including Executives.

We hosted an interactive activity to gather the views of 69 attendees. The forum attendees comprised approximately one-third directly connected customers (17% generation and 16% load) and two-thirds government, community and industry representatives. When asked what Powerlink should focus on as we develop our long-term investment plans, this group also prioritised affordability and reliability. Sustainability, community, resilience, local economic benefit, coordination and grid capacity also featured strongly.

Figure 3.4 shows the relative frequency of different responses, with a larger box indicating more frequent occurrence of the issue.

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Figure 3.4 - Priorities for attendees at the Central Queensland Transmission Network Forum (August 2025)



Notably, government representatives, generation and load customers ranked reliability as more important than affordability by a small margin.

Powerlink's annual Brisbane-based Transmission Network Forum in November 2025 saw record attendance with more than 700 participants. An interactive table discussion focused on the provision of information for network planning and decision making. Input by attendees indicated that while stakeholders value the range of technical, operational and strategic information already provided by Powerlink, there is a desire for greater accessibility and targeted insights for different stakeholders. This outcome reinforces the importance of transparency and information sharing between Powerlink and its increasingly diverse stakeholder groups to enable effective decision making.

Forum presentations and documentation are published on our website³⁵.

3.6.4 Powerlink Stakeholder Perception Survey

Powerlink has conducted regular Stakeholder Perception Surveys since 2012. The 2025 survey identified the drivers of trust from the perspective of key stakeholder groups across our supply chain, community, government and directly connected customer groups. Three strong trust drivers were identified:

- alignment with government energy policy
- helping stakeholders understand what Powerlink can and cannot control, and
- safety of operations.

While metrics for trust, reputation and engagement improved from 2024 to 2025, uncertainty among stakeholders heightens their expectations of Powerlink's performance. Stakeholders are looking to Powerlink for continuity and clear communication on the cost, constraints and deliverability of our services.

Survey results highlighted the need for Powerlink to demonstrate the value of network investment to underpin the safety, reliability and cost-efficiency of the transmission network. A summary of the research is published on our website³⁶.

³⁵ <https://www.powerlink.com.au/engagement-forums>

³⁶ <https://www.powerlink.com.au/community/stakeholder-engagement/customer-research>

3.6.5 Key research insights for our Revenue Proposal

Insights from end-user and stakeholder engagement reinforce Powerlink's view that the balance between cost, network reliability, resilience and safety remains important to our customers and other stakeholders.

There is broad support for network investment to secure longer-term benefits, and customers are seeking greater transparency on the cost and value of transmission developments. In response, we have increased focus on deliverability of future projects and initiatives Powerlink undertakes to deliver projects on-time and on-budget (refer Chapter 4 Capital Expenditure and Appendix 4.09 Deliverability Assessment).

Recognising that customers place a high value on price predictability, Powerlink suggested an alternative way to smooth the indicative price path in our draft 2027-32 Revenue Proposal (published in September 2025). This was intended to prevent sharp increases and drive stability. We empowered the RPRG to decide which approach should be included in our Revenue Proposal. The RPRG endorsed this method, and it now underpins our revenue forecast in the 2027-32 Revenue Proposal.

Further information on Powerlink's price path is included in Chapter 10 Maximum Allowed Revenue and Price Impact. At the specific request of the RPRG, we have also provided analysis in Appendix 10.01 of potential price impacts for customers in relation to capital and operating expenditure that are subject to alternative regulatory mechanisms. We consider this transparent approach to the total potential price impacts is essential to continuing to engage openly and honestly on this Revenue Proposal.

3.7 How feedback influenced our decision making

We have committed to genuinely considering input and feedback received, consistent with the areas of focus identified in the scope of our engagement on this 2027-32 Revenue Proposal (refer Section 3.3.1). A more detailed overview of the feedback received and how it influenced decision making is included as Appendix 3.03 Engagement Approach and Outcomes.

We sought feedback on our draft Revenue Proposal through various avenues. We provided an overview and a set of questions to guide feedback and an online form on our website for collecting anonymous submissions. We requested that submissions be provided four weeks after publication. The RPRG provided a detailed public submission which provided feedback on the guiding questions and identified areas for further engagement prior to lodgement of the Revenue Proposal, included as Appendix 3.04.

3.7.1 RPRG consideration of alternative proposed approaches

The direct influence of the RPRG is reflected throughout our Revenue Proposal and its constructive feedback has shaped our approach to testing, challenging and refining our forecasts, revenue and pricing outcomes. In particular, the RPRG guided our approach in respect of the following four key issues.

Price path smoothing

In response to clear customer feedback that price predictability is highly valued, Powerlink proposed an alternative approach to smoothing the indicative price path in our draft 2027-32 Revenue Proposal, to avoid sudden increases and provide greater price stability.

We empowered the RPRG to determine the approach to be included in our Revenue Proposal. The RPRG specifically supported this approach, and this now forms the basis of our revenue forecast in this 2027-32 Revenue Proposal.

CESS net carryover calculation

We proposed an alternative approach for calculating net carryovers under the Capital Expenditure Sharing Scheme (CESS) in our draft 2027-32 Revenue Proposal. The approach comprised restating the capital expenditure allowance for the 2022-27 regulatory period to assess performance under the CESS. The restated capital expenditure allowance included revised escalation for material changes to input costs that were outside Powerlink's control. This approach reduced Powerlink's forecast penalty under the CESS by an estimated \$84 million for the 2022-27 regulatory period.

In its October 2025 submission, the RPRG commented that it did not support retrospective changes in methodology and noted that substantive changes to AER methodology should occur through a network-wide review rather than during an individual reset. As a result, we have adopted the AER's current approach to calculating CESS net carryovers in this Revenue Proposal.

Operating expenditure output growth trend

As detailed in our draft Revenue Proposal, Powerlink considers that an alternative output growth measure may be more appropriate to represent the increasing complexity experienced by Transmission Network Service Providers (TNSPs). Several alternatives were presented to the RPRG in November 2025 with a comparison to existing AER measures.

Powerlink empowered the RPRG to select the measure to be applied for Powerlink's 2027-32 operating expenditure forecast. While the RPRG acknowledged Powerlink's proposed measures had potential to better reflect the growing complexity facing TNSPs, it expressed a preference for an industry wide review of the output growth measurement methodology. The group considered this would provide for fuller exploration of different alternatives and their application across all network service providers.

Based on the RPRG decision, Powerlink has applied the AER's existing output growth measures to its operating expenditure forecast in this Revenue Proposal.

Demand Management Innovation Allowance Mechanism (DMIAM)

At its RPRG meeting in December 2025, Powerlink proposed to not seek a DMIAM allowance in its 2027-32 Revenue Proposal. After being provided further information on the demand management initiatives we had progressed in the normal course of business, the RPRG was asked to formally respond to confirm its position in respect to the DMIAM.

The RPRG wrote to Powerlink on 22 December 2025, supporting Powerlink's proposed approach. The reason provided by the RPRG was its confidence that:

- *demand management innovation is managed as part of business-as-usual work at Powerlink, and that this will continue to meet future demands for this type of investigation and research*
- *the Unlocking the Battery research is indicative of the leading approach taken by Powerlink and*
- *as in the past, Powerlink will continue to freely share information on its innovation programs.*

Based on the RPRG's feedback, Powerlink has not sought a DMIAM allowance in this Revenue Proposal.

3.7.2 Other engagement outcomes

In addition to the specific issues addressed by the RPRG, customer feedback has materially shaped other areas of our Revenue Proposal including impacts on our engagement approach, expenditure forecasts, revenue and pricing. Some of these impacts are described below, while all feedback received and how that feedback influenced our engagement and decision making is summarised in Appendix 3.03 Engagement Approach and Outcomes.

Engagement approach

- The capable of acceptance criteria and framework were developed collaboratively with the RPRG.
- In response to feedback to broaden its engagement, Powerlink included questions in the QHES and undertook dedicated engagement with directly connected and C&I customers, including an online survey.
- Established an independent Chair for customer representatives of the RPRG to coordinate its consideration and input.

Expenditure forecasts

- Six expenditure forecasts were presented in depth over the course of 11 months, illustrating how we were considering and responding to feedback provided.
- We provided a detailed explanation of our Expenditure Forecasting Methodology prior to its lodgement in June 2025, while additional engagement sessions were held to dive deeper on capital expenditure forecasting.
- Going beyond the usual level of detail, greater insight into our lessons learnt process and assessment of deliverability was provided in response to specific questions from the RPRG, with more information included with our Revenue Proposal (refer Appendix 4.09 Deliverability Assessment).

Revenue and pricing

- The RPRG advocated for customers to have transparency on the potential impacts of transmission investments that fall outside the scope of the revenue determination process. Powerlink has included an analysis in Appendix 10.01 of this Revenue Proposal.

3.8 Engagement evaluation

3.8.1 RPRG feedback

Powerlink asked the RPRG to provide feedback on its engagement throughout the development of its Revenue Proposal process, to ensure that our approach remained effective and responsive to customer concerns. We sought feedback in May and August 2025, to understand the effectiveness of the engagement undertaken to date, suitability of the supporting documents provided and additional engagement topics.

The RPRG confirmed that the engagement scope, frequency of meetings and composition of the group was effective. They also acknowledged that the information provided by Powerlink was clear, well understood and accessible to both RPRG members and their stakeholders.

At our Customer Panel meeting in September 2025, members reflected on the benefits of integrating revenue determination engagement with BAU activities for building capacity of members and ensuring knowledge retention for future determinations. The sharing of expertise by Powerlink and more experienced members of the RPRG was acknowledged for its role in enabling newer members to develop their understanding and capability.

The RPRG provided a formal Statement on Engagement in January 2026. An abridged version of the statement is included below:

Powerlink's Regulatory Proposal Reference Group consider that their involvement in development of Powerlink's 2027-32 Regulatory Proposal has been highly collaborative with Powerlink showing a genuine commitment to best practice engagement.

The depth and breadth of engagement with the RPRG have been impressive ... Powerlink has taken care to ensure that materials prepared for consideration by the RPRG and Customer Panel are clear and are presented in a way that is appropriate for a non-technical audience.

We have sought and been provided with additional information as required and have been comfortable challenging Powerlink's position on many aspects of the proposal. Interactions with the RPRG have been adaptive and flexible, often driven by specific RPRG requests. Powerlink has been sincere in its engagement and has been open to receiving feedback (both positive and negative) from RPRG and responding to that feedback in a considered and informative way.

Throughout the process of engagement on Powerlink's 2027-32 Regulatory Proposal our objective has been to scrutinise and interrogate the various elements of the Proposal to ensure that customer perspectives are recognised and are adequately reflected in the outcomes. To date, the RPRG is satisfied that the material that has been presented to us meets these objectives.

The full RPRG Statement on Engagement is included as Appendix 3.06.

3.8.2 Engagement evaluation KPIs

Our Engagement Plan includes a set of Key Performance Indicators (KPIs), with a combination of qualitative and quantitative data to assess our performance.

All Customer Panel members were asked to assess our Revenue Proposal engagement as part of an annual evaluation survey, which included targeted questions for RPRG and non-RPRG members. The KPIs and evaluation outcomes for RPRG members are provided in Table 3.4.

A summary of the survey outcomes is provided in Appendix 3.05 Customer Panel Annual Evaluation Results.

Table 3.4 – RPRG engagement evaluation KPIs

KPI	Target	Measurement	Result ³⁷
Effectiveness and quality of information provided to stakeholders	Overall satisfaction rating of 70% for quality of information provided	The information provided to the RPRG is clear, concise, and of high quality.	100%
		I have been supported throughout the process to develop knowledge relevant to my role on the RPRG.	96%
Stakeholders were engaged at appropriate level on the IAP2 spectrum	Majority of stakeholders had appropriate level of influence on Powerlink decision making	I am satisfied that the process has allowed an appropriate influence on Powerlink decision making.	100%
		RPRG members have been engaged at an appropriate level.	100%

³⁷ Appendix 3.05 – Customer Panel Annual Evaluation Results

Chapter 3 Customer Engagement

Powerlink 2027-32 Revenue Proposal

January 2026

KPI	Target	Measurement	Result ³⁷
Satisfaction level of stakeholders with engagement activities	Overall satisfaction rating of 70% for engagement activities	I am satisfied with the length and frequency of meetings and the relevance of topics discussed.	95%
		I am satisfied with the overall management, coordination and outcomes of engagement activities.	100%
Impact of engagement on Powerlink decision making and quality of feedback provided	Ability to demonstrate what changed as a result of engagement	The RPRG were “satisfied that Powerlink had identified the impact of engagement” on the draft Revenue Proposal ³⁸ .	See Section 3.8.1
Timely delivery of engagement program	Engagement program delivered on-schedule	The RPRG met monthly between February and December 2025, consistent with the Engagement Plan ³⁹ and Terms of Reference ⁴⁰ .	See Section 3.4

Table 3.5 summarises the evaluation outcomes of Customer Panel members who did not sit on the RPRG.

Table 3.5 – Customer Panel (non-RPRG) engagement evaluation KPIs

KPI	Target	Measurement	Result ⁴¹
Effectiveness and quality of information provided to stakeholders	Overall satisfaction rating of 70% for quality of information provided	The information shared about the Revenue Proposal and consultation process was clear and easy to engage with.	90%
		The draft Revenue Proposal and supporting materials enabled me to provide informed input or make a submission.	80%
Stakeholders were engaged at appropriate level on the IAP2 spectrum	Majority of stakeholders had appropriate level of influence on Powerlink decision making	I feel confident that the process has been transparent and inclusive of customer perspectives.	73%
		I have a clear understanding of the Revenue Proposal development process and my role within it.	80%

³⁸ Appendix 3.04 – RPRG submission on our draft Revenue Proposal

³⁹ Appendix 3.01 – Revenue Proposal Engagement Plan

⁴⁰ Appendix 3.02 – RPRG Terms of Reference

⁴¹ Appendix 3.05 – Customer Panel Annual Evaluation Results

3.8.2.1 Improvement opportunities

Based on feedback received, we identified the following areas for improvement in the next phase of the revenue determination process:

- continue to build Customer Panel confidence in the revenue determination engagement process, transparency and accountabilities
- extend timeframes for RPRG and Customer Panel to process and respond to key documents
- facilitate additional in-person engagement with existing customer cohorts to obtain broader feedback on key documents and decisions, and
- ease the burden for customers by amalgamating Revenue Proposal surveys with existing data collection conducted.