

Overview

Revenue Proposal 2027-32

February 2026



Information

Dear reader

We publish information in connection with our customer panel and its sub-committees on our website, for information purposes only.

While we make every effort to make sure the information regarding our customer panel and its sub-committees is informative, this information may reflect works in progress and may be updated or amended from time to time.

You should not rely on the information as a substitute for obtaining your own detailed independent advice.

The information does not constitute legal, regulatory or business advice, and we do not guarantee its accuracy, suitability, fitness for purpose, reliability or completeness.

Information regarding our customer panel may include the views or recommendations of third parties and does not necessarily reflect the views of Powerlink Queensland or indicate a commitment by us to a particular course of action.

Thank you

Powerlink acknowledges the Traditional Owners and their custodianship of the lands and waters of Queensland and in particular the lands on which we operate.

We pay our respect to their Ancestors, Elders and knowledge holders and recognise their deep history and ongoing connection to Country.



Meeting Purpose

1. Present high-level positions in Revenue Proposal
2. Discuss key changes between draft and lodged proposal
3. Seek feedback on key aspects
4. Hear and discuss members' initial thoughts on the proposal, including potential areas of future engagement

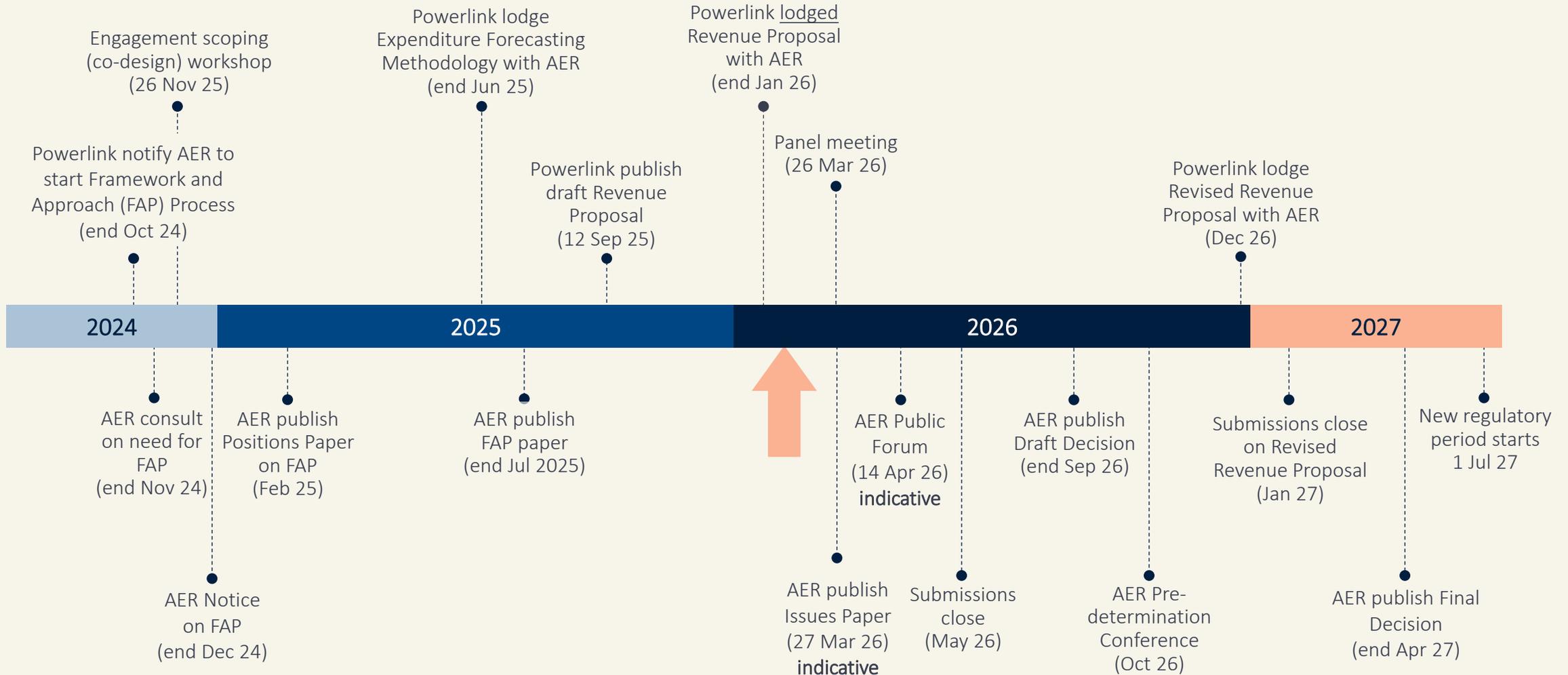
Reminder: this meeting will be recorded and transcribed to assist with record keeping.

Agenda

Item	Duration
Overview	15 minutes 
Capital expenditure and discussion	45 minutes 
BREAK	
Operating expenditure and discussion	45 minutes 
Revenue and prices and discussion	30 minutes 
Engagement and next steps	30 minutes 



2027-32 Revenue Determination Milestones



Snapshot of activity

11

RPRG meetings completed

2

Transmission Network
Forums

2

Surveys encompassing more
than 4000 households and
700+ customers and
stakeholders

46

Actions taken and
completed (one
outstanding)

191

Documents lodged

8,651

Pages of information lodged

47

Project packs and
investment cases

1

Reset baby delivered ahead
of schedule!

Overview

TRANSMISSION COMPONENT
OF ELECTRICITY BILLS WILL
INCREASE ANNUALLY

5%

For average residential and small business customers, this is an indicative first-year increase of \$7 and \$14, respectively.

FORECAST
CAPITAL EXPENDITURE

\$2,499.5 million

This is a 66% increase from the actual/forecast capital expenditure in the current regulatory period.

FORECAST
OPERATING EXPENDITURE

\$1,810.2 million*

This is a 19% increase from the actual/forecast operating expenditure in the current regulatory period.

** excl. debt raising costs*

MAXIMUM
ALLOWED REVENUE

\$5,265.3 million*

This is a 25% increase from the current regulatory period.

** unsmoothed*

Note: all figures are represented in \$real, 2026/27 except for the price path which is presented in nominal terms.

Key risk and benefits

Our proposal safely delivers reliable and economically important transmission services aligned with customer priorities and long-term needs.

RISKS



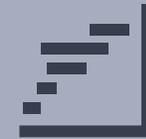
Cost uncertainty



Meeting new responsibilities



Social licence

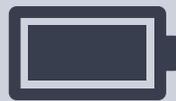


Deliverability

BENEFITS



Alignment with customer priorities



Reliable and secure energy supply



Safety



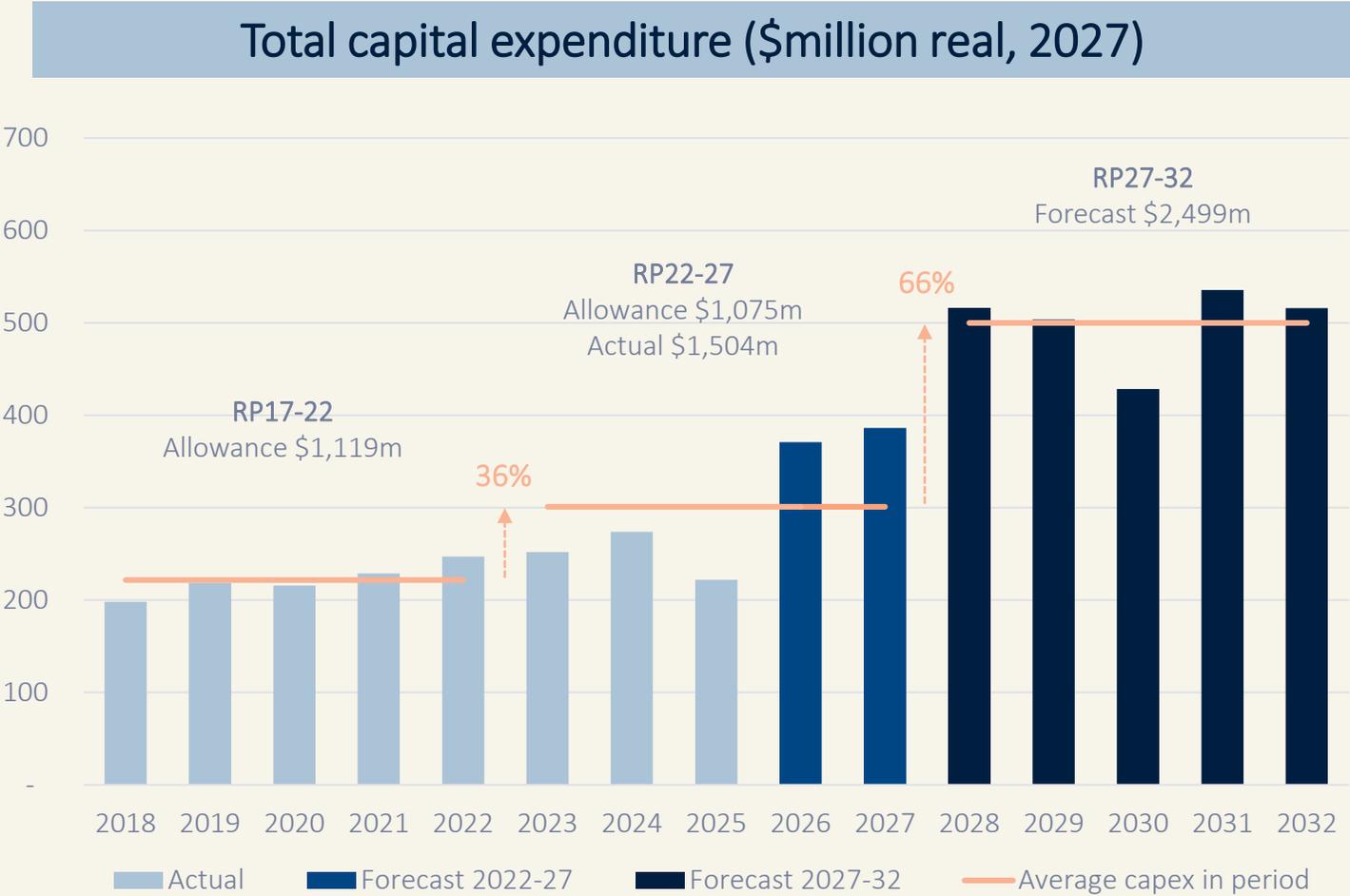
Price predictability



Supports economic growth

Forecast capital expenditure

Our forecast capital expenditure is **66% higher** than forecast expenditure in the current regulatory period, primarily due to non-load driven asset reinvestment.



KEY DRIVERS

- Load driven capital expenditure** with return to moderate growth in peak demand due to electrification
- Asset reinvestment** with risk-based replacement of substation secondary systems the most significant driver
- Investment in easements** to support new load and upgraded transmission infrastructure identified in the Energy Roadmap 2025
- Investment in operational** tools to enhance real-time decision-making capabilities to manage growing complexity
- Non-network infrastructure** includes facilities to accommodate centralised and regional workforce.

Capex: summary of key changes*

* Excludes Priority Transmission Investments and Contingent Projects

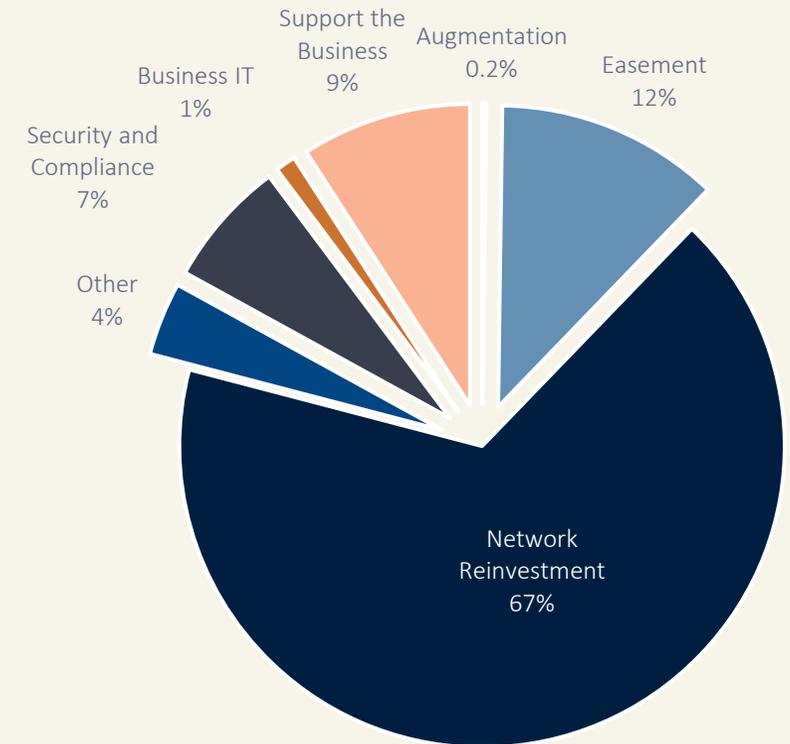
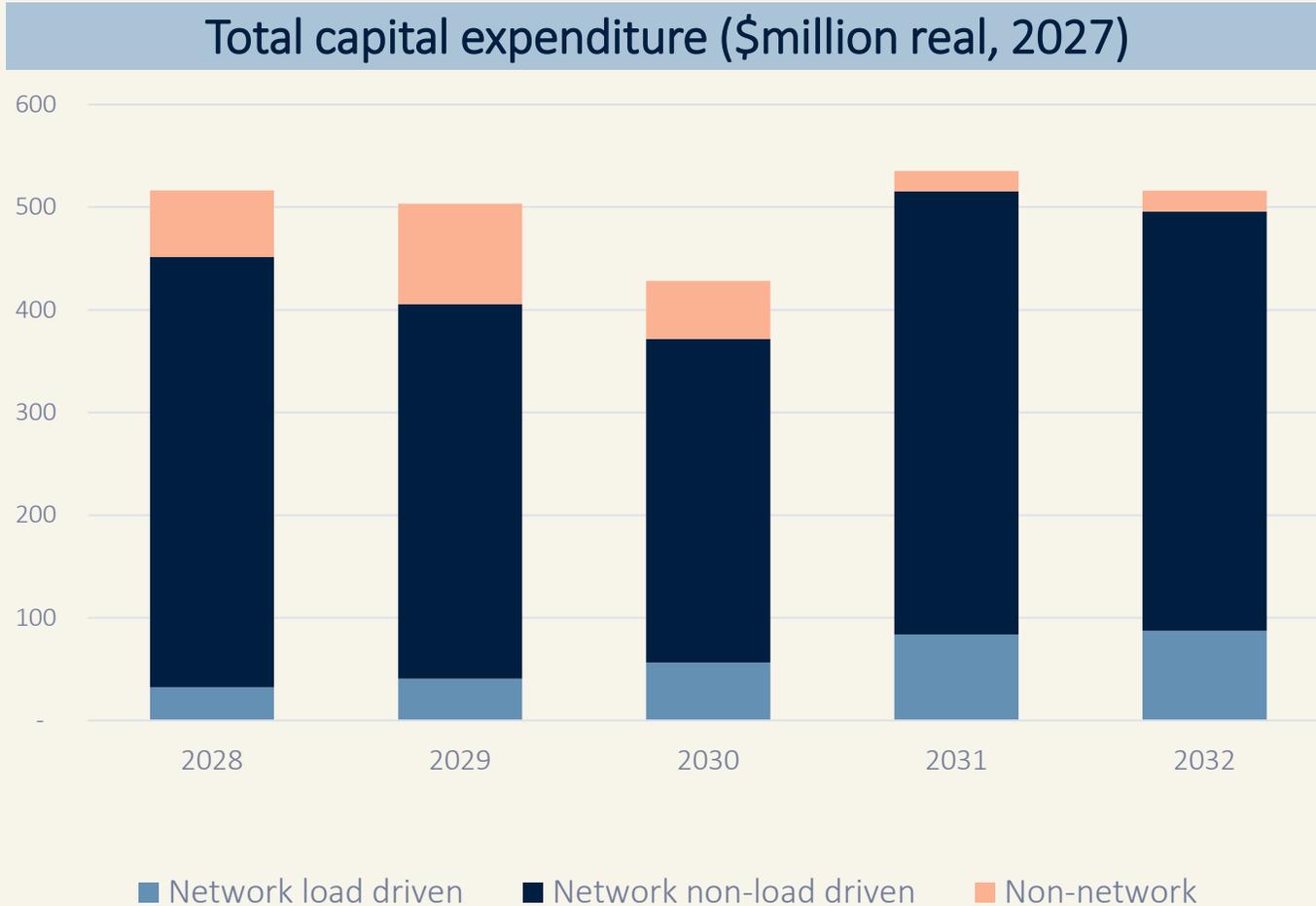
Draft Revenue Proposal	December 2025 meeting	Revenue Proposal	Notes
Forecast \$2,796.7m	Forecast \$2,586m	Forecast \$2,499.5m (+66%)	\$real, 2026/27 Excludes PTI + CPA

Key changes between draft and proposal

- Removed synchronous condenser expenditure (will be subject of Contingent Project Application)
- Increased investment in easements to support new loads and future development
- Reinvestment capex spend profile adjusted and physical security program reclassified under security/compliance
- Inclusion of asset transfer resulting in modification to Virginia complex uplift

Forecast capital expenditure

Replacement of existing assets and investment in easements make up **almost 80%** of our forecast capital expenditure for 2027-32.



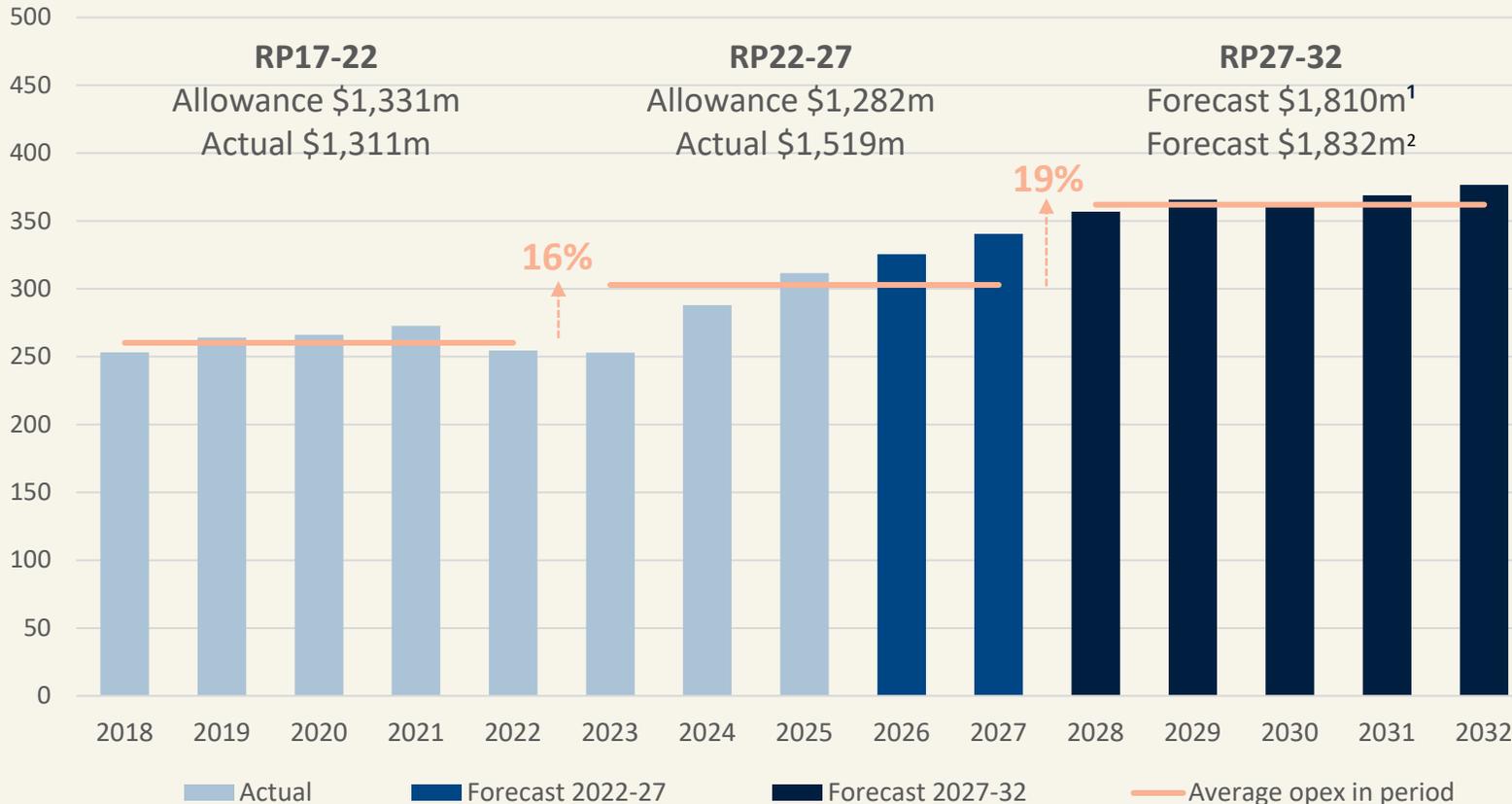
Break

 Hot water for drinks is available in the kitchen. Milk is in the fridge.

Forecast operating expenditure

Our forecast operating expenditure is **19% higher** than forecast expenditure in the current regulatory period.

Total operating expenditure (\$million real, 2027)



KEY DRIVERS

- Forecast operating expenditure for the 2027-32 regulatory period is \$1,810.2 million¹
- We selected 2025/26 as our base year, as it reasonably reflects our ongoing efficient costs and provides the most recent actual costs for the AER's Final Decision in 2027²
- Three step changes totalling \$85 million proposed for physical security, cloud-based computing, and enhanced overnight network monitoring.

¹ Excludes debt raising costs.

² Includes debt raising costs

Opex: summary of key changes

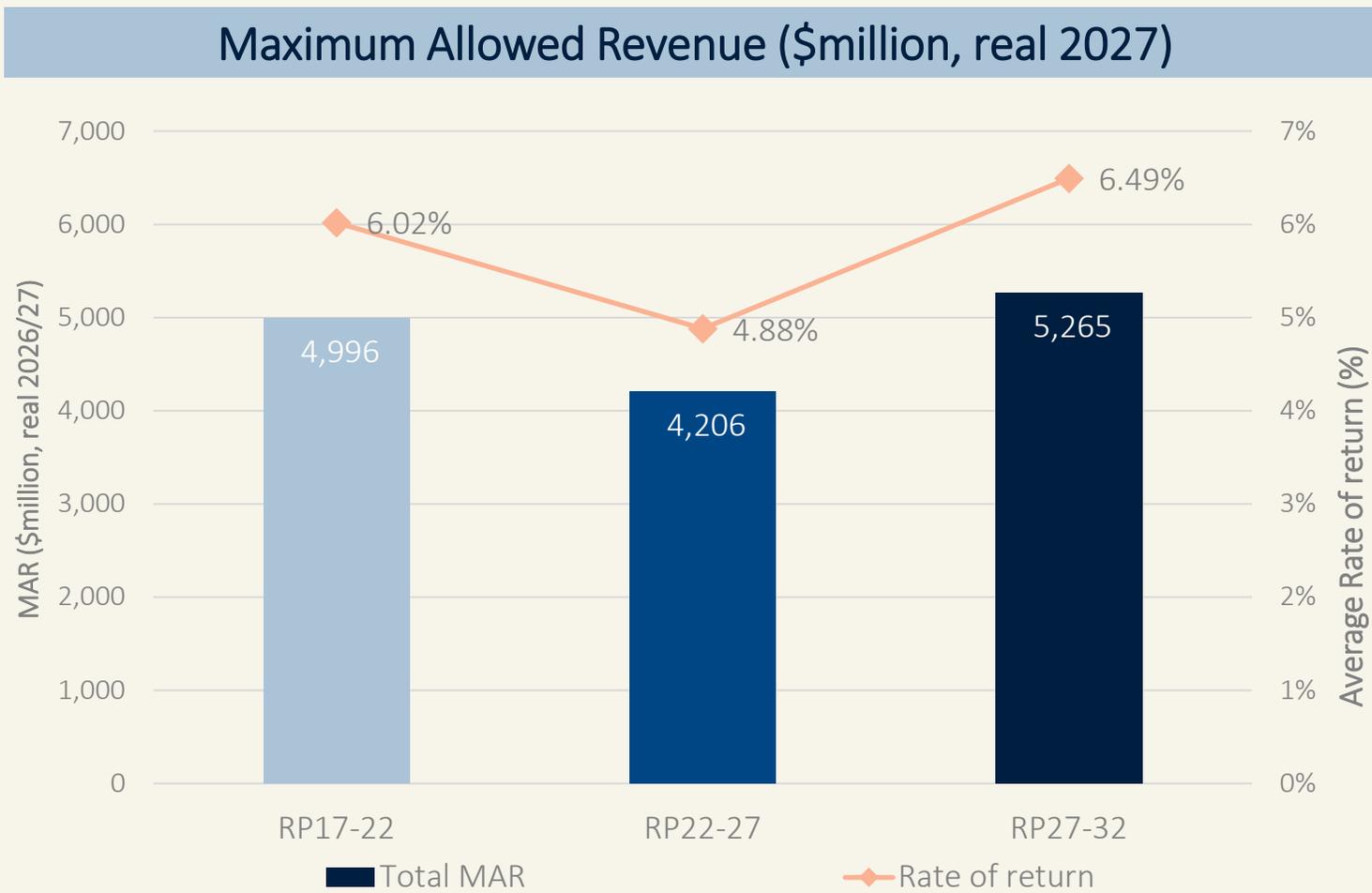
Draft Revenue Proposal	December 2025 meeting	Revenue Proposal	Notes
Forecast \$1,805.5m	Forecast \$1,829m	Forecast \$1,810.2m (+19%)	\$real, 2026/27 Excludes PTI + CPA

Key changes between draft and proposal

- Reflect the RBA November 2025 inflation data
- Removed synchronous condenser step change (contingent project)
- Updated output growth circuit km measure
- Reflected the rate of change weightings and productivity from the AER 2025 Benchmarking report
- Changed the forecasting approach for insurance costs (now trend based)
- Updated AEMO fees forecast

Revenue and prices

Maximum Allowed Revenue is forecast at \$5,265.3 million, \$1,059.0 million or 25% higher than the AER's allowance for the current regulatory period.

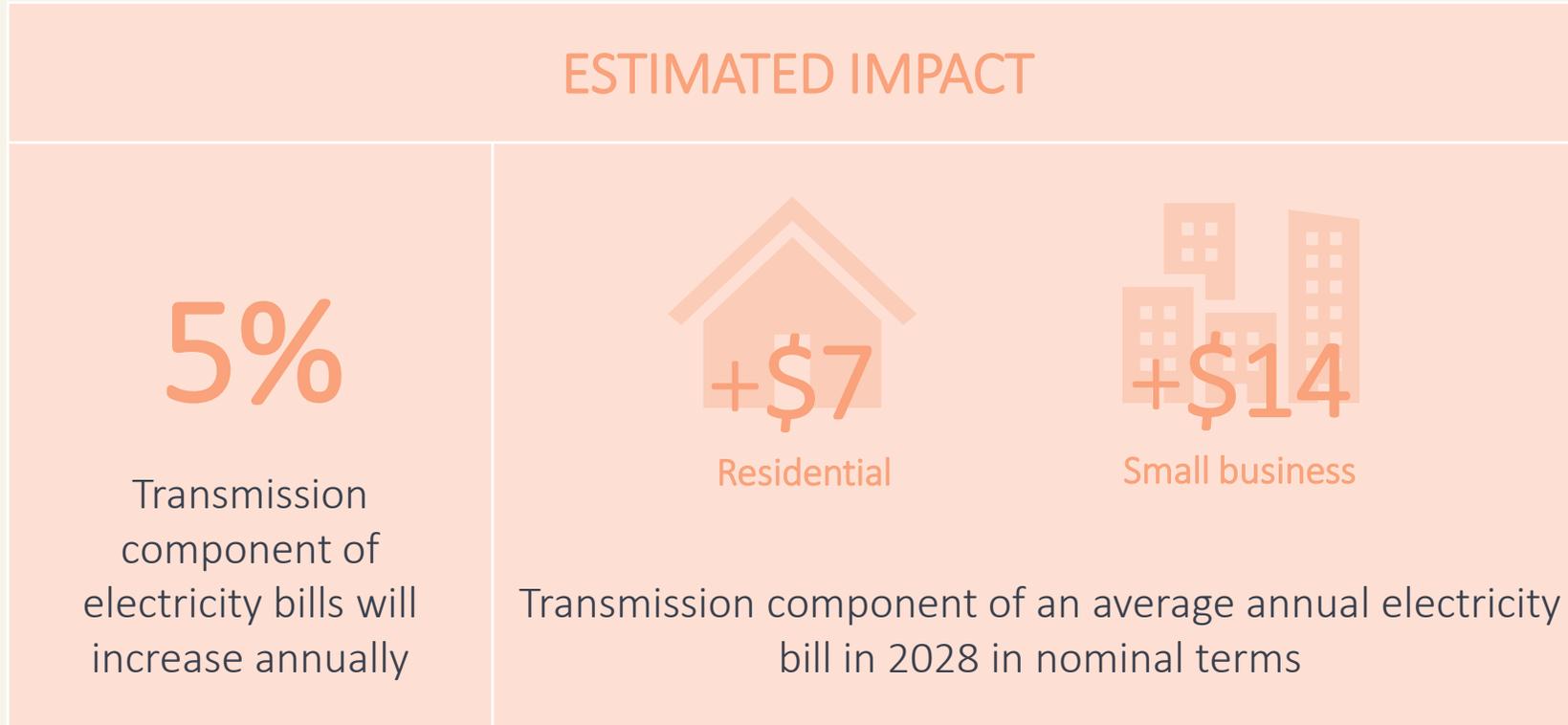


KEY DRIVERS

- Significantly higher interest rate environment flowing through the AER's Rate of Return Instrument, increasing the rate of return we must apply
- Growth in the Regulatory Asset Base (RAB) due to increased capital expenditure
- Higher operating expenditure reflecting changes in the operating environment.

Revenue and prices

From the first year of the next regulatory period, the indicative annual impact on the transmission component of electricity prices would be 5% for households and small business customers.*



* Calculated by dividing the forecast smoothed Maximum Allowed Revenue (MAR) by forecast energy delivered in Queensland in each year of the 2027-32 regulatory period.

Revenue and prices: summary of key changes

Draft Revenue Proposal	December 2025 meeting	Revenue Proposal	Notes
Forecast \$5,308.1m (+27%)	Forecast \$5,302.8m (+26%)	Forecast \$5,265.3m (+25%)	\$real, 2026/27 Unsmoothed
<p>Default smoothing: +\$11, +\$22 (+8%) in first year +3% p.a. for subsequent years</p> <p>Custom smoothing: +\$8, \$15 in first year +5% p.a.</p>	<p>Custom smoothing: +\$8, \$15 in first year +5% p.a.</p>	<p>Custom smoothing: +7, +14 in first year +5% p.a.</p>	<p>Nominal average annual impact on transmission component of prices.</p>

Key changes in financial assumptions between draft and proposal

- Average WACC increased by 10bp to 6.49% due to an increase in interest rates.
- Expected inflation increased by 5bp to 2.6% based on the RBA's November 2025 Statement on Monetary Policy.
- Overall reduction to capital and operating expenditure forecasts.

Engagement goal

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

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

Next steps



Review of Revenue Proposal and changes
Outstanding questions and clarifications



RPRG provide draft submission
Customer Panel session + 1 hr RPRG
AER publishes Issues Paper (indicative)



AER Public Forum
RPRG submission preparation



RPRG meeting No.13 on 7 May 1-5pm
Submissions close on Issues Paper



AER Draft Decision expected



AER Pre-determination Conference

...and Jess is back! 🦩



Powerlink lodge Revised RP with AER