



# **POWERLINK QUEENSLAND STATEMENT OF CORPORATE INTENT FY26**

Prepared by the directors and management of Powerlink for shareholding Ministers

**OCTOBER 2025**

## **Commercial in Confidence**

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**QUEENSLAND ELECTRICITY TRANSMISSION CORPORATION LIMITED**  
**ABN 082 078 849 233**

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## Performance agreement

This Statement of Corporate Intent (SCI) and all attachments are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993* (GOC Act).

In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, the SCI represents a formal performance agreement between the Board of Powerlink Queensland (Powerlink) and its shareholding Ministers with respect to the financial and non-financial performance, major activities, objectives, policies, investments and borrowings of Powerlink for FY26.

This SCI is consistent with Powerlink's FY26 to FY30 Corporate Plan, submitted to shareholding Ministers in accordance with Chapter 3, Part 7 of the GOC Act.

The Board of Powerlink undertakes to achieve the targets proposed in the SCI for FY26.

Major changes to key assumptions that underpin the performance outcomes detailed in this SCI – and which come to the Board's attention during the year – will be brought to the attention of shareholding Ministers. Any modifications to this SCI will be dealt with in accordance with the GOC Act.

This SCI is signed by the Chair on behalf of all the Directors in accordance with a unanimous decision of the Board.



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Craig Doyle  
Chair, Powerlink Queensland

24/10/2025

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Date

## Performance targets

In compliance with GOC Act s105, this section details Powerlink's financial and non-financial performance targets for FY26.

### Financial targets

|                                                 | Full year \$M            | Q1 \$M | Q2 \$M | Q3 \$M | Q4 \$M |
|-------------------------------------------------|--------------------------|--------|--------|--------|--------|
| Earnings Before Interest and Tax                | 301.8                    | 58.3   | 73.8   | 92.0   | 77.7   |
| Net Profit After Tax                            | 16.5                     | (6.7)  | 3.9    | 15.9   | 3.4    |
| Capital Expenditure                             | 1,681.8                  | 370.0  | 403.6  | 437.3  | 470.9  |
| Return on Assets                                | 3.0%                     | NA     | NA     | NA     | NA     |
| Ordinary Dividends Provided                     | 16.5                     | -      | -      | -      | 16.5   |
| Special Dividends Provided                      | -                        | -      | -      | -      | -      |
| Performance Against Regulated Allowance - Capex | Not greater than +\$193M | -      | -      | -      | -      |
| Performance Against Regulated Allowance - Opex  | Not greater than +\$72M  | -      | -      | -      | -      |

*Small differences are due to rounding*

*No special dividends forecast to be declared during growth.*

*Additional information on measures in Attachment 5.*

### Financial performance metrics

|                                                        | Budget FY25 <sup>(9)</sup> | Budget FY26 |
|--------------------------------------------------------|----------------------------|-------------|
| <b>Primary</b>                                         |                            |             |
| Distribution Yield <sup>(1)</sup>                      | 1.8%                       | 0.5%        |
| Controllable Opex on Total Fixed Assets <sup>(2)</sup> | 3.1%                       | 3.4%        |
| <b>Secondary</b>                                       |                            |             |
| Distribution Cash Coverage <sup>(3)</sup>              | -0.2x                      | 0.1x        |
| Interest Cover (EBITDA) <sup>(4)</sup>                 | 3.1x                       | 2.8x        |
| Net Debt / Fixed Assets <sup>(5)</sup>                 | 52.5%                      | 54.1%       |
| Return on Assets ex Work In Progress <sup>(6)</sup>    | 3.4%                       | 3.0%        |
| Funds from Operation on Net Debt <sup>(7)</sup>        | 6.9%                       | 6.6%        |
| Regulated TOTEX / AER Allowance <sup>(8)</sup>         | N/A                        | +62.3%      |

<sup>(1)</sup> Formula: Shareholder Distribution / PPE (ex WIP) + Specific Inclusions - Net Debt

<sup>(2)</sup> Formula: All operating costs excl. customer works and depreciation / Fixed Assets

<sup>(3)</sup> Formula: (Net Operating Cash Flows - Net Investing Cash Flows (ex externally funded, QTC cash advances) / Shareholder Distribution

<sup>(4)</sup> Formula: EBITDA / Interest Charges

<sup>(5)</sup> Formula: (Total Debt - Cash) / Total Fixed Assets

<sup>(6)</sup> Formula: Earnings Before Interest and Tax / (PPE (ex WIP) + Specific Inclusions)

<sup>(7)</sup> Formula: Net Operating Cash Flows / Net Debt

<sup>(8)</sup> Formula: Regulated TOTEX / AER allowance allocated by GOC to budget year

<sup>(9)</sup> Restated based on updated formula's

## Economic metrics

|                                               | Budget<br>FY25 | Budget<br>FY26 |
|-----------------------------------------------|----------------|----------------|
| CPI (June Year)                               | 3.1%           | 3.2%           |
| Interest Rate – Core                          | 4.36%          | 4.21%          |
| Regulated Rate of Return                      | 5.27%          | 5.32%          |
| Ordinary Dividend Payout Ratio <sup>(1)</sup> | 100%           | 100%           |
| Shareholder Equity Injections <sup>(2)</sup>  | \$557.0M       | \$245.0M       |
| Shareholder Equity Withdrawals                | Nil            | Nil            |

(1) Dividend represents 100% of net profit after tax, per dividend policy.

(2) Balance of CopperString equity commitment.

## Non-financial targets

These non-financial targets aim to ensure that Powerlink is maintaining a safe and reliable network. They are a cross-section of the many activities undertaken by Powerlink to achieve this goal. Powerlink reports its performance against these targets to shareholding Ministers each quarter.

|                                                                                 | Full year |
|---------------------------------------------------------------------------------|-----------|
| <b>Environment</b>                                                              |           |
| Number of major, extreme, or catastrophic incidents <sup>(1)</sup>              | 0         |
| <b>Network performance – system reliability <sup>(2)</sup></b>                  |           |
| Event in excess of 0.05 system minutes                                          | ≤ 3       |
| Event in excess of 0.40 system minutes                                          | ≤ 1       |
| <b>Queensland Capacity Network Pty Ltd (QCN)</b>                                |           |
| Increase in total contracted capacity                                           | ≥ 12%     |
| <b>Health and Safety</b>                                                        |           |
| Health and Safety Assurance and Learning – delivery against plan <sup>(3)</sup> | ≥ 85%     |
| <b>Asset Management and Process Safety</b>                                      |           |
| Asset Management System Assurance <sup>(4)</sup>                                | ≥ 90%     |
| Ratio of overdue routine maintenance <sup>(5)</sup>                             | ≤ 5%      |
| Electrical Asset Injury Ratio <sup>(6)</sup>                                    | ≤ 10%     |

(1) Material and serious harm resulting in EPA intervention.

(2) A 'system minute' is a measure of energy not supplied during transmission disturbances. One system minute is the amount of energy that would be transported within Queensland during one minute at the system maximum demand.

(3) Monitors progress against a defined set of health and safety assurance and learning activities for the FY.

(4) This metric tracks the completion rate of assurance activities against the total planned, reflecting alignment to the Asset Management System's annual plan.

(5) This metric measures the quantity of overdue Routine Maintenance that is nominated in Powerlink's Maintenance Management System relative to all Routine Maintenance deliverable within the current 12 months to the end of period.

(6) This metric assesses the proportion of electrical asset-related incidents that result in injuries, highlighting the safety risks associated with asset failures.

Additional information on measures in Attachment 5.

## Executive summary

- Powerlink is Queensland's Transmission Network Service Provider (TNSP).
- We are responsible for connecting generators and major loads to the National Electricity Market (NEM) and for operating the QLD–NSW Interconnector (QNI).
- Our **purpose** is 'Connecting Queenslanders to a world-class energy future'.
- We are cognisant of **cost-of-living pressures** and the importance of driving value for customers. We continue to focus on providing a **safe, reliable and cost-effective network**.
- We will **guide the electricity market** through exemplary planning and delivery of Queensland's power system, to ensure the right technology is built in the right place, at the right time.
- Queensland's **economy is growing** and so is its **demand for energy**.
  - There is a strong demand for generator and customer load connections to the network. Powerlink is currently progressing over 85 connection applications, representing over 36GW of generation, storage and load.
- **Technology is also changing**.
  - Queensland has the highest rooftop solar market share in the world.
  - Queensland has a large number of new, utility-scale renewable generators and batteries connected throughout the State, which is changing the way the network operates and develops. It also makes the network much more complex to operate and maintain.
  - These changes in generation are part of an ongoing global trend.
- The Queensland network's operational envelope (the gap between minimum and maximum demand) is widening, creating an **increasingly complex operating environment**.
- To meet these challenges, we are implementing a range of **key strategies**:
  - Delivering best-practice community and industry engagement to maintain trust and social licence to operate as the network expands
  - Best-practice modelling and methodical system design to identify lowest-cost, least-regret solutions
  - Collaboration with regulators to optimise environmental and developmental approval processes
  - Delivering major backbone transmission augmentation, including the Gladstone Project and the Borumba pumped hydro energy storage connection
  - Delivering the Advanced Energy Management System (AEMS) to operate a modern, dynamic transmission network.
- Powerlink's **Gladstone Project**, and corresponding **new generation**, is particularly important to develop.
  - Forecasting indicates that, by 2031, the Gladstone zone will require access to an additional 1,500MW of baseload generation (or 5,000MW of renewable generation) to meet forecast load.
  - The 1,680MW Gladstone Power Station has issued formal notification to close by 2035 but in our view is at high risk of closing earlier due to technical, physical and economic (i.e. market) limitations.

- The Gladstone Project will enable the connection of significant new renewable and dispatchable supply, which in turn should provide downward pressure on wholesale electricity prices by alleviating the tightening demand-supply balance.
- The changing generation market offers **commercial opportunities** with a competitive non-regulated market for connection services.
- Consistent with Shareholding Minister **expectations**, Powerlink will focus on the following key areas in the coming year:
  - Operational Asset Reliability and Safety: Ensuring the reliability and safety of operational assets, with a focus on personal and process safety.
  - Prudent and Efficient Spending: Making investment decisions that put downward pressure on electricity prices through prudent and efficient spending.
  - Provision of Connection Services: Delivering connection services in a timely, efficient, and profitable manner.
  - Strategic Project Prioritisation: Prioritising and delivering projects that represent value for money.
  - Delivering CopperString: Successfully delivering the CopperString project.
  - Revenue Determination Process: Engaging in best practices for the 2027-32 Revenue Determination process.
  - Collaboration with Queensland Treasury: Working closely with Queensland Treasury and ensuring the government is informed of key matters across Queensland's power system, as well as Powerlink's operations, investments, and performance.
- This Statement of Corporate Intent reflects Powerlink's considered approach to delivering a **balanced and responsible performance** outcome across the full spectrum of Shareholding Minister expectations, including where those expectations may at times be in tension.

## Company overview

This section summarises Powerlink's roles and structure.

### Roles

Powerlink has several key roles:

- 1) **Transmission Network Service Provider:** Design, build, operate and maintain Queensland's high-voltage transmission network.
- 2) **Nominated jurisdictional roles:** Develop Queensland's long-term energy plans (as Jurisdictional Planning Body), manage Queensland's power system security (as Jurisdictional System Security Coordinator), and ensure compliance and coordination with the market operator (as Jurisdictional Responsible Officer).
- 3) **Renewable Energy Zone Delivery Body:** Assist in the planning, declaration and operation of coordinated transmission augmentations (for multiple connecting generators) in Queensland.

### Structure

The following matrix describes our purpose, values, objectives, priorities and business structure:

| Purpose                                                                                                |                                                                                                                                                        |                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Connecting Queenslanders to a world-class energy future.                                               |                                                                                                                                                        |                                                                                                                                                                                                     |
| Values                                                                                                 |                                                                                                                                                        |                                                                                                                                                                                                     |
| Accountability.<br>Customer.<br>Teamwork.<br>Safety.                                                   |                                                                                                                                                        |                                                                                                                                                                                                     |
| Strategic objectives                                                                                   | Strategic priorities                                                                                                                                   |                                                                                                                                                                                                     |
| Drive value for customers.<br>Unleash our potential.<br>Guide the market.<br>Be the future-ready grid. | Reinforcing Central Queensland.<br>Delivering the Advanced Energy Management System.<br>Managing cost escalations.<br>Delivering major infrastructure. |                                                                                                                                                                                                     |
| Business lines                                                                                         |                                                                                                                                                        |                                                                                                                                                                                                     |
| Regulated                                                                                              | Non-regulated                                                                                                                                          | Transformation                                                                                                                                                                                      |
| Backbone grid infrastructure.<br>Non-contestable connections and other services.                       | Contestable connections and other services including oil testing and advisory services.                                                                | Market modelling.<br>Economic analysis.<br>Whole-of-system planning including support to government.<br>Delivery of new infrastructure.<br>Delivery of Renewable Energy Zones as REZ Delivery Body. |

## Market environment, risks and priorities

This section summarises the environment in which Powerlink will operate during FY26, and associated risks, opportunities and priorities.

### Market environment in FY26

| Area                                   | Factors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Network and Operations                 | <p>Continuous additions of rooftop solar, intermittent generation and battery energy storage systems are increasing the complexity of operating and maintaining the transmission network.</p> <p>New minimum and maximum demand records are regularly set and expand the required operational range of the network.</p> <p>The market environment expands the operational requirements of the network, with aging coal plant capacity eventually exiting the system, driving the need for targeted anticipatory generation and network augmentations.</p> |
| Changing Role of Transmission Networks | <p>The rate of change in the National Electricity Market is outpacing regulatory reform as the energy system evolves.</p> <p>Increased energy sector activity and debate in communities and the media impacts public sentiment towards Powerlink and the energy transition.</p>                                                                                                                                                                                                                                                                           |
| Capital project delivery               | <p>Powerlink's growing pipeline of non-regulated work and strategic network expansion adds to large regulated and operational works portfolios.</p> <p>Economic and geopolitical factors have increased the cost of transmission projects, and created constraints in supply chains, availability of skills, workforce and funding.</p>                                                                                                                                                                                                                   |

### Key risks in FY26 and priorities in response

| Risk                                                                                                                                                                   | Priorities in response                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increased system vulnerability associated with the complex and evolving coordination across generation, load, transmission, distribution, storage and system strength. | <ul style="list-style-type: none"> <li>Progress development of the Gladstone Project.</li> <li>Modelling and analysis to inform the energy system roadmap in Queensland including long-duration storage and gas turbines.</li> <li>Continue development of the first declared REZ.</li> <li>Continue development of the Advanced Energy Management System (AEMS) project.</li> <li>Develop and implement the Future Grid Operations Strategy.</li> </ul> |
| Vulnerabilities introduced by the use of digital technologies risking loss of integrity or breach of                                                                   | <ul style="list-style-type: none"> <li>[REDACTED]</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                             |

| Risk                                                                                                                        | Priorities in response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| key business systems or processes.                                                                                          | <ul style="list-style-type: none"> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Changes (or lack of change) in energy <b>policy or regulatory</b> arrangements affecting profitability and operations.      | <ul style="list-style-type: none"> <li>▪ Maintain a high level of market engagement and influence by making submissions to national and state-based consultation processes and participating in rule changes that affect priority areas:               <ul style="list-style-type: none"> <li>○ Regulatory levers to strengthen our network</li> <li>○ Appropriate regulatory frameworks</li> <li>○ Agility in the Revenue Determination process</li> </ul> </li> <li>▪ Engage with the Federal Government via Energy Networks Australia.</li> <li>▪ Provide clear and timely energy system advice in the service of Queenslanders.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Inability to meet increasing <b>customer, community and legal expectations</b> for delivery of transmission infrastructure. | <ul style="list-style-type: none"> <li>▪ Execute a customer strategy that means value for customers and embeds them in all aspects of Powerlink's activities.</li> <li>▪ Take a leading role in The Energy Charter, to bring together like-minded energy organisations to deliver better outcomes for customers and communities.</li> <li>▪ Develop and implement the Community Investment Framework and Legacy Investment Plans, Social Performance Strategy, Local Economic Participation Plans and Indigenous Partnerships and Procurement Strategies.</li> <li>▪ Establish dedicated social performance, stakeholder engagement, community relations, landholder relations and indigenous partnerships functions with a whole-of-life, regional focus.</li> <li>▪ Build proactive relationships with planning and environmental approvals departments at the State and Federal level.</li> <li>▪ Fund a full-time role at the Queensland Farmers Federation to improve interaction and information flow between the energy and agricultural sectors.</li> </ul> |

| Risk                                                                                                                                  | Priorities in response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                       | <ul style="list-style-type: none"> <li>▪ Build internal capability to manage environmental assessments and approvals, alongside a standing panel of external consultants.</li> <li>▪ Undertake necessary preparations for climate-related financial disclosures under Australian Sustainability Reporting Standards.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Challenges in meeting delivery schedules due to constraints in <b>supply chain, workforce skills and staffing capacity</b>.</p>    | <ul style="list-style-type: none"> <li>▪ Pursue Supplier Relationship Management activities and management tool specification, focusing on lead times and manufacturing challenges.</li> <li>▪ Continue the Supply Chain Transformation program addressing inventory, warehouse and logistics optimisation, and facility management.</li> <li>▪ Regionalise our workforce, including a permanent presence in Gladstone and Townsville.</li> <li>▪ Shift inventory management approach from 'just in time' to 'just in case', promoting reliability and offsetting the impact of sectoral inflation.</li> <li>▪ Develop a revised contracting strategy and panels to support Powerlink's overall construction demands and program.</li> <li>▪ Conduct construction workforce forecasting and work with government and industry to ensure an adequate pipeline of skilled workers.</li> </ul>                                                                                                                                                         |
| <p><b>Transmission infrastructure costs</b> may influence the affordability and competitiveness of energy solutions for customers</p> | <ul style="list-style-type: none"> <li>▪ Dynamically solve for a least-cost power system in order to minimise major capital-intensive network augmentations</li> <li>▪ Identify alternative funding solutions aligned with stakeholder interests, including concessional debt and engagement with the Clean Energy Finance Corporation.</li> <li>▪ Implement the Non-Regulated Business Strategy to streamline project proposal processes and provide efficient and accurate cost estimates for load and generation connection projects.</li> <li>▪ Engage with Australian Energy Regulator (AER) and Powerlink's Customer Panel in the development of a Powerlink Revenue Proposal capable of acceptance by the AER, customers and Powerlink.</li> <li>▪ Demonstrate transparency with the Customer Panel in new investment decisions.</li> <li>▪ Ensure the enterprise-wide portfolio of Innovation Challenges is focused on cost inflation and mega projects, including alternative construction solutions and vegetation management.</li> </ul> |

## Compliance with GOC Act

This section addresses specific obligations under the GOC Act.

### Capital structure

| Facility     | Forecast<br>FY25 \$M | Budget<br>FY26 \$M |
|--------------|----------------------|--------------------|
|              |                      |                    |
|              |                      |                    |
|              |                      |                    |
| <b>Total</b> | <b>6,216.8</b>       | <b>6,683.2</b>     |

*Small differences are due to rounding to first decimal point.*

### Community Service Obligation

No community service obligations have been identified by Powerlink in FY26.

### Compliance with Government policies

Subject to Directors meeting their fiduciary duties, Powerlink and its subsidiaries will comply with all relevant policies and guidelines issued by shareholders and the government, and all formal directions.

### Employment and Industrial Relations Plan

Powerlink's Employment and Industrial Relations Plan is detailed in **Attachment 2**.

Powerlink will provide shareholding Ministers with quarterly reports on the implementation and progress of the productivity initiatives included in Powerlink's Enterprise Bargaining Agreements.

### Sponsorship, advertising, corporate entertainment, and donations

Powerlink's sponsorships, advertising, corporate entertainment and donations are detailed in **Attachment 3**.

### Subsidiaries

Powerlink's subsidiaries are:

- Powerlink Transmission Services Pty Ltd (not active)
- Harold Street Holdings Pty Ltd (not active)
- CopperString 2.0 Electricity Transmission Corporation (not active)
- Queensland Capacity Network Pty Ltd (QCN)—see **Attachment 4**.

## Capital expenditure

This section summarises Powerlink's:

- investment thresholds (as defined by shareholding Ministers from time to time)
- total capital expenditure budget for FY26
- significant projects in FY26.

### Investment thresholds

|                                                           | \$M |
|-----------------------------------------------------------|-----|
| Shareholding Minister Notification                        | 35  |
| Shareholding Minister Approval – Regulated Investment     | 120 |
| Shareholding Minister Approval – Non-regulated Investment | 120 |

### Total capital expenditure FY26

|                                     | FY26<br>\$M  |
|-------------------------------------|--------------|
| Regulated Network                   | ■            |
| Non-regulated Network               | ■            |
| CopperString Network                | ■            |
| Power System Transformation Network | ■            |
| Non-Network (shared assets)         | ■            |
| <b>Total capital expenditure</b>    | <b>1,682</b> |

### Significant projects in FY26 (>\$120M)

|                                                | Est<br>Total<br>\$M | Expected<br>Completion | FY26<br>\$M | Board<br>Approved | SHM<br>Approved  |
|------------------------------------------------|---------------------|------------------------|-------------|-------------------|------------------|
| Advanced Energy Management System              | 282                 | FY28                   | 61          | Y                 | Y                |
| Borumba Pumped Hydro Energy Storage Connection | 1,300               | FY32                   | 42          | Y                 | Y <sup>(1)</sup> |
| CopperString                                   | 1,000               | TBD                    | 488         | Y                 | Y                |
| Gladstone Project                              | ■                   | FY29                   | 221         | Y                 | Y <sup>(1)</sup> |
| Synchronous Condensers                         | ■                   | FY30                   | 12          | Y                 | N                |
| Virginia Complex                               | ■                   | FY29                   | 80          | Y                 | Y                |

*Small differences are due to rounding.*

*(1) Shareholding Minister approval granted for Early Works Package. Full project is pending approval.*

**ICT Project Expenditure in FY26**

|                    | FY26<br>\$M |
|--------------------|-------------|
| AEMS               | 61          |
| Other ICT projects | 34          |

*Note: Next Generation Network Operations is classified regulated network operational expenditure and is thus not classified ICT project expenditure.*

## Attachment 1: Financial Statements

### Profit and Loss Statement

|                                                                | FY26           | Q1           | Q2           | Q3           | Q4           |
|----------------------------------------------------------------|----------------|--------------|--------------|--------------|--------------|
|                                                                | \$M            | \$M          | \$M          | \$M          | \$M          |
| <b>Operating Revenue</b>                                       |                |              |              |              |              |
|                                                                |                |              |              |              |              |
|                                                                |                |              |              |              |              |
|                                                                |                |              |              |              |              |
| <b>Total Operating Revenue</b>                                 | <b>1,238.1</b> | <b>295.6</b> | <b>303.9</b> | <b>322.0</b> | <b>316.6</b> |
| <b>Operating Expenses</b>                                      |                |              |              |              |              |
| Controllable Operating Expenses                                | 432.2          | 115.8        | 106.0        | 104.5        | 105.9        |
| Other <sup>2</sup>                                             | 49.0           | 9.8          | 11.5         | 11.3         | 16.4         |
| <b>Total Operating Expenses</b>                                | <b>481.2</b>   | <b>125.6</b> | <b>117.5</b> | <b>115.8</b> | <b>122.3</b> |
| <b>Earnings Before Interest, Tax and Depreciation (EBITDA)</b> | <b>757.0</b>   | <b>170.0</b> | <b>186.4</b> | <b>206.2</b> | <b>194.3</b> |
| Depreciation                                                   | 455.2          | 111.7        | 112.6        | 114.2        | 116.6        |
| <b>Earnings Before Interest and Tax (EBIT)</b>                 | <b>301.8</b>   | <b>58.3</b>  | <b>73.8</b>  | <b>92.0</b>  | <b>77.7</b>  |
| Net Finance Charges                                            | 278.2          | 67.9         | 68.2         | 69.3         | 72.9         |
| Income Tax Equivalent Expense                                  | 7.1            | (2.9)        | 1.7          | 6.8          | 1.5          |
| <b>Net Profit After Tax (NPAT)</b>                             | <b>16.5</b>    | <b>(6.7)</b> | <b>3.9</b>   | <b>15.9</b>  | <b>3.4</b>   |
| Ordinary Dividends Provided                                    | 16.5           | -            | -            | -            | 16.5         |
| Special Dividends Provided                                     | -              | -            | -            | -            | -            |
| <b>Total Dividends Provided</b>                                | <b>16.5</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>16.5</b>  |

Small differences are due to rounding to first decimal point.

(1)

(2) Includes Cost of Disposal of Non-Current Assets and External Customer Services Expenses.

## Balance Sheet

|                                      | FY26            | Q1              | Q2              | Q3              | Q4              |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                      | \$M             | \$M             | \$M             | \$M             | \$M             |
| <b>Current Assets</b>                |                 |                 |                 |                 |                 |
| Cash                                 | 0.0             | 491.1           | 354.6           | 335.7           | 0.0             |
| Receivables                          | 104.1           | 96.9            | 96.0            | 106.8           | 104.1           |
| Other                                | 213.4           | 146.3           | 165.7           | 187.9           | 213.4           |
| <b>Total Current Assets</b>          | <b>317.6</b>    | <b>734.2</b>    | <b>616.3</b>    | <b>630.5</b>    | <b>317.6</b>    |
| <b>Non-Current Assets</b>            |                 |                 |                 |                 |                 |
| Property, Plant & Equipment          | 12,362.9        | 11,158.2        | 11,492.9        | 11,877.8        | 12,362.9        |
| Other                                | 54.6            | 54.6            | 54.6            | 54.6            | 54.6            |
| <b>Total Non-Current Assets</b>      | <b>12,417.5</b> | <b>11,212.8</b> | <b>11,547.6</b> | <b>11,932.5</b> | <b>12,417.5</b> |
| <b>Total Assets</b>                  | <b>12,735.1</b> | <b>11,947.0</b> | <b>12,163.8</b> | <b>12,562.9</b> | <b>12,735.1</b> |
| <b>Current Liabilities</b>           |                 |                 |                 |                 |                 |
| Creditors                            | 148.6           | 115.5           | 103.9           | 141.6           | 148.6           |
| Borrowings                           | 39.3            | 9.5             | 18.9            | 29.1            | 39.3            |
| Other                                | 259.0           | 309.1           | 232.4           | 235.6           | 259.0           |
| <b>Total Current Liabilities</b>     | <b>446.8</b>    | <b>434.1</b>    | <b>355.2</b>    | <b>406.3</b>    | <b>446.8</b>    |
| <b>Non-Current Liabilities</b>       |                 |                 |                 |                 |                 |
| Borrowings                           | 6,643.9         | 6,274.5         | 6,332.7         | 6,587.4         | 6,643.9         |
| Other                                | 1,523.7         | 1,499.4         | 1,516.5         | 1,535.5         | 1,523.7         |
| <b>Total Non-Current Liabilities</b> | <b>8,167.7</b>  | <b>7,773.9</b>  | <b>7,849.2</b>  | <b>8,122.9</b>  | <b>8,167.7</b>  |
| <b>Total Liabilities</b>             | <b>8,614.5</b>  | <b>8,208.1</b>  | <b>8,204.4</b>  | <b>8,529.3</b>  | <b>8,614.5</b>  |
| <b>Net Assets</b>                    | <b>4,120.6</b>  | <b>3,739.0</b>  | <b>3,959.4</b>  | <b>4,033.7</b>  | <b>4,120.6</b>  |
| <b>Shareholders' Equity</b>          |                 |                 |                 |                 |                 |
| Share Capital                        | 401.0           | 401.0           | 401.0           | 401.0           | 401.0           |
| Other Equity                         | 1,193.8         | 948.8           | 1,193.8         | 1,193.8         | 1,193.8         |
| Reserves                             | 2,253.4         | 2,043.2         | 2,097.4         | 2,152.6         | 2,253.4         |
| Retained Earnings                    | 272.5           | 264.3           | 267.2           | 286.3           | 272.5           |
| <b>Total Equity</b>                  | <b>4,120.6</b>  | <b>3,739.0</b>  | <b>3,959.4</b>  | <b>4,033.7</b>  | <b>4,120.6</b>  |

*Small differences are due to rounding*

## Cash Flow Statement

|                                              | FY26             | Q1             | Q2             | Q3             | Q4             |
|----------------------------------------------|------------------|----------------|----------------|----------------|----------------|
|                                              | \$M              | \$M            | \$M            | \$M            | \$M            |
| <b>Cash Flows from Operating Activities</b>  |                  |                |                |                |                |
| Cash Receipts in the course of Operations    | 1,210.8          | 294.4          | 298.9          | 305.0          | 312.4          |
| Cash Payments in the course of Operations    | (493.3)          | (121.4)        | (143.5)        | (95.1)         | (133.4)        |
| Interest Received                            | 7.8              | 2.8            | 2.4            | 1.5            | 1.1            |
| Interest Paid                                | (269.8)          | (66.9)         | (66.8)         | (66.7)         | (69.3)         |
| Tax Equivalent Payments                      | (11.0)           | 1.1            | (3.9)          | (7.9)          | (0.3)          |
| <b>Net Cash from Operating Activities</b>    | <b>444.4</b>     | <b>110.0</b>   | <b>87.2</b>    | <b>136.7</b>   | <b>110.5</b>   |
| <b>Cash Flows from Investing Activities</b>  |                  |                |                |                |                |
| Payments for Property, Plant and Equipment   | (1,681.8)        | (378.4)        | (370.0)        | (420.5)        | (512.9)        |
| Proceeds from Sale of Non-Current Assets     | 0.0              | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Net Cash used in Investing Activities</b> | <b>(1,681.8)</b> | <b>(378.4)</b> | <b>(370.0)</b> | <b>(420.5)</b> | <b>(512.9)</b> |
| <b>Cash Flows from Financing Activities</b>  |                  |                |                |                |                |
| Net Proceeds from Borrowings                 | 466.4            | 67.3           | 67.5           | 264.9          | 66.7           |
| Dividends Paid                               | (84.5)           | 0.0            | (84.5)         | 0.0            | 0.0            |
| Other                                        | 245.0            | 81.7           | 163.3          | 0.0            | 0.0            |
| <b>Net Cash from Financing Activities</b>    | <b>626.9</b>     | <b>149.0</b>   | <b>146.3</b>   | <b>264.9</b>   | <b>66.7</b>    |
| <b>Net Increase/(Decrease) in Cash Held</b>  | <b>(610.5)</b>   | <b>(119.4)</b> | <b>(136.5)</b> | <b>(18.9)</b>  | <b>(335.7)</b> |
| Cash at the Beginning of the Financial Year  | 610.5            | 610.5          | 491.1          | 354.6          | 335.7          |
| <b>Cash at the End of the Financial Year</b> | <b>0.0</b>       | <b>491.1</b>   | <b>354.6</b>   | <b>335.7</b>   | <b>0.0</b>     |

*Small differences are due to rounding to first decimal point.*

## Attachment 2: Employment and Industrial Relations Plan

### Employment and industrial relations approach

Powerlink continues to take a proactive, constructive, early-engagement approach with staff and their representatives to resolve issues within the business and deliver strategic business priorities and objectives in a changing energy sector.

These arrangements are largely contained in Powerlink's 2 enterprise agreements:

- The Working at Powerlink Union Collective Agreement (WAPA)—covering 1,765 employees as of 31 January 2025.
- The Powerlink Managers' Enterprise Agreement (Managers' Agreement)—covering 113 employees as of 31 January 2025.

### Strategic workforce development and training

There are significant challenges in the current labour market, especially in critical skill sets unique to transmission. Powerlink continues to examine its strategic workforce requirements throughout Queensland to ensure it continues to increase capability to meet the growing demands on its workforce. Several issues influence the current industrial relations plan and approach:

- The external environment, including the regulatory review process, rule changes, cost of living pressures and challenges in the non-regulated business environment and the changing nature of the energy sector and the role that transmission plays.
- The variability of the non-regulated business alongside maintenance of the existing transmission network, which remains a major driver in workforce planning and resourcing.
- Changes in technology necessitating ongoing training and upskilling of the workforce.

### Primary employment and industrial relations goals in FY26

- Support programs of work that ensure adequate future transmission resourcing and skillsets, and develop approaches for planning, partnering and delivery.
- Continue to appropriately resource Powerlink's work through re-skilling and facilitating ease of people movement across the business.
- Increase business productivity by continuing to improve staff engagement levels and fostering a culture that is more accountable, innovative, customer-focused and constructive.
- Continue to increase leadership capability to manage industrial relations issues at an early stage and avoid unnecessary dispute.
- Continue to support flexible working arrangements so staff can work safely and productively.
- Implement federal and state legislative changes and directives as they arise.

### Workforce

Powerlink forecasts workforce numbers, taking into account the forward plan of works across regulated and non-regulated programs and ongoing operational requirements.

Improvements to integrated workforce demand modelling, innovative attraction methods, cross-industry transitional training and significant investment in future talent pathways have better prepared Powerlink and the Queensland energy industry to meet future workforce demands. Powerlink's workforce is outlined below.

| <b>Workforce Full Time Equivalent (FTEs)<sup>1</sup></b> | <b>31 January 2025</b> |
|----------------------------------------------------------|------------------------|
| <b>Employment Category:</b>                              |                        |
| Permanent (including part-time)                          | 1,756                  |
| Senior Executive                                         | 8                      |
| Apprentices (in house)                                   | 77                     |
| Trainees (in house)                                      | 5                      |
| Casual and Fixed Term                                    | 71                     |
| <b>Total Directly Employed Workforce:</b>                | <b>1,917</b>           |
| Labour Hire                                              | 16                     |
| <b>Total Workforce (including labour hire):</b>          | <b>1,933</b>           |

*(1) Full Time Equivalent (FTE) means full time equivalent per annum. Powerlink applies FTE to employees (full time, part-time and casual) and labour hire. Overtime does not count toward FTEs.*

### Redundancy provisions

Powerlink's redundancy provisions focus on redeployment and retraining, but provide for the following in cases of redundancy:

- 6 months' notice of redundancy or 13 weeks early separation payment.
- 3 weeks per year of service severance payment with a minimum of 4 weeks (per National Employment Standards) up to a maximum of 75 weeks.
- Pro-rata long service leave.
- Accrued annual leave.
- Outplacement and retraining support.

The WAPA commits to no forced redundancies, subject to employees accepting reasonable redeployment and retraining. There are currently no redeployees at Powerlink.

The Managers' Agreement provides similar redundancy benefits to the WAPA.

### Workplace Health and Safety

Safety is one of Powerlink's values and a key part of its culture. It continues to be a Board-sponsored value, owned by all employees. Powerlink strives to continually improve safety practices and outcomes. It is committed to the safety and wellbeing of its people, customers, contractors and communities, and to preventing or minimising environmental harm.

Powerlink has systems in place to develop, resource, monitor and continuously improve progress towards its health, safety and environmental commitments and objectives. This includes planning, design, construction, operation and maintenance of an electrically safe network.

### Chief and Senior Executive remuneration arrangements

The remuneration details for Powerlink's Chief Executive and other Senior Executives as at 31 January 2025 are:

| CEO / Senior Executives                                                          | Base Salary <sup>1</sup> | Employer Super Contributions | Total Fixed Remuneration | Performance Payment made for FY24 <sup>2</sup> |
|----------------------------------------------------------------------------------|--------------------------|------------------------------|--------------------------|------------------------------------------------|
| Paul Simshauser<br>Chief Executive                                               | \$935,668                | \$29,932                     | \$965,600                | \$41,783                                       |
| Ian Lowry<br>Executive General Manager<br>Major Projects                         | \$515,001                | \$65,662                     | \$580,663                | \$21,882                                       |
| Stewart Bell<br>Executive General Manager<br>Network and Business<br>Development | \$476,542                | \$60,758                     | \$537,300                | \$23,249                                       |
| Darryl Rowell<br>Chief Financial Officer                                         | \$472,520                | \$34,580                     | \$507,100                | \$21,628                                       |
| Gary Edwards<br>Chief Operating Officer                                          | \$416,617                | \$53,118                     | \$469,735                | \$19,216                                       |
| Leigh Pickering<br>Executive General Manager<br>People and Corporate Services    | \$389,712                | \$49,688                     | \$439,400                | \$21,081                                       |
| Jacqui Bridge<br>Executive General Manager<br>Energy Futures                     | \$388,293                | \$49,507                     | \$437,800                | \$16,922                                       |
| Sarah Huang<br>A/ Executive General Manager<br>Delivery and Technical Solutions  | \$365,056                | \$46,544                     | \$411,600                | \$12,632                                       |

(1) Excludes any salary sacrifice items (e.g. motor vehicle, superannuation, and other benefits).

(2) Paid in October 2024.

### Superannuation

Powerlink's superannuation conditions meet the *Your Future, Your Super* legislative requirements known as 'stapling' or 'stapled funds'. This means new employees commencing 1 November 2021 onwards can remain with their existing 'stapled' superannuation fund. All Powerlink employees have Super Choice.

These employees are entitled to superannuation contributions of 14.75% per annum. Employer contributions are calculated on ordinary time earnings (at a minimum), as defined by the *Superannuation Guarantee (Administration Act) 1992 (Cth)*.

### Defined Benefits

As at the last reporting date (30 June 2024), Powerlink had 57 employees registered in the defined benefit fund. The fund balance at this date had a pre-tax surplus of \$15.6M. On advice received from the fund actuary, Powerlink ceased employer contributions to the fund effective from 1 July 2015. This position is reviewed regularly in line with its obligations, and the actuary has recommended that Powerlink continues the contribution holiday. Powerlink continues to comply with all obligations associated with the fund.

## Attachment 3: Sponsorship, advertising, donations, corporate entertainment, hospitality

In compliance with guidelines issued by Queensland Treasury, this section summarises Powerlink's sponsorship, advertising, donations, corporate entertainment and hospitality budgets for FY26. These budgets accord with Powerlink Board approved policies and will be acquitted on a quarterly basis via the quarterly reports to shareholding Ministers.

| Activity                         | Description / Benefit                                           | FY25 Budget    | FY26 Budget    | FY26 Q1 (\$)   | FY26 Q2 (\$)   | FY26 Q3 (\$)   | FY26 Q4 (\$)   |
|----------------------------------|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Sponsorship</b>               |                                                                 |                |                |                |                |                |                |
| Energy Users Assoc. of Australia | Conference and Qld Forum                                        | 40,000         | 40,000         | -              | -              | 40,000         | -              |
| Country Universities Centre      | Regional sponsor                                                | 60,000         | 60,000         | 20,000         | 20,000         | 20,000         |                |
| Qld State Emergency Service      | State-wide equipment sponsor                                    | 100,000        | 100,000        | -              | -              | -              | 100,000        |
| Environmental sponsorship        | Program sponsorship (incl. QELA conference)                     | -              | 10,000         | -              | -              | 10,000         | -              |
| Women in Engineering             | Industry partnership program                                    | 10,000         | 10,000         | 10,000         | -              | -              | -              |
| Uniting                          | Community support program                                       | 40,000         | 20,000         | -              | 20,000         | -              | -              |
| RE-Alliance                      | Community partnership                                           | 25,000         | 25,000         | 25,000         | -              | -              | -              |
| Capricorn Helicopter Rescue      | Community partnership                                           | 50,000         | 50,000         | -              | 50,000         | -              | -              |
| New sponsorship for FY26         | Community partnership                                           | -              | 25,000         | -              | -              | -              | 25,000         |
| <b>Total &gt;\$5k</b>            |                                                                 | 325,000        | 340,000        | 55,000         | 90,000         | 70,000         | 125,000        |
| <b>Total &lt;\$5k</b>            | Various shows, awards, conferences, etc.                        | 110,000        | 110,000        | 27,500         | 27,500         | 27,500         | 27,500         |
| <b>Total</b>                     |                                                                 | 435,000        | 450,000        | 82,500         | 117,500        | 97,500         | 152,500        |
| <b>Advertising</b>               |                                                                 |                |                |                |                |                |                |
| <b>Total &gt;\$5k</b>            |                                                                 | -              | -              | -              | -              | -              | -              |
| <b>Total &lt;\$5k</b>            | Very limited; mainly operational requirements e.g. recruitment. | -              | 16,000         | 4,000          | 4,000          | 4,000          | 4,000          |
| <b>Total</b>                     |                                                                 | -              | 16,000         | 4,000          | 4,000          | 4,000          | 4,000          |
| <b>Corporate Entertainment</b>   |                                                                 |                |                |                |                |                |                |
| <b>Total &gt;\$5k</b>            |                                                                 | -              | -              | -              | -              | -              | -              |
| <b>Total &lt;\$5k</b>            |                                                                 | 40,000         | 118,000        | 25,000         | 43,000         | 25,000         | 25,000         |
| <b>Total</b>                     |                                                                 | 40,000         | 118,000        | 25,000         | 43,000         | 25,000         | 25,000         |
| <b>Donations</b>                 |                                                                 |                |                |                |                |                |                |
| DSS Financial Counselling        | Industry Funding Model under MOU via ENA                        | -              | 76,568         | 69,386         | 7,182          | -              | -              |
| Hummingbird House                | Children's hospice                                              | 10,000         | 15,000         | 3,750          | 3,750          | 3,750          | 3,750          |
| <b>Total &gt;\$5k</b>            |                                                                 | 10,000         | 91,568         | 73,136         | 10,932         | 3,750          | 3,750          |
| <b>Total &lt;\$5k</b>            |                                                                 | -              | -              | -              | -              | -              | -              |
| <b>Total</b>                     |                                                                 | 10,000         | 91,568         | 73,136         | 10,932         | 3,750          | 3,750          |
| <b>Grand Total</b>               |                                                                 | <b>485,000</b> | <b>675,568</b> | <b>184,636</b> | <b>175,432</b> | <b>130,250</b> | <b>185,250</b> |

## **Attachment 4: Subsidiary - Queensland Capacity Network Pty Ltd (QCN)**

QCN is jointly owned by Powerlink and Energy Queensland and began operations in 2019. QCN's mission is to 'break the digital divide in Queensland'.

QCN will achieve its mission by utilising, extending and upgrading the telecommunications infrastructure owned by Powerlink and Energy Queensland to improve telecommunications coverage, capacity and competition in Queensland, particularly in regional areas.

During FY25, QCN further consolidated its credibility and position in the market as a 'Carrier of Carriers'. Its distinctive, geographically diverse network featuring overhead fibre, government ownership and sheer size (13,000km), and its world-class Ciena equipment, are highly attractive and a unique differentiator to large national and international Tier 1 Carriers. During the year, QCN made considerable progress on various telecommunications projects, signed a number of contracts with large carriers and is expecting to close significant contracts with international carriers in FY26.

Key strategic initiatives for QCN in FY26 include:

- Expanding its network (fibre and towers) by leveraging existing and planned private and public infrastructure projects and assets within Queensland and securing strategic capacity swap deals with interstate, national and international carriers
- Capitalising on the Dense Wavelength-Division Multiplexing (DWDM) upgrade and significant tower infrastructure and network expansion opportunities to be the carrier of choice for domestic Tier 1 Carriers seeking high capacity, diversity and resilience
- Leveraging QCN's established credibility in the market and unique network attributes to engage with international telecommunications carriers and target large, long-term, high-capacity contracts
- Delivering improved connectivity to communities along the Flinders Highway as part of the CopperString Telecommunications Program
- Working closely with Powerlink on the planning and design for other telecommunications projects that may be part of new transmission infrastructure
- Preparing its network and systems to cater for the ever-increasing demand for capacity, largely driven by artificial intelligence.

Powerlink, in conjunction with Energy Queensland, is undertaking a review of the scope and structure of QCN to ensure it is providing value to the people of Queensland and will report to Queensland Treasury on the outcomes of this review.

## Attachment 5: Metric definitions

### Financial Measures

| Measure                                       | Explanation for use                                                                                                                                | Formula                                                                                                                                 |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Earnings Before Interest and Tax (EBIT)       | Measure a company's profitability from its core operations, excluding the effects of interest and tax expenses                                     | $EBIT = \text{Total Revenue} - \text{Operating Expenses} - \text{Depreciation}$                                                         |
| Net Profit After Tax (NPAT)                   | Understanding a company's overall profitability and financial health.                                                                              | $\text{Net Profit After Tax} = \text{Total Revenue} - \text{Operating Expenses} - \text{Depreciation} - \text{Interest} - \text{Taxes}$ |
| Capital Expenditure (CapEx)                   | CapEx is essential for a company's growth and operational efficiency, as it involves significant investments in long-term assets                   | Total costs incurred to acquire and upgrade physical assets                                                                             |
| Return on Assets (ROA)                        | Evaluates how efficiently Powerlink uses its assets to generate profit.                                                                            | $ROA = \text{Net Profit After Tax} / \text{Total Assets}$                                                                               |
| Ordinary Dividends Provided                   | Indicates the portion of earnings regularly distributed to shareholders as part of standard returns.                                               | 100% NPAT                                                                                                                               |
| Special Dividends Provided                    | Non-recurring distributions to shareholders which are beyond the ordinary dividend.                                                                | Not Applicable                                                                                                                          |
| Capital Allowance (Under)/ Over               | Actual capital expenditure to regulatory allowance, highlighting under or overspend.                                                               | $\text{Capital Allowance Variance} = \text{Actual Capital Expenditure} - \text{Capital Expenditure Allowance}$                          |
| Operating Expenditure Allowance (Under)/ Over | Actual operating expenditure to regulatory allowance, highlighting under or overspend.                                                             | $\text{Opex Allowance Variance} = \text{Actual Operating Expenditure} - \text{Operating Expenditure Allowance}$                         |
| Distribution Yield (%)                        | Shareholder distribution to be the dividend(s) declared / intended to be recommended to the shareholding Ministers for the current financial year. | $\text{Shareholder Distribution} / (\text{PPE (excl. WIP)} + \text{Specific Inclusions} - \text{Net Debt})$                             |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                              |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p>Property, Plant and Equipment as per Balance Sheet, ex WIP.</p> <p>Specific Inclusions of assets which are not PPE, but required for income generation/risk management or running core business:</p> <ul style="list-style-type: none"> <li>▪ Right of Use Assets / Offtake Agreements</li> </ul> <p>Net Debt includes working capital and leases (don't double count netting of liabilities vs assets above)</p> <p>Rationale: Measures cash returns to equity as a proportion of equity funded assets, recognising the importance of GOCs operating commercially and contributing to public finances where consistent with other KPIs.</p> |                                                                                                                              |
| Distribution Cash Coverage (times)    | <p>Net Operating / Investing Cash Flows as per the Statement of Cashflows.</p> <p>Exclude portions of Investing Cash Flows which are externally funded (i.e. via equity contribution or associated debt) or specifically repay debt (e.g. non-core asset sale) also exclude QTC cash management flows (in either direction).</p> <p>Rationale: Measures business capacity to pay dividends from ongoing business cash flows.</p>                                                                                                                                                                                                                | (Net Operating Cash Flows – Net Investing Cash Flows (excl. externally funded QTC cash advances)) / Shareholder Distribution |
| Funds from Operations on Net Debt (%) | <p>Net Operating Cash Flows as per the Statement of Cashflows.</p> <p>Net Debt includes working capital and leases.</p> <p>Rationale: Measures business capacity to service debt.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Net Operating Cash Flows / Net Debt                                                                                          |
| Return on Assets excl. WIP (%)        | Earnings Before Interest and Tax as per Statement of Financial Performance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | EBIT / (PPE (excl. WIP) + Specific Inclusions)                                                                               |

**Non-Financial Measures**

| Measures                                                         | Description                                                                             | Explanation for use                                                                                                                                                                                                                | Formula                                                                                                           |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Asset Management System Assurance – delivery against annual plan | Asset Management System Assurance delivery against annual plan.                         | This metric tracks the completion rate of assurance activities against the total planned, reflecting alignment to the Asset Management System's annual plan.                                                                       | Completed assurance activities / All assurance activities                                                         |
| Ratio of overdue Routine Maintenance                             | Ratio of overdue Routine Maintenance to the rolling 12-month Routine Maintenance total. | This metric measures the quantity of overdue Routine Maintenance that is nominated in Powerlink's Maintenance Management System relative to all Routine Maintenance deliverable within the current 12 months to the end of period. | Overdue Routine Maintenance Work Units / 12-month revised Work Units due to be completed by the end of the period |
| Ratio of injuries caused by electrical assets                    | Ratio of injuries caused by asset-related incidents and all asset related incidents.    | This metric assesses the proportion of electrical asset-related incidents that result in injuries, highlighting the safety risks associated with asset failures as a measure of process safety.                                    | Injuries caused by electrical asset related incidents / All Electrical asset related incidents                    |

## Attachment 6: Regulated Weighted Average Cost of Capital (WACC)

Powerlink's Regulated WACC calculations are based on the Government Owned Corporations Cost of Capital Principles (July 2020). The WACC method establishes rates that are applied to nominal cash flows and are used for project evaluation purposes.

The WACC for the electricity network businesses relates to investments under the national electricity regulation framework and is outlined in the WACC calculations below:

| WACC Calculations                               | FY25         | FY26         |
|-------------------------------------------------|--------------|--------------|
| <b>Vanilla WACC (Nominal)</b>                   | 5.27%        | 5.32%        |
| Return on Debt (Kd) (Nominal Pre-tax)           | 4.67%        | 4.76%        |
| Return on Equity (Post-tax Nominal)             |              |              |
| - Risk Free Rate                                | 2.50%        | 2.50%        |
| - Market Risk Premium                           | 6.10%        | 6.10%        |
| - Equity Beta                                   | 0.6          | 0.6          |
| - Gamma                                         | 58.5%        | 58.5%        |
| <b>Return on Equity (Ke) (Post-tax Nominal)</b> | <b>6.16%</b> | <b>6.16%</b> |
| <b>Effective Tax Rate (T)</b>                   | <b>30%</b>   | <b>30%</b>   |
| Benchmark Capital Structure                     |              |              |
| - Proportion of Equity Funding                  | 40%          | 40%          |
| - Proportion of Debt Funding                    | 60%          | 60%          |

### Capital Asset Pricing Model (CAPM)

CAPM is used to calculate the cost of equity as follows:

$$K_e = R_f + \beta_e * MRP$$

#### Where:

$K_e$  = Required rate of return on a risk-free investment

MRP = Market risk premium

$\beta_e$  = Equity beta (correlation between the asset's risk and overall market risk)