AusNet

Transmission Revenue Reset TRR (2027-32)

Customer and Landholder Experience Business Case

Friday, 31 October 2025

Table of contents

Document history

DATE	VERSION	COMMENT
16/08/2025	V1.0	Initial draft business case for review
11/09/2025	V2.0	Revised business case incorporating input
25/09/2025	V3.0	Updated for final review
24/10/2025	V4.0	Final business case document

Related documents

DOCUMENT	VERSION	AUTHOR
Technology Strategy and Investment Plan	V2.0	AusNet Services
Appendix 5B Landholder Engagement Supporting Document – 31 Oct 2025	V1.0	AusNet Services
Digital Program NPV Model	V2.0	AusNet Services

Approvals

POSITION	DATE
Digital & Technology – Strategy, Regulatory and Partner Management	October 2025
Digital & Technology – Architecture	October 2025
Transmission – Landholders and Community	October 2025
Transmission – Strategy and Regulation	October 2025

Executive summary

AusNet's transmission network spans over 10,000 private property holdings and engages with approximately 6,000 to 7,000 unique landholders. As the energy transition accelerates, the scale and complexity of landholder engagement is increasing, driven by major transmission projects, evolving landholder and customer expectations, and new regulatory obligations. Current systems, while foundational, are fragmented and manual, limiting AusNet's ability to most effectively manage relationships, track complaints, and coordinate field operations effectively.

The need for investment is underscored by rising strategic and operational risks. Poor engagement can lead to access refusals, delays, and reputational damage, while regulatory non-compliance carries financial penalties. Landholders expect timely, detailed notifications, opportunities to negotiate access, consistent local contacts, respect for farming operations, fair compensation, and safety support. However, gaps in current capabilities - including inadequate data systems due to limited integration, manual updating and complaint management processes, and disconnected engagement - prevent AusNet from meeting these expectations efficiently.

Additionally, increasing network investment, particularly in asset replacement and augmentation, will significantly expand the number of landholders impacted and the volume of access required. This amplifies the need for scalable, integrated landholder relationship management systems to maintain social licence and support project delivery. Without improvements, AusNet faces higher costs, more refusals, and reduced operational efficiency.

Three options were assessed to determine the most prudent and efficient approach to improve our customer and landholder management systems, as shown in **Table 1** below.

Table 1 Summary of options and assessment outcomes ($real 2025)

#	INVESTMENT OPTIONS	COST (TOTEX, $'M)	NPV ($'M)	PREFERRED
1	Retain current systems (no further investment)	$0	$0	No
2	Integrated Transmission Landholder Engagement solution - enhanced systems, automation, and integration	$7.46	$5.32	**Yes**
3	Self-service Transmission Landholder Engagement solution - adds a self-service portal and AI-driven insights to Option 2	$11.46	$3.11	No

Option 2 is recommended. It balances cost and risk reduction and delivers the highest NPV. This Option delivers these outcomes by building on existing systems to deliver improved engagement, data accuracy, and operational efficiency, while maintaining flexibility for future enhancements. Recommended expenditure is shown in **Table 2** below.

Table 2 Forecast expenditure profile – Option 2 (recommended option, $million real 2025)

Cost item	RY28	RY29	RY30	RY31	RY32	Total
Capex	3.60	0.00	0.00	0.00	0.00	3.60
Project Implementation Opex ("propex", non-recurrent opex)	3.76	0.00	0.00	0.00	0.00	3.76
Ongoing Licences & Support Opex (recurrent opex)	0.02	0.02	0.02	0.02	0.02	0.10
Total	**7.38**	**0.02**	**0.02**	**0.02**	**0.02**	**7.46**

1. Context

AusNet operates the Victorian Transmission network which traverses both public and private landholdings to provide the connection from generators to distribution networks and then to all Victorian customers. To maintain our existing assets and build new assets, AusNet requires access to private land and therefore, to support timely access, must build and maintain relationships with the landholders that host transmission infrastructure. To effectively manage landholders, AusNet requires systems are capable of managing of landholder relationships and supporting effective communications.

1.1. Background

AusNet's transmission network has easements across 10,398 private property holdings with an estimated 6,000 to 7,000 unique private land holders. The easements cover properties that are zoned for farming (50%), green wedge or public zones (22%), industrial or commercial use (7%), residential use (7%) and other purposes (14%). This means that there is a large and diverse range of landholders that AusNet needs to engage with and manage. Ownership complexity, especially in regional areas with frequent title changes, further increases the risk of engaging the wrong person—delaying work and eroding trust.

As more infrastructure is being planned and built in the state of Victoria we are seeing other projects including generation, BESS and contestable network projects raise the bar on landholder engagement and compensation, placing pressure on AusNet Transmission's landholder engagement and offerings. Limited engagement or missed expectations can lead not only to access refusals but also to broader limitations on land use. Operationally, delays in access can reduce asset performance and drive-up long-term costs. These risks highlight the need for a more integrated and responsive engagement strategy that aligns with evolving stakeholder expectations.

The energy transition requires major transmission projects that will expand the network and increase the number of landowners impacted by the transmission network. This makes landholder engagement increasingly critical not only for securing access but also for building trust, ensuring continuity, and maintaining social license and to avoid delays, refusals, and reputational risks.

Operational challenges have been compounded by limitations in current systems. For the Transmission business, AusNet's primary (C-I-C) CRM has been recently augmented to improve the data and processes, but it lacks integration with other AusNet systems and is reliant on manual processes and inputs. It also does not have functionality to track Transmission asset-specific data, such as tower numbers, or historical compensation, leaving teams without a complete view of landholder interactions. Additionally, data fragmentation across delivery partners, vegetation management works, and other AusNet business units (lines of business) results in inconsistent records and missed opportunities for coordinated engagement.

Communication and complaint handling processes for Transmission are also fragmented. There is no centralised system for tracking complaints, which can originate from contact centres, project teams, delivery partners, or the property team. This results in manual work being needed to collect and oversee complaints. Moreover, delivery partner disconnects—particularly between AusNet and delivery partners—can result in information not reaching operations and maintenance teams, limiting field coordination.

Looking ahead, improving engagement practices promises significant efficiency gains. Streamlined communication and better data integration are expected to reduce field effort, accelerate construction timelines, and strengthen long-term relationships with landholders. A strategic shift toward coordinated, transparent, and respectful engagement will be key to sustaining operational success and community trust.

1.2. Increasing network investment

Victoria's electricity transmission network is facing urgent and emerging challenges. These are driven by a lack of capacity for new renewable developments, peak demand profile requiring augmentation and system strength works, reliability risks from intense weather events and aging coal generation, and increasing reliance on interconnectors and load shedding schemes. This is creating a need for significant investment.

As investment increases, there is an increasing need to communicate with landholders to maintain social licence as well and ensuring long term access to assets located on private land. Errors or mis-communications can cause poor landholder relationships and result in significant delays and cost impact to projects.

Table 3 below summarises the types of work undertaken and the impact on our landholders in terms of AusNet field crews requiring access to land. The increasing replacement and augmentation network drivers will result in increasing land access requirements and therefore the need to undertake effective landholder communications will increase. Asset maintenance has the highest impact on landholders as it affects a large number of landholders each year, making it more difficult to coordinate and helicopter inspections negatively affect cattle. Improving management of maintenance activities will greatly improve the experience of the landowners.

Table 3 Drivers of network investment and how it impacts landholder engagement requirements

Type of investment	Landholder impact

Asset maintenance:
• The forecast workload and private land access requirements are expected to be similar to current requirements for maintenance.
	• **~14,000 maintenance jobs per year** (excl. terminal stations):
	  ◦ ~9,500 easement & line patrol inspections (incl. aerial) and ~1,500 tower climbs
	  ◦ Preventative maintenance (inspections) can be most impactful as is high frequency, often done by helicopter which affects cattle, or if by foot then often little option for choice of when it occurs.
	  ◦ Corrective maintenance (defect correction) involves replacement of parts, so less frequent but requires vehicle access so has moderate impact on farming activities and biological controls.

Asset replacement:
• AusNet is set for a step change in network investment, driven by:
  ◦ More AusNet-initiated work to replace existing assets, to support the ageing network and rising demand
  ◦ More customer-initiated work to connect generators and data centres, as Victoria pushes towards energy transition goals
• Conductor and tower replacement programs will require significantly more time and equipment than inspection programs, further impacting landholders and customers.
	• The forecast workload and private land access requirements are expected to increase for asset replacements.
	• The total investment in asset replacement is forecast to approximately double during the TRR 2027-32 regulatory period compared to the current period. More replacement means a higher level of access to assets and landholder properties is required.
	• Replacement generally affects a small cohort of landholders so while there is a higher impact to those customers, the smaller number makes management easier.

Augmentation (VicGrid): • From July 2025, VicGrid became the new Victorian transmission planner – taking over from AEMO • VicGrid has released the first Victorian Transmission Plan, which details a new 15-year plan for the Victorian transmission network • The 2025 VTP identifies the locations of Renewable Energy Zones (REZs) and plans for network augmentation – including new transmission lines – to connect the REZ to the existing network.	• These investments will result in new assets on existing and new private properties. • This will increase the number of landowners impacted by transmission assets and increase the communications and management requirements for AusNet. • It will increase the need to build social licence in order to gain acceptance from land holders to allow AusNet to build on their land. • Augmentation/new assets generally affects a small cohort of landholders so while there is a higher impact to those customers, the smaller number makes management easier.

1.3. Obligations and industry guidelines

Many reports and documents have captured and drawn attention to areas for improvement in how networks engage with landholders. We consider the five regulatory obligations and industry guidelines described below in **Table 4** to be the most relevant for informing our approach to landholder experience on the existing transmission network. Our existing landholder management systems do not have the functionality to enable these requirements to be met efficiently.

Table 4 - Regulatory obligations underpinning landholder engagement uplift

Regulatory Obligation	Description of obligations
Essential Services Commission's *Land Access Code of Practice* (LACoP)	The Land Access Code of Practice regulates the rules and processes that licensed electricity transmission companies (electricity transmission companies) must follow when accessing, or seeking to access, private land. It also regulates the information that electricity transmission companies must provide to affected parties and other parties interested in land prior to entering into access agreements or accessing private land using statutory powers under the Electricity Industry Act 2000. Key requirements for AusNet are: • Inform on proposed access at least 20 business days before a 'notice of access with defined information requirements. • Send 'notice of access' at least 10 business days before access. • Changes to notified access/reminders: at least 48 hours before access.
Energy Charter *Better Practice Social Licence Guideline*	The Better Practice Social Licence Guideline is to support transmission businesses in building and maintaining trust with agricultural landholders and their communities as Australia transitions to a renewable energy future. It aims to minimise the impacts of transmission infrastructure and promote shared value outcomes by providing a structured framework of actions and opportunities that reflect landholder expectations and lived experiences. It sets out three general requirements for TNSPs: • **Mitigation**: Transmission businesses must actively reduce the significant impacts of infrastructure on landholders' agricultural operations, wellbeing, finances, and environment. • **Benefits**: They should ensure landholders and communities receive meaningful benefits, such as infrastructure upgrades, economic opportunities, and improved services. • **Engagement**: Effective engagement requires respectful, transparent, and consistent communication that meets landholders' expectations throughout the project lifecycle.
Victorian Farmers Federation (VFF) / TasFarmers Farm Access Code of Conduct	The VFF / TasFarmers Farm Access Code of Conduct sets out the expectations of landowners for respectful, informed, and negotiated access. It has seven key requirements: • **Notify in Writing Early:** Give the landholder at least six weeks' written notice before your first meeting • **Respect Landholder Rights:** Explain their rights, provide relevant legislation, and support them to get legal advice • **Understand the Farm:** Learn about the farming activities on-site and factor this into planning • **Offer Fair Compensation:** Where impacts can't be avoided, offer negotiated compensation • **Assess and Share Risks:** Do a thorough risk assessment and share it in writing with the landholder • **Agree on Access Terms:** Finalise a written agreement covering biosecurity, timing, notification protocols, infrastructure use, and any site-specific needs • **Do Not Enter Without Agreement:** If the landholder cannot be contacted or agreement isn't reached, access must not occur.

Energy Safe Victoria (ESV) Directive (Aug 2024)	Requires AusNet to notify landholders about low transmission spans and manage permit requests with strict documentation and response timelines (e.g., 10 business days for permit decisions, 5 business days for document retrieval). Penalty of $228,000 per non-compliance
Essential Services Commission (ESC) Requirement (Mar 2024)	Monthly reporting on land access complaints.

1.4. Current systems

1.4.1. Investment during the 2022-27 regulatory period

During the current regulatory period, there have been two key areas of investment in relation to landholder management.

Foundational Customer Management System (CMS)

During the current regulatory period, AusNet has invested in key initiatives to start improving landholder and customer experience. The key investment was a foundational (C-I-C) based Customer Management System (CMS) to manage land holder data, communications, permits and complaints.

The system aimed to:

- Comply with Energy Safe Victoria directives requiring detailed communications and record-keeping for transmission lines with low ground clearance.
- Support ESC's monthly reporting requirements on land access complaints.
- Establish foundational capabilities for future transmission customer engagement and data management.

This project ensured AusNet complied with an ESV directive and ESC requirements to avoid significant penalties.

Dedicated customer and landholder engagement team

In September 2024 AusNet set up a new Community and Landholder Engagement team, focused only on Regulated Transmission. The team is Melbourne based and is focused on projects, with limited capacity for day-to-day operations.

The team's scope is to uplift and deliver landholder and community engagement including:

- Landholder and community engagement for projects on the regulated transmission network
- Properly notify landholders of upcoming projects and work to reduce landholder impacts
- Develop strategies and procedures for landholder engagement to deliver consistent outcomes
- Support operational teams to resolve landholder complaints
- Manage and maintain landholder records and landholder requirements across the transmission network

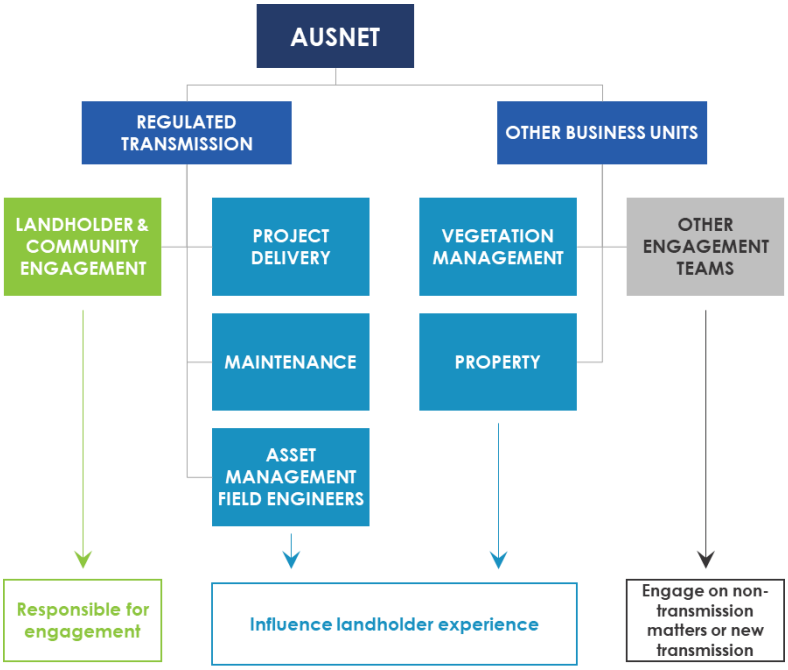


Figure 1 Extract of organisational chart showing the new Landholder and Community Engagement team

1.4.2. Current capability

The current Transmission CMS capability is established in (C-I-C). The Transmission business capabilities implemented during the current regulatory period established foundational capacity for managing transmission landholder data and meeting regulatory compliance requirements from Energy Safe Victoria (ESV) and the Essential Services Commission (ESC). Key capabilities include:

Customer and Landholder Data Management

- Creation of an object model in (C-I-C) for transmission landholders, including accounts, contacts, communication preferences, premises, assets/easements, and stakeholder relationships.
- CSV-based interface for uploading landholder records into (C-I-C).

Communication and Engagement

- Manual messaging component for email and SMS, with six templates each for structured outreach.
- Communication log viewer at the contact level to track all interactions, including uploads of traditional mail logs.

Permit Tracking and Reporting

- Configurable (C-I-C) reports to track permits issued over time.
- External cloud page for viewing and exporting communication logs.
- The transfer of information between the web forms and permit process managed in (C-I-C) remains a manual process (it was not automated as part of the current period implementation).

Web Form Integration

- Redesigned (C-I-C) -based web form for landholders to update contact details, preferences, and submit access requests.
- Form submissions routed to (C-I-C) cases via a new API.

Compliance Support

- Enables AusNet to meet ESV's directive to notify landholders of low transmission spans and manage permit requests within mandated timeframes (10 business days for decisions, 5 business days for document retrieval).
- Supports ESC's monthly reporting on land access complaints

The foundational project excluded any automation of the permit process or broader landholder engagement capabilities. All processes remain manual and there are limited system integrations.

2. Identified need

The purpose of this section is to identify the overarching drivers for investment in landholder management systems for the TRR 2027-32 regulatory period.

2.1. Landholder expectations

To mitigate the risks to reputation and project delivery, AusNet has consulted with landholders to identify their expectations for allowing AusNet to access their land. We need to ensure that our systems enable these expectations to be met consistently and efficiently within the current context that we operate in:

1. Timely and Detailed Notifications
Landholders expect advance notice before AusNet enters their property. They want clear information about the timing, nature, and duration of works, including who will be on-site and what equipment will be used.

Landholders also expect proactive engagement and to be treated respectfully.

2. Opportunity to Negotiate Access
Landholders want the ability to negotiate when and how AusNet accesses their land. This includes flexibility around scheduling and methods of entry, especially for works that may disrupt farming operations.

3. Consistent and Local Points of Contact
Landholders value having a known, local AusNet representative they can contact directly. This builds trust and ensures continuity in communication, especially when multiple teams are involved. Landholders also had a preference for access to a webform/portal to ensure contact details are up to date, set communications preferences and manage access requests with AusNet.

4. Biosecurity procedures consistently applied
Landholders expect AusNet to take care to manage biosecurity risks, for example by avoiding cross-contamination when travelling to multiple sites. This also applies to AusNet's delivery partners.

5. New access agreements
Landholders want new agreements with AusNet that provide long term accountability and certainty, with a mechanism to re-negotiate

6. Respect for Farming and Operations
Landholders expect AusNet to understand and respect their agricultural activities. This includes planning around seasonal operations, avoiding high-productivity areas, and acknowledging the impact of transmission assets on land usability.

7. Shared risk documentation
Landholders expect shared risk documentation for projects on their land, ensuring transparency and accountability.

8. Fair Compensation
Landholders want fair compensation for damage, productivity loss, and disruptions.

9. Safety Awareness and Support
Landholders seek clear guidance on how to operate safely around transmission assets. They appreciate tailored safety information, support for compliance, and tools that integrate with their existing farm systems.

10. Promoting consistency
Landholders want to see consistent application of agreed practices when they interact with AusNet staff, contractors or delivery partners

11. Dispute resolution
Landholders expect continuous improvement of dispute resolution processes, including strengthening internal processes and enhancing awareness of external escalation pathways

12. Transparency on options
Landholders want more transparency on how overhead vs. underground options are considered. We note that this is likely to be more relevant to VicGrid and AEMO as the planners of new transmission infrastructure in Victoria, and not to AusNet

2.2. Gaps in current capabilities

Table 5 outlines the gaps in AusNet's customer and landholder engagement capability that impact our ability to effectively and efficiently consult with our customers and landholders and manage their information. These gaps represent our current state, after the foundational CRM implementation project completed in the current regulatory period.

Table 5 Summary of system gaps

Gap	Description
Fragmented and Inadequate Data Systems	• AusNet lacks automatic access to landholder records; data must be manually gathered through title searches. • Teams rely on spreadsheets and manual workarounds, leading to inconsistent tracking of interactions and complaints. • Historical complaints and commitments are not visible across the organisation, limiting the ability to manage relationships proactively • Changes to landholder titles are not immediately reflected in the system. AusNet staff need to source multiple data sources. • These issues can result in insufficient notification to landholders or inadequate detail being provided.
Limited Complaint and Issue Resolution	• Complaints are handled manually with no centralised system, resulting in inconsistent AusNet representatives managing landholders or issues and inconsistent follow-up and reporting. • There is no unified service-level monitoring across contact centres, project teams, and delivery partners. • Case studies show how unresolved issues—like access track maintenance—can escalate into refusals and project delays.
Disconnected Engagement Across Work Types	• Engagement varies significantly across projects, inspections, and emergency works. • Projects receive structured engagement. • Inspections and maintenance rely on opt-in notifications with no minimum notice period. • Emergency works often begin before engagement occurs. • The unpredictable nature of inspections and maintenance makes it difficult to accommodate landholder preferences.
Lack of Localised and Consistent Contact	• Engagement is often ad hoc, with central office staff travelling as needed. • Landholders may interact with multiple AusNet personnel without continuity or shared context. • This leads to confusion, frustration, and erosion of trust, especially when complaints are repeated without resolution
Rising Expectations and Regulatory Pressure	• New obligations from regulators (e.g. LACoP, VicGrid, Energy Charter) require more structured, transparent, and respectful engagement. • Landholders expect timely notifications, negotiation opportunities, and consistent points of contact. • AusNet's current systems and staffing are not equipped to meet these evolving standards

2.3. Risk analysis

Infrastructure Australia has identified that "social license issues and community fatigue" is one of the top 10 systemic risks likely to increase project costs & delays The report also estimates potential loss over the next decade due to community opposition that will restrict AusNet's access to their assets and their ability to construct new assets.

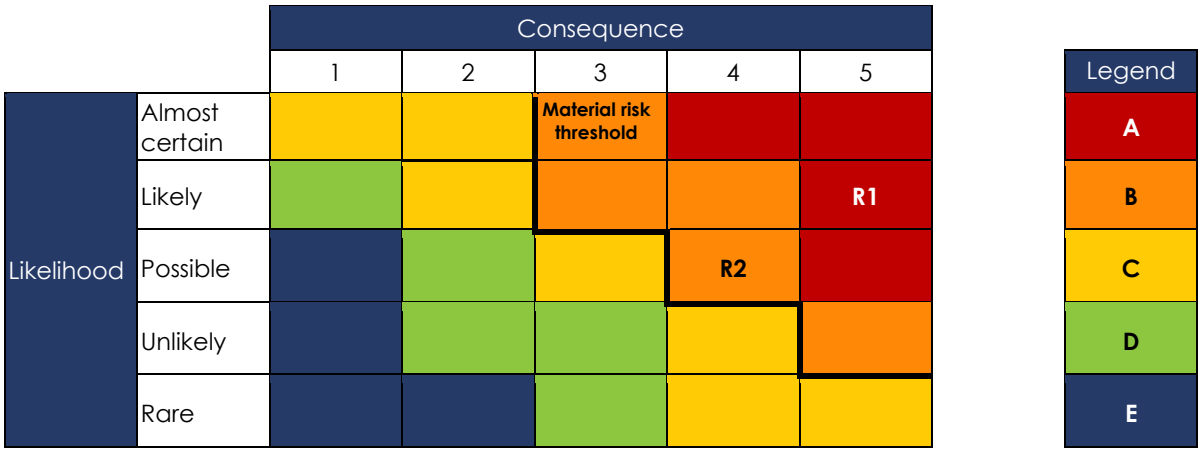
AusNet has a capex forecast of $2.4 billion over the next five years of which approximately $401 million is for transmission towers and lines. Landholders are most affected by transmission towers and lines works as these are the main assets installed on their land. AusNet has a historical access refusal rate of 11% which is expected to increase if management of landholders is not improved, which would have a material impact on AusNet's planned investments.

In addition, the ESC and ESV have set new obligations and there are a number of new industry guidelines that set out what is considered good industry practice in relation to customer communications. Non-compliance with these obligations will result in financial penalties and failure to follow the industry guidelines will further damage AusNet reputation and credibility with landholders and impact social licence. These obligations can require the cross referencing of landholder data with asset data which requires a high level of landholder data to be available.

The identified gaps in our systems will prevent us meeting the expectations of our customers. This results in two key risks; to social licence to complete the required works to maintain and augment our network, and to compliance with regulatory obligations and industry guidelines. The risk to AusNet is assessed in **Figure 2** below.

Investing time and resources to understand different communities' needs, underpinned by customer relationship management systems that support continuity of engagement, is the only way to mitigate these risks.

Figure 2 – Landholder Management Risk Analysis



	RISK	LIKELIHOOD	CONSEQUENCE	RISK RATING
R1	Social license issues and community fatigue are leading to additional project costs and delays	Likely	5: Forecast potential loss of a proportion of ~$401 million for transmission towers and lines over the 2027-32 TRR period due to community opposition/loss of social licence.	A
R2	Inaccurate landholder data resulting in inability to successfully comply with regulator requests within required timeframes.	Possible	4: Major fines can be imposed for failure to comply with obligations. For example, $228k per non-compliance with notifying landholders about low spans under the Energy Safe Victoria (ESV) Directive (Aug 2024).	B

3. Options assessment

As per the AER guidelines, we have examined credible options for our landholder experience capability, with assessment relative to quantified benefits, residual risks and costs to implement. We identified and assessed three landholder experience capability options for the TRR 2027-32 regulatory period. These are shown in Table 6 below.

Table 6 – Landholder experience options evaluated

ASSUMPTION	SUMMARY
Option 1: Retain current systems (no further investment)	Retain existing systems without any further investment.
Option 2: Integrated Customer & Landholder Engagement solution	Continue the development of the customer and landholder engagement systems, building upon the foundations established during the current period with a focus on improving the accuracy of data, automation of processes and integration with the relevant AusNet systems.
Option 3: Self-service Customer & Landholder Engagement solution	Undertake the initiatives proposed in Option 2 with the addition of establishing an online self-service portal and AI-driven insights for landholders.

3.1. Quantifying benefits

The options have been assessed relative to addressing the identified gaps in customer and landholder engagement capabilities, the cost of implementing the option, solution deliverability and risk, and the benefits expected to be obtained.

The two identified options, excluding the base case, will address the identified needs by improving our systems and functionality to address the need. Each of the identified needs will be addressed through the initiatives, with some project(s) aimed at addressing one or more identified needs.

These benefits have all been modelled in the economic assessment of identified options based on the consistent set of assumptions set out in **Table 7** below.

Table 7 Key assumptions

ASSUMPTION	VALUE	BASIS
Discount rate	7%	AEMO 2025 Inputs Assumptions and Scenarios Consultation (IASR) documentation
Average field worker hourly cost ($ per hour)	(C-I-C)	Average hourly field worker rate
Refused land access	(C-I-C)	Average historical refusal rate
Total annual Operations & Maintenance (O&M) jobs	14,000	Derived from AusNet works program
Average workers per O&M job	2	Derived from AusNet works program
Average downtime due to refusal	3hrs	Derived from AusNet works program
Value of customer/landholder time ($ per hour)	(C-I-C)	Modelled economic cost of customer / landholder time
Average annual value of landholder compensation	(C-I-C)	Reduced by 10% compared to recent historical performance due to improved communications
Savings of cost for 2 FTEs	(C-I-C)	Based on average annual salary including all on costs

Source: AusNet analysis

3.2. Non credible options

Our options assessment identified that migrating away from (C-I-C) as the base platforms for the customer and landholder engagement systems was not credible:

- Changing the platforms would require the entire system to be rebuilt resulting in additional costs with no net benefit to AusNet and its landholders.
- These systems are broadly used within AusNet. Implementing a new system would involve additional change management and training costs to build internal capability.
- The current deployment of the landholder engagement system was built on these systems during the current regulatory period (refer to Section 1.4.1). The analysis undertaken for this current period project assessed different potential platforms and found that (C-I-C) were the best solution for AusNet.
- The current system was built with the intention that it would be developed further.

3.3. Option 1 – Retain current systems (no further investment)

Under this option, AusNet will not undertake any further investment in the customer and landholder engagement systems. The manual process to update data and to compile data from multiple systems due to limited integration will be retained.

This option forms the 'counter factual' option for assessing alternatives. The NPV is zero as the reduction in risk from this base line are the benefits of the other options.

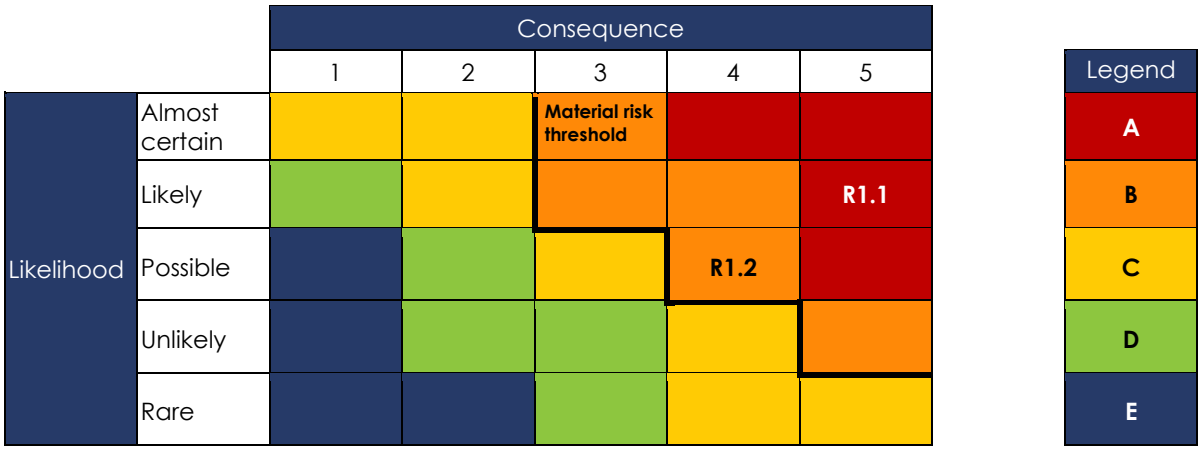
Benefits of this option include:

- Minimum investment so reduced direct cost to landholders.

Key residual risks of this option include:

- The key gaps will remain which are described in **Table 5** and summarised as:
  - Fragmented and Inadequate Data Systems
  - Limited Complaint and Issue Resolution
  - Disconnected Engagement Across Work Types
  - Lack of Localised and Consistent Contact
  - Rising Expectations and Regulatory Pressure
- The identified system gaps will not be addressed which exposes AusNet to significant risk (as detailed in Section 2.3) in relation to:
  - Inability to meet customer expectations which are described in Section 2.1
  - Penalties for non-compliance with notification obligations.
  - Loss of social licence which puts the delivery of the forthcoming network development works for renewable energy at risk.
- This option will require additional FTEs, is expected to result in more access refusals, higher levels of compensation, and require more effort to complete tasks and manage the database.

Figure 3 – Landholder Management Risk Analysis – Option 1 (no further investment)



	RISK	LIKELIHOOD	CONSEQUENCE	RISK RATING
R1.1	Social license issues and community fatigue are leading to additional project costs and delays	Likely	5: Forecast potential loss of a proportion of ~$401 million for transmission towers and lines over the 2027-32 TRR period due to community opposition/loss of social licence.	A
R1.2	Inaccurate landholder data resulting in inability to successfully comply with regulator requests within required timeframes.	Possible	4: Major fines can be imposed for failure to comply with obligations. For example, $228k per non-compliance with notifying landholders about low spans under the Energy Safe Victoria (ESV) Directive (Aug 2024).	B

3.4. Option 2 – Integrated Transmission Customer & Landholder Engagement solution

Under this option, AusNet will continue the development of the customer and landholder engagement systems, building upon the foundations established during the current period with a focus on improving the accuracy of data, automation of processes and integration with the relevant AusNet systems. Key elements of the option are described in **Table 8.**

Table 8 Summary of Option 2 scope

Function	Description
Landholder interaction management	• Inbound Communication Capture: Ability to log and manage landholder instructions received via phone, email, or web forms (e.g. access requests, biosecurity plans, communication preferences) directly into (C-I-C). • Interaction History: Communications (email/SMS) are recorded in a communication log viewer at the contact level, enabling traceability and auditability. • Outlook–(C-I-C) Integration: Emails sent via Outlook can be attached to (C-I-C) records, though current limitations require manual entry unless automated integration is implemented
Data Integration & Automation	• Migration of property records from Access databases to core corporate systems. • Alignment of asset data models across enterprise platforms

Function	Description
	• Land Title Updates: Integration with Land Use Victoria via Dye & Durham enables automated updates to land title records, reducing manual effort and improving accuracy. • Geospatial & (C-I-C) Integration: The CRM is designed to integrate with (C-I-C), (C-I-C), (C-I-C), and field mobility platforms, enabling visibility of asset data, scheduled works, and landholder-specific access requirements. This includes critical information such as field worker programs, biosecurity protocols (e.g. soil access restrictions), and safety considerations - like landholder-specific hazards (e.g. livestock such as raging bulls) - to ensure crews are informed and risks are mitigated before accessing properties
Field crew enablement	• Access Requirements Visibility: Field crews can view landholder-specific access notes (e.g. locked gates, livestock hazards, biosecurity protocols) via integrated mobility tools. • Evidence Capture: Field teams can upload documents or photos as proof of instruction compliance - especially important for biosecurity and audit purpose • Interaction recording and hazard management capabilities for field teams and delivery partners s
Mass Communication & Notifications	• Bulk Notifications: CRM supports line-based segmentation to send mass communications (e.g. for O&M works) to all landholders along a transmission line • Custom Preferences: Landholders can opt-in to receive notifications via their preferred channel (email/SMS/post), and specify access instructions (e.g. "call this number before entry")
Security and Access	• Controlled exposure of landholder data to relevant office and field staff within a secure environment

Benefits of this option include:

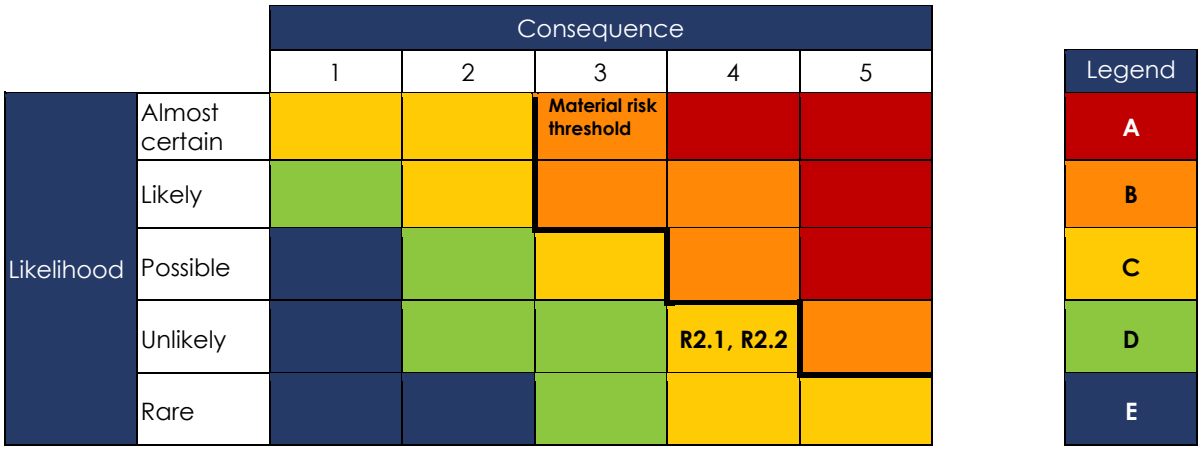
- Provide the social licence needed by AusNet to be able to deliver the significant program of works required in the near future to enable the transition to renewables, including connection of the future REZ and augmentation of existing assets as well as ongoing maintenance.
- Avoided FTE Growth: (C-I-C).
- Avoided Landholder Mitigation Costs(C-I-C).
- Reduced Complaint Handling Costs: Streamlining communication can potentially reduce complaint resolution time from 45 to 30 minutes, saving time and improving landholder trust.
- Reduced Query Management Costs: Enhancing query handling processes can potentially cut response time from 10 to 8 minutes per query, reducing manual workload and improving efficiency.
- Avoided Field Crew Downtime: Proactive engagement lowers the ~11% access refusal rate, helping avoid costly delays for field crews during 14,000 annual O&M jobs.
- Ability to expand the system to incorporate new functionality as determined to be necessary without over committing up front.
- This option will enable AusNet to meet the expectations of customers that are described in Section 2.1.

Key residual risks of this option include:

- This option does not provide a dedicated portal automated mechanism to update CRM records when a landholder's situation changes (e.g. new farming activity or biosecurity requirement and instead relies on a webform and manual processes.
- Manual processes increase the risk of incorrect data (out of date or due to manual transcription error) and will also result in higher opex than could be achieved through an automated process.
- This may impact AusNet's ability to communicate effectively and could result in failure to comply with the ESV directive, resulting AusNet incurring financial penalties
- Will increase the manual processes required and therefore not result in optimal opex.

Figure 4 shows that the program delivers risk reduction relative to the Option 1 no further investment scenario, reducing identified risks to be below AusNet's material risk threshold at the end of the TRR 2027-32 regulatory period.

Figure 4 – Landholder Management Risk Analysis – Option 2 (integrated solution)



	RISK	LIKELIHOOD	CONSEQUENCE	RISK RATING
R2.1	Social license issues and community fatigue are leading to additional project costs and delays	Unlikely	4: Forecast potential loss (reduced proportion at risk compared to Option 1) of a proportion of ~$401 million for transmission towers and lines over the 2027-32 TRR period due to community opposition/loss of social licence.	C
R2.2	Inaccurate landholder data resulting in inability to successfully comply with regulator requests within required timeframes.	Unlikely	4: Major fines can be imposed for failure to comply with obligations. For example, $228k per non-compliance with notifying landholders about low spans under the Energy Safe Victoria (ESV) Directive (Aug 2024).	C

NOTE: improved customer and landholder engagement will reduce the likelihood of issues and also how severe any issues become, hence the reduction in both likelihood and consequence under this option.

This option is forecast to cost $7.46 million which is comprised of $3.6 million capex, $3.76 million project implementation opex, and $0.1 million recurrent opex for incremental software licences and support. As a Software-as-a-Service (SaaS) solution, implementation and configuration of AusNet's (C-I-C) platform has been treated as project implementation opex ("propex") per International Financial Reporting Interpretations Committee (IFRIC) guidance.

The NPV of this option is $5.32 million.

Table 9 Costs of Option 2

Cost item	RY28	RY29	RY30	RY31	RY32	Total
Capex	3.60	0.00	0.00	0.00	0.00	3.60
Project Implementation Opex ("propex", non-recurrent opex)	3.76	0.00	0.00	0.00	0.00	3.76
Ongoing Licences & Support Opex (recurrent opex)	0.02	0.02	0.02	0.02	0.02	0.10
Total	**7.38**	**0.02**	**0.02**	**0.02**	**0.02**	**7.46**

3.5. Option 3 – Self-service Transmission Customer & Landholder Engagement solution

Under this option, AusNet will continue the development of the customer and landholder engagement systems, building upon the foundations established during the current period with a focus on improving the accuracy of data, automation of processes and integration with the relevant AusNet systems.

This option extends the investment of Option 2 to also implement a self-service portal for landholders to replace the current webform which is manually processed, and it will apply AI to derive further insights to assess with managing landholders.

Key elements of the option are described in **Table 10.**

Table 10 Summary of Option 3 scope

Function	Description
Landholder interaction management	• Inbound Communication Capture: Ability to log and manage landholder instructions received via phone, email, or web forms (e.g. access requests, biosecurity plans, communication preferences) directly into (C-I-C). • Interaction History: Communications (email/SMS) are recorded in a communication log viewer at the contact level, enabling traceability and auditability. • Outlook–(C-I-C) Integration: Emails sent via Outlook can be attached to (C-I-C) records, though current limitations require manual entry unless automated integration is implemented
Data Integration & Automation	• Land Title Updates: Integration with Land Use Victoria via Dye & Durham enables automated updates to land title records, reducing manual effort and improving accuracy. • Geospatial & (C-I-C) Integration: The CRM is designed to integrate with (C-I-C), (C-I-C), (C-I-C), and field mobility platforms, enabling visibility of asset data, scheduled works, and landholder-specific access requirements. This includes critical information such as field worker programs, biosecurity protocols (e.g. soil access restrictions), and safety considerations - like landholder-specific hazards (e.g. livestock such as raging bulls) - to ensure crews are informed and risks are mitigated before accessing properties
Field crew enablement	• Access Requirements Visibility: Field crews can view landholder-specific access notes (e.g. locked gates, livestock hazards, biosecurity protocols) via integrated mobility tools. • Evidence Capture: Field teams can upload documents or photos as proof of instruction compliance - especially important for biosecurity and audit purposes
Mass Communication & Notifications	• Bulk Notifications: CRM supports line-based segmentation to send mass communications (e.g. for O&M works) to all landholders along a transmission line • Custom Preferences: Landholders can opt-in to receive notifications via their preferred channel (email/SMS/post), and specify access instructions (e.g. "call this number before entry")
Self Service Portal	A proposed online Landholder Portal will allow landholders to: • Update contact details and land use • Upload safety or biosecurity plans • Request permits • Manage communication preferences
AI-Driven Insights & Automation	• Access Event Matching: AI will match work orders and access events with impacted assets and landholders, triggering automated communications and reducing manual effort

Function	Description
	• Anomaly Detection: Future-state vision includes using AI to detect inconsistencies in access patterns or data mismatches for proactive resolution

Benefits of this option include:

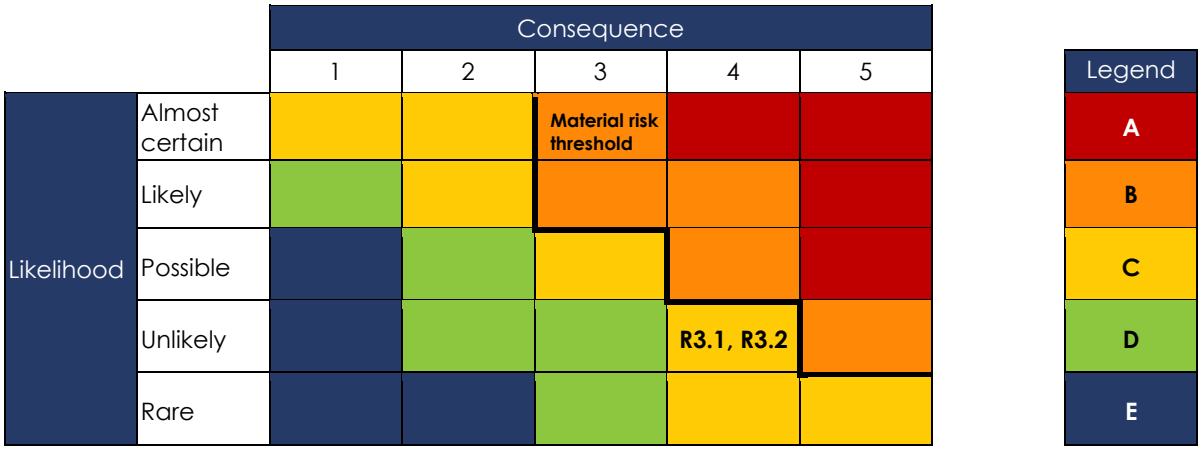
- This option delivers all the benefits of Option 2, and in addition;
- Replaces the existing webform, which is manually processed by AusNet, with a self-service portal. This will ensure that landholder details remain up to date, automate the updating of data and provides and improve channel for communication and management of complaints and notifications.
- AI driven analysis will help improve insight into landholders and result in improved service outcomes.

Key residual risks of this option include:

- Delivery risk of the AI implementation. While AI systems are advancing rapidly and are readily available in services such as ChatGPT or Microsoft Copilot, application of AI to a more custom application is not likely to be as straightforward, with potential for incremental cost and delivery timeframe risks.
- There may not be adequate use of the self-service portal.
- This option is more expensive but does not materially improve the risk profile to AusNet overall.

Figure 5 shows that the Option 3 program delivers the same risk reduction as Option 2, reducing risks below AusNet's material risk threshold at the end of the TRR 2027-32 regulatory period.

Figure 5 – Landholder Management Risk Analysis – Option 3 Non-recurrent (self-service solution)



	RISK	LIKELIHOOD	CONSEQUENCE	RISK RATING
R3.1	Social license issues and community fatigue are leading to additional project costs and delays	Unlikely	4: Forecast potential loss (reduced proportion at risk compared to Option 1) of a proportion of ~$401 million for transmission towers and lines over the 2027-32 TRR period due to community opposition/loss of social licence.	C
R3.2	Inaccurate landholder data resulting in inability to successfully comply with regulator requests within required timeframes.	Unlikely	4: Major fines can be imposed for failure to comply with obligations. For example, $228k per non-compliance with notifying landholders about low spans under the Energy Safe Victoria (ESV) Directive (Aug 2024).	C

NOTE: improved customer and landholder engagement will reduce the likelihood of issues and also how severe any issues become, hence the reduction in both likelihood and consequence under this option.

This option has a forecast to cost $11.46 million. This is comprised of $7.60 million capex, $3.76 million project implementation opex and $0.10 million recurrent opex for incremental software licences and support. As a Software-as-a-Service (SaaS) solution, implementation and configuration of AusNet's (C-I-C) platform has been treated as project implementation opex ("propex") per International Financial Reporting Interpretations Committee (IFRIC) guidance.

The NPV of this option is $3.11 million.

Table 11 Costs of Option 3

Cost item	RY28	RY29	RY30	RY31	RY32	Total
Capex	7.60	2.00	2.00	0.00	0.00	7.60
Project Implementation Opex ("propex", non-recurrent opex)	3.76	0.00	0.00	0.00	0.00	3.76
Ongoing Licences & Support Opex (recurrent opex)	0.02	0.02	0.02	0.02	0.02	0.10
Total	**7.38**	**2.02**	**2.02**	**0.02**	**0.02**	**11.46**

4. Recommended option

Our assessment found that the Option 2 Integrated Transmission Customer and Landholder Engagement solution is the preferred option.

Option 2 will address the identified needs and reduce risks below AusNet's material risk threshold, through delivering systems that will enable us to meet new regulatory obligations, apply industry guidelines that define good practice, and maintain our social licence with our landholders. Option 2 delivers the highest NPV, through optimisation of scope and resulting cost, relative to Option 3.

Criteria	Option 1	Option 2	Option 3
Capex and Propex ($'million, real FY2025)	-	$7.36	$11.46
Opex ($'million, real FY2025)	-	$0.10	$0.10
NPV ($'million, real FY2025)	-	$5.32	$3.11
Addresses identified need	✗	✓	✓
Reduces risks below Material Risk threshold	✗	✓	✓
Delivery risk	✓	✓	✓
Preferred option	✗	✓	✗

The recommended Option 2 will involve:

- Implementation (non-recurrent) expenditure of $7.36m comprised of $3.6m capex and $3.76m project opex, with project opex representing accounting treatment of SaaS implementation and configuration costs.
- Recurrent opex of $0.10 million opex, representing $0.02 million per year for incremental ongoing application licences and support.

The required annual expenditure is shown in **Table 12** below.

Table 12 Forecast expenditure profile – Option 2 (recommended option)

Cost item	RY28	RY29	RY30	RY31	RY32	Total
Capex	3.60	0.00	0.00	0.00	0.00	3.60
Project Implementation Opex ("propex", non-recurrent opex)	3.76	0.00	0.00	0.00	0.00	3.76
Ongoing Licences & Support Opex (recurrent opex)	0.02	0.02	0.02	0.02	0.02	0.10
Total	**7.38**	**0.02**	**0.02**	**0.02**	**0.02**	**7.46**

AusNet

AusNet

Level 31
2 Southbank Boulevard
Southbank VIC 3006

T 1300 360 795

Locked Bag 14051
Melbourne City Mail Centre
Melbourne VIC 8001

Follow us on

@AusNet.Energy
@AusNet

ausnet.com.au