

August 2025

Powerlink 2027-32 Revenue Proposal

Statement of Corporate Intent FY25



SHAREHOLDING MINISTERS FOR
QUEENSLAND ELECTRICITY TRANSMISSION CORPORATION LIMITED

Our Ref: QT 01312-2025

6 August 2025

Ms Kathy Hirschfeld AM
Chair
Queensland Electricity Transmission Corporation Limited

Email via Assistant to Chair: leisa.hardy@powerlink.com.au

Dear Ms Hirschfeld

**Queensland Electricity Transmission Corporation Limited's (Powerlink)
2024–25 Statement of Corporate Intent and 2024–25 to 2028–29 Corporate Plan**

We refer to Powerlink's 2024–25 Statement of Corporate Intent (SCI) and 2024–25 to 2028–29 Corporate Plan.

In accordance with the requirements of the *Government Owned Corporations Act 1993*, as the shareholding ministers for Powerlink, we agree to the form and content of these documents and have signed the SCI, noting specific matters contained within the documents may be subject to further shareholding minister approval.

We note the SCI and Corporate Plan include a range of financial and non-financial performance metrics and reiterate the Powerlink Board is responsible and accountable for ensuring performance metrics are appropriate and reflect best practice.

An executed copy of the 2024–25 SCI is enclosed for your records.

Yours sincerely



HON. DAVID JANETZKI MP

Treasurer
Minister for Energy
Minister for Home Ownership
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HON. ROS BATES MP

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Encl. (1)



POWERLINK QUEENSLAND STATEMENT OF CORPORATE INTENT FY25

Prepared by the directors and management of Powerlink for shareholding Ministers

The Honourable David Janetzki MP
Treasurer, Minister for Energy and Minister for Home Ownership

The Honourable Rosslyn Bates MP
Minister for Finance, Trade, Employment and Training

MARCH 2025

Commercial in Confidence

This document contains confidential information relating to the business affairs of Powerlink Queensland. Release of its content is subject to the provisions of the *Right to Information Act 2009*. Any unauthorised disclosure of material contained in this document may diminish the commercial value of that information.

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 and our shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. The SCI represents a commitment to the major activities, objectives, policies, investments and borrowings of Powerlink for FY25.

This SCI is consistent with Powerlink's FY25 to FY29 Corporate Plan, submitted to shareholding Ministers in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board undertakes to make all reasonable efforts to achieve the targets proposed in the SCI for FY25.

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 communicated to shareholding Ministers. Any modifications to this SCI will be dealt with in accordance with the GOC Act.

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



The Hon David Janezki MP
Treasurer and Minister for Energy and Minister for Home
Ownership

3/8/25

Date



The Hon Rosslyn Bates MP
Minister for Finance, Trade, Employment and Training

29/7/2025

Date



Alan Millis
Acting Chair, Powerlink Queensland

18/03/2025

Date

Financial targets

Financial targets	Full year	Q1	Q2	Q3	Q4
	\$M	\$M	\$M	\$M	\$M
EBIT	325.6	79.1	82.6	85.8	78.2
Net Profit After Tax (NPAT)	61.7	16.0	18.0	16.2	11.5
Capital Expenditure	1,510.6	290.8	403.8	361.7	454.3
Return on Assets	2.9%	NA	NA	NA	NA
Ordinary Dividends Provided	61.7	-	-	-	61.7
Special Dividends Provided (1)	-	-	-	-	-

Small differences are due to rounding to first decimal point.

(1) No special dividends have been included in FY25 as part of Powerlink's Balance Sheet Strategy

Non-financial targets

Non-financial targets	Full year
Environment	
Number of major, extreme or catastrophic incidents ⁽¹⁾	0
Network Performance – system reliability	
Event in excess of 0.05 system minutes	≤ 3
Event in excess of 0.40 system minutes	≤ 1
Queensland Capacity Network Pty Ltd (QCN)	
Increase in total contracted capacity	≥ 12%
Health and safety	
Health and Safety Assurance and Learning – delivery against plan ⁽²⁾	≥ 85%

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

(2) Monitors progress against a defined set of health and safety assurance and learning activities for the financial year.

Executive summary

Powerlink is Queensland's transmission network service provider (TNSP), providing electricity to more than 5.5 million Queenslanders and 253,000 businesses. Our role is to build, own, operate and maintain the electricity transmission network and associated services in Queensland. Our focus is on how to best 'serve Queenslanders'.

Powerlink's Central scenario forecasts Queensland's delivered energy consumption will increase at an average of 2.5% per annum over the next 10 years from 47,477GWh in FY24 to 60,516GWh in FY34.

Queensland has significant and sharply rising market shares of utility-scale and rooftop renewable generation. This in turn is changing the way Powerlink's network is operated and developed. Powerlink's investment planning is designed to ensure the power system remains in a secure operating state having regard to these changes. Powerlink's priority investments include:

- 1) upgrades to its Energy Management System (the system that controls the state-wide grid);
- 2) reinforcement of the Central Queensland area network, with a particular focus on ensuring security of supply into Queensland's largest industrial centre, Gladstone; and
- 3) ongoing connection works associated with new generation investments in Queensland – noting that, over the past five years, Queensland is by far the most active jurisdiction in Australia, with generation commitments exceeding \$17.5 billion.

Powerlink is focused on cost-of-living pressures and the importance of driving value for customers by delivering our services to the community in the most cost-effective manner possible.

To meet the challenges of the changing energy system, in FY25, Powerlink will continue to focus on:

- social licence and performance
- energy market modelling and planning optimisation
- efficient and cost-effective service delivery
- securing workforce, supply chains and materials
- cyber security and critical infrastructure
- innovative finance solutions
- world-class grid operations.

Company overview and strategy

Powerlink's role in the energy system in Queensland is expanding as a result of a once-in-a-generation transformation of the power system to enable a low-carbon future.

Powerlink is a leading TNSP, providing electricity to more than 5.5 million people and 253,000 businesses in Queensland. Our transmission network extends 1,700 kilometres from Cairns to the New South Wales border and comprises 15,345 kilometres of transmission lines and 147 substations.

Powerlink's strategy is built on four key pillars: our purpose, values, strategic objectives, and Key Performance Indicators (KPIs). Our purpose of "*Connecting Queenslanders to a World-*

Class Energy Future", is supported by four overarching Strategic Objectives that are designed to advance this purpose, which are:

- Drive value for customers
- Be the future-ready grid
- Guide the market
- Unleash our potential.

Above all, our role is to 'serve Queenslanders'.

Each year, Powerlink defines key focus areas and sets strategic and operational priorities to help achieve year-on-year outcomes. Powerlink has identified three distinct, yet integrated, lines of business: regulated business, non-regulated business and power system transformation.

Regulated business

Powerlink's regulated network is the foundation of the business. It is the backbone of Queensland's electricity grid, connecting generators to communities and large loads.

The revenue Powerlink can recover for building, operating and maintaining these assets is regulated by the Australian Energy Regulator's (AER) revenue determination process. The current regulatory period commenced 1 July 2022 and ends 30 June 2027. The regulated network currently contributes approximately 70 per cent of Powerlink's annual revenue.

In FY25, Powerlink will commence preparation for the next regulatory determination (1 July 2027 to 30 June 2032).

Non-regulated business

Powerlink's non-regulated business engages the market and competes to connect new generators and loads quickly and efficiently.

The non-regulated business provides bespoke solutions to new generation projects that our development customers are delivering, including site selection and design, construction, commissioning and maintenance.

Non-regulated service offerings include network connections, telecommunications, oil lab services, asset management, construction and project management, easement acquisition, ongoing maintenance and operations, sale of high-voltage equipment, property services and advisory services.

During 2023, the number of new generation projects reaching financial close across the entire National Electricity Market (NEM) fell to its lowest level in a decade owing to changes in equipment costs, the cost of capital, supply chain dynamics, permitting and approvals. Powerlink has a considerable pipeline of new generators with over 50GW at the enquiry and application stage of the connection process. We continue to work closely with industry to streamline the connections process and help our customers reach financial close with their generation projects.

Power system transformation

Queensland's power system was designed to transport electricity from a relatively small number of coal-fired power stations in central and southern Queensland to communities throughout the state. Historically, the system consisted of mainly dispatchable generation plants.

The power system of 2035 and beyond will be characterised by a larger number of geographically dispersed energy generators, with system firming provided by a range of technologies including batteries, pumped hydro and gas-fired generation.

The modernisation of Queensland's power system requires a significant increase in construction activity in rural and regional areas and further elevates the importance of delivering strong social performance in impacted communities.

Powerlink will continue to work closely with relevant departments on appropriate regulatory frameworks to deliver this work.

The following sections describe the operating environment, key risks and planned strategic and operational activities of Powerlink for FY25.

External and policy environment

This section summarises the external and policy environment in which Powerlink will operate during FY25.

External environment

In the coming years, Powerlink will be impacted by a range of macro-environmental factors that are reshaping Australia's energy landscape. These factors, including evolving social, technological, economic, environmental and policy forces, are driving changes and opportunities in the sector, both in Australia and international markets.

An emphasis on resilience and sustainability in the face of extreme weather events and cyber risks will also be crucial for energy systems.

Within the global and domestic environment, Powerlink expects to face challenges and opportunities related to delivery of our program, including:

- supply chain pressures
- technological advancements
- industrial electrification
- availability of key skills and resources
- cost increases
- community concerns.

Powerlink will also need to account for an increase in operational complexity and volatility due to:

- the geographic distribution and increasing number of new generators
- the variable nature of new generation output
- weather variations
- market price fluctuations
- integration of energy storage
- increasing distributed energy resources (DER)
- evolving demand profiles.

Policy environment

The energy and climate policy environment in Australia is complex, incorporating nationwide and state-based policy, legislation and targets that present both opportunities and risks for Powerlink as the Queensland TNSP.

Commonwealth and state government policies play a crucial role in shaping the energy landscape in Australia, with net zero policies providing direction and driving decarbonisation efforts.

Several Commonwealth Government policies are influencing the nationwide policy landscape, such as the Commonwealth net zero and emissions reduction targets, the Capacity Investment Scheme, the Rewiring the Nation Fund and the Nature Positive Plan. These policies have mobilised capital towards renewable investment but have also introduced uncertainties that have caused delays to investment decisions and project approvals.

In the NEM, the National Energy Objectives have been amended to recognise greenhouse gas emission reduction objectives. This amendment is likely to have profound implications for Powerlink as we develop transmission infrastructure projects due to the ability to include a Value of Emissions Reduction (VER) in regulatory processes, including regulatory investment tests for future projects.

Transmission infrastructure requires approvals under various Queensland Government and Commonwealth Government frameworks and legislation, including the *Electricity Act 1994* (access to land), *Planning Act 2016* (planning approval), *Acquisition of Land Act 1967* (easements and access to land), and the *Environment Protection and Biodiversity Conservation Act 1999* (environmental approval).

Key risks

This section summarises key risks to be managed by Powerlink in FY25. Relevant mitigation activities are detailed in the 'Strategic and operational priorities' section below.

Powerlink must manage a range of risks to ensure that we deliver our capital program and ongoing operations, and continue to provide a safe, secure and reliable electricity service for Queenslanders.

Capital requirements

The volume of capital projects across the regulated, non-regulated and power system transformation business lines is forecast to require \$1.5 billion of investment in FY25. It is likely that the commitment to elements of this level of investment will require further equity commitments from FY26 onwards.

Labour

Powerlink's workforce comprises several key skill areas that are currently in high demand and low supply across the sector. There are risks that the skilled workforce needed to deliver the works program will not be able to be fully sourced. Recruitment and retention of staff in high demand trades and professions is expected to be a challenge over the medium term. Low unemployment combined with existing shortages in key skill areas (such as lines construction, riggers and electrical engineers) has led to Powerlink having a renewed focus on managing this risk.

Supply chains and materials

Delivery of our capital program depends on goods and services being delivered in the required volumes and in a timely manner. Disruptions in supply chains in recent years from conflict, pandemic and high global demand have increased costs and extended delivery

timeframes. Powerlink is competing for equipment supply in global markets against organisations seeking standardised supply of high-volume orders.

Social licence and performance

Powerlink's social licence to operate is a key factor in the delivery of the transmission backbone and connection projects, making effective community engagement and social performance a central focus for Powerlink in FY25. Key to maintaining this social licence is ensuring that our delivery of new infrastructure enables positive and enduring social and business outcomes and meets rising community expectations.

Cyber security and critical infrastructure

The range of cyber security threats continues to expand and cyber attacks on power systems around the globe indicate electricity networks remain credible targets. In response to this risk, the Commonwealth Government amended the *Security of Critical Infrastructure Act 2018 (Cth)* (SoCI Act) in 2022 to place greater obligations on critical infrastructure asset owners and operators with respect to a range of hazards, including cyber security-related risks, supply chain and personnel risk.

Environmental and developmental approvals

Timely environmental and development approvals are crucial to Powerlink's ability to maintain project schedules and fulfil our role in developing critical infrastructure. During FY24, the energy sector experienced lengthened timeframes for environmental approvals from the Commonwealth Government. Delays in approval processes may ultimately cause delay to the delivery of projects. Powerlink is actively engaging with both the state and the Commonwealth governments on opportunities to improve the efficiency of environmental approvals processes.

Strategic and operational priorities

This section summarises Powerlink's strategic and operational priorities in FY25 to address the risks highlighted in the section above.

Power System Transformation deliverables

Power system transformation deliverables are discussed in three categories:

- A) Backbone transmission infrastructure
- B) Future network planning, and
- C) Renewable Energy Zones (REZ) and REZ Delivery Body (RDB).

A) Backbone transmission infrastructure

The 2022 Blueprint highlights five major transmission infrastructure components. Planning and costing will further refine the High Voltage Alternating Current backbone transmission infrastructure, supporting future capacity requirements and long-distance power flows more effectively and cost efficiently. Powerlink aims to identify the most affordable solutions to meet specific needs and timing.

Key actions Powerlink will undertake in FY25 include:

- refining planning and costing to ensure cost effectiveness
- implementing processes to fast-track delivery of significant infrastructure
- considering a broader range of economic benefits beyond the benefits to electricity consumers

- continuing to work on identified key transmission infrastructure components.

B) Future network planning

Powerlink has worked closely with the Queensland Government providing technical and economic insights on transmission network development.

Queensland's transmission network is growing to meet future demand. During FY24, Powerlink substantially enhanced our modelling and scenario testing capabilities to support this planning work, which continues in FY25.

C) REZ and RDB

Powerlink is investigating the development of clean energy infrastructure in Queensland through a coordinated, market-led REZ model that promotes the appropriate allocation of risk and costs between developers, networks and customers.

The REZ approach facilitates efficient network connection and speed-to-market for Powerlink's generation customers, and aims to minimise impact on communities, cultural heritage and the environment through engagement and coordination.

Powerlink has two roles under relevant legislation: 1) REZ Transmission Network Service Provider (REZ TNSP), and 2) REZ Delivery Body (RDB). In FY25, Powerlink expects to establish the RDB and develop the first REZ.

CopperString 2032

Through FY25, Powerlink will continue to execute works under the \$1.3 billion Delivery Launch Package. In parallel, Powerlink continues to undertake significant engagement with the Queensland Government on its Final Investment Proposal for the project.

Finance

In FY25 Powerlink will focus on managing our balance sheet and maintaining our investment grade credit rating. This will be achieved through:

- implementing tailored financial strategies to handle growth, ensuring flexibility for future needs
- exploring funding solutions that align with stakeholder interests

Securing workforce

Powerlink is ensuring sufficient resources are employed to meet current and future workloads. In addition to existing activities that are developing our talent pipelines and support recruitment for critical skills, Powerlink will also focus on sustainable organisational growth.

Cyber security and critical infrastructure

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]




Increasing focus on delivery capability and capacity

To meet construction demands and performance expectations in a competitive resource market, Powerlink will implement new contracting strategies to secure and retain construction capability and capacity. These strategies will leverage existing and new supplier panel arrangements, be managed through an optimised program delivery solution and focus on critical capability uplift.

Supply Chain Transformation

To manage supply chain risks, Powerlink will continue to focus on supplier relationships and strengthen our supply chain resilience.

In addition to this, a new Supply Chain Transformation program will lead three programs of work to support the upcoming capital works program and ongoing maintenance requirements:

- Inventory optimisation
- Warehouse and logistics optimisation
- Logistics facilities management (including additional temporary warehouse facilities required while the new permanent facility is approved and constructed).

Social licence and performance

Powerlink will finalise and implement an overarching Social Performance Strategy and framework in FY25 to ensure that the delivery of new infrastructure enables positive and enduring social and business outcomes. This will be achieved through alignment of Powerlink activities and investment with world-class social responsibility principles and practices.

Implementation of the Social Performance Strategy framework will build on in-progress community engagement, compensation and environmental initiatives such as the Transmission Easement Engagement Process and the Landholder Payment Framework.

Powerlink is also engaging with Queensland's peak environmental bodies. Two key focus areas in FY25 include improving data and access to biodiversity mapping and the development of a best-practice guideline for new generation development/biodiversity interfaces.

Customer strategy

FY25 brings a focus on the execution of Powerlink's customer strategy, driving increased value for customer segments and embedding the customer in all aspects of Powerlink's activities.

Powerlink will also continue to take a leading role in the Energy Charter (of which Powerlink was a foundation signatory), bringing together like-minded energy organisations with a shared purpose to deliver better outcomes for customers and communities.

Innovation

The transmission network industry is experiencing a growing need for productivity, automation, digitisation and innovation to meet the evolving demands of a rapidly changing landscape. In FY25, Powerlink will execute an innovation program, including:

- leveraging our international relationships to identify new construction methodologies that can be adopted locally to support effective delivery of the capital program over the next 10 years
- investigating screw piles and low-emission concrete for foundations, robotic installation of spacers and flight-safety marker balls on transmission lines, and sky cranes to construct 500kV towers.

Digital

Powerlink's Business IT and Digital Delivery Group will deliver numerous digital solutions to enhance the organisation's capabilities. Initiatives include:

- commencing delivery of a centralised Supplier Relationship Management solution
- implementing new IT cyber security tools integrated with AI support to enable cyber incident management and reporting
- following Powerlink's successful multi-year SAP Transform Program, including the replacement of a 20-year-old finance cost allocation and operating model, moving to our next phase of a digital uplift for supply chain and warehouse
- implementing a Common Data Environment repository providing a single source of truth for designs, drawings and other critical information.

Future Grid Operations

To continue to deliver safe, reliable and cost-effective transmission services for Queenslanders, we have developed the Future Grid Operations strategy and are designing a transformation program to implement the strategy. Powerlink will mobilise the transformation program and begin to execute initiatives aligned to five priorities:

- Strategic Foundations – establish the mechanisms needed to enable the Future Grid Operations strategy, including change management and governance
- Grid Operations Organisation Design – optimise structures, business processes, service delivery and technology (including interfaces, systems and software)
- Service Strategies – strategies that reinforce and operationalise the strategy
- Market Influence and Control – enhance Grid Operations' role in-market and increase influence through incentives, market coordination and engagement with regulators
- Operational Forecasting – deploy the operational forecasting capability.

The Next Generation Network Operations program also continues to be a key focus, as part of establishing contemporary network operation capabilities through the utilisation of leading-edge, best-practice technologies at Powerlink.

Revenue determination

Powerlink is considering a modified approach to the upcoming revenue determination process, for the regulatory period commencing in FY28, in response to energy system changes. Following the initial engagement with the Powerlink Customer Panel, Powerlink will ensure it continues to provide transparency in our investment decisions initially undertaken outside the formal RIT-T process, but which may seek to be incorporated into the regulated asset base in the future.

Key assumptions

The key assumptions underpinning Powerlink's strategic planning and financial results for FY25 are outlined below.

Financial assumptions

Financial	Budget FY24	Budget FY25
Primary		
Distribution Yield	3.7%	0.8%
Controllable Opex on Fixed Assets	2.8%	3.1%
Secondary		
Distribution Cash Coverage	2.6x	7.4x
Net Debt / Fixed Assets	60.9%	60.0%
Return on Assets	3.3%	2.9%
FFO on Net Debt	8.0%	7.1%
Net Debt / RAB	79.0%	76.0%

Economic assumptions

Economic	Budget FY24	Budget FY25
CPI (June Year)	4.25%	3.10%
Interest Rate – Core	3.86%	4.36%
Regulated Rate of Return (WACC)	5.18%	5.27%
Ordinary Dividend Payout Ratio ⁽¹⁾	100%	100%
Shareholder Equity Injections ⁽²⁾	Nil	557.0 ⁽³⁾
Shareholder Equity Withdrawals ⁽²⁾	Nil	Nil

(1) Dividend represents 100 per cent of net profit after tax, per dividend policy. Powerlink will negotiate any proposed adjustments allowable under the GOC Act with shareholding departments.

(2) Approval of the SCI does not constitute approval of forecast equity injections or withdrawals.

(3) CopperString 2032, and hubs in Gladstone and Townsville.

Community Service Obligation

No community service obligations have been identified by Powerlink in FY25.

Capital structure

Borrowings facility	Forecast FY24	Budget FY25
	\$M	\$M
Total	5,547.0	6,209.8

Small differences are due to rounding to first decimal point.

Capital expenditure

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

Total capital expenditure	Estimated expenditure FY25
	\$M
Regulated	
Non-regulated	
Transformation – CopperString 2032	
Transformation - Other	
Total capital expenditure	1,510.6

Significant Projects ^{(1) (2)}	FY25 \$M	Approved total cost	Expected completion date	Board approval received	Shareholder approval received
Regulated					
Lilyvale Selected Primary Plant Replacement	8.9	39.8	Oct 2026	Y	NA
DWDM Replacement	1.2	35.0	May 2025	Y	NA
Advanced Energy Management System	40.8	282.0	Q4 2027	Y	N
Davies Creek to Bayview Heights 275kV Refit	14.2	70.0	Dec 2025	Y	NA
Transformation					
CopperString 2032 Delivery Launch Package	470.7	1,300.0	TBD	Y	Y
Borumba Connection Early Works Package	121.6	700.0	NA	N	N
Significant Connection Projects (Non-regulated) – Committed Projects ⁽³⁾					
Clarke Creek Wind Farm Connection					
MacIntyre and Karara Wind Farm Connection					
Genex Kidston 275kV Connection					
Ulinda Park BESS Connection					
Wambo Wind Farm Connection					
<i>Total non-regulated projects</i>	317.9				
Significant Projects (Non-regulated) – Completed Projects in FY24 ⁽⁴⁾					
Ironbark Mine Connection					
Chinchilla BESS Connection					

Small differences are due to rounding to first decimal point.

(1) Significant projects are projects with a total capital expenditure exceeding the Shareholding Minister Notification threshold.

(2) The Calvale to Calliope River 275kV Transmission Line and the Gladstone Hub projects do not feature in the table above as they are pending approvals.

(3) Committed projects are those with an executed agreement for the full scope of works and still in progress, with Notice to Proceed (NTP) issued by the customer, and Powerlink works commenced.

(4) Completed projects are those where all Powerlink works are complete. However, operation may not be at full capacity as the customer facility may still be under construction or commissioning.

Queensland Capacity Network Pty Ltd (QCN)

QCN (jointly owned by Powerlink and Energy Queensland) commenced 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 FY24, QCN has further consolidated its credibility and position in the market as a 'Carrier of Carriers'. Our distinctive network, geographically diverse to other carriers,

featuring overhead fibre, Government ownership and sheer size (13,000km), coupled with world-class Ciena equipment, serves as a highly attractive and unique differentiator to large national and international Tier 1 Carriers. QCN has, therefore, been successful in re-engaging with the Tier 1 Carriers in Australia and re-establishing a number of valuable contracts.

QCN's strategy to expand our network to benefit regional Queenslanders by leveraging existing Queensland Government telecommunications assets and planned infrastructure projects is seeing the QCN network expand into new geographic areas.

Key strategic initiatives for QCN in FY25 include:

- delivering the early works program for the CopperString 2032 Telecommunications Program in the towns along the Flinders Highway
- working closely with Powerlink on the planning and design for telecommunications projects as part of new transmission infrastructure
- delivering improved connectivity to regional towns west of Mackay via the Federal Government's Regional Connectivity Program grant
- expanding our network (both fibre and towers) by leveraging a range of existing and planned infrastructure projects and assets, both private and public, within Queensland and securing strategic capacity swap deals with interstate, national and international carriers
- engaging with other Queensland Government utilities to leverage their available telecommunications capacity
- capitalising on the Dense Wavelength-Division Multiplexing (DWDM) upgrade, our significant tower infrastructure and network expansion opportunities to engage with domestic Tier 1 Carriers
- leveraging QCN's now-established credibility in the market and unique network attributes to engage with international telecommunications carriers to target large, long-term, high-capacity contracts.

Statement of Compliance

Powerlink, including our subsidiaries, will comply with all relevant policies and guidelines issued by the shareholders and government, and formal directions as received from time to time.

Powerlink has committed to working with relevant government agencies and stakeholders to provide sectoral leadership in gender diversity equality by continuing to deliver strong, practical actions to build and maintain an inclusive culture and close the gender gap in the clean energy workforce. Powerlink will also contribute to the Queensland Government public commitments *Equal by 30* campaign to achieve equal pay, equal leadership and equal opportunities for women in their organisation by 2030. This will include, as a first step, improving data and developing metrics on gender diversity in their organisation and supporting the government to develop a Women in Renewables Strategy with the broader energy sector and key stakeholders.

Financial metrics definitions

Measure	Calculation	Description	Performance monitoring
Distribution Yield ¹	$\frac{\text{Shareholder Distributions (Dividends Paid)}}{\text{Fixed Assets - Net Debt}}$	Measures shareholder distributions paid relative to equity of a regulated entity	Against Powerlink's forecast distribution yield
Controllable Operating Expenditure (OPEX) on Total Fixed Assets	$\frac{\text{All operating costs excluding customer works and depreciation}}{\text{Fixed Assets}}$	Measures the robust management of the entity's controllable operating expenditure against fixed asset value	Against Powerlink's forecast
Distribution Cash Coverage	$\frac{\text{Prior Year Net Operating Cash Flow - Repex - debt repayments}}{\text{Shareholder Distributions (Dividends Paid)}}$	Measures cash available to pay shareholder distributions before non-recurrent capex and debt or equity flows	Against Powerlink's forecast Not materially less than 1 time
Funds from Operation (FFO) on Net Debt ⁽¹⁾	$\frac{\text{EBITDA - Net Interest - Tax Expense}}{\text{Net Debt}}$	Measures the strength of the financial position and ability to pay debt	Against Powerlink's forecast
Net Debt to Fixed Assets ⁽¹⁾	$\frac{\text{Total Debt - Cash}}{\text{Total Fixed Assets}}$	Measures gearing of the entity	Maintained at <66%
Return on Assets	$\frac{\text{Earnings Before Interest and Tax (EBIT)}}{\text{Average Total Assets}}$	Reflects the financial performance of the business (EBIT) relative to the asset base	Against Powerlink's forecast
Net Debt to Regulated Asset Base (RAB) ¹	$\frac{\text{Total Debt - Cash}}{\text{Total Closing Regulated Fixed Assets (including WIP)}}$	Measures financial gearing relative to RAB	Against Powerlink's forecast

(1) Net Debt excludes ring-fenced items including non-regulated project prepayments, and security arrangements and guarantees.

Non-financial metrics definitions

Metric	Definition
System Minute	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.
Health and Safety Assurance and Learning	Delivery against planned health and safety assurance and learning activities.

Attachment 1 – Employee relations

Employee relations

Employment and industrial relations approach

Powerlink, and the electricity sector in general, continues to operate under intense scrutiny due to ongoing concerns surrounding increasing electricity prices. As a government-owned electricity entity, there is additional pressure placed on Powerlink to maintain and operate an effective, efficient and reliable network.

In addressing these concerns, Powerlink aims to ensure that business operations:

- are directed towards sustainably providing transmission services in line with customer expectations and in a manner that supports Queensland's economic prosperity
- are competitive for non-regulated business opportunities
- support the new energy future of Queensland
- assist in placing downward pressure on electricity prices by delivering efficient electricity transmission services.

Powerlink continues to take a proactive, early-engagement approach with staff and their representatives to resolve issues within the business. A constructive relationship with staff and their representatives is integral to Powerlink's industrial relations approach.

Industrial relations framework

Powerlink aims to have employment and industrial relations arrangements that support the delivery of strategic business priorities and objectives in a changing energy sector. These approaches are largely contained in Powerlink's two enterprise agreements:

- The Powerlink Managers' Enterprise Agreement (Managers' Agreement), which is currently under negotiation. It is aligned to the organisational architecture of Powerlink and recognises the important role of middle-level leadership in driving business outcomes.
- The Working at Powerlink Union Collective Agreement (WAPA), which is currently under negotiation. The WAPA provides the majority of the terms and conditions of employment.

Significant and emerging issues

Challenges remain in the current labour market, especially in critical skill sets unique to transmission. Powerlink continues to examine our strategic workforce requirements throughout Queensland to ensure we continue to increase capability to meet the growing demands being placed on our workforce. There are several issues that continue to influence the current industrial relations plan and approach, including:

- the external environment, including the regulatory review process, rule changes, state legislation, 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 coupled with a continued focus on maintenance for the existing transmission network remaining a major driver in workforce planning and resourcing
- the growth of renewable energy generation and changes in technology, which necessitates the ongoing training and upskilling of our workforce.

Powerlink's primary employment and industrial relations goals for this year are to:

- conclude and implement the replacement of the WAPA and the Managers' Agreement
- support programs of work that are aimed at ensuring adequate future transmission resourcing and skillsets, and associated approaches for planning, partnering and delivery
- continue to increase our ability to resource Powerlink's work appropriately and flexibly through re-skilling and ease of movement of people across the business
- increase business productivity by continuing to improve staff engagement levels and lift culture to be more accountable, innovative, customer-focused and constructive
- continue to increase leadership capability to manage industrial relations issues at an early stage to avoid unnecessary disputation
- support staff with flexible working arrangements to ensure they are able to work safely and productively
- implement federal and state legislative changes and directives as they arise.

Employment and Industrial Relations Plan

Enterprise Agreements

Conditions of employment for Powerlink employees are regulated largely by either:

- the WAPA; or
- the Managers' Agreement.

Negotiations for replacement enterprise agreements are nearing completion for both the WAPA and Managers' Agreement.

The WAPA is Powerlink's primary enterprise agreement. The key features of the proposed 2024 WAPA include:

- a four-year agreement
- a 4.5 per cent, 4.5 per cent, 3.5 per cent and 3 per cent per annum increase in base wages and related allowances over the life of the agreement (four years), partially funded (50 per cent) by productivity initiatives
- no forced redundancies and salary maintenance provisions maintained for the life of the agreement
- expanding the scope of Parental Leave to provide greater flexibility for Primary Carer Leave and the introduction of Special Maternity Leave, Special Circumstances Leave and Guardian Leave, and enhanced access to paid Parental Leave
- ability to access annual and long service leave at half pay
- the introduction of 10 days special leave for the purposes of reproductive/menstruation, gender affirmation, trauma and Sorry Business/NAIDOC
- introduction of Working Away from Home provisions and allowances, and an additional week of leave for those employees who work away from home
- maintenance of all other key terms and conditions of the previous Agreement.

The key features of the proposed 2024 Managers' Agreement include:

- a four-year agreement

- a 4.5 per cent, 4.5 per cent, 3.5 per cent and 3 per cent per annum increase in base wages over the life of the agreement (four years)
- expanding the scope of Parental Leave to provide greater flexibility for Primary Carer Leave and, the introduction of Special Maternity Leave, Special Circumstances Leave and Guardian Leave, and enhanced access to paid Parental Leave
- ability to access annual and long service leave at half pay
- the introduction of 10 days special leave for the purposes of reproductive/menstruation, gender affirmation, trauma and Sorry Business/NAIDOC
- maintenance of all other key terms and conditions of the previous Agreement.

Workforce

Powerlink forecasts workforce resource numbers using a variety of in-house tools, 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, international recruitment, cross-industry transitional training and significant investment in future talent pathways are examples of sustainable workforce resourcing investments in progress to better prepare Powerlink and the Queensland energy industry to meet future workforce demands. Powerlink's workforce is outlined below.

Workforce Full Time Equivalent (FTEs) ¹	31 January 2024
Employment Category:	
Permanent (including Part-Time)	1,413
Senior Executive	8
Apprentices (In House)	62
Trainees (In House)	4
Casual and Fixed Term Employees	80
Total Directly Employed Workforce:	1,567
Labour Hire	26
Total Workforce (including labour hire):	1,593

(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:

- six months' notice of redundancy or 13 weeks early separation payment
- three weeks per year of service severance payment with a minimum of four weeks (National Employment Standards) up to a maximum of 75 weeks
- pro-rata long service leave
- accrued annual leave
- outplacement and retraining support.

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

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

Remuneration arrangements

The remuneration details for Powerlink's Chief Executive and other Senior Executives applying on 31 January 2024 are outlined below.

CEO / Senior Executives	Base Salary¹	Employer Superannuation Contributions	Total Fixed Remuneration	Performance Payment made for FY23²
Paul Simshauser Chief Executive	\$823,506	\$104,996	\$928,502	\$79,530
Darryl Rowell Chief Financial Officer	\$426,275	\$54,349	\$480,624	\$43,070
Gary Edwards Chief Operating Officer	\$378,742	\$48,289	\$427,031	\$24,860
Ian Lowry Acting Executive General Manager Major Projects	\$385,411	\$49,139	\$434,550	\$38,080
Sarah Huang Acting Executive General Manager Delivery and Technical Solutions	\$347,672	\$44,328	\$392,000	\$32,830
Jacqui Bridge Executive General Manager Energy Futures	\$375,205	\$47,838	\$423,043	\$36,940
Stewart Bell Executive General Manager Network and Business Development	\$458,228	\$58,423	\$516,651	\$44,250
Leigh Pickering Executive General Manager People and Corporate Services	\$369,371	\$47,094	\$416,465	\$36,180

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

(2) Paid in October 2023.

Superannuation

Powerlink's superannuation conditions meet Your Future, Your Super legislative requirements known as 'stapling' or 'stapled funds'. This enables new employees commencing 1 November 2021 onwards to remain with their existing 'stapled' superannuation fund. All Powerlink employees covered by the WAPA and who commenced prior to this date remain with the Brighter Super Superannuation Scheme until the commencement of a replacement enterprise agreement. Designated managers

covered by the Managers' Agreement and senior staff who are outside of the enterprise agreements have Super Choice.

In December 2022, Powerlink was advised by the Queensland Government that it had approved superannuation contributions of 12.75 per cent per annum to be paid by Government Owned Corporations to employees from 1 July 2022. Employer contributions are calculated on ordinary time earnings (at a minimum), as defined by the *Superannuation Guarantee Administration Act 1992 (Cth)*.

Workplace Health and Safety

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

Powerlink systematically monitors our compliance obligations and business requirements. We have systems in place to develop, resource, monitor and make continuous improvement to progress our health, safety and environmental commitments and objectives. This includes planning, design, construction, operation and maintenance of an electrically safe network.

Attachment 2 – Sponsorship, advertising, corporate entertainment and donations

Sponsorships

Powerlink's sponsorship arrangements include a framework that all applications are assessed against. Powerlink's sponsorship framework is consistent with the Corporate Citizenship Framework and aligned to the reputation and influence initiatives in Powerlink's strategy. Preferred areas of activities include:

- empowering communities
- protecting and conserving the environment
- supporting safety and wellbeing
- education
- the energy industry.

Applicants can submit a request for sponsorship funding in writing to Powerlink, which will be assessed against set criteria for evaluation. To be accepted, the sponsorship must be in line with the sponsorship framework and provide an appropriate and value-for-money business outcome.

Any sponsorship greater than \$10,000 must be reviewed and endorsed by the Powerlink Chief Executive and sponsorships greater than \$30,000 must be reviewed and endorsed by the Powerlink Board.

With the breadth of change coming for the new energy future, Powerlink is developing a Community Investment Guideline. The community investment approach is being designed to provide financial support to activities intended to support sustainable communities, assist in regional economic development, enhance community and social capacity and build resilience in areas traversed by existing or future transmission infrastructure where we co-exist.

This financial support is largely derived from individual project budgets and will not form part of sponsorship investment or budgets.

In addition, sponsorship funding from key projects or programs within Powerlink might also be allocated at various points in the financial year on an as-needed basis. These items will be reported in quarterly SCI reporting, as required, and noted as being additional to existing budgets.

Advertising

Powerlink undertakes very limited advertising. Advertising undertaken generally relates to operational requirements expensed to projects and includes items such as consultation arrangements for environmental impact assessments, recruitment and similar.

Sponsorship, donations, advertising, corporate entertainment and other (including items over \$5,000)

Activity	Description / Benefit	Budget FY24 (\$)	Budget FY25 (\$)	Quarter (\$)			
				Q1	Q2	Q3	Q4
Sponsorships ⁽¹⁾							
Engineers Australia	EA Branch Program	---	---	---	---	---	---
Energy Users Assoc. of Aust.	Conference and Qld Forum	35,000	40,000	---	---	40,000	---
Country Universities Centre	Regional sponsor	20,000	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	8,000	---	---	---	---	---
Women in Engineering Sponsorship	Industry partnership program	10,000	10,000	10,000	---	---	---
Uniting	Community support program	40,000	40,000	---	40,000	---	---
RE-Alliance	Community partnership	25,000	25,000	25,000	---	---	---
State-wide sponsorship (new, TBA)	To be allocated to a multi-region organisation	---	50,000	---	50,000	---	---
Total over \$5,000		238,000	325,000	55,000	110,000	40,000	120,000
Other (total) below \$5,000		60,000	110,000	25,000	35,000	25,000	25,000
Total Sponsorship (A)		298,000	435,000	80,000	145,000	65,000	145,000
Donations ⁽²⁾							
Hummingbird House		10,000	10,000	Nil	Nil	10,000	Nil
Other (total) below \$5,000		---	---	---	---	---	---
Total Donations (B)		10,000	10,000	Nil	Nil	10,000	Nil
Advertising ⁽³⁾							
Total over \$5,000		---	---	---	---	---	---
Other (total) below \$5,000		---	---	---	---	---	---
Total Advertising (C)		Nil	Nil	Nil	Nil	Nil	Nil
Corporate Entertainment							
Total over \$5,000		---	---	---	---	---	---

Activity	Description / Benefit	Budget FY24 (\$)	Budget FY25 (\$)	Quarter (\$)			
				Q1	Q2	Q3	Q4
Other (total) below \$5,000		40,000	40,000	10,000	10,000	10,000	10,000
Total Corporate Entertainment (D)		40,000	40,000	10,000	10,000	10,000	10,000
Other							
Total over \$5,000		---	---	---	---	---	---
Other (total) below \$5,000		---	---	---	---	---	---
Total Other (E)		Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (A)+(B)+(C)+(D)+(E)		348,000	485,000	90,000	155,000	85,000	155,000

(1) Subject to review prior to SCI final approval.

(2) Powerlink conducts an annual donation program for a charity in conjunction with staff.

(3) As a general policy, Powerlink only undertakes advertising that is directly associated with our operational activities and as such, no details are included.

Attachment 3 – Financial Statements

Profit and Loss Statement

Profit and Loss Statement	FY25 (\$M)	Q1 (\$M)	Q2 (\$M)	Q3 (\$M)	Q4 (\$M)
Operating Revenue					
Total Operating Revenue	1,180.5	291.3	294.7	299.4	295.2
Operating Expenses					
Controllable Operating Expenses	368.4	92.1	92.1	92.1	92.1
Other ²	56.0	14.0	14.0	14.0	14.0
Total Operating Expenses	424.4	106.1	106.1	106.1	106.1
Earnings Before Interest, Tax and Depreciation (EBITDA)	756.1	185.2	188.6	193.3	189.1
Depreciation	430.5	106.1	106.0	107.5	110.9
Earnings Before Interest and Tax (EBIT)	325.6	79.1	82.6	85.8	78.2
Net Finance Charges ³	237.6	55.8	56.4	62.2	63.2
Income Tax Equivalent Expense	26.2	7.3	8.1	7.4	3.4
Net Profit After Tax (NPAT)	61.7	16.0	18.0	16.2	11.5
Ordinary Dividends Provided	61.7	-	-	-	61.7
Special Dividends Provided ⁴	-	-	-	-	-
Total Dividends Provided	61.7	-	-	-	61.7

Small differences are due to rounding to first decimal point.

- (1) [REDACTED]
- (2) Includes Cost of Disposal of Non-Current Assets and External Customer Services Expenses.
- (3) Includes Interest Income and AASB15 impact.
- (4) No special dividends have been included in FY25.

Balance Sheet

Balance Sheet	FY25 (\$M)	Q1 (\$M)	Q2 (\$M)	Q3 (\$M)	Q4 (\$M)
Current Assets					
Cash	58.8	565.7	275.7	418.0	58.8
Receivables	96.1	94.8	93.0	100.4	96.1
Other	69.0	69.0	69.0	69.0	69.0
Total Current Assets	223.9	729.5	437.6	587.4	223.9
Non-Current Assets					
Property, Plant & Equipment	11,724.7	10,366.0	10,746.2	11,180.7	11,724.7
Other	41.5	42.9	42.9	42.9	41.5
Total Non-Current Assets	11,766.3	10,408.9	10,789.1	11,223.6	11,766.3
Total Assets	11,990.1	11,138.4	11,226.7	11,811.0	11,990.1
Current Liabilities					
Creditors	163.5	123.7	113.2	151.8	163.5
Borrowings	32.9	7.8	15.6	24.2	32.9
Other	317.8	281.4	248.8	252.6	317.8
Total Current Liabilities	514.2	412.8	377.6	428.6	514.2
Non-Current Liabilities					
Borrowings	6,176.9	5,645.7	5,689.1	6,143.7	6,176.9
Other	1,294.1	1,275.8	1,291.1	1,307.5	1,294.1
Total Non-Current Liabilities	7,471.0	6,921.5	6,980.1	7,451.2	7,471.0
Total Liabilities	7,985.2	7,334.3	7,357.8	7,879.8	7,985.2
Net Assets	4,005.0	3,804.1	3,869.0	3,931.3	4,005.0
Shareholders' Equity					
Share Capital	400.2	400.2	400.2	400.2	400.2
Other Equity	1,258.1	1,221.1	1,221.1	1,221.1	1,258.1
Reserves	2,133.9	1,954.1	2,000.9	2,047.0	2,133.9
Retained Earnings	212.8	228.8	246.8	263.1	212.8
Total Shareholders' Equity	4,005.0	3,804.1	3,869.0	3,931.3	4,005.0

Small differences are due to rounding to first decimal point.

Cash Flow Statement

Cash Flow Statement	FY25 (\$M)	Q1 (\$M)	Q2 (\$M)	Q3 (\$M)	Q4 (\$M)
Cash Flows from Operating Activities					
Cash Receipts in the course of Operations	1,160.7	281.8	293.5	289.0	296.4
Cash Payments in the course of Operations	(463.8)	(200.2)	(111.7)	(62.6)	(89.3)
Interest Received	9.7	3.1	2.5	2.6	1.5
Interest Paid	(249.9)	(59.5)	(59.6)	(65.4)	(65.5)
Tax Equivalent Payments	(30.1)	(6.7)	(9.8)	(9.9)	(3.7)
Net Cash from Operating Activities	426.7	18.6	115.0	153.7	139.4
Cash Flows from Investing Activities					
Payments for Property, Plant and Equipment	(1,898.5)	(427.2)	(417.7)	(474.6)	(579.0)
Proceeds from Sale of Non-Current Assets	0.1	-	-	-	0.1
Net Cash used in Investing Activities	(1,898.4)	(427.2)	(417.7)	(474.6)	(579.0)
Cash Flows from Financing Activities					
Net Proceeds from Borrowings	662.8	105.1	51.2	463.3	43.3
Dividends Paid	(38.5)	-	(38.5)	-	-
Other	557.0	520.0	-	-	37.0
Net Cash from Financing Activities	1,181.3	625.1	12.7	463.3	80.3
Net Increase/(Decrease) in Cash Held	(290.4)	216.5	(290.0)	142.3	(359.3)
Cash at the Beginning of the Financial Year	349.2	349.2	565.7	275.7	418.0
Cash at the End of the Financial Year¹	58.8	565.7	275.7	418.0	58.8

Small differences are due to rounding to first decimal point.

(1) Includes Cash and Cash Advances.