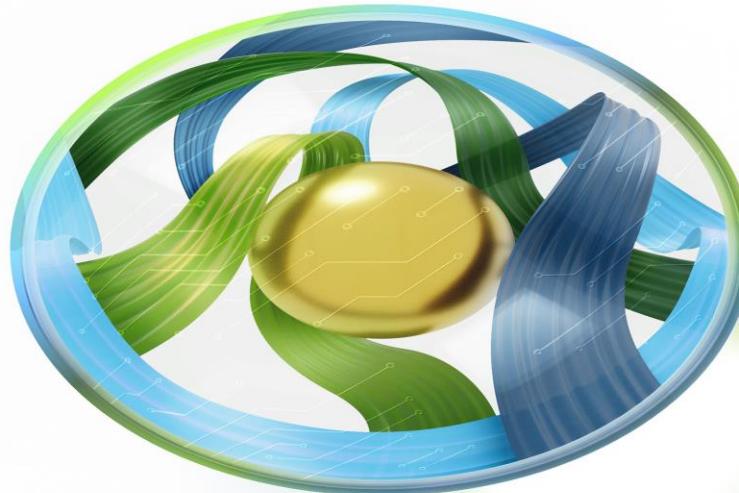


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**Tasmanian Networks Pty Ltd**  
Ring-Fencing Guideline Compliance Report  
**For the year ended 31 December 2024**

## Table of Contents

1.	Executive Summary.....
2.	Independent Assurance Report to the Directors of Tasmanian Networks Pty Ltd .....
3.	Detailed Findings.....
<u>APPENDIX</u>	.....

1 April 2025

Mr. Darryl Reichelt  
Head of Business Governance  
Team Leader Compliance and Risk  
TasNetworks  
1/7 Maria Street  
Lenah Valley, TAS 7008

Dear Darryl

**Ring-Fencing Guideline Compliance Report**

Thank you for engaging us to undertake the audit of Tasmanian Networks Pty Ltd's Ring-Fencing Compliance report.

Please find our report attached and if you have any questions, please do not hesitate to contact me directly.

Yours sincerely



Carl Harris  
Partner

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## 1. Executive Summary

### 1.1 Introduction

Under the National Electricity Rules (the “NER”) the Australian Energy Regulator (the “AER”) published Version 3 of the Ring-Fencing Guideline (Electricity Distribution) on 3 November 2021, and Version 4 of the Ring-Fencing Guideline (Electricity Transmission) on 4 March 2023 (together, the “Guidelines”). The Guidelines require functional separation of regulated and competitive business activities to promote competition in the provision of contestable electricity services.

Under clause 6.2.1c of the Guidelines, Deloitte Touche Tohmatsu (“Deloitte”) has been engaged per the engagement letter between Tasmanian Networks Pty Ltd (“TasNetworks”) and Deloitte dated 10 December 2024 (engagement letter date) as the qualified independent authority to provide reasonable assurance opinion on whether TasNetworks Ring-Fencing Compliance Report with respect to compliance with 6.2.1a of the Guidelines is, in all material respects, fairly presented as evaluated against 6.2.1b of the Guidelines for the period from 1 January 2024 to 31 December 2024.

### 1.2 Summary of Findings

The following table summarises observations and recommendations against the Obligations where an exception or improvement was identified. The rating of each Obligation has been applied in accordance with *Section 1.3*.

Management responses to the observations and recommendations are included in the Appendix to this report. This information does not form part of the Independent Assurance Report. The information included in the Appendix has not been subjected to the test procedures performed, accordingly, Deloitte does not express an opinion on it.

No.	Guidance Obligation	Results of Testing	Recommendations	Rating	Material Breach
1.	<p>Distribution Guideline 4.3.1 (a) &amp; (b)</p> <p>Subject to this clause, a <b>DNSP</b> must:</p> <p>(a) keep <b>ring-fenced information</b> confidential; and</p> <p>(b) only use <b>ring-fenced information</b> for the purpose for which it was acquired or generated.</p>	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key points(s) below:</p> <ul style="list-style-type: none"><li>• TasNetworks has current, policies and procedures governing the appropriate management of confidential information as per the Distribution Ring-Fencing Guidelines</li><li>• TasNetworks has a number of internal controls designed to proactively manage access to ring-fenced information; and</li><li>• Deloitte noted that several of the relevant policies, procedures and frameworks are past their due review date.</li></ul>	<p>Deloitte recommends TasNetworks undertake a thorough review of all relevant policies, frameworks, and procedures relevant to the distribution guideline 4.3. This review should be consistent with document administration statements, including biennial reviews, to ensure alignment with evolving practices and technological advancements.</p>	No exception	N/A
	<p>Transmission Guideline 4.2.1 (a) &amp; (b)</p> <p>Subject to this clause 4.2, a <b>TNSP</b> must:</p> <p>(a) keep <b>ring-fenced information</b> confidential; and</p>	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key points(s) below:</p> <ul style="list-style-type: none"><li>• TasNetworks has current, policies and procedures governing the appropriate management of confidential</li></ul>	<p>Deloitte recommends TasNetworks to undertake a thorough review of all relevant policies, frameworks, and procedures to guideline 4.2. This review should be consistent with document administration statements,</p>	No exception	N/A

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No.	Guidance Obligation	Results of Testing	Recommendations	Rating	Material Breach
	(b) only use <b>ring-fenced information</b> for the purpose for which it was acquired or generated.	<p>information as per the Transmission Ring-Fencing Guidelines</p> <ul style="list-style-type: none"> <li>TasNetworks has a number of internal controls designed to proactively manage access to ring-fenced information; and</li> <li>Deloitte noted that several of the relevant policies, procedures and frameworks are past their due review date.</li> <li>TasNetworks currently does not have specific procedures in place to ensure that confidential information or access rights are not transferred for employees that transition to TasNet Connections Pty Ltd. During 2024 management has confirmed that there was no transfer of employees.</li> </ul>	<p>including biennial reviews, to ensure alignment with evolving practices and technological advancements.</p> <p>We also recommend that TasNetworks conduct a comprehensive process review for scenarios involving employee transitions between TasNetworks and TasNet Connections Pty Ltd. This review should include detailed documentation of procedures and establish controls to effectively revoke individual access to specific data, such as Teams files, to ensure that confidential information or access rights are not transferred.</p>		
2.	<p>Distribution Guideline 4.4.1(a)</p> <p><b>A DNSP:</b>            (a) must ensure that any new or varied agreement between the <b>DNSP</b> and a <b>service provider</b>, for the provision of services to the <b>DNSP</b> that enable or assist the <b>DNSP</b> to supply <b>direct control services</b>, requires the <b>service provider</b> to comply, in providing those services, with:</p> <ul style="list-style-type: none"> <li>i. clauses 4.1, 4.2.1, 4.2.2 and 4.3.2 of this Guideline; and</li> <li>ii. clause 4.2.3 of this Guideline in relation to the brands of the <b>DNSP</b>; as if the <b>service provider</b> was the <b>DNSP</b>.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>We selected a sample of suppliers with new contracts entered in the 2024 year and confirmed that ring-fencing clauses were inserted to relevant contracts.</li> <li>We noted the TasNetworks contract template clearly defined all ring-fencing obligations for new or varied agreements.</li> <li>Deloitte could not evidence any document control for the newly revised templates.</li> </ul>	<p>We recommend TasNetworks implement document control on all contract templates.</p>	No Exception	N/A
3.	<p>Transmission Guideline 4.4.1(a)</p> <p><b>A TNSP:</b>            must ensure that any new or varied agreement between the <b>TNSP</b> and a <b>service provider</b>, for the provision of services to the <b>TNSP</b> that enable or assist the <b>TNSP</b> to provide <b>prescribed transmission services</b>, requires the <b>service provider</b> to comply, in providing those services, with clauses 4.1, 4.2.1 and</p>	<p>Based on the testing performed we have identified one exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>There were two samples from our sample testing which used old contract templates which did not include Transmission Ring-fencing Guideline obligations incorporated with the contracts.</li> <li>Deloitte's recommendation for the Ring-fencing Guideline Compliance Report for the 2023 reporting period addressed this issue, however the two sampled contracts were drafted prior to the newly revised templates being rolled out.</li> </ul>	<p>We recommend TasNetworks implement document control on all contract templates.</p>	No Exception	N/A

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No.	Guidance Obligation	Results of Testing	Recommendations	Rating	Material Breach
	4.3 of this <b>Guideline</b> as if the <b>service provider</b> was the <b>TNSP</b>	<ul style="list-style-type: none"> <li>Furthermore, Deloitte could not evidence any document control for the newly revised templates.</li> </ul> <p>Nothing has come to our attention to lead us to believe that TasNetworks has not complied with the Transmission Guideline, given that TasNetworks has fulfilled Obligations under the Distribution Guideline 4.4.1, of which the consideration is more intensive than the current Transmission requirements and that TasNetworks has adopted the new templates during 2024.</p>			

### 1.3 Rating Applied

The ratings applied to the results of our testing are defined below based on Deloitte's interpretation of the Guideline. The evaluation of the results of our tests as they relate to the obligations is based on applying our professional judgement and considering the available facts and circumstances.

No Exception	Requirements of the obligation have been met with no or only minor improvement opportunities. Any findings noted are considered minor and require routine efforts to correct in the normal course of business.
Exception	The requirements of the obligation have not been fully met. Findings noted require remedial action.

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## 2. Independent Reasonable Assurance Report to the Directors of Tasmanian Networks Pty Ltd

### Opinion

We have undertaken a reasonable assurance engagement on Tasmanian Networks Pty Ltd (“TasNetworks”) Ring-Fencing Compliance Report, with respect to compliance with 6.2.1a of the Ring-Fencing Guideline - Electricity Distribution and Ring-Fencing Guideline – Electricity Transmission (the “Guidelines”) as evaluated against 6.2.1b of the Guidelines, in all material respects, for the period from 1 January 2024 to 31 December 2024.

In our opinion, the accompanying TasNetworks’ Ring-Fencing Compliance Report with respect to compliance with 6.2.1a of the Guidelines is in all material respects, fairly presented as evaluated against 6.2.1b of the Guidelines for the period from 1 January 2024 to 31 December 2024.

### Basis for Opinion

We conducted our reasonable assurance engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (“ASAE 3100”) issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Cost Allocation Methodology regulatory period assessed

Without modifying our opinion, we draw attention to the regulatory period covered under Section 3.2.2 of the Guideline within this report being 1 January 2024 to 30 June 2024, which is different to the compliance period of 1 January 2024 to 31 December 2024. Compliance with the Cost Allocation Method for the remaining regulatory period from 1 July 2024 to 31 December 2024 will be covered under the Regulatory Information Order (RIO) reporting for 1 July 2024 to 30 June 2025 regulatory period. This approach is in line with Ring-Fencing 6.2.1 (d) which allows for a difference between the regulatory information notice period and the Ring-Fencing Compliance period regarding the information in section 3.2.2.

### Our Independence and Quality Management

We have complied with the independence and relevant ethical requirements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, including those contained in APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

Our firm applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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## Responsibilities of the Management of TasNetworks

Management is responsible for:

- a) providing the Ring-fencing Compliance Report with respect to the outcome of the evaluation of the compliance activity against 6.2.1a of the Guidelines for the period from 1 January 2024 to 31 December 2024;
- b) the compliance activity undertaken to meet 6.2.1a of the Guidelines;
- c) identifying suitable compliance requirements as specified in the Guideline as required by the AER;
- d) identifying risks that threaten compliance with 6.2.1a of the Guidelines being met; and
- e) the identification, design and implementation of controls to enable compliance with 6.2.1a of the Guidelines to be met and to monitor ongoing compliance.

## Responsibilities of the Assurance Practitioner

Our responsibility is to express an opinion on whether TasNetworks' Ring-Fencing Compliance Report with respect to compliance with 6.2.1a of the Guidelines, in all material respects, as evaluated against 6.2.1b of the Guidelines for the period from 1 January 2024 to 31 December 2024. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether TasNetworks Ring-Fencing Compliance Report with respect to compliance with 6.2.1a of the Guidelines is, in all material respects, fairly presented as evaluated against 6.2.1b of the Guidelines for the period from 1 January 2024 to 31 December 2024.

An assurance engagement to report on the TasNetworks' Ring-Fencing Compliance Report with respect to compliance with 6.2.1a of the Guidelines involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet 6.2.1a of the Guidelines. The procedures selected depend on our judgement, including the identification and assessment of risks of material deficiencies in the compliance framework or material misstatements in TasNetworks Ring-Fencing Compliance Report.

Our procedures included, but were not limited to:

- Inquiring with TasNetworks personnel about controls which are in place to enable TasNetworks to comply with the Obligations;
- On a sample basis, observing the control being performed, and/or inspecting documentation to evidence the design, implementation and effectiveness of the controls;
- Inquiring with management whether they are compliant with the Obligations, and corroborating our inquiry with the results of our test procedures.
- Evaluating the content of the Ring-fencing Compliance Report, to determine whether it is fairly presented, with respect to the evaluation of the compliance activities against 6.2.1b of the Guidelines.

## Inherent Limitations

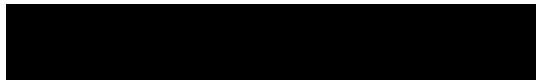
Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, deficiencies in the compliance framework or misstatements in TasNetworks Ring-Fencing Compliance Report may occur and not be detected.

A reasonable assurance engagement for the period from 1 January 2024 to 31 December 2024 does not provide assurance on whether compliance with the Guideline will continue in the future.

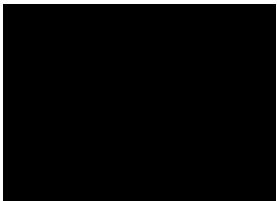


#### **Restricted Use**

This report has been prepared for use by TasNetworks for the purpose of meeting the reporting requirements to the AER. We disclaim any assumption of responsibility for any reliance on this report to any person other than TasNetworks, or for any purpose other than that for which it was prepared. However, we understand that a copy of the report has been requested by AER, in accordance with 6.2.1c of the Guidelines. We agree that a copy of the report may be provided to AER for their information in connection with this purpose but only on the basis that we accept no duty, responsibility, or liability to the AER in relation to the report. We accept no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement.



DELOITTE TOUCHE TOHMATSU



Carl Harris  
Partner  
Chartered Accountants  
1 April 2025, Hobart

### 3. Detailed Findings

The descriptions of the tests of compliance that were performed, findings relating to the tests of compliance or aspects of the engagement, our recommendations and conclusion of whether there has been a breach of the requirements of the Guidelines are described below.

The rating of each Obligation has been applied in accordance with Section 1.3.

Legal Separation		
	Electricity Distribution	Electricity Transmission
Guideline Reference	3.1 (a)	3.1 (a)
Guideline Obligation	A DNSP must be a legal entity.	A TNSP must be a legal entity.
Key Controls and Testing	<p><b>Key Control</b></p> <p>Companies and business are separated legally as follows:</p> <ul style="list-style-type: none"> <li>• Tasmanian Networks Pty Ltd (TasNetworks)</li> <li>• TasNetworks Holdings Pty Ltd</li> <li>• TasNet Connections Pty Ltd</li> <li>• Marinus Link Pty Ltd</li> <li>• Fortytwo24 Pty Ltd</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We performed a search of the ASIC register for the TasNetworks ABN to verify that TasNetworks is a separate legal entity</li> <li>• We inspected the registered ABN as per the ASIC register and compared it to TasNetworks Electricity Supply Industry Distribution Licence; and</li> <li>• We inspected invoices of subsidiaries of TasNetworks ("subsidiaries") and compared the ABN with the ASIC database.</li> </ul>	<p><b>Key Control</b></p> <p>Companies and business are separated legally as follows:</p> <ul style="list-style-type: none"> <li>• Tasmanian Networks Pty Ltd (TasNetworks)</li> <li>• TasNetworks Holdings Pty Ltd</li> <li>• TasNet Connections Pty Ltd</li> <li>• Marinus Link Pty Ltd</li> <li>• Fortytwo24 Pty Ltd</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We performed a search of the ASIC register for the TasNetworks ABN to verify that TasNetworks is a separate legal entity.</li> <li>• We inspected the registered ABN as per the ASIC register and compared it to TasNetworks Electricity Supply Industry Transmission Licence; and</li> <li>• We inspected invoices of subsidiaries of TasNetworks ("subsidiaries") and compared the ABN with the ASIC database.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks and its subsidiaries operate on their own individual ABNs.</li> <li>• Marinus Link Pty Ltd was separated in March 2024 and it is no longer part of the group.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks and its subsidiaries operate on their own individual ABNs.</li> <li>• Marinus Link Pty Ltd was separated in March 2024 and it is no longer part of the group.</li> </ul>
Recommendation	N/A	N/A
Rating	No exceptions.	No exceptions.

Legal Separation		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	3.1 (b), (c)	3.1 (b), (c)
Guideline Obligation	<p>(b) Subject to clause 3.1, a <b>DNSP</b> may provide <b>distribution services</b> and <b>transmission services</b> but must not provide <b>other services</b>.</p> <p>(c) This clause 3.1 does not prevent:</p> <ul style="list-style-type: none"> <li>i. an <b>affiliated entity</b> of a <b>DNSP</b> from providing <b>other services</b>.</li> <li>ii. a <b>DNSP</b> and a <b>TNSP</b> from being the same <b>legal entity</b>.</li> </ul>	<p>(b) Subject to clauses 3.1(c), (d) and (e), a <b>TNSP</b> may provide <b>transmission services</b>, but must not provide <b>other services</b>.</p> <p>(c) A <b>TNSP</b> must not:</p> <ul style="list-style-type: none"> <li>i. enter into any new agreement; or</li> <li>ii. agree to a <b>material variation</b> to an existing agreement.</li> </ul> <p>where such new or varied agreement grants another <b>legal entity</b> the right to use any <b>energy storage device</b> which is owned, operated or controlled by the <b>TNSP</b>, unless it is for the sole purpose of providing that <b>TNSP</b> with <b>network support services</b>.</p>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• A separate subsidiary Fortytwo24 Pty Ltd was established to perform “other services” outside distribution and transmission services which are performed by TasNetworks.</li> <li>• Companies and business are separated legally</li> <li>• Mandatory Ring-Fencing Training</li> <li>• Ring-Fencing Training Procedure</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We performed a search of the ASIC register for the TasNetworks ABN to verify that TasNetworks is a separate legal entity.</li> <li>• We inspected the registered ABN as per the ASIC register and compared it to TasNetworks Electricity Supply Industry Distribution Licence.</li> <li>• Additionally, to the procedures performed in 3.1 (a), we obtained and reviewed the audited financial statements of TasNetworks and its subsidiaries, as of 30 June 2024 and selected a sample of TasNetworks revenue transactions to detect instances of ‘other services’ being provided by the DNSP.</li> <li>• Obtained evidence of the Connection Enquiry Form approved as part of the process for projects or services.</li> <li>• Inspected training material to ensure staff are educated in the guidelines.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• A separate subsidiary Fortytwo24 Pty Ltd was established to perform “other services” outside distribution and transmission services which are performed by TasNetworks.</li> <li>• Companies and business are separated legally</li> <li>• Mandatory Ring-Fencing Training</li> <li>• Ring-Fencing Training Procedure</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We performed a search of the ASIC register for the TasNetworks ABN to verify that TasNetworks is a separate legal entity.</li> <li>• We inspected the registered ABN as per the ASIC register and compared it to TasNetworks Electricity Supply Industry Transmission Licence; and</li> <li>• Additionally, to the procedures performed in 3.1 (a), we obtained and reviewed the audited financial statements of TasNetworks and its subsidiaries, as of 30 June 2024 and selected a sample of TasNetworks revenue transactions to detect instances of ‘other services’ being provided by the TNSP.</li> <li>• Obtained evidence of the Connection Enquiry Form approved as part of the process for projects or services.</li> <li>• Inspected training material to ensure staff are educated in the guidelines.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks was not engaged in other services in 2024, such as solar panels, residential batteries and other non-distribution services (refer to section 6. Waivers in the 2024 Ring-Fencing Compliance Report).</li> <li>• TasNetworks did not provide other services beyond limited corporate services to its affiliated legal entities.</li> <li>• In March 2024, Marinus Link separated from TasNetworks.</li> <li>• We confirmed with Management that TasNet Connections Pty Ltd was non-operational in 2024.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks was not engaged in other services in 2024, such as solar panels, residential batteries and other non-transmission services (refer to section 6. Waivers in the 2024 Ring-Fencing Compliance Report). TasNetworks did not provide other services beyond limited corporate services to its affiliated legal entities.</li> <li>• In March 2024, Marinus Link separated from TasNetworks.</li> <li>• We confirmed with Management that TasNet Connections Pty Ltd was non-operational in 2024.</li> </ul>
Recommendation	N/A	N/A
Rating	No exceptions.	No exceptions.

Separate Accounts			
	Electricity Distribution	Electricity Transmission	
Guideline Reference	3.2.1 (a)	3.2.1 (a)	
Guideline Obligation	A <b>DNSP</b> must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of transactions between the <b>DNSP</b> and its <b>affiliated entities</b> .		A <b>TNSP</b> must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of transactions between the <b>TNSP</b> and its <b>affiliated entities</b> .
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• SAP accounting system</li> <li>• Separate General Ledger Accounts for each entity.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We inspected TasNetworks policies regarding maintaining separate accounts; and</li> <li>• We have obtained a list of transactions and account structure within SAP and inspected the general ledger accounts to check that separate general ledger accounts for recording transactions between TasNetworks and its subsidiaries are established.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• SAP accounting system</li> <li>• Separate General Ledger Accounts for each entity.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We inspected TasNetworks policies regarding maintaining separate accounts; and</li> <li>• We have obtained a list of transactions and account structure within SAP and inspected the general ledger accounts to check that separate general ledger accounts for recording transactions between TasNetworks and its subsidiaries are established.</li> </ul>	
Results of Testing	Based on the examination of TasNetworks accounting structure and practices, Deloitte considers that TasNetworks possess the ability to remain complaint with 3.2.1 of the Distribution Ring-Fencing Guidelines.		Based on the examination of TasNetworks accounting structure and practices, Deloitte considers that TasNetworks possess the ability to remain complaint with 3.2.1 of the Transmission Ring-Fencing Guidelines.
Recommendation	N/A		N/A
Rating	No exception		No exception

Cost Allocation and Attribution			
	Electricity Distribution	Electricity Transmission	
Guideline Reference	3.2.2 (a), (b), (c)	3.2.2 (a), (b), (c)	
Guideline Obligation	<p>(a) A <b>DNSP</b> must allocate or attribute costs (including costs allocated or attributed to the <b>DNSP</b> by a <b>parent entity</b>) to <b>distribution services</b> in a manner that is consistent with the <b>Cost Allocation Principles</b> and its approved <b>Cost Allocation Methodology ("CAM")</b>, as if the <b>Cost Allocation Principles</b> and <b>CAM</b> otherwise applied to the allocation and attribution of costs between <b>distribution services</b> and <b>non-distribution services</b>.</p> <p>(b) A <b>DNSP</b> must only allocate or attribute costs to <b>distribution services</b> in accordance with clause 3.2.2(a), and must not allocate or attribute other costs to the <b>distribution services</b> it provides.</p> <p>(c) A <b>DNSP</b> must establish, maintain and keep records that demonstrate how it meets the obligations in clauses 3.2.2(a) and 3.2.2(b).</p>	<p>(a) A <b>TNSP</b> must allocate or attribute costs (including costs allocated or attributed to the <b>TNSP</b> by a <b>parent entity</b>) to <b>transmission services</b> in a manner that is consistent with the <b>Cost Allocation Principles</b> and its approved <b>Cost Allocation Methodology ("CAM")</b>, as if the <b>Cost Allocation Principles</b> and <b>Cost Allocation Methodology</b> otherwise applied to the allocation and attribution of costs between <b>transmission services</b> and <b>other services</b>.</p> <p>(b) A <b>TNSP</b> must only allocate or attribute costs to <b>transmission services</b> in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the <b>transmission services</b> it provides.</p> <p>(c) A <b>TNSP</b> must establish, maintain and keep records that demonstrate how it meets the obligations in clauses 3.2.2(a) and (b).</p>	
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Cost Allocation Methodology ("CAM") approved by the AER</li> <li>Cost Allocation Calculation</li> <li>Causal Allocation Drivers</li> <li>Quarterly Activity Based Costing (ABC) Surveys; and</li> <li>Annual Independent Regulatory Financial Auditing of Regulatory Information Notices (RIN).</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We obtained documents and procedures for the CAM process to confirm that it addresses the allocation of costs between TasNetworks and its subsidiaries.</li> <li>We obtained Journal entry samples to confirm the effectiveness of the classification and segregation of costs and revenue generated from different regulatory business segments, and checked that they were consistent with the AER approved CAM; and</li> <li>We inspected the 30 June 2024 annual independent regulatory report to ensure it included a conclusion on the compliance with the allocation of the CAM, and we inspected the 30 June 2024 financial audit reporting to ensure there were no management letter points relating to the CAM.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Cost Allocation Methodology ("CAM") approved by the AER</li> <li>Cost Allocation Calculation</li> <li>Causal Allocation Drivers</li> <li>Quarterly Activity Based Costing (ABC) Surveys; and</li> <li>Annual Independent Regulatory Financial Auditing of Regulatory Information Notices (RIN).</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We obtained documents and procedures for the CAM process to confirm that it addresses the allocation of costs between TasNetworks and its subsidiaries.</li> <li>We obtained Journal entry samples to confirm the effectiveness of the classification and segregation of costs and revenue generated from different regulatory business segments, and checked that they were consistent with the AER approved CAM; and</li> <li>We inspected the 30 June 2024 annual independent regulatory report to ensure it included a conclusion on the compliance with the allocation of the CAM, and we inspected the 30 June 2024 financial audit reporting to ensure there were no management letter points relating to the CAM.</li> </ul>	
Results of Testing	Based on the testing performed, Deloitte considers that TasNetworks possess the ability to remain complaint with 3.2.2 of the Distribution Ring-Fencing Guidelines.	Based on the testing performed, Deloitte considers that TasNetworks possess the ability to remain complaint with 3.2.2 of the Transmission Ring-Fencing Guidelines.	
Recommendation	N/A	N/A	
Rating	No exception	No exception	

Obligation not to Discriminate		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	4.1(b), (d)	4.1(b)
Guideline Obligation	<p>(b) A <b>DNSP</b> must not discriminate (either directly or indirectly) between a <b>related electricity service provider</b> and a competitor (or potential competitor) of a <b>related electricity service provider</b> in connection with the provision of:</p> <ul style="list-style-type: none"> <li>i. <b>direct control services</b> by the <b>DNSP</b> (whether to itself or to any other <b>legal entity</b>); and / or</li> <li>ii. <b>contestable electricity services</b> by any other <b>legal entity</b>.</li> </ul> <p>(d) A <b>DNSP</b> must not discriminate (either directly or indirectly) between any two <b>legal entities</b>, in connection with the supply of <b>contestable electricity services</b> by those <b>legal entities</b>, on the basis of the use by one or both of those <b>legal entities</b> of assets owned, operated or otherwise controlled (in whole or in part) by the <b>DNSP</b>.</p>	<p>(b) A <b>TNSP</b> must not discriminate (either directly or indirectly) between a <b>related electricity service provider</b> and a competitor (or potential competitor) of a <b>related electricity service provider</b> in connection with the provision of <b>prescribed transmission services</b> by the <b>TNSP</b> (whether to itself or to any other <b>legal entity</b>).</p>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Mandatory Ring-Fencing Training</li> <li>• Ring-Fencing Training Procedure</li> <li>• TasNetworks Distribution Connection Pricing Policy</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• Obtained confirmation from the Regulatory team that the subsidiaries do not engage in contestable electricity services and examined financial reports of subsidiaries to ensure no contestable electricity revenue is recorded.</li> <li>• Inspected training material to ensure staff are educated in the guidelines; and</li> <li>• Inspected the TasNetworks Distribution Connection Pricing Policy which states that TasNetworks' charges for connection services are levied on either a fixed fee basis, or a quote basis based on labour costs, contractor costs and material costs, in both cases, the fees and charges applied by TasNetworks to distribution connection customers are set out in the Connection Pricing Policy and are approved by the AER.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Mandatory Ring-Fencing Training</li> <li>• Training on information sharing in relation to setup of TasNet Connection</li> <li>• Ring-Fencing Training Procedure</li> <li>• Transmission Connections Process</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• Obtained confirmation from the Regulatory team that the subsidiaries do not engage in contestable electricity services and examined financial reports of subsidiaries to ensure no contestable electricity revenue is recorded.</li> <li>• Inspected training material to ensure staff are educated in the guidelines; and</li> <li>• Inspected the transmission connection process which outlines the process for a transmission connection enquiry that requires that any customer enquiries about new connections coming through the call centre are forwarded on to TasNetworks' Transmission Connections team.</li> <li>• Obtained evidence of the Connection Enquiry Form approved as part of the process for projects or services and confirm that they have been filled and approval as required.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligations; with key observations below:</p> <ul style="list-style-type: none"> <li>• The overall completion rate for mandatory ring-fencing training for active TasNetworks employees for 2024 was confirmed to be 100%. This was evidenced by documented training logs, as well as a walkthrough with the compliance team. It was noted 2 employees had not completed ring-fencing refreshers, but they were confirmed to be no-active employees and are both on extended leave.</li> <li>• The overall completion rate for advanced ring-fencing training for the 2024 year was 96.84%.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligations; with key observations below:</p> <ul style="list-style-type: none"> <li>• The overall completion rate for mandatory ring-fencing training for active TasNetworks employees for 2024 was confirmed to be 100%. This was evidenced by documented training logs, as well as a walkthrough with the compliance team. It was noted 2 employees had not completed ring-fencing refreshers, but they were confirmed to be no-active employees and are both on extended leave.</li> <li>• The overall completion rate for advanced ring-fencing training for the 2024 year was 96.84%.</li> </ul>
Recommendation	N/A	
Rating	No exceptions.	

Functional separation			
	Physical separation / co-location	Staff Separation	
	Electricity Distribution	Electricity Transmission	
Guideline Reference	4.2.1(a)	4.3 (a)	
Guideline Obligation	A DNSP must use <b>offices</b> that are separate from any <b>offices</b> from which a <b>related electricity service provider</b> provides <b>contestable electricity services</b>	<p>(a) A TNSP must ensure that:</p> <ul style="list-style-type: none"> <li>i. <b>marketing staff</b> involved in the provision of <b>prescribed transmission services</b> are also not <b>staff</b> involved in the provision of <b>contestable electricity services</b> by a <b>related electricity service provider</b>; and</li> <li>ii. <b>ii. staff</b> involved in <b>the provision of prescribed transmission services</b> are not <b>marketing staff</b> involved in the provision of <b>contestable electricity services</b> by a <b>related electricity service provider</b>.</li> </ul>	
Key Controls and Testing	<p><b>Key Control</b> Separate offices are maintained and utilised by TasNetworks and its subsidiaries.</p> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We performed a site visit of TasNetworks, and TasNet Connections Pty Ltd ("TNC").</li> <li>• Performed online lookups for Fortytwo24 Pty Ltd to confirm physical separation.</li> <li>• We obtained the confirmation from Management that their employees have no access to TasNetworks' sites.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Currently TasNetworks subsidiaries are not engaged in contestable electricity transmission services; and</li> <li>• TasNetworks brand guidelines</li> <li>• Interaction between TasNetworks and TasNet Connections Pty Ltd Policy</li> <li>• Advanced Ring-fencing training</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• Inspected TasNetworks branding and marketing processes and policies, and discussed with the compliance Team the requirements around TasNet Connections Pty Ltd.</li> </ul>	
Results of Testing	Deloitte did not identify that contestable electricity services were conducted for the 2024 calendar year as per the DNSP Guidelines, making no legal need for physical separation as per the Guidelines.	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• As per confirmation received from the Regulatory team, TasNet Connections Pty Ltd supplied contestable electricity services as defined by the Transmission Guidelines as a business unit of TasNetworks, with sufficient controls in place to maintain compliance.</li> <li>• TasNetworks policy "Interactions between TasNetworks and TasNet Connection" sufficiently address requirements in order to be compliant with the guidelines.</li> </ul>	
Recommendation	N/A	N/A	
Rating	No Exception	No exception	

Staff sharing		
	Electricity Distribution	Electricity Transmission
Guideline Reference	4.2.2 (a)	N/A
Guideline Obligation	A DNSP must ensure that its <b>staff</b> involved in the provision or marketing of <b>direct control services</b> are not also involved in the provision or marketing of <b>contestable electricity services</b> by a <b>related electricity service provider</b> .	N/A
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks subsidiaries are not engaged in contestable electricity services; and</li> <li>• TasNetworks brand guidelines</li> <li>• Refer 4.1(b) above.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• Refer 4.1(b) above.</li> <li>• Investigated TasNetworks branding and marketing processes.</li> </ul>	N/A
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks subsidiaries are not engaged in contestable electricity services such as: electricity retail services, unregulated electricity infrastructure or private networks, customer-side generation solutions such as solar and batteries or energy consultancy services.</li> <li>• TasNetworks branding and marketing processes have sufficient levels of approvals.</li> </ul>	N/A
Recommendation	N/A	N/A
Rating	No exception	N/A

Staff sharing		
	Electricity Distribution	Electricity Transmission
Guideline Reference	4.2.2 (c)	N/A
Guideline Obligation	The remuneration, incentives and other benefits (financial or otherwise) a <b>DNSP</b> provides to a member of its <b>staff</b> must not give the member of staff an incentive to act in manner that is contrary to the <b>DNSP's</b> obligations under this <b>Guideline</b> .	N/A
Key Controls and Testing	<ul style="list-style-type: none"> <li>• People and Remuneration Committee Charter</li> <li>• Remuneration Report</li> </ul>	N/A
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• We have obtained the People and Remuneration Committee Charter and the Remuneration Report for the period 1 July 2023 to 30 June 2024 and observed TasNetworks has complied with the Government's Director and Executive Remuneration Guidelines for the year ended 30 June 2024. The Remuneration Report stated that TasNetworks has not paid bonuses or any other short term incentive payments to any member of key management personnel.</li> </ul>	N/A
Recommendation	N/A	N/A
Rating	No exceptions.	N/A

Branding and Cross-promotion		
	Electricity Distribution	Electricity Transmission
Guideline Reference	4.2.3 (a)	N/A
Guideline Obligation	<p><b>A DNSP:</b></p> <ul style="list-style-type: none"> <li>i) must use branding for its <b>direct control services</b> that is independent and separate from the branding used by a <b>related electricity service provider</b> for <b>contestable electricity services</b>, such that a reasonable person would not infer from the respective branding that the <b>DNSP</b> and the <b>related electricity service provider</b> are related</li> <li>ii) must not advertise or promote its <b>direct control services</b> and its <b>contestable electricity services</b> that are not <b>direct control services</b> together (including by way of cross-advertisement or cross-promotion.); and</li> <li>iii) must not advertise or promote <b>contestable electricity services</b> provided by a <b>related electricity service provider</b> other than the <b>DNSP</b> itself.</li> </ul>	N/A
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks subsidiaries are not engaged in contestable electricity services</li> <li>• TasNetworks Marketing Guidelines</li> <li>• Social media and website approval processes for approved branding uses; and</li> <li>• Marketing personnel are aware of the different entities and their approved business activities.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• Examined TasNetworks policies relating to branding and cross promotion</li> <li>• Inspected Fortytwo24 Pty Ltd issued invoices to ensure there was clear separated branding from the partner TasNetworks and no mention was made; and</li> <li>• Examined social media and website approval processes for approved branding uses.</li> </ul>	N/A
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, we key point(s) being:</p> <ul style="list-style-type: none"> <li>• TasNetworks subsidiaries are not engaged in contestable electricity services</li> <li>• Distinctly separate Fortytwo24 Pty Ltd branding has been developed for use when performing services</li> <li>• Website and social media approval controls are appropriately designed and operated effectively during the 2024 regulatory year; and</li> <li>• Marketing personnel are aware of the different entities and the services they provide</li> </ul>	N/A
Recommendation	N/A	N/A
Rating	No exception	N/A

Office and Staff Registers		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	4.2.4 (a), (b)	N/A
Guideline Obligation	<p>(a) A <b>DNSP</b> must establish, maintain, and keep a register that identifies:</p> <ul style="list-style-type: none"> <li>(i) The <b>offices</b> to which it has not applied clause 4.2.1(a) by reason of clauses 4.2.1(b)i. or 4.2.1(b)iii</li> <li>(ii) The <b>staff</b> positions (including a description of the roles, functions, and duties) of those <b>staff</b> positions to which it has not applied clause 4.2.2(a) by reason of clauses 4.2.2(b)i.e., 4.2.2(b)i.b., 4.2.2(b)iii. or 4.2.2(d); and</li> <li>(iii) The <b>staff</b> positions referred to in clause 4.2.4(a)ii. which are held, or have been held within the previous three months, by a member of <b>staff</b> whose access to electricity information ceased upon, or in the 12 months prior to, commencing in that position, and the dates on which that member of <b>staff</b> commenced to hold and (if applicable) ceased to hold that position.</li> </ul> <p>(b) No later than 15 January, 15 April, 15 July, and 15 October each year, a <b>DNSP</b> must publish, on its website, an updated version of each of the registers referred to in clause 4.2.4(a). The <b>DNSP</b> must ensure that the information published in each updated version is current to the end of the calendar month that is immediately prior to the required publication date for that updated version under this clause 4.2.4(b).</p>	N/A
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Office and staff sharing registers</li> <li>• Ring-fencing registers procedure; and</li> <li>• Calendar of Reporting Requirements.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We inspected the office and staff sharing registers that is publicly available on the TasNetworks website</li> <li>• We note that this requirement does not apply to TasNetworks as its subsidiaries do not provide contestable electricity services; and</li> <li>• We identified that TasNetworks' reporting calendar included Office and Staff sharing registers publish dates.</li> </ul>	N/A
Results of Testing	Based on the testing performed we have not identified any matters of exception against the obligations with key observations below:	N/A
	<ul style="list-style-type: none"> <li>• Currently TasNetworks does not have any offices or staff to which must comply to this clause</li> <li>• The office and staff registers are current and publicly available on TasNetworks' website; and</li> <li>• TasNetworks has incorporated publishing dates relating to the office and staff registers to their compliance calendar.</li> </ul>	
Recommendation	N/A	N/A
Rating	No exception	N/A

Protection of Confidential Information		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	4.3.1 (a) & (b)	4.2.1(a) & (b)
Guideline Obligation	Subject to this clause 4.3, a <b>DNSP</b> must: (c) keep <b>ring-fenced information</b> confidential; and (d) only use <b>ring-fenced information</b> for the purpose for which it was acquired or generated.	Subject to this clause 4.2, a <b>TNSP</b> must: (c) keep <b>ring-fenced information</b> confidential; and (d) only use <b>ring-fenced information</b> for the purpose for which it was acquired or generated.
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Information Classification and Handling Procedures and Protocols</li> <li>IT access approval</li> <li>IT access review</li> <li>Information Management Policy and Procedures; and</li> <li>Dynamic Security Permission Groups.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We examined TasNetworks Policies regarding the protection of confidential information.</li> <li>We inspected the customer complaints register for evidence of customer complaints that indicate the disclosure of confidential information.</li> <li>We reviewed ring-fencing training materials ensuring they addressed confidentiality obligations</li> <li>We observed the design and function of IT access review controls; and</li> <li>We observed the design and function of IT access approval controls.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Information Classification and Handling Procedures and Protocols</li> <li>IT access approval</li> <li>IT access review</li> <li>Information Management Policy and Procedures; and</li> <li>Dynamic Security Permission Groups.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We examined TasNetworks Policies regarding the protection of confidential information.</li> <li>We inspected the customer complaints register for evidence of customer complaints that indicate the disclosure of confidential information.</li> <li>We reviewed ring-fencing training materials ensuring they addressed confidentiality obligations</li> <li>We observed the design and function of IT access review controls; and</li> <li>We observed the design and function of IT access approval controls.</li> </ul>
Results of Testing	Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below: <ul style="list-style-type: none"> <li>TasNetworks has at current, policies and procedures governing the appropriate management of confidential information as per the Distribution Ring-Fencing Guidelines</li> <li>TasNetworks has a number of internal controls designed to proactively manage access to ring-fenced information; and</li> <li>Deloitte noted that several of the relevant policies, procedures and frameworks are past their due review date.</li> </ul>	Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below: <ul style="list-style-type: none"> <li>TasNetworks has at current, policies and procedures governing the appropriate management of confidential information as per the Transmission Ring-Fencing Guidelines</li> <li>TasNetworks has a number of internal controls designed to proactively manage access to ring-fenced information.; and</li> <li>Deloitte noted that several of the relevant policies, procedures and frameworks are past their due review date.</li> <li>TasNetworks currently does not have in place specific procedures to ensure that confidential information or access rights are not transferred for employees that transition to TasNet Connections Pty Ltd. During 2024 management has confirmed that there was no transfer of employees.</li> </ul>
Recommendation	Deloitte recommends TasNetworks to undertake a thorough review of all relevant policies, frameworks, and procedures to guideline 4.3. This review should be consistent with document administration statements, including biennial reviews, to ensure alignment with evolving practices and technological advancements.	Deloitte recommends TasNetworks to undertake a thorough review of all relevant policies, frameworks, and procedures to guideline 4.2. This review should be consistent with document administration statements, including biennial reviews, to ensure alignment with evolving practices and technological advancements. We also recommend that TasNetworks conduct a comprehensive process review for scenarios involving employee transition between TasNetworks and TasNet Connections Pty Ltd. This review should include detailed documentation of procedures and establish controls to effectively revoke individual access to specific data, such as Teams files, to ensure that confidential information or access rights are not transferred.
Rating	No exception	No exception

Disclosure of Information		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	4.3.2 (a)-(i)	4.2.2
Guideline Obligation	<p>A DNSP must not disclose <b>ring-fencing information</b> to any person, including a <b>related electricity service provider</b>, unless:</p> <ul style="list-style-type: none"> <li>(a) the <b>DNSP</b> has first obtained the explicit informed consent of the relevant customer, or prospective customer, to whom the <b>ring-fenced information</b> relates.</li> <li>(b) the disclosure is required by, or for the purpose of complying with any <b>law</b>.</li> <li>(c) the disclosure is necessary to enable the <b>DNSP</b> to provide its <b>distribution services</b>, its <b>transmission services</b> or its <b>other services</b> (including by acquiring services from other <b>legal entities</b>).</li> <li>(d) the information has been requested by or on behalf of a customer, or potential customer, of another <b>legal entity</b>, and the disclosure is necessary to enable the <b>legal entity</b> to provide its <b>transmission services</b>, <b>contestable electricity services</b> or <b>other services</b> to the customer or potential customer.</li> <li>(e) the disclosure is solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a <b>Network Service Provider's</b> reasonable control.</li> <li>(f) the disclosure is solely for the purposes of research by a <b>legal entity</b> other than a <b>related electricity service provider</b> of the <b>DNSP</b>.</li> <li>(g) where another <b>DNSP</b> is an <b>affiliated entity</b> of the <b>DNSP</b>, the disclosure is to the part of that other <b>DNSP</b> that provides that other <b>DNSP</b>'s direct control services.</li> <li>(h) a <b>related electricity service provider</b> of the <b>DNSP</b> has requested the disclosure and the <b>DNSP</b> complies with clause 4.3.3 in relation to that confidential information.</li> <li>(i) another <b>legal entity</b>, other than a <b>related electricity service provider</b> of the <b>DNSP</b>, has requested the disclosure.</li> </ul>	<p>A <b>TNSP</b> must not disclose <b>ring-fenced information</b> to any person, including a <b>related electricity service provider</b>, unless:</p> <ul style="list-style-type: none"> <li>(a) the <b>TNSP</b> has first obtained the explicit informed consent of the relevant customer, or prospective customer, to whom the <b>ring-fenced information</b> relates.</li> <li>(b) the disclosure is required by, or for the purpose of complying with, any <b>law</b>.</li> <li>(c) the disclosure is necessary to enable the <b>TNSP</b> to provide <b>transmission services</b> or (if authorised in accordance with the waiver process set out in clause 5 of this <b>Guideline</b>) other services (including by acquiring services from other <b>legal entities</b>).</li> <li>(d) the information has been requested by or on behalf of a customer, or potential customer, of another <b>legal entity</b>, and the disclosure is necessary to enable the <b>legal entity</b> to provide <b>non-regulated transmission services</b> or <b>other services</b> to the customer or potential customer.</li> <li>(e) the disclosure is solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a <b>Network Service Provider's</b> reasonable control.</li> <li>(f) the disclosure is solely for the purposes of research by a <b>legal entity</b> other than a <b>related electricity service provider</b> of the <b>TNSP</b>.</li> <li>(g) a <b>related electricity service provider</b> of the <b>TNSP</b> has requested the disclosure and the <b>TNSP</b> complies with clause 4.2.3 in relation to that ring-fenced information; or</li> <li>(h) another <b>legal entity</b>, other than a <b>related electricity service provider</b> of the <b>TNSP</b>, has requested the disclosure.</li> </ul>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Ring-Fencing Information Sharing Protocol</li> <li>• Information Sharing Deed Poll</li> <li>• Ring-fencing training modules</li> <li>• TasNetworks Information Register Application Form</li> <li>• Information Register; and</li> <li>• Privacy Policy.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We examined TasNetworks polices in relation to the disclosure of information.</li> <li>• We performed inquiries to determine whether TasNetworks has disclosed any confidential information in the period; and</li> <li>• We inspected the customer queries and complaints register for evidence of customer complaints that indicate the disclosure of confidential information.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Ring-Fencing Information Sharing Protocol</li> <li>• Information Sharing Deed Poll</li> <li>• Ring-fencing training modules</li> <li>• TasNetworks Information Register Application Form</li> <li>• Information Register; and</li> <li>• Privacy Policy.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We examined TasNetworks polices in relation to the disclosure of information.</li> <li>• We performed inquiries to determine whether TasNetworks has disclosed any confidential information in the period; and</li> <li>• We inspected the customer queries and complaints register for evidence of customer complaints that indicate the disclosure of confidential information.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has developed policies and procedures designed to ensure that confidential information is only disclosed where permitted under the Guidelines</li> <li>• According to the Information register, TasNetworks has not disclosed confidential information in the period; and</li> <li>• TasNetworks has a current Ring-Fencing Information Sharing Protocol in the environment a DNSP or affiliated entity makes a request.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has developed policies and procedures designed to ensure that confidential information is only disclosed where permitted under the Guidelines; and</li> <li>• According to the Information register, TasNetworks has not disclosed confidential information in the period; and</li> <li>• TasNetworks has a current Ring-Fencing Information Sharing Protocol in the environment a TNSP or affiliated entity makes a request.</li> </ul>

Recommendation	Conduct a review of your privacy policy to ensure it reflects current the current environment.	N/A
Rating	No exception	No exception
<b>Sharing of Information</b>		
	<b>Electricity Distribution</b>	<b>Electricity Transmission</b>
Guideline Ref.	4.3.3	4.2.3
Guideline Obligation	<p>a) Subject to clause 4.1(c)(iv) and to this clause 4.3.3, where a <b>DNSP</b> shares <b>ring-fenced information</b> with a <b>related electricity service provider</b>, or where <b>ring-fenced information</b> that a <b>DNSP</b> has disclosed under clause 4.3.2(f) is then disclosed by any person to a <b>related electricity service provider</b> of the <b>DNSP</b>, the <b>DNSP</b> must provide access to that <b>ring-fenced information</b> (including the derived information) to other <b>legal entities</b> on an equal basis.</p> <p>b) A <b>DNSP</b> is only required by clause 4.3.3(a) to provide information to a <b>legal entity</b> where:</p> <ul style="list-style-type: none"> <li>i. the <b>legal entity</b> has requested that it be included on the information register in respect of information of that kind; and</li> <li>ii. the <b>legal entity</b> is competing, or is seeking to compete, with the <b>DNSP</b>, or a <b>related electricity service provider</b> of the <b>DNSP</b>, in relation to the provision of <b>contestable electricity services</b>.</li> </ul> <p>c) A <b>DNSP</b> is not required by clause 4.3.3(a) to provide information to a <b>legal entity</b> where the <b>DNSP</b> has disclosed the information in the circumstances set out in clauses 4.3.2(a) to (e).</p> <p>d) Without limiting clause 4.3.3(a), a <b>DNSP</b> must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.3.3(a) available to <b>legal entities</b> and must make that protocol publicly available on its website.</p> <p>e) Where a <b>DNSP</b> discloses information referred to in clause 4.3.3(a) to any other <b>legal entity</b> under this clause 4.3.3, it must do so on terms and conditions that require the other <b>legal entity</b> to comply with clause 4.3.1 and 4.3.2(a) to (d) in relation to that information as if the other <b>legal entity</b> was a <b>DNSP</b>.</p>	<p>(a) Subject to clause 4.1(c)(iv), and to this clause 4.2.3, where a <b>TNSP</b> shares <b>ring-fenced information</b> with a <b>related electricity service provider</b>, or where <b>ring-fenced information</b> that a <b>TNSP</b> has disclosed under clause 4.2.2(f) or (h) is then disclosed by any person to a related electricity service provider of the <b>TNSP</b>, the <b>TNSP</b> must provide access to that <b>ring-fenced information</b> (including the derived information) to other legal entities on an equal basis.</p> <p>(b) TNSP is only required by clause 4.2.3(a) to provide information to a legal entity where:</p> <ul style="list-style-type: none"> <li>i. the <b>legal entity</b> has requested that it be included on the <b>information register</b> in respect of information of that kind; and</li> <li>ii. the <b>legal entity</b> is competing, or is seeking to compete, with a <b>related electricity service provider</b>, in relation to the provision of <b>contestable electricity services</b>.</li> </ul> <p>(c) A <b>TNSP</b> is not required by clause 4.2.3(a) to provide information to a <b>legal entity</b> where the <b>TNSP</b> has disclosed the information in the circumstances set out in clauses 4.2.2(a) to (e).</p> <p>(d) Without limiting clause 4.2.3(a), a <b>TNSP</b> must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.2.3(a) available to <b>legal entities</b>, and must make that protocol publicly available on its website.</p> <p>(e) Where a <b>TNSP</b> discloses information referred to in clause 4.2.3(a) to any other <b>legal entity</b> under this clause 4.2.3, it must do so on terms and conditions that require the <b>other legal entity</b> to comply with clause 4.2.1 and 4.2.2(a) to (d) in relation to that information as if the <b>other legal entity</b> was a <b>TNSP</b>.</p>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Ring-Fencing Information Sharing Protocol</li> <li>• Information Sharing Deed Poll</li> <li>• TasNetworks Information Register Application Form; and</li> <li>• Information Register.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We examined TasNetworks polices in relation to the disclosure of information.</li> <li>• We performed inquiries to determine whether TasNetworks has disclosed any confidential information in the period.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Ring-Fencing Information Sharing Protocol</li> <li>• Information Sharing Deed Poll</li> <li>• TasNetworks Information Register Application Form; and</li> <li>• Information Register.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We examined TasNetworks polices in relation to the disclosure of information.</li> <li>• We performed inquiries to determine whether TasNetworks has disclosed any confidential information in the period.</li> </ul>
Results of Testing	Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below: <ul style="list-style-type: none"> <li>• TasNetworks has processes currently in place allowing them to comply with the guideline if a related electricity service provider requested disclosure of ring-fenced information.</li> <li>• TasNetworks has not been engaged by a related electricity service provider in relation to a disclosure during the audit period of 1 January 2024 to 31 December 2024.</li> <li>• We found the information sharing protocol to be publicly available on TasNetworks website.</li> </ul>	Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below: <ul style="list-style-type: none"> <li>• TasNetworks has processes currently in place allowing them to comply with the guideline if a related electricity service provider requested disclosure of ring-fenced information.</li> <li>• TasNetworks has not been engaged by a related electricity service provider in relation to a disclosure during the audit period of 1 January 2024 to 31 December 2024.</li> <li>• We found the information sharing protocol to be publicly available on TasNetworks website.</li> </ul>
Recommendation	N/A	N/A
Rating	No exception	No exception

Information Register		
	Electricity Distribution	Electricity Transmission
Guideline Reference	4.3.4 (a) - (c)	4.2.4 (a), (b) & (c)
Guideline Obligation	<p>(a) A <b>DNSP</b> must establish, maintain, and keep a register of all:</p> <ul style="list-style-type: none"> <li>i. <b>related electricity service providers</b>; and</li> <li>ii. other <b>legal entities</b> who <b>provide contestable electricity services</b> but who are not affiliates of the <b>DNSP</b>.</li> </ul> <p>who request access to information identified in clause 4.3.4(a) and must make the register publicly available on its website.</p> <p>(b) For each <b>related electricity service provider</b> or other <b>legal entity</b> that has requested that a <b>DNSP</b> provide access to information identified in clause 4.3.3(a), the <b>DNSP's information register</b> must:</p> <ul style="list-style-type: none"> <li>i. identify the kind of information requested by the <b>related electricity service provider</b> or other <b>legal entity</b>; and</li> <li>ii. describe the kind of information requested by the <b>related electricity service provider</b> or other <b>legal entity</b> in sufficient detail to enable other <b>legal entities</b> to make an informed decision about whether to request that kind of information from the <b>DNSP</b>.</li> </ul> <p>(c) A <b>legal entity</b> may request that the <b>DNSP</b> include it on the <b>information register</b> in relation to some or all of the kinds of information that the <b>DNSP</b> is required to provide under clause 4.3.4(a), and the <b>DNSP</b> must comply with that request.</p>	<p>(a) A <b>TNSP</b> must establish, maintain and keep a register of all:</p> <ul style="list-style-type: none"> <li>i. <b>related electricity service providers</b>.</li> <li>ii. other legal entities who provide contestable electricity services but who are not affiliated entities of the <b>TNSP</b>.</li> </ul> <p>who request access to information identified in clause 4.2.3(a) and must make the register publicly available on its website.</p> <p>(b) For each <b>related electricity service provider</b> or other <b>legal entity</b> that has requested that a <b>TNSP</b> provide access to information identified in clause 4.2.3(a), the <b>TNSP's information register</b> must:</p> <ul style="list-style-type: none"> <li>i. identify the kind of information requested by the <b>related electricity service provider</b> or other <b>legal entity</b>; and</li> <li>ii. describe the kind of information requested by the <b>related electricity service provider</b> or other <b>legal entity</b> in sufficient detail to enable other legal entities to make an informed decision about whether to request that kind of information from the <b>TNSP</b>.</li> </ul> <p>(c) A <b>legal entity</b> may request that the <b>TNSP</b> include it on the <b>information register</b> in relation to some or all of the kinds of information that the <b>TNSP</b> is required to provide under clause 4.2.3(a), and the <b>TNSP</b> must comply with that request.</p>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Information Register</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed that the information register is publicly available on TasNetworks website.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Information Register</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed that the information register is publicly available on TasNetworks website.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has established an information register that is publicly available on the TasNetworks website; and</li> <li>• TasNetworks has process in place to maintain the information register.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligations, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has established an information register that is publicly available on the TasNetworks website; and</li> <li>• TasNetworks has process in place to maintain the information register.</li> </ul>
Recommendation	N/A	N/A
Rating	No exception	No exception

Conduct of Service Providers		
	Electricity Distribution	Electricity Transmission
Guideline Reference	4.4.1 (a)	4.4.1 (a)
Guideline Obligation	<p><b>A DNSP:</b>            (a) must ensure that any new or varied agreement between the <b>DNSP</b> and a <b>service provider</b>, for the provision of services to the <b>DNSP</b> that enable or assist the <b>DNSP</b> to supply <b>direct control services</b>, requires the <b>service provider</b> to comply, in providing those services, with:</p> <ul style="list-style-type: none"> <li>i. clauses 4.1, 4.2.1, 4.2.2 and 4.3.2 of this Guideline; and</li> <li>ii. clause 4.2.3 of this Guideline in relation to the brands of the <b>DNSP</b>; as if the <b>service provider</b> was the <b>DNSP</b>.</li> </ul>	<p><b>A TNSP:</b>            (a) must ensure that any new or varied agreement between the <b>TNSP</b> and a <b>service provider</b>, for the provision of services to the <b>TNSP</b> that enable or assist the <b>TNSP</b> to provide <b>prescribed transmission services</b>, requires the <b>service provider</b> to comply, in providing those services, with clauses 4.1, 4.2.1 and 4.3 of this <b>Guideline</b> as if the <b>service provider</b> was the <b>TNSP</b></p>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Standard Terms and Conditions; and</li> <li>• TasNetworks contract template.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed TasNetworks contract templates and sampled contracts from the 2024 reporting period to ensure they have been applied in accordance with the guidelines.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• TasNetworks Standard Terms and Conditions; and</li> <li>• TasNetworks contract template.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed TasNetworks contract templates and sampled contracts from the 2024 reporting period to ensure they have been applied in accordance with the guidelines.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• We selected a sample of suppliers with new contracts entered in the 2024 year and confirmed that ring-fencing clauses were inserted to relevant contracts.</li> <li>• We noted the TasNetworks contract template clearly defined all ring-fencing obligations for new or varied agreements.</li> <li>• Deloitte could not evidence any document control for the newly revised templates.</li> </ul>	<p>Based on the testing performed we have identified one exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• There were two samples from our sample testing which used old contract templates which did not include Transmission Ring-fencing Guideline obligations incorporated with the contracts.</li> <li>• Deloitte's recommendation for the Ring-fencing Guideline Compliance Report for the 2023 reporting period addressed this issue, however the two sampled contracts were drafted prior to the newly revised templates being rolled out.</li> <li>• Deloitte could not evidence any document control for the newly revised templates.</li> </ul> <p>Nothing has come to our attention to lead us to believe that TasNetworks has not complied with the Transmission Guideline, given that TasNetworks has fulfilled Obligations under the Distribution Guideline 4.4.1, of which the consideration is more intensive than the current Transmission requirements and that TasNetworks has adopted the new templates during 2024.</p>
Recommendation	We recommend TasNetworks implement document control on all contract templates.	We recommend TasNetworks implement document control on all contract templates.
Rating	No exception	No Exception

Waiver Register		
	Electricity Distribution	Electricity Transmission
Guideline Reference	5.7 (a)	5.7 (a)
Guideline Obligation	(a) A <b>DNSP</b> must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the <b>DNSP</b> by the <b>AER</b> under clause 5 of this <b>Guideline</b> , and must make the register publicly available on its website.	(a) A <b>TNSP</b> must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the <b>TNSP</b> by the <b>AER</b> under clause 5 of this <b>Guideline</b> , and must make the register publicly available on its website.
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Waiver register</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We observed that the waiver register is publicly available on TasNetworks website.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Waiver register</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We observed that the waiver register is publicly available on TasNetworks website.</li> </ul>
Results of Testing	Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below: <ul style="list-style-type: none"> <li>TasNetworks has maintained its waiver register publicly and it can be accessed via the TasNetworks website</li> </ul>	Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below: <ul style="list-style-type: none"> <li>TasNetworks has maintained its waiver register publicly and it can be accessed via the TasNetworks website</li> </ul>
Recommendation	N/A	N/A
Rating	No exceptions	No exceptions

Waiver Register		
	Electricity Distribution	Electricity Transmission
Guideline Reference	5.7 (b)	5.7 (b)
Guideline Obligation	<p>The register established under clause 5.7(a) must include:</p> <ul style="list-style-type: none"> <li>i. the description of the conduct to which the waiver or interim waiver applies; and</li> <li>ii. the terms and conditions of the waiver or interim waiver; as set out in the <b>AER's</b> written decision, provided by the <b>AER</b> to the <b>DNSP</b>, to grant (or vary) the waiver or interim waiver.</li> </ul>	<p>The register established under clause 5.7(a) must include:</p> <ul style="list-style-type: none"> <li>i. the description of the conduct to which the waiver or interim waiver applies; and</li> <li>ii. the terms and conditions of the waiver or interim waiver; as set out in the <b>AER's</b> written decision, provided by the <b>AER</b> to the <b>TNSP</b>, to grant (or vary) the waiver or interim waiver.</li> </ul>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Waiver register.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed the content of the waiver register against the requirements of the Guideline.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Waiver register.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We observed the content of the waiver register against the requirements of the Guideline.</li> </ul>
Results of Testing	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has maintained its waiver register publicly and it can be accessed via the TasNetworks website.</li> <li>• TasNetworks held two waivers in the assessable period: <ul style="list-style-type: none"> <li>• Distribution ring-fencing class waiver for DNSP-led projects funded under the Australian Government's Community Batteries for Household Solar Program; and</li> <li>• Distribution ring-fencing class waiver for Reliability and Emergency Reserve Trader (RERT) services via voltage management</li> </ul> </li> <li>• TasNetworks waiver register includes terms and conditions as set out in the AER's written decision, provided by the AER to the DNSP.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has maintained its waiver register publicly and it can be accessed via the TasNetworks website.</li> <li>• TasNetworks held no TNSP related waivers for the 2024 reporting period.</li> </ul>
Recommendation	N/A	N/A
Rating	No exception	No exception

Maintaining Compliance		
	Electricity Distribution	Electricity Transmission
Guideline Ref.	6.1	6.1
Guideline Obligation	<p>A <b>DNSP</b> must establish and maintain appropriate internal procedures to ensure it complies with its obligations under this <b>Guideline</b>.</p>	<p>A <b>TNSP</b> must establish and maintain appropriate internal procedures to ensure it complies with its obligations under clause 6A.21.1 of the <b>NER</b>. The <b>AER</b> may require the <b>TNSP</b> to demonstrate the adequacy of these procedures upon reasonable notice. However, any statement made or assurance given by the <b>AER</b> about the adequacy of the <b>TNSP</b>'s compliance procedures doesn't affect the <b>TNSP</b>'s obligations under clause 6A.21.1 of the <b>NER</b>.</p>
Key Controls and Testing	<p><b>Discussions held with:</b></p> <ul style="list-style-type: none"> <li>Regulatory Team</li> </ul> <p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Dedicated Regulatory Team</li> <li>Onboarding Ring-Fencing Awareness Training</li> <li>Biennial Refresher Ring-fencing Awareness Training</li> <li>Target Ring-Fencing Awareness Training</li> <li>TasNetworks Ring-Fencing Compliance plan ; and</li> <li>Regulatory Reporting Calendar.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We inspected the TasNetworks Ring-Fencing Compliance plan.</li> <li>We inspected the online ring-fencing training module for evidence that the ring-fencing obligations are explained in clear terms; and</li> <li>We obtained the training report indicating the employees who completed the training and the overall rate of completion.</li> <li>We conducted a walkthrough of TasNetworks customer complaints system Podium.</li> </ul>	<p><b>Discussions held with:</b></p> <ul style="list-style-type: none"> <li>Regulatory Team</li> </ul> <p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Dedicated Regulatory Team</li> <li>Onboarding Ring-Fencing Awareness Training</li> <li>Biennial Refresher Ring-fencing Awareness Training</li> <li>Targeted advanced Ring-Fencing Awareness Training</li> <li>TasNetworks Ring-Fencing Compliance plan ; and</li> <li>Regulatory Reporting Calendar.</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We inspected the TasNetworks Ring-Fencing Compliance plan.</li> <li>We inspected the online ring-fencing training module for evidence that the ring-fencing obligations are explained in clear terms; and</li> <li>We obtained the training report indicating the employees who completed the training and the overall rate of completion.</li> <li>We conducted a walkthrough of TasNetworks customer complaints system Podium.</li> </ul>
Observations	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>TasNetworks has developed policies, procedures and reporting to ensure that it complies with the obligations under the Guidelines</li> <li>The ring-fencing training module explains the Guideline obligations in clear terms</li> <li>Deloitte noted that 96.84% of TasNetworks employees completed the ringfencing compliance refresher training and controls are in place to maintain training be completed every two years; and</li> <li>Our review of TasNetworks' Ring-Fencing Compliance plan found it reflected the amended ringfencing guidelines and business practices (last update is dated March 2024).</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>TasNetworks has developed policies, procedures and reporting to ensure that it complies with the obligations under the Guidelines</li> <li>The ring-fencing training module explains the Guideline obligations in clear terms</li> <li>Deloitte noted that 96.84% of TasNetworks employees completed the ringfencing compliance refresher training and controls are in place to maintain training be completed every two years; and</li> <li>Our review of TasNetworks' Ring-Fencing Compliance plan found it reflected the amended ringfencing guidelines and business practices (last update is dated March 2024).</li> </ul>
Recommendation	N/A	N/A
Rating	No Exception	No Exception

Annual Compliance Report		
	Electricity Distribution	Electricity Transmission
Guideline Reference	6.2.1 (a), (b)	6.2.1 (a), (b)
Guideline Obligation	<p>(a) A <b>DNSP</b> must prepare an annual ring-fencing compliance report each calendar year in accordance with this clause 6.2.1, and submit it to the <b>AER</b> in accordance with clause 6.2.2.</p> <p>(b) The annual compliance report must identify and describe, in respect of the calendar year to which the report relates:</p> <ul style="list-style-type: none"> <li>i. the measures the <b>DNSP</b> has taken to ensure compliance with its obligations under this <b>Guideline</b>.</li> <li>ii. any breaches of this <b>Guideline</b> by the <b>DNSP</b>, or which otherwise relate to the <b>DNSP</b>.</li> <li>iii. all <b>other services</b> provided by the <b>DNSP</b> in accordance with clause 3.1; and</li> <li>iv. the purpose of all transactions between the <b>DNSP</b> and an <b>affiliated entity</b>.</li> </ul>	<p>(a) A <b>TNSP</b> must prepare an annual ring-fencing compliance report each calendar year in accordance with this clause 6.2.1, and submit it to the <b>AER</b> in accordance with clause 6.2.2.</p> <p>(b) The annual compliance report must identify and describe, in respect of the calendar year to which the report relates:</p> <ul style="list-style-type: none"> <li>i. the measures the <b>TNSP</b> has taken to ensure compliance with its obligations under this <b>Guideline</b>.</li> <li>ii. any breaches of this <b>Guideline</b> by the <b>TNSP</b>, or which otherwise relate to the <b>TNSP</b>.</li> <li>iii. all <b>other services</b> provided by the <b>TNSP</b> in accordance with clause 3.1; and</li> <li>iv. the purpose of all transactions between the <b>TNSP</b> and an <b>affiliated entity</b>.</li> </ul>
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Ring-fencing compliance report</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We compared the final 1 January 2024 – 31 December 2024 ring-fencing compliance report against the requirements of the AER Electricity Distribution Ring-Fencing Guideline – Compliance reporting best practice manual (version 3).</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Ring-fencing compliance report</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>• We compared the final 1 January 2024 – 31 December 2024 ring-fencing compliance report against the requirements of the AER Electricity Transmission Ring-Fencing Guideline – Compliance reporting best practice manual (Version 1).</li> </ul>
Observations	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has prepared a compliance report that is consistent with the requirements of the AER Electricity Distribution Ring-Fencing Guideline –Compliance reporting best practice manual.</li> <li>• The compliance report is accompanied by an assessment of compliance by a suitably qualified independent authority.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has prepared a compliance report that is consistent with the requirements of the AER Electricity Transmission Ring-Fencing Guideline –Compliance reporting best practice manual.</li> <li>• The compliance report is accompanied by an assessment of compliance by a suitably qualified independent authority.</li> </ul>
Recommendation	N/A	N/A
Rating	No Exception	No Exception

Annual Compliance Report		
	Electricity Distribution	Electricity Transmission
Guideline Reference	6.2.1 (c)	6.2.1 (c)
Guideline Obligation	The annual compliance report must be accompanied by an assessment of compliance with each provision of this <b>Guideline</b> (except clauses 6.2.2 and 6.3) by a suitably qualified independent authority.	The annual compliance report must be accompanied by an assessment of compliance with each provision of this <b>Guideline</b> (except 6.2.2 and 6.2.3) by a suitably qualified independent authority.
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Ring-fencing compliance report</li> <li>• Deloitte has been engaged as the independent authority to assess TasNetworks compliance with the Guideline.</li> </ul> <p><b>Test Performed</b></p> <p>We reviewed the draft annual ring-fencing compliance report for evidence that it is accompanied by an assessment of compliance by a suitably qualified independent authority.</p>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>• Ring-fencing compliance report</li> <li>• Deloitte has been engaged as the independent authority to assess TasNetworks compliance with the Guideline.</li> </ul> <p><b>Test Performed</b></p> <p>We reviewed the draft annual ring-fencing compliance report for evidence that it is accompanied by an assessment of compliance by a suitably qualified independent authority.</p>
Observations	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has prepared a compliance report that is consistent with the requirements of the AER Electricity Distribution Ring-Fencing Guideline –Compliance reporting best practice manual; and</li> <li>• The compliance report is accompanied by an assessment of compliance by a suitably qualified independent authority.</li> </ul>	<p>Based on the testing performed we have not identified any matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>• TasNetworks has prepared a compliance report that is consistent with the requirements of the AER Electricity Distribution Ring-Fencing Guideline –Compliance reporting best practice manual; and</li> <li>• The compliance report is accompanied by an assessment of compliance by a suitably qualified independent authority.</li> </ul>
Recommendation	N/A	N/A
Rating	No Exception	No Exception

Compliance Breaches			
	Electricity Distribution	Electricity Transmission	
Guideline Ref	6.3	6.3	
Guideline Obligation	<p>A <b>DNSP</b> must notify the <b>AER</b> in writing within 15 business days of becoming aware of a breach of its obligations under this <b>Guideline</b>, except for a breach of clause 6.2.2 or this clause 6.3 of this <b>Guideline</b>. The <b>AER</b> may seek enforcement of this <b>Guideline</b> by a court in the event of any breach of this <b>Guideline</b> by a <b>DNSP</b>, in accordance with the <b>NEL</b>.</p>	<p>A <b>TNSP</b> must notify the <b>AER</b> in writing within 15 business days of becoming aware of a breach of its obligations under this <b>Guideline</b>, except for a breach of clause 6.2.2 or this clause 6.3 of this <b>Guideline</b>. The <b>AER</b> may seek enforcement of this <b>Guideline</b> by a court in the event of any breach of this <b>Guideline</b> by a <b>TNSP</b>, in accordance with the <b>NEL</b>.</p>	
Key Controls and Testing	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Targeted advanced Ring-fencing training module</li> <li>Ring-fencing Compliance Plan</li> <li>Calendar of Reporting Requirements</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We inspected the Incident Management Flowchart</li> <li>We inspected the Ring-fencing Compliance Plan</li> <li>We selected a sample of customer complaints to investigate for instances of non-compliance with the Guideline</li> <li>We reviewed the ring-fencing training module for evidence that employees are informed of the breach reporting process; and</li> <li>We obtained the training report indicating the employees who completed the training and the overall rate of completion.</li> <li>We obtained and inspected the correspondence with the AER during 2024 relates to compliance with the ring-fencing guidelines.</li> <li>We obtained a warning letter received from AER in 2024 regarding the 2023 annual Ring-fencing Compliance Report.</li> </ul>	<p><b>Key Control</b></p> <ul style="list-style-type: none"> <li>Targeted advanced Ring-fencing training module</li> <li>Ring-fencing Compliance Plan</li> <li>Calendar of Reporting Requirements</li> </ul> <p><b>Test Performed</b></p> <ul style="list-style-type: none"> <li>We inspected the Incident Management Flowchart</li> <li>We inspected the Ring-fencing Compliance Plan</li> <li>We selected a sample of customer complaints to investigate for instances of non-compliance with the Guideline</li> <li>We reviewed the ring-fencing training module for evidence that employees are informed of the breach reporting process; and</li> <li>We obtained the training report indicating the employees who completed the training and the overall rate of completion.</li> <li>We obtained and inspected the correspondence with the AER during 2024 relates to compliance with the ring-fencing guidelines.</li> <li>We obtained a warning letter received from AER in 2024 regarding the 2023 annual Ring-fencing Compliance Report.</li> </ul>	
Results of Testing	<p>Based on the testing performed we have not identified matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>TasNetworks have implemented a refresher course employees must complete every two years.</li> <li>TasNetworks have a targeted ring-fencing training module that addresses reporting non-compliance.</li> <li>Training courses have taken on Deloitte's recommendation from the previous years audit of how to report breaches.</li> <li>From the correspondence with the AER (warning letter and answer from TasNetworks), Deloitte observed that in December 2024 TasNetworks responded the support of not breaching the Guidelines and have disclosed this in section 3 "Breaches" in the 2024 Ring-fencing Compliance Report. Management has confirmed that not additional correspondence has been received on this matter from AER.</li> </ul>	<p>Based on the testing performed we have not identified matters of exception against the obligation, with key point(s) below:</p> <ul style="list-style-type: none"> <li>TasNetworks have implemented a refresher course employees must complete every two years.</li> <li>TasNetworks have a targeted ring-fencing training module that addresses reporting non-compliance.</li> <li>Training courses have taken on Deloitte's recommendation from the previous years audit of how to report breaches.</li> <li>From the correspondence with the AER (warning letter and answer from TasNetworks), Deloitte observed that in December 2024 TasNetworks responded the support of not breaching the Guidelines and have disclosed this in section 3 "Breaches" in the 2024 Ring-fencing Compliance Report. Management has confirmed that not additional correspondence has been received on this matter from AER.</li> </ul>	
Recommendation	NA	N/A	
Rating	No exception	No exception	

## APPENDIX

### Management Response(s)

The following table provides management responses against each identified non-material breach noted above (managements responses are not within the scope of our assurance report).

No.	Ref.	Category	Rating	Recommendation	Response
1.	Distribution Guideline 4.3.1 (a) & (b)	<b>Protection of Confidential Information</b>	No exception	Deloitte recommends TasNetworks undertake a thorough review of all relevant policies, frameworks, and procedures relevant to the distribution guideline 4.3. This review should be consistent with document administration statements, including biennial reviews, to ensure alignment with evolving practices and technological advancements.	TasNetworks will undertake a thorough review of all documentation relevant to guideline 4.3 of the Distribution Ring-Fencing Guidelines.
	Transmission Guideline 4.2.1 (a) & (b)	<b>Protection of Confidential Information</b>	No exception	<p>Deloitte recommends TasNetworks to undertake a thorough review of all relevant policies, frameworks, and procedures to guideline 4.2. This review should be consistent with document administration statements, including biennial reviews, to ensure alignment with evolving practices and technological advancements.</p> <p>We also recommend that TasNetworks conduct a comprehensive process review for scenarios involving employee transitions between TasNetworks and TasNet Connections Pty Ltd. This review should include detailed documentation of procedures and establish controls to effectively revoke individual access to specific data, such as Teams files, to ensure that confidential information or access rights are not transferred.</p>	<p>TasNetworks will undertake a thorough review of all documentation relevant to guideline 4.2 of the Transmission Ring-Fencing Guidelines.</p> <p>TasNetworks is currently conducting a comprehensive review of scenarios involving employees transitions between TasNetworks and TasNet Connections.</p> <p>TasNetworks will develop detailed documentation of procedures for revoking individual access to specific data.</p>
2.	Distribution Guideline 4.4.1(a)	<b>Conduct of Service Providers</b>	No exception	We recommend TasNetworks implement document control on all contract templates.	TasNetworks will implement document control on all contract templates.
3.	Transmission Guideline 4.4.1(a)	<b>Conduct of Service Providers</b>	No exception	We recommend TasNetworks implement document control on all contract templates.	TasNetworks will implement document control on all contract templates.