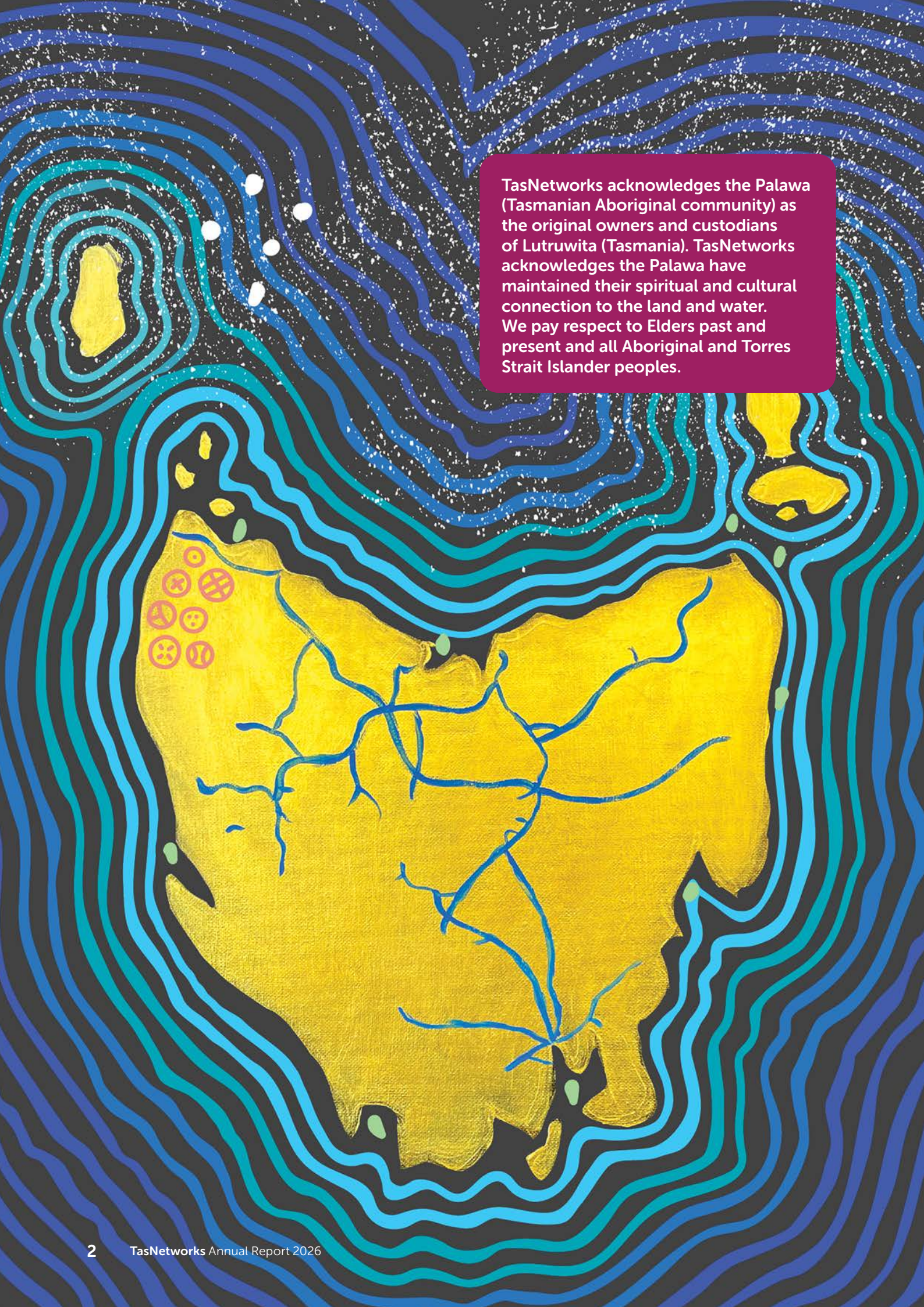


Annual Report 2025-26





TasNetworks acknowledges the Palawa (Tasmanian Aboriginal community) as the original owners and custodians of Lutruwita (Tasmania). TasNetworks acknowledges the Palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

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About us

Our purpose

We are powering a bright future to deliver safe and sustainable essential services while maximising value for all of Tasmania.

We have more than 300,000 residential, business, commercial, and industrial customers. We are committed to working with our community to make a meaningful difference to the lives of Tasmanians through the delivery of electricity, as well as telecommunication services.

Our vision

We want to be trusted by our customers to deliver today and create a better tomorrow.

As Tasmania's provider of electricity transmission and distribution services, we are committed to providing our customers with reliable electricity and helping Australia transition to cleaner energy sources.

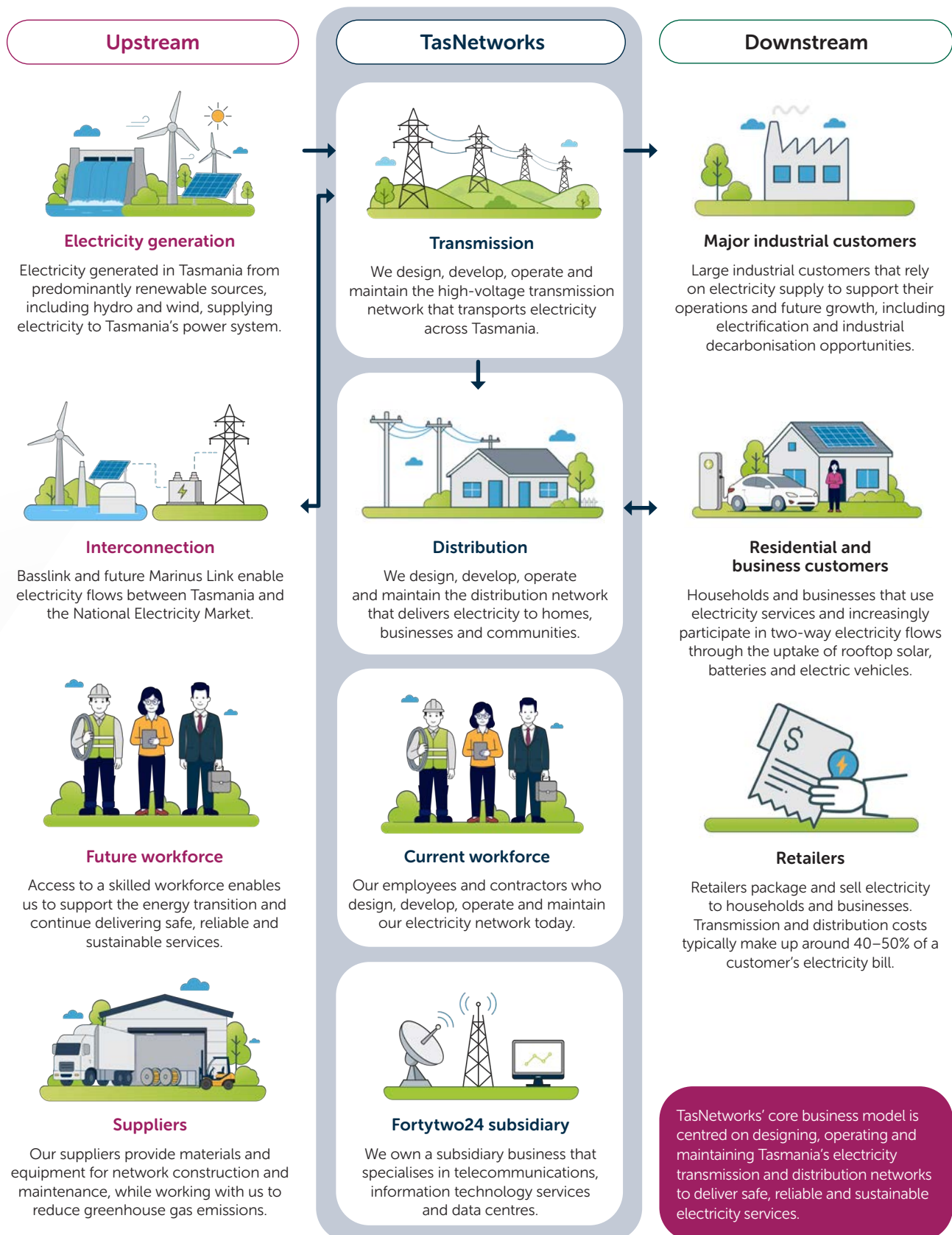
What we do

We own, operate, and maintain the electricity transmission and distribution networks in Tasmania. This involves, but is not limited to:

- Keeping our people and our customers safe while operating the network on a day-to-day basis, including all power outage restoration
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers
- Serving as Tasmanian jurisdictional planner in the National Electricity Market
- Connecting new customers to the network (including small and large-scale generators)
- Investing in the network to support capacity growth (such as the North West Transmission Developments)
- Providing telecommunications, data centre, and information technology services to customers, including those in the Tasmanian electricity supply industry.

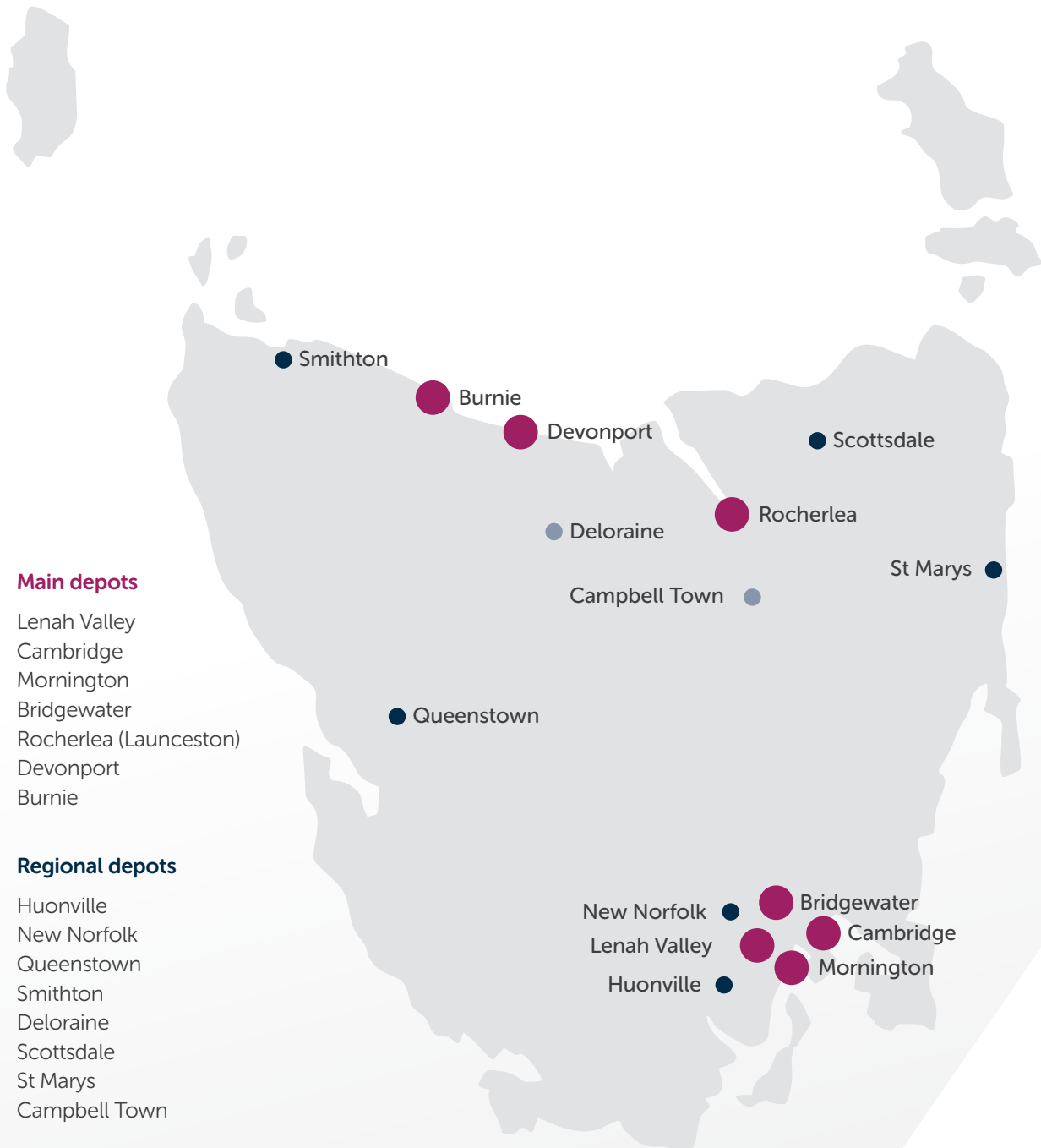


Our business model and value chain

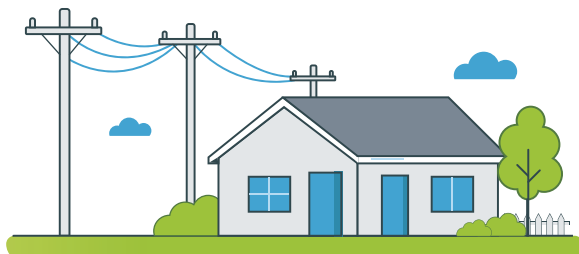


Our location

Our field-based crews are based in the major resource centres of Cambridge, Rocherlea, Devonport, Burnie and Lenah Valley and regional depots across the state. Our training centre is in Mornington, and we have administrative offices in Lenah Valley and Rocherlea.



What it takes to deliver your power



Distribution

15,415

Kilometres of high-voltage powerlines

4,502

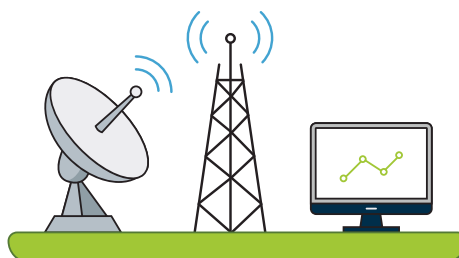
Kilometres of low-voltage powerlines

2,797

Kilometres of high- and low-voltage underground cables

233,471

Poles



Telecommunications

More than

2,000 kilometres

of fibre optic cable

2

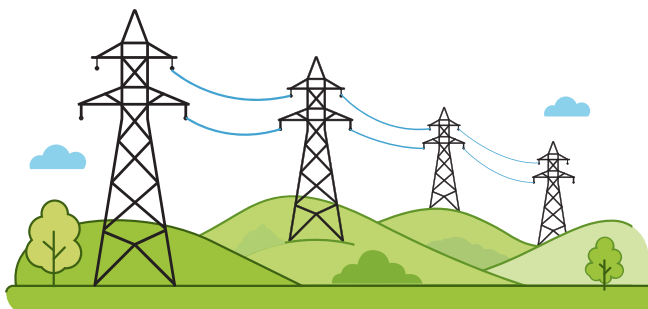
Data centres

3,312
Circuit kilometres of transmission lines

7,700
Transmission line support towers

11,176
Hectares of easement

49
Substations



Transmission



People

1,180

Employees

75.5%

Male

24.4%

Female

0.1%

Non-binary

195

North

154

North-west

831

South

10

Average years of service

From the Chair

Tasmania's electricity system is changing, and this is shaping the role TasNetworks plays as we support the energy transition. New technologies, changing patterns of energy use, ageing assets and increasing climate impacts are all influencing how the network must evolve. These changes bring significant opportunities for Tasmania, but also greater complexity. Our responsibility is to carefully manage this transition, balancing what is needed today with what will be required in the future.

Reflecting on 2025–26, it was a year that reinforced both the importance of the role TasNetworks plays today and the need to remain firmly focused on Tasmania's energy future. While we continued to deliver the essential electricity services Tasmanians rely on every day, much of our work was also about strengthening the foundations for the years and decades ahead.

A key part of TasNetworks' value is in enabling Tasmania's economic and community outcomes. Electricity is fundamental to how our communities function and our economy performs. From major industries and small businesses to households and essential services, our network supports productivity, connection and participation across the state.

At the same time, we recognise the cost-of-living pressures facing many Tasmanians and the importance customers place on affordability. Delivering the safe and reliable electricity network Tasmania needs, while pursuing efficient investment and balancing the lowest sustainable cost for customers, remains a critical consideration in our decisions.

For the Board, the performance and progress of the past year reinforced the importance of taking a long-term view. The decisions TasNetworks makes today will influence Tasmania's electricity system for decades. Our responsibility is to ensure those decisions are supported by strong governance, financial discipline and a clear focus on delivering enduring value for customers, communities and Tasmania.

Resilience also remained an important focus throughout 2025–26. Tasmania's network operates across challenging terrain and is increasingly exposed to severe weather and other climate impacts. When disruptions occur, restoring power safely and as quickly as possible is critical. Just as importantly, we must continue strengthening the network, improving preparedness and building our capability to respond to and recover from major events.

Against this longer-term strategic context, 2025–26 was a strong year of achievement and performance across TasNetworks. Our people demonstrated remarkable dedication, resilience and professionalism, continuing to deliver an essential service while progressing important work to strengthen the network and prepare the organisation for the future.



This was also reflected in our financial performance. TasNetworks recorded a profit after tax of \$42.95 million and returning a dividend of \$27.52 million to the people of Tasmania. Maintaining financial strength and discipline is important to our ability to invest responsibly, manage risk and continue delivering value over the long term.

As Chair, I am proud of what TasNetworks achieved during 2025–26 and, importantly, of the foundations we continued to build for the future.

On behalf of the Board, I thank our people for their commitment and professionalism, and our customers, communities, stakeholders and partners for their continued engagement and support.

I'd also like to acknowledge and thank Dr Seán Mc Goldrick for his outstanding contribution to TasNetworks. Seán joined the organisation in 2021 and during his tenure, TasNetworks undertook a significant business transformation, progressed the final stages of planning for the North West Transmission Developments, and responded to severe weather events that had an unprecedented impact on our network.

On behalf of the Board, I thank Seán for his service and wish him every success in the future.

Looking ahead, the Board's focus remains clear: ensuring TasNetworks is well governed, financially sustainable and positioned to deliver a safe, reliable, resilient and sustainable electricity network that creates enduring value for Tasmania.



A handwritten signature in black ink, appearing to read 'Roger Gill'.

Roger Gill
TasNetworks Chair

From the Interim CEO

2025-26 was a year that reminded me why TasNetworks plays such an important role in the lives of Tasmanians. Every day, our people deliver an essential service that powers homes, businesses, schools, hospitals and communities across the state.

Behind every connection, every project, and every response to an outage are our people, who care deeply about what they do and the difference they make.

What stands out most to me about 2025-26 is the way our people responded to both challenges and opportunities. They continued to deliver for customers, support communities through major weather events, progress transformational projects, and prepared our network for the future, all while maintaining a relentless focus on safety and service.

The Dolphin Sands bushfire was a reminder of the vital role our people play in supporting communities during times of need. While the fire caused significant damage to homes, properties and critical infrastructure, I was incredibly proud of the way our teams responded, working tirelessly and safely to restore power, support affected customers and help communities begin the recovery process. Their professionalism, resilience and commitment during challenging circumstances exemplified the values of our organisation and our dedication to the communities we serve.

Safety remains at the heart of everything we do. It's easy to talk about safety in terms of targets and performance measures, but for me it is much simpler than that. Every person who comes to work should go home safely to the people and things that matter most to them. That commitment sits behind every decision we make and every improvement we pursue.

We also took an important step forward in how we listen to our customers. Through our People's Panel, Customer Advisory Group and Stakeholder Advisory Group, Tasmanians had a genuine opportunity to help shape conversations about the future of the network and the investments needed to support it. Those conversations will help guide our decisions for years to come.

Reliable connectivity is increasingly essential to how people live, work and do business. Through 42-24, we continued to invest in telecommunications infrastructure that helps connect communities, strengthens regional resilience and supports Tasmania's growing digital economy.



2025-26 was also a year of strong performance. We achieved seven out of eight key business targets, again reflecting the capability of our people, the strength of our culture and the discipline we bring to delivering for our customers, communities and shareholders.

Housing development, major infrastructure projects, electrification and new industries are all increasing demand on the electricity network - and on the processes used to connect to it.

We recognise that getting connected needs to be easier to navigate, more predictable and better coordinated. Improving customer connections will remain a strong focus next financial year and achieving greater collaboration across the industry to support more effective infrastructure planning and delivery.

While we never lose sight of the opportunities to improve, we should be proud of what we achieved together.

Whether working in the field, supporting customers, delivering projects or enabling our business operations, every person played a role in these results. The achievements of 2025-26 belong to all of us.



Renée Anderson
TasNetworks Interim
Chief Executive Officer



2025-26 highlights

Our people and environment

Tier 1 incidents:
3
(target less than or equal to 8)

Employee Engagement:
70
(target equal to or greater than 62)

Environmental Incidents:
32
(target less than or equal to 35)

Gender pay gap

9.6%

Enterprise Leadership Group and Executive Leadership Team

50/50
gender split

Our customers and community

Customer satisfaction
7.8
(target greater than or equal to 7.7)

NWTD –
Achieved Financial Investment Decision and Financial Close for NWTD Stage 1

Our network

Transmission reliability, loss of supply events:
2
(target less than or equal to 4)

Distribution reliability (SAIDI)
168
(target less than or equal to 160)

Our business

Net profit after tax (\$m):
42.95

Dividend returned to the Tasmanian people (\$m):
27.52

Our business direction

Our strategy

Our strategy focuses on our core purpose – to deliver safe and sustainable essential services while maximising value for all of Tasmania. It considers external market trends that influence our business, and clearly identifies what we are doing to deliver meaningful and sustainable change. It also provides the framework to help us organise our priorities and plan how we will deliver them.

Our three strategic pillars are:



Understand and respond to our customers and communities

By better understanding what is important to our customers and the Tasmanian community, we will deepen our strong relationships with them, be better positioned to tailor our services, and build their trust in us.



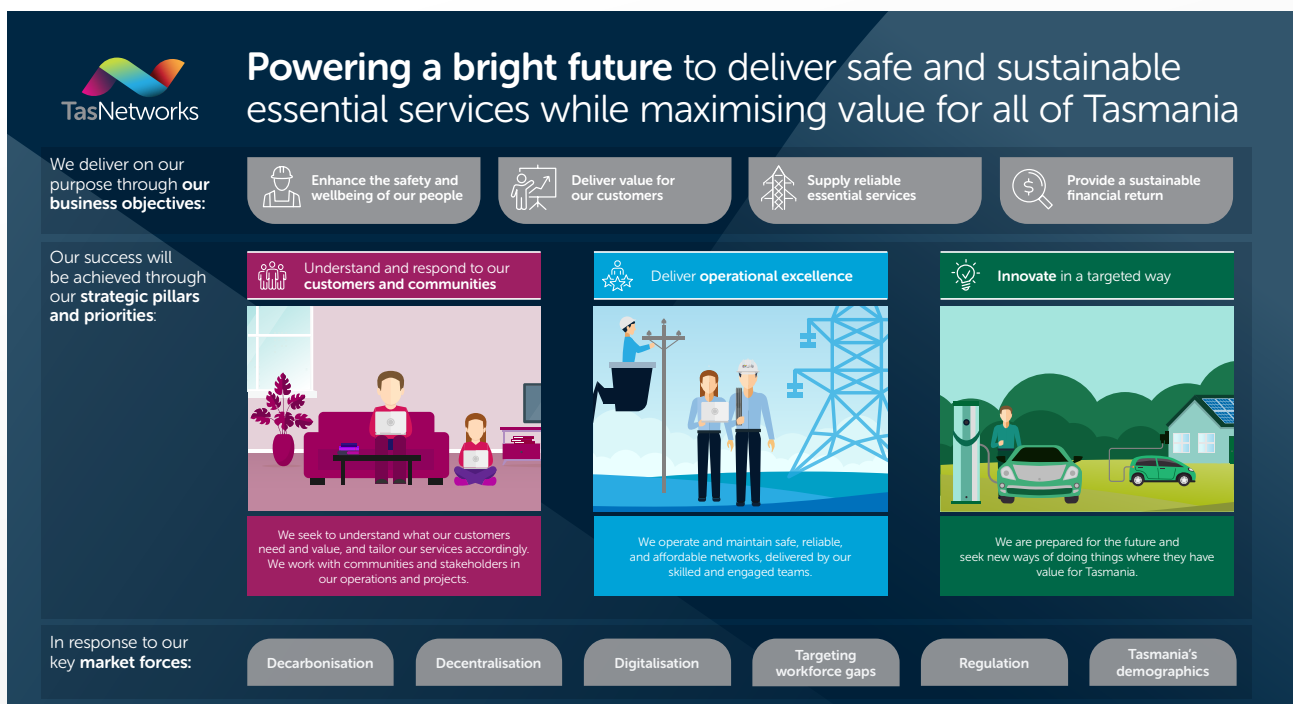
Deliver operational excellence

Through our continued commitment to improve the way we do things, we remain focused on getting the foundations right to keep our people, the community, and the environment safe, and operating efficiently to keep our cost to serve as low as possible.



Innovate in a targeted way

We are specifically targeting areas of our network and ways of working to improve our performance and keep prices as low as possible for customers. We will respond to shifts in the energy industry and adapt to changing customer needs through innovation. This includes continuing to advance artificial intelligence (AI) capability by fostering innovation across the business.



Our business objectives

Our strategy drives the delivery of the business objectives and performance measures we have defined in our Statement of Corporate Intent to track our progress and measure our long-term success. These key business objectives are centred on our core business and put our customers at the heart of our decision-making. They also recognise the role TasNetworks plays in the Tasmanian community.

Our four key business objectives are:



Enhance the safety and wellbeing of our people

We do not compromise the safety and wellbeing of our employees, our customers, our communities, or our environment.



Supply reliable essential services

We deliver and enable reliable and sustainable essential services, and we recognise our role to serve and create value for the benefit of Tasmanians.



Deliver value for our customers

We deliver value for our customers and strive to meet their expectations in every action we take.



Provide a sustainable financial return

We seek to be a lowest cost possible service, while providing sustainable profits back to our shareholders, the Tasmanian Government.



Our customers

At TasNetworks, our customers are at the centre of everything we do. During 2025-26, we achieved our strongest customer satisfaction results on record while continuing to support a growing and increasingly complex energy system. Whether connecting new homes and businesses, managing planned outages, supporting renewable energy adoption or engaging customers in future network decisions, we remained focused on delivering better experiences and better outcomes for Tasmanians.

Our customer satisfaction score finished the year at 7.8, exceeding our target and reflecting consistently strong performance across the services we provide.

We also continued to make it easier for customers to interact with us. Improvements across our services, communications and engagement channels contributed to stronger ease-of-interaction results and helped customers access the information and support they needed.

As Tasmania's energy needs continue to evolve, we are working closely with our customers to ensure the network remains reliable and ready for the future. Throughout 2025-26, customers played an important role in helping shape our plans through advisory groups, consultation programs and our Revenue Reset engagement activities. Their feedback is helping guide future investments and ensuring customer priorities remain at the heart of our decision-making.

We also supported growing customer participation in the energy transition. More Tasmanians are installing rooftop solar, batteries and electric vehicles than ever before, and we continued planning and investing to ensure our network can

support these new technologies while maintaining reliability for all customers.

Our record customer satisfaction result reflects the trust our customers place in us and the dedication of our people, who work every day to deliver safe, reliable and valued services to communities across Tasmania.



Photo by Thomas Webster – Team Leader Environment, TasNetworks



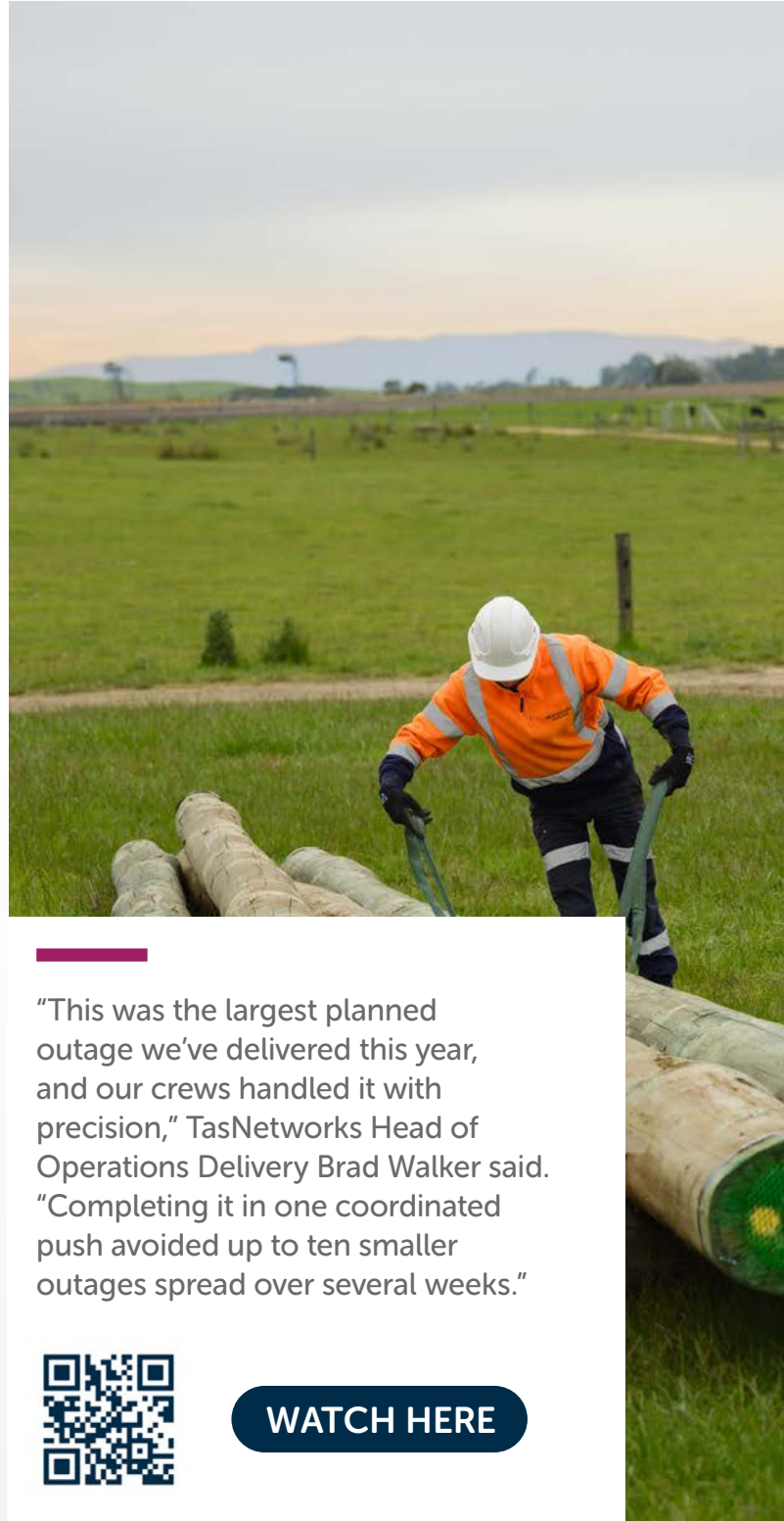
Improving reliability across all corners of Tasmania

Strengthening reliability through coordinated network upgrades

TasNetworks completed one of its largest planned network upgrades of the year, bringing together more than 50 employees and local contractors from four depots to strengthen a key section of the North-East electricity network.

Backed by significant planning, coordination and resources, the two-day program delivered a major upgrade to the Waterhouse Road distribution line, replacing ageing infrastructure with modern equipment designed to improve resilience in coastal conditions, and support long-term network reliability. Extensive planning enabled the work to be completed across two-days of coordinated outages, reducing disruption for customers to a two-day period to enable crews to efficiently and safely complete the upgrades.

The project also showcased the value of collaboration across the business, with engineers, planners, field crews and apprentices working side by side. By combining critical infrastructure renewal with hands-on workforce development, the upgrade strengthened both Tasmania's electricity network and the capability of the people who will maintain it into the future.



"This was the largest planned outage we've delivered this year, and our crews handled it with precision," TasNetworks Head of Operations Delivery Brad Walker said. "Completing it in one coordinated push avoided up to ten smaller outages spread over several weeks."



WATCH HERE

Investing in a more reliable electricity network

TasNetworks continued its long-term investment in Tasmania's electricity network through the progressive upgrade of the Burnie–Port Latta–Smithton transmission line. As part of a \$6.2 million program, ageing transmission structures are being replaced with modern assets designed to meet current engineering standards and provide reliable service for decades to come.

The 71-kilometre transmission corridor is critical to supplying North-West communities and major industry, while also connecting renewable energy generation to the wider network. The upgrades have been carefully planned and delivered with one circuit remaining in service, ensuring reliable electricity supply throughout construction.

Beyond strengthening network reliability and resilience, the program has provided valuable opportunities for apprentices and field crews to build specialist skills, helping develop the workforce needed to support Tasmania's future energy system. During the reporting period, TasNetworks successfully replaced 17 transmission towers as the multi-year upgrade program continued.

"You're working in close proximity to live circuits that are maintaining supply," said Josh Cunningham, Head of Asset Management. "There is very little tolerance for error. Teams and crews across the organisation tackle short time windows to plan, coordinate and execute outages, with outstanding outcomes for Tasmania."



WATCH HERE



Engagement groups driving positive outcomes for Tasmania

TasNetworks works closely with customers, stakeholders and industry representatives through four key engagement groups that provide valuable insights into customer needs, community expectations and future energy challenges. These groups help ensure diverse Tasmanian perspectives inform decision-making across the business.

The **Customer Advisory Group (CAG)** brings together 14 residential and small business customers from across Tasmania. Meeting at least four times each year, the CAG provides direct customer perspectives on topics such as energy services, tariffs, customer experience and emerging issues affecting households and small businesses. The group helps ensure customer voices remain at the centre of TasNetworks' planning and service delivery. During 2025, members participated in workshops and co-design activities, including helping shape customer communications during prolonged outages, hearing updates on customer-focused digital initiatives, and learning about consumer energy resources and the clean energy transition. Members also took part in practical electricity and infrastructure awareness training to deepen their understanding of Tasmania's energy network.

The **Stakeholder Advisory Group (SAG)** was established in July 2024 and is independently chaired. The group includes representatives from local government, major industry, small business, sustainability organisations, generators, retailers and advocates for vulnerable customers. Meeting at least four times annually, the SAG provides strategic advice on issues including Tasmania's renewable energy transition, corporate strategy, tariffs, pricing and major investment decisions. During 2026, the group participated in discussions with the Executive team about business performance, regulatory developments and future challenges. Members also considered the long-term future of the network, evolving customer expectations, and the balance between reliability,

resilience and affordability in future investment decisions. Joint workshops with the CAG further strengthened collaboration between customer, community and industry representatives.

The **North West Transmission Developments Stakeholder Liaison Group (SLG)** provides a dedicated forum for engagement on the North West Transmission Developments (NWTG) project. Operating since 2021 and meeting between four and six times each year, the independently chaired group includes representatives from industry, education and training sectors, peak bodies and government organisations. The SLG enables ongoing two-way communication during project planning and delivery. Topics discussed during the year included construction progress and milestones, community engagement activities, landholder access arrangements, infrastructure sustainability initiatives, climate resilience planning and community investment programs such as the Bright Futures Fund. The group also reviewed and updated its Terms of Reference to support the project's delivery phase and strengthen continuous improvement processes.

The **Tariff Design Working Group (TDWG)** provides a collaborative and customer-focused forum dedicated to shaping the future of network tariffs in Tasmania. The group brings together a diverse range of Tasmanians to discuss opportunities and challenges associated with tariff reform, evolving energy consumption patterns and emerging technologies. Through meaningful dialogue and shared learning, members contribute insights that inform tariff strategies and future regulatory proposals. Activities during the year included discussions on pricing reform, revenue recovery approaches, tariff structures and tariff design principles, helping TasNetworks develop fair and effective pricing arrangements for the future.

Together, these engagement groups play a critical role in ensuring TasNetworks' decisions reflect the perspectives of customers, communities and stakeholders while supporting a reliable, sustainable and affordable energy future for Tasmania.



This year all group members undertook a survey to help the business understand how we can improve transparency, accountability, and collaboration. This led to rich insights on improvements that can be made and where we are performing well. All group members will have an opportunity next financial year to co-design TasNetworks first *Transparency, Accountability and Collaboration Charter* to help drive and enable improvements in how we engage and to strengthen trust with all group members.

“TasNetworks has demonstrated transparency well in a few practical ways. Firstly, by providing a clear timeline of sessions well in advance so we could plan our availability and showing genuine responsiveness by shifting to remote sessions when we requested more flexible meeting arrangements. They have also been prompt in correcting errors and clarifying information when identified. However, there is room to improve. For example, the reading and preparation materials have arrived too close to sessions, limiting our ability to engage as meaningfully as we could. As the process matures, transparency will be better demonstrated by providing background material earlier, and by moving beyond process commitments to showing us how our community’s input is genuinely shaping substantive decisions.”
Engagement group member May 2026



"I would encourage TasNetworks to remember that Working Group members are accountable to real communities with real pressures. For our community, electricity is not an abstract regulatory matter, it is a daily financial reality. The true measure of this process will not be the number of sessions held, but whether the people most exposed to these decisions feel their lives were genuinely considered. I remain committed and hopeful that the focus on transparency, accountability and collaboration will ultimately translate into outcomes that reflect the needs of Tasmania's most vulnerable."

Engagement group member May 2026

"As a newcomer to the group, I was warmly welcomed and provided with any support I needed. I felt Company representatives went out of their way to be inclusive and encourage everyone to contribute their opinions and ideas. Mostly communication was clear and several activities at our gatherings gave us opportunities to shape outcomes."

Engagement group member May 2026

Revenue Reset: planning for Tasmania's future

Every five years, TasNetworks undertakes a Revenue Reset, a formal process that determines the services we will provide, the investments we need to make, and the network charges required to support those outcomes. While it is a regulatory requirement, it is also one of the most important opportunities for customers and communities to help shape Tasmania's future electricity network.

In 2025-26 we commenced our engagement for the 2029–2034 Revenue Reset. This included an open conversation with Tasmanian people and businesses, on what matters to them, as well as a deep look into our operations and future plans.

We use our engagement programs and revenue reset processes to test investment options and balance reliability, resilience, affordability, and intergenerational impacts, while meeting safety and technical standards. Every decision involves trade-offs – investing more can improve reliability, resilience, or future readiness, but it can also place upward pressure on costs, and investing less can limit bill impacts in the short-term, but may increase risks or costs over time.

Our comprehensive engagement program for the 2029–34 Revenue Reset explored these trade-offs as we heard different perspectives, and worked through the implications together. Our responsibility is to explain the choices, constraints, and uncertainties clearly and honestly, and to ensure our customers' views help inform decisions about where investment delivers the greatest value at the lowest reasonable cost for customers now and into the future.



Why it matters

Tasmania's energy system is evolving rapidly. More customers are installing rooftop solar, batteries and electric vehicles. Communities are experiencing the impacts of climate change, major industrial customers are seeking new opportunities for growth, and parts of our network are reaching the point where renewal and replacement decisions are required. At the same time, affordability remains a key concern for customers.

The Revenue Reset helps us balance these competing priorities by identifying where investment will deliver the greatest value for customers while maintaining a safe, reliable and sustainable network.

Putting customers at the centre

A key focus of 2025-26 was ensuring customers have a genuine voice in shaping the network they help fund. During the year, we undertook one of our largest engagement programs to date, involving more than 2,700 customers, stakeholders, industry representatives and community members through forums, interviews, surveys, advisory groups and a dedicated People's Panel. In total we delivered 35 engagement activities, covering 15 key topics and more than 428 hours of engagement.

Our Customer Advisory Group, Stakeholder Advisory Group and People's Panel played an important role in helping us understand what matters most to Tasmanians and how we can balance affordability, reliability, resilience and future readiness.

What we heard

Despite the diversity of participants, there was strong alignment around several key themes:

- Invest where it delivers the greatest value.
- Focus on cost impacts while planning for the future.
- Improve reliability and resilience, particularly in regional areas.
- Increase transparency around investment decisions.
- Enable greater customer participation in the energy transition.
- Consider emerging solutions such as batteries and other non-network options where appropriate.

The People's Panel also highlighted the importance of targeted investment, strong customer communication, rural reliability, asset renewal and community battery solutions.

Looking ahead

The Revenue Reset process will continue over the coming years, before a formal proposal is submitted to the Australian Energy Regulator.

Building on the work completed in 2025-26, we will continue collaborating with customers, communities, stakeholders and industry to develop a proposal that balances the needs of today's customers with the opportunities and challenges of tomorrow's energy system.

Our goal is simple: to deliver safe and sustainable electricity for Tasmania while ensuring investment decisions reflect what matters most to the people we serve.

Customers shaping the energy future of Tasmania

Putting customers at the heart of future network decisions

TasNetworks brought more than 40 Tasmanians from across the state together through its People's Panel to help shape decisions about the future of Tasmania's electricity network.

Held over six months, the People's Panel formed a key part of TasNetworks' 2029–2034 Revenue Reset process, giving residential customers the opportunity to understand the opportunities, trade-offs and constraints involved in maintaining and investing in the network, and to provide recommendations directly to the business.

Panel members explored issues that affect Tasmanians every day, including network reliability,

storm and bushfire resilience, power bills, outage communications, renewable energy, electric vehicles and the changing way electricity is used.

The Panel has now completed its sessions and handed its final recommendations to TasNetworks. These recommendations will inform the development of the Draft 2029–2034 Revenue Reset Proposal, with the Panel returning in October to see how its input has influenced the proposal.

The engagement was supported by teams from across TasNetworks, alongside broader consultation with councils, businesses, industry, life-support customers and other stakeholders.

The People's Panel demonstrates TasNetworks' commitment to listening to customers early, creating meaningful opportunities for community voices to shape decisions and building greater understanding of the choices involved in keeping Tasmania's electricity network safe, reliable, resilient and ready for the future.



WATCH HERE





Our community

At TasNetworks, we understand that being part of the community means more than delivering electricity. It means listening, partnering and creating lasting benefits for the people and places we serve. Throughout 2025-26, we continued to strengthen relationships with communities across Tasmania, maintain strong levels of trust and invest in initiatives that support resilience, wellbeing and long-term prosperity.

Through open engagement, transparent communication and a commitment to delivering value beyond the network, we continued to build trust with customers, stakeholders and communities across the state.

Strengthening community partnerships

One of the year's most significant achievements was the launch of the \$10 million Bright Futures Fund, established as part of the North West Transmission Developments (NWTN) project. The fund has been designed to create a lasting legacy for communities located within the project area by supporting initiatives that strengthen local wellbeing, participation and opportunity.

We also continued to work closely with local councils, community groups, landholders and stakeholders throughout the year, ensuring communities had opportunities to participate in conversations about major projects and future network planning.





Reducing cost-of-living pressures

We recognise that many Tasmanians continue to face cost-of-living pressures and that affordability remains a key concern for our customers and communities. As Tasmania's energy system evolves, we remain focused on balancing the investment needed to maintain a safe, reliable and resilient network with our responsibility to minimise costs for customers wherever possible.

Throughout the year, we continued to apply rigorous planning, engagement and regulatory processes to ensure investment decisions deliver the greatest long-term value at the lowest reasonable cost. This includes leveraging concessional finance arrangements for Stage 1 of the North West Transmission Developments, which will help reduce transmission network charges compared to standard financing approaches, while supporting critical infrastructure needed for Tasmania's clean energy future.

We use our engagement programs and revenue reset processes to test investment options and balance reliability, resilience, affordability, and intergenerational impacts, while meeting safety and technical standards. Every decision involves trade-offs – investing more can improve reliability, resilience, or future readiness, but it can also place upward pressure on costs, and investing less

can limit bill impacts in the short-term, but may increase risks or costs over time.

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We also continued to explore the broader social value created through our operations and investments. Our developing Social Value Framework will provide a structured approach to understanding and reporting the impacts we have on communities beyond the delivery of electricity services. Through initiatives such as our Community Grants Program, we support local organisations delivering projects that provide cost-of-living relief and strengthen community resilience, reinforcing our commitment to creating positive outcomes for Tasmanians both now and into the future.

This year, we remained focused on delivering safe and reliable services efficiently, guided by regulatory efficiency benchmarks and strong cost discipline, while ensuring our investments continue to support the long-term interests of customers and communities across Tasmania.



Credit Calvin Christian School

Investing in local communities

Through our Community Grants Program, we provided funding to 12 community organisations across Tasmania, supporting grassroots projects focused on community resilience, cost-of-living relief and social connection.

Funded initiatives included food relief programs, emergency response capability, community resource-sharing projects and support services for vulnerable Tasmanians. These projects are helping create stronger, more connected communities while delivering practical benefits where they are needed most.

Educating young Tasmanians

We continued to invest in community education through our Bright Sparks program, which has been helping Tasmanian children learn about electrical safety for more than 20 years. Delivered free to primary school students across the state, the program helps young Tasmanians better understand electricity and stay safe around the network.

Through our STEAM Program, we continued to inspire young Tasmanians to explore opportunities in science, technology, engineering, arts and mathematics. The program is driven and delivered by our graduates. It connects students with real-world challenges and hands-on learning experiences that build curiosity, creativity and problem-solving skills.

Throughout 2025-26, STEAM activities were delivered in schools, community settings and major events across the state, helping showcase the diverse career pathways available in the ever-evolving Tasmanian energy and technology sectors.



Supporting community resilience

Building stronger and more resilient communities remained a key focus throughout the year. We progressed actions arising from the Post Incident Review following the major August 2024 storm events and continued work on community preparedness initiatives designed to help communities better respond to outages and emergencies.

Severe weather and bushfire impacts during the first half of 2025-26 put Tasmania's electricity network and response teams to the test. Crews worked in challenging and often hazardous conditions, partnering closely with emergency services to safely access damaged areas and begin restoring supply. Over one major weather event, more than 21,000 customers had power restored, with 98.5 per cent reconnected within 48 hours and a customer satisfaction of 7.8 out of 10.

In December 2025 in the fire-affected community of Dolphin Sands, teams replaced damaged poles and infrastructure while supporting customers with safety information and restoration updates. The response highlighted the strength of coordination across field crews, contractors, and support teams, as well as the importance of clear communication with customers during prolonged outages. Together, these efforts helped reduce restoration times and supported communities through difficult and uncertain periods.

This benefited from improvements put in place as a result of our review of the 2024 storm event.

This year we also continued the preparedness and outage statewide campaign, preparing communities for prolonged outages and strengthening support arrangements for vulnerable and life-support customers.

Respecting culture and heritage

During 2025-26, we finalised and endorsed our Aboriginal Engagement Guideline, developed with the assistance of Tasmanian Aboriginal community members and stakeholders. Their insights and experiences helped shape the guideline, ensuring it reflects a more respectful, consistent and meaningful approach to engagement.

The guideline provides a strong foundation for future engagement across our projects and operations and supports our commitment to building stronger relationships and increasing understanding across the communities we serve.

We also continued progressing our Reconciliation Action Plan (RAP) commitments and commenced the process of renewing our RAP, reaffirming our commitment to reconciliation and ensuring this important work continues to evolve alongside our business and our relationships with Aboriginal communities across Tasmania.

Restoring power after the Dolphin Sands bushfire

Following the Dolphin Sands bushfire in December 2025, TasNetworks mobilised crews from across Tasmania to safely assess damage and restore electricity to affected communities. Working closely with emergency services, field crews and support teams responded as soon as conditions allowed, coordinating one of the state's significant post-bushfire network restoration efforts.

More than 50 power poles were destroyed or severely damaged, requiring sections of the network to be rebuilt in challenging conditions.

Lineworkers, contractors and apprentices worked alongside engineering, safety, logistics and customer support teams to safely restore supply while navigating damaged infrastructure, smoke, ash and unstable ground.

The restoration effort highlighted the strength of TasNetworks' emergency response capability and the collaboration required across the business during major events. As part of the rebuild, damaged infrastructure was replaced with more fire-resilient assets, including concrete and fibreglass poles, helping strengthen the network against future bushfire impacts while restoring an essential service for the community.

"From the crews on the ground to the teams supporting them behind the scenes, there's a shared focus on doing what's needed to support the community safely," said Pat Carroll, Leader Overhead Distribution South. "Safety was at the centre of every decision. Crews were working in smoke, ash and unstable environments, constantly reassessing risks before moving forward," Pat said.



Photo by Jeffrey Exton – Live Lineworker, TasNetworks

Supporting community wellbeing through Pets in the Park

With support from the TasNetworks Community Grants Program, Pets in the Park Tasmania continued providing free veterinary care and support to the pets of vulnerable and disadvantaged Tasmanians.

The funding helped purchase essential veterinary equipment and support volunteer-led veterinary services, ensuring pets received treatment that many owners would otherwise not have been able to access. Beyond improving animal welfare, the program helps people maintain the important companionship, connection and wellbeing that pets bring, particularly during challenging times.



Helping families through Brighton Community food hub

With support from the TasNetworks Community Grants Program, the Brighton Community Food Hub expanded its support for people experiencing financial hardship by providing 200 free food hampers to Tasmanians in need.

The initiative helps ease cost-of-living pressures while complementing the organisation's existing low-cost food program. By supporting access to nutritious food and essential household items, the project is helping local families navigate challenging economic conditions and strengthening community wellbeing.

Our energy future

Tasmania's energy future is taking shape, and 2025-26 was a pivotal year as we progressed some of the most significant energy infrastructure investments in the state's history.

North West Transmission Developments

The North West Transmission Developments (NWTd) project gained significant momentum throughout 2025-26, reaching several major milestones as it moved closer to construction.

In February 2026, the Australian Energy Regulator's final decision on Project Marinus provided increased certainty for the next stage of Tasmania's transmission future. This was followed by continued landholder engagement, planning activities and development work across the north and north-west regions.

In May 2026, having secured both State and Federal approvals, NWTd reached financial close, a major milestone that confirmed funding and contractual arrangements, and officially marked the transition toward delivery. As part of this, we were pleased to achieve voluntary access to 98.5 per cent of the private land needed. During the year, we also advanced procurement activities, contractor mobilisation, stakeholder engagement and project readiness planning.

As NWTd has progressed, we have become increasingly embedded in the communities that will host this important infrastructure. Through community information sessions, landholder engagement, local forums and Stakeholder Liaison Group meetings, we continued strengthening relationships across the project area and ensuring local voices help shape delivery.

Rewiring the Nation

During 2025-26, TasNetworks secured up to \$1.2b in concessional finance from the Clean Energy Finance Corporation under the Australian Government's Rewiring the Nation program. The financing arrangement will play an important role in reducing the cost of delivering the North West Transmission Developments and helping to minimise impacts on customer prices. It provides a prudent funding structure that supports long-term investment in Tasmania's energy infrastructure while balancing the impact on customers and communities.

Meeting our communities

Throughout the year, we enjoyed meeting with the people in our communities in and around our project. We learn a lot from listening to your stories, concerns and suggestions. Our team spent countless hours on the road meeting individuals on their land, at events like the Tasmanian Craft Fair, Burnie Show, Wynyard Tulip Festival and Agfest or specific engagement events.

In June 2026, we officially launched the \$10 million Bright Futures Fund, creating a community benefits program for communities located along the NWTd route. The fund is designed to create





a positive, lasting legacy by supporting projects that strengthen community inclusion, accessibility, environmental sustainability and lasting impact. A key component of the Fund includes an Independent Community Assessment Panel that helps to decide where the funding goes.

Community batteries and energy innovation

2025-26 also saw continued planning and investigation of community battery opportunities across Tasmania.

Community batteries provide shared energy storage for neighbourhoods. During the day, excess electricity generated by rooftop solar systems can be stored in the battery rather than being exported to the grid. The stored energy can then be used later, helping reduce pressure on the network, improve solar utilisation and create greater value from local renewable energy generation.

As customer uptake of solar and battery technology continues to grow, community batteries have the potential to play an important role in supporting more efficient and flexible use of the network while enabling more customers to participate in the energy transition.

Supporting customer-owned energy resources

Tasmanians continue to embrace clean energy technologies at an unprecedented rate.

By the end of 2025-26, Tasmania had approximately 58,000 rooftop solar systems, 5,800 battery systems and more than 7,000 electric vehicles connected to the network. These technologies are transforming how energy is generated, stored and consumed across the state.

Through projects such as NWTB, preparations for Marinus Link, emerging technologies such as community batteries and growing customer participation in renewable energy, we are building a stronger, more connected and more resilient network that will power Tasmania's future for generations to come.



Protecting the network and the communities that rely on it

We operate critical infrastructure that more than 300,000 Tasmanians rely on every day. Keeping that infrastructure secure is essential to maintaining safe and reliable electricity supply, protecting our people and customers, and supporting the essential services and industries that depend on the network.

During the past financial year, TasNetworks undertook a significant uplift of security across physical, cyber, personnel and supply chain risks. This work strengthened our compliance with the Security of Critical Infrastructure Act (SOCi) and, importantly, reduced risks to the network from an increasingly complex external threat environment.

A stronger governance framework was established through a new internal SOCi governance forum. Each SOCi hazard domain was formally handed over to its relevant business owner, ensuring security risks are understood and managed within the areas best placed to address them.

Physical security was also strengthened through the development of a new Physical Security Policy and AusCheck certification requirements were rolled out for access to critical sites. These measures ensure employees and contractors accessing these locations are appropriately trained and authorised, with access limited to those who have a genuine need to be there.

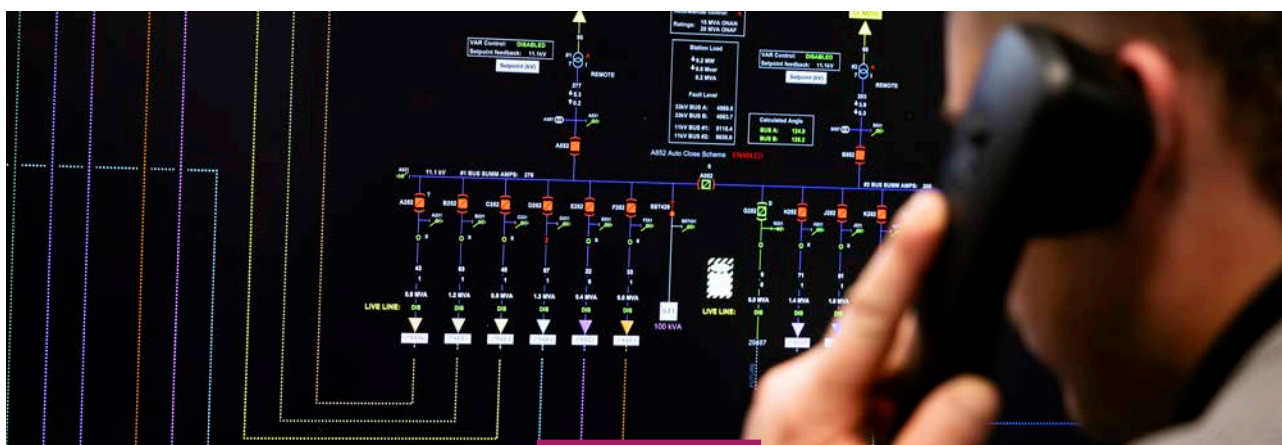
The security uplift recognises that protecting critical infrastructure is a shared responsibility. Risks can come from many sources, including unauthorised access, cyber attacks, natural events such as storms, fires and floods, and third-party activity.

For TasNetworks, security is ultimately about safety and reliability. Critical electrical assets contain significant energy and supply large numbers of customers, meaning interference can put people at risk and disrupt electricity supply.

By strengthening technology, processes, governance and accountability, TasNetworks is building a more secure and resilient network and helping ensure Tasmania remains powered safely and reliably, whatever challenges emerge.



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Improving digital integration

Over the past financial year, TasNetworks continued to make significant progress in the delivery of our Advanced Distribution Management System (ADMS), a strategic investment that is transforming how we operate, monitor and manage the electricity network.

A key milestone was achieved through the modelling and validation of low voltage (LV) network assets, bringing us closer to a single, real-time view of the network. This capability provides greater visibility across the electricity system, from the generation switchyard through to customer premises, enabling us to have a single, real-time view of the network and providing a more accurate understanding of network conditions.

By integrating network data, switching management and outage management capabilities, ADMS has enabled a faster, more informed decision-making across the organisation, with the control room team now using digitised switching sheets. This enhanced situational awareness has improved outage response times, strengthened operational safety and provides teams with a shared, real-time view of the network.

The benefits extend beyond the control room. Field crews and operational teams will have access to the same up-to-date network information, supporting more effective planning, coordination and execution of work. The transition from paper-based processes to digital workflows will reduce administrative effort, minimise manual handling

and improve the accuracy and efficiency of switching operations.

The move toward real-time network visibility represents an important step forward for our business. With improved access to data and greater operational transparency, our teams will be better equipped to respond to changing network conditions, manage customer impacts and make data-driven decisions with confidence.

As ADMS continues to be implemented, it is helping bring together information, systems and operational processes onto a single platform.

In the next financial year, we will deliver the outage management system which will mean our field crews, network operators and customer teams will all be operating from a single system, this reduces manual processes and system updates, which improves overall data accuracy, enabling future improvements to outage communications for our customers.

ADMS is a foundational capability for the future of TasNetworks. As we continue progressing implementation, it will deliver lasting benefits through improved efficiency, safer operations, enhanced network visibility and a better experience for both our employees and customers.



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Our people

Our people are the foundation of our success. Every day, they work across Tasmania to keep the lights on, deliver major projects, support customers, and communities, and help shape the state's energy future. Throughout 2025-26, we continued to invest in capability, training, leadership and workforce development, ensuring we have the skills, knowledge and culture needed to meet the challenges and opportunities ahead.

Employee engagement increased significantly during the year, rising from 60 per cent to 70 per cent, reflecting our continued focus on culture, leadership and creating an environment where our people can thrive. With a strong participation rate of 84 per cent, the results of the Employee Engagement survey provided valuable insights to help strengthen our workplace and support continuous improvement.



Building future talent

Developing future talent remains one of the most important investments we make.

Our Graduate Program continued to provide emerging professionals with opportunities to gain experience across a diverse range of business and technical disciplines. During 2025-26, 30 graduates participated in the program, with 12 new graduates joining the organisation. Through approximately 60 rotations across the business, graduates gained valuable experience in operational, technical, corporate and project environments while contributing to the delivery of real outcomes for our customers and communities.

Five graduates secured ongoing permanent roles during the year, strengthening our workforce and helping build the next generation of energy professionals for Tasmania.

Our apprenticeship program also continued to play a critical role in developing the skilled workforce needed to operate and maintain Tasmania's electricity network. We welcomed 13 new apprentices, leading to a total of 39 apprentices across the business. During the year, 11 of those apprentices completed their training and transitioned in to permanent roles with TasNetworks highlighting the success of the program in creating long-term career pathways.



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National recognition

2025-26 brought national recognition for TasNetworks' commitment to workforce development and training.

After being named Large Employer of the Year at the Tasmanian Training Awards, TasNetworks went on to receive Gold at the Australian Training Awards. The award recognised our commitment to apprenticeships, traineeships, workforce development and nationally recognised training programs.

The year also saw TasNetworks apprentice Holly Francombe receive Silver in the national Apprentice of the Year category following her recognition as Tasmanian Apprentice of the Year. These achievements highlight the quality of training, mentoring and development opportunities available across the organisation.

Safety culture

Safety remains our highest priority and underpins everything we do. Despite extensive field operations, maintenance activities and major project delivery throughout 2025-26, TasNetworks recorded no serious employee injuries. Three Tier 1 incidents were recorded during the year, remaining well below our annual threshold and reflecting the continued focus on critical risk management across the business. Our people continued to play an active role in shaping safety improvements, with frontline feedback helping inform operational practices, procedures and safety initiatives across the organisation.

Making network access safer and clearer

Safety is at the heart of everything TasNetworks does, and the Safe Network Access Project (SNAP) is strengthening how our people access and work on the electricity network. SNAP has involved deep analysis, benchmarking and broad consultation with operational teams to identify opportunities to improve existing practices, standards and documentation. The project undertook a comprehensive gap analysis informed by incidents, work practices and industry standards across other jurisdictions.

This work has led to the development of a contemporary suite of standards and procedures, alongside new authorisation, training and engagement requirements designed to make expectations clearer and information easier to access for people working on the network.

Importantly, operational expertise has been central to the project. Subject matter experts and teams across the business have contributed feedback, challenged proposed approaches and helped ensure the changes reflect the realities of working in the field. SNAP has also introduced a practical 'quick win' through the Switching Assistant role, providing a second set of trained eyes during switching activities to support safe decision-making and reduce the risk of error. Together, these initiatives are strengthening shared responsibility for safety, improving

consistency in network access and supporting our people to carry out their work safely and confidently.



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Diversity, equity and inclusion

Creating an inclusive workplace where people feel they belong remained a key focus through our We Belong program. Throughout the year, employees participated in activities recognising National Reconciliation Week, NAIDOC Week, International Women's Day, Ramadan, Diwali, Lunar New Year, ANZAC Day, TasPride and R U OK? Day. These activities provided opportunities for our people to connect, learn and celebrate diversity while supporting reconciliation, wellbeing, cultural awareness and inclusion.

We also reviewed our We Belong commitments during 2025-26 to identify opportunities to further strengthen our approach to diversity, equity and inclusion and ensure it continues to evolve alongside our workforce and communities.

As part of TasNetworks ongoing commitment to diversity, equity and inclusion the gender pay gap has continued to reduce, Enterprise Group Leadership has maintained a 50/50 gender split, and our Executive Leadership Team has improved to also achieve a 50/50 split.

Investing in capability

Our Registered Training Organisation continued to play an important role in developing capability across the business, delivering the training and qualifications needed to support safe operations and professional development. Through continued investment in formal learning, mentoring and on-the-job experience, we are building the skills required to deliver for Tasmania today and into the future.

As Tasmania's energy system continues to transform, attracting, developing and retaining talented people will remain critical to our success. Through our commitment to training, safety, leadership and inclusion, we are building a workforce capable of supporting Tasmania's energy future for generations to come.



Safety is personal

No one wants to come home from work injured, or not come home at all. The reason for staying safe is personal, and during 2025-26 we encouraged our people to reflect on what that means to them. For some, it was getting home to their children or grandchildren.

For others, it was walking the dog, catching a wave or spending time with family and friends. Everyone has their own reason, and we remain committed to making sure every person goes home safe so they can enjoy what matters most in life.

*Stay safe,
stay happy.
It's what life's all about.*

PAM SKAPIN
MATERIALS MANAGEMENT TEAM LEADER

Building AI capability

TasNetworks continued to advance its artificial intelligence (AI) capability during the year, focusing on building organisational readiness, improving productivity, and fostering innovation across the business. A significant milestone was the selection of an enterprise AI platform for pilot implementation following the evaluation of three potential solutions. The platform will provide a secure, centrally managed environment for employees to access and use AI tools safely and consistently, supporting the organisation's commitment to responsible and effective adoption of emerging technologies.

The pilot has been designed to help TasNetworks identify practical opportunities to improve efficiency, enable new ways of working, and build AI confidence and capability across the workforce. A diverse mix of teams, locations and experience levels will participate, ensuring insights from the pilot reflect the breadth of the organisation. TasNetworks has also reinforced the importance of information security and responsible AI use, with a strong focus on governance, training and support for employees.

To strengthen AI literacy, the organisation expanded learning opportunities through curated training pathways covering AI fundamentals, prompting techniques and practical applications. These resources support employees in developing the skills needed to adopt AI responsibly and confidently.

TasNetworks also championed innovation through collaboration with the University of Tasmania and Amazon Web Services in the inaugural Open Innovation Hackathon. The event brought together students, industry and technology leaders to develop solutions to real business challenges using emerging technologies, helping build Tasmania's future digital workforce while exploring innovative approaches to energy network operations and customer outcomes.



WATCH HERE



Sustainability report

Sustainability and climate reporting

This year, we published our first Climate-Related Disclosures Report, providing greater transparency on how climate-related risks and opportunities may affect our business, our customers and the communities we serve. The report has been prepared in accordance with the Australian Sustainability Reporting Standards (AASB S2) and outlines how climate considerations are being incorporated into our governance, strategy, risk management and decision-making processes.

Key achievements during 2025-26 included completing our first climate scenario analysis, progressing Tasmania's first community battery projects, investing more than \$54 million in climate-related initiatives, strengthening vegetation

management capabilities and advancing major projects such as the North West Transmission Developments to support Tasmania's renewable energy future.

The report also highlights the steps we are taking to strengthen network resilience, support the energy transition and prepare for the impacts of a changing climate while continuing to deliver safe, reliable and sustainable services for Tasmanians.

Read our Climate-Related Disclosures Report 2025-26 at www.tasnetworks.com.au/ for more information on our approach to sustainability, climate resilience and Tasmania's energy future.



Protecting our environment



Mitigating the Network

Around 80% of electrocutions involving large birds of prey, including Tasmanian wedge-tailed eagles and white-bellied sea eagles occur when a bird flies into the powerlines and simultaneously contacts two conductors 'mid-span'.

In response, TasNetworks has shifted its approach to bird mitigation, with the delta pole top configuration now the primary measure for reducing this risk. The delta pole top configuration arranges the conductors in a triangular formation, significantly increasing the distance between them and reducing the likelihood of a large bird contacting two conductors at once.

As we build new distribution power lines and replace or upgrade existing overhead assets, we are embedding bird-safe design principles into our work. This includes using non-conductive fibreglass crossarms and the delta pole top configuration to reduce the risk of pole-top and mid-span electrocutions.

We are also progressively mitigating the parts of the existing network each year. In 2025–26, TasNetworks invested more than \$1 million to replace flat conductor alignments with the delta pole top configuration in high-risk areas.

We use three models to identify the highest-risk parts of the network and prioritise mitigation:

- **Eagle strike risk model** – incorporates factors such as topography, vegetation and distance from eagle nests.
- **Engineering consequence model** – assesses the potential consequence of an electrocution at each powerline span based on factors such as span length and configuration.
- **Research by Dr James Pay from the University of Tasmania** – which uses GPS-tracked eagles to identify where eagles are most likely to fly near powerlines.

Together, these models help us understand where the risk is greatest and inform how we prioritise and plan future delta pole top mitigation across the network.



Environmental Partnerships

Tasmanian Museum and Art Gallery (TMAG)

In 2025-26, we extended our partnership with the Tasmanian Museum and Art Gallery (TMAG). Every threatened bird suspected of having been killed by our network is provided to TMAG for necropsy, helping us better understand network-related bird mortality and identify opportunities to reduce impacts.

The partnership also contributes to broader scientific research and conservation outcomes, with specimens supporting studies into diet, lead poisoning and exposure to rodenticides, helping build knowledge that benefits threatened bird species both locally and internationally.

Bookend Trust – Where? Where? Wedgie! and the Work of Dr James Pay

In 2025-26, we extended our partnership with the Bookend Trust for a further five years, supporting the Where? Where? Wedgie! project and research led by University of Tasmania researcher Dr James Pay.

The community-based survey helps monitor Tasmania's wedge-tailed eagle population and assess the effectiveness of conservation efforts over time. This information is vital as we continue investing in bird mitigation measures across our network.

Research led by Dr Pay uses six years of GPS tracking data to identify locations where eagles are most likely to encounter powerlines at hazardous altitudes. His models accurately predicted 94% of confirmed eagle fatalities and are helping TasNetworks target mitigation measures where they can have the greatest impact.

Partnering with Raptor Rehabilitators

Our partnerships with the Tasmania Wildlife Hospital and Bonorong Wildlife Sanctuary continued throughout 2025-26, supporting the treatment, care and rehabilitation of injured wildlife, particularly Tasmania's birds of prey.

A key milestone during the year was the opening of the Tasmania Wildlife Hospital's new facility, which includes dedicated raptor rehabilitation infrastructure. Together, these partnerships help deliver best-practice veterinary care, strengthen Tasmania's wildlife rehabilitation network and improve outcomes for threatened bird species.

TasNetworks Strategic Weed Management Program

TasNetworks' Strategic Weed Management Program aims to reduce the spread and impact of priority declared weeds on and around our network while supporting broader environmental outcomes.

The program works collaboratively with landowners, councils, government agencies, NRM organisations and community groups to deliver coordinated weed management across landscapes rather than individual properties. This approach improves operational biosecurity outcomes while contributing to biodiversity, agricultural and environmental benefits.



The Derwent Catchment Project (DCP)

A key component of the program is our partnership with the Derwent Catchment Project (DCP), supporting strategic weed surveillance and control across the Derwent and Central Highlands.

Recent work has included ongoing control of broom, gorse, Californian thistle and holly around Dee Lagoon, alongside coordinated orange hawkweed detection and eradication activities. The program uses innovative conservation detection dogs to locate infestations across remote areas, helping prevent the spread of weeds into surrounding landscapes and the Tasmanian Wilderness World Heritage Area.

The project demonstrates the value of coordinated, cross-tenure action and innovative tools in achieving lasting environmental outcomes.

Supporting Burnie City Council's Revegetation Project

TasNetworks supported Burnie City Council's revegetation project along the Romaine Creek and Shorewell Creek catchments through the Australian Government's Urban Rivers and Catchments Program.

The project included weed removal, fencing works and the planting of more than 1,200 native plants. These activities will improve waterway health, restore native habitat and support important species including giant freshwater crayfish, the Burnie Burrowing Crayfish and the migratory Latham's snipe.

Waste Management and Resource Recovery

TasNetworks continued to progress its Waste Management Strategy this year. The aim of the strategy is to support Tasmania's transition to a circular economy and reducing the environmental impact of its operations including waste to landfill.

Key achievements included:

- 723 timber poles recycled, diverting them from landfill and supporting resource recovery.
- 370 tonnes of metals recycled, including steel, aluminium and copper conductors.
- A new safety helmet recycling program launched, with dedicated recycling bins introduced at major depots to improve recovery and reduce waste to landfill.

Managing Oil Spills

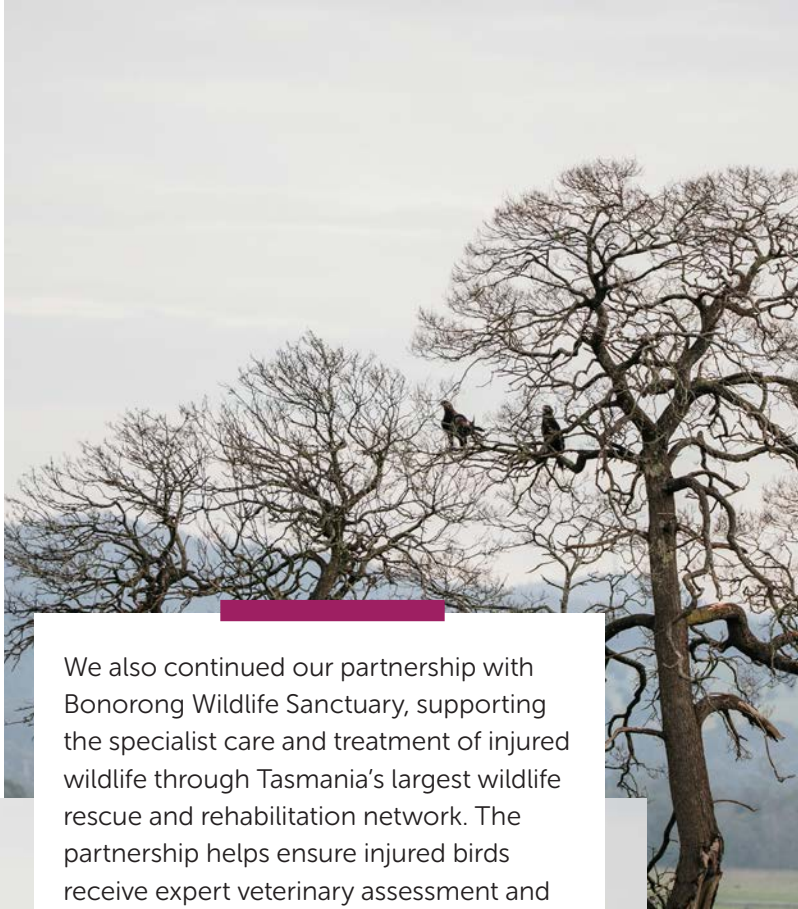
TasNetworks recorded nine reportable oil spill incidents during 2025-26. Each incident was managed in accordance with our environmental response procedures, with a focus on rapid containment and minimising environmental impacts.

During the year, we also strengthened workforce capability through practical spill response training for apprentices and field crews. Following containment, specialist response teams undertook remediation activities, while learnings from incidents continue to inform improvements in spill prevention and environmental management practices.

Caring for Tasmania's threatened birds

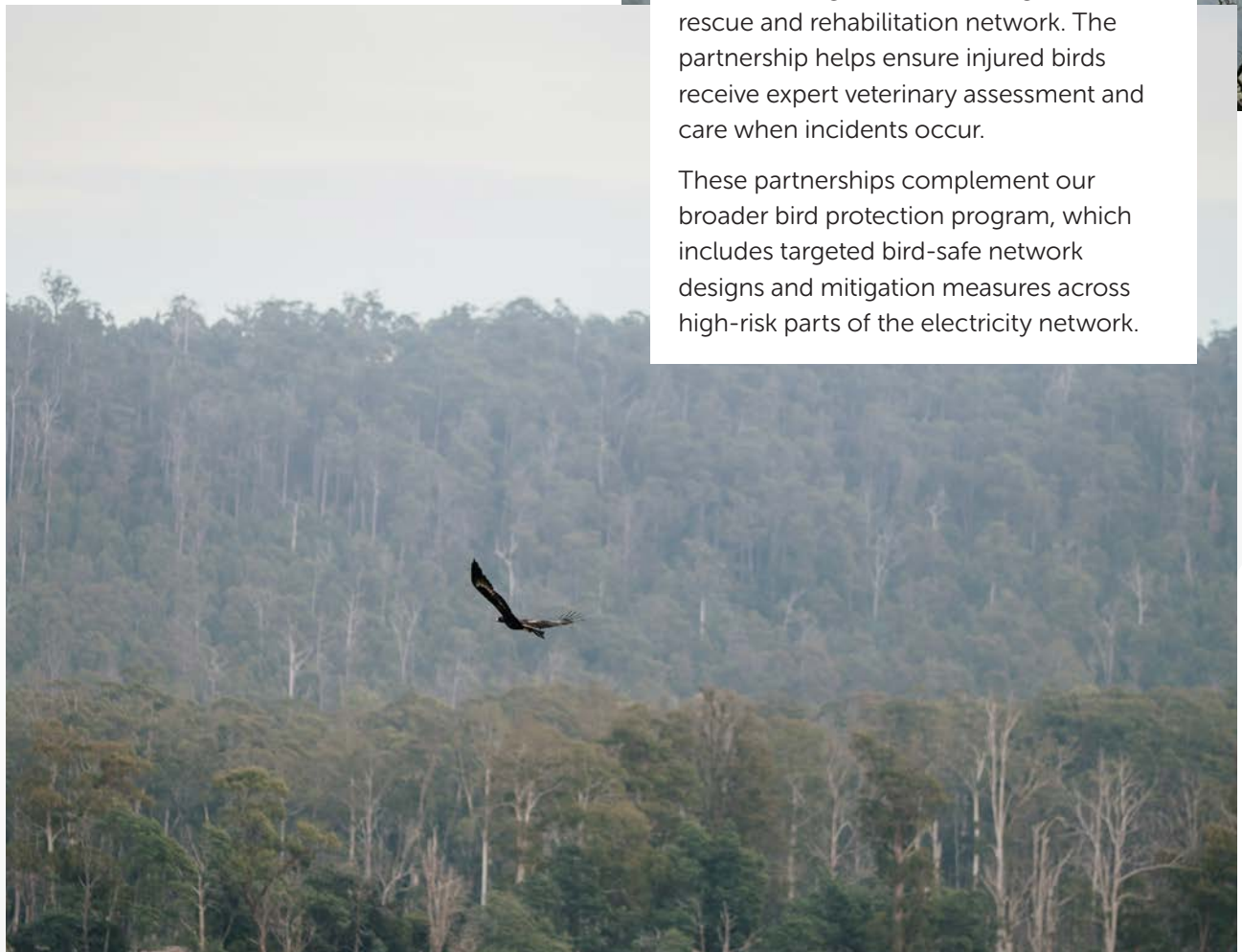
Protecting Tasmania's iconic birds of prey remains an important part of our environmental stewardship program.

During 2025-26, we continued supporting the Tasmania Wildlife Hospital's Raptor Recovery Program, helping expand specialist facilities used to treat and rehabilitate injured birds of prey, including Tasmania's threatened wedge-tailed eagle. Through our partnership, the hospital is building dedicated aviary infrastructure that supports veterinary treatment, rehabilitation and eventual release back into the wild.



We also continued our partnership with Bonorong Wildlife Sanctuary, supporting the specialist care and treatment of injured wildlife through Tasmania's largest wildlife rescue and rehabilitation network. The partnership helps ensure injured birds receive expert veterinary assessment and care when incidents occur.

These partnerships complement our broader bird protection program, which includes targeted bird-safe network designs and mitigation measures across high-risk parts of the electricity network.



42-24

42-24: Connecting Tasmania's Future

As Tasmania's telecommunications provider, 42-24 plays a critical role in keeping businesses, communities and essential services connected. Through its extensive fibre network, data centres, radio tower infrastructure and managed technology services, 42-24 provides the digital backbone that supports economic activity, regional development and community connectivity across the state.

Throughout 2025-26, 42-24 continued to strengthen its position as Tasmania's trusted provider of telecommunications and technology solutions while delivering infrastructure that helps bridge the digital divide between urban and regional communities.

A key achievement during the year was the successful delivery of two Regional Connectivity Program projects on Tasmania's West Coast. Delivered in partnership with TasNetworks, Hydro Tasmania and the Australian Government, the projects provided new high-capacity fibre connections to Tullah and Zeehan, improving connectivity, resilience and digital capability for residents, businesses and service providers.

Other projects delivered in 2025-26 included:

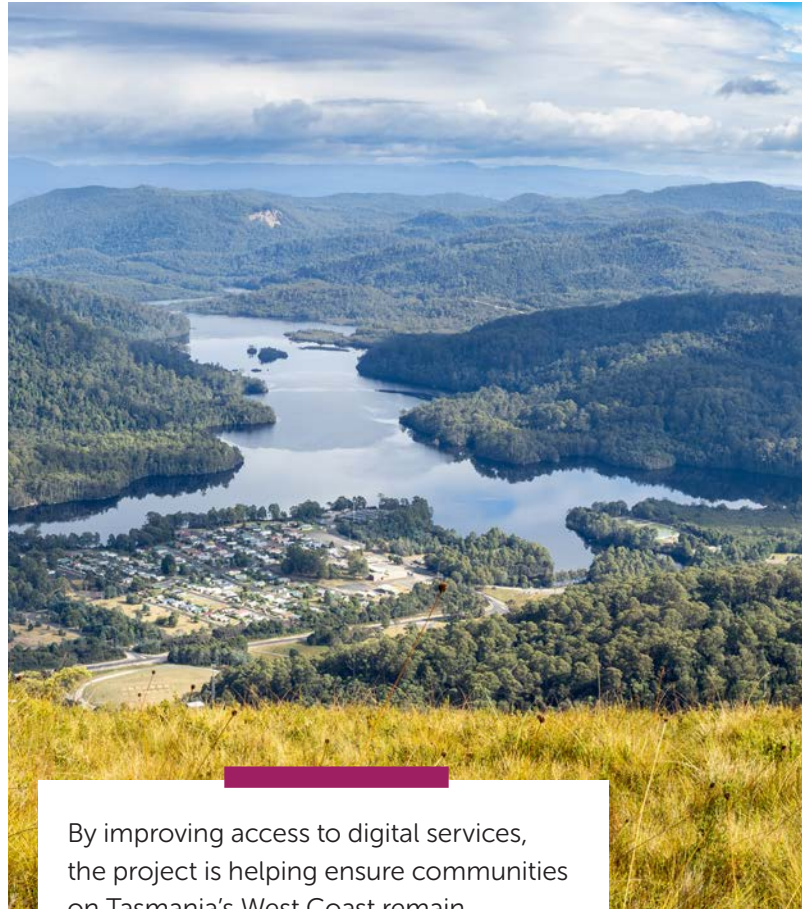
- The connection of a significant amount of telecommunication services for state government agencies. This includes a large number of services for education facilities around the state.
- Integrated Low Earth Orbit (LEO) Satellite connectivity into our network and used that technology to connect remote emergency service facilities to reliable high speed telecommunication services
- Secured new state government agency cloud infrastructure solutions

As demand for connectivity continues to grow, 42-24 remains focused on delivering reliable, secure and innovative telecommunications services that help connect Tasmanians to each other, to essential services and to future opportunities.

Connecting Tasmania's West Coast

During 2025-26, 42-24 helped transform digital connectivity for the West Coast communities of Tullah and Zeehan through the delivery of new fibre infrastructure under the Regional Connectivity Program. The project will improve internet and telecommunications capacity, reliability and resilience for local residents, businesses and service providers.

Built using existing TasNetworks infrastructure, the fibre extensions provide a platform for improved services from telecommunications providers while supporting local economic development and community connection. The project also demonstrated how government, industry and regional partners can work together to deliver meaningful benefits for remote communities.

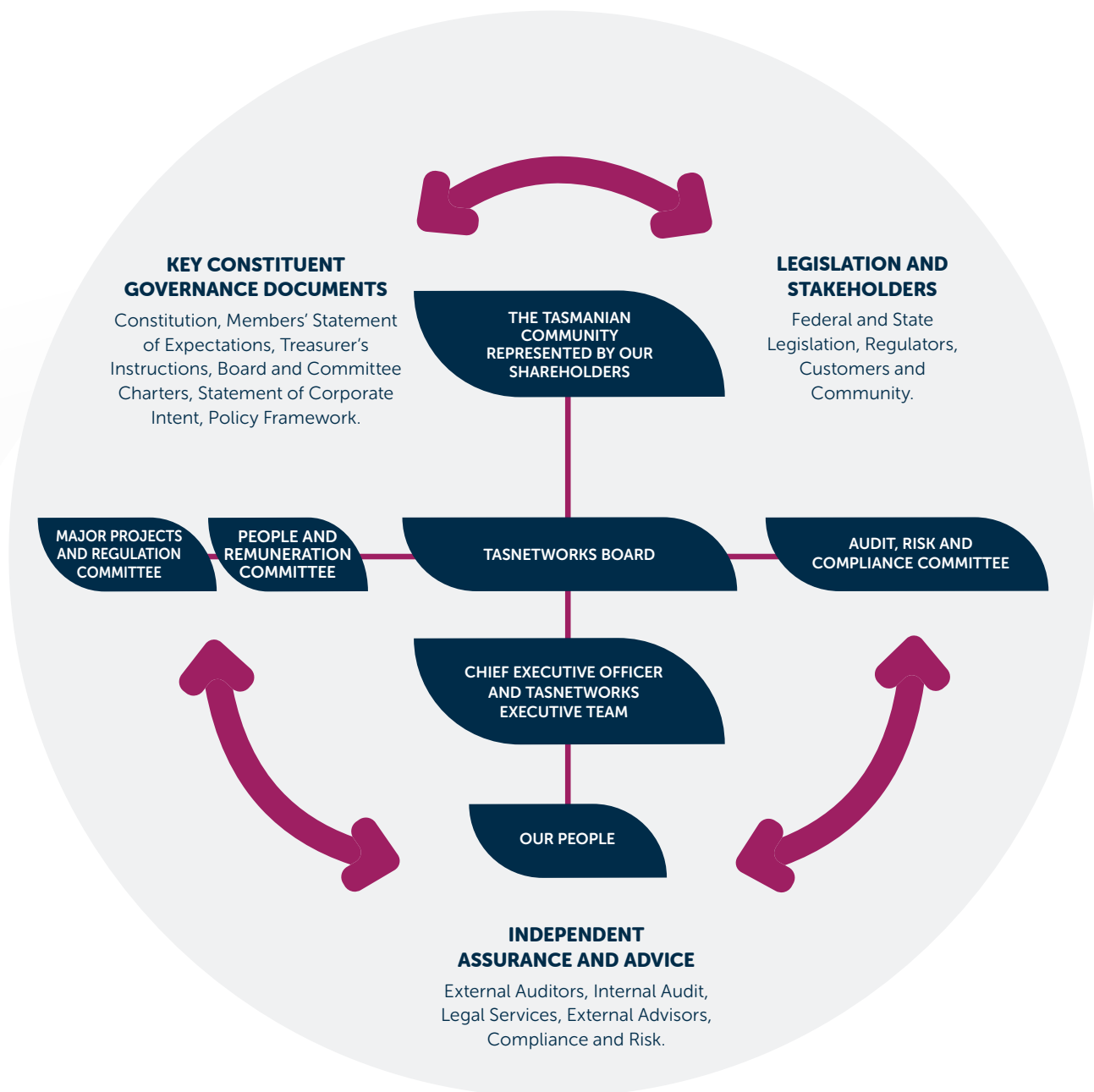


By improving access to digital services, the project is helping ensure communities on Tasmania's West Coast remain connected to education, healthcare, business opportunities and essential communications, strengthening their connection to the rest of Tasmania and beyond.



Corporate governance

Our governance structure





L-R Naomi Walsh, Nicholas Fleming, Katherine Schaefer, Roger Gill, Cheryl Hopkins, Kevin Kehl and Renée Anderson.

Board of Directors

Role and responsibilities of the Board

The TasNetworks Board is responsible for the strategic guidance and oversight of the company.

TasNetworks' Board Charter provides the framework for TasNetworks' corporate governance structure and practices. The Charter describes the responsibilities of the TasNetworks Board of Directors and the TasNetworks Executive Team. The Board is responsible for:

Overarching/Principal Governance:

Leadership to and oversight of TasNetworks, including its control, accountability systems, setting strategic direction (including approval of corporate strategy and performance objectives) and risk appetite (including reviewing and monitoring systems of risk management and internal compliance and control).

Workforce Oversight:

Monitoring organisational culture and the implementation of strategy, appointing and removing the CEO and Company Secretary, monitoring and assessing CEO and Executive Team performance and remuneration and ensuring succession planning for the Board, the CEO and Executive Team.

Delegations and Approvals:

Approval of regulatory strategy, approving and monitoring the progress of major capital expenditure and capital management, and acquisitions and divestitures, approving and monitoring regular financial and other reporting and approving annual financial statements and reports.

Shareholder Relations:

Communication with members about any relevant matters, including TasNetworks' ability to achieve its objectives, purpose or financial targets, reputational risks and emerging risks.

Board composition

The TasNetworks Board comprises six non-executive directors.

At the Annual General Meeting on 4 November 2025, Naomi Walsh and Kevin Kehl were re-appointed to the Board as Non-Executive Directors, for further periods of three years respectively.

Roger Gill

BE, GAICD, F.IHA

Appointed: 27 November 2017

Re-appointed: 13 November 2020 and 28 November 2024

Appointed as Chair: 23 November 2021

Current term expires: November 2027

Roger has extensive experience in the electricity, water, and associated infrastructure construction sectors. He is an experienced company Chair and Director and consults globally providing renewable energy advice.

He is Chair of the Technical Review Panel for Queensland Hydro and his former corporate governance roles have included President of the International Hydropower Association (UK), Chair of Marinus Link Pty Ltd, Non-Executive Director of Tasmanian Railway (TasRail), Tasmanian Irrigation and Pacific Hydro Pty Ltd.

Kevin Kehl

BE (Hons), GAICD

Appointed: 23 November 2021

Re-appointed: 25 November 2022 and 4 November 2025

Current term expires: November 2028

Previously an executive leader, Kevin has more than 40 years' experience in the energy industry across the distribution and transmission networks sector. He is currently a Non-Executive Director of Energy Queensland Limited and is a Non-Executive Director and Chair of both Energex Limited and Ergon Energy Corporation Limited. Kevin was formerly on the Board of Marinus Link Pty Ltd.

Kevin has held senior leadership roles in the energy sector, including 12 years in chief and senior executive management positions across business and market development, change, policy, strategic, regulatory, finance, customer and stakeholder relations, operations and governance functions.

Kevin holds a BE (Hons) in electrical engineering and a Graduate Certificate in Electricity Supply Engineering. His former corporate governance roles have included Member Director of a range of subsidiary companies including QCN Fibre.

Katherine Schaefer

PSM BEd, MBA, GAICD

Appointed: 22 February 2022

Re-appointed: 28 November 2023

Current term expires: November 2026

Kathy is an experienced Non-Executive Director and former senior government executive with over 30 years' experience working across three Government jurisdictions. Kathy is currently a Non-Executive Director of Sustainable Timber Tasmania and the Tasmanian Football Club, AFL LTD, as well as the Commissioner for the Tasmanian State Grants Commission.

Her previous roles include Chair of the Audit and Risk Committee for the Department of Treasury and Finance Tasmania. In 2016, Kathy was awarded the Public Service Medal in the Australia Honours and Awards System.

Cheryl Hopkins

MBA GradCert(Man) GAICD

Appointed: 28 April 2023

Re-appointed: 28 November 2024

Current term expires: November 2027

Cheryl has accumulated more than 35 years' experience in the Australian energy industry, working in executive positions across the supply chain in retail, wholesale, upstream gas, networks, and strategic risk and governance. Cheryl's diverse experience includes leading transformational change within large private businesses and government-owned corporations who operate in highly competitive energy markets.

Cheryl is currently Deputy Chair of Jacana Energy and Chair of the Jacana Energy Audit and Risk Committee. Cheryl holds a Graduate Certificate (Management), Master of Business Administration through Macquarie Graduate School of Management and is a Graduate of the Australian Institute of Company Directors.

Nicholas Fleming

BE (Hons), PhD, GAICD

Appointed: 26 July 2024

Re-appointed: 28 November 2024

Current term expires: November 2027

Nicholas is an experienced non-executive director and strategist with experience working across multiple industry sectors, locally and abroad, including water, energy, natural resources and defence.

Nicholas is currently a Non-Executive Director of South East Water and Iota Services Pty Ltd. He is Managing Director of Innergise Pty Ltd, an Adjunct Professor at University of Queensland, Faculty of Business, Economics and Law, and a Fellow of the Australian Academy of Technological Sciences and Engineering. Nicholas is also a Faculty Member at Australia and New Zealand School of Government.

Nicholas has previously held the role of National Chair and President of the Board of Engineers Australia.

Naomi Walsh

MBus, GradCertMgmt (Risk), GAICD, FCA, GCEC

Appointed: January 2025

Re-appointed: 4 November 2025

Current term expires: November 2028

Naomi is an experienced Non-Executive Director with 30 years' experience in governance, accounting, commercial management, and higher education, with roles in Australia and the UK. A Chartered Accountant (Fellow) with a Master of Business, she is a graduate and Fellow of the Australian Institute of Company Directors and an alumna of the Tasmanian Leaders Program.

Naomi is currently President and a board member of Chartered Accountants Australia and New Zealand, Academic Industry Development Employability at the University of Tasmania, and Non-Executive Director of TasTAFE, Work Integrated Learning Australia Ltd, and Launceston Chamber of Commerce respectively.

Naomi has previously been Non-Executive Director of the Motor Accidents Insurance Board (Tas), the Tasmanian Development and Resources Board, and the Mental Health Council of Tasmania. In 2014 Naomi was awarded Tasmanian Telstra Business Woman of the Year, Commercial and Private Business category.

TasNetworks' statement of compliance with the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration, along with remuneration details for the Board and Senior Executive, can be found on pages 153-160.

Board committees

The Board has three standing committees including the:

- People and Remuneration Committee
- Audit, Risk and Compliance Committee
- Major Projects and Regulation Committee.

The People and Remuneration Committee and Audit, Risk and Compliance Committee comprise of three Non-Executive Directors each. The Major Projects and Regulation Committee comprises of all Non-Executive Directors

Other committees are established by the Board as and when required.

People and Remuneration Committee	Audit, Risk and Compliance Committee
Katherine Schaefer PSM (Chair)	Cheryl Hopkins (Chair)
Roger Gill	Kevin Kehl
Nicholas Fleming	Naomi Walsh

Major Projects and Regulation Committee

Roger Gill (Chair)
Katherine Schaefer PSM
Nicholas Fleming
Cheryl Hopkins
Kevin Kehl
Naomi Walsh

Audit, Risk and Compliance Committee

The Committee oversees and monitors TasNetworks' financial and corporate reporting, audit and compliance obligations, risk management, fraud, compliance culture, sustainability, and oversees the company's internal control activities.

The Audit, Risk and Compliance Committee met seven times during the 2025-26 financial year and provided the Board with minutes from each meeting.

People and Remuneration Committee

The responsibilities of the People and Remuneration Committee are documented in the People and Remuneration Committee Charter. The Committee assists the Board in the oversight of TasNetworks' remuneration for the Chief Executive Officer and employees, director recruitment and wider strategic workplace policy matters.

The People and Remuneration Committee met four times during the 2025-26 financial year and provided the Board with minutes from each meeting.

Major Projects and Regulation Committee

The Committee is tasked with overseeing major project investment management for projects that require Shareholder approval or significant engagement and providing governance input into key regulatory and policy matters critical to TasNetworks' strategic objectives.

The Major Projects and Regulation Committee met 16 times during the 2025-26 financial year and provided the Board with minutes from each meeting.

Subsidiary companies

TasNetworks has two wholly-owned subsidiary companies. As of 30 June 2026, the composition for these companies were as follows:

- **TasNetworks Holdings Pty Ltd**, which is a non-trading subsidiary created to hold all shares in and oversee the subsidiary companies of TasNetworks.

The directors of TasNetworks Holdings Pty Ltd are Roger Gill (Chair and TasNetworks' Chair), Renée Anderson (TasNetworks' Interim CEO) and Michael Westenberg (Executive, Finance and Regulation), and the Company Secretary is Madeline Sheehan (TasNetworks' Lead Counsel, Company and Compliance).

During 2025-26, Dr Seán Mc Goldrick (TasNetworks' Chief Executive Officer) was a director of TasNetworks Holdings Pty Ltd until his resignation on 5 May 2026 and Jacqueline Nicholls-Jungmann (TasNetworks' Lead Counsel, Company and Compliance) was the company secretary until her resignation on 12 November 2025.

- **Fortytwo24 Pty Ltd**, which provides telecommunications, information technology and data centre services to customers. It holds a telecommunications carrier licence and has in place a Nominated Carrier Declaration with TasNetworks.

The directors of Fortytwo24 Pty Ltd are:

- Renée Anderson (Chair and TasNetworks' Interim CEO)
- Kevin McGrath (TasNetworks' Executive Operations)
- Michael Westenberg (TasNetworks' Executive Finance and Regulation)
- Chantal Hopwood (TasNetworks' Executive Governance)
- Andrew Davis (TasNetworks' Executive Digital, Strategy and Customer)
- Jo Turfrey (TasNetworks' Acting Executive People and Stakeholder)

Madeline Sheehan (TasNetworks' Lead Counsel, Company and Compliance) is the Company Secretary for Fortytwo24 Pty Ltd.

During 2025-26, Dr Seán Mc Goldrick (TasNetworks' Chief Executive Officer) was Chair and director of Fortytwo24 Pty Ltd until his resignation on 5 May 2026 and Jacqueline Nicholls-Jungmann (TasNetworks' Lead Counsel, Company and Compliance) was the company secretary until her resignation on 12 November 2025.

During 2025-26, TasNet Connections Pty Ltd was a wholly owned subsidiary of TasNetworks, and was wound up on 14 January 2026.

Diversity

Background

TasNetworks recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the business into the future.

Policy and procedures

TasNetworks has a formal Diversity, Equity and Inclusion Policy, which was launched in September 2019. The policy details TasNetworks' commitment to diversity and promotes diversity in every part of TasNetworks' business in conjunction with:

- our Code of Conduct
- our Workplace Behaviour Policy (covering workplace harassment, discrimination, bullying, equity and equal opportunity)
- grievance resolution procedures
- the Employee Assistance Program
- formal inductions
- flexible work arrangements
- email and internet usage policies.

Under this policy, the TasNetworks Board and Executive Team are responsible for:

- endorsing and approving the policy
- supporting the development of strategies and initiatives that support the policy
- leading and championing the implementation of the policy and related initiatives
- modelling behaviours that promote inclusivity and diversity.

Shareholder Directions

TasNetworks did not receive any Shareholder Directions during the 2025-26 financial year. However, there were three Shareholder Directions in effect during the 2025-26 financial year:

- A Direction dated 16 October 2014 to comply with the Guidelines for Tasmanian Government Businesses, Buy Local;
- A Direction dated 16 October 2014 to comply with the Guidelines for Tasmanian Government Businesses, Payment of Accounts; and
- A Direction dated 4 June 2014 to comply with the Guidelines for Tasmanian Government Businesses, Director and Executive Remuneration.

Legislative compliance

TasNetworks is committed to complying with all relevant legislative and regulatory obligations. To achieve this commitment, TasNetworks adheres to the Australian/ New Zealand Standard of Compliance Program and has instituted a Compliance Policy and Framework, incorporating:

- active and visible engagement in compliance by the Board, CEO and the TasNetworks Executive Team
- the alignment of compliance policy and business strategy
- appropriate compliance resourcing.

Further details in relation to some of TasNetworks' compliance obligations are set out below.

Right to Information

TasNetworks is subject to the *Right to Information Act 2009* (Tas) (RTI Act). TasNetworks' Right to Information Policy was first approved by the Chief Executive Officer in June 2014 and was reviewed in 2019 and most recently in 2025. During the 2025-26 financial year, five formal applications for Assessed Disclosure were received. In three of the five applications received, all the information sought was released. One application was withdrawn before completion and in the other exemptions under sections 19 and 33 of

the RTI Act were invoked. Of the five applicants, two were politicians, one was from the ABC (the request having been transferred from Treasury) and two were members of the public. Two applications related to Firmus Technologies, one to vegetation management, one to Macquarie Point Development Corporation and the other to staff salaries and roles. None of the five decisions have been appealed to date. TasNetworks regularly monitors its separate email inbox for the lodgement of any RTI applications.

Public Interest Disclosures

TasNetworks is subject to the *Public Interest Disclosures Act 2002* (Tas) (PID Act).

TasNetworks has a Whistleblower Policy covering both the PID Act and the *Corporations Act 2001* (Cth), which was last reviewed in April 2026. In April 2026, TasNetworks also updated its Model Procedures which were approved by the Tasmanian Ombudsman. A copy of the procedures is available on TasNetworks' website.

Three disclosures were received during the year. Two of these were determined to not be public interest disclosures. One was determined to be a public interest disclosure with the investigation concluding in June 2026 and as at 30 June 2026 TasNetworks is assessing the findings of the investigation report. There were no other matters arising during the year that are reportable under s86 of the PID Act.

Privacy and Personal Information Protection

TasNetworks is subject to the *Privacy Act 1988* (Cth), the Australian Privacy Principles and the *Personal Information Protection Act 2004* (Tas) (PIP Act). TasNetworks' Privacy Policy, which was originally approved by the CEO in June 2014 and last updated in August 2025, sets out how it collects, uses, discloses and otherwise manages personal information it holds. Following the 2025 KPMG Privacy and Data Audit TasNetworks also implemented its Privacy Policy Framework. TasNetworks did not receive any enquiries in relation to the PIP Act this financial year.

Corporate Governance principles

TasNetworks' Board Charter is based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as adjusted to apply to an unlisted, State-owned company in line with the Tasmanian Government Businesses Corporate Governance Principles.

The company's corporate governance practices relating to each of these principles are summarised below.

Principle 1: Lay solid foundations for management and oversight

During the 2025-26 financial year, the TasNetworks Board was made up of six independent, Non-Executive Directors. The Board's responsibilities are summarised at page 50 of this report.

The responsibilities of individual directors and the company's expectations of them are set out in their letters of appointment and communicated to them at their induction. The role statements and contracts of employment for the positions of Chief Executive Officer, Company Secretary and other TasNetworks Executive Team members set out the terms of their appointment.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board performance evaluation process is detailed below in **Principle 2: Structure the Board** to be effective and add value.

Principle 2: Structure the Board to be effective and add value

All TasNetworks directors are independent of management; no directors hold shares in the company. More information about individual directors and their length of service is set out on pages 51 and 52 of this report. Directors have an ongoing requirement to notify the Board of any material personal interest in any matter relating to the affairs of TasNetworks, which is managed in accordance with the Directors' Conflict of Interest Protocol. The Chair is an independent director and is not an executive of the company. There is a clear division of responsibilities between the Board's Chair and the CEO.

Directors are selected and appointed by the Members on the basis of their skills, experience and the needs of the business. The appointment process involves the creation of a Director Selection Advisory Panel. Candidates are required to undergo probity checks prior to appointment. An executive search firm is appointed to assist the panel in identifying potential candidates. TasNetworks maintains a Board Skills Matrix, setting out the mix of skills and diversity that the Board has.

The Company Secretary has a documented procedure for inducting new directors. All directors have access to the advice and services of the Company Secretary and, in consultation with the Chair, may take independent professional advice in connection with their duties at the company's expense.

The People and Remuneration Committee advises and assists the Board with reviewing the performance of the CEO and setting key performance indicators for the CEO.

TasNetworks has a process for annually evaluating the performance of the Board, its committees and individual directors. Evaluations were conducted in 2025-26 financial year externally. Directors Australia were engaged to undertake the review, with the Board undertaking questionnaires and participating in discussions to assess and provide feedback on the performance of individual directors, Committees and the Board. The identified opportunities for development from the process are being implemented.

Principle 3: Instill a culture of acting lawfully, ethically and responsibly

TasNetworks is committed to not only complying with its legal obligations, but also to operating with the highest level of ethical and responsible behaviour.

TasNetworks' Code of Conduct applies to all our people: Board members, leaders, team members, contractors and subcontractors. The Code is published on our website at <http://www.tasnetworks.com.au/about-us/policies/code-of-conduct>. Under the Code, all people working at TasNetworks commit to:

1. work safely and in accordance with the law
2. treat customers, the public and fellow workers with honesty, courtesy and respect
3. perform our duties with professionalism, integrity and efficiency
4. ensure our personal business and financial interests do not conflict with our duty to TasNetworks
5. ensure the security and privacy of all confidential information received in the course of our work
6. ensure we do not misuse our position
7. ensure that TasNetworks' assets and resources are only used for proper business purposes
8. recognise, value and effectively utilise the diversity among our people
9. demonstrate our care for the environment in the way we work.

TasNetworks also has a number of more specific policies that relate to our commitment to comply with our legal obligations and act ethically and responsibly. These include the Directors' Travel and Expense Policy, Directors' Conflict of Interest Protocol, Compliance Policy, Fraud and Corruption Control Policy, Whistleblower Policy, Workplace Behaviour Policy, Conflicts of Interest Policy, Gifts and Benefits Policy, Quality Policy, Environment and Sustainability Policy, and Health and Safety Policy.

A Director who has a material personal interest in a matter relating to the affairs of TasNetworks must disclose that interest to the Board. The Company Secretary maintains a register of interests disclosed. To the extent that there is a conflict, this is managed appropriately in accordance with the Directors' Conflict of Interest Protocol.

Principle 4: Safeguard the integrity in corporate reporting

The Board has a process for review and authorisation to ensure the truthful and factual representation of the company's financial position and to independently verify and safeguard the integrity of TasNetworks' financial reporting. This process includes:

- external audit
- internal audit
- review of the company's annual financial statements by the Audit, Risk and Compliance Committee.

The Board has established an Audit, Risk and Compliance Committee to assist the Board in exercising due care, diligence and skill in relation to financial management and reporting, audit processes, business policy, practice and compliance with applicable laws, regulations, standards and best practice guidelines. More information about the Audit, Risk and Compliance Committee is included on page 53 of this report.

The TasNetworks constitution provides that the Auditor-General for Tasmania must report on and audit the accounts of the company.

TasNetworks' annual reports are tabled in each House of Parliament and are therefore subject to the scrutiny of all members of the Parliament and the community.

Principle 5: Make timely and balanced disclosure

Because TasNetworks is not a listed company, it is not required to comply with the ASX Listing Rule disclosure requirements. However, as a State-owned business, TasNetworks ensures that the Members are kept informed of all matters that may have a material impact (financial or otherwise) on the business or potential adverse implications for the state.

TasNetworks has a process for ensuring that Members are promptly advised of matters as required by the TasNetworks constitution and the Members' Statement of Expectations.

TasNetworks complies with the public disclosure obligations it has under the National Electricity Law, National Electricity Rules, TasNetworks' distribution and transmission licences and other applicable instruments.

Details about disclosures made under the *Right to Information Act 2009* (Tas) are set out on page 55.

Principle 6: Respect the rights of shareholders

The Board has procedures for communication with Members to ensure that they have timely access to information about the company, including its financial situation, performance, governance and any sensitive matters about which Members should be aware.

Principle 7: Recognise and manage risk

The Board has approved and oversees the Risk Management Policy to ensure that Management has developed and implemented a robust system of risk management and control. This includes review of material incidents and oversight of TasNetworks' insurance program.

In accordance with the Risk Management Policy, TasNetworks:

- integrated effective and appropriate risk management into business and management activities and TasNetworks policies
- made available the necessary resources for effectively managing risk
- provided regular reports to the Board detailing material business risks and the effectiveness of associated risk management strategies
- reported key business risks and risk management strategies to key stakeholders.

TasNetworks' fundamental, underlying risk management principles are consistent with AS/NZS ISO 31000:2009. TasNetworks' Business Governance Group performs regular audits of mitigating actions on internal controls identified. The Head of Business Governance has a direct line of reporting to the Audit, Risk and Compliance Committee.

Principle 8: Remunerate fairly and responsibly

In accordance with the TasNetworks Constitution, Directors are paid remuneration as is resolved by the Members from time to time. That remuneration is based on the Board Fee Policy administered by the Department of Premier and Cabinet, which incorporates a scale of fees.

Directors may also be reimbursed for travel and other expenses properly incurred by them, in accordance with TasNetworks' Directors Travel and Expense Policy.

Information in relation to the indemnity arrangements provided by TasNetworks to Board members can be found on page 62 of this annual report.

The employment terms and conditions of the TasNetworks Executive Team are contained in individual employment contracts.

The TasNetworks People and Remuneration Committee provides advice to the Board and assists it to fulfil its governance responsibilities in relation to remuneration strategies and policies for the CEO, members of the TasNetworks Executive Team and Leaders contained within the scope of the TasNetworks Leaders Remuneration Policy and Enterprise Agreement employees. During 2025-26 the Remuneration Committee considered the performance and remuneration reviews of the TasNetworks Executive Team undertaken by the CEO and referenced against the Mercer Tasmanian General Market, for subsequent Board approval.



L-R: Michael Westenberg, Chantal Hopwood, Renée Anderson, Richard Sheather, Jo Turfrey, Kevin McGrath, NP Andrew Davis.

TasNetworks Executive team

TasNetworks' Executive management team comprises a chief executive officer and five executive managers.

Renée Anderson

B(Bus), GAICD
Interim Chief Executive Officer (from 29 June 2026)

Michael Westenberg

GAICD, GCertCorpMgt
Executive, Finance and Regulation

Chantal Hopwood

B(COM), GAICD and GCertBusAdmin
Executive Governance

Jo Turfrey

MAICD
Executive People and Stakeholder
(from 13 April 2026)

Kevin McGrath

Executive Operations

Richard Sheather

BBS, CA, MAICD
Project Director – North West Transmission
Developments

Andrew Davis

BA, MA (Marketing), MAICD
Executive, Digital, Strategy & Customer

Consolidation

During financial year 2025-26, TasNetworks had three subsidiaries within its corporate group (together, the TasNetworks Group):

- TasNetworks Holdings Pty Ltd
- Fortytwo24 Pty Ltd
- TasNet Connections Pty Ltd (de-registered 14 January 2026).

This report reports on a consolidated basis for the TasNetworks Group.

Principal activities

The principal activities of the TasNetworks Group are to:

- build, own and operate the transmission, distribution and communication networks of the Tasmanian electricity system
- provide telecommunications services and infrastructure as a service.

Review of operations

The TasNetworks Group recorded an after-tax profit of \$42.95 million for the year ended 30 June 2026 and the company invested \$328.7 million of capital expenditure for property, plant and equipment.

A more detailed review of the TasNetworks Group's operations during the year is contained in this Annual Report and the financial statements that follow.

Changes in state of affairs

There have been no significant changes in the TasNetworks Group's state of affairs during financial year 2025-26.

During the year, the Board of TasNet Connections Pty Ltd resolved not to proceed with its operationalisation and approved its formal winding up. Upon the sale of Marinus Link Pty Ltd in 2023-24, the Department of Treasury and Finance committed to provide an equity contribution of \$103.5 million to recover TasNetworks' investment. In 2024-25, \$90.7 million of the \$103.5 million equity contribution was received, the remaining \$12.8 million was received in August 2025.

Environmental regulation

The TasNetworks Group's operations are subject to many environmental regulatory requirements including the *Environmental Management and Pollution Control Act 1994* and the *Threatened Species Protection Act 1995*.

There were 32 reportable environmental incidents during the financial year which included 23 impacts to listed threatened fauna species (comprising 19 Tasmanian wedge-tailed eagles, two white-bellied sea eagles, one grey goshawk and one incident involving Burnie Burrowing Crayfish habitat) and 9 reportable oil spills or leaks.

Following each threatened bird incident, incident response mitigation was installed, most commonly through conversion to the delta configuration. Oil releases were attended to by our Oil Spill Response teams to ensure appropriate oil clean-up was achieved.

More information on the TasNetworks Group's environmental performance during the year is included in the Annual Report.

Matters arising since end of financial year

Subsequent to year end, the Liberty Bell Bay announced its closure following a period of voluntary administration. Any implications for regulated revenues and customer pricing will be determined through the normal regulatory process.

North West Transmission Developments

The North West Transmission Developments (NWTd) project gained significant momentum throughout the year, reaching several major milestones as it moved closer to construction.

In February 2026, the Australian Energy Regulator's final decision on Project Marinus provided increased certainty for the next stage of Tasmania's transmission future. In May 2026, having secured both State and Federal approvals, NWTd reached financial close, a major milestone that confirmed funding and contractual arrangements, and officially marked the transition toward delivery.

Likely developments and future results

Other than as already noted in this report, TasNetworks does not foresee any other material changes or likely developments in its operations.

Dividends

TasNetworks did not pay a dividend to Shareholders during the 2025-26 financial year.

In respect of the financial year ended 30 June 2026 TasNetworks' current proposed approach is to pay a dividend based upon 90 per cent of Net Profit after Tax adjusted for contributions from distribution customers for capital works, in accordance with the dividend Policy and methodology agreed with shareholders.

Indemnities and insurance

TasNetworks indemnified its Directors and other officers to the extent permitted by law against liabilities and legal costs incurred by the Directors and other officers acting in that capacity.

The TasNetworks Group has insured the Directors, company secretary and executive officers of group companies against liabilities as permitted by the *Corporations Act 2001*.

The TasNetworks Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of a group company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No applications for leave under section 237 of the *Corporations Act 2001* to bring, or to intervene in, proceedings on behalf of a group company were made during the financial year.

Rounding of amounts

Amounts in the Directors' Report and the financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated, in accordance with ASIC Class Order 2016/191.

Auditor's independence declaration

The auditor's independence declaration is included in the Annual Report and forms part of this Director's Report.

Directors' meetings

The following table sets out the number of TasNetworks director's meetings (including committee meetings) held during the financial year and the number of meetings attended by each TasNetworks Director who held office during the financial year ended 30 June 2026. Director and Company Secretary qualifications are set out in the Corporate Governance section of the Annual Report.

Directors are eligible to attend Board meetings and Committee meetings if they are a member of that Committee. Committee membership is set out in the section detailing the Directors. Directors may also choose to attend a Committee meeting as an observer if they are not a member of that Committee.

	Board								Major Projects and Regulation Committee			
	Regular and Special		Out of Session (OOS)		Audit, Risk and Compliance Committee		People and Remuneration Committee		Regular		Out of Session (OOS)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Roger Gill	13	13	4	4		2	4	4	10	10	6	6
Kevin Kehl	13	13	4	4	7	7		1	10	10	6	6
Katherine Schaefer PSM	13	13	4	3		3	4	4	10	10	6	6
Cheryl Hopkins	13	13	4	4	7	7		0	10	10	6	4
Dr Nicholas Fleming	13	13	4	3		1	4	3	10	10	6	5
Naomi Walsh	13	13	4	4	7	7		1	10	9	6	6

Organisational structure Governance



Governance Group

The Governance Group comprises Legal Services, Business Governance and Transmission Customers and Growth teams. The group is responsible for legal, governance, audit, risk and compliance support and advice to the Board, Chief Executive Officer and the business. The Transmission Customers and Growth group identifies, negotiates and implements commercial opportunities to grow regulated income, capitalise on unutilised regulated assets and actively manage existing commercial agreements and customer relationships. The Governance Group aims to provide trusted advice to the business to support the achievement of the business' strategic objectives.

Digital, Strategy and Customer

The Digital, Strategy and Customer Group plays a critical role in enabling the business to deliver safe, reliable and customer-focused services while supporting the achievement of our strategic objectives. The Group brings together customer service, digital capability, operational technology, strategy, innovation and data analytics to provide the systems, insights and services that underpin the organisation's performance and future success.

Working in partnership with teams across the organisation, the Group delivers customer support, develops and maintains critical digital and operational systems, provides strategic advice and planning, and harnesses data and innovation to inform decision-making and identify opportunities for improvement. The Group also plays a key role in ensuring our digital environment remains secure, reliable and fit for purpose, while supporting the safe operation of the electricity network and the delivery of essential services. Through a focus on customer outcomes, innovation and operational excellence, the Digital, Strategy and Customer Group continues to build the capability needed to meet changing customer expectations and support the organisation's long-term success.

Operations

The Operations Group provides the full end-to-end value chain for the delivery of TasNetworks services. This includes engineering, asset management, planning and design, works delivery, field operations and network operations and planning. In addition, major transmission projects are part of the Executive Operations' remit.

People and Stakeholder

The People and Stakeholder Group is responsible for overseeing the safety, engagement and overall experience of everyone working at TasNetworks and ensuring responsible, safe and sustainable outcomes for our environment and community. The group includes teams and specialists who are responsible for creating a safe, healthy and productive workplace that attracts, retains, supports, engages and develops our people with a focus on the talent, systems and structures that we'll need to meet the dynamic energy future that lies ahead. It also includes teams and specialists that proactively engage and communicate with communities, stakeholders and customers to deliver positive outcomes.

Finance and Regulation

The Finance and Regulation Group consists of Finance, Regulation and Supply Chain. Finance is responsible for TasNetworks' financial performance through delivering sound, independent advice, supporting and directing financial strategies, capital structure development, debt portfolio, financial control and transactional services. The Regulatory group provides regulatory expertise to secure sustainable funding, ensure regulatory compliance, develop regulatory pricing and supports efficient investment. Supply Chain is responsible for the effective management of TasNetworks integrated Supply Chain working closely with the business in managing strategic sourcing, procurement, fleet, facilities, and inventory that enables operational success and sustainable business outcomes.

North West Transmission Developments

This group leads the planning and delivery of the North West Transmission Developments project Stage 1.

It is responsible for project development, regulatory approvals, environmental and heritage management, governance and assurance, land access and property matters, and engagement with landholders, stakeholders and the broader Tasmanian community.

The team also oversees the performance and contractual obligations of the project's head contractor, Genus, helping to ensure this once-in-a-generation upgrade to Tasmania's transmission network is delivered safely, responsibly and in the long-term interests of Tasmanians.

Remuneration report

Remuneration levels for key management personnel are set in accordance with the Tasmanian Government's Director and Executive Remuneration Guidelines (the Guidelines), dated June 2021.

Under these Guidelines, remuneration bands for Chief Executive Officers (CEO) are determined by the Treasurer and reflect the principles outlined in the Guidelines broadly and align with State Service Heads of Agency.

Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's salary.

The CEO and Interim CEO is appointed by the Board. The Board consults with the Treasurer when determining the CEO's remuneration package. The employment terms and conditions of senior executives are contained in individual employment contracts, which prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, TasNetworks also provides non-monetary benefits and contributes to postemployment superannuation plans on their behalf.

The performance of each senior executive, including the CEO, is reviewed annually and includes a review of their remuneration package. Remuneration levels for key management personnel of TasNetworks are set to attract and retain appropriately qualified and experienced executives. The remuneration and salary review structure takes into account the capability and experience of the relevant executive and the achievement of measurable organisational and individual goals as per the TasNetworks Balanced Business Plan.

Details of payments made to Executives are described on pages 156 and 157.

TasNetworks has complied with the Government's Director and Executive Remuneration Guidelines, applicable at the time, for the year ended 30 June 2026. For details of payments made to senior executives, refer to note F3 of the Financial Statements. With exception to TasNetworks' subsidiaries, TasNetworks does not pay bonuses or any other short-term incentive payments to any member of key management personnel.

I, Interim Chief Executive Officer, Renée Anderson certify that TasNetworks has met its obligations under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* in respect of any employee who is a member of a complying superannuation scheme to which TasNetworks contribute.

Performance against our Statement of Corporate Intent

Key business objective	Metric	Definition	25-26 target	25-26 result	Outcome
Enhance the safety and wellbeing of our people	Tier 1 incidents	Number of serious injuries or fatalities (actual and potential)	≤ 8	3	Met
	Employee engagement	Percentage score at group-level from Culture Amp survey	≥ 62	70	Met
	Environmental incidents	An environmental or heritage incident reported to a State or Federal regulatory authority	≤ 35	32	Met
Deliver value for our customers	Customer satisfaction	Customer satisfaction score out of 10	≥ 7.7	7.8	Met
	NWTD milestones	Achieve Final Investment Decision NWTD Stage 1	Achieved	Achieved	Met
		Achieve Financial Close NWTD Stage 1	Achieved	Achieved	Met
Supply reliable essential services	Transmission reliability	Loss of system supply events >0.1 system minutes (LoS)	≤ 4	2	Met
	Distribution reliability	System average interruption duration index (SAIDI) in minutes	≤ 160	168	Not met
Provide a sustainable financial return	Profit	Net profit after tax (\$m)	≥ 32.0	42.95	Met

Performance commentary

TasNetworks delivered a strong performance in 2025-26, with positive results in seven of our eight performance measures. Throughout the year, the Board and Executive Team kept business performance and our customers front and centre, championing the delivery of strong outcomes for Tasmanians while prioritising safety, culture, wellbeing, collaboration and ongoing improvement. Our 2025-26 performance results reflect the collective efforts of field crews, customer-facing teams, and our people who plan, design, support, and deliver our core network business and projects.

We were able to deliver good network reliability results for both transmission and distribution despite challenging weather and bushfire events in the first half of 2025-26, with transmission performing well within target and distribution performing strongly in the second half of the year and falling just short of our target, yet our strongest result in three years.

We also delivered positive results in customer satisfaction, safety incidents, employee engagement, environmental incidents, and profit metrics, all finishing the year within their target expectations and demonstrating the value of our focus and investment decisions for our network, our people, and our community.

2025-26 saw the NTWD achieve both Final Investment Decision (FID) and Financial Close, two of the key milestones to enable the project's transition from planning and development to the construction phase. While the commencement of construction is pending an outstanding appeal, TasNetworks continues appropriate preparatory works to progress.

Enhance the safety and wellbeing of our people

Tier 1 incidents

We achieved strong safety performance in 2025-26 through our continued focus on proactive incident prevention, thorough investigation of actual or potential incidents recorded, and the identification and embedding of lessons learned.

We recorded three Tier 1 incidents, which can be actual or potential occurrences, well within our threshold of eight or less and continuing to demonstrate year-on-year improvement. These incidents were potential in nature and no injuries were sustained.

This outcome reflects our focus on a risk-based framework based on damaging energies that reduces exposure, identifies targeted learnings from investigations, and embeds process improvements.

We continue to focus on delivering improved psychosocial safety for our people, improving fatigue management, and strengthening key safety standards.

Employee engagement

We delivered a positive employee engagement result in 2025-26, achieving an engagement score of 70 per cent in the March 2026 survey, against a target of 62 per cent or higher, with a participation rate of 84 per cent. This result represents a 10 per cent increase on the FY25 survey result.

This improvement reflects the efforts of the business and our leaders to respond to feedback from our people with meaningful, visible action. It is attributed to our deeper analysis and insights of survey results and listening to what our people are telling us is important to them. Throughout 2025-26, our leadership team has focused on the delivery of team action plans resulting from the 2024-25 survey and demonstrated a strong commitment to our 'people first' culture.

Reportable environmental and heritage incidents

Despite a higher than historical number of incidents in the first half of 2025-26, we remained below our threshold of 35 or less reportable environmental and heritage incidents at the end of the financial year, recording 32 incidents.

We reported 22 threatened bird incidents, nine hydrocarbon releases (oil spills), and one impact on a threatened species.

Third-party damage to our infrastructure, such as vehicle collisions and vandalism causing oil spills, contributed materially to this year's reportable hydrocarbon releases. These incidents are outside of our operational control, and we continue to focus on controls and mitigative actions we can influence and prevent.

We remain committed to the implementation of protections for threatened bird species, such as focusing on mitigating our network against bird strikes by changing design and construction practices. We continue to partner with wildlife rescue and care facilities across Tasmania, and support important initiatives such as the 'Where? Where? Wedgie!' survey conducted in May 2026.

Deliver value for our customers

Customer satisfaction

We continued to grow our customer satisfaction (CSAT) in 2025-26, achieving a score of 7.8, which was above the target of 7.7 out of 10, after collecting customer survey feedback from 31,120 customers. This result represents the strongest CSAT performance since TasNetworks started measuring it in 2015.

CSAT achieved higher than target scores for 11 of the 12 months of 2025-26.

Our continued commitment to uplifting our performance in interactions with our customers has been demonstrated through our focus on unplanned outage and negotiated connections. This has targeted digital and workflow initiatives to deliver customer services with greater proactivity, speed, reliability, and efficiency.

The benefits of this work were illustrated by the CSAT results following the Dolphin Sands bushfire in December 2025, during which customers scored us 8.78, citing timely resolution and the quality of status updates and information provided throughout the outage.

NWTD milestone – achieve final investment decision NWTD stage 1¹

The FID milestone for the NWTD Stage 1 was achieved in 2025-26.

On 1 August 2025, the Tasmanian Government signed the contract to move forward with Project Marinus, which is underpinned by the NWTD. This was a significant milestone for Tasmania's energy future.

As part of this agreement, a \$346 million Australian Government grant was committed to help offset the impact on Tasmania's transmission network charges stemming from the costs associated with Stage 1 of Project Marinus.

This milestone enabled the TasNetworks Board to take its own FID for the NWTD in late-August 2025.

¹ NWTD performance metrics will change in FY27, to give more relevant and granular measures as the project enters construction phase.

NWTD milestone – achieve financial close NWTD stage 1¹

On 6 February 2026, the Australian Energy Regulator handed down its final decision on the construction costs for Stage 1 of Marinus Link and the NWTD, confirming that Tasmanians and Victorians will be better off with investment in Project Marinus and the NWTD.

TasNetworks achieved Financial Close for the NWTD Stage 1 in May 2026. This included the commitment from the Clean Energy Finance Corporation (as part of its Rewiring the Nation initiative) to fund 84 per cent of the debt with the remaining 16 per cent secured via equity funding from the Tasmanian Government.

Achieving Financial Close reflects the strong confidence in TasNetworks to deliver its largest-ever infrastructure project and recognises years of detailed planning, collaboration, and rigorous due diligence.

Supply reliable essential services

Distribution reliability

Electricity is fundamental to how communities function and how the economy operates. Our network supports Tasmania's productivity, connection, and participation. As Tasmanians increasingly electrify their lives, reliable electricity becomes more important than ever before. Network assets are facing heightened weather conditions, including wind, rainfall, and bushfire. We continue to focus on improving the resilience and reliability of our distribution network to ensure it can perform as our customers need and expect it to.

Our distribution reliability target demonstrates our commitment to improving our performance. Distribution reliability is measured using system average interruption duration index (SAIDI) in minutes. Our 2025-26 result was 168 minutes against a target of 160 minutes or less.

Storm and bushfire events had a significant impact on our distribution reliability during the first half of 2025-26. We achieved a more positive performance across the remainder of the financial year due to more stable weather conditions and our improved vegetation management practices and focused investments to improve our worst performing feeders.

Transmission reliability

Our focus on managing asset condition risk and maintaining system security is critical to maintaining safe and reliable transmission services across the state.

We delivered strong transmission reliability performance in 2025-26, recording two loss of system supply (LoS) events, which is well within our threshold of four or less LoS events. A LoS event in this metric is classified as greater than 0.1 system minutes.

Provide a sustainable financial return

Profit

TasNetworks is focused on delivering long-term value for Tasmanians by investing in our transmission and distribution networks, our people, and by managing expenditure responsibly.

We delivered a 2025-26 profit result of \$42.95 million, above our target of \$32 million, and a total return of \$34m to the Tasmanian Government through dividends and tax.

This strong financial performance in FY26 was due to higher revenue resulting from increased electricity consumption, favourable AEMO settlement residue outcomes, and disciplined operating expenditure management, and despite global supply chain challenges, cost pressures, and market uncertainties.

Our profit result demonstrates our commitment to delivering long-term value for Tasmania by responsibly balancing investment and operating costs to deliver safe and sustainable services at the lowest possible price for customers.

Tasmanian Government reporting requirements

Purchases from Tasmanian businesses during 2025-26

% of Tasmanian purchases	70.1%
Value of Tasmanian purchases	\$ 290,794,009

Accounts due or paid during 2025-26

Creditor days (average days)	18
Number of accounts due for payment	30,909
Number of accounts paid on time	30,906
Amount due for payment	\$ 414,945,553
Amount paid on time	\$ 414,901,471
Number of payments for interest on overdue accounts	–
Interest payable on overdue accounts	\$ –

Consultants Disclosure

FY 2025-26: Consultancies valued at more than \$50,000 (ex GST)

Engaged by Tasmanian Networks Pty Ltd for business as usual activities

Name of Consultant	Location	Description	Period of Engagement	Amount (\$)
Amplitude Consultants Pty Ltd	Spring Hill, QLD	Advisory services for market modelling related to George Town network upgrade RIT-T	October 2025 – April 2026	135,085
CoEng Pty Ltd	Cardiff, NSW 2285	Advisory services for Digital Twin project	February 2025	56,550
CyberCX Pty Ltd	Sydney, NSW	Advisory services for Security of Critical Infrastructure (SOCl) requirements (evaluation of TasNetworks identity and access management capability)	December 2025 – April 2026	169,930
Deloitte Touche Tohmatsu	Melbourne, VIC	Advisory services for AI proof of concept implementation	December 2025 – March 2026	300,000

GHD Pty Ltd	Hunter Region, NSW	Advisory services for fleet electrification transition	May 2026 – June 2026	99,676
GHD Pty Ltd	Hunter Region, NSW	Advisory services for SF6 switchgear transition plan	March 2026 – June 2026	55,146
HR Crowd Pty Ltd	Melbourne, VIC	Advisory services for strategic human capital management roadmap	December 2025 – February 2026	50,447
Hydro Tasmania	Hobart, TAS	Advisory services for market modelling related to Waddamana-Palmerston RIT-T	October 2025 – December 2025	133,955
Intuit Technologies Pty Ltd	Hobart, TAS	Advisory services for document management uplift and roadmap	May 2026 – June 2026	100,000
Intuit Technologies Pty Ltd	Hobart, TAS	Advisory services for fleet telematics business case	March 2026 – June 2026	90,000
Intuit Technologies Pty Ltd	Hobart, TAS	Advisory services for digital strategy refresh	April 2026 – June 2026	65,000
Jacobs Group Australia Pty Ltd	Melbourne, VIC	Advisory services for route options for Waddamana – Palmerston	June 2025	112,225
McCafferty Legal Pty Ltd	Barangaroo, NSW	Legal advisory services for various projects	July 2025 – June 2026	105,853
Philp Lighton Architects	Hobart, TAS	Support services for facilities works and associated claims	July 2025 – June 2026	76,644
Power Systems Consultants Australia Pty Ltd	Brisbane, QLD	Advisory services for TasNetworks protection and control end-to-end process review	September 2025 – November 2025	70,143
Rennie Advisory Pty Ltd	Brisbane, QLD	Advisory services for cost allocation methodology review	Dec 2025 – May 2026	257,963
The Peak Group Pty Ltd.	Warners Bay, NSW	Consultancy services provided for the distribution overhead construction and design standards	August 2025 – April 2026	119,700
Basslink Regulation				
ACIL Allen Consulting Pty Ltd	Sydney, NSW	Advisory Services for Basslink regulation	November 2025	94,380
McCafferty Legal Pty Ltd	Barangaroo, NSW	Legal advisory services for Basslink regulation	July 2025 – June 2026	112,919
Marinus Link				
Allens	Melbourne, Vic	External legal services for Marinus Link integration	July 2025 – September 2025	94,428
Total Consultants engaged for over \$50,000				2,300,045

Engaged by Tasmanian Networks Pty Ltd for North West Transmission Developments

Name of Consultant	Location	Description	Period of Engagement	Amount (\$)
Allens	Sydney, NSW	Legal Services for the drafting of the engineering, procurement and construction contract	July 2025 – June 2026	87,037
Allens	Sydney, NSW	Legal Services for the financing of early works phase	July 2025 – June 2026	594,922
Allens	Sydney, NSW	Legal Services for CEFC contract due diligence	March 2026	447,396
Barrington Treasury Services	Sydney, NSW	Advisory services for hedging advice	July 2025 – June 2026	60,000
Bluepool Energy Pty Ltd	Peterborough, VIC	Advisory services for financing strategy	July 2025 – June 2026	347,306
GHD Pty Ltd	Hunter Region, NSW	Advisory services for review of contingent project application early works phase	October 2025 – November 2025	100,000
Hydro Tasmania	Hobart, TAS	Specialist engineering support for early contractor involvement	July 2025 – June 2026	508,613
MBB Group Pty Ltd	Sydney, NSW	Advisory services for project final investment decision and financial close	July 2025 – April 2026	69,230
North Projects Pty Ltd	Melbourne, VIC	Advisory services for early works phase contract review	July 2025 – June 2026	380,813
Perspektiv Australia Pty Ltd	North Fremantle, WA	Advisory services for infrastructure sustainability council rating scheme	July 2025 – June 2026	241,253
Tetra Tech Coffey Pty Ltd	North Fremantle, WA	Advisory services for environment, land use planning and heritage	July 2025 – June 2026	425,270
Total Consultants engaged for over \$50,000				3,261,839

Engaged by Fortytwo24 Pty Ltd

Name of Consultant	Location	Description	Period of Engagement	Amount (\$)
Page Seager Lawyers	Hobart, TAS	Provision of legal and advisory services to support 42-24	July 2025 – June 2026	65,000
Total Consultants engaged for over \$50,000				65,000
Total Consultancies valued more than \$50,000 (ex GST)				5,626,884
Total of 94 Consultants were engaged valued for \$50,000 or less				1,509,882
TOTAL PAYMENTS TO CONSULTANTS				7,136,766

For the purposes of the Tasmanian Government reporting requirements a consultant is defined as a particular type of contractor who is engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist or influence an entity's decision making.

Directors' report

The Directors of TasNetworks during the 2025-26 financial year were:

Roger Gill Chair and Director	Mr Gill was first appointed to the Board in November 2017. He is a member of the People and Remuneration Committee and Chair of the Major Projects and Regulation Committee. Appointed: 27 November 2017 Current Term: November 2024 – November 2027 Mr Gill was appointed as Chair in November 2021. Mr Gill will be ineligible for re-appointment at the 2027 AGM.
Kevin Kehl Director	Mr Kehl was appointed to the Board in November 2021. He is a member of the Audit, Risk and Compliance Committee and the Major Projects and Regulation Committee. Appointed: 23 November 2021 Current Term: November 2025 – November 2028 Mr Kehl will be ineligible for re-appointment at the 2028 AGM.
Katherine Schaefer PSM Director	Ms Schaefer PSM was appointed to the Board in February 2022. She is the Chair of the People and Remuneration Committee and member of the Major Projects and Regulation Committee. Appointed: 22 February 2022 Current Term: November 2023 – November 2026 Ms Schaefer PSM will be eligible for re-appointment at the 2026 AGM.
Cheryl Hopkins Director	Ms Hopkins was appointed to the Board in April 2023. She is Chair of the Audit, Risk and Compliance Committee and member of the Major Projects and Regulation Committee. Appointed: 28 April 2023 Current Term: November 2024 – November 2027 Ms Hopkins will be eligible for re-appointment at the 2027 AGM.
Dr Nicholas Fleming Director	Dr Fleming was appointed to the Board in July 2024. He is a member of the People and Remuneration Committee and the Major Projects and Regulation Committee. Appointed: 26 July 2024 Current Term: November 2024 – November 2027 Dr Fleming will be eligible for re-appointment at the 2027 AGM.
Naomi Walsh Director	Ms Walsh was appointed to the Board in January 2025. She is a member of the Audit, Risk and Compliance Committee and the Major Projects and Regulation Committee. Appointed: 16 January 2025 Current Term: November 2025 – November 2028 Ms Walsh will be eligible for re-appointment at the 2028 AGM.

Consolidation

During financial year 2025-26, TasNetworks had three wholly owned subsidiaries within its corporate group (together, the TasNetworks Group):

- TasNetworks Holdings Pty Ltd;
- Fortytwo24 Pty Ltd; and
- TasNet Connections Pty Ltd (de-registered 14 January 2026).

This Annual Report reports on a consolidated basis for the TasNetworks Group.

Principal activities

The principal activities of the TasNetworks Group are to:

- build, own and operate the transmission, distribution and communication networks of the Tasmanian electricity system; and
- provide telecommunications services and infrastructure as a service.

Review of operations

The TasNetworks Group recorded an after-tax profit of \$42.95 million for the year ended 30 June 2026 and the company invested \$328.7 million in capital expenditure for property, plant and equipment.

A more detailed review of the TasNetworks Group's operations during the year is contained in this Annual Report and the financial statements that follow.

Changes in state of affairs

There have been no significant changes in the TasNetworks Group's state of affairs during financial year 2025-26.

During the year, the Board of TasNet Connections Pty Ltd resolved not to proceed with its operationalisation and approved its formal winding up.

Upon the sale of Marinus Link Pty Ltd in 2023-24, the Department of Treasury and Finance committed to provide an equity contribution of \$103.5 million to recover TasNetworks' investment. In 2024-25, \$90.7 million of the \$103.5 million equity contribution was received. The remaining \$12.8 million was received in August 2025.

Environmental regulation

The TasNetworks Group's operations are subject to many environmental regulatory requirements including the *Environmental Management and Pollution Control Act 1994* and the *Threatened Species Protection Act 1995*.

There were 32 reportable environmental incidents during the financial year which included 23 impacts to listed threatened fauna species (comprising 19 Tasmanian wedge-tailed eagles, two white-bellied sea eagles, one grey goshawk and one incident involving Burnie Burrowing Crayfish habitat) and 9 reportable oil spills or leaks. Following each threatened bird incident, incident response mitigation was installed, most commonly through conversion to the delta configuration. Oil releases were attended to by our Oil Spill Response teams to ensure appropriate oil clean-up was achieved.

More information on the TasNetworks Group's environmental performance during the year is included in the Annual Report.

Matters arising since end of financial year

Subsequent to year end, the Liberty Bell Bay manganese smelter announced its closure following a period of voluntary administration. Any implications for regulated revenues and customer pricing will be determined through the normal regulatory process.

North West Transmission Developments

The North West Transmission Developments (NWTG) project gained significant momentum throughout the year, reaching several major milestones as it moved closer to construction. In February 2026, the Australian Energy Regulator's final decision on Project Marinus provided increased certainty for the next stage of Tasmania's transmission future. In May 2026, having secured both State and Federal approvals, NWTG reached financial close, a major milestone that confirmed funding and contractual arrangements and officially marked the transition toward delivery.

Likely developments and future results

Other than as already noted in this report, TasNetworks does not foresee any other material changes or likely developments in its operations.

Dividends

TasNetworks did not pay a dividend to Shareholders during the 2025-26 financial year.

In respect of the financial year ended 30 June 2026 TasNetworks' current proposed approach is to pay a dividend based upon 90 per cent of Net Profit after Tax adjusted for contributions from distribution customers for capital works, in accordance with the dividend policy and methodology agreed with shareholders.

Indemnities and insurance

TasNetworks indemnified its Directors and other officers to the extent permitted by law against liabilities and legal costs incurred by the Directors and other officers acting in that capacity.

The TasNetworks Group has insured the Directors, company secretary and executive officers of group companies against liabilities as permitted by the *Corporations Act 2001*.

The TasNetworks Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of a group company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No applications for leave under section 237 of the *Corporations Act 2001* to bring, or to intervene in, proceedings on behalf of a group company were made during the financial year.

Rounding of amounts

Amounts in the Directors Report and the financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated, in accordance with ASIC Class Order 2016/191.

Auditor's independence declaration

The auditor's independence declaration is included in this report and forms part of this Directors' Report.

Directors' meetings

The following table sets out the number of TasNetworks directors' meetings (including committee meetings) held during the financial year and the number of meetings attended by each TasNetworks Director who held office during the financial year ended 30 June 2026.

Directors are eligible to attend Board meetings and Committee meetings if they are a member of that Committee. Committee membership is set out in the section detailing the Directors. Directors may also choose to attend a Committee meeting as an observer if they are not a member of that Committee.

Director and Company Secretary qualifications are set out in the Corporate Governance section of the Annual Report.

	Board				Audit, Risk and Compliance Committee				Major Projects and Regulation Committee			
	Regular and Special		Out of Session (OOS)		People and Remuneration Committee		Regular		Out of Session (OOS)			
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Roger Gill	13	13	4	4		2	4	4	10	10	6	6
Kevin Kehl	13	13	4	4	7	7		1	10	10	6	6
Katherine Schaefer PSM	13	13	4	3		3	4	4	10	10	6	6
Cheryl Hopkins	13	13	4	4	7	7		0	10	10	6	4
Dr Nicholas Fleming	13	13	4	3		1	4	3	10	10	6	5
Naomi Walsh	13	13	4	4	7	7		1	10	9	6	6

Signed in accordance with a resolution of the TasNetworks Directors.



Mr Roger Gill

Chair

28 August 2026

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Auditor's independent declaration



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17 August 2026

Mr Roger Gill
Chairman
Tasmanian Networks Pty Ltd
MOONAH TAS 7009

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the financial statements of the Tasmanian Networks Pty Ltd for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely

Martin Thompson
Auditor-General



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3 September 2026

The Board of Directors
Tasmanian Networks Pty Ltd
LENAH VALLEY TAS 7008

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the Climate-Related Disclosure report of the Tasmanian Networks Pty Ltd for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review.
- (b) any applicable code of professional conduct in relation to the review.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely


Martin Thompson
Auditor-General

Independent auditor's report



Independent Auditor's Report

To the Members of Tasmanian Networks Pty Ltd

Report on the Audit of the Consolidated Financial Report

Opinion

I have audited the financial report of the Tasmanian Networks Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statements of profit or loss, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Independent auditor's report (continued)

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 17 August 2026 and included in the Directors' Report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

Independent auditor's report (continued)

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Martin Thompson
Auditor-General

17 August 2026
Hobart

Consolidated financial statements

Consolidated Statement of Profit or Loss For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Revenue		594,351	558,139
Total revenue	A1	594,351	558,139
Operating expenses			
Employee benefits	A2(c)	(148,822)	(153,598)
Other operating expenses	A2(c)	(59,274)	(70,926)
Total operating expenses	A2(a)	(208,096)	(224,524)
Depreciation and amortisation expenses	A2(b)	(212,032)	(213,440)
Finance costs	A3	(108,469)	(108,052)
Total expenses		(528,597)	(546,016)
Share of joint venture results	B4	(128)	(165)
Profit before income tax equivalent		65,626	11,958
Income tax equivalent expense on profit	A4(a)	(22,678)	(3,750)
Net profit for the year		42,948	8,208

The consolidated statement of profit or loss is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Net profit for the year		42,948	8,208
Items that will not be reclassified subsequently through profit or loss:			
Net fair value movements on property, plant and equipment	D3	117,130	66,105
Superannuation actuarial gains/(losses)	F2	13,787	(2,654)
Superannuation actuarial prior period adjustment		(2,070)	-
Tax adjustment prior year – other items	A4(e)	-	(822)
Prior period error Fortytwo24	D1	(311)	(411)
Intercompany prior year adjustment	D1	(182)	1,900
Income tax equivalent expense on items that will not be reclassified subsequently through profit or loss	A4(b)	(39,275)	(19,035)
		89,079	45,083
Items that have or may be reclassified subsequently through profit or loss:			
Hedge reserve – Gain/(loss) recognised in equity	D3	3,062	(23)
Income tax equivalent expense on items that have or may be re-classified subsequently through profit or loss	D3, A4(b)	(919)	7
		2,143	(16)
Total comprehensive income for the year		134,170	53,275
Total comprehensive income for the year attributable to:			
Owners of TasNetworks		134,170	53,275
		134,170	53,275

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents	C5(a)	5,603	3,582
Trade and other receivables	E1	75,486	84,492
Inventories	E2	32,350	29,796
Tax asset	A4(c)	(12,994)	9,558
Other assets	E3	12,414	8,821
Total current assets		112,859	136,249
Non-current assets			
Intangible assets	B1	99,726	95,744
Property, plant and equipment	B2	4,417,774	4,156,157
Right-of-use assets	B3	5,047	5,751
Investment in joint venture	B4	2,457	3,659
Other assets	E3	3,708	4,277
Total non-current assets		4,528,712	4,265,588
Total assets		4,641,571	4,401,837
Current liabilities			
Trade and other payables	E5	88,545	74,808
Borrowings	C1	222,600	307,200
Lease liabilities	C2	691	725
Employee benefits	F1	46,780	42,564
Provisions	E4	1,800	1,311
Contract liabilities	E6	28,602	28,051
Total current liabilities		389,018	454,659
Non-current liabilities			
Borrowings	C1	2,104,609	1,977,000
Lease liabilities	C2	4,529	5,212
Net deferred tax equivalent liabilities	A4(d)	308,893	289,084
Employee benefits	F1	133,020	144,344
Contract liabilities	E6	40,632	35,468
Total non-current liabilities		2,591,683	2,451,108
Total liabilities		2,980,701	2,905,767
Net Assets		1,660,870	1,496,070
Equity			
Retained earnings	D1	195,025	144,989
Contributed equity	D2	184,054	153,424
Reserves	D3	1,281,791	1,197,657
Total equity		1,660,870	1,496,070

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Contributed Equity \$'000	Asset Revaluation Reserve \$'000	Hedge reserve \$'000	Retained earnings \$'000	Total \$'000
As at 1 July 2025		153,424	1,197,657	-	144,989	1,496,070
Profit for the period from continuing operations		-	-	-	42,948	42,948
Other comprehensive income:						
Net fair value movements on property, plant and equipment	D3	-	117,130	-	-	117,130
Superannuation actuarial gains/(losses)	F2	-	-	-	13,787	13,787
Superannuation actuarial prior period adjustment		-	-	-	(2,070)	(2,070)
Hedge reserve	D3	-	-	3,062	-	3,062
Tax adjustment prior year – other items	A4(e)	-	-	-	-	-
Correction of a prior period error Fortytwo24 Pty Ltd	D1	-	-	-	(311)	(311)
Equity accounting prior period elimination adjustment	D1	-	-	-	(182)	(182)
Income tax relating to components of other comprehensive income	A4(b)	-	(35,139)	(919)	(4,136)	(40,194)
Total comprehensive income for the year		-	81,991	2,143	50,036	134,170
Transactions with owners in their capacity as owners:						
Capital contributed by owners	D2	30,630	-	-	-	30,630
As at 30 June 2026		184,054	1,279,648	2,143	195,025	1,660,870

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 30 June 2026

	Note	Contributed Equity \$'000	Asset Revaluation Reserve \$'000	Hedge reserve \$'000	Retained earnings \$'000	Total \$'000
As at 1 July 2024		62,724	1,151,383	16	137,972	1,352,095
Profit for the period from continuing operations		-	-	-	8,208	8,208
Other comprehensive income:						
Net fair value movements on property, plant and equipment	D3	-	66,105	-	-	66,105
Superannuation actuarial gains/(losses)	F2	-	-	-	(2,654)	(2,654)
Hedge reserve	D3	-	-	(23)	-	(23)
Tax adjustment prior year – other items	A4(e)	-	-	-	(822)	(822)
Correction of a prior period error Fortytwo24 Pty Ltd	D1	-	-	-	(411)	(411)
Equity accounting prior period elimination adjustment	D1	-	-	-	1,900	1,900
Income tax relating to components of other comprehensive income	A4(b)	-	(19,831)	7	796	(19,028)
Total comprehensive income for the year		-	46,274	(16)	7,017	53,275
Transactions with owners in their capacity as owners:						
Capital contributed by owners	D2	90,700	-	-	-	90,700
As at 30 June 2025		153,424	1,197,657	-	144,989	1,496,070

The consolidated statement of changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities:			
Receipts from customer		654,106	562,748
Grants received		464	910
Interest received		348	277
Payments to suppliers and employees		(249,374)	(247,858)
Interest paid		(82,640)	(80,144)
Guarantee fee paid	A3	(13,838)	(11,454)
Income tax equivalents paid		(20,443)	(15,253)
Net cash provided by operating activities	C5(b)	288,623	209,226
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		1,784	2,082
Equity contribution	D2	30,630	90,700
Grant proceeds for asset development		3,326	2,750
Payment for property, plant and equipment		(328,868)	(268,894)
Payment for intangible assets		(35,766)	(26,854)
Net cash used in investing activities		(328,894)	(200,216)
Cash flows from financing activities:			
Proceeds from borrowings		567,209	510,976
Repayment of borrowings		(524,200)	(518,125)
Payment of lease principal		(718)	(45)
Net cash flows provided by/(used in) financing activities		42,291	(7,194)
Net increase in cash and cash equivalents		2,020	1,816
Cash and cash equivalents at the beginning of the financial year		3,583	1,766
Cash and cash equivalents at the end of the financial year	C5(a)	5,603	3,582

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Tasmanian Networks Pty Ltd is a for profit proprietary company, incorporated and operated in Australia. TasNetworks' registered address and principal place of business is 1-7 Maria Street, Lenah Valley, Tasmania, Australia 7008.

Statement of compliance and basis of preparation

The consolidated financial statements are general purpose financial statements and comprise the financial statements of Tasmanian Networks Pty Ltd and entities controlled by Tasmanian Networks Pty Ltd (note H4). The group of companies is referred to as TasNetworks in these financial statements. The consolidated financial statements have been prepared in accordance with:

- *Government Business Enterprise Act 1995* (GBE Act) and related Treasurer's Instructions;
- Australian Accounting Standards (AASBs) and Interpretations adopted by the Australian Accounting Standards Board (AASB); and
- Financial disclosure requirements of the *Corporations Act 2001*, where applicable to the operations of the Group and its subsidiaries, and other requirements of the law.

These consolidated financial statements have been prepared on a going concern basis. At 30 June 2026, TasNetworks had net current liabilities of \$276.159m (2025: \$318.408m). This position largely reflects \$222.600m (2025: \$307.200m) of borrowings due to mature within the next 12 months. These borrowings are expected to be refinanced through TASCORP in accordance with TasNetworks' established financing arrangements. TasNetworks' borrowings from TASCORP are also guaranteed by the Tasmanian Government up to a maximum of \$2.6 billion (\$2.5 billion). Based on these financing arrangements and available borrowing capacity, TasNetworks expects to meet its obligations as and when they fall due.

The financial statements were authorised for issue by the directors on 10 August 2026.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Statement of compliance and basis of preparation (continued)

(a) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except for certain financial instruments and certain non-current assets which are measured at revalued amounts or fair values at the end of each reporting period. TasNetworks uses an income based approach to value its regulatory asset classes (see note B2). Historical cost is based on the fair values of the consideration given in exchange for good and services.

In accordance with Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191, amounts in these financial statements have been rounded to the nearest thousand dollars unless otherwise indicated. All amounts are expressed in Australian dollars.

During the current year, the Group implemented a new financial reporting system for the preparation of its financial statements. As a result, comparative balances disclosed in the notes are derived directly from the underlying trial balance and rounded on a system-applied basis. Accordingly, certain comparative note disclosures may differ from the amounts previously reported by up to \$2,000. These differences relate solely to rounding and have no impact on the previously reported financial position, financial performance or cash flows of the Group.

Where items in the financial statements have been reclassified, prior-year comparative information has also been reclassified to ensure comparability with the current reporting period. Details of any reclassifications are disclosed, where applicable, in the relevant notes to the financial statements.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Statement of compliance and basis of preparation (continued)

(c) Judgements, estimates and assumptions

In the application of TasNetworks' accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following notes contain key assumptions and other key sources of estimation uncertainty during the reporting period, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Note	Assumption and estimates
A1	Unbilled use of system
A1	Grant revenue
A4	Recovery of deferred tax assets
B2	Asset useful lives
B2	Asset valuation
B3	Lease terms
B5	Impairment testing results
C2	Lease liability
E1	Expected credit losses
F1	Long service leave
F2	Defined benefit obligation

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Statement of compliance and basis of preparation (continued)

(d) Notes to the financial statements

The notes to the financial statements include information that is required to understand the financial statements and is material and relevant to the operations, financial position and performance of TasNetworks. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of TasNetworks;
- it helps explain the impact of significant changes in TasNetworks; or
- it relates to an aspect of TasNetworks' operations that is important to its future performance.

The notes have been grouped into sections to help readers understand how TasNetworks' strategy is reflected in the financial performance and position of TasNetworks.

These sections comprise:

A	TasNetworks' performance
B	TasNetworks' assets
C	Financing TasNetworks' business
D	TasNetworks' equity
E	Other assets and liabilities
F	TasNetworks' people
G	Commitments
H	Other information

The accounting policies as set out in these notes, have been applied in preparing the financial statements for the financial year ended 30 June 2026 and the comparative information presented in these financial statements for the period ended 30 June 2025. The policies have been consistently applied by each entity in the consolidated group. Any changes made to these accounting policies for the financial year ended 30 June 2026 are detailed in note H8.

(e) Global environment

The current economic conditions have provided disruption to the global supply chain and driven a higher level of inflation. TasNetworks has undertaken a review of its assumptions and estimates used in preparing the financial statements. Other than where inflation has been applied as an input to valuation calculations and disclosed in the notes to the financial statements, there have been no other material impacts to the financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance

This section highlights TasNetworks' performance for the year including details of revenue and expenses as well as taxation liabilities.

A1. Revenue

(a) Revenue from contracts with customers

	2026 \$'000	2025 \$'000
Provision of regulated distribution services*	374,231	332,034
Provision of regulated transmission services*	165,564	172,338
Provision of other non-regulated services	27,614	27,547
Customer contributions	17,792	16,349
	585,201	548,268

(b) Other revenue

Rent and lease income	3,860	1,504
Interest received	348	277
Other grants and subsidies	464	910
Gain on disposal of property, plant and equipment	904	2,216
Other revenue	3,574	4,964
	9,150	9,871

Total

594,351	558,139
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Revenue from contracts with customers by timing of revenue

Services transferred at a point in time	41,659	36,868
Services transferred over time	543,542	511,400
	585,201	548,268

*The current year result for the provision of regulated transmission services includes \$6.5m over recovery of regulated revenue attributable to higher AEMO settlement residues received plus higher network use of system charges. As per the application of the regulated revenue cap rules this amount is required to be adjusted and passed back to customers in future years via annual pricing, which will lower revenue and resulting profit in the years this adjustment occurs. This ensures TasNetworks manages its revenue in accordance with the revenue cap.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

Information about major customers

Included within revenue received from the provision of regulated distribution services are revenues of approximately \$262m (2025: \$257m) from TasNetworks' largest electricity retailer customer. These charges are the mechanism for the recovery of network use of system. No other single customer contributed 10% or more to TasNetworks' revenue in either 2026 or 2025.

Recognition and measurement

TasNetworks derives its revenue from contracts with customers for the transfer of goods and services both over time and upon completion of performance obligations. The revenue is recognised at fair value of the consideration received or receivable net of the amount of GST payable.

Provision of regulated services

Regulated services revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to TasNetworks and the revenue can be reliably measured. Revenue earned from the use of the distribution system and from customers connected to the transmission network is recognised at the time of the provision of the electricity to those customers. Revenue earned from the provision of electricity is the value of electricity units supplied to electricity customers during the year. Included in this amount is accrued revenue for unbilled use of system charges.

TasNetworks operates under a revenue cap with total allowed revenue to be charged for regulated distribution services for the 2024-2029 regulatory period of \$1,850.34m. The total allowed revenue to be charged for regulated transmission services for the 2024-2029 regulatory period is \$918.50m. TasNetworks does not accrue or defer amounts that are allowed to be recovered from customers (or credited to them) in future years under regulatory pricing mechanisms. Revenue will be adjusted in future financial years, via resetting of revenue and prices, which may cross multiple regulatory periods.

Key Estimate Unbilled use of system

Included in regulated revenue from contracts with customers, TasNetworks recognises an accrual for the unbilled use of system. Unbilled use of system is an estimate of charges to retailers between the date of the last meter reading and the year end. The estimate of the units supplied is based on the historic usage profile at the relevant tariff prices (see Note E1.)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

Provision of non-regulated services

Non-regulated services revenue is income received for services that are not economically regulated, including telecommunication services, operating and maintenance, connections and external work. The majority of this income is for the provision of services over time.

This predominately includes non-prescribed services revenue that has been received from customers for a long term connection to the electricity system including large scale renewable energy transmission connections. The revenue is recorded as a liability upon cash receipt and recognised over the life of the agreement to which it pertains, reflecting the performance of the contractual obligations. This revenue received in advance constitutes a significant financing arrangement on which TasNetworks is required to recognise an interest expense on the financing received from the customer. The rate used to calculate this interest is the borrowing rate at which TasNetworks would have been able to secure for borrowings over the term of the agreement.

Where projects are still progressing, or where customer contributions for capital works have been received in advance, revenue will only be recognised once the performance obligation has been met. Revenue that has been received in advance will be included as a liability in the statement of financial position until the performance obligation has been met.

Customer contributions

As a regulated network service provider, customers are required to contribute to the costs of specifically requested services where there is no clear benefit to the general customer base. Contributions from customers applied to capital projects are treated as revenue and recognised once the performance obligation under the contract has been completed, which is when the asset is commissioned. The portion of customer contributions that have been received in advance of the works being completed is included as a liability in the statement of financial position until the performance obligation has been met. The value of the network regulated asset base which is used for determining TasNetworks' allowable revenue to be recovered from customers is reduced by the value of customer contributions received.

Rent and lease income

TasNetworks enters into lease arrangements as a lessor with respect to some of its properties. Leases for which TasNetworks is a lessor can be classified as finance or operating leases. Whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

TasNetworks does not have any leases as a lessor which are classified as finance leases.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

Interest

Interest revenue is recognised as it accrues on a time proportionate basis at the effective yield on the financial asset.

Grants received

Grants are not recognised until there is reasonable assurance that TasNetworks will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that TasNetworks should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as a direct contribution to the asset. This contribution reduces the carrying amount of the asset in the statement of financial position, subsequently reducing the impact on the profit or loss in future years.

Other grant revenue

TasNetworks receives grant and subsidy revenue for apprentice wage subsidies and training as well as grants for research and development projects. These grants are recognised as revenue on a systematic basis over the periods in which TasNetworks recognises as expenses the related costs for which the grants are intended to compensate.

Other revenue

Other revenue includes the profit or loss on sale of assets and inventory and is recognised in the statement of profit or loss when control passes to the customer or performance obligations are met.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

A2. Expenses

(a) Operating expenses

	Note	2026 \$'000	2025 \$'000
Employee benefits ¹	A2(c)	148,822	153,598
Services & materials ²		54,935	57,305
Information technology and communications		13,239	13,749
Property costs		7,487	7,686
Licence fees		12,610	11,737
Insurance		5,945	6,134
Contract labour		106	333
Fleet		4,725	5,262
Claims and payments ³		3,003	11,765
Other		7,638	6,728
Capitalised indirect costs ⁴		(50,414)	(49,773)
Total		208,096	224,524

- 1 Employee benefits have decreased year-on-year largely attributed to a higher portion of capitalised internal labour and fewer termination benefit payments within 2025-26.
- 2 Services expenditure comprises the provision of both the cost of professional services and subcontractor services incurred in maintaining TasNetworks' assets.
- 3 Claims and payments have decreased from the 2024-25 operating expenditure which was in response to a severe storm impacting Tasmania from 25 August 2024 to 16 September 2024.
- 4 Capitalised indirect costs includes the portion of overheads and indirect costs that have been capitalised to the statement of financial position in accordance with TasNetworks' AER approved cost allocation methodology. The increase is primarily attributable to the increased delivery of capital program of work.

(b) Depreciation and amortisation expenses

	Note	2026 \$'000	2025 \$'000
Depreciation of property, plant and equipment	B2	179,178	180,442
Amortisation of intangible assets	B1	32,045	32,167
Amortisation of right-of-use assets	B3	809	831
Total		212,032	213,440

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

A2. Expenses (continued)

(c) Employee benefits

	Note	2026 \$'000	2025 \$'000
Post employment benefits			
Defined benefit plans	F2	9,028	9,352
Defined contribution plans		(978)	16,934
		8,050	26,286
Termination benefits		1,865	3,241
Other employee benefits (salary and wages)		146,958	132,275
Total		156,873	161,802
Net interest cost on defined benefit plans	F2	(8,050)	(8,204)
Total	A2(a)	148,823	153,598

A3. Finance costs

	Note	2026 \$'000	2025 \$'000
Finance costs incurred during financial year		84,663	84,262
Government guarantee fee*		14,298	13,772
Net interest cost on defined benefit plan	F2	8,050	8,204
Interest on finance leases		285	599
Interest on long term revenue contracts		1,173	1,215
Total		108,469	108,052

*Government guarantee fees are applied on borrowings of government businesses to ensure competitive neutrality with private sector counterparts with respect to the true cost of debt.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

A4. Income tax equivalents

(a) Recognised in profit or loss

Note	2026 \$'000	2025 \$'000
Income tax equivalent (expense)/income comprises:		
Current income tax expense	(43,207)	(16,361)
Adjustments in respect of current income tax of previous year	224	-
Net (increase)/decrease in deferred tax equivalent liability	20,305	12,611
Total income tax equivalent (expense)/income	(22,678)	(3,750)
Numerical reconciliation between income tax equivalent expense and pre-tax net profit:		
Profit before income tax equivalent on continuing operations	65,626	11,958
Profit before income tax equivalent	65,626	11,958
Income tax equivalent calculated at 30%	(19,688)	(3,587)
Increase in income tax equivalent expense due to:		
Non-deductible expenses	(27)	(16)
Prior year under/over provision	224	(62)
Other changes	(3,187)	(85)
Total income tax equivalent (expense)/income	(22,678)	(3,750)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

(b) Recognised in other comprehensive income

	Note	2026 \$'000	2025 \$'000
Items that will not be reclassified subsequently through profit or loss:			
Income tax equivalent on fair value movements	D3	(35,139)	(19,831)
Income tax equivalent on superannuation actuarial (gains)/losses	D1	(4,136)	796
Income tax equivalent on JV		81	-
		(39,194)	(19,035)
Items that have or may be reclassified subsequently through profit or loss:			
Income tax equivalent on hedge reserve	D3	(919)	7
		(919)	7
Total income tax equivalent recognised in other comprehensive income		(40,113)	(19,028)
(c) Current tax equivalent assets and liabilities			
Current tax equivalent payable/(receivable)		12,994	(9,558)
(d) Deferred tax equivalent balances			
Deferred tax equivalent liabilities comprise:			
Temporary differences		(378,744)	(360,148)
Deferred tax equivalent assets comprise:			
Temporary differences		69,852	71,064
Net deferred tax equivalent liabilities		(308,892)	(289,084)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

(e) Movements in temporary differences during the current financial year

	Balance 1 July 2025 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Balance 30 June 2026 \$'000
Deferred tax equivalent liabilities:				
Property, plant and equipment	(360,148)	17,462	(35,139)	(377,825)
Derivatives	-	-	(919)	(919)
	(360,148)	17,462	(36,058)	(378,744)
Deferred tax equivalent assets:				
Employee benefits	66,291	2,003	(4,136)	64,158
Provisions	732	(215)	-	517
Inventory	119	18	-	137
Other items	3,922	1,037	81	5,040
	71,064	2,843	(4,055)	69,852
Net deferred tax equivalent liabilities	(289,084)	20,305	(40,113)	(308,892)

(f) Movements in temporary differences during the previous financial year

	Balance 1 July 2024 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Balance 30 June 2025 \$'000
Deferred tax equivalent liabilities:				
Property, plant and equipment	(358,003)	17,686	(19,831)	(360,148)
	(358,003)	17,686	(19,831)	(360,148)
Deferred tax equivalent assets:				
Employee benefits	66,808	(1,313)	796	66,291
Provisions	743	(11)	-	732
Derivatives	(6)	(1)	7	-
Inventory	117	2	-	119
Other items	7,674	(3,752)	-	3,922
	75,336	(5,075)	803	71,064
Net deferred tax equivalent liabilities	(282,667)	12,611	(19,028)	(289,084)

Tax consolidation

Income tax legislation allows groups, comprising a parent entity and its Australian wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes.

TasNetworks and its wholly owned Australian resident subsidiaries have consolidated for tax purposes under this legislation and have elected to be taxed as a single entity. The head entity within the tax consolidation group is Tasmanian Networks Pty Ltd.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

A TasNetworks' performance (continued)

Recognition and measurement

Under the National Tax Equivalent Regime (NTER), TasNetworks is required to make income tax equivalent payments to the State Government. The charge for current income tax expense is based on the sum of tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity. It is calculated using the prevailing tax rates at the balance date.

Current income tax

Current tax equivalent is calculated by reference to the amount of income tax equivalent payable or recoverable in respect of the taxable profit or loss for the period using the legislated income tax rate. Current tax equivalent is recognised as a liability/(asset) to the extent that it is unpaid/(recoverable).

Deferred tax liabilities and assets

Deferred tax equivalent is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax equivalent assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates and laws enacted at the reporting date. The measurement of deferred tax equivalent liabilities and assets reflects the tax consequences from the manner in which TasNetworks expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax equivalent assets and liabilities are offset when they relate to income tax equivalents levied by the same taxation authority and where TasNetworks intends to settle its current tax equivalent assets and liabilities on a net basis.

Current and deferred tax equivalent for the period is recognised as an expense or income in the statement of profit or loss except when it relates to items of other comprehensive income, in which case the tax equivalent is also recognised directly in other comprehensive income.

Key assumption **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets

This section highlights the investments made by TasNetworks into its asset base as well as providing a summary of the impairment assessment.

B1. Intangible assets

		Other Intangible Computer Software \$'000	Other Intangible Computer Software WIP \$'000	Total Intangible Assets \$'000
2026	Note			
Cost				
At 1 July 2025		318,499	2,729	321,228
Additions during the year		-	36,027	36,027
Transfer from work in progress		17,950	(17,950)	-
Disposals		-	-	-
Balance at 30 June 2026		336,449	20,806	357,255
Accumulated amortisation				
At 1 July 2025		(225,485)	-	(225,485)
Disposals		-	-	-
Amortisation		(32,044)	-	(32,044)
Balance at 30 June 2026		(257,529)	-	(257,529)
Carrying amount at 30 June 2026		78,920	20,806	99,726
2025				
Cost		\$'000	\$'000	\$'000
At 1 July 2024		291,332	6,136	297,468
Additions during the year		-	23,574	23,574
Transfer from work in progress		26,979	(26,979)	-
Transfer between asset class – Property, Plant & Equipment	B2	234	-	234
Disposals		(46)	-	(46)
Balance at 30 June 2025		318,499	2,731	321,230
Accumulated amortisation				
At 1 July 2024		(193,294)	-	(193,294)
Disposals		10	-	10
Transfer between asset class – Property, Plant & Equipment	B2	(35)	-	(35)
Amortisation		(32,167)	-	(32,167)
Balance at 30 June 2025		(225,486)	-	(225,486)
Carrying amount at 30 June 2025		93,013	2,731	95,744

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Recognition and measurement

Computer software, identified as intangible assets, is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives and amortisation methods are reviewed annually for appropriateness.

Amortisation expense is included in the line item of depreciation and amortisation expenses in the statement of profit or loss.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal processed and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Intangible assets are tested for impairment whenever there is an indication the asset may be impaired. Intangible assets with an indefinite life and those not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired (note B5).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

B2. Property, plant and equipment

	2026 \$'000	2025 \$'000
Network assets – Transmission		
Assets at fair value	3,040,696	2,903,928
Accumulated depreciation	(1,561,095)	(1,449,365)
Carrying amount	1,479,601	1,454,563
Network assets – Distribution		
Assets at fair value	5,428,954	5,085,343
Accumulated depreciation	(3,069,324)	(2,865,755)
Carrying amount	2,359,630	2,219,588
Communication assets		
Assets at fair value	118,001	112,601
Accumulated depreciation	(79,716)	(72,531)
Carrying amount	38,285	40,070
Easements		
Assets at fair value	101,645	97,924
Accumulated depreciation	(52)	(50)
Carrying amount	101,593	97,874
Land		
Assets at fair value	81,819	81,365
Carrying amount	81,819	81,365
Buildings		
Assets at fair value	131,686	140,344
Accumulated depreciation	(49,491)	(57,444)
Carrying amount	82,195	82,900
Other plant and equipment Assets at cost	194,572	182,524
Accumulated depreciation	(110,425)	(101,896)
Carrying amount	84,147	80,628
Capital works in progress		
Network assets – Transmission	47,447	23,471
Network assets – Distribution	5,091	442
Communication assets	2,924	4,454
NWTD	133,438	61,067
Other plant and equipment	1,604	9,735
Capital works in progress – at cost	190,504	99,169
Total	4,417,774	4,156,157

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Recognition and measurement

All assets acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. TasNetworks capitalises assets that meet the capitalisation threshold of \$500 and values under this limit are treated as expenses in the current period.

The cost of assets constructed includes the cost of contracted services, materials and direct labour, and an appropriate portion of overhead costs. Costs incurred on an asset subsequent to the initial acquisition are capitalised when the original capacity of an asset has been enhanced, or the life of an asset has been extended.

The components of major assets that have materially different useful lives are accounted for as separate assets, and are depreciated separately.

Regulated Network assets

Regulated Network assets are categorised as Transmission and Distribution assets. Transmission assets are used to transport electricity from generators to distribution networks and directly connected transmission customers at high voltages. Distribution assets are used to transform the power from transmission high voltage and further stepping the power down via distribution transformers for supplying low voltage consumers.

TasNetworks uses Australian Energy Regulator (AER)'s Regulated Asset Base (RAB) methodology, where opening regulatory assets values are indexed annually using December Consumer Price Index (CPI) to revalue its regulatory asset classes. The fair value of the Group's regulated assets was assessed against the income based approach to ensure there was no material deviation in the carrying value, which reflects the present value of an investments future cash flows in order to arrive at a current fair value estimate for an investment. The regulated revenue that the assets are allowed to earn under the National Electricity Rules represents their fair value and income earning capacity. These are level 3 inputs (note B2 – Assets measured at fair value) in the fair value hierarchy and the key significant unobservable inputs are detailed below.

Key Estimates Asset Valuation

Key inputs and assumptions for the discounted cash flow include:

- Revenue cash flows as per the revenue proposal determination by the AER or TasNetworks' Corporate Plan or latest Regulatory forecast.
- Operating expenditure is equal to the allowances set by the AER
- Capital expenditure is equal to the allowances set by the AER
- Terminal value equal to the forecasted RAB using a multiple of 1.00
- Weighted Average Cost of Capital (WACC) discount rate as determined/revenue proposal by the AER
 - Standard Control 5.92%
 - Prescribed 5.95%

No material change in value was determined for the 2026 financial year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Communication assets

Communication assets that form part of the AER Regulated Asset Base for the Distribution and Transmission networks are measured at fair value using the AER's RAB indexation methodology, which is considered to best reflect their income-generating capacity. Opening regulatory asset values are indexed annually based on the movement in the December CPI.

Communication assets that form part of non-regulated services are carried at cost less accumulated depreciation and accumulated impairment losses.

Easements

Easements are measured at fair value using the AER's RAB indexation methodology. This methodology is considered to provide the best estimate of fair value as it reflects the assets' regulated income-generating capacity.

Opening asset values are indexed annually based on the CPI movement for the year.

Land

Land is carried at fair value, less any subsequent impairment losses where applicable. Revaluations occur periodically at least every five years, or when management initiates a review due to the existence of an indicator that movement in valuation has occurred.

TasNetworks' primary operational land sites are valued in accordance with an independent valuation conducted by Opteon in July 2024 as at 30 June 2024. TasNetworks' land in many instances is zoned as 'public utility' which is rarely transacted. Valuations do however factor in some market evidence of land with similar features, topography and location.

Where no formal valuation has taken place fair value is considered to be the value as determined by the Valuer-General.

The fair value measurement of land has been categorised as level 2 (note B2 – Assets measured at fair value) in the fair value hierarchy as its value is derived from observable inputs.

Buildings

Buildings are carried at fair value, less any subsequent accumulated depreciation and impairment losses where applicable. Revaluations occur periodically at least every five years, or when management initiates a review due to the existence of an indicator that movement in valuation has occurred.

TasNetworks' primary operational buildings are valued in accordance with an independent valuation conducted by Opteon in July 2024 as at 30 June 2024. The valuation is based on a notional lease at current market rates.

Where no formal valuation has taken place fair value is considered to be the value as determined by the Valuer-General.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Other plant and equipment

Other plant and equipment includes optic fibre, inventory – spare parts and minor assets such as motor vehicles, computer equipment, office furniture and equipment. These assets are stated at cost less accumulated depreciation and impairment, where applicable. These assets other than optic fibre and inventory – spare parts are valued at written down value as they are low value, short life and high turnover assets. Optic fibre is valued at written down value as they are non regulated assets and not subject to the RAB methodology. Inventory – spare parts are held at cost as they are to be used in the construction/repair of assets and are not in use.

Capital works in progress

Capital works in progress are recognised at cost.

Disposal of assets

The gain or loss on the disposal of assets is calculated as the difference between the carrying amount of the assets at the time of disposal (less cost of disposal) and the proceeds on disposal and is included in the statement of profit or loss in the year of disposal. Any revaluation surplus remaining in the revaluation reserve is recognised in the statement of comprehensive income. During 2026, TasNetworks undertook a review of its property, plant and equipment, including building fixtures and improvements. As a result, a number of fully depreciated assets that were no longer in service were disposed of.

Revaluations of non-current assets

Any revaluation of property, plant and equipment is credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same assets previously recognised as expenses in profit or loss, in which case the increase is credited to the statement of profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve in relation to a previous revaluation of those assets.

Useful lives and depreciation

Depreciation on property, plant and equipment other than land is based on the straight-line method so that assets are written off over their expected useful lives. The estimated useful lives, residual values, depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in the current and future periods.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Key estimate Asset useful lives

Asset useful lives are aligned with the asset classes and lives as determined by the AER.

The range of useful lives assigned to TasNetworks' major asset classes are listed below.
The useful lives of the asset classes have not changed from the prior year:

Transmission Network assets:

Transmission lines and associated components	10-60 yrs
Underground cables	45 yrs
Substation establishment	60 yrs
Transmission substation switch bays	45 yrs
Transmission capacitors	45 yrs
Transmission transformers	45 yrs
Protection and control schemes	4-15 yrs

Distribution Network assets:

Distribution overhead lines and poles	35-40 yrs
Distribution Composite Poles	80 yrs
Underground cables	60 yrs
Distribution substations	40 yrs
Zone substations	40 yrs
Meters	30 yrs
Service connections	35 yrs

Communication assets:

Communication equipment	4-60 yrs
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Buildings:

Buildings	5-40 yrs
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Other plant and equipment:

Optic fibre	20 yrs
Minor assets including intangible assets	4-20 yrs

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Note	2026								Total \$'000
	Transmission network at fair value \$'000	Distribution network at fair value \$'000	Communication assets at fair value \$'000	Easements at fair value \$'000	Land at fair value \$'000	Buildings at fair value \$'000	Other plant & equipment at cost \$'000	Capital works in progress at cost \$'000	
Gross value									
At beginning of financial year	2,903,929	5,085,345	112,599	97,926	81,366	140,344	182,525	99,165	8,703,199
Additions during the year	-	-	-	-	-	-	-	328,689	328,689
Grant contribution towards an asset	-	-	-	-	-	-	-	(4,400)	(4,400)
Transfers of WIP to non-current assets	31,386	175,083	3,038	-	453	4,741	17,781	(232,482)	-
Transfer between asset class	-	-	-	-	-	-	853	(468)	385
Re-classification of Inventory – Spare Parts	-	-	-	-	-	-	39	-	39
Disposals	-	-	-	-	-	(13,301)	(6,626)	-	(19,927)
Net revaluation increments/(decrements)	105,380	168,526	2,364	3,719	-	-	-	-	279,989
Balance at end of financial year	3,040,695	5,428,954	118,001	101,645	81,819	131,784	194,572	190,504	9,287,974
Accumulated depreciation and impairment losses									
At beginning of financial year	(1,449,365)	(2,865,755)	(72,531)	(52)	-	(57,443)	(101,895)	-	(4,547,041)
Disposals	-	-	-	-	-	13,301	5,576	-	18,877
Transfer between asset class	-	-	-	-	-	-	-	-	-
Net revaluation increments/(decrements)	(54,692)	(106,441)	(1,725)	-	-	-	-	-	(162,858)
Depreciation charge for the year	(57,037)	(97,128)	(5,460)	-	-	(5,447)	(14,106)	-	(179,178)
Balance at end of financial year	(1,561,094)	(3,069,324)	(79,716)	(52)	-	(49,589)	(110,425)	-	(4,870,200)
Carrying amount at 30 June 2026	1,479,601	2,359,630	38,285	101,593	81,819	82,195	84,147	190,504	4,417,774
Carrying amount of assets had they been recognised at cost									
Balance at 30 June 2026	1,119,856	1,939,147	34,677	73,702	49,775	71,139	70,230	190,504	3,549,030

* The carrying amounts of the Transmission, Distribution and Communications asset classes comprise predominantly of assets measured at fair value, with a small proportion of non-regulated assets measured at historical cost.

* The Building asset class includes both buildings measured at fair value and building fixtures and improvements measured at historical cost.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

2025										
	Note	Transmission network at fair value \$'000	Distribution network at fair value \$'000	Communication assets at fair value \$'000	Easements at fair value \$'000	Land at fair value \$'000	Buildings at fair value \$'000	Other plant & equipment at cost \$'000	Capital works in progress at cost \$'000	Total \$'000
Gross value										
At beginning of financial year		2,727,993	4,847,949	103,047	95,618	77,580	129,097	225,366	160,570	8,367,220
Additions during the year		-	-	-	-	-	-	-	246,787	246,787
Grant contribution towards an asset		-	-	-	-	-	-	-	(6,011)	(6,011)
Transfers of WIP to non-current assets		113,503	140,689	8,155	12	3,785	11,247	24,786	(302,177)	-
Transfer between asset class	B1	-	-	-	-	-	-	(234)	-	(234)
Re-classification of Inventory – Spare Parts	E2	-	-	-	-	-	-	8,171	-	8,171
Disposals		-	-	-	-	-	-	(75,565)	-	(75,565)
Net revaluation increments/(decrements)		62,432	96,705	1,399	2,294	-	-	-	-	162,830
Balance at end of financial year		2,903,928	5,085,343	112,601	97,924	81,365	140,344	182,524	99,169	8,703,198
Accumulated depreciation and impairment losses										
At beginning of financial year		(1,352,053)	(2,711,660)	(66,230)	(50)	-	(52,219)	(162,663)	-	(4,344,875)
Disposals		-	-	-	-	-	-	74,966	-	74,966
Transfer between asset class	B1	-	-	-	-	-	-	35	-	35
Net revaluation increments/(decrements)		(32,277)	(63,452)	(996)	-	-	-	-	-	(96,725)
Depreciation charge for the year	A2(b)	(65,035)	(90,643)	(5,305)	-	-	(5,225)	(14,234)	-	(180,442)
Balance at end of financial year		(1,449,365)	(2,865,755)	(72,531)	(50)	-	(57,444)	(101,896)	-	(4,547,041)
Carrying amount at 30 June 2025		1,454,563	2,219,588	40,070	97,874	81,365	82,900	80,628	99,169	4,156,157
Carrying amount of assets had they been recognised at cost										
Balance at 30 June 2025		1,145,507	1,861,192	37,098	73,702	49,321	71,845	66,754	99,169	3,404,588

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Assets measured at fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised with the fair value hierarchy as shown below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, TasNetworks determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no transfers between levels in the in the fair value hierarchy during the year.

Level 3 significant valuation inputs and relationship to fair value

Asset	Fair Value as at 30 June 2026 \$'000	Fair Value as at 30 June 2025 \$'000	Significant inputs	Range of inputs	Relationship of inputs to fair value
Network assets, Communication assets and Easements	3,979,111	3,812,095	CPI	+/- 5%	A 5% increase in CPI increases the fair value of assets by \$191m
			AER Determination	N/A	AER determination of the asset values via regulatory revenue reset process
Buildings	82,194	82,900	Notional lease for 10 years at a current market rent	+/- expected rental growth and occupancy rates	The higher the expected rental growth and occupancy rates the greater the fair value

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

B3. Right-of-use assets

TasNetworks leases communication sites, land and some office space and equipment.

The communication land sites are long term leases that typically run for a period of 7-20 years with options to renew the lease for further terms. Lease payments are renegotiated every 3-5 years to reflect changes in the value of land (with the value determined by the Valuer-General).

TasNetworks leases a number of land sites on which substation infrastructure has been constructed. These leases were entered many years ago and are leases of 50-100 years. Lease payments are renegotiated every 3-5 years to reflect changes in value of the site.

The depot sites are leases that run for a period of 3-5 years with options to renew the lease for further terms. Lease payments are increased annually to reflect changes in CPI.

TasNetworks also leases IT equipment and vehicles for contract terms of 3 years, as well as fibre optic equipment for a contract term of 21 years, with an option for a 10-year extension.

	Telecommu- nication sites \$'000	Substation sites \$'000	Depots \$'000	Office Premises \$'000	Equipment \$'000	Vehicles \$'000	Total \$'000
Opening balance at 1 July 2025	168	317	79	21	5,115	51	5,751
Additions	23	46	3	-	(93)	-	(21)
Re-classification of lease	-	-	-	-	-	-	-
Depreciation charge for the year	(8)	(8)	(29)	(21)	(566)	(51)	(683)
Balance at 30 June 2026	183	355	53	-	4,456	-	5,047
Opening balance at 1 July 2024	168	223	142	-	4,520	101	5,154
Additions*	20	105	9	35	1,254	5	1,428
Re-classification of lease	1	-	(30)	32	(3)	-	-
Depreciation charge for the year	(21)	(11)	(42)	(46)	(656)	(55)	(831)
Balance at 30 June 2025	168	317	79	21	5,115	51	5,751

*In 2024 office equipment lease was extended to October 2027, with right-of-use assets and lease liabilities remeasured accordingly.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

Recognition and measurement

Right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Key assumption **Lease terms**

Lease terms and the potential to exercise options to extend lease terms are assessed at inception of the lease to determine the full lease term and the underlying asset value. The option to extend leases at inception to include the option in the term are based on management assumptions on the future operations of TasNetworks based on information known at the time.

TasNetworks undertakes an annual impairment assessment of right of use assets, with any identified impairment losses accounted for per note B5.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

B4. Investment in Joint Venture

	Note	2026 \$'000	2025 \$'000
Measured using the equity method	H5	2,457	3,659
		2,457	3,659
Share of profit/(loss) of joint venture	H5	(128)	(165)
		(128)	(165)

Recognition and measurement

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise TasNetworks' share of the profit or loss and other comprehensive income of the joint venture. When TasNetworks' share of losses of a joint venture exceeds TasNetworks' interest in that joint venture TasNetworks discontinues recognising its share of further losses. Additional losses are recognised only to the extent that TasNetwork has incurred legal or constructive obligations or made payments on behalf of the joint venture.

In May 2022, TasNetworks invested in a joint venture which is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over TasNetworks' share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of TasNetworks' share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Investments in joint ventures are tested for impairment annually and whenever there is an indication that the asset may be impaired.

When an entity of the TasNetwork Group transacts with a joint venture of TasNetworks, profits and losses resulting from the transactions with the joint venture are recognised in TasNetworks' financial statements only to the extent of interests in the joint venture that are not related to this Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

B TasNetworks' assets (continued)

B5. Impairment of assets

Recognition and measurement

At each reporting date, TasNetworks reviews the carrying amounts of its tangible and intangible assets, including leases to determine whether there is any indication that those assets may have suffered an impairment loss. An impairment calculation is performed if an indication of impairment exists. Intangible assets with an indefinite useful life and those not yet available for use are tested for impairment annually. The recoverable amount of the asset is estimated to determine the extent of any impairment losses. Where the asset does not generate cash flows that are independent from other assets, TasNetworks estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

Value in use is calculated based upon management's most recent cash flow forecasts for five years using a terminal growth rate and a discount rate which reflects the risks specific to TasNetworks' assets and prevailing market conditions at the time of the calculation.

Impairment testing amid the current global economic environment

TasNetworks has considered the impact of current economic conditions including current inflation and interest rates on its business operations as part of undertaking the annual impairment assessment. TasNetworks' modelling under current assumptions indicates minimal impact to revenue, expenses and cash flows. The projections indicate TasNetworks will recover its full regulated revenue entitlement (distribution and transmission) across the current period to June 2029 and future regulatory periods. TasNetworks has relative certainty over its revenue streams to 2029, however remain subject to change in economic conditions impacting the interest rate environment and TasNetworks' cost of capital.

The impairment factors due to current economic conditions considered for property, plant and equipment include:

- Material reduction in future cash flows that would lead to an impairment of network assets;
- Review of intangible and assets under construction; and
- Material changes in the value of land and buildings.

Key estimates and assumptions Impairment testing results

TasNetworks undertakes an assessment for impairment of all assets at each reporting date or if an indication of impairment exists, an estimate of the recoverable amount for each cash generating unit is made. This estimate is based on the assets value in use to determine future recoverable cash flows.

Internally generated intangible assets including those held by subsidiary companies are reviewed annually to ensure they continue to meet the recognition criteria for internally generated intangible assets. The value in use of the intangible asset is calculated using an estimate of expected future cash flows.

Significant events

During the year there were no significant asset impairment events.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business

This section provides information relating to TasNetworks' capital structure and exposure to financial risks and how those risks are managed.

C1. Borrowings

All borrowings have been transacted through the Tasmanian Public Finance Corporation (TASCORP) and the Clean Energy Finance Corporation (CEFC), with the exception of operational banking facilities which are drawn upon as required. All borrowings are secured by a floating charge on all present and future trade and other receivables.

During the reporting period, TasNetworks established a financing facility with the CEFC of up to \$1,200 million to finance the North West Transmission Developments (NWTD) project. The facility bears a fixed concessional rate of interest and is subject to staged drawdown arrangements. An initial financial close providing access to \$250 million was achieved prior to reporting date. Access to the remaining debt facility is contingent upon the achievement of full financial close.

TASCORP have also approved a \$100 million special purpose facility in support of the NWTD project. The facility becomes available upon achievement of full financial close under the CEFC financing arrangements. A commitment fee applies to undrawn balances from full financial close.

	2026 \$'000	2025 \$'000
Current:		
TASCORP overnight borrowings	25,100	22,900
TASCORP borrowings	197,500	284,300
	222,600	307,200
Non-current:		
TASCORP borrowings	2,012,800	1,977,000
CEFC NWTD borrowings	91,809	-
	2,104,609	1,977,000
Total	2,327,209	2,284,200

TasNetworks' Treasury Risk Management Policy is to benchmark the TASCORP debt portfolio to the AER's benchmark used in determining the revenue allowance, which is to have 1/10th of the portfolio repricing each year from year 1 to 10. The current borrowings of \$197.5m (2025: \$284.3m) that are classified as current will be refinanced in line with this policy. In 2015-16, in recognition of the low interest rate environment, the Board resolved to exclude the \$100m of 30 year long term debt to 2046 from the benchmark debt portfolio, and has validated that it will remain outside the Benchmark in line with its Treasury Risk Management Policy. See below for details of all borrowing facility limits and balances.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Unused borrowing facilities at balance date

	Limit 2026 \$'000	Drawn 2026 \$'000	Undrawn 2026 \$'000	Limit 2025 \$'000	Drawn 2025 \$'000	Undrawn 2025 \$'000
Unsecured bank overdraft facility	1,000	-	1,000	1,000	-	1,000
Corporate MasterCard	1,500	376	1,124	1,500	312	1,188
Guarantee facility	1,000	-	1,000	1,000	-	1,000
TASCORP Master Loan Facility	2,500,000	2,235,400	264,600	2,500,000	2,284,200	215,800
CEFC NWTD Project Facility	250,000	91,809	158,191	-	-	-

Under the *Tasmanian Public Finance Corporation Act 1985*, the Government has provided a guarantee of TasNetworks' borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2026, this support was limited to a maximum amount of \$2,600 million.

Recognition and measurement

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method, with any difference between the initial carrying amount and the redemption value recognised in the statement of profit or loss over the term of the borrowing.

Borrowing costs that can be directly attributable to the acquisition, construction or development of a qualifying asset are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs are incurred, and activities necessary to prepare the asset for its intended use are in progress. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

Non-current borrowings are those borrowings that have a maturity beyond one year of the reporting date. All other borrowings are classified as current borrowings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

C2. Lease liability

TasNetworks assesses whether a contract is or contains a lease, at inception of the contract. TasNetworks recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with terms of less than 12 months) and leases of low value assets. For these leases TasNetworks recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

TasNetworks has leases for depots, infrastructure sites and for office equipment.

Lease of equipment not in the legal form of a lease

TasNetworks has an arrangement where it has exclusive use to the fibre optic telecommunications network owned by the State Government. As TasNetworks controls a 'more than insignificant amount of output or other utility of the asset' and as TasNetworks is responsible for the repair, upgrades and maintenance of the asset and has the ability to restrict others access to it, other than those entities specified in the agreement it is deemed that the arrangement contains a lease.

TasNetworks pays a fixed annual fee over the term of the arrangement plus a variable charge based on revenue generated by the asset outside of Tasmania.

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

	2026 \$'000	2025 \$'000
Present value of future minimum lease payments		
Not Later than 1 year	858	931
Later than 1 year and not later than 5 years	2,746	2,996
Later than 5 years	1,616	2,010
Total	5,220	5,937
Analysed as:		
Current lease liabilities	691	725
Non-current lease liabilities	4,529	5,212
Total	5,220	5,937

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Recognition and measurement

The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease. If this rate cannot be readily determined, TasNetworks uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate; initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if there is reasonable certainty that the option will be exercised; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of the option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

TasNetworks remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment or exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate, a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate; and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

A lease for office equipment was extended for 3 years beyond the original term and will expire in October 2027. The right of use assets and lease liabilities were remeasured to reflect the extension of time.

A number of property leases are subject to CPI increases and as a result they were remeasured to reflect the revised lease payments.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

C3. Reconciliation of movements of liabilities to cash flows arising from financial activities

The table below details changes in TasNetworks' liabilities and equity arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be classified in TasNetworks' statement of cash flows as cash flows from financing activities.

	Borrowings \$'000	Finance leases \$'000	Total \$'000
2026			
Opening balance at 1 July 2025	2,284,201	5,937	2,290,138
Changes from financing cash flows:			
Proceeds from borrowings	567,209	-	567,209
Repayment of borrowings	(524,200)	-	(524,200)
Principal lease payments	-	(718)	(718)
Total changes from financing cash flows	43,009	(718)	42,291
Non-cash changes			
Liability changes:			
Lease modifications, new leases and interest	-	-	-
Total liability changes	-	-	-
Closing balance at 30 June 2026	2,327,210	5,219	2,332,429
	Borrowings \$'000	Finance leases \$'000	Total \$'000
2025			
Opening balance at 1 July 2024	2,291,350	5,920	2,297,270
Changes from financing cash flows:			
Proceeds from borrowings	510,976	-	510,976
Repayment of borrowings	(518,125)	-	(518,125)
Principal lease payments	-	(45)	(45)
Total changes from financing cash flows	(7,149)	(45)	(7,194)
Non-cash changes			
Liability changes:			
Lease modifications, new leases and interest	-	62	62
Total liability changes	-	62	62
Closing balance at 30 June 2025	2,284,201	5,937	2,290,138

Non-cash financing activities

During the year TasNetworks entered into one new lease which resulted in the recognition of right-of-use assets of \$0.718m, and a corresponding lease liability of \$0.718m.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

C4. Financial Instruments

(a) Classification and fair value measurement of financial instruments

Comparison between carrying amount as disclosed in the statement of financial position and their fair value at the end of the current financial year:

2026	Note	Carrying amount			Fair value		
		Hedging instrument	At amortised cost	Other liabilities	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost:							
Cash and cash equivalents	C5(a)	-	5,693	-	-	-	-
Trade and other receivables	E1	-	75,397	-	-	-	-
Total financial assets		-	81,090	-	-	-	-
Financial liabilities measured at amortised cost:							
Trade and other payables	E5	-	-	88,546	-	-	-
Borrowings – fixed rate		-	2,302,109	-	-	2,077,514	84,614
Borrowings – floating rate		-	25,100	-	-	25,100	-
Total financial liabilities		-	2,327,209	88,546	-	2,102,614	84,614

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Comparison between carrying amount as disclosed in the statement of financial position and their fair value at the end of the previous financial year:

2025	Note	Carrying amount			Fair value		\$'000
		Hedging instrument	At amortised cost	Other liabilities	Level 1	Level 2	
		\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets measured at amortised cost:							
Cash and cash equivalents	C5(a)	-	3,582	-	-	-	-
Trade and other receivables	E1	-	84,492	-	-	-	-
Total financial assets		-	88,074	-	-	-	-
Financial liabilities measured at amortised cost:							
Trade and other payables	E5	-	-	74,807	-	-	-
Borrowings – fixed rate		-	2,261,300	-	-	2,130,223	84,518
Borrowings – floating rate		-	22,900	-	-	22,981	-
Total financial liabilities		-	2,284,200	74,807	-	2,153,204	84,518

Fair values of financial instruments

The carrying amount of financial assets and liabilities recorded in the financial statements, except for the borrowings from TASCORP, approximate their fair values.

The fair value of derivative instruments is calculated using quoted prices, or where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Derivative transactions are for the purpose of managing financial exposures that arise from underlying business positions. Therefore fair values should not be assessed in isolation. The overall impact should take into account the underlying exposures being held.

The fair value disclosed in note C4(a) for borrowings is the market value provided by TasNetworks' external borrowings provider TASCORP. The market value for level 2 fair value amounts is determined as the discounted cash flows of the instruments using the applicable yield curve.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

The valuation methodology of the level 3 borrowings are disclosed below:

Valuation technique and key input(s)	Significant input(s)	Relationship of inputs to fair value
Discounting the expected future cash flows using TASCORP's valuation curve derived from market yields of TASCORP's as well as other Central Financing Authority (CFA) bond issuances.	Market yields of TASCORP's and other CFA bond issuances.	Fair value represents an estimated market yield of the 2046 bonds.

Derivative financial instruments

TasNetworks enters into various financial instruments including interest rate swaps, forward start borrowing agreements, forward rate agreements and foreign exchange contracts in order to manage financial exposures arising from its operations. In accordance with its Treasury Risk Management Policy, TasNetworks does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is immediately recognised in profit or loss on the statement of comprehensive income unless the derivative is designated and effective as a hedging instrument.

The fair value of a hedging instrument is presented as current or non-current based on the timing of the contractual cash flows, with cash flows expected to be realised or settled after 12 months classified as non-current and cash flows expected to be realised or settled within 12 months classified as current. Other derivatives are presented as current assets or current liabilities.

Compliance with policies and exposure limits are reviewed on an ongoing basis and any breaches are reported in a timely manner to the Board. Compliance is also reviewed by TasNetworks' internal auditors in accordance with TasNetworks' internal audit program.

Foreign currency transactions

Realised and unrealised gains and losses on foreign currency exposures are brought to account in the year to which they apply. Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at exchange rates in effect at that date. The gains and losses from hedging equipment exposures are transferred to the equipment accounts to become part of the acquisition cost of the assets. All exchange gains and losses relating to other hedge transactions are brought to account in the statement of comprehensive income in the same period as the exchange differences on the items covered by the hedge transactions. As a policy, TasNetworks hedges its exposure to foreign currencies in excess of AUD \$1m.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

(b) Financial risk management objectives

Exposures to market, credit, interest rate and liquidity risks arise in the normal course of TasNetworks' business. Financial instruments and management policies are used by TasNetworks to manage these risks in a manner that is consistent with TasNetworks' risk appetite and policies.

Capital management

TasNetworks' capital management policy is to maintain an appropriate capital structure to ensure it will continue as a going concern while maximising the return to shareholders through an appropriate balance of debt and equity.

		2026	2025
	Note	\$'000	\$'000
Debt to total capital ratio			
Debt (borrowings)	C1	2,327,209	2,284,200
Cash and cash equivalents	C5(a)	5,603	3,582
Net debt		2,321,606	2,280,618
Total capital (net debt + total equity)		3,982,476	3,776,688
Debt to total capital ratio		58.3%	60.4%

Risk management

TasNetworks does not enter into financial instruments for speculative purposes. Any foreign exchange or interest rate hedging is undertaken for the risk management of TasNetworks' business activities. The risks arising from TasNetworks' financial instruments are recognised and managed as discussed below:

Credit risk

Credit risk represents the potential loss at reporting date due to the change in fair value of credit exposure to a group of counterparties due to a change in the market perception of credit quality of that exposure, and the potential for credit default i.e. the probability that a counterparty to a financial instrument or contract will not adhere to the terms of the contract when payment is due. TasNetworks is exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Where collateral (e.g. cash deposit) is held by TasNetworks on behalf of counterparties, a corresponding liability is recognised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Liquidity risk

The liquidity risk management parameters contained in the Treasury Risk Management Policy establishes a framework that has been developed to ensure there are sufficient funds to meet TasNetworks' financial commitments in a timely manner. It is also associated with planning for unforeseen events which may impact on cash flow and cause pressure on liquidity.

TasNetworks manages its liquidity risk by regularly reviewing its short term cash flow forecasts to ensure it has sufficient cash to meet its day-to-day operations and by matching the maturity profiles of financial assets and financial liabilities.

Market risk

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. TasNetworks' foreign exchange risk arises from the purchase of goods and services from overseas parties.

TasNetworks uses forward exchange contracts to hedge its currency exposure where the exposure is in excess of AUD \$1m in line with the Treasury Risk Management Policy.

Interest rate risk

The objective of TasNetworks' interest rate risk management is to manage within the Board's approved appetite and the risk of a potential adverse financial impact from unfavourable movements in interest rates. This interest rate risk is managed through setting and managing the risk against the regulatory allowance and is achieved through setting an interest rate exposure profile for the benchmark portfolio aligned to the regulatory regime within which TasNetworks operates.

Master loan facility agreement

TasNetworks has a Master Loan Facility agreement (MLFA) with TASCORP. This agreement covers a number of borrowing covenants that TasNetworks must operate within including interest ratio limits, non TASCORP permitted third party debt limits and net asset movements.

All MLFA covenants are closely monitored with all requirements met for the 2025-26 financial year.

NTWD facility agreement

In October 2025, TasNetworks entered into a Facility Agreement with the Clean energy Finance Corporation (CEFC) to provide funding for NWTD project. The facility includes a number of financial reporting and compliance obligations, including covenants relating to debt service cover ratio, net debt to Regulatory Asset Base and minimum tangible assets.

TasNetworks complied with all facility requirements and covenant obligations throughout the 2025-26 financial year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Interest rate exposures and liquidity for the current financial year

TasNetworks' exposure to interest rate risk on financial instruments and contractual maturity of financial liabilities and expected maturity for financial assets as at 30 June 2026:

2026	Note	Weighted average effective interest rate	0 to 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	5+ years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets:								
Cash and cash equivalents	C5(a)	3.91%	5,693	-	-	-	-	5,693
Trade and other receivables	E1		-	-	-	-	75,397	75,397
Total financial assets			5,693	-	-	-	75,397	81,090
Financial liabilities:								
Trade and other payables	E1		-	-	-	-	88,546	88,546
Borrowings - fixed rate		3.8%	309,069	448,148	778,110	1,337,042	-	2,872,369
Borrowings - floating rate		5.15%	25,100	-	-	-	-	25,100
Total financial liabilities			334,169	448,148	778,110	1,337,042	88,546	2,986,015
Net financial assets/(liabilities)			(328,476)	(448,148)	(778,110)	(1,337,042)	(13,149)	(2,904,925)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

Interest rate exposure and liquidity for the previous financial year

TasNetworks' exposure to interest rate risk on financial instruments and contractual maturity of financial liabilities and expected maturity for financial assets as at 30 June 2025 was as follows:

2025	Note	Weighted average effective interest rate	0 to 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	5+ years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets:								
Cash and cash equivalents	C5(a)	4.17%	3,582	-	-	-	-	3,582
Trade and other receivables			-	-	-	-	84,492	84,492
Total financial assets	E1		3,582	-	-	-	84,492	88,074
Financial liabilities:								
Trade and other payables	E5		-	-	-	-	74,807	74,807
Borrowings - fixed rate		3.63%	366,426	270,576	910,400	1,222,237	-	2,769,639
Borrowings - floating rate		4.65%	22,900	-	-	-	-	22,900
Total financial liabilities			389,326	270,576	910,400	1,222,237	74,807	2,867,346
Net financial assets/(liabilities)			(385,744)	(270,576)	(910,400)	(1,222,237)	9,685	(2,779,272)

This disclosure is presented on an undiscounted basis and therefore will not agree to amounts presented in the consolidated statement of financial position as they incorporate principal and associated future interest payments. TasNetworks is able to manage these borrowing exposures within the MLFA with TASCORP and the covenants it has in place. Amounts maturing in 5+ years include principal and interest amounts to year 2046.

Interest rate sensitivity analysis

The impact to TasNetworks of a movement in interest rates is shown in the table below:

	Profit before tax	
	2026 \$'000	2025 \$'000
1.0% increase in interest rates	251	229
0.10% decrease in interest rates	(25)	(23)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

(c) Hedging

Forward Foreign Exchange Contracts

TasNetworks enters into forward foreign exchange contracts to manage the exchange rate risk on future vendor payments. These hedges of foreign exchange on firm commitments are accounted for as cash flow hedges.

Recognition and measurement

TasNetworks enters forward foreign exchange contracts on firm commitments.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gains or losses relating to ineffective portions are recognised immediately in profit or loss. Amounts deferred in equity are charged to the profit or loss as a classification adjustment in the statement of comprehensive income in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

C5. Notes to the consolidated statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and 11 am cash (investments), net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the balance sheet as follows:

	2026 \$'000	2026 \$'000
Cash at bank	5,603	3,582
	5,603	3,582

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

C Financing TasNetworks' business (continued)

(b) Reconciliation of net profit for the year to net cash flows from operating activities

	Note	2026 \$'000	2025 \$'000
Net profit for the year		42,948	8,208
Depreciation and amortisation of non-current assets	A2(b)	212,034	213,441
(Gain)/loss on sale of property, plant and equipment	A1(b)	(1,785)	(2,082)
Increase/(decrease) in tax equivalent liabilities		22,678	3,762
(Increase)/decrease in trade and other receivables		21,775	(24,328)
(Increase)/decrease in inventories		(2,554)	11,917
(Increase)/decrease in other assets		(30,915)	(10,405)
Increase/(decrease) in trade and other payables		12,868	4,125
Increase/(decrease) in provisions		12,970	(3,458)
Increase/(decrease) in employee benefits		(7,111)	2,788
Increase/(decrease) in contract liabilities		5,715	5,258
Net cash provided by operating activities		288,623	209,226

Recognition and measurement

Cash and cash equivalents are highly liquid cash investments with maturity less than three months and comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents are carried at face value of the amounts deposited. Under AASB9 cash and cash equivalents and trade and other receivables are classified as financial assets at amortised cost.

The cash and cash equivalents are held with bank and financial institution counterparties with credit ratings of AA-to AA+ based on Standard and Poor's ratings, and as such TasNetworks considers that its cash and cash equivalents have low credit risk.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

D TasNetworks' equity

This section provides information on TasNetworks' owners and the transactions with TasNetworks' owners.

D1. Retained earnings

Retained earnings comprises the transfer of net profit for the year and characterises the profit available for distribution as dividends in future years.

	Note	2026 \$'000	2025 \$'000
Balance at beginning of financial year		144,989	137,972
Net profit for the year		42,948	8,208
Superannuation actuarial prior period adjustment		(2,070)	-
Superannuation actuarial gains/(losses)	F2	13,787	(2,654)
Deferred tax effect on actuarial movement	A4(b)	(4,136)	796
Tax adjustment prior year – other items	A4(e)	-	(822)
Correction of a prior period error Fortytwo24 Pty Ltd ¹		(311)	(411)
Prior period elimination adjustment ²		(182)	1,900
Balance at end of financial year		195,025	144,989

1 Correction of a prior period error Fortytwo24 Pty Ltd:

The prior-period adjustments relate to the correction of two errors identified in subsidiary Fortytwo24. The first related to the premature recognition of revenue that should have been recorded as a contract liability and recognised as revenue as the related performance obligations are satisfied. The second related to the incorrect application of the equity method of accounting to downstream transactions with a joint venture, resulting in an overstatement of the Fortytwo24's share of the Virtual Twin Tas Pty Ltd (VTT's) profit or loss. Prior-period balances have been restated to correct the effects of these errors.

2 Prior period elimination adjustment:

The \$0.2m movement reflects the impact of prior year adjustments recognised by Fortytwo24. The related consolidation elimination entries have been corrected through retained earnings.

D2. Contributed equity

	2026 \$'000	2025 \$'000
Balance at beginning of financial year	153,424	62,724
Capital contributed by Owners*	30,630	90,700
Balance at end of financial year	184,054	153,424

* During 2025-26, the Department of Treasury and Finance paid the remaining \$12.8 million committed in relation to the sale of Marinus Link. The Tasmanian Government has also committed to contribute 16% (\$222.4 million) towards eligible North West Transmission Developments (NWTD) project costs. During 2025-26, TasNetworks received an equity contribution of \$17.8 million towards these costs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

D TasNetworks' equity (continued)

D3. Reserves

	Note	2026 \$'000	2025 \$'000
Reserves comprise:			
Asset Revaluation Reserve		1,279,648	1,197,657
Hedge Reserve		2,143	-
		1,281,791	1,197,657
Asset revaluation reserve			
Balance at beginning of financial year		1,197,657	1,151,383
Revaluation of assets during the year		117,130	66,105
Deferred tax liability arising on revaluation	A4(b)	(35,139)	(19,831)
Balance at end of financial year		1,279,648	1,197,657
Revaluation of assets during the year			
Revaluation of gross carrying value	B2	279,987	162,830
Revaluation of gross accumulated depreciation	B2	(162,857)	(96,725)
Net fair value movements on property, plant and equipment		117,130	66,105

The revaluation reserve comprises revaluation increments and decrements arising from property, plant and equipment, measured at fair value in accordance with applicable Australian Accounting Standards.

The reserve can be used to pay dividends only in limited circumstances.

The revaluation of assets movement during the year reflects the decrease in CPI from prior year.

The CPI movement for the year as at December (weighted average all cities) was 3.8% (2025: 2.4%).

	Note	2026 \$'000	2025 \$'000
Hedge reserve			
Balance at beginning of financial year		-	16
Gain/(loss) recognised in equity		3,062	(23)
Deferred tax asset arising on hedges	A4(b)	(919)	7
Balance at end of financial year		2,143	-

The hedging reserve represents hedging gains and losses recognised on the effective portion of hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

D TasNetworks' equity (continued)

D4. Issued capital

TasNetworks issued two \$1 fully paid ordinary shares which are held in trust for the Crown in Right of the State of Tasmania. One share was issued to each of the Treasurer and the Minister for Energy.

Each subsidiary has 100 fully paid \$1 shares issued, please refer to note H4 for group ownership interests.

E Other assets and liabilities

This section provides information on the other assets and liabilities of TasNetworks.

E1. Trade and other receivables

	2026 \$'000	2025 \$'000
Current:		
Trade receivables	59,120	56,993
Contract assets	5,332	8,859
Accrued income	8,976	14,992
Unbilled use of system (UoS) ¹	2,389	4,105
Expected credit loss	(331)	(457)
Total	75,486	84,492
Movement in the allowance for impairment of debts		
Balance at beginning of financial year	(457)	(784)
Impairment gain/(loss) recognised on receivables	(313)	176
Amounts written off as uncollectable	443	163
Previously written off amounts recovered	(4)	(12)
Balance at end of financial year	(331)	(457)
Ageing of trade receivables that were past due but not impaired		
Less than 30 days overdue	137	448
Between 31 and 60 days overdue	240	151
Between 61 and 90 days overdue	41	89
Greater than 90 days overdue	1,804	2,304
Total	2,222	2,992

¹ The decrease in unbilled use of system compared to the prior year is due to the ongoing rollout of smart meters.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

Recognition and measurement

Trade receivables and other receivables pertain to goods and services sold as part of operating activities and are initially recorded at fair value and thereafter amortised cost.

Bad debts are written off in the year in which they are identified. Debts written off may still be subject to enforcement activities under TasNetworks debt recovery procedures. Any recoveries made are recognised in the profit or loss.

Unbilled use of system is the accrual for the revenue TasNetworks expects to receive from retailers (note A1 – Key estimate).

Amounts relating to contract assets are balances due from customers under construction contracts for distribution network connections. Contract assets are reclassified to trade receivables once the offer is accepted and the work has been scheduled to proceed. Once a job is scheduled to proceed payment must be made prior to work commencement thus eliminating any credit losses.

Analysis of ageing and collectability

TasNetworks believes that amounts that are past due over and above the allowance for impairment by more than 30 days and not impaired are collectable in full, based on historical payment behaviour and analysis of customer credit risk, no interest is applied to overdue amounts.

Impairment of financial assets

An allowance for impairment is recognised annually utilising the Expected Credit Loss model. TasNetworks applies a simplified approach in calculating expected credit losses, and therefore as a result does not specifically track changes in credit risk, but instead recognise a loss allowance based on lifetime expected credit losses at each reporting date. TasNetworks has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors groupings and the economic environment.

The expected credit loss is estimated as the difference between contractual cash flows that are due to TasNetworks and all the cash flows TasNetworks expects to receive.

Key judgement Impairment of financial assets

TasNetworks uses judgement to assess how changes in economic factors and conditions will impact the expected credit losses which are determined on a probability-weighted basis as required under AASB 9.

Customers are grouped based on services provided including electricity retailers, transmission network customer, telecommunications customers and other customers. These groups are then assessed on their expected credit losses which remain very low for electricity customers, and low for telecommunication customers. The other customers which make up a small percentage of revenue are then assigned a weighted average loss rate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

Credit risk

The Credit Risk Management Policy establishes credit limits for parties depending on their credit rating. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents TasNetworks' maximum exposure to credit risk.

The majority of TasNetworks' credit risk is to Australian based banks, financial institutions, electricity generators, electricity retailers and customers. Apart from this TasNetworks does not have significant credit risk exposure to any single counterparty.

For the current financial year

	Current	Trade receivables days past due				Total
		Less than 30 days	More than 30 days	More than 60 days	More than 90 days	
Expected credit loss rate	0.05%	0.99%	4.82%	3.48%	3.05%	
Gross carrying amount \$'000	56,809	137	240	41	1,804	59,031
Lifetime expected credit loss \$'000	(28)	(6)	(58)	(2)	(237)	(331)

For the previous financial year

	Current	Trade receivables days past due				Total
		Less than 30 days	More than 30 days	More than 60 days	More than 90 days	
Expected credit loss rate	0.15%	1.11%	5.47%	3.11%	1.06%	
Gross carrying amount \$'000	54,001	448	151	89	2,304	56,993
Lifetime expected credit loss \$'000	(82)	(152)	(15)	(11)	(198)	(458)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

E2. Inventories

	Note	2026 \$'000	2025 \$'000
Inventory		41,015	38,363
Allowance for impairment on inventory		(455)	(396)
Inventory classed as property, plant and equipment	B2	(8,210)	(8,171)
Total		32,350	29,796
Movement in the allowance for impairment of inventory			
Balance at beginning of financial year		(396)	(389)
Impairment gain/(loss) provided for		195	98
Inventory written off during the year		(254)	(105)
Balance at end of financial year		(455)	(396)

Recognition and measurement

Inventories are carried at the lower of cost or net realisable value, with an allowance being maintained for loss on disposal of surplus and obsolete stock.

The cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of the stores. Inventories are not held for the purpose of resale and are used primarily in the maintenance and construction of the distribution, transmission and telecommunication networks.

Costs are assigned to inventory using the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. Inventory is valued at net realisable value where it has been determined that inventory is surplus to requirements. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Items that are held in Inventory are assessed annually. Where items have a purchase price of \$500 or more and have been held for more than 12 months in inventory are transferred to property, plant and equipment (note B2).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

E3. Other assets

	2026 \$'000	2025 \$'000
Current:		
Prepayments	12,414	8,761
Other	-	60
	12,414	8,821
Non-current:		
Prepayments	2,708	3,277
Loan advances*	1,000	1,000
	3,708	4,277
Total	16,122	13,098

*On 30 May 2022, a loan agreement was established between Fortytwo24 and Fortytwo24's 50% owned joint venture (Virtual Twin TAS Pty Ltd). This agreement provided access to a loan facility whereby Virtual Twin TAS could utilise borrowings of up to \$1 million from Fortytwo24. The full amount was drawn down as of the end of 2023-24 financial year and a loan advance asset was recognised in the statement of financial position.

E4. Provisions

	2026 \$'000	2025 \$'000
Payroll provision		
Opening balance	1,311	1,749
Provision increase/(decrease) during the year	1,800	1,311
Provision used during the year	(1,311)	(1,749)
Closing balance	1,800	1,311
Total	1,800	1,311
Shown as:		
Current provisions	1,800	1,311
Non-current provisions	-	-
Total	1,800	1,311

Recognition and measurement

Provisions are recognised when TasNetworks has a present obligation (legal or constructive) as a result of a past event, it is probable that TasNetworks will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

Recognition and measurement (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Payroll provision

The amount represents the liability for employee remuneration and associated employment on-costs earned by employees between the last payroll processing date and the reporting date. The balance reflects services received but not yet paid and is expected to be settled within the next payroll cycle. A restructuring provision of \$0.2m has been recognised as general recognition criteria provisions have been fulfilled. TasNetworks has provided for restructuring costs where a detailed formal plan is in place about the part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the people affected have a valid expectation that the restructuring is being carried out.

E5. Trade and other payables

	2026 \$'000	2025 \$'000
Current:		
Trade payables	24,638	13,965
Accrued payables	16,913	16,643
Accrued expenses	4,024	2,519
GST payable / (receivable)	1,358	1,984
Accrued interest	41,611	39,697
Other payables	1	-
Total	88,545	74,808

Recognition and measurement

Trade payables and other accounts payable, including accruals for services not yet billed, are recognised when obligations to make future payments have occurred for goods received or services provided. Due to their short-term nature they are not discounted.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

E Other assets and liabilities (continued)

E6. Contract liabilities

Note	2026 \$'000	2025 \$'000
Arising from connections to the transmission network	28,373	29,916
Arising from connections to the telecommunications network	1,494	1,807
Arising from connections to the distribution network	30,065	26,655
Arising from other services provided	9,302	5,141
Total	69,234	63,519
Shown as:		
Current contract liabilities	28,602	28,051
Non-current contract liabilities	40,632	35,468
Total	69,234	63,519

Recognition and measurement Contract liabilities

Contract liabilities relate to revenue received in advance arising from connections to the transmission and telecommunications networks are predominantly regulated and unregulated services revenue that have been received from customers for a long term connection to TasNetworks' assets. The full connection charges are recognised as a contract liability at inception of the contract and allocated to revenue over the life of the agreement to which it pertains (note A1).

Contract liabilities relate to revenue received in advance arising from connections to the distribution network. A contract liability is recognised when funds are received which is prior to construction commencement, this income is recognised as revenue at the point in time when the connection is completed and the performance obligation has been met.

Contract liabilities arising from other services provided is received in advance and recognised as revenue upon completion of the service.

The following table shows how much of the revenue recognised in the current reporting period that relates to the contract liability balance at the start of the year.

	2026 \$'000	2025 \$'000
Amounts from connections to the transmission network	1,543	1,225
Amounts from connections to the telecommunications network	313	751
Amounts from connections to the distribution network	(3,410)	(4,922)
Amounts from other services provided	(3,667)	(2,805)
Total	(5,221)	(5,751)

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people

This section provides information relating to a range of employment and post employment benefits provided to TasNetworks' people, as well as information on the key management personnel of TasNetworks.

F1. Employee benefits

	Note	2026 \$'000	2025 \$'000
Current:			
Annual leave		15,751	14,167
Long service leave		14,517	14,048
Defined benefits superannuation	F2	9,646	8,397
Other employee benefits		6,866	5,952
		46,780	42,564
Non-current:			
Long service leave		3,738	2,246
Defined benefits superannuation	F2	128,605	141,703
Other employee benefits		677	395
		133,020	144,344
Total		179,800	186,908

Recognition and measurement

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably. The provision represents the amount that TasNetworks has an obligation to pay resulting from employees' services provided up to the balance date.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future cash outflows to be made by TasNetworks in respect of services provided by employees up to reporting date. These amounts are discounted to determine their present value.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Salaries, annual and long service leave

Annual leave and long service leave provisions are classified as current where the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. This does not imply that there is an expectation that the current provision will be paid out within the next twelve months.

Movements to these provisions are included in the cost of labour and charged directly to capital jobs or cost centres, and correspondingly, the provisions absorb the cost when employees utilise their benefits.

Key estimates Long service leave

The long service leave provision requires management judgement of the key assumptions including:

- future increases in salaries and wages;
- future on-cost rates;
- experience of employee departures and periods of service; and
- application of an appropriate discount rate where liabilities are more than 12 months due.

Termination payments

Termination payments are calculated in accordance with the relevant employee agreements. Provisions are made when it is probable that settlement will be required and they are capable of being measured reliably.

Sick leave

No provision for sick leave is allowed for in the financial statements as sick leave is non-vesting and employee benefits only exist when employees become sick.

Defined contribution superannuation plans

TasNetworks makes contributions for employees to an accumulation superannuation plan in accordance with the *Commonwealth's Superannuation Guarantee (Administration) Act 1992*. Contributions are expensed when incurred.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Defined benefit superannuation plans

The balance of employees are provided with superannuation benefits through a defined benefit superannuation scheme.

For defined benefit superannuation plans the cost of providing benefits is determined using the projected unit credit method with actuarial valuation being carried out at that end of each reporting period (see note F2).

Remeasurements comprising actuarial gains and losses, and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a change or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified.

Past service cost is recognised in the profit or loss when the plan amendment or curtailment occurs, or when TasNetworks recognises related restructuring costs or termination benefits if earlier. Gains or losses on a settlement of a defined benefit plan is recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are split into three categories:

- Service costs which include current and past service costs as well as gains and losses on curtailments and settlements.
- Net interest expense or income
- Remeasurements

Service costs are recognised in the statement of financial position as an employee benefit expense (note A2(c)). Net interest is recognised within finance costs (note A3).

The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, net of the fair value of the plan's assets. The net assets, operating costs and investment returns of the Fund are allocated to TasNetworks based on the percentage of funded past service liabilities for TasNetworks compared to the funded past service liabilities for the whole of government. Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

F2. Defined benefit superannuation plan

The Retirement Benefits Fund (RBF) is a defined benefit fund that pays lump sum benefits on resignation and lump sum or pension benefits to members upon retirement, death or invalidity, or upon reaching preservation age after resignation (which are calculated as a multiple of the members' final average salaries). The RBF has contributory members, compulsory preserved members and pensioners. The defined benefit section of RBF is closed to new members.

TasNetworks employees who joined the Tasmanian public sector, Hydro Electric Commission (subsequently Hydro Electric Corporation) (Hydro Tasmania) or one of TasNetworks' antecedent businesses Transend Networks or Aurora Energy prior to 1 July 1999 may be members of the defined benefit fund. All other employees are provided with superannuation benefits through accumulation schemes for which TasNetworks meets its employer obligations by periodic contributions. Consequently, TasNetworks does not carry any liability for superannuation in relation to all post 1 July 1999 employees.

The Scheme operates under the *Public Sector Superannuation Reform Act 2016* and the Public Sector Superannuation Reform Regulations 2017 (as amended from time to time).

Although the Scheme is not formally subject to the Superannuation Industry Supervision (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the Scheme in accordance with the spirit of the SIS legislation, as far as practicable.

As an exempt public sector superannuation scheme (as defined in the SIS legislation), the Scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* such that the fund's taxable income is taxed at a concessional rate of 15%. However RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the Tasmanian Government and RBF elects) up to the amount of "untaxed" benefits paid to members in the year.

The Superannuation Commission (the Commission) has fiduciary responsibility for, and oversees the administration of, the Scheme. The day to day running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Defined benefit superannuation risks

There are a number of risks to which the Scheme exposes TasNetworks. The more significant risks relating the defined benefits are:

- Investment risk – The risk that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.
- Salary growth risk – The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.
- Inflation risk – The risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.
- Benefit options risk – The risk that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.
- Pensioner mortality risk – The risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period.
- Legislative risk – The risk that legislative changes could be made which increase the cost of providing the defined benefits.

Significant events

There were no Scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

Key assumptions Defined benefit superannuation plan

The actuarial assessment and key assumptions that have been used in determining this are as per the State Actuary's (Mercer) report, dated 13 July 2026 and are set out below:

Assumptions to determine defined benefit cost and start of year defined benefit obligation	2026	2025
	%	%
Discount rate (active members)	5.40	5.55
Discount rate (pensioners)	5.40	5.55
Expected rate of increase of compulsory preserved amounts	3.50	3.50
Expected salary increase rate	3.50	3.50
Expected pension increase rate	2.50	3.00
Assumptions to determined and of year defined benefits obligations		
Discount rate (active members)	5.85	5.40
Discount rate (pensioners)	5.85	5.40
Expected rate of increase of compulsory preserved amounts	3.50	3.50
Expected salary increase rate	3.50	3.50
Expected pension increase rate	3.50	3.00

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Fair value of Scheme assets

	30 June 2026		
	Significant observable inputs – Level 2	Unobservable inputs – Level 3	Total
	\$'000	\$'000	\$'000
Cash deposits	237	-	237
Australian equities	11,437	-	11,437
International equities	12,481	-	12,481
Infrastructure	-	5,790	5,790
Diversified fixed interest	12,244	-	12,244
Property	-	5,268	5,268
Alternative investments	-	-	-
Total	36,399	11,058	47,457

	30 June 2025*		
	Significant observable inputs – Level 2	Unobservable inputs – Level 3	Total
	\$'000	\$'000	\$'000
Cash deposits	1,435	-	1,435
Australian equities	9,738	-	9,738
International equities	10,738	-	10,738
Infrastructure	-	5,304	5,304
Diversified fixed interest	11,347	-	11,347
Property	-	4,913	4,913
Total	33,258	10,217	43,475

* Estimated based on assets allocated to TasNetworks as at 30 June 2026 and asset allocation of the RBF Scheme as at 30 June 2025.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Fair value of own financial instruments

The fair value of Scheme assets includes no amounts relating to:

- any of TasNetworks' own financial instruments; and
- any property occupied by, or other assets used by TasNetworks.

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of each reporting entity's funded liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, we have used the Government Bond yield of 4.55%, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

Amounts included in the balance sheet arising from TasNetworks' obligation in respect of its defined benefit plan

	Note	2026 \$'000	2025 \$'000
Present value of obligations at beginning of financial year		185,708	196,890
Total defined benefit liability		185,708	196,890
RBF contributory scheme assets		47,457	43,475
Net liability at end of financial year		138,251	153,415
Movements in net liabilities			
Net liability at beginning of financial year		152,171	153,838
Expense recognised in profit or loss	A2(c)	9,028	9,352
Other comprehensive income recognised		(13,787)	2,654
Employer contributions paid by TasNetworks		(9,161)	(12,096)
Net liability at end of financial year		138,251	153,748

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

	Note	2026 \$'000	2025 \$'000
Current net liability	F1	9,646	8,397
Non-current net liability	F1	128,605	141,703
Total		138,251	150,100
Expenses recognised in profit or loss			
Employer service cost		978	1,148
Net interest cost	A3	8,050	8,204
Expense recognised in profit or loss		9,028	9,352
Other comprehensive income recognised			
Superannuation actuarial (gains)/losses	D1	(13,787)	2,654
Other comprehensive income recognised		(13,787)	2,654

Employee benefits expense is included in the operating expenses line item of the statement of profit or loss and the superannuation actuarial gains/(losses) line item in the statement of comprehensive income. Interest costs are included within finance costs. Employer contributions of \$12.096m (2025: \$7.619m) reflects the amount paid by TasNetworks.

	2026 \$'000	2025 \$'000
Fair value of Scheme assets		
Fair value of plan assets at beginning of financial year	43,475	40,054
Interest Income	2,207	2,158
Actual return /(diminution) on plan assets less interest income	4,521	4,914
Employer contributions received	9,161	12,096
Contributions by plan participants	552	578
Benefits paid	(12,439)	(16,303)
Taxes, premiums and expenses paid	(20)	(22)
Fair value of plan assets at end of financial year	47,457	43,475

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

	2026 \$'000	2025 \$'000
Defined benefit obligations		
Present value of obligation at beginning of financial year	195,646	193,559
Employer service costs	978	1,148
Interest costs	10,257	10,362
Contributions by plan participants	552	578
Benefits paid	(12,439)	(16,303)
Taxes, premiums and expenses paid	(20)	(22)
Expected defined benefit obligation at year end	194,974	189,322
Actuarial (gain)/loss arising from changes in demographic assumptions	(2,397)	-
Actuarial (gain)/loss arising from changes in financial assumptions	(6,908)	2,972
Actuarial (gain)/loss arising from liability experience	39	4,596
Present value of defined benefit obligation at end of financial year	185,708	196,890

Effect of the asset ceiling

The asset ceiling has no impact on the net defined benefit liability.

Sensitivity analysis

The defined benefit obligation as at 30 June 2026 under several scenarios is presented below.

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected pension increase rate sensitivity.

	Base Case	Scenario A -1% pa discount rate	Scenario B +1% pa discount rate	Scenario C -1% pa pension rate	Scenario D +1% pa pension rate
Discount rate	5.85%	4.85%	6.85%	5.85%	5.85%
Pension increase rate	2.50%	2.50%	2.50%	1.50%	3.50%
Defined benefit obligation (\$'000)	186	205	170	172	202

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

The pension increase assumptions in the above table are long term pension increase assumptions. Higher rates are assumed for the next two years. In scenarios C and D, both the short and long term assumptions have been adjusted.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Asset-liability matching strategies

TasNetworks is not aware of any asset and liability matching strategies adopted by the Fund.

Funding arrangements

TasNetworks contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Treasurer on the advice of the Actuary.

Expected contributions

TasNetworks expects to pay employer contributions for the year ended 30 June 2027 of \$9.646m (2026: \$8.397m).

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for TasNetworks is 11.0 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

F3. Key Management Personnel compensation

The aggregate compensation to key management personnel of TasNetworks is set out below:

	Director Remuneration		Executive Remuneration		Consolidated	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Benefits paid						
Short-term employee benefits	401	371	2,933	2,444	3,334	2,815
Post-employment benefits	50	42	255	223	305	265
Other long-term employment benefits	-	-	85	(52)	85	(52)
Other non-monetary benefits*	-	-	-	36	-	36
Termination Benefits	-	-	29	946	29	946
Total	451	413	3,302	3,597	3,753	4,010

* Other monetary benefits includes reimbursements of relocation costs.

For Director remuneration, short-term employment benefits include Director fees, Committee fees and other benefits. Post employment benefits represent superannuation contributions.

For Executive remuneration, short-term employment benefits include salary, short-term incentive payments, other monetary benefits, vehicle benefits, and other non-monetary benefits. Post employment benefits represent superannuation contributions and other long-term employee benefits represent leave movements. Termination benefits are as provided for below.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Remuneration for the Board of Directors

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial year:

2026 Director Remuneration¹

Name Non-Executive Directors	Position	Period	Director Fees \$'000	Committee Fees \$'000	Superannuation ² \$'000	Total \$'000
Mr R Gill	Chairperson / Director	Full term	121	-	15	136
Mr K Kehl	Director	Full term	56	-	7	63
Ms K Schaefer	Director	Full term	56	-	7	63
Ms C Hopkins	Director	Full term	56	-	7	63
Dr N Fleming	Director	Full term	56	-	7	63
Mrs N Walsh	Director	Full term	56	-	7	63
Total			401	-	50	451

2025 Director Remuneration¹

Name Non-Executive Directors	Position	Period	Director Fees \$'000	Committee Fees \$'000	Superannuation ² \$'000	Total \$'000
Mr R Gill	Chairperson / Director	Full term	121	-	14	135
Dr J Beeby	Director	To 26/07/24	4	-	1	5
Mr K Kehl	Director	Full term	56	-	6	62
Ms K Schaefer	Director	Full term	56	-	6	62
Ms C Hopkins	Director	Full term	56	-	6	62
Dr N Fleming	Director	From 24/07/24	53	-	6	59
Mrs N Walsh	Director	From 16/01/25	25	-	3	28
Total			371	-	42	413

1 Amounts are all forms of consideration paid, payable or provided by TasNetworks.

2 Superannuation means the contribution to the superannuation fund of the individual, including accrued superannuation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Board remuneration notes and statements Non-Executive Directors

Non-executive directors are appointed by the Shareholding Ministers following Cabinet approval. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed in accordance with the relevant Guidelines for Tasmanian Government Businesses – Board Appointments. The level of fees paid to non-executive Directors is administered by the Department of Premier and Cabinet, as is additional fees paid in respect of their work on Board committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to Directors. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

2026 Executive Remuneration

The following tables disclose the remuneration details for each person that acted as key management personnel during the current and previous financial years:

Name	Position	Position	Salary ¹ \$'000	Short-Term Incentive Payments ² \$'000	Other Monetary Benefits ³ \$'000	Vehicle Benefits ⁴ \$'000	Other Non- Monetary Benefits ⁵ \$'000	Superannuation ⁶ \$'000	Reported Remuneration ⁷ \$'000	Other Long- Term Benefits ⁸ \$'000	Termination Benefits ⁹ \$'000	Total \$'000
Mr S Mc Goldrick	Chief Executive Officer	To 26/06/2026	479	-	-	-	-	30	509	(59)	29	479
Mr A Davis	Executive Digital, Strategy & Customer	Full Year	342	-	-	-	-	30	372	18	-	390
Mr K McGrath	Executive Operations	Full Year	380	-	-	-	-	30	410	34	-	444
Mr M Westenberg	Executive Finance & Regulation	Full Year	310	-	-	-	-	30	340	1	-	341
Mrs R Anderson	Executive People & Stakeholder	To 12/04/2026	244	-	-	-	-	24	268	(10)	-	258
Ms C Hopwood	Executive Governance	From 15/08/2025	261	-	-	-	-	27	288	6	-	294
Mr R Daley	Leader Fortytwo24	Full Year	240	34	-	18	-	35	327	7	-	334
Mr R Sheather	Project Director North West Transmission Developments	From 01/09/2025	392	-	-	-	-	25	417	27	-	444
Total			2,648	34	-	18	-	231	2,931	24	29	2,984
Acting arrangements												
Ms C Hopwood	Acting Executive Governance	To 14/08/2025 From 29/09/2025	26	-	-	-	-	3	29	2	-	31
Ms J Tuffrey	Acting Executive People	To 10/11/2025 From 13/04/2026	36	-	-	-	-	5	41	15	-	56
Mrs R Anderson	Deputy Chief Executive Officer / Acting Chief Executive Officer	To 26/06/2026 From 27/06/2026 To 30/06/2026	85	-	-	-	-	7	92	30	-	122
Ms J Tuffrey	Acting Executive People	From 13/04/2026	65	-	-	-	-	7	72	11	-	83
Mrs L Post	Acting Executive Digital Strategy and Customer	From 2/06/2026	21	-	-	-	-	2	23	3	-	26
Sub-total			223	-	-	-	-	24	257	61	-	318
Total			2,881	34	-	18	-	255	3,188	85	29	3,302

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

2025 Executive Remuneration

			Salary ¹	Short-Term Incentive Payments ²	Other Monetary Benefits ³	Vehicle Benefits ⁴	Other Non-Monetary Benefits ⁵	Superannuation ⁶	Reported Remuneration ⁷	Other Long-Term Benefits ⁸	Termination Benefits ⁹	Total
Name	Position	Position	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mr S Mc Goldrick	Chief Executive Officer	Full Year	480	-	-	-	-	30	510	26	-	536
Mr A Davis	Executive Digital, Strategy & Customer	Full Year	340	-	-	-	-	30	370	4	-	374
Mr R Burridge AM	Executive Operations	To 1/07/2024	1	-	-	-	-	-	1	(133)	844	712
Mr K McGrath	Executive Operations	Full Year	380	-	-	-	-	30	410	20	-	430
Mr M Westenberg	Executive Finance & Regulation	Full Year	308	-	-	-	-	30	338	10	-	348
Mrs R Anderson	Executive People & Transformation / Executive People & Stakeholder	To 17/10/2024 From 18/10/2024	308	-	-	-	11	30	349	23	-	372
Mr P Stuckey	Executive Governance	To 14/03/2025	226	-	-	-	25	29	280	(28)	102	354
Mr R Daley	Leader Fortytwo24	Full Year	220	34	-	17	-	30	301	6	-	307
Total			2,263	34	-	17	36	209	2,559	(72)	946	3,433
Acting arrangements												
Mr J Cunningham	Acting Executive Digital, Strategy & Customer	From 1/07/2024 to 31/07/2024	24	-	-	-	-	3	27	9	-	36
Ms C Hopwood	Acting Executive Governance	From 17/02/2025	106	-	-	-	-	11	117	11	-	128
Sub-total			130	-	-	-	-	14	144	20	-	164
Total			2,393	34	-	17	36	223	2,703	(52)	946	3,597

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Key management personnel services provided by separate entities

No director or executive has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' or executives' interests subsisting at year end.

Executive remuneration notes and statements

Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis and includes all accrued benefits at 30 June.

- 1 Salary includes all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis and includes all accrued benefits at 30 June.
- 2 Short-term incentive payments are non-recurrent amounts paid or payable which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15 per cent of salary as per the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration (Revised June 2021)*.
- 3 Other monetary benefits include additional Superannuation Contributions.
- 4 Vehicle Benefits includes motor vehicle allowances, the personal use component of the total cost of providing and maintaining a vehicle for an executive's use, calculated using the FBT taxable value of the personal use component for the financial year plus the FBT payable.
- 5 Other non-monetary benefits includes medical care, housing, free or subsidised goods or services and reportable fringe benefits.
- 6 Superannuation means the contribution paid or payable to the superannuation fund of the individual, measured as follows:
 - for individuals in an accumulation superannuation scheme, the amount of superannuation contributions paid and accrued
 - for individuals in a defined benefits superannuation scheme, superannuation includes the relevant notional employer contributions calculated using a notional cost based on 12.95%.
- 7 Reported Remuneration includes the individual's salary, short term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purposes of assessing compliance with the Guidelines, Other long-term employee benefits and termination benefits are not included in the Reported Remuneration amount.
- 8 Other long-term benefits include movements in annual leave accruals and long service leave provisions. Long service leave is only recognised in this report once 10 years of service has been obtained and it is required to be paid.
- 9 Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements paid out on termination.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Executive Remuneration

The remuneration and salary review structure takes into account the capability and experience of the relevant Executive and the achievement of measurable organisational and individual goals.

Remuneration levels for future key management personnel will be set in accordance with the Director and Executive Remuneration Guidelines, (revised version dated June 2021). Under these Guidelines, remuneration bands for Chief Executive Officers (CEOs) are approved by the Treasurer, and are developed taking into consideration the principles outlined in the Guidelines, including the legal, regulatory and industrial environment, shareholder and community expectations and remuneration of the State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the remuneration band of the CEO. The appointment and setting of the initial remuneration for TasNetworks' former CEO and some of the existing Executive team predates the June 2014 Shareholder Direction to comply with the guidelines.

The CEO is appointed by the Board. Any proposed remuneration package above the approved remuneration band or terms of employment inconsistent with the Guidelines, must be approved by the Treasurer.

The employment terms and conditions of senior executives are contained in individual employment contracts, which prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, TasNetworks also provides non-monetary benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executive or the Board to provide a minimum notice period of up to 6 months prior to termination of the contract. CEO contracts for GBEs include a set term consistent with the requirements of the *Government Business Enterprises Act 1995*. Whilst not automatic, contracts can be extended.

No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

Short-term incentive payments

The Board sets fixed performance targets with goals and indicators aligned to the creation of value for employees of Fortytwo24. Short-term incentive payments awarded during the current year included:

Mr R Daley was awarded a short-term incentive payment of \$34K for exceeding performance benchmarks relating to 2024-25 financial year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

Termination benefits

Termination payments during the current year included:

Dr S McGoldrick ceased employment effective 26 June 2026 and was paid the balance of his accrued annual leave entitlements of \$28,971.

Acting arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

During the current financial year the following acting arrangements were in place:

During a period of leave for Mr A Davis, Ms L Post performed the duties of the Executive Digital, Strategy & Customer.

During a period of leave for Ms R Anderson and subsequently while Ms R Anderson acted in the role of Chief Executive Officer, Ms J Turfrey performed the duties of the Executive People. During the recruitment process for the Executive Governance position, Ms C Hopwood performed the duties of the Executive Governance.

During the leadership transition and following the departure of Dr S McGoldrick, Ms R Anderson performed the duties of the Chief Executive Officer.

Statement of compliance

TasNetworks has complied with the Government's Director and Executive Remuneration Guidelines for the year ended 30 June 2026.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

F TasNetworks' people (continued)

F4. Related party disclosures

For all Tasmanian Government businesses, related parties are considered to include:

- a subsidiary or joint venture;
- key management personnel or close family members of key management personnel;
- Ministers or close family members of Ministers;
- any entities controlled or jointly controlled by Ministers or their close family members; and
- any entities controlled or jointly controlled by key management personnel or their close family members.

Equity interest in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note H3 to the financial statements.

Key management personnel compensation

Details of key management personnel compensation are disclosed in note F3 to the financial statements.

Transactions with key management personnel and related parties

Some key management persons, or their related parties, transacted with TasNetworks in the reporting period as residents or owners of properties to which TasNetworks provides network services. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel.

Apart from the details disclosed in note F3, no director or executive has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' or executives' interests subsisting at year end.

Balances and transactions between TasNetworks and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

There are no other material related party transactions requiring disclosure in accordance with the Tasmanian Government Business Guideline.

Controlling entity

The shares of the parent entity of Tasmanian Networks Pty Ltd are held in trust for the Crown in Right of the State of Tasmania.

The group transmits and distributes electricity and provides telecommunication services and undertakes other transactions with government entities on an arm's length basis in the normal course of business and on commercial terms and conditions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

G Commitments

This section contains information about the commitments TasNetworks has made.

G1. Leases

Leases as lessee

TasNetworks leases communication sites, land and some office space and equipment under various leases (note B3).

(a) Amounts recognised in the profit or loss

	2026 \$'000	2025 \$'000
Interest on lease liability	(234)	(254)
Amortisation of lease assets	(809)	(831)
Expenses relating to short-term leases	(27)	(21)
Expenses relating to low value assets	(19)	(21)
Total	(1,089)	(1,127)

(b) Amounts recognised in the statement of cash flows

	2026 \$'000	2025 \$'000
Total cash outflow for leases	(718)	(45)

(c) Extension options

Some leases include extension options that TasNetworks can exercise up to one year before the end of the initial lease term. Where practicable, TasNetworks assesses at the commencement of the lease whether it is reasonably certain that these options will be exercised. This assessment is revisited if a significant event or substantial change in circumstances occurs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

G Commitments (continued)

Operating leases as lessor

TasNetworks leases out part of its business premises, transmission system assets and distribution power poles under operating leases.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2026 \$'000	2025 \$'000
Less than 1 year	3,907	3,994
1 to 2 years	3,868	3,841
2 to 3 years	3,704	3,766
3 to 4 years	3,855	3,738
4 to 5 years	3,921	3,891
More than five years	28,659	31,308
Total	47,914	50,538

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

G Commitments (continued)

Recognition and measurement

Operating lease payments are recognised as expenses on a straight-line basis as this reflects the pattern in which economic benefits of the leased assets are consumed.

G2. Commitments for expenditure

	2026 \$'000	2025 \$'000
Property, plant and equipment		
Within one year	134,328	101,914
One year or later and no later than five years	65,643	47,579
Greater than five years	3,538	6,312
Total	203,509	155,805
Operating expenditure commitments*		
Within one year	64,399	78,037
One year or later and no later than five years	22,470	20,334
Greater than five years	24	43
Total	86,893	98,414

* Other expenses (excluding leases disclosed in note G1) relate predominately to asset maintenance services.

G3. Contingent liabilities and contingent assets

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Contingent assets Community Batteries

In December 2024, following a tender process, TasNetworks contracted with Exide Technologies (Exide) to purchase six Battery Energy Storage Systems (Batteries), intending to connect them to the distribution network for use as community batteries. Issues with the specifications of the Batteries have arisen and following extensive discussions with Exide, TasNetworks terminated the contract. Negotiations were unfruitful, and TasNetworks has initiated proceedings in the Federal Court.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

G Commitments (continued)

Contingent liabilities

At the time of publication of these accounts there were no contingent claims related to property loss, where TasNetworks is the defendant, personal injury (with the exception of claims by employees for personal injuries related to legacy herbicide exposure as mentioned below), contractual and other matters with TasNetworks (2025: nil). The directors are of the opinion that no provision for a liability is required.

TasNetworks has completed its investigation of a legacy herbicide exposure attributable to former Hydro Electric Commission (Hydro) employees spraying vegetation dating back to the 1960-70's. The possible exposure passed to TasNetworks under the respective transfer notices for business restructuring in 1998 (from Hydro to Transend Networks Pty Ltd) and 2014 (from Transend Networks Pty Ltd) respectively. The Claims Settlement Protocol and a Quantum Framework had a sunset date of 31 December 2025 after which no claims may be lodged. One claim was lodged prior to the sunset date, which TasNetworks is assessing. If the assessment, including medical, concludes that TasNetworks is liable to pay compensation, an appropriate quantum will be determined in accordance with Quantum Framework.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information

This section includes additional information that is required by either accounting standards or Guidelines for Tasmanian Government Businesses.

H1. Auditor's remuneration

	2026	2025
	\$	\$
Amounts received, or due and receivable:		
Audit of Financial Statements for the Group	300,700	299,500
Audit of Regulatory Annual Information Order*	278,250	269,849
Audit for Sustainability Assurance Strategy	75,000	-
	653,950	569,349

* The Regulatory Annual Information Order is a mandatory annual data collection issued by the Australian Energy Regulator to all distribution and transmission network businesses.

H2. Overseas travel

All International travel must be approved by the TasNetworks Board in accordance with the Guidelines for Tasmanian Government Businesses – Overseas Travel. Overseas travel is approved based on key business activities and the expected outcomes and benefits to be achieved.

During the financial year 2025-26, seven employees undertook three overseas trips, costing \$136,751 (2025: \$113,504).

The main purposes of the trips were to:

- Attend insurance presentation roadshows in London, United Kingdom as part of strategic sourcing to secure annual Insurance portfolio requirements across global providers.
- Attend the CFPE tower manufacturing facility, to witness tower prototyping and approve for manufacture, in Suzhou, China as part of strategic sourcing and quality process.
- Attend the GE Vernova manufacturing facility, to inspect manufacturing facilities and witness factory acceptance testing of 220kV circuit breakers in Suzhou, China as part of strategic sourcing and quality process.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H3. Returns to Government

During the year the following payments were made to the Tasmanian Government*

	2026 \$'000	2025 \$'000
Income Tax Equivalents paid	20,443	15,253
Government guarantee fees paid	13,838	11,454
Dividends paid	-	-
	34,281	26,707

*Returns to Government are measured in cash payments made during the financial year.

A total of \$29,955,722 Income Tax Equivalents instalments were paid in the financial year 2025-26, \$9,512,494 of which were in the form of credit utilisation arising from the 2024-25 NTER tax return and \$20,443,228 was paid via cash.

H4. Controlled entities

The consolidated financial statements are prepared by combining the financial statements of all entities that comprise the Group, being the company (the parent entity) and its controlled entities. Controlled entities are all those entities over which the parent entity has the power to govern the financial and operating policies so as to obtain benefits from their activities. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control that entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group, are eliminated in full.

Reference to TasNetworks in these financial statements is referring to the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H4. Controlled entities (continued)

Name of entity	Footnote	Country of incorporation	Ownership interest	
			2026 %	2025 %
<i>Parent entity</i>				
Tasmanian Networks Pty Ltd		Australia		
<i>Subsidiaries</i>				
TasNetworks Holdings Pty Ltd	1	Australia	100	100
Fortytwo24 Pty Ltd*	2	Australia	100	100
TasNet Connections Pty Ltd*		Australia	-	100

*Fortytwo24 Pty Ltd is 100% owned subsidiary of TasNetworks Holdings Pty Ltd. TasNet Connections Pty Ltd was 100% owned subsidiary of TasNetworks Holdings Pty Ltd until 14 January 2026 when it was wound up.

Footnotes

1 TasNetworks Holdings Pty Ltd was incorporated on 24 May 2018.

2 Fortytwo24 Pty Ltd was incorporated on 14 February 2006.

Recognition and measurement

When TasNetworks loses control of a subsidiary, the gain or loss on disposal recognised in the profit or loss is calculated as the difference between (i) the aggregate fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as cost on initial recognition of an investment in an associate or joint venture.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H5. Interest in associates and joint ventures

Details of TasNetworks' joint venture as at the end of the reporting periods are disclosed in the table below, summarised financial information of the joint venture is set out in note B4.

		Consolidated		Parent	
		Share Ownership 2026 %	Joint Venture voting rights 2025 %	Share Ownership 2026 %	Joint Venture voting rights 2025 %
<i>Joint Venture</i>	<i>Principal activity</i>				
Virtual Twin TAS Pty Ltd*	Provide a digital twin of Tasmania	50	50	50	50

*Virtual Twin TAS Pty Ltd was incorporated on 18 May 2022.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting.

When a Group entity transacts with a joint venture of TasNetworks, profits and losses resulting from the transactions with the joint venture are recognised in TasNetworks' financial statements only to the extent of interests in the joint venture that are not related to the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

	Virtual Twin Tas Pty Ltd	
	2026	2025
	\$'000	\$'000
Summarised statement of financial position		
Current assets	3,455	2,235
Non-current assets	8,748	7,931
Total Assets	12,203	10,166
Current liabilities	5,055	2,747
Non-current liabilities	713	1,433
Total liabilities	5,768	4,180
Net assets/(liabilities)	6,435	5,986
TasNetworks share of net assets/(liabilities) (50%)	3,218	2,993
Summarised statement of profit or loss and other comprehensive income		
Total revenue	3,430	2,846
Total expenses	(2,694)	(1,862)
Income tax expense	(287)	(355)
Profit/(loss) after tax	449	629
Elimination of Fortytwo24 intercompany transactions	(56)	31
Elimination of TasNetworks' intercompany transactions	(648)	(990)
Total comprehensive income/(loss) for the year	(255)	(330)
TasNetworks share of total income/(loss) for the year (50%)	(128)	(165)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H6. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2026, the parent entity of the Group was Tasmanian Networks Pty Ltd.

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

	Parent	
	2026 \$'000	2025 \$'000
Result of parent entity		
Profit/(Loss) for the year	41,392	6,076
Other comprehensive income for the year	91,222	45,067
Total comprehensive income for the year	132,614	51,143
Financial position of parent entity at year end		
Current assets	118,325	131,721
Intercompany receivable	(20)	(20)
Non-current assets	4,525,323	4,261,552
Total assets	4,643,628	4,393,253
Current liabilities	399,168	453,629
Non-current liabilities	2,590,725	2,449,626
Total liabilities	2,989,893	2,903,255
Net assets	1,653,735	1,489,998
Total equity of the parent entity comprising of:		
Retained earnings	187,889	138,917
Contributed equity	184,054	153,424
Reserves	1,281,792	1,197,657
Total equity	1,653,735	1,489,998

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

Parent entity notes

Contingent liabilities of the parent entity are set out in note G3 and are the same for the consolidated entity. Capital commitments for the acquisition of property plant and equipment for the parent are as below:

Capital expenditure commitments	2026	2025
Property, plant and equipment	\$'000	\$'000
Within one year	134,328	101,914
One year or later and no later than five years	65,643	47,579
Greater than five years	3,538	6,312
Total	203,509	155,805

H7. Subsequent events

Dividends

Subsequent to the end of the financial year, the Board recommended the payment of a dividend of \$27.52m (2025: nil) for the 2025-26 financial year. This decision is based on the profit result, after adjusting for customer contributions received for customer works, in accordance with the Dividend Policy.

Liberty Bell Bay – Voluntary administration

Liberty Bell Bay (LBB) was one of the Major Industrial loads in Tasmania. LBB entered voluntary administration in March 2026 with Ernst and Young (EY) Parthenon appointed as Administrator, initiating a sale process to find a new owner for the smelter. However, on 16 July 2026, EY Parthenon announced that in the absence of a commercially viable transaction and funding required to continue operations, the business will be closed with immediate effect. Prior to administration, LBB had an outstanding debt owed to TasNetworks of \$101,020 (ex GST) held in a Provision for Doubtful Debt. In accordance with AASB 110 *Events after the Reporting Period*, this event is considered a non-adjusting event as it relates to conditions that arose after the reporting date. Accordingly, no adjustments have been made to the financial statements as at 30 June 2026.

EY Parthenon has confirmed that the smelter will require the continued connection of power at the current 2.5 MW Contract Maximum Demand until further notice.

Other

Apart from the items discussed above, there have been no material or unusual items, transactions, or events arising between the end of the financial year and the date of this report that, in the opinion of the directors, are likely to significantly impact the operations, results, or state of affairs of TasNetworks in future financial years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H8. Changes in accounting policies

Accounting standards adopted

In the current year, TasNetworks has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. TasNetworks has adopted the following relevant standards:

AASB amendment	Affected standard	Nature of change to accounting policy	Effective date	Application date for TasNetworks
AASB 2023-5 <i>Lack of Exchangeability</i>	AASB 121, AASB 1060	Sets a comprehensive framework for determining currency exchangeability and estimating spot rates, including mandatory disclosures for entities operating in impacted jurisdictions.	Annual reporting periods beginning on or after 1 January 2025.	Mandatory for the financial year ending 30 June 2026.
AASB 2026-1 <i>Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements</i>	AASB 136 <i>Impairment of Assets</i> and AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Adds new illustrative examples demonstrating how entities should report the effects of major financial uncertainties. This includes clarifying key disclosure assumptions for asset recoverable amounts (AASB 136) and detailing long-term obligations like plant decommissioning and site restoration, even if their current balance-sheet impact is immaterial (AASB 137).	Annual reporting periods beginning on or after 1 July 2025 that end on or after 28 February 2026.	Mandatory for the financial year ending 30 June 2026.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

Future pronouncements

The following standards and amendments were available for early adoption but have not been applied by TasNetworks in these financial statements.

AASB amendment	Affected standard	Nature of change to accounting policy	Effective date	Application date for TasNetworks
Future AASB equivalent to IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	AASB 101 <i>Presentation of Financial Statements</i> and related presentation/disclosure standards	IFRS 18 introduces new presentation and disclosure requirements for financial statements, including mandatory operating, investing and financing categories within the statement of profit or loss, new subtotals such as "operating profit", enhanced management-defined performance measure disclosures, and revised aggregation and disaggregation guidance. The standard is intended to improve consistency and comparability across financial reporting.	IFRS 18 is effective internationally for annual reporting periods beginning on or after 1 January 2027. As at 30 June 2026, an equivalent AASB standard has not yet been formally issued in Australia.	Not applicable to TasNetworks' 30 June 2026 financial statements. Subject to AASB adoption timing, the standard is expected to become applicable no earlier than the financial year ending 30 June 2028.
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Financial Instruments</i>	AASB 7	Clarifies electronic settlement accounting and introduces specific guidelines for ESG-linked cash flow characteristics.	Annual reporting periods beginning on or after 1 January 2026.	Early adoption permitted; otherwise mandatory for the year ending 30 June 2027.
AASB 2024-3 <i>Annual Improvements to Australian Accounting Standards</i>	AASB 1, AASB 9, AASB 10, AASB 107	Introduces minor improvements, clarifications, and editorial corrections to various standards to remove inconsistencies.	Annual reporting periods beginning on or after 1 January 2026.	Early adoption permitted; otherwise mandatory for the year ending 30 June 2027.
AASB 2025-1 <i>Variable Consideration in Contracts</i>	AASB 7, AASB 9	Clarifies the 'own use' treatment for weather-related Power Purchase Agreements (PPAs), permit hedge accounting, and expands disclosures.	Annual reporting periods beginning on or after 1 January 2026.	Early adoption permitted; otherwise mandatory for the year ending 30 June 2027.
AASB 2025-3 <i>Amendments to Australian Accounting Standards – Tier 2 Disclosures</i>	AASB 1060	Simplifies presentation and disclosure requirements for Tier 2 entities entering into nature-dependent energy contracts.	Annual reporting periods beginning on or after 1 January 2026.	Early adoption permitted; otherwise mandatory for the year ending 30 June 2027.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

Pronouncements issued by the IASB or IFRS Interpretations Committee where an equivalent pronouncement has not been issues by the AASB

Standard	Australian equivalent / status	Effective for Australian entities at 30 June 2026	Comments
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	Not yet adopted into Australian Accounting Standards as at 30 June 2026. IFRS 18 is effective internationally for annual reporting periods beginning on or after 1 January 2027.	No	IFRS 18 was issued by the IASB in April 2024 and is effective internationally for annual reporting periods beginning on or after 1 January 2027. Australia has not yet issued the equivalent AASB standard as at 30 June 2026. Accordingly, it is not yet mandatory for TasNetworks' 30 June 2026 financial statements, although entities may monitor future disclosure and presentation impacts.
IFRS 20 <i>Regulatory Assets and Regulatory Liabilities</i>	Not yet adopted into Australian Accounting Standards as at 30 June 2026. IFRS 20 is effective internationally for annual reporting periods beginning on or after 1 January 2029.	No	IFRS 20 introduces a comprehensive accounting model for regulatory assets and regulatory liabilities arising from defined rate-regulated activities. The standard permits entities to recognise timing differences created when regulators defer or accelerate recovery of income and expenses through future customer tariffs. The objective is to better align financial reporting outcomes with regulated economic activities and improve comparability across regulated industries.
IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Australian equivalent framework issued through AASB S1	Partially	Australia has issued AASB S1; however, mandatory sustainability reporting commences in phases under the Corporations Act framework. Applicability depends on whether the entity meets the relevant reporting thresholds and commencement group requirements.
IFRS S2 <i>Climate-related Disclosures</i>	Australian equivalent framework issued through AASB S2	Partially	Australia has issued AASB S2, aligned closely with IFRS S2. Mandatory climate-related financial disclosures commence for Group 1 entities for annual reporting periods beginning on or after 1 January 2025. For a 30 June 2026 reporting date, applicability depends on whether the entity falls within the legislated reporting thresholds.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

H Other information (continued)

H8. Changes in accounting policies (continued)

Other procurements

Standard	Australian equivalent / status	Effective for Australian entities at 30 June 2026	Comments
AASB S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Australian Sustainability Reporting Standard	Not mandatory at 30 June 2026	AASB S1 was issued as a voluntary standard in Australia and is not currently mandatory.
AASB S2 Climate-related Disclosures	Australian Sustainability Reporting Standard	Mandatory for applicable entities	AASB S2 forms the basis of Australia's mandatory climate-related financial disclosure regime. The standard applies to entities meeting the legislated size and reporting thresholds under the Corporations Act. Based on current thresholds, TasNetworks falls within the scope of the mandatory reporting requirements.

These standards and interpretations will be first applied in the financial report of TasNetworks that relates to the annual reporting period beginning after the effective date of each pronouncement.

Directors' declaration

For the financial year ended 30 June 2026

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that Tasmanian Networks Pty Ltd will be able to pay its debts as and when they become due and payable;
- (b) the financial statements comply with international financial reporting standards as disclosed in these notes to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including being in compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of Tasmanian Networks Pty Ltd; and
- (d) the directors have been provided with declarations from the Chief Executive Officer and the Executive Finance for the financial year.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors



Mr Roger Gill
Chair
Hobart

10 August 2026



Cheryl Hopkins
Director
Hobart

10 August 2026



www.tasnetworks.com.au