

Annual Report 2024-25



Powering a
Bright Future



About this report

This report reviews the operations of Tasmanian Networks Pty Ltd and its subsidiaries. The subsidiaries of Tasmanian Networks Pty Ltd are TasNetworks Holdings Pty Ltd (non-trading subsidiary), Fortytwo24 Pty Ltd (42-24) and TasNet Connections Pty Ltd for the 2024-25 financial year.

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.

Contents

About us	2
Chair message	7
CEO message	8
2024-25 highlights	10
Our business direction	12
Our customers	14
Our community	16
Our energy future	22
Our people	28
Sustainability report	30
Protecting our environment	34
42-24	38
Corporate governance	39
Remuneration report	51
Performance against our Statement of Corporate Intent	52
Tasmanian Government reporting requirements	55
Directors' report	59
Auditor's independent declaration	62
Independent auditor's report	63
Consolidated financial statements	67
Directors' declaration	146

About us

TasNetworks is *Powering a Bright Future* to deliver safe and sustainable essential services for all of Tasmania.

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

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

We own, operate, and maintain the electricity transmission and distribution networks in Tasmania.

For us this means:

- 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 and reliable service for our customers.
- Connecting new customers to the network, including small and large-scale generators.
- Investing in the network to support capacity growth.
- Serving as Tasmanian jurisdictional planner in the National Electricity Market (NEM).
- Providing telecommunications, data centre, and information technology services to customers, including those in the Tasmanian electricity supply industry.

Our field-based team members are located at four major resource centres in Cambridge, Rocherlea, Devonport, and Burnie, and at sub-stations and regional depots across the state. Our training centre is in Mornington, and we have administrative offices in Lenah Valley and Rocherlea.

Our subsidiaries

During 2024-25, the subsidiaries of Tasmanian Networks Pty Ltd included:

- TasNetworks Holdings Pty Ltd (non-trading subsidiary)
- FortyTwo24 Pty Ltd (42-24)
- TasNet Connections Pty Ltd (TNC).

42-24 was established to leverage TasNetworks' digital, data centre, and telecommunications assets and capabilities required to operate the Tasmanian power system. By on-selling latent capacity and associated services to Tasmanian customers, 42-24 helps TasNetworks reduce costs for Tasmanian electricity customers.

Formerly Large-Scale Renewables Pty Ltd, TNC was established to support the growth of TasNetworks' competitive transmission connection service business, facilitating generation and load connections to the network in Tasmania.

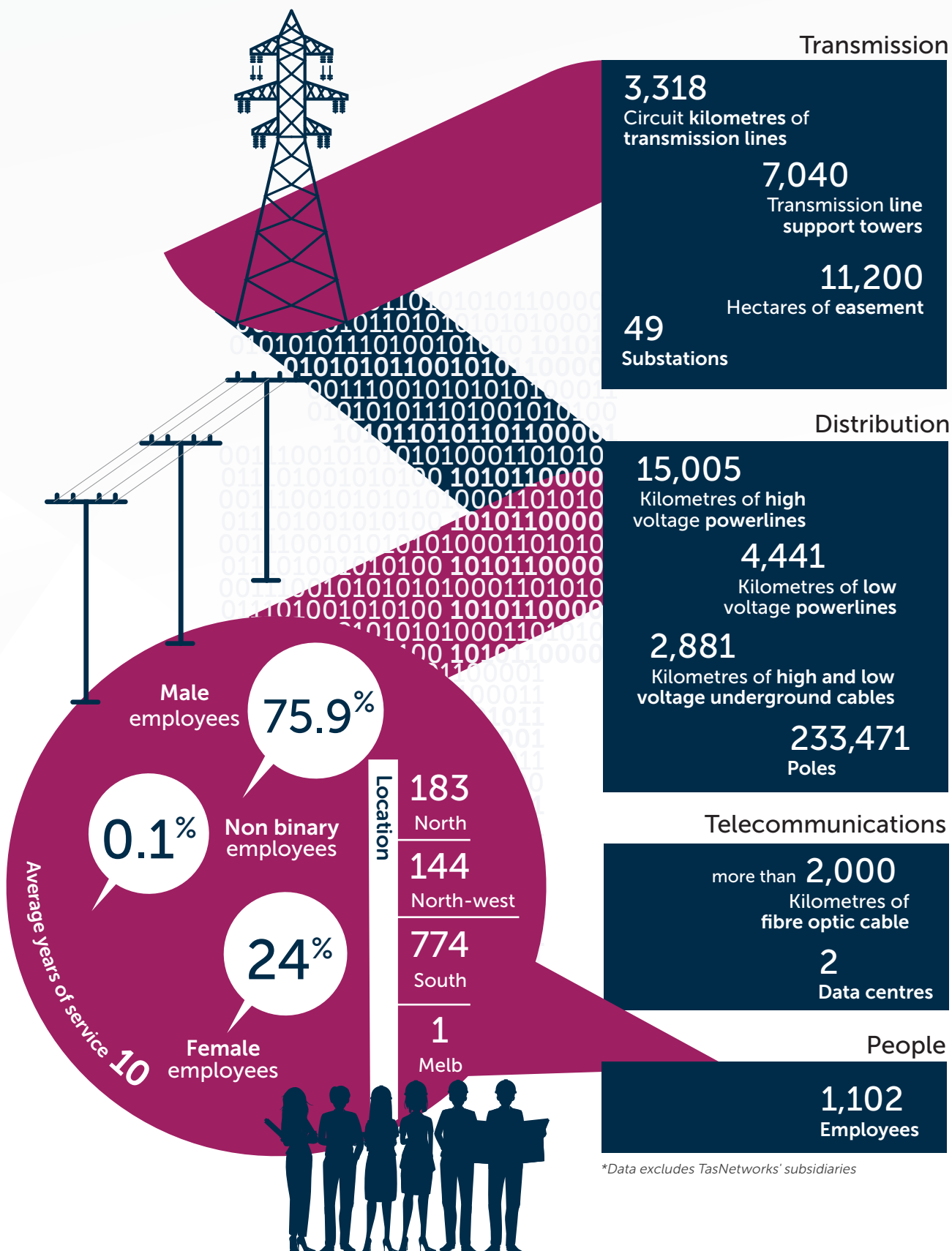
Our locations

Our field-based crew 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





From the Chair

I'm pleased to report on a business that's getting closer to its customers and giving Tasmanians a direct role in its decision-making.

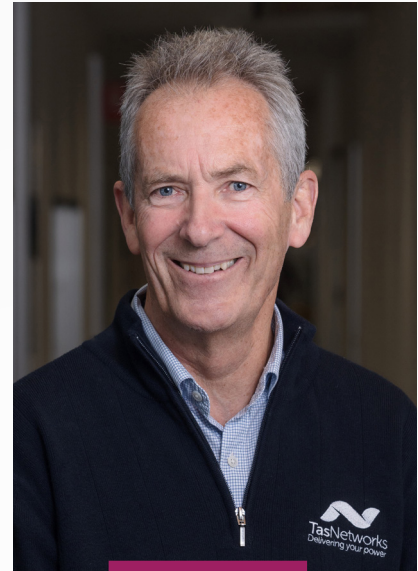
TasNetworks' new Customer Advisory Group (CAG) and Stakeholder Advisory Group (SAG), under independent leadership, are bringing us much closer to the views and priorities of ordinary Tasmanians. The groups have nurtured genuine ongoing conversations with bill-paying Tasmanians, as well as community groups and industry, to identify challenges and work on shared solutions.

As ever – affordability is still the biggest customer concern. Our network charges account for about 42 per cent of a typical residential or small business power bill. While TasNetworks has a good record of reducing both residential and industrial network charges during much of the past decade, more recent times has been inflationary for all – with the increasing costs of storms and bushfires, cybersecurity costs and interest rates currently weighing on power costs.

TasNetworks cut operating expenses by three per cent in 2024-25, and we've streamlined our business to the tune of tens of millions of dollars in recent years. We're working hard to efficiently deliver what Tasmanians need and value, and nothing they don't – while preparing for a much-changed energy future.

Our advisory groups have also revealed how passionate many Tasmanians are about regional fairness for customers in remote and less reliable parts of our network. TasNetworks is tailoring its investment in regional technology and upgrades accordingly. And we've heard about the social and environmental stewardship Tasmanians expect of a business like TasNetworks – owned by them, and created to serve them. The passion and priorities of the CAG and SAG are directly reaching TasNetworks leadership, and helping inform every strategic decision we make on behalf of customers.

In 2024-25, we reached some exciting milestones in the North-West Transmission Developments. Genus was welcomed as the head contractor. They'll be instrumental in delivering Stage One over five years, with construction projected to start in 2026. The Australian Energy Regulator also approved the proposed capital expenditure of \$167.3 million for early Stage One works – ensuring fair project costs. The project is on a good



trajectory. It's crucial for underpinning Marinus Link, significantly increasing Tasmania's clean energy capability, and helping keep downward pressure on power prices for Tasmanians.

There's nothing more important than safety. That's why I'm delighted that TasNetworks has managed to halve its Total Recordable Injury Frequency Rate (TRIFR) in just five years. There's no room for complacency, and the business is making ongoing improvements to work and safety systems.

In January this year, we welcomed Naomi Walsh to the Board as a Non-Executive Director, replacing Miles Smith. Naomi is Tasmanian-born, and lives in Launceston. She's brought another home-grown perspective to our decision-making, as well as valuable experience in governance, accounting, higher education, mental health and the civil construction sector.

We also welcome Dr Nicholas Fleming in July of this financial year. Nicholas is an experienced non-executive director and strategist, with a background spanning multiple industry sectors locally and abroad, including water, energy, natural resources, and defence.

Finally – I want to pay tribute to the TasNetworks people who confronted the unprecedented storm damage of August/September 2024, and the customers who endured its effects. This was Tasmanians at their best in very challenging circumstances. It was a reminder of TasNetworks' essential and appreciated role in Tasmanian life.

Roger Gill
TasNetworks Chair

From the CEO

The 2024-25 financial year was historically busy and challenging for TasNetworks – involving unprecedented storm damage, a critical bargaining process, and a new embrace of technology.

The lessons of the year mean that we've entered 2025-26 in a more robust state. We're wiser and even better prepared for the storms and bushfires that more regularly threaten our network. We're more united and settled as a workforce than in years gone by. We're leaner and better-equipped for the future than at any time in my tenure. And we're laser-focused on the things that matter to Tasmanians – including cost of living pressures.

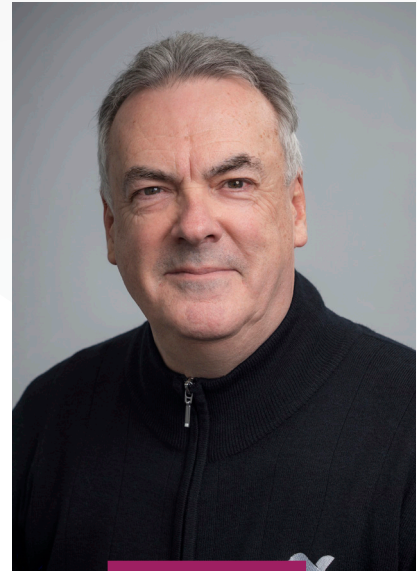
An unprecedented challenge

2024-25 financial year started with a storm – literally. The violent and rolling storms of late-August into early-September caused unprecedented damage to our network – eventually costed at more than \$20 million. Some Tasmanians were without power for up to two weeks because of complex and hard-to-access damage, and our people worked tirelessly to restore power to almost 200,000 customers overall. It was a prompt and impressive response for a natural disaster of that scale (the storms were retrospectively declared an official natural disaster) – unprecedented in living Tasmanian memory.

At the outage peak, about 47,000 customers were simultaneously without power, across almost 230 individual outages – putting unique pressure on our triage, dispatch and communications systems.

TasNetworks routinely reviews major events and incidents, and we never stop looking for customer improvements. On top of our internal review of the 2024 storms, we were pleased to welcome the independent Network Outage Review (NOR) released by Rhys Edwards in May 2025. The NOR aligned closely with many of our own internal findings, meaning we were already implementing many of Mr Edwards' recommendations, upon its release. Our learnings and improvements from the 2024 storms boosted our response to bushfires on the west coast in late summer, and lightning storm outages in March this year.

The NOR concluded that our people performed *'extremely well,'* showed *'a high level of commitment'* and an excellent safety culture, and that the unprecedented



storms would have challenged the response of any Australian utility business. The NOR also endorsed our business-as-usual personnel levels in the field, noting the capacity to scale-up and supplement our field numbers quickly with contractors in the event of emergencies. Both reviews also confirmed the effectiveness of our \$22 million annual vegetation clearing program, with less than five per cent of the storm outages were found to be caused by vegetation inside our clearance zones. The overwhelming majority of these incidents were caused by vegetation and debris that was unavoidably carried *into* our buffer zones by the massive storms.

However, Mr Edwards also found that some of our processes were not best practice, with improvements needed to be made to emergency escalation procedures, crew fatigue management, and supporting customers experiencing vulnerability. In particular, we acknowledge some customers' frustration around timely and accurate outage communication. We've taken steps to improve accuracy and timeliness, as well as re-prioritising the flow of information from the field during very busy times.

We feel deeply, both then and now, for Tasmanians who endured many days and nights without power. We again thank affected Tasmanians for their resilience and support during and after the storms, as our people did everything possible to restore power as quickly as possible. The skill, commitment and professionalism of TasNetworks' people – both in the field and support roles – shone through during the storm recovery. The kindness, patience and appreciation that most Tasmanians show our people is appreciated and valued at every level of our business.

Moving forward together

The 2024 storms struck during a challenging period for our workforce. I'm grateful for the professionalism and cooperation shown by our people in stepping up for Tasmanians during this time. While the period was demanding for everyone involved, it highlighted the commitment and calibre of the teams who keep our network running in difficult circumstances, and I sincerely thank all who contributed to restoring power as quickly and safely as possible.

In 2024-25, TasNetworks continued our focus on our customers and the reliability of our network. Our customer satisfaction rating nudged up slightly to 7.5/10 – hopefully reflecting our more service-oriented culture. The way we communicate with customers and seek their feedback has evolved and we continue to put our customers at the centre of our discussions and decision-making. We invested a \$272 million into our network, including a significant embrace of new technology to improve reliability and resilience – focussing on those areas of our state where power supply issues are unfortunately more common.

We maintained our commitment to early careers and our talent pipeline – our employed graduate numbers increased by a third (from 21 to 28), and we welcomed another group of 38 apprentices to begin their careers in the power industry. We also celebrated the achievements of our apprentices with our inaugural Apprentice Awards, which recognised both our apprentice cohort and the hard work of their trainers and leaders. We are committed to giving our people the most positive and supportive work culture possible. Our entire workforce has now completed 'Call it Out' training, and nearly all have done 'Negative Behaviours' training.

As always – our guiding mission is keep the lights on and serve our customers 24/7 in virtually any conditions. We'll keep our eye firmly on those priorities, as we work towards a bright future.

Seán Mc Goldrick
TasNetworks Chief Executive Officer

Our team demonstrated expertise and dedication during the 2024 storm response.



2024-25 highlights

Performance

Our customers

We genuinely care about our customers and how they perceive us. We strive to make their experience with us as seamless as possible.

Customer satisfaction

7.5/10

Ease of doing business

7.6/10

Customer complaint volume

679

Our people

We prioritise safety and aim to build trusting relationships to empower our people.

28

Graduates employed

6

Trainees employed

Call it Out training

Call it Out Part 1 –

100%

staff completed

Negative Behaviours

Call it Out Part 2 –

98%

staff completed

Gender pay gap

9.8%

Enterprise Leadership Group

50/50 gender split

38

Apprentices employed

56

Community and career events attended

Our business

We manage our assets to deliver safe and reliable services, while embracing change driven by our customers.

Invested back into our network

\$272.2m

The AER approved funding for early works on North West Transmission Developments (NWTD) Stage 1, ensuring fair project costs.

GenusPlus Group was appointed to deliver NWTD Stage 1 after a rigorous procurement process.

Bird mitigation installed on distribution lines this financial year

45km

Total bird mitigation on distribution lines to date: approximately

645km

Our owners

We operate our business to deliver sustainable shareholder outcomes.

Operating profit after tax

\$8.2m

Dividends
NIL



Looking back on 10 years of TasNetworks.

10 year milestone

On 1 July 2024, we came together across the state to celebrate a major milestone – 10 years since Transend and the distribution business of Aurora Energy merged to form TasNetworks.



It was on 1 July 2014 that the name on our uniforms was born, and with it began a decade of achievement, challenge, innovation, and unwavering service to the people of Tasmania. Celebrations were held at five key sites – Maria Street (Lenah Valley), Cambridge, Mornington, Rocherlea and Devonport – bringing together teams from all corners of the business to reflect, share stories and mark the occasion.

CEO Seán Mc Goldrick joined the Rocherlea event, paying tribute to the commitment of our people, almost half of whom were with us on that original birthday. Among them are some of our longest-serving employees, including one who will reach an incredible 50 years of service next year. Commemorative pins were presented to those marking 10 years with TasNetworks, acknowledging their loyalty and contribution to our journey so far. It was a day to honour the dedication, passion and people who have powered Tasmania over the past decade.



Our teams gathered across the state to celebrate the milestone.

Our business direction

Our strategy is focused on delivering safe, reliable, and affordable electricity services to Tasmania, and making sure that we meet the changing needs and expectations of our customers and stakeholders.

It considers external market trends that influence our business and clearly identifies what we need to do 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 can deliver the services they value. Our priorities aim to deepen our relationships with our customers and be better positioned to tailor our services and build their trust in us.



Deliver operational excellence

We maintain our continued commitment to keep our people, the community, and the environment safe, deliver reliable and affordable services, and manage our operations efficiently to keep our costs as low as possible.



Innovate in a targeted way

We adapt to changing customer needs through innovation. We are targeting areas of our network and ways of working to improve our performance and keep prices affordable for customers.



Our key business objectives

Our strategy drives the delivery of the key business objectives we have defined to track our progress and measure our success. These key business objectives are centred on our core activities – the delivery of safe, reliable, and affordable electricity services to Tasmania – 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 people, our customers, and our communities. Our performance metrics are focused on the physical, psychological, and environmental wellbeing of these stakeholders.



Supply reliable essential services

We understand our services are critical and need to be reliable, and we recognise our role to service and create value for Tasmania. We have an opportunity to proactively drive reliability and sustainability for the Tasmanian community.



Deliver value for our customers

We strive to deliver value for our customers and meet their expectations in every action we take. Our focus is on the quality of customers' and other stakeholders' experiences with us and how we performance against their needs and expectations.



Provide a sustainable financial return

We seek to balance affordable prices for customers and provide sustainable profits to our owner, the State of Tasmania. We are focused on the efficiency of our operations, so our profits can be reinvested to benefit the Tasmanian community.

Our strategy is centred on delivering safe, reliable and affordable electricity – with customers at the heart of our decisions.



Our customers

The expectations of our customers are constantly evolving. Understanding their needs, both now and into the future, is critical to ensure we are focusing on the outcomes customers want and delivering positive experiences at every business touchpoint.

As we strive towards an ever-stronger customer centric business, the 2024-25 period continued our focus on reaffirming and realigning our customer insight and understanding to create a strong foundation of optimisation initiatives as we move into the years to come.

At an industry level, TasNetworks continues to be a full signatory to the Energy Charter – a CEO led coalition of like-minded energy organisations with a shared purpose and passion for customers and communities. The collective purpose is to empower one another across the energy supply chain to deliver better energy outcomes for customers and communities. For us, the opportunity is to keep humans at the centre of the design and delivery of energy solutions; to navigate the changing needs of customers and communities as we transform to a cleaner energy future.

We hold ourselves accountable to this through annual public disclosures on our performance against the key customer principles and targets we set upon ourselves.

Beyond this, TasNetworks has and continues to monitor and track customer and community satisfaction in several ways:

- *Always on* customer satisfaction surveys (and reporting) that gauges satisfaction with customer's recent interactions with the business (across planned outages, unplanned outages, new connections, general enquiries, and complaints).
- Annual community sentiment survey – this gauges community views on TasNetworks and our broader social responsibilities and position in the community.
- Subscription to an ongoing Tasmanian Brand Sentiment study – that gauges how Tasmania's most prominent industries and companies deliver to community need – allowing us to benchmark and better understand what drives value, trust and social licence acceptance in our community.



Agfest 2025.



Little hands explore the STEAM activity, Agfest 2025.

Alongside these ongoing trackers of performance and insight, we have conducted several key studies that are helping us better understand the specific needs and situations of our customer base and how they interact with energy and TasNetworks services.

There have been three key programs of work in 2024-25:

Refreshed customer satisfaction tracking program

This allows us to track and monitor real time customer feedback, need, drivers of satisfaction, performance metrics, and specific customer touchpoints across the business. This supports our wider customer experience uplift programs and delivers more robust regulatory reporting to our Board, stakeholders, and the Australian Energy Regulator.

Ongoing customer journey mapping

To support the optimisation of customer experiences when interacting with TasNetworks, an ongoing extensive investigation of customer needs and expectations is being completed. This unpacks and defines key pain points and moments of truth amongst our most impactful areas of customer interaction (e.g. outages, vegetation management, and connections). This foundational program of work is providing the platform of optimisation works that shall preserve, enhance or rectify blockers which impact customer experiences and ultimate satisfaction for our customers.

Storm Post-Incident Review – customer experience

In late August 2024, a severe weather front (later declared a natural disaster) impacted Tasmania for an unprecedented period of five consecutive days. A record number of customers were without power, and some were also without access to telecommunications services.

Following the event a Post Incident Review was called reflecting on how TasNetworks performed both internally and reflecting on community experiences and perceptions of our response.

A key focus revolved around conducting an extensive community and customer review of the event and TasNetworks response – this review focused on better understanding from a customer's perspective:

- the customer experience to the weather event
- what worked well (from a TasNetworks response)
- what didn't work well (from a TasNetworks response)
- where are the opportunities for improvement.

Customer Advisory Group (CAG)

Members of the TasNetworks Customer Advisory Group (CAG) come from all regions of the state and bring their experience and expertise to help shape and improve outcomes for Tasmanian customers. CAG first came together in July 2024, with a member onboarding day in Hobart. Face to face meetings were held in December (Campbell Town), March (Launceston) and June (Hobart), with occasional shorter online sessions taking place as needed. CAG already has an impressive record of asking brave questions, as we advocate and share perspectives in areas ranging from pricing and regulation, customer journey mapping, TasNetworks responses to the 2024's major storm event, assessing TasNetworks Energy Charter achievements, major projects such as North West Transmission Development and new opportunities in a rapidly changing energy environment, such as community batteries. In the year ahead, CAG will continue to grow as a trusted advisor to TasNetworks

Statement from Independent Chair TasNetworks Customer Advisory Group – Dr Cynthia Townley



Dr Cynthia Townley.

Stakeholder Advisory Group

Through the Stakeholder Advisory Group (SAG), our role has been to test business assumptions against the diverse needs of different stakeholder groups, shining a light on gaps, challenges, and opportunities. In doing so, we give a clearer picture of what's needed, help TasNetworks avoid blind spots, and better understand how its decisions impact Tasmanian people, businesses, and communities. As a new advisory group, we've invested time in 'learning the businesses,' so we advocate well. We've balanced speaking up with listening and understanding, so we can clearly communicate what matters most to the those we represent, and those most affected by decisions.

As a diverse group, our focus isn't pushing a particular viewpoint or agenda – we're about making sure stakeholder interests are heard and considered at the right time, on the issues the matter most. If we do this well, we have a powerful opportunity to create meaningful change, and perhaps more importantly, change that lasts.

It's fair to say it's still early days for the SAG, however, reflecting on the past year, there is no doubt we've built the relationships, knowledge and momentum needed to deliver outcomes for Tasmanians in the long-term.

Statement from 2024-2025 Stakeholder Advisory Group (SAG) Independent Chair – Amy Abraham



Amy Abraham.

Our community

Creating safer spaces for people in crisis

Hobart City Mission plays a vital role in supporting Tasmanians doing it tough, offering emergency accommodation, food relief, housing programs and opportunity shops that provide practical help and hope for a better future. For many, these services are a lifeline – a fresh start in a safe and supportive environment.

In 2024, we were proud to celebrate a three-year partnership with Hobart City Mission to enhance the safety of clients, staff and volunteers across southern Tasmania. Through our partnership, we're funding critical security upgrades at key sites to ensure that people accessing support services can do so in secure, welcoming spaces. Safety sits at the heart of this initiative.

Whether someone is seeking shelter, accessing food support, or working on a fresh start, feeling safe is fundamental to recovery and resilience. These upgrades are helping create the kind of environment where people can focus on moving forward with dignity and confidence.

By creating environments where people feel safe and supported, we are making a long-term investment in a stronger, more resilient community.



A safe space where happy memories are made.

Bridging the digital divide

In 2024, we partnered with WorkVentures and secured a grant from the Tasmanian Community Fund to deliver the Tech4Kids TAS No Child Left Behind program, providing 1,000 free laptops to students across Tasmania. The program launched in early 2025, supporting digitally excluded students with access to technology and skills essential for learning.

"A recent Telstra Foundation report estimated that 30% of students don't have access to a laptop at home, the joint highest rate in Australia and 4% above the national average."

Caroline McDaid, CEO of WorkVentures.

Driving the community

In 2025, TasNetworks donated four ex-fleet vehicles to the Aboriginal Land Council to support their important work on Flinders Island and across Tasmania. This practical assistance reduces the reliance on staff and council members using their own vehicles and ensures the Land Council has the resources needed to continue reach and serve Aboriginal communities effectively.



Handover of ex-fleet vehicles to the Aboriginal Land Council on Flinders Island.



Enjoyable work at Salvation Army.



All hands on deck at Foodbank Tasmania.

Backing community-led solutions through our grants program

Our Community Grants Program continues to support local organisations working at the grassroots level to build stronger, more resilient communities and to ease cost of living pressures for Tasmanians.

In 2024, we proudly supported 16 diverse initiatives across the state. From boosting food relief and fire safety, to expanding community gardens, supporting young people, and helping more Tasmanians access essential skills and services, each project responded to a clear local need, delivering practical, place-based solutions with lasting impact.

We received 188 applications for funding and were able to provide over \$100,000 in funding to 16 community groups and not-for-profit organisations around the state.

By backing local ideas and the people behind them, we're able to help people deliver positive outcomes for their own communities, and we can provide meaningful relief where it's needed most.

"We couldn't do the work we do without TasNetworks. Amazing things happen when we work together."

Nicole Snead, The Salvation Army

For a full list of grant recipients and information about their projects, visit www.tasnetworks.com.au/grants.

Giving back

We're proud to support our team members in giving back to the causes they care about most. Through our Volunteering Leave program, employees can access up to three days of paid leave each year to contribute their time and skills to community organisations and initiatives across Tasmania.

In the 2024–25 financial year, 102 team members used a combined 597 hours of Volunteering Leave to make a difference. From lending a hand at local events to supporting charities, environmental groups and community services, our Volunteering Leave program allowed our people to contribute in ways that worked best for them and their chosen cause.

This program reflects our ongoing commitment to the communities we serve and empowers our people to play an active role in building a stronger, more resilient Tasmania.

Rural Alive and Well partnership

Supporting social connection across rural Tasmania

Our partnership with Rural Alive and Well (RAW) is helping to foster stronger, more connected communities across Tasmania. Through free community events in the north-east, Huon Valley, Southern Midlands and Central Highlands, we're working together to reduce social isolation and support mental health and wellbeing in rural and remote areas.

Over the past year, RAW has delivered a range of locally-led events, supported by their dedicated team, designed to bring people together in safe, informal settings. From a vibrant Easter Egg Hunt in Scottsdale that brought families out in force, to smaller free workshops in watercolour painting, leatherwork and macramé, hundreds of community members have come together to connect, unwind and learn new skills in a warm and welcoming environment.

These events create opportunities for genuine connection, particularly for those who may be experiencing isolation or hardship. By making space for conversations and shared experiences, the partnership is helping to build community resilience and increase awareness of RAW's important support services across the state.

We're proud to have continued our support of RAW in delivering these fantastic events, which are making a meaningful difference in the lives of Tasmanians living in some of our state's remote areas.

North West RAW community events

Recognising the significant activity occurring in North-West Tasmania, we continue to partner with Rural Alive and Well to host dedicated activities specifically tailored toward supporting communities directly or indirectly impacted by the North West Transmission Developments (NWTD).

Organised activities and events reduce barriers for people to access counselling and mental health support. In the past year, RAW held nine 'Fast Five Talks' and four self-care events at local community centres in North-West Tasmania. These free events are fun and friendly, encouraging social connection and the chance to learn new skills. Activities included paint and sip sessions (mocktails only!), as well as macrame and wreath making workshops.

For the second straight year, we partnered with RAW to host an Easter Egg Hunt in Bracknell. Approximately 200 community members came along, and children enjoyed pedalling the STEAM renewable energy bike, while the Easter Bunny ensured there were plenty of chocolate eggs for everyone. Thank you to the RAW team for their continued work in supporting rural communities across Tasmania.



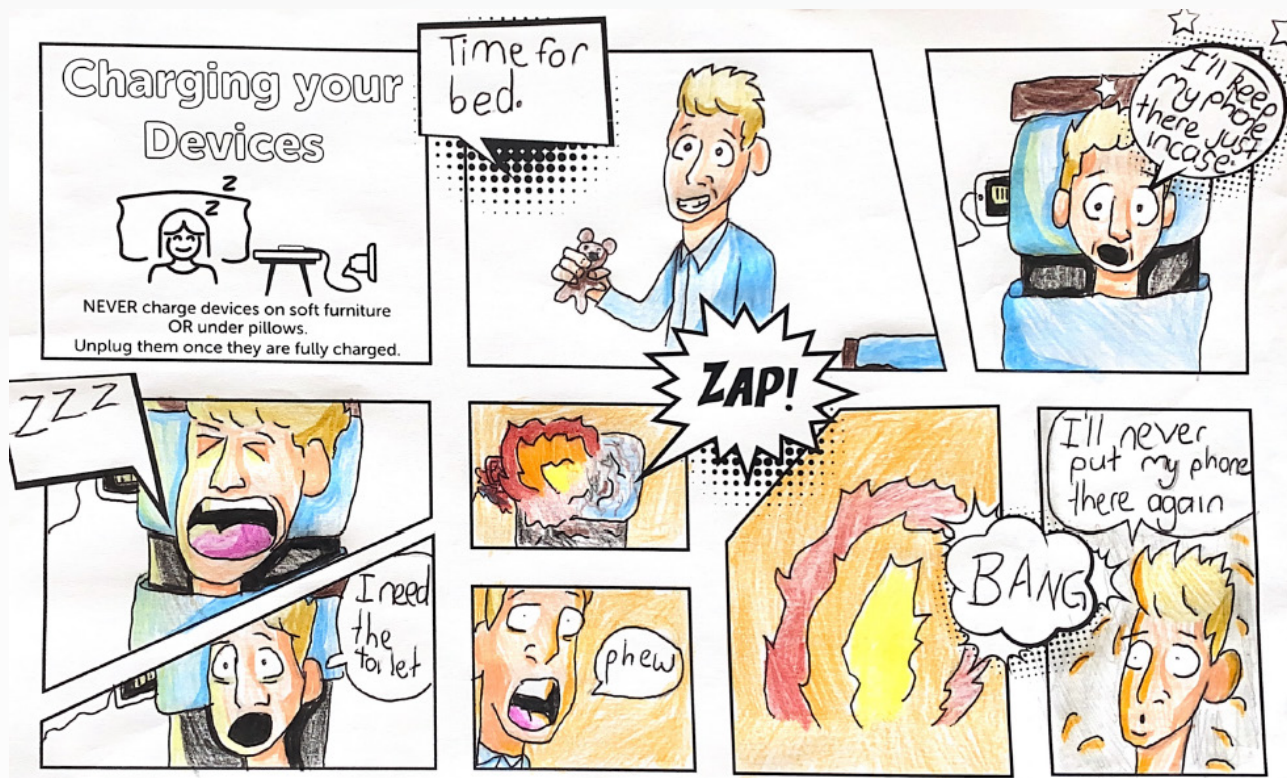
Creativity on display at the Bracknell RAW easter egg hunt.



Healthy competition in the hobby horse race at the Bracknell RAW easter egg hunt.

Sallyann Harper, RAW Communications and Events Officer, said that the events make a meaningful impact in the lives of community members in rural and remote regions, who are often at risk of isolation and disconnection.

"A heartfelt thank you to TasNetworks for your support in bringing these events to life. Your backing is deeply valued and empowers us to keep making a difference in the community."



Declan's winning entry.

A bright spark in safety education

The Bright Sparks program continued to equip primary school students with electrical safety skills throughout the 2024-25 financial year. Delivered to 48 schools and 2 homeschool groups, the program proved popular. For Electrical Safety Week, the theme was around Device Safety with Safety messages shared on Facebook. A kids' competition promoting device safety via a safety story or colouring in activity was also held.

The overall winner was Declan from Howrah Primary (see image). In response to the 2024 severe weather event, a storm preparedness craft was developed and launched at Agfest. It is now being distributed to children in at-risk communities throughout Tasmania.

Financial year 2024-25 results:

Schools visited: 50

North – 15

Northwest – 12

South – 23

Students: 8,434



- Storm preparedness educational activity piece – handed out 1500 Tasmanian children.
- Presenters: 12 fully onboarded and 5 booked in to shadow.





The completed mural by Tasmanian Aboriginal Artist Liv Hudson, at our Cambridge Depot.

TasNetworks Innovate Reconciliation Action Plan (RAP)

Overview

We have made significant progress in advancing reconciliation through the implementation of our Innovate RAP. Guided by the pillars of Relationships, Respect, Opportunities, and Governance, we delivered initiatives that foster cultural inclusion, strengthen community partnerships, and embed reconciliation into our everyday operations.

Progress highlights

We updated our Enterprise Agreement to include additional cultural leave days, supporting participation in NAIDOC Week and other significant events. Recognising the impact of Australia Day on First Nations peoples, we offered staff the option to take an alternative day off.

To celebrate Aboriginal culture, we unveiled a plaque honouring Tasmanian Aboriginal artists and commissioned artworks by Karen Smart and Liv Hudson. These pieces now feature in our RAP and at our Cambridge office, symbolising connection and transformation.

We contributed to the National First Nations Clean Energy Strategy 2024–2030 and co-chaired the Energy Charter's First Nations Community of Practice, amplifying First Nations voices across the energy and water sectors. We also began developing an internal Engagement Guideline with support from an Aboriginal consultant.

Cultural learning was promoted through workshops and mandatory heritage training for operations staff, leading to increased awareness and reporting of cultural sites.

Employment initiatives included new graduate and apprentice roles, a buddy system for Aboriginal and Torres Strait Islander graduates, and targeted outreach to students in remote communities such as Cape Barren and Flinders Island.

We strengthened community partnerships by supporting Tiagarra Cultural Centre's solar installation, collaborating with Mudlark Theatre on The Box and an Aboriginal Internship, and partnering with the Tasmanian Symphony Orchestra to develop a Tasmanian Aboriginal song for schools.

To ensure accountability, we established a Sustainability Committee to oversee RAP implementation and governance.

Looking ahead

As we move forward in our RAP journey, we remain committed to delivering on our RAP actions and continuing towards genuine and lasting reconciliation. We will continue to further embed cultural safety, strengthen relationships, and create opportunities for Aboriginal and Torres Strait Islander peoples.

Our energy future

Australia is undertaking a significant transition from carbon-emitting fossil fuels to cleaner, renewable sources of energy. As energy demand grows in Tasmania and across the National Electricity Market (NEM), it's becoming more important to diversify how energy is generated.

Tasmania is uniquely positioned to play a leading role in Australia's transition to renewable energy. With abundant renewable energy sources, including hydropower, the state has the potential to not only meet its own future energy needs but also to support the wider National Electric Market.

Realising this potential requires significant investment in the infrastructure needed to connect new renewable energy projects. To that end, TasNetworks is actively working to strengthen and expand the state's existing transmission network – an essential step toward increasing capacity, ensuring reliability, and enabling the integration of renewable energy into the grid.

The areas of the network that TasNetworks is focusing on to do this include:

- the North West Transmission Developments
- the Waddamana to Palmerston transfer capability upgrade
- the George Town Network Upgrade
- community batteries
- system strength.

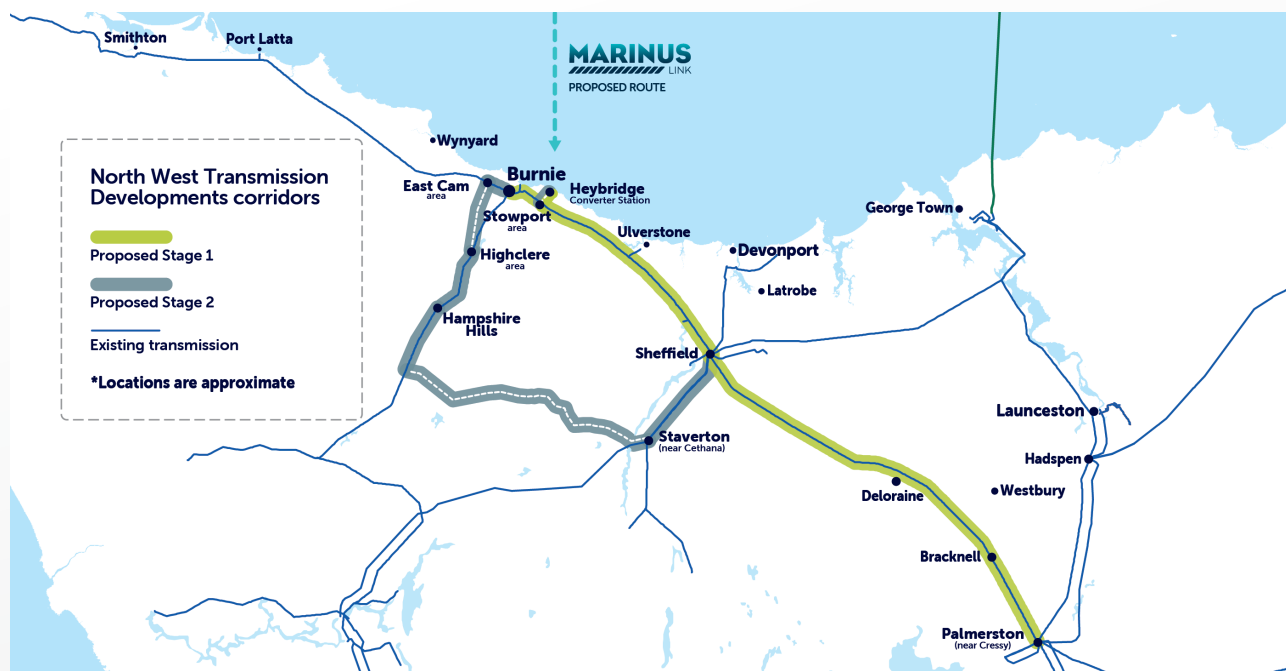
The North West Transmission Developments and the Waddamana to Palmerston transfer capability upgrade have been identified as 'actionable projects' in the Integrated System Plan (ISP), prepared and published by the Australian Energy Market Operator (AEMO).

The ISP provides an integrated roadmap for the efficient development of the National Electricity Market (NEM) over the next 20 years and beyond. The ISP identifies 'actionable projects' that support the development of the energy network.

The North West Transmission Developments (NWTD) project being progressed by TasNetworks, is an ISP project and is a once in a generation upgrade to the network.

Consisting of new and upgraded transmission lines, substations and switching stations, the project will support Tasmania's power system to remain strong and stable while providing the increased capacity needed to accommodate new and existing renewable energy developments in the region, including Marinus Link.

The project is proposed to be delivered across two stages. The first stage will link Cressy, Sheffield and Burnie, with the second stage planned between Staverton and Burnie via Hampshire Hills. During the 2024-2025 period the project celebrated a series of significant milestones that have been critical in progressing the project towards the construction phase.



North West Transmission Developments proposed route.



Meet the contractor event.

Appointing a head contractor

At the end of 2024, GenusPlus Group Ltd (Genus) was appointed as the Head Contractor for the NWTB project. Genus will play a pivotal role in designing and delivering Stage 1 of the NWTB over the next five years, with construction expected to begin in 2026.

Genus is one of Australia's fastest-growing power and communications infrastructure companies, delivering critical projects across energy, telecommunications, mining and utilities.

The awarded contract marked the beginning of the early contractor involvement (ECI) phase, which will advance the engineering, design, and surveying of the first stage of NWTB. This phase will help finalise the design and lay the groundwork for construction. As part of the ECI process, Genus will submit a guaranteed maximum price, to inform the final construction costs.

With already established operations in Bridgewater and Spreyton, Genus is committed to employing Tasmanians and engaging the services of Tasmanian businesses throughout the delivery of the project.

Powering opportunities in Tasmania

NWTB hosted a 'meet the head contractor' event in Burnie in June 2025 to provide an opportunity for local contractors and suppliers to find out more about the work packages on offer and connect with representatives from Genus.

The event brought together over 150 attendees eager to learn more about the NWTB project and how they can get involved.

There was a strong support for NWTB, along with widespread recognition of the lasting positive impact it—and other major infrastructure projects in North West Tasmania—will have on local communities.

Representatives from TasNetworks, Genus and Industry Capability Network Tasmania provided updates, including TasNetworks Chair Roger Gill who gave details on the two-part contract and procurement.

Panel members Teeny Brumby (Mayor of Burnie), Claire Connelly (President – Devonport Chamber of Commerce and Industry), and Annie Gatenby (North West Regional Development Coordinator – Regional Development Australia) shared their insights into the opportunities and challenges, and the role the region can play to maximise benefits of renewable energy projects.

The evening ended with a networking session and trade table engagement, including stalls from Skills Tasmania, TasTAFE, and West North West Working.

"A big thank you to TasNetworks for creating space for meaningful dialogue. These kinds of forums matter. They ensure big projects reflect the real needs and aspirations of the communities they're built in." — Teeny Brumby, Mayor of Burnie

Progressing regulatory approvals

In October 2024, TasNetworks submitted a Contingent Project Application (CPA) to the Australian Energy Regulator (AER).

CPAs are necessary for large investments that are made outside of TasNetworks' standard business as usual expenditure. This regulated process determined the revenue allowances for TasNetworks to undertake early works associated with Stage 1 of the North West Transmission Developments (NWTd).

Undertaking early works activities helps to prepare for the construction phase and provides confidence to customers that they will pay no more than the efficient cost of delivering Stage 1 of the NWTd. The total capital expenditure associated with early works was \$151.92M (net of Australian Government grant funding). In February 2025, the AER Board approved the early works (CPA1) submission in full.

The remainder of the cost for construction of NWTd will form part of a second CPA scheduled to be submitted to the AER in late 2025.

Submission of NWTd permit application

In April 2025, TasNetworks submitted a permit application as part of the comprehensive assessment and approvals process for NWTd. This important milestone enables the Tasmanian Planning Commission to formally assess the project before it can proceed to construction. It follows years of preparation, including extensive technical studies and field investigations along the route.

Submission of the application was supported by the delivery of webinar and four drop-in information sessions in Bracknell, Deloraine, Burnie and Sheffield. These events were held to share key information and findings from the studies that supported the permit application.

Delivering these sessions fulfilled an important commitment made to the community to share the findings of the work carried out to complete the permit application. Across these engagements, we reached nearly 70 people including landholders, community members and interested stakeholders.

Final investment decision

In May 2025, the TasNetworks Board provided its Final Investment Decision (FID) recommendation to the TasNetworks Government Shareholders.

The FID is a critical gate in the NWTd delivery framework whereby the business decides whether to progress with the project based on specific predetermined criteria. The FID assesses whether key risks have been identified and mitigated to an acceptable level.

Landholder engagement

TasNetworks is committed to working closely with landholders, local communities, and other stakeholders to deliver positive outcomes and build trust throughout the project. Across the NWTd Stage 1 alignment, there are approximately 300 each with a dedicated land agent who they can contact at any time with respect to the NWTd project.

Across the year, TasNetworks continued to work with landholders to minimise potential impacts on their properties through project design, undertake compensation valuations, provide Licence and Easement Option Agreements and develop individual property management plans.

During this time TasNetworks also worked with the Tasmanian Government and other stakeholders including TasFarmers to develop a Strategic Benefit Payment (SBP) framework. SBPs are additional to any compensation due to landholders under the *Land Acquisition Act 1993*, and will not reduce those compensation amounts.

An SBP has been achieved, following more than two years of consultation between TasNetworks, TasFarmers and landowners.

It is comparable to those SBPs being implemented in other jurisdictions and represents a fair and equitable outcome for landholders and customers alike.



Out and about engaging with the community.

Engaging locally: events, conversations and collaboration

The NWTDD team continued to undertake engagement activities to raise awareness about the project and understand what is important to the local community.

Activities throughout the year included:

- Community event attendance at: Agfest, Taste of the North West, Tasmanian Craft Fair at Deloraine, Wynyard Tulip Festival and the Burnie Show. Team members spoke to approximately 850 attendees across these events.
- Bi-monthly meetings with the NWTDD Stakeholder Liaison Group (SLG).
- Permit application drop-in information sessions at Bracknell, Burnie, Sheffield and Deloraine, as well as a webinar.
- Meet the Head Contractor event held in Burnie attracting over 150 local businesses and suppliers.



Connecting with the community at the Burnie Show.



Marine Rescue, Ulverstone.

Community investment and partnerships

NWTD proudly supports community projects and initiatives that have a positive impact on the overall health and wellbeing of communities in North-West Tasmania. This year we supported:

- Gunns Plains Community Centre – Building upgrades to the community hall.
- Kentish House – Upgrade of toys, installation of a garden shed and edible garden in Sheffield.
- Marine Rescue Ulverstone – Purchase of new VHF radios for increased community safety.
- Parklands High School – Implementation of a community garden to benefit the students and surrounding community in Burnie.
- Royal Life Saving Tasmania – Funding the training of 14 volunteer lifeguards in support of the Mole Creek Pool reopening after two years of closure.
- Youth, Family and Community Connections – Youth programmes and activities held in Burnie and Devonport.

Additionally, we sponsored:

- Burnie Works BIG Science Fair – Award category sponsor and volunteer support.
- Cradle Coast Mountain Bike Club – Gold sponsor.
- Taste of the North West – Gold sponsor.

"This initiative will benefit not only local residents but also interstate and international visitors, ensuring a safe and enjoyable experience for all pool users in the area."

— Karina Siggins, Manager of Royal Life Saving Tasmania on the reopening of the Mole Creek Pool



The passionate crew at Mole Creek swimming pool.



The Waddamana to Palmerston transmission lines are critical for energy security in Tasmania.

Waddamana to Palmerston transfer capability upgrade

TasNetworks commenced an assessment on how to make best use of the existing transmission network between Waddamana and Palmerston to increase both capacity and energy security.

The transmission lines between Waddamana and Palmerston are vital to the state's energy network, as they form the only transmission link connecting Tasmania's north and south.

With significant potential for future renewable energy developments in the Central Highlands, ensuring the network can support growth is a key focus.

The options under consideration take into account environmental factors, community and stakeholder feedback, technical limitations, economic benefits, and long-term network capacity.

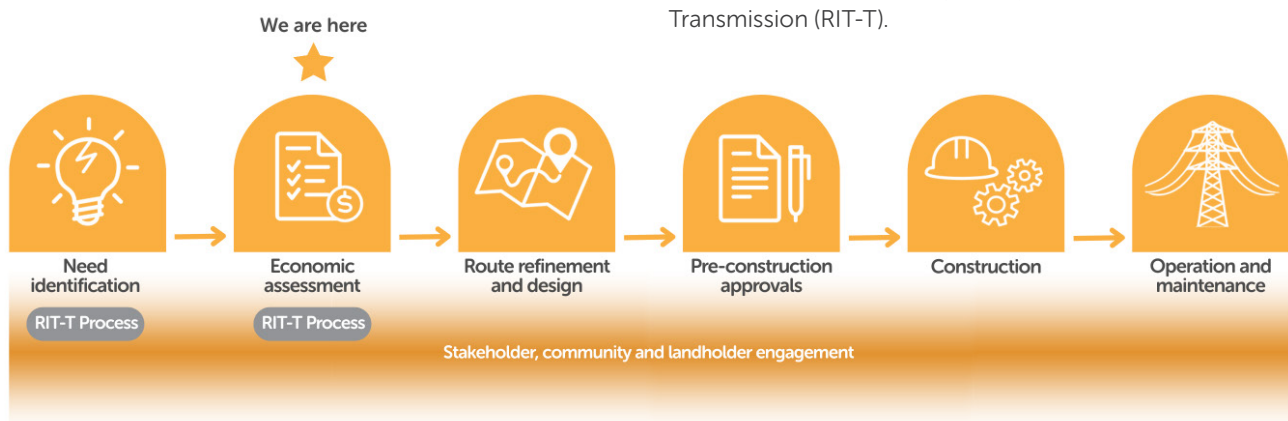
These options are being evaluated through the Australian Energy Regulator's (AER) Regulatory Investment Test for Transmission (RIT-T) — a rigorous process designed to ensure transparency and value for consumers.

The Waddamana to Palmerston transfer capability project has been identified as an 'actionable project' in the Integrated System Plan (ISP), developed and published by the Australian Energy Market Operator (AEMO). The ISP outlines a coordinated roadmap for the efficient development of the National Electricity Market (NEM) over the next 20 years and beyond.

TasNetworks has prioritised early engagement with stakeholders, landholders and the community to gain insights about the local area, local values, and local needs.

The project team was on hand at three community information sessions, including two at the Poatina Golf Club and one at the Arthurs Lake Roadhouse, as well as a webinar to share project information, answer questions and to gain an understanding of what is important to the local community.

This valuable feedback will help inform decision making and is an important component of the Project Assessment Draft Report for the Australian Energy Regulator (AER) process, known as the Regulatory Investment Test for Transmission (RIT-T).



Waddamana to Palmerston upgrade timeline.

Our people

Diversity, equity and inclusion

We are committed to creating and sustaining a workplace where a diverse workforce — and the broader Tasmanian community we serve — feels safe, respected, and empowered to do their best. We want everyone at TasNetworks to feel free to bring their whole selves to work and contribute their unique talents, experiences, and perspectives.

Over the past year, we've advanced our Diversity, Equity and Inclusion (DEI) Action Framework, which lays the foundations for improving how all team members develop and experience life at TasNetworks.

Our DEI Action Framework focuses on three key areas:

- Building a shared understanding of DEI and its value.
- Shifting mindsets to create and sustain an inclusive, respectful workplace.
- Supporting the wider Tasmanian community to celebrate diversity and promote equity.

We support and raise awareness of important local and global events like Tas Pride Walk, Neurodiversity Week, ANZAC Day, International Women's Day, NAIDOC Week and more.

As part of our Respectful Workplace Program — a core part of our psychosocial risk response — our 'Call it Out – Part 1' workshops, have reached 100% of our workforce across Tasmania. Building on this, launching in late 2024, our 'Call it Out – Part 2' workshops, which explore underlying negative behaviours, have been delivered to 98% of our workforce. These sessions are run by trained TasNetworks volunteers from across the organisation.

Additional development programs have covered topics like gendered language, plain English writing, neurodiversity awareness, and unconscious bias.

We also continue to review our policies and procedures to better reflect DEI considerations, promote inclusive language, and improve accessibility. Our e-learning content is being updated to include audio and subtitle options for greater reach and usability.

Aligned with our Reconciliation Action Plan (RAP), we also provide Cultural Heritage and Cultural Safety Awareness training, ensuring all team members who work with the Tasmanian community undertake this learning.



The Honour Board recognises the service of past and present Veterans of the Australian and New Zealand Defence Forces from across TasNetworks.

This year, to help strengthen community pride and remembrance, we introduced the TasNetworks ADF and NZDF Honour Board. Past and present veterans of the Australian and New Zealand Defence Forces within TasNetworks shared their service history so their names could be added to this tribute.

The Honour Board is displayed at the Maria Street, Lenah Valley entrance and is shared digitally across major depots statewide in the lead-up to ANZAC Day. It stands as a tribute to our colleague veterans and gives all team members a chance to reflect and take pride in our community.

With the support of local RSL clubs, we will expand our ANZAC Day ceremonies out to major depots each year. These ceremonies provide everyone the opportunity to honour the human cost of war and celebrate our national identity and shared history.

We remain committed to evolving our DEI Action Framework to focus more deeply on education, understanding, and embedding meaningful change where it matters most.



Summer school and Career Revive participants 24/25.

Early Careers programs

To maintain a healthy talent pipeline, our Early Careers programs continue to build critical skills for the workforce we need now and into the future, supporting learning and growth at every stage. Over the past year, our graduates, apprentices, and trainees gained practical, hands-on experience across multiple business areas, supported by dedicated leaders, mentors, and coaches focused on individual development. This Story approach provides a strong foundation for capability building across the organisation.

In addition, we also offer targeted scholarships and bursaries, host undergraduate and work experience students, and run a structured 12-week Summer Students Program.

Following a positive pilot, our philanthropic three-month Career Revive program successfully ran for a second year. Career Revive supports individuals returning to the workforce after a career break by providing a structured, supportive pathway into employment.

Across the 12-week program, Summer Vacation students and Career Revive participants developed a sound understanding of the energy sector, built relevant skills within a large and complex organisation, and achieved a micro-credential in Project Management to enhance their employability. Of the twelve people who participated over summer, nine continued their careers with us in various ways.



Early Careers site visit.

Attracting diverse talent

Our talent attraction strategy focuses on developing future-ready skills, fostering diverse perspectives, and expanding opportunities for underrepresented groups. We run targeted recruitment campaigns for critical roles such as engineers and line workers and have dedicated positions for Aboriginal and Torres Strait Islander peoples.

As part of this commitment, in mid-2025 we sponsored an Aboriginal and Torres Strait Islander (ATSI) trainee in Stores and Warehousing. These traineeships are designed specifically for individuals who identify as Aboriginal or Torres Strait Islander, providing valuable on-the-job training, nationally recognised qualifications, and pathways to meaningful employment. This investment not only helps build a more diverse and representative workforce but also promotes cultural understanding and competence across our organisation, fostering a more inclusive and culturally safe environment.

We also build strong community partnerships, such as our collaboration with Women's Rugby Union Tasmania. This partnership highlights the connection between women succeeding in non-traditional sports and pursuing careers in non-traditional trades — helping to raise the profile of field-based roles for women at TasNetworks and strengthening our brand and recruitment reach.

In addition, careers events and STEAM (Science, Technology, Engineering, Arts and Maths) programs in schools are vital to developing the next generation of talent for the energy sector. These initiatives expose students to industry trends, career pathways, and real-world connections with industry professionals, bridging the gap between education and employment and helping build a skilled, motivated future workforce.

Sustainability report

TasNetworks is committed to playing an enabling role in Tasmania's clean energy transition. Decarbonising our network is a strategic priority, and we continue to align our operations with the growing expectations of our customers and communities, as the shift toward renewable energy accelerates.

This year, we established the TasNetworks Sustainability Committee, marking a significant step forward in strengthening our sustainability governance and oversight. The Committee is co-chaired by two members of the Executive team and reflects our leadership-level commitment to embedding sustainability across the organisation.

The Committee's broad terms of reference encompass key focus areas including:

- climate change mitigation, adaptation and disclosures.
- ethical and sustainable procurement.
- delivering social value and positive community outcomes.

Through this strengthened governance framework, TasNetworks is better positioned to identify and respond to environmental, social, and ethical risks and opportunities as we support Tasmania's transition to a low-emissions future.

Enabling renewable energy

TasNetworks plays a key role in supporting Tasmania's clean energy transition by facilitating the connection of both large- and small-scale renewable energy sources to the grid. We continue to propose strategic grid extensions or upgrades to meet future demand and support emerging industries, including hydrogen production and electric vehicles.

Major infrastructure projects such as Marinus Link and the North West Transmission Developments are critical to enabling increased renewable energy connections and allowing Tasmania to export more clean energy to mainland Australia.

TasNetworks supports the Tasmanian Government's legislated targets to double renewable energy generation from 10,500 GWh in 2022 to 21,000 GWh by 2040, with an interim target of 15,750 GWh by 2030. Achieving this will require approximately 3,000 MW of new wind capacity by 2040, with 1,500 MW by 2030. As of June 2025 Tasmania has 568 MW of large-scale wind installed.



We've taken steps to to strengthen our sustainability governance and oversight.



As of June 2025 Tasmania has 568 MW of large-scale wind installed.



Working to build a more sustainable and resilient network in every corner of the state.

Maintaining a sustainable and resilient network

TasNetworks has developed a Network Resilience Strategy to guide our approach to managing the increasing risks posed by natural hazards and extreme weather events. Events such as bushfires, storms, and floods are occurring more frequently and with greater intensity, already impacting electricity networks across Australia.

As a critical infrastructure provider, TasNetworks must effectively manage these risks to uphold our commitments to safety, reliability, quality, and security of supply. Recent reviews by industry and government have also reinforced expectations that networks enhance their preparedness and response capabilities for the impacts linked to extreme weather.

Our strategy focuses on two key goals:

Goal 1:

- Identify and understand climate risks.
- Assess short, medium, and long-term climate-related risks and opportunities.
- Understand actual and potential impacts of these risks on our operations.
- Evaluate the effectiveness of our resilience strategies under future climate scenarios.

Goal 2:

- Integrate climate risk and resilience into decision-making.
- Embed climate risk identification and assessment into our risk management processes.
- Integrate climate resilience considerations into relevant planning and investment frameworks.

This structured approach ensures we are proactively building a more resilient, adaptive, and sustainable electricity network for Tasmania.

Climate-related financial disclosure preparation

TasNetworks continues to prepare for compliance with the Commonwealth's forthcoming Climate-Related Financial Disclosure requirements. These regulations mandate that businesses meeting specific thresholds publicly report on climate-related risks and opportunities on an annual basis.

Importantly, these disclosures must include quantitative and qualitative assessments of climate risks and opportunities over the short, medium, and long term, and be evaluated under at least two distinct climate scenarios. This represents a significant step change in both the scope and depth of climate reporting obligations for many organisations, including TasNetworks.

In anticipation of these requirements, TasNetworks has appointed additional resources to strengthen our capability and ensure readiness. As a result, stakeholders can expect to see a substantial increase in climate-related information included in next year's Annual Report.

Greenhouse gas emissions

In 2024, TasNetworks reported total greenhouse gas emissions of 60,643.6 tCO₂-e, representing a 35% reduction from 93,882.8 tCO₂-e in the previous year.

TasNetworks' most material Scope 1 (direct) emissions sources were:

- fleet fuel use: 3,944 tCO₂-e
- sulphur hexafluoride (SF₆) used in switching equipment: 3,732 tCO₂-e

We continue to explore opportunities to reduce these direct emissions through initiatives such as fleet electrification, SF₆ gas management strategies, and targeted operational improvements.



The community battery is up and running in Glebe Hill.

Community batteries

TasNetworks is trialling two community battery projects to explore how batteries can support rooftop solar, enhance grid stability, and reduce the need for costly network upgrades, ultimately helping to lower long-term energy costs.

The first trial, funded by the Department of Climate Change, Energy, the Environment and Water (DCCEEW), includes batteries installed at Showell Park (Burnie) and Glebe Hill (Howrah). Commissioning is now complete and operations commenced with a retail provider.

The second trial, funded by the Australian Renewable Energy Agency (ARENA), has commenced site selection and community engagement. The ARENA project will deliver a further six batteries across Tasmania throughout 2026-27. During this project, TasNetworks intends to trial the use of batteries to power critical community infrastructure, the site chosen in Coles Bay will trial the community battery as a backup power source during emergencies or extended outages.

TasNetworks is partnering with commercial operators to test revenue models and gather data on the operational, economic, and network benefits of community batteries. These batteries support higher residential solar uptake by storing excess daytime generation and releasing it during peak demand periods.

Insights from these trials will inform future battery deployment, helping shape a more sustainable and resilient energy future for Tasmania.



Charging up our fleet with more EVs.

Electric vehicles (EVs)

TasNetworks is actively reducing fleet emissions. The majority of our passenger vehicles are electric or hybrid vehicles, and we monitoring the development of light commercial EVs and electrified trucks that will meet our needs. Currently, we have:

- over 50 charging stations statewide
- 14 fully electric and 3 hybrid vehicles, surpassing our 2024 target of 25% electric vehicles in the light fleet.

Additionally, TasNetworks has leveraged smart meter data to create low voltage network capacity maps, enhancing understanding of local network limits. Initially trialled for internal planning, we see value in sharing this with stakeholders like local councils and EV charging operators to identify areas that can support fast EV charging.

We have engaged with councils including Hobart and Launceston to develop that will show potential locations in the network that could support an EV charger. This will support councils to identify potential locations, and assist in the development of charging infrastructure. This map is planned for pilot release to councils in July 2025, with potential for broader public access thereafter.

Procurement

This year has seen the implementation of TasNetworks' Responsible Procurement Policy and Standard. These documents underscore TasNetworks' commitment to upholding integrity in its supply chain practices, encompassing all facets of Environmental, Social, and

Governance (ESG) considerations. As one of Tasmania's largest employers, this commitment is driven by our obligation to both shareholders and the broader community. Recognising the broad impact of our supply chain, the documents set out essential principles and commitments for TasNetworks and our stakeholders. Key among these principles is that we are strongly committed to and prioritise sourcing outcomes that achieve:

- compliance with human rights and modern slavery obligations
- sustainability (environmental and financial)
- community socio-economic benefit – buying local
- Indigenous participation and economic empowerment.
- social inclusion.

Infrastructure sustainability council certification

The North West Transmission Development (NWTD) Project is working towards achieving a bronze level rating under the Infrastructure Sustainability Council (ISC) rating scheme. The Infrastructure Sustainability (IS) Rating Scheme is Australia and New Zealand's only comprehensive system for assessing the economic, social, and environmental performance of infrastructure. The IS Rating Scheme applies across all project phases, including planning, design, construction, and operation. NWTD is one of the first major infrastructure projects in Tasmania to register for an IS Rating, reflecting TasNetworks' leadership and commitment to sustainable infrastructure delivery.

Protecting our environment

Streamlining our environmental risk management in planning

In 2024–25, TasNetworks successfully developed and implemented the Environmental Risk Assessment and Planning Tool (ERAPT), a major step forward in improving how we identify and manage environmental risks across our operations and assets. By consolidating multiple systems and workflows into a single, user-friendly platform, ERAPT ensures that environmental risks are assessed early in the planning process and that clear, standardised controls are documented for all works. Key achievements include significantly improving efficiency and turnaround times for environmental escalations, particularly for customer-requested works.

The tool has also strengthened compliance by eliminating version control issues and enabling real-time updates to environmental requirements. Since its rollout, ERAPT has received positive feedback from both internal teams and external contractors, who value the improved clarity, accountability, and collaboration the system enables. Built in partnership with local Tasmanian vendor C5 Pro-Solutions, ERAPT demonstrates TasNetworks' commitment to innovation, environmental stewardship, and operational excellence. This initiative reflects our broader focus on modernising systems to deliver safer, more sustainable outcomes for the communities we serve.

Managing oil spills

Reducing environmental harm from oil spills starts with the first people onsite after an incident. To ensure that oil spills are responded to in the most effective and efficient manner, all new apprentices now have an opportunity to be instructed directly by the oil facility staff, who show them firsthand how to quickly stop the spread of an oil spill and begin the clean up process. Feedback from the apprentices during the program has been very positive, and they have indicated that they are confident to act quickly and decisively when they are confronted with an oil spill in the field. Once the spill has been controlled, the spill crew attend to clean up the site.



Spill trailer.

New and updated standards

In the past year there have been several new standards created to guide our planning and provide a consistent approach to managing environmental risk.

These include:

- waste management standard
- HSE contractor performance standard
- wildlife interactions standard.

Improvements to planning processes and environmental risk management enable us to minimise our impact on the environment.



Teaming up to preserve vital land and waterways in the Derwent Catchment.

Derwent Catchment Project

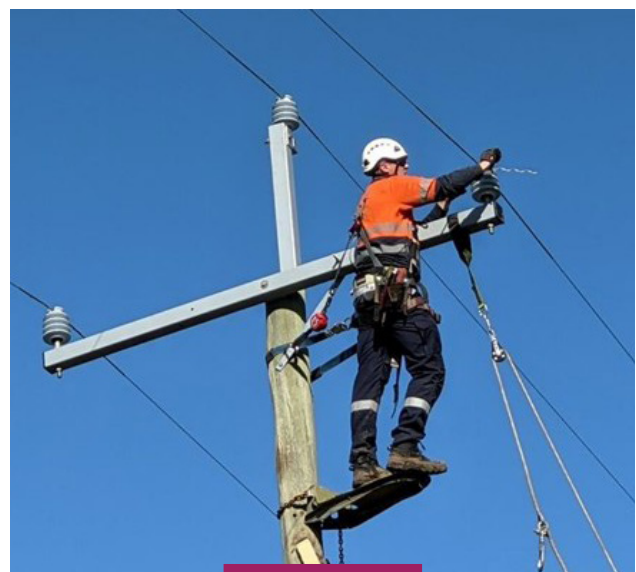
Through our Strategic Weed Management Program, TasNetworks continues to invest in collaborative efforts to control and eradicate high-priority weeds across Tasmania. In 2024–25, funding provided to the Derwent Catchment Project (DCP) supported targeted weed management across some of the state's most environmentally and agriculturally significant areas. The program delivered coordinated, landscaping actions to reduce the impact of invasive species such as gorse, broom, African boxthorn, karamu, and ragwort.

DCP undertook systematic weed treatments along the Derwent River corridor, Dee Lagoon, Lyell Highway, and priority powerline easements. This work included repeat spraying to suppress regrowth, strategic surveys to identify new infestations following the 2024 floods, and the removal of invasive species interspersed within native vegetation. Complementing on-ground control, DCP engaged with landholders, local councils, and community groups to build shared responsibility for weed management. Education initiatives, including Adopt-A-Shore and community planting days, helped raise awareness and encourage stewardship of local landscapes.

Protecting threatened birds

TasNetworks recorded eighteen threatened bird incidents in 2024–25 (17 Tasmanian wedge-tailed eagles and 1 grey goshawk). All incidents were recorded on the distribution network. Whilst this number is higher than last year, it remains slightly below the long-term average.

We have focused on raising awareness to ensure all incidents are reported and birds are taken to the Tasmanian Museum and Art Gallery (TMAG) for necropsy in a timely manner.



Lineworker attaching wires to a fiberglass cross-arm and delta riser creating a more bird-safe pole top configuration.



Discussing options for catchment management.

Understanding the high-risk network

New research from the University of Tasmania, conducted by Dr James Pay, addresses avian fatalities caused by collisions with overhead powerlines, focusing on the Tasmanian wedge-tailed eagle.

Using six years of GPS tracking data, he developed fine-scale spatial risk models based on eagle behaviour to predict where power line crossings at hazardous altitudes are most likely. The models identified high-risk areas associated with open habitats, forest edges, rural developments, wet forests, and freshwater sources, accurately predicting 94% of confirmed eagle fatalities.

We will use this research alongside our existing models to understand the high-risk network and prioritise mitigation efforts.

Proactive bird mitigation

Proactive mitigation of the network continues, with high-risk areas prioritised.

This includes the rollout of wildlife-friendly pole tops on new and replacement network assets, featuring delta configuration and fibreglass cross-arms to increase the spacing between conductors, making the network progressively safer for large birds.

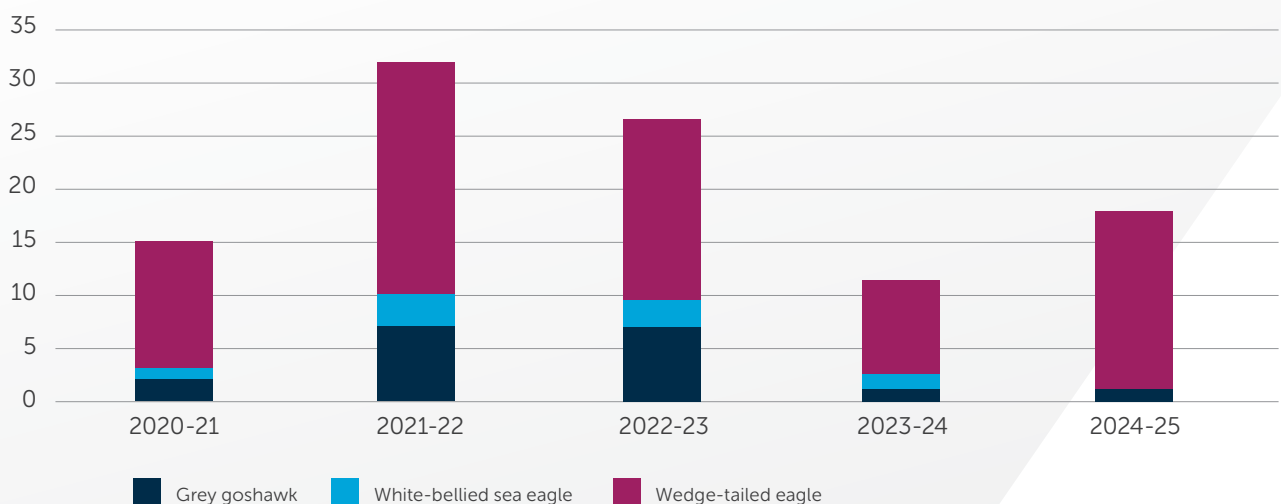
This work forms part of a long-term program to reduce the risk of wildlife electrocution across the network.

As we learn more about the behaviour and habits of threatened bird and how they interact with our network, we can better understand the most effective mitigation strategies to reduce the risk of incidents.

Environmental partnerships

TasNetworks engages in several partnerships with organisations dedicated to the conservation of Tasmania's environment and wildlife. We focus on weed control and threatened species conservation to minimise the environmental impact of our network and actively contribute to conservation.

TasNetworks reportable threatened bird incidents – last five years



Bonorong

TasNetworks staff have engaged in volunteering days as part of our community engagement and volunteering leave program. We have enjoyed supporting Bonorong by helping to clear and maintain vegetation in the enclosures. In return, our staff have not only been able to productively engage in conservation work, but they have also had the opportunity to learn about the fantastic service provided by Bonorong and its importance to our native wildlife.

Tasmania Wildlife Hospital

Our partnership with the Tasmania Wildlife Hospital continues this year, and we have visited the site to view the recently constructed raptor recovery enclosures. These will enable large birds to recover from injury and regain the ability to fly in a protected space before release.

A dedicated contingent of staff and volunteers have collaborated to landscape the site and plant many trees to provide shelter for the enclosures.

Threatened raptors will now be able to be treated and fully rehabilitated before being returned to the wild, increasing their chances of survival significantly.



The raptor recovery enclosures at Forth near Devonport.

42-24

42-24 exists to deliver strategic, commercial and social value that complements the purpose, financial performance and reputation of TasNetworks. This commitment underpins how we operate and create value ensuring our services enable a stronger, more connected Tasmania.

This year marked significant progress in the delivery of our new corporate strategy, with outcomes that reflect the commitment that we have to our customers, our people and the strategic objective to commercialise latent capacity within TasNetworks infrastructure and resources.

We continue to grow our business while staying true to our purpose to deliver safe and sustainable essential services while maximising value for all of Tasmania.

Project delivery

We delivered a range of impactful projects that reflect the criticality of services we offer and the capability of the 42-24 team and our delivery partner TasNetworks.

Telecommunications solutions

We have deployed telecommunication solutions throughout the state which have delivered critical services for state government agencies and enterprise customers.

We maintained strong engagement with wholesale carriers who rely on our statewide telecommunications network to support the delivery of their services. These partnerships are critical to enabling greater connectivity and choice for Tasmanian communities and businesses.

Cloud infrastructure

In collaboration with key customers, we have deployed tailored Infrastructure as a Service environments supporting business-critical applications which leverage highly available, secure on-island infrastructure.

Regional Connectivity

42-24 has maintained its strong focus on supporting social and economic development through strategic infrastructure collaboration and the innovative use of existing TasNetworks assets. This year marked a major milestone in our Regional Connectivity Program initiatives, with the successful completion of the optic fibre build to Tullah on Tasmania's remote west coast.

Construction on the Zeehan extension is also progressing well and remains on track for completion in the second part of 2025. These projects have been expertly delivered through strong partnerships between the TasNetworks Telecommunications team and Overhead field crews, whose work has ensured the timely and high-quality delivery of this critical infrastructure.

We are seeing positive engagement from telecommunications carriers and customers looking to leverage the new infrastructure to expand digital services in the region. This growing interest highlights the real and ongoing demand for improved connectivity in remote communities.

These outcomes reinforce 42-24's role as a trusted technology partner for organisations across government, enterprise, carrier and critical service sectors in Tasmania.

Sustainable and resilient data centre operations

Our on-island data centre infrastructure plays a central role in supporting the critical services that Tasmanians rely on.

We reinforced our commitment to sustainability, achieving power usage effectiveness exceeding industry benchmarks at our two premium facilities.

We continued to invest in modern infrastructure upgrades to deliver improved resilience and redundancy ensuring continuity of service for hosted systems that must be always-on and highly secure.

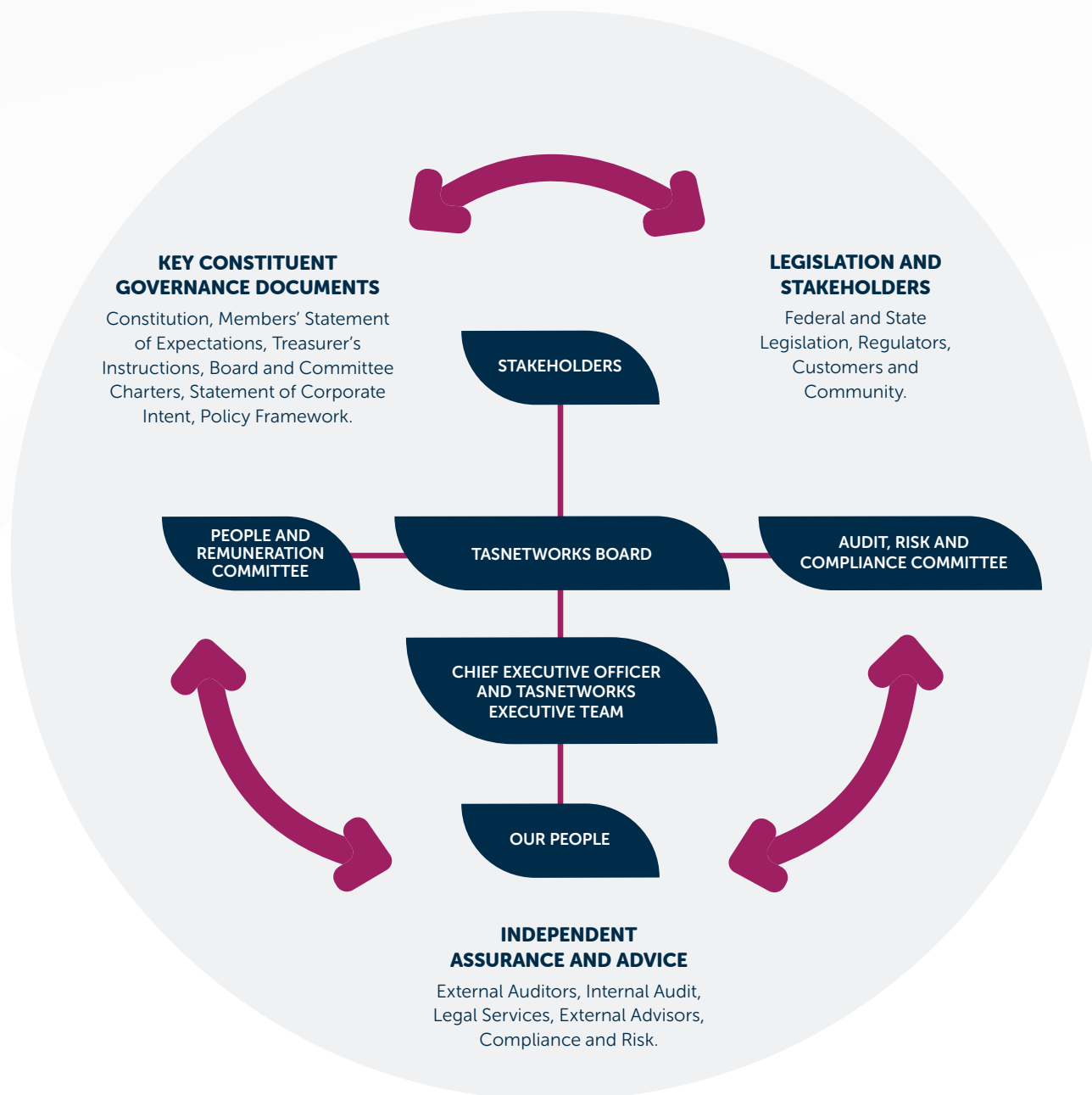
This focus on sustainability and resilience reflects our long-term commitment to providing safe, efficient, and responsible digital infrastructure for the state.

Looking forward

With the first year of our new corporate strategy successfully delivered, 42-24 enters the new financial year with momentum and confidence. We remain focused on our customers and continuing to deliver outcomes that matter.

Corporate governance

Our governance structure





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

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 (ET). 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 ET performance and remuneration and ensuring succession planning for the Board, the CEO and ET.

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 28 November 2024, Roger Gill, Cheryl Hopkins and Nicholas Fleming 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 a Non-Executive Director of Pacific Hydro Pty Ltd as well as a Principal Consultant for Hydro Focus Pty Ltd.

Roger's 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, Upper Hunter Hydro Pty Ltd, and UHE São Simão Energia S.A. (Brazil).

Kevin Kehl
BE (Hons), GAICD
Appointed: 23 November 2021
Re-appointed: 25 November 2022
Current term expires: November 2025

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 NonExecutive Director of Marinus Link Pty Ltd and Energy Queensland Limited and is a Non-Executive Director and Chair of both Energex Limited and Ergon Energy Corporation Limited.

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
Reappointed: 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
Reappointed: 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
Reappointed :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, Iota Services Pty Ltd and an advisory Board Member of Infrastructure CoLab (Qld). Nicholas is Managing Director of Innergise Pty Ltd and is an Adjunct Professor at University of Queensland, Faculty of Business, Economics and Law and 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: 26 July 2024
Current term expires: November 2025

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 of the Australian Institute of Company Directors and an alumna of the Tasmanian Leaders Program.

Naomi is currently Vice President (Australia) and a board member of Charter Accountants Australia and New Zealand, Academic Lead 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 124-126.

Board committees

The Board has two standing committees:

- the People and Remuneration Committee
- the Audit, Risk and Compliance Committee
- both Committees comprising of three Non-Executive Directors each.

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

Audit, Risk and Compliance Committee

The Committee oversees and monitors TasNetworks' financial and corporate reporting, audit and compliance obligations, risk management, fraud, compliance culture, the approach for Transmission revenue and Distribution regulatory resets, sustainability, and oversees the company's internal control activities.

The Audit, Risk and Compliance Committee met six times during the 2024-25 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 five times during the 2024-25 financial year and provided the Board with minutes from each meeting.

Subsidiary companies

TasNetworks has three wholly-owned subsidiary companies. As of 30 June 2025, 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), Dr Seán

Mc Goldrick (TasNetworks' Chief Executive Officer) and Michael Westenberg (Executive, Finance and Regulation), and the Company Secretary is Jacqueline Nicholls-Jungmann (TasNetworks' Lead Counsel, Company and Compliance).

- **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:

- Dr Seán Mc Goldrick (Chair and TasNetworks' Chief Executive Officer)
- Renee Anderson (TasNetworks' Executive People and Stakeholder)
- 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)
- Jacqueline Nicholls-Jungmann (Company Secretary) (TasNetworks' Lead Counsel, Company and Compliance).

During 2024-25 Peter Stuckey was a director for Fortytwo24 Pty Ltd until his resignation on 17 February 2025.

- **TasNet Connections Pty Ltd**, which was incorporated to hold unregulated transmission connection assets.

The directors of TasNet Connections Pty Ltd are Dr Seán Mc Goldrick (Chair and TasNetworks' Chief Executive Officer), Kevin McGrath (TasNetworks' Executive, Operations), Michael Westenberg (TasNetworks' Executive, Finance and Regulation),

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 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)
- our Zero Harm Policy
- 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.

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, with a further review anticipated within the 2024-25 reporting period.

During the 2023-24 financial year, seven formal applications for Assessed Disclosure were received. In three out of the seven applications received, all the information sought was provided to the applicant.

In the three applications where exemptions were claimed, s35, 36, 37, and 38 of the Act were invoked. There is one application that is yet to be accepted, with the applicant having been asked to refine the scope of the request in accordance with the RTI Act.

Of the seven applicants, one was a politician (2 requests), one was from a newspaper reporter, two were from private individuals, and two on behalf of government agencies, which themselves had received RTI requests. One related to the North West Transmission Project, one to the annual Scrutiny Brief and one to the TasNetworks psychosocial risk survey. None of the six decisions made to date had been appealed.

TasNetworks' continues to regularly monitor 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 December 2023. In April 2021, TasNetworks also adopted the Tasmanian Ombudsman's new Model Procedures with minor modifications approved by the Ombudsman. A copy of the procedures is available on TasNetworks' website.

Five disclosures were received during the year. None of these were determined to be public interest disclosures. As at 30 June 2024, one previous disclosure remains open, with the related investigation reaching conclusion. 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 July 2021, sets out how it collects, uses, discloses and otherwise manages personal information it holds. TasNetworks has appointed KPMG to undertake a Privacy and Data Audit, following the completion of which TasNetworks will undertake a review of its privacy policies and procedures, update where necessary and review its privacy training requirements.

TasNetworks received one enquiry from a customer in relation to the PIP Act this financial year. The investigation concluded there had been no improper use of personal information.

Renee Anderson (TasNetworks' Executive People and Stakeholder), Chantal Hopwood (TasNetworks' Executive Governance), Andrew Davis (TasNetworks' Executive Digital, Strategy and Customer), and the Company Secretary is Jacqueline Nicholls-Jungmann (TasNetworks' Lead Counsel, Company and Compliance). During 2024-25 Peter Stuckey was a director for TasNet Connections Pty Ltd until his resignation on 14 February 2025.

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 2023-24 financial year, the TasNetworks Board was made up of six independent, Non-Executive Directors. The Board's responsibilities are summarised at page 40 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.

The executive performance evaluation process is detailed at page 46 of this report.

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 40 and 41 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 a 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 Government Minister Members on the basis of their skills and 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 have been conducted for the 2023-24 financial year internally, with the Board undertaking questionnaires and participating in discussions to assess and provide feedback on the performance of individual directors, Committees and the Board. All identified opportunities for development from the process will be implemented with oversight by the People and Remuneration Committee.

Internal reviews for assessing the performance of each subsidiary Board has also been undertaken.

Principle 3: Instil 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, 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 Director's 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 42 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 43..

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 TasNetworks Risk Management Policy and Risk Management Framework 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:

- prepared and delivered a plan for managing risk in accordance with TasNetworks' risk appetite, the expectations of its stakeholders and the law
- 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. This group 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 Government Board and Committee Remuneration Framework 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 pages 60 and 61 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 2023-24 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, Andrew Davis, Sean Mc Goldrick, Renee Anderson, Kevin McGrath.

TasNetworks executive team

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

Dr Seán Mc Goldrick

B.A., B.A.I., Ph. D, EngExec and CPEng
Chief Executive Officer

Michael Westenberg

GAICD, GCertCorpMgt
Executive, Finance and Regulation

Chantal Hopwood

Executive Governance (from March 2025)

Renee Anderson

B(Bus), GAICD
Executive, People and Transformation

Andrew Davis

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

Kevin McGrath

Executive Operations (from 12 May 2024)

Not pictured

Peter Stuckey

BA, LLB
Executive Governance (until March 2025)

Consolidation

During financial year 2024-25, TasNetworks had three subsidiaries within its corporate group (together, the TasNetworks Group):

- TasNetworks Holdings Pty Ltd
- Fortytwo24 Pty Ltd
- TasNet Connections Pty Ltd.

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 \$8.2 million and the company invested \$272.2 million across many capital projects.

A more detailed review of the TasNetworks Group's operations during the year is contained in this 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 2024-25.

TasNetworks received \$90.7 million of the expected \$103.5 million equity contribution during the 2024-25 to recover TasNetworks' investment in Marinus Link following the sale of Marinus Link Pty Ltd in 2023-24. The Department of Treasury and Finance has committed to pay the remaining \$12.8 million in 2025-26 as part of its carried forward budget commitments and is expected to be received in early 2025-26.

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 34 reportable environmental incidents during the financial year which included 17 impacts to listed threatened fauna species (comprising 16 wedge-tailed eagles and one grey goshawk), and 17 oil spills or leaks. Following each threatened bird incident, ongoing risks were reduced by installation of bird flight diverters (flappers) or pole top perches along with continued work to install bird-friendly pole tops on new network. Oil spills were attended to by our Oil Spill Response teams to ensure appropriate clean-up was achieved. During the year, we also trialled and commissioned the Environmental Risk Assessment Planning Tool (ERAPT), which has streamlined the process and provided a single point of contact between designers and the Environment and Sustainability team.

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

Matters arising since end of financial year

Subsequent to 30 June 2025, the Board of TasNet Connections Pty Ltd resolved not to proceed with its operationalisation and approved its formal winding up.

In accordance with AASB110 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 2025. The winding up of the subsidiary is not expected to have a material impact on the financial position or performance of the Group in subsequent reporting periods.

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 paid nil dividends during financial year 2024-25 after accounting for the loss on sale of its subsidiary Marinus Link Pty Ltd.

Subsequent to the end of the financial year, the Board has not recommended the payment of a dividend for the 2024-25 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.

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 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 2025. Director and Company Secretary qualifications are set out in the Corporate Governance section of the Annual Report.

Director	Board				Audit, Risk and Compliance Committee		People and Remuneration Committee	
	Regular and Special		Out of Session (OOS)		Eligible	Attended	Eligible	Attended
	Eligible	Attended	Eligible	Attended				
Roger Gill	12	12	9	9	5	5	5	5
Dr Julie Beeby	1	1	1	1	0	0	0	0
Kevin Kehl	12	12	9	9	6	6	0	1
Katherine Schaefer PSM	12	12	9	9	0	2	5	5
Cheryl Hopkins	12	12	9	9	6	6	0	0
Nicholas Fleming	11	11	8	8	0	2	5	5
Naomi Walsh	5	5	5	3	1	1	0	0

Organisational structure Governance



The Governance Group comprises Legal Services, Company Secretariat, Business Governance and Commercial teams. The group is responsible for legal, governance, audit, risk and compliance support and advice to the Board, Chief Executive Officer and the business, as well as managing TasNetworks' information assets and providing guidance to all areas of the business relating to information management. The Commercial 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

This group is responsible for delivering a broad range of services that support the business to meet its objectives, including leading the development of strategic plans, providing digital solutions and meeting the needs of our customers.

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 transformation

The People and Transformation Group is responsible for overseeing the safety, engagement and overall experience of everyone working at TasNetworks. The group includes teams and specialists who are responsible for creating a 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.

Finance and regulation

The Finance and Regulation Group is responsible for supporting and building TasNetworks' financial strength by delivering sound, independent advice and analysis, by supporting and directing financial strategies, capital structure development, debt portfolio, business risk management, and transactional services. The group also manages TasNetworks' key business services and are responsible for ensuring the business meets its regulatory requirements.

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 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 post-employment 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 competitively 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 128.

TasNetworks has complied with the Government's Director and Executive Remuneration Guidelines, applicable at the time, for the year ended 30 June 2024 with the exception of two variations. These are the confidentiality and termination provisions contained in executive contracts. 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, Chief Executive Officer, Dr Sean Mc Goldrick 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	Performance measure	Definition	24-25 target	24-25 result	Outcome
Enhance the safety and wellbeing of our people	Tier 1 incidents	Number of serious injuries or fatalities (actual and potential)	≤ 8	4	Met
	Employee engagement (%)	% score at group-level from Culture Amp survey	≥ 65	60	Not met
Deliver value for our customers	Customer satisfaction	Customer satisfaction score out of 10	≥ 7.6	7.5	Not met
Supply reliable essential services	Transmission reliability	Loss of system supply >0.1 system minutes (LoS)	≤ 4	7	Not met
	Distribution reliability	System average interruption duration index (SAIDI)	≤ 162	172	Not met
Provide a sustainable financial return	Profit (\$m)	Net profit after tax (\$m)	≥ 32.9	8.2	Not met

Performance commentary

TasNetworks faced a challenging environment to commence this financial year. An overview of the events in the operating environment is provided below to assist in contextualising TasNetworks' performance for the year.

In the first quarter of the year, TasNetworks, unions and individual bargaining representatives were negotiating a new enterprise agreement. After several months of negotiations, multiple unions elected to apply for and undertake protected industrial action, which resulted in a period of disruption to planned works.

While the protected industrial action was underway, the north of Tasmania was hit by severe storms of a rare level of intensity and impact. The days of most severe weather were 30 August to 2 September, but in total, eight days were sufficiently extreme to be declared 'major event days' by the Australian Energy Regulator. In total over 200,000 connections were restored, at the peak over 45,000 customers were without power across 228 outages. TasNetworks, supported by Fair Work, suspended industrial action in response to the storm to focus on safe operations to support restoring power to customers. Our staff worked across multiple weeks to safely restore power to all customers. Once it was safe to do so, enterprise negotiations recommenced, and a new agreement was voted in favour by employees in October 2024.

The impact from these dual events can be seen in TasNetworks' results for the year. While TasNetworks achieved its core priority of safely restoring customers, the damage from the storms had a material impact to many customers and a significant operating expenditure and capital expenditure cost that is reflected in our profit position. In addition, it impacted standard operations for many teams for approximately a month in total, which combined with industrial action, led to a significant disruption of operations. Similarly, while TasNetworks achieved its target of a sustainable enterprise agreement that was supported by the majority of staff, the negotiation process had disruption to our people and financial position.

We are responding to the disruption, aiming to build longer-term resilience, reflected in our commitment to delivering actions identified in the review of the storm incident – both internally and by the Government.

Enhance the safety and wellbeing of our people

Tier 1 incidents

Safety remains a critical priority for us, supporting our people both in the field and in the office. In 2024–25, we delivered a strong safety performance, achieving results within our targets for Tier 1 incidents—measured by both actual and potential occurrences—and demonstrating year-on-year improvement in this key performance metric. This outcome reflects our focus on high-energy work controls and strong leadership emphasis on field safety, including mandated rest breaks during adverse weather and stand-down periods prior to commencing overtime rosters. This was particularly notable during the significant volume of work to restore customer connections after the storm in September, which was achieved without a material safety incident.

We will continue to prioritise physical safety by ensuring the right controls and protections are in place to manage and reduce risk exposure. Our efforts are further strengthened by initiatives such as a digital fatigue tracking trial and the ongoing development of energy management standards aimed at incident prevention.

In parallel, we remain committed to improving psychosocial safety. Through partnerships with experts across Australia, we are developing a new TasNetworks psychosocial and mental health standard. We are also engaging with leaders and teams across the business to promote the use of psychosocial risk tools that help identify, understand, and mitigate risks at the team level.

Employee engagement

We are striving to be 'people-first' in our approach. This was an important year for our people as we negotiated and agreed a new enterprise agreement, while concurrently delivering significant work to safely restore service to our customers after severe weather in August and September. Measured in April 2025, our employee engagement achievement improved on results from both the prior survey (held in 2022) and the pulse survey (held late 2024), however fell short of our target. A high participation rate of 86% in the survey provided valuable insights. Team action plans are now underway and will be tracked through 2025–26, with leaders encouraged to focus on one or two high-impact factors to drive a 'people-first' culture and uplift positive engagement through improved workplace experiences.

Deliver value for our customers

We delivered an improved customer satisfaction performance in 2024–25, although the full-year result narrowly missed the target by 0.1 points. If adjusted for the September 2024 storm impact, customer satisfaction performance would have met the 2024–25 target of 7.6.

This outcome is driven by notable improvements in first-call resolution and faster response times, supported by enhancements in how we measure and respond to customer feedback. At the same time, recurring unplanned outages, particularly during adverse weather, continued to challenge overall satisfaction, highlighting the importance of power reliability to our customers.

We successfully introduced a new customer satisfaction tracking system, which significantly increased customer response rates and provided deeper insights into specific pain points across regions and service types. Our customer journey mapping is now informing targeted service improvements for key interactions.

Supply reliable essential services

Supply reliability is a core aspect of the service we provide to customers and enhanced reliability supports our safety culture. Consistent with our peers in the industry and the Australian Energy Regulator's targets, our core reliability measures are related to minutes of supply for customers – or system minutes in the case of our transmission network. We aim to keep our outage duration as low as possible while also ensuring our practices are safe and investment is prudent and affordable.

A major impact to the reliability of our network is weather. Severe weather can impact parts of our network and compromise supply reliability. This is acknowledged by the Australian Energy Regulator (AER) with the specific methodology for calculating a Major Event Day. TasNetworks is typically subjected to three to four Major Event Days per year and the corresponding high impact days on either side of the weather event. In 2024–25, a major storm system impacted the network between 27 August 2024 and 4 September 2024, resulting in eight Major Event Days and lasting impacts to both transmission and distribution networks with significant damage to the distribution network. In addition, three other Major Event Days were recorded during the year – a vehicle impact to a pole in Port Sorell, and two involving wind and lightning from local storm events.



TasNetworks monitors the performance of individual feeders and focuses attention on specific issues occurring on the poorest performing feeders to provide targeted reliability improvements. These improvements are tracked through from identification to completion throughout the year. Reliability improvements continue to prioritise enhancing vegetation management, proactive equipment maintenance and targeted improvement works.

Provide a sustainable financial return

The TasNetworks Group recorded an after-tax profit of \$8.2 million for 2024–25, below budget expectations by \$24.8 million.

While revenue finished marginally favourable to budget at \$552.6 million due to regulated revenues with higher consumption and AEMO settlement residues, the driver of the unfavourable result is attributable to operating costs, which finished unfavourable to budget by \$35.9 million.

Operating budgets were primarily impacted by unbudgeted costs of \$25.3 million, including:

- payments with the new Enterprise Agreement of \$10 million
- operating costs associated with the significant storm event impacting Tasmania from 25 August 2024 to 16 September 2024 of \$13 million
- additional unbudgeted interest costs of \$2.3m associated with delayed timing in receiving the equity contribution following the sale of Marinus Link Pty Ltd
- increased investment in the program of work to mitigate risks in vegetation management and fault response.

Tasmanian Government Reporting Requirements

Purchases from Tasmanian businesses during 2024-25

% of Tasmanian purchases	70.8%
Value of Tasmanian purchases	212,622,837

Accounts due or paid during 2024-25

Creditor days (average days)	20
Number of accounts due for payment	28,991
Number of accounts paid on time	26,509
Amount due for payment	313,415,449
Amount paid on time	267,807,715
Number of payments for interest on overdue accounts	–
Interest payable on overdue accounts	–

Consultants disclosure

FY 2024-25: 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 (\$)
Alexander James Consulting Pty Ltd	Bellerive, TAS	Advisory services for a site safety and security review	December 2024 – December 2027	127,049
Alexander James Consulting Pty Ltd	Bellerive, TAS	Advisory services for a physical security review and benchmarking	January 2025 – April 2025	65,800
Allens	Melbourne, VIC	External legal services for the Marinus Link network connection	July 2024 – June 2025	406,377
Bendelta Pty Ltd	Sydney, NSW	Advisory services for organisational culture development	October 2024 – June 2025	141,455
Capgemini Australia Pty Ltd	Sydney, NSW	Advisory services for enterprise system integration	April 2024 – January 2025	166,953
Deloitte Touche Tohmatsu	Melbourne, VIC	Advisory services for system readiness in cloud and AI	February 2025 – April 2025	60,000
Ernst & Young	Sydney, NSW	Advisory services for due diligence on Project Marinus	June 2024 – November 2024	59,882
Ernst & Young	Sydney, NSW	Advisory services for a post-transformation finance diagnostic review	February 2025 – March 2025	104,709
GHD Pty Ltd	Hobart, TAS	Design services for Scottsdale depot development	July 2024 – December 2024	67,017

Name of consultant	Location	Description	Period of engagement	Amount (\$)
GHD Pty Ltd	Hobart, TAS	Consulting services for transformer replacement project design	March 2025 – October 2025	130,129
Houston Kemp Pty Ltd	Sydney, NSW	Advisory services for regulatory compliance in customer transmission charges	January 2025 – February 2025	79,975
Houston Kemp Pty Ltd	Sydney, NSW	Advisory services for RIT-T assessments on Repex projects	July 2024 – June 2025	132,201
Hydro Tasmania	Hobart, TAS	Advisory services for market modelling related to Waddamana–Palmerston RIT-T	December 2024 – June 2025	326,198
Jacobs Group Australia Pty Ltd	Melbourne, VIC	Provision of specialist services	December 2024 – June 2025	184,260
Kantar Public Australia Pty Ltd	Sydney, NSW	Advisory services for customer journey mapping	July 2024 – August 2024	55,500
Kantar Public Australia Pty Ltd	Sydney, NSW	Advisory services for storm event customer and community experience review	October 2024 – November 2024	174,000
KPMG	Hobart, TAS	Provision of professional services audit	December 2023 – July 2024	69,479
KPMG	Hobart, TAS	Assurance services for SOCI CIRMP review (Phase 2) and annual reporting	August 2024 – September 2024	52,000
McCafferty Legal Pty Ltd	Sydney, NSW	External legal services for a proposed dedicated connection Asset	July 2024 – June 2025	51,601
Mott MacDonald Australia Pty Ltd	Brisbane, QLD	Consulting services for distribution loss factor calculations	July 2024 – November 2024	51,090
Susan Fahey Consulting Pty Ltd	North Hobart, TAS	Advisory services for HR strategic matters	July 2024 – June 2025	64,703
University of Technology Sydney	Sydney, NSW	Consulting services for Derwent Bridge microgrid feasibility study	July 2023 – June 2024	113,411
CoEng Pty Ltd	Warners Bay, NSW	Consulting services for structural and feasibility reviews of OHCS changes	November 2024 – June 2025	75,400
CoEng Pty Ltd	Warners Bay, NSW	Assessment for corroded transmission tower serviceability	February 2025 – July 2025	93,343
CoEng Pty Ltd	Warners Bay, NSW	Assessment for pole tip loads as part of digital twin modelling	March 2025 – September 2025	361,400
Total consultants engaged for over \$50,000				3,213,931

Engaged by Tasmanian Networks Pty Ltd for North West Transmission Development Project

Name of consultant	Location	Description	Period of engagement	Amount (\$)
Allens	Melbourne, VIC	Legal services for the drafting of the Engineering, Procurement & Construction Contract	July 2024 – June 2025	317,339
Allens	Melbourne, VIC	Legal services for the Financing of Early Works Phase	July 2024 – June 2025	374,163
Fission Pty Ltd	Milton, QLD	Advisory services for Early Works Phase contract review and development Independent Class 3 Estimate	July 2024 – August 2024	190,677
GHD Pty Ltd	Hunter Region, NSW	Advisory services for review of Contingent Project Application Early Works Phase	July 2024 – September 2024	57,092
Hydro Tasmania	Hobart, TAS	Specialist Engineering Support for Early Contractor Involvement	September 2024 – June 2025	248,771
Jacobs Group Australia Pty Ltd	Melbourne, VIC	Specialist Engineering Support for Landslip Risk Assessment and preparation of Electro Magnetic Flux report	July 2024 – October 2024	138,220
MBB Group Pty Ltd	Sydney, NSW	Advisory services for Project Final Investment Decision and Financial Close	July 2024 – June 2025	74,280
North Projects Pty Ltd	Melbourne, VIC	Advisory services for Early Works Phase contract review	August 2024 – June 2025	109,665
Perspektiv Australia Pty Ltd	North Fremantle, WA	Advisory services for Infrastructure Sustainability Council Rating Scheme	July 2024 – June 2025	251,665
Tetra Tech Coffey Pty Ltd	Chatswood, NSW	Advisory services for environment, land use planning and heritage	July 2024 – June 2025	1,535,900
White & Case	Melbourne, VIC	Legal services for the drafting of the Engineering, Procurement and Construction Contract	February 2024 – April 2024	126,612
Total consultants engaged for over \$50,000				3,424,383

Engaged by Fortytwo24 Pty Ltd

Name of consultant	Location	Description	Period of engagement	Amount (\$)
Page Seager Pty Ltd	Hobart, TAS	Provision of legal and advisory services to support 42-24	July 2024 – June 2025	67,236
ProQuest IT Pty Ltd	Moonah, TAS	Salesforce and customer experience consulting services	July 2024 – June 2025	80,350
Total consultants engaged for over \$50,000				147,586

Engaged by TasNet Connections Pty Ltd

Name of consultant	Location	Description	Period of engagement	Amount (\$)
Mott MacDonald Australia Pty Limite	Adelaide, SA	Provision of engineering advisory services for substation installation	Feb 2025 – June 2025	203,765
Page Seager Lawyers	Hobart, TAS	Provision of professional legal services for general commercial matters, term sheets and delivery agreements	July 2024 – June 2025	102,563
Total consultants engaged for over \$50,000				306,328

Total consultancies valued more than \$50,000 (ex GST)			7,092,229
There were 99 consultants engaged for \$50,000 or less totalling			1,499,316
TOTAL PAYMENTS TO CONSULTANTS			8,591,545

Directors' report

The Directors of TasNetworks at any time during the 2024-25 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 was a member of the Audit, Risk and Compliance Committee from June 2024 to January 2025. Appointed: 27 November 2017 Current term: November 2024 until November 2027 Mr Gill was appointed as Chair in November 2021. Mr Gill will be ineligible for re-appointment following this term.
Dr Julie Beeby Director	Dr Beeby was first appointed to the Board in November 2018. She was Chair of the People and Remuneration Committee. Appointed: 20 November 2018 Term: November 2023 until November 2024 Dr Beeby resigned at the November 2024 AGM.
Kevin Kehl Director	Mr Kehl was appointed to the Board in September 2021. He is a member of the Audit, Risk and Compliance Committee. Appointed: 23 November 2021 Current term: November 2022 until November 2025 Mr Kehl will be eligible for re-appointment at the 2025 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. Appointed: 22 February 2022 Current term: November 2023 until 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. Appointed: 28 April 2023 Current term: November 2024 until November 2027 Ms Hopkins 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. Appointed: 16 January 2025 Current term: January 2025 – November 2025 Ms Walsh will be eligible for re-appointment at the 2025 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. Appointed: 26 July 2024 Current term: November 2024 – November 2027 Dr Fleming will be eligible for re-appointment at the 2027 AGM.

Consolidation

During financial year 2024-25, TasNetworks had three subsidiaries within its corporate group (together, the TasNetworks Group):

- TasNetworks Holdings Pty Ltd
- Fortytwo24 Pty Ltd
- TasNet Connections Pty Ltd.

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
- provide telecommunications services and infrastructure as a service.

Review of operations

The TasNetworks Group recorded an after-tax profit of \$8.2 million, and the company invested \$272.2 million across many capital projects.

A more detailed review of the TasNetworks Group's operations during the year is contained in this 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 2024-25.

TasNetworks received \$90.7 million of the expected \$103.5 million equity contribution during the 2024-25 to recover TasNetworks' investment in Marinus Link following the sale of Marinus Link Pty Ltd in 2023-24. The Department of Treasury and Finance has committed to pay the remaining \$12.8 million in 2025-26 as part of it carried forward budget commitments and is expected to be received in early 2025-26.

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 34 reportable environmental incidents during the financial year which included 17 impacts to listed threatened fauna species (comprising 16 wedge-tailed eagles and one grey goshawk), and

17 oil spills or leaks. Following each threatened bird incident, ongoing risks were reduced by installation of bird flight diverters (flappers) or pole top perches along with continued work to install bird-friendly pole tops on new network. Oil spills were attended to by our Oil Spill Response teams to ensure appropriate clean-up was achieved. During the year, we also trialled and commissioned the Environmental Risk Assessment Planning Tool (ERAPT), which has streamlined the process and provided a single point of contact between designers and the Environment and Sustainability team.

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

Matters arising since end of financial year

Subsequent to 30 June 2025, the Board of TasNet Connections Pty Ltd resolved not to proceed with its operationalisation and approved its formal winding up.

In accordance with AASB110 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 2025. The winding up of the subsidiary is not expected to have a material impact on the financial position or performance of the Group in subsequent reporting periods.

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 paid nil dividends during financial year 2024-25 after accounting for the loss on sale of its subsidiary Marinus Link Pty Ltd.

Subsequent to the end of the financial year, the Board has not recommended the payment of a dividend for the 2024-25 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.

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 Director's 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 2025. Director and Company Secretary qualifications are set out in the Corporate Governance section of the Annual Report.

Director	Board				Audit, Risk and Compliance Committee		People and Remuneration Committee	
	Regular and Special		Out of Session (OOS)		Eligible	Attended	Eligible	Attended
	Eligible	Attended	Eligible	Attended				
Roger Gill	12	12	10	10	5	5	5	5
Dr Julie Beeby	1	1	1	1	0	0	0	0
Kevin Kehl	12	12	10	10	6	6	0	1
Katherine Schaefer PSM	12	12	10	10	0	2	5	5
Cheryl Hopkins	12	12	10	10	6	6	0	0
Dr Nicholas Fleming	11	11	9	9	0	2	5	5
Naomi Walsh	5	5	6	5	1	1	0	1

Signed in accordance with a resolution of the TasNetworks Directors.

Mr Roger Gill
Chair

Date:

Auditor's independence declaration



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28 August 2025

The Board of Directors
Tasmanian Networks Pty Ltd
PO Box 606
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 2025, 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

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 2025, the consolidated statements of profit or loss, comprehensive income, 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 2025 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.

I confirm that the independence declaration required by the *Corporations Act 2001*, was provided to the directors on the same date as this auditor's report and is 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of regulated distribution and transmission network assets <i>Refer to note B2</i>	
The Group's regulated distribution and transmission network assets are recognised at fair value and were carried at \$2.22 billion and \$1.45 billion, respectively, at 30 June 2025. The fair value of these networks assets is determined by using an income valuation methodology based on discounted cash flows. The projected cash flows are discounted to present value using a discount rate based on a real pre-tax weighted average cost of capital (WACC). The calculation of fair value is judgemental and highly dependent on a range of assumptions and estimates, such as the allowable revenue to be earned as determined by the Australian Energy Regulator (AER), operating and capital expense allowances in line with the determination of the AER, terminal value multiple, and WACC.	• Obtaining an understanding of the discounted cash flow model, and assessing its design, integrity and appropriateness. • Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. • Assessing the reasonableness of cash flow forecasts relative to board approved budgets, historical growth trends, long term asset management plans and other relevant internal and external evidence, including the determination and guidelines issued by the AER. The reasonableness of board approved budgets was assessed with reference to their historical accuracy and the budget preparation process. • Assessing the reasonableness of the terminal value multiple with reference to market data, including information published by the AER. • Evaluating the reasonableness of the discount rate applied, with reference to the AER rate of return guideline. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used in the valuation, in accordance with the

	requirements of AASB 13 <i>Fair Value Measurement</i> .
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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 2025), 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:

- 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.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Martin Thompson
Auditor-General
Tasmanian Audit Office

28 August 2025
Hobart

Consolidated financial statements

Consolidated Statement of Profit or Loss

For the financial year ended 30 June 2025

	<i>Note</i>	2025 \$'000	2024 \$'000
Revenue		558,139	506,644
Grant revenue - Project Marinus		-	2,805
Total revenue	A1	558,139	509,449
Operating expenses			
Employee benefit expenses	A2(c)	(153,598)	(133,523)
Employee benefit expenses - Marinus Link	A2(c)	-	(5,303)
Other operating expenses		(70,926)	(59,254)
Other operating expenses - Marinus Link		-	(8,176)
Total operating expenses	A2(a)	(224,524)	(206,257)
Depreciation and amortisation expenses	A2(b)	(213,440)	(192,974)
Finance costs	A3	(108,052)	(90,759)
Impairment expense	B2	-	(762)
Total expenses		(546,016)	(490,752)
Share of joint venture result	B4	(165)	273
Profit from continuing operations before income tax equivalent		11,958	18,971
Income tax equivalent expense on profit	A4(a)	(3,750)	(3,578)
Net profit from continuing operations		8,208	15,393
Discontinued operations			
Loss from discontinued operations	I1	-	(70,281)
Net profit/(loss) after income tax equivalent including discontinued operations		8,208	(54,888)

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 financial year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Net profit/(loss) after income tax equivalent including discontinued operations		8,208	(54,888)
Items that will not be reclassified subsequently through profit or loss:			
Net fair value movements on property, plant and equipment	D3	66,105	151,504
Superannuation actuarial gains/(losses)	F2	(2,654)	(4,505)
Tax adjustment prior year - other items	A4(e)	(822)	-
Prior period error Fortytwo24	D1	(411)	-
Intercompany prior year adjustment	D1	1,900	-
Income tax equivalent expense on items that will not be reclassified subsequently through profit or loss	A4(b)	(19,035)	(43,780)
		45,083	103,219
Items that have or may be reclassified subsequently through profit or loss:			
Hedge reserve			
- Gain/(loss) recognised in equity	D3	(23)	(46)
Income tax equivalent expense on items that have or may be reclassified subsequently through profit or loss	D3, A4(b)	7	14
		(16)	(32)
Total comprehensive income for the year		53,275	48,299
Total comprehensive income for the year attributable to:			
Owners of TasNetworks		53,275	48,299
		53,275	48,299

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 2025

	<i>Note</i>	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	<i>C5(a)</i>	3,582	1,766
Trade and other receivables	<i>E1</i>	84,492	72,938
Inventories	<i>E2</i>	29,796	41,714
Tax asset	<i>A4(c)</i>	9,558	-
Other assets	<i>E3</i>	8,821	9,075
Total current assets		136,249	125,493
Non-current assets			
Intangible assets	<i>B1</i>	95,744	104,174
Property, plant and equipment	<i>B2</i>	4,156,157	4,022,345
Right-of-use assets	<i>B3</i>	5,751	5,154
Investment in joint venture	<i>B4</i>	3,659	2,672
Other assets	<i>E3</i>	4,277	2,554
Total non-current assets		4,265,588	4,136,899
Total assets		4,401,837	4,262,392
Current liabilities			
Trade and other payables	<i>E5</i>	74,807	82,745
Borrowings	<i>C1</i>	307,200	300,049
Lease liabilities	<i>C2</i>	725	710
Employee benefits	<i>F1</i>	42,564	38,664
Provisions	<i>E4</i>	1,311	1,749
Tax liabilities	<i>A4(c)</i>	-	3,482
Contract liabilities	<i>E6</i>	28,051	21,966
Total current liabilities		454,658	449,365
Non-current liabilities			
Borrowings	<i>C1</i>	1,977,000	1,991,300
Lease liabilities	<i>C2</i>	5,212	5,210
Net deferred tax equivalent liabilities	<i>A4(d)</i>	289,084	282,667
Employee benefits	<i>F1</i>	144,344	145,459
Contract liabilities	<i>E6</i>	35,468	36,296
Total non-current liabilities		2,451,108	2,460,932
Total liabilities		2,905,766	2,910,297
Net assets		1,496,070	1,352,095
Equity			
Retained earnings	<i>D1</i>	144,989	137,972
Contributed equity	<i>D2</i>	153,424	62,724
Reserves	<i>D3</i>	1,197,657	1,151,399
Total equity		1,496,070	1,352,095

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 financial year ended 30 June 2025

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

	Contributed Equity \$'000	Asset Revaluation Reserve \$'000	Hedge Reserve \$'000	Retained Earnings \$'000	Total \$'000
As at 1 July 2023	62,724	1,045,361	48	207,384	1,315,518
Profit for the period from continuing operations	-	-	-	15,393	15,393
Loss for the period from discontinued operations	I1	-	-	(70,281)	(70,281)
Other comprehensive income:					
Net fair value movements on property, plant and equipment	D3	151,504	-	-	151,504
Superannuation actuarial gains/(losses)	F2	-	-	(4,505)	(4,505)
Hedge reserve	D3	-	(46)	-	(46)
Income tax relating to components of other comprehensive income	A4(b)	(45,482)	14	1,702	(43,766)
Total comprehensive income for the year	-	106,022	(32)	(57,691)	48,299
Transactions with owners in their capacity as owners:					
Dividends paid	D1	-	-	(11,721)	(11,721)
As at 30 June 2024	62,724	1,151,383	16	137,972	1,352,095

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 financial year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities:			
Receipts from customers		562,748	554,325
Grants received		910	3,756
Interest received		277	368
Payment to suppliers and employees		(247,858)	(202,733)
Interest paid		(80,144)	(70,911)
Guarantee fee paid	A3	(11,454)	(6,967)
Income tax equivalents paid		(15,253)	(40,872)
Net cash provided by operating activities	C5(b)	209,226	236,965
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		2,082	2,274
Proceeds on disposal of subsidiary		-	1
Equity contribution	D2	90,700	-
Grant proceeds for asset development		2,750	6,897
Payment for property, plant and equipment		(268,893)	(247,072)
Payment for intangible assets		(26,854)	(61,229)
Payment for Marinus Link development intangible asset		-	(27,853)
Loan advances		-	(1,000)
Net cash used in investing activities		(200,216)	(327,983)
Cash flows from financing activities:			
Proceeds from borrowings		510,976	480,674
Repayment of borrowings		(518,125)	(384,674)
Payment of lease principal		(45)	(1,129)
Dividends paid	D1	-	(11,721)
Net cash provided by financing activities		(7,194)	83,150
Net increase/(decrease) in cash and cash equivalents		1,816	(7,867)
Cash and cash equivalents at the beginning of the financial year		1,766	9,634
Cash and cash equivalents at the end of the financial year	C5(a)	3,582	1,766

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 financial year ended 30 June 2025

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.

1. 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 with TasNetworks able to pay its debts as and when they become due and payable. The short-term debt maturities of \$284.300m (2024: \$260.000m) will be refinanced in line with TasNetworks' Treasury Risk Management Policy and under the Master loan Facility Agreement and borrowing covenants with the Tasmanian Public Finance Corporation (TASCORP). The working capital other than the mentioned short debt term maturities is \$34.109m deficit (2024: \$23.823m deficit). TasNetworks held \$215.800m of undrawn borrowing capacity at 30 June 2025 (2024: \$208.651m) (note C1). 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 2025, this support was limited to a maximum amount of \$2,500 million.

The financial statements were authorised for issue by the directors on 11 August 2025.

(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 the financial report are rounded off to the nearest thousand dollars unless otherwise indicated. All values are expressed in Australian dollars.

Where there has been reclassification of items in the financial statements, the prior year comparatives have also been reclassified to ensure comparability with the current reporting period. Details of the reclassification are disclosed, where applicable, in the relevant note 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

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

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

1. Statement of compliance and basis of preparation (continued)

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.

(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

For the financial year ended 30 June 2025

1. 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-I 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 2025 and the comparative information presented in these financial statements for the period ended 30 June 2024. 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 2025 are detailed in note H8.

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

For the financial year ended 30 June 2025

TasNetworks' performance

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

A1. Revenue

	2025 \$'000	2024 \$'000
(a) Revenue from contracts with customers		
Provision of regulated distribution services*	332,034	286,947
Provision of regulated transmission services*	172,338	153,721
Provision of other non-regulated services	27,547	29,061
Customer contributions**	16,349	29,936
	548,268	499,664
(b) Other revenue		
Rent and lease income	1,504	1,256
Interest received	277	368
Grants received - Marinus Link	-	2,805
Other grants and subsidies	910	950
Gain on disposal of property, plant and equipment	2,216	1,816
Other revenue	4,964	2,590
	9,871	9,785
Total	558,139	509,449

Revenue from contracts with customers by timing of revenue

Services transferred at a point in time	36,868	47,761
Services transferred over time	511,400	451,903
Total	548,268	499,664

* The current year result for the provision of regulated transmission services includes \$8.5m 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.

** The higher results in 2024 were due to a one-off clean-up exercise and an increased volume of customer works.

Information about major customers

Included within revenue received from the provision of regulated distribution services are revenues of approximately \$257m (2024: \$224m) 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 2025 or 2024.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A1. Revenue (continued)

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.)

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A1. Revenue (continued)

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 financing leases.

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 attaching 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.

Grants received - Project Marinus

The primary objective of Project Marinus is to support Australia's continuing transition to a clean energy future by progressing the Marinus Interconnector and the supporting Tasmanian transmission network development required to meet these objectives. These objectives involved costs to both TasNetworks for the North West Transmission Development (NWTG) and Marinus Link that are directly attributable to the development of assets (capital) as well as incidental operational and administrative costs of the project.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A1. Revenue (continued)

Grants received - Project Marinus (continued)

TasNetworks' position has been to apportion grant funding for Marinus Link (to sale in March 2024) and NWTB between grants related to assets and grants related to income based on the capex / opex split for the period to which the grant relates.

- The portion of the grant related to income will be recognised in the Profit and Loss in the period in which the costs are incurred
The portion of the grant related to assets will be recognised as a reduction of the carrying amount of the asset on the Statement of Financial Position.

In April 2022, the Commonwealth committed \$75m in funding under the Federal Funding Agreement (FFA) to progress Project Marinus to a Final Investment Decision which is apportioned between Marinus Link and NWTB components of the project on the basis of estimated project costs of 77.6% (\$58.2m) and 22.4% (\$16.8m) respectively. The apportionment continued to be applied when TasNetworks sold its shareholding in Marinus Link with \$58.3m in total to be allocated to Marinus Link and \$16.7m NWTB. Payments are being received over three financial years in line with completion of agreed milestones. At 30 June 2025, the total value of grants received to date by TasNetworks for NWTB totalled \$13.4m. The grant funding received for NWTB for the 2024-25 financial year of \$6.050m has been apportioned between grants related to a contribution towards the asset of (\$6.011m) and grants related to income of (\$0.039m) based on the actual split of operating and capital expenditure for the period.

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

For the financial year ended 30 June 2025

A2. Expenses

	Note	2025 \$'000	2024 \$'000
(a) Operating expenses			
Employee benefits ¹	A2(c)	153,598	133,523
Services & Materials ²		57,305	47,042
Information technology and communications		13,749	14,220
Property costs		7,686	7,541
Licence fees		11,737	10,518
Insurance		6,134	6,067
Fleet		5,262	4,966
Contract labour		333	1,391
Claims and payments ³		11,765	2,350
Other		6,728	5,201
Capitalised indirect costs ⁴		(49,773)	(40,041)
		224,524	192,777
Operating expenses - Marinus Link			
Employee benefits	A2(c)	-	5,303
Services		-	6,326
Other		-	1,850
		-	13,479
Total		224,524	206,257

¹ Employee benefits costs increased largely due to wage increases as a result of the implementation of TasNetworks new Enterprise Agreement.

² Services expenditure comprises the provision of both the cost of professional services and subcontractor services incurred in maintaining TasNetworks' assets, together with the cost of supporting Marinus Link Pty Ltd separation.

³ Claims and payments increased as a result of a severe storm event impacting Tasmania from 25 August 2024 to 16 September 2024. The storm caused significant statewide operational disruptions and damage, leading to significant incremental operational expenditure (minor repairs and service level payments) and capital expenditure (major replacement).

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A2. Expenses (continued)

	Note	2025 \$'000	2024 \$'000
(b) Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	B2	180,442	165,758
Amortisation of intangible assets	B1	32,167	26,362
Amortisation of right-of-use assets	B3	831	854
Total		213,440	192,974
(c) Employee benefits expenses*			
Post employment benefits			
Defined benefit plans	F2	9,352	9,526
Defined contribution plans		16,934	13,733
		26,286	23,259
Termination benefits		3,241	4,555
Other employee benefits (salary and wages)		132,275	119,055
Total		161,802	146,868
Net interest cost on defined benefit plans	F2	(8,204)	(8,042)
Total	A2(a)	153,598	138,826

* In 2024 included Marinus Link employee expenses of \$5.3m.

A3. Finance costs

	Note	2025 \$'000	2024 \$'000
Finance costs incurred during the financial year		84,262	72,904
Government guarantee fee*		13,772	8,134
Net interest costs on defined benefit plan	F2	8,204	8,042
Interest on finance leases		599	408
Interest on long term revenue contracts		1,215	1,271
Total**		108,052	90,759

* 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. The increase in 2025 is due to refinancing and maturing debt.

** There was an increase in finance costs due to the delay in receiving an equity injection for the sale of the Subsidiary Marinus Link.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A4. Income tax equivalents

(a) Recognised in profit or loss

Note

Income tax equivalent (expense)/income comprises:

	2025 \$'000	2024 \$'000
Current income tax expense	(16,361)	(34,379)
Net (increase)/decrease in deferred tax equivalent liability	12,611	30,801
Total income tax equivalent (expense)/income	(3,750)	(3,578)

Numerical reconciliation between income tax equivalent expense and pre-tax net profit:

Profit before income tax equivalent on continuing operations	11,958	18,971
Loss before income tax equivalent on discontinuing operations	-	(70,281)
Profit before income tax equivalent	11,958	(51,310)
Income tax equivalent calculated at 30%	(3,587)	15,393
Increase in income tax equivalent expense due to:		
Non-deductible expenses	(16)	(21,095)
Prior year under/over provision	(62)	832
Other changes	(85)	1,292
Total income tax equivalent (expense)/income	(3,750)	(3,578)

(b) Recognised in other comprehensive income

Items that will not be reclassified subsequently through profit or loss:

Income tax equivalent on fair value movements	D3	(19,831)	(45,482)
Income tax equivalent on superannuation actuarial (gains)/losses	D1	796	1,702
		(19,035)	(43,780)

Items that have or may be reclassified subsequently through profit or loss:

Income tax equivalent on hedge reserve	D3	7	14
		7	14

Total income tax equivalent recognised in other comprehensive income

	(19,028)	(43,766)
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(c) Current tax equivalent assets and liabilities

Current tax equivalent payable/(receivable)	(9,558)	3,482
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Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A4. Income tax equivalents (continued)

(d) Deferred tax equivalent balances

Deferred tax equivalent liabilities comprise:

Temporary differences

Deferred tax equivalent assets comprise:

Temporary differences

Net deferred tax equivalent liabilities

2025 \$'000	2024 \$'000
(360,148)	(358,003)
71,064	75,336
(289,084)	(282,667)

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

Deferred tax equivalent liabilities:

Property, plant and equipment

Deferred tax equivalent assets:

Employee benefits

Provisions

Derivatives

Inventory

Other items

Net deferred tax equivalent liabilities

Balance 1-Jul-24 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Balance 30-Jun-25 \$'000
(358,003)	17,686	(19,831)	(360,148)
(358,003)	17,686	(19,831)	(360,148)
66,808	(1,313)	796	66,291
743	(11)	-	732
(6)	(1)	7	-
117	2	-	119
7,674	(3,752)	-	3,922
75,336	(5,075)	803	71,064
(282,667)	12,611	(19,028)	(289,084)

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

Deferred tax equivalent liabilities:

Property, plant and equipment

Deferred tax equivalent assets:

Employee benefits

Provisions

Derivatives

Inventory

Other items

Net deferred tax equivalent liabilities

Balance 1-Jul-23 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Balance 30-Jun-24 \$'000
(337,909)	25,388	(45,482)	(358,003)
(337,909)	25,388	(45,482)	(358,003)
60,758	4,348	1,702	66,808
739	4	-	743
(20)	-	14	(6)
(2,391)	2,508	-	117
9,121	(1,447)	-	7,674
68,207	5,413	1,716	75,336
(269,702)	30,801	(43,766)	(282,667)

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

A4. Income tax equivalents (continued)

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.

Marinus Link Pty Ltd discontinued operations

During the 2024 financial year, TasNetworks, under a Shareholder direction, sold its shareholding in its subsidiary, Marinus Link Pty Ltd, on 22 March 2024.

Recognition and measurement

Under the National Tax Equivalents 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

For the financial year ended 30 June 2025

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

2025			Other Intangible Computer Software \$'000	Other Intangible Computer Software WIP \$'000	Total Intangible Assets \$'000
		<i>Note</i>			
Cost					
At 1 July 2024			291,332	6,136	297,468
Additions during the year			-	23,574	23,574
Transfer from WIP			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

2024			Other Intangible Computer Software \$'000	Internally Generated Marinus Link WIP \$'000	Other Intangible Computer Software WIP \$'000	Total Intangible Assets \$'000
		<i>Note</i>				
Cost						
At 1 July 2023			232,430	29,330	9,370	271,130
Additions during the year			-	16,693	55,902	72,595
Transfer from WIP			59,136	-	(59,136)	-
Transfer between asset class - Property, Plant & Equipment		B2	(234)	-	-	(234)
Grant contribution towards asset			-	(9,703)	-	(9,703)
Discontinued operations			-	(36,320)	-	(36,320)
Balance at 30 June 2024			291,332	-	6,136	297,468
Accumulated amortisation						
At 1 July 2023			(166,936)	-	-	(166,936)
Transfer between asset class - Property, Plant & Equipment		B2	4	-	-	4
Amortisation			(26,362)	-	-	(26,362)
Balance at 30 June 2024			(193,294)	-	-	(193,294)
Carrying amount at 30 June 2024			98,038	-	6,136	104,174

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

B1. Intangible 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

For the financial year ended 30 June 2025

B2. Property, plant and equipment

	2025 \$'000	2024 \$'000
Network assets - Transmission		
Network assets – at fair value	2,903,928	2,727,993
Accumulated depreciation	(1,449,365)	(1,352,053)
Carrying amount	1,454,563	1,375,940
Network assets - Distribution		
Network assets – at fair value	5,085,343	4,847,949
Accumulated depreciation	(2,865,755)	(2,711,660)
Carrying amount	2,219,588	2,136,289
Communication assets		
Communication assets – at fair value	112,601	103,047
Accumulated depreciation	(72,531)	(66,230)
Carrying amount	40,070	36,817
Easements		
Easements – at fair value	97,924	95,618
Accumulated impairment	(50)	(50)
Carrying amount	97,874	95,568
Land		
Land – at fair value	81,365	77,580
Buildings		
Buildings – at fair value	140,344	129,097
Accumulated depreciation	(57,444)	(52,219)
Carrying amount	82,900	76,878
Other plant and equipment		
Other plant and equipment – at cost	182,524	225,366
Accumulated depreciation	(101,896)	(162,663)
Carrying amount	80,628	62,703
Capital works in progress		
Network assets - Transmission	23,471	85,906
Network assets - Distribution	442	478
Communication assets	4,454	2,146
NWTD	61,067	53,382
Other plant and equipment	9,735	18,658
Capital works in progress – at cost*	99,169	160,570
Total	4,156,157	4,022,345

* Considerable effort was undertaken during 2024-25 to ensure all completed projects were transferred out of capital works in progress and into the asset register.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

B2. Property, plant and equipment (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 an income based approach to value its regulatory asset classes according to the RAB methodology. 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 their 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 Australian Energy Regulator (AER) or TasNetworks Corporate Plan.
- 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 5.87%
 - Prescribed 5.84%

No material change in value was determined for the 2025 financial year.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

B2. Property, plant and equipment (continued)

Communication assets

Communication assets are recorded at fair value based on an income based approach to best represent their fair value and income earning capacity.

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

Easements

Easements are recorded at fair value based on an income based approach to best represent their fair value and income earning 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

For the financial year ended 30 June 2025

B2. Property, plant and equipment (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 2025 TasNetworks undertook a review of its asset within the property plant and equipment category. This resulted in the disposal of many fully depreciated assets that were no longer in service.

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

For the financial year ended 30 June 2025

B2. Property, plant and equipment (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 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	40 yrs
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Other plant and equipment:

Optic fibre	20 yrs
Minor assets including intangible assets	3-15 yrs

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

B2. Property, plant and equipment (continued)

	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 - Intangibles	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 - Intangibles	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

For the financial year ended 30 June 2025

B2. Property, plant and equipment (continued)

	Note	Transmission network	Distribution network	Communication assets	Easements	Land	Buildings	Other plant & equipment	Capital works in progress	Total
		at fair value \$'000	at fair value \$'000	at fair value \$'000	at fair value \$'000	at fair value \$'000	at fair value \$'000	at cost \$'000	at cost \$'000	\$'000
Gross value										
At beginning of financial year		2,603,197	4,569,060	100,088	91,854	52,834	122,124	214,131	196,823	7,950,111
Additions during the year		-	-	-	-	-	-	302	214,890	215,192
Disposals		-	-	-	-	-	-	(4,318)	-	(4,318)
Impairment losses charged to profit		-	-	-	-	-	(762)	-	-	(762)
Discontinued operations		-	-	-	-	(5,334)	(794)	(337)	(31,996)	(38,461)
Transfers of WIP to non-current assets		33,691	156,653	2,242	-	1,026	6,430	16,308	(216,350)	-
Grant contribution towards an asset		-	-	-	-	-	-	-	(2,797)	(2,797)
Transfer between asset class - Intangibles	B1	-	-	-	-	-	24	210	-	234
Net revaluation increments/(decrements)		91,105	122,236	717	3,764	29,054	2,075	(930)	-	248,021
Balance at end of financial year		2,727,993	4,847,949	103,047	95,618	77,580	129,097	225,366	160,570	8,367,220
Accumulated depreciation and impairment losses										
At beginning of financial year		(1,253,486)	(2,583,869)	(60,898)	(50)	-	(48,097)	(153,768)	-	(4,100,168)
Disposals		-	-	-	-	-	-	3,860	-	3,860
Discontinued operations		-	-	-	-	-	56	11	-	67
Transfer between asset class - Intangibles	B1	-	-	-	-	-	1	(5)	-	(4)
Net revaluation increments/(decrements)		(35,717)	(46,935)	(274)	-	-	-	54	-	(82,872)
Depreciation charge for the year		(62,850)	(80,856)	(5,058)	-	-	(4,179)	(12,815)	-	(165,758)
Balance at end of financial year		(1,352,053)	(2,711,660)	(66,230)	(50)	-	(52,219)	(162,663)	-	(4,344,875)
Carrying amount at 30 June 2024		1,375,940	2,136,289	36,817	95,568	77,580	76,878	62,703	160,570	4,022,345
Carrying amount of assets had they been recognised at cost										
Balance at 30 June 2024		1,097,039	1,802,975	34,248	73,690	45,536	65,823	57,000	160,570	3,336,881

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

B2. Property, plant and equipment (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 2025 \$'000	Fair Value as at 30 June 2024 \$'000	Significant inputs	Range of inputs	Relationship of inputs to fair value
Network assets, Communication assets and Easements	3,812,095	3,664,614	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	82,900	76,878	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

For the financial year ended 30 June 2025

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 10 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 25 years.

	Telecommunication sites \$'000	Substation sites \$'000	Depots \$'000	Office Premises \$'000	Equipment \$'000	Vehicles \$'000	Total \$'000
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)	(657)	(55)	(831)
Balance at 30 June 2025	169	317	79	21	5,115	51	5,751

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

Note	Telecommunication sites \$'000	Substation sites \$'000	Depots \$'000	Equipment \$'000	Vehicles \$'000	Total \$'000
Opening balance at 1 July 2023	187	231	410	5,041	151	6,020
Additions	-	-	14	98	-	112
Depreciation charge for the year	(19)	(8)	(158)	(619)	(50)	(854)
Discontinued operations	-	-	(124)	-	-	(124)
Balance at 30 June 2024	168	223	142	4,520	101	5,154

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

For the financial year ended 30 June 2025

B4. Investment in Joint Venture

	Note	2025 \$'000	2024 \$'000
Measured using the equity method	H5	3,659	2,672
		3,659	2,672
Share of profit/(loss) of joint venture	H5	(165)	273
		(165)	273

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

For the financial year ended 30 June 2025

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

For the financial year ended 30 June 2025

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 TASCORP 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. On 26 July 2023, the Tasmanian Public Finance Corporation Board approved an increase to the Borrowing Facility Limit under the Master Facility Loan Agreement from \$2,200 million to \$2,500 million.

	2025 \$'000	2024 \$'000
Current:		
Overnight borrowings	22,900	40,049
Borrowings	284,300	260,000
	307,200	300,049
Non-current:		
Borrowings	1,977,000	1,991,300
	1,977,000	1,991,300
Total	2,284,200	2,291,349

TasNetworks' Treasury Risk Management Policy is to benchmark the 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 \$284.3m (2024: \$260m) that are classified as current will be refinanced in line with this policy. See below for details of the borrowing facilities. 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.

Unused borrowing facilities at balance date

	Limit 2025 \$'000	Drawn 2025 \$'000	Undrawn 2025 \$'000	Limit 2024 \$'000	Drawn 2024 \$'000	Undrawn 2024 \$'000
Unsecured bank overdraft facility	1,000	-	1,000	1,000	-	1,000
Corporate MasterCard	1,500	312	1,188	1,500	292	1,208
Guarantee facility	1,000	-	1,000	1,000	-	1,000
TASCORP Master Loan Facility	2,500,000	2,284,200	215,800	2,500,000	2,291,349	208,651

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 2025, this support was limited to a maximum amount of \$2,500 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 with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Non-current borrowings are those borrowings that have a maturity beyond one year of the reporting date. All borrowings that are not non-current borrowings are current borrowings.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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 or the

TasNetworks has leases of property 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:

Present value of future minimum lease payments

	2025 \$'000	2024 \$'000
Not Later than 1 year	931	69
Later than 1 year and not later than 5 years	2,996	333
Later than 5 years	2,010	5,518
Total	5,937	5,920
Analysed as:		
Current lease liability	725	710
Non-current lease liability	5,212	5,210
Total	5,937	5,920

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

C2. Lease liability (continued)

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

For the financial year ended 30 June 2025

C3. Reconciliation of movements of liabilities to cash flows arising from financing 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.

2025	Borrowings \$'000	Finance leases \$'000	Total \$'000
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

2024	Borrowings \$'000	Finance leases \$'000	Total \$'000
Opening balance at 1 July 2023	2,195,350	6,713	2,202,063
Changes from financing cash flows:			
Proceeds from borrowings	480,674	-	480,674
Repayment of borrowings	(384,674)	-	(384,674)
Principal lease payments	-	(1,129)	(1,129)
Total changes from financing cash flows	96,000	(1,129)	94,871
Non-cash changes			
Liability changes:			
Lease modifications, new leases and interest	-	336	336
Total liability changes	-	336	336
Closing balance at 30 June 2024	2,291,350	5,920	2,297,270

Non-cash financing activities

During the year TasNetworks entered into one new lease which resulted in the recognition of right-of-use assets of \$0.617m, and a corresponding lease liability of \$0.617m.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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:

2025		Carrying amount			Fair value		
	Note	Hedging instrument \$'000	At amortised cost \$'000	Other liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets measured at amortised cost:							
Cash and cash equivalents	C5(a)	-	3,582	-	n/a	n/a	n/a
Trade and other receivables	E1	-	84,492	-	n/a	n/a	n/a
Financial assets measured at fair value:							
FX forward agreements (at fair value through comprehensive income)	E3	-	-	-	-	-	-
Total financial assets		-	88,074	-	-	-	-
Financial liabilities measured at amortised cost:							
Trade and other payables	E5	-	-	74,807	n/a	n/a	n/a
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

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

2024		Carrying amount			Fair value		
	Note	Hedging instrument \$'000	At amortised cost \$'000	Other liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets measured at amortised cost:							
Cash and cash equivalents	C5(a)	-	1,766	-	n/a	n/a	n/a
Trade and other receivables	E1	-	72,938	-	n/a	n/a	n/a
Financial assets measured at fair value:							
FX forward agreements (at fair value through comprehensive income)	E3	23	-	-	-	23	-
Total financial assets		23	74,704	-	-	23	-
Financial liabilities measured at amortised cost:							
Trade and other payables	E5	-	-	82,745	n/a	n/a	n/a
Borrowings - fixed rate		-	2,251,300	-	-	2,054,046	83,797
Borrowings - floating rate		-	40,049	-	-	40,049	-
Total financial liabilities		-	2,291,349	82,745	-	2,094,095	83,797

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

C4. Financial instruments (continued)

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.

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

For the financial year ended 30 June 2025

C4. Financial instruments (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.

Debt to total capital ratio	Note	2025 \$'000	2024 \$'000
Debt (borrowings)	C1	2,284,200	2,291,349
Cash and cash equivalents	C5(a)	3,582	1,766
Net debt		2,280,618	2,289,583
Total capital (net debt + total equity)		3,776,688	3,641,677
Debt to total capital ratio		60.4%	62.9%

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.

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 2024-25 year.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

C4. Financial instruments (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 2025:

2025			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
	<i>Note</i>								
Financial assets:									
Cash and cash equivalents	C5(a)	4.17%	3,582	-	-	-	-	-	3,582
Trade and other receivables	E1	n/a	-	-	-	-	-	84,492	84,492
Total financial assets				3,582	-	-	-	84,492	88,074
Financial liabilities:									
Trade and other payables	E5	n/a	-	-	-	-	-	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 Master Loan Facility Agreement with TASCORP and the covenants it has in place. Amounts maturing in 5+ years include principal and interest amounts to year 2046.

Interest rate exposures 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 2024 was as follows:

2024			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
	<i>Note</i>								
Financial assets:									
Cash and cash equivalents	C5(a)	4.60%	1,766	-	-	-	-	-	1,766
Trade and other receivables	E1	n/a	-	-	-	-	-	72,938	72,938
Total financial assets				1,766	-	-	-	72,938	74,704
Financial liabilities:									
Trade and other payables	E5	n/a	-	-	-	-	-	82,745	82,745
Borrowings - fixed rate		3.47%	335,826	352,152	715,332	1,316,721	-	-	2,720,031
Borrowings - floating rate		4.70%	40,049	-	-	-	-	-	40,049
Total financial liabilities				375,875	352,152	715,332	1,316,721	82,745	2,842,825
Net financial assets/(liabilities)				(374,109)	(352,152)	(715,332)	(1,316,721)	(9,807)	(2,768,121)

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

C4. Financial instruments (continued)

Interest rate sensitivity analysis

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

	Profit before tax	
	2025 \$'000	2024 \$'000
1.0% increase in interest rates	229	400
0.10% decrease in interest rates	(23)	(40)

(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.

The following table details the foreign currency forward contracts outstanding at the end of the reporting period. Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position.

Outstanding contracts	Average Exchange Rate	Notional value: USD	Notional value: AUD	Carrying Amount of the hedging instrument	Average Exchange Rate	Notional value: USD	Notional value: AUD	Carrying Amount of the hedging instrument
	2025	2025 \$'000	2025 \$'000	2025 \$'000	2024	2024 \$'000	2024 \$'000	2024 \$'000
Buy:								
greater than 6 months	-	-	-	-	0.663	217	304	23
		-	-	-		217	304	23

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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:

	<i>Note</i>	2025 \$'000	2024 \$'000
Cash at bank		3,582	1,766
		3,582	1,766

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

Net profit for the year		8,208	(54,888)
Depreciation and amortisation of non-current assets	A2(b)	213,441	192,974
(Gain)/loss on sale of property, plant and equipment	A1(b)	(2,082)	(1,816)
Increase/(decrease) in tax equivalent liabilities		3,762	19,931
(Increase)/decrease in trade and other receivables		(24,328)	40,231
(Increase)/decrease in inventories		11,917	(3,701)
(Increase)/decrease in other assets		(10,405)	(1,875)
Increase/(decrease) in trade and other payables		4,125	68,572
Increase/(decrease) in provisions		(3,458)	1,519
Increase/(decrease) in employee benefits		2,788	4,241
Increase/(decrease) in contract liabilities		5,258	(28,223)
Net cash provided by operating activities		209,226	236,965

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

For the financial year ended 30 June 2025

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	2025 \$'000	2024 \$'000
Balance at beginning of financial year		137,972	207,384
Net profit after income tax equivalent from continued operations		8,208	15,393
Loss for the period from discontinued operations	I1	-	(70,281)
Superannuation actuarial gains/(losses)	F2	(2,654)	(4,505)
Deferred tax effect on actuarial movement	A4(b)	796	1,702
Tax adjustment prior year - other items	A4(e)	(822)	-
Correction of a prior period error Fortytwo24 Pty Ltd ¹		(411)	-
Equity accounting prior period elimination adjustment ²		1,900	-
Dividends paid during the year		-	(11,721)
Balance at end of financial year		144,989	137,972

¹ Correction of a prior period error Fortytwo24 Pty Ltd:

Relates to the correction of a prior year error in subsidiary Fortytwo24. The error arose from the incorrect treatment of a dividend received by Fortytwo24 from its joint venture (JV) and the subsequent misstatement of Fortytwo24's share of profit/(loss) in the JV. The correction of this prior year error does not have a material impact on the financial position or performance of the Consolidated Group.

² Equity accounting prior period elimination adjustment:

During the year ended 30 June 2025, an adjustment of \$1.9m was recognised in retained earnings to correct prior period eliminations of unrealised profits relating to transactions between its subsidiary Fortytwo24 and its 50:50 joint venture Virtual Twin TAS Pty Ltd.

In accordance with AASB 128 *Investments in Associates and Joint Ventures*, the Group eliminates its share of unrealised profits and losses arising from transactions between the subsidiary and its equity-accounted joint venture. This adjustment represents the carried forward impact of prior year eliminations processed by the subsidiary in its ledgers but only nominally recognised by the parent entity at the consolidated level.

The adjustment has been recorded directly in retained earnings as at 1 July 2024, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and has no impact on the current year consolidated profit or loss.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

D2. Contributed equity

	2025 \$'000	2024 \$'000
Balance at beginning of financial year	62,724	62,724
Capital contributed by Owners*	90,700	-
Balance at end of financial year	153,424	62,724

* As part of Marinus Link sale process the Shareholding Ministers advised the Board of TasNetworks that funding equivalent to its investment would be provided to TasNetworks by way of an equity contribution during 2024-25. In December 2024, TasNetworks received \$90.70m of the \$103.50m equity contribution committed by the Shareholding Ministers, aligning with its investment in Marinus Link. Of the total \$90.7m received, \$81.52m was allocated to extinguish the debt and intercompany loan balance transferred to TasNetworks upon the sale. On 11 June 2025, the State Government announced that a state election was to be held on 19 July 2025 and entered 'caretaker mode' to maintain the political neutrality of the public service. Consequently, the remaining outstanding balance of \$12.80m was not received within the 2024-25 financial year. The Department of Treasury and Finance has committed to pay the \$12.8 million in 2025-26 as part of its carried forward budget commitments.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

D3. Reserves

	Note	2025 \$'000	2024 \$'000
Reserves comprise:			
Asset revaluation reserve		1,197,657	1,151,383
Hedge reserve		-	16
		1,197,657	1,151,399
Asset revaluation reserve			
Balance at beginning of financial year		1,151,383	1,045,361
Revaluation of assets during the year		66,105	151,504
Deferred tax liability arising on revaluation	A4(b)	(19,831)	(45,482)
Balance at end of financial year		1,197,657	1,151,383
Revaluation of assets during the year			
Revaluation of gross carrying value	B2	162,830	248,021
Opening balance adjustment		-	(13,645)
Revaluation of gross accumulated depreciation	B2	(96,725)	(82,872)
Net fair value movements on property, plant and equipment		66,105	151,504

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 2.4% (2024: 4.1%).

	Note	2025 \$'000	2024 \$'000
Hedge reserve			
Balance at beginning of financial year		16	48
Gain/(loss) recognised in equity		(23)	(46)
Deferred tax asset arising on hedges	A4(b)	7	14
Balance at end of financial year		-	16

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.

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

Other assets and liabilities

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

E1. Trade and other receivables

	2025 \$'000	2024 \$'000
Current:		
Trade receivables ¹	56,993	14,373
Contract assets	8,859	3,883
Accrued income	14,992	47,694
Unbilled use of system (UoS) ²	4,105	7,772
Expected credit loss	(457)	(784)
Total	84,492	72,938
Movement in the allowance for impairment of debts		
Balance at beginning of financial year	(784)	(681)
Impairment gain/(loss) recognised on receivables	176	(186)
Amounts written off as uncollectable	163	83
Previously written off amounts recovered	(12)	-
Balance at end of financial year	(457)	(784)
Ageing of trade receivables that were past due but not impaired		
Less than 30 days overdue	448	354
Between 31 and 60 days overdue	151	720
Between 61 and 90 days overdue	89	1,102
Greater than 90 days overdue	2,304	4,042
Total	2,992	6,218

¹ The increase in trade receivables is largely attributable to the June retailer invoice being recognised in the 2024-25 financial year, as it was issued prior to the reporting date. In contrast, the corresponding amount in the prior year was recorded as accrued revenue, given the invoice was issued after year end reporting date.

² 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

For the financial year ended 30 June 2025

E1. Trade and other receivables (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

For the financial year ended 30 June 2025

E1. Trade and other receivables (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

	Trade receivables days past due				
	Current	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
Lifetime expected credit loss \$'000	(82)	(152)	(15)	(11)	(198)
Total					56,993

For the previous financial year

	Trade receivables days past due				
	Current	Less than 30 days	More than 30 days	More than 60 days	More than 90 days
Expected credit loss rate	0.09%	0.76%	3.76%	6.90%	16.59%
Gross carrying amount \$'000	8,155	354	720	1,102	4,042
Lifetime expected credit loss \$'000	(8)	(3)	(27)	(76)	(670)
Total					14,373

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

E2. Inventories

	Note	2025 \$'000	2024 \$'000
Inventory		38,363	42,103
Allowance for impairment on inventory		(396)	(389)
Inventory classed as Property, plant and equipment	B2	(8,171)	-
Total		29,796	41,714
Movement in the allowance for impairment of inventory			
Balance at beginning of financial year		(389)	(544)
Impairment gain/(loss) provided for		98	1,162
Inventory written off during the year		(105)	(1,007)
Balance at end of financial year		(396)	(389)

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

For the financial year ended 30 June 2025

E3. Other assets

	Note	2025 \$'000	2024 \$'000
Current:			
Prepayments		8,761	8,992
FX forward agreements	C4	-	23
Other		60	60
		8,821	9,075
Non-current:			
Prepayments		3,277	1,554
Loan advances*		1,000	1,000
		4,277	2,554
Total		13,098	11,629

* 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.

Forward foreign exchange agreements

Derivative contracts are foreign currency forward contracts. See note C4 for TasNetworks' exposure to risk and fair value information for these hedges.

The value of derivative contracts at the end of each reporting period are recognised in the statement of financial position as either an asset or a liability. The value reflects the projected future cash flows (discounted) on the derivative contract. The other side of the derivative valuation net of tax effect is reflected in the hedge reserve (note D3).

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

E4. Provisions

	2025 \$'000	2024 \$'000
Workers compensation		
Opening balance	-	575
Provision increase/(decrease) during the year	-	1,631
Provision used during the year	-	(2,206)
Closing balance	-	-
Restructure provision		
Opening balance	1,749	5,796
Provision increase/(decrease) during the year	1,311	1,749
Provision used during the year	(1,749)	(5,796)
Closing balance	1,311	1,749
Total	1,311	1,749
Shown as:		
Current provisions	1,311	1,749
Non-current provisions	-	-
Total	1,311	1,749

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.

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.

Workers compensation

TasNetworks' workers compensation is insured by an external insurance provider. Historically the policy provided for a minimum premium (fixed component paid in the insured year) and a variable component up to an agreed maximum premium with the variable component of the premium paid in arrears and varied depending upon TasNetworks' workers compensation performance during that year. The premium is now based on a 100% fixed value which is paid during the year, TasNetworks therefore has no provision for workers compensation as at 30 June 2025.

Restructure provision

A restructuring provision is only recognised when general recognition criteria provisions are 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 time line, and the people affected have a valid expectation that the restructuring is being carried out.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

E5. Trade and other payables

	2025 \$'000	2024 \$'000
Current:		
Trade payables*	13,964	34,188
Accrued payables	16,643	12,679
Accrued expenses	2,519	3,307
GST payable/(receivable)	1,984	(749)
Accrued interest	39,697	33,320
Total	74,807	82,745

* Significant efforts were undertaken to process all invoices received by 30 June 2025. This effort accounts for the substantial movement in trade payables.

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.

E6. Contract liabilities

	2025 \$'000	2024 \$'000
Arising from connections to the transmission network	29,916	31,141
Arising from connections to the telecommunications network	1,807	2,558
Arising from connections to the distribution network	26,655	21,733
Arising from other services provided	5,635	2,830
Total	64,012	58,262

Shown as:		
Current contract liabilities	28,051	21,966
Non-current contract liabilities	35,468	36,296
Total	63,519	58,262

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

E6. Contract liabilities (continued)

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.

	2025 \$'000	2024 \$'000
Amounts from connections to the transmission network	1,225	1,593
Amounts from connections to the telecommunications network*	751	1,980
Amounts from connections to the distribution network	(4,922)	24,609
Amounts from other services provided	(2,805)	(30)
Total	(5,751)	28,152

* Regional Connectivity Program Grant Funding - Fortytwo24

The Regional Connectivity Program grant funding agreement includes specific repayment conditions. This agreement requires the grant funding of \$4.4m (GST incl) received by Fortytwo24 to improve the connectivity of regional Australian communities through telecommunications infrastructure projects to be repaid to the Commonwealth if the conditions are not met.

The grant payment will be issued to Fortytwo24 as stated in the Grant Agreement, however, is then required to be paid to TasNetworks as per clause 5.1 of the Works and Access Agreement. As Fortytwo24 is acting as a conduit for the grant payment, the revenue will be passed through to TasNetworks with no profit or loss impact to Fortytwo24. From a consolidated perspective, the TasNetworks Group will recognise the grant funds as directed by AASB 120 para.27.

Grant revenue is recognised on a systemic basis over the period in which Fortytwo24 recognises as expenses the related costs for which the grants are intended to compensate. Grant revenue is not recognised until there is reasonable assurance that Fortytwo24 will comply with the conditions attaching to them and that the grant revenue will be received. As of the 30 June 2025, 60% of the works has been completed with Fortytwo24 meeting its payment obligations accordingly. As per clause 11.2 of the Works and Access Agreement, Fortytwo24 has recognised an asset under construction of \$0.5 m. This balance reflects the contribution to date made by Fortytwo24 to the project and will constitute the right to access, use, and maintain the asset upon project completion.

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

For the financial year ended 30 June 2025

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	2025 \$'000	2024 \$'000
Current:			
Annual leave		14,167	12,226
Long service leave		14,048	13,377
Defined benefits superannuation	F2	8,397	8,311
Other employee benefits		5,952	4,750
		42,564	38,664
Non-current:			
Long service leave		2,246	2,641
Defined benefits superannuation	F2	141,703	142,366
Other employee benefits		395	452
		144,344	145,459
Total		186,908	184,123

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.

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F1. Employee benefits (continued)

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.

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.

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).

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F2. Defined benefit superannuation plan (continued)

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.

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 11 July 2025 and are set out below:

Assumptions to determine defined benefit cost and start of year defined benefit obligation	2025	2024
	%	%
Discount rate (active members)	5.55	5.70
Discount rate (pensioners)	5.55	5.70
Expected rate of increase of compulsory preserved amounts	3.50	3.50
Expected salary increase rate	3.50	3.50
Expected pension increase rate	3.00	3.50
Assumptions to determine end of year defined benefit obligation	2025	2024
	%	%
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	3.00	3.50

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F2. Defined benefit superannuation plan (continued)

Fair value of Scheme assets

Cash deposits
Australian equities
International equities
Infrastructure
Diversified fixed interest
Property
Alternative investments
Total

30 June 2025*		
Total	Significant observable inputs - Level 2	Unobservable inputs - Level 3
\$'000	\$'000	\$'000
1,435	1,435	-
9,738	9,738	-
10,738	10,738	-
5,304	-	5,304
11,347	11,347	-
4,913	-	4,913
-	-	-
43,475	33,258	10,217

* Estimated based on assets allocated to TasNetworks as at 30 June 2025 and asset allocation of the RBF Scheme as at 30 June 2024.

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	2025 \$'000	2024 \$'000
Present value of obligations at beginning of financial year		196,890	193,559
Total defined benefit liability		196,890	193,559
RBF contributory scheme assets		43,475	40,054
Net liability at end of financial year		153,415	153,505
Movements in net liabilities			
Net liability at beginning of financial year		153,838	147,426
Expense recognised in profit or loss	A2(c)	9,352	9,526
Other comprehensive income recognised		2,654	4,505
Employer contributions paid by TasNetworks		(12,096)	(7,619)
Net liability at end of financial year		153,748	153,838
Current net liability	F1	8,397	8,311
Non-current net liability	F1	141,703	142,366
Total		150,100	150,677
Expenses recognised in profit or loss			
Employer service cost		1,148	1,484
Net interest cost	A3	8,204	8,042
Expense recognised in profit or loss		9,352	9,526
Other comprehensive income recognised			
Superannuation actuarial (gains)/losses	D1	2,654	4,505
Other comprehensive income recognised		2,654	4,505

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F2. Defined benefit superannuation plan (continued)

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 (2024: \$7.619m) reflects the amount paid by TasNetworks.

	2025 \$'000	2024 \$'000
Fair value of Scheme assets		
Fair value of plan assets at beginning of financial year	40,054	40,941
Interest Income	2,158	2,277
Actual return /(diminution) on plan assets less interest income	4,914	(724)
Employer contributions received	12,096	7,619
Contributions by plan participants	578	724
Benefits paid	(16,303)	(10,757)
Taxes, premiums and expenses paid	(22)	(26)
Fair value of plan assets at end of financial year	43,475	40,054
Defined benefit obligations		
Present value of obligation at beginning of financial year	193,559	188,367
Employer service costs	1,148	1,484
Interest costs	10,362	10,319
Contributions by plan participants	578	724
Benefits paid	(16,303)	(10,757)
Taxes, premiums and expenses paid	(22)	(26)
Expected defined benefit obligation at year end	189,322	190,111
Actuarial (gain)/loss arising from settlement of "one off" transfer	-	(1,500)
Actuarial (gain)/loss arising from changes in financial assumptions	2,972	2,985
Actuarial (gain)/loss arising from liability experience	4,596	1,963
Present value of defined benefit obligation at end of financial year	196,890	193,559

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 2025 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	Scenario B +1% pa discount rate	Scenario C -1% pa pension rate	Scenario D +1% pa pension rate
Discount rate	5.40%	4.40%	6.40%	5.40%	5.40%
Pension increase rate	2.50%	2.50%	2.50%	1.50%	3.50%
Defined benefit obligation (\$'000)	196	218	177	180	214

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.

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 2026 of \$8.397m (2025: \$8.311m).

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for TasNetworks is 11.9 years.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F3. Key Management Personnel compensation

The aggregate compensation to key management personnel of TasNetworks is set out below:

Benefits paid	Director Remuneration		Executive Remuneration		Consolidated	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Short-term employee benefits	371	400	2444	2,796	2815	3,196
Post-employment benefits	42	43	223	288	265	331
Other long-term employment benefits	-	-	(52)	(397)	(52)	(397)
Other non-monetary benefits*	-	-	36	-	36	-
Termination Benefits	-	-	946	1,457	946	1,457
Total	413	443	3,597	4,144	4,010	4,587

* Other monetary benefits includes reimbursements of relocation costs.

For Director remuneration, short term employment benefits includes Director fees, Committee fees and other benefits. Post employment benefits represents superannuation contributions.

For Executive remuneration, short-term employment benefits includes base salary, vehicles, other benefits and other non-monetary benefits. Post employment benefits represents superannuation contributions and other long-term employee benefits includes leave movements. Termination benefits are as provided for below.

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:

2025 Director Remuneration¹

Name	Position	Period	Director Fees \$'000	Committee Fees \$'000	Superannuation ² \$'000	Total \$'000
Non-Executive Directors						
Mr R Gill	Chairperson	Full term	121	-	14	135
Dr J Beeby	Director	To 26/7/24	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

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F3. Key Management Personnel compensation (continued)

2024 Director Remuneration¹

Name	Position	Period	Director Fees \$'000	Committee Fees \$'000	Superannuation ² \$'000	Total \$'000
Non-Executive Directors						
Mr R Gill	Chairperson	Full term	121	-	13	134
Dr J Beeby	Director	Full term	56	-	6	62
Mr K Kehl	Director	Full term	56	-	6	62
Ms K Schaefer	Director	Full term	56	-	6	62
Mr M Smith	Director	To 20/06/24	55	-	6	61
Ms C Hopkins	Director	Full term	56	-	6	62
Total			400	-	43	443

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.

Board remuneration notes and statements

Non-Executive Directors

Non-executive directors are appointed by the Shareholding Ministers. 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. Non-executive Directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F3. Key Management Personnel compensation (continued)

Executive Remuneration

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and previous financial years:

2025 Executive Remuneration

Name	Position	Period	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	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 Westenber	Executive Finance & Regulation	Full Year	308	-	-	-	-	30	338	10	-	348
Mrs R Anderson	Executive People & Transformation	To 17/10/2024	308	-	-	-	11	30	349	23	-	372
Mr P Stuckey	Executive People & Stakeholder	From 18/10/2024	226	-	-	-	25	29	280	(28)	102	354
Mr R Daley	Executive Governance	To 14/03/2025	220	34	-	17	-	30	301	6	-	307
	Leader Fortytwo24	Full Year										
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

For the financial year ended 30 June 2025

F3. Key Management Personnel compensation (continued)

2024 Executive Remuneration

Name	Position	Period	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	Full Year	470	-	-	-	-	27	497	23	-	520
Mr A Davis	Executive Transformation, Strategy & Digital	To 09/07/2023	335	-	-	-	-	27	362	19	-	381
		From 10/07/2023	-	-	-	-	-	-	-	-	-	-
Mr W Tucker	Executive Growth	To 15/07/2023	12	-	-	-	-	38	50	(150)	811	711
Mr R Burridge AM	Executive Operations	Full Year	347	-	-	-	-	45	392	(29)	-	363
Mr K McGrath	Executive Operations (Incoming)	From 13/05/2024	51	-	5	-	-	4	60	5	-	65
Mr M Westenberg	Executive Finance	To 09/07/2023	299	-	-	-	-	27	326	(13)	-	313
		From 10/07/2023	-	-	-	-	-	-	-	-	-	-
Mr M Ash	Executive Stakeholders	To 15/07/2023	12	-	-	-	-	6	18	(217)	468	269
Mrs R Anderson	Executive People	To 09/07/2023	302	-	-	-	-	27	329	(5)	-	324
		From 10/07/2023	-	-	-	-	-	-	-	-	-	-
Mr P Stuckey	Executive People & Transformation	Full Year	312	-	-	-	-	27	339	19	-	358
Ms C Wykamp	Executive Governance	To 22/03/2024	324	-	-	-	-	21	345	-	-	345
Ms K Walker	CEO, Marinus Link Pty Ltd	From 22/09/2022	82	13	-	6	-	18	119	(59)	-	238
		to 31/10/2023	-	-	-	-	-	-	-	-	-	-
Mr R Daley	Head of Fortytwo24	From 1/11/2023	126	29	-	11	-	15	181	3	-	184
Total			2,672	42	5	17	-	282	3,018	(404)	1,457	4,071

Acting arrangements

Ms L Spikula	Acting Executive Finance & Regulation	From 03/04/2024 to 03/05/2024	20	-	-	-	-	2	22	3	-	25
Mr T Gowland	Acting Executive Operations	From 07/08/2023 to 08/09/2023	18	-	-	-	-	2	20	3	-	23
Mr R Daley	Acting Head of Fortytwo24	From 03/07/2023 to 12/08/2023	22	-	-	-	-	2	24	1	-	25
Sub-total			60	-	-	-	-	6	66	7	-	73
Total			2,732	42	5	17	-	288	3,084	(397)	1,457	4,144

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

F3. Key Management Personnel compensation (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 and payable for services rendered and compensated absences during the period.

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 includes reimbursements of relocation costs

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.

⁹ Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements paid out on termination.

Executive Remuneration

Remuneration levels for key management personnel of TasNetworks are competitively 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.

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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 allocated a short-term incentive payment of \$33,750 for exceeding performance benchmarks.

Termination benefits

Termination payments during the current year included:

Mr R Burridge ceased employment effective 1 July 2024 and was paid \$843,723 representing the balance of his accrued annual and long service leave entitlements of \$132,807, a lump sum payment of \$75,164 plus a termination payment in accordance with the terms of his contract of \$635,752.

Mr P Stuckey ceased employment effective 14 March 2025 and was paid \$102,255 representing the balance of his accrued annual and long service leave entitlements of \$22,826, plus a payment in lieu of notice of \$79,429. This is in accordance with the terms of his contract.

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, Mr J Cunningham performed the duties of the Executive Digital, Strategy & Customer

Statement of compliance

TasNetworks has complied with the Government's Director and Executive Remuneration Guidelines, applicable at the time, for the year ended 30 June 2025 with the exception of one variation. These are the confidentiality and termination provisions contained in executive contracts which pre-date the June 2014 Shareholders Direction to comply with the Guidelines.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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.

Macquarie Soul Catering is a related party of TasNetworks as it is owned by a close family member of Minister Nic Street. During the year TasNetworks made purchases of \$17,905 from Macquarie Soul Catering, there was no amount owing at 30 June 2025.

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

For the financial year ended 30 June 2025

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

	2025 \$'000	2024 \$'000
Interest on lease liability	(254)	(336)
Amortisation of lease assets	(831)	(854)
Expenses relating to short-term leases	(21)	(36)
Expenses relating to low value assets	(21)	(18)
Total	(1,126)	(1,244)

(b) Amounts recognised in the statement of cash flows

Total cash outflow for leases	(45)	(1,129)
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(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.

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.

	2025 \$'000	2024 \$'000
Less than 1 year	3,994	3,630
1 to 2 years	3,841	3,661
2 to 3 years	3,766	3,693
3 to 4 years	3,738	3,616
4 to 5 years	3,891	3,679
More than five years	31,308	34,572
Total	50,538	52,851

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

G2. Commitments for expenditure

	2025 \$'000	2024 \$'000
Property, plant and equipment		
Within one year	101,914	115,939
One year or later and no later than five years	47,579	44,856
Greater than five years	6,312	9,318
Total	155,805	170,113
Operating expenditure commitments*		
Within one year	78,037	77,900
One year or later and no later than five years	20,334	22,370
Greater than five years	43	99
Total	98,414	100,369

* 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 are occurring but are not yet fruitful, as both parties claim from each other their respective costs/losses.

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 (2024: nil). The directors are of the opinion, based on legal advice, 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 has a sunset date of 31 December 2025. TasNetworks currently has no notice of any claims and the potential for future claims is assessed as very unlikely.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

Other information

This sections includes additional information that is required by either accounting standards or Guidelines for Tasmanian Government Businesses.

H1. Auditor's remuneration

Amounts received, or due and receivable:

Audit of financial statements for the group
Audit of Regulatory Annual Information Notice*

2025	2024
\$	\$
299,500	291,900
269,849	251,957
569,349	543,857

* The Regulatory Annual Information Notice is a mandatory annual data collection issued by the Australian Energy Regulator to all distribution and transmission network businesses.

H2. Overseas travel

During the financial year 2024-25, nine employees undertook six overseas trips, costing \$113,504 (2024: \$156,668). The main purposes of the trips were to:

- Strengthen strategic supply and resilience relationships with Transpower and TasNetworks in Auckland, New Zealand.
- Attend insurance roadshows in London, UK.
- Present at the Eaton ANZ Automation User Group in Christchurch, New Zealand.
- Attend the CIGRE AU-B1 Insulated Cables Australian Panel Meeting in Wellington, New Zealand.
- Attend the CIGRE SC-B4 Working Group meeting, in Wellington, New Zealand.
- Attend and present at the TMR Systems and Axis Partner (security and communications) Summit in Kuala Lumpur, Malaysia.
- Participate in the annual Edison Electric Institute Global Electrification Conference in London, UK.
- Participate in the Future of Utilities Summit 2025 in London, UK.

H3. Returns to Government

During the year the following payments were made to the Tasmanian Government*

	2025	2024
	\$'000	\$'000
Income Tax Equivalents paid	15,253	40,872
Government guarantee fees paid	11,454	6,967
Dividends paid	-	11,721
	26,707	59,560

* Returns to Government are measured in cash payments made during the financial year.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

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.

Name of entity	Footnote	Country of incorporation	Ownership interest	
			2025 %	2024 %
Parent entity				
Tasmanian Networks Pty Ltd		Australia		
Subsidiaries				
TasNetworks Holdings Pty Ltd	1	Australia	100	100
Fortytwo24 Pty Ltd*	2	Australia	100	100
Marinus Link Pty Ltd [†]	3	Australia	-	-
TasNet Connections Pty Ltd*	4	Australia	100	100

* Fortytwo24 Pty Ltd and TasNet Connections Pty Ltd are 100% owned subsidiaries of TasNetworks Holdings Pty Ltd. Marinus Link Pty Ltd was a 100% owned subsidiary of TasNetworks Holdings Pty Ltd up to 22 March 2024.

+ On 22 March 2024 TasNetworks executed the sale of its 100% owned subsidiary, Marinus Link Pty Ltd to the Commonwealth Government, Victorian Government and the Tasmanian Government ("Shareholders") through a tripartite ownership agreement.

Footnotes

1. TasNetworks Holdings Pty Ltd was incorporated on 24 May 2018.
2. Fortytwo24 Pty Ltd was incorporated on 14 February 2006.
3. Marinus Link Pty Ltd was incorporated on 23 November 2018 and sold on 22 March 2024.
4. TasNet Connections Pty Ltd was incorporated on 20 May 2019 and is not operational.

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

For the financial year ended 30 June 2025

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.

Joint Venture	Principal activity	Consolidated		Parent	
		Share Ownership	Joint Venture voting rights	Share Ownership	Joint Venture voting rights
		2025 %	2024 %	2025 %	2024 %
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.

Summarised statement of financial position

	Virtual Twin Tas Pty Ltd	
	2025 \$'000	2024 \$'000
Current assets	2,235	1,900
Non-current assets	7,931	6,905
Total Assets	10,166	8,805
Current liabilities	2,747	2,847
Non-current liabilities	1,433	-
Total liabilities	4,180	2,847
Net assets/(liabilities)	5,986	5,958
TasNetworks share of net assets/(liabilities) (50%)	2,993	2,979

Summarised statement of profit or loss and other comprehensive income

Total revenue	2,846	3,554
Total expenses	(1,862)	(1,416)
Income tax expense	(355)	(761)
Profit/(loss) after tax	629	1,377
Elimination of Fortytwo24 intercompany transactions (50%)	31	180
Elimination of TasNetworks' intercompany transactions (50%)	(990)	(1,012)
Total comprehensive income/(loss) for the year	(330)	545
TasNetworks share of total income/(loss) for the year (50%)	(165)	273

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H6. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2025, 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	
	2025	2024
	\$'000	\$'000
Result of parent entity		
Profit/(Loss) for the year	6,076	(47,503)
Other comprehensive income for the year	45,067	103,187
Total comprehensive income for the year	51,143	55,684
Financial position of parent entity at year end		
Current assets	131,721	120,748
Intercompany receivable	(20)	(20)
Non-current assets	4,261,552	4,134,474
Total assets	4,393,253	4,255,202
Current liabilities	453,629	446,649
Non-current liabilities	2,449,626	2,458,910
Total liabilities	2,903,255	2,905,559
Net assets	1,489,998	1,349,643
Total equity of the parent entity comprising of:		
Retained earnings	138,917	135,520
Contributed equity	153,424	62,724
Reserves	1,197,657	1,151,399
Total equity	1,489,998	1,349,643

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

Property, plant and equipment

Within one year	101,914	115,528
One year or later and no later than five years	47,579	44,834
Greater than five years	6,312	9,318
Total	155,805	169,680

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H7. Subsequent events

Dividends

Subsequent to the end of the financial year, the Board has not recommended the payment of a dividend for the 2024–25 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.

TasNet Connections Pty Ltd - Resolution to wind up subsidiary

Subsequent to 30 June 2025, a non-adjusting event occurred on 29 July 2025, whereby the Board of TasNet Connections Pty Ltd resolved not to proceed with the operationalisation of its subsidiary and approved its formal winding up. 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 2025.

The winding up of the subsidiary is not expected to have a material impact on the financial position or performance of the Group in subsequent reporting periods.

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

For the financial year ended 30 June 2025

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
AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	AASB 107 <i>Statement of Cash Flows</i> AASB 7 <i>Financial Instruments: Disclosures</i>	Amends: - AASB 107 <i>Statement of Cash Flows</i> to require entities to provide qualitative and quantitative information about its supplier finance arrangements - AASB 7 <i>Financial Instruments: Disclosures</i> by adding supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. Transitional reliefs (which include not requiring the disclosure of comparative information) are available for the first annual reporting period in which an entity applies the amendments. These amendments have no material impact on TasNetworks.
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	AASB 16 <i>Leases</i>	Amends AASB 16 <i>Leases</i> to require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. This is achieved by requiring the expected variable lease payments to be included in the lease liability. This is the only type of lease liability that includes variable payments as all 'normal' lease liabilities only include fixed payments. These amendments have no material impact on TasNetworks.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H8. Changes in accounting policies (continued)

Accounting standards adopted

AASB amendment	Affected standard	Nature of change to accounting policy
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and 2022-6 Amendments to Accounting Standards - Non-current Liabilities with Covenants	AASB 101 <i>Presentation of financial statements</i>	The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items: • Introduce a definition of 'settlement' that makes it clear that settlement refers to the transfer to the counterparty of cash, other economic resources (such as goods or services) or an entity's own equity instruments • Clarify that the classification of liabilities as current or non-current is based on rights that exist at the end of the reporting period • Specify that classification is unaffected by the likelihood that the entity will exercise its right to defer settlement of a liability (e.g. if management intends to settle the liability within 12 months after the reporting date) • Specify the impact of covenants on an entity's right to defer settlement for at least 12 months (in that only covenants which the entity is required to comply with on or before the reporting date affect that right) • Introduce a requirement to disclose information in the notes which enables users of financial statements to understand the risk that non-current liabilities with covenants may become repayable within 12 months These amendments have no material impact on TasNetworks.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H8. Changes in accounting policies (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
AASB 2023-1	AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	New disclosure requirements (not measurement or recognition) about supplier finance arrangements, including: • Terms and conditions • Opening and closing balances of related liabilities • Payment terms compared to normal trade payables • Liquidity risk exposure This is not expected to have a material impact on TasNetworks.	Annual periods beginning on or after 1 January 2024	30 June 2026
AASB 2023-5	AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability	AASB 2023-5 amends AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> to clarify: • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. New disclosures are required to help users assess the impact of using an estimated exchange rate on the financial statements. This is not expected to have a material impact on TasNetworks.	1 January 2025	30 June 2026
AASB 2024-3	AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11	The amendments are annual improvements to the following standards: • AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> ; • AASB 7 <i>Financial Instruments: Disclosures</i> ; • AASB 9 <i>Financial Instruments</i> ; • AASB 10 <i>Consolidated Financial Statements</i> ; and • AASB 107 <i>Statement of Cash Flows</i> The amendments aim to improve clarity and internal consistency. These amendments are not expected to have a material impact on TasNetworks.	1 January 2026	30 June 2026

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H8. Changes in accounting policies

Future pronouncements (continued)

AASB amendment	Affected standard	Nature of change to accounting policy	Effective date	Application date for TasNetworks
AASB 18	AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	AASB 18 <i>Presentation and Disclosure in Financial Statements</i> aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures – management performance measures (MPMs) – will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. This is not expected to have a material impact on TasNetworks.	1 January 2027	30 June 2028
AASB 2014-10	Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. This is not expected to have a material impact on TasNetworks.	1 January 2025	30 June 2026

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H8. Changes in accounting policies (continued)

Future pronouncements (continued)

AASB amendment	Affected standard	Nature of change to accounting policy	Effective date	Application date for TasNetworks
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing the following changes: • Allowing derecognition of financial liabilities settled using an electronic payment system before the settlement date provided certain criteria are met. The amendments do not extend this exception to derecognition of financial assets settled via an electronic transfer, as it was clarified that financial assets are derecognised only when contractual rights to the cash flows from the financial assets expire, which is when cash is received • Clarifying how contractual cash flows characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed for the purpose of classification of the financial assets • Amending disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adding disclosure requirements for financial instruments with contractual terms that could change the timing or amount of contractual cash flows on contingent events. This is not expected to have a material impact on TasNetworks.	Annual reporting periods beginning on or after 1 January 2026	30 June 2026

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

H8. Changes in accounting policies (continued)

Pronouncements issued by the IASB or IFRS Interpretations Committee where an equivalent pronouncement has not been issued by the AASB

AASB amendment	Affected standard	Nature of change to accounting policy	Effective date	Application date for TasNetworks
Mandatory Climate Related Disclosures	IFRS S1/S2 and AASB Equivalents	This standard requires an entity to disclose information about climate related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.	Group 1 entities (like TasNetworks) will begin reporting from 1 July 2025, this affects planning, not the 2024–2025 financial statements directly.	TasNetworks will not be undertaking any voluntary disclosures for the financial year 2024–2025
IFRS 18 Presentation and Disclosure in Financial Statements	IAS 1 <i>Presentation of Financial Statements</i>	Replaces IAS 1 <i>Presentation of Financial Statements</i> , introducing enhanced requirements for the presentation of financial statements, including: • In the statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals ('operating profit' and 'profit before financing and income taxes') • Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring: • A reconciliation of the MPM to an IFRS-defined subtotal • An explanation of why the MPM is reported • An explanation of how the MPM is calculated • An explanation of any changes to the MPM • Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or the disclosed notes, and disclosures about items labelled as 'other'.	1 January 2027	30 June 2028

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.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

11. Discontinued operations

Marinus Link Pty Ltd was a solely-owned subsidiary of TasNetworks. It was established in December 2021 to progress the development of an HVDC interconnector between Tasmania and Victoria known as Marinus Link. The main purpose of creating the company was to enable better management of the Marinus Link project and allow for third party investment or divestment in the future.

On 22 March 2024 TasNetworks executed the sale of its entire shareholding in MLPL to the Commonwealth, Victorian and Tasmanian Governments ("shareholders") through a tripartite ownership agreement. This was undertaken at the direction of the TasNetworks' Shareholders.

The results of the discontinued operations, which were included in the consolidated statement of comprehensive income, were as follows:

	2024 \$'000
(a) Profit or Loss	
Revenue	2,895
Expenses	(13,785)
Loss before tax	(10,890)
Tax expense	3,761
Loss after tax	(7,129)

(b) Cash flow from discontinued operations

The net cash flows incurred by the discontinued operations are as follows:

	2024 \$'000
Operating activities	(6,339)
Investing activities	2,947
Financing activities	3,420
Net cash inflow/(outflow)	28

(c) Loss on sale

The loss on the sale of Marinus Link was calculated as follows:

	2024 \$'000
Sale proceeds*	1
Net assets sold	11,239
Less: Forgiveness of intercompany loan	(81,521)
Loss on sale	(70,281)

* In 2024 TasNetworks sold its shareholding in Marinus Link at a nominal \$1,000.00 at the Direction of its Shareholders.

A loss of \$70.3m arose on the disposal of Marinus Link, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2025

11. Discontinued operations (continued)

(d) Disposal of subsidiary

The net assets of Marinus Link at the date of disposal were as follows:

	Note	22 March 2024 \$'000
ASSETS		
Non-current assets		
Property, plant and equipment	B2	38,394
Intangible assets	B1	36,320
Right-of-use assets	B3	124
Other non current assets		22
		74,860
Current assets		
Cash and cash equivalents		64
Trade and other receivables		49
Other current assets		327
		440
Total assets classified as held for sale		75,300
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Retained earnings		(11,240)
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale		79,535
Total equity		68,295
Non-current liabilities		
Employee benefits		191
Lease liabilities		40
		231
Current liabilities		
Trade and other payables		5,981
Employee benefits		703
Lease liabilities		89
Other current liabilities		1
		6,774
Total liabilities		7,005
Total equity and liabilities		75,300

Directors' declaration

For the financial year ended 30 June 2025

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.

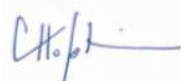
Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors



Mr Roger Gill
Chair
Hobart

11 August 2025



Ms Cheryl Hopkins
Director
Hobart

11 August 2025



