



Annual Report 2024-25

About this report

This Annual Report is a summary of Energy Queensland Limited's (Energy Queensland) financial and non-financial performance for the year ended 30 June 2025.

It outlines the activities and performance outcomes of the Energy Queensland Group, including Ergon Energy Corporation Limited (Ergon Energy Network/Ergon Network), Energex Limited (Energex), Ergon Energy Queensland Pty Ltd (Ergon Energy Retail/Ergon Retail) and Yurika Pty Ltd (Yurika), throughout the year.

To align with best practice reporting standards, we have considered the Global Reporting Initiative (GRI) Standard. We have not voluntarily adopted the Australian Sustainability Reporting Standards for this year's report; however, we will meet mandatory reporting from 2025-26.

We have incorporated a Performance Report structured around our contribution to our most material environmental, social and governance topics. Data presented in this section is unaudited and indicative information.

This report also meets our legislative requirements under the *Government Owned Corporations Act 1993* (Qld) and the *Financial Accountability Act 2009* (Qld).

Our reporting suite includes this report, the Energy Queensland Limited Statement of Corporate Intent 2024-25 and the Ergon Energy Queensland Pty Ltd Annual Financial Report. These documents, along with previous reports, are available at www.energyq.com.au.

For feedback or hard copy requests, please contact community@energyq.com.au

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Acknowledgement of Country

Energy Queensland acknowledges the traditional custodians of the land on which we live and work, and recognise their continuing connection to land, waters, and community. We also pay our respects to Elders past and present for they hold the memories, the traditions, the culture and hopes of First Nations people. We acknowledge that the lands and waters beneath the poles and wires that stretch across the communities where we live and work, was and always will be traditional Aboriginal and/or Torres Strait Islander land.

About Us

Energy Queensland is all about delivering a safe, reliable and affordable electricity supply to the communities we serve – wherever they are across our vast state.

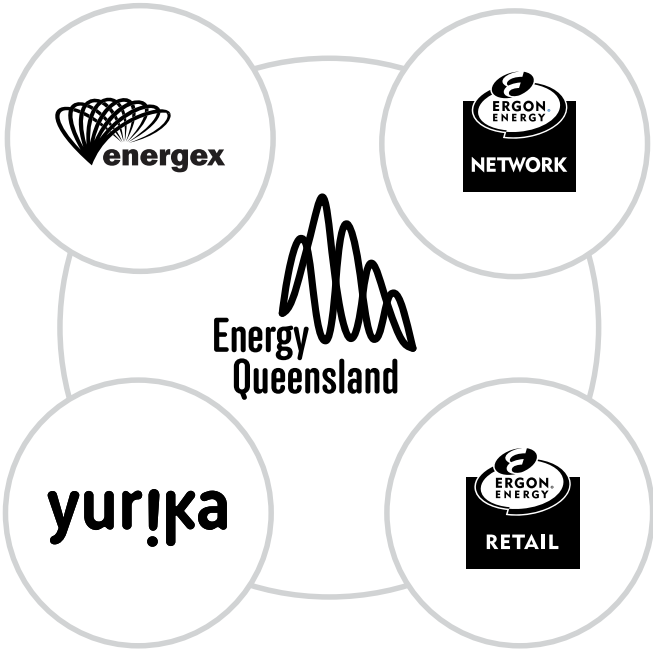
Our dedication goes beyond infrastructure – it is also about working closely with our customers, communities, and industry partners to shape a sustainable energy future, so Queenslanders can use energy their way.

Energy Queensland is Australia’s largest, wholly government-owned electricity company, made up of Ergon Energy Network, Energex, Ergon Energy Retail, and Yurika.

The Group was created in 2016, bringing together more than 100 plus years of experience in electricity retailing, distribution, generation, and energy services.

Our shareholding Ministers, on behalf of the Queensland community, are the Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training.

We have a unifying vision, purpose, set of values, and strategic focus areas that guide everything we do. Our vision is our why, our purpose is what we do, our values are how we do it, and our focus areas align our efforts.



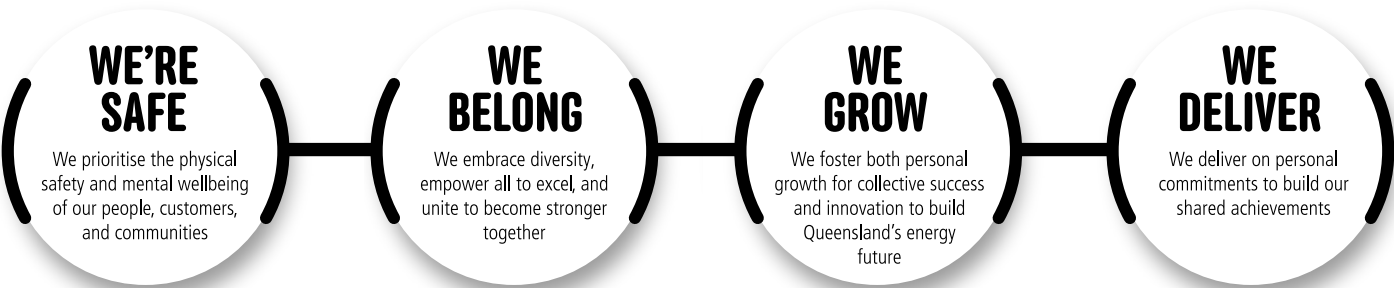
Our vision

We energise Queensland communities.

Our purpose

To safely deliver secure, affordable and sustainable energy solutions with our communities and customers.

Our Values



Our Strategic Areas of Focus

Powering tomorrow The fusion of a smart, safe and secure energy system	Experience excellence Setting new standards for customers in their energy transition	Sustainable future Leading the charge for a successful, greener tomorrow	Anchored in strength Striving for operational excellence and creating a future-fit employee experience
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Ergon Network and Energex

Our 'poles and wires' businesses, Ergon Network and Energex, build, operate, and maintain Queensland's electricity distribution networks. We supply more than five million Queenslanders, through more than 200,000 kilometres of electricity networks.

We operate under national and Queensland electricity industry laws and regulations. Our distribution networks are regulated by the Australian Energy Regulator (AER). The AER sets the revenue we can collect from customers – these charges account for about one-third of the electricity retail price. Every five years, we submit Regulatory Proposals and Tariff Structure Statements to the AER outlining our investment plans, revenue requirements, and tariffs for the next regulatory period.

We also own and operate 33 isolated networks, not connected to the national electricity grid, which supply electricity to 39 remote communities throughout Western Queensland, the Gulf of Carpentaria, Cape York, throughout the Torres Strait, and on Palm and Mornington Islands.

Ergon Retail

Ergon Retail, our retail business, purchases electricity from generators and sells it to our customers across regional Queensland. Based on customer numbers, we are now the fourth largest retailer in the National Electricity Market (NEM).

Ergon Retail charges the Queensland Government's notified prices, which are set by the Queensland Competition Authority (QCA). These prices are subsidised under the Queensland Government's Uniform Tariff Policy, ensuring that, wherever possible, customers of the same type pay no more for their electricity regardless of their location in Queensland.

As well as trading wholesale energy, Ergon Retail also owns a network-connected power station at Barcaldine.

Yurika

Yurika, our non-regulated business, provides integrated energy and infrastructure solutions for electricity networks, solar, wind, and battery projects. We also offer telecommunications and metering services, along with various other energy infrastructure products, all aimed at connecting customers to a sustainable and reliable energy future.

Our customers

We have more than 2.4 million connected customers, or network connections, across our Queensland networks, of which 752,900 across regional Queensland are Ergon Retail customers. We also service commercial and industrial customers through Yurika.

We assist with customer enquiries via our six customer contact centres, in Rockhampton, Mackay, Maryborough, Townsville, and Brisbane, and three network control centres.

Our communities

As an essential service, electricity is a vital foundation to lives and livelihoods in communities across our vast state.

We upgrade infrastructure, respond quickly to severe weather, and work with local areas to address their needs. We also support communities statewide through employment, procurement, and community investment.

Our people

We employ more than 9,700 people across a diverse range of roles within our businesses, including trades, apprenticeships, graduate placements, and professional and paraprofessional positions.

Our focus is on creating a future-fit workforce, with a diverse mix of capable and high-performing people, to deliver the best results for our customers and community. Safety is a business priority.

Our industry partners

We collaborate with a diverse range of industry partners, from electricity generators and retailers, transmission and distribution service providers, property developers, builders, electrical contractors, solar installers and suppliers, as well as technology providers. These partnerships are vital in delivering and maintaining network connections to Queensland's homes and businesses.

Our environment

We operate across the state – in sensitive areas like the Wet Tropics in the Far North to urban centres in the South East, and nationally. Our ISO14001:2015-certified Health, Safety and Environment System supports robust risk management, planning, training, and continual improvement to manage environmental and cultural heritage risks.

Our core service area

In Queensland, we operate from the Tweed River to the Torres Strait and from Brisbane to Birdsville, with 17 service areas and 117 depots and offices across the state.

Our reach also extends beyond Queensland through the services provided by Yurika.

- 1 Far North

2 Tropical Coast

3 Herbert

4 Flinders

5 Pioneer
- 6 Central West

7 Capricornia

8 Bundaberg Burnett

9 Fraser Burnett

10 Darling Downs
- 11 South West

12 Sunshine Coast

13 Brisbane North

14 Brisbane Central

15 Brisbane South
- 16 Ipswich Lockyer

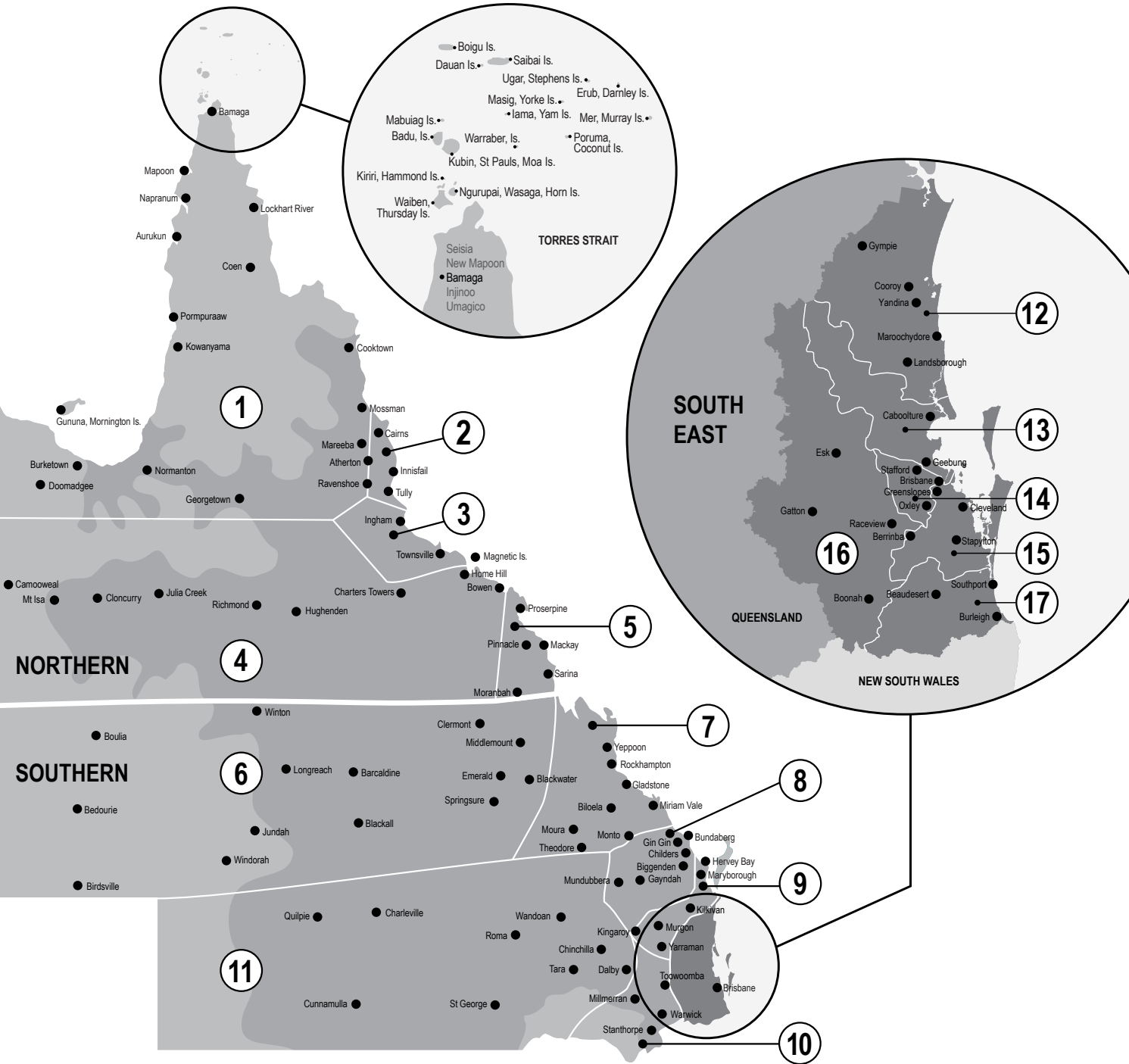
17 Gold Coast

- Regional network – Ergon Energy Network

Isolated supply – Ergon Energy Network

Ergon Energy Retail

South East Network – Energex
- Depot locations



Our numbers

9,700+	employees
2.4 million	connected customers
680	graduates and apprentices
752,900	retail customers
\$31.7 billion	asset base
210,000km	powerlines (overhead and underground)
1.7 million	power poles
34	power stations (including network-connected Barcaldine)
6	customer contact centres
3	network control centres
36,700GWh	electricity distributed (a year)
2.37	Ergon Network unplanned outages (average per customer a year)
0.87	Energex unplanned outages (average per customer a year)
900,000	rooftop solar energy systems connected
46	large-scale solar energy connections

Highlights

Ergon Retail achieved a **Customer Happy Index score of 90%** for its customer interactions and service – a world-leading result (page 15).

Ergon Network and Energex managed **55,000 network connection applications**, addressing a backlog and an increase to deliver consistently within timeframes (page 16).

Yurika was awarded Excellence in Large Scale Renewables, and a national industry Innovation Award (page 17).

64% of Ergon Retail's customers now have digital (smart) meters, with Yurika installing 133,000 smart meters across regional Queensland (page 17).

Invested \$1.9 billion into Ergon Network and Energex's networks to ensure safe, reliable, and secure electricity supply for Queensland (page 19).

Accomplished a **96.5% Network Program of Works Operational Delivery Index** – well above the 90% target (page 20).

Developed Australia's first air-insulated padmounted substation, using more sustainable, heat-resilient technology to support a cleaner energy future (page 20).

Welcomed a record intake of 184 new apprentices, including 73 women and 19 First Nations people, fostering diversity and the next generation of skills (page 26).

Maintained an **employee engagement score of 73%**, reflecting our safety priority and strong leadership behaviours in fairness, inclusiveness, and communication (page 27).

Ergon Network and Energex's cyclone and flood response in the north, south, and west of the state saw **electricity restored to more than 530,000 homes and businesses**. (page 33).

The Ipswich Neighbourhood Battery Trial has led to Energex and Ergon Network's **wider community battery rollout**, delivered in step with our utility-scale battery plan (page 35).

Following extensive consultation, Ergon Network and Energex **submitted Revised Regulatory Proposals**, with final AER Regulatory Determinations for 2025-30 received (page 42).

Chair and CEO's Message

As a Group, we are deeply connected to the communities we serve. Our commitment to delivering for our customers, wherever they are across our vast state, is at the heart of who we are. This dedication fuels us day-to-day, and when we have a big job to do, like we did this year with natural disasters north, south and west, it certainly brings out our best.

Rising to the challenge of the extreme weather

As Queenslanders, collectively, we will not quickly forget the severe weather events that marked 2024-25.

The destruction of the Ingham floods was still very visible when members of the Board and Executive visited the community personally a month after the event. The visit was just after our major emergency response to Cyclone Alfred in the south – to what proved to be Queensland's largest ever power outage. Then, shortly after that, crews were again responding to the great expanse of Western Queensland inundated by rainfall and flooding.

In total the events disrupted power to over 530,000 homes and businesses. Crews rose to the challenge each time, working in hazardous conditions and rough terrain, to restore the power swiftly and safely. They certainly can be proud of their preparedness and depth of capability, as well as of the agility and fortitude they were able to call on when it mattered most.

Despite the rapid succession of these events, a planned, record \$2.6 billion capital investment program was successfully delivered, including critical electricity infrastructure upgrades. There has been an ongoing priority on addressing the risk associated with the assets across the networks approaching the end of their serviceable life. This prudent investment across the asset refurbishment and replacement programs, as well as into operational maintenance works, has been essential to ensuring we meet core safety standards and customer reliability expectations, as well as maintain legislative compliance.

A focus on operational excellence

As a Board, and across the Executive, we know the response efforts and the levels of investment in the network were the right thing for us to do. But going forward, we also know we must find a balance between our response to the challenges before us and the cost.

The combination of our response to extreme weather events, continued investment to address safety and reliability risks throughout the networks, and inflationary cost pressures has influenced the Group's financial results this year.

"Having joined as Chair of the Board in August, I am very keen to now start work in earnest with the Executive, and Energy Queensland's various stakeholders to ensure we deliver affordable, reliable and sustainable electricity for the benefit of all Queensland into the future."

Patrick Brady
Chair

We recognise the importance of delivering electricity, and the associated critical assets, as efficiently and productively as possible. This is why key initiatives have been established to enhance the Group's investment governance and explore ways to improve the cost profile. This will remain an absolute priority with the Board's new Chairmanship.

In addition, the Australian Energy Regulator's final revenue determinations for the distribution businesses for 2025 to 2030 require adjustments to the investment proposals submitted to them. We will work closely with our customers and other stakeholders as we implement these changes, steadfast in a commitment to deliver services in the most affordable way possible. This will include looking at the service standards we deliver; into how well they align with community expectations in terms of balancing cost and value.

Improving productivity is a national and global challenge that Energy Queensland is not immune to. Across the Group, our focus on operational excellence has been strengthened to ensure we can rise to this challenge. The Board and Executive are working with the divisions to examine all of the work they do to identify efficiencies needed to deliver affordable services across all of Queensland into the future.

Supporting economic development

As well as keeping the lights on every day, the augmentation and timely access to Queensland's electricity networks is vital to the state's economic growth and job creation.

To better support development, we are focusing the organisation on an uplift in our network connection services. This is seeing teams consolidated and connection processes streamlined to realise faster connection timeframes. We believe this opportunity can make an important contribution to housing availability and affordability.

We are also readying the organisation for the 2032 Olympic and Paralympic Games, both the associated infrastructure plan and the overall increase in economic activity. While this will see the networks continue to grow, it is clear this must be achieved with heightened focus on fiscal discipline, and by capitalising on our core strengths.

We are committed to fostering strong partnerships with communities and suppliers along this journey to enhance Queensland's capabilities more broadly and secure lasting economic and social benefits throughout the state.

Shaping Queensland's energy future

As a Group, our role in the changes taking place across the energy sector is to ensure our customers have access to the energy solutions they are looking for at an affordable price, while making sure Queensland's energy system remains safe and secure.

Our infrastructure investments are transitioning us towards a modern, decentralised, and resilient energy grid. This is seeing our network businesses increasingly able to integrate rooftop solar and other energy resources, alongside large-scale renewables, into the energy system. This significant evolution empowers households, businesses, and other private investors to actively participate in the energy transition.

We are looking to leverage the benefits dynamic connections, our network-connected batteries, and a raft of other innovations. Our network businesses are collaborating with national bodies and the Queensland Government to build the capabilities needed to take responsibility for operating Queensland's distribution system dynamically to manage the growing complexity introduced by distributed energy generation. Our aim is to boost efficiency and minimise network costs, while supporting a sustainable energy future.

The Board and Executive are also focused on ensuring the Group has a future-fit workforce. In line with this, we welcomed 184 new apprentices across the state in early 2025. This is a remarkable milestone as the highest number of new apprentices in our history. It takes our total apprentice numbers to 616. These new recruits are being trained in the latest technologies and practices, ensuring they are well-equipped to meet the demands of a modern energy system.

While the energy landscape is complex and fast-moving, it presents an extraordinary opportunity – to shape Queensland's future together. As we continue this journey, the Board and Executive will lead with vision and, in alignment with the Queensland Government's developing energy roadmap, an enduring commitment to every Queenslander.

"I am proud of how we rose, as an organisation, to the many challenges we faced this year. We had a big job to do, especially through the summer storm season... it certainly brought out our best."

Peter Scott

Chief Executive Officer

Acknowledgements

We wish to express our sincere appreciation to our senior leaders and to all our employees. It is often said people are the backbone to any organisation. But in Energy Queensland, right across the Group, their dedication, expertise, and resilience have without a doubt been instrumental in navigating the challenges of the past year.


We also extend our gratitude to our shareholding Ministers for their valued support; the Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training.

On behalf of the organisation, we sincerely thank the outgoing Chair, Sarah Zeljko, for her commitment and service over the past three years.

During the year, we also farewelled several other Directors; we acknowledge and thank Teresa Dyson, Mark Algie, Paul Lucas, Vaughan Busby and Megan O'Hara Sullivan for their valuable contributions.

Along with the change of Chair in August 2025, we welcomed other new Directors to the Board in December 2024; Corinne Butler, Leisa Rafter and Bill Armagnacq.

Finally, we acknowledge the involvement of our industry partners and our other stakeholders throughout the state and thank them for their ongoing support as we have worked side-by-side to deliver for Queensland.



Patrick Brady

Chair



Peter Scott

Chief Executive Officer

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Our approach to sustainability

The following chapters cover our efforts across key social, environmental and economic sustainability matters.

Our reporting demonstrates how we create value and deliver each day for the communities we serve across Queensland.

A strategic focus on sustainability

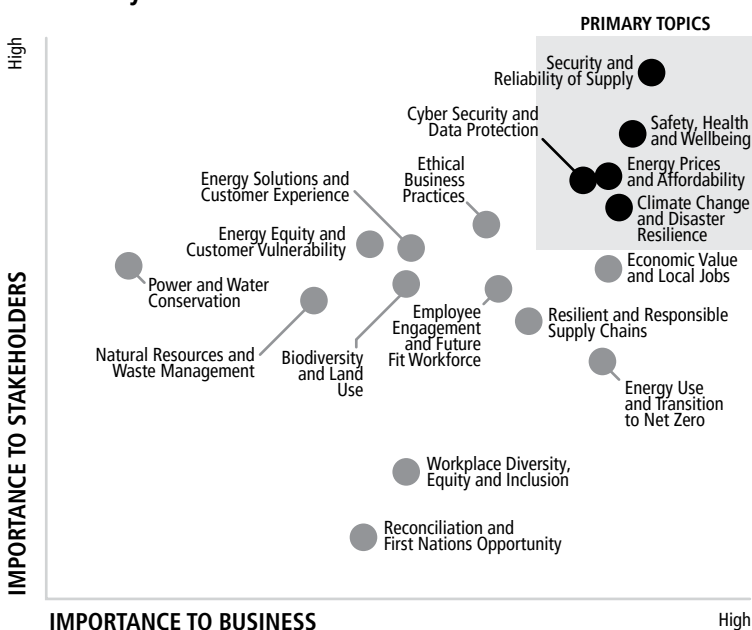
Sustainability is central to Energy Queensland's mission, forming one of our four strategic focus areas. The Board oversees sustainability initiatives through a dedicated framework built on three pillars: Financial Sustainability, Sustainable Business Practices, and Adaptation. Oversight is provided by a Sustainability Manager with input from an internal working group and cross-functional project teams.

Key sustainability issues are regularly reviewed by all four Board committees. Further details are available in the Group's Governance Statement (page 52). The Board-approved Risk Appetite Statements ensure that sustainability risks and opportunities are consistently identified and addressed as part of our structured risk management approach.

Determining our material topics

In 2025, we completed our third materiality assessment to identify and prioritise key sustainability topics. The process considered both our impacts on society, the environment, and the economy, as well as how external sustainability issues affect our business. The final list of material topics is now guiding our strategy and reporting approach. Key steps included reviewing our stakeholder framework, identifying material topics, assessing associated risks, and seeking input from stakeholders and employees to validate and rank priorities.

Materiality Matrix



The new Queensland Government has articulated their strategic expectations for government owned corporations, focusing us on:

- the reliability and safety of existing assets
- maintaining prudence and efficiency in all spending and investment decisions to put downward pressure on electricity prices
- strategically prioritising and delivering projects on time and on budget
- engaging with shareholding Ministers and departments.

These priorities align with our values and strategic focus areas and will guide our strategic and investment decisions. Once the Queensland Government releases its new Energy Roadmap, we will again review our strategic focus areas to ensure they remain aligned with the expectations of our shareholding Ministers.

Responding to what matters most

The materiality assessment identified our main responsibilities as an electricity distributor: 'Security and Reliability of Supply', 'Safety', 'Health and Wellbeing', and 'Climate Change and Disaster Resilience'. This year's extreme weather events, ageing infrastructure, and the integration of renewables have heightened awareness of outage risks and their impacts. 'Energy Prices and Affordability' also continue to be leading concerns for both our business and stakeholders. 'Cyber Security and Data Protection' has risen in importance this year, with strategies in place (page 29).

The assessment provided a more granular view of other significant social, environmental, and governance topics important to different stakeholders, including the energy transition and climate, First Nations opportunities, natural capital protection, and supply chain sustainability.

Our responses to the sustainability topics, as well as our 2023-24 commitments to the Energy Charter Principles, are outlined in this report, alongside our ethical business practices and governance measures.

Security and Reliability of Supply

Power outages have significant economic and social impacts – we have an ageing distribution network, a changing energy demand profile, challenges integrating renewables into the energy system, and cyber security risks.

Safety, Health and Wellbeing

Safety around electricity infrastructure, and when using electricity as a product, as well as workplace safety and the psychosocial wellbeing of our people, remain central to our corporate responsibilities.

Energy Prices and Affordability

As an essential part of modern life, affordable electricity prices, and value from customer energy investments, are important from a cost-of-living and doing business perspective. Our response to the other sustainability topics has potential cost implications.

Cyber Security and Data Protection

New technology is critical to the energy sector. The shift to in business and supply models requires innovative, automated solutions, with a focus on data protection and cyber security, to securely deliver for our customers.

Climate Change and Disaster Resilience

Queensland is increasingly exposed to extreme weather, flooding and bushfires, requiring community preparedness, greater network resilience, and an effective response capability, being mindful of the costs.

Performance summary

This table is a summary of our performance against key metrics, including our performance against our Statement of Corporate Intent (SCI) targets, as agreed with our shareholding Ministers.

To report against our most material sustainability topics we have grouped them into four areas. These areas form the chapters of our Performance Report, which contain further details about our contribution and metrics.

METRIC	2023 24	2024 25		PAGE
Customers and communities				
Net Trust Score (Target: ≥63)	62.6	63.3	▲	18
Customer Satisfaction (SCI Target: ≥71)	70.3	71.1	▲	18
Customer Enablement Index (Target: ≥65)	68.6	65.9	▼	18
Ergon Retail Customer Happy Index	69%	90%	▲	15
Ergon Retail Residential Customers in Debt (debt >90 days, excluding customers in the hardship program)	2.0%	3.0%	▲	16
Ergon Retail Residential Customers on Hardship Program	8,652	10,700	▲	16
Ergon Retail Residential Customer Average Hardship Debt	\$670	\$1,684	▲	16
Ergon Retail Customer Sites with Smart (Digital) Meters	48%	64%	▲	17
Network Customer Connections (including Other Alternative Work) – Total investment	\$392m	\$441m	▲	19
Network Loss of Supply/Emergency Calls Answered (in 30 seconds)				
- Ergon Network (Target: ≥79.91%)	82.9%	86.8%	▲	18
- Energex (Target: ≥88.08%)	85.4%	89.2%	▲	18
Network Guaranteed Service Level Payments (Total number)	25,109	13,302	▼	18
Residential Complaints per 100 customers				
- Ergon Network and Energex	0.30	0.25	▼	18
- Ergon Retail	0.77	0.64	▼	18
Network Reliability – Household Satisfaction	71%	76%	▲	20
Queensland-wide Network Reliability:				
- Duration of unplanned outages – minutes (System Average Interruption Duration Index/SAIDI) (Target: ≤150.0)	151.6min	177.6min	▲	20
- Number of unplanned outages (System Average Interruption Frequency Index/SAIFI) (Target: ≤1.40)	1.21	1.34	▲	20
Ergon Network Reliability:				
- Duration of unplanned outages – minutes (SAIDI) (Target: ≤282.4)	286.5min	346.4min	▲	20
- Number of unplanned outages (SAIFI) (Target: ≤2.38)	2.11	2.37	▲	20
Energex Network Reliability:				
- Duration of unplanned outages – minutes (SAIDI) (Target: ≤81.5)	88.2min	98.9min	▲	20
- Number of unplanned outages (SAIFI) (Target: ≤0.82)	0.78	0.87	▲	20
Network Program of Works Operational Delivery (SCI Target: ≥90%)	94.6%	96.5%	▲	20
Investment in Queensland's Electricity Networks (Target: \$1.5b)	\$1.7b	\$1.9b	▲	19
Community Safety Incidents (contact with our networks). <i>Data now includes additional safety incident categories – e.g. third-party vandalism. Figures are therefore greater than previous years</i>	1,316	1,662	▲	23
Community Safety Campaigns (awareness/behaviours) (Target: ≥70)	72.6	75.3	▲	23

METRIC	2023 24	2024 25		PAGE
Our people				
Employee Engagement (SCI Target: ≥70%)	73%	73%	–	27
Employees (total)	9,311	9,714	▲	26
Women in Senior Leadership Roles	21.4%	21.5%	▲	27
Women Employees	22.6%	22.8%	▲	28
Employees Identifying as First Nations	3.4%	3.8%	▲	27
Graduates	46	60	▲	27
Trainee Para-professionals	31	65	▲	26
Apprenticeships	535	616	▲	26
Significant Incident Frequency Rate (SCI Target: ≤0.7)	0.4	0.6	▲	30
Total Recordable Injury Frequency Rate (Target: ≤7.0)	7.6	7.7	▲	30
Climate change and environment				
Solar Energy Systems Connected – New Customers	54,262	44,926	▼	34
Solar Energy Systems Connected – New Inverter Capacity	627,750kVA	566,354kVA	▼	34
Group's Carbon Footprint – Combined Direct and Indirect Emissions (Scope 1 and 2 under National Greenhouse Energy Reporting Scheme/NGERS). <i>Data for 2024-25 is from 2023-24 and was independently audited in 2024 – 2024-25 data will be reported in 2025-26 report</i>	1,532,032tCO ₂ -e	1,459,182tCO₂-e	▼	38
Environmental Events Notifiable to the Regulator	8	6	▼	39
Waste Diverted from Landfill to Recycling	35%	35%	–	39
Economic value				
Household Electricity Bill Concern (high concern re ability to pay)	56%	55%	▼	42
Ergon Retail Price Changes from 1 July:				
- Residential	28.7%	-1.1%	▼	42
- Small Business	26.8%	5.0%	▼	42
Payment to Suppliers and Employees (Target: ≤\$4,234m)	\$3,959m	\$5,875m	▲	42
Direct Purchases from Queensland Suppliers	\$1.5b	\$1.7b	▲	43
Net (Loss) After Tax (SCI Target: ≥\$80.2m)	(\$65m)	(\$94m)	▼	43
Standard Control Service Total Expenditure (SCI Target: ≤\$2,999.6m)	\$2,735m	\$3,255m	▲	43
Community Service Obligation Payment (Target: ≤\$608m)	\$619m	\$653m	▲	45

Customers and communities

Responding to our material topics

Primary

Security and Reliability of Supply

Ergon Network and Energex distribution asset management strategies deliver against standards of network reliability – frequency and duration for unplanned and planned outages, for the different network categories across the state.

Secondary

Energy Solutions and Customer Experience

As part of Energy Queensland's Customer Strategy, we are focused on enabling our employees to deliver for our customers. We track customer satisfaction to target service improvement opportunities.

Energy Equity and Customer Vulnerability

Through Ergon Retail, our communications strategies raise awareness of the applicable government rebates, and our customer service teams support customers in hardship.

Reconciliation and First Nations Opportunity

Energy Queensland's second Reconciliation Action Plan is focused on building our employees' cultural capability; improving employment pathways for First Nations peoples and strengthening relationships with First Nations customers and communities (vital to the protection of cultural heritage).

Our customer service experience

We are dedicated to delivering safe, reliable, and secure electricity while ensuring equitable access and affordable solutions for our customers. With continuing cost-of-living pressures and electricity price increases affecting our customers and communities, we remain committed to listening and responding to their evolving needs.

A refreshed Customer Strategy and Engagement Framework

During the year, we worked closely with our customers, stakeholders, and people to refresh our Customer Strategy, which at its core now has four customer-focused principles: 'Know our customers', 'Empower our customers', 'Make it easy for our customers', and 'Collaborate with our customers'. Together with our corporate values, this strategy is key to realising our strategic objectives. This important piece was one of our commitments in the 2023-24 Energy Charter Disclosure Report, as we continue to drive our maturity as a customer-centric business.

Customer forums

During the year, we strengthened our Customer and Stakeholder Engagement Framework to enhance collaboration and dialogue across our diverse customer base. This framework introduced an Independent Chair to the Energy Queensland Customer and Community Council, with five dedicated working groups focused on key business topics and issues. This will assist in shaping our 2030-35 Regulatory Proposals.

Our ongoing engagement through our customer forums helps us address a broad range of strategic and operational priorities. In addition to our Customer and Community Council (stakeholders and customer advocates), our Energy Academy (electrical contractors), Agriculture Forum (agriculture sector), Retailers Forum (energy retailers), and Public Lighting Forum (local authorities) have all provided valuable insights and fostered collaborative discussions that have driven meaningful progress.

The Reset Reference Group provided valuable independent expertise, challenging our ideas and assisting with investment, revenue recovery, and finalising our networks' Regulatory Proposals and Tariff Structure Statements for 2025-2030 (page 42). The Network Pricing Working Group facilitated collaboration among residential and business customer representatives to recommend improvements in network pricing and tariff reform. Their holistic approach helped identify opportunities for inclusive, balanced outcomes. By promoting ongoing engagement, we enable customers, stakeholders, and employees to influence business decisions and enhance energy knowledge. Our evolving approach aligns with best practices, encouraging constructive feedback from all parties.

Ergon Retail – elevating customer service across regional Queensland

Ergon Retail continues to focus on meeting our customers' expectations across regional Queensland, and on getting ready for the future.

New operating model

Having successfully transitioned to an enhanced customer service operating model, with the help of the Kraken technology platform in 2023-24, this year was all about leveraging the changes to deliver a better, seamless energy experience to our customers.

The transformation has moved us away from the traditional energy utility model of a call centre with multiple specialist teams to a flatter structure, where customers can talk to their own energy specialist from a small team or 'family' dedicated to them through every stage of their electricity account lifecycle. Each specialist is now empowered to make decisions that will get their customers the best energy outcomes, without the need to transfer to other specialist teams.

The technology has also supported a seamless online experience. Through 'My Account', customers can gain greater control over their electricity, with the ability to monitor account balances, view the bill or usage, and manage Direct Debits and rebates. And those with a smart meter can now even do more, including check the best tariff rate, set up handy 'budget and usage alerts', and track solar exports. These improvements have seen the number of customers using 'My Account' continue to grow with more than 265,000 customers (35% of customers) now actively using the tool.

Through the move to a more personalised service experience, and employees empowered to embrace the customer centric model, Ergon Retail has achieved a Customer Happy Index score of 90% for the year (up from 69% in 2023-24) – a world-leading result for those utilising the Kraken platform. The capability of the platform provides this metric in real time, meeting our commitment in our Energy Charter Disclosure Report 2023-24 to address Ergon Retail's customer experience.

We anticipate continued success as we leverage human-assisted AI on our new platform. This tool provides our energy experts with summaries of prior interactions, account details, and relevant knowledge to support effective customer responses and administration. By automating routine tasks, AI allows our teams to focus on meaningful, high-value work with customers.

Engagement efforts

Throughout the year, Ergon Retail had more face-to-face connections with the community, in partnership with a range of Non-Government Organisations (NGOs) and business groups, to help customers take control of their energy and save on their bills. We participated in more than 45 events engaging with residential customers, for example, at the Disability Awareness Workshop in Rockhampton, the Mackay Seniors Expo, the Maryborough Neighbourhood Centre, and at various Community Assist Days with the Energy and Water Ombudsman Queensland. We also met with business customers at events like the Advance Rockhampton's Energy Forum Lunch, and through a Townsville Chamber of Commerce's Behind the Scenes event. Community energy education also continued in partnership with local NGOs in our isolated communities through the PowerSavvy program (page 24).

We supported a range of organisations that are delivering customer energy education and awareness programs through the Queensland Government's Enable Grants programs (a commitment in our 2023-24 Energy Charter Disclosure Report). This has included helping the Indigenous Consumer Assistance Network (ICAN) train their Yarnin' Energy team to deliver energy literacy to Aboriginal and Torres Strait Islander customers across North Queensland and sharing information with Council on the Ageing's (COTA's) Energy4Seniors' energy champions, who are helping older people across the state make smart energy choices.

Customers experiencing hardship

Through Ergon Retail, we continue to work to support customers navigating financial hardship, with medical conditions, or experiencing family violence.

Ergon Retail's Customer Assist program provides personalised support to customers struggling to pay their electricity bills, through tailored payment plans, energy-saving advice, and access to financial assistance programs, including targeted debt relief initiatives.

We report key hardship indicators to the AER quarterly. These include data on customers in the hardship program, debt levels, types of payment plans, payment methods, assistance provided, program entry and exit information, and disconnection/reconnection metrics.

At the end of the year, approximately 3% of Ergon Retail's residential customers had debts exceeding 90 days (excluding customers in hardship program), compared to 2% in 2024. With this, referrals to Customer Assist increased. As of 30 June, we were supporting 10,700 households through our hardship program, up from 8,652 households in 2024. The average debt among hardship program participants was \$1,684. The previous year the debt level reported was artificially low due to migration to the new billing system, where any debt attached to customers' accounts was reset to day zero.

During the year, we put life support customers' voices front and centre. Every single one of our frontline staff – more than 280 team members – had the privilege of learning from customers who have a lived experience of serious illness and relying on life support equipment. The Life Support in the Home: Lived Experience Panel was part of an important initiative co-developed with the Energy Charter to put real customers at the heart of service improvement.

We also continued to focus on our support for customers affected by family violence, providing further training and resources to our team members to better assist these customers. Our Family Violence Policy underscores our commitment to provide respectful and flexible assistance, detailing how we identify affected customers, manage referrals to our hardship program where needed, protect personal information, and offer tailored communication options.

Ergon Network and Energex – connecting our new customers

During 2024-25, Ergon Network and Energex managed more than 55,000 network connection applications, an increase on the previous year (2023-24: 53,300). For all new connection applications submitted, 88% had supply readily available, while 12% required network augmentation.

Customer satisfaction with these new connections, which reflects how they were kept informed throughout the process, as well as any delays experienced, was at 75.1% at the end of the year (2023-24: 75.8). For the 12% of requests requiring network augmentation, 93.1% of offers were delivered on time (2023-24: 92.8%).

In response to elevated subdivision activity associated with housing challenges, we addressed the state-wide backlog on connection applications and are consistently delivering connection offers across South East Queensland and regional Queensland well within the 65-business-day timeframe specified under the National Electricity Rules. This focus ensures connections remain timely and efficient.

Commercial and industrial demand is driving strong network connection activity across Queensland. Major transport projects like Cross River Rail, Metro Bus Network, Gold Coast Light Rail, and the Train Manufacturing Program are reaching key milestones. Recent connection enquiries under the Low Emissions Investment Partnership include Kestral Coal and South Walker Creek mines.

Planning for growth and stronger customer outcomes

To further support Queensland's growing communities and housing needs, we have developed a new suite of Key Performance Indicators (KPIs) aimed at significantly improving customer connection timeframes for property developers. These KPIs, effective from July 2025, will target a 30-45% uplift in connection efficiency across Ergon Network and Energex.

In preparation for this next phase, we established a new Office of Powering Development within the Customer Division to provide dedicated support to developers. This has consolidated key operational and customer-facing teams to deliver more responsive, reliable and customer-focused outcomes. The Office will provide concierge assistance, updated approval processes, and simplified design services to speed up network connections.

Yurika – delivering innovative solutions

In 2024-25, Yurika continued to deliver a robust pipeline of energy, infrastructure, telecommunications, and metering solutions, contributing to landmark renewable energy projects across the country.

Energy infrastructure support

Yurika is helping expand clean energy capacity and improve grid stability through a suite of key initiatives. These efforts, through 2024-25, are detailed in the *Climate change and environment* section (page 35).

In April 2025, Yurika won the Excellence in Large Scale Renewables award at the Smart Energy Excellence Awards for its work with Stanwell Corporation on the Tarong Battery project. In June 2025, Yurika also received the Mine Electrical Safety Conference Innovation Award for deploying drones to efficiently install powerlines at BMA's Goonyella Riverside Mine, demonstrating technology's role in streamlining critical infrastructure delivery.

Yurika continued its partnership with Powerlink Queensland, providing essential infrastructure services for the state's transmission network.

Energy Supplies

Throughout the year, Yurika remained a leading provider of electricity network-related materials and equipment, servicing developers, contractors, wholesalers, and engineering firms. The customer base grew further with new accounts across private networks, battery storage, and solar, and, with a growing range of products, an expanded presence in the mining, renewables, and export sectors.

Telecommunications and digital

In 2024-25, Yurika supported over 90 customers with 2,500 services in Queensland and beyond, through customised connectivity and completing major high-speed projects.

The extension and enhancement of Yurika's fibre network remained a priority, with additional fibre links established for customers across the state. Yurika continued to play a key role in connecting Queensland Government facilities, with new or re-contracted services provided for multiple departments. Yurika's 24/7 critical response ensured reliable, continuous support for these connections.

Efforts to extend connectivity continued, with new sites being integrated through Yurika's fibre networks, as well as leveraging NBN Co's fibre, microwave radio, fixed wireless, and satellite services to reach remote regions.

Yurika connected internet and monitoring services to 11 resource sites, 26 renewable sites, and five battery sites in Queensland.

Smart meters

In 2024-25, Yurika continued supporting Ergon Retail's smart meter rollout across Queensland and expanded nationally, installing smart meters for 160,000 customers, up from 95,000 in 2023-24.

Long-term partnerships with major clients were renewed, and new deals secured to expand smart meter rollouts in South East Queensland, including with First Energy, Next Business Energy, and Flo Energy.

Yurika also supported national programs for embedded networks and smart meter projects.

Several enhancements during the year, including improved planning tools, customer notifications, and scheduling, boosted smart meter rollout completion rates in Queensland.

Advancing smart metering in regional Queensland

At the end of June 2025, 64% of Ergon Retail customer premises had digital metering installed (2023-24: 48%), with Yurika, Ergon Retail's metering coordinator and provider, installing the smart meters at 133,000 customer premises across regional Queensland during the year (2023-24: 77,300).

Ergon Retail focused on educating and engaging customers by promoting the MyAccount portal's smart meter features, such as cost and usage charts, budget alerts, and tariff comparisons, to help customers find their best option.

Smart meters were installed at more than 1,200 customer premises on Thursday Island, Horn Island, and at businesses in the Northern Peninsula Area as part of Ergon Retail's PowerSavvy program. Supported by the Queensland Government, this initiative is designed to help customers in these communities better manage cost-of-living challenges.

Ergon Network and Energex each developed legacy meter retirement plans in accordance with the new rules to help streamline Queensland's transition to smart meters as a key digital foundation to unlocking the benefits of a modern energy system. The focus of the plans, submitted to the AER in June, is to ensure the transition is timely, cost effective, fair and safe.

Ergon Retail and Yurika partnered with the distribution businesses to provide metering power quality data for improved network management. They also prepared for national rules changes from the Australian Energy Market Commission's (AEMC's) review of metering services, which will benefit customers through more efficient and transparent meter exchange notifications.

Customer service scorecard – 2024-25

Demonstrating our ongoing commitment to delivering a good standard of customer service, our Customer Service Scorecard provides transparent insights into satisfaction and performance across every interaction.

In response to feedback from our network businesses Regulatory Proposal engagement and as a commitment in last year's Energy Charter Disclosure Report, we made progress on delivering a quarterly Customer Experience and Service Performance Report for our Network businesses. This initiative will track customer satisfaction across critical service areas, identified by our customers, to inform improvement priorities and elevate transparency.

The report will focus on five key areas: contact centre interactions, self-service channels, planned and unplanned outages, connections, and complaint handling. Insights into satisfaction drivers such as timeliness, clarity, and respectful treatment are guiding enhancements across the business. The report will be published on our network websites and discussed with our Customer and Community Council members in late 2025.

Customer trust and satisfaction

- **Net Trust Score** – reached 63.3 (2023-24: 62.6), exceeding our target of 63.0 and remaining competitive with industry benchmarks. Customers continued to associate our brands with safety, innovation, and responsible employment, although cost-of-living pressures impacted perceptions of affordability.
- **Customer Satisfaction (CSAT)** – achieved an indexed score of 71.1 (2023-24: 70.3), surpassing our corporate target (≥ 71.0), based on independent surveys across Ergon Network, Energex, Ergon Retail, and Yurika.
- **Customer Enablement Index** – scored 65.9 (2023-24: 68.6), above the ≥ 65 target and underscoring our commitment to empowering employees to meet customer and community needs.

Customer contact centres

Ergon Retail and Network contact centres provided critical support across Queensland. From billing support to emergency responses, their commitment to customer care drives continuous improvement.

- **Ergon Retail managed 675,000 calls**, returning to normal after a sharp rise in the previous year (2023-24: 1,112,892 calls). Calls continue to relate to energy use and billing concerns, as well as rebate enquiries, and changes associated with the new Retail technology platform. Customer Satisfaction remained steady at 69%.
- **Ergon Network handled 173,047 calls and Energex 250,510** (2023-24: Ergon Network 199,294, Energex 234,895) – a significant volume during the storm season from December through February. Despite the significant pressure on the contact centres, an uplift in customer sentiment around our professional and courteous manner saw customer satisfaction for General Enquiries rise to 67.7 (2023-24: 60.4), and our Loss of Supply and Emergency interactions rise to 85.5 (2023-24: 81.3).

Unplanned outage enquiries

	TARGET	2023-24	2024-25
Ergon Network	Loss of supply and emergency calls $\geq 79.91\%$ answered in 30 seconds	82.9%	86.8% ▲
Energex Network	Loss of supply and emergency calls $\geq 88.08\%$ answered in 30 seconds	85.4%	89.2% ▲

Online service solutions

We expanded our digital capabilities to continue to meet evolving Ergon Network and Energex customer needs:

- **Power outage pages received 45.8 million views** (2023-24: 24 million), largely during the year's storm-related outages (page 20)
- **335,816 users accessed the self-service network portal** (for network connections and other service requests (2023-24: 340,751).
- **30,116 customers registered for SMS updates** (2023-24: 32,439).

Feedback and complaints

Proactively engaging with and responding to feedback from our complaints process is fundamental to our efforts to improve our operations and uphold best practices across the Group.

- Complaints per 100 customers was 0.25 for Ergon Network and Energex (2023-24: 0.30). Most complaints concerned property damage associated with vehicles operating on wet ground during and after weather events.
- Ergon Retail received 0.64 complaints per 100 customers (2023-24: 0.77), primarily focused on high bills and estimated bills. To address these concerns, we continued to invest in providing customers with access to visualisation tools through our online portal, enabling them to view their meter data and usage patterns (page 16).

Guaranteed Service Levels

At Ergon Network and Energex, when service commitments are not met, we provide Guaranteed Service Level (GSL) payments to affected electricity account holders. Network Reliability GSL payments are set at \$124 per customer, with 'Notification of Planned Interruptions' payments at \$31 for residential customers and \$77 for businesses.

The rise in payments this year for Ergon Network was largely attributed to extensive weather-related damage to the network that resulted in significant outages. Although Energex also experienced widespread weather-related events, Cyclone Alfred was classified as a disaster event, and GSLs were not applicable in this instance.

Guaranteed Service Level payments

	ERGON NETWORK		ENERGEX	
	2023-24	2024-25	2023-24	2024-25
Network reliability	8,241	9,938 ▲	14,016	1,274 ▼
Notification planned interruptions	889	319 ▼	304	531 ▲
Other	201	87 ▼	1,458	1,153 ▼
TOTAL PAYMENTS	9,331	10,344 ▲	15,778	2,958 ▼

Our electricity networks

As the stewards of evolving networks, we are investing for the right reasons, and adapting to shifting customer needs and expectations, and the increasing demand for a smarter, more integrated, and resilient system.

Throughout the year, Ergon Network and Energex invested \$1.9 billion (2023-24: \$1.7 billion) into Queensland's distribution networks through our Integrated Works Program.

Renewing our networks

We maintained our strong focus on ensuring the reliability and safety of our networks for the benefit of our people and communities. This commitment drove an investment of \$1,151 million in network renewal (2023-24: \$966 million). Of this, \$806 million addressed ageing infrastructure across the Ergon network – including \$250 million for replacing poles, cross arms, and conductors – while \$73 million went toward similar upgrades on the Energex network.

To ensure ongoing network reliability, we conduct regular ground and aerial asset inspections – 458,000 during the year (2023-24: 430,000). Every identified defect is logged, prioritised, and incorporated into our annual works program.

Pole failures remain a key safety concern for both the community and our networks. Throughout the year, across both networks, 22,600 poles and 15,000 cross arms were proactively replaced or reinforced, in addition to replacements made during emergency events (2023-24: 23,000 and 33,000).

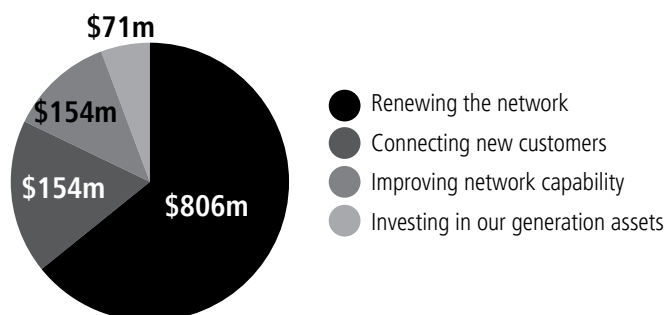
Our crews also replaced or maintained approximately 24,000 customer service wires (2023-24: 18,000) and 349 kilometres of overhead powerlines, targeting aged copper conductor across our coastal regions.

Our vegetation management program also plays a critical role in maintaining powerline safety and reliability. Quality-assured contractors monitored more than 800,000 spans of overhead lines, to target trimming to ensure adequate powerline clearances.

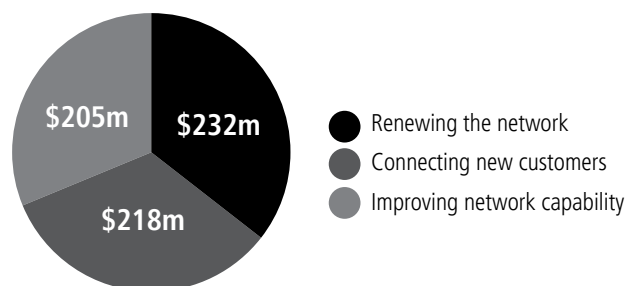
Throughout the year, to improve network resilience and reduce operating costs, a trial of composite fibre poles began with the installation of 36 poles across six locations. These poles are being deployed in regions with elevated bushfire risks, termite activity, and other costly maintenance requirements. The trial is in preparation for an expected annual 1,000 pole installations rate that will build infrastructure resilience and optimise maintenance efforts.

Drone technology continues to enhance our asset management processes, delivering improved safety, precision, and efficiency in inspections and maintenance. Through the integration of geolocated imagery and the expansion of applications used by the remotely piloted aircraft system team, we are strengthening decision-making and optimising network management across planning, design, and construction functions.

Network investment – Ergon Network



Network investment – Energex



Delivering major projects

Investment in major electricity infrastructure projects remained a key priority throughout the year, supporting greater network resilience and long-term sustainability. We commissioned 298 new projects and continued progress on 1,128 ongoing projects. The major commissioning included:

- \$10.1 million replacement of a transformer at Palm Beach
- \$26.5 million replacement of the overhead line from Kilcoy to Somerset Dam
- \$13.2 million replacement of a transformer and switchgear on Stradbroke Island
- Major telecommunications upgrades across Bundaberg, Cairns, Gladstone, Mackay, Maryborough, Rockhampton, Toowoomba and Townsville
- Replacement of diesel generators at Thursday Island power station
- Communications upgrades across our Far North Queensland isolated power stations.

The major projects underway stretched from the multi-project Douglas Shire network upgrade in the Far North to the SunSouth Power Project in the South East; a new powerline and substation critical to the growth forecast around Caloundra.

Additionally, investment continued in non-regulated, network-connected energy storage, supporting the ongoing integration of rooftop solar (page 20).

In delivering the works program, we accomplished a Network Program of Works Operational Delivery Index score of 96.5% (2023-24: 94.6%), exceeding our target of 90%. This was achieved despite the adversities faced by the extreme weather events, which disrupted operations across the state from December to March. This score reflects the efficiency and effectiveness of our capital project designs, commissioning processes, and operational undertakings.

Achieving excellence in asset management

In June 2025, we successfully achieved ISO 55001 certification in Asset Management. This accomplishment demonstrates our commitment to excellence in managing our network assets and promotes a proactive approach to asset management, allowing us to anticipate and address potential issues before they impact our customers.

Next generation padmounted substation

In early 2025, we unveiled the next generation padmounted substations – an Australian first – following more than two years of development. Designed for sustainability and ease of maintenance, it incorporates high-voltage switchgear insulated with air rather than SF₆ – a potent greenhouse gas. It can withstand elevated operating temperatures – offering greater resilience during heatwaves, without compromising the equipment's lifespan. The unit fits existing footprints for streamlined replacement, with installation commencing in early 2026.

Optimising network performance and reliability

Customer satisfaction with power reliability rose in the 2025 Queensland Household Energy Survey, reaching 76%, up from 71% in 2024. Despite a higher number of outages caused by extreme weather, satisfaction with outage resolution times also improved, up to 60% from 56% the previous year. Satisfaction with communication during outages also increased slightly to 44%, compared to 42% in 2024.

Network-wide performance

Overall, in 2024-25, our networks met the Queensland-wide System Average Interruption Frequency Index (SAIFI) target for unplanned outage performance, as outlined in our Statement of Corporate Intent. However, the System Average Interruption Duration Index (SAIDI) target was not met due to widespread severe weather events across the state.

At the individual network level, Ergon Network achieved its network-wide unplanned outage frequency (SAIFI) target, while Energex did not. Both networks did not meet their respective SAIDI targets, reflecting the impact of prolonged weather-related outages. This result had a financial impact through the AER's Service Target Performance Incentive Scheme (STPIS), with less revenue collected by the two networks.

Minimum Service Standards (MSS) performance outcomes – covering both planned and unplanned outages – also declined, except for SAIFI associated with Ergon Urban feeders. For both Ergon and Energex, the decline was largely linked to the scale of the impact of cyclones, floods and other severe weather events. These standards form part of our Distribution Authority requirements.

Ergon Network performance

Ergon Network continued to exceed MSS targets for overall outage duration across all feeder categories. In addition, due to the weather events, results for Urban, Short Rural, and Long Rural SAIDI were also

influenced by planned outages necessary for ongoing network safety and reliability improvements in regional communities. This trend is expected to persist as asset renewal investment remains elevated. Unplanned outages (SAIFI) met prescribed standards across all feeder categories.

- Unplanned outages – 24,648 incidents (2023-24: 22,974)
- Planned outages – 15,861 incidents (2023-24: 22,171)

Energex performance

Energex met five of six MSS targets across outage duration and frequency across all three feeder categories. However, Short Rural SAIDI exceeded its target due to an increase in planned maintenance and the weather-related events.

- Unplanned outages – 8,960 incidents (2023-24: 11,092)
- Planned outages – 7,209 incidents (2023-24: 7,026)

To reduce outage impacts across the networks, we focused on works management, ensuring faster service restoration, increasing line patrols, and utilising live-line maintenance and mobile generation where practically possible. Reliability outcomes were assessed in detail, with corrective actions identified as required. Performance improvement was observed on several feeders.

We introduced a range of initiatives aimed at improving network reliability during the year. These included comprehensive summer preparedness plans and a dedicated South East Hot Weather Program, investing in network remediation works to mitigate the risks of impacts from storms and heatwaves. Temperature forecasts are also being used to proactively monitor and predict associated network load, enabling operators to activate network support arrangements to mitigate the impacts of peak loads

Network outages

ERGON NETWORK	2023-24	2024-25	TARGET
Number of outages per customer (System Average Interruption Frequency Index)			
Network-wide – unplanned	2.11	2.37 ▲	≤2.38
Urban (unplanned/planned)	1.76	1.76 ▲	≤1.98
Short Rural (unplanned/planned)	3.06	3.30 ▲	≤3.95
Long Rural (unplanned/planned)	6.12	6.67 ▲	≤7.40
Average length of outages – minutes (System Average Interruption Duration Index)			
Network-wide – unplanned	286.5min	346.4min ▲	≤282.4min
Urban (unplanned/planned)	262min	275min ▲	≤149min
Short Rural (unplanned/planned)	498min	599min ▲	≤424min
Long Rural (unplanned/planned)	1,340min	1,514min ▲	≤964min
ENERGEX	2023-24	2024-25	TARGET
Number of outages per customer (System Average Interruption Frequency Index)			
Network-wide – unplanned	0.78	0.87 ▲	≤0.82
CBD (unplanned/planned)	0.01	0.03 ▲	≤0.15
Urban (unplanned/planned)	0.66	0.73 ▲	≤1.26
Short Rural (unplanned/planned)	1.39	1.59 ▲	≤2.46
Average length of outages – minutes (System Average Interruption Duration Index)			
Network-wide – unplanned	88.2min	98.9min ▲	≤81.5min
CBD (unplanned/planned)	3min	7min ▲	≤15min
Urban (unplanned/planned)	87min	95min ▲	≤106min
Short Rural (unplanned/planned)	196min	234min ▲	≤218min

The Unplanned Network-wide targets are part of our Service Target Performance Incentive Scheme (STPIS). The others are Minimum Service Standards (MSS), including unplanned/planned outages, with reporting based on exclusion criteria outlined in each network's Distribution Authority. Ergon Network data includes regulated main network and excludes isolated networks.

Managing our networks in a changing environment

Ergon Network and Energex continue to support the increasing penetration of Consumer Energy Resources (CER) such as rooftop solar, batteries and electric vehicles (EVs).

Dynamic customer connections, introduced in 2022, are better enabling the coordination of electricity use and two-way power flows in real-time. As at end of June 2025, approximately 2,200 customers had adopted these connections. By providing dynamic operating envelopes instead of static limits, these connections are allowing customers to access increased network capacity when available. This approach is vital to Queensland's energy future, letting more households and businesses install and benefit from rooftop solar while ensuring network security.

They harness our Distribution System State Estimation, which combines network models and telemetry data to deliver a real-time overview of operational conditions. Throughout the year, we commenced the trial of a model-free approach for calculating dynamic operating envelopes on low voltage feeders with limited telemetry – a step that ensures dynamic connections remain accessible even in regional areas. These dynamic operating envelopes adjust export and import limits over time, in near real time, based on the capacity or capability of the local network or the broader power system.

Ergon Network and Energex proactively share network information with customers and market participants to simplify connections. During the year we improved public network capacity maps based on user feedback, making it easier for users to understand network capacity and constraints. We are also collaborating with national bodies and the Queensland Government to develop the capabilities needed to become Queensland's Distribution System Operator (DSO). This transition will lower network costs, boost efficiency and affordability, and support a sustainable, high-CER energy future.

Technological advancements

Our Distribution Management System ensures network safety, reliability, and effective CER integration.

In September 2024, we implemented a new Distribution Management System across both network businesses and all three regions. This provides us with real-time and state-wide visualisation, monitoring, and control of the Queensland distribution networks in one platform.

To further streamline our network mapping and analysis, we re-platformed our Geographical Information System (GIS) in late 2024. Further work has also been undertaken to enrich network connectivity data and support improved alignment with our asset management systems for better decision making throughout asset lifecycles.

Distribution network key metrics

ERGON NETWORK	2023-24	2024-25
Number of connected customers	782,348	791,605 ▲
Network-wide peak/maximum demand*	2,873MW	2,782MW ▼
Network-wide minimum demand	784MW	641MW ▼
Electricity delivered	13,927GWh	14,025GWh ▲

ENERGEX	2023-24	2024-25
Number of connected customers	1,587,141	1,614,578 ▲
Network-wide peak/maximum demand	5,687MW	5,839MW ▲
Network-wide minimum demand	241MW	222MW ▼
Electricity delivered	22,364GWh	22,648GWh ▲

* Ergon Network data includes regulated main network and excludes isolated networks.

Impact of solar on demand

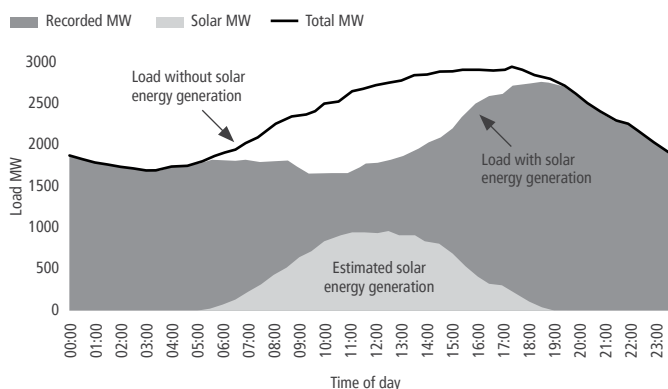
Solar energy systems continue to impact demand on our networks.

Ergon's network experienced a record low system-wide minimum demand this winter – of 641MW at 11.30am on 5 June 2025. The diversity of conditions across regional Queensland masks the trend in some localised areas where negative demands are being experienced. Maximum demand on Ergon's network peaked at 2,782MW at 6.30pm on 23 January 2025, slightly below last year's record peak.

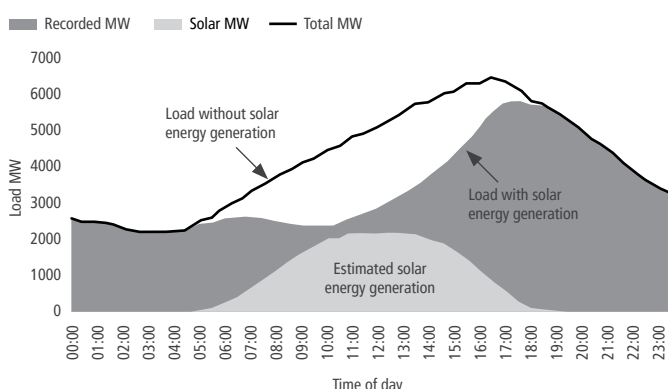
At 12:30pm, 18 August 2024, the Energex network also saw a record minimum demand – 222MW. This was a winter weekend, when both commercial, industrial and air conditioning load was down.

Although the minimum demand was not negative, the trend shows that, at a system level, the daytime minimum demands for the Energex network could fall below zero anytime within the next few years. Despite the offsetting impact of solar energy in the system locally, maximum demand for the South East was 5,839MW at 5:30pm, 22 January 2025, a 2.7% increase on the previous year's record demand.

Impact of solar energy on peak demand – Ergon Network

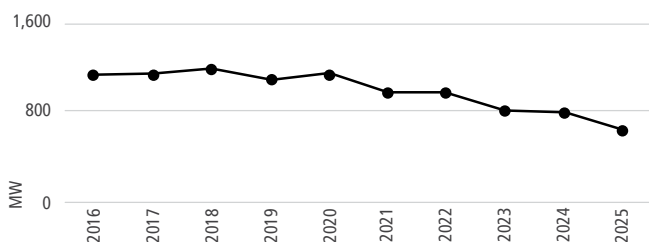


Impact of solar energy on peak demand – Energex

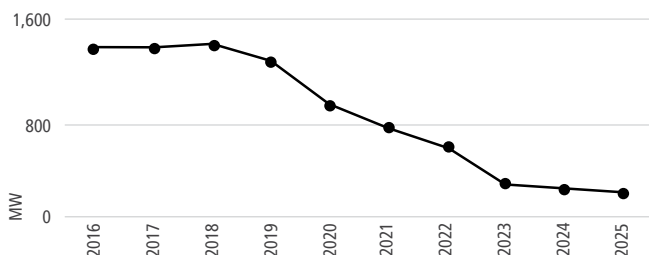


Ergon Network and Energex distribution networks experienced significant peak demands over the summer of 2024-25. Within the Energex network (where there is high population density in a relatively small geographic area) the solar energy generation has reached a scale where annual peak demands are not only driven by factors like heat and humidity, but also by variations in solar energy generation when cloud cover rolls quickly across the network at times of high air conditioning load.

Reduction in minimum demand - Ergon Network



Reduction in minimum demand - Energex



Minimum demand on the Energex network and Ergon Network has continued to fall as additional rooftop solar comes online. Minimum demand tends to occur in the shoulder seasons (either spring or autumn), during times of low demand aligning with clear skies – facilitating solar energy generation.

Demand management

Demand flexibility is vital to balance daily swings between low daytime and high evening demand.

Our long-running demand management programs, including load control tariffs and PeakSmart, reward hundreds of thousands of customers for their demand flexibility. By providing simple solutions and incentivising participation, we help customers manage energy use with ease. These programs are evolving to meet the changing energy landscape.

This year, the Aggregated Demand Response Program (ADRP) was launched, partnering networks with retailers and aggregators to maximise the value of flexible demand for customers. Integrating with systems like the Distributed Energy Resource Management System (DERMS) and our dynamic connections framework, the program enables our networks to procure flexible demand for both peak and minimum scenarios.

As of April 2025, our demand management portfolio was providing 686MW (2023-24: 673MW) of network support, including:

- 492.6MW from appliances on control load tariffs (hot water systems, pool pumps)
- 113.1MW from PeakSmart air conditioners
- 53.4MW from customer generation/load shifting under support agreements
- 25.5MW from battery energy storage systems
- 1.7MW from businesses on primary load control tariffs.

Promoting safety awareness

Community safety incidents remained a significant area of focus, with the total number of incidents rising to 1,662 in 2024-25 (2023-24: 1,316).

Note: This year's data captures a broader set of incident categories – including third-party vandalism.

There were notable shifts across several risk categories. Vandalism, primarily attributed to copper theft, saw a considerable surge – incidents more than doubled from 313 in 2023-24 to 627 in 2024-25.

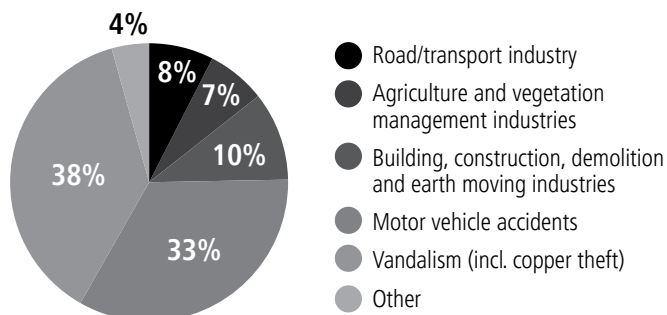
Beyond the estimated \$4.5 million financial impact this year, these crimes put lives at risk – the thieves, our staff and the wider community, and their actions can cause outages. We are continuing to work closely with law enforcement, industry partners, and local authorities to combat this issue.

The incidence of vehicles contacting power poles or pillars also rose, recording an increase of 68 events. Conversely, we saw a 7% reduction in third-party contacts with conductors: a focus of our prevention and education efforts.

To address these challenges, we continue to engage with at-risk industry businesses and associations, promoting powerline safety across multiple sectors.

The Look Up and Live app remains a vital digital tool for business owners, machinery operators, and workers operating near powerlines, enabling them to identify overhead powerlines at job sites. While developed by Energy Queensland, the app was gifted this year to Before You Dig Australia (BYDA) to ensure it becomes a national community safety tool.

Network safety incidents involving the community



Community safety campaigns

Our 'Safe Actions' campaign promoted safety around distribution networks through four main messages: 'Look Up and Live', 'Spot It, Report It', 'Report Fallen Powerlines', and 'Stay, Call, Wait'. The campaign was delivered via TV, digital, outdoor, social media, radio, and network websites, alongside other key safety messages. Campaign effectiveness, measured by the Safety Campaign Index, reached 75.3 this year, exceeding the target by 5.3 points.

During severe summer weather in Queensland, we ran disaster safety messages on local radio and social media, advising customers on power outage preparedness, generator safety, and the dangers of fallen powerlines and wet appliances.

School education

As part of Electrical Safety Week in September 2024, more than 120 of our employees visited more than 80 Queensland primary schools to deliver engaging presentations as part of our annual Safety Heroes education program.

Now in its 11th year, Safety Heroes educates students from Prep-Year 6 about electrical safety, using curriculum-aligned materials, interactive activities like Scratch programming, and resources for neurodivergent students. In total, 96% of Queensland schools registered for the self-led initiative.

Students can also use the improved Safety Heroes app as a take-home resource, featuring a new interface, added missions, progress tracking, and enhanced accessibility for all users.

Landowner engagement

Ergon Network and Energex worked with landowners year-round to highlight the need for maintaining private poles and powerlines. Our risk assessments support owners in inspecting and maintaining these assets for safety and bushfire prevention.

We also conducted aerial inspections, and engaged the community, to ensure safe clearances are maintained between overhead powerlines, the ground and nearby buildings or structures. These inspections and defect rectification efforts successfully resolved 4,100 defects across Queensland (2023-24: 4,000). These defects are from both third-party structures and earth moving activities and network issues.

Our community involvement

Across all our brands – Energy Queensland, Ergon Network, Energex, Ergon Retail, and Yurika – we actively support the communities we serve, fostering meaningful connections that reinforce our social licence to operate.

In 2024-25, we invested \$1.3 million (up from \$1.2 million in 2023-24) through community partnerships and continued offering in-kind, volunteering support to various not-for-profit groups.

Ergon Retail maintained its long-standing partnership with the Royal Flying Doctor Service (Queensland Section), with over \$20 million raised over 25 years for rural healthcare.

Ergon Network and Energex have delivered nearly \$2 million in equipment to Queensland State Emergency Service and Rural Fire Service volunteers. We also support Queensland Performing Arts Centre, Queensland Ballet, and Queensland Theatre Company through scholarships, production funding, and cultural exhibitions.

Yurika was a silver sponsor of the Brisbane Festival, backing the Skylore drone show and other initiatives.

Energy Queensland also fostered future talent via education programs and awards at several universities, providing students with mentoring and industry experience.

Community Fund

The 2025 Ergon-Energex Community Fund granted \$200,000 to 27 Queensland not-for-profit groups, with individual grants of \$2,000-\$10,000 supporting disaster resilience, energy efficiency, and local projects. The Mission Beach Community Arts Centre received the People's Choice Award and an extra \$5,000 for their renewable energy upgrade. Additional grassroots initiatives were also supported across our 17 service areas, including children's programs, emergency relief, and wildlife facilities.

Promoting reconciliation

Throughout the year, Energy Queensland advanced its vision for reconciliation through its second Reconciliation Action Plan (RAP) 2023-2025, featuring 80 deliverables focused on employee education, employment pathways, and meaningful engagement with First Nations communities.

Key RAP initiatives for 2024-25 included:

Education – we enhanced our workforce's cultural capability through initiatives such as online Middy Yarnin' sessions led by First Nations employees. Our First Nations cultural awareness was expanded, with tailored training sessions for project teams, and broader participation in National Reconciliation Week and NAIDOC Week. Our property strategy embedded cultural symbols and Acknowledgement to Country signage across key sites to promote cultural safety.

Employment – we sustained our goal for 10% of our annual apprentice intake to be First Nations people, supported by targeted advertising and partnerships with Clontarf Foundation and Star Foundation. Expenditure with First Nations businesses reached more than \$18 million during 2024-25 (2023-24: \$12.3 million), driven by a procurement focus on inclusion. Key partnerships included the Doomadgee Aboriginal Shire Council for solar farm works (page 39) and Quandamooka Traditional Owners managing land around our assets. Our new First Nations Procurement Resource Hub and Supply Nation membership also promoted business opportunities.

Engagement – Ergon Retail continued to deliver PowerSavvy, a community education program launched in February 2024 with Queensland Government support, across Thursday Island, Horn Island, and the Northern Peninsula Area. Delivered in partnership with local NGOs, the program provided Home Energy Health Checks, school energy education initiatives, and rebates on more than 1,400 energy efficient appliances, benefiting more than 800 households.

These initiatives provided valuable insight into the cost-of-living challenges in remote First Nations communities, informing enhancements to our energy education and engagement in alignment with the Energy Charter.

We engaged with remote communities like Hope Vale and Wujal Wujal, supporting energy projects and strengthening ties with Traditional Owners.

Around 5% of our community investment supported First Nations culture, inclusion, or economic participation, with continued partnerships with JUTE Theatre Company's Dare to Dream program, QPAC's Clancestry festival, and the Queensland Museum Network's repatriation initiatives.

Our people

Responding to our material topics

Primary

Safety, Health and Wellbeing

Our actions in our Health and Safety Policy, our People Strategy, asset management strategies, communications campaigns, and various other policies deliver against our community and workplace health and safety goals.

Cyber Security and Data Protection

New technology is critical to the energy sector. The shift occurring in business and supply models requires innovative, automated solutions, with a focus on data protection and cyber security, to securely deliver for our customers.

Secondary

Employee Engagement and Future Talent

Our People Strategy and engagement initiatives focus on employee engagement. We also have strategies for graduate recruitment and apprenticeships, as well as training and development.

Workplace Diversity, Equity and Inclusion

Energy Queensland has a Diversity, Equity and Inclusion Plan that drives a range of initiatives. We measure the representation of women and minority groups across our workforce.

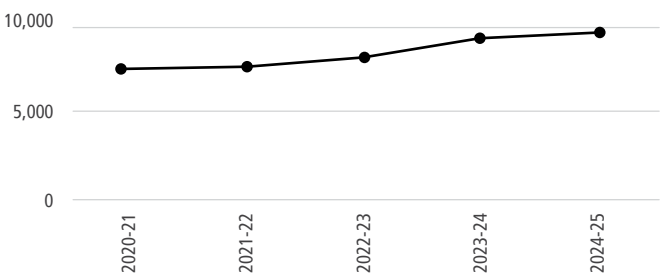
Our employees

We strive to create a safe, inclusive workplace where everyone can succeed. By building a diverse, skilled team and investing in training and technology, we boost productivity and resilience.

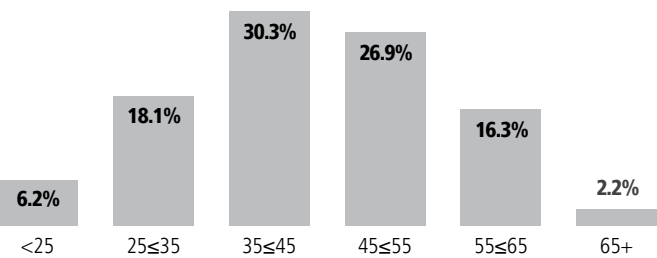
Our People Strategy is designed to build a future-ready workforce by cultivating a diverse, skilled, and high-performing team, ensuring the best outcomes for our customers and communities. Centred around four key pillars – Culture, Talent, Capability, and Leadership – this strategy underscores our commitment to fostering a dynamic and inclusive workplace. It also serves as a guiding framework for our annual human resource initiatives.

At the end of June 2025, we employed 9,714 people (2023-24: 9,311) in a variety of roles across the Group. Of these 9,345 are full-time employees (2023-24: 8,948), 278 are part-time (2023-24: 277), with 91 employed on a casual basis (2023-24: 77).

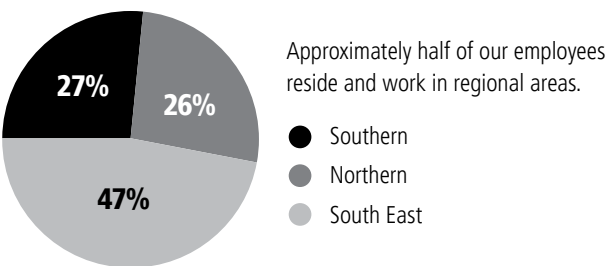
Number of employees



Age profile of employees



Location of employees



Building the workforce of tomorrow

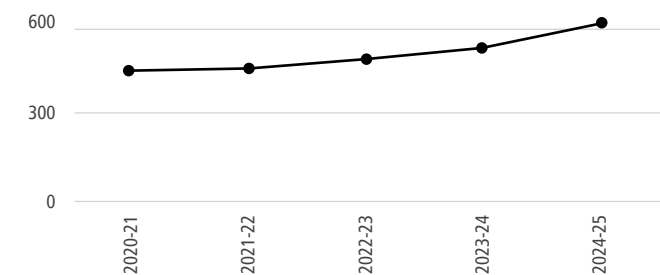
Apprenticeships

In 2024-25, we achieved a record apprenticeship intake, welcoming 184 new apprentices (2023-24: 173) – the highest number in our history. This intake comprised 62 future electricians, six communications technicians, 99 distribution linespersons, 10 underground cable jointers, two mechanical fitters, and five transmission linespersons.

Our commitment to diversity remains strong, with 73 women and 19 First Nations apprentices joining our ranks this year (2023-24: 47 and 14).

We are also proud to support Australian Defence Force veterans transitioning to civilian careers through our ongoing partnership with the RSL Employment program. As part of our 2025 apprenticeship intake, six veterans commenced apprenticeships with us, contributing to a total of 44 veterans who have built careers within our organisation.

Number of apprentices



Paraprofessional traineeships

Each February, we welcome a new cohort into our paraprofessional traineeship program, offering them the chance to earn while they learn as they complete an associate degree in either electrical engineering or civil engineering, in partnership with the University of Southern Queensland.

In 2025, we selected 16 trainees from 347 applicants. These included school leavers, career changers, external tradespeople, and three internal employees upskilling through the program.

Two former apprentices also transitioned into paraprofessional roles. The new trainees joined our Operations teams at Ergon Network and Energex, as well as our Engineering and Energy Queensland operational teams.

As part of their training, these future energy professionals work on real-world projects, and collaborate with our passionate, experienced personnel.

Scholarships

In 2024-25, we prepared to launch Amplify Connect, our new career initiative replacing the Future of Energy Engineering Scholarship program. Amplify supports undergraduate students in energy-related fields through financial aid and professional development, targeting electrical/electronic and mechatronics engineering.

During the transition, all 73 scholarship holders from the Future of Energy Engineering program received full support and were invited to join the Amplify Connect initiative. The program offers mentoring, career guidance, and work experience for undergraduates from first to final year. Applications opened in May 2025; 110 students – 55 new and 55 existing – were selected for the inaugural cohort.

The Amplify Scholar program will also be available to select Connect participants, with \$20,000 over two years, paid internships, thesis support, and advanced development opportunities.

Graduate program

In October 2024, 33 university engineering students were selected to join our Graduate Program, with the first group starting in February 2025 and the remaining in August. These graduates will be located across Queensland, including in Newstead, Townsville, Rockhampton, Toowoomba, and Cairns, ensuring broad regional representation.

Our three-year program gives graduates rotational experience in core business areas, equipping them with industry knowledge and practical skills to prepare for future challenges.

In recognition of our commitment to graduate development, Energy Queensland was named one of Australia’s Top Graduate Employers by Prosple Australia and ranked among the Top 25 medium-sized employers by the Australian Association of Graduate Employers in early 2025.

With the 2025 intake, our total graduate numbers will grow to 65, reinforcing our dedication to building a strong, capable, and future-ready workforce for Queensland’s energy sector.

Fostering engagement and long-term growth

In May 2025, our annual employee engagement survey saw us maintain our position alongside leading organisations across Australia with a 73% engagement score, reflecting the dedication and commitment of our workforce. The results reaffirm that safety remains a top priority, complemented by strong leadership behaviours in fairness, inclusiveness, and communication.

The survey results are being used to guide teams in shaping focus areas. Identified areas for improvement include acting on survey feedback, enhancing collaboration, and removing barriers to productivity, all of which will be key focus areas in the year ahead.

The new survey format had a 72% participation rate, and feedback noted that the changes made participation quicker and more accessible.

To drive meaningful change, we have also introduced reporting mechanisms to monitor progress on engagement initiatives and further support leaders in implementing improvements.

Employee recognition

We celebrate our employees’ dedication and achievements through the igniteEQL recognition program. Staff can send instant eCards to recognise colleagues or nominate them for bronze, silver, or gold awards to highlight exceptional performance.

The program’s highest honour, the annual ‘Up in Lights’ award, recognises individuals across six categories: EQL Values, Industry, Customer, Community, Operational Excellence, Apprentice of the Year, and Supervising Tradesperson of the Year.

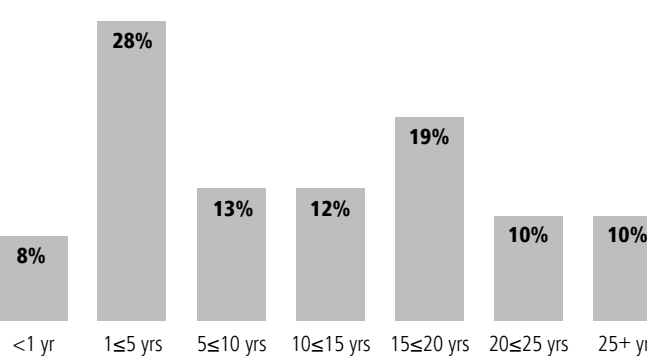
This year we introduced two new awards – Graduate of the Year and Reconciliation Champion. Employees can also cast their votes for the ‘People’s Choice’ award, ensuring broad engagement in the recognition process.

Throughout the year, more than 4,000 employees were recognised with awards, showcasing the incredible efforts of our workforce.

Long service employees

We take pride in fostering a workplace where staff retention is key, and longevity is valued. Across Ergon Network, Ergon Retail, and Energex, 948 employees had dedicated more than 25 years of service as at the end of June 2025 (2023-24: 861), contributing to a remarkable 31,279 years to our organisation’s success.

Tenure profile of workforce



Embracing diversity, equity, and inclusion

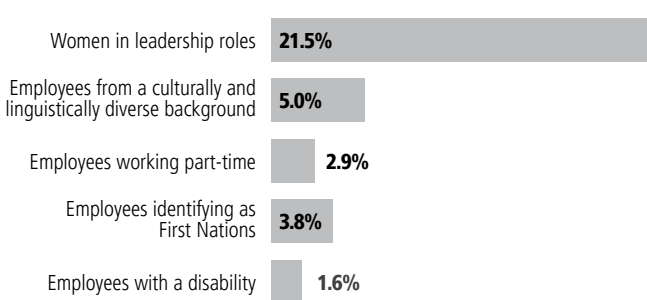
We recognise that equity, diversity, and inclusion drive better outcomes for both our organisation and our customers.

Our Council for Diversity, Equity and Inclusion, chaired by our Chief Executive Officer (CEO), oversees key initiatives that support a more inclusive culture. Central to this commitment are our dedicated working parties – First Nations, Women in Technical and Operational Roles (WINTOR), and EQL Pride – each represented on the Council to ensure employee experiences remain at the core of our approach.

Through our Diversity, Equity and Inclusion Plan 2024-2026, implemented in early 2024, we continue to focus on strengthening representation, with greater emphasis on people with disabilities and those from culturally and linguistically diverse backgrounds. We are also aligning with best practices for managing pay equity while enhancing our people’s capability to contribute inclusively.

Throughout the year, we celebrated key diversity and inclusion events, including NAIDOC Week, Wear it Purple Day, Diwali, International Day of People with Disability, and International Women’s Day.

Our workforce diversity



Gender equality

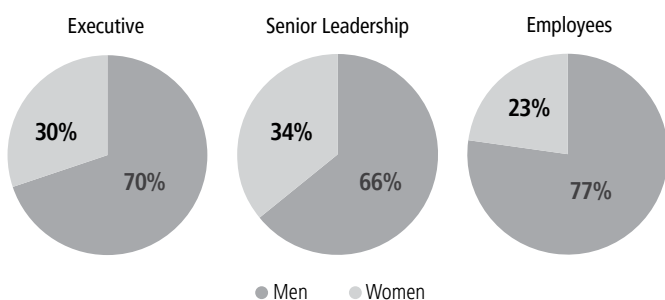
Over 189 women now participate in our apprenticeship program (up from 143 last year), and more than 134 trade-qualified women remain in field roles, matching the previous year's figures. Key gender equality initiatives include:

- The WINTOR working party expanded to cover operational leadership and women beyond field roles.
- New resources were developed on gender equity, women's health, and domestic violence.
- Through the STEAM Ahead Program, delivered with Dream Big Australia, we supported women and non-binary students entering STEAM careers, including two current 2024 scholarship holders.

Furthermore, in September 2024, our commitment to supporting apprentice and trade-qualified women was recognised when Energy Queensland was awarded the Future Lady Tradies' Employer's Choice Award.

We actively contribute to the Champions of Change Coalition's energy group and remain a signatory to Equal by 30.

Gender distribution



LGBTQ+ community

Our EQL Pride working party and growing online network, now more than 660 members strong, are dedicated to fostering a workplace culture that embraces open and respectful discussions on sexual orientation and gender identity. Through knowledge-sharing, resource development, and active support, we continue to create an inclusive environment where LGBTQ+ employees and allies feel empowered and valued.

In May 2025, Energy Queensland was recognised as an LGBTQ+ inclusive employer, receiving bronze-level endorsement from Pride in Diversity's in their Australian Workplace Equality Index.

Providing development opportunities

We invest in workforce development by offering training in health, safety, cyber security, and technical skills. Employees have access to LinkedIn Learning for ongoing growth. Special programs support graduates, scholarship holders, and apprentices, while targeted training is integrated into change management to strengthen skills and confidence.

Leadership training

Our leadership development initiatives foster personal growth at all levels. The Leading at EQL program prioritises values-based leadership and inclusion, while Step into Leadership Pathway develops frontline leaders' emotional intelligence and change management skills. In early 2025, we launched the Step Up Leadership Pathway for those managing multiple teams, emphasising trust, performance, and resilience. Our Leadership Development Hub offers resources and tools, and diagnostic assessments ensure targeted development for leaders and their teams.

Training facilities

We progressed the redevelopment of the Rocklea Training Centre, set to complete by early 2026. This facility will support Queensland's energy future with expanded classrooms, operational training, and Government-subsidised programs. Solar panels will fully meet energy needs, including EV charging.

Bolstering technological capabilities

Throughout the year, we introduced innovative tools to enhance our technological foundation, empowering our workforce, improving customer service, and elevating community safety.

In late 2024, Energy Queensland upgraded the Townsville Control Room to improve operator ergonomics and address control room needs. The project enhanced our DERMS (page 22), strengthened response and business continuity, and advanced our goal of becoming a digital utility while prioritising employee safety and comfort.

In 2025, we started implementing a new Landing Zone strategy under the SAP RISE Project, upgrading and migrating key systems to the SAP RISE Platform on Amazon Web Services. The project, delivered in two phases, has improved security, compliance, platform architecture, identity management, and workload security controls.

Technology in the field

This year, our investment in Starlink improved productivity, safety, and communication for remote network crews by providing high-speed, low-latency connectivity. The portable ROAM kits have enhanced connectivity at remote sites and emergency response staging areas, optimising logistics and restoration times for customers. Additionally, we launched two SAP Business Technology Platform apps – Simple Time and Cost Entry (STCE) for streamlined cost capture, as well as a Pre-Start Checklist (PSC) for improved vehicle inspections and defect notifications.

Cyber security

As a critical infrastructure operator, the Group prioritises cyber security to protect people, customers, data, and services while meeting regulatory standards.

In December 2024, the Queensland Audit Office (QAO) released its Energy 2024 Report, which summarises the audit results of Queensland's energy entities, including Energy Queensland. We are committed to complying with the QAO's recommendations, as well as meeting our cyber security obligations under all relevant State and Federal legislation.

Throughout the year, our cyber security teams worked across the organisation to implement strategic initiatives aimed at strengthening our defence against evolving threats. This included deploying advanced cyber security tools, enhancing capabilities, and refining processes to maintain a resilient cyber security framework.

Employee engagement has remained central, with ongoing Cyber Security Awareness Training keeping the workforce alert. Our risk-based approach has strengthened security controls and supported compliance.

We are actively investing and collaborating to strengthen Queensland's energy security, with ongoing efforts to improve our cyber controls, response, and resilience.

Establishing competitive wages and benefits

The wages and conditions of most of our employees are provided in two Enterprise Agreements, made under the *Fair Work Act 2009* (Cth). The *Energy Queensland Union Collective Agreement 2024* and the *Energy Queensland Retail Union Collective Agreement 2024* commenced in July 2024.

The parties to Energy Queensland's main agreement included our employees, Energy Queensland Limited and four industry unions; the ETU, The Service Union, Professionals Australia, and the AMWU. The parties to the Retail agreement included our retail employees, Ergon Energy Queensland Pty Ltd, and The Services Union.

Our safety

We are dedicated to maintaining a safe and healthy workplace by empowering everyone to take responsibility and prioritising team wellbeing through proactive safety measures.

We maintain Certification to ISO45001:2018 Occupational Health and Safety Management Systems and Yurika’s accreditation with the Office of Federal Safety Commission (OFSC), safeguarding the wellbeing of our people.

Our Health and Safety Policy focuses on five key areas:

- People and Wellbeing – we demonstrate our care for the physical and mental wellbeing of our people. We remove the stigma around mental health.
- Safety Is Defence – we set our defences at the start of the day and focus on both the dynamics and mechanics of how work is done.
- Sensitivity to Operations – our efforts are focused on supporting our customer facing teams to efficiently deliver their work.
- Deference to Expertise – we build trust with our people and know that they are the best informed to make decisions and create improvements in their work.
- Continuous Learning – we are relentless in our drive to learn at every opportunity and create improvement in how we operate.

Integrating safety and quality in how we work is integral to our daily operations. Senior leaders, work group leaders, and subject matter experts conduct regular workplace inspections and task observations across our organisation and work sites to ensure work is carried out safely and efficiently.

Minimising workplace injuries with a strong safety culture

During the year, we realised a Group-wide Significant Injury Frequency Rate (SIFR) of 0.6 (2023-24: 0.4) against a target of ≤ 0.7 . This was the result of 11 separate significant incidents, an increase from eight the prior year. Five of the 11 incidents relate to low voltage connections, which remains a key focus area for the year ahead with enhanced assurance processes being implemented.

Our Total Recordable Injury Frequency Rate (TRIFR) was 7.7 and the Lost Time Injury Frequency Rate was 3.0 (2023-24: 7.6 and 2.3). While TRIFR has remained stable for several years, it has not met target. To further strengthen our adherence to essential safety requirements and drive continuous improvement, we introduced a back-to-basics program across our Operations team during the year. This initiative included the rollout of a new Operations Dashboard and reinforced clear performance expectations for all line leaders.

Significant and total workplace injuries



Workplace safety performance

	2023-24	2024-25	TARGET
Significant Incident Frequency Rate	0.4	0.6 ▲	≤ 0.7
Total Recordable Injury Frequency Rate	7.6	7.7 ▲	≤ 7.0

Promoting safe behaviour

In September 2024, we introduced the Safety is Defence Toolkit to promote best safety practices throughout our organisation. This toolkit equips leaders and teams to embed proactive safety measures into daily operations.

Road safety is a priority; especially for field employees travelling across Queensland. In September 2024, a practical one-day driving safety course was introduced for all field workers. Fleet vehicles are fitted with the In Vehicle Asset Management (IVAM) system, which monitors driving behaviour, fatigue, and location, and provides in-cabin alerts for fatigue and speeding. Each vehicle also has an emergency distress button to enhance worker safety.

This year, we launched Energy Queensland’s Prevention and Response Plan to identify and manage risks of sexual and gender-based harassment. The plan outlines control measures and offers guidance for handling reports of unsafe conduct.

Emergency planning and response

Our Summer Preparedness program plays a critical role in ensuring employees are equipped to manage emergency situations effectively and safely. Throughout the year, we delivered eight self-paced online training courses, facilitated 19 interactive sessions, and developed specialised exercises focused on bushfires, storms, and cyclones. This culminated in the annual emergency exercise, which brought together 100 emergency leaders from across our business to practise in our emergency response framework.

Furthermore, in September 2024, we participated in the annual Power System Emergency Exercise, which brought together key energy organisations and Queensland Government departments to practise a coordinated, state-wide response to power system disruptions and other emergency scenarios.

After each extreme weather event, we surveyed response teams to improve emergency processes and internal tools, helping our teams plan, respond, and recover more effectively.

We continue to engage with external emergency organisations, including the National Emergency Management Agency, State, District and Local Disaster Management groups to ensure alignment and a collaborative approach to support the community in emergency events.

Prioritising health and wellbeing

We recognise that health and wellbeing are essential for a safe, productive workforce. Our programs help team members stay fit for work and succeed both professionally and personally.

Mental health

This year, we created a Potentially Traumatic Event Management Plan to support individuals and groups coping with the psychological effects of workplace or community incidents.

After a successful 12-month trial, we launched the Mental Health Rebate Program to complement our existing Employee Assistance Program offerings. This initiative broadens access by enabling employees and their immediate families to connect with professional local service providers, offering up to \$140 per session for eight sessions annually.

Our one-day mental health course for leaders remains a key part of the Step into Leadership Pathway, helping leaders support their teams and manage their own mental health resilience.

We are committed to promoting health and wellbeing through training courses, resources, and an online Mental Health Hub. We participate in events like Mental Health Week and R U OK? Day to reinforce our culture of care and support.

Mates in Energy

Our Mates in Energy program is dedicated to increasing awareness of mental illness, promoting help-seeking behaviour, and addressing suicide prevention. We encourage all employees to engage in the Mates in Energy General Awareness Training, which equips participants to recognise signs in colleagues, family, or friends who may require assistance and guides them in taking appropriate actions. Further training is also available to employees to assist with the identification of suicidal behaviour and intervention. Employees and their families can also access the 24-hour Mates hotline.

Monitoring and managing risks

Managing hazards and risks is a collective responsibility for all employees and contractors. Our business processes identify, manage, and control hazards to maintain a safe and secure workplace.

HazChat

We have enhanced workplace safety by upgrading HazChat from a paper-based tool to an app in late 2024, making hazard identification and recording more efficient. HazChat supports in-field safety discussions, streamlines hazard management, and integrates with frameworks like Safety is Defence to fit our teams' workflows.

Heat stress

We introduced short, interactive heat stress training sessions for work groups during the year. The sessions include discussions on workplace risks, key updates to the Standard for Heat Stress Management and Heat Stress Index, and practical Q&As. The training also features educational videos, including guidance on using heat stress eskies, supporting preparedness and wellbeing in extreme heat.

Collaborating on whole-of-industry safety

We support safety improvements throughout the energy sector. This year, our experts assisted in updating Energy Networks Australia's aircraft operation guidelines for electricity networks – the first revision in almost 20 years. It is now aligned with our Aviation Standard to guide both employees and contractors. In June 2025, we also led the development of an industry Critical Controls Management Guideline, demonstrating our ongoing commitment to a safer industry.

Climate change and environment

Responding to our material topics

Primary

Climate Change and Disaster Resilience	Our Emergency Management Plans guide our response to natural disasters. Safety and the power restoration timeframes are the key performance outcomes.
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Secondary

Energy Use and Transition to Net Zero	In line with Queensland's net zero by 2050 goal, we are enabling renewable connections on our networks and the electrification of transport and actively pursuing opportunities to reduce our emissions footprint.
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Biodiversity and Land Care	Through a balanced approach, our aim is to minimise our disturbance on the lands and waters where our networks travel, and to protect local environs with a high standard of biosecurity practices.
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Natural Resources and Waste Management	We are managing our impact on natural resources, such as trees for power poles, and reducing waste to support long-term environmental outcomes and progress towards a circular economy.
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Pollution and Water Conservation	To ensure 'no oil to ground' we are continuing to improve our hydrocarbon and chemical management with the aim to avoid contamination from our network and at our facilities. Where water is used monitoring supports conservation.
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Our response to climate and extreme weather challenges

Ongoing extreme weather and operational issues highlight our need to adapt. We must also address the energy market shift toward renewables and EVs, prioritising environmental responsibility and carbon reduction.

In early 2025, we completed internal assessments and benchmarking to prepare for the new Australian Sustainability Reporting Standards, strengthening our business planning and climate resilience. As extreme weather events become more frequent, we are focused on mitigating physical risks, reinforcing our networks, and preparing for increased demand.

Collaboration within Queensland's energy sector is essential for advancing renewables, climate action, and long-term network reliability.

Responding to natural disasters and ensuring network resilience

Queensland's summer brought a series of extreme weather events – floods, cyclones, and severe storms – impacting over 530,000 customers. Ergon Network and Energex crews faced hazardous conditions, including difficult access and challenging terrain, but responded with professionalism and teamwork. Their resilience ensured communities regained power safely and quickly, underscoring our commitment to reliable service even in the toughest circumstances.

We continue to strengthen our approach to extreme weather, leveraging advanced forecasting and real-time data systems to monitor risks like heatwaves, floods, and bushfires across our network. These enhancements support timely, well-informed decisions and targeted planning.

We have updated our flood plans across Queensland with improved data to better predict impacts and strengthen our response.

Bushfire risk mitigation also remains a priority. Throughout the year, nearly 1,000 timber poles were wrapped with intumescent, fire-resistant mesh, with a further 2,000 planned for the coming year. Activated by high temperatures, this mesh creates a protective barrier, helping to reduce infrastructure damage and costly rebuilds. We are also installing steel and concrete poles, and using fire-resistant coatings, to further safeguard critical assets in high-risk areas.

We have continued to trial Early Fault Detection (EFD) technology during the year, which is proving valuable in high bushfire risk zones. The EFD units can detect emerging fault conditions on the network before a fault occurs by monitoring the overhead assets in real time, improving network reliability and resilience, and crews' patrolling time.

We have also continued to apply bushfire management standards, such as enclosed switches and covered conductors, in high-vegetation areas. Research into bushfire behaviour modelling is also underway to better assess risk and asset exposure.

2024-25 disaster response snapshot:

- **Tropical Lows and Floods in North and Far North Queensland (late January – early February 2025)**
 - 33,000+ customers affected
 - 2,017mm rain in 8 days recorded in some areas
 - 300 of our people, on the ground or in support
 - 14 days of restoration work.
- **Tropical Cyclone Alfred (8 March 2025)**
 - 500,000+ customers affected
 - 9,000km+ of network impacted including 1,600+ downed powerlines
 - 175km wire replaced
 - 2,400 field resources
 - 11 days of restoration work.
- **South West and Central West Floods**
 - 450 customers
 - Extensive rainfall and flooding resulted in no road access across the region and completely inundated townships
 - 100 field resources
 - 16 days of restoration work.
- Multiple responses to heatwave conditions in December and January across Queensland required adjustments to the network and deployment of mobile generation to key locations.

Customer and community updates

Clear communication is vital for safety and awareness during storms. This year, we prioritised providing restoration updates through our network websites and the Outage Finder – with 42.5 million visits during the summer storm season alone. We also offered live news updates online for those without social media, and radio broadcasts to reach local audiences.

In late 2024, we launched Ergon Network and Energex Instagram accounts to increase community engagement. Social media allowed us to provide vital safety updates to over 10 million people during severe weather, earning trust and positive feedback.

Our teams provided powerline safety advice and support at community hubs – delivering 720 hours of engagement during Cyclone Alfred. We coordinated with disaster management services and gave daily reports to ensure effective response and public awareness. Life support customers were proactively contacted to keep them informed during the disasters.

Our renewable energy support

We continue to support our customers’ solar, wind, battery, EV, and other energy solutions. Our efforts will continue to evolve in line with the Queensland Government’s upcoming Energy Roadmap, as well as the changing needs of our customers.

Advancing rooftop solar and renewable energy

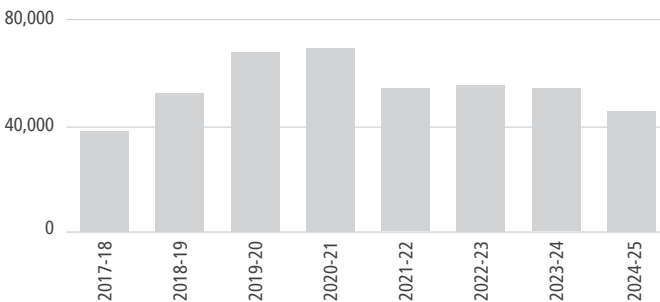
Queenslanders are leading in renewable energy adoption, so we must adapt our networks and operations to meet new challenges and opportunities.

During the year, 44,926 new rooftop solar energy systems were connected into our distribution networks, despite the rate of connections slowing. A total of 898,525 rooftop and small-to-medium solar systems were connected as at the end of June 2025 (2023-24: 853,600).

Around 48% of detached homes in Queensland have a solar energy system, one of the highest rooftop solar penetration rates in Australia. This rooftop solar exported approximately 4,229GWh of electricity into our networks this year (2023-24: 3,881GWh), reducing the emissions intensity of grid-supplied power while delivering economic benefits to system owners.

The momentum for solar energy updates and replacements remains strong, with more households and businesses embracing solar-battery packages.

Queensland’s rooftop solar connections



During the year, almost 45,000 new rooftop solar energy systems were connected into our distribution networks across Queensland, taking the total connected to almost 900,000 systems.

Solar energy connections

	NUMBER	TOTAL CAPACITY
Small-scale (≤30kVA)	889,536	5,131,570kVA
Medium-scale (>30 to 1,500kVA)	8,989	704,726kVA
Large-scale (>1,500kVA)	46	979,036kVA
TOTAL CONNECTIONS	898,571	6,815,332kVA

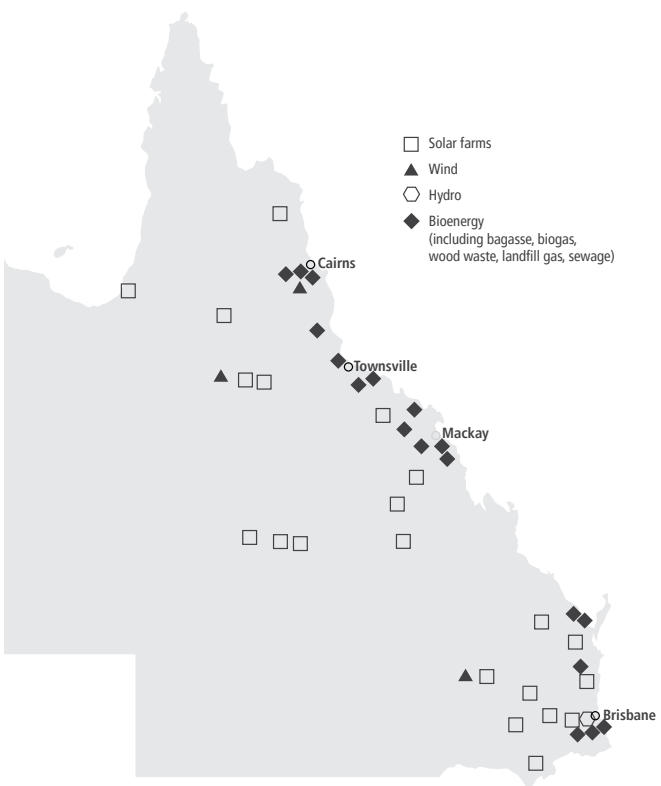
The export of power is measured in kilowatts (kW), inverter capacity is measured in kilovolt ampere (kVA).

Supporting major renewable infrastructure

Across our distribution networks, we continue to support a range of renewable energy connections, and the associated economic development. This includes 27 solar farms, hydro-electric generators operating in Brisbane and Cairns, and three wind farms in Atherton, Hughenden, and Dulacca. We have another 880MW of large-scale renewable energy project connections underway, including several energy storage projects; a strong demonstration of the private investment pipeline. Our commitment to renewable energy extends beyond these installations. We also support 48 large bioenergy connections, primarily fuelled by bagasse, the residual fibre left from the sugar milling process. These bioenergy systems not only power local communities but also contribute to the broader grid and a greener future. This year we supported new technology and upgrades across these connections, including Proserpine Mill in North Queensland.

Various waste-to-energy projects also progressed, notably the expansion of landfill biogas generation sites to include battery storage.

Major renewable energy connections on our networks



Yurika: enabling the clean energy journey

Throughout the year, Yurika continued to support battery storage and renewable initiatives with Stanwell Corporation, CleanCo, and other partners.

As the principal contractor, Yurika is delivering a 300MW battery storage project at the Stanwell Power Station near Rockhampton. This project is on track to become Queensland's largest battery storage system, capable of supplying energy to the grid for up to four hours. Construction commenced in May 2024, with plans now in place to double the system's capacity by mid-2027.

Progress also continued at the Tarong Power Station near Kingaroy, where Yurika is on track to deliver a 300MW/600MWh battery storage system by September 2025.

Work was also well progressed at the Swanbank Battery Energy Storage site for CleanCo, with the 250MW/500MWh system being commissioned as this report was drafted. The 138 battery modules and modular substations are reinforcing grid stability and supporting the Ipswich community.

Yurika is also supporting a range of other private sector infrastructure projects across Australia including:

- Blackwater accommodation sites (central Queensland) – installation solar panels and energy storage, with the capacity to generate 1,800MWh yearly for nearly 1,300 residents.
- Clarke Creek Wind Farm (North West of Rockhampton, for Squadron Energy) – delivery progressed on transmission lines, a reticulation network, three substations, and a synchronous condenser.
- MacIntyre Wind Farm (West of Warwick, for Acciona) – work continued on the electrical design and construction of substations for one of the world's largest onshore wind farms.
- Wambo Wind Farm (near Jandowae) – continued the delivery of the electrical balance of plant for the Cubico Sustainable Investments and Stanwell initiative. The 83-turbine project, adding more than 500MW, is being delivered in two stages.
- Broadsound Battery Energy Storage System and Solar Farm (Clarke Creek, for Iberdrola) – commenced substation engineering, procurement, and construction work for the 376MW (DC) facility.

Maximising rooftop solar energy through batteries

Ergon Network and Energex have been installing batteries across the state since 2019-20 – through our Local Network Battery Plan we are connecting storage into both our low voltage and high voltage networks.

These batteries store the excess clean energy generated during the day by Queensland's rooftop solar resource, for use locally during the evening peak in demand. They will be increasingly important, along with storage through the supply chains, and behind the meter, as we continue to transition to net zero.

Our battery neighbourhoods

During the year, the last of the 35 community-level batteries planned for Ipswich were installed, in a project delivered by Energex and Origin.

The trial advanced our understanding of low voltage network-connected energy storage and tested the value of a distributor-retail partnership. The batteries were operationalised during the year to support the local network, during periods of hot weather and rising electricity demand. Utilising these batteries, Origin have also been able to offer Ipswich residents – including both solar and non-solar households – a community battery subscription, ensuring the benefits of energy storage are shared with everyone.

The trial also resulted in other significant outcomes: it enhanced battery technology through lab and field testing, reduced deployment times, and strengthened Queensland's battery assembly and design capabilities. This model is now guiding a larger rollout of low voltage batteries statewide.

The rollout of the next-generation of small-scale batteries has commenced in nine additional Queensland communities. These batteries are part of the Australian Government Department of Climate Change, Energy, the Environment and Water's Community Batteries for Household Solar program.

From here we are moving to create 10 more battery neighbourhoods – in North Townsville; Burnett Heads and Burrum Heads near Bundaberg; Caloundra; Kingston, North Maclean, and Jimboomba in Brisbane South; and Bribie Island, Morayfield, and Scarborough in Brisbane North. These are being funded through Australian Renewable Energy Agency's (ARENA) Community Batteries Funding Round 1, under its Advancing Renewables Program, as well through support from Energy Queensland.

These efforts will add over 140 small-scale low-voltage batteries across Queensland, strengthening distributed energy and local network resilience.

Utility-scale batteries

Throughout the year, Ergon Network and Energex further advanced Queensland's transition to distributed energy through the Local Network Battery Plan. As part of stage two, 12 new high voltage 4MW/8MWh batteries were installed at sites including Cairns (two locations), Townsville, Mackay, Emerald, Mundubbera, Gladstone, Howard, Toowoomba, Raby Bay, Morayfield, and Bribie Island, expanding Ergon Network's and Energex's combined utility-scale battery presence to 30 units either built or underway.

A key milestone in the Local Network Battery Plan was reached when Energex commissioned its first vanadium flow battery at the Berrinba Depot in October 2024. This 250kW/750kWh vanadium flow battery, unique for its 20+ year service life and ability to handle more frequent charge and discharge cycles than traditional lithium-ion systems, is integrated with existing rooftop solar and an onsite EV charging station. The project will also test the benefits and complexities of a large-scale dynamic connection arrangement and may offer new opportunities for Queensland's mining and manufacturing industries.

Providing reliable energy for fringe of grid communities

With a strong commitment to delivering reliable and equitable energy across Queensland, we continue to explore innovative and sustainable solutions for small communities at the fringe of the electricity grid, where power outages can occur due to faults on the long radial lines.

In May 2025, Ergon Network launched the Mossman Gorge Microgrid Project – the first of its kind in Queensland – as a high-voltage network-connected microgrid designed to enhance the power reliability, quality, and resilience in the small First Nations community. Celebrated with a ‘big yarn’ event, the project has brought together key stakeholders, residents and service providers to build relationships and share information. This groundbreaking project will incorporate a network-connected battery and control equipment designed to provide an alternate supply to the main grid, minimising the impact of outages.

Once operational, the battery energy storage system will provide several hours of backup power. Mossman Gorge, in Far North Queensland, was selected for this pilot due to its small size, surplus solar energy generation, and location – at the end of a 10-kilometre powerline that carries power from the Mossman Substation. The insights gained from this initiative, and a second microgrid to be installed at Jumbun near Innisfail, will shape future strategies to support other fringe of grid customers.

Ergon Network continued to implement stand-alone power systems (SAPS) for remote and fringe grid customers supplied by outage-prone ‘SWER’ lines. The trial includes solar generation, battery storage, and backup diesel generation. This year, four more systems were installed near Mt Isa and Normanton in Western Queensland.

Strengthening Queensland’s renewable energy economy

Ergon Retail remains one of the largest purchasers of the renewable energy generated in Queensland, with an ongoing role to play in facilitating investment. In a win-win, through our Power Purchase Agreements (PPAs) this year, we delivered on our energy trading strategy, reducing our wholesale energy costs and meeting our environmental compliance requirements while continuing to provide a major economic contribution to the communities in which we live and work. In total the renewable energy generated through these PPAs was enough to power 215,000 homes for a year.

We also strengthened our partnership with the sugar industry by participating in the annual Australian Society of Sugar Cane Technologists (ASSCT) Conference in Brisbane and visiting mill operators across the state to explore new opportunities for collaboration.

To support rooftop solar adoption, Ergon Retail credited customers a total of \$155 million in 2024-25 for the excess solar energy they exported to the grid, through the regional feed-in tariff set by the QCA at 12.4 cents per kWh. Additionally, more customers are subscribing to our Clean Energy program, which sources renewable energy to help contributing customers achieve their emissions reduction goals.

Ergon Network and Energex also played a vital role in rewarding Queensland households, paying nearly \$153 million state-wide for the solar energy exported under the Queensland Government’s earlier Solar Bonus Scheme 44c/kWh feed-in-tariff.

Our role in the electrification of vehicles

As EV numbers grow in Queensland, we are expanding charging infrastructure and offering flexible charging solutions to support solar energy use and grid integration for a cleaner energy future.

With more than 80,000 EVs now on Queensland roads, we are deploying strategies to support charging and minimise the need for network upgrades. We are preparing to harness the benefits of flexible EV charging, including bidirectional charging for vehicle-to-grid and vehicle-to-home arrangements.

This year, we made faster, more reliable single-phase EV home charging available, helping owners to maximise use of their own solar energy where relevant, while playing their part to manage potential impacts on the network. We also launched an online EV Home Charging Guide to help users find a charging solution that best meets their needs.

Insights from our Queensland Household Energy Survey showed how and when EV owners charge at home, their influences, and how many use solar or battery storage. Notably, in the survey, approximately 60% of those planning to buy a car in the next three years are considering an EV.

Supporting public charging stations and public transport

Public charging infrastructure remains a critical enabler of EV adoption by providing confidence in away from home charging availability. We continue to facilitate the rollout of charging stations by working closely with Charge Point Operators (CPOs) to assess site feasibility and deliver streamlined, tailored network connection solutions. While regional Queensland currently accounts for only around 11% of the state's EVs, we are actively collaborating with CPOs to support the delivery of innovative public charging infrastructure across regional and rural communities, including several charging stations from Toowoomba to Rockhampton, and battery-based solutions at other rural sites. Our Network Load Capacity Map has proven to be a particularly valuable tool for CPOs to self-evaluate potential sites for network connection.

We continue to support Translink, a Queensland Government-owned entity, and its bus operators by providing feasibility studies on the electrical connection requirements for both upgrades to existing depots and construction of new facilities. These studies inform Translink's technical and financial planning, while also helping us assess the potential impact of high-powered bus charging on network stability. Delivering cost-effective infrastructure solutions is essential to supporting a sustainable and viable electric bus fleet across the state.

Yurika – leading the charge in solutions

Yurika continued to expand its involvement with EV infrastructure in 2024-25, delivering intelligent charging solutions with a strong focus on regional access and coverage.

Funded by the Queensland Governments' Kerbside and Destination EV Charging Grant Trial, and to support the evolution of the Queensland Electric Superhighway (QESH) network, Yurika supported redevelopment of the Northshore Hamilton charging site in early 2025. The site now provides simultaneously charging capacity for up to six vehicles.

The improvements to the QESH site now also showcase dynamic kerbside charging. This offers a significant upgrade for EV drivers and provides residents in nearby high-density housing with accessible charging options to support EV adoption.

With more than 50 chargers already in place across the state, spanning from Coolangatta to Port Douglas and into regional Queensland and another 10 upgrades planned by the end of 2025, Yurika continues to support the infrastructure required to support Queensland's low emission transport goals for the future.

Our environment and cultural heritage management

We have an important role to play in protecting the environment and preserving cultural heritage. By embracing responsible practices, maintaining transparency, and continually improving our approach, we can ensure a sustainable future that respects the past for generations to come.

As detailed in our Environment and Cultural Heritage Policy, we support systems that comply with legislation. We set objectives and report progress to improve environmental and heritage outcomes.

Our priorities include advancing a low-carbon future, reducing waste, protecting biodiversity, preventing oil contamination, and safeguarding cultural heritage. Our Integrated Management System (IMS), certified to ISO 14001:2015, guides our environmental management.

Year-round monitoring programs inform actions on current and future environmental impacts.

Minimising our carbon footprint

Across the Group, we remain committed to reducing emissions and supporting a cleaner energy future. Our efforts are focused on the reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions associated with the fossil fuel we use in electricity generation, our transport fleet, and the energy use in our public lighting, buildings, and depots.

While a minor component of our overall carbon footprint, we are also investigating alternatives to SF₆, an inert gas used for insulation throughout the network. Our progress here saw us develop Australia's first SF₆-free padmounted substation, using air insulation to reduce emissions, while enhancing asset resilience (page 20). We are also prioritising how we handle new and waste gases and looking for opportunities to recycle and reuse.

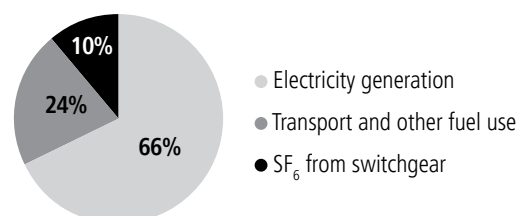
Additionally, we are working on measuring our indirect emissions both upstream and downstream (Scope 3).

Our emissions

The Group reports greenhouse gas emissions to the Clean Energy Regulator under the National Greenhouse and Energy Reporting Scheme (NGERS).

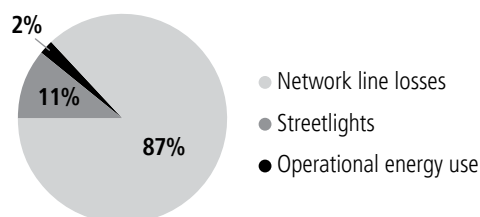
Our carbon footprint, including both Scope 1 and 2 emissions, equated to 1,459,182 tonnes of carbon dioxide equivalent (tCO₂-e) for 2023-24 (the most up-to-date data at time of writing this report). The decrease from 1,532,032tCO₂-e reported in 2022-23 resulted from a reduction in network losses and the streetlight LED replacement program. Network losses have shown a reduction as more embedded energy comes into the network, including residential and non-residential energy.

Direct emissions – Scope 1



Direct Scope 1 emissions account for 11% of the total carbon inventory. In 2023-24, transport emissions rose by 19%, corresponding with an increase of 279 Energy Queensland vehicles and 141 long-term hire vehicles, which resulted in personnel driving in excess of nine million additional kilometres. Generation emissions grew by 3% due to increased mobile generation during extreme weather events. Scope 1 and 2 emissions are calculated using NGERS methodology. The values listed are for 2023-24 (actuals) and were independently audited in 2024. Energy Queensland will report emission numbers compliant with AASB 52 in 2025-26.

Indirect emissions – Scope 2



The Group's overall carbon footprint is predominantly due to the energy that is lost while distributing electricity along the thousands of kilometres of powerlines throughout our distribution networks (an indirect, Scope 2 emission). These network line losses are largely unavoidable, with engineering solutions cost-prohibitive and of limited value. As the generation mix in Queensland moves towards renewable energy and away from fossil fuels, the emissions associated with network losses will decrease. Our aim is to keep the proportion of losses at current level as our networks grow and evolve. Scope 1 and 2 emissions are calculated using NGERS methodology. The values listed are for 2023-24 (actuals) and were independently audited in 2024. Energy Queensland will report emission numbers compliant with AASB 52 in 2025-26.

Our isolated communities

As part of our commitment to building a sustainable energy future, Ergon Network's Isolated Network Strategy continues its focus on reducing fossil fuel reliance in 39 remote Queensland communities, where electricity largely comes from centralised diesel power stations. Our approach is to modernise and future-proof these networks by integrating renewable generation and battery storage solutions.

This year saw significant project milestones:

- Boulia – a 1.7MW solar farm with more than 1,000 panels, paired with 1.5MW/1.5MWh grid-forming energy storage. Once the battery is added, it is expected to save approximately 360,000 litres of diesel fuel annually, securing the electricity supply to Boulia, reducing operational costs, extending the life of existing diesel generators, and cutting greenhouse gas emissions.
- Windorah – featuring an 850kW solar farm and 2.5MW/1.9MWh battery, this project will meet more than 50% of the local community's total energy needs and is projected to save 150,000 litres of diesel fuel each year. It is located on the site of the earlier solar tracker technology.

- **Doomadgee** – involves a 4.5MW solar array and 3.7MW/4.5MWh of energy storage, enhancing the existing Doomadgee Solar Farm. Civil works are complete and solar infrastructure installation is underway. The project will save at least 680,000 litres of diesel fuel a year, secure local power supply, and reduce greenhouse gas emissions by 50%.
- **Bedourie** – a battery is being installed to store excess rooftop solar energy for night-time use. This is the first in this program to reach the testing stage, utilising the microgrid testing facility in Cairns to simulate the operating scenarios across isolated networks.

We are also actively exploring further energy security opportunities and new technologies for Thursday Island, Horn Island and Hammond Island, and the five Northern Peninsula Area (NPA) communities: Bamaga, Seisia, New Mapoon, Injinoo, and Umagico, through continued engagement with local stakeholders.

Isolated generation

	2023-24	2024-25
Diesel generation	128,476MWh	130,333MWh ▲
Renewable generation	779MWh	790MWh ▲
Emissions saved by renewable generation	541tCO ₂ -e	549tCO ₂ -e ▲
TOTAL GENERATION	129,255MWh	131,123MWh ▲

LED public lighting

Ergon Network and Energex owns and operates more than 500,000 public lights across Queensland and bills the energy use of an additional 67,000 customer-owned lights.

This year we continued a \$7 million replacement of the conventional streetlights in isolated and remote Queensland communities, funded by the Queensland Government, with lower wattage energy-efficient LEDs. These upgrades reduce lighting energy use by approximately 30%, cutting emissions and providing financial savings that councils can reinvest into local programs. The two-year initiative has replaced lighting across 26 remote and regional areas from the Torres Strait and Northern Peninsula Area to Mt Isa, Charleville, and Roma. Winton Shire Council is also being supported in its goal of achieving Dark Sky Accreditation with the use of specialist 3K coloured LEDs. This program is scheduled for completion by the end of 2025.

As part of our commitment to the Minamata Convention, the broader plan is to replace all remaining mercury vapour streetlights across the state with energy-efficient LED lighting. By 2028 and 2030, respectively, all remaining non-LED conventional luminaires will be replaced; 60,000 across rural and regional Queensland, and 200,000 in the South East. Engagement with Queensland's 77 councils and the Department of Transport and Main Roads remained a priority throughout the year, with discussions on converting conventional lights to LEDs, Smart Lighting System benefits, and new tariffs design shaping the Public Lighting Strategy for 2025-2030.

Efforts to enhance the sustainability profile across our buildings and depots continued throughout the year. Recent projects such as the Cairns McLeod Street redevelopment and the Rocklea Training Centre redevelopment have incorporated advanced energy efficiency measures, solar installations, and EV charging infrastructure. The Cairns project includes a 100kW rooftop solar energy system, while the Rocklea site features 430kW on the training building and an additional 128kW on car park structures.

Supporting a circular economy

We are actively implementing measures to reduce waste, prioritise recycling and reuse, and minimise landfill disposal. In 2024-25, our operational depots and offices sent 9,030t of waste to landfill, representing a reduction of approximately 1,350t from the previous year (10,979t). More than 35% of waste was successfully diverted through expanded recycling initiatives, including scrap metal processing and repurposing redundant timber poles and crossarms for non-structural uses such as fence posts. Energy Queensland is also collaborating with local businesses to convert old field uniforms into sustainable fuel, thereby reducing landfill waste and supporting a circular economy.

We continue to monitor the emissions impact of waste disposal, recording 9,646tCO₂-e this year, and are exploring innovative methods to enhance waste management. Note: the reported figure for 2023-24 was 7,771tCO₂-e; however, with further data refinement the actual figure was 11,145tCO₂-e.

Protecting our biodiversity

We protect biodiversity, manage biosecurity risks, and support primary producers, communities, and the environment by integrating sustainable, low-impact practices into our operations.

To uphold our biosecurity commitments, we prioritise staying on established roads and tracks, routinely perform clean-down procedures after potential exposure to infestations, promptly report outbreaks, observe government quarantine signs, seek landholder cooperation for planned work, and proactively identify problem weeds specific to local areas.

Our employees and contractors follow a strict Land Access Protocol when undertaking new projects, maintenance, or vegetation management, ensuring compliance with property-specific regulations.

We closely monitor invasive pests like electric ants, yellow crazy ants, and fire ants, collaborating with Biosecurity Queensland to prevent their spread. Because moving soil is our main risk, we use specialised permits for responsible environmental management.

Responsibly managing fuels, oils, and chemicals

The secure handling and containment of fuels, oils, and chemicals is critical for maintaining environmental integrity throughout our operations. We have implemented robust procedures to manage hydrocarbons effectively, with field and depot staff trained in contaminant control and spill response. Additionally, we engage a regulated waste contractor across Queensland to support larger spill events, ensuring responsible management and mitigation.

During the year, six incidents were reported to the Queensland environmental regulator. Two incidents were caused by third-party contact (vehicles colliding with poles causing transformers to fall and leak oil). The remaining four incidents were due to asset failure or compliance requirements. All incidents were resolved, with no action required from the regulator.

Safeguarding Queensland's cultural heritage

We recognise the importance of protecting the state's cultural heritage across our work sites. Before commencing projects, we conduct cultural heritage risk assessments to identify and mitigate potential impacts on Indigenous and historical heritage sites.

We maintain Indigenous Land Use Agreements with more than 56 Traditional Owner groups and collaborate closely on native title matters, heritage assessments, and protection efforts.

Throughout the year, we engaged Traditional Owner groups in more than 23 project evaluations. Two projects identified significant tangible and intangible cultural heritage values.

While inspecting a new 3.5-kilometre overhead line route in Budjiti People country near Eulo in the South West, intended to replace an existing feeder line, a stone quarry, fire hearths and hammer stone were found in great condition. These exhibited signs of occupancy and a significant connection to the land. This prompted a redesign to prevent possible harm to artefacts in the area.

Additionally, the Buluwai People were engaged to undertake a cultural heritage assessment of a helipad site at a location known as Lambs Head (Kahlapahlim Rock). This site has significant intangible cultural heritage values and through sensitive negotiations with the Buluwai People the proposed work has been able to proceed without impacting the cultural heritage values of the site.

Economic value

Responding to our material topics

Primary

Energy Prices and Affordability	Prices and affordability are priorities in our distribution Regulatory Determination Proposal 2025 project. We are also focused on the impact of rising Ergon Retail prices in regional Queensland.
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Secondary

Economic Value and Local Jobs	Our investment in essential electrical infrastructure, customer connections efforts, our Queensland and local procurement goals, and People Strategy contribute to Queensland’s local economies. Our financial efforts also provide dividends to Queenslanders.
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Resilient and Responsible Supply Chains	To advance relevant economic, environmental, and social outcomes, our Corporate Procurement Plan focuses on value through collaborations, coupled with the governance frameworks to ensure integrity, probity and accountability.
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Our focus on affordability and value

Affordable, reliable electricity is vital for households and businesses, shaping both cost-of-living and commercial success. As a major employer and government-owned entity, our financial strength also supports energy policies, electricity subsidies, and essential public services, reinforcing the state's economy and job market.

Supporting affordability, reliability and growth

In April 2025, the AER released its Regulatory Determinations for Ergon Network and Energex for 2025-30, effective July 2025. This revenue determination follows extensive consultation with customers and stakeholders, who prioritised affordability as their top concern, while also expecting us to uphold reliability, resilience, service, and safety.

Throughout the regulatory process, we engaged with communities, businesses, and stakeholders to ensure their voices were heard. Their feedback helped shape our revised Regulatory Proposals, guiding us toward the right balance, investing in a clean, reliable, and smart electricity supply solutions while delivering services in the most affordable way possible.

The determinations set the revenue our businesses can recover, allowing \$8,579.5 million (nominal) for Ergon Network – 1.3% lower than the revised proposal, and \$8,995.5 million (nominal) for Energex – reflecting a 1.1% increase compared to the revised proposal due to economic variables. Additionally, revised operating expenditure estimates stand at \$2,331.5 million (real \$2024-25) for Ergon Network and \$2,442.2 million (real \$2024-25) for Energex.

Under the AER's determinations, residential customers will see an average annual increase of \$29 (nominal), largely driven by inflation and interest rates. Thanks to the Queensland Government's Uniform Tariff Policy and Community Service Obligation, 99% of Ergon Retail customers will pay the equivalent Energex price.

While the determinations present adjustments to our proposed revenues, our focus remains clear: delivering safe, affordable, and reliable electricity while adapting our plans to meet customer expectations.

We remain committed to transparency and collaboration, ensuring that every investment aligns with the needs of our communities. As we move forward, customer engagement will continue to guide how we provide electricity services that support households and businesses across Queensland.

Easing the financial burden for customers

During the year, Ergon Retail worked closely with the Queensland Government to help our customers with the cost-of-living and doing business.

This included crediting rebates to all residential electricity accounts, and small business accounts at the start of 2024-25. In addition, we applied Australian Government Energy Bill Relief rebates to small customer bills. These rebates were in response to significant cost-of-living pressures being felt by customers. We also continued to provide an ongoing Queensland Government Electricity Rebate for Queensland pensioners, veterans and seniors.

In regional Queensland, where the QCA sets the retail tariff prices that Ergon Retail charges, a typical residential customer experienced an increase of 5%, however, a typical small business customer saw a saving of 1.1%. While the relief from rebates was reflected in our hardship metrics at the start of the financial year (page 16), the final debt and hardship metrics and the Queensland Household Energy Survey 2025 indicated that electricity bill concern has held steady in line with broader cost pressures; 55% of customers indicating high electricity bill concern this year (2024: 56%).

As we move into 2025-26, the QCA has determined that retail tariff prices will increase due to higher network costs, partly offset by a small reduction in wholesale energy costs. This means that a typical residential customer will see an increase of 3.8% (or around \$72 per annum), while a typical small business customer will see an increase of 3.2% (or around \$80 per annum).

The Queensland Government subsidises prices for regional Queenslanders. This economic subsidy, known as the Community Services Obligation or CSO, makes bills in regional Queensland between 10% (East zone) to 46% (West zone) less than the cost of electricity supply. In 2024-25, the subsidy was \$653 million, taking the total provided to support our retail customers with the rebates above to \$1.4 billion. The commitment to the Uniformed Tariff Policy is ongoing.

The national Energy Bill Relief Fund has been extended to the end of 2025, with households and small businesses receiving \$150 in two equal instalments automatically applied to their energy bill. We are continuing to support these rebates through our customer communications and billing system.

Our financials

We are advancing Queensland's energy future through responsible investment, strategic partnerships, and innovation. Aligned with our Queensland procurement goals, we are strengthening local supply chains to deliver lasting economic and social benefits.

Balancing community outcomes and costs in network response

Energy Queensland reported a Net Loss After Tax of \$94 million, reflective of a challenging year.

The scale of our response efforts to the numerous extreme weather events, including a major response following Cyclone Alfred in South East Queensland and flooding in north and Western Queensland (page 33), put our financial results under pressure.

We also continued to deliver an ongoing escalated level of network maintenance works to ensure we meet safety requirements, legislative compliance, and the reliability expectations of our customers (page 19).

This impact was compounded by a challenging cost profile. Across the Group we are focused on leveraging productivity and efficiency improvement to bring expenditure into line with regulatory allowances.

The total expenditure for core Standard Control Services was \$3,255 million (up from \$2,735 million in 2023-24), attributable to significant capital investment in the network, as well as challenging cost and operating environment.

Investing in Queensland's electricity assets

Capital expenditure for the year was \$2.6 billion, of which \$1.9 billion was for network system capital investment. The capital program continues to target asset renewals, augmentation and new customer connections (page 19).

Our capital works program also included a growing investment of \$128 million in network-connected energy storage (page 35).

The capital program is underpinned by our networks' Distribution Annual Planning Reports outlining the strategic direction of the network during the next five years, which are aligned to customer and technical drivers, improve long-term network asset lifecycles, and maintain ongoing network reliability.

Supporting the local economy

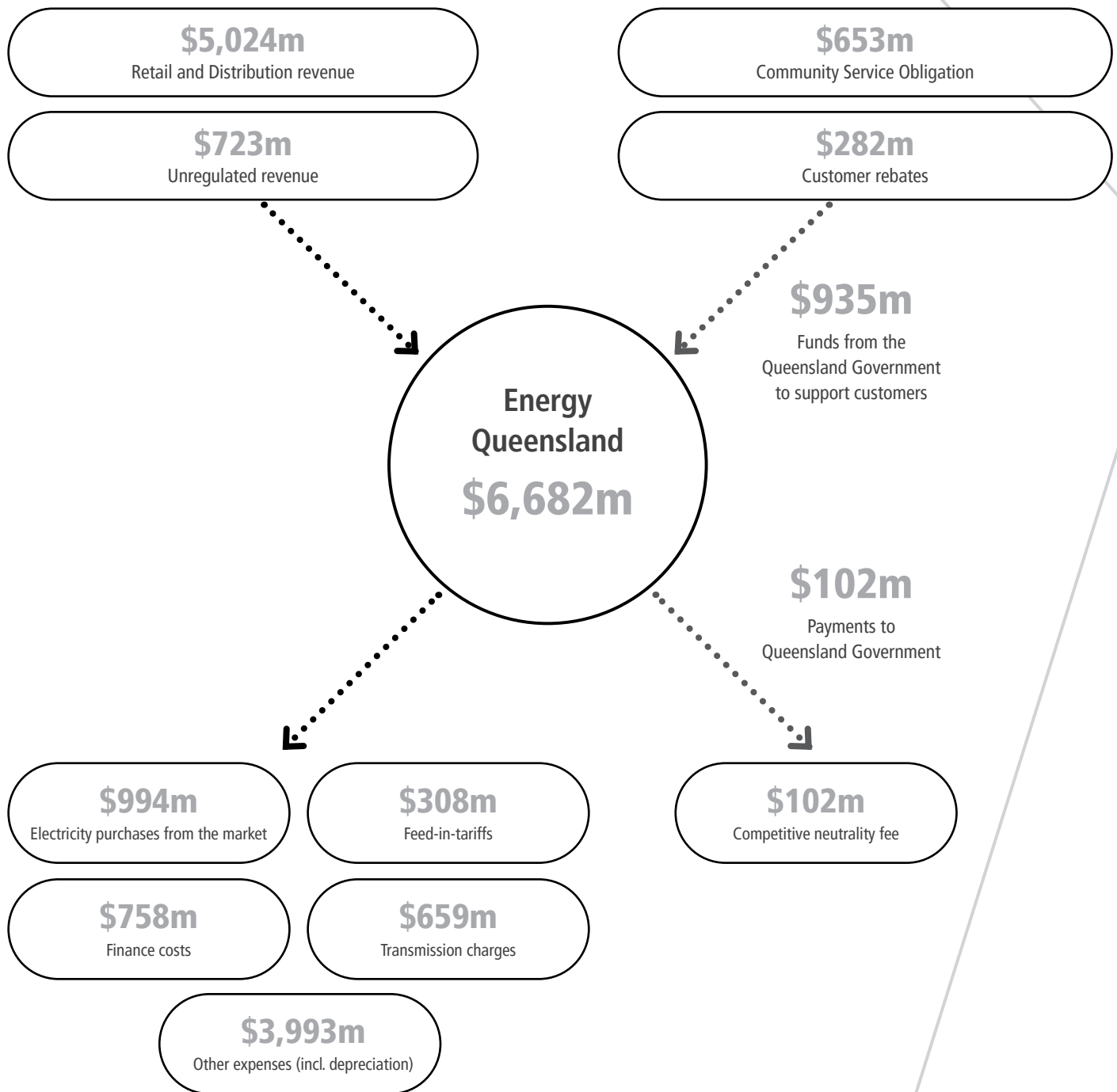
The Energy Queensland Group supports local communities by creating employment opportunities and facilitating procurement initiatives. Operating across the breadth of the state, in 2024-25, we injected \$1.7 billion in direct purchases from Queensland suppliers (2023-24: \$1.5 billion).

Our Local Network Battery Plan continued to drive growth in Queensland's battery storage sector, injecting \$40.1 million into Queensland based manufacturers. Construction of the next generation of high-voltage batteries for future stages is currently underway in Brisbane, generating new local employment opportunities. These projects integrate innovations and efficiencies derived from early stages of the program.

With funding from the Queensland Government, we have also progressed our flow battery trials as a sustainable alternative to lithium-based systems. We have completed construction of the first flow battery and are advancing a potential second, to assist the development of Queensland's mineral industries.

In 2024-25, we also strengthened our focus on First Nations supplier diversity by implementing our Aboriginal and Torres Strait Islander Procurement Strategy. This included staff training, internal communications, and joining Supply Nation. We have committed to maintaining and increasing our procurement spend with registered First Nations businesses – achieving an 77% increase on the previous year, growing our annual spend of \$14.2 million in 2023-24 to \$30 million in 2024-25.

Where the value flows



The above amounts illustrate how transactions flow between Energy Queensland, the wholesale electricity market, the Queensland Government, and our customers.

The classifications may be different from the revenues and expenses presented on page 65, which are presented as per the Australian Accounting Standards.

Our financials explained

This section explains the key financial outcomes for Energy Queensland Limited to 30 June 2025. This commentary is not exhaustive – for full disclosures refer to the Energy Queensland Limited Annual Financial Report on pages 65 to 128.

Where does our revenue come from?

Energy Queensland's total revenue is \$6,682 million, consisting predominantly of electricity Retail sales and Distribution revenue.

The Queensland Government's Community Service Obligation (CSO) subsidy for the year is \$653 million. The CSO is paid to Energy Queensland and applied to Ergon Retail to provide electricity in regional Queensland to residential and small business customers at prices based on the costs of supply in South East Queensland, in accordance with the government's Uniform Tariff Policy.

Unregulated revenue from other services is \$723 million.

What are our main expenses?

Our total expenses (excluding income tax) are \$6,814 million. Our operating and maintenance expenditure was \$3,088 million, with increased costs in employee benefits, materials and services. Transmission charges and electricity purchases were \$1,653 million.

Depreciation, amortisation and impairments of \$1,213 million continues to be a substantial cost due to the considerable investment in capital for the provision of electricity distribution network services.

Our increasing finance costs of \$860 million correlates with the increasing debt balance to fund capital investment and working capital requirements.

What assets do we own?

Our total asset base is \$31.7 billion. Property, plant and equipment are the major components of our asset base, at \$28.7 billion, which consists mostly of regulated electricity network assets. Our network assets are revalued to fair value on an annual basis.

What are our liabilities?

Total liabilities are \$27.4 billion. Our largest liability, the interest-bearing loan with Queensland Treasury Corporation, is \$22.0 billion with \$1.6 billion in loan drawdowns this year to fund business requirements, including capital investment. We remain committed to maintaining a sustainable financial position by managing our long-term debt levels to an appropriate target gearing ratio as considered appropriate by our Board, in consultation with our shareholder. The Debt to Standard Control Services Regulated Asset Base Ratio is 67.7%.

What was our capital investment?

Energy Queensland made \$2.6 billion of capital investments during the year, to maintain our network performance and service levels, and fulfil our commitment to meeting the future requirements of our communities.

What is Energy Queensland's dividend policy?

Energy Queensland's dividend policy is to declare dividends based on 100% of its Net Profit After Tax adjusted for material non-cash items. No dividend was declared given a loss for the year.

Key financial outcomes

	\$Million 2023-24	\$Million 2024-25
Our revenue		
Revenue and other income	6,115	6,682
Our expenses		
Transmission charges and electricity purchases	1,617	1,653
Operating expenses	2,675	3,088
Depreciation, amortisation and impairments	1,168	1,213
Finance charges	750	860
Our profit/(loss)		
Loss before tax	(95)	(132)
Loss after tax	(65)	(94)
Our assets		
Current assets	2,297	2,122
Non-current assets	27,994	29,540
Total assets	30,291	31,662
Our liabilities		
Current liabilities	2,234	1,840
Non-current liabilities	23,915	25,531
Total liabilities	26,149	27,371
Net assets	4,142	4,291
Our investment		
Total capital investment	2,203	2,562
Dividends		
Dividends declared	-	-

Governance

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Responding to our material topics

Secondary

Ethical Business Practices

We continue to reinforce a culture of lawful, ethical, and responsible conduct across the organisation, place a priority on reporting transparently, and are ensuring we address material sustainability matters through our strategic planning and management practices.

Board of Directors

Energy Queensland is governed by a Board of six Directors.

Patrick Brady

Chair

BE (Civil) (Hons), AssocDip (CivilEng), RPEQ, GAICD

Patrick Brady was appointed Chair of the Board in August 2025, bringing strategic leadership to Australia's largest government-owned energy business.

With a distinguished career in civil engineering, Patrick has led major projects across metropolitan and regional urban development, public infrastructure, agriculture, and mining. He is the Founder and Chair of Premise, one of Queensland's leading engineering businesses, known for its innovative and sustainable solutions.

Patrick also serves as Chair of the Board at Mater Misericordiae, which operates the state's largest not-for-profit network of public and private hospitals and healthcare services. In addition, he is a Non-Executive Director of Catholic Health Australia, contributing to national healthcare policy and governance.

His previous board appointments include Mater Health Services North Queensland and the Port of Townsville, reflecting his deep commitment to regional development and public service.

Patrick's extensive governance experience and industry insight position him to guide the organisation through a dynamic energy transition.

Bill Armagnacq

Director

BCom, FCA, FAICA

Bill Armagnacq joined the Board in late 2024. He is the Chair of the Regulatory and Investment Committee, and a member of the People, Safety and Environment Committee, and the Audit and Risk Committee. He has extensive experience in executive roles in the mutual banking sector, government owned energy entities, as well as in several non-executive director roles. He is also a Chartered Accountant.

He is currently on the Board of the North West Hospital and Health Service and a director of MOVE Bank. He is also a director of three not-for-profit entities providing software as a service to approximately 800 schools, a regional performing arts complex and a charitable foundation. He has also previously been a director of related group companies and a councillor and chair of an independent school.

Bill was Company Secretary of Heritage Bank for 16 years and, in addition to governance responsibilities, was Assistant CEO, Chief Risk Officer, and had responsibility for credit policy and operations, facilities, and insurance. Prior to joining Heritage Bank, he was company secretary of Ergon Energy Corporation. He worked with KPMG and predecessor firms, including over eight years as a partner in the tax consulting division providing advice to a range of both listed and non-listed clients.

Corinne Butler

Director

MPM, FAHRI, FABC, GAICD

Corinne Butler joined the Board in late 2024. She is the Chair of the People, Safety and Environment Committee and a member of the Digital Enablement Committee. She is a Human Resources leader with extensive experience in governance and advisory boards across diverse industries.

Corinne has a background in executive roles in the health sector, where she has a passion for improving business outcomes through people, productivity, and performance.

She is a Fellow of the Australian Human Resources Institute, a Graduate of the Australian Institute of Company Directors, a Fellow of the Advisory Board Centre, and has a Masters in Project Management.

Kevin Kehl

Director

BEng (Hons), GAICD

Kevin Kehl joined the Board in June 2024. He is a member of the Audit and Risk Committee and the Regulatory and Investment Committee. Kevin was appointed as the Chair of the Ergon Energy Corporation Limited and Energex Limited Boards, both of which are subsidiary entities of Energy Queensland, in March 2025.

Previously an executive leader at Powerlink Queensland and Energex, Kevin has more than 40 years of experience in the energy industry across the distribution and transmission networks sector.

He is currently a non-executive Director of TasNetworks and MarinusLink Pty Ltd and 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. He is also a Graduate Member of the Australian Institute of Company Directors.

Karen Lay-Brew

Director

B. Applied Science – Computing, MBA, MAICD

Karen Lay-Brew joined the Board in 2021. She is the Chair of the Digital Enablement Committee and a member of the People, Safety and Environment Committee.

Karen brings extensive international experience in Chief Information Officer and Chief Productivity Officer roles in multinational corporations including BHP, Microsoft, and Honeywell Asia Pacific, with responsibility for implementing systems and technologies, culture change and operational excellence.

Karen has served on high-level Australian Government boards for several years and was previously a director and President of the Australian Business Software Industry Association, now renamed DSPANZ. She is the Strategic Advisor to the Australian Government on Digitalisation of Businesses with focus on electronic invoicing for the whole economy.

She is the Managing Director of 3Pillars.Digital, which supports organisations in applying contemporary and digital technologies to deliver sustained business outcomes. The 3Pillars group provides management consulting services to numerous industries including mining, utilities, defence, and the public sector.

Leisa Rafter

Director

LLB (Hons), B.Bus (Accounting), MAICD, CTA

Leisa Rafter joined the Board in late 2024. She is the Chair of the Audit and Risk Committee and a member of the Digital Enablement Committee.

She is a highly experienced Tax Partner at BDO in Brisbane, with more than 20 years of experience. She is currently a director on the Board of BDO Australia Limited.

Leisa is the Chair of the Queensland State Taxes Sub-Committee for the Taxation Institute of Australia (TIA). She also represents the TIA on the Taxation Consultative Committee with the Queensland Office of State Revenue.

In addition, Leisa is an admitted solicitor in Queensland, Registered Tax Agent, Chartered Tax Advisor, Fellow, Taxation Institute of Australia, Member of Queensland Law Society Inc, and has completed the Australian Institute of Company Directors course.

Leisa is a leading professional advisor in the Queensland market, recognised for her technical and practical expertise, commercial acumen, and strategic approach to risk management and governance. Her industry experience spans property, energy, infrastructure, government, agribusiness, and mining.

Executive Leadership Team

Energy Queensland's Executive Leadership Team comprises of a CEO and nine executive leaders.

Peter Scott

Chief Executive Officer

DipBus, BBus, MPA, MBA, FCPA, GAICD

Bringing a wealth of leadership and energy industry experience, Peter Scott was appointed Chief Executive Officer of Energy Queensland in September 2023. Peter had previously acted in the role and was also in Energy Queensland's Executive Leadership Team as Executive General Manager Finance. Prior to Energy Queensland, Peter served as Energex's Chief Financial Officer for two years.

Peter's leadership has been instrumental in driving Energy Queensland's strategic direction. His expertise in financial management and corporate governance has been pivotal in navigating the complex energy industry landscape and delivering value to stakeholders.

Throughout his career he has had extensive experience as a senior executive across different government-owned corporations and in local government, which has included exposure to the challenges of regional Queensland.

Peter holds a Diploma of Business, a Bachelor of Business, a Master of Professional Accounting, a Master of Business Administration, and is a Fellow of Certified Practising Accountants and a Graduate of the Australian Institute of Company Directors.

Benn Barr

Executive General Manager, Regulation

BEcon, GAICD

Benn Barr commenced with Energy Queensland in May 2025, bringing with him over 25 years of experience in energy and climate change policy. He has a deep understanding of the national energy market and opportunities for renewable energy.

Benn has expertise in the energy market and regulation, with a track record of providing strategic policy advice to government across a diverse range of resource management areas. He has also contributed to key priorities under the Energy and Climate Change Ministerial Council's Strategic Energy Plan.

Previously, Benn was the Secretary of the Council for the Australian Federation, a collaborative intergovernmental group of state and territory First Ministers. He also served as the Queensland Government's senior official for the Council of Australian Governments (COAG) Energy Council.

Prior to joining Energy Queensland, Benn served as Chief Executive of the AEMC from 2020, following six years as Deputy Director General in the Queensland Department of Natural Resources, Mines and Energy.

Ruth Coulson

Chief Financial Officer

BCom, CA, GAICD

Ruth Coulson joined Energy Queensland as Chief Financial Officer in August 2025. Prior to this, she was the Chief Financial Officer at Urban Utilities.

Ruth is a Chartered Accountant with more than 30 years' experience in delivering major transformation and change initiatives to optimise operational, financial, and strategic outcomes.

After starting her career in the accounting profession at a major international accounting firm, Ruth gained extensive experience working with large complex infrastructure organisations across both Australian and global markets.

Ruth is responsible for leading the Business Services function at Energy Queensland, which includes procurement and supply, financial control, business process improvement, and financial performance and analysis.

Ruth holds a Bachelor of Commerce degree, is a member of Chartered Accountants Australia and New Zealand, and is a Graduate of the Australian Institute of Company Directors.

Michael Dart

Chief Customer Officer

BSc (AusEnvSt), BSc (EnvHlth), Dip(Mgt), GAICD

Since joining the Energy Queensland Executive Leadership Team in 2020, Micheal Dart has championed the Group's customer and community strategies. On behalf of the Board, he has also provided leadership across our significant stakeholder and customer engagements.

His portfolio includes customer and community strategy, media management, government and investor relations, internal communications, marketing, brand, and customer digital needs. He also heads the Network businesses' Customer and Market Operations unit, covering connections, metering services, market transactions, network billing, and the customer contact centres.

Michael has been recognised as a Global Top 50 Influencer for CX, Asia Pacific Top 100 Leader for Customer Engagement, and by the Public Relations Institute of Australia.

With over 25 years of experience in the energy industry, private sector, and government consulting, Michael has significant stakeholder, communications, and policy experience. He has also served as a Non-Executive Director in the government, arts, environment, science, and health fields. He is currently a Board Director at Griffith University and Queensland Theatre.

Jeff Green

Chief Operating Officer

Jeff Green joined the Executive Leadership Team in July 2025. As the Chief Operating Officer, Jeff leads the operations and maintenance of Energy Queensland's distribution network across the State covering both Ergon Energy and Energex's operational streams. Prior to joining the Executive Leadership Team, Jeff was the Deputy Chief Operating Officer for two years.

The Chief Operating Officer role encompasses the full range of operational aspects including works programming, field delivery, network operations, system design, substations and delivery enablement which covers apprentices, fleet, contract resources, equipment operations, Improvement and Delivery Standards, training and emergency planning and response.

With over 35 years in the energy and distribution sections, Jeff is passionate about shaping the future of energy networks with a key focus on driving operational excellence, delivering outstanding customer service, and enhancing workforce capability. Living in regional Queensland, Jeff is committed to ensuring safety, efficiency, and sustainability in all we do and is passionate about our people and the communities we work in.

Jason Hall

Acting Chief Engineer

BEng(Hons), GradCertMgt, RPEQ

Jason Hall joined the Executive Leadership Team as Acting Chief Engineer in March 2025, leading engineering and asset management strategies for Energy Queensland's electricity distribution networks. In his substantive role as General Manager Grid Technology, he ensures safe, reliable protection, telecommunications, and control systems for Ergon Energy and Energex, including new technologies for intelligent grid transition.

Jason holds a Bachelor of Engineering (Electrical and Computer) with Honours from Queensland University of Technology and a Graduate Certificate in Management from Deakin University. He is a trade-qualified electrical fitter mechanic and has over 30 years' experience in Queensland's electricity industry.

Jason is a Registered Professional Engineer of Queensland, Energy Queensland's member representative of CIGRE Australia, a member of the Energy Networks Australia Asset Management Committee, and a Board Director of the Australian Power Institute.

Ayesha Razzaq

Executive General Manager, Retail

BEng(Hons), GAICD, FAMI

Ayesha Razzaq was appointed Executive General Manager, Retail in March 2020. She leads Energy Queensland's Retail business, Ergon Energy Retail, which focuses on delivering exceptional customer experiences, managing wholesale energy procurement, and continuously innovating products and services for customers.

With over 25 years of experience in senior executive roles within the energy industry, Ayesha is dedicated to driving sustainable energy solutions and building a resilient energy future for communities. She is committed to a customer and people-centred approach, operational and transformational excellence, and implementing strategies that drive profitable growth.

Ayesha holds a Bachelor of Engineering with Honours and is an alumnus of the Harvard Business School, where she completed the Advanced Management Program. She is also a graduate member of the Australian Institute of Company Directors, a member of the Chief Executive Women group, and was awarded the 2017 Corporate Telstra Business Woman Award.

Todd Reynolds

Executive General Manager, People, Property and Safety

BSc, MBA, GAICD

Todd Reynolds joined Energy Queensland in January 2024 as Executive General Manager, People, Property and Safety. He is responsible for leading Human Resources, Industrial Relations, Safety, Environment and Cultural Heritage, Corporate Shared Services, Property, and Security.

Todd has significant experience across the aviation and energy industries. He has spent the last 10 years working in the aviation sector, including General Manager roles in Workplace Relations, Human Resources, and Government Relations.

Prior to working in aviation, Todd held Industrial Relations and Human Resources leadership roles with Stanwell Corporation, a Queensland Government Owned Corporation (GOC).

Todd has a Bachelor of Science from James Cook University, a Master of Business Administration (Executive) from the Royal Melbourne Institute of Technology and is a Graduate of the Australian Institute of Company Directors.

Sharyn Scriven

Chief Information Officer

MBA, GAICD, MCIPs

Sharyn Scriven has over 25 years of leadership experience in the Australian utility sector, working in areas such as asset investment, operations, workforce management, strategic program management, procurement and supply and commercial partnerships.

She was permanently appointed as the Chief Information Officer in May 2024, following a short period of acting in the role. Previously, Sharyn was the General Manager Grid Investment at Energy Queensland, managing an annual \$2 billion network investment portfolio.

Sharyn is a Director of the Dream Big Australia Board, a charity committed to enhancing women's potential and their ability to succeed in STEAM careers.

She holds an MBA from the University of South Australia, is a Graduate of the Australian Institute of Company Directors, and holds MCIPs with the Chartered Institute of Procurement and Supply.

Her speciality areas are transformational change, strategic thinking, people development, and operational excellence.

Jane Nant

Company Secretary

BA (Hons), LLB (Hons), LLM, Grad Dip ACG, GAICD

Jane Nant was appointed to the role of Company Secretary in May 2017. She has over 20 years of experience in senior legal and governance roles across various industries and sectors, including local and state government and publicly listed companies.

Jane began her career as a property, planning, and environmental lawyer. She holds a Bachelor of Arts (Hons), Bachelor of Laws (Hons), a Master of Laws, and a Graduate Diploma in Applied Corporate Governance. She is a graduate of the Australian Institute of Company Directors and a member of the North Queensland Regional Forum for the AICD. Jane has also held a number of executive and non-executive director roles.

Belinda Watton

Executive General Manager, Yurika

BCom, MAppLaw, GradCertAppFin, GAICD

Belinda Watton has been a member of the Executive Leadership Team since 2016 and was appointed as the Executive General Manager of Yurika in January 2023, making her responsible for leading a competitive commercial business that boasts a rapidly growing, national footprint.

Yurika provides comprehensive solutions encompassing engineering, design, procurement, construction, operation, and maintenance for major energy and infrastructure projects. Additionally, Yurika offers a suite of integrated energy solutions, including telecommunications, Internet of Things, metering, and energy material supplies.

Belinda has a track record of transforming cultures and delivering organisational objectives in public, private and not for profit organisations across a range of different industries.

Having previously served as a Non-Executive Director with the Electrical Safety Board and Executive Director for Ergon Retail and Energex and Ergon Distribution Boards, Belinda is currently a Non-Executive Director at Energy Skills Queensland. She has a Bachelor of Commerce, a Masters of Applied Law, qualifications in finance, is a graduate member of the Australian Institute of Company Directors, and a member of Chief Executive Women.

Corporate governance statement

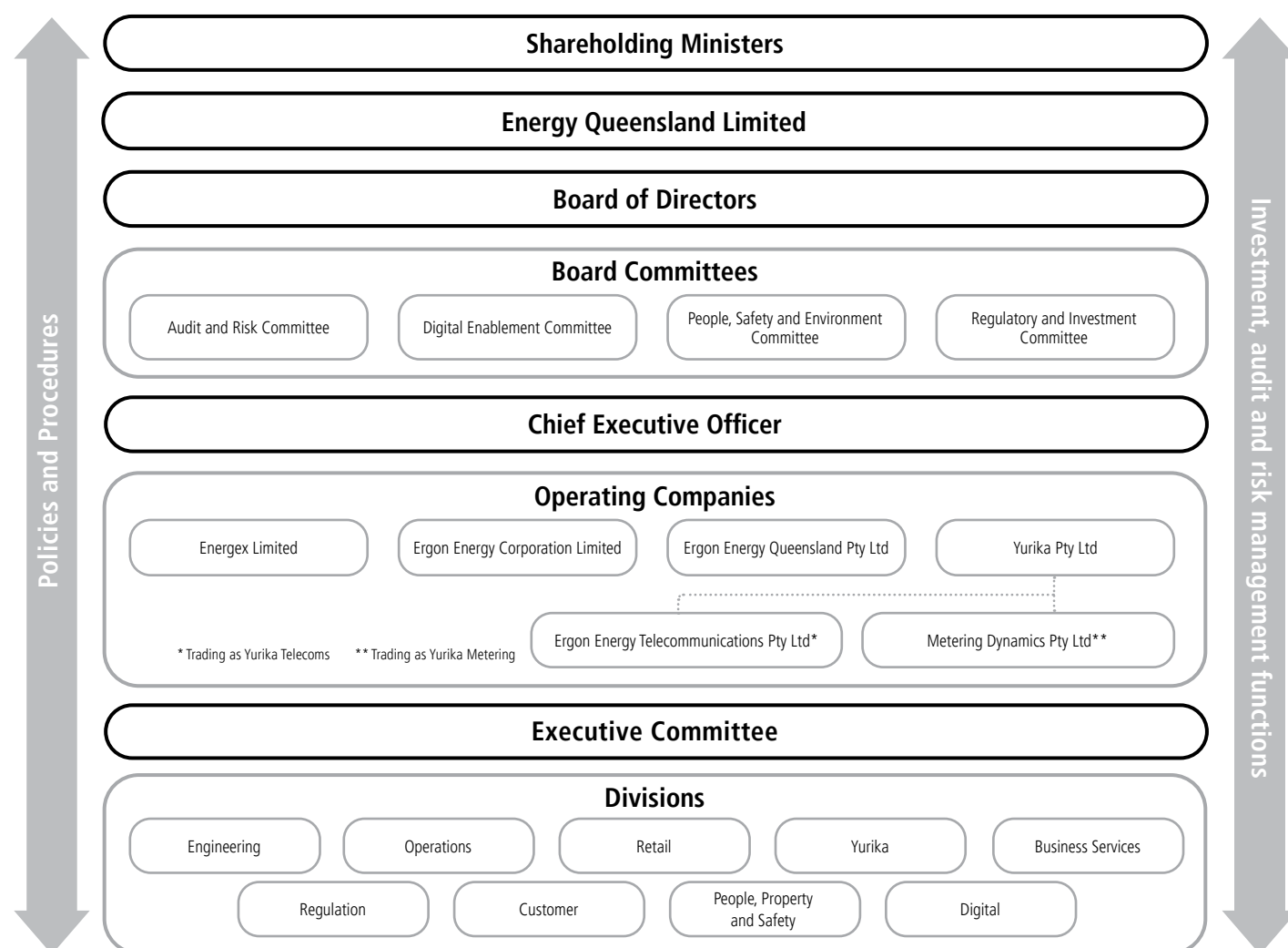
Energy Queensland Limited is a Government Owned Corporation (GOC) reporting to the Queensland Government via shareholding Ministers – the Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training on behalf of the communities across Queensland.

Energy Queensland is the parent company of operating subsidiary companies, including Ergon Energy Corporation Limited, Energex Limited, Ergon Energy Queensland Pty Ltd, Yurika Pty Ltd, Metering Dynamics Pty Ltd, and Ergon Energy Telecommunications Pty Ltd. The business of these subsidiaries includes the provision of regulated electricity distribution, retail electricity services, and other unregulated business activities.

Energy Queensland is governed by an independent Board of Directors whose role is to provide effective governance, oversight and strategic direction of the affairs of the Energy Queensland Group while having regard for the interests of all stakeholders, including the shareholders, community stakeholders, customers, industry partners and employees.

Energy Queensland's corporate governance practices are in line with the Queensland Government's Corporate Governance Guidelines for Government Owned Corporations and where applicable, the Australian Stock Exchange (ASX) Corporate Governance Council Principles and Recommendations (4th edition). These provide a framework of eight principles that guide Energy Queensland's corporate governance arrangements.

Corporate governance framework



Principle 1 – Foundations of management and oversight

Energy Queensland's Board Charter outlines the role of the Board and sets the framework for the Energy Queensland Group's long-term success providing effective governance, oversight and strategic direction of Energy Queensland's affairs. The Board Charter supports Directors and Executives in understanding their governance responsibilities. The Charter is reviewed every two years and can be accessed at www.energyq.com.au. Charters also exist for the subsidiary companies and the Board Committees.

The Board has established four committees to assist the Board in fulfilling its oversight, responsibility, and performance of its functions in key areas in accordance with Committee Charters, which are available at www.energyq.com.au:

- **Audit and Risk Committee** – financial integrity and financial reporting; sustainability framework and reporting; effectiveness of the fraud and internal control framework, policy framework; audit and assurance; risk culture, policy, framework and approach; compliance culture, policy, framework and approach; and resilience and insurance.
- **Digital Enablement Committee** – digital strategy, including digital projects and investments, cyber matters, including security and emerging technology issues
- **People, Safety and Environment Committee** – people, safety, and environment
- **Regulatory and Investment Committee** – energy regulatory issues and policies, ring-fencing, and regulatory determinations, investment management and investment management frameworks, major projects, prioritisation of projects, and performance of projects and investments.

In addition, the Governance and Delegations Policy provides the framework for decision-making and identifies the matters reserved to the Energy Queensland Board and its subsidiary companies, as well as the CEO and executive management. The reporting relationship and decision-making responsibilities of the Energy Queensland Board and subsidiaries are documented in the Energy Queensland Group Governance Framework.

All new directors attend a structured induction program to ensure they understand roles and responsibilities, functions of the Board and Committees, and corporate expectations. New directors also receive an overview of Energy Queensland's operations and the Energy Queensland Board Handbook. Professional development opportunities are provided for directors to develop and maintain the skills and knowledge required to fulfil their role and understand the business.

Energy Queensland's Executive Leadership Team comprises the CEO and nine other executives. The team is based across Queensland.

Energy Queensland prides itself in achieving gender diversity in senior executive positions and is a strong proponent of the benefits a diverse workforce brings. Our Diversity, Equity and Inclusion Plan was recently refreshed (2024-2026) and our Diversity, Equity and Inclusion Policy is available at www.energyq.com.au. Of the nine executive positions, 45% are held by women. In addition, two-thirds of the Energy Queensland's Board's positions are held by women with the Chair being female. The composition of Energy Queensland's workforce is made up of 22% women and 3.8% First Nations employees. Initiatives are in place to increase the number of women and First Nations people working in areas of engineering, field work and apprenticeships.

Other key roles within the organisation include the Company Secretary, GM Internal Audit and Assurance and the General Counsel all of whom are women.

Key Performance Indicators and targets that align to the performance of Energy Queensland as set out in its corporate scorecard are agreed on an annual basis with a performance review conducted during the year. The performance review of the CEO including setting of key performance indicators is conducted by the Chair annually in accordance with a defined evaluation process. The CEO then conducts annual performance evaluations of the Executive including setting of key performance indicators with a half-yearly check in pursuant to a defined performance review process.

Principle 2 – Structuring the board to be effective and add value

Energy Queensland's Board of Directors, including the Chair, are independent, skills-based non-executive directors appointed in accordance with the *Government Owned Corporations Act 1993* (Qld).

Details of the Directors' qualifications, skills and relevant experience are on page 47. The number of Board and Committee meetings held along with Directors' attendances as well as the term of Directors are set out in the Directors' Report on page 58.

The Board ensures that Directors' independence is maintained through the Directors Conflicts of Interest Policy, which is supported by a Conflict of Interest Protocol. Energy Queensland has also adopted a Securities Dealing Policy and an Appointment of EQL Nominees to External Boards Policy to support the maintenance of Directors' independence and effective management of conflicts of interest. In addition, the Board Charter provides that, with the prior approval of the Chair, each Director has the right to seek access to independent professional advice required to fulfil their role at the company's expense.

Board performance evaluations are conducted at least every two years and are in accordance with the Government Owned Corporations Guidelines. These evaluations include assessment of director skills and experience, Board culture and meeting dynamics, the quantity, quality and timeliness of information and decision-making. In accordance with the Board's established practice, the Board's performance evaluation for the 2023-24 reporting period was an internal assessment of progress against the 2022-23 recommendations, which was conducted by the Chair and Company Secretary. All recommendations have been actioned. The next external evaluation performance review is due in late 2025.

Principle 3 – Promoting a culture of acting lawfully, ethically and responsibly

Energy Queensland is committed to fostering and continually reinforcing a culture of lawful, ethical, and responsible conduct across the organisation. This commitment is supported by an Integrity Framework outlining Energy Queensland's policies and guidelines, as well as the internal networks and support options available to employees.

Energy Queensland has established a framework to facilitate the reporting of wrongdoing and to protect individuals who make such disclosures. Energy Queensland complies with the whistleblower protection requirements under the *Public Interest Disclosure Act 2010* (Qld) (PID Act) and the *Corporations Act 2001* (Cth).

The Public Interest Disclosure and Whistleblower Policy encourages the reporting of matters under the PID Act, which are assessed based on the nature, extent, and scope of conduct that has given rise to the complaint made by employees or contractors of Energy Queensland. Whistleblower Disclosures under the *Corporations Act 2001* (Cth) about Energy Queensland's operations or activities that could adversely impact the organisation are also encouraged. All Public Interest and Whistleblower

Disclosures are appropriately assessed, reported, investigated (where necessary), and managed in accordance with legislative requirements. Protection is provided to disclosers from reprisal and/or victimisation. A procedure for managing Public Interest Disclosures is available at www.energyq.com.au.

Energy Queensland continues to develop and refine tools and measures to assess and monitor the culture of the organisation, providing insight to the Board as to the state of the culture and to enable the Board to address any systemic risk factors. The Board engages with employees through regular Board visits and site tours to better understand and experience the culture of the organisation.

The Employee Code of Conduct sets the standard for how employees operate in accordance with business ethics, social objectives, and corporate values and associated policies. Advisers, consultants and contractors are expected to comply with high ethical standards aligned with the Code of Conduct.

New employees receive induction training on ethical business practices, including the Code of Conduct with regular refresher training and updates provided to all employees. The Board also has a Director Code of Conduct to assist in its decision-making process.

A declaration of Directors' interest is a standing agenda item at the commencement of every Board and Committee meeting to ensure conflicts of interest are managed.

Decision-making is delegated under the *Corporations Act 2001* (Cth) and formalised in the Governance and Delegations Policy. Decision-making is further guided by policies established under the Energy Queensland Group Governance Framework.

Principle 4 – Safeguard integrity in corporate reporting

The role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities, including Energy Queensland's financial integrity and financial reporting; sustainability framework and reporting; effectiveness of the fraud and internal control framework; policy framework; and audit and assurance, in accordance with the Audit and Risk Committee Charter. The Chair of the Audit and Risk Committee is not the Board Chair.

Internal and external auditors are invited to attend Committee meetings to present relevant reports and discuss any concerns with the Committee, without management influence. The Queensland Audit Office is Energy Queensland's external auditor.

The Audit and Risk Committee defines the internal auditor's scope of work through establishment of an Internal Audit and Assurance Charter and Internal Audit Plan. Internal Audit is an independent function that assists the Board and Management in the effective discharge of their responsibilities.

Principle 5 – Make timely and balanced disclosure

The Board has reporting and disclosure obligations to the shareholding Ministers under the *Government Owned Corporations Act 1993* (Qld) and *Corporations Act 2001* (Cth).

Energy Queensland provides the shareholding Ministers with a copy of the audited accounts for each financial year and an annual report in accordance with the requirements of the *Government Owned Corporations Act 1993* (Qld). Energy Queensland also provides Quarterly Shareholder

Reports to ensure that the shareholding Ministers have access to material information regarding the company and its subsidiaries including its operations, financial performance, financial position and governance.

Principle 6 – Respect the rights of shareholders

Energy Queensland develops a Statement of Corporate Intent and Corporate Plan setting out the key strategies and performance targets for Energy Queensland annually and on a five-year rolling basis.

The Statement of Corporate Intent is publicly available at www.energyq.com.au. In addition to regular quarterly reporting and this Annual Report, Energy Queensland reports to its shareholding Ministers in a timely manner on all issues likely to have a significant financial, operational, social or environmental impact in accordance with obligations under legislation and government guidelines. Energy Queensland also reports on senior executive appointments and remuneration in accordance with the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements.

Energy Queensland works cooperatively with the shareholding Ministers on these issues to deliver the best outcomes for customers and the Queensland community. The Board Chair meets regularly with shareholding Ministers and their representatives, as part of a broader government engagement program, to ensure active dialogue throughout the year.

The CEO and various senior managers and employees liaise with representatives of shareholder departments on a regular basis.

Shareholding Ministers require certain decisions to be approved by shareholders under the Investment Reporting Guidelines for Government Owned Corporations. The current thresholds are notified through the Statement of Corporate Intent and are set out in Energy Queensland's Governance and Delegations Policy.

Principle 7 – Recognise and manage risk

The role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibility of Energy Queensland's approach to risk management, compliance management, organisational resilience, and insurance.

Energy Queensland is committed to embedding effective risk management across all levels of the business to support the delivery of strategic and operational objectives. The Risk Management Policy sets out the overarching risk management architecture, principles and expectations to enable Energy Queensland to utilise appropriate integrated practices to be a resilient, flexible, adaptable, and sustainable business. Energy Queensland's risk management framework aligns with the principles of AS/NZS SSO 31000:2018 Risk Management – Guidelines and is reviewed regularly.

The Board retains ultimate responsibility for risk management and for determining the appropriate level of risk that the Board is willing to pursue or accept to achieve its objectives. The Board considers strategic risks annually.

The CEO and Executive Leadership Team have ultimate accountability for ensuring that the Group has identified and managed its strategic and operational risks and has effective risk management strategies. Each Executive is accountable for ensuring risks are identified and managed within their business unit and for having appropriate crisis, disaster, incident, emergency management, and business continuity planning in place. New and emerging risks are considered by the Executive Leadership Team, Audit and Risk Committee, and then the Board in accordance with risk escalation processes.

Environmental and social risks

Expectations on businesses in relation to environmental, social and governance matters are increasing from stakeholders. The Board and Executive Leadership Team regularly discuss the impacts of climate change on Energy Queensland's assets and operations, as well as Energy Queensland's contribution to climate change. Other non-financial risks, such as psychosocial hazards, new digital technologies, diversity, equity and inclusion data, targets and initiatives, sustainability reporting, amendments to privacy legislation and protection of customer data, and complex issues, such as addressing modern slavery and ethical procurement, are also considered and discussed. Risks across these areas are included in the risk reporting to the Audit and Risk Committee and are elevated to the Board if required. A summary of broader material risks is included in Energy Queensland's Statement of Corporate Intent.

Cyber risks

Energy Queensland continually enhances its cyber security processes and controls to secure its data and systems, in line with the focus and emphasis placed on cyber security by the Board. This ensures that Energy Queensland is able to defend against cyber attacks, protect information and critical functions from disruption, preserve intellectual property, and avoid data leaks or privacy breaches.

Fraud and corruption prevention

Energy Queensland is committed to promoting and achieving an ethical and transparent culture of integrity and best practice governance. Fraud and corruption are incompatible with this culture and present a risk to the achievement of the organisation's strategic objectives. To mitigate these risks, Energy Queensland is committed to the prevention, identification, and management of fraud and corruption. This includes raising awareness of potential risks through various channels, such as internal communications and training, and implementing controls aimed at reducing the opportunity to commit fraud or corruption and increasing the likelihood of detection.

All allegations of Fraud or Corruption are treated seriously, thoroughly investigated and appropriate action taken. Where required, suspected or actual instances are reported to the appropriate authorities. Energy Queensland maintains a zero-tolerance approach to victimisation or reprisals against individuals who report suspected fraud or corruption.

Energy Queensland's Fraud and Corruption Prevention Policy outlines the obligations for fraud identification and prevention, as well as the processes for reporting, recording and investigating allegations while ensuring compliance with Public Interest Disclosure requirements and encouraging accountability across the organisation.

External audit

The Queensland Audit Office (QAO) is appointed as the external auditor for Energy Queensland.

The Energy Queensland Group undergoes a series of external audits, as part of its commitment to world-class practices, to meet certification against International Standards for the management of electricity transmission, distribution network, and ancillary services. Achieving Certification and Accreditation serves as a formal attestation to international standards. The Group holds certification for ISO9001 Quality Management System, ISO14001 Environmental Management System, ISO45001 Occupational Health and Safety Management System, alongside Accreditation to the International standard ISO/IEC 17025 for Testing and Calibration. The Group is also working towards accreditation against ISO55000 for Asset Management. Accreditation provides an independent benchmark, affirming technical competence and authority in the industry.

In addition to Certifications and Accreditations, the Electrical Safety Office mandates prescribed electricity entities to have and give effect to a safety management system that it is assessed by an accredited auditor and conducted annually. This ensures that Energy Queensland not only meets regulatory requirements but also continually improve safety practices to protect its people, assets, and the communities it serves.

Internal audit and Assurance

Energy Queensland's internal control framework is comprised of policies, procedures and guidelines, including compliance training that are designed to provide assurance that the affairs of the organisation are being conducted in accordance with relevant legislation, regulations, and codes of practice.

Energy Queensland has established an Internal Audit and Assurance function to support the Board and the Executive Leadership Team to monitor, in a timely manner, any material matters affecting the organisation and the performance of the internal control framework.

The General Manager Internal Audit and Assurance is accountable for the Internal Audit function, which reports independently to the Audit and Risk Committee on progress against the Internal Audit Plan and resolution of issues raised in reports, and administratively to the Company Secretary. The General Manager Internal Audit and Assurance has unrestricted access to the CEO to discuss any matter relating to the finances or operations of the business. The Internal Audit and Assurance Charter (available at www.energyq.com.au), adopted by the Board, is reviewed on a regular basis.

Entertainment and hospitality

To provide the transparency expected of a government owned organisation, Energy Queensland reports on entertainment and hospitality expenses greater than \$5,000 incurred as part of normal business for the previous financial year.

DATE	EVENT	INVESTMENT
April 2025	Operations ELT Forum	\$5,491

Principle 8 – Remunerate fairly and responsibly

The People, Safety and Environment Committee assists the Board with its oversight of employee issues concerning:

- developing and maintaining a skilled workforce that meets Energy Queensland's requirements;
- a remuneration policy which leads to remuneration that is fair and to market
- performance management and behaviours which are consistent with the values and goals of Energy Queensland and that value the customer, probity, teamwork, and a successful organisation.

Energy Queensland's remuneration strategy and practices aim to attract and retain highly competent and capable employees at all levels by providing an appropriate combination of competitive, fixed, and variable remuneration components. Remuneration packages for executives comply with government guidelines to achieve a balance between public accountability and transparency. Non-executive directors' fees and executive's remuneration packages, including at-risk payments, are reported in the Financial Report on page 121. 'At-risk' payments are contingent upon the Board's assessment of the company's performance and shareholder expectations.

A performance management framework linking performance to the strategic objectives of the organisation promotes continual performance and opportunities for professional development for all employees, with reviews conducted on an annual basis.

The performance of the Energy Queensland Group, including the CEO, against key performance measures set by the Board each year and the Statement of Corporate Intent, is assessed by the People, Safety and Environment Committee in the first instance, with the Board undertaking the final assessment. The Board also has oversight of the performance assessments of senior executives undertaken by the CEO. The People, Safety and Environment Committee Charter can be accessed at www.energyq.com.au.

Directions and notifications

On 30 September 2024, shareholding Minister's gave notice under section 114 of the *Government Owned Corporations Act 1993* (Qld) that the following policies will apply to Energy Queensland:

- the Building Policy Framework
- Buy Queensland 2023, comprising the Queensland Procurement Strategy 2023 and the Queensland Procurement Policy 2023
- Queensland Renewable Energy Procurement Policy and Best Practice Industry Conditions (BPICs).

The formal commencement date for application was 1 November 2024.

However, on 11 November 2024, the Queensland Government announced the temporary suspension of BPICs on new government funded construction projects.

The temporary suspension will remain in force until a comprehensive review can be completed by the Queensland Productivity Commission.

Directors' Report

For the year ended 30 June 2025

Directors' Report

For the year ended 30 June 2025

The Board of Directors of Energy Queensland Limited (the Company or Energy Queensland) is pleased to present their report together with the financial report of the consolidated entity, being the Company and its controlled entities (the Group) for the year ended 30 June 2025 and the auditor's report thereon.

Directors

The names of Directors in office at any time during or since the end of the last financial year end are:

	Date appointed	Date ceased
Patrick Brady (Chair)	7 August 2025	n/a
Sarah Zeljko (Chair) ¹	1 October 2022	7 August 2025
Bill Armagnacq	19 December 2024	n/a
Corinne Butler	19 December 2024	n/a
Karen Lay-Brew	17 June 2021	n/a
Kevin Kehl	1 June 2024	n/a
Leisa Rafter	19 December 2024	n/a
Mark Algie ²	1 October 2016	19 December 2024
Megan O'Hara Sullivan	1 June 2024	19 December 2024
Teresa Dyson	1 October 2016	19 December 2024
The Hon Paul Lucas	17 June 2021	19 December 2024
Vaughan Busby ³	12 October 2017	30 June 2025

¹ Sarah Zeljko's appointment as a director ceased 7 August 2025.

² Mark Algie's appointment as director expired on 30 September 2022. However, he was reappointed as director from 13 October 2022.

³ Vaughan Busby resigned effective 30 June 2025 prior to his contract expiry of 30 September 2026.

Please refer to the 'Board profiles' section of the Company's annual report 2024-25 for details of Directors' qualifications, experience and special responsibilities.

Company secretaries

Jane Nant BA (Hons), LLB (Hons), LLM, Grad Dip ACG, GAICD

Jane was appointed to the role of Company Secretary in May 2017. Jane has over 20 years' experience in senior legal and governance roles, across a number of industries and sectors including local and state government and publicly listed companies. She has over 18 years' experience as a Company Secretary.

Debra Grieve LLB, GAICD

Debra was appointed as an additional Company Secretary in February 2025. Debra has 20 years' experience in governance roles in the education and arts industries as well as the energy sector including 15 years in company secretary roles.

Registered office

420 Flinders Street
Townsville Queensland 4810

Principal activities

The principal activities of the Group are the:

- Design, construction and maintenance of the Queensland Electricity Distribution Networks (networks);
- Distribution of electricity within Queensland;
- Non-competitive electricity retailing in regional Queensland; and
- Provision of electricity related services.

Directors' Report

For the year ended 30 June 2025

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Operating and financial review

The Group's consolidated loss after income tax benefit is \$94 million for the year (2024: loss after income tax benefit of \$65 million).

Revenue

Energy Queensland's total revenue for the year is \$6,682 million (2024: \$6,115 million) consisting predominantly of electricity Retail sales and revenue for the use of the networks of a combined \$4,944 million (2024: \$4,494 million).

Revenue for the use of the networks is higher compared to 2024 due to both higher regulated revenue allowances determined by the Australian Energy Regulator (AER) and increased energy consumption in the current year. Revenue from sales of electricity for 2025 is higher when compared to 2024 due to an increase in notified prices as published by the Queensland Competition Authority. Increases in network costs was the key driver of the increase in notified prices.

The Queensland Government's Community Service Obligation subsidy is \$653 million (2024: \$619 million). This subsidy ensures that, under the uniform tariff policy, regional customers pay the same regulated prices as consumers in South East Queensland.

Expenditure

Total expenses for the year (excluding income tax) of \$6,814 million (2024: \$6,210 million) is reflective of inflationary cost escalations being faced as an organisation and increasing volumes of work. The ongoing maintenance and modernisation of the network, as well as the response to multiple extreme weather events, most notably Cyclone Alfred in South East Queensland and major flooding in North and Western Queensland, have contributed to the higher spend this year.

Depreciation, amortisation and impairments for the year of \$1,187 million (2024: \$1,150 million) continues to be a substantial expenditure due to the considerable investment in capital for the provision of electricity distribution network services.

The finance costs for the year of \$860 million (2024: \$750 million) include interest expense of \$768 million (2024: \$650 million) which correlate with the increasing debt balance held with Queensland Treasury Corporation to fund capital investment and working capital requirements.

Payments in respect of solar exports, including the Queensland Government's Solar Bonus Scheme, is \$308 million (2024: \$305 million). Ongoing reductions in the number of customers eligible under the scheme have been partially offset by higher volumes of energy exported by these customers.

Financial position

The primary asset included in the Group's total asset base consists of the network assets which are carried at fair value, using an income approach based on a discounted cash flow methodology.

The Group delivered a \$2,562 million (2024: \$2,203 million) capital works program. Energy Queensland is committed to managing assets consistent with customer expectations whilst fulfilling our obligations to stakeholders including the State Government and regulators. We continue to prudently invest in the refurbishment and replacement of assets to maintain safe and reliable networks. Investment for growth to meet the needs of new customer connections remains a key driver of capital expenditure in addition to the replacement of existing infrastructure.

The Group's non-current interest bearing liabilities increased to \$21,970 million (2024: \$20,340 million) with \$1,630 million (2024: \$946 million) in loan drawdowns, under the State Borrowing Program, to fund Energy Queensland's capital expenditure program and other working capital requirements whilst ensuring an appropriate capital structure for an investment grade credit rating is maintained.

Directors' Report

For the year ended 30 June 2025

Dividends

No dividend was declared or paid during the financial year (2024: nil).

Significant events after the reporting date

There are no matters, transactions or events which have occurred since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of operations or the state of affairs in future financial years.

Likely developments and future results

Our Statement of Corporate Intent and Corporate Plan sets out information on Energy Queensland's business strategies for future financial periods including likely developments in our operations and expected results in future years. The Group expects to continue its operations including the design, construction and maintenance of the networks, the distribution of electricity, non-competitive electricity retailing and provision of electricity related services.

On 30 April 2025, the AER published its final determinations for the Ergon Energy and Energex distribution businesses for the 2025 to 2030 regulatory control period commencing 1 July 2025. The AER's determinations set the revenues that the regulated networks can recover from customers over the next five years for standard control services, maximum pricing for ACS services and the tariff structures that will apply to customers.

Environmental regulation and performance

The Group's environmental obligations are regulated under Federal, State and Local government laws.

There were no significant environmental incidents reported to the Queensland Department of Environment, Tourism, Science and Innovation (DETSI) in the financial year.

During the reporting period all environmental performance obligations of the Group were overseen by the Energy Queensland Board and the People, Safety and Environment Committee. Detailed strategic and operational direction is provided through a dedicated Health, Safety and Environment Group.

Environmental obligations are from time to time subject to government agency audits, as well as internal and external audits undertaken as part of fulfilling environmental management requirements which monitors compliance. The Group's certifications to International Standard AS/ISO 14001 have been maintained.

The *National Greenhouse and Energy Reporting Act 2007* (NGER Act) requires the entities within the Group to report annual greenhouse gas emissions and energy use. Reports are submitted to the Clean Energy Regulator and based on data gathered from the Group's information systems.

Indemnification and insurance of directors and officers

Policies were held throughout the period to insure all Directors and Officers of the Group against liabilities incurred in their capacity as a Director or Officer. Insurance premiums paid or agreed to be paid totalled \$827,509 comprising of Directors and Officers Liability, Statutory Liability and Workplace Health and Safety Liability policies covering Energy Queensland Limited and its subsidiaries (2024: \$909,393).

Energy Queensland indemnifies the Directors and Officers of the Company and its subsidiaries for all liabilities and expenses incurred by the Directors and Officers, arising out of or in connection with their role as a Director or Officer, other than: any liability or expense arising from conduct that was deliberately dishonest, deliberately fraudulent or not in good faith, a liability owed to an Energy Queensland Group Company, or any criminal or pecuniary penalty (this is consistent with the requirements of the *Corporations Act 2001*).

During or since the end of the 2024-25 financial year, the Group has not otherwise indemnified or agreed to indemnify a director, officer or auditor of the Group or any related body corporate against a liability incurred as such by a director, officer or auditor.

Directors' shareholding

No Directors held any beneficial interest in the shares of the Group. All issued shares are held by the two shareholding Ministers on behalf of the State of Queensland.

Directors' Report

For the year ended 30 June 2025

Directors' meetings

The number of Directors' meetings (including meetings of committees of the Board) and the number of meetings attended by each Director during the year ended 30 June 2025 are:

Directors' name	Board meetings ¹		Digital Enablement Committee		People, Safety and Environment Committee		Regulatory and Investment Committee		Audit and Risk Committee	
	A	B ²	A	B ²	A	B ²	A	B ²	A	B ²
Sarah Zeljko (Chair)	12	12	-	-	-	-	5	5	5	5
Bill Armagnacq	6	6	-	-	2	2	2	2	1	2
Corinne Butler	6	6	3	3	2	2	-	-	-	-
Karen Lay-Brew	12	12	6	6	4	4	-	-	-	-
Kevin Kehl	12	12	-	-	-	-	5	5	5	5
Leisa Rafter	6	6	3	3	-	-	-	-	2	2
Mark Algie	6	6	3	3	2	2	-	-	-	-
Megan O'Hara Sullivan	6	6	3	3	2	2	-	-	-	-
Teresa Dyson	6	6	-	-	-	-	3	3	3	3
The Hon Paul Lucas	6	6	-	-	2	2	2	3	-	-
Vaughan Busby	12	12	-	-	2	2	5	5	3	3

A – number of meetings attended as a member

B – number of meetings held during the year

¹ Location of Board meetings included: Townsville (2 meetings), Newstead (4 meetings), Cairns (1 meeting), Mackay (1 meeting), Gold Coast (1 meeting), Maroochydore (1 meeting), Toowoomba (1 meeting), and 1 meeting held via video conference.

² Number of meetings held during the time the Director held office during the financial year.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is on page 62 and forms part of the Directors' report for the year ended 30 June 2025.

Rounding

The amounts contained in this report and in the consolidated financial statements have been rounded to the nearest million dollars unless otherwise stated (where rounding is applicable) under the option available to the Company under the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of Directors made pursuant to s.298(2) of the *Corporations Act 2001*.



Patrick Brady
Chair
27 August 2025

Auditor's Independence Declaration

To the Directors of Energy Queensland Limited

This Auditor's Independence Declaration has been provided pursuant to section 307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Energy Queensland Limited 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 the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Energy Queensland Limited and the entities it controlled during the period.



Rachel Vagg
Auditor-General

27 August 2025
Queensland Audit Office
Brisbane

Annual Financial Report

For the year ended 30 June 2025

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Consolidated Statement of Profit or Loss

For the year ended 30 June 2025

In millions of dollars	Note	2025	2024
Revenue	2	6,682	6,115
Expenses			
Transmission charges and electricity purchases	3	1,653	1,617
Solar photovoltaic feed in tariff		308	305
Employee expenses	3	1,408	1,117
Materials and services		949	829
Depreciation, amortisation and impairments	3	1,187	1,150
Net impairment losses on financial assets	6	26	18
Finance costs	3	860	750
Fair value losses	3	31	106
Other expenses		392	318
Loss before income tax equivalent benefit		(132)	(95)
Income tax equivalent benefit	4	38	30
Loss after income tax equivalent benefit		(94)	(65)

The Consolidated Statement of Profit or Loss is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

In millions of dollars	Note	2025	2024
Loss after income tax equivalent benefit		(94)	(65)
Other comprehensive income			
Items that will not be reclassified to Consolidated Statement of Profit or Loss:			
Revaluation of property, plant and equipment	15	351	(568)
Deferred income tax relating to the revaluation of property, plant and equipment		(105)	171
Actuarial losses on defined benefit plans recognised directly in equity	18	(82)	(84)
Deferred income tax relating to actuarial losses on defined benefit plans		25	25
Items that may be reclassified to profit or loss:			
Movement in cash flow hedge reserve – (losses)/gains	14	(94)	30
Deferred income tax relating to movement in cash flow hedge reserve – losses/(gains)		28	(9)
Other comprehensive income/(loss) for the financial year, net of tax		123	(435)
Total comprehensive income/(loss) for the financial year		29	(500)

All profit and comprehensive income or loss is attributable to the owners of the Company.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

In millions of dollars	Note	2025	2024
Current assets			
Cash and cash equivalents	5	32	36
Trade and other receivables	6	1,708	1,806
Tax receivable		-	35
Inventories	7	282	252
Derivative financial instruments – assets	8	84	142
Other assets		16	26
Total current assets		2,122	2,297
Non-current assets			
Property, plant and equipment	15	28,695	26,935
Right-of-use assets	16	102	129
Intangible assets	17	611	653
Employee retirement benefits	18	107	196
Derivative financial instruments – assets	8	15	67
Other assets		10	14
Total non-current assets		29,540	27,994
Total assets		31,662	30,291
Current liabilities			
Trade and other payables	9	771	1,258
Interest-bearing liabilities	10	11	11
Lease liabilities	16	31	36
Employee benefits	19	618	604
Derivative financial instruments – liabilities	11	23	22
Unearned revenue and contract liabilities	21	296	226
Provisions and other liabilities		90	77
Total current liabilities		1,840	2,234
Non-current liabilities			
Interest-bearing liabilities	10	21,970	20,340
Lease liabilities	16	102	135
Employee benefits	19	46	33
Derivative financial instruments – liabilities	11	1	14
Net deferred tax equivalent liability	20	3,400	3,386
Provisions and other liabilities		12	7
Total non-current liabilities		25,531	23,915
Total liabilities		27,371	26,149
Net assets		4,291	4,142
Equity			
Share capital	22	19,643	19,643
Other transactions with owners	23	(18,514)	(18,634)
Reserves	23	2,834	2,670
Retained earnings	23	328	463
Total equity		4,291	4,142

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2025

In millions of dollars	Note	Share capital (Note 22)	Other transactions with owners (Note 23)	Asset revaluation reserve (Note 23)	Retained earnings (Note 23)	Hedging reserve (Note 23)	Total equity
Changes in equity for 2024							
Balance at 1 July 2023		19,643	(18,634)	2,906	582	145	4,642
Transfer from reserves		-	-	(5)	5	-	-
Total comprehensive income/(loss) for the financial year		-	-	(397)	(124)	21	(500)
Balance at 30 June 2024		19,643	(18,634)	2,504	463	166	4,142
Changes in equity for 2025							
Owners' equity contributions	30	-	120	-	-	-	120
Transfer from reserves		-	-	(16)	16	-	-
Total comprehensive income/(loss) for the financial year		-	-	246	(151)	(66)	29
Balance at 30 June 2025		19,643	(18,514)	2,734	328	100	4,291

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2025

In millions of dollars	Note	2025	2024
Cash flows from operating activities			
Receipts from customers		6,616	5,683
Receipts for community service obligations		724	688
Payments to suppliers and employees		(5,875)	(3,959)
Interest paid		(847)	(749)
Income tax equivalent receipts		35	78
Net cash from operating activities	5	653	1,741
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5	12
Cash advances from/(to) other parties		102	(556)
Interest received		24	17
Payment for capitalised interest		(26)	(23)
Payments for property, plant and equipment and intangible assets		(2,476)	(2,099)
Net cash used in investing activities		(2,371)	(2,649)
Cash flows from financing activities			
Proceeds from borrowings		1,630	946
Payment of lease liabilities		(36)	(24)
Equity contribution from Shareholding Ministers		120	-
Repayable deposits paid		-	(3)
Net cash from financing activities		1,714	919
Net (decrease)/increase in cash and cash equivalents		(4)	11
Cash and cash equivalents at the beginning of the financial year		36	25
Cash and cash equivalents at the end of the financial year	5	32	36

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 1: Basis of preparation

Note 1: Basis of preparation

(A) General information

Energy Queensland Limited (the Company or Energy Queensland) is a public company limited by shares and is domiciled in Australia.

The consolidated financial statements of Energy Queensland for the year ended 30 June 2025 (including comparatives) comprise the Company and its subsidiaries (collectively referred to as the Group).

The Company's registered office and its principal place of business are:

420 Flinders Street
Townsville Queensland 4810

All shares are held by shareholding Ministers on behalf of the State of Queensland. The Group is a for-profit entity.

The principal activities of the entities within the Group during the financial year consisted of:

- Design, construction and maintenance of the Queensland Electricity Distribution Networks;
- Distribution of electricity within Queensland;
- Non-competitive electricity retailing in regional Queensland; and
- Provision of electricity related services.

The consolidated financial statements were authorised for issue by the board of directors on 27 August 2025. The board of directors have the power to amend and reissue the consolidated financial statements after issue.

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations, requirements of the *Corporations Act 2001*, provisions of the *Government Owned Corporations Act 1993* (GOC Act), provisions of the *Corporations Regulations 2001*, and other relevant legislation issued pursuant to aforementioned Acts.

(B) Basis of preparation

The consolidated financial statements are presented in Australian dollars. The amounts contained in the consolidated financial statements have been rounded to the nearest million dollars unless otherwise stated (where rounding is applicable) under the option available to the company under the *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*.

The consolidated financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 1: Basis of preparation (continued)

(i) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for the valuation of certain derivative financial instruments at fair value, certain classes of property, plant and equipment at fair value and defined benefit assets and liabilities.

(ii) Basis of consolidation

The consolidated financial statements of the Group have been prepared using consistent accounting policies.

(iii) Comparatives

Comparative information reflects the prior year's audited consolidated financial statements except where amounts were reclassified to be consistent with the disclosures in the current reporting period.

(C) Changes in material accounting policies

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to AASB 101 Presentation of Financial Statements)* from 1 July 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

With the introduction of the two amendments to AASB 101, for a liability to be classified as non-current, the Group must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the Group will exercise that right. If the Group is required to comply with covenants on or before the end of the reporting period, these covenants will affect whether the right to defer settlement exists at the end of the reporting period.

Despite the change in policy, there is no current or retrospective impact on the statement of financial position, as the Group complied with debt covenants on Queensland Treasury Corporation (QTC) loans at the end of both reporting periods and has a substantive right to defer settlement of non-current liabilities. Additional disclosures about the Group's non-current liabilities subject to covenants have been provided in Note 10.

There are no other new or revised standards effective for the year ended 30 June 2025 which resulted in any changes to accounting policies adopted in the Group's consolidated financial statements.

(D) Application of new accounting standards and interpretations not yet adopted

The Australian Accounting Standards Board (AASB) published new or amended accounting standards and interpretations that are not mandatory for the 30 June 2025 reporting period and none of these have been early adopted by the Group. The following assessment includes those amendments which may have some impact on the Group's financial statements:

(i) AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity

The standard makes amendments to *AASB 9 Financial Instruments* to include guidance on:

- The application of the 'own-use' exemption on nature-dependent power purchase agreements (PPAs); and
- Hedge accounting requirements for purchasers and sellers of PPAs that are classified as derivative financial instruments.

There are also new disclosure requirements for certain PPAs as the standard amends *AASB7 Financial Instruments: Disclosures*.

The Group has determined that the relevant "own-use" exemption applies as EQL is deemed to be a net purchaser of electricity and use the generation supplied under these contracts without the requirement to sell excess back into the market.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 1: Basis of preparation (continued)

(ii) AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements and applies to annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal.
- Management-defined performance measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The new standard is expected to impact presentation only and will not have an impact on the results of the entity.

No other standards or interpretations that are not yet effective are expected to have a material impact on the Group in the current or future reporting periods or on the recognition and disclosure of foreseeable future transactions.

(E) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Judgements and estimates that are material to the financial statements are disclosed throughout the notes to the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 2: Profit or loss information

Note 2: Revenue

In millions of dollars	2025	2024
Revenue		
Revenue from contracts with customers		
Network use of system revenue	2,409	2,055
Retail sales revenue	2,535	2,439
Service charges	862	746
Non-refundable capital contributions	112	148
Revenue from sale of goods	69	65
Total revenue from contracts with customers	5,987	5,453
Government grant revenue		
Community service obligation	653	619
Other government grants	6	4
Total government grant revenue	659	623
Other revenue		
Interest received	25	18
Gain on disposal of property, plant and equipment	-	5
Other operating revenue	11	16
Total other revenue	36	39
Total revenue	6,682	6,115

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 2: Revenue (continued)

In millions of dollars	2025	2024
Disaggregation of revenue from contracts with customers – timing of revenue recognition		
Revenue received over time:		
Network use of system revenue	2,409	2,055
Retail sales revenue	2,535	2,439
Service charges – construction and quoted service contracts	757	647
Total revenue received over time	5,701	5,141
Revenue received at a point in time:		
Service charges – maintenance and fee-based service contracts	105	99
Non-refundable capital contributions	112	148
Revenue from sale of goods	69	65
Total revenue received at a point in time	286	312
Total revenue from contracts with customers	5,987	5,453

Summary of material accounting policies

Performance obligations and revenue recognition policies

Revenue is measured at the fair value of the consideration received or receivable, net of goods and services tax (GST). Revenue is recognised when the Group transfers control over goods or provides a service to a customer.

The following information provides details about the nature and timing of the satisfaction of performance obligations in contracts with customers and related revenue recognition policies.

(i) Network use of system (NUOS) revenue

The Group is subject to a revenue cap that is earned on its regulated assets in the provision of Standard Control Services (SCS). SCS includes network supply services, small customer connections and services associated with unmetered connection points. The revenue earned on these services is referred to as Distribution Use of System (DUOS) revenue.

NUOS revenue is determined based on the allowed revenue cap for Distribution Use of System plus Transmission Use of System (TUOS) charges, also referred to as designated pricing proposal charges. The revenue received from the TUOS charges is a pass-through of charges levied by the providers of transmission services.

NUOS is billed to retailers, to be passed on to customers, based on a combination of customers' energy consumption, demand, capacity and fixed charges at Australian Energy Regulator (AER) approved prices. The approved prices are calculated to recover the annual NUOS charges, plus other annual allowances approved by the AER (for example, Service Target Performance Incentive Scheme rewards or penalties). NUOS billed by Ergon Energy Corporation to the retailer Ergon Energy Queensland is eliminated on consolidation and not included in the Group Network use of system revenue as disclosed above. Refer note 26 for the accounting policy applied to the consolidation of subsidiaries.

NUOS revenue to retailers is recognised as the aggregate of invoices raised, together with the estimated used but not yet invoiced energy consumption.

The performance obligation is to provide customers with access to the network and the majority of revenue is recognised based on actual consumption, but this may vary from the regulated revenue cap due to variances compared to forecast consumption used in the determination of pricing. Any current period under or over recovery of the revenue cap is recovered from or returned to customers in future periods through an adjustment to prices. Where over recoveries occur, they are deducted from revenue in the period in which they are returned to customers. Under recoveries are recognised as revenue in the period in which they are billed to customers.

The customer simultaneously receives and consumes energy delivered to their premises as the Group performs under the contract. Therefore, the revenue is recognised over time. Payment terms for network billings to most retailers is 10 business days.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 2: Revenue (continued)

(ii) Retail sales revenue

Electricity sales revenue to franchise customers (electricity consumers) is recognised as the aggregate of invoices raised, together with the estimated used but not yet invoiced energy consumption.

Retail sales revenue is recognised over time as energy is simultaneously delivered to and consumed by customers.

Payment terms on invoices to customers are usually 14 business days and the recovery of these receivables is assessed through the impairment review of financial assets which applies the expected credit loss model as described in Note 6.

(iii) Service charges – construction and quoted service contracts

Revenue is earned for a variety of construction services for works undertaken at the customers' request. These include relocation of network assets, upgrades to or replacement of street lighting assets, metering upgrades and design and construction of non-regulated electricity assets. Revenue is recognised over time with reference to the performance obligations satisfied under a contract and applying the input cost method to measure the progress towards complete satisfaction of the performance obligations.

Billings are usually upfront prior to work commencement or at milestones throughout the works. Due to timing differences between billing and satisfaction of performance obligations, contract assets and contract liabilities may arise.

(iv) Service charges – maintenance and fee-based service contracts

Revenue is earned for the provision of electricity-related operation and maintenance services for street lighting, metering services and ancillary network services. These are known as Alternative Control Services (ACS) and are subject to a regulated price determined by the AER (known as a price cap). The price charged for some of these services, such as electricity disconnection, reconnection, meter reading and temporary connections, is limited under section 226 (2) of *Queensland's Electricity Regulation 2006* which overrides the AER price caps. There are also a number of non-regulated services provided such as maintenance of the transmission network, energy generation services, contestable metering services and telecommunication services.

Revenue is recognised at a point in time, when the service is provided (in the case of a simple fee-based service such as de-energisations, re-energisations and meter reading) or, for ongoing services, over time as the customer receives and consumes the benefits from the underlying services. Billing usually occurs at the time the service is provided for fee for service contracts and on a monthly basis for ongoing service contracts.

(v) Non-refundable capital contributions

The Group finances part of its capital works program through non-refundable contributions from customers which are applied to the cost of these works. Contributions of cash towards assets constructed by the Group are recognised as revenue upon completion of the project in accordance with the performance obligations of the connection contract. The non-refundable contributions received upfront or at milestones throughout construction are initially recognised as a contract liability and subsequently recognised as revenue when the associated assets are brought into commercial operation.

The Group also receives non-refundable contributions of assets which are constructed by a third party and gifted to the Group for ongoing operation and maintenance. These are recognised as revenue when the performance obligation of connecting that asset to the network is satisfied and control of that asset passes to the Group. The revenue is measured at the fair value of the contribution, which is an approximation of the cost to construct the asset based on an approved AER pricing formula.

(vi) Revenue from sale of goods

Revenue for the sale of goods is recognised at a point in time, on delivery of the goods to the customer and transfer of control. This typically involves the sale of inventory such as transformers, cables, poles, electrical supplies, meters, and scrap. Major customers are property developers and payment terms are usually 30 days from date of invoice, with few exceptions.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 2: Revenue (continued)

(vii) Community service obligation (CSO)

Community service obligation (CSO) receipts are recognised as government grant revenue. The Group is legally required to charge its retail customers in regional Queensland at notified prices set by the Queensland Competition Authority. As a consequence, the tariff revenue collected is below the cost of supplying electricity. A Deed between the Group and the State of Queensland provides for CSO payments to be made by the State of Queensland to the Group.

In addition, Direction notices issued by the shareholding Ministers which result in the non-recovery of AER approved revenue from customers may qualify as a CSO. Where a Direction notice qualifies as a CSO, the Group has an entitlement to recover any such revenue shortfalls from the State of Queensland.

CSO revenue is recognised when the Group becomes entitled to a claim from the State Government for forgone revenue in accordance with section 112 of the GOC Act.

(viii) Interest received

Interest income is recognised in the Consolidated Statement of Profit or Loss as it accrues, using the effective interest rate method.

(ix) Contract assets and liabilities

Refer to Notes 6 and 21 for information about contract assets and contract liabilities arising from contracts with customers.

An amount of \$82 million included in contract liabilities as at 30 June 2024 has been recognised as revenue in this financial year (2024: \$79 million).

Critical accounting estimates and judgements

(i) Unbilled retail energy sales

Retail sales revenue accrual estimates are made to account for the unbilled period between the customers last billed meter read and the end of the reporting period. Unbilled energy sales are accrued monthly using historical billing experience adjusted for seasonality.

(ii) Unbilled network charges

Unbilled network charges are accrued monthly. The calculation uses historic volumes and considers seasonality to estimate the unbilled network charges.

(iii) Construction contracts

Contract assets or contract liabilities are recognised with reference to the progress towards completion for construction contracts which span over financial years. Input costs incurred and construction contract estimates are used to calculate the amount of revenue to be recognised.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 3: Expenses

In millions of dollars	Note	2025	2024
Loss before income tax equivalent benefit includes the following significant expenses:			
Transmission charges and electricity purchases			
Transmission use of system charges		659	543
Electricity purchases		994	1,074
Total transmission charges and electricity purchases		1,653	1,617
Finance costs			
Interest expense		768	650
Competitive neutrality fees		102	108
less capitalised financing costs		(26)	(23)
Other		16	15
Total finance costs		860	750
Employee expenses			
Wages and salaries		873	710
Employer contributions to defined contribution plans		198	127
Expenses related to post-employment defined benefit plans		9	4
Expenses related to annual and long-service leave		230	205
Termination benefits		3	9
Other		95	62
Total employee expenses		1,408	1,117
Fair value losses			
Fair value loss/(gain) on financial instruments at fair value		(17)	109
Hedge ineffectiveness loss/(gain)		45	(3)
Fair value loss on energy certificates at fair value		3	-
Total fair value losses		31	106

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 3: Expenses (continued)

In millions of dollars	Note	2025	2024
Loss before income tax equivalent benefit includes the following significant expenses:			
Depreciation, amortisation and impairment expense			
Depreciation:			
Supply system assets	15	879	868
Power stations	15	25	21
Other plant and equipment ¹	15	105	90
Total depreciation expense ¹		1,009	979
Right of use assets depreciation	16	26	26
Amortisation			
Computer software	17	108	99
Other intangibles	17	-	1
Total amortisation expense		108	100
Impairment expense			
Supply system dismantled assets	15	4	2
Power stations	15	2	-
Intangible software	17	2	-
Software work in progress	17	36	43
Total impairment expense		44	45
Total depreciation, amortisation and impairment expense		1,187	1,150

¹ \$31 million (2024: \$33 million) of the depreciation expense on fleet that was used in the construction of supply system assets was capitalised.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 3: Expenses (continued)

Summary of material accounting policies

Expenses

(i) *Transmission charges and electricity purchases*

Transmission use of system (TUOS) expenses, electricity purchases and other costs associated with the sale of electricity are recognised as they are incurred.

Electricity purchases are calculated on an accrual basis, recognising the amount of electricity consumed from the National Electricity Market (NEM) multiplied by the relevant pool prices.

(ii) *Finance costs*

Finance costs charged by the State's central financing authority, QTC, include administration fees, capital market fees and interest on the outstanding principal. Where applicable, a competitive neutrality fee is paid to Queensland Treasury to offset any competitive advantage that may be obtained from borrowing at a lower interest rate than the private sector by virtue of the Group's government ownership.

Finance costs directly attributable to the construction of assets that take more than 12 months to prepare for their intended use are added to the cost of those assets. Finance costs not directly attributable to qualifying assets are expensed in the period in which they are incurred.

(iii) *Employee expenses*

Wages and salaries due but unpaid at reporting date are recognised in the Consolidated Statement of Profit or Loss at the current salary rates. As the Group expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit or when the entity recognises any related restructuring costs.

(iv) *Depreciation, amortisation and impairment expense*

Refer to Notes 15, 16 and 17 for summary of material accounting policies related to depreciation, amortisation and impairment expense.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 4: Taxation

In millions of dollars	2025	2024
(A) Income tax equivalent benefit		
Current tax expense	-	-
Deferred tax benefit	(38)	(30)
Income tax equivalent benefit	(38)	(30)
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets	(40)	(30)
Increase in deferred tax liabilities	2	-
Deferred income tax benefit attributable to loss from continuing operations	(38)	(30)

(B) Numerical reconciliation of income tax equivalent benefit to prima facie tax payable		
Net loss before income tax equivalent benefit	(132)	(95)
Prima facie income tax equivalent benefit on operating loss at 30% (2024: 30%)	(40)	(29)
Increase in income tax equivalent benefit	(2)	(2)
Decrease in income tax equivalent benefit	4	1
Income tax equivalent benefit	(38)	(30)

In millions of dollars	2025	2024
(C) Deferred tax recognised directly in equity		
Revaluation property, plant and equipment	105	(171)
Recognition of defined benefit (decrement)/increment	(25)	(25)
Hedge accounting of derivatives	(28)	9
Deferred tax asset/(liability) recognised directly in equity	52	(187)

Refer to Note 20 for summary of material accounting policies related to taxation.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 3: Financial assets and financial liabilities

Note 5: Cash and cash equivalents

In millions of dollars	2025	2024
Cash at bank	32	36
Total cash and cash equivalents	32	36

In millions of dollars	Note	2025	2024
Reconciliation of loss after income tax equivalent benefit To the net cash flows provided by operating activities			
Loss after income tax equivalent benefit		(94)	(65)

Non-cash flows and other income and expense items in profit:

Depreciation, amortisation and impairment		1,213	1,168
Net (gain)/loss on disposal of property, plant and equipment		2	(5)
Interest income classified as investing activities		(24)	(17)
Provision for inventory obsolescence		4	4
Discounting of non-current liability		-	(1)
Fair value loss on financial instruments	3	31	106

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables		(92)	(415)
(Increase)/decrease in inventory		(34)	(11)
(Increase)/decrease in other assets		(6)	(141)
(Decrease)/increase in trade and other payables		(457)	771
(Decrease)/increase in provisions and other liabilities		86	111
(Decrease)/increase in employee benefits		27	188
(Increase)/decrease in income tax receivable		35	78
(Decrease)/increase in deferred income tax liability		(38)	(30)
Net cash flow provided by operating activities		653	1,741

Summary of material accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and investments in money market instruments. They are highly liquid, subject to an insignificant risk of change in value and have a maturity of three months or less.

EQL also has an Advances Facility, a short term-deposit account with Queensland Treasury which accrues interest on daily balances. This is disclosed in Note 6.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 6: Trade and other receivables

In millions of dollars	2025	2024
Current		
Trade receivables	689	742
Less provision for impairment of receivables	(45)	(46)
Total net trade receivables	644	696
Advances facility ¹	711	813
Contract assets	141	125
Community service obligations receivable	48	57
Hedge receivable	99	50
Other receivables and prepayments	65	65
Total current trade and other receivables	1,708	1,806

¹ The Advances Facility (a short-term deposit account) with Queensland Treasury accrues interest on daily balances.

Impaired trade receivables

In millions of dollars	Gross 2025	Impairment 2025	Gross 2024	Impairment 2024
Ageing of impaired trade receivables				
Unbilled revenue and current receivables	112	-	194	-
Less than one month overdue	50	1	48	2
One to two months overdue	23	3	23	4
Two to three months overdue	18	3	16	5
Over three months overdue	72	38	62	35
	275	45	343	46

In millions of dollars	2025	2024
Movements in the provision for impairment of trade receivables are as follows:		
Carrying amount at the beginning of the financial year	46	39
Provision for impairment recognised during the financial year	26	18
Receivables written off during the financial year as uncollectible	(27)	(11)
Carrying amount at the end of the financial year	45	46

The recognition and reversal of the provision for impaired trade receivables is included in 'net impairment losses on financial assets' in the Consolidated Statement of Profit or Loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 6: Trade and other receivables (continued)

Summary of material accounting policies

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. The recoverability of trade and other receivables is reviewed on an ongoing basis.

The impairment model prescribed by AASB 9 *Financial Instruments* applies to the Group's trade receivables and contract assets as these are measured at amortised cost. The impairment provision is based on expected credit losses resulting from all possible default events over the expected life of the financial instrument, with consideration of the credit risk of a financial asset and the impact of changing economic factors.

Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date for customer requested construction work such as relocation of network assets and other recoverable maintenance and construction contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Critical accounting estimates and judgements

Impairment of receivables

A provision for impaired receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. This is based on evidence of significant financial difficulties of the debtor and probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency.

In some cases, due to the high volume, low value of such trade receivables, management has exercised judgement in determining the provision for impaired trade receivables. The Group considers evidence such as historical trends of bad debts experienced within certain categories of aged receivables.

The impairment percentages applied have been determined based on historical experience, then re-assessed with regard to current conditions and reasonable forecasts of future events and economic conditions. The additional analysis to consider future events and economic conditions which impact retail and commercial customers includes tariff changes and regulatory intervention.

Assessment of the general provisioning for impaired receivables has taken into account expected economic conditions and future events. The Group assisted customers experiencing financial hardship with payment support options, hardship arrangements and government concessions.

Further disclosures in relation to credit risk are provided in Note 12(A).

Note 7: Inventories

In millions of dollars	2025	2024
Current		
Maintenance and construction stocks	282	252
Total inventories	282	252

Maintenance and construction stocks are valued at the lower of average cost and net realisable value, and include a provision for inventory obsolescence of \$36 million (2024: \$31 million). The provision is a result of ongoing reviews to assess the net realisable value of inventory and identification of items that are subject to factors such as technological obsolescence or loss of service potential. The creation and release of this provision is included in materials and services expenses.

Inventories of \$163 million (2024: \$157 million) were recognised as an expense during the year and included in materials and services.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 8: Derivative financial instruments – assets

In millions of dollars	2025	2024
Current		
Electricity derivative contracts – fair value through the profit or loss	12	11
Electricity derivative contracts – Cash Flow Hedges	72	131
Total current financial instruments – assets	84	142

In millions of dollars	2025	2024
Non-current		
Electricity derivative contracts – fair value through the profit or loss	-	6
Electricity derivative contracts – Cash Flow Hedges	15	61
Total non-current financial instruments – assets	15	67

Relevant material accounting policies and critical accounting estimates and assumptions are outlined in Note 13 Fair values of financial assets and liabilities and Note 14 Hedge accounting.

Note 9: Trade and other payables

In millions of dollars	2025	2024
Current		
Trade payables	462	383
Accrued interest	69	53
Electricity hedges payable	2	11
Other payables and accruals	238	811
Total current payables	771	1,258

Summary of material accounting policies

Trade and other payables

Trade and other payables are recognised as a liability when the Group has a legal obligation to pay cash. Such liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Where a dividend is declared by the Board on or before the end of the financial year but not distributed at the end of the reporting period, a dividend payable is recognised for such an amount.

No dividend was declared by the Board for the 2025 or the 2024 financial years.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 10: Interest bearing liabilities

In millions of dollars	2025	2024
Current		
Unsecured liabilities		
Customer and other repayable deposits	11	11
Total current interest bearing liabilities	11	11
Non-current		
Unsecured liabilities		
Queensland Treasury Corporation loans	21,970	20,340
Total non-current interest bearing liabilities	21,970	20,340

(A) Queensland Treasury Corporation loans

The fair value of Queensland Treasury Corporation (QTC) loans as at 30 June 2025 was \$21,920 million (2024: \$19,567 million).

The fair value of QTC loans is the price that the notional underlying bonds and instruments funding the loan could be bought for at balance date as advised by the QTC. This is classified as level 2 in the fair value measurements hierarchy.

The Group does not anticipate it will make loan repayments in the next 12 months (2024: nil). There is no obligation to make repayments under current loan arrangements with the QTC.

The loan with QTC contains a financial covenant. If the financial covenant is not maintained, then a Review Event is triggered,. In the event of a breach in covenant, QTC must be notified and following a process as outlined in the Funding Agreement, there is ultimately a risk that the loan may be repayable on demand. As the Group complied with this covenant as at 30 June 2025 and the Group has a right to defer settlement for at least 12 months after reporting date, the loan is classified as non-current.

In millions of dollars	2025	2024
(B) Financing arrangements		
The Group has access to the following short-term lines of credit:		
Working capital and credit facilities		
Facilities used at the end of the reporting period – unsecured loans	4	5
Facilities not utilised at the end of the financial year – unsecured loans	731	730
Total facilities available	735	735

These working capital and credit facilities are short-term in nature with the outstanding balance paid down regularly.

The Group has access to debt and cash management facilities from QTC and access to further borrowings from QTC subject to approval of an annual State Borrowing Program limit. Borrowings under the State Borrowing Program amounted to \$1,630 million (2024: \$946 million).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 10: Interest bearing liabilities (continued)

As at 30 June 2025, the Group had borrowings of \$21,970 million (2024: \$20,340 million) with access to a further \$700 million (2024: \$700 million) in QTC facilities.

In millions of dollars	2024			2025
(C) Reconciliation of movements of liabilities to cash flows arising from financing activities		Financing cash flows ¹	Non-cash changes	
Queensland Treasury Corporation loans	20,340	1,630	-	21,970
Customer and other repayable deposits	11	-	-	11
In millions of dollars	2023			2024
		Financing cash flows ¹	Non-cash changes	
Queensland Treasury Corporation loans	19,394	946	-	20,340
Customer and other repayable deposits	14	(3)	-	11

¹ The cash flows make up the net amount of proceeds from borrowings and payment of repayable deposits in the Consolidated Statement of Cash Flows.

Summary of material accounting policies

Interest Bearing Liabilities

Interest bearing borrowings are initially recognised at fair value net of transaction costs incurred. They are subsequently measured on an amortised cost basis.

Note 11: Derivative financial instruments – liabilities

In millions of dollars	2025	2024
Current		
Electricity derivative contracts – fair value through the profit or loss	6	7
Electricity derivative contracts – Cash Flow Hedges	17	15
Total current financial instruments – liabilities	23	22
Non-current		
Electricity derivative contracts – fair value through the profit or loss	-	14
Electricity derivative contracts – Cash Flow Hedges	1	-
Total non-current financial instruments – liabilities	1	14

Relevant material accounting policies and critical accounting estimates and judgements are outlined in Note 13 Fair values of financial assets and liabilities and Note 14 Hedge accounting.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management

The Group has policies and procedures in place to manage the financial risks associated with its operating activities. Exposure to credit, interest rate, price and liquidity risk arises in the normal course of the Group's business. Derivative financial instruments are used to manage certain exposures to fluctuations in electricity prices. The financial risks faced by the Group are managed in accordance with the Energy Queensland Treasury Policy and the Energy Commodity Risk Management Policy and Manual.

(A) Credit risk

Credit risk arises from the potential failure of counterparties to meet their payment obligations under the respective contracts at or before maturity.

The Group manages credit risk by maintaining appropriate credit review processes.

The concentration of credit risk to retail customers is minimised due to transactions being with a large number of retail customers and limiting credit to any individual customer.

The concentration of credit risk related to distribution network customers is the risk of a retailer defaulting on their obligations. The Group operates in accordance with the Credit Support Guidelines issued by the Queensland Competition Authority, which align with the National Energy Customer Framework credit support arrangements. Under these guidelines, the ability to seek credit support is based on an assessment of the retailer's network charge liability compared to their credit allowance and payment history. As at 30 June 2025 the Group had trade receivables of \$216 million (2024: \$193 million) from third-party retailers. Five distribution network customers represented 72% of these trade receivables (2024: five distribution network customers represented 75% of these trade receivables).

Where appropriate, collateral in the form of a cash deposit is obtained from retail customers as a means of mitigating the risk of financial loss from defaults. At the end of the financial year, the Group held collateral of \$11 million (2024: \$11 million) from retail customers. Bank guarantees of \$1 million from Ergon Energy Retail customers were also held as at 30 June 2025 (2024: \$1 million).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management (continued)

(A) Credit risk (continued)

Note 25 provides details of bank guarantees from wholesale Over-The-Counter (OTC) counterparties held by the Group. The Group manages its credit settlement risk associated with electricity market hedging by following the Credit Risk Management guidelines in the Energy Commodity Risk Management Policy and Manual. Credit settlement risk is managed by maintaining approved counterparty credit limits. The values of counterparty credit limits are determined by reference to each counterparty's credit rating, as determined by a recognised credit rating agency or, if the counterparty does not have a credit rating, by reference to the results of a detailed credit analysis. Where considered appropriate, the Group requires wholesale counterparties to provide appropriate letters of credit or bank guarantees. A total of \$3 million bank guarantees from wholesale OTC counterparties was held at 30 June 2025 (2024: \$3 million).

The Group trades with wholesale counterparties, principally large banks and other electricity corporations. In order to meet its liability under the Renewable Energy Target Scheme and the Small Scale Renewable Energy Scheme, the Group also trades with non-wholesale market entities.

Concentrations of credit risk that arise from OTC derivative instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentrations of OTC counterparty credit risk are indicated in the following table by the percentage of the total estimated worst case future loss from counterparties in the specified categories as measured by Ergon Energy Retail's internal wholesale credit exposure model:

Counterparty classification	2025	2024
Queensland Government-owned electricity entities	94%	94%
Entities with a credit rating AA ¹	-%	1%
Entities with a credit rating A ¹	3%	1%
Entities with a credit rating BBB ¹	-%	1%
Other entities	3%	3%

¹ Standard & Poor's or equivalent

The above credit risk exposure does not take into account the value of any collateral or security. Receivables due from major counterparties are monitored regularly.

Movements in the allowance for impairment in respect of trade receivables and contract assets are provided in Note 6.

(B) Interest rate risk

Floating interest rate borrowings expose the Group to interest rate cash flow risk while fixed interest borrowings expose the Group to fair value risk.

The Group's income and operating cash flows are substantially independent of changes in short-term market interest rates.

Other assets and liabilities exposing the Group to interest rate cash flow risk include cash and cash equivalents and advances facility (floating rate interest exposure) and interest bearing repayable deposits (both fixed and floating interest rate exposure).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management (continued)

(B) Interest rate risk (continued)

The effective interest rates on the Group's interest bearing financial assets and liabilities as at balance date are detailed below.

In millions of dollars	Floating interest rate \$	Fixed interest rate \$	Weighted average interest rate %
2025			
Financial assets			
Cash and cash equivalents	32	-	4.77%
Advances facility	711	-	4.96%
Total financial assets	743	-	
Financial liabilities			
Repayable deposits	11	-	4.60%
Lease liabilities	-	133	1.87%
Loans	-	21,970	4.20%
Total financial liabilities	11	22,103	
2024			
Financial assets			
Cash and cash equivalents	36	-	4.78%
Advances facility	813	-	4.79%
Total financial assets	849	-	
Financial liabilities			
Repayable deposits	11	-	4.75%
Lease liabilities	-	171	1.83%
Loans	-	20,340	3.74%
Total financial liabilities	11	20,511	

Sensitivity analysis – QTC Loans

At 30 June 2025, if interest rates had been 100 basis points higher and all other variables were held constant, the Group's net profit and equity would decrease by \$14 million (2024: \$26 million). If interest rates had been 100 basis points lower and all other variables held constant, the Group's net profit and equity would increase by \$15 million (2024: \$27 million).

The Group's borrowings from QTC have been classified as loans with a fixed interest rate in the table above.

(C) Price risk

Electricity

Electricity price risk is the risk of an adverse financial outcome resulting from a change in the price of electricity in the National Electricity Market. This can be a change in the electricity pool price or a change in the forward price of electricity. Exposures mainly arise from positions in wholesale contracts (electricity derivatives), franchise load or power purchase agreements (PPAs) associated with the Ergon Energy Retail business (Ergon Energy Queensland Pty Ltd trading as Ergon Energy Retail). Wholesale contracts relating to franchise load are generally dealt over a period of less than three years.

There is limited price risk for the network distribution businesses, due to the AER revenue cap framework and the mechanism for over or under recoveries through the adjustment of prices in future periods.

To manage retail price risk the Group has established an Energy Commodity Risk Management Policy which is implemented through the Energy Commodity Risk Management Manual. The policy provides a framework for managing risks arising from the energy purchasing activities of the entity. The manual includes a market price risk exposure limit framework, monitoring and reporting requirements and review requirements.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management (continued)

(C) Price risk (continued)

The Group uses derivative financial instruments to manage its retail electricity price risk, consumer variable volume risk and associated cash flow risk as well as to hedge exposure to pool price fluctuations and against the committed and anticipated electricity purchases. The hedge portfolio consists predominantly of swaps, caps and option contract types. Caps and option contracts are valued at fair value through profit or loss. Hedge accounting is employed for swaps with unrealised gains and losses recognised in other comprehensive income and hedge ineffectiveness recognised in the profit or loss. Refer to Note 14 for further information regarding the application of hedge accounting.

The following table details the Group's sensitivity to a 20% (2024: 20%) increase and decrease in the electricity forward price at balance date with all other variables held constant. Analysis of underlying forward price volatility is used as an indicator of potential forward price movement. Under the assumption that there will be no events causing significant step changes in the market, management have determined that 20% is considered a reasonably possible price movement.

In millions of dollars	Electricity forward price			
	+20%	+20%	-20%	-20%
	2025	2024	2025	2024
Profit/(loss) before tax	31	59	(34)	(67)
Hedging reserve	216	220	(213)	(213)
Equity	247	279	(247)	(280)

Movements in forward prices impact the hedge reserve for effective hedges, with the fair value movement being deferred to the reserve until the underlying transaction is realised. Changes in electricity forward prices would not have an impact on future profitability or the margin associated with these transactions as the instruments hedge the cash flows of the underlying transactions.

A derivative financial instrument could lead to profits and losses across different measurement periods depending on the forward price at measurement date. These instruments remain valid economic hedges and the financial impact on settlement will be partially offset by trading margins associated with electricity sales to customers at the time of settlement.

Refer to note 13 and 14 for additional information in relation to accounting policies for financial instruments and hedge accounting.

(D) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. Available lines of funding are disclosed in Note 10.

QTC is the approved Eligible Provider for the purposes of the Australian Financial Services Licence of an entity in the Group and is required to provide funding on written demand when requested by the Group pursuant to an approved Eligible Undertaking. QTC has provided an eligible undertaking for \$400 million (2024: \$400 million).

Where entities within the Group enter into contracts external to the regulated market, such contracts are transacted within the terms of the Energy Commodity Risk Management Policy and Manual which provides a framework for monitoring and limiting exposures.

Liquidity risk may potentially arise in the event of unexpected high market volatility and may result in a large margin call being required for settlement.

The tables below disclose the Group's financial liabilities, including derivative financial instruments, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual, undiscounted cash flows. For options contracts, the undiscounted cash flow represents the future premium payable. The maturities of derivative financial instruments are calculated on the basis that derivatives will be settled on a gross basis. The Group's long-term borrowings from QTC have an interest only in perpetuity repayment profile. The principal component of QTC borrowings are included in the over five years' time band with no interest included in respect of this facility for the period over five years.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management (continued)

(D) Liquidity risk (continued)

In millions of dollars	Less than 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2025					
Derivative financial liabilities	50	22	-	72	24
Large-scale generation certificates	2	6	-	8	4
Financial guarantees	145	-	-	145	-
Non-interest bearing liabilities	702	2	-	704	704
Repayable deposits	11	-	-	11	11
Lease liabilities	33	106	-	139	133
Loans	909	3,660	21,970	26,539	21,970
Total	1,852	3,796	21,970	27,618	22,846
2024					
Derivative financial liabilities	55	27	-	82	36
Financial guarantees	150	-	-	150	-
Non-interest bearing liabilities	1,205	1	-	1,206	1,206
Repayable deposits	11	-	-	11	11
Lease liabilities	39	139	2	180	171
Loans	724	2,924	20,340	23,988	20,340
Total	2,184	3,091	20,342	25,617	21,764

The amounts included as total contractual cash flows above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. For further information regarding guarantees refer to Note 25(C).

(E) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of interest bearing liabilities disclosed in Note 10 and equity comprising share capital, other transactions with owners, reserves and retained earnings.

The Group borrows exclusively from QTC for long term debt requirements. The long-term borrowing facilities provided by QTC have an interest only in perpetuity repayment profile. The cost of debt is derived from debt instruments issued by QTC and a competitive neutrality fee designed to remove any competitive advantage obtained from borrowing at a lower interest rate than the private sector by virtue of the Group's Government ownership.

QTC manages debt financing, including new debt raising and the re-financing of existing borrowings, on behalf of the Group in accordance with agreed benchmarks. QTC borrows in advance of requirements to ensure Queensland public sector entities have ready access to funding when required and also to reduce the risk associated with refinancing maturing loans.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 12: Financial risk management (continued)

(E) Capital management (continued)

The Group monitors capital on the basis of a key financial ratio for Net Debt to Standard Control Services Regulated Asset Base (RAB). At 30 June 2025 and 30 June 2024 this key financial ratio was as follows:

	2025	2024
Net Debt to RAB ratio	68%	66%

Note 13: Fair values of financial assets and liabilities

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1) Fair value measurements

The Group uses the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities measured and recognised at fair value.

In millions of dollars	Level 1	Level 2	Level 3	Total
2025				
Assets				
Electricity derivative contracts	4	80	15	99
Small-scale technology certificates held for trading	-	13	-	13
	4	93	15	112
Liabilities				
Electricity derivative contracts	5	-	19	24
Large-scale generation certificates held for trading		3	-	3
	5	3	19	27
2024				
Assets				
Electricity derivative contracts	15	176	18	209
Large-scale generation certificates held for trading	-	1	-	1
Small-scale technology certificates held for trading	-	24	-	24
	15	201	18	234
Liabilities				
Electricity derivative contracts	10	2	24	36
	10	2	24	36

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 13: Fair values of financial assets and liabilities (continued)

2) Reconciliation of level 3 fair value measurements

The following table presents the movements reconciliation of the Group's assets and liabilities in level 3 of its fair value measurements hierarchy:

In millions of dollars	Electricity derivative contracts	Total
2025		
Assets		
Opening balance	17	17
Settlements	(13)	(13)
Movement recognised in Consolidated Statement of Profit or Loss ¹	5	5
Movement in Consolidated Statement of Comprehensive Income ²	6	6
Closing balance	15	15
Liabilities		
Opening balance	(23)	(23)
Settlements	8	8
Movement in Consolidated Statement of Comprehensive Income ²	(4)	(4)
Closing balance	(19)	(19)
2024		
Assets		
Opening balance	35	35
Purchases	1	1
Settlements	1	1
Movement recognised in Consolidated Statement of Profit or Loss ¹	(2)	(2)
Movement in Consolidated Statement of Comprehensive Income ²	(18)	(18)
Closing balance	17	17
Liabilities		
Opening balance	(110)	(110)
Settlements	191	191
Movement recognised in Consolidated Statement of Profit or Loss ¹	(19)	(19)
Movement in Consolidated Statement of Comprehensive Income ²	(85)	(85)
Closing balance	(23)	(23)

¹ This is recognised in the Fair value gains/(losses) line in the Consolidated Statement of Profit or Loss

² This is recognised in the movement in cash flow hedge reserve in the Consolidated Statement of Comprehensive Income

3) Transfers between level 2 and 3

Transfers between hierarchy levels are expected to occur when there is a change in the observability of a pricing input, or a change in valuation technique. The Group recognises transfers between levels of the fair value hierarchy as of the beginning of the reporting period during which the transfer has occurred. During 2025 there were no transfers of electricity derivatives between level 2 and level 3 (2024: nil).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 13: Fair values of financial assets and liabilities (continued)

4) Valuation policies and procedures, and changes in valuation techniques

The Group has an established control framework with respect to the measurement of fair values of financial instruments. The Ergon Energy Retail Commercial Services team has the overall responsibility for overseeing all financial asset and liability fair value measurements, including level 3 fair value, and reports directly to the Executive General Manager Retail. Contracts are valued using a combination of data sources including trades executed by Ergon Energy Retail, the Australian Securities Exchange (ASX), ICAP Plc (ICAP), TFS Australia Pty Ltd (TFS) and other market intelligence. Ergon Energy Retail trades frequently in these instruments and has sufficient market information to reliably measure the value of these contracts in accordance with the requirements of Australian Accounting Standards.

The Group has updated the inputs used to profile the electricity forward curve across trading intervals to determine the fair value of Over-The-Counter swaps. The adopted valuation methodology combines the historical electricity pool price shape with an electricity pool price forecast to determine the characteristics and shape of the electricity forward curve. The ratio of historical and forecast electricity pool prices into the blended methodology is determined by the Group and is assessed for reasonableness on an ongoing basis. During the 2025 financial year, the historical and forecast electricity pool price input ratio was updated to increase the weighting attributed to historic periods. The Group also adjusted the ratio of historical and forecast electricity pool prices into the blended methodology to equal weighting as opposed to the previous input ratio which was more heavily weighted towards the pool price forecast.

5) Methods and assumptions used in determining fair value of financial assets and liabilities

The Group currently has the following classes of financial instruments that are measured at fair value through profit or loss. These are: electricity hedges (which include swaps, caps and swaptions), large-scale generation certificates (LGCs) and small-scale technology certificates (STCs)..

Type	Methods and assumptions
Swaps ¹	Over-The-Counter swaps are valued using broker quoted forward curves. A profiling methodology is applied to derive the Over-The-Counter trading interval level forward curve, using a combination of historical and forecast electricity pool prices. Where positions are held in periods beyond the curve, the curve is extended accordingly (refer Note 13(6)). Exchange traded swaps are valued using the Exchange quoted prices.
Caps	\$300 exchange traded caps are valued using the Exchange quoted prices. Over-The-Counter caps (e.g., \$300 or \$500 caps) are valued using a mean reversion jump diffusion model incorporating historical pool price outcomes and broker provided cap curves. Where positions are held in periods beyond the curve, the curve is extended accordingly (refer to Note 13(6)).
Swaptions	Over-The-Counter swaptions are valued applying a Black Scholes 76 methodology incorporating broker quoted forward curves. Volatility is calculated based on market implied volatility. Exchange traded swaptions are valued applying the fair value on the exchange.
Large-scale generation certificates (LGCs)	LGC positions which are held for trading are valued using a curve derived from externally sourced broker quotes. Where positions are held in periods beyond the curve, the curve is extended accordingly.
Small-scale technology certificates (STCs)	STC positions which are held for trading are valued using a curve derived from externally sourced broker quotes. Where positions are held in periods beyond the curve, the curve is extended accordingly.

¹ A separate valuation approach for Fixed Multiplier Floating Rate Swaps has been adopted by the Group. These swaps involve the Group paying a price equal to the average of a financial year flat forward price during a future averaging period multiplied by a fixed rate multiplier (Fixed Multiplier). The separate valuation approach has been adopted as there is no observable market price to assess the fair value of the Fixed Multiplier component of these swap contracts. This valuation approach adjusts the day one electricity forward curve used for valuation purposes by a percent scaler to align the day one value to the market value. The future market value movement of the Fixed Multiplier against the adjusted electricity forward curve will be recognised as an unrealised gain or loss in the Consolidated Statement of Profit or Loss.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 13: Fair values of financial assets and liabilities (continued)

6) Fair value valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Electricity hedges	The curve is sourced through broker quoted forward curves. A profiling methodology is applied to derive the OTC trading interval level forward curve. A combination of the historical and forecast electricity pool price is used to determine the forward curve profile.	<p>For Fixed Multiplier Floating Rate Swaps, as there is no observable market price for the multiplier component, the valuation methodology derives an estimate of the multiplier from the current forward curve to adjust fair value.</p> <p>The forecast electricity pool price input, and blended ratio of historical to forecast electricity pool price inputs are unobservable as they are determined by Ergon Energy Retail management.</p>	<p>A change in OTC trading interval level price may lead to higher or lower fair value.</p> <p>A 10% increase in the historical electricity pool price weighting in the blended profiling ratio would decrease the estimated fair value of the derivative instruments by approximately \$11 million.</p>

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 13: Fair values of financial assets and liabilities (continued)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, e.g., when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the Consolidated Statement of Financial Position. This is because the Group does not have an enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

In millions of dollars	Note	Gross amounts of financial instruments in the Consolidated Statement of Financial Position	Related financial instruments that are not offset	Net amount
2025				
Financial assets				
Electricity derivative contracts	8	99	(24)	75
Financial liabilities				
Electricity derivative contracts	11	(24)	24	-
2024				
Financial assets				
Electricity derivative contracts	8	209	(35)	174
Financial liabilities				
Electricity derivative contracts	11	(36)	35	(1)

Summary of material accounting policies

Financial instruments

Financial instruments held or issued for hedging franchise load are classified as derivative financial instruments and are recognised at fair value at the date that a derivative contract is entered into (trade date) and is subsequently measured at fair value at each reporting date. A positive revaluation amount is reported as an asset and a negative revaluation amount is reported as a liability. The resulting gain or loss is recognised in the Consolidated Statement of Profit or Loss immediately, with the exception of cash flow hedges designated for hedge accounting where unrealised gains and losses are deferred in the cash flow hedge reserve. Any ineffective portion of hedge accounted instruments is recognised directly in the Consolidated Statement of Profit or Loss. Refer to Note 14 for hedge accounting disclosures and accounting policies.

Critical accounting estimates and judgements

Electricity financial instruments measured at fair value

The Group enters into electricity related financial instruments and determines the fair value of these instruments, which includes swaps and options (including caps and swaptions) using market based valuation methods. It takes into account the conditions existing at balance date and has used its judgement in the following areas:

- future price and volume estimation using in-house and off-the-shelf valuation models;
- discounting to the present value for the time value of money; and
- option volatility.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 14: Hedge accounting

Cash flow hedges

Cash flow hedges are used by the Group to hedge the energy commodity price risk arising through the operations of Ergon Energy Retail.

The Group undertakes derivative transactions to hedge the price of electricity it purchases over a three-year period within a set of Gross Margin at Risk limits. The Group principally uses energy swaps and options (including caps and swaptions) to protect against price and volume fluctuations. Hedge accounting is employed only for swap contracts. These derivative instruments may meet the requirements for hedge accounting. The eligible hedge contracts are valued at fair value and the resultant gains or losses that effectively hedge the designated risk exposures are deferred within the cash flow hedge reserve. Any hedge ineffectiveness on designated contracts or fair value movements on hedge contracts not designated for hedge accounting are recognised in the Consolidated Statement of Profit or Loss. Changes in hedge effectiveness are predominantly driven by changes in energy load forecasts.

The inherent variability in the volume of electricity purchased by customers and dispatched from generators means that actual purchase requirements and sales volume can vary from the forecasts. The forecasts are updated for significant changes in underlying conditions and where this leads to a reduction in the forecast below the aggregate notional volume of hedge instruments in the relevant periods impacted, the affected hedging instruments are de-designated and the accumulated gain or loss which has been recognised in the hedge reserve is recognised directly in the Consolidated Statement of Profit or Loss as the underlying forecast purchase or sale transactions are no longer expected to occur.

During the year ended 30 June 2025, \$1 million hedge gains (2024: no gains) were reclassified to the Consolidated Statement of Profit or Loss due to the hedges no longer being designated as hedging instruments and the underlying forecast transaction no longer being highly probable to occur as originally forecast.

Where an effective hedging instrument is closed out and the underlying forecast transaction remains highly probable to occur as originally forecast, the hedge contract is de-designated and any accumulated gain or loss which has been recognised in the hedge reserve is deferred to the reserve. As at year ended 30 June 2025, \$15 million gains (2024: \$8 million gains) remain in the cash flow hedge reserve due to de-designation and all underlying forecast transactions remain highly probable to occur.

Gains and losses recognised in the hedge reserve in the Consolidated Statement of Comprehensive Income for electricity derivatives at the end of the reporting period will be released to the profit or loss in the period in which the underlying purchase or sale transactions are recognised.

(i) Nominal amount of electricity hedges outstanding

As at 30 June 2025, the average notional amount of electricity hedges outstanding over the next 3 years from FY 2026 to FY 2028 is approximately 3 million MWh (Megawatt hours) at an average strike rate of \$120 per MWh (2024: average notional amount outstanding over 3 years from FY 2025 to FY 2027 of 3 million MWh at an average strike rate of \$104 per MWh).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 14: Hedge accounting (continued)

(ii) Fair value of financial instruments designated as hedging instruments

The following table sets out the fair value of electricity hedges which meet the criteria for hedge accounting. The accounting policies applied to the valuation of electricity derivatives is outlined below:

In millions of dollars	Note	2025	2024
Financial Assets: Cash flow hedges - electricity derivatives	8	87	192
Financial Liabilities: Cash flow hedges - electricity derivatives	11	(18)	(15)

(iii) The impact of hedging instruments designated in hedge relationships as at 30 June 2025 is as follows:

In millions of dollars	2025	2024
<i>Consolidated Statement of Profit or Loss</i>		
Gains/(losses) on unwinding of inception value of designated hedges	-	-
Cash flow hedge ineffectiveness gains/(losses) recognised in other income	(19)	28

In millions of dollars	2025	2024
<i>Consolidated Statement of Comprehensive Income</i>		
<i>Pre-tax cash flow hedge reserve (CFHR)</i>		
Opening balance	237	207
The effective portion recognised in CFHR (pre-tax)	131	53
Transfer from CFHR to electricity purchases	(224)	(22)
Reclassification from CFHR to other income	(1)	(1)
Net movement in CFHR	(94)	30
Closing balance (pre-tax)	143	237

(iv) The table below outlines the impact of applying hedge accounting for the electricity hedges:

In millions of dollars	2025	2024
<i>Electricity Price Risk</i>		
Changes in value of hedge instrument	108	183
Changes in value of hedged item	76	199
Cash flow hedge reserve	143	237

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 14: Hedge accounting (continued)

Summary of material accounting policies

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date they are entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular cash flow risk associated with a recognised asset, liability or highly probable forecast transaction.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 13. Movements of the hedging reserve in shareholders' equity are shown in the Consolidated Statement of Other Comprehensive Income.

The fair values of hedging derivatives are classified as current or non-current based on timing except for exchange traded derivatives which are classified as current.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit or Loss. Amounts accumulated in equity are transferred to the Consolidated Statement of Profit or Loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the eligibility criteria for hedge accounting, hedge accounting is discontinued and any changes in the instrument's fair value which have been deferred to the cash flow hedge reserve (CFHR) is immediately transferred to the Consolidated Statement of Profit or Loss if the underlying forecast transaction is not expected to occur. In the event that a hedging position is closed out or sold and the underlying forecast transaction is still expected to occur, any fair value movement deferred to the CFHR will remain in the reserve and will be transferred to the Consolidated Statement of Profit or Loss when the forecast transaction ultimately occurs.

An ineligible hedge may arise where the derivative financial instrument is hedging more than the forecast load. As such there is no relationship between the hedging instrument and the hedged item for hedge accounting purposes. In this instance, the movement in the derivative instrument relating to the excess portion of forecast load is recognised in the Consolidated Statement of Profit or Loss, i.e., classified as fair value through profit or loss. If the forecast for load subsequently increases such that the derivative instrument becomes hedged against the forecast load, then the instrument will be designated as an eligible hedge for hedge accounting purposes from that point and any subsequent movement in the fair value will be taken to the CFHR. Any fair value movement that has been recognised in the Consolidated Statement of Profit or Loss up to the date of designation (referred to as the inception value) remains in the profit or loss and will unwind from the Consolidated Statement of Profit or Loss as the instrument matures.

Certain derivative financial instruments do not qualify for hedge accounting, despite being valid economic hedges of the relevant risk. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the Consolidated Statement of Profit or Loss, i.e., classified as fair value through profit or loss.

Refer to Note 13 for additional information in relation to accounting policies for financial instruments.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 4: Operating assets and liabilities

Note 15: Property, plant and equipment

In millions of dollars	2025	2024
Supply systems		
Gross carrying amount	42,877	41,135
Less accumulated depreciation	(16,940)	(16,410)
Net carrying amount	25,937	24,725
Power stations		
Gross carrying amount	543	504
Less accumulated depreciation	(273)	(260)
Net carrying amount	270	244
Land – non-regulated		
Gross carrying amount	28	23
Other plant and equipment		
At cost	1,785	1,594
Less accumulated depreciation	(977)	(923)
Less accumulated impairment losses	(31)	(32)
Net carrying amount	777	639
Work in progress		
Work in progress	1,683	1,304
Total property, plant and equipment	28,695	26,935
Supplementary information		
If property, plant and equipment were stated on a historical basis, the carrying amount would have been:		
Supply systems	21,691	20,702
Power stations	288	262
Land	26	21

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 15: Property, plant and equipment (continued)

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Year ended 30 June 2025

In millions of dollars	Supply systems \$m	Power stations \$m	Land \$m	Other plant and equipment \$m	Work in progress \$m	Total \$m
Gross carrying amount at start of financial year	41,135	504	23	1,594	1,304	44,560
Accumulated depreciation and impairment at start of financial year	(16,410)	(260)	-	(955)	-	(17,625)
Carrying amount at start of financial year	24,725	244	23	639	1,304	26,935
Additions ¹	-	-	-	-	2,426	2,426
Capitalised interest	-	-	-	-	23	23
Transfer from work in progress	1,744	53	5	277	(2,079)	-
Transfers from/(to) intangible assets	-	-	-	-	9	9
Disposals	-	-	-	(3)	-	(3)
Revaluation increment/(decrement) ²	351	-	-	-	-	351
Depreciation expense ¹	(879)	(25)	-	(136)	-	(1,040)
Net impairment losses	(4)	(2)	-	-	-	(6)
Carrying amount at end of financial year	25,937	270	28	777	1,683	28,695

¹ \$31 million of the depreciation expense on fleet that was used in the construction of the supply system was capitalised.

² Of which \$128 million related to a decrement in the asset revaluation reserve for dismantled supply system assets.

Year ended 30 June 2024

In millions of dollars	Supply systems \$m	Power stations \$m	Land \$m	Other plant and equipment \$m	Work in progress \$m	Total \$m
Gross carrying amount at start of financial year	40,629	468	19	1,506	1,021	43,643
Accumulated depreciation and impairment at start of financial year	(16,025)	(246)	-	(916)	-	(17,187)
Carrying amount at start of financial year	24,604	222	19	590	1,021	26,456
Additions ¹	-	-	-	-	2,043	2,043
Capitalised interest	-	-	-	-	20	20
Transfer from work in progress	1,565	43	4	174	(1,786)	-
Transfers from/(to) intangible assets	-	-	-	-	6	6
Disposals	(6)	-	-	(2)	-	(8)
Revaluation increment/(decrement) ²	(568)	-	-	-	-	(568)
Depreciation expense ¹	(868)	(21)	-	(123)	-	(1,012)
Net impairment losses	(2)	-	-	-	-	(2)
Carrying amount at end of financial year	24,725	244	23	639	1,304	26,935

¹ \$33 million of the depreciation expense on fleet that was used in the construction of the supply system was capitalised.

² Of which \$88 million related to a decrement in the asset revaluation reserve for dismantled supply system assets.

Critical accounting estimates and judgements

Valuation of the Group's regulated supply system assets

The majority of the Group's property, plant and equipment are employed in the distribution of electricity and subject to regulation via a revenue allowance (revenue cap). Following initial recognition as an asset, system assets, land and buildings are measured at fair value. The fair value of system assets, land and buildings is determined via Directors' valuation using an income-based approach. The income approach is based on a discounted cash flow model utilising five years of future cash flows. Cash flows beyond the five-year forecast period was derived with reference to a forecast regulatory asset base (RAB) assuming the current regulatory model which was used as a proxy for terminal value. The outcome of the supply systems asset valuation was an increase in fair value largely attributable to increase in the AER allowed future cash flows following the recent AER 2025-2030 Determinations.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 15: Property, plant and equipment (continued)

The following table outlines the key inputs and assumptions and their relationships to fair value considered in the discounted cash flow methodology for the valuation of the Group's regulated supply system assets:

Unobservable inputs	Nature and range of inputs	Relationship of unobservable inputs to fair value
Revenue cash flows	Revenue cash flows have been determined per AER Final Decision (2025-2030).	A higher allowed rate of return increases the fair value.
Operating expenditure	Operating expenditures for the distribution network have been determined based on management forecasts.	A lower operating expenditure increases the fair value.
Capital expenditure	Future capital expenditure required to ensure the security and reliability of the distribution network has been based on the most recent management forecasts available at the time of the valuation.	A higher future capital expenditure decreases the fair value.
Terminal value	Terminal value at 30 June 2030 has been determined with reference to a forecast RAB using management forecasts of future cash flows and a terminal value multiple of 1.00 has been applied.	A higher terminal value and multiple increases the fair value.
Weighted Average Cost of Capital (WACC) discount rate	A nominal WACC of 7.58% (2024: 7.43%) has been employed in the valuation. The WACC discount rate has been determined in consultation with independent experts based on a long-term view of the market cost of capital.	The higher the nominal WACC, the lower the fair value.

The discount rate used by the Group to discount future cash flows is higher than the allowed rate of return as established by the AER in its Final Decision for the regulatory control period 2025-2030 (which is the rate applied to the RAB to determine future cash flows). The use of a discount rate higher than the regulated rate of return leads to an estimated fair value below the value of the current year's RAB as determined by the regulator. When future capital expenditure exceeds regulatory allowances, it is subject to a capital expenditure sharing scheme, which results in a lower valuation due to penalties imposed on the organisation in the form of reduced revenue allowances. The terminal value is determined on the assumption that future capital expenditure above the AER determination amounts will be deemed prudent and efficient. Any expenditure not deemed prudent and efficient will not be included in the future RAB determination and will thus result in a lower fair value.

Valuation policies and procedures

The Group has established control frameworks with respect to the measurement of fair values. The fair value of the Group's regulated assets was determined using an income-based approach, which reflects the net present value of an investment's future cash flows in order to arrive at a current fair value estimate for an investment. As this valuation uses inputs not based on observable market data (i.e. unobservable inputs) this resulted in a level 3 fair value. There has been no change to the valuation technique or fair value hierarchy during the year.

The fair value measurement for the supply system and power stations of \$26,207 million (2024: \$24,969 million) has been categorised as a level 3 fair value based on the inputs to the valuation technique applied.

The reconciliation from opening balances to closing balances for the level 3 fair value for the supply system assets and power stations are included on the previous page.

Impairment review of property, plant and equipment

The annual impairment review across the Group's cash generating units (CGUs) resulted in \$6 million (2024: \$2 million) of property, plant and equipment impairment.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 15: Property, plant and equipment (continued)

Summary of material accounting policies

Property, plant and equipment

(i) Recognition and measurement

The cost of property, plant and equipment constructed by the Group includes the cost of materials, direct labour and other associated costs and, where appropriate, borrowing costs.

Supply system and power station assets are measured at fair value less any subsequent depreciation. The fair value of these assets was determined as at 30 June 2025 using an income-based approach as there was no market based evidence of fair value due to the specialised nature of the assets, and the items are rarely sold, except as part of a continuing business.

Other property, plant and equipment, and work in progress are carried at cost less accumulated depreciation where applicable. The carrying amount for these assets does not differ materially from their fair value.

Revaluation increments are recognised in other comprehensive income and accumulated in the asset revaluation reserve, except for amounts reversing a decrement previously recognised as an expense.

Revaluation decrements are only offset against revaluation increments applying to the same asset and any excess is recognised as an expense.

(ii) Depreciation

Depreciation is calculated on a straight-line basis by reference to the estimated useful life and residual value of each item of property, plant and equipment, with the exception of freehold land, easements and work-in-progress which are not depreciated.

The supply system is treated as a complex asset. A complex asset is a physical asset capable of disaggregation into identifiable components that are subject to regular replacement. These components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

An assessment of useful lives is performed annually. The useful life estimate is determined with consideration of expected usage based on the asset's capacity, expected physical wear and tear, and expected technical or commercial obsolescence.

Items of property, plant and equipment which relate to the supply of electricity to a specific mine or facility may be depreciated over the operational life of the mine or facility.

Major depreciation periods are:

	Measurement basis	Depreciation period
Supply systems	Fair value	3 to 70 years
Power stations	Fair value	5 to 60 years
Buildings	Fair value	20 to 40 years
Other plant and equipment	Cost	2 to 40 years

(iii) Disposal of items of property, plant and equipment

The gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds of disposals with the carrying amounts of the items. The net gains and losses on disposals are included in the Consolidated Statement of Profit or Loss.

(iv) Maintenance and repairs

Maintenance costs are charged as an expense as incurred. Other routine repair and minor renewal costs are also charged as expenses as incurred.

(v) Contributed assets

Contributed assets are those that are funded by customers and either constructed by the Group or constructed by an external party and then gifted to the Group. Contributed assets are recognised at fair value at the time control passes to the Group and the assets are ready for use.

(vi) Finance and related costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Impairment of assets

All assets which are depreciated or amortised are reviewed for events or changes in circumstances that may indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Dismantled supply system assets and assets held for sale are removed from the relevant cash generating unit and impaired once the decision is made to dismantle or sell. The resulting impairment loss is treated as a revaluation decrement and recorded directly in equity to the extent of any credit balance existing in the revaluation reserve, with the remainder recognised in the Consolidated Statement of Profit or Loss.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 16: Leases

Leases as lessee

The Group leases various office, workshop and storage space under non-cancellable operating leases which have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are re-negotiated.

The Group has eight significant leasing arrangements, five in the greater Brisbane area and three in regional Queensland (Townsville, Cairns and Rockhampton). The remaining lease terms of these properties range from two to five years and there are lease extension options on some of these leases as discussed below. The escalation applicable to each lease is a fixed annual rate or the greater of CPI and a fixed rate.

Right-of-use assets

Right-of-use assets related to property leases that do not meet the definition of investment property are presented below:

In millions of dollars	2025	2024
Opening balance at start of financial year	129	149
Depreciation charge for the year	(26)	(26)
Additions to right-of-use assets	3	6
De-recognition of right-of-use assets	(4)	-
Total right-of-use assets at end of financial year	102	129

Lease liabilities

In millions of dollars	2025	2024
Current lease liabilities	31	36
Non-current lease liabilities	102	135
Total lease liabilities	133	171

Amounts recognised in Consolidated Statement of Profit or Loss

In millions of dollars	2025	2024
Interest on lease liabilities	3	3
Expenses relating to short-term leases	1	1

Amounts recognised in Consolidated Statement of Cash Flows

Reconciliation of movements of liabilities to cash flows		Financing cash flows ¹	Operating cash flows ¹	Non-cash changes	
In millions of dollars	2024				2025
Lease liabilities	171	(36)	(3)	1	133
In millions of dollars	2023				2024
Lease liabilities	188	(24)	(3)	10	171

¹ The cash flows make up the net amount of lease payments in the Consolidated Statement of Cash Flows. These are disclosed as a reduction to the principal lease liability in financing activities and the interest component in operating activities.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period in order to provide operational flexibility to the Group. The extension options held are exercisable only by the Group and not by the lessors. The Group reassess whether it is reasonably certain to exercise these options when there are changes to the property strategy or other circumstances within its control.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 16: Leases (continued)

Summary of material accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Leases as a lessee

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for the majority of commercial property leases, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate which is the loan rate provided by the Queensland Treasury Corporation that corresponds to the commencement date and term of the lease. The lease liability is remeasured when there is a change in future lease payments and a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to reflect a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost on initial recognition and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use assets continue to be measured at cost but may be reduced for impairment losses where applicable and adjusted for remeasurements of the lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases. These lease payments are recognised as expenses on a straight-line basis over the lease term.

Critical accounting estimates and judgements

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes aware of a significant event or a significant change in circumstances, which affects this assessment, and that is within its control.

During the current financial year, two new leases were entered into leading to an increase to the lease liability and right-of-use assets of \$3 million. In addition, the Group surrendered the lease over one floor of a greater Brisbane property, resulting in a decrease in lease liabilities of \$3 million, a decrease in right-of-use assets of \$4 million, and a net loss on derecognition of \$1 million. In the prior year, the financial effect of a lease extension and lease remeasurements on two properties was an increase to the lease liability and right-of-use assets of \$6 million.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 17: Intangible assets

In millions of dollars	2025	2024
Computer software		
At cost	1,308	1,185
Less accumulated impairment	(2)	-
Less accumulated amortisation	(894)	(820)
Net carrying value	412	365
Other intangibles		
At cost	18	21
Less accumulated amortisation	(16)	(19)
Net carrying value	2	2
Work in progress		
At cost	233	339
Less accumulated impairment	(36)	(53)
Net carrying value	197	286
Total intangibles	611	653

Reconciliations of the carrying amounts for each class of intangible asset are set out below:

Year ended 30 June 2025

In millions of dollars	Computer software \$m	Other intangibles \$m	Software work in progress \$m	Total \$m
Gross carrying amount at start of financial year	1,185	21	339	1,545
Accumulated amortisation at start of financial year	(820)	(19)	-	(839)
Accumulated impairment at start of financial year	-	-	(53)	(53)
Carrying amount at start of financial year	365	2	286	653
Additions	-	-	110	110
Capitalised interest	-	-	3	3
Transfer from work in progress	157	-	(157)	-
Transfers from/(to) property, plant and equipment	-	-	(9)	(9)
Amortisation expense	(108)	-	-	(108)
Impairment losses	(2)	-	(36)	(38)
Carrying amount at end of financial year	412	2	197	611

Year ended 30 June 2024

In millions of dollars	Computer software \$m	Other intangibles \$m	Software work in progress \$m	Total \$m
Gross carrying amount at start of financial year	1,112	43	335	1,490
Accumulated amortisation at start of financial year	(757)	(40)	-	(797)
Accumulated impairment at start of financial year	-	-	(31)	(31)
Carrying amount at start of financial year	355	3	304	662
Additions	-	-	137	137
Capitalised interest	-	-	3	3
Transfer from work in progress	106	-	(106)	-
Transfers from/(to) property, plant and equipment	3	-	(9)	(6)
Amortisation expense	(99)	(1)	-	(100)
Impairment losses	-	-	(43)	(43)
Carrying amount at end of financial year	365	2	286	653

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 17: Intangible assets (continued)

Summary of material accounting policies

Intangible assets

(i) Recognition and measurement

Internally generated intangible assets, including software, are measured at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge or understanding, is recognised in the Consolidated Statement of Profit or Loss when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of a new or substantially improved product and process, is capitalised if the product or process is technically and commercially feasible, the Group has sufficient resources to complete development and it can measure reliably the expenditure attributable to the intangible asset during its development.

(ii) Amortisation

The cost of an intangible asset is amortised on a straight-line basis over the estimated useful life of the asset unless such assets have an indefinite useful life. The estimated useful lives generally vary from 3 to 10 years.

(iii) Finance and related costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets as outlined above in the intangible assets accounting policy note. Licenced software and any configuration and customisation costs of that software, which is placed into a private cloud hosted environment and controlled by the Group is also recognised as an intangible asset with ongoing support agreements recognised as operating expenses when the services are received.

Critical accounting estimates and judgements

Impairment of assets

All assets which are depreciated or amortised are reviewed for events or changes in circumstances that may indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

The Group recognised a \$36 million impairment loss this financial year related to digital costs following assessment of the digital program (2024: \$43 million). The assessment performed was based on the work undertaken to date in order to determine an estimate of project costs that may not be fully utilised in the target state architecture.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18: Employee retirement benefits

Reconciliation of movements in the net defined benefit asset/(liability)

In millions of dollars	Defined benefit obligation	Fair value of plan assets	Net defined benefit asset/(liability)
Year ended 30 June 2025			
Carrying amount at start of year	(735)	931	196
Included in Consolidated Statement of Profit or Loss			
Current service cost	(18)	-	(18)
Interest income/(cost)	(35)	44	9
Total included in Consolidated Statement of Profit or Loss	(53)	44	(9)
Included in Consolidated Statement of Other Comprehensive Income			
Remeasurement gain/(loss):			
Actuarial gain/(loss) arising from:			
Changes in financial assumptions	(43)	-	(43)
Experience adjustments	(48)	-	(48)
Return on plan assets excluding interest income	-	9	9
Total included in Consolidated Statement of Other Comprehensive Income	(91)	9	(82)
Other			
Contributions by the employer	-	2	2
Transfers out	2	(2)	-
Contributions by Fund participants	(6)	6	-
Benefit payments and tax	65	(65)	-
Total other	61	(59)	2
Carrying amount as at 30 June 2025	(818)	925	107

In millions of dollars	Defined benefit obligation	Fair value of plan assets	Net defined benefit asset/(liability)
Year ended 30 June 2024			
Carrying amount at start of year	(650)	931	281
Included in Consolidated Statement of Profit or Loss			
Current service cost	(17)	-	(17)
Interest income/(cost)	(33)	46	13
Total included in Consolidated Statement of Profit or Loss	(50)	46	(4)
Included in Consolidated Statement of Other Comprehensive Income			
Remeasurement gain/(loss):			
Actuarial gain/(loss) arising from:			
Changes in financial assumptions	45	-	45
Experience adjustments	(118)	-	(118)
Return on plan assets excluding interest income	-	(11)	(11)
Total included in Consolidated Statement of Other Comprehensive Income	(73)	(11)	(84)
Other			
Contributions by the employer	-	3	3
Contributions by Fund participants	(6)	6	-
Benefits payments and tax	44	(44)	-
Total other	38	(35)	3
Carrying amount as at 30 June 2024	(735)	931	196

Defined benefit obligation

The Group contributes to an industry employer superannuation fund, Brighter Super (the Fund). The fund provides defined benefit members, lump sum and/or pension benefits on retirement, resignation, retrenchment, disability or death. Lump sum benefits are calculated based on years of service and final average salary.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18: Employee retirement benefits (continued)

The major categories of plan assets are as follows:

In millions of dollars	2025	2024
Cash	93	56
Fixed interest	249	316
Australian shares	167	93
International shares	212	177
Alternatives	102	149
Property and infrastructure	102	140
Total fair value of plan assets	925	931

This portfolio exposes the Fund to market risk. All shares and fixed interest plan assets have quoted prices in active markets. The actual return on plan assets for 2025 was a gain of \$53 million (2024: a gain of \$36 million).

The defined benefit assets are invested in a balanced investment portfolio, to match the weighted average duration of the defined benefit obligation of 5 years (2024: 6 years).

Key actuarial assumptions used at the reporting date are as follows:

	2025 %	2024 %
Expected rate of return on plan assets for one year	4.4	5.3
Pre-tax discount rate	4.4	5.3
Future salary increases – year one	3.5	4.5
Future salary increases – year two	3.0	3.5
Future salary increases – year three	3.0	3.0
Future salary increases – per annum thereafter	3.0	3.0

Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the key actuarial assumptions above, holding other assumptions constant were as follows:

In millions of dollars	Current assumptions	Change in assumption	2025	2024
Base Case	As above		818	735
Scenario A	3.9%	-0.5% discount rate	844	758
Scenario B	4.9%	+0.5% discount rate	794	712
Scenario C	Various	-0.5% salary increase rate	794	712
Scenario D	Various	+0.5% salary increase rate	844	758

The expected maturity of undiscounted defined benefit obligations is as follows:

In millions of dollars	2025	2024
Not later than one year	112	102
Later than one year and not later than five years	390	364
Following five years	381	371

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 18: Employee retirement benefits (continued)

Employer contributions

Based on actuarial advice, the Group reduced its contribution rate to nil during the financial year, and given the fund is in a net surplus position, the Group expects to make no contribution (2024-25: \$2 million) to its defined benefit plan in 2025/26. Funding recommendations are made by the actuary based on their forecast of various matters including future plan asset performance, interest rates and salary increases.

The Group will continue to assess the contribution rate in the future to ensure it remains appropriate.

Summary of material accounting policies

Employee retirement benefits

A defined contribution plan is a superannuation plan under which the Group pays fixed contributions. The Group has no legal or constructive obligations to pay further contributions.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

A defined benefit plan is a superannuation plan that defines the amount of the benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and final average salary. The asset or liability recognised in the Consolidated Statement of Financial Position in respect of defined benefit superannuation plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of the plan assets, together with adjustments for past service costs.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, being Australian dollars and that have terms to maturity that approximate the terms of the related superannuation liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Changes in Equity.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 19: Employee benefits

In millions of dollars	2025	2024
Current liabilities		
Employee benefits	616	601
Termination benefits	2	3
Total current employee benefits liability	618	604
Non-current liabilities		
Employee benefits	46	33
Total non-current employee benefits liability	46	33

Summary of material accounting policies

Employee benefits

Wages and salaries, annual leave, long service leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities that will be settled more than 12 months after the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

For long service leave, consideration is also given to expected future wage and salary levels and periods of service. Expected future payments relating to such liabilities are discounted using market yields at the reporting date on high quality corporate bonds.

Annual leave, vested long service leave and on-cost entitlements accrued but not expected to be taken within 12 months have been included as part of current liabilities as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Termination benefits

Liabilities for termination benefits are recognised for the obligation to provide termination payments to employees where there is a valid expectation in those affected that the Group will progress with a restructuring and associated terminations.

Critical accounting estimates and judgements

Employee benefits

Management has applied judgement in determining the key assumption of future increases in wages and salaries which is used in calculating long service leave at balance date.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 20: Net deferred tax equivalent liability

In millions of dollars	2025	2024
(A) Deferred tax equivalent assets		
The balance comprises temporary differences attributable to:		
Amounts recognised in Consolidated Statements of Profit or Loss		
Provisions/accruals	233	223
Tax losses	71	7
Derivatives	(1)	2
Unearned revenue	23	38
Leased liabilities	40	51
Other	3	4
	369	325
Amounts recognised in Consolidated Statement of Changes in Equity		
Hedge accounting of derivatives	7	5
	7	5
Total deferred tax equivalent asset	376	330
(B) Deferred tax equivalent liabilities		
The balance comprises temporary differences attributable to:		
Amounts recognised in Consolidated Statements of Profit or Loss		
Property, plant and equipment	1,839	1,820
Derivatives	(21)	(16)
Lessor Assets	30	39
Other	45	44
	1,893	1,887
Amounts recognised in Consolidated Statement of Changes in Equity		
Recognition of defined benefit surplus	19	44
Revaluation of Property, plant and equipment	1,814	1,709
Hedge accounting of derivatives	50	76
	1,883	1,829
Total deferred tax equivalent liabilities	3,776	3,716
(C) Total net deferred tax equivalent liability		
Deferred tax equivalent asset	376	330
Deferred tax equivalent liabilities	(3,776)	(3,716)
Total net deferred tax equivalent liability	(3,400)	(3,386)

The Group has a closing current tax receivable of nil at 30 June 2025 (2024: \$35 million tax receivable).

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 20: Net deferred tax equivalent liability (continued)

Summary of material accounting policies

Income taxes

(i) Tax equivalents

The Group is liable to make tax equivalent payments on its taxable income to the Queensland Government. Any taxation payments that it is required to make will be made pursuant to Section 129(4) of the GOC Act.

The National Tax Equivalents Regime (NTER) broadly utilises the provisions of the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and associated legislation, the NTER Manual as well as Rulings and other pronouncements by the Australian Taxation Office (ATO), in order to determine the tax payable by the Group.

(ii) Current tax equivalents payable/receivable

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the end of the financial year and any adjustment to tax payable in respect of previous years.

Current tax payable/receivable is recognised as current tax expense/benefit.

(iii) Deferred tax equivalent assets and liabilities

Deferred tax equivalent assets (DTA) and liabilities (DTL) are recognised on deductible or taxable temporary differences and unused tax losses and tax credits, which are recognised using the tax rates enacted or substantively enacted at the reporting date.

Temporary differences are differences between the carrying amount of an asset and liability for financial reporting purposes and their tax bases. Tax bases are determined based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Movements in DTA and DTL balances are recognised as deferred tax equivalent expenses, except to the extent they relate to items recognised directly in equity, in which case that portion is recognised in equity.

DTAs and DTLs are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

(iv) Income tax equivalent expense

Income tax equivalent expense for the reporting period consists of current tax expense and deferred tax expense. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity.

(v) Tax consolidation

Energy Queensland and its wholly-owned subsidiaries formed a tax consolidated group effective from 30 June 2016 and are therefore taxed as a single entity. The head entity within the tax consolidated group is Energy Queensland Limited.

DTAs and DTLs arising from temporary differences of the members of a tax consolidated group are recognised in the separate financial accounts of the members of the tax consolidated group using the standalone basis as specified in the tax funding deed.

The tax funding deed requires a notional current and deferred tax equivalents calculation for each entity as if it were a taxpayer in its own right, with the exception of distributions made and received within the tax consolidated group (e.g. intra-group dividends) which are treated as having no tax consequences.

The head entity recognises DTAs arising from unused tax losses and tax credits of the members of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised. The recognised tax losses are available indefinitely for offsetting against the future taxable profits subject to the satisfaction of certain loss recoupment rules.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 20: Net deferred tax equivalent liability (continued)

Summary of material accounting policies (continued)

(vi) Nature of tax funding deed and tax sharing agreements

The members of the Energy Queensland tax consolidated group have entered into a tax funding deed which sets out the tax funding obligations for each member. The tax funding deed allows for an intercompany payable/receivable between the head entity and subsidiary equal to the current tax liability or asset assumed by the head entity. Any tax loss or deferred tax equivalent asset assumed by the head entity, results in the recognition of an inter-entity receivable in the separate financial accounts of the members of the tax consolidated group equal in amount to the tax loss/deferred tax equivalent asset assumed.

The head entity recognises the assumed current tax amounts as current tax liabilities/assets, adding to its own current tax amounts (if any), since they are also due to or from the same taxation authority. The current tax liabilities/assets are equivalent to the tax balances generated by external transactions entered into by the tax consolidated group.

Contributions to fund the current tax liabilities are payable as per the tax funding deed.

The members of the tax consolidated group have also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as the likelihood of payment of any amounts under the tax sharing agreement is considered remote.

(vii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated 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. Commitments are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 21: Unearned revenue and contract liabilities

In millions of dollars	2025	2024
Current liabilities		
Unearned revenue – government grant	3	8
Contract liabilities	293	218
Total current unearned revenue and contract liabilities	296	226

Summary of material accounting policies

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for customer requested design and construction work such as relocation of network assets and other recoverable maintenance and construction work for which revenue is recognised over time, and for cash contributions received for connection contracts for which revenue is recognised on completion of those works when the customer is connected to the network.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 5: Capital structure

Note 22: Share capital

	2025	2025	2024	2024
Share capital	Shares	\$M	Shares	\$M
Fully paid ordinary shares	100	19,643	100	19,643
Total share capital	100	19,643	100	19,643

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. The shares have no par value.

There were no changes in share capital during the year.

Summary of material accounting policies

Share capital

Ordinary shares are classified as equity.

Note 23: Other transactions with owners, reserves and retained earnings

In millions of dollars	2025	2024
Other transactions with owners	(18,514)	(18,634)
Asset revaluation reserve	2,734	2,504
Hedging reserve	100	166
Retained earnings	328	463

Summary of material accounting policies

Other transactions with owners

Where assets and liabilities are transferred between entities of the wholly-owned group and State of Queensland controlled entities, under the directive of the owner (being the State of Queensland) and the consideration paid is not equal to the value recognised on the transferred assets, the difference is recognised as other owners' contributions.

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve relates to property, plant and equipment measured at fair value in accordance with applicable Australian Accounting Standards. Refer to Note 15 for further details of revaluation of property, plant and equipment.

Hedging reserve

The hedging reserve is used to record the effective portion of the gains or losses on hedging instruments in cash flow hedges that have not settled. Amounts are recognised in profit or loss when the associated hedged transactions affect the Consolidated Profit or Loss Statement.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section 6: Other notes

Note 24: Commitments

In millions of dollars	2025	2024
Capital expenditure commitments		
Estimated capital expenditure contracted for at the end of the financial year but not recognised as liabilities ¹	653	650

¹ These commitments consist of executed contracts and/or open purchase orders and are valued at price levels and foreign currency exchange rates as at the end of the reporting period.

Note 25: Contingencies

(A) Legal claims

A number of common law claims are pending against the Group and liability is not admitted. The amount of claims due to litigation and associated expected legal fees is \$7 million (2024: \$6 million). These claims are disclosed on a gross basis and exclude possible reimbursement through insurance recoveries.

(B) Other possible claims

From time to time the Group receives formal notifications from third parties which might indicate intention to lodge formal claims against the Group. The Group investigates these matters and responds appropriately to such communications in order to minimise potential future claims.

There are no significant potential claims that are expected to have an impact on the Group's future financial position.

(C) Guarantees

(i) Third Parties

In order to participate in the electricity market, entities within the Group are required to deliver acceptable security as collateral to the Australian Energy Market Operator (AEMO) for their obligations to counter parties in the Electricity Market arising as a consequence of normal trading. Security, in the form of payment guarantees totalling \$145 million (2024: \$150 million), has been issued by QTC to the AEMO. EQL provides QTC with a Counter Indemnity up to the value of \$150 million in respect of this guarantee.

In order to participate in the electricity market, entities within the Group are required to hold an Australian Financial Services Licence for which QTC provides the required Eligible Undertaking to the value of \$400 million (2024: \$400 million). EQL provides QTC with a Counter Indemnity up to the value of \$400 million in respect of the eligible undertaking. The Group has in place a Bank Guarantee facility with Commonwealth Bank to the value of \$150 million (2024: \$100 million).

(ii) Subsidiaries – Wholly-owned

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Energy Queensland has guaranteed to pay any deficiency in the event of winding up of Energex Limited, Ergon Energy Corporation Limited, SPARQ Solutions Pty Ltd, Yurika Pty Ltd and Metering Dynamics Pty Ltd. These controlled entities have also given a similar guarantee in the event that Energy Queensland or any of the entities are wound up or does not meet their obligations. Refer to Note 26.

(D) Guarantees held

The Group holds bank guarantees from customers totalling \$108 million (2024: \$87 million) with the majority relating to the construction of capital assets.

There are \$3 million in guarantees held with trading counterparties (2024: \$3 million), as security to cover obligations arising from the trading of electricity.

(E) Environmental remediation

The Group provides for all known environmental liabilities. The Group estimates that current provisions for environmental remediation are adequate based on current information. However, there can be no assurance that new material provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

Summary of material accounting policies

Contingent assets and liabilities

Contingent assets are not recognised in the consolidated financial statements. Other than when required on acquisition of a business, contingent liabilities are not recognised in the consolidated financial statements. They are, however, disclosed in the notes to the consolidated financial statements, where appropriate.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 26: Consolidated entities and investments in associates

Consolidated entities

Energy Queensland Limited had 100% (2024: 100%) interest in the following subsidiaries during the financial year. All entities were incorporated in Australia and are domiciled in Australia for taxation purposes.

- Energex Limited ¹
- Ergon Energy Corporation Limited ¹
- Ergon Energy Queensland Pty Ltd ²
- SPARQ Solutions Pty Ltd ²
- Varnsdorf Pty Ltd ²
- VH Operations Pty Ltd ²
- Yurika Pty Ltd ²
- Metering Dynamics Pty Ltd ²
- Ergon Energy Telecommunications Pty Ltd ²

¹ Australian public company, limited by shares

² Australian proprietary company, limited by shares

Consolidated entities

Pursuant to the *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, relief has been granted to Energex Limited, Ergon Energy Corporation Limited, Yurika Pty Ltd (Yurika), Metering Dynamics Pty Ltd (Metering Dynamics) and SPARQ Solutions Pty Ltd (SPARQ Solutions) from the requirements under the *Corporations Act 2001* for the preparation, audit and lodgement of their financial reports. Ergon Energy Queensland Pty Ltd (Ergon Energy Retail), a subsidiary of Energy Queensland, still prepares its own financial statements. The remaining Energy Queensland subsidiaries are small proprietary companies and are therefore relieved from the requirement for preparation, audit and lodgement of annual financial statements.

Investment in associates

Energy Queensland holds 49% of voting shares in Queensland Capacity Network Pty Ltd (QCN), a communications company set up for the purpose of enabling faster and more reliable internet services in regional Queensland.

EQL is deemed to have significant influence over QCN, and accounts for its investment in the associate using the equity method.

Summary of material accounting policies

Basis of consolidation

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent of the Group.

Investments in controlled entities are carried in the financial statements of the Company at the lower of cost and recoverable amount.

Where an acquisition has commercial substance, the cost of an acquisition is measured as the fair value of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of exchange. Where such transactions result from the restructuring of entities wholly-owned by the State of Queensland and are designated as transactions with owners, assets acquired and liabilities assumed are recognised at the current carrying amounts recorded by the transferor with any difference between consideration and the carrying amount at the date of exchange recorded in equity.

Where Energy Queensland has significant influence over an investment, it is deemed an associate and equity accounted.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 26: Consolidated entities and investments in associates (continued)

Closed Group legislative instrument

As a condition of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Energy Queensland entered into a Deed of Cross Guarantee with the following controlled entities:

- Energex Limited
- Ergon Energy Corporation Limited
- SPARQ Solutions Pty Ltd
- Yurika Pty Ltd
- Metering Dynamics Pty Ltd

The effect of the Deed is that Energy Queensland, the Parent, has guaranteed to pay any deficiency in the event of winding up of the above controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. These controlled entities have also given a similar guarantee in the event that any other entity in the Closed Group is wound up or if it does not meet its obligations under the terms of the overdrafts, loans, leases or other liabilities under the guarantee.

The existing Deed of Cross Guarantee continues to provide reporting relief to the above controlled entities.

The Consolidated Profit or Loss and Statements of Financial Position of the entities that are members of the Closed Group are provided in Note 28.

Further information regarding guarantees is provided in Note 25.

Note 27: Energy Queensland Limited (the Parent)

In millions of dollars	2025	2024
Current assets	1,642	1,689
Non-current assets	24,779	23,063
Total assets	26,421	24,752
Current liabilities	841	789
Non-current liabilities	22,087	20,460
Total liabilities	22,928	21,249
Net assets	3,493	3,503
Issued capital	19,643	19,643
Other transactions with owners	(16,147)	(16,267)
Retained earnings	(3)	127
Total equity	3,493	3,503
Loss of the Parent entity	(72)	(23)
Other comprehensive income		
Items that will not be classified to profit or loss:		
Actuarial losses on defined benefit plan recognised directly in equity	(82)	(84)
Deferred income tax relating to actuarial losses on defined benefit plans	24	25
Other comprehensive income/(loss) for the financial year, net of tax	(58)	(59)
Total comprehensive income/(loss) of the Parent entity	(130)	(82)

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 27: Energy Queensland Limited (the Parent) (continued)

Parent entity contingencies

There are no common law claims pending against the Company (2024: nil).

Parent entity capital commitments for acquisition of property, plant and equipment

During the year the Company entered into contracts to purchase plant and equipment for \$142 million (2024: \$61 million).

Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 26.

Note 28: Closed Group

As discussed in Note 26, pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, relief has been granted to wholly-owned entities of the Group from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of their financial reports.

The Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position of the entities that are members of the Closed Group are as follows:

Consolidated Closed Group Profit or Loss

In millions of dollars	2025	2024
Loss before income tax	(352)	(213)
Income tax benefit	104	65
Loss after income tax benefit	(248)	(148)
Retained earnings at the beginning of the year	407	476
Transfers from reserves	108	79
Retained earnings at the end of the year	267	407

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 28: Closed Group (continued)

Consolidated Closed Group Statement of Financial Position

In millions of dollars	2025	2024
Current assets		
Cash and cash equivalents	18	16
Trade and other receivables	1,489	1,507
Tax receivable	-	35
Inventories	282	252
Total current assets	1,789	1,810
Non-current assets		
Property, plant and equipment	28,668	26,909
Right-of-use assets	102	129
Intangible assets	601	644
Investments in subsidiaries	119	119
Employee retirement benefits	107	197
Other assets	10	13
Total non-current assets	29,607	28,011
Total assets	31,396	29,821
Current liabilities		
Trade and other payables (including dividends payable)	620	1,011
Lease liabilities	31	36
Employee benefits	618	604
Provisions	55	27
Unearned revenue and contract liabilities	287	222
Total current liabilities	1,611	1,900
Non-current liabilities		
Interest bearing liabilities	21,970	20,340
Lease liabilities	102	135
Employee benefits	46	33
Net deferred tax equivalent liability	3,410	3,370
Provisions and other liabilities	8	4
Total non-current liabilities	25,536	23,882
Total liabilities	27,147	25,782
Net assets	4,249	4,039
Equity		
Share capital	19,643	19,643
Other transactions with owners	(18,394)	(18,514)
Reserves	2,733	2,503
Retained earnings	267	407
Total equity	4,249	4,039

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures

(A) Details of shareholding Ministers

The Group's responsible shareholding Ministers are identified as part of the Group's Key Management Personnel (KMP). The Ministers responsible during the financial year are, or were:

- The Honourable David Janetzki MP, Treasurer and Minister for Energy and Minister for Home Ownership,
- The Honourable Rosslyn Bates MP, Minister for Finance, Trade, Employment and Training,
- The Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment (1 July 2024 – 27 October 2024), and
- The Honourable Michael de Brenni MP, Minister for Energy and Clean Economy Jobs (1 July 2024 – 27 October 2024).

(B) Compensation – shareholding Ministers

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Group does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

(C) Details of Directors

Directors of Energy Queensland as at 30 June 2025:		Term of appointment	Appointment expiry date
Sarah Zeljko ¹	Chair	3 years	30 September 2025
Vaughan Busby ²	Non-Executive Director	3 years	30 September 2026
Kevin Kehl	Non-Executive Director	4 years	31 May 2028
Karen Lay-Brew	Non-Executive Director	4 years	31 May 2028
Bill Armagnacq	Non-Executive Director	2 years 9 months	30 September 2027
Leisa Rafter	Non-Executive Director	2 years 9 months	30 September 2027
Corinne Butler	Non-Executive Director	2 years 9 months	30 September 2027

¹ Sarah Zeljko's appointment as a director ceased 7 August 2025.

² Vaughan Busby resigned effective 30 June 2025 prior to his contract expiry of 30 September 2026.

(D) Compensation – Directors

Directors' remuneration is set in accordance with the *Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies*.

The non-executive Directors of the Company do not participate in any variable reward or 'at-risk' incentive scheme.

Amounts disclosed for remuneration of key management personnel exclude insurance premiums paid by the Company in respect of Directors' and Officers' liability insurance contracts.

In accordance with Ministerial Guidelines, details of compensation provided to Directors in office during the financial period ended 30 June 2025 by the Group are as follows:

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures (continued)

(D) Compensation – Directors (continued)

Directors' remuneration	Short term benefits Directors' fees		Post employment benefits Superannuation		Total	
In thousands of dollars	2025	2024	2025	2024	2025	2024
Energy Queensland						
Sarah Zeljko	215	211	25	23	240	234
Vaughan Busby	87	87	10	10	97	97
Kevin Kehl ¹	92	6	11	1	103	7
Karen Lay-Brew	87	86	10	9	97	95
Bill Armagnacq ²	47	-	5	-	52	-
Leisa Rafter ²	44	-	5	-	49	-
Corinne Butler ²	44	-	5	-	49	-
Teresa Dyson ³	43	84	5	9	48	93
Paul Lucas ³	42	89	4	10	46	99
Megan O'Hara Sullivan ^{1, 3}	42	6	4	1	46	7
Mark Algie ³	43	87	5	10	48	97
Sandra Diethelm ⁵	-	39	-	4	-	43
Hugh Gleeson ⁴	-	24	-	3	-	27
Helen Stanton ⁴	-	23	-	2	-	25
Total	786	742	89	82	875	824

¹ Kevin Kehl and Megan O'Hara Sullivan were appointed as Directors of Energy Queensland Limited effective 1 June 2024.

² Bill Armagnacq, Leisa Rafter and Corinne Butler were appointed as Directors of Energy Queensland Limited effective 19 December 2024.

³ Paul Lucas, Mark Algie, Teresa Dyson and Megan O'Hara Sullivan ceased as directors of Energy Queensland Limited effective 19 December 2024.

⁴ Hugh Gleeson and Helen Stanton's terms as Directors expired on 30 September 2023.

⁵ Sandra Diethelm was appointed as a Director of Energy Queensland Limited effective 1 October 2023 and resigned on 31 March 2024.

No further fees were paid to Directors, other than the amounts disclosed in the table above.

(E) Compensation – Executives

Senior executive employment contracts

Remuneration and other terms of employment of executives are formalised in senior executive employment contracts.

Each of these employment contracts makes a provision for fixed remuneration and an 'at risk' performance incentive.

A Total Fixed Remuneration (TFR) concept for the structure of executive remuneration is utilised. While the total cost of a senior executive's remuneration package is capped, the executive then has the flexibility to decide the composition of the total fixed remuneration, which could include cash salary or salary sacrificed arrangements including motor vehicle, car park and additional superannuation, plus any fringe benefits tax incurred.

No other non-cash benefits are provided to executives as the TFR concept captures various benefits structured within a total cost rather than a base salary plus benefits approach.

Senior executive staff members are eligible for an 'at risk' or variable performance pay component that is directly linked to both the overall performance of the Group and their individual efforts against a range of key indicators and targets as contained in the annual Statement of Corporate Intent and the senior executives' performance agreement. Any 'at risk' payment is contingent on the Board's assessment of the company's overall performance and shareholder expectations.

Performance payments may not exceed a maximum of 15% of the individual's TFR figure.

All senior executives are engaged on tenured contractual arrangements in accordance with *The Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements* (Policy).

Separation entitlements for all senior executives are subject to the terms and conditions of their contracts with the Group.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures (continued)

(E) Compensation – Executives (Continued)

Application to Chief Executive Officer (CEO) and other Senior Executives

Upon termination the executive is entitled to pay in lieu of the executive's entitlements to annual leave and long service leave, calculated with reference to the executive's total fixed remuneration up to the date on which the termination takes effect. If the employment of the executive is terminated by Energy Queensland, except in the event of serious misconduct or incapacity, the executive is entitled to:

- i. salary for the balance of the notice period; and
- ii. a termination payment of six months (for CEO) and three months (for other Senior Executives) superannuable salary.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures (continued)

(E) Compensation – Executives (continued)

Executive remuneration	Short term benefits ⁽¹⁾	Performance payment ⁽²⁾	Post-employment benefits ⁽³⁾	Other long-term benefits ⁽⁴⁾	Termination benefits	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Energy Queensland						
Peter Scott – Chief Executive Officer	1,163	105	31	30	-	1,329
David Malek – Chief Financial Officer ⁽⁵⁾	183	52	16	4	149	404
Armand Mahne – Acting Chief Financial Officer ⁽⁶⁾	461	-	24	12	-	497
Paul Jordon – Chief Operating Officer	643	69	65	18	-	795
Belinda Watton – Executive General Manager Yurika	561	52	30	15	-	658
Todd Reynolds – Executive General Manager People, Property and Safety	536	22	31	13	-	602
Peter Price – Chief Engineer ⁽⁷⁾	411	64	42	11	159	687
Jason Hall – Acting Chief Engineer ⁽⁸⁾	193	-	10	6	-	209
Michael Dart – Chief Customer Officer	511	47	31	13	-	602
Ayesha Razzaq – Executive General Manager Retail	553	53	30	15	-	651
Sharyn Scriven – Chief Information Officer	505	45	31	13	-	594
Trudy Fraser – Executive General Manager Regulation ⁽⁹⁾	372	27	30	9	-	438
Benn Barr – Executive General Manager Regulation, Risk and Strategy ⁽¹⁰⁾	46	-	5	2	-	53
Total	6,138	536	376	161	308	7,519

⁽¹⁾ Short-term benefits include all payments made to the Officer during the year excluding at-risk performance payments (disclosed separately), less payments for annual leave and long-service leave taken and including annual leave benefits accrued during the year.

⁽²⁾ At risk performance payments are paid in the current financial year for performance for the prior financial year.

⁽³⁾ Post-employment benefits represent superannuation contributions made by the employer to the superannuation fund at the rates prescribed in the executives' employment contracts (in line with the maximum contribution base for defined contribution fund members and a notional percentage as part of the fixed remuneration base for defined benefit fund members). Where superannuation contribution rates exceed the contribution cap, the excess amounts are paid to the employees as short-term benefits. Refer to Note 18 for further information regarding the defined benefit obligations of the Group.

⁽⁴⁾ Other long-term benefits represent long service leave benefits accrued during the year.

⁽⁵⁾ David Malek discontinued office in the role of Chief Financial Officer on 27 September 2024.

⁽⁶⁾ Armand Mahne commenced acting in the role of Chief Financial Officer on 2 September 2024.

⁽⁷⁾ Peter Price discontinued office in the role of Chief Engineer on 28 February 2025.

⁽⁸⁾ Jason Hall commenced acting in the role of Chief Engineer on 1 March 2025.

⁽⁹⁾ Trudy Fraser commenced acting in the role of Executive General Manager Regulation on 7 March 2024 and ceased acting in this role on 16 May 2025.

⁽¹⁰⁾ Benn Barr commenced in the role of Executive General Manager Regulation, Risk and Strategy on 19 May 2025.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures (continued)

(E) Compensation – Executives (continued)

Executive remuneration	Short term benefits ⁽¹⁾	Performance payment ⁽²⁾	Post-employment benefits ⁽³⁾	Other long-term benefits ⁽⁴⁾	Ex gratia/termination benefits	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Energy Queensland						
Peter Scott – Chief Executive Officer ⁽⁵⁾	1,072	-	27	28	-	1,127
David Malek – Chief Financial Officer	591	16	27	15	-	649
Belinda Watton – Executive General Manager Yurika	546	51	27	14	-	638
Karen Stafford – Acting Executive General Manager Services ⁽⁶⁾	257	32	16	7	-	312
Todd Reynolds – Executive General Manager People, Property and Safety ⁽⁷⁾	215	-	12	6	-	233
Peter Price – Chief Engineer	570	53	61	17	-	701
Paul Jordon – Chief Operating Officer	587	54	62	17	-	720
Michael Dart – Chief Customer Officer	496	41	27	13	-	577
Ayesha Razzaq – Executive General Manager Retail	533	44	27	14	-	618
Marianne Vosloo – Executive General Manager Digital ⁽¹⁰⁾	43	31	6	1	275	356
Sharyn Scriven – Chief Information Officer ⁽¹¹⁾	408	-	23	11	-	442
Nicola Roscoe – Acting Executive General Manager Regulation ⁽⁸⁾	265	27	18	6	-	316
Stephanie McDougall – Executive General Manager Regulation ⁽⁹⁾	64	-	5	2	122	193
Trudy Fraser – Executive General Manager Regulation ⁽¹²⁾	103	-	8	3	-	114
Total	5,750	349	346	154	397	6,996

⁽¹⁾ Short-term benefits include all payments made to the Officer during the year excluding at-risk performance payments (disclosed separately), less payments for annual leave and long-service leave taken and including annual leave benefits accrued during the year. The annual leave benefit accrued has been reclassified from long-term to short-term benefits from this financial year.

⁽²⁾ At risk performance payments are paid in the current financial year for performance for the prior financial year.

⁽³⁾ Post-employment benefits represent superannuation contributions made by the employer to the superannuation fund at the rates prescribed in the executives' employment contracts (in line with the maximum contribution base for defined contribution fund members and 10% as part of the fixed remuneration base for defined benefit fund members). Where superannuation contribution rates exceed the contribution cap, the excess amounts are paid to the employees as short-term benefits. Refer to Note 18 for further information regarding the defined benefit obligations of the Group.

⁽⁴⁾ Other long-term benefits represent long service leave benefits accrued during the year.

⁽⁵⁾ Peter Scott was appointed to the role of Chief Executive Officer on 14 September 2023.

⁽⁶⁾ Karen Stafford was acting in the role of Executive General Manager Services until 21 January 2024. Amounts disclosed include those earned by the individual whilst acting in that role.

⁽⁷⁾ Todd Reynolds was appointed to the role of Executive General Manager People, Property and Safety on 15 January 2024.

⁽⁸⁾ Nicola Roscoe was acting in the role of Executive General Manager Regulation until 9 February 2024.

⁽⁹⁾ Stephanie McDougall was appointed to the role of Executive General Manager Regulation effective 22 January 2024 and ceased in that role on 7 March 2024.

⁽¹⁰⁾ Marianne Vosloo discontinued office in the role of Executive General Manager Digital effective 22 July 2023. The termination benefits disclosed include the notice period and 3 months superannuable salary in accordance with the entitlements under the senior executive employment contract, and an additional ex gratia amount as approved by the Board.

⁽¹¹⁾ Sharyn Scriven commenced acting in the role of Chief Information Officer on 7 August 2023 and was permanently appointed on 24 May 2024.

⁽¹²⁾ Trudy Fraser commenced acting in the role of Executive General Manager Regulation on 7 March 2024.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 29: Key management personnel disclosures (continued)

(F) Fixed remuneration packages – Executives

Total fixed remuneration package ¹	2025	2024
	\$'000	\$'000
Energy Queensland		
Chief Executive Officer	1,209	1,099
Acting Chief Financial Officer	598	600
Chief Operating Officer	717	679
Executive General Manager People, Property and Safety	527	503
Acting Chief Engineer	653	666
Chief Customer Officer	523	495
Chief Information Officer	524	500
Executive General Manager Retail	580	550
Executive General Manager Yurika	590	563
Executive General Manager Regulation, Risk and Strategy ²	565	413
Total	6,486	6,068

¹ The TFR package differs from the executive remuneration disclosures on the previous page, as the executive remuneration disclosures reflect the cost to the Group. Adjustments include leave and superannuation accruals and pro-rata payments for part-year entitlements.

² The title of this position was renamed from Executive General Manager Regulation to Executive General Manager Regulation, Risk and Strategy effective 19 May 2025.

(G) Compensation disclosures by category:

	2025	2024
	\$'000	\$'000
Short-term benefits	7,460	6,841
Post-employment benefits	465	428
Other long-term benefits	161	154
Termination benefits/ex gratia	308	397
Total	8,394	7,820

This table includes Directors and Executives remuneration.

(H) Transactions with related parties of key management personnel

Key management personnel and their closely related parties conduct transactions with the Group on an arm's length basis and on terms and conditions no more favourable than those available to non-related parties.

The following executives and former executives of the Group are or were Directors of controlled entities or associates. They did not receive any remuneration for their positions as Directors of these legal entities.

- Peter Scott
- Belinda Watton
- Michael Dart
- Ayesha Razzaq
- David Malek
- Peter Price

(I) Loans to key management personnel

The Group has not made any loans to key management personnel in either the current or the prior financial year.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 30: Related party transactions

Entities subject to common control

The Company is a Queensland Government Owned Corporation, with all shares held by shareholding Ministers on behalf of the State of Queensland. All State of Queensland controlled entities meet the definition of other related parties of the Group.

Transactions with State of Queensland controlled entities

The Group and the Company transact with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in arm's length transactions.

	2025 \$'000	2024 \$'000
Revenue		
Revenue from State of Queensland controlled entities	788,008	631,570
Pensioner rebate and Qld utility bill relief revenue from Department of Child Safety, Seniors and Disability Services	281,618	484,939
Electricity trading with State of Queensland controlled entities	81,520	(171,123)
Interest received from Queensland Treasury	20,580	12,218
Community service obligation revenue received from Department of Climate and Energy and Queensland Treasury	652,587	619,057
Expenses		
Expenses incurred to State of Queensland controlled entities	729,329	569,656
Interest on QTC borrowings (includes administration fees)	768,171	649,951
Competitive neutrality fee paid to Queensland Treasury	102,141	108,254
NTER, Payroll Tax and Land Tax paid to Queensland Treasury	122,072	102,862
Assets		
Advances facility held with Queensland Treasury	711,447	813,477
Community service obligations amounts receivable	103,064	56,897
Current tax receivable	-	34,914
Electricity trading with State of Queensland controlled entities	45,030	4,284
Trade and other receivables from State of Queensland controlled entities	42,159	27,380
Liabilities		
Accrued interest and fees payable to QTC	68,976	52,697
Trade payables to State of Queensland controlled entities	53,205	44,070
Cost of living Rebate received from Department of Treaty, Aboriginal and Torres Strait Islander Partnerships to be passed on to customers	-	664,333
Borrowings from QTC	21,970,143	20,340,153
Accrued competitive neutrality fee payable to Queensland Treasury	26,146	27,425
Unearned grant revenue	3,125	7,597
Equity		
Contributed equity received from Department of Climate and Energy	120,000	-

Notes to the consolidated financial statements

For the year ended 30 June 2025

Note 30: Related party transactions (continued)

No provision for impairment of receivables was raised for any outstanding balances and no expense was recognised for bad or impaired debts due from State owned entities.

Transactions with State-owned electricity transmission entities related to transmission charges were made in accordance with the National Electricity Rules for transmission use of system charges. Other transactions are based on normal commercial terms and conditions and at market rates.

Transactions with other related parties

Disclosures relating to key management personnel are set out in Note 29.

Ultimate parent entity

The ultimate parent entity within the Group is Energy Queensland Limited.

Ownership interests in related parties

Interests in consolidated entities and associates are set out in Note 26.

Note 31: Auditor's remuneration

	2025	2024
	\$'000	\$'000
Remuneration for audit and review of the financial reports of the Group and the Company:		
Audit services – Auditor-General of Queensland		
Audit and review of financial reports	2,241	2,069
Audit and review of regulatory reports	736	669
Fees for 2025-26 related to climate disclosures	30	-
Other audit service providers		
Non-financial review of regulatory reports	96	93
Total Auditor's Remuneration	3,103	2,831

Note 32: Events after reporting date

No events of a material nature have occurred since the end of the financial year that significantly affected or may significantly affect the operations of the Group or the Company.

Consolidated entity disclosure statement

Energy Queensland Limited had 100% (2024: 100%) interest in the following subsidiaries at the end of the financial year. All entities were incorporated in Australia and are domiciled in Australia for taxation purposes.

- Energex Limited ¹
- Ergon Energy Corporation Limited ¹
- Ergon Energy Queensland Pty Ltd ²
- SPARQ Solutions Pty Ltd ²
- Varnsdorf Pty Ltd ²
- VH Operations Pty Ltd ²
- Yurika Pty Ltd ²
- Metering Dynamics Pty Ltd ²
- Ergon Energy Telecommunications Pty Ltd ²

¹ Australian public company, limited by shares

² Australian proprietary company, limited by shares

Basis of preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are Energy Queensland Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for subsidiaries included in the statement represents the economic interest consolidated in the consolidated financial statements.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Directors' declaration

In the Directors' opinion:

1. The consolidated financial statements and associated notes set out on pages 65 to 128;

- (i) Comply with the Australian Accounting Standards and Interpretations;
- (ii) Are in accordance with the *Corporations Act 2001*; and
- (iii) Give a true and fair view of the financial position of the Group as at 30 June 2025 and of its performance for the year ended on that date.

2. The Consolidated Entity Disclosure Statement set out on page 129 is true and correct.

3. As at the date of this declaration there are reasonable grounds to believe:

- (i) That the Company will be able to pay its debts as and when they become due and payable; and
- (ii) The members of the Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

Made in accordance with a resolution by the Directors.



Patrick Brady

Chair

27 August 2025

Independent auditor's report

To the Members of Energy Queensland Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Energy Queensland Limited (the company) and its controlled entities (the group).

The financial report comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement 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 its financial performance for the year then ended; and
- b) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the 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 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 and the Auditor-General Auditing Standards. I am also independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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. I addressed these matters 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.

Key audit matter	How my audit addressed the key audit matter
<p>The fair value of the supply system assets has been determined using the discounted cash flow (DCF) technique (income approach).</p> <p>The fair value estimation involved significant assumptions and judgements for:</p> <ul style="list-style-type: none"> • aggregating supply assets to units of account for valuation purposes. • estimating future cash inflows and outflows based on: <ul style="list-style-type: none"> - revenue forecasts - estimations of efficient and prudent operating and capital cash outflow amounts - tax cash flow - additional capital expenditure spends - deriving a terminal value in Energy Queensland Limited's regulated environment - setting the rate used to discount the forecast cash inflows, cash outflows and terminal value to present value. 	<p>My procedures included engaging an auditor's expert to assist in:</p> <ul style="list-style-type: none"> • evaluating the appropriateness, with reference to common industry practice, of Energy Queensland Limited's identification of units of account and use of the income approach (having consideration for highest and best use and the principal market) • verifying the mathematical accuracy of the discounted cash flow models • assessing the reasonableness of forecast revenue, operating expenditure, capital expenditure, and tax cash flows, by corroborating the key market related assumptions to relevant internal forecasts and historical external data • evaluating the methodology used to derive terminal values with reference to common industry practice • performing sensitivity analysis for the revenue and expenditure cash flow growth rates, discount rate, terminal value and RAB multiples to assess how management addressed estimation uncertainty • agreeing the discount rate calculation methodology to industry range standards and available market information; and • assessing the reasonableness of the income approach valuation by performing valuation cross checks to comparable organisations and recent sales of similar entities. <p>My procedures to assess the work of the auditor's expert included:</p> <ul style="list-style-type: none"> • evaluating their qualifications, competence, capabilities, and objectivity • considering the nature, scope and objectives of the work performed for appropriateness • evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained

Valuation of derivative financial instruments-assets (\$99 million), derivative financial instruments-liabilities (\$24 million), and designation of hedging instruments

Refer to notes 8, 11, 13 and 14 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The fair value measurement of Energy Queensland Limited's (EQL) derivative financial instruments is inherently complex.</p> <p>Key factors contributing to this complexity include the use of internal financial models and judgement to estimate key inputs due to the absence of observable market data for some assumptions.</p>	<p>My procedures included engaging an auditor's expert to assist in:</p> <ul style="list-style-type: none"> obtaining an understanding of the valuation techniques and financial models used, and assessing their design, integrity, and appropriateness with reference to common industry practices and requirements of the Australian accounting standards challenging management assumptions used in the valuation process and assessing the reasonableness of inputs and valuation techniques in reference to industry specific practices testing, for a sample of derivative instruments, the reasonableness of the valuation calculations by agreeing key terms to supporting documents and counterparty confirmations, and recalculating the fair values based on an understanding of generally accepted valuation practices. <p>My procedures to assess the work of the auditor's expert included:</p> <ul style="list-style-type: none"> evaluating the qualifications, competence, capabilities, and objectivity of the auditor's expert assessing the nature, scope and objectives of the work performed by the auditor's expert evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained.
<p>EQL's application of hedge accounting is complex due to:</p> <ul style="list-style-type: none"> the specific requirements of AASB 9 Financial Instruments for an effective hedge relationship and deferral of fair value gains and losses to the cash flow hedge reserve judgements required in assessing EQL's forecast load to support hedge relationships use of an internally developed system to administer and account for hedge relationships. 	<p>With the assistance of an auditor's expert, my procedures included but were not limited to:</p> <ul style="list-style-type: none"> assessing EQL's hedge accounting process including exercise of management judgement in complying with the specific requirements of AASB 9 and testing the qualifying criteria for an effective hedge relationship and methodology to calculate hedge effectiveness evaluating the scope, competency and objectivity of the Company's external experts involved in the design, implementation, and operation of the hedge accounting system and by examining the work performed, their professional qualifications and experience for cash flow hedges, assessing the reasonableness of forecast information used to support the highly probable criterion required for an effective hedge relationship testing the reconciliation of the cash flow hedge reserve, and presentation of gains and losses in the income statement validating the appropriateness of disclosures in the consolidated financial statements. <p>My procedures to assess the work of the auditor's expert included:</p> <ul style="list-style-type: none"> evaluating the qualifications, competence, capabilities, and objectivity of the auditor's expert assessing the nature, scope and objectives of the work performed for appropriateness evaluating the findings and conclusions for relevance, reasonableness and consistency with other audit evidence obtained.

Measurement of Unbilled Revenue (\$283 million)

Refer to note 6 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The complex unbilled revenue and accrual for network and retail charges calculation involved significant judgements for estimating the unread meter usage at balance date.</p> <p>In making this estimate, EQL based the calculation on a model that used historical consumption data, historical billing data and purchase load to create a seasonally adjusted periodical profile.</p>	<p>My procedures included but were not limited to:</p> <ul style="list-style-type: none">• obtaining an understanding of the modelling approach and assessing the appropriateness of its design• testing general information technology controls and application controls over relevant information technology systems• validating the inputs used, including historical consumption and billing data, purchase load and tariff rates, against relevant source data• verifying the mathematical accuracy of the unbilled revenue model• developing an estimate of the unbilled network and retail revenue at year-end and comparing it to EQL management's estimate• validating the appropriateness of disclosures in the consolidated financial statements.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our 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 identified above 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:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and, for such internal controls as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 has 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 our 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.



Rachel Vagg
Auditor General

27 August 2025
Queensland Audit Office
Brisbane

Glossary

AASB	Australian Accounting Standards Board
ADRP	Aggregated Demand Response Program
AER	Australian Energy Regulator
AEMO	Australian Energy Market Operator
AEMC	Australian Energy Market Commission
AMWU	Automotive, Metals, Engineering, Printing and Kindred Industries Union of Employees
API	Australia Power Institute
ARENA	Australian Renewable Energy Agency
ASX	Australian Stock Exchange
BYDA	Before You Dig Australia
CEI	Customer Enablement Index
CEO	Chief Executive Officer
CER	Consumer Energy Resources
CSAT	Customer Satisfaction
CSO	Community Service Obligation
DER	Distributed Energy Resources
DERMS	Distributed Energy Resource Management System
DSO	Distribution System Operator
EAP	Employee Assistance Provider
EFD	Early Fault Detection
ESG	Environmental, Social and Governance
ETU	The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical Division
ESO	Electrical Safety Office
EV	Electric vehicle
FiT	Feed-in Tariff
GIS	Geographical Information System
GOC	Government Owned Corporation
GSL	Guaranteed Service Level
GRI	Global Reporting Initiative
ISO	International Organisation for Standardisation
ICT	Information and Communications Technology
IMS	Integrated Management System
IPART	Independent Pricing and Regulatory Tribunal
IVAM	In Vehicle Asset Management
LED	Light Emitting Diode lighting
LEO	Low earth orbit
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Intersex, and other communities
LREZ	Local Renewable Energy Zones
MSS	Minimum Service Standard
nbn	National Broadband Network
NEM	National Electricity Market
NGERS	National Greenhouse and Energy Reporting Scheme
PPAs	Power Purchase Agreement
Professionals Australia	The Association of Professional Engineers, Scientists and Managers, Australia
QAO	Queensland Audit Office

QCA	Queensland Competition Authority
RAP	Reconciliation Action Plan
RFDS	Royal Flying Doctor Service
SAPS	Stand-alone power systems
SCADA	Supervisory control and data acquisition
SCI	Statement of Corporate Intent
SES	Queensland State Emergency Services
SF6	Sulphur hexafluoride
SDG	United Nations' Sustainable Development Goals
SMEACS	Situation, Mission, Execution, Admin/Logistics, Command/Communications, Safety
STPIS	Service Target Performance Incentive Scheme
SWER	Single Wire Earth Return
The Services Union	Australian Municipal, Administrative, Clerical and Services Union
tCO ₂ -e	Tonnes of carbon dioxide equivalent
VDI	Virtual Desktop Infrastructure

Common measures

Reliability service standards

SAIDI	System Average interruption Duration Index. Network reliability performance index, indicating the total minutes, on average, that customers are without electricity during the relevant period (minutes).
SAIFI	System Average Interruption Frequency Index. Network reliability performance index, indicating the average number of occasions each customer is interrupted during the relevant period (interruptions).
Customer Minutes	Customer minutes is a measure of the number of customers interrupted multiplied by the duration of a power outage or outages, incorporating any staged restoration.

Workplace safety performance

TRIFR	Total Recordable Injury Frequency Rate reports a frequency rate of the number of total recordable injuries per million hours worked on a rolling twelve month basis. 'Total Recordable Injuries' is made up of Fatalities (F), Lost Time Injuries (LTIs), Medical Treatment Injuries (MTIs) and Medical Treatment Injuries – Suitable Duties (MTI-SDs) for EQL employees.
LTIFR	Lost Time Injury Frequency Rate reports a frequency rate of the number of Lost Time Injuries per million hours worked on a rolling twelve month basis.
SIFR	Significant Incident Frequency Rate. Significant HSE Incident Frequency rate measure includes the number of significant injuries which include class 1 (actual or potential) incidents, work related SEIs and DEEs, expressed as a rate per million hours worked.
TRI	Total recordable injuries. 'Total Recordable Injuries' is made up of Fatalities (F), Lost Time Injuries (LTIs), Medical Treatment Injuries (MTIs) and Medical Treatment Injuries – Suitable Duties (MTI-SDs) for EQL employees.

Electricity-related

MVA	megavolt ampere: one MVA equals 1,000kVA
kW	kilowatt: one kW equals 1,000 watts
MW	megawatt: one MW equals 1,000 kilowatts
kWh	kilowatt hour: the standard 'unit' of electricity which represents the consumption of electrical energy at the rate of one kilowatt over a period of one hour
MWh	megawatt hour: one MWh equals 1,000 kilowatt hours
GWh	gigawatt hour: one GWh equals 1,000 megawatt hours or one million kilowatt hours



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