



Financial Statements

For the year ended 30 June 2025

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Directors' Report

For the year ended 30 June 2025

The directors present their report together with the financial statements and the auditor's report thereon of Queensland Hydro Pty Ltd (the company) for the year ended 30 June 2025.

Directors

The following persons were directors of the company during the year to 30 June 2025 and up to the date of this report, unless otherwise stated:

Mr. Mark Irwin	Chair & Interim CEO (Appointed Chair 12 June 2025; Appointed Interim CEO 16 June 2025).
Mr. Leon Allen	Director (Appointed 30 September 2022; Appointed Chair 16 December 2024; Resigned as Chair 12 June 2025).
Mr. Paul Martyn	Chair (Appointed 30 September 2022; Resigned Director and Chair 1 November 2024).
Ms. Sally Stannard	Director (Appointed 14 September 2023; Resigned 12 June 2025).
Mr. Paul Maguire	Director (Appointed 12 June 2025).
Mr. Tom Hodgkinson	Director (Appointed 12 June 2025).

With the exception of Mr. Mark Irwin while acting as Interim CEO, all directors are non-executive directors.

The Board assess the independence of Directors on a case-by-case basis taking into consideration the relevant facts and circumstances.

In the event of Directors requiring independent professional advice, it is provided at the expense of Queensland Hydro.

Board of Directors



Mark Irwin

Mark Irwin's career history includes a demonstrated track record of commercial and strategic capability working across complex projects, investments and regulatory environments.

Mr. Irwin's last role was as CEO of Adbri Limited, a company listed on the ASX. He currently serves on the Board of Pacific Energy Group, a company owned by QIC.

Mr. Irwin has over 15 years' experience as either a CEO or a C-suite executive, most of which was in the resources and agricultural sectors. Other experience includes OZ Minerals Limited (Chief Commercial Officer), GrainCorp Limited (CEO and Managing Director) and Consolidated Pastoral Company (CEO and Managing Director).



Leon Allen

Leon Allen served as CEO of the Queensland Government's central financing authority, Queensland Treasury Corporation (QTC), from February 2023 until February 2025. In that role, he oversaw QTC's multi-billion dollar funding program and balance sheet, managing key relationships with institutional investors and government stakeholders to deliver financial outcomes for the State of Queensland.

Mr. Allen holds extensive experience in public sector financial management and the institutional banking and markets sector across a range of disciplines. Before joining QTC, he was Under Treasurer of Queensland.

Directors' Report

Board of Directors Cont.



Paul Martyn

Until 1 November 2024, Paul Martyn led the Department of Energy and Climate (DEC) as Director-General. He resigned as Chair of Queensland Hydro upon relinquishing his role with DEC to take up a role as Chief Executive of the South Australian Department for Energy and Mining. Mr Martyn has nearly three decades experience in economic policy and reform.

Prior to DEC, Mr. Martyn was Chief Executive Officer of Trade and Investment Queensland, where he spearheaded investment attraction in hydrogen and renewable energy.

Mr. Martyn holds a Masters of Public Policy from the University of London, Bachelor of Laws and Bachelor of Arts from The University of Queensland.



Sally Stannard

Sally Stannard leads the Department of Transport and Main Roads (TMR) as Director-General, and has worked in senior roles in the transport sector for over 16 years.

In her previous role as Deputy Director-General (Translink), Ms. Stannard led the delivery of customer focused passenger transport services across Queensland including policy, planning, ticketing, contract management and customer services.

Ms. Stannard is the Chair of the Cross River Rail Delivery Authority Board and Chair of Public Transport Association Australia New Zealand. She is also a board member of Roads Australia. She holds qualifications in Engineering and International Studies and is a Graduate Member of the Australian Institute of Company Directors.



Paul Maguire

Paul Maguire is a Partner in the QIC Infrastructure team, with over 25 years' domestic and international experience in the energy and utility sectors. He represents QIC on the Board of Tilt Renewables and the ACCC / AER Infrastructure Consultative Committee.

He has served in a number of CEO roles across Asia and Australia, including being responsible for Engie's activities in the Asia Pacific, heading the largest vertically integrated utility in Singapore (Senoko Energy), leading the Australian energy retailer Simply Energy and overseeing Lumea, the entity responsible for Transgrid's unregulated activities.

Mr. Maguire oversaw Engie's exit from coal fired generation in the Asia Pacific, as well as the investment in customer solutions and new renewable generation in multiple developed and emerging economies, including Australia, Indonesia, Mongolia, and Malaysia.



Tom Hodgkinson

Tom Hodgkinson has been employed by QIC since 2014, and is currently a Senior Principal in the QIC Infrastructure team. He is also on the Boards of Evolution Healthcare and Nexus Hospitals.

During his time at QIC, Mr. Hodgkinson has been involved in the origination and execution of investment opportunities across Australia, New Zealand, Europe and North America, including greenfield public-private partnerships and concessions, and opportunities across energy, transport and social infrastructure. He is an origination leader within the team, building on QIC's global investment experience across multiple infrastructure subsectors.

Prior to joining QIC, Mr. Hodgkinson worked as an Analyst at Arrowgrass Capital Partners in London, an alternative asset manager. He was involved in the evaluation of new credit and equity investment opportunities across a number of industries and European jurisdictions, managing existing positions and evaluating exit strategies. Previously, Mr. Hodgkinson had worked as a Credit Analyst at RBS's Global Banking & Markets team in London, and before that as a Manager at Deloitte in both Brisbane and Shanghai.

Secretary

Greg Tonks was the secretary of Queensland Hydro Pty Ltd during the financial year.

Directors' Report

Principal activities

The company was registered on 3 August 2022 to carry out and complete the design, delivery and operations and maintenance of long duration pumped hydro energy storage (PHES) assets.

On 12 June 2025, all shares in Queensland Hydro were transferred from the Under Treasurer (who held the company's shares in trust on behalf of the State) to a special purpose investment vehicle company incorporated by QIC Limited (QIC). Ultimate beneficial ownership of Queensland Hydro remains with the State. The company is a 100% State-owned entity.

During the year, the operational activities of the company consisted of:

Borumba PHES Project

- Geological drilling and investigations were undertaken to inform project design and preferred asset location.
- State and local development approvals were received, enabling the procurement, tender and award of several early works packages, including the construction of temporary workers' camp accommodation.
- Local community and stakeholder engagement activities continued, including two rounds of community benefit funding and the re-establishment of a GP service at Imbil through a fully-subsidised shared office space.
- A cost and schedule review was delivered to Government in November 2024, revising the expected project cost from \$14.2 billion to \$18.4 billion, and time to first power from 2030 to 2033.
- In early 2025, Preliminary Documentation under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) was lodged with the Department of Climate Change, Energy, the Environment and Water for approval of the Exploratory Works phases of the Borumba Project, and public comments were received and responded to.
- In April 2025, the State Government announced that QIC would take on management responsibilities for the company and oversee the delivery to Government of a revised Business Case for the Borumba Project in early to mid-2026.

Pioneer-Burdekin PHES Project

The company delivered its Detailed Analytical Report (DAR) to the Queensland Government to support the potential investment in the Pioneer-Burdekin PHES project on 30 October 2024.

On 2 November 2024, the Queensland Government issued a Cessation Notice pursuant to the State's Funding Deed with Queensland Hydro.

The Notice required the company to cease the performance of all works on the Pioneer-Burdekin PHES Project and to work with Government on arrangements to close out the Project, including divestment to the original landholders of properties acquired for the project.

Corporate

The company continued to consolidate, evolve and mature its information management systems, internal controls and governance environment to deliver the PHES projects.

Recruitment of employees continued across the business, with the number of full-time equivalent (FTE) employees growing from 156 at 1 July 2024 to 179 at 30 June 2025.

Financial results

The loss of the company for the year amounted to \$292,649,000 (2024: \$177,275,000).

Dividends

No dividends were paid or provided for during the financial year or the preceding financial year.

Events since the end of the financial year

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, or the state of affairs of the company in future financial years.

Likely developments and expected results of operations

In accordance with the terms of the Investment Development Management Agreement between QIC Limited and the State of Queensland, a revised Borumba PHES Business Case will be delivered to the Government in early to mid-2026.

Pioneer-Burdekin close-out activities, including the divestment of land, will continue into the 2025-26 financial year.

Further information about likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental regulation

The company operates under the general environmental legislation of the State and Commonwealth.

Directors' Report

Meetings of Directors

Director	Board Meetings Held*	Board Meetings Attended
Mr. Paul Martyn	5	5
Mr. Leon Allen	13	13
Ms. Sally Stannard	11	10
Mr. Mark Irwin	2	2
Mr. Paul Maguire	2	2
Mr. Tom Hodgkinson	2	2

* Meetings held while a director

Directors' remuneration

Remuneration is only paid to directors of the company who are not also public sector employees or employees of QIC.

Mr. Allen was paid as a Director from 16 June 2025.

While Mr. Irwin is acting in the role of Interim CEO, no director's fees are payable to him. Refer to the key management personnel Note 18 for the remuneration of the Interim CEO.

In the prior year, all directors of the company were employees of the Queensland Government or its related bodies. Therefore no remuneration was paid.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) (Corporations Act) for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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.

Insurance of directors and officers

Directors and Officers (D&O) liability insurance is provided by the Queensland Government Insurance Fund. Additional D&O liability insurance has been obtained from a commercial insurer.

D&O insurance covers liability and financial loss arising out of wrongful acts committed, or allegedly committed, by directors, officers or employees in their capacity as corporate officers of the company.

Coverage for legal costs is included, but it is not possible to apportion the premium between amounts relating to insurance

against legal costs and those relating to other liabilities.

Indemnity of officers

The board has resolved to enter a deed of access, insurance and indemnity with each of the relevant directors and officers. The deed indemnifies officers in respect of liability incurred whilst acting for Queensland Hydro. The indemnity does not extend to include all claims brought or prosecuted by officers.

The company may assume conduct of relevant claims and is obligated to maintain insurance.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act is set out on page 6.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the rounding off of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.



Mark Irwin
Chair

Dated: 20 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Queensland Hydro Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Queensland Hydro Pty Ltd for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Rachel Vagg
Auditor-General

20 August 2025

Queensland Audit Office
Brisbane

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Income			
Interest		946	1,198
Total income		946	1,198
Expenses			
Employee expenses	2	52,180	28,523
Supplies and services	3	211,478	142,212
Impairment expense	4	18,878	-
Depreciation and amortisation	9 & 10	3,274	1,855
Finance costs	5	6,804	5,535
Other expenses		494	710
Total expenses		293,108	178,835
Profit/(loss) before income tax equivalents		(292,162)	(177,637)
Income tax equivalent credit/(expense)	6	(487)	362
Profit/(loss) attributable to shareholder		(292,649)	(177,275)
Other comprehensive income/(expense)		-	-
Total comprehensive income/(expense) attributable to shareholder		(292,649)	(177,275)

The above statement should be read in conjunction with the accompanying notes and material accounting policies.

Statement of Financial Position

As at 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Current assets			
Cash and cash equivalents	7	40,053	56,197
Receivables and other current assets	8	4,302	3,678
Total current assets		44,355	59,875
Non-current assets			
Property, plant and equipment	9	106,706	55,920
Right of use assets	10	8,885	6,302
Other non-current assets	8	530	537
Deferred tax equivalent assets	12	2,666	2,378
Total non-current assets		118,787	65,137
Total assets		163,142	125,012
Current liabilities			
Payables	11	30,904	29,297
Accrued employee benefits		2,523	1,107
Borrowings	13	71,979	-
Lease liabilities	10	2,617	1,946
Total current liabilities		108,023	32,350
Non-current liabilities			
Deferred tax equivalent liabilities	12	2,666	1,890
Lease liabilities	10	6,750	4,643
Borrowings	13	251,980	-
Provisions		456	214
Total non-current liabilities		261,852	6,747
Total liabilities		369,875	39,097
Net assets		(206,733)	85,915
Equity			
Accumulated deficit		(514,398)	(221,750)
Contributed equity	14	307,665	307,665
Total shareholders equity		(206,733)	85,915

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Accumulated Deficit \$'000	Share Capital \$'000	Contributed Equity \$'000	Total \$'000
Balance as at 1 July 2023		(44,475)	-	865	(43,610)
Operating result					
Operating result from Statement of Profit or Loss and Other Comprehensive Income		(177,275)	-	-	(177,275)
Transactions with owners as owners					
Contributions of equity, net of transaction costs and tax		-	-	306,800	306,800
Balance as at 30 June 2024		(221,750)	-	307,665	85,915
Balance as at 1 July 2024		(221,750)	-	307,665	85,915
Operating result					
Operating result from Statement of Profit or Loss and Other Comprehensive Income		(292,649)	-	-	(292,649)
Transactions with owners as owners					
Contribution of non-appropriated equity by owners		-	-	-	-
Balance as at 30 June 2025		(514,399)	-	307,665	(206,734)

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

Statement of Cashflows

For the year ended 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(285,559)	(161,622)
Interest received		1,127	1,000
GST refunded from ATO		23,699	13,624
Net cash (used in) operating activities	15	(260,733)	(146,998)
Cash flows from investing activities			
Payments for property, plant and equipment		(43,067)	(1,270)
Payments for land		(27,193)	(42,086)
Net cash (used in) investing activities		(70,260)	(43,356)
Cash flows from financing activities			
Proceeds from borrowings		317,641	177,750
Repayment of borrowings		-	(231,864)
Finance cost paid - loan facilities		-	(5,259)
Payments for lease liabilities		(2,466)	(1,481)
Finance cost paid - leases		(326)	(218)
Contribution of non-appropriated equity by owners		-	306,800
Net cash provided by financing activities		314,849	245,728
Net (decrease)/increase in cash and cash equivalents		(16,144)	55,374
Cash and cash equivalents at the beginning of reporting period		56,197	823
Cash and cash equivalents at end of reporting period		40,053	56,197

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.



Notes to the Financial Statements

For the year ended 30 June 2025

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Notes to the Financial Statements

1. Basis of preparation

(a) General information

Queensland Hydro is a company limited by shares and incorporated and domiciled in Australia. The company is a for-profit entity for the purpose of preparing the financial statements.

The company was established on 3 August 2022 to design, deliver, operate and maintain long duration pumped hydro energy storage assets.

On 30 September 2022, the shares in the company were transferred from Queensland Electricity Transmission Corporation Limited to the Under Treasurer, as trustee for the State of Queensland. The trust arrangements were governed by the terms of a Trust Deed between the State of Queensland, acting through Queensland Treasury, and the Under Treasurer dated 2 September 2022.

On 9 April 2025, the Under Treasurer wrote to Queensland Hydro's Directors to advise that the Queensland Government had decided to transfer the arrangements for Queensland Hydro from the Under Treasurer to QIC Limited (QIC) and appoint QIC as the State's investment manager for Queensland Hydro.

To facilitate the transfer of shares of the company, QIC established the Queensland Hydro Trust, under which Queensland Treasury, on behalf of the State of Queensland, is the sole beneficiary.

QIC Infrastructure Management No. 2 Pty Ltd (QIM2) was appointed Trustee of the Queensland Hydro Trust, and is sole shareholder of Hydro HoldCo Pty Ltd.

On 12 June 2025, 100% of the shareholding in the company was transferred to Hydro HoldCo Pty Ltd.

The address of the registered office and principal place of business is Level 3, 80 Ann Street, Brisbane, Queensland.

(b) Compliance with prescribed requirements

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth).

(c) Basis of accounting

These general purpose financial statements are prepared on an accrual basis (except for the statement of cash flow which is prepared on a cash basis).

(d) Presentation

(i) Historical cost convention

The historical cost convention is used unless otherwise stated in the relevant accounting policy.

Queensland Hydro applies a net present value approach for right of use assets. Future lease payments are discounted by an incremental borrowing cost providing the initial lease value amount for which it is recognised.

The fair value of land held relating to Pioneer-Burdekin project has been determined during year ended 30 June 2025 as part of an impairment assessment. Where the recoverable amount of land is less than its historical cost, an impairment expense has been recognised in the statement of profit and loss.

(ii) Currency

The financial statements are presented in Australian dollars, with all amounts in the financial report being rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 to the nearest thousand dollars, unless otherwise indicated. Where that amount is \$500 or less, this is rounded to 0, unless full disclosure is required.

(iii) Comparatives

Comparatives include audited financial statements for the year ended 30 June 2024.

(iv) Current and non-current

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the company does not have the right at the end of the reporting period to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

Notes to the Financial Statements

(e) Going concern

The financial report has been prepared on a going concern basis.

- Despite Queensland Hydro incurring losses of \$292,649,000 for the financial year ended 30 June 2025 (2024:\$177,275,000) and total liabilities exceeding total assets by \$206,733,000, the financial statements have been prepared on a going concern basis for the reasons set out below:-

Government Support

- On 12 June 2025, 100% of the shareholding in the company was transferred to Hydro HoldCo Pty Ltd. On the same date, the Funding Deed entered between Queensland Hydro and the State of Queensland on 31 August 2023 was terminated. On 11 June 2025, an Investment Development Management Agreement (IDMA) was entered between QIC, as investment manager for the company, and Queensland Treasury, acting on behalf of the State of Queensland.
- Under the terms of the IDMA, and through a separate representation letter, Queensland Treasury, acting on behalf of the State, has agreed to maintain Queensland Hydro's access to debt and equity funding.
- In accordance with the IDMA, Queensland Treasury must, for so long as Hydro HoldCo Pty Ltd and QIM2 are (directly and indirectly) the legal owners of all of the shares in the company, provide such financial accommodation and support to the company via the QTC Facilities, Equity Investments or other sources of funding as is necessary to ensure that the company is able to pay its debts as and when they become due and payable and is otherwise able to perform its obligations under the QTC Facilities.
- In a separate letter to the Directors of Queensland Hydro, QIM2 and Hydro HoldCo Pty Ltd confirmed that (a) equity investments received by the Queensland Hydro Trust under the terms of the IDMA would be contributed to Hydro HoldCo Pty Ltd and, subsequently, to Queensland Hydro; and (b) QTC debt facilities would continue to be available to Queensland Hydro, together with the guarantee from the State of Queensland, in favour of QTC, guaranteeing the repayment by Queensland Hydro of any monies owing by Queensland Hydro to QTC under the QTC facilities.
- Queensland Hydro has also received approval under the 2025-26 State Borrowing Program for sufficient debt funding to be made available via a QTC Working Capital Facility and long-term variable rate debt funding facilities.
- The company's debt facilities with QTC are guaranteed by the Treasurer of Queensland pursuant to a Deed of Guarantee dated 1 September 2022.
- Queensland Hydro's Annual Budget for the year ending 30 June 2026 has been approved by the State under the terms of the IDMA.

- Queensland Hydro's Board of Directors continually reviews and assesses the going concern risk of the organisation by understanding both its short and long-term commitments, ensuring that funding requirements are sufficient. In addition to this, all key decisions made within the business are subject to a thorough and rigorous review process by the Board, ensuring complete transparency and effective use of State funds.

No Indication of Curtailment

- There are no indicators suggesting that the company intends to liquidate or significantly curtail its operations, other than that disclosed in this report.
- In April 2025, the State Government announced that QIC would take on management responsibilities for the company and oversee the delivery to Government of a revised Business Case for the Borumba Project in early to mid-2026.

(f) Other accounting policies

Material and other accounting policies that summarise the measurement basis used and are relevant to understanding of the financial statements are provided throughout the notes to the financial statements.

(g) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated for factors such as expectations of future events that may have financial impact on the company and are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in the notes to which they relate.

(h) Authorisation of financial statements for issue

The financial statements were authorised for issue by the Directors on 20 August 2025.

(i) New and revised accounting standards

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting year and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the company in the current or future reporting periods.

Notes to the Financial Statements

For the year ended 30 June 2025

2. Employee expenses

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Employee benefits			
Wages and salaries		36,223	20,183
Recruitment and temporary worker costs		4,844	2,211
Annual leave expenses		2,840	1,596
Long service leave expenses		242	113
Employer superannuation contributions		4,398	2,483
		48,547	26,586
Employee related expenses			
Payroll tax		2,201	1,228
Other employee related expenses		1,432	709
		3,633	1,937
Total		52,180	28,523

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis at 30 June 2025 is:

	30 June 2025 No.	30 June 2024 No.
Queensland Hydro Employees	179	156

Wages and salaries

Wages and salaries are recognised in the reporting period in which the employees rendered the related service. Wages and salaries due but unpaid at reporting date are recognised in the statement of Financial Position at the current salary rates. Queensland Hydro expects such liabilities to be wholly settled within 12 months, the liabilities are recognised at undiscounted amounts.

Sick leave

Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is expensed in the reporting period in which the leave is taken by the employee.

Annual leave expenses

Liabilities for annual leave due but unpaid at the reporting date are recognised as a liability at the remuneration rates expected to apply at the time of settlement, including on-costs.

Notes to the Financial Statements

For the year ended 30 June 2025

2. Employee expenses Cont.

Long service leave expenses

Liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured at the present value of expected future payments.

These payments relate to services provided by employees up to the end of the reporting period and calculated using the projected unit credit method.

Consideration is given to expected future wage levels and experience of employee departures and terms of service. Expected future payments are discounted using market yields with terms and currencies that match as closely as possible the estimated future cash outflows.

Employer superannuation contributions

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust). The company does not have its own defined benefit fund.

Defined contribution plans

Contributions are made to eligible complying superannuation funds based on the rates specified in the conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Key management personal (KMP) information is disclosed in more detail within Note 18.

Workers Compensation Premiums

The company has worker's compensation insurance and pays premiums to WorkCover Qld.

3. Supplies and services

	30 June 2025 \$'000	30 June 2024 \$'000
Contractors	189,978	110,238
Telecommunications & ICT	4,358	5,144
Other land costs	9,782	21,257
Occupancy costs	1,794	710
Travel	1,472	1,087
Other supplies and services	4,094	3,776
Total	211,478	142,212

Supplies and services are recognised when goods have been received or services provided, and exclude costs that have been capitalised as part of asset construction.

Contractor amounts relate to payments made to third party contractors for various project activities or supporting activities, that are not eligible for capitalisation to project assets.

Other land costs includes mostly commercial incentives paid by Queensland Hydro for land purchased predominantly for the Pioneer-Burdekin project land and any associated land taxes.

Notes to the Financial Statements

For the year ended 30 June 2025

4. Impairment loss

	30 June 2025 \$'000	30 June 2024 \$'000
Impairment expense	18,878	-
Total	18,878	-

During the financial year, Queensland Hydro received notice from the State Government that the Pioneer- Burdekin PHES project was to be discontinued. Management considered the discontinuance of the project as an impairment indicator as described in AASB136 Impairment of Assets, and Queensland Hydro has performed an impairment review of the non-current assets held for the Pioneer-Burdekin project.

Land and Buildings

The recoverable amount of the land was determined based on its fair value less costs of disposal, in accordance with AASB 13 Fair Value Measurement.

The fair value was assessed by a panel of three independent, external valuers with recognised professional qualifications and experience in the local property market, using observable market data from recent sales of comparable properties (Level 2 inputs under the fair value hierarchy).

Key assumptions and inputs used in the valuation included:

- Location and zoning of the land;
- Recent sales prices for comparable land in the area;
- Adjustments for size, access, and topography; and
- Estimated costs of disposal.

The impairment loss has been allocated to the following asset class:

Asset Class	Carrying Amount Before Impairment	Impairment Loss Recognised	Carrying Amount After Impairment
Land - Pioneer Burdekin	\$57,869,000	\$18,878,000	\$38,991,000

The valuation technique used did not involve significant unobservable inputs and is therefore categorised as a Level 2 fair value measurement under AASB 13.

Management has reviewed the valuation and concluded it appropriately reflects the fair value of the land at reporting date. No reversal of impairment has been recognised in the current or prior year.

Plant and Equipment

Queensland Hydro has performed a review of plant and equipment acquired for the Pioneer-Burdekin project, and transferred a total amount of \$267,000 plant and equipment and \$208,000 in motor vehicles to the Borumba PHES project. In addition to this approximately \$6,000 worth of assets were donated to various local community organisations during the year ended 30 June 2025. These donated items were fully expensed in the statement of profit and loss in previous years.

Notes to the Financial Statements

For the year ended 30 June 2025

5. Finance costs

	30 June 2025 \$'000	30 June 2024 \$'000
Interest on borrowings	6,264	5,247
Interest on lease liabilities	326	218
Loss on foreign exchange	157	53
Borrowing costs	57	17
Total	6,804	5,535

Borrowing costs include interest and costs incurred in connection with the arrangement of borrowings and are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 30 June 2025

6. Income tax equivalent expense

(a) Income tax equivalent expense	30 June 2025 \$'000	30 June 2024 \$'000
Current period		
Deferred tax benefit	(490)	349
Total current period movement	(490)	349
Total prior period adjustment	3	13
Total income tax equivalent (deficit) / benefit	(487)	362

(b) Numerical reconciliation of income tax equivalent expense to prima facie tax payable	30 June 2025 \$'000	30 June 2024 \$'000
	Tax effected	Tax effected
(Loss) before income tax equivalent expense	(292,162)	(177,637)
Tax rate	30%	30%
Prima facie tax equivalent (benefit) for the period	(87,649)	(53,291)
Non-temporary adjustments	567	8
Temporary difference not brought to account	87,572	52,908
Temporary difference movement variance	(3)	13
Income tax equivalent deficit / (benefit)	487	(362)

Tax equivalents

The company is a State Body as defined under the *Income Tax Assessment Act 1936* (Cth) (ITAA) and exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Service Tax (GST). The company has been a participant in the Australian Taxation Office (ATO) National Tax Equivalent Regime (NTER) from the date of establishment. NTER broadly utilises the provisions of the ITAA, the *Income Tax Assessment Act 1997* (Cth) 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 company.

Goods and Services Tax (GST)

GST receivable from, and GST payable to, the ATO are recognised as the net amounts in either payables or receivables.

Revenues, expenses and assets are recognised net of the amount of 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 as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority are presented as operating cashflows.

Notes to the Financial Statements

For the year ended 30 June 2025

7. Cash and cash equivalents

	30 June 2025 \$'000	30 June 2024 \$'000
Bank balances	40,014	12,651
Cash on deposit with Queensland Treasury Corporation	39	43,546
Total	40,053	56,197

Cash on deposit with Queensland Treasury Corporation (QTC) earns interest at floating rates based on daily QTC deposit rates. Cash at banks earns interest at floating rates based on daily bank deposit rates.

In the prior year, QTC deposit related to historical equity contributions, which are now fully expended.

8. Receivables and other assets

	30 June 2025 \$'000	30 June 2024 \$'000
GST receivables	1,986	2,464
Prepayments	2,213	755
Accrued income	68	249
Deposits	35	30
Land related payments	-	180
Total other current assets	4,302	3,678
Prepayments	530	537
Total other non-current assets	530	537

A prepayment is recognised when a payment is made for goods and services which are to be provided in future periods.

Accrued income is recognised when revenue recognition criteria is satisfied but cash has not yet been received. At 30 June the balance reflects bank interest due but not yet received.

Deposits are recognised when securities are paid to suppliers for supply contracts and are refundable at the completion of the contract.

Land related payments consist of up front land access payments and cash held on trust for properties yet to settle at balance date.

Notes to the Financial Statements

For the year ended 30 June 2025

9. Property, plant and equipment

	30 June 2025 \$'000	30 June 2024 \$'000
Plant and equipment		
At Cost	6,071	1,299
Accumulated depreciation	(702)	(110)
Total	5,369	1,189
Land		
Transferred from Land held for Construction	57,869	-
Impairment expense	(18,878)	-
Total	38,991	-
Land held for construction		
Land held for Construction	82,030	54,731
Transferred to Land	(57,869)	-
Total	24,161	54,731
Construction work in progress		
At Cost	38,185	-
Total	38,185	-
Total	106,706	55,920

Notes to the Financial Statements

For the year ended 30 June 2025

9. Property, plant and equipment Cont.

(a) Movements	Land \$'000	Land Held for Construction \$'000	Construction Work in Progress \$'000	Plant and Equipment \$'000	Total \$'000
Opening Balance at 1 July 2023	-	6,726	-	29	6,755
Additions	-	48,005	-	1,270	49,275
Depreciation expense	-	-	-	(110)	(110)
Carrying amount at 30 June 2024	-	54,731	-	1,189	55,920
Opening Balance at 1 July 2024	-	54,731	-	1,189	55,920
Additions	-	27,299	38,185	4,882	70,366
Transfers	57,869	(57,869)	-	-	-
Impairment expense	(18,878)	-	-	-	(18,878)
Depreciation expense	-	-	-	(702)	(702)
Carrying amount at 30 June 2025	38,991	24,161	38,185	5,369	106,706

(b) Recognition thresholds

Capital work in progress	\$1
Land held for construction	\$1
Plant and equipment	\$5,000

All other items with a cost less than the above thresholds are expensed to the statement of profit and loss within a property, plant and equipment low value general ledger account.

Notes to the Financial Statements

For the year ended 30 June 2025

9. Property, plant and equipment Cont.

(c) Measurements

Capital works in progress (CWIP)

Measurement

CWIP is initially measured at cost. When the item is deemed available for use by management the asset is depreciated over its expected useful life.

Recognition

Costs relating to approved construction activities, directly attributable to the project are being capitalised at this stage, prior to the Borumba PHES receiving its material approvals, including *Environment Protection and Biodiversity Conservation Act 1999* (Cth) approval. All other associated project related costs are recognised as an expense within the statement of profit and loss for the period in which they have been incurred.

Land held for construction

Land that is acquired and held for future construction of capital projects is recognised at cost, less impairment and is not depreciated while it is not in use and not revalued.

Land

Land relating to the Pioneer-Burdekin project, which was ceased during the year, has been transferred from land held for construction to land. All land held has been valued at cost at 30 June 2025.

Acquisitions of assets

Actual cost is used for the initial recording of all physical asset additions. Cost is determined as the value given as consideration plus costs directly attributable to the acquisition, including all other costs incurred in preparing the assets ready for use. However, training costs are expensed as they are incurred.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

(d) Depreciation and amortisation

For each class of property, plant and equipment, the following depreciation rates are used:

Class	Depreciation/Amortisation Method	Recognition Method	Average Useful Life
Land held for construction	Not depreciated	At cost	-
Land	Not depreciated	At cost	-
Plant and equipment	Straight-line	At cost	4-5

(e) Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the company determines the asset's recoverable amount. Recoverable amount is determined as the higher of the asset's fair value less costs to dispose and value in use. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss for assets measured at cost is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. For assets measured at cost, impairment losses are reversed through the Statement of Profit or Loss and Other Comprehensive Income.

Refer to Note 4 for details on impairment recognised during the current year.

Notes to the Financial Statements

For the year ended 30 June 2025

10. Leases

Right-of-use assets	30 June 2025 \$'000	30 June 2024 \$'000
Buildings		
Opening Balance	6,302	1,362
Additions	5,155	6,685
Amortisation	(2,572)	(1,745)
Total	8,885	6,302
Lease liabilities		
Current	2,617	1,946
Non-Current	6,750	4,643
Total	9,367	6,589
Future lease payments in relation to lease liabilities as at 30 June 2025 are as follows:		
	30 June 2025 \$'000	30 June 2024 \$'000
Within one year	2,978	2,204
Later than one year but not later than five years	7,137	5,015
	10,115	7,219

At the inception of a contract, the company assesses whether it contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset.

As a lessee, the company:

- recognises right-of-use assets and lease liabilities at the lease commencement date in the Statement of Financial Position, initially measured at the present value of future lease commitments using the company's incremental borrowing rate which applies in the year of application;
- recognises amortisation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income;
- separates the total amount of cash paid into the principal portion and interest portion in the Statement of Cashflow;
- recognises lease incentives as part of the measurement of the right-of-use assets and lease liabilities.

The estimated useful lives of right-of-use assets are based on the non-cancellable contract life and any 'reasonably' certain contract extensions.

The company's leases consist of leases related to premises and office buildings, and equipment.

Short-term leases of less than 12 months and leases of low-value assets (less than AUD\$20,000) are recognised as a lease expense on a straight-line basis.

Lease payments are discounted using the company's incremental borrowing rate which is the principal and interest rate applied by Queensland Treasury Corporation for a fixed rate loan over the relevant lease term.

Lease liabilities are secured by the assets leased and represent the discounted future rental payments payable by the company. Excluding short-term leases and leases of low-value assets, each lease is reflected on the Statement of Financial Position as a right-of-use asset and a lease liability.

Any subsequent measurement of leases is at their new fair value amount.

Notes to the Financial Statements

For the year ended 30 June 2025

11. Payables

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Trade creditors		3,652	14,955
Accrued expenses		27,235	14,341
Other payables		17	1
Total		30,904	29,297

Trade creditors and accrued expenses are recognised when the goods are received or the service is performed, at the amount owed. Amounts owing are unsecured and are paid within the terms agreed with the supplier which is normally within seven to 30 days.

Accrued expenses comprise mainly of contractor cost \$26,704,000. Accrued expenses are calculated using supplier provided estimates for all unbilled work up to 30 June.

12. Deferred tax equivalent balances

(a) Deferred tax equivalent assets <i>The balance comprises temporary differences attributable to:</i>	Note	30 June 2025 \$'000	30 June 2024 \$'000
Borrowing costs		19	1
Leases	10	1,953	1,977
Employee entitlements		694	400
Total		2,666	2,378
Movements:			
Opening balance		2,378	534
Credited to profit or loss		288	1,844
Closing Balance		2,666	2,378
Deferred tax equivalent assets expected to be recovered within 12 months		-	-
Deferred tax equivalent assets expected to be recovered after more than 12 months		2,666	2,378
Total		2,666	2,378

Notes to the Financial Statements

For the year ended 30 June 2025

12. Deferred tax equivalent balances Cont.

(b) Deferred tax equivalent liabilities <i>The balance comprises temporary differences attributable to:</i>	Note	30 June 2025 \$'000	30 June 2024 \$'000
Right-of-use assets	10	2,666	1,890
Total		2,666	1,890
Movements:			
Opening balance		1,890	409
Credited to profit or loss		776	1,481
Closing Balance		2,666	1,890
Deferred tax equivalent assets expected to be recovered within 12 months		-	-
Deferred tax equivalent assets expected to be recovered after more than 12 months		2,666	1,890
Total		2,666	1,890

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the company's financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the Financial Statements

For the year ended 30 June 2025

13. Borrowings

	30 June 2025 \$'000	30 June 2024 \$'000
QTC working capital facility	71,979	-
QTC variable loan	251,980	-
Total	323,959	-

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost, using the effective interest rate method.

The company has an approved overdraft facility with QTC with a limit of \$250,000,000 (2024: \$250,000,000). The balance remaining at 30 June 2025 is \$178,000,000 (2024: \$250,000,000) and is available for use in the following financial year.

The current interest rate is 4.95% (2024: 4.35%).

Notes to the Financial Statements

For the year ended 30 June 2025

14. Contributed equity

	30 June 2025 \$	30 June 2024 \$
Issued and paid up capital		
Ordinary shares	-	-
Fully paid	10	10
Total	10	10
	30 June 2025 \$'000	30 June 2024 \$'000
Contributed Equity		
Contribution by owners	865	865
Non-appropriated equity injections	306,800	306,800
Total	307,665	307,665

Share capital

On 3 August 2022, 10 ordinary shares for \$1.00 each were issued and paid up during the period. No new shares have been issued in the current or prior year.

On 10 June 2025, 100% of the shareholding for the company was transferred to Hydro HoldCo Pty Ltd, whose ultimate parent entity is the State of Queensland.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. The capital is not a significant factor affecting the management of the company.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

Contributions by Owners

During 2022-23 the company received \$865,000 from the owner under the *Government Owned Corporations (Pumped Hydro Energy Storage Restructure) Regulation 2022 (Qld)*, which represented all assets, liabilities, instruments and employees relating to the Borumba Pumped Hydro Energy Storage Project.

Where assets and liabilities are transferred between entities of the wholly-owned group or State of Queensland controlled entities under the direction of the owner (being the State of Queensland), the equity contribution is adjusted to reflect the amount attributable to any non-controlling interest.

Contributed equity

No new equity contributions have been received in the current financial year.

In the prior year, the company received a contribution of equity by owners \$306,800,000 from the former Department of Energy and Climate which was consolidated into Queensland Treasury as part of Machinery of Government changes on 1 November 2024. This has been classified as a non-appropriated equity contribution, and was designated as such by the Under Treasurer.

Notes to the Financial Statements

For the year ended 30 June 2025

15. Reconciliation of loss for the year to net cash flow from operating activities

	30 June 2025 \$'000	30 June 2024 \$'000
(Loss) for the year	(292,649)	(177,275)
Non-cash items included in operating result:		
Depreciation and amortisation expense	3,363	1,846
Write-off expense	75	-
Impairment expense	18,878	-
Cash items not included in operating cash flows:		
Interest expense	6,644	5,477
Changes in assets and liabilities:		
Decrease in receivables	654	2,090
(Increase) in other current assets	(1,452)	(832)
Increase in payables	2,304	21,086
Increase in provisions	242	113
Increase in accrued employee benefits	721	858
(Increase) in deferred tax asset	(288)	(1,843)
Increase in deferred tax liability	775	1,482
Net cash provided/(used) in operating activities	(260,733)	(146,998)

16. Remuneration of auditors

During the year, fees of \$140,000 were paid or payable for services provided by the external auditor of the company for the audit of the Financial Report of Queensland Hydro. No other services were provided.

Total audit fees quoted by the Queensland Audit Office for the external audit of the 30 June 2025 financial statements are \$140,000 (2024: \$140,000).

Notes to the Financial Statements

For the year ended 30 June 2025

17. Financial instruments and financial risk management

(a) Categorisation of financial instruments <i>The categories of financial assets and financial liabilities are as follows:</i>	Note	30 June 2025 \$'000	30 June 2024 \$'000
Financial assets			
Cash and cash equivalents (at amortised cost)	7	40,053	56,197
Receivables (at amortised cost)	8	2,089	2,923
Total		42,142	59,120
Financial liabilities			
Payables (at amortised cost)	11	30,904	29,297
Lease liabilities (at amortised cost)	10	9,367	6,589
Borrowings (at amortised cost)	13	323,959	-
Total		364,230	35,886

(b) Financial risk management objectives and policies

The company's principal financial instruments include cash and a working capital facility. The main purpose of these financial instruments is to provide adequate financial capability to support the company's operations, the acquisition of non-current assets and management of its financial market risks. The company has various other financial assets and liabilities including receivables and payables, which arise directly from operations.

The company activities expose it to a variety of risks including market risk (such as interest rate risk and foreign currency risk), credit risk and liquidity risk. The company's financial risk management activities seek to minimise potential adverse effects of the unpredictability of financial markets on financial performance. Risk management parameters are reviewed regularly by the board to reflect changes in the market condition and changes to the company's activities.

No financial assets and financial liabilities have been offset and presented net in the Statement of Profit or Loss and Other Comprehensive Income.

Foreign Currency Risk

Foreign currency risk relates to that which Queensland Hydro is exposed to by engaging with third party suppliers and or contractors for goods or services rendered in a foreign currency. Whilst there are overseas contractors for whom the organisation engages with for the purposes of business activities, exposure to foreign currency is not currently material.

Notes to the Financial Statements

For the year ended 30 June 2025

17. Financial instruments and financial risk management Cont.

(c) Market risk

Interest rate risk

Interest rate risk refers to possible fluctuations caused by changes in the value of interest bearing financial instruments as a result of changes in market rates. Interest rate risk includes borrowings such as QTC facilities and loans where repayments vary in accordance with the movement in the underlying borrowing rate as well as cash deposited in interest bearing facilities.

Queensland Hydro has exposure to variable rates of interest on both its working capital and variable rate loan facilities. These have an average annual interest rate of 4.49% and 4.54% respectively.

The company's interest rate sensitivity to an expected 1% maximum fluctuation in interest rates if all other variables are held constant is:

Movement in operating result/equity

	30 June 2025 \$'000	30 June 2024 \$'000
1% increase in interest rates	(2,839)	562
1% decrease in interest rates	2,839	(562)

Price risk

The entity does not have any exposure to equity securities price risk. The entity is not exposed to material commodity price risk.

Notes to the Financial Statements

For the year ended 30 June 2025

17. Financial instruments and financial risk management Cont.

(d) Liquidity risk

Liquidity risk refers to the ability of the company to meet its financial obligations as and when they fall due. The company is exposed to liquidity risk through its normal course of business and through its borrowings, and its objective is to maintain adequate access to highly liquid investments, borrowings and other credit facilities.

Liquidity risk management ensures sufficient cash is available to meet short-term and long-term financial commitments. The company manages liquidity risk by monitoring forecast cash flows to ensure that sufficient cash and short-term borrowing facilities are maintained, so adequate funds are always available to meet commitments.

The company has an approved working capital facility with Queensland Treasury Corporation (QTC) of \$250,000,000 of which the \$72,000,000 (2024: \$nil) had been drawn down at the end of the year. The facility is repayable on demand.

During the year, the company entered into a funding deed to provide access to long term State funding required to deliver the Borumba PHES project. Access to this facility is made available by QTC and drawdowns are determined through the State Borrowing Program.

The following table discloses the contractual maturity of the company's financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date.

30 June 2024 Payable in:	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Liabilities				
Payables	29,297	-	-	29,297
Borrowings	-	-	-	-
Leases	1,946	4,643	-	6,589
Total	31,243	4,643	-	35,886
<hr/>				
30 June 2025 Payable in:	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Liabilities				
Payables	30,904	-	-	30,904
Borrowings	71,979	251,980	-	323,959
Leases	2,617	6,750	-	9,367
Total	105,500	258,730	-	364,230

Notes to the Financial Statements

For the year ended 30 June 2025

18. Related party transactions

(a) Parent entity

From incorporation in August 2022, the controlling entity of Queensland Hydro was the State of Queensland, holding 100% of the issued ordinary shares.

On the 12 June 2025, 100% of the shareholding for the company was transferred to Hydro HoldCo Pty Ltd, an entity which is ultimately controlled by the State of Queensland.

(b) Transactions with related parties

The company's primary ongoing source of funding from Government for its services are equity injections which are provided in cash via Queensland Treasury.

The company has a borrowing from Queensland Treasury Corporation (QTC) and Note 13 outlines the key terms and conditions of those borrowings.

(c) Key management personnel & remuneration

The following people were key management personnel of Queensland Hydro during the financial year:

Name	Position
Directors	
Mr. Mark Irwin	Chair & Interim CEO (Appointed Chair 12 June 2025; Appointed Interim CEO 16 June 2025).
Mr. Leon Allen	Director (Appointed 30 September 2022; Appointed Chair 1 November 2024; Resigned Board Chair 12 June 2025).
Mr. Paul Maguire	Director (Appointed 12 June 2025).
Mr. Tom Hodgkinson	Director (Appointed 12 June 2025).
Mr. Paul Martyn	Board Chair (Appointed Director 30 September 2022; Resigned Board Chair 1 November 2024).
Ms. Sally Stannard	Director (Appointed 14 September 2023; Resigned 12 June 2025).
Other key personnel	
Mr. Kieran Cusack	Chief Executive Officer (Appointed 4 June 2023; Resigned 13 June 2025).
Mr. Geoffrey Scott	EGM, Delivery (Appointed 6 February 2024).
Mr. Christopher Evans	EGM, Development (Appointed 1 October 2022).
Ms. Natasha Patterson	EGM, Communities and Environment (Appointed 4 September 2023).
Mr. Gregory Tonks	EGM, Corporate and Company Secretary (Appointed 24 July 2023).
Mr. David Watt	EGM, Commercial (Appointed 26 June 2023; Role made redundant 7 February 2025).
Ms. Sally Rayner	EGM, Organisational Readiness (Appointed 20 January 2025; Role made redundant 1 July 2025).
Mr. Craig Gouws	Interim CFO (Appointed 12 June 2025).

Due to the growth in size, complexity and activity level of the company in the current year, the executive general managers and Interim CFO are considered to be key management personnel in the current year. In the prior year, only the Directors and CEO were considered to meet the definition of key management personnel.

All key management personnel roles are permanent appointments except for Ms. Sally Rayner (4-year term) and Mr. Craig Gouws (6-month term).

Notes to the Financial Statements

For the year ended 30 June 2025

18. Related party transactions Cont.

Directors remuneration

Remuneration is only paid to directors of the company who are not also public sector employees or employees of QIC. Following the transfer of shares in Queensland Hydro to Hydro HoldCo Pty Ltd, Leon Allen was paid remuneration for his role as a director.

All other directors of the company were employees of the Queensland Government, QIC or their related bodies, and no remuneration has been paid during the current or prior year. Directors are not entitled to receive any performance related remuneration.

Other key management personnel remuneration

The board of directors are responsible for establishing remuneration policy, and for determining and reviewing the remuneration arrangements for other key management personnel.

The board assesses the appropriateness of the nature and amount of compensation of other key management personnel on a periodic basis by reference to relevant employment market conditions to assist the company to attract, retain and motivate high calibre individuals. The remuneration arrangements are materially based on the Queensland Treasury policy for the remuneration of key management personnel of Government owned corporations.

The other key management personnel remuneration package is structured as a total fixed remuneration amount, which provides some flexibility for packaging of superannuation, motor vehicles and other costs. Key management personnel are not entitled to receive any performance related remuneration.

Other key management personnel are employed under employment agreements. Their current employment agreements either have a fixed term or do not have an expiry date. The agreements provide a notice period from five weeks to six months depending on the particular contract and provision for a severance payment should the Company elect to terminate the agreement. The severance payment is in accordance with the employment agreement.

Notes to the Financial Statements

For the year ended 30 June 2025

18. Related party transactions Cont.

(d) Details of Remuneration

Remuneration - Director

Details of the nature and amount of each major element of the remuneration to the Director of the company is:

Year Ended 30 June 2025	Short-term employee		Termination	Long-term employee	Post-employment benefits	Total \$'000
	Monetary Benefit \$'000	Non-Monetary Benefit \$'000	Benefit \$'000	Benefit \$'000	Benefit \$'000	
Mr. Leon Allen ⁽¹⁾	6	-	-	-	1	7
Total	6	-	-	-	1	7

⁽¹⁾ Non-Executive Director. Mr. Allen was remunerated at \$10,000 per month inclusive of superannuation from 16 June 2025 following transition to QIC.

Remuneration - Other key management personnel

Details of the nature and amount of each major element of the remuneration to each of the other key management personnel of the company are:

Year Ended 30 June 2025	Short-term employee		Termination	Long-term employee	Post-employment benefits	Total \$'000
	Monetary Benefit \$'000	Non-Monetary Benefit \$'000	Benefit \$'000	Benefit \$'000	Benefit \$'000	
Mr. Kieran Cusack ⁽¹⁾	695	-	599	-	30	1,324
Mr. Mark Irwin ⁽²⁾	40	-	-	1	1	42
Mr. Christopher Evans ⁽³⁾	501	-	-	8	30	539
Mr. Geoffrey Scott ⁽⁴⁾	562	-	-	9	30	601
Ms. Natasha Patterson ⁽⁵⁾	445	-	-	7	30	482
Mr. Gregory Tonks ⁽⁶⁾	436	-	-	7	30	473
Mr. David Watt ⁽⁷⁾	268	-	156	-	18	442
Ms. Sally Rayner ⁽⁸⁾	280	-	-	4	13	297
Mr. Craig Gouws ⁽⁹⁾	10	-	-	-	1	11
Total	3,237	-	755	36	183	4,211
Total key management personnel	3,243	-	755	36	184	4,218

Notes to the Financial Statements

For the year ended 30 June 2025

18. Related party transactions Cont.

⁽¹⁾ CEO (Appointed 4 June 2023; Resigned 13 June 2025).

⁽²⁾ Mr. Irwin was appointed as Interim CEO effective 16 June 2025, and at 30 June 2025 had accrued remuneration benefits of \$41,985. Mr. Irwin receives no additional remuneration for his role as Chairman of the company whilst in the Interim CEO role.

⁽³⁾ EGM, Development (Appointed 1 October 2022).

⁽⁴⁾ EGM, Delivery (Appointed 6 February 2024).

⁽⁵⁾ EGM, Communities and Environment (Appointed 4 September 2023).

⁽⁶⁾ EGM, Corporate and Company Secretary (Appointed 24 July 2023).

⁽⁷⁾ EGM, Commercial (Appointed 26 June 2023; Role made redundant 7 February 2025).

⁽⁸⁾ EGM, Organisational Readiness (Appointed 20 January 2025; Role made redundant 1 July 2025).

⁽⁹⁾ Interim CFO (Appointed 12 June 2025 under an agency arrangement).

Year Ended 30 June 2024	Short-term employee		Termination	Long-term employee	Post-employment benefits	Total \$'000
	Monetary Benefit \$'000	Non- Monetary Benefit \$'000	Benefit \$'000	Benefit \$'000	Benefit \$'000	
Mr. Kieran Cusack - CEO	792	3	-	11	27	833
Total	792	3	-	11	27	833

Short-Term employee benefits

Short term benefits includes payments made to the executive as part of their fixed remuneration including accrued annual leave (excluding superannuation).

Long-Term employee benefits

Long-term employee benefits are made up of long service leave, which is outlined in Note 2.

Post-employment benefits

Post employment benefits represent superannuation contributions made by the employer to the employee's nominated superannuation fund, as outlined in Note 2.

Directors' and other key management personnel remuneration excludes insurance premiums paid by the company in respect of Directors' and Officers' liability insurance contracts and premiums in respect of Directors' and Officers' supplementary legal expenses, as the contracts do not specify premiums paid in respect of individual Directors and Officers. Information relating to the insurance contracts is set out in the Directors' Report.

Notes to the Financial Statements

For the year ended 30 June 2025

19. Commitments and contingent liabilities

	30 June 2025 \$'000	30 June 2024 \$'000
Commitments for capital contracts, leases and services		
Not later than one year	258,636	46,937
Later than one year and not later than five years	50,020	42,953
Later than five years	494	838
Commitments for contracted land purchases		
Not later than one year	-	2,567
Total	309,150	93,295

Commitments at 30 June 2025 relate to contract works and services committed to, over a period of 1 month to 8 years, but not yet incurred, and contracted land purchases awaiting settlement within 60 days.

Contingent liabilities

At 30 June 2025, the company has not issued unexpired offers to purchase land (2024: \$22,135,500).

Guarantees

At 30 June 2025, the company had guarantees on issue of \$3,269,000 related to lease commitments for office premises (2024: \$1,443,000).

20. Subsequent events

Land Purchases

Subsequent to 30 June 2025, the company has not entered into land purchase agreements (2024: \$7,194,000).

No events have occurred subsequent to balance date that would materially impact on these financial statements or would require disclosure up to and including the date of the signing of the financial report.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 7 to 36 are in accordance with the *Corporations Act 2001* (Cth), including:

- i. Complying with Accounting Standards, the *Corporations Act 2001* (Cth) and other mandatory professional reporting requirements, and
- ii. Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due and payable, and

The Directors have been given the declarations by the Chief Executive Officer required by section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of the Directors.



Mark Irwin

Chair

Dated: 20 August 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Queensland Hydro Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Hydro Pty Ltd.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

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

- a) giving a true and fair view of the company's financial position as at 30 June 2025, and its financial performance for the year then ended; and
- b) complying with 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 company 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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter – Future direction and funding

I draw attention to Note 1(a) of the financial report, which outlines the change in ownership of Queensland Hydro Pty Ltd from Queensland Treasury to Hydro HoldCo Pty Ltd, which is controlled by the State of Queensland. I also draw attention to Note 1(e) which states QIC is overseeing the delivery to government of a revised business case for the Borumba Project, due early to mid-2026.

The company incurred a net loss of \$292,649,000 for the year ended 30 June 2025, and, as of that date, the company's total liabilities exceeded total assets by \$206,733,000. The State of Queensland has guaranteed continued financial support to the company, through the Investment Development Management Agreement (IDMA). The IDMA is between QIC, as investment manager for the company, and the State of Queensland (acting through Queensland Treasury).

My opinion is not modified in respect of this matter.

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.

At the date of this auditor's report, the available other information in the company's annual report for the year ended 30 June 2025 was the directors' report. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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/ar4.pdf

This description forms part of my auditor's report.



22 August 2025

Rachel Vagg
Auditor-General

Queensland Audit Office
Brisbane