

SGX release

12 September 2024

Transurban Finance FY24 Annual Report

Attached is an announcement made by Transurban Finance Company Pty Ltd (ASX: TA1) (**Transurban Finance**) which is provided for the information of Transurban Finance noteholders.

Transurban Finance has notes listed on the Singapore Exchange.

Investor enquiries

Taryn Chua
Senior Investor Relations Manager
+61 428 953 079

Media enquiries

James Richards
Corporate Manager Media
+61 459 812 770

Classification

Public

Transurban

Transurban Finance Company Pty Ltd
ABN 65 098 539 452
corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia
Telephone +613 8656 8900
Facsimile +613 8656 8585

ASX release

12 September 2024

Transurban Finance FY24 Annual Report

In accordance with ASX Listing Rule 4.7A, please see attached the Annual Report of Transurban Finance Company Pty Ltd for the year ended 30 June 2024.

Investor enquiries

Taryn Chua
Senior Investor Relations Manager
+61 428 953 079

Media enquiries

James Richards
Corporate Manager Media
+61 459 812 770

This announcement is authorised by Fiona Last, Company Secretary.

Classification

Public

Transurban

Transurban Finance Company Pty Ltd
ABN 65 098 539 452
corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia
Telephone +613 8656 8900
Facsimile +613 8656 8585

Annual report

2024

Contents

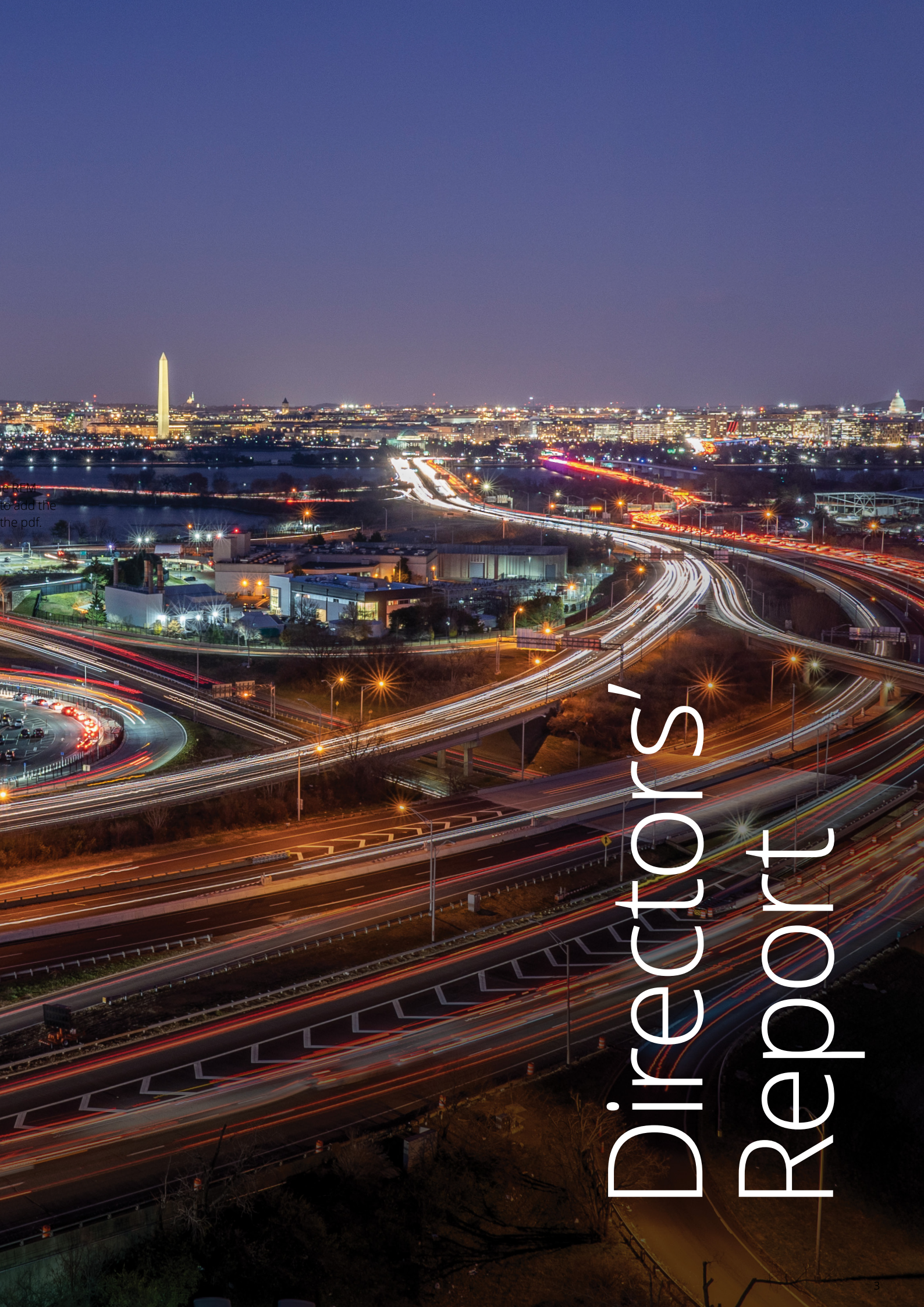
Directors' Report	3
Remuneration report	8
Financial statements	28

Confirming page numbers in the report are correct, so feel free to correct pages as comments in



All available
on our website
transurban.com





REMEMBER
to add the
the pdf.

Directors' Report



Directors' report

The Directors of Transurban Finance Company Pty Ltd (the Company or TFC) present their report on the Company for the year ended 30 June 2024 (FY24).

Directors

The following persons were Directors of the Company during the year and up to the date of this report, unless otherwise stated:

Executive Directors

Current

- Henry Byrne
- Nicole Green (appointed 31 May 2024)
- Hugh Wehby (appointed 27 October 2023)

Former

- Michele Huey (until 31 May 2024)
- Michelle Jablko (until 27 October 2023)

Principal activities

The principal activities of the Company are to obtain and manage the external funding requirements of the Transurban Group¹ (the Group). Funding is sourced both from domestic and international debt capital markets, as well as through bank debt facilities. All borrowings are secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited.

TFC has a credit rating of 'BBB+' (S&P) / 'Baa1' (Moody's) / 'A-' (Fitch). External borrowings are on-lent to related parties within the Group to fund the Group's development projects and for general corporate purposes. All related party loans advanced by TFC are at arm's-length and are interest bearing, with interest typically charged on terms equivalent to the rate at which TFC has borrowed from external financiers.

1. Transurban Holdings Limited and its controlled entities, which includes the other members of the stapled group being Transurban Infrastructure Management Limited as responsible entity of Transurban Holding Trust and its controlled entities, and Transurban International Limited and its controlled entities.

Operating and financial review¹

Financial performance

The Company recorded a profit before tax of \$41,437 thousand for the year ended 30 June 2024 (2023: \$50,544 thousand profit/(loss)).

The following tables summarise the Company's financial performance and key financial measures:

Financial metrics	2024 \$'000	2023 \$'000	Movement \$'000	Movement %
Finance income	585,978	440,208	145,770	33.1%
Finance costs	(544,541)	(490,752)	(53,789)	11.0%
Net finance income/(costs)	41,437	(50,544)	91,981	N.M.²

Debt metrics	2024	2023
FFO/Debt ³	11.5 %	12.3%
Senior Interest Cover Ratio (SICR) (historical ratio for 12 months)	4.2x	4.2x
Weighted average debt maturity (years)	5.4	5.7
Weighted average cost of debt		
AUD debt	4.8%	4.5%
USD debt	4.1%	4.1%
CAD debt	4.6%	4.6%

Net finance income/(costs) increase \$91,981 thousand primarily due to unrealised remeasurement gains on derivative financial instruments, higher interest income on financial assets, as well as favourable exchange rate movements on foreign currency balances and refinancing activities. The net unrealised gain from the remeasurement of derivative financial instruments was due to hedge accounting ineffectiveness that is recognised in profit and loss. For further information, refer to Note B9 Net finance income/(costs).

The Company's main source of income is finance income received on loans advanced to related parties, with the interest typically charged on terms equivalent to the rate at which TFC has borrowed from external financiers. The majority of the Company's borrowings are swapped back to Australian dollars, including the swapping of any associated interest rate commitments back to fixed interest rates.

Financing arrangements and credit facilities

Key funding transactions during the year were as follows:

- In March 2024, the Company reached financial close on €500,000 thousand (\$835,701 thousand) and €500,000 thousand (\$835,561 thousand) of senior secured notes under its Euro Medium Term Note (EMTN) Programme with a tenor of 8 and 12 years.
- In May 2024, the Company reached financial close on refinancing a letter of credit facility of USD49,000 thousand (\$74,000 thousand) with a tenor of 1 year.
- In June 2024, the Company reached financial close on refinancing a \$825,000 thousand working capital facility with a tenor of 5 years.
- In June 2024, the Company reached financial close on refinancing a letter of credit facility of USD150,000 thousand (\$226,000 thousand) with a tenor of 3 years.

1. Figures used for calculating percentage movements in the Directors' report are based on whole numbers.

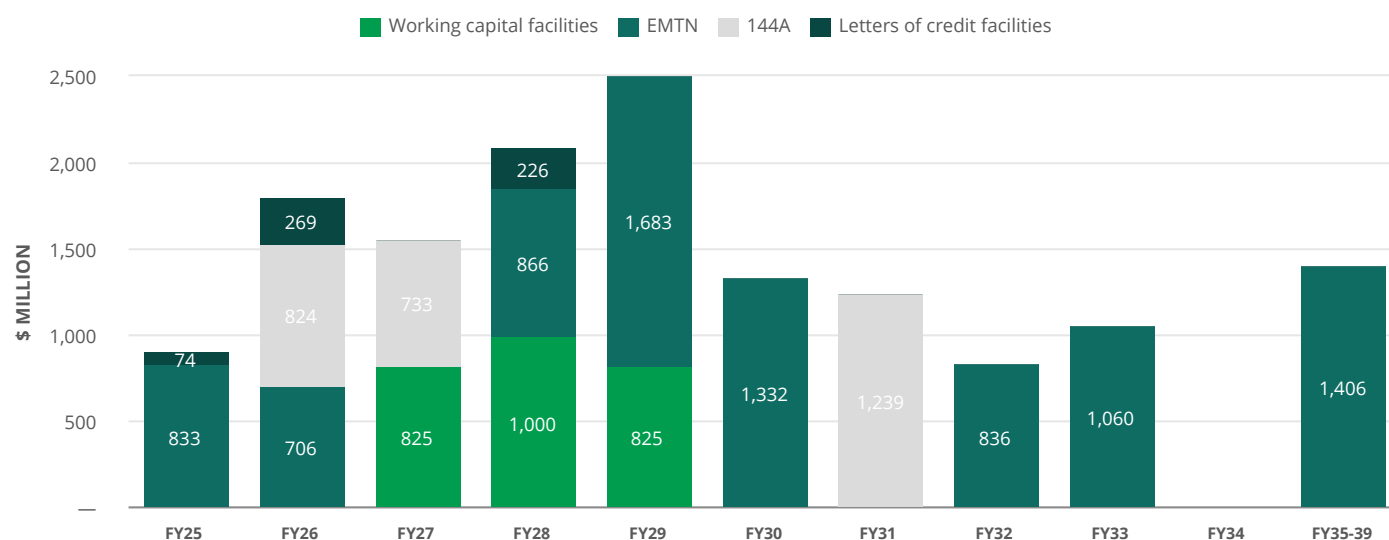
2. N.M.—not meaningful.

3. Based on S&P methodology as calculated for the Transurban Group. FFO is calculated as statutory revenue minus operating expenses, net of maintenance provision of the Transurban Group, plus distributions from investments; minus interest paid, tax paid, and stock compensation expense. Debt is calculated as statutory drawn debt net of cash, foreign currency hedging and other liquid investments. FFO/Debt calculation methodology may be subject to adjustments in future periods.

Capital summary

Following financial close of the EUR1,000,000 thousand EMTNs, which were swapped to AUD via cross-currency swaps, the Company's weighted average cost of AUD debt increased during the period to 4.8%, and the Company's weighted average debt maturity decreased to 5.4 years. The Company, in line with its funding plan, aims to reduce funding and liquidity risk, maintain high investment grade credit metrics, and maintain or grow diversity of funding sources.

Figure 1: Maturity of TFC's debt by financial year as at 30 June 2024^{1,2}



1. The full value of debt facilities is shown. Debt is shown in the financial year in which it matures.

2. Debt values are shown in AUD as at 30 June 2024. CAD, EUR, NOK and USD debt converted at the hedged rate where cross-currency swaps are in place. USD debt is converted at the spot exchange rate (0.6630 at 30 June 2024) where no cross-currency swaps are in place. CAD debt is converted at the spot exchange rate (0.9093 at 30 June 2024) where no cross-currency swaps are in place.

Strategy and risk management

The Company's strategy is underpinned by maintaining high investment grade credit metrics, which provide access to global debt capital markets and efficient pricing on long-term debt funding. This strategy assists in maintaining and growing the diversity of funding sources and maintaining a long-term average tenor of the Company's debt by continuing to target long-term capital markets for term funding.

While the long-term strategy of the Company remains unchanged, given uncertainties related to the macroeconomic environment, the Company continues to monitor its strategy to ensure it can maintain access to credit markets.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The financial risk management function is carried out centrally under the policies approved by the Transurban Group Board. Operations are actively reviewed to identify and monitor all financial risks and hedging instruments are used where appropriate to mitigate risk. The Transurban Group Board is informed on a regular basis of any material exposures to financial risks.

The Company seeks to minimise funding risks through its prudent hedging policies for both interest rates and foreign currencies. By maintaining a high percentage of interest rate hedging, the Company is able to minimise fluctuations in financing costs, thus providing greater certainty in relation to its operating cash flow profile. The Company maintains undrawn credit facilities to provide short-term flexibility and enable the Company to meet financial commitments in a timely manner.

Risk exposures are continuously monitored through review of cash flows, market movements, market analysis and ongoing communication within the Company. Measurement of financial risk includes consideration of both positive and negative exposures, existing hedges and the ability to offset exposures where possible.

Further information on the Company's approach to financial risk management is included within Note B11 Financial risk management and derivatives to the financial statements.

Dividends

No dividends were paid to members during the year ended 30 June 2024 (2023: \$nil) and no dividends have been recommended for payment by the Directors since 30 June 2024.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events subsequent to the end of the financial year

There has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in future years.

Likely developments and expected results of operations

The Directors expect that the Company will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the Directors foresee which they wish to disclose at this time.

Environmental regulation

The Company has policies and procedures in place that are designed to ensure that, where operations are subject to any particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory, those obligations are identified and appropriately addressed. There were no significant breaches reported during the financial year.

Indemnification and insurance

Each officer (including each Director) of the Company is indemnified, to the maximum extent permitted by law, against any liabilities incurred as an officer of the Company pursuant to agreements with the Transurban Group. Each officer is also indemnified against reasonable costs (whether legal or otherwise) incurred in relation to relevant proceedings in which the officer is involved because the officer is or was an officer.

The Company has arranged a premium for a Directors and officers liability insurance policy to indemnify Directors and officers in accordance with the terms and conditions of the policy. This policy is subject to a confidentiality clause which prohibits disclosure of the nature of the liability covered, the name of the insurer, the limit of liability and the premium paid for this policy.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company, nor any application made under section 237 of the *Corporations Act 2001* (Cth).

Non-audit services and auditor independence

PricewaterhouseCoopers (PwC) is the Company's external auditor.

Fees associated with audit services have been borne by a related party, Transurban Limited. The Transurban Group has an External Auditor Independence Policy that is intended to support the independence of the external auditor by regulating the provision of services by the external auditor. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor's judgement or independence.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 26 and forms part of this report.

Rounding of amounts

Amounts in the Directors' report have been rounded off in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



Henry Byrne
Director

Melbourne
12 September 2024



Remuneration report

Who is covered by the report

This report covers the KMP of Transurban Finance Company Pty Limited (the Company) who have the authority and responsibility for planning, directing and controlling the activities of the Transurban Group either directly or indirectly.

The Company is a wholly-owned subsidiary of the Transurban Group. The KMP are also Executive KMP of the Transurban Group and all remuneration disclosures relate to the roles held by the KMP within the Transurban Group. The KMP do not receive any additional remuneration for their duties and responsibilities held within the Company. References to Transurban, the Group or Transurban Group throughout the remuneration report, refer to the Transurban Group of companies and employees, not the Company as a standalone entity. All references to financial results, remuneration results including Short Term Incentive (STI) and Long Term Incentive (LTI) outcomes and targets, remuneration framework and remuneration governance are in relation to the Transurban Group (the Group). The Company does not remunerate its KMP nor does it have its own remuneration framework.

For further information, please refer to the 2024 Transurban Corporate Report or visit transurban.com

The KMP of the Company are Executive Directors of the Company and the Transurban Chief Executive Officer. They are also incumbents to Executive KMP roles within Transurban.

Current Executive KMP

Executive Director and Chief Executive Officer (CEO) (from 19 October 2023, formerly Chief Financial Officer)

Michelle Jablko

Chief Financial Officer (from 19 October 2023, formerly Group Executive Victoria and Strategy)

Henry Byrne

Group Executive Australian Markets (from 1 June 2024)

Nicole Green

Chief Commercial Officer (from 1 June 2024, formerly Group Executive Partners, Delivery and Risk (KMP from 27 October 2023))

Hugh Wehby

Former Executive KMP

Executive Director and Chief Executive Officer (CEO) (until 19 October 2023)

Scott Charlton

Group Executive New South Wales (until 31 May 2024)

Michele Huey

Our remuneration governance framework at a glance¹

Board

Sets and oversees remuneration policy implementation.

Remuneration, People and Culture Committee

Assists the Board in fulfilling its responsibilities in relation to the remuneration of the Chairman and other Non-executive Directors, performance and remuneration of, and incentives for, the CEO and Senior Executives, remuneration strategies, practices and disclosures, and management programs to develop the capability of Transurban's workforce and align to the Group's purpose, strategy and culture.

The Committee may request additional information from Management or external advisors where required. The Committee uses a range of inputs when assessing performance and outcomes of Executive KMP, including both what and how results have been achieved. Detailed performance assessments as well as audited financial results, external remuneration benchmarking and an overarching view to the organisation's values and risk profile are taken into account. The Committee and the Board review relevant information and exercise discretion, and may adjust remuneration outcomes, including application of malus and clawback.

Management

Provide management information on financial, customer, employee, safety, ESG and risk matters which may impact remuneration.

The CEO and the Group Executive, People and Culture attend Committee meetings, however they do not participate in formal decision making or in discussions involving their own remuneration.

External Advisors

The Committee may seek and consider advice from independent remuneration consultants where appropriate.

Protocols are in place for the independent engagement of remuneration consultants and the provision of remuneration recommendations.

During FY24, remuneration consultants only provided benchmarking data and insights on market practices to the Committee. No remuneration recommendations relating to KMP were provided by consultants.

¹ Refer to Governance and risk section of the 2024 Transurban Corporate Report on page 71 for details of Transurban's Governance Framework

Our executive remuneration approach

Our remuneration policy and strategy are designed to enable and drive our business strategy and sustainable long-term growth with consideration being given to the interests of all our stakeholders. The remuneration components that are at risk require the successful execution of that strategy in both the short and long term. Our strategic drivers are reflected in our STI and LTI performance measures so that business performance, security holder outcomes and senior executive remuneration are directly aligned. The remuneration report is presented to security holders annually showing how the Board has applied the Remuneration Framework.

Our purpose	To strengthen communities through transport			
Our strategy	By understanding what matters to our stakeholders, we create road transport solutions that make us a partner of choice			
Remuneration strategy	A total remuneration framework designed to attract, motivate and retain the most skilled, experienced and capable senior executives by rewarding them for delivering on our business strategy and creating long-term, sustainable value for stakeholders			
Governance	The Board holds discretion with regard to the setting of targets and hurdles, as well as decisions regarding performance and remuneration outcomes; this includes taking into account any relevant significant events	Minimum security holding requirements for Group CEO and KMP (equal in value to annual fixed remuneration excluding superannuation; five-year period to accumulate)	Strict protocols for engaging independent remuneration consultants and advisors	
Remuneration principles	Aligns the interests of our people with stakeholders, particularly security holders and partners, and importantly considers the impact on the community	Attracts, motivates and retains the best talent with capabilities that enable our competitive value proposition	Balances financial and non-financial performance which aligns to our purpose, values and risk appetite	Pays fairly and appropriately for operational performance and long-term value creation
Remuneration policy, including components and delivery mechanisms	Fixed remuneration Salary including statutory superannuation	Short term incentive Target performance, defined by a combination of group and individual Key Performance Indicators (KPIs), could achieve a 100% of STI target, with the potential, based on outperformance against group and individual KPIs, to earn a maximum of 150% of STI target Annual incentive awarded 50% in cash and 50% as two-year deferred Transurban securities	Long term incentive Long-term business performance measures determine opportunity for vesting of security grants Performance Rights with a four-year performance period	
Purpose	Fixed component Designed to provide market competitive remuneration to attract and retain the best talent in Australia and internationally for Transurban's current and future priorities, taking into consideration roles and experience Key role accountabilities, size and complexity are weighed up against individual responsibilities, knowledge, skills and experience to determine the appropriate level of fixed remuneration	Current year performance Designed as a lever to deliver our strategic and operational priorities, with a level of outperformance that reflects our values and supports our purpose Rewards for strong collective and individual contributions to overall performance of Transurban and where deferral applies provides an additional retention incentive and enables clawback optionality	Long term sustainable performance Designed to focus on the achievement of sustainable longer-term value creation; the performance period better reflects security holder expectations and enables the application of malus and clawback	

Executive remuneration mix

The remuneration mix is designed to achieve a balanced reward for achievement of short-term objectives and the creation of long-term sustainable value. The amount of remuneration received by Executive KMP each year depends on the achievement of business and individual performance.

Fixed remuneration (TEC) was set with reference to the market median, using the ASX30 companies as the primary reference. Remuneration packages (including TEC levels) are reviewed by the Remuneration, People and Culture Committee taking into consideration an individual's role, experience and performance, as well as relevant comparative market data provided by remuneration consultants. TEC levels are also reviewed after a change in role.

The following diagrams show the minimum, target and maximum total remuneration opportunity for CEO and other Executive KMP. Each component is determined as a percentage of the total remuneration package. Base salary and superannuation received by each Executive KMP are disclosed on page 25.

The maximum opportunity represented below is the most that can be awarded to any individual under the Group's STI Plan and is only achieved in exceptional circumstances.

Remuneration mix

	TEC	STI	LTI	
CEO and Other Executive KMP				
Fixed	100%			
CEO¹				
Target	29%	14.5%	14.5%	42%
Maximum	25%	19%	19%	37%
Other Executive KMP				
Target	41%	13.5%	13.5%	32%
Maximum	36%	18%	18%	28%
KMP Remuneration				
Opportunity	Base salary and statutory superannuation	CEO Other KMP	Target ² 100% of TEC 67% of TEC	Maximum ² 150% of TEC 100.5% of TEC
Delivery	Cash	50% – Cash	50% – Securities deferred for two years	Maximum ² (face value) CEO Other KMP 147% of TEC 80% of TEC
				Performance awards tested end of year four; 50% relative TSR; and 50% FCF

Executive KMP remuneration outcomes

STI outcomes

STI awards are determined with reference to an assessment of performance against individual KPIs and Group performance measures.

When the Board and the Remuneration, People and Culture Committee consider the performance against each element, several factors are considered that may result in the exercise of Board discretion for the benefit or detriment of the executives. For example:

- prevailing external business and economic factors beyond the control of the business and which may impact performance.

- unforeseen factors that may not have been known at the beginning of the performance period, but which are relevant to performance over the performance period.
- whether budgetary assumptions that were made when setting performance targets remain appropriate and whether conditions are potentially better or worse when compared with those assumptions.
- the degree of difficulty and complexity associated with achieving the targets, as related to both the internal and external environment.

In assessing whether to exercise discretion for any of these factors, the Board will have regard for the interests of all stakeholders including security holders.

Transurban's strategic priorities are cascaded via the CEO's KPIs to other Executives, along with other functional measures. The Board assessed the Group's and CEO's performance as follows (KPIs that are commercially sensitive have been excluded).

¹ As at the date Scott Charlton ceased to be Executive KMP, Scott had a target remuneration mix comprising 29% fixed remuneration, 29% STI and 42% LTI. Prior to her appointment as CEO, Michelle Jablko held the role of CFO and had a target remuneration mix comprising 41% fixed remuneration, 27% STI and 32% LTI

² The potential impact of future security price movements is not included in the value of deferred STI awards or LTI awards



Our business performance

Financial highlights for FY24

FY24 fundamentals remained strong as the Group focused on transitioning to a new operating model that will better support our future growth agenda as well as unlocking operating efficiencies and value for investors.

Traffic increased across all markets, flowing through to proportional toll revenue growth of 6.7% and a strong proportional EBITDA of \$2,631 million, up 7.5% on FY23. Weekend traffic was up 1%, while weekday traffic was stronger, up 2% across the Group. Large vehicle traffic remained resilient, up 0.6% despite some softness in NSW and Queensland.

Our full-year distribution of 62 cents per stapled security was up approximately 7% on FY23, and 102% covered by Free Cash.

Transurban has continued to actively manage our balance sheet, maintaining a broadly stable weighted average cost of debt at 4.5%, while our disciplined and active approach to cost management saw cost growth of 3.6%, outperforming guidance of 4-6% growth.

Our strong balance sheet offers us the support and flexibility we need to take advantage of future growth opportunities.

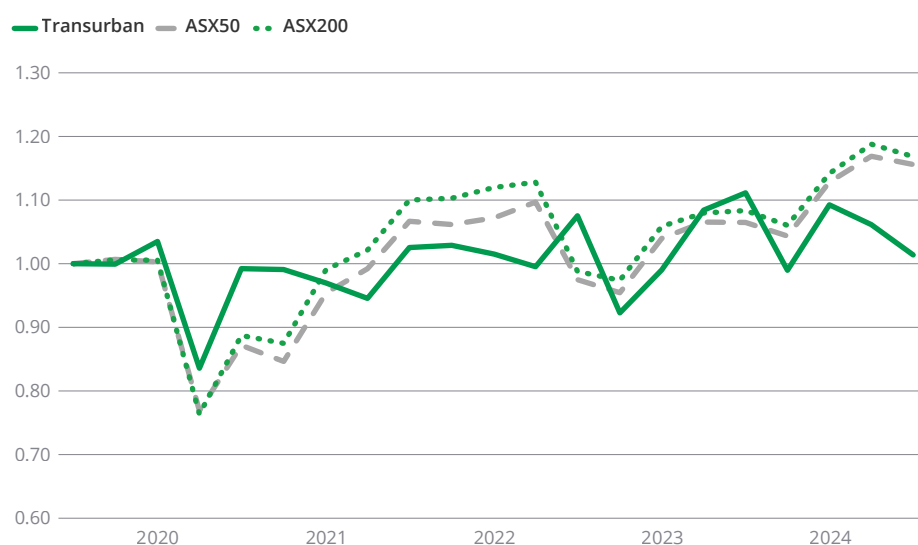
Overview of Group performance

The following table shows the Group's performance over the past five financial years.

Five-year performance		FY20	FY21	FY22	FY23	FY24
Proportional EBITDA ^{1,2}	\$M	1,888	1,836	1,900	2,448	2,631
Free Cash per security ^{1,3}	Cents	54.0 ⁵	46.7 ⁶	49.9 ⁷	56.0 ⁸	79.6 ⁹
Distribution paid per security	Cents	47.0	36.5	41.0	58.0	62.0
Security price at 30 June ⁴	\$	14.13	14.23	14.38	14.25	12.40
TSR at 30 June	%	(1.0)	3.4	4.9	3.4	(8.8)
Market capitalisation	\$b	38.65	38.96	44.16	43.90	38.34

Transurban's five year TSR performance against ASX indices

Further details of our Group performance are provided in the [2024 Transurban Corporate Report](#) Business Performance section on pages 48 to 53.



¹ These are non-IFRS disclosures

² Refer to Note B4 of the audited financial statements of the 2024 Transurban Corporate Report

³ Refer to Note B9 of the audited financial statements of the 2024 Transurban Corporate Report

⁴ The opening security price in FY20 was \$14.74

⁵ The FY20 FCF of 54.0 cents per security included 5.9 cents per security relating to capital releases from Lane Cove Tunnel, 2.7 cents per security from NorthWestern Roads Group, 1.9 cents per security from Hills M2 and 1.2 cents per security from Transurban Queensland. Excluding these capital releases, the FY20 FCF was 42.3 cents per security

⁶ The FY21 FCF of 46.7 cents per security included 10.1 cents per security relating to a capital release from WestConnex. Excluding this capital release, the FY21 FCF was 36.6 cents per security

⁷ The FY22 FCF of 49.9 cents per security included 8.4 cents per security relating to a capital release from WestConnex and 3.2 cents per security from NorthWestern Roads Group. Excluding these capital releases, the FY22 FCF was 38.3 cents per security

⁸ The FY23 FCF of 56.0 cents per security included 0.8 cents per security relating to a capital release from WestConnex. Excluding these capital releases, the FY23 FCF was 55.2 cents per security

⁹ The FY24 FCF of 79.6 cents per security included 16.4 cents per security relating to capital releases from Transurban Queensland, WestConnex and NWRG. Excluding these capital releases, the FY24 FCF was 63.2 cents per security

FY24 Group Performance Scorecard

KPI / Measure	Commentary	Outcome		
		Below	Met	Above
Financials (55%)				
Proportional EBITDA ¹ (40%)	- Proportional EBITDA was \$2,663m. While this was lower than budget, average daily traffic (ADT) increased YoY across all regions. However, toll-only revenue in Sydney, Melbourne and Brisbane was softer than anticipated and North America outperformed due to a combination of higher average tolls and higher ADT. - Proportional EBITDA excludes the impact of the NSW government's early opening of the Rozelle Interchange which resulted in additional costs (such as maintenance and tolling) being incurred and diversion of traffic across the NSW network in FY24 which was not included in the financial targets.			
Proportional Net Costs ¹ (15%)	- Proportional Net Costs was \$723m. This was lower than to budget as a result of lower software costs, lower spend on strategic initiatives, vacancy management activities and lower consulting costs. This was partially offset by higher net tolling expenses due to higher volumes of non-arranged travel, lower collection rates and higher maintenance expense due to M5SW. - Proportional Net Costs excludes the impact of the NSW government's early opening of the Rozelle Interchange which resulted in additional costs (such as maintenance and tolling) being incurred which was not included in the financial targets.			
Non-financial Measures (45%)				
HSE measures (15%)	Transurban has had a strong year in relation to HSE outcomes, outperforming on our HSE Action Plans. Performance relative to road safety targets continues to be impacted by the increased risk associated with higher traffic volumes and changes in driver patterns. Transurban's roads have continued to perform significantly better than comparable road networks over the period. The Group's ongoing commitment to building a strong HSE and road safety culture is reflected in the number of HSE observations reported and action plans completed by our people.			
Customer and Delivery (15%)	- Our commitment to Customers has been focused on ongoing enhancements to the digital channel experience, ensuring core system stability and service availability and adoption and expansion of the Linkt Rewards program. This has resulted in improved Net Promotor Score (NPS) outcomes. - Fredericksburg Extension achieved service commencement ahead of budget and schedule. All other major projects are progressing and in line with budget.			
Sustainability, Reputation and Leadership (15%)	- Transurban's Scope 1 and 2 GHG emissions reduction remains ahead of the near-term FY30 target (70% absolute reduction against FY19 baseline). This includes an absolute reduction in emissions of 30% in FY24. This has been achieved through a continued focus on energy efficiency initiatives and an increase in renewable electricity use (from 80% in FY23 to 87% in FY24), despite the new inclusion of Rozelle to the reporting boundary. - Transurban has continued a program of initiatives that have built trust, awareness and understanding in the business. Specifically, ongoing community investments including child-car seat safety education, First Nations driver safety programs, charity fun runs, continuation of our six-year partnership with NeuRA to deliver critical road safety research into occupant injury prevention and fuel discount offers such as 'Fuel up your savings' to address the increasing concern about cost-of-living pressures. - With the focus on a smooth leadership transition, the emphasis has been on maintaining confidence in Transurban leadership, employee connection and inclusion and wellbeing. Through the transition, we have seen strong employee survey results maintained in these areas.			
Overall				
The overall outcome takes into consideration the achievement against the KPIs as well as alignment with securityholder outcomes over the year and fairly reflects the performance of the Group.		Overall STI outcome: 92.9% of Target 61.9% of Maximum		

¹ Excluding specific major development and legal project spend, transaction and integration costs and the incremental impact of unbudgeted new assets

FY24 CEO Performance

Priority	Performance
Strategy and Development	• Refreshed strategy to support next phase of growth endorsed by the Board • Significant engagement undertaken with all key stakeholder groups and primary relationships • Ongoing engagement in relation to NSW toll reform and the Westgate Tunnel project • Continued strong progress against 2030 GHG emissions reductions targets • Portfolio expansion, enhancement and development opportunities progressing in all markets
Customer and Delivery	• Enhancements to the customer value proposition and digital experience resulting in higher adoption rates of the Linkt app and expansion of Linkt Rewards program • Major projects on budget and ahead on delivery including new projects such as the M7/M12 Integration Project
People and Leadership	• Refreshed operating model and executive committee announced • Active review of culture-related business and governance practices • Ongoing investment in leadership capability with a particular focus on resilience and leading through change; stable overall employee engagement through period of significant change • Continued focus on positive workplace equity including maintaining 40:40:20 gender representation and gender pay parity target, and number one ranking on Equileap's 2024 Gender Equality Global Report
Operations	• Renewed focus on importance of operational excellence and a strong safety and risk culture • Constructive support provided to the NSW government on Rozelle Interchange challenges • Delivered significant operational improvements across WCX
Financials	• FY24 distribution of 62 cents per share represents a growth of 6.9% from prior year and is 102% covered by Free Cash • Proportional toll revenue and proportional EBITDA grew by 6.7% and 7.5% respectively, whilst proportional total cost growth was limited to 3.6% • The balance sheet has remained strong with robust debt covenants, credit ratings and liquidity levels. The Group's weighted average cost of debt is 4.5%

Michelle Jablko transitioned from her former role as Group CFO into the role of CEO on 19 October 2023, at the closing of the 2023 AGM. Through the transition period, Michelle maintained full focus and attention on her responsibilities as CFO. She additionally took on key transitional accountabilities including progressing the appointment of the President of North America and her CFO replacement. A positive legacy of effective financial management practices and investor engagement also ensured a smooth transition for the incoming CFO.

Since taking up her role as CEO, Michelle has spent considerable time engaging with and listening to key stakeholders. This has informed a refreshed strategy, since endorsed by the Board, as well as a new operating model and executive line up. Other key areas of focus have been on improving value for customers, establishing effective relationships with government, construction and joint venture partners and undertaking culture and governance reviews across the organisation.

The Board assessed the CEO's performance against the overall Group results as well as her individual KPIs, with a view to ensuring alignment with the experience and expectations of Transurban's security holders and other stakeholders. This has resulted in a final STI outcome of 61% of her maximum opportunity (or 92% of her target opportunity).

Former CEO FY24 STI

Former CEO, Scott Charlton ceased his role as KMP on 19 October 2023 and departed Transurban on 30 November 2023. Individual KPIs were established for the time he served during the FY24 performance period, leading to eligibility to receive an FY24 STI. These KPIs were designed to reflect the different transition phases and shifting role requirements during the period, in addition to overall group performance.

The STI opportunity included two components;

- a) an 'at target' component to be assessed against the KPIs at the end of 1H24, and
- b) a 'stretch' component to be assessed against the KPIs once the full financial year performance results are finalised, at the end of FY24.

This approach was designed to best reflect the timing of departure and the opportunity for outperformance.

The Board assessed the former CEO's performance for the period served against individual FY24 KPIs both at the end of 1H24 and again at the end of FY24. In its assessment at the end of 1H24 regarding the first STI component, the Board determined that the former CEO had met expectations and approved a prorated 'at target' cash payment of \$648,733, equivalent to 93% of his target opportunity for the period he was a KMP. This was awarded as a cash payment in February 2024. No further awards were made to the former CEO.

FY24 Executive KMP STI outcomes

The STI performance outcomes and awards for the CEO and Executive KMP, are provided in the following table.

	STI Outcome (\$)		STI Cash (\$)		STI Deferred equity ¹ (\$)	STI as a % of maximum opportunity	STI as a % of target opportunity
Current Executive KMP							
M Jablko	1,547,700	=	773,850	+	773,850	61%	92%
H Byrne	639,000	=	319,500	+	319,500	58%	86%
N Green ²	47,400	=	23,700	+	23,700	58%	86%
H Wehby ³	0	=	0	+	0	0%	0%
Former Executive KMP							
S Charlton ⁴	648,733	=	648,733	+	0	62%	93%
M Huey ⁵	402,300	=	201,150	+	201,150	50%	74%

LTI outcomes

Value of FY21 LTI plan performance awards vested and lapsed in FY24

The FY21 LTI plan performance awards, which were granted on 22 October 2020 with a single performance measure of relative TSR and covered the performance period from 1 July 2020 to 30 June 2023, vested on 31 August 2023. The overall vesting outcome of the performance tests was as follows:

Performance measure	Results	Vesting outcome %
TSR (100%)	Transurban ranked 18th out of 29 companies (39th percentile)	0%
Overall vesting		0%

Value of FY22 LTI plan performance awards to vest/lapse in FY25

First tranche (50%) of the FY22 LTI plan (1 July 2021 to 30 June 2024) is scheduled to vest in August 2024. This plan has a single performance measure of relative TSR, with testing of the performance hurdle indicating that 0% of awards will vest for eligible participants.

Details of vesting for each Executive KMP will be included in next year's Remuneration Report.

LTI grants

Performance awards granted in FY24

The FY24 LTI Plan has a four-year performance period (1 July 2023 to 30 June 2027), with 50% subject to relative TSR and 50% subject to FCF (excluding Capital Releases) per security growth rate. This grant is allocated based on a full-face value methodology.

The former CEO, Scott Charlton, did not receive an LTI award for FY24.

Looking ahead – performance awards to be granted in FY25

LTI awards to be granted in FY25 will have a four-year performance period (1 July 2024 to 30 June 2028), with 50% subject to relative TSR and 50% subject to FCF⁶ per security growth rate. This grant is allocated based on a full-face value methodology.

The FY25 LTI Performance awards for the FCF⁵ tranche will have a compound annual growth rate (CAGR)⁷ range which determines 50% and 100% vesting. The annual growth rate may be higher or lower in a given year however translates to an aggregate FCF⁵ as shown below.

	FCF growth based on FY24 distribution	FCF growth based on FY24 distribution ⁷ excluding Cash Reserve Releases	Aggregate FCF (cps)
Base	62.0 cps	58.9 cps	
50% vesting	3.5% CAGR	5.6% CAGR	270.5
100% vesting	5.0% CAGR	7.1% CAGR	280.6

¹ Securities are subject to a two-year restriction period following the end of the performance year. Securities will be granted in October 2024

² N Green's STI outcome reflects the period she was an Executive KMP

³ H Wehby resigned from Transurban Group on 20 August 2024. As a result, he forfeited his STI for FY24.

⁴ Scott Charlton's STI was delivered February 2024. The value represents the pro-rata amount earned during the period he was Executive KMP, being 1 July – 19 October 2023

⁵ M Huey's STI reflects the period she was an Executive KMP

⁶ References to FCF in relation to FY25 LTI Plan exclude Capital and Cash Reserve Releases

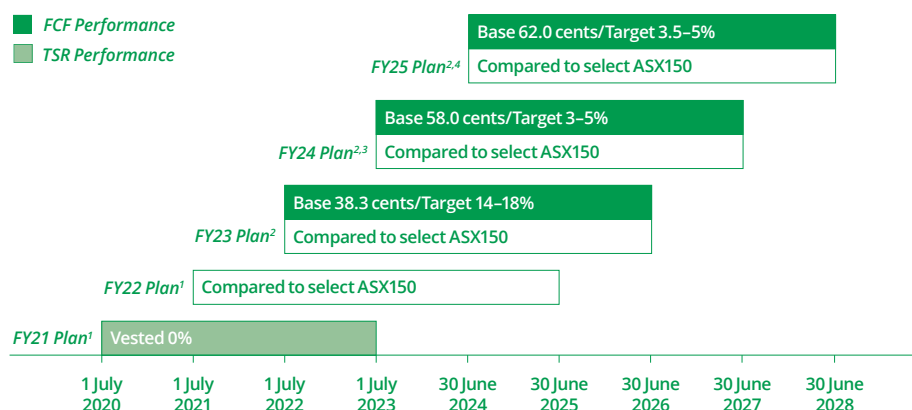
⁷ The FCF (excluding Capital and Cash Reserve Releases) per security target range is calculated by adding each of the FCF (excluding Capital and Cash Reserve Releases) budget and forecasts over the four year performance period and determining the CAGR required to achieve the four year aggregate FCF (excluding Capital and Cash Reserve Releases). Capital Releases refer to the injection of debt into Transurban assets, thereby releasing equity. Cash Reserve Releases refer to the permanent movement in a cash reserves that were required under relevant concession and / or loan agreements

⁸ The FY24 distribution included 3.1 cps of Cash Reserve Releases

The FCF growth associated with the FY25 LTI plan includes matters that have already been disclosed. These relate to the expected commencement of corporate tax payments from FY27 and the reduced contribution from the M5 West concession to 50% ownership from 100% after it transfers to WCX in FY27.

The target growth range will require management action in order to offset the matters noted above and is therefore considered appropriately challenging for Management. It should be noted that there are a number of potential sources of uncertainty such as unanticipated changes in traffic patterns, as well as macro-economic factors and potential new growth opportunities that may impact FCF results each year.

Should Management achieve these outcomes and deliver growth in FCF in line with the target range, the Board considers the outcomes for Management and security holders would be strongly aligned.



Remuneration received in FY24

This table sets out the actual remuneration realised by Executive KMP during FY24. This is a voluntary disclosure and is not prepared in accordance with Australian Accounting Standards. The value Executive KMP actually receive depends on Transurban's security price and whether the equity vests. The statutory remuneration tables (prepared in accordance with the Australian Accounting Standards) can be found on pages 22–24.

	TEC	Cash STI	Total Cash	Value of deferred STI vested during the year ⁵	Value of LTI vested during the year ⁵	Total Actual Remuneration received during the year	Value of Forfeited / Lapsed LTI during year ^{5,6}
Current Executive KMP							
M Jablko⁷	1,835,417	773,850	2,609,267	110,079	0	2,719,346	0
H Byrne	1,104,243	319,500	1,423,743	240,416	0	1,664,159	579,131
N Green⁸	83,333	23,700	107,033	0	NA	107,033	0
H Wehby⁹	792,838	0	792,838	153,492	0	946,330	595,395
Former Executive KMP							
S Charlton¹⁰	701,951	648,733	1,350,684	1,264,845	0	2,615,529	3,375,916
M Huey¹¹	820,366	201,150	1,021,516	267,132	0	1,288,648	579,131

¹ Single performance measure of Relative TSR for the FY21 and FY22 plans. FY22 LTI plan consisted of two tranches. Tranche 1 (50% of awards granted) has a three-year performance period (1 July 2021 to 30 June 2024) and Tranche 2 (50% of awards granted) has a four-year performance period (1 July 2021 to 30 June 2025)

² FCF Target: compound annual growth rate range

³ The CAGR in FCF per security will be calculated using the FY23 distribution as the base which includes Capital Releases.

⁴ The CAGR in FCF per security will be calculated using the FY24 distribution as the base which includes Capital and Cash Reserve Releases

⁵ The point in time value of securities based on the security price at the date of vesting/lapse multiplied by the number of securities

⁶ The forfeited / lapsed LTI values relate to 0% of the performance awards which lapsed in August 2023 due to the performance hurdles not being met

⁷ M Jablko did not have any LTI vest in FY24

⁸ The actual remuneration for N Green is for the period she was an Executive KMP and did not have any STI or LTI vest while a KMP

⁹ The actual remuneration for H Wehby is for the period 27 October 2023 to 30 June 2024 being the period he was Executive KMP. H Wehby resigned from Transurban Group on 20 August 2024. As a result, he forfeited his STI for FY24.

¹⁰ The actual remuneration for Scott Charlton is for the period 1 July – 19 October 2023, being the period he was Executive KMP

¹¹ The actual remuneration for M Huey is for the period 1 July 2023 to 31 May 2024 being the period she was Executive KMP

How variable remuneration is structured

Short Term Incentive (STI)—how does it work?

Description	Eligible permanent employees, including the CEO and other Executive KMP, participate in the annual STI plan, which puts a proportion of remuneration 'at risk' subject to meeting specific pre-determined Group and individual performance measures linked to Group objectives.
Performance period	The performance period is the financial year preceding the payment date.
Opportunity	For 'at-target' performance, the CEO has the opportunity to receive an STI payment of 100% of TEC and all other Executive KMP have the opportunity to receive 67% of TEC. The minimum STI outcome is 0% (if targets are not met) and the maximum is capped at 150% of the 'at-target' STI opportunity, which is only awarded for exceptional performance.
Payment and deferral	STI awards for the CEO and other Executive KMP are delivered 50% in cash and 50% is deferred into Transurban stapled securities for two years following the performance year. The deferred securities are subject to service conditions except in certain circumstances (refer to Cessation of Employment section below) and participate in dividends and/or distributions paid during the deferral period. The number of deferred securities allocated is determined by dividing the amount to be deferred by a 10-day Volume Weighted Average Price (VWAP) of Transurban securities over the 10 business days immediately preceding the STI deferred plan offer.
Annual pool	The Board determines the total STI pool to be distributed. The total pool will not exceed 125% of the aggregate STI target opportunity for all participants. The pool is allocated to individuals based on individual and Group performance in accordance with the following formula: (Individual STI outcome % x Group outcome %). This approach is designed such that higher performing employees receive a greater portion of the Group STI outcome than those who do not perform as well and aligns individual performance with overall Group performance.
Performance measures	Individual measures (KPIs) are unique to the individual's area of accountability. Individuals have a clear line of sight to KPIs and are able to directly affect outcomes through their own actions. These measures are aligned to security holder returns and value creation. Executive KPIs consist of similar categories to those of the CEO (as disclosed on page 14 of this report). Group measures comprise the following categories: - Financials (55%), consisting of: - Proportional EBITDA¹ (40%): is one of the primary measures the Board uses to assess the operating performance of the Group. It reflects the contribution from individual assets to the Group's operating performance and focuses on elements of the result that management can influence to drive improvements in short term earnings. This measure provides a better reflection of the performance of the Group's assets than statutory EBITDA. - Proportional Net Costs² (15%): reflects management's ability to influence the expenditure of the business. Strong cost management throughout the business drives an increase in proportional EBITDA and FCF and ultimately security holder value. - For STI purposes, both Proportional EBITDA and Proportional Net Costs, exclude significant events, specific major development and legal project spend, transaction and integration costs and the impact of unbudgeted new assets or divestments. - HSE (15%): measures focus on improving the Group's HSE culture and reducing workplace injuries for employees and contractors, as well as customer safety. The HSE measure is a combination of lead indicators and lag indicators. - The 'Lead' HSE KPI focuses on enhancing HSE culture, behaviours and accountability at Transurban. - The 'Lag' KPIs focus on recordable incidents, planning and tracking, including injury and crash rates. - Customer and Delivery (15%): measures focus on customer outcomes and major project delivery. - Sustainability, Reputation and Leadership (15%): measures focus on our commitment to climate change action, Transurban's reputation and people leadership and engagement.
Vesting	The Board assesses Group performance against Group Performance Scorecard. The Board confirms final outcomes for individual and Group performance and has discretion to adjust the performance conditions and outcomes. These methods for assessing performance are used because they provide the Board with discretion as to assessment of conditions and outcomes, with the use of an independent overlay where considered appropriate.
Cessation of employment	If employment ceases before performance is assessed, generally there is no entitlement to receive any STI award. If employment ceases due to resignation or for cause before the end of the two-year restriction period, any unvested deferred securities will be forfeited, unless the plan rules provide otherwise, or the Board otherwise resolves. If employment ceases in other circumstances ('good leaver'), unless the Board determines otherwise, unvested deferred securities will remain on foot and subject to the original terms and the deferred securities may vest at the end of the deferral period.
Clawback	Grants prior to FY21: Fraudulent or dishonest behaviour will result in the forfeiture or clawback of any unvested awards. Further, at the discretion of the Board, awards are subject to forfeiture or clawback where there is a financial misstatement circumstance or the allocation of awards was made in error, on the basis of a misrepresentation or an omission, or on the basis of facts or circumstances that were later proven to be untrue or inaccurate (applicable to both STI and LTI plans). FY21 and future grants: In December 2019 Transurban adopted new Equity Incentive Plan Rules. Under the new Equity Plan Rules, in addition to the above, the Board has discretion to clawback vested securities or require the participant repay cash proceeds from the sale of vested securities. Circumstances for clawback have also been expanded to include: breach of duties or obligation to the Group, acts which have a negative impact on Transurban's reputation, in circumstances where vesting is not justified or supportable and the possibility of an employee who departed as a 'good leaver' but then behaves inappropriately.



Long Term Incentive (LTI)—how does it work?

Description	Participation in the LTI plan is offered to the CEO and other Executive KMP and a very limited number of other employees nominated by the CEO and approved by the Board.								
Instrument	Grants are made in the form of performance awards at no cost to the recipient. Each performance award is an entitlement to receive a Transurban stapled security, or at the Board's discretion, an equivalent cash payment, on terms and conditions determined by the Board, subject to the achievement of vesting conditions. Performance awards do not carry dividend, distribution or voting entitlements prior to vesting.								
Performance period	LTI grants have a four-year performance period.								
Opportunity	The CEO's opportunity is 147% of TEC and the opportunity for all other Executive KMP is 80% of TEC. The minimum vesting outcome an individual can receive is 0% of the award (if the performance measures are not achieved) and the maximum vesting outcome an individual can receive is capped at 100% of the award (if performance measures are achieved).								
Performance measures	Two performance measures are ordinarily used to determine the number of awards that will vest at the end of the performance period; relative Total Shareholder Return (TSR) against a bespoke comparator group and FCF (each with an equal 50% weighting).								
Targets	Relative TSR is measured against a bespoke comparator group comprising companies in the transport, utilities, real estate, construction and infrastructure Global Industry Classification standards sectors of the ASX150. The companies in this group for grants made during FY24 were: <i>Abacus Property Group, AGL Energy Limited, APA Group, Atlas Arteria, Auckland International Airport Limited, Aurizon Holdings Limited, BWP Trust, Centuria Industrial, Charter Hall Group, Charter Hall Long, Charter Hall Retail, Chorus Limited, Dexs, Goodman Group, GPT Group, Growthpoint Properties Australia, Homeco Daily Needs, Lendlease Group, Mirvac Group, National Storage REIT, Origin Energy Limited, PEXA Group Ltd, Qantas Airways Limited, Qube Holdings Limited, Region Re Ltd, Scentre Group, Spark New Zealand Limited, Stockland, Telstra Corporation Limited, TPG Telecom Limited, Transurban Group, Vicinity Centres, Worley Ltd</i> Changes to the comparator group in FY24 are as follows: • Excluded (moved out of ASX150): Cromwell Property Group • Included (moved into ASX150): Spark New Zealand Limited FCF³ per security targets are set by the Board utilising the annual budget and forecasts as the primary inputs (consistent with the approach taken for STI measures of Proportional EBITDA and Proportional Net Costs). Once the budget and forecast has been finalised, the Board determines the FCF targets by analysing the cash flow outcomes, ensuring sufficient stretch is incorporated. The actual FCF outcomes are reviewed in detail against targets to consider key reasons for variance and assess whether any adjustments should be made in determining management's performance. The Board may adjust where a decision has been made, in the interests of the Transurban Group and its security holders that differs from the original budgeted assumptions. This may include factors such as significant equity raisings to fund growth opportunities or changes to the timing or quantum of anticipated capital releases. Factors that may cause FCF growth to fluctuate from year to year include activities that are intended to generate long-term value for the business but may negatively impact FCF growth in the near term. The FCF calculation is included in Note B9 of the audited financial statements of the 2024 Transurban Corporate Report.								
Why are these performance measures used?	TSR is a relative, external, market-based performance measure against those companies with which the Group competes for capital. It provides a direct link between executive reward and security holder return. TSR measures total return on investment of a security, taking into account both capital appreciation and distributed and/or dividend income that was reinvested on a pre-tax basis. Growth in FCF per security reflects the Group's continued focus on maximising available free cash. The Group seeks to consistently grow its distributions year on year and to align security holder distributions with FCF per security.								
Allocation	Face value ⁴ allocation methodology.								
Vesting	Following the end of the performance period, the performance measures are tested, and the Board assesses the LTI outcome. TSR component The Group uses an independent report that sets out the Group's TSR growth and that of each company in the bespoke comparator group. A VWAP of securities for the 20 trading days up to and including the testing date is used to calculate TSR. The level of TSR growth achieved by the Group is given a percentile ranking in relation to the Group's performance compared to the performance of other companies in the comparator group (the highest-ranking company is ranked at the 100th percentile). The TSR performance is tested at the end of the performance period, and this ranking determines the extent to which performance awards subject to this component vest. Following testing, any awards that do not vest lapse, and any awards that vest are automatically exercised into Transurban stapled securities or settled in cash at the discretion of the Board. No price is payable on exercise. TSR vesting schedule The TSR component of performance awards vest on a straight-line basis in accordance with the following table: <table> <tr> <th>The Group's relative TSR ranking in the comparator group</th><th>% of performance awards that vest</th></tr> <tr> <td>At or below the 50th percentile</td><td>Zero</td></tr> <tr> <td>Above the 50th percentile but below the 75th percentile</td><td>Straight line vesting between 50 and 100</td></tr> <tr> <td>At or above the 75th percentile</td><td>100</td></tr> </table>	The Group's relative TSR ranking in the comparator group	% of performance awards that vest	At or below the 50th percentile	Zero	Above the 50th percentile but below the 75th percentile	Straight line vesting between 50 and 100	At or above the 75th percentile	100
The Group's relative TSR ranking in the comparator group	% of performance awards that vest								
At or below the 50th percentile	Zero								
Above the 50th percentile but below the 75th percentile	Straight line vesting between 50 and 100								
At or above the 75th percentile	100								

Long Term Incentive (LTI)—how does it work? (continued)

Vesting (continued)	FCF component
	The Group's FCF1 per security percentage growth rate is calculated over the four-year performance period. ⁵ The FCF per security component of performance awards granted will vest based on the Group's compound annual growth targets translated into annual FCF (excluding Capital Releases) per security over the four-year performance period.
	The Board uses its discretion to determine whether the performance awards are settled in Transurban stapled securities or a cash payment of equivalent value.
	Following testing, any awards that do not vest, lapse and any awards that vest are automatically exercised into Transurban stapled securities or settled in cash at the discretion of the Board. No price is payable on exercise.
Cessation of employment	FCF vesting schedule
	The FCF component of performance awards vest on a straight-line basis in accordance with the following table:
Clawback	

Minimum security holding

The Board has endorsed minimum security holding guidelines for Non-executive Directors, the CEO and Executive KMP. The guidelines recommend that Non-executive Directors, the CEO and Executive KMP build and maintain a minimum security holding of Transurban stapled securities equal to 100% of their fixed remuneration or base fees (excluding superannuation). The minimum stapled security holding can be accumulated over a five-year period.

All KMP have either achieved their minimum security holding or, for those new to the Group, are on track to meet the five year accumulation period.

Service agreements

The remuneration and other terms of employment for the CEO and other Executive KMP are formalised in service agreements that have no specified term. Under these

agreements, the CEO and other Executive KMP are eligible to participate in STI and LTI plans. The notice periods in place for FY24 are outlined below:

	Period of notice to terminate by the Executive KMP	Period of notice to terminate by the Group⁶
CEO⁷	6 months	12 months
Other Executive KMP	3 months	6 months
Other Executive KMP – commencing post 6 Oct 2020	6 months	6 months

¹ Proportional EBITDA is the aggregation of EBITDA from each asset multiplied by the Group's percentage ownership, as well as any contribution from Group functions. Proportional EBITDA figures used to assess performance are included in Note B4 of the audited financial statements

² Proportional Net Costs is the aggregation of total costs less fee and other revenues from each asset multiplied by the Group's percentage ownership, as well as any contribution from Group functions

³ References to FCF in relation to FY24 LTI Plan exclude Capital Releases

⁴ Face value is the equity value based on the Transurban share price at the date of grant. This differs to the fair value of equity which is the expensing value in accordance with the accounting standards. The fair value takes into consideration factors including: the probability of vesting based on the performance hurdles, share price volatility, life of the instrument, dividend yield, and share price at grant date

⁵ The FCF (excluding Capital Releases) per security target range is calculated by adding each of the FCF (excluding Capital Releases) budget and forecasts over the four-year performance period, and determining the CAGR required to achieve the 4-year aggregate FCF (excluding Capital Releases)

⁶ Payment in lieu of the notice period may be provided (based on the executive's fixed remuneration). The Group may also terminate at any time without notice for serious misconduct

⁷ Applies to the current CEO and former CEO. On ceasing employment, the entitlements of the former CEO, Scott Charlton, are in accordance with his employment contract and the terms of the STI and LTI plans that Scott participated in as Executive KMP



CEO transition arrangements

Current CEO

As previously disclosed, in August 2023, the Board confirmed the appointment of Michelle Jablko to the position of Chief Executive Officer and Managing Director of Transurban. Michelle officially commenced in the role following the 2023 AGM on 19 October 2023.

The Board confirmed the following remuneration arrangements in relation to the incoming CEO, with effect from 19 October 2023:

- Fixed remuneration of \$2,000,000 per annum
- STI target opportunity (at risk) of \$2,000,000 (100% of fixed remuneration)
- LTI target opportunity (at risk) of \$2,940,000 (147% of fixed remuneration)
- CEO notice period remains unchanged from that disclosed earlier in this report.

The Remuneration, People and Culture Committee received advice from an independent external remuneration consultant in relation to the incoming CEO's remuneration arrangements, including benchmarking data and details of current remuneration practices in the Australian market.

Former CEO

As previously disclosed, Scott Charlton stepped down as CEO on 19 October 2023, and ceased employment on 30 November 2023 ('employment end date'). He has received his contractual entitlements and benefits outlined below:

- Payment of his fixed remuneration up to and including his employment end date;
- Payment of statutory accrued leave entitlements;

- A pro-rated FY24 STI award calculated up until 30 November 2023;
- STI Securities held at the time of cessation were retained and will be released in accordance with the terms of the applicable STI plan;
- Performance Rights held at the time of cessation will be pro-rated based upon the employment end date with vesting subject to the original performance and vesting conditions in the applicable LTI plan; and
- No LTI awards were granted for FY24.



Statutory tables

Dealing in securities

In accordance with the Group's Dealing in Securities Policy, Directors, members of the Executive Committee and their related parties must not enter into hedging arrangements in relation to Transurban stapled securities. In addition, employees who have equity awards under the Group equity plan must not hedge against those equity awards. Directors and employees are also prohibited from entering into margin lending arrangements using Transurban stapled securities as security.

LTI performance awards granted in FY24

Eligible Executive KMP received LTI performance awards with a grant date of 6 October 2023, except for the CEO and CFO with a grant date of 19 October 2023. The FY24 LTI Plan is subject to a four-year performance period over the period from 1 July 2023 through to 30 June 2027. LTI awards were granted in two equal tranches, 50% of the LTI award may vest subject to achieving the relative TSR performance hurdle and 50% of the LTI award may vest subject to achieving the FCF per security performance hurdle.

The former CEO, Scott Charlton, did not receive LTI performance awards for FY24.

Securities held by Executive KMP as at 30 June 2024

	Balance at start of year	Received during the year from equity vesting	Other changes during the year	Balance at end of year ^{1,2}
Current Executive KMP				
M Jablko	67,169	8,352	–	75,521
H Byrne³	52,390	18,241	(5,000)	65,631
N Green	153	0	–	153
H Wehby	17,370	17,187	–	34,557
Former Executive KMP				
S Charlton	781,693	95,967	–	NA
M Huey	263,262	20,268	–	NA

The relevant values of the grants are as follows:

		Fair Value ⁴ of awards at grant date			Face Value ⁵ of awards at allocation date
	Grant date	Relative TSR	FCF per security	Security price at grant date	
Other KMP	6 Oct 2023	\$5.46	\$10.47	\$12.51	\$14.39
CEO and CFO	19 Oct 2023	\$4.74	\$10.10	\$12.05	\$14.39

The following table shows the number of LTI awards granted to Executive KMP during FY24:

	Number of performance awards granted ⁹	Maximum (fair value) value ¹⁰ of grant (\$)	Maximum (face value) value ¹¹ of grant (\$)
Current Executive KMP			
M Jablko⁶	204,309	1,515,973	2,461,923
H Byrne	66,713	495,010	803,892
N Green⁷	NA	NA	NA
H Wehby	61,154	487,092	765,037
Former Executive KMP			
S Charlton⁸	NA	NA	NA
M Huey	48,923	389,672	612,027

1 Balance at the date of this Report is the same as the balance at the end of FY24

2 For S Charlton the balance at the end of the year is as at 19 October 2023 and for M Huey the balance at the end of the year is as at 31 May 2024, being the date she ceased to be an Executive KMP

3 In the FY23 Remuneration Report, balance at end of year was reported as 53,290; this should have been 52,390

4 Fair value in accordance with AASB 2 – share-based payments

5 Security price as at 1 July 2023 (allocation date)

6 Michelle Jablko was granted 204,309 performance awards as part of her 2024 remuneration package as approved at the 2023 Annual General Meeting, under ASX Listing Rule 10.14

7 N Green did not receive an LTI award while a KMP for FY24

8 S Charlton did not receive an LTI award for FY24

9 The minimum value of the grant, if the applicable performance measures are not met, is zero

10 Maximum value of the grant has been calculated based on a fair value approach as at the grant date. The fair value considers the probability that the Executive KMP may not derive value from the LTI award, along with other factors, including difficulty of achieving performance hurdles and anticipated security price volatility

11 Maximum value of the grant based on security price at grant date. The maximum LTI opportunity for each Executive KMP is the face value of the award (i.e. the value the Executive KMP would receive if all of their performance awards vested, based on Transurban's security price at the time the award was granted)



Summary of Executive KMP allocated, vested or lapsed equity

Type of equity ^{1,2}	Allocation date	Grant date	Vesting date	Balance at start of year	Granted during year	Vested and exercised in FY24 ⁶	% of total vested & exercised in FY24	Lapsed/ forfeited in FY24	% Lapsed/ forfeited in FY24	Balance at end of year ⁷	Fair value of equity (\$) ^{8,9}
Current Executive KMP											
M Jablko³											
Performance awards	01 Jul 21	04 Oct 21	Aug 24	43,479	–	–	–	–	–	43,479	285,222
Performance awards	01 Jul 21	04 Oct 21	Aug 25	44,927	–	–	–	–	–	44,927	308,199
Performance awards	01 Jul 22	07 Oct 22	Aug 26	92,652	–	–	–	–	–	92,652	813,485
Performance awards	01 Jul 23	19 Oct 23	Aug 27	–	204,309	–	–	–	–	204,309	204,309
Total performance awards				181,058	204,309	0	0	0	0	385,367	2,922,879
Deferred securities	15 Oct 21	04 Oct 21	Aug 23	8,352	–	(8,352)	100	–	0	0	119,183
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	23,398	–	–	–	–	–	23,398	295,985
Deferred securities	27 Oct 23	06 Oct 23	Aug 25	–	47,250	–	–	–	–	47,250	591,098
Total deferred securities				31,750	47,250	(8,352)	100	0	0	70,648	1,006,266
H Byrne											
Performance awards	01 Jul 20	22 Oct 20	Aug 23	43,675	–	–	0	(43,675)	100	0	288,692
Performance awards	01 Jul 21	04 Oct 21	Aug 24	24,438	–	–	–	–	–	24,438	160,313
Performance awards	01 Jul 21	04 Oct 21	Aug 25	25,252	–	–	–	–	–	25,252	173,229
Performance awards	01 Jul 22	07 Oct 22	Aug 26	52,077	–	–	–	–	–	52,077	457,236
Performance awards	01 Jul 23	17 Oct 23	Aug 27	–	66,713	–	–	–	–	66,713	495,010
Total performance awards				145,442	66,713	0	0	(43,675)	100	168,480	1,574,480
Deferred securities	15 Oct 21	04 Oct 21	Aug 23	18,241	–	(18,241)	100	–	0	0	260,299
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	13,284	–	–	–	–	–	13,284	168,043
Deferred securities	27 Oct 22	06 Oct 23	Aug 25	–	24,325	–	–	–	–	24,325	304,306
Total deferred securities					24,325	(18,241)	100	0	0	37,609	732,648
N Green³											
Performance awards	01 Jul 22	07 Oct 22	Aug 26	6,000	–	–	–	–	–	6,000	52,680
Performance awards	01 Jul 23	19 Oct 23	Aug 27	–	6,000	–	–	–	–	6,000	47,790
Total performance awards				6,000	6,000	0	0	0	0	12,000	100,470
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	6,328	–	–	–	–	–	6,328	80,049
Deferred securities	27 Oct 23	06 Oct 23	Aug 25	–	24,106	–	–	–	–	24,106	301,566
ShareLink Share Offer	07 Dec 22	07 Dec 22	07 Dec 25	73	–	–	–	–	–	73	989
ShareLink Share Offer	06 Dec 23	06 Dec 23	06 Dec 26	–	80	–	–	–	–	80	993
Total deferred securities				6,401	24,186	–	–	–	0	30,587	383,597
H Wehby⁴											
Performance awards	01 Jul 20	22 Oct 20	Aug 23	66,266	–	–	0	(66,266)	100	0	438,018
Performance awards	01 Jul 21	04 Oct 21	Aug 24	32,984	–	–	–	–	–	32,984	216,375
Performance awards	01 Jul 21	04 Oct 21	Aug 25	34,083	–	–	–	–	–	34,083	233,809
Performance awards	01 Jul 22	07 Oct 22	Aug 26	70,288	–	–	–	–	–	70,288	617,129
Performance awards	01 Jul 23	06 Oct 23	Aug 27	–	61,154	–	–	–	–	61,154	487,092
Total performance awards				203,621	61,154	0	0	(66,266)	100	198,509	1,992,423
Deferred securities	15 Oct 21	04 Oct 21	Aug 23	17,187	–	(17,187)	100	–	0	0	245,258
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	15,779	–	–	–	–	–	15,779	199,604
Deferred securities	27 Oct 23	06 Oct 23	Aug 25	–	35,845	–	–	–	–	35,845	448,421
Total deferred securities				32,966	35,845	(17,187)	100	0	0	51,624	893,283

Summary of Executive KMP allocated, vested or lapsed equity (continued)

Type of equity ^{1,2}	Allocation date	Grant date	Vesting date	Balance at start of year	Granted during year	Vested and exercised in FY24	% of total vested & exercised in FY24	Lapsed/ forfeited in FY24	% Lapsed/ forfeited in FY24 ⁷	Balance at end of year ⁸	Fair value of equity (\$) ^{9,10}
Former Executive KMP											
S Charlton⁵											
Performance awards	01 Jul 20	22 Oct 20	Aug 23	254,594	–	–	0	(254,594)	100	0	1,682,866
Performance awards	01 Jul 21	04 Oct 21	Aug 24	126,725	–	–	–	(24,628)	19	102,097	698,255
Performance awards	01 Jul 21	04 Oct 21	Aug 25	130,946	–	–	–	(51,805)	40	79,141	771,272
Performance awards	01 Jul 22	07 Oct 22	Aug 26	270,048	–	–	–	(174,302)	65	95,746	2,438,533
Total performance awards				782,313	0	0	0	(505,329)	65	276,984	5,590,926
Deferred securities	15 Oct 21	04 Oct 21	Aug 23	95,967	–	(95,967)	100	–	0	0	1,369,449
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	34,973	–	–	–	–	–	34,973	442,408
Deferred securities	27 Oct 23	06 Oct 23	Aug 25	–	102,462	–	–	–	–	102,462	1,281,800
Total deferred securities				130,940	102,462	(95,967)	100	0	0	137,435	3,093,657
M Huey⁶											
Performance awards	01 Jul 20	22 Oct 20	Aug 23	43,675	–	–	0	(43,675)	100	0	288,692
Performance awards	01 Jul 21	04 Oct 21	Aug 24	24,438	–	–	–	(669)	3	23,769	160,313
Performance awards	01 Jul 21	04 Oct 21	Aug 25	25,252	–	–	–	(6,827)	27	18,425	173,229
Performance awards	01 Jul 22	07 Oct 22	Aug 26	52,077	–	–	–	(27,090)	52	24,987	457,236
Performance awards	01 Jul 23	06 Oct 23	Aug 27	–	48,923	–	–	(37,672)	77	11,251	389,672
Total performance awards				145,442	48,923	0	0	(115,933)	60	78,432	1,469,142
Deferred securities	15 Oct 21	04 Oct 21	Aug 23	20,268	–	(20,268)	100	–	0	0	289,224
Deferred securities	21 Oct 22	07 Oct 22	Aug 24	15,276	–	–	–	–	–	15,276	193,241
Deferred securities	27 Oct 23	06 Oct 23	Aug 25	–	24,325	–	–	–	–	24,325	304,306
Total deferred securities				35,544	24,325	(20,268)	100	0	0	39,601	786,771

1 Additional information regarding the prior year incentive awards that are on foot, can be found in the remuneration report of the relevant year in which the grant was made

2 Performance awards granted prior to December 2019 expire 7 years from the date of allocation and Performance awards granted after December 2019 have an expiry of 15 years from the date of allocation. Deferred securities do not have an expiry date

3 N Green has not been granted performance awards or deferred securities while a KMP

4 H Wehby resigned from Transurban Group on 20 August 2024. In accordance with the plan rules, he will forfeit his performance awards and deferred securities upon his departure.

5 For the former CEO, Scott Charlton, the balance at the end of the year reflects the balance at the date he ceased to be Executive KMP, being 19 October 2023. S Charlton forfeited a prorated portion of his unvested performance awards upon termination

6 M Huey, the balance at the end of the year reflects the balance at the date they ceased to be Executive KMP, being 31 May 2024. M Huey forfeited a prorated portion of her unvested performance awards upon termination

7 Performance awards granted in FY21 did not vest during FY24 at the end of the three-year performance period as it did not meet the relative TSR performance hurdle

8 No closely related parties of Executive KMP held any performance awards or deferred securities during FY24

9 Fair value at grant date for performance awards. Deferred securities represent the fair value of the STI deferred component

10 In accordance with the requirements of AASB 2 Share-based Payment, the fair value of performance awards as at their date of grant. The fair value has been independently determined. The fair value of the performance awards with a TSR performance measure has been valued applying a Monte Carlo simulation (using a Black-Scholes framework) to model Transurban's security price and the TSR performance against the comparator group's TSR performance. The fair value of performance awards with a FCF performance measure (grants made prior to October 2020) has been determined by reference to Transurban's security price at the grant date discounted for dividends and distributions forgone throughout the performance period. The amount included is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest



Executive KMP remuneration

	Short-term employee benefits			Post-employment benefits	Long-term benefits	Share-based benefits ^{5, 6}			
	Cash salary and fees ¹	Cash STI ²	Non-monetary benefits ³	Superannuation	Annual and Long Service Leave	Deferred STI ⁴	LTI Awards	Termination payments ⁶	Total ⁷
Current Executive KMP									
M Jablko									
2024	1,808,018	773,850	844	27,399	51,995	524,864	727,148		3,914,118
2023	1,424,708	624,300	2,865	25,292	19,362	332,229	717,873		3,146,629
H Byrne									
2024	1,076,844	319,500	1,583	27,399	145,381	255,213	338,040		2,163,960
2023	789,708	321,400	3,379	25,292	34,500	239,628	295,527		1,709,434
N Green ⁸									
2024	81,050	23,700	170	2,283	1,153	17,364	1,985		127,705
H Wehby ⁹									
2024	774,273	0	546	18,565	42,820	0	0		836,204
Total for Current Executive KMP									
2024	3,740,185	1,117,050	3,143	75,646	241,349	797,441	1,067,173		7,041,987
2023	2,214,416	945,700	6,244	50,584	53,862	571,857	1,013,400		4,856,063
Former Executive KMP									
S Charlton ¹⁰									
2024	688,667	648,733	472	13,284	(412,197)	466,752	457,259	0	1,862,970
2023	2,274,708	1,353,800	12,146	25,292	(196,795)	1,413,430	1,572,310		6,454,891
M Huey									
2024	781,551	201,150	1,385	38,815	(125,604)	470,461	325,774	704,798	2,398,330
2023	789,708	321,400	5,092	25,292	23,124	256,927	295,527		1,717,070
Total									
2024	5,210,403	1,966,933	5,000	127,745	(296,452)	1,734,654	1,850,206	704,798	11,303,287
2023	5,278,832	2,620,900	23,482	101,168	(119,809)	2,242,214	2,881,237	0	13,028,024

¹ Cash salary and fees does not include unpaid leave taken during the year

² For current and former Executive KMP (other than S Charlton), the amounts represent the cash STI payment to Executive KMP for FY24, which will be paid in September 2024. For former CEO, S Charlton, his FY24 STI award was paid in February 2024. FY23: cash component of STI paid in September 2023

³ Non-monetary benefits include Group employee insurance

⁴ A component of STI award is deferred into Transurban stapled securities. In accordance with accounting standards, the deferred component is recognised over the three-year service period. In accordance with the requirements of the accounting standards, the Deferred STI share-based benefits of S Charlton and M Huey include an acceleration of expense for all remaining unvested awards on foot upon departure

⁵ In accordance with the requirements of the accounting standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e. performance awards under the LTI plan). The fair value of the awards is determined as at the grant date and is progressively allocated over the performance period. The amount included, as remuneration may be different to the benefit (if any) that the KMP may ultimately realise should the awards vest. The fair value of performance awards with a TSR performance measure has been determined by applying a Monte Carlo simulation (using a Black-Scholes framework) to model Transurban's security price and the TSR performance against the comparator group performance. The fair value of performance awards with a FCF performance measure has been determined by reference to Transurban's security price at the grant date discounted for dividends and distributions forgone throughout the performance period. As the FCF performance measure is a non-market performance condition, amounts recognised are adjusted based on the best available estimate of the number of equity instruments expected to vest

⁶ Termination payments represents contractual payments made on termination, does not include statutory payments such as annual leave and long service leave paid out on termination

⁷ The percentage of FY24 remuneration related to performance was M Jablko 52%, H Byrne 42%, N Green 34%, H Wehby 49%, S Charlton 84%, M Huey 42%

⁸ N Green remuneration reflects the period as KMP from 1 June 2024

⁹ H Wehby resigned from Transurban Group on 20 August 2024. As a result, he forfeited his STI for FY24. The value for the share based benefits is nil reflecting that he will forfeit his performance awards and deferred securities upon his departure.

¹⁰ In FY24, S Charlton was an Executive KMP from 1 July 2023 – 19 October 2023 and ceased employment on 30 November 2023. The values in the table represent remuneration earned for the period he was Executive KMP

Loans with KMP

No loans have been made between Transurban and any KMP (including their related parties) at any time during the year.

Other transactions with KMP

Distributions provided for as at 30 June 2024 but payable after reporting date for the CEO and other Executive KMP in relation to unvested Deferred STI are set out in the following table.

There were no other transactions with the CEO, Executive KMP and Non-executive Directors during the year.

	# Unvested DSTI	Distribution provision as at year end ^{1,2}
Current Executive KMP		
M Jablko		
2024	70,648	22,607
2023	31,750	10,001
H Byrne		
2024	37,609	12,035
2023	31,525	9,930
N Green³		
2024	30,587	9,788
H Wehby		
2024	51,624	16,520
2023	32,966	10,384

¹ 2024 based on \$0.32 distribution declared on 21 June 2024. The distribution has a record date of 28 June 2024 and its payment date is on 13 August 2024

² 2023 based on \$0.315 distribution declared on 19 June 2023. The distribution has a record date of 29 June 2023 and its payment date is on 21 August 2023

³ N Green reflects the period as KMP from 1 June 2024



Auditor's Independence Declaration

As lead auditor for the audit of Transurban Finance Company Pty Ltd for the year ended 30 June 2024, 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; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'E Barron'.

Ewan Barron
Partner
PricewaterhouseCoopers

Melbourne
12 September 2024

This page is left blank intentionally

Financial statements

Contents

30 Section A: Financial statements

Statement of comprehensive income
 Balance sheet
 Statement of changes in equity
 Statement of cash flows

35 Section B: Notes to the financial statements

Basis of preparation and significant changes

B1 Corporate information	B2 Summary of significant changes in the current reporting period	B3 Basis of preparation
---------------------------------------	---	-----------------------------------

Operating performance

B4 Segment information	B5 Income tax	B6 Working capital
-------------------------------------	----------------------------	---------------------------------

Capital and borrowings

B7 Contributed equity	B8 Reserves	B9 Net finance income/ (costs)	B10 Borrowings	B11 Financial risk management and derivatives
------------------------------------	-----------------------	---	--------------------------	--

Items not recognised

B12 Contingencies	B13 Commitments	B14 Subsequent events
-----------------------------	---------------------------	---------------------------------

Other

B15 Related party transactions	B16 Key management personnel compensation	B17 Economic dependency	B18 Remuneration of auditors
---	--	-----------------------------------	--

61 Section C: Signed reports

Directors' declaration
 Independent auditor's report to the members



Section A: Financial statements for the year ended 30 June 2024

Section A: Financial statements

Transurban Finance Company Pty Ltd
Statement of comprehensive income for the year ended 30 June 2024

		2024	2023
	Note	\$'000	\$'000
Finance income	B9	585,978	440,208
Finance costs	B9	(544,541)	(490,752)
Net finance income/(costs)	B9	41,437	(50,544)
Profit/(loss) before income tax		41,437	(50,544)
Income tax (expense)/benefit	B5	(12,431)	15,163
Profit/(loss) for the year		29,006	(35,381)
Other comprehensive income			
Items that may be reclassified to the profit and loss in the future			
Changes in the fair value of cash flow hedges, net of tax		36,150	(184,943)
Changes in the fair value of cost of hedging, net of tax		(25,163)	(3,943)
Other comprehensive income/(loss) for the year, net of tax		10,987	(188,886)
Total comprehensive income/(loss) for the year		39,993	(224,267)
Total comprehensive income/(loss) for the year is attributable to:			
Owners of Transurban Finance Company Pty Ltd		39,993	(224,267)
Total comprehensive income/(loss) for the year		39,993	(224,267)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Section A: Financial statements for the year ended 30 June 2024

Transurban Finance Company Pty Ltd

Balance sheet as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	B6	1,036	1,151
Trade and other receivables	B6	10,031	33
Related party loans and other receivables	B15	980,497	662,655
Derivative financial instruments	B11	129,329	—
Total current assets		1,120,893	663,839
Non-current assets			
Related party loans receivable	B15	10,782,041	9,452,815
Derivative financial instruments	B11	300,260	460,552
Deferred tax assets	B5	2,764	18,514
Total non-current assets		11,085,065	9,931,881
Total assets		12,205,958	10,595,720
Liabilities			
Current liabilities			
Trade and other payables	B6	152,301	165,780
Borrowings	B10	968,118	9,713
Derivative financial instruments	B11	5,216	—
Total current liabilities		1,125,635	175,493
Non-current liabilities			
Borrowings	B10	10,831,359	10,334,635
Derivative financial instruments	B11	269,793	146,414
Total non-current liabilities		11,101,152	10,481,049
Total liabilities		12,226,787	10,656,542
Net liabilities		(20,829)	(60,822)
Equity			
Reserves	B8	(92,287)	(103,274)
Retained earnings		71,458	42,452
Total equity		(20,829)	(60,822)

The above balance sheet should be read in conjunction with the accompanying notes.



Section A: Financial statements for the year ended 30 June 2024

Transurban Finance Company Pty Ltd
Statement of changes in equity for the year ended 30 June 2024

	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	(103,274)	42,452	(60,822)
Profit for the year	—	29,006	29,006
Other comprehensive income	10,987	—	10,987
Total comprehensive income	10,987	29,006	39,993
Balance at 30 June 2024	(92,287)	71,458	(20,829)

Statement of changes in equity for the year ended 30 June 2023

	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	85,612	77,833	163,445
Loss for the year	—	(35,381)	(35,381)
Other comprehensive loss	(188,886)	—	(188,886)
Total comprehensive loss	(188,886)	(35,381)	(224,267)
Balance at 30 June 2023	(103,274)	42,452	(60,822)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Section A: Financial statements for the year ended 30 June 2024

Transurban Finance Company Pty Ltd

Statement of cash flows for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Finance fees recovered from related parties		31,076	26,293
Interest received		472,621	396,423
Interest paid		(476,158)	(400,299)
Finance fees paid		(30,697)	(26,177)
Net cash outflow from operating activities	(a)	(3,158)	(3,760)
Cash flows from financing activities			
Proceeds from borrowings (net of costs)	(b)	1,671,263	1,069,553
Repayment of borrowings	(b)	(9,713)	(94,413)
Proceeds from loans from related parties	(b)	12,824	12,726
Repayment of loans from related parties	(b)	—	(140,458)
Loans issued to related parties	(b)	(2,152,992)	(1,230,443)
Related party loan repayments received	(b)	481,729	391,297
Proceeds from settlement of derivatives		—	(4,507)
Net cash inflow from financing activities		3,111	3,755
Net decrease in cash and cash equivalents		(47)	(5)
Cash and cash equivalents at the beginning of the year		1,151	1,044
Effects of exchange rate changes on cash and cash equivalents		(68)	112
Cash and cash equivalents at end of the year	B6	1,036	1,151

(a) Reconciliation of profit/(loss) after income tax to net cash outflow from operating activities

	2024 \$'000	2023 \$'000
Profit/(loss) for the year	29,006	(35,381)
Net exchange differences	10,338	18,937
Non-cash net finance (income)/costs	(25,159)	27,667
Change in operating assets and liabilities:		
(Decrease)/increase in interest payable	(13,434)	10,282
Decrease in trade and other payables	—	(24)
Increase in trade and other receivables	(103)	(20)
Movement in deferred and current taxes	12,431	(15,163)
Increase in related party loans receivable	(16,237)	(10,058)
Net cash outflow from operating activities	(3,158)	(3,760)

The above statement of cash flows should be read in conjunction with the accompanying notes.



Section A: Financial statements for the year ended 30 June 2024

Transurban Finance Company Pty Ltd

Statement of cash flows for the year ended 30 June 2024 (continued)

(b) Reconciliation of liabilities arising from financing activities

	Borrowings current \$'000	Borrowings non- current \$'000	Debt principal related derivatives (included in assets/ liabilities) ¹ \$'000	Total debt related financial instruments \$'000	Net related party receivables \$'000
Balance at 1 July 2023	9,713	10,334,635	(959,125)	9,385,223	(10,115,470)
Proceeds from borrowings (net of costs)	—	1,671,263	—	1,671,263	—
Repayment of borrowings	(9,713)	—	—	(9,713)	—
Proceeds from loans from related parties	—	—	—	—	12,824
Loans issued to related parties	—	—	—	—	(2,152,992)
Related party loan repayments received	—	—	—	—	481,729
Total cash flows	(9,713)	1,671,263	—	1,661,550	(1,658,439)
Non-cash changes					
Net present value of principal	—	—	(174,599)	(174,599)	—
Transfer	968,118	(968,118)	—	—	—
Capitalised interest	—	—	—	—	(14,797)
Amortisation of borrowing costs and other remeasurement adjustments	—	(23,178)	—	(23,178)	—
Intercompany non-cash movements	—	—	—	—	(526)
Foreign exchange movements	—	(183,243)	161,575	(21,668)	26,694
Total non-cash changes	968,118	(1,174,539)	(13,024)	(219,445)	11,371
Balance at 30 June 2024	968,118	10,831,359	(972,149)	10,827,328	(11,762,538)

1. Net derivatives balance as at 30 June 2024 is an asset of \$159,796 thousand. The difference in carrying amount to the table above relates to forward exchange contracts, the interest portion of cross-currency interest rate swap contracts and credit valuation and debit valuation adjustments which are excluded from the balances above as they do not relate to financing activities.

	Borrowings current \$'000	Borrowings non-current \$'000	Debt principal related derivatives (included in assets/ liabilities) ¹ \$'000	Total debt related financial instruments \$'000	Net related party receivables \$'000
Balance at 1 July 2022	—	8,848,064	(797,236)	8,050,828	(9,106,593)
Proceeds from borrowings (net of costs)	9,713	1,059,840	—	1,069,553	—
Repayment of borrowings	—	(96,260)	1,847	(94,413)	—
Proceeds from loans from related parties	—	—	—	—	12,726
Repayment of loans from related parties	—	—	—	—	(140,458)
Loans issued to related parties	—	—	—	—	(1,230,443)
Related party loan repayments received	—	—	—	—	391,297
Total cash flows	9,713	963,580	1,847	975,140	(966,878)
Non-cash changes					
Capitalised interest	—	—	—	—	(22,507)
Amortisation of borrowing costs and other remeasurement adjustments	—	562	—	562	—
Intercompany non-cash movements	—	—	—	—	10,409
Foreign exchange movements	—	522,429	(163,736)	358,693	(29,901)
Total non-cash changes	—	522,991	(163,736)	359,255	(41,999)
Balance at 30 June 2023	9,713	10,334,635	(959,125)	9,385,223	(10,115,470)

1. Net derivatives balance at 30 June 2023 is an asset of \$314,138 thousand. The difference in carrying amount to the table above relates to forward exchange contracts, the interest portion of cross-currency interest rate swap contracts and credit valuation and debit valuation adjustments which are excluded from the balances above as they do not relate to financing activities.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Section B: Notes to the financial statements

Basis of preparation and significant changes

B1 Corporate information

These financial statements comprise Transurban Finance Company Pty Ltd (the Company or TFC). The Company is limited by shares and is incorporated and domiciled in Australia.

The principal activities of the Company are to obtain and manage the external funding requirements of the Transurban Group. Funding is sourced both from domestic and international debt capital markets, as well as through bank debt facilities. All borrowings are secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited. The Company is a for-profit entity.

The Company has its registered office at Level 31, Tower Five, Collins Square, 727 Collins Street, Docklands VIC 3008. The Company's ABN is 65 098 539 452.

The financial statements of the Company for the year ended 30 June 2024 (FY24) were authorised for issue in accordance with a resolution of the Board of Directors on 12 September 2024. Directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below and throughout the notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

B2 Summary of significant changes in the current reporting period

There were no significant changes during the year ended 30 June 2024.

B3 Basis of preparation

The Company financial statements are general purpose financial statements which:

- Have been prepared in accordance with the *Corporations Act 2001* (Cth), Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Have applied all accounting policies in accordance with AAS and, where a standard permits a choice in accounting policy, the policy applied by the Company has been disclosed in these financial statements;
- Comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- Have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments);
- Are presented in Australian dollars, which is the Company's functional and presentation currency;
- Have been rounded to the nearest thousand dollars, unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*; and
- Have restated the presentation of comparative amounts to conform to the current period presentation.

Section B: Notes to the financial statements for the year ended 30 June 2024

B3 Basis of preparation (continued)

Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations, in particular over the next 12 months from the date of this report. This is notwithstanding that the balance sheet of the Company indicates a net current liability position of \$4,742 thousand (2023: \$488,346 thousand net current asset position) and a net liability position of \$20,829 thousand (2023: \$60,822 thousand).

In determining the appropriateness of the going concern basis of preparation, the Directors have considered the uncertainties related to the macroeconomic environment on the Company's liquidity and operations. The Directors consider near-term interest rate fluctuations to be primarily limited to new borrowing facilities due to the Company's hedging policy and profile. In addition, a number of Transurban Group's toll roads have toll escalations of CPI or greater which provides revenue protection in an inflationary environment and supports the liquidity of related parties that have balances owing to TFC.

Directors have assessed cash flow forecasts and the Company's ability to fund its net current liability position as at 30 June 2024. The assessment indicates that the Company is expected to be able to continue to operate within available liquidity levels and the terms of its borrowing facilities, and to fund the Company's net current liability position as at 30 June 2024, for the 12 months from the date of this report.

The Company has also forecast that it does not expect to breach any financial covenants within the 12 months from the date of this report. Financial covenant forecasts utilised the same underlying cash flow forecasts as those used in the going concern assessment.

Furthermore, the Directors have also taken the following matters into consideration in forming the view that the Company is a going concern:

- The Company has cash and cash equivalents of \$1,036 thousand as at 30 June 2024;
- The Company has available a total of \$2,650,000 thousand of undrawn working capital and general purpose borrowing facilities and \$211,585 thousand letter of credit facilities across a number of financial providers with a maturity beyond 12 months;
- On-loan agreements with related parties specify that payments of all reasonable costs and fees incurred in relation to external borrowings are fully funded by related parties;
- The Company's external borrowings are covered by on-lending arrangements which enable it to fund interest and principal repayments;
- There are no material uncertainties identified in relation to the ability of the Company to repay its obligations through accessing credit markets; and
- All borrowings are secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited.

Foreign currency translation accounting policy

Transactions and balances

Transactions and monetary items denominated in foreign currencies are translated into the functional currency as follows:

Foreign currency item	Exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting period-end rate
Non-monetary items measured at fair value	Historical rate (when fair value was determined)

Translation differences on transactions and monetary assets and liabilities are recognised in the profit and loss, except for qualifying cash flow hedges and qualifying net investment hedges or that are attributable to part of the net investment in a foreign operation (which are deferred in equity).

Translation differences on non-monetary items measured at fair value are reported as part of the fair value gain or loss.

Section B: Notes to the financial statements for the year ended 30 June 2024

B3 Basis of preparation (continued)**New and amended accounting standards and interpretations**

The Company has adopted the following new and amended accounting standards and interpretations which became effective for the annual reporting period commencing 1 July 2023. The Company's assessment of the impact of these new and amended accounting standards and interpretations is set out below.

Reference	Description and impact on the Company
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	The standard amends AASB 7 <i>Financial Instruments: Disclosures</i>, AASB 101 <i>Presentation of Financial Statements</i>, AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>, AASB 134 <i>Interim Financial Reporting</i> and AASB Practice Statement 2 <i>Making Materiality Judgements</i> to: • Improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements, which requires disclosure of material accounting policy information that is entity specific, where possible, rather than significant accounting policies which are generic • Distinguish changes in accounting estimates from changes in accounting policies. Application of the amendments has not resulted in any change to the Company's accounting policies or accounting estimates. There are a number of accounting policies that were previously disclosed in the Company's Annual Report for 30 June 2023, which are no longer disclosed, as they are not considered 'material accounting policy information'. Also, where possible, the material accounting policy information disclosures have been tailored so that they are Company specific.
AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	AASB 2021-5 makes amendments to AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> and AASB 112 <i>Income Taxes</i> which require companies in specified circumstances to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Transactions captured by the amendments include leases where the entity is a lessee and decommissioning obligations. The application of the amendments has had no impact on the Company as there are no transactions captured within the amendments.
AASB 2022-7 <i>Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards</i>	This standard makes editorial corrections to various AAS and AASB Practice Statement 2 <i>Making Materiality Judgements</i>. The corrections include those made by the IASB to IFRS Standards since June 2021. This standard also repeals AAS that: • Have been superseded by either subsequent principal versions of the standard or by other standards without being formally repealed at the time • Made amendments to other standards, being amending standards that have passed their Parliamentary disallowance period and their legal commencement date but have not been formally repealed. The application of the amendments has had no impact on the Company.
AASB 2023-2 <i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</i>	The standard amends AASB 112 <i>Income Taxes</i> and introduces targeted disclosure requirements in a company's annual financial statements relating to the new Pillar Two global tax rules to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules which are designed to address the tax challenges arising from the digitalisation of the global economy. Pillar Two legislation has not been enacted or substantively enacted in Australia. The Company will disclose known or reasonably estimable information that helps users of financial statements to understand the Company's exposure to Pillar Two income taxes in the Company's annual financial statements in which the Pillar Two legislation has been enacted or substantively enacted and will disclose separately any current tax expense/income related to Pillar Two income taxes when it is in effect.

B3 Basis of preparation (continued)

New and amended accounting standards and interpretations issued but not yet effective

Certain new and amended accounting standards and interpretations have been published but are not mandatory for the year ended 30 June 2024. The Company's assessment of the expected impact of these new and amended accounting standards and interpretations is set out below.

Reference	Description and impact on the Company	Application of the standard	Application by the Company
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> AASB 2021-7 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	The AASB has made limited scope amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in AASB 3 <i>Business Combinations</i>). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interest in the associate or joint venture. AASB 2021-7 mainly defers application date of AASB 2024-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2022. Application of the amendments is prospective and is not expected to materially impact the Company.	1 January 2025	1 July 2025
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	AASB 2020-1 amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. AASB 2020-6 deferred the application date of AASB 2020-1 by one year to 1 January 2023. AASB 2022-6 further deferred the application date of AASB 2020-1 by another year to 1 January 2024. AASB 2022-6 also amends AASB 101 <i>Presentation of Financial Statements</i> and AASB Practice Statement 2 <i>Making Materiality Judgements</i>. The amendments specify that covenants to be complied with after reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the entity is required to disclose information about these covenants in the notes to the financial statements. The amendments also clarify the situations that are considered settlement of a liability. All of these amendments are applicable to the Company on a retrospective basis from 1 July 2024. They are not expected to have a material impact and may result in additional disclosures in the financial statements.	1 January 2024	1 July 2024
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	The standard amends AASB 16 <i>Leases</i> which changes the manner in which the seller-lessee measures its gain or loss based on their proportionate share transferred to the buyer-lessor in the right of use asset from a sale and leaseback transaction. The seller-lessee will be required to further remeasure their lease liability, so that any gain or loss previously recognised will now be removed by way of the lease liability adjustment. The amendments are applicable to the Company on a retrospective basis from 1 July 2024 and are not expected to have a material impact as the Company has not had any sale and leaseback transactions.	1 January 2024	1 July 2024
AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>	This standard amends AASB 107 <i>Statement of Cash Flows</i> and AASB 7 <i>Financial Instruments: Disclosures</i> and requires additional disclosures addressing supplier finance arrangements. The additional information will enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cash flows and exposure to liquidity risk. Application of the amendments is prospective and is not expected to materially impact the Company.	1 January 2024	1 July 2024

Section B: Notes to the financial statements for the year ended 30 June 2024

B3 Basis of preparation (continued)**New and amended accounting standards and interpretations issued but not yet effective (continued)**

Reference	Description and impact on the Company	Application of the standard	Application by the Company
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	This standard amends AASB 121 <i>The Effects of Change in Foreign Exchange Rates</i> and AASB 1 <i>First time Adoption of Australian Accounting Standards</i> (severe hyperinflation) to improve the usefulness of information provided to users of financial statements. The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable. The amendments also add new disclosures relating to non-exchangeable currencies affecting an entity's financial statements. Application of the amendments is prospective and is not expected to materially impact the Company.	1 January 2025	1 July 2025
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The key changes include: • on the face of the statement of profit and loss - newly defined 'operating profit' and 'profit before financing and income taxes' subtotals and a requirement for all income and expenses to be allocated between operating, investing and financing activities; • in the notes to the financial statements - disclosure of management-defined performance measures (MPMs) which will form part of the audited financial statements; and • aggregation and disaggregation – enhanced requirements for the aggregation and disaggregation of information (presented in the primary financial statements and in the notes) which focus on grouping items based on their shared characteristics. The amendments are applicable to the Company on a retrospective basis from 1 July 2027 and are expected to have an impact on how the Company presents and discloses information in its financial statements.	1 January 2027	1 July 2027

B3 Basis of preparation (continued)

Key accounting estimates and judgements

Estimates and judgements are regularly made by management and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The accounting estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

- Provision for income taxes and recoverability of deferred tax assets Note B5
- Fair value of derivatives and other financial instruments Note B11

KEY ACCOUNTING ESTIMATE AND JUDGEMENT

Climate-related risks (threats and opportunities)

The Company continues to progress its assessment of the potential impacts of climate-related risks (threats and opportunities) on its business over the short, medium and long term. This includes potential impacts to certain assets and liabilities (in particular, concession intangible assets and maintenance provisions) held by entities to which the Company provides finance (related parties).

To date, the focus of the financial reporting implications has been on acute and chronic physical climate-related risks, which may be more impactful over time. The assessment of potential climate-related financial reporting implications has also been largely qualitative, informed by the asset specific indicators identified from the Climate Change Adaptation Plans (CCAPs) developed for the concession intangible assets held by related parties.

Based on the qualitative risk data from the CCAPs and the continuous focus on asset resilience and business continuity programs, the Company is not currently aware of any material near term financial reporting impacts from climate-related risks at the date of this report. However, further analysis of climate-related risks is planned in FY25 to determine the associated financial impacts on related parties.

With respect to the carrying amount of the related parties' concession intangible assets the potential impacts of climate-related risks on future cash flows are not expected to be significant enough to erode the excess in recoverable amount due to the existing valuation headroom over carrying amount (which is also reducing over time through amortisation).

With respect to the related parties' maintenance provision and expense, while financial analysis performed to date has not identified material near term financial impacts, without further quantitative data, and given the uncertainty over insurance cover into the future, it is possible that climate-related risks could impact the maintenance expense or maintenance provision particularly in the medium to long term.

From FY25, in assessing the potential impact of climate-related risks on the Company's financial position, the Company intends to integrate the potential medium and long-term impacts of climate-related risks on related parties into forward planning. The Company also intends to investigate transitional climate-related risk drivers and scenario-based assumptions attributable to related parties, for incorporation into financial forecasts in line with expected mandatory climate-related disclosure requirements.

Given the complexity of physical climate-related risk modelling, the ongoing risk assessment process and changes and evolution of the Company's response to climate-related risks, there may be material changes to the Company's financial results and financial position in future reporting periods. As the Company better understands the potential financial reporting impacts of climate-related risks, the Company will update the assumptions underlying the financial models to reflect any material climate-related risks.

Section B: Notes to the financial statements for the year ended 30 June 2024

Operating performance

B4 Segment Information

The power for managing the business of TFC is vested in the Directors, with the Board of Directors determined to be the chief operating decision maker of the Company.

Information reported to the Board of Directors for the purposes of resource allocation and performance assessment is focused on the singular activity of the Company, which is to obtain and manage the external funding requirements of the Transurban Group. The Company therefore is viewed as a single reportable segment and information on the reportable segment is consistent with the amounts reported in the financial statements.

B5 Income tax

Income tax expense/(benefit)

	2024 \$'000	2023 \$'000
Current tax	1,390	(2,057)
Deferred tax	11,041	(13,106)
Income tax expense/(benefit)	12,431	(15,163)
Deferred income tax expense/(benefit) included in income tax expense/(benefit) comprises:		
Increase in deferred tax assets	(19,847)	(10,444)
Increase/(decrease) in deferred tax liabilities	30,888	(2,662)
Net deferred tax	11,041	(13,106)

Reconciliation of income tax expense/(benefit) to prima facie tax payable

	2024 \$'000	2023 \$'000
Profit/(loss) before income tax expense/(benefit)	41,437	(50,544)
Tax at the Australian tax rate of 30%	12,431	(15,163)
Tax expense/(benefit) relating to items of other comprehensive income		
Cash flow hedges	15,493	(76,872)
Cost of hedging	(10,784)	(1,690)
Tax expense/(benefit) relating to items of other comprehensive income	4,709	(78,562)

Deferred tax assets and liabilities

	2024 \$'000	Assets 2023 \$'000	Liabilities 2024 \$'000	2023 \$'000
The balance comprises temporary differences attributable to:				
Provisions	9,302	7,967	—	—
Cash flow hedges	192,102	183,132	(156,252)	(138,165)
Derivatives and foreign exchange	—	—	(42,388)	(34,420)
Tax assets/(liabilities)	201,404	191,099	(198,640)	(172,585)
Set-off of tax	(198,640)	(172,585)	198,640	172,585
Net tax assets/(liabilities)	2,764	18,514	—	—
Movements:				
Opening balance at 1 July	191,099	56,276	(172,585)	(129,430)
Credited/(charged) to profit and loss	19,847	10,444	(30,888)	2,662
Credited/(charged) to equity	(9,542)	124,379	4,833	(45,817)
Closing balance at 30 June	201,404	191,099	(198,640)	(172,585)
Deferred tax assets/(liabilities) to be recovered/(paid) after more than 12 months	201,404	191,099	(198,640)	(172,585)

The Company has reviewed its deferred tax assets with reference to the potential impact of the macroeconomic environment on forecast taxable income. Management have determined that it is probable that future taxable income will be available to utilise against deferred tax assets recognised as at 30 June 2024.

B5 Income tax (continued)

Income tax accounting policy

Recognition and measurement

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 financial statements.

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

Current and deferred tax is recognised in the profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is also recognised in other comprehensive income or equity.

Right to offset income taxes

Deferred tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax consolidation legislation

The Company is a member of the Transurban Holdings Limited (THL) tax consolidated group.

All entities within the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidation group is a separate taxpayer within the tax consolidated group.

Members of the tax consolidated group have entered into a Tax Funding Agreement (TFA). Under the TFA, the wholly-owned entities fully compensate THL for any current tax payable assumed and are compensated by THL for any current tax receivable and deferred tax assets relating to tax losses. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amount receivable/payable under the TFA is calculated at the end of the financial year for each wholly-owned entity. THL determines and communicates the amount payable/receivable to each wholly-owned entity along with the method of calculation and any other information deemed necessary.

Members of the tax consolidated group have also entered into a Tax Sharing Agreement (TSA) that provides for the allocation of income tax liabilities between the entities should THL default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

KEY ACCOUNTING ESTIMATE AND JUDGEMENT

The Company is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are various transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for tax audit issues based on whether it is anticipated that additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

The Company has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilised. The utilisation of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. This includes the ability of tax losses to generally be carried forward indefinitely, subject to the satisfaction of loss integrity measures. Management have reviewed deferred tax assets with reference to the potential impact of the macroeconomic environment on forecast taxable income and have determined that it is probable that future taxable income will be available to utilise against deferred tax assets recognised as at 30 June 2024 in relation to deductible temporary differences and unused tax losses.

Section B: Notes to the financial statements for the year ended 30 June 2024

B6 Working capital

The Company's working capital balances are summarised as follows:

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	1,036	1,151
Trade and other receivables	10,031	33
	11,067	1,184
Current liabilities		
Other payables	(99)	(207)
Commitment fee payable	(94)	(31)
Interest payable	(152,108)	(165,542)
	(152,301)	(165,780)
Net working capital	(141,234)	(164,596)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. All cash balances are interest bearing.

Section B: Notes to the financial statements for the year ended 30 June 2024

Capital and borrowings

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Company monitors covenants and forecast cash flows to ensure ongoing compliance with its obligations which supports capital management decisions.

B7 Contributed equity

Share capital

	2024	2023
	\$	\$
Fully paid ordinary shares issued at \$1 each	12	12

Ordinary shares

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. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

No dividends were declared or paid during the year (2023: \$nil).

B8 Reserves

Reserves

	2024	2023
	\$'000	\$'000
Cash flow hedges	(70,979)	(107,129)
Cost of hedging	(20,816)	4,347
Tax consolidation reserve	(492)	(492)
Total	(92,287)	(103,274)

Movements

	Cash flow hedges \$'000	Cost of hedging \$'000	Tax consolidation reserve \$'000	Total \$'000
Balance at 1 July 2023	(107,129)	4,347	(492)	(103,274)
Revaluation—gross	51,643	(35,947)	—	15,696
Deferred tax (Note B5)	(15,493)	10,784	—	(4,709)
Balance at 30 June 2024	(70,979)	(20,816)	(492)	(92,287)
Balance at 1 July 2022	77,814	8,290	(492)	85,612
Revaluation—gross	(261,815)	(5,633)	—	(267,448)
Deferred tax (Note B5)	76,872	1,690	—	78,562
Balance at 30 June 2023	(107,129)	4,347	(492)	(103,274)

Nature of reserves

Cash flow hedges

Purpose of reserves

Used to record gains or losses on cash flow hedging instruments (to the extent these are part of an effective hedge relationship), which are used by the Company to mitigate the risk of movements in exchange rates and interest rates, as outlined in Note B11.

Cost of hedging

Used to record changes in the fair value of the Company's hedging instruments attributable to movements in currency basis spread (where this element is excluded from the designated hedge relationship), as outlined in Note B11.

Tax consolidation reserve

Prior to entering into the Transurban Holdings Limited (THL) Tax Funding Agreement, the tax consolidation reserve was used to record current tax payable and losses which were transferred to THL as the head entity of the tax consolidated group.

Section B: Notes to the financial statements for the year ended 30 June 2024

B9 Net finance income/(costs)

	2024	2023
	\$'000	\$'000
Finance income		
Interest income from related parties	489,818	418,474
Finance charges recovered from related parties	33,917	21,734
Net remeasurement gains on derivative financial instruments ¹	38,619	—
Net remeasurement gains on borrowings designated in fair value hedges ²	23,624	—
Total finance income	585,978	440,208
Finance costs		
Interest and finance charges paid/payable	(492,996)	(434,848)
Interest and finance charges paid/payable to related parties	—	(2,154)
Net remeasurement losses on derivative financial instruments ¹	—	(32,497)
Net remeasurement losses on derivative financial instruments designated in fair value hedges ²	(36,754)	—
Movement in impairment provisions on financial assets at amortised cost	(4,453)	(2,316)
Net foreign exchange losses	(10,338)	(18,937)
Total finance costs	(544,541)	(490,752)
Net finance income/(costs)	41,437	(50,544)

1. Relates to gains and losses on derivative financial instruments in cash flow hedges transferred from other comprehensive income (OCI) and derivatives not designated in accounting hedge relationships. These include net unrealised gains or losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is ineffective. Fair values increase or decrease because of changes in market rates over which the Company does not have control. The periodic remeasurement of cross-currency interest rate swap contracts to fair value includes an element of foreign currency basis spread. For those cross-currency interest rate swap contracts that designate the entire fair value of the cross-currency interest swap contract as the hedging instrument (including the foreign currency basis spread component), this can result in hedge accounting ineffectiveness in the hedging relationship that is recognised in finance costs.

2. Remeasurement gains of \$23,624 thousand (2023: \$nil) are offset by remeasurement losses of \$36,754 thousand (2023: \$nil) resulting in a net remeasurement loss of \$13,130 thousand (2023: \$nil).

Finance income accounting policy

The Company generates the following types of finance income:

- Interest income from related parties - recognised using the effective interest method.
- Finance charges recovered from related parties - recognised when the service has been provided by the lender.

Section B: Notes to the financial statements for the year ended 30 June 2024

B10 Borrowings

The following table shows the carrying amounts of borrowings included in the Company's balance sheet.

	2024 \$'000	2023 \$'000
Current		
Capital markets debt	968,118	—
Bank overdraft	—	9,713
Total current borrowings	968,118	9,713
Non-current		
Capital markets debt	10,831,359	10,334,635
Total non-current borrowings	10,831,359	10,334,635
Total borrowings	11,799,477	10,344,348

Borrowings accounting policy

Initial recognition and subsequent measurement

Borrowings are recognised initially on the trade date (the date on which the Company becomes a party to the contractual provisions of the instrument).

Borrowings are initially recognised at fair value, which typically reflects the proceeds received, net of directly attributable transaction costs. Borrowings are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of direct transaction costs) and the amount payable at maturity is recognised in the profit and loss over the term of the borrowings using the effective interest method.

Borrowings that are in designated fair value hedge relationships are adjusted for fair value movements attributable to the hedged risk.

Fees paid on the establishment of loan facilities are recognised as directly attributable transaction costs of the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Translation of foreign currency denominated borrowings

The Company revalues its foreign currency denominated borrowings each period using the spot exchange rate at the reporting date.

Classification

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on short-term and long-term borrowings.

Derecognition

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expired. Any gain or loss is recognised in the profit and loss when the borrowing is derecognised.

Section B: Notes to the financial statements for the year ended 30 June 2024

B10 Borrowings (continued)**Financing arrangements and credit facilities**

During the reporting period, the Company executed the following financing transactions:

- In March 2024, the Company reached financial close on €500,000 thousand (\$835,701 thousand) and €500,000 thousand (\$835,561 thousand) of senior secured notes under its Euro Medium Term Note (EMTN) Programme with a tenor of 8 and 12 years.
- In May 2024, the Company reached financial close on refinancing a letter of credit facility of USD49,000 thousand (\$74,000 thousand) with a tenor of 1 year.
- In June 2024, the Company reached financial close on refinancing a \$825,000 thousand working capital facility with a tenor of 5 years.
- In June 2024, the Company reached financial close on refinancing a letter of credit facility of USD150,000 thousand (\$226,000 thousand) with a tenor of 3 years.

Under the Company's debt funding structure, the carrying amount of each facility (drawn component) and debt instrument is shown below:

	Maturity	Carrying amount 2024 \$'000	2023 \$'000
Working capital facilities			
AUD 2,650m facility ¹	Jun 2029 ²	—	—
Bank overdraft ¹	On demand	—	9,713
Capital markets debt			
EMTN EUR 600m	Sep 2024	968,118	983,453
EMTN EUR 500m	Aug 2025	806,765	819,544
US 144A USD 550m	Feb 2026	829,625	829,875
US 144A USD 550m	Mar 2027	829,625	829,876
EMTN NOK 750m	Jul 2027	105,904	104,879
EMTN EUR 500m	Mar 2028	806,765	819,544
EMTN CAD 650m	Nov 2028	714,860	739,528
EMTN EUR 600m	May 2029	968,118	983,453
EMTN EUR 750m	Apr 2030	1,210,148	1,229,316
US 144A USD 900m	Mar 2031	1,357,568	1,357,978
EMTN EUR 500m	Mar 2032	806,765	—
EMTN EUR 650m	Apr 2033	1,049,032	1,065,408
EMTN EUR 350m	Jul 2034	564,499	573,681
EMTN EUR 500m	Mar 2036	806,765	—
Net capitalised borrowing costs and remeasurement adjustments		(25,080)	(1,900)
Total borrowings		11,799,477	10,344,348

1. Repaid or refinanced during FY24.

2. Maturity date shown is final maturity date. Tranche D (\$825 million) matures in April 2027, Tranche E (\$1,000 million) matures in June 2028 and Tranche F (\$825 million) matures in June 2029.

Section B: Notes to the financial statements for the year ended 30 June 2024

B10 Borrowings (continued)

Working capital facilities

This facility is secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited.

Capital markets debt

The Company has a corporate secured EMTN programme with a limit of USD10 billion. Under the programme the Company may from time to time issue notes denominated in any currency. These facilities are secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited.

The US 144A notes are secured by first ranking charges granted by the Company, Transurban Finance Trust, Transurban Holdings Limited, Transurban Holding Trust, Transurban International Limited and Transurban Limited.

Letters of credit and corporate credit facilities

		2024 \$'000		2023 \$'000	
	Maturity	Facility amount	Amount drawn	Facility amount	Amount drawn
Letter of credit facility ¹	Jun 2025	74,135	74,135	74,157	74,157
Letter of credit facility ¹	Jul 2027	226,261	121,804	226,330	152,197
Letter of credit facilities ¹	Sep 2025	150,000	42,872	150,000	28,131
General credit facility ¹	Dec 2025	6,000	5,000	6,000	5,000
Letter of credit facility	Jun 2026	113,131	113,131	113,165	113,165
Total		569,527	356,942	569,652	372,650

1. These facilities were amended or refinanced during FY24.

There are no claims against any of the issued letters of credit and therefore no liability is recorded as at 30 June 2024 (2023: nil).

Covenants

A number of the Company's borrowings include financial covenants, which are listed below. There have been no breaches of any of these covenants during FY24.

The Company monitors covenants by applying forecast cash flows to ensure ongoing compliance with its obligations.

Financial covenants are calculated on a trailing 12-month basis. A trailing 12-month metric also enables management action to be taken swiftly to mitigate the risks of any covenant breaches.

Corporate debt

Covenant	Covenant breach threshold
Senior Interest Coverage Ratio	Less than 1.25 times

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives**Financial risk management**

The Company's activities expose it to a number of financial risks, including market risk (currency risk and interest rate risk), credit risk and liquidity risk. These risks arise in the normal course of business and the financial risk management function is carried out centrally under policies approved by the Transurban Group Board. The Company's financial risk management policies allow derivative transactions to be undertaken for the purpose of reducing financial risks and do not permit speculative trading.

The Company continuously monitors risk exposures over time through reviewing cash flow sensitivities, market analysis and ongoing communication within the Company. When measuring financial risk, the Company considers the positive and negative exposures, existing hedges and the ability to offset exposures.

Derivatives

The Company uses derivative financial instruments in the normal course of business to hedge exposures to fluctuations in interest rates and foreign exchange rates.

The table below outlines the Company's derivative financial instruments which are recognised and measured at fair value on a recurring basis.

	2024		2023	
	\$'000		\$'000	
	Current	Non-current	Current	Non-current
Assets				
Cross-currency interest rate swap contracts	129,329	300,260	—	460,552
Total derivative financial instrument assets	129,329	300,260	—	460,552
Liabilities				
Forward exchange contracts	—	10,790	—	1,914
Cross-currency interest rate swap contracts	—	259,003	—	144,500
Swap option contracts	5,216	—	—	—
Total derivative financial instrument liabilities	5,216	269,793	—	146,414

Derivatives accounting policy**Initial recognition and subsequent measurement**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Classification

Derivative financial instruments are included as non-current assets or liabilities, except for those that mature in less than 12 months from the reporting date, which are classified as current.

Right to set-off

Derivative financial instruments are recorded on a net basis in the balance sheet where there is a legally recognised right to set-off the derivative asset and the derivative liability and the Company intends to settle on a net basis. Currently there is no right or basis to present any financial assets or financial liabilities on a net basis, and as such no financial assets or financial liabilities have been presented on a net basis in the Company's balance sheet at the reporting date.

Derecognition

Derivative assets are derecognised when the rights to receive cash flows from the derivative assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of the asset.

Derivative liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

B11 Financial risk management and derivatives (continued)**Hedge accounting**

Hedging refers to the way in which the Company uses financial instruments, primarily derivatives, to manage its exposure to financial risks. The gain or loss on the underlying item (the 'hedged item') is expected to move in the opposite direction to the gain or loss on the derivative (the 'hedging instrument'), therefore offsetting the risk position. Hedge accounting allows the recognition of gains or losses on the hedged items and associated hedging instruments to reduce volatility in the profit and loss.

The Company designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions. The Company also documents its assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging relationship continues to meet the hedge effectiveness requirements.

For the Company's hedge accounting transactions, the critical terms of the hedging instrument and hedged item are generally aligned (such as cash flows, maturity and notional amount).

Hedging accounting policy

In order to qualify for hedge accounting, the hedging relationship must meet all of the following hedge effectiveness requirements:

- an economic relationship exists between the hedged item and hedging instrument;
- the effect of credit risk does not dominate the value changes resulting from the economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedge accounting is discontinued when a hedging instrument expires, is sold, terminated, or no longer meets the criteria for hedge accounting.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The net difference is recorded in the profit and loss as ineffectiveness. The carrying amount of borrowings in effective fair value hedge relationships is adjusted for gains or losses attributable to the risk(s) being hedged.

If hedge accounting is discontinued, the cumulative adjustment recorded against the carrying amount of the hedged item at the date hedge accounting ceases is amortised to the profit and loss over the period to maturity using the effective interest method.

The Company excludes currency basis spread from its fair value hedge relationships where the designated hedging instrument is a cross-currency interest rate swap. Changes in foreign currency basis spread are recognised through other comprehensive income in the cost of hedging reserve in equity. Amounts accumulated in the cost of hedging reserve are reclassified to the profit and loss if hedge accounting is discontinued.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedges reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss, in net finance costs.

Amounts accumulated in the cash flow hedges reserve in equity are reclassified to the profit and loss in the periods when the hedged item affects the profit and loss.

If hedge accounting is discontinued, any cumulative gain or loss existing in equity at that time remains in equity and is subsequently reclassified to the profit and loss when the forecast transaction is ultimately recognised in the profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the cash flow hedges reserve in equity is immediately transferred to the profit and loss.

The Company excludes currency basis spread from its cash flow hedge relationships where the designated hedging instrument is a cross-currency interest rate swap entered into on or after 1 July 2020. Changes in foreign currency basis spread on swaps entered into from 1 July 2020 are recognised through other comprehensive income in the cost of hedging reserve in equity. Amounts accumulated in the cost of hedging reserve are reclassified to the profit and loss if hedge accounting is discontinued.

For cross-currency interest rate swaps entered into before 1 July 2020 that are in a cash flow hedge relationship, the Company has designated the entire fair value of the cross-currency interest rate swap contract as the hedging instrument (including the foreign currency basis spread component). This can result in ineffectiveness in the hedging relationship that is recognised in the profit and loss, in net finance costs as outlined in Note B9.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting or are specifically not designated in an accounting hedge relationship as natural offset achieves substantially the same accounting results. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss.

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives (continued)**Hedging strategy and instruments used by the Company****Fair value hedges**

The Company enters into cross-currency interest rate swaps or interest rate swaps to mitigate exposure to changes in the fair value of borrowings which are issued at fixed interest rates or denominated in a foreign currency, by converting to floating interest rate Australian dollar borrowings. The objective of the Company's fair value hedges is to hedge the fair value exposure to movements in exchange rates and movements in interest rates.

Cash flow hedges

The Company enters into cross-currency interest rate swaps to hedge exposure to changes in cash flows on borrowings that bear floating interest rates, by converting to fixed interest rate borrowings or are denominated in a foreign currency, by converting to fixed interest rate Australian dollar borrowings. The objective of the Company cash flow hedges is to hedge the cash flow exposure to movements in variable interest rates and movements in exchange rates.

The Company's policy is to hedge the interest rate exposure on drawn borrowings to between 80% and 100%, and to ensure compliance with any covenant requirements of its funding facilities by issuing fixed interest rate borrowings or by entering into interest rate swap contracts. As at 30 June 2024, 86% (2023: 100%) of the Company's interest rate exposure based on the carrying amount of drawn borrowings at reporting date (excluding letters of credit facilities) was hedged.

The Company uses forward exchange contracts to protect against exchange rate movements between the AUD and foreign currencies on highly probable forecast transactions relating to operating expenditure. The fair value of these forward exchange contracts held is not material to the Company in the current or prior financial year.

Derivative instruments not in an accounting hedge relationship

The Company uses forward exchange contracts to protect against exchange rate movements on a portion of its USD and CAD principal and interest commitments. The fair value of forward exchange contracts held is not material to the Company in the current or prior financial year.

Effects of hedge accounting on financial position and performance**Hedging reserves**

The following table presents the gains and losses on the Group's hedging instruments transferred to and from reserves:

	2024		2023	
	\$'000		\$'000	
	Cash flow hedges reserve	Cost of hedging reserve	Cash flow hedges reserve	Cost of hedging reserve
Opening balance as at 1 July	(107,129)	4,347	77,814	8,290
Change in net fair value of derivatives recognised in hedging reserves in OCI	(15,032)	(35,947)	191,077	(5,633)
Transfers in fair value of hedging instruments from OCI to the profit and loss (net finance costs) for hedge ineffectiveness	(33,940)	—	37,908	—
Transfers in fair value of hedging instruments from OCI to the profit and loss (other expenses) for foreign currency movements ¹	100,615	—	(490,800)	—
Net revaluation - gross	51,643	(35,947)	(261,815)	(5,633)
Tax effect on revaluation movements	(15,493)	10,784	76,872	1,690
Closing balance as at 30 June	(70,979)	(20,816)	(107,129)	4,347

1. There is no significant impact on the profit and loss from foreign currency movements associated with the borrowings portfolio that are swapped to Australian dollars as an offsetting entry will be recognised on the associated hedging instrument. \$100,615 thousand represents unrealised losses transferred (2023: \$490,800 thousand unrealised gains) relating to foreign currency revaluation of the principal component of cross-currency interest rate swaps that offsets the unrealised foreign currency revaluation of the principal value of hedged foreign denominated borrowings.

Borrowing in fair value hedges

The table below shows the cumulative amount of fair value hedge adjustments that are included in the carrying amount of borrowings in the balance sheet.

	2024	2023
	\$'000	\$'000
Principal value	1,613,530	—
Cumulative fair value hedge adjustments	(23,624)	—
Carrying amount	1,589,906	—

During FY24, the net amount recognised in the profit and loss within finance costs relating to borrowings in fair value hedges was a gain of \$23,624 thousand (2023: \$nil). This was offset by a loss on associated derivative instruments of \$36,754 thousand (2023: \$nil).

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives (continued)

Market risk

Foreign exchange risk

Foreign currency risk is the risk that the value of a financial commitment, forecast transaction, recognised asset or liability will fluctuate due to changes in foreign exchange rates.

The Company has foreign currency risk from borrowings denominated in foreign currencies, loans and receivables and operating activities. The Company uses hedging instruments such as cross currency interest rate swaps, as well as natural hedges such as foreign currency denominated loans receivable to manage these exposures. A portion of the Company's USD and CAD denominated borrowings are not swapped to Australian dollars as these are used to hedge exposure to foreign currency movements in the Transurban Group's investments in US and Canadian based assets. For all other borrowings denominated in foreign currencies, the Company manages foreign currency risk over the life of the borrowing by converting these borrowings to Australian dollars using cross-currency interest rate swaps. The Company's policy is to ensure that, at any time, all known material operating exposures for the following 12 months are hedged.

Exposure

The Company's exposures to foreign currency risk after hedging at the reporting date, denominated in the currency in which the risk arises are as follows:

	2024 Local \$'000				2023 Local \$'000			
	USD	EUR	CAD	NOK	USD	EUR	CAD	NOK
Cash and cash equivalents	136	21	507	3	155	—	934	2
Related party loans and other receivables	552,499	(5)	585,467	—	581,935	(5)	567,860	—
Borrowings	(2,000,000)	(4,950,000)	(650,000)	(750,000)	(2,000,000)	(3,959,713)	(650,000)	(750,000)
Cross-currency interest rate swaps	1,500,000	4,950,000	—	750,000	1,500,000	3,950,000	—	750,000
Foreign exchange contracts	10,313	—	287,650	—	120	—	280,000	—
Net exposure to foreign currency risk	62,948	16	223,624	3	82,210	(9,718)	198,794	2

Hedging instruments

Financial instruments designated as hedging instruments of foreign currency risk and the effects of the hedge accounting relationship are as follows:

	2024 \$'000	2023 \$'000
Cross-currency interest rate swaps hedging borrowings denominated in foreign currencies		
Carrying amount of cross-currency interest rate swaps	170,586	316,052
Notional amount (AUD) at hedged rates	10,047,897	8,376,635
Maturity dates	September 2024 to March 2036	September 2024 to July 2034
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 July	100,419	150,417
Change in value of hedged item used to determine hedge effectiveness	(97,058)	(166,303)

The Company's borrowing exposures to foreign currency risk and cross-currency interest rate swaps that are hedging foreign denominated borrowings at the reporting date are shown below:

	2024 \$'000				2023 \$'000			
	USD	EUR	CAD	NOK	USD	EUR	CAD	NOK
Borrowings¹	(2,000,000)	(4,950,000)	(650,000)	(750,000)	(2,000,000)	(3,950,000)	(650,000)	(750,000)
Cross-currency interest rate swaps	—	—	—	—	—	—	—	—
Receive notional value ¹	1,500,000	4,950,000	—	750,000	1,500,000	3,950,000	—	750,000
Pay notional value AUD	(2,041,563)	(7,889,420)	—	(116,914)	(2,041,563)	(6,218,158)	—	(116,914)
Average exchange rate	0.73	0.63	—	6.42	0.73	0.64	—	6.42

1. Balances are presented in respective currency.

An analysis by maturities of the Company's borrowings is provided in the liquidity risk section below.

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives (continued)**Foreign exchange risk (continued)****Sensitivity**

Sensitivity analysis from the following shifts in exchange rates on foreign currency risk exposures at the reporting date is as follows. These shifts in exchange rates have been selected as a reasonably possible change. This is not a forecast or prediction of future market conditions.

	2024		2023	
	\$'000		\$'000	
	Increase/ (decrease) in post-tax profit	Increase/ (decrease) in equity	Increase/ (decrease) in post-tax profit	Increase/ (decrease) in equity
AUD/USD				
+ 10 cents	(7,284)	11,339	(11,367)	10,892
- 10 cents	9,872	(15,368)	15,407	(14,763)
AUD/EUR				
- 5 cents	(1)	(15,006)	515	(2,104)
- 5 cents	2	17,640	(607)	2,480
AUD/CAD				
+ 10 cents	4,884	(20,577)	6,607	(21,167)
- 10 cents	(6,091)	25,872	(8,303)	26,802
AUD/NOK				
+ 50 cents	—	(16)	—	48
- 50 cents	—	18	—	(55)

There is no significant impact on the profit and loss from foreign currency movements associated with borrowings which are swapped to Australian dollars as an offsetting amount will be recognised on the associated hedging instrument. There is exposure to equity impacts from foreign exchange movements associated with derivatives in cash flow hedges.

Interest rate risk

Interest rate risk arises from changes in market interest rates.

Borrowings issued at fixed rates exposes the Company to fair value interest rate risk. The Company uses cross-currency interest rate swaps to convert a portion of fixed interest rate borrowings to floating interest rate borrowings.

Floating interest rate borrowings give rise to cash flow interest rate risk, which is partially offset by cash and cash equivalents balances held at floating interest rates. The Company manages this interest rate risk by entering into fixed interest rate borrowings or by using interest rate swaps to convert floating interest rate borrowings to fixed interest rate borrowings.

Exposure

The Company's exposures to interest rate risk after hedging at the end of the reporting period are as follows:

	2024	2023
	\$'000	\$'000
Floating interest rate borrowings	—	—
Less: floating interest rate borrowings converted to fixed interest rates using interest rate swaps (notional principal amount)	—	—
Fixed interest rate borrowings converted to floating interest rates using cross-currency interest rate swaps	1,613,530	—
Bank overdraft	—	9,713
Floating interest rate exposure¹	1,613,530	9,713
Fixed interest rate borrowings		
Less than 1 year	968,118	—
1-5 years	5,061,662	4,387,173
Over 5 years	4,181,247	5,949,362
Net capitalised borrowing costs and remeasurement adjustments	(25,080)	(1,900)
Total borrowings	11,799,477	10,344,348

1. Exposure to floating rate borrowings is partially offset by cash and cash equivalent balances held at variable rates.

An analysis by maturities of the Company's borrowings is provided in the liquidity risk section below.

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives (continued)

Interest rate risk (continued)

Hedging instruments

Derivative instruments designated as hedging instruments of interest rate risk and the effects of the hedge accounting relationship are as follows:

	2024 \$'000	2023 \$'000
Cross-currency interest rate swaps hedging fair value interest rate risk		
Carrying amount	(91,534)	—
Notional amount	1,671,263	—
Maturity dates	March 2032 to March 2036	N/A
Hedge ratio	1:1	N/A
Change in fair value of outstanding hedging instruments since 1 July	(36,754)	—
Change in value of hedged item used to determine hedge effectiveness	23,624	—
Interest rate based on semi-annual reset ¹	BBSW	N/A

1. Margins are added to the floating BBSW rate.

Sensitivity

Sensitivity analysis on the impacts to profit after tax from movements in benchmark interest rates on floating rate instruments after hedging is as follows. A sensitivity range of plus and minus 100 basis points has been selected as a reasonably possible shift in interest rates. This is not a forecast or prediction of future market conditions.

	Movement in post-tax profit and equity	
	2024 \$'000	2023 \$'000
Interest rates +100bps	(16,702)	(86)
Interest rates -100bps	16,702	86

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss. The Company actively monitors concentrations of credit risk from operating activities, and has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history.

The Company is exposed to credit risk with its financial counterparties through entering into financial transactions in the ordinary course of business. These include funds held on deposit, cash investments and the use of derivative financial instruments.

The Company manages its counterparty credit risks by dealing with counterparties that are investment grade, use of counterparty credit exposure limits, limiting the amount of credit exposure to any single counterparty and maintaining a diversity of counterparties. Financial counterparties are assessed considering credit ratings provided by multiple independent ratings agencies.

Counterparty credit risk exposures are minimised through the netting of offsetting exposures and are monitored daily across the Company.

An International Swaps and Derivatives Association (ISDA) agreement must be in place between the Company and the counterparty prior to executing any derivatives and netting provisions are included in the event of default.

The Company maintains all required Transurban Group counterparty credit risk metrics under the Transurban Group Board approved Group Treasury policy.

Credit quality of trade and related party receivables is assessed having regard to potential risk of default, relevant economic indicators and any changes to the nature and collectability of balances. Refer to Notes B6 and B15 for further information.

Section B: Notes to the financial statements for the year ended 30 June 2024

B11 Financial risk management and derivatives (continued)**Liquidity risk**

The Company manages its liquidity risk in accordance with the liquidity policies approved by the Board. The Company maintains sufficient cash balances and access to committed undrawn borrowing facilities to maintain short-term flexibility and enable the Company to meet financial commitments in a timely manner.

The Company monitors liquidity by monitoring rolling forecasts of liquidity position on the basis of expected cash flows and liquidity metrics. Rolling forecasts consider operating expenses and debt maturities. Long-term liquidity requirements are refreshed semi-annually as part of the Company's funding plan updates and annual strategic planning process.

Liquidity risk is also managed by maintaining a minimum level of liquidity comprising cash balances plus committed undrawn borrowing facilities. This protects against potential changes in short-term commitments and additionally a liquidity buffer is held which supports the Company's forecasted annual operating costs and financing commitments.

The Company maintains all required Transurban Group liquidity metrics under the Transurban Group Board approved Group Treasury policy.

Financing arrangements

The Company had access to the following undrawn working capital and general purpose borrowing facilities at the end of the reporting period:

	2024	2023
	\$'000	\$'000
Floating rate		
Expiring beyond one year	2,650,000	2,650,000
	2,650,000	2,650,000

As at 30 June 2024, the Company has letter of credit facilities and general credit facilities in place with undrawn capacity of \$212,585 thousand (2023: \$197,002 thousand). The facilities are committed for the duration of the facility and the undrawn portion cannot be withdrawn by the lenders.

Contractual maturity of financial liabilities

The table below shows the maturity profile of the Company's financial liabilities and includes derivative financial liabilities as well as derivative financial assets as these are directly relevant for an understanding of the Company's contractual cash flow commitments.

The cash flows disclosed in the below table are the contractual undiscounted future cash flows including principal and interest payments and therefore will not reconcile to the amounts disclosed in the balance sheet.

2024									
\$'000	1 year	Over	Over	Over	Over	Over	Total	Carrying	
	or less	1 to 2	2 to 3	3 to 4	4 to 5	5 years	contractual	amount	
		years	years	years	years		cash flows		
Trade and other payables	152,301	—	—	—	—	—	152,301	152,301	
Borrowings ¹	1,161,914	1,964,142	1,107,019	1,162,063	1,898,796	6,446,779	13,740,713	11,799,477	
Cross-currency interest rate swaps ^{1,2}	19,596	48,599	30,738	59,065	98,184	322,589	578,771	(170,586)	
Swap option contracts	(9,894)	—	—	—	—	—	(9,894)	5,216	
Forward exchange contracts	—	—	—	—	10,790	—	10,790	10,790	
Total	1,323,917	2,012,741	1,137,757	1,221,128	2,007,770	6,769,368	14,472,681	11,797,198	

2023									
\$'000	1 year	Over	Over	Over	Over	Over	Total	Carrying	
	or less	1 to 2	2 to 3	3 to 4	4 to 5	5 years	contractual	amount	
		years	years	years	years		cash flows		
Trade and other payables	165,780	—	—	—	—	—	165,780	165,780	
Borrowings ¹	112,127	1,270,881	1,918,408	1,048,240	1,114,780	6,447,417	11,911,853	10,344,348	
Cross-currency interest rate swaps ^{1,2}	154,728	4,542	8,305	9,175	39,352	204,319	420,421	(316,052)	
Forward exchange contracts	—	—	—	—	—	1,914	1,914	1,914	
Total	432,635	1,275,423	1,926,713	1,057,415	1,154,132	6,653,650	12,499,968	10,195,990	

1. Cash flows have been estimated using spot translation rates at the end of the reporting period.

2. The carrying amount of cross-currency interest rate swaps are presented on a net basis. The gross position is disclosed in the Derivatives table above.

B11 Financial risk management and derivatives (continued)

Fair value measurements

Financial instruments are measured either at fair value or their carrying amount approximates fair value, except for borrowings, related party receivables and payables which are subsequently measured at amortised cost.

All financial instruments for which fair value is measured are categorised within the fair value hierarchy.

Fair value measurements accounting policy

In determining fair value, the Company can use both observable and unobservable inputs and classifies the inputs according to a three level hierarchy under which the inputs to the valuation method used are categorised based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2—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 3—inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments that are measured at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the fair value hierarchy by reassessing categorisation at the end of each reporting period.

Financial instruments measured at fair value

The table below summarises the methods used to estimate the fair value of financial instruments measured at fair value and the level within the fair value hierarchy they are categorised in. As at 30 June 2024 and 30 June 2023 there were no financial instruments measured using level 1 inputs or level 3 inputs. All of the Company's financial instruments measured at fair value are valued using market observable inputs (level 2). There has been no change in the valuation techniques applied and there were no transfers between levels within the fair value hierarchy during the current or prior year reporting period.

Fair value hierarchy level	Financial instrument	Valuation method
Level 2: the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly (derived from prices) observable	Cross-currency interest rate swaps and interest rate swaps	Present value of estimated future cash flows based on observable market yield curves. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the counterparties.
	Foreign currency forward contracts	Present value of estimated future cash flows based on the quoted forward exchange rates at the reporting date for contracts with similar maturity profiles.

KEY ACCOUNTING ESTIMATE AND JUDGEMENT

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select valuation techniques which where possible use observable market inputs based on market conditions existing at each reporting date. These valuation techniques are outlined in the fair value hierarchy table above.

*Section B: Notes to the financial statements for the year ended 30 June 2024***Items not recognised****B12 Contingencies**

The Company does not have any contingent assets or contingent liabilities as at reporting date.

B13 Commitments

The Company had no capital commitments as at 30 June 2024 (2023: \$nil).

B14 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in future years.

Other

B15 Related party transactions

Related party entities

All entities within the Transurban Group are related parties of the Company. The Company is controlled by its parent company Transurban Holdings Limited.

Interest income and finance charges recovered relate to loans to related parties. The related party loans receivable are funds loaned to Transurban Finance Trust and Transurban Funding Pty Ltd and are interest bearing.

The related party loans payable are funds loaned from Transurban Holding Trust and Transurban Limited and are interest bearing.

Loans to and from related parties accounting policy

Loans to related parties

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. The Company initially recognises loans to related parties at fair value. The Company holds loans with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses. The Company applies the general approach to measuring expected credit losses which uses 12 months of expected credit losses after reporting date. However, if at reporting date the credit risk of a financial asset has significantly increased since its initial recognition, the loss allowance is calculated based on the lifetime of expected credit losses.

Loans are included in current assets, except those with maturities greater than 12 months after the reporting date or those that the Company does not expect to call upon within 12 months after the reporting date which are classified as non-current assets.

Loans from related parties

The Company initially recognises loans from related parties at fair value and subsequently measures them at amortised cost.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

No expense has been recognised in respect of the write off of receivables due from related parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Transactions with related parties

	2024 \$	2023 \$
Transactions with related parties		
Finance costs		
Interest and finance charges paid/payable	—	(2,154,426)
	—	(2,154,426)
Finance income and charges recovered		
Interest income	489,817,585	418,474,431
Finance charges recovered	33,917,269	21,733,703
	523,734,854	440,208,134

Section B: Notes to the financial statements for the year ended 30 June 2024

B15 Related party transactions (continued)**Outstanding balances with related parties**

	2024 \$	2023 \$
Related party tax loans receivable—Parent		
Opening balance 1 July	5,566,821	3,509,007
Intercompany non-cash movements	(1,389,566)	2,057,814
Closing balance 30 June	4,177,255	5,566,821
Comprised of:		
Current related party receivable	4,177,255	5,566,821
Related party loans payable—Parent		
Opening balance 1 July	—	(54,494,548)
Repayment of loans from related parties	—	55,293,366
Capitalised interest	—	(798,818)
Closing balance 30 June	—	—
Related party loans receivable—Other		
Opening balance 1 July	10,109,903,429	9,216,604,281
Proceeds from loans from related parties	(12,824,208)	—
Loans issued to related parties	2,152,991,771	1,230,442,927
Related party loan repayments received	(481,729,120)	(391,297,336)
Capitalised interest	14,796,947	23,305,318
Intercompany non-cash movements	1,915,153	1,000,571
Foreign exchange movements	(26,693,502)	29,847,668
Closing balance 30 June	11,758,360,470	10,109,903,429
Comprised of:		
Current related party receivable	976,319,475	657,088,678
Non-current related party receivable	10,782,040,995	9,452,814,751
Related party loans payable—Other		
Opening balance 1 July	—	(59,025,242)
Repayment of loans from related parties	—	85,165,085
Proceeds from loans from related parties	—	(12,725,585)
Intercompany non-cash movements	—	(13,467,884)
Foreign exchange movements	—	53,626
Closing balance 30 June	—	—

Loans to related parties

The 12-month loss allowance as at balance date was determined as follows for loans to related parties:

	2024	2023
Expected loss rate	0.266%	0.266%
Loss allowance (\$)	(30,988,949)	(26,536,024)

The closing loss allowances for loans to related parties reconciles to the opening loss allowance as follows:

	2024 \$	2023 \$
Opening loss allowance	(26,536,024)	(24,220,357)
Increase in loss allowance recognised in profit and loss during the year	(4,452,925)	(2,315,667)
Closing loss allowance	(30,988,949)	(26,536,024)



Section B: Notes to the financial statements for the year ended 30 June 2024

B16 Key management personnel compensation

	2024	2023
	\$	\$
Short-term employee benefits	7,182,336	7,923,214
Post-employment benefits	127,745	101,168
Termination benefits	704,798	—
Long-term benefits	(296,452)	(119,809)
Share-based payments	1,850,206	2,881,237
Deferred short-term incentives	1,734,654	2,242,214
	11,303,287	13,028,024

Detailed remuneration disclosures including the key management personnel are made in the remuneration report in the Directors' Report.

B17 Economic dependency

The Company is reliant on the receipt of interest and related finance charges from Transurban Finance Trust and Transurban Funding Pty Ltd for its ongoing viability.

B18 Remuneration of auditors

Fees associated with audit services have been borne by a related party, Transurban Limited.

Section C: Signed reports

Directors' declaration

The Directors of Transurban Finance Company Pty Ltd ('Company') declare that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of the Company set out on pages 30 to 60 ('Financial Statements') are in accordance with the *Corporations Act 2001* (Cth) including:
 - (i) complying with the applicable Accounting Standards, the *Corporations Regulations 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 2024 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 become due and payable.
2. Note B3 confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth).

Signed in accordance with a resolution of the Directors.



Henry Byrne
Director

Melbourne
12 September 2024



Independent auditor's report

To the members of Transurban Finance Company Pty Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Transurban Finance Company Pty Ltd (the Company) 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 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if



individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the management structure of the Company, its accounting processes and controls and the industry in which it operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

Key audit matter	How our audit addressed the key audit matter
Borrowings (Refer to Note B10), Borrowings are an integral part of Company's operations, as it provides the funds used by the Transurban Group to fund new projects and upgrades to existing concession assets. Borrowings represent the largest liability on the balance sheet. During the year the Company continued to refinance borrowings through letters of credit, new bank facilities and capital market debt. Each of the borrowings has its own set of terms and conditions and therefore audit work was required to assess the treatment of the agreements and their impact on the financial statements. We considered this to be a key audit matter for the Company given the size of the borrowings balance and the number of borrowing agreements in place.	Our procedures included, amongst others: • Obtaining confirmations from banks to confirm borrowings. • Reading the most up-to-date borrowing agreements with the financiers to develop an understanding of the terms associated with the facilities and the amount of facility available for drawdown. • Where debt is regarded as non-current, considering the Company's assessment whether there is an unconditional right to defer payment such that there were no repayments required within 12 months from the balance date. • Assessing the accounting treatment of capitalised borrowing costs arising from new arrangements and borrowing costs related to terminated facilities. • Performing test of the design and operation of relevant controls over the treasury function including funding plan and Transurban Group board review and approval of debt agreements. • Assessing the reasonableness of the disclosures in the financial report having regard to the requirements of Australian Accounting Standards.



Key audit matter

How our audit addressed the key audit matter

Loans to related parties

(Refer to note B15)

The Company's main activity is to on-lend the external borrowings to related parties within the Transurban Group.

We considered this to be a key audit matter for the Company given the size of the related party loans receivable balance and the Company's reliance on the balances being recoverable in order to meet the obligations to financiers.

Our procedures included, amongst others:

- Assessing the recoverability of loans to related parties.
- Assessing certain key assumptions used to determine the provision for expected credit loss.
- Assessing the adequacy of the disclosures in the financial report in respect of related party arrangements having regard to the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Transurban Finance Company Pty Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

The PricewaterhouseCoopers logo, featuring the company name in a stylized, handwritten-style font.

PricewaterhouseCoopers

A handwritten signature, likely belonging to E A Barron, consisting of stylized initials and a surname.

E A Barron
Partner

Melbourne
12 September 2024

Australia

Melbourne (Head office)

Tower Five, Collins Square
Level 31, 727 Collins Street
Melbourne, Victoria 3000

Sydney

Level 12, 210 George Street
Sydney NSW 2000

Brisbane

Level 39, 300 George St
Brisbane, Queensland 4000

Mailing address

Locked Bag 28
South Melbourne,
Victoria 3205
Phone +61 3 8656 8900
Fax +61 3 8656 8585

General enquiries

Email corporate@transurban.com

transurban.com