

Independent Assurance Report

To the directors of Network Tasman Limited and to the Commerce Commission

The Auditor-General is the auditor of Network Tasman Limited (the company). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2016 on pages 2 to 5 and 9 to 24 has been prepared, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2015 (the Determination).

Directors' responsibilities for the Annual Compliance Statement

The directors of the company are responsible for the preparation of the Annual Compliance Statement in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of an Annual Compliance Statement that is free from material misstatement.

Our responsibility for the Annual Compliance Statement

Our responsibility is to express an opinion on whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination.

Basis of opinion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the External Reporting Board and the Standard on Assurance Engagements 3100: Compliance Engagements issued by the External Reporting Board. Copies of these standards are available on the External Reporting Board's website.

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Annual Compliance Statement has been prepared in all material respects in accordance with the Determination.

We have performed procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, we considered internal control relevant to the company's preparation of the Annual Compliance Statement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

In assessing the disclosures about compliance with the price path in clause 8 of the Determination for the assessment period ended on 31 March 2016, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 2 to 5 and 9 to 18 of the Annual Compliance Statement.

In assessing the disclosures about compliance with the quality standards in clause 9 of the Determination for the assessment period ended on 31 March 2016, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3 to 5 and 19 to 24 of the Annual Compliance Statement.

Our assurance engagement also included assessment of the significant estimates and judgements, if any, made by the company in the preparation of the Annual Compliance Statement.

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

Use of this report

This independent assurance report solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Annual Compliance Statement nor do we guarantee complete accuracy of the Annual Compliance Statement. Also we did not evaluate the security and controls over the electronic publication of the Annual Compliance Statement.

The opinion expressed in this independent assurance report has been formed on the above basis.

Independence and quality control

When carrying out the engagement, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

We also complied with the independent auditor requirements specified in the Determination.

The Auditor-General, and her employees, and Audit New Zealand and its employees may deal with the company and its subsidiaries on normal terms within the ordinary course of trading activities of the company.

Other than any dealings on normal terms within the ordinary course of business, this engagement, the information disclosure regulation reports and the annual audit of the company's financial statements and its subsidiaries, we have no relationship with or interests in the company and its subsidiaries.

Opinion

In our opinion:

- As far as appears from an examination, the information used in the preparation of the Annual Compliance statement has been properly extracted from the company's accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems.
- The Annual Compliance Statement of company for the year ended on 31 March 2016, has been prepared, in all material respects, in accordance with the Determination.

In forming our opinion, we have obtained sufficient recorded evidence and all the information and explanations we have required.



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
8 June 2016