



Annual Report 2025

Western Power
Annual Report

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 OWNED BY
the people
of WA

Contents

About Western Power	6	Enhancing electricity system flexibility, resilience, and efficiency	33
Western Power in FY25	8	Advancing grid flexibility and resilience	33
Corporate Social Responsibility Statement	9	Enabling resilient communities	33
Our Vision and Values	10	Community engagement	33
Chair message	11	Performance and future outlook	33
CEO message	12	Building a sustainable energy future	33
Western Power Strategy	14	Ensuring access to affordable, reliable, sustainable, and modern electricity services for all	33
Strategy 2023-2031	15	Community batteries: enhancing grid stability and renewable integration	33
Our strategic priorities 2023-2031	15	Our stories:	
Priority overview	16	• More community batteries	34
Key performance measures – full year FY25	19	Attract and retain a diverse and inclusive workforce	35
Capex investment	19	Ensuring an equitable energy transition and upholding Human Rights	35
Our stories:		Climate risk management	35
• Streamlining our distribution customer connections	20	Climate risk and resilience: building a sustainable energy future	38
Safety and Environment	21	Our stories:	
Safe and Caring	22	• Enabling major customer decarbonisation	39
Maturing Safety	22	• Connecting Cunderdin Solar and Collie BESS	40
Fauna protection measures	23	Transforming our network	42
Nestbox installations	23	Our stories:	
Vegetation – enabling public submissions via website	23	• Pathway to Distribution System Operator	43
Our stories:		• Project Jupiter and Symphony	44
• Helicopter silencing for reliability	24	• Undergrounding	45
• Drones boost maintenance efficiency	25	• Stand-alone Power Systems	46
• Summer and bushfire preparedness	26	• Network upgrade investments	47
• Emergency response	27	• Mid West reliability works	48
Corporate Sustainability	29	• Regional Connect	49
Our commitment to the UN Sustainable Development Goals	30	• Kalgoorlie and Boulder network update	50
Decarbonising electricity generation to limit global warming to 1.5°C	31	Our People	51
Clean Energy Link – North: Advancing renewable integration, collaborative efforts and future investments	31	People Strategy and Our Values	52
Our stories:		Employee Engagement Survey	53
• WA's clean energy future: vital Clean Energy Link transmission upgrades	32	Streamlining our systems	53
		Celebrating Excellence: LiveWires Awards	53
		Supporting employees across all life stages	54
		Highlights	54

Our stories:

- Diversity, Equity & Inclusion 55
- Reconciliation Action Plan Refresh 58
- Noongar Six Seasons Garden 59

In the community

Project and works engagement	61
Planned works	61
Extended Outage Payment Scheme (EOPS)	61
Local Government engagement	62
Community and land access	62
Transmission expansion and scoping	63
Regional Connect	63
Bushfire Volunteers Grants Program	64
Major engagements in 2024/2025	65

Our stories:

- Network for life campaign 66

Financial report

Directors' report	70
Corporate governance disclosure	83
Financial statements	84
Directors' declaration	133
Corporate directory	134
Independent auditor's report	135

Western Power acknowledges the Traditional Owners of the land on which we operate, and we recognise their continuing connection to lands, waters, and communities. We also pay our respects to Elders, past, present and emerging.

Artwork below: 'Boordakan' by Buffie Punch.

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A man wearing a white hard hat, safety glasses, and an orange high-visibility jacket with reflective stripes is looking down at a handheld electronic device. The background is a blurred industrial or construction site.

**A once
-in-a-
generation
energy
transition.**

About Western Power



Western Power is responsible for delivering an essential service to the community. We build, maintain and operate the transmission and distribution electricity networks in the Perth metropolitan and across more than 255,000km² from Kalbarri in the north, to Albany and Bremer Bay in the south, and out to Kalgoorlie in the east.

Our safety performance is regulated by the Building and Energy Division of the Department of Mines, Industry Regulation and Safety.

The energy sector is experiencing an exciting once-in-a-generation opportunity that is fundamentally shifting where and how we create, use and store electricity around our network.

Working towards decarbonisation goals through enhancing and expanding the transmission network will make up a large part of our work during the next decade and beyond.

We will service many new customers and enable greater connection of renewable generators as Western Australia's economy moves away from fossil fuel generated electricity and continues the transition to lower emission technologies such as electric vehicles (EVs), batteries and rooftop solar.

At the same time we will continue to maintain our vast network for continued reliability and safety levels by transforming our distribution network into a modular grid that responds to the specific needs of each locality.

This will see our distribution network progressively transitioned into three zones, including: in high density urban locations, a tightly meshed network with increasing underground assets. Our vision is to work together to power a cleaner energy future for the customers and communities covered by our network area.

In medium density locations, a hybrid network of mostly overhead assets complemented by new technologies like stand-alone power systems (SPS); and in less dense regional locations, an autonomous network of remote power systems with more SPS units and microgrids.

We're committed to delivering safe, reliable, affordable and increasingly renewable electricity supply to the community and industry.

Our strategy sets out our vision, plan and the steps we need to take to get there.

Western Power is owned by the State Government of Western Australia and is governed by an independent Board of non-executive directors. The Board of Western Power is committed to a high level of corporate governance and fostering a culture that values safety, ethical behaviour, integrity, diversity and respect. Western Power's key governance principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and industry best practice.

The Minister for Energy represents our State Government owner.

Our financial and service performance is overseen by the Economic Regulation Authority (ERA) through an Access Arrangement made under the Electricity Networks Access Code 2004 (WA), which ensures a fair, competitive and efficient environment for consumers and businesses.

The Access Arrangement sets service performance targets and how much we can charge to allow access to the network.



Western Power in FY25



40%

total energy generation
from renewables



85.1%

new record for renewables
powering the SWIS on
17 November 2024



12.81GW

of connection-ready major
projects in the pipeline



880MW

major renewable
technology projects
connected this year



10,000

housing subdivision lots
energised



\$1.2 billion

Clean Energy Link – North
investment to date



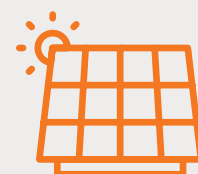
16

community batteries
now operational



34

fauna nesting boxes
now installed



321

Stand-alone Power
Systems operational



99.2%

reliability on network



40%

of all residential homes
have solar



70%

of Perth metro network
now underground

Corporate Social Responsibility Statement

Western Power is committed to pursuing sustainable outcomes across the business through our corporate policies.

We've aligned our sustainability efforts with the United Nations Sustainable Development Goals framework, underpinned by overarching objectives for our business that include:

- establishing a world-class health, safety and environmental management system that benefits our employees, customers and the broader community
- embracing a diverse and inclusive culture across our business so people feel supported to be themselves at work
- fostering stronger partnerships with community organisations
- embracing the use of new technologies and innovation which not only improves the services to customers but also supports the decarbonisation of our communities
- ensuring our business operations and our suppliers positively contribute to the communities and value chains in which they operate
- enabling the decarbonisation of energy in the South West of WA to support a cleaner energy future by enhancing and expanding the transmission network through planning and partnering with our stakeholders and community.



Our Vision and Values

Our Vision

Working together to power a cleaner energy future.

Our Values

Safe and caring

We always work safely because we care. We all take responsibility for protecting our people, our community and the environment. We assess and manage risk – if it's not safe we don't do it.

Results focused

We focus on the end goal. We spend our time and money wisely. We set challenging goals, work hard and hold ourselves accountable to deliver for our customers.

Acting with integrity

We exercise good judgment. We do the right thing. We build trusted relationships by being open and honest.

Working together

We're one team with a shared purpose. We collaborate with our colleagues, our customers and the community to get the job done. We consider the impact of our work on others.

Always improving

We're always looking for ways to be better, no matter how big or small. We innovate to solve problems and seize opportunities. We are resilient and embrace change.



Chair message



In the past three years as Western Power's Board Chair, I've seen some incredible growth and achievements across the business as it has worked to deliver a once-in-a-generation transformation of the network, critical for a clean energy future for the community.

This past financial year has seen much of the initial foundations set now bearing fruit with significant in-roads being made.

In 2018 when I began at Western Power as a director, the business was just starting to explore how renewable energy could be further unlocked in the South West Interconnected System (SWIS). Now we're seeing this become a reality with our Clean Energy Link – North project underway, enabling 1GW of renewable energy to be connected to the network, equivalent to powering around 500,000 WA homes. Along with this comes economic stimulus and projected employment of 400 jobs.

We've also seen the continued rapid rise of rooftop solar and the increasing integration of distributed energy resources (DER). Around 40% of all residential houses now have rooftop solar with about 30,000 new systems installed each year. The integration of customer owned DER has moved in leaps and bounds with the establishment, completion and proof-points of Project Symphony illustrating that Virtual Power Plants (VPPs) can operate at scale and create value for the community and the network. We now embark on Project Jupiter to embed VPPs as part of our standard practices, unlocking greater benefits for customers from their own DER.

In November last year renewables powered 85.1% of the grid, a significant milestone on the journey to net-zero. This was achieved through continued collaboration with industry and Government to connect more renewable sources to the distribution network as well as large-scale generation with around 880MW of new renewable generation connected to the network in the past financial year.

The distribution network, like the transmission network, continues to be upgraded with around 70 per cent of the Perth metro network now underground, more advanced metering infrastructure installed and roll-out of Stand-alone Power Systems for edge of grid or remote customers continuing – all providing an improved reliability experience for customers. We are a national leader in the rollout of innovative technologies such as SPS with more than 320 SPS now installed on the network. Along with 16 community batteries and the recent launch of the combined State and Federal residential battery scheme the network is transitioning well.

Reliability continues to be a key focus and has complex challenges amid climate change impacts and extreme weather events. The network continues to maintain a reliability at 99.92% even with these factors.

These innovative and positive changes are centred around delivering on our commitment to the community, and the business has been agile and efficient in streamlining operations to deliver better outcomes.

In the past year we have delivered better processes for connecting small and large-scale customers in alignment with community benefit priorities including working with Government to accelerate housing supply.

Like many organisations we continue to face competition for the people and equipment needed to continue to work at pace, and we've instigated measures to mitigate this where possible like securing long lead items and undertaking comprehensive recruitment locally and internationally.

At a Board level, governance and strategy guides the fantastic work which has been done by the business. Our role is to facilitate and support the business while maintaining prudence as a Government Trading Enterprise. Western Power has certainly achieved a great deal by being agile and effective as it continues to rise to meet the challenges of affordability, technology, and climate change. Underpinning all of this is of course safety.

The expertise and dedication of our employees is to be commended, and on behalf of my fellow board members I thank them. I'd also acknowledge and thank the Board members – including the work of outgoing director Eva Skira AM, the Executive, and the senior leadership team for their collaboration in leading the strategic direction of the organisation.

It's been extremely rewarding being part of what will be a once-in-a-generation change in WA's energy journey.

Denise Goldsworthy
Chair

CEO message



It has been another remarkable year for Western Power, defined by bold progress, strategic transformation, and a steadfast commitment to the people of Western Australia.

This past financial year, we laid the foundations for the most significant transmission network expansion in Western Australia in decades – critical to supporting the State’s decarbonisation journey. In FY25 alone, we connected 880MW of renewable technology, including 100MW of large-scale solar and 780MW of battery energy storage. We also issued access offers for 759MW, accelerating the integration of clean energy into the South West Interconnected System (SWIS).

Further transmission network upgrades are essential to enabling more renewable generators on the network to support the journey to ‘net zero’.

The next phase in this journey is underway. This year we signed major contracts for Clean Energy Link – North, which will unlock 1GW of renewable energy from the Mid-West region and deliver it to where the community and industry need it.

To meet the scale of the energy transition, we’ve focused on building workforce capacity and strengthening supply chains. Our efforts are generating job growth and supporting emerging industries, contributing to the long-term prosperity of our communities.

We’ve also improved how we connect customers to the network. Following our Major Customer Connection Process (MCCP) review in 2022, access offer timeframes have reduced from 42 months to 18-24 months. This streamlined process is helping large generators and industrial customers connect faster and more efficiently.

At the distribution level, customer investment in rooftop solar and batteries continues to grow. On 17 November, renewables supplied a record 85.1% of energy in the SWIS, driven in large part by customer-owned resources. With Government support for residential batteries, this trend is set to accelerate. We have continued to progress the network and policy changes required to ensure the network can continue to safely accommodate the expanding number and size of these distributed resources.

Together with Synergy, AEMO and Energy Policy WA, we’ve demonstrated through Project Symphony that these distributed energy resources can operate as virtual power plants – delivering financial value to customers and supporting system reliability. Under the next phase of this work, titled Project Jupiter, we’re now working to scale these capabilities, enabling customers to gain greater value from their DER assets.

Housing development remains a key focus. We’ve worked closely with Government to accelerate network connections for residential and land developments, energising around 10,000 subdivision lots this year – 2300 more than last year – and significantly reducing connection timeframes in several key areas.

Resilience and reliability are central to our mission. We are redesigning our network to meet the growing challenges from climate change. In the Perth metropolitan area, we undergrounded power for 4000 more residential customers and initiated several new undergrounding projects. In regional areas, we expanded our Stand-alone Power Systems (SPS) program, now operating 321 SPS units to improve safety and reliability for customers at the end of long feeder lines.

In addition to these network changes, we continue to innovate to improve the performance of the network. From drone inspections and helicopter-applied silicone to upgraded components and advanced forecasting, we’re enhancing our emergency response and protecting communities from the impacts of extreme weather, pole top fire and bushfire risks.

Safety remains our highest priority – if it’s not safe, we don’t do it. This year, we introduced a new Critical Risk Management framework and a Mental Health Strategy to ensure every member of our workforce returns home safe, every day.

We are incredibly fortunate to have a supportive and knowledgeable Board, and I thank them for their strategic guidance and support under the leadership of Chair Denise Goldsworthy. I'd like to thank departing Director Eva Skira AM for her invaluable mentorship and the substantial impact she had on the strategic direction of our business.

I'd also like to acknowledge our former Minister Hon. Reece Whitby MLA, whose support of our role in the energy transition has been invaluable, and welcome our new Minister for Energy, Hon Amber-Jade Sanderson MLA who has already demonstrated a strong commitment to improving service to the customers we serve.

Our momentum as we move into the new energy future is underpinned by the commitment of our employees and contractors. I thank them for their ongoing dedication and service. Their work powers our progress and ensures we continue to deliver for our customers, industry and community.

Sam Barbaro
Chief Executive Officer
Western Power



Western Power Strategy

Our 2023-2031 strategy continues to outline our guiding principles, reflecting the opportunities and challenges the once-in-a-generation energy transition presents, while reiterating our commitment to safely provide reliable supply, keep costs low and enable decarbonisation for our community. As we enter the third year of the strategy, we have made substantial progress on the core goals, while remaining flexible to adjust to the needs of our customers and the rapidly changing external environment.

Strategy 2023–2031

Working together to power a cleaner energy future

We need to safely **provide reliable supply**, **keep costs low** and **enable decarbonisation** for our community

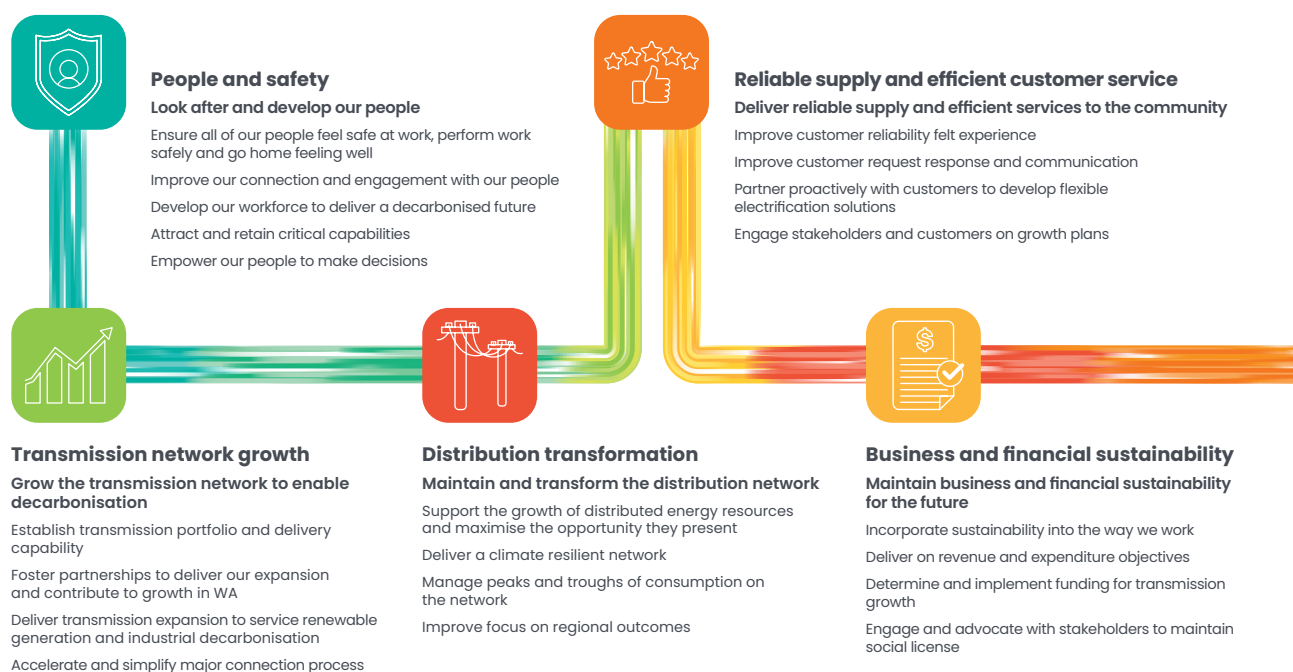
Our priorities



Our values



Our strategic priorities 2023–2031



Priority overview

People and safety



Success in our strategy is impossible without our people. Core to our strategy is an unwavering focus on ensuring we keep our people safe. As we continue delivering on the transformative activities to successfully achieve the energy transition, ensuring our people go home safely everyday will remain an utmost objective.

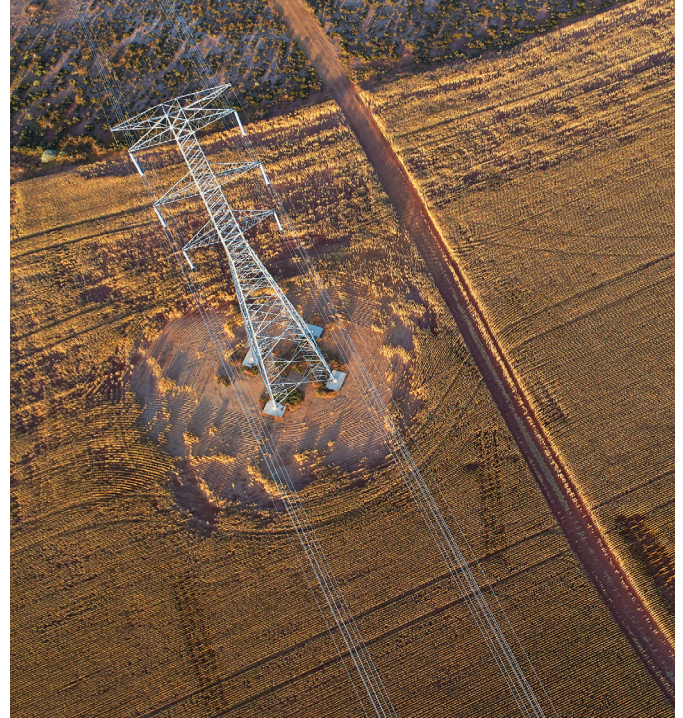
Picture of success:

Everyone is able to go home safely and without injury everyday.

Example of progress made and next steps:

Delivery and ongoing operationalisation of the Critical Risk Management Framework and Mental Health Strategy, providing the framework for best-practice risk and safety management.

Transmission network growth



In supporting national and state decarbonisation objectives, substantial expansion of the transmission network continues to gain momentum. With a total of \$1.2B accessible to date from State Government to support transmission network expansion as part of Clean Energy Link – North, and strong support from industry proponents, progress required remains clear.

Picture of success:

Supporting Western Australia to become a green energy powerhouse and support 'Made in WA' by enabling households and industry to decarbonise.

Example of progress made:

- Signing of key contracts with GenusPlus and UGL to deliver on key aspects of CEL-North.
- In FY25 we connected 880 MW of renewable technology including 100MW large-scale solar, 780MW of storage and issued access offers for 759MW.

Example of next steps:

- Commence build out of CEL-North infrastructure
- Community engagement activity
- Continued planning for CEL-East
- Update of policy frameworks to embed the Critical Project Framework into connections policy.

Reliable supply and efficient customer service



In light of growing energy demand, increasing frequency and intensity of climate events and an aging network, our strategy highlights the importance of maintaining reliable energy supply and paying close attention to customer felt experience.

Delivery of our strategy in this space will involve projects to improve energy reliability of the regions through innovative assets – such as Stand-alone Power Systems (SPS), microgrids and regional reliability pilots in consultation with local communities. This focus also extends to the metropolitan region, particularly around undergrounding our existing poles and wires.

Picture of success:

Through the energy transition we will work so that customers have reliable access to electricity, maintaining the high standards we already have.

Example of progress made:

- Achieved delivery of 321 SPS since program inception
- 4000 additional customers undergrounded in FY25
- Delivery and go-live of the Lancelin High Voltage Injection Unit (HVIU) to strengthen local reliability, delivered as part of the \$88m funding provided to Western Power to address regional reliability.

Example of next steps:

Delivery of additional regional reliability projects.

Business and financial sustainability



Through this transition, we commit to being a financially responsible and sustainable business. Our strategy emphasises a need to be prudent and efficient in the delivery of work with taxpayer funding, while also supporting broader community, jobs, cyber, environmental and sustainability objectives.

Picture of success:

Supporting the energy transition in a financially, environmentally and socially sustainable way.

Example of progress made and next steps:

We continue to deliver our work with these goals top-of-mind across all functions.

Distribution transformation – DER

With continued rapid uptake of Distribution Energy Resources (DER) – such as solar PV, Electric Vehicles (EVs) and residential battery energy storage systems (BESS) – the transition to a more complex and dynamic energy system continues. Our strategy reflects our contribution towards this shift by becoming the Distribution System Operator (DSO), which will enable safe uptake and integration of increasing numbers of DER, while providing substantial benefit to our network and customers.

Picture of success:

For both customer and network value to be extracted – harnessing the utility of DER.

Example of progress made:

- Commencement of Project Jupiter.

Example of next steps:

- Delivery of Project Jupiter, the successor to Project Symphony – that will enhance and enable DSO capabilities to mature towards its ideal state.

Distribution transformation – housing

Our organisation has adjusted to rapidly respond to the need for additional housing development in WA. As critical infrastructure providers, significant strategic focus over the coming years will involve coordinating and building necessary energy infrastructure in priority housing growth areas, while continuing to support timely connections on our distribution network.

Picture of success:

Government housing priorities supported in a timely manner – supporting financially accessible and readily available housing for a growing population.

Example of next steps:

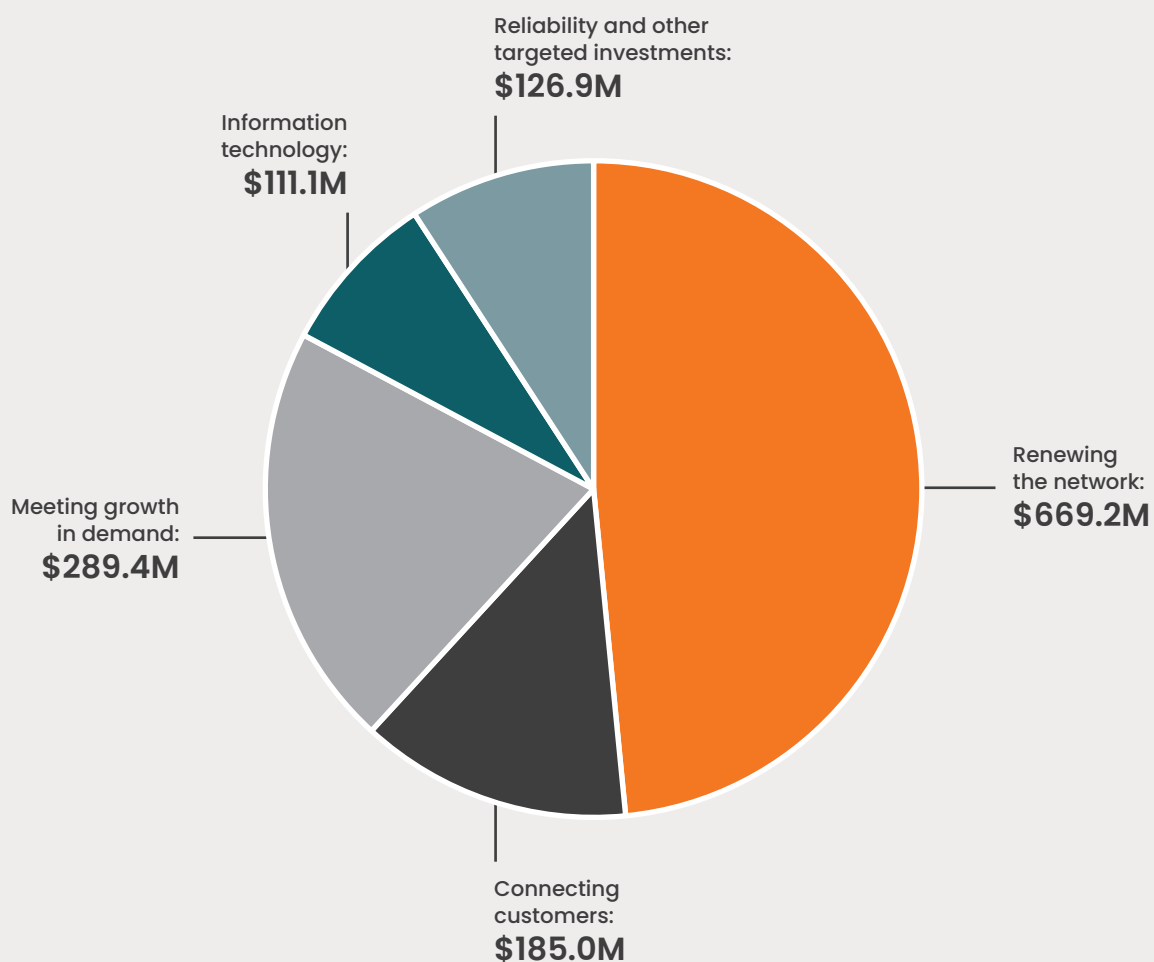
- Supporting network expansion and customer connections in priority housing growth areas.



Key performance measures – full year FY25

Government goal	Measure	Actual	Target
People and safety	Total Recordable Injury Frequency Rate	8.1	<8.2
	Employee Engagement	69%	>76%
Distribution transformation	Percentage of renewables on the Grid	40%	>38%
Reliable supply and efficient customer service	Network Availability	99.92%	>99.90%
Business and financial sustainability	Return on Regulated Asset Base	5.28%	>5.07%

Capex investment



Our stories

Streamlining our distribution customer connections

We've continued our efforts to reduce connection timeframes and enhance customer service during FY25.

In May, a new organisational design was introduced that included dedicated teams for the residential and commercial design portfolios, and a strengthened customer management area.

The new structure provides clear accountability to help reduce customer connection times, manage customer expectations and meet government priorities in areas such as housing development.

Other improvement initiatives based on the findings are underway targeting areas such as application processes, management of 'on hold' applications, quality assurance and others.

Construction capacity increased during the year by expanding the scope for external contractors to include their entire scope of works (civil and electrical) in their application,

and increased design capacity through three more external design vendors, in addition to the four currently on our panel.

Online portal MyWP Projects was enhanced with new tools to enable customers to view project timelines and status updates, share projects with other users, submit and track enquiries. For larger organisations with multiple projects in-train, the portal now allows them to view their entire project portfolio in one convenient location. Additionally, the portal's new Network Information Tool enables land developers to self-serve and obtain network information to inform their electrical designs.

We're continuing to drive improvement on time-to-connect and customer experience in the coming year.

Significant achievements for the year include:



Energising around **10,000** subdivision lots.



Slashing Design Information Package timeframes from 137 days in FY24 to **25 days** in FY25.



Reducing Design Conformance Review timeframes from 214 days in FY24 to **112 days** in FY25.



Introducing a new approach to reduce the time to energise land development projects from 16 to **six weeks**.



I wanted to take a moment to express my gratitude to you and your team for the swift and efficient power upgrade to our site.

Turning this around in such a short timeframe has been outstanding, and we're excited to have crews operating from the new facility... This is a fantastic outcome for our first responders.

Harpreet Kaler
Development Manager
Projects & Development
St John WA



Safety and Environment

Safe and Caring

“Safe and Caring” is one of our fundamental values – we actively promote working safely because we deeply care; we are taking responsibility for protecting our people, our community and the environment. Because we work in a high-risk environment, if its not safe, we don’t do it.

Our expectation is that every Western Power employee and contractor has the right to be safe and feel safe when participating in Western Power work.

This aspiration is underpinned by an ongoing and unwavering commitment to systems simplification and improvement, the strategies and objectives targeted for the next year will assist in managing our critical risks. Insights and learning from incidents will enable us to improve how we support our workforce to go home safe, well and healthy every day.

By embedding values-led leadership and a robust safety management system, we are ensuring Critical Risk Management becomes an integral part of the way we work – so that all our workers live, breathe, and advocate for the success of our fatality prevention program.

Maturing Safety

Continued from the previous year, we continue to focus and strengthen on maturing our Critical Risk Management program by enhancing the risk management toolkit available to the workforce, psychosocial risk is still front of mind as we build on the foundational elements of this program.

In October 2024 Critical Risk Management was our renewed approach to fatality prevention – officially going live as we evolved from the Golden Safety Rules.

This evolution of CRM allows us to manage our critical risks and actively seek opportunities for improvement every day.

We also commissioned the People at Work psychological risk assessment survey to assist the business to identify, assess and control risks with a gap analysis exercise, and an opportunity to identify areas of improvement comparing us to industry standards.

We continue to tailor our health and wellbeing program to meet the needs of our employees, one recent success was the free flu vaccination program which was utilised by nearly 30 per cent of Western Power employees. In addition, it has been recognised that a greater level of mental health support should be available to those in need.

As part of improving our mental health strategy we ran a number of workshops tailored to our people including psychosocial risk identification and mitigation, mental health awareness, how to support your colleagues and preventing burnout. Western Power now has 40 mental health first aiders to guide our employees to appropriate services to support them.

Other health and wellbeing programs continue to be promoted across Western Power like R U OK? Day, nutrition workshops, mindfulness and resilience seminars, heat illness and skin cancer awareness.

Western Power continues to focus on reducing the highest consequence events whilst equally managing the high frequency events, maintaining a safe and healthy workforce and enabling our leaders to have and drive leader-led safety behaviours.



Fauna protection measures

South West WA has a diverse range of conservation-significant fauna, including the endangered Western Ringtail Possum and three species of Black Cockatoo. In FY25, Western Power installed fauna protection treatments at 50 locations across the network to mitigate risk of inadvertent contact. These treatments include possum guards on poles, bird covers on crossarms, bird diverters on conductors and cable guard.

Nestbox installations

Thirty-four nest boxes of various sizes installed within the last two years around Western Power sites provide additional habitat for native fauna. The nest boxes are part of a monitored program in collaboration with The Re-Cyc-Ology Project. The monitoring – including through cameras installed in some of the boxes – has shown great success with an array of fauna using them including Carnaby cockatoos, Australian shelducks, Australian Ringneck parrots, Brush-tailed phascogales and large brushtail possums.

Vegetation – enabling public submissions via website

In May 2025, Western Power launched an external website page to receive public submissions in relation to vegetation clearing and provide transparency on our clearing activities to the public. Providing an accessible platform enables us to publish proposed clearing associated with project activities, invite public feedback and report under the terms of clearing permits. To access environmental reports including annual audit reports, annual clearing reports and details on project clearing undertaken by Western Power go to the Environmental reports section of the Western Power website.



Our stories

Helicopter siliconing for reliability

Our network infrastructure traverses significant distances and diverse landscapes, and needs to handle changeable weather and atmospheric conditions.

One of the elements of our network we're addressing is the incidence of pole-top fires. In the regions, we're doing so through clever, aerial innovation.

During the summer months, pollution, dust from farming operations, or sea salt in coastal areas can build up on insulators at the top of power poles.

If there has not been significant rain in recent times, misty damp conditions or light drizzle can result in what's known as 'tracking', where water droplets can create an electrical current between the insulator and a pole.

In some cases, this can cause a fire at the top of a pole. Preventing these is a key part of Western Power's asset management strategy.

This year we deployed helicopters to allow for live line washing and protective silicone application to prevent dust-build up on insulators across the Wheatbelt and Great Southern.



More than

22,000

poles have been treated via washing or siliconing this year.



Our stories

Drones boost maintenance efficiency

Western Power is continuing to explore new aerial technologies and techniques to assist in the delivery of our \$1 billion annual comprehensive asset renewal and maintenance program to ensure the continued delivery of a safe, resilient network.

Drone technology is increasingly becoming a crucial part of our operations at Western Power optimising the way we work and improving the power experience for our customers.

We have 68 licenced remote pilots and a fleet of 30 base aircraft with access to other specialised drones. We're currently using drones to assist in critical tasks that enhance network resilience and maintain network reliability including 2D, 3D and LiDAR mapping, asset inspections, patrols, stringing power lines and locating faults.

Using drones to patrol our network is particularly useful during the summer months where there is an increase in unplanned power outages. Western Power's network is among the largest in Australia, and one of the world's largest island grids, with several rural distribution feeders that are more than 100kms in length and pass through areas of bushfire risk.

Crews are able to use drones to conduct line patrols and identify faults more efficiently than vehicle or foot patrols, reducing the duration of unplanned power outages and managing bushfire risk.

Through a series of new trials, we're exploring other innovative applications of drones including whether they can be used to:

- remotely apply silicone to live insulators to reduce the risk of pole top fires;
- map powerlines to accelerate decision making; and
- install attachments to powerlines to deter wildlife and increase visibility.

If implemented, drones could be used to treat insulators in areas of the network where helicopters or elevated work platforms can't access.

We're also trialing the use of drones to complete LiDAR mapping of powerlines and digitisation of network assets like substations.

These applications would further increase safety, network security and enable crews to make decisions faster when unplanned outages occur.

The final trial underway uses drones to install attachments (known as tiger tails) to power lines to deter wildlife and increase visibility. This reduces the chance of wildlife, farm equipment or other vehicles accidentally impacting network infrastructure and the potential for related unplanned outages.

Investigations into whether drones could be used for other purposes, including to monitor site security or install sensors that can monitor the real-time capacity of overhead power transmission lines, are also underway.

These applications are really exciting and will further help to increase the resilience of our network, enhance operational efficiency and safety, and improve the felt experience for the community.



Our stories

Summer and bushfire preparedness

Every year before summer, Western Power embarks on a comprehensive package of works to ensure the network is prepared for summer, and implements bushfire prevention and general emergency readiness actions.

Western Power undertakes extensive bushfire mitigation work and has detailed plans in place.

Each spring, a bushfire preparedness team completes a pre-summer program of work across the network including vegetation management, condition-based asset maintenance, implementing auto reclose minimisation (automatically closes a breaker after it has been opened due to a fault) and operational procedures with the aim of reducing asset-initiated bushfire risk.

While this is an annual process, we're working to innovate in the preparedness space.

Western Power continually works to improve network resilience with about \$1 billion invested annually in network upgrades and maintenance to manage safety, reliability, and environmental risks.

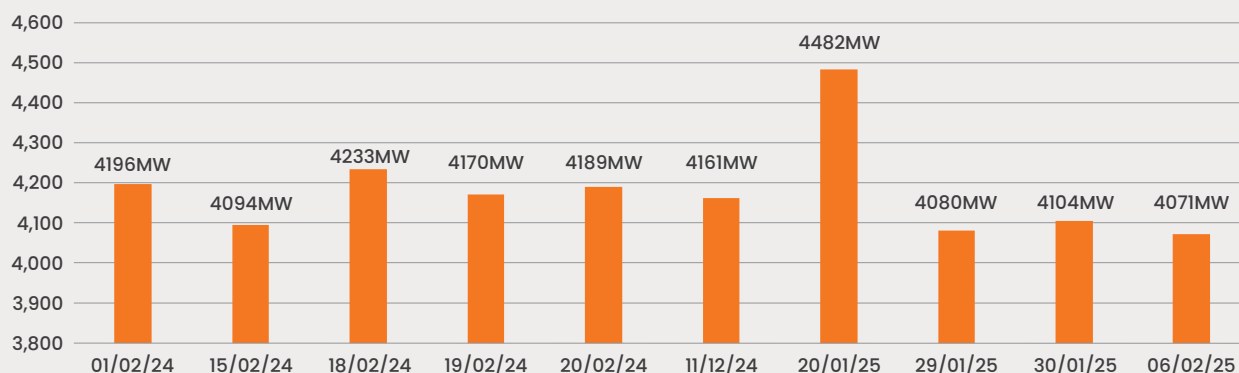
This includes finalising current bushfire mitigation work, ongoing maintenance programs and investing in network infrastructure upgrades such as insulator replacements, managing trees and vegetation, and washing and applying silicone to insulators via helicopter.

These measures build resilience and help reduce the risk of faults on the network. In the event of weather-induced faults, Western Power has resources available to respond, including having emergency generators on standby.

While 100% reliability cannot be guaranteed, we're finding new ways to minimise outages by bolstering the network where possible to maintain our 99.92 per cent reliability record.



The top 10 highest demand days have all occurred in the past two years



Our stories

Emergency response

Western Power always plans far ahead to prepare the network for summer heat, bushfire weather and storm season.

Despite this extensive preparatory work, the frequency and severity of significant and often simultaneous emergency events caused by circumstances outside of Western Power's control is growing, with restoration times often extended due to the sheer number of hazards being caused by extreme weather conditions.

Through extensive preparedness activities, forecasting, innovative network augmentation and our dedicated workforce, we're working hard to ensure the impacts of climate change and resulting extreme weather conditions are mitigated as much as possible.

A significant focus for FY25 has been streamlining and building upon our emergency response capabilities, especially our whole-of-business coordination for emergency response.

Complex weather conditions and climate change had a significant impact on the network during FY25, with storms, heatwaves and conditions that increased the risk of pole top fires impacting our operations early in the calendar year.

Operational crews and our network operations teams had their work cut out for them, with a number of emergency response events occurring in short succession.

In just one week in January 2025, Western Power dealt with an extreme heatwave, severe thunderstorms and extreme weather conditions which led to pole top fires affecting power supply. February saw significant storm activity across Perth metropolitan, Perth Hills and the Wheatbelt. In early March, customers experienced interruptions due to pole top fire activity, while later in the month customers in Perth's north were impacted by a lightning strike to transmission infrastructure.

While Western Power crews work as quickly and safely as possible to make hazards safe, repair and restore power, recovery for events like these can be extended.

Our organisational capacity to respond to emergency events is growing, adopting cloud-based emergency management solution WebEOC to bring us in line with organisations like WA Police, increasing our inter-agency cooperation and cross-functional training

exercises, working closely with the Bureau of Meteorology to obtain detailed weather briefings and building our forecasting for unique extreme weather conditions that impact our network (e.g. pole top fire weather).

Communicating directly with residential and industrial customers around restoration times, what we are doing in the field and wider emergency communications including leveraging our Memorandum of Understanding with the Department of Fire and Emergency Services (DFES) to contribute to the Emergency WA website has been a focus for this year.

We have also worked to revise our targeted communication protocols and messaging to ensure it is fit-for-purpose for our key stakeholders to ensure they can keep customers and businesses informed before, during and after an incident.





I would just like to say a huge thank you to all who managed to fix our power outage... Could have had to wait til 2am but you guys are amazing. Went off around 9.30pm and came back on at 10.49pm and am so grateful for your hard work in getting people their power back on. Especially aircon as it's a very warm night. Just want you to know you are all very appreciated.

Brentwood customer

An aerial photograph of a desert landscape. A wide, light-colored dirt road with visible tire tracks runs horizontally across the middle of the frame. To the left of the road, there is a dense area of green and blue-grey shrubs and small trees growing in reddish-brown soil. To the right of the road, the terrain is mostly sandy and light-colored, with a few scattered trees and shrubs. The overall scene is brightly lit, suggesting a sunny day.

Corporate Sustainability



Our commitment to the UN Sustainable Development Goals

Western Power's Sustainability Strategy is aligned with the United Nations Sustainable Development Goals (SDGs), using them as a guiding framework to shape our actions and support the Western Australian Government's Climate Action agenda.

We focus on five priority SDGs where our operations can have the most meaningful impact, while remaining mindful of the broader sustainability context:

- Goal 7** – Affordable and clean energy
- Goal 8** – Decent work and economic growth
- Goal 10** – Reduced inequalities
- Goal 12** – Responsible consumption and production
- Goal 13** – Climate action

The electricity sector plays a pivotal role in achieving SDGs 7 and 13. In 2021–22, energy production and supply accounted for about 32.6% of Australia's total greenhouse gas emissions (CSIRO, 2023).

In response, Western Power is working closely with State Government agencies and industry partners to reduce emissions across the South West Interconnected System (SWIS), focusing on both transmission and distribution infrastructure.

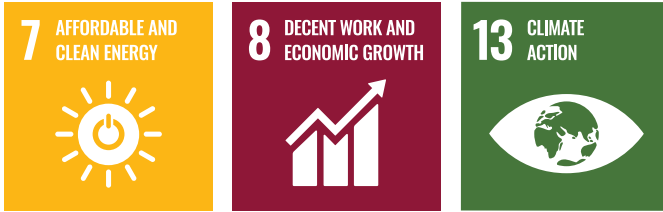
We also draw on global best practice frameworks, such as the World Business Council for Sustainable Development's (WBCSD) Electric Utilities SDG Roadmap, to strengthen our contribution to a more sustainable future.

As a Government Trading Enterprise (GTE) and essential service provider, Western Power acknowledges its responsibility to drive positive environmental, social and economic outcomes. We are already delivering a range of initiatives that align with the SDGs and deliver tangible benefits for our customers, stakeholders and the broader community.

The table below outlines how we have embedded the SDGs across our operations to achieve measurable sustainability and climate outcomes.

Impact opportunity	Priority SDGs to maximise positive impact
Decarbonise electricity generation in line with limiting global warming to 1.5°C	  
Enhance electricity system flexibility, resilience and efficiency	  
Ensure access to affordable, reliable, sustainable and modern electricity services for all	  
Attract and retain a diverse and inclusive workforce	 
Leave no-one behind in the energy transition and respect human rights	 

Decarbonising electricity generation to limit global warming to 1.5°C



The Intergovernmental Panel on Climate Change (IPCC) underscores the urgency of limiting global warming to 1.5°C above pre-industrial levels to avert the most severe impacts of climate change. As a pivotal player in the energy sector, Western Power is committed to facilitating this goal by enabling the decarbonisation of electricity generation across WA.

Our refreshed strategy aligns with these objectives, focusing on building and operating a network that supports the integration of renewable energy sources. By enhancing our infrastructure, we aim to accommodate the increasing demand for low-carbon electricity and support the state's transition to a sustainable energy future.

Clean Energy Link – North: Advancing renewable integration, collaborative efforts and future investments

A cornerstone of our decarbonisation efforts is the Clean Energy Link – North project. With a State Government investment of \$1.2 billion, and in partnership with industry leaders, this initiative aims to upgrade and expand transmission infrastructure in the northern corridor of the SWIS. Beyond the northern corridor, an additional \$503 million has been allocated to assess and scope potential Clean Energy Link transmission projects across other regions of the SWIS. This includes planning for new lines and upgrades around key industrial areas such as Kwinana and Collierie.

These strategic investments are integral to Western Power's commitment to enabling a cleaner, more sustainable energy system for WA, aligning with our goal of achieving net-zero emissions by 2050. More information on the CEL project progress is available overleaf.



Our stories

WA's clean energy future: vital Clean Energy Link transmission upgrades

Western Power is delivering the network infrastructure needed to achieve the State Government's vision for WA as a world-leading clean energy powerhouse. Our transmission lines, and the wind and solar farms they will connect, will form one of the largest infrastructure, technology and construction transformations in WA's history.

The network plays an important role in safely and reliably transferring clean energy to industry, homes and businesses. To support this flow, we're strengthening the network in Perth's northern suburbs. This will ensure we can continue to deliver clean power to support WA's growing industry, as well as the employment and economic benefits they will bring now and in the future.

We're upgrading existing network infrastructure and using existing corridors and easements where possible to minimise community impacts. The first phase of these Clean Energy Link upgrades is underway for parts of the northern network.

The \$1.2 billion WA Government-funded CEL-North work will significantly increase the flow of energy between Perth and the Mid West region.

January 2025 marked a pivotal milestone with the awarding of key contracts to advance this critical work with GenusPlus securing a \$270 million contract for the design and construction of two new terminals at Regans Ford and Eneabba, including an associated line, and the augmentation of the existing 330kV Northern and Eneabba terminals. Additionally, UGL was awarded a \$48 million contract for the design, supply, installation and commissioning of extensions to the existing Neerabup 132kV and 330kV substations. Construction for these projects commenced in June 2025.

Western Power also continues to progress critical network scoping activities required for Clean Energy Link (CEL) East, as outlined in the State Government's SWIS Transmission Planning Update.

Western Power was provided with funding to progress this early work which is essential for potential transmission investments.

We know there are world-class renewable energy resources throughout the state, that industry is keen to harness. CEL – East will connect major renewable generation projects in the region east of Collie. As part of early investigations, we've engaged with potential renewable generation projects to understand timings and locations.

This technical engagement helps to ensure alignment and minimise potential impact on communities. Our scoping activities have included assessments on land availability, environmental and heritage values, and landowner openness to land transactions. As part of this we undertook spring flora and fauna surveys on private land last year with additional surveys required this year to address data gaps from 2024 and cover new areas identified through collaborative planning with renewable energy proponents.

These investments are fundamental to unlocking WA's renewable energy potential, ensuring the electricity network remains robust and reliable to meet growing energy needs.



Enhancing electricity system flexibility, resilience, and efficiency



As WA's energy landscape evolves, we remain committed to modernising the SWIS to support a sustainable, reliable, and efficient electricity network. Our initiatives focus on integrating renewable energy sources, strengthening infrastructure resilience, and empowering customers to actively participate in the energy transition.

Advancing grid flexibility and resilience

The increasing penetration of renewable energy necessitates a more adaptable and robust grid. To address this, Western Power is implementing several key programs and embracing new and existing technologies:

- **Targeted Underground Power Program (TUPP):** replacing the State Underground Power Program (SUPP), TUPP aims to deliver underground power where it is most needed, enhancing network reliability and resilience. It is available to local governments on a cost-sharing basis with Western Power and property owners.
- **Stand-alone Power Systems (SPS):** SPS provide reliable, cost-effective, and localised power solutions for regional and remote customers. These systems use solar panels, battery storage, and backup generators, reducing reliance on extensive overhead infrastructure and enhancing service reliability. SPS units are off-grid systems combining solar panels, battery storage, and backup generators to provide reliable power. Benefits include:
 - **Enhanced reliability:** significant reduction in outages, with some pilot properties experiencing a 15-fold improvement.
 - **Environmental impact:** up to 90% of power needs met through renewable sources.
 - **Cost efficiency:** potential to replace over 23,000 km of overhead powerlines, reducing maintenance costs.
- **Community batteries:** recognising the importance of energy storage in maximising renewable generation, Western Power is investing in community battery installations to help balance supply and demand, improve grid stability, and enable greater use of local renewable energy sources.
- **Microgrids:** localised energy systems that can operate independently from the main grid, enhancing resilience. Microgrids installed in Kalbarri, Perenjori, Bremer Bay, and Ravensthorpe.

Enabling resilient communities

Western Power's Regional Connect Program is aimed at enhancing electricity reliability for regional communities at the end of long feeder lines, which are prone to frequent outages.

It will help develop a blueprint for improving regional reliability that can be applied to other areas with similar location attributes and reliability experiences.

Community engagement

The program emphasises active community involvement through:

- Drop-in sessions: providing platforms for residents to learn about proposed solutions and offer feedback.
- Working groups: collaborating with local stakeholders to identify and implement effective strategies.

This participatory approach ensures that solutions are tailored to the unique needs and conditions of each community.

Performance and future outlook

Early results indicate improvements in restoration times and a reduction in the average duration of outages. The success of these initiatives is guiding the development of scalable solutions for broader application. For more detail on the Regional Connect program, visit page 49.

Building a sustainable energy future

Western Power's strategic investments and programs are integral in creating a flexible, resilient, and efficient electricity system. By modernising infrastructure, embracing innovative technologies, and fostering customer participation, we're laying the groundwork for a sustainable energy future that meets the needs of the community.

Ensuring access to affordable, reliable, sustainable, and modern electricity services for all

Western Power remains committed to delivering innovative energy solutions that enhance reliability, sustainability, and affordability. Our focus on deploying SPS and community batteries is central to this commitment to help decarbonise communities at the fringes of the grid, particularly in regional and high solar penetration areas.

Community batteries: enhancing grid stability and renewable integration

To support areas with high rooftop solar penetration, Western Power is expanding its community battery program.

Our stories

More community batteries

Community batteries are a win-win for the customer, Western Power, and the community. These batteries support local rooftop solar uptake, reduce emissions, and improve overall power reliability across the SWIS.

They play an important role in managing customer solar output, allowing for excess solar energy to be stored and used when needed.

Western Power is in the process of commissioning five community batteries secured as part of a Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Community Batteries for Household Solar program.

In partnership with Synergy, the grant has enabled the deployment of community batteries in Kinross, Port Kennedy, Bayswater, Stratton and Coogee – suburbs with high rooftop solar enabling the transition to a cleaner energy future.

These five batteries boost the existing Western Power fleet of 16 community batteries across Western Power's network providing around 16MWh of battery storage capacity.

Western Power also successfully secured Federal Government funding from the Australian Renewable Energy Agency (ARENA) to deploy 18 additional community batteries.

The application as part of the Round 1 (Stream A) utility specific community battery program will provide 13 LV, 5 MV batteries (6.3MW/ 15.2MWh).

We are in the process of engaging with suitably qualified and experienced organisations, for design, supply, install and commissioning of these batteries.



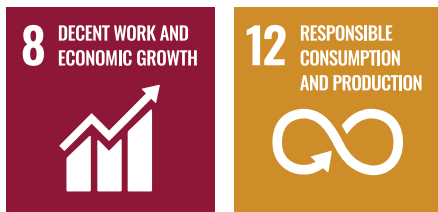
Attract and retain a diverse and inclusive workforce



To support Western Power's goal of attracting and retaining a diverse and inclusive workforce, the People Strategy 2025–2030 emphasises creating a workplace culture where safety, respect, and belonging are foundational. The strategy prioritises embedding inclusivity into every aspect of the employee experience, from recruitment to career development. By fostering a safe and caring environment and promoting holistic wellbeing, Western Power aims to ensure that all employees—regardless of background—feel valued, supported, and empowered to thrive.

The strategy focuses on reimagining work and workforce design to embrace diversity and digital transformation. This includes diversifying talent sourcing approaches, enhancing leadership capabilities, and creating engaging, sustainable workspaces that reflect the needs of a modern, inclusive workforce. Through these initiatives, Western Power is committed to building a future-ready organisation that not only attracts top talent from all walks of life but also retains them by offering meaningful, equitable, and growth-oriented career experiences. For more information on our work in this space, visit the Our People section on page 51.

Ensuring an equitable energy transition and upholding Human Rights



As WA transitions to a low-carbon energy future, Western Power remains committed to ensuring that no one is left behind. We recognise that the shift away from fossil fuel-based generation will have significant implications for workers, regional communities, and industries linked to traditional energy supply chains. It is critical that this transition is both just and inclusive, creating opportunities while mitigating adverse social and economic impacts.

Western Power is proactively engaging with our workforce, industry partners, communities, and government stakeholders to understand and respond to the challenges and opportunities that decarbonisation presents.

We are focused on supporting sustainable jobs, strengthening local capabilities, and fostering economic resilience in the regions we serve.

We play a key role in leveraging our procurement practices to drive positive social outcomes. Our procurement framework aligns with the WA Government's Social Procurement Framework, ensuring that our purchasing decisions support local employment, Aboriginal businesses, and regional development.

We implement and uphold the:

- **Aboriginal Procurement Policy**
- **WA Jobs Act Industry Participation Strategy and Participation Plans**
- **WA Buy Local Policy.**

These initiatives support our commitment to ethical and socially responsible procurement that benefits the broader Western Australian community.

Additionally, Western Power continues to advance its efforts under the Modern Slavery Act 2018. Through our Modern Slavery Statement, we are strengthening our due diligence processes, improving risk assessments across our operations and supply chains, and deepening our engagement with suppliers to prevent and address modern slavery risks.

We remain focused on fostering a fair and human rights-centred transition that benefits all Western Australians, particularly those most impacted by structural change in the energy system.

Climate risk management

Western Power applies a structured, consistent, and system-wide approach to managing climate-related risks, guided by the principles of ISO 31000:2018 – Risk Management – Principles and Guidelines. Our risk management framework supports proactive identification and treatment of both physical and transition climate risks, while aligning with our corporate strategy and sustainability objectives.

We manage climate risk in line with Board-endorsed Risk Appetite Statements, which are reviewed annually. These statements reflect our willingness to consider solutions that may not offer the lowest financial cost but deliver stronger environmental and social outcomes in support of long-term network resilience and community benefit.

Climate change risks and opportunities are considered across two core lenses:

- **Adaptation:** ensuring our infrastructure remains resilient and reliable amid increasingly frequent and severe weather events.
- **Transition:** preparing for the regulatory, economic, and technological shifts associated with decarbonising the energy system.

Western Power reviews its material climate risks and opportunities on an annual basis, with progress on mitigation activities regularly monitored to ensure effectiveness.

In October 2024, we undertook our first climate-related financial risk disclosure report, the Department of Treasury's Climate Risk Framework pilot, designed to support public sector entities in assessing and reporting the financial implications of climate change on state infrastructure and public finances. This report marked a significant milestone in embedding climate-related financial risks into corporate governance, strategy, and risk management processes.

We are currently preparing our report, scheduled for publication in October 2025, which will further expand on scenario analysis, risk quantification, and the integration of climate considerations into long-term planning and investment decisions.

Western Power continues to collaborate across government and research sectors to improve climate science and risk insights. We are an ongoing participant in the **WA Climate Science Initiative**, which is generating robust climate projection data to inform asset planning and operational resilience across the SWIS.

Through these efforts, Western Power is building a more climate-resilient energy system for WA – one that is responsive to evolving risks while enabling a just and sustainable transition.



Key risks and opportunities



Risks

Increasing frequency and severity of weather events and/or bushfires, damaging assets and interrupting supply

Changing stakeholder expectations on climate actions

Uncoordinated uptake of distributed renewable energy resources putting power system security and network reliability at risk



Opportunities

- Network transition to improve the network's climate resilience
- Network emergency management plan
- Network resiliency modelling for major climate events
- AA5 funding into rural reliability trials

- Increasingly decarbonised network being leveraged to assist other economic sectors through electrification
- Increased transmission asset base through industry electrification
- Community engagement and resiliency preparedness

- Enhance our distribution system operator capability to orchestrate the electricity system
- Operational schemes (e.g. emergency solar management scheme, load shedding)

SDG	Indicator	Current Year	Previous Year	Target	Description
SDG 7 – Affordable and Clean Energy	% of Renewables in Grid	40%	37%	38%	Measures total energy generation from renewables (rooftop solar, large-scale solar, wind)
SDG 8 – Decent Work and Economic Growth	Total Recordable Injury Frequency Rate	8.1	8.8	8.2	Recordable injuries per 1 million hours worked
	% Annual Spend with Local WA Businesses	67%	67%	66%	Spend with WA-registered suppliers (excl. GST)
	% of Contracts with Aboriginal Businesses	3.0%	3.0%	4%	Contracts ≥ \ \$50,000 awarded to Aboriginal businesses
SDG 10 – Reduced Inequalities	Employee Engagement Score	69%	71%	76%	Proportion of engaged employees (permanent + contractors)
	Women in Senior Leadership	42.9%	42.9%	50%	Women in management tiers 1–3
	Aboriginal and Torres Strait Islander Employees	1.5%	1.5%	3.7%	Representation of Indigenous employees
	Employees with a Disability	0.9%	1.0%	5%	Employees identifying as having a disability
	Youth Employees (≤24 years)	2.9%	2.7%	5.8%	Employees aged 24 and under
	Culturally and Linguistically Diverse Employees	29.6%	28.5%	15.5%	Employees born in non-English-speaking countries
SDG 12 – Responsible Consumption and Production	% of Waste Recovered	26.7%	32%	49%	Waste recovered through reuse, recycling, or energy recovery
SDG 13 – Climate Action	% Emissions Reduction Change per Annum (FY24)*	-3%	-13%	3%	Year-on-year change in carbon emissions (Scope 1 & 2)

*Due to the reporting schedule for emissions the data for FY25 is not yet available.



Thank you very much for sorting my three-phase installation so quickly to allow me to cut and fit spectacle lenses for the kids from Perth Children's Hospital with my new instrument from Italy. This is a great community service and big help to me and my patients.

Damon Ezekiel
Director/Optometrlist
Ezekiel Eyes

Climate risk and resilience: building a sustainable energy future

Western Power has participated in the pilot Climate Risk Reporting project being coordinated by the Department of Treasury and Department of Water and Environmental Regulation.

Key highlights from participating in the pilot include:

- **Governance and Strategy:** climate risk is now embedded in our strategy and risk management frameworks. The Board and Executive team are actively overseeing climate-related risks, with dedicated subcommittees addressing sustainability and strategic risk.
- **Operational Resilience:** we're responding to increasing climate hazards – such as heatwaves, bushfires, and storms – through targeted asset resilience programs, including the Network Climate Resilience Initiative and modular grid transformation.

- **Sustainability Commitments:** Western Power supports the State Government's net zero by 2050 target. We've reduced Scope 1 and 2 emissions by over 20% since FY2016 and are progressing initiatives like community batteries, undergrounding power, and virtual power plants.
- **Forward Planning:** we're developing a sustainability strategy, emissions reduction plan, and climate adaptation roadmap to guide our long-term investment and operational decisions.

This foundational work ensures Western Power is well-positioned to deliver a reliable, safe, and sustainable electricity network in a changing climate.

Scope 1 & 2 Emissions Table – 2024 results

Scope	tonnes CO ₂ emitted									
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1	45,245	40,450	28,272	31,577	33,445	33,824	36,020	35,040	33,686	34,414
Scope 2	810,442	768,175	722,370	718,574	673,510	698,452	620,459	703,062	608,839	630,383
Total	855,687	808,625	750,642	750,151	706,955	732,276	656,479	738,102	642,525	664,797



Enabling major customer decarbonisation

Industry is playing a pivotal role in enabling the once-in-a-generation expansion of the SWIS transmission network, which is essential to support industrial decarbonisation, integrate renewable generation, and drive State and regional economic growth as we progress toward net zero.

As businesses transition to electrified and low-emissions operations, their projects often depend on network augmentation and, in turn, directly influence the scope and direction of Western Power's Clean Energy Link Program.

Western Power's efforts to connect large-scale transmission customers, manage the relocation of existing assets, and develop customer investment cases that underpin Clean Energy Link transmission expansion involves proactive engagement with industry to understand medium- and long-term energy plans, informing network strategy and planning.

Over the past year, we focused on building a clearer picture of where renewable investment is likely to occur, future load forecasts, and project readiness – including timing, status, and willingness to contribute to network upgrades and connection costs.

To support prioritisation, we introduced the Critical Projects Framework, which assesses project readiness against defined criteria such as alignment with State objectives and customer preparedness. This approach enables us to focus resources on the most credible and impactful projects.

Western Power's pipeline of connection-ready projects as of 30 June totals 12.81GW.

A review of our MCCC process in 2022 identified several key opportunities to improve the process efficiencies and in turn the customer's experience. These initiatives were also designed to streamline the customers requirements and increase customer transparency. This year, we launched several key initiatives of the new Major Customer Connections Process, which simplifies workflows and reduces processing time. We also launched MyWP Portal to provide better visibility of project progress to customers, and introduced new self-serve capabilities – including dynamic

studies and customer-led design and construct (D&C) options – offering greater control, flexibility, and scalability to customers.

These initiatives are already delivering results, helping us manage increasing volumes of connection enquiries. This work is part of a broader effort to enhance Western Power's systems, processes, regulatory frameworks, and engagement with government, customers, and industry – ensuring we are equipped to support the scale and pace of connections required to decarbonise the SWIS.

This year, we have been progressing transmission enhancements in Perth's northern corridor as part of Clean Energy Link – North to unlock additional renewable generation capacity in the Mid West and other regions rich in solar and wind resources. Construction crews have been deployed.

We're working closely with major customers to inform and align transmission expansion plans, to be delivered under the Clean Energy Link Program.

In FY25 we connected 880 MW of renewable technology:



100 MW solar:

- Cunderdin hybrid Solar Farm/BESS (100MW)



780 MW storage:

- Neoen Shotts Stage 1 (200MW) BESS
- Synergy Collie BESS Stage 2 (230MW)
- Neoen Shotts Stage 2 (300MW) BESS
- Cunderdin Solar Farm (50MW) BESS

In FY25 we issued access offers for 759MW:



- 166 MW Load; BP H2 Kwinana
- 188MW Solar: Three Springs Solar 89MW and Waroona Solar Farm (99MW)
- 205MW Wind: Synergy King Rocks Wind Farm (103MW) and Synergy Warradarge Wind Farm Expansion (102MW)
- 200MW BESS: Alinta Wagerup (100MW) and Nomad Merredin Big Battery (100MW)

Connecting Cunderdin Solar and Collie BESS

In March 2025 Western Power connected two major renewable battery projects, bolstering network capacity and working directly towards a cleaner energy future.

These achievements were the result of the excellent work, dedication, and collaboration of our teams, and strong relationships with our major customers Neoen and GPG along with the Australian Energy Market Operator (AEMO).

On 5 March, the Cunderdin Hybrid PV Solar & Battery Energy Storage System (BESS) – the first of its kind connected to the network – was successfully commissioned and became commercially operational. On Friday 21 March, Stage 2 of Neoen's Collie Battery was energised, marking an important step toward its full operation.



Collie Neoen Battery on Kaniyang land

- We played a key role in connecting this grid-scale battery that connects to the SWIS through our new Palmer Terminal transmission substation
- Stage 1 is a 4-hour 219MW/877MWh battery which became operational in October 2024
- Stage 2 is a 4-hour 341MW/1,363MWh which was energised on 21 March 2025 and is set to become operational towards the end of 2025
- Can charge and discharge 20% of the average demand in the SWIS
- Supports household investment in rooftop solar and helps to stabilise the grid with an emergency response mode to prevent outages, maintain voltage and frequency levels and support the transition to retire coal power plants.

As network operator our work is crucial to enabling the transition to a renewable future and these projects set the scene to connect more renewables to our network.

Batteries are key in the energy transition to a decarbonised economy, playing a crucial role in balancing supply and demand.

By storing energy during periods of lower demand and discharging it when needed, batteries help to stabilise the grid and support the increased penetration of renewable energy. Renewables now make up 40% of total energy in the grid.

These transformative projects are evolving the way we manage the network and cement our critical role in the energy future.



Solar/BESS hybrid at Cunderdin on Balladong land

- First large hybrid solar plus BESS generator in WA
- Focus on shifting solar into the evening peak rather than providing frequency and other grid support services
- Project involved proponent building 2km of new transmission line, a new Western Power switchyard, and three new communication towers, which we will manage and maintain
- Established a new model for customer-led design and construction, which has now been replicated in other projects.



The success of this project is ultimately for the benefit of WA electricity customers, and I feel (Western Power has) had this as an underlying focus throughout all they've done.

Scott Partlin
Head of Grid Connection
Neoen Australia

We are extremely proud to have delivered the largest battery in Western Australia in record time. I would like to thank everyone who has worked tirelessly to make this happen: Western Power, Tesla and UGL as well as AEMO and the Western Australian Government.

Jean-Christophe Cheylus
Chief Executive Officer
Neoen Australia

Transforming our network

On 17 November 2024, renewables provided a record 85.1% of energy in the SWIS. WA is at the forefront of the energy transition with 40% of all residential houses with solar. About 30,000 new rooftop solar systems are installed each year, and household battery adoption is also increasing, which means more WA homes are generating and storing clean energy than ever before.

While this growth creates exciting opportunities to harness renewable energy, it also puts pressure on the electricity network. Balancing the supply of solar power with energy demand is becoming more complex, creating risks to the stability and reliability of the system and its ability to deliver power affordably.

While our existing system of poles and wires was built for one-way energy flow, the rise of customer distributed energy resources also feeding in to the network has brought with it a unique challenge.

Batteries in particular are key – we need to harness all the tools batteries can provide including energy storage and support with network stability to ensure the network is primed for the energy transition.

Initiatives like Project Jupiter and its precursor Project Symphony are some of the other ways we're working to address network challenges while continuing to enable greater take-up of renewables.

We are continuing our drive in helping raise the community's understanding of renewable energy, their role in the transition to a cleaner energy future and how their own DER can support this.

Undergrounding of power lines – which will enable greater capacity for renewables and assets like batteries and EVs, and greater visibility through installation of Advanced Metering Infrastructure – are key elements of our plans for the distribution network.

Our stories

Pathway to Distribution System Operator

Energy systems around the world are facing transformational change driven by three key trends – decarbonisation, decentralisation, and digitalisation.

The growth of DER connections in the SWIS is rising at pace, and we know being able to continue to connect and harness these resources will have significant benefits for customers and the community.

Forecasts for residential solar, storage like home batteries and electric vehicles take-up show significant predicted growth, providing opportunities and challenges for Western Power, energy industry participants, and customers.

Responding to these opportunities and challenges to maximise the value of DER is at the heart of the WA Government's DER Roadmap, particularly around optimising the use of 'excess' DER capacity to manage peaks and troughs – generating value for customers while supporting efficient and reliable operation of the SWIS.

For a number of years, Western Power has been integrating a new way of operating – as a Distributed System Operator (DSO).

A DSO plans, operates, and manages the distribution network in a high-DER environment by using data and digital tools to understand location, behaviour of DER and how they can best interact with the network. As a DSO, Western Power will enable aggregators, retailers, and a Distribution Market Operator (DMO) to integrate DER into the wider energy system – allowing these assets to provide services to the market, support the grid, and deliver value back to customers.

This year, we advanced our core DSO capabilities by embedding technologies like Dynamic Operating Envelopes (DOEs) through the rollout of Dynamic Connections, expanding Network Support Services (NSS), and improving visibility and forecasting across the network. These help to manage real-time power flows, support new markets for DER, and offer more flexible alternative investments where appropriate.



Our stories

Project Jupiter and Symphony

WA is leading the charge in integrating locally generated energy into the State's main electricity network and at the heart of this transformation is Project Jupiter. Supported by a \$20.8 million grant from the Australian Renewable Energy Agency (ARENA), announced in January 2025, this three-year initiative is building the functionality needed to enable rooftop solar and home batteries to operate not just as individual energy sources, but as a coordinated and valuable part of the grid, and at scale.

Project Jupiter is the continuation of the Project Symphony pilot, which won the Energy Innovation of the Year Award at the 2024 WA Energy Awards, after it proved it was possible for virtual power plants to operate in WA. Project Jupiter takes this from concept to reality, developing the functionality needed to enable wide-scale participation in virtual power plants (VPPs) across the network.

Led by Western Power, in collaboration with Synergy, AEMO, and Energy Policy WA, Project Jupiter will scale up the use of VPPs – networks of distributed energy resources (DER) like rooftop solar and home batteries – to allow households to share energy with the grid.

By coordinating solar panels, batteries, and other devices through customer participation in VPPs, these assets can provide many of the same services as traditional power stations. This helps ease pressure on the network and returns greater value to customers who generate and store their own energy while making better use of existing infrastructure.

Project Jupiter is moving VPPs from concept to reality, developing the market settings, customer products, education, and regulatory reform needed to bring them into everyday use and enabling customers to gain greater value from the assets they own.



Undergrounding

Around 70% of the Perth metro network is underground providing numerous benefits to Western Australians and strengthening network resilience, enabling greater renewable energy sources and increasing electrification.

More than 108,000 properties have been converted to underground power through State Government supported underground power programs.

In FY25 Western Power completed underground power projects in the cities of Cockburn and Bayswater, delivering underground power to about 4000 residents.

In Maylands we removed more than 400 power poles and 24km of overhead wires and installed 374 LED streetlights transforming streetscapes and improving network resilience to weather impacts. In South Lake East 300 power poles and 14kms of overhead cables were removed and 170 new LED streetlights installed.

These projects marked the completion of the State Underground Power Program (SUPP) which has been replaced by the Targeted Underground Power Program (TUPP) which is focused on delivering underground power where it is most needed throughout the network.

As of June 2024, 12 WA local governments have signed Memorandum of Understanding to progress projects under the TUPP, this will provide around 51,000 properties with a future-focused, safer and more reliable power supply.

Western Power is committed to continuing to work with the State Government, Local Governments and the community to deliver the many benefits of underground power.

Benefits of underground power

- Improved public safety with new streetlighting
- Improved network resilience to environmental factors, resulting in fewer unplanned power outages
- Reduced tree pruning around powerlines resulting in greener streetscapes
- Lower maintenance and operating costs
- Increased property values with fewer poles and wires and more attractive streets
- Provides greater power supply capacity, facilitating the connection of renewables.

In the 2024/25 FY

we commenced construction of projects in the cities of Vincent, Stirling and Nedlands.



We also continued work on our South Perth Hurlingham project which will see **1,575 customers converted with 371 poles and 21kms of overhead cable removed and 305 new LED streetlights once complete.**



These projects delivered underground power to around **4,400 residents with over 1,600 poles and 67kms of overhead cable removed and around 1,170 new LED streetlights**

installed across North Perth, Mount Hawthorn, Doubleview and Nedlands.

Our stories

Stand-alone Power Systems

Over the past year Western Power has refined its innovative Stand-alone Power Systems (SPS) program to improve customer benefit ahead of more units being deployed across the network.

As an Australian leader in the roll-out and conversion of overhead power lines to SPS, we are continually seeking and listening to customer and industry feedback to ensure our SPS units meet customer needs.

To date 321 SPS units have been commissioned. Each SPS is a grid-independent, energy-generating system that consists of photovoltaic (PV) panels, battery storage, an inverter/s and backup generator.

Volumes delivered in FY25 are the highest deployed in any year previous indicating the increased maturity of the program.

SPS have redefined the way we deliver power to rural and remote customers, allowing us to remove 695km of overhead powerlines and 3199 power poles, providing those areas with more reliable and safer power, while bringing more renewables onto the grid helping deliver a lower carbon energy future.

Installing AMI ahead of SPS deployment has provided us with more energy data, helping us understand individual customer seasonal and daily energy patterns providing greater certainty around system sizing.

We also validate sizing information during a site scoping inspection which is done closer to the date of construction for future customers in our installation journey. The cost of maintenance remains a challenge for the program, with changes made to the frequency of routine maintenance and localising refuelling and vegetation works.

The customer and community benefits from SPS are positive, with 73% of customers experiencing better reliability, with 20% experiencing no change. Overall SPS has a 70% overall positive impact in our customers' everyday life.



Our stories

Network upgrade investments

During FY25 we undertook major network infrastructure works to upgrade the capacity of our assets with the aim of better protection from increasingly severe weather events and mitigating bushfire risk. These included:



Location	Network infrastructure works
Dalwallinu, Moora and Coorow	Works covering a vast geographical area spanning three shires were completed using live line insulated glove and barrier techniques to minimise power interruptions. About 200 poles were replaced, as well as other upgrades.
Eastern Wheatbelt	In Bullfinch approximately 220 poles were replaced, with 23km of high-voltage powerlines installed and other network infrastructure including crossarms, insulators and transformers upgraded. Equipment including switches and fuses to enable load transfer on the network and help reduce the duration of unplanned outages for the community were also upgraded.
Kentdale	\$1.5 million to replace aging equipment including transformers, crossarms and reclosers was conducted with and 78 new poles, new insulators and 15km of conductor installed to improve capacity in Kentdale.
Merredin	\$1.2 million in Merredin for the replacement of approximately 60 poles and 6.5km of conductor, upgrading streetlights and insulators and undertaking other essential maintenance.
Shire of Murray	\$2 million in West Coolup for the replacement of 141 poles, more than 23km of high-voltage powerlines installed and upgrades to transformers, crossarms, insulators and reclosers.
Nannup	\$3 million in Nannup and surrounds for replacing 260 poles and 25km of conductor. Most of the work was performed on the main powerline between Nannup and Yornup.
Shire of Quairading	\$1.4 million for replacement of 55 poles and more than 2km of overhead powerlines, upgraded insulators, installation of new LED streetlights and other essential maintenance.
Shire of Serpentine-Jarrahdale	\$4 million to improve long-term reliability in the area including replacing more than 288 poles and 35km of power lines.
Shire of Tammin	\$1.4 million for the replacement of 50 poles and 5km of overhead powerlines, upgraded insulators and new LED streetlights installed around the Tammin townsite.

Our stories

Mid West reliability works

The Mid West region is a particularly unique location within the SWIS, with diverse geographic, weather and network conditions.

Parts of the City of Greater Geraldton and the shires of Northampton, Gingin, and Irwin have experienced elevated interruptions in recent years, and we've been working hard to address this through increased network maintenance.

A targeted maintenance program including insulator and pole replacements, helicopter silencing and washing, upgrades to overhead powerlines, and local substation work has seen a significant improvement in reliability, including in the regional centres of Kalbarri, Northampton, Dongara and Lancelin.



Our stories

Regional Connect

As part of Western Power's ongoing commitment to improving regional reliability, we began a Regional Connect Program to improve restoration times and reduce the average duration of unplanned outages for homes and businesses, particularly those located at the end of long feeder lines.

We're working with communities in targeted areas across the network to deliver solutions that will improve power reliability.

These areas have been chosen as they have some of the highest number of recurring network faults, challenging environmental conditions, and diverse community needs. As each of the areas face different challenges that impact their reliability, the approach has been tailored to each location. In addition to our regular maintenance, each of the areas has had enhanced asset upgrades and replacement works conducted during FY25 including:



Location	Network infrastructure works
Lancelin	- Installation of protection devices and switches to improve fault finding capability, network flexibility and reliability began in FY25. - A new high voltage injection unit (HVIU) with back-up generators installed in October 2024 as an immediate solution to improve power reliability for the community. The HVIU is able to support around 1100 homes and businesses in Lancelin in the event of a fault on the feeder line and has successfully been used.
Northampton	Work under way to upgrade protection devices, and conduct network reconfiguration and automation. This will reduce the duration of unplanned outages by introducing more telemetered devices, enabling easier fault-finding and isolation to restore power more quickly. It is expected these works will be complete in late 2025.
Shire of Irwin	Upgrades to protection devices, operability changes and network automation aimed at improving reliability and reducing the length of outages in parts of the Shire of Irwin including Dongara, Port Denison, Springfield and Milo began in October 2024. This work is on track for completion in late 2025.
Gnowangerup and Lake King	- Enhanced asset upgrades and replacement under way including protection devices and voltage regulators, which will have reliability benefits for the community. - Community consultation underway on a potential network solution, which could involve installation of a Battery Energy Storage Solution in Lake King.

Kalgoorlie and Boulder network update

Homes, businesses, and industry in the Eastern Goldfields Region are supplied via a single 220kV transmission line spanning 650kms. Due to the length of the line there is a higher risk of transmission related outages including severe weather-related damage, bushfire, windborne debris and third-party impact.

The energy load is supplied via a combination of local generation and supply from the Muja region. To mitigate the impact of these unplanned outages on customers, Western Power entered into a Network Control Service contract for alternative generation via two gas turbine generators located at the West Kalgoorlie Terminal several years ago.

In November 2024, Western Power secured additional back-up generation for Kalgoorlie-Boulder from TransAlta.



Additionally, significant improvement has been made in operations and protocols in the region to minimise the impact of any unplanned outages, including:

- uplifting resources in the area to ensure immediate support in the event of an unplanned power supply disruption
- modernising the control system and communications capability at West Kalgoorlie Power Station, including installing a Starlink satellite communication system
- upgrading the power station's battery charging and black start capability
- undertaking additional aerial inspections of the 220kV line
- improving network operational and dispatch protocols in the event of an unplanned outage
- updating settings to improve the network's stability in the event the network in the area needs to be islanded.

This builds on a range of investments we've made since 2021, with nearly \$130 million invested in local network infrastructure and technology, including new static synchronous compensators, transformers, reactors at West Kalgoorlie Power Station, and additional transformers at the West Kalgoorlie and Black Flag substations.

Non-Co-optimised Essential System Services (NCESS)

Following an Expressions of Interest (EOI) process in 2024 Western Power published a call for NCESS submissions from potential providers for efficient and innovative energy solutions to improve the reliability and security of power supply in the Eastern Goldfields Region.

A number of submissions were received and are currently being reviewed for their suitability to enhance the reliability and security of power supply in the region. We're working collaboratively with Energy Policy WA to achieve a sustainable solution for the benefit of the Eastern Goldfields Community.



Our People

People Strategy and Our Values

Energy is an exciting, rapidly changing industry and our people are crucial to power a cleaner energy future. Our People Strategy outlines our people priorities and the steps we need to take together to sustain, grow and develop a workforce that is future-ready and equipped to deliver Western Power's strategic priorities.

Our principles guide our decisions and plans that affect our people. They are:

- **People centred and inclusive:** we prioritise safety, well-being, and create an inclusive environment where everyone feels valued, safe and supported to thrive.
- **Strategically aligned and measurable:** all our people initiatives support organisational goals and are backed by clear metrics to measure success.
- **Future-fit and adaptive:** we're prepared to meet evolving challenges, fostering resilience and leveraging advanced technologies for future-focused solutions.
- **Right skills, work and place:** we deploy the right people with the right skills to do the right work in the right locations, ensuring we operate effectively.



Western Power People Strategy | 2025–2030

An **engaged and diverse** workforce, **empowered and equipped** with the **right capabilities and resources** to **safely** power a **clean energy future**.

The four priorities are:



Underpinned by our Values and supporting delivery of Western Power's Strategy



Employee Engagement Survey

Western Power measures employee engagement on an annual basis, to understand what we do well and highlight areas for continual improvement. In 2025 we included embedded contractors for the first time, leading to a record participation rate of 85% with more than 3000 employees choosing to have their say.

We achieved an overall engagement score of 69%.

The senior leadership team work closely with this feedback to identify what's driving engagement at an organisational and local level and translate these insights to actions.

Streamlining our systems

Based on previous feedback from our employees, several major projects were deployed in this financial year to streamline the experience of working at Western Power for our people.

Project Phoenix

- Replacing our current training platform with the new integrated system to simplify and streamline the training and authorisation management processes.

The Grid

- Migrating our current intranet to SharePoint modern to improve useability, functionality and governance.

Celebrating Excellence: LiveWires Awards

At Western Power, our people are driving our success. The bi-annual LiveWires Awards celebrate the outstanding achievements of employees and teams. This year's ceremony reflected the talent, innovation and dedication across our organisations. As CEO Sam Barbaro shared:



It was a fantastic event and I was thrilled to be part of the recognition of all the nominees' incredible dedication to our values.

Each award category was highly competitive, truly showcasing the exceptional talent and commitment of our people.

With more than 440 nominations and 6 award winners selected, employees were recognised for their positive impact across all areas of the business. Each story shared during the event highlighted individual and team excellence, and the strengths in Western Power's culture.



Supporting employees across all life stages

Western Power offers flexible working arrangements, salary packaging options, and access to employee benefits and discounted products and services through our employee benefits program. Two new programs were offered to employees over the past year, to support the intersection between work and life.

Western Power's school holiday program provides onsite, subsidised holiday workshops for kids, to support working parents during school breaks. These spots sold out quickly, with over 200 placements across multiple locations.

For the Changing Gears program pilot we worked with 40 of our employees to better understand the information, support and opportunities needed as they prepare for retirement. All members of our second pilot stated they would recommend our program to other employees.



Highlights

Continuing to build a talented workforce

This year we worked hard to further build our talent base at Western Power through targeted recruitment and retention strategies. Overall, Western Power's turnover has reduced (**8% to 7.1%**) and new employees continue to highlight the strong onboarding program and benefits.



A total of **1,276 roles** were filled in the financial year, with **59.1%** being internal hires, demonstrating career progression opportunities and our commitment to retaining experienced employees.

The Regional Attraction Strategy has driven greater candidate interest and increased consideration for relocation to regional areas.



We play a strong role in the WA community, providing training and job opportunities for apprentices, graduates and vacation students. During this FY, we hired **36 graduates** and hosted **15 paid vacation students**, **30 Work Integrated Learning students** and **5 trainees**. In addition, we had **23 apprentices** commence in February 2025.

A refreshed Entry Level Programs Strategy, aligned with Western Power's Workforce Plan and DEI targets, aims to build sustainable talent pipelines and address technical and regional workforce gaps.

The strategy focuses on increasing intake across apprenticeships, graduate and traineeship programs, improving onboarding and engagement to boost retention, and expanding access to underrepresented cohorts such as **women in STEM**, **First Nations people** and **youth**.

Our stories

Diversity, Equity & Inclusion

Western Power has continued to embed Diversity, Equity and Inclusion (DEI) as a business imperative, with an increased focus on sustainable change. We're focussed on attracting and retaining talent for the future, that reflects the diversity of the community we serve. We engage in meaningful partnerships and events to secure our position as a trusted partner in the community.

Western Power has maintained or increased our results against all six categories in the Public Sector Commission Workforce Diversification and Inclusion metrics. We remain committed to providing a safe inclusive environment and support equitable employment opportunities for all ages and genders, the LGBTIQA+ community, people with disability, Aboriginal and Torres Strait Islander people, and people from culturally and linguistically diverse backgrounds.

Driving Reconciliation

A key milestone was the refresh of our Innovate Reconciliation Action Plan (RAP) 2025–2028, developed in close collaboration with internal and external stakeholders, and our own First Nations employees. We're proud to have achieved a 10% increase in First Nations employment and improved retention. Western Power held its inaugural First Nations Gathering, bringing together over half of First Nations employees with senior leaders and allies, for a day of cultural sharing, connection and formal collaboration on the RAP.



Enhancing our DEI Strategy

Western Power has successfully:

- embedded Western Power's DEI Strategy 2025-2028, developed with input from all business units;
- ran quarterly meetings of the Diversity, Equity and Inclusion Council, bringing together the executive team to oversee a cohesive company-wide program of objectives and actions;
- introduced First Nations Cultural Leave available to Aboriginal and Torres Strait Islander Employees, providing them access to paid leave for ceremonial or cultural activities;
- continued our strong partnership with the Waalitj Foundation and Clontarf Foundation to support educational outcomes of Aboriginal high school students and develop diverse candidate pipelines for entry-level pathways to employment with Western Power;
- promoted our public holiday substitution option, giving employees practical support around their personal choices for days of cultural significance;
- provided ongoing education opportunities for our employees, such as the Diversity, Equity and Inclusion Fundamentals course (3700+ completions);
- grown our six DEI Employee Networks.

Overall, our diversity, equity and inclusion efforts are providing positive change for our employees and customers, underpinned by stronger data, leadership commitment and a focus on outcomes for a safer, fairer and more inclusive workplace.

Employee Networks

Our Employee Networks provide key input to DEI planning and delivering a calendar of meaningful activities and events. These not only recognise days of significance but opportunities for building engagement and learning. Key activities have included:

- WA PrideFest, Western Power collaborated with Synergy to take part in the Fair Day and Pride Parade, celebrating LGBTIQ+ culture and community;
- 16 Days in WA Events held at our Perth Office and online, and participation in the 34th March against Family and Domestic Violence;
- International Day of People with Disability in-person and online sessions;
- International Women's Day, in collaboration with UN Women;
- Languages Fair and Harmony Week – celebrated with a series of hosted team events and internal social media campaigns;
- several National Reconciliation events including the official opening and smoking ceremony for our Noongar Six Seasons Reflection Garden – a collaborative artwork and botanical resting space for employees at South Metro Depot.

A company-wide approach to acknowledging and celebrating Days of Significance in diversity has improved the connectedness of our employee network groups, our leaders and the wider workforce.

All Gen

Encouraging intergenerational connection to harness the perspectives of people at all career and life stages

Diverse Sexualities and Genders

Providing a voice for LGBTIQ+ communities and their allies

MOSAIC

Boosting the voices of people from diverse ethnicities, cultures, languages and faiths



Focus Ability

Bringing together people of all abilities to advocate for people who experience disability

Gender Equity

Focusing on addressing equity in the workplace for people of all genders

Walking Together

Uniting First Nations and non-Indigenous colleagues to promote respect

Entry Level Program

As we close out the year, we're pleased to share highlights from our training and development performance – reflecting the collective commitment to capability building across the organisation.

Key outcomes achieved this year include:

- increase in training participation, with strong uptake across frontline and leadership cohorts through the Learning & Development Framework
- continued focus on alignment and delivery to the OCF to support critical capability areas, aligned with Western Powers strategic priorities
- External Legislative Audit at PTS with extremely positive feedback which has ensured we've met our regulatory and risk obligations for the next seven years
- strengthened our talent pipeline through increased graduate and apprentice programs to meet our future workforce demands.

These results are a testament to the value of investing in our people and the alignment of our People Capability strategy with business outcomes front and centre of what we do.

The year ahead will be focused on the safe delivery of our training delivery schedule to meet the strategic objectives.

We look forward to building on this momentum in the year ahead.

ASU/CEPU agreements landed

In the 2024-25 financial year, we reached agreement on new enterprise agreements (EAs) with both the Communications Electrical and Plumbing Union (CEPU) and the Australian Services Union (ASU).

The Western Power and CEPU EA covers the majority of Western Power's operational employees and came into effect in April 2025. The Western Power and ASU EA predominantly covers our office-based employees and came into effect in February 2025.

Employees under both EAs voted strongly in favour of the proposed new EAs, with the terms and conditions demonstrating our commitment to providing new and improved benefits and working conditions for our valued employees.

These outcomes reflect both the good faith we continue to embed within the agreement negotiation process and the ongoing commitment to our people who are key to our future success.



Reconciliation Action Plan Refresh

Western Power operates on Noongar, Yamatji and Wangkatha land and we recognise the rich history and culture of First Nations peoples and celebrate their achievements, while acknowledging the past and the challenges they continue to face today.

We're committed to fostering a diverse and inclusive workplace while actively creating and expanding employment opportunities for First Nations peoples at Western Power.

In 2024 we completed our Innovate Reconciliation Plan (RAP) 2021 – 2023. We're proud of what we achieved under the previous RAP – accomplishing 57 out of the ambitious 61 deliverables we set.

We refreshed our Innovate Reconciliation Action Plan (RAP) for the period May 2025 – June 2027 to continue building on our progress in a sustainable way and create a strong foundation for our reconciliation journey.

To guide the development of our refreshed RAP, we hosted our inaugural First Nations Employee Gathering with our First Nations employees to hear their perspectives on how can truly 'walk together' on our reconciliation journey. The gathering brought together our First Nations employees, senior leaders and allies for a day of cultural sharing, connection and formal collaboration to support our RAP.

Their insights shaped our refreshed RAP which cements our commitment to take deliberate steps toward a culture of reconciliation.

Our refreshed RAP covers four main focus areas: relationships, respect, opportunities and governance.

This year 25% of our 28 apprentices are people from First Nations backgrounds and as at early 2025, our total number of First Nations employees was 2% and apprentices was 17%.

To prepare for engagement with First Nations communities during the transmission network expansion, we ran 10 workshops with Aboriginal stakeholder groups to gain insights into their understanding of Western Power and their aspirations.

These workshops will inform the draft Aboriginal Engagement Strategy which will set the vision for Western Power's practises and approach to Aboriginal engagement.

National Reconciliation Week and NAIDOC Week are major dates of significance on the Western Power calendar when we recognise and celebrate First Nations culture and history. Employees are encouraged to engage with the activities and resources provided to foster learning experiences.

We updated our Aboriginal Procurement Policy Procedure, streamlining our procurement process for onboarding First Nations suppliers. Currently we have 47 contracts with First Nations owned businesses.

Under our new Western Power and Australian Services Union enterprise agreement, Aboriginal and Torres Strait Islander Employees are now entitled to five days of paid First Nations Cultural Leave per year to attend ceremonial or cultural activities, which includes attending cultural ceremonies and events, participating in community decision-making, observing mourning periods and attending funerals and sorry business.

Now into their fourth year, our partnerships with Waalitj Foundation and Clontarf Academy provide First Nations high school students pathways into careers with Western Power.



Our stories

Noongar Six Seasons Garden

During National Reconciliation Week 2025 we officially opened our Noongar Six Seasons Garden at our South Metro Depot | Boyli Mia location which is on Whadjuk Country in the Noongar Nation. Established as a meeting place and yarning circle space, the garden is a place for us to connect, learn and reflect, as well as honour the deep knowledge and traditions of the Noongar people.

The Noongar Six Seasons Garden is itself part of our journey in forging stronger relationships with First Nations people. It highlights what we have in common: care for the environment, work on the stunning landscapes of the South West and the honour of living in one of the world's richest biodiverse regions, with many of the extraordinary plant species unique to our part of the world.

The garden's design is both educational and meaningful, bringing attention to the six Noongar seasons and sharing stories that accompany them. The native plants featured reflect those traditionally used by local Aboriginal communities for food, shelter and tools throughout the year.

It also pays homage to the Kaarta Moorta (Perth Hills), including the Armadale/Forrestdale region and the Darling Range escarpment. During the different seasons, the flowers and plants associated with that season will blossom and leaves will change colour.

Boyli Mia means Powerhouse in Noongar, and our depot has been built for strength and energy, with the capacity to drive major change. As one of our busiest locations, the depot welcomes many staff and visitors, and the garden is designed to be a calm space that encourages people to pause and reflect.

We worked with local artist, Caris Collard, a proud descendant of the Yamatji and Noongar nations who drew on her cultural heritage and the landscapes that have shaped her life and her work to design the garden.

Throughout the garden's design and delivery, we consulted local Noongar Elders Aunty Vivien Hansen and Uncle Mort Hansen, who guided the selection of native plants and botanicals – infusing the space with deep cultural meaning and connection to Country.



In the community



The community remains at the centre of everything we do. As a Government Trading Enterprise, we're owned by the people of WA, delivering the energy needs of the community.

Community consultation is paramount in achieving mutually beneficial outcomes, and we're working closely with key stakeholders and the community to understand what's important to them on our shared journey towards a cleaner energy future.

Project and works engagement

Western Power delivers thousands of projects every year to connect customers, enhance the network and improve network reliability and resilience. Community engagement is essential to understand the community's priorities and sentiment, gather meaningful feedback, and to identify and mitigate risks to enable the successful completion of these projects.

During FY25, we provided community engagement support on more than 70 customer-funded and Western Power-driven projects. These projects range from installing community batteries, road and rail upgrades, new property developments, solar and wind farm connections, new mine sites, hospital expansions, and new asset installation.

Western Power is transforming the grid to enable industry and the community to achieve their decarbonisation goals. One important part of this is the continued roll out of underground power.

The community engagement team ensures key stakeholders including the community are engaged in WP's underground power program and its delivery. In FY25, the Community Engagement team supported more than 20 projects across 14 Local Governments.

Planned works

We also provided planned works notices to residents and business, as well as advice to key stakeholders outlining what's planned, when it's likely to occur, and what to expect. Western Power carries out essential maintenance throughout the year to enhance the network and improve power reliability, and early notice of these works helps the community understand potential impacts and prepare.

Over the last year...

- 14.8M website views
- 6.6M outage SMS
- 550k Contact Centre calls
- 14.5k letters
- 12k website enquiries
- 850 social posts
- 118 email campaigns



Extended Outage Payment Scheme (EOPS)



EOPS is a state funded program, administered by Western Power for the purpose of providing support to customers affected by power outages lasting 12 continuous hours or more.



Recently, we launched an enhanced version of the online application available via our website extended outage claim, designed to make it easier for both Western Power and our customers to navigate.



The enhanced online application will also help deliver better visibility of claims, notifications related to their progress, and an improved overall experience for applicants.

Local Government engagement

Western Power's network covers 113 local government areas, spanning from Kalbarri in the north to Bremer Bay in the South and east to Kalgoorlie. Western Power engaged proactively with strategic local governments through executive meetings to support long-term planning, coordinated infrastructure delivery and shared community outcomes. Our engagement includes bi-annual metro LG forums as well as meetings with all metro and regional LGs for the year.

We work closely with the West Australian Local Government Association (WALGA) and local governments on projects and initiatives that impact them and their communities.

A key engagement was Western Power's attendance at seven WALGA Zone meetings in November 2024. These meetings were attended by CEOs and Shire

Presidents of 70 local governments from across the Central Country, Northern Country, Avon-Midland, Peel, Great Eastern, Great Southern and South-West regions.

During the sessions Western Power presented on its summer preparedness activities including maintenance activities to mitigate bushfire risk in the lead up to summer, as well as how we effectively communicate with community and stakeholders during emergency situations.

Community and land access

Western Power manages land access across a broad and diverse network, including rural and peri-urban areas where infrastructure intersects with private and agricultural land. Building and maintaining respectful relationships with landowners remains a priority, especially where planned works, new access corridors or network expansions may impact private property.



Transmission expansion and scoping

Western Power is delivering the network infrastructure needed to achieve the State Government's vision for WA as a world-leading clean energy powerhouse.

We've begun the initial phase of transmission augmentation, with construction of the northern project commencing in June 2025. To support this, regional engagement with landowners, Shires and relevant stakeholders, continued in 2024 and 2025. Metropolitan engagement with the community, landowners and wider stakeholders was strategically planned mid-2025, aligned with contractor engagement strategies.

Planning and scoping of network expansion east from Collie is occurring in two stages, enabling us to manage connections for projects already well-progressed, while supporting a smooth and efficient integration for future energy needs.

Initial environmental and technical studies for stage one began in 2023 and have since been ongoing to refine a study corridor for further investigation, refinement and consultation.

Regional Connect

The initial target areas identified for engagement in FY25 were Lancelin (Shire of Gingin), Shire of Northampton, Shire of Irwin, Shire of Gnowangerup and Shire of Lake Grace.

Western Power hosted community drop-in sessions in Lancelin, Northampton, Dongara, Gnowangerup and Lake Grace to gain feedback from those communities, which has resulted in new network enhancements and asset upgrades being planned or implemented at those locations. For more information on Regional Connect, see page 49.



Bushfire Volunteers Grants Program

Each year, Western Power provides \$45,000 in grants to volunteer bushfire brigades within the Western Power network service area to support firefighting capabilities and brigade operations.

This program is a part of our commitment to making a positive difference to local communities by supporting and recognising the dedicated volunteers who work tirelessly to protect the community

The funding is used to purchase support equipment such as tablets, small generators, shade structures and equipment bags, supporting brigades to safely and effectively carry out their firefighting activities.

In FY25, funding was allocated to 43 volunteer bushfire brigades in 27 local government areas.

We collaborate with the Bushfire Volunteers Association to administer these grants each year.

Other major engagements conducted in the FY25 financial year are outlined on the opposite page.



The support that Western Power has provided to our members over the years has been invaluable. This has enabled many brigades to procure critical equipment and services and reduce the amount of time our already busy volunteers have to spend fundraising.

Lorraine Webster
Bushfire Volunteers President

2024

Month	Event
July	- Public Lighting Strategy local government consultation. - Planned works: Kalgoorlie-Boulder, Nannup, Greater Geraldton, Irwin.
August	- Regional Connect – Lancelin Community Partnered Working Group workshop. - Planned works – Jarrahdale, Serpentine, Mundijong, Hopeland, Cardup, Whitby, Mardella.
September	- Regional Connect – Northampton community drop-in session. - City of Vincent – Community information session for North Perth and Mount Hawthorn underground power project. - Planned works – Merredin, Dalwallinu, Moora, Coorow.
October	- Regional Connect – Dongara community drop-in session. - Planned works: Bullfinch.
November	- WALGA zone meetings – Central Country, Northern Country, Avon-Midland, Peel, Great Eastern, Great Southern, South-West. - Local Government Infrastructure Forum. - Planned works – West Coolup, Waroona. - Bushfire Preparedness community information email.
December	- Helicopter maintenance work – Shires of Dumbleyung, Gnowangerup, Jerramungup, Katanning, Kent, Lake Grace Kondinin and Kulin. - Planned works – Kalbarri, Kentdale.

2025

Month	Event
January	- Pole top fire emergency management response – Mid West, Wheatbelt and Metro areas. - Planned works – Quairading, Takalarup, Gnowellen, Meckering, Merredin.
February	- Storm emergency management response – Mundaring and Swan. - Community engagement session in Gidgegannup following storm response. - City of Stirling – Doubleview underground power project community information session. - Helicopter maintenance work – Shires of Dandaragan, Moora.
March	- LED Streetlights pilot program – Cities of Melville, Kwinana and Canning. - Helicopter maintenance work – Shire of Dalwallinu.
April	- Stoneville and Parkerville Progress Association Inc community meeting. - Regional Connect – Gnowangerup and Lake King community drop-in sessions. - City of Rockingham – Safety Bay/Shoalwater underground power project presentation to Council. - Planned works – Kalbarri, Kalgoorlie-Boulder, Tammin, Quinns Rock.
May	- Town of Mosman Park – underground power community information sessions. - Helicopter maintenance work – Shire of Moore, Koorda. - Planned works – Darlington.
June	- Local Government Infrastructure Forum. - Helicopter maintenance work – Shires of Wongan-Ballidu, Goomalling, Dowerin, Koorda. - Commence engagement with small businesses and residents via Community Working Groups for our AA6 submission.

Our stories

Network for life campaign

In July 2024 we launched our Network for Life campaign, building on our previous Powering Our Lives campaign.

The Western Power network is integral to and enables the lives of so many. A network that helps all of life's networks flourish. While the network of the future may look a little bit different, it's built on a foundation of an existing network that we've been continually managing, upgrading, maintaining and evolving for years.

The campaign features a series of advertisements outlining Western Power's vision for a decarbonised future as well as the tactical work already being undertaken to continue to deliver electricity to the community through the energy transition. We're helping to paint a high-level picture of a decarbonised future while providing proof points about what we're doing to improve reliability and deliver on our core business to improve felt experience for customers now.



Western Power has a critical role to play to achieve the State Government's goal of a cleaner energy future – but we can't do it alone. The campaign is part of that ongoing conversation with our community, and aims to demonstrate to our customers our commitment to working together to power a cleaner energy future.

This campaign complements our other awareness campaigns – including:

- **Make the Safe Call** – driving community awareness on electrical hazards, what to do and educate common outage causes.
- **Shocks and Tingles** – in partnership with Building and Energy, aims to remind community that shocks and tingles may be an early warning sign of an electric fault and should be reported immediately.
- **360 Aware** – promotes safety near the network, supported by an online learning tool to help businesses develop daily safety plans.
- **Powering Kindness** – encourages respect towards our frontline workforce, reinforcing community connection and safety.
- **Peak Demand** – helps to mitigate demand on the energy system during peak hours (5pm – 9pm) over summer, through driving awareness amongst the community on small but impactful changes they can make to their energy consumption habits.



Financial report



Financial report

Directors' report	70	Section 4: Debt and equity	
Corporate governance disclosure	83	17 Financial risk management	113
Financial statements		18 Borrowings	120
Statement of comprehensive income	84	19 Lease liabilities	121
Statement of financial position	85	20 Derivative financial instruments	122
Statement of changes in equity	86	21 Recognised fair value measurements	125
Statement of cash flows	87	22 Contributed equity	126
Notes to the financial statements		23 Hedging reserve and retained earnings	127
Section 1: Basis of preparation		24 Dividends	128
1 Reporting entity	88	Section 5: Other information	
2 Basis of accounting	88	25 Related party transactions	129
3 Critical accounting estimates and judgements	89	26 Remuneration of auditors	131
Section 2: Profit for the reporting years presented		27 Contingencies	131
4 Income	91	28 Commitments	131
5 Expenses	93	29 Events occurring after the reporting date	132
6 Net finance costs	94	Directors' declaration	133
7 Income tax equivalent expense	95	Corporate directory	134
Section 3: Operational assets and liabilities		Independent auditor's report	135
8 Cash and cash equivalents	97		
9 Trade and other receivables	98		
10 Inventories	100		
11 Property, plant and equipment, and intangible assets	101		
12 Right-of-use assets	105		
13 Trade and other payables	107		
14 Provisions	107		
15 Deferred income	110		
16 Deferred tax equivalent liabilities	111		

Directors' report

The directors of the Electricity Networks Corporation trading as Western Power (**Western Power**) present this report for the reporting year ended 30 June 2025. This is in accordance with the *Government Trading Enterprises Act 2023 (GTE Act)* and the *Government Trading Enterprises Regulations 2023 (GTE Regulations)*. Comparative amounts are for the previous reporting year from 1 July 2023 to 30 June 2024.

Western Power’s principal activities

The principal functions of Western Power are to:

- manage, plan, develop, expand, enhance, improve and reinforce the electricity transmission and distribution networks known as the South West Interconnected Network (**SWIN**)
- provide and improve electricity transmission and distribution services from the SWIN
- provide access to services of network infrastructure facilities as required and authorised by the *Electricity Industry Act 2004 (WA)*, the Regulations under that Act, and the electricity system and market rules
- provide ancillary services.

In performing its functions, Western Power must act in accordance with the requirements of the GTE Act:

- Section 7 – to advance the public benefit through the performance of its function.
- Section 9(1) – to perform in accordance with its statement of expectations and annual performance statement and, in particular, must;
 - (a) endeavour to pursue performance objectives and attain key performance indicators contained in its annual performance statement, and
 - (b) endeavour to achieve financial outcomes that are consistent with forecasts and forward year estimates contained in its annual performance statement.

- Section 9 (2) – in performing its function must, consistently with its purpose;
 - (a) endeavour to achieve policy objectives set out in its policy order
 - (b) act in accordance with prudent commercial principles.

There have been no significant changes in the nature of Western Power’s principal activities during the reporting year ended 30 June 2025.

Western Power’s directors

The below persons were directors of Western Power as at the date of this report, see table 1 below.

Changes to directors during the current reporting year include:

- Mr Greg Martin retired as Deputy Board Chair on 9 August 2024
- Ms Eva Skira retired as non-executive director on 28 May 2025
- Ms Andrea Hall was appointed as Deputy Board Chair effective 20 December 2024 through to 28 May 2025
- Mr Michael Barnes was appointed as a non-executive director and Deputy Board Chair for a three-year term, with effect from 29 May 2025. It was announced on 15 August 2025 by the Minister that Mr Barnes has been appointed as Board Chair effective December 2025.

Table 1: Western Power directors	
Name	Duration
Denise Goldsworthy AO (Board Chair)	From 01/01/2018
Michael Barnes (Deputy Board Chair)	From 29/05/2025
Andrea Hall	From 01/11/2023
Monish Paul	From 01/11/2020
Wayne Manners	From 01/11/2023
Robert Grant	From 01/02/2024

Directors' report (continued)

Information on directors as at the date of this report

Table 2: Western Power directors

Legend:

ARC = Audit and Risk Committee

GC = Governance Committee (formerly Remuneration and Nominations Committee)

SPC = Safety and People Committee (formerly Health, Environment and Sustainability Committee)

Director	Profile	Committee responsibilities
Denise Goldsworthy AO Board Chair Non-executive director B.Met (Honsl) FAIM FTSE GAICD	Appointed with effect from 01/01/2018, current term expires on 22/12/2025. Experience and expertise: Ms Goldsworthy is an experienced non-executive director and advisor on research, technology and innovation. Ms Goldsworthy has senior executive and/or non-executive experience in manufacturing (steel), infrastructure, mining (iron ore, industrial minerals), technology/innovation and tertiary education sectors. Ms Goldsworthy is the Managing Director and Owner of Alternate Futures – established specifically to work at the interface between Australia's research organisations, tech-startups and industry. Ms Goldsworthy was named the 2010 Telstra Australian Business Woman of the Year, was inducted into the Western Australian Women's Hall of Fame in 2011 and was made an Officer of the Order of Australia in the 2020 Queen's Birthday Honours List. Current directorships: - Chair of: - Gascoyne Gateway Ltd - Navy Clearance Diver Trust - Cooperative Research Centres Advisory Committee. - Non-executive director of: - Leichardt Industrials Pty Ltd. - Connectivity TBA Australia. - Member of: - Chief Executive Women - Curtin University Commercialisation Advisory Board - Resources Technology and Critical Minerals Trailblazer Board.	GC Chair SPC member ARC member

Directors' report (continued)

Table 2: Western Power directors (continued)

Director	Profile	Committee responsibilities
Michael Barnes PSM Deputy Board Chair Non-executive director B.Bus (Hons) FIPA AWA CME	Appointed with effect from 29/05/2025, current term expires on 28/05/2028. Experience and expertise: Mr Barnes has extensive experience in financial management, economic policy and government administration and served as Western Australia's Under Treasurer for 11 years where he was responsible for managing and reporting the State's finances. During this period, he was also Chair of the Western Australian Treasury Corporation Board and was on the Board of Infrastructure WA since its inception in 2019. Mr Barnes is currently serving as WA's Chief GST 'Fairness Fighter' and as a lead reviewer for the Public Sector Commission's agency capability review program. Mr Barnes has a Bachelor of Business with Honours in Economics, and a Certificate of Management Excellence from Harvard Business School. He was awarded the Public Service Medal in 2020 for his outstanding public service to State Government finances and was the Institute of Public Administration's Leader of the Year in State or Federal Government in 2022. Current directorships: • Chair of Keystart • Non-executive director of Western Australian Treasury Corporation (WATC).	SPC member
Andrea Hall Non-executive director B.Comm FCA GAICD M Ap Fin	Appointed with effect from 1/11/2023, current term expires on 31/10/2026. Experience and expertise: Ms Hall is a highly experienced Non-Executive Director with knowledge in a wide range of sectors including natural resources, financial services, transport and infrastructure. Ms Hall is a former KPMG Risk Consulting Partner and has extensive audit and risk experience, serving as Chair of the Audit and Risk Committee at Perenti Limited, the Audit Committees for Evolution Mining and Commonwealth Superannuation Corporation. Ms Hall is Chair of the Audit and Risk Committee. Current directorships: • Non-executive director of: • Perenti Ltd • Evolution Mining Ltd • Commonwealth Superannuation Corporation • Australian Naval Infrastructure.	ARC Chair GC member

Directors' report (continued)

Table 2: Western Power directors (continued)

Director	Profile	Committee responsibilities
Monish Paul Non-executive director B.Bus MBA MAICD	Appointed with effect from 01/11/2020, current term expires on 31/10/2026. Experience and expertise: Mr Paul is a non-executive director and advisor with proven experience in organisational strategy and performance. Mr Paul has worked in senior roles with FTI Consulting, IBM, Deloitte, Arthur Andersen, and the Australian Federal and State Public Service. Mr Paul has deep expertise in corporate strategy, operations improvement, transformation, complex technology implementation, and regulatory compliance across a range of sectors including Utilities, Government, Health & Financial Services. Mr Paul sits on the Audit & Risk Committee and Chairs the Safety and People Committee. Current directorships: • Non-executive director of Police & Nurses Limited • Non-executive director of St John WA	SPC Chair ARC member GC member
Wayne Manners Non-executive director Dip.CE GAICD MBA	Appointed with effect from 1/11/2023, current term expires on 31/10/2026. Experience and expertise: Mr Manners is an experienced, strategic thinking executive and leader with a proven track record in delivering significant organisational change and improvement – most recently as President and Chief Executive Officer of Boral Australia. Mr. Manners has experience across various sectors, including building and rail, with a majority of his career focused on Construction and Project Management, as well as Construction Materials. Mr Manners is a strong advocate of Zero Harm, workplace mental health, diversity and inclusion. While at Boral he chaired their Diversity and Inclusion Council. Mr Manners was previously on the Board of the Green Building Council of Australia and is currently an Advisory Board Member of IQRenew, a leading NSW recycling business. Current directorships: • Non-Executive Director of EcoSurfaces Australia.	GC member SPC member

Directors' report (continued)

Table 2: Western Power directors (continued)

Director	Profile	Committee responsibilities
Robert Grant Non-executive director B.Eng MBA MAF	Appointed with effect from 01/02/2024, current term expires on 01/02/2027. Experience and expertise: For 29 years, Mr Grant has been personally and professionally passionate about advocating for and delivering climate change abatement and clean energy policy, regulation, projects investments, businesses and industries. Mr Grant's professional career includes his current role as Managing Director, Global Head of Projects at Pollination Group and past roles as Director Energy at Fortescue Metals Group responsible for the company's energy and green hydrogen businesses, Chair of the Clean Energy Investor Group, Senior Vice President Clean Power and Vice President Capital for SNC-Lavalin in Asia Pacific and for 18 years until 2014 (including 9 years as CEO) helped position Pacific Hydro as Australia's most successful and dynamic international clean energy utility. Mr Grant holds a Bachelor of Civil Engineering and MBA from Melbourne University and Master of Applied Finance from Macquarie University.	GC member SPC member

Table 3: Directors' attendance at meetings

The numbers of Board and standing committee meetings held during the reporting year ended 30 June 2025, and each director's attendance at those meetings, are below:

Attendee	Board		Audit and Risk Committee		Governance Committee (formerly Remuneration and Nominations Committee)		Safety and People Committee (formerly Health, Environment and Sustainability Committee)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
D Goldsworthy AO	13	13	4	4	2	2	4	4
M Barnes	2	1	-	-	-	-	-	-
A Hall	13	11	5	5	2	2	-	-
M Paul	13	12	5	4	2	1	4	4
E Skira AM (Retired)	11	11	5	5	2	2	-	-
W Manners	13	13	-	-	2	2	4	4
R Grant	13	11	-	-	2	2	4	4
G Martin (Retired)	1	1	-	-	-	-	-	-

Directors' report (continued)

Company Secretary

Ms Lucinda Kerr was appointed as Western Power's Company Secretary in September 2023 following an extensive career in accounting and finance in the public and private sector, with a strong focus on the energy industry. With more than 25 years of finance and regulatory experience gained in London, Melbourne and Perth, Ms Kerr commenced with Western Power in 2016 and was previously the technical lead for Western Power's fifth access arrangement program.

Ms Kerr has a Bachelor of Commerce from the University of Western Australia and is admitted as a Chartered Accountant Australia and New Zealand.

Review of operations

To avoid duplication of content, please refer to the front section within this annual report, including the messages from the Board Chair and Chief Executive Officer, for information on the operations and financial position of Western Power, and its business strategies.

Western Power's operating results

For the reporting year ended 30 June 2025:

- Western Power achieved a net profit after income tax equivalent of \$338 million (30 June 2024: \$381 million)
- Western Power's net cash flows excluding borrowings were \$282 million deficit (30 June 2024: \$3 million surplus). This cashflow was primarily financed by an increase of \$363 million in borrowings (30 June 2024: increase of \$140 million in borrowings).

Dividends

Details of the dividends Western Power paid to the Western Australian State Government during the reporting years presented, are shown in table 4 below.

Table 4: Dividends

Dividends paid	2024/25		2023/24	
	\$M	Payment date	\$M	Payment date
Final dividend	71	19/12/2024	-	-
Special dividend	-	-	-	-
Interim dividend	-	-	-	-
Total dividends paid	71		-	

Directors' report (continued)

2024/25 dividends paid

During the reporting year ended 30 June 2025, Western Power paid the State Government dividends of \$71 million (30 June 2024: nil). This is in-line with written notice from the Minister for Energy, and pursuant to sections 140 and 141 of the GTE Act respectively – being the directors recommended:

- a final dividend of \$71 million for the year ended 30 June 2024 – paid in December 2024;
- a nil special dividend for the sale of land surplus to requirements; and
- a nil interim dividend for the reporting year ended 30 June 2025.

Dividends not recognised at the end of the current reporting year

Since the end of 30 June 2025, the directors have resolved to recommend, subject to the approval of the Minister for Energy, a dividend of \$204 million for the reporting year ended 30 June 2025, being:

- a final dividend of \$253 million in-line with Western Power's net profit after income tax equivalent; plus
- a special dividend of \$1 million for sale of land surplus to requirements, less
- \$50 million retention (per year between 2024/25 to 2027/28) in line with approval by the Expenditure Review Committee as contribution toward the Housing Enabling Infrastructure Fund for housing-related infrastructure commitments.

For more details refer to note 24 'dividends' in the financial statements of this financial report.

Matters subsequent to the end of the current reporting year

Other than the events disclosed in note 29 of the financial statements within this financial report, there are no matters or circumstances that have arisen since 30 June 2025 and the date of this report that are likely, in the opinion of the directors, to significantly affect the operations of Western Power, the results of those operations or the state of affairs of Western Power in subsequent reporting years.

Current and likely developments and their expected results of operations

In accordance with section 12 of GTE Regulations, the current and likely developments in Western Power's operations and their expected results are set out below.

Public safety

Western Power is required to maintain and replace network assets in a way that delivers to the community a safe, reliable and affordable connection to electricity.

All electricity networks in Australia including the SWIN, have an inherent level of risk in operation. This risk arises due to the inherent nature of electricity and also from environmental and climate related impact on the SWIN.

Safety risks associated with the SWIN are managed in accordance with Western Power's Asset Management System. This System meets the requirements of the transmission and distribution licenses issued by the Economic Regulation Authority (ERA), and:

- has been independently assessed (with approval from the ERA) as compliant with the Electricity Network Safety Management System (ENSMS) requirements stipulated in the Australian Standard (AS) 5577 ENSMS and the *Electricity (Network Safety) Regulations 2015 (WA)*; and
- is certified to the requirements of the International Organisation for Standardisation (ISO) 55001: 2014 Asset management – management systems.

Western Power's Asset Management System ensures continued management of the SWIN in an effective and sustainable manner considering the risk posed.

Asset utilisation

Western Power faces rapid changes driven by climate change, decarbonisation, increased electricity demand and evolving technologies.

To achieve this, Western Power is progressing a number of critical initiatives:

- supporting the government's SWIS Demand Assessment (SWISDA) and Transmission Infrastructure Plan (TxIP) progressing transmission network expansion and augmentations to support decarbonisation and forecast major customer load, generation and storage connections
- supporting State and Federal Government initiatives to increase housing supply by assessing and initiating projects to augment and extend the network to provide power to government specified priority areas. Furthermore, the business continues to actively collaborate across various government departments and servicing agencies
- delivering capacity enhancement to increase available distribution capacity.

Western Power also manages a large, ageing network so it remains a continued focus to maximise the utilisation and life of its existing assets in an innovative and sustainable manner. Western Power's annual 'State of the Infrastructure' report as published on the website, outlines the current health and performance of the network, plus highlights the associated risks.

Directors' report (continued)

Climate change – emissions

Over the past year, Western Power has continued to increase the pace and scale of decarbonisation related activities in response to market shifts to renewable generation, storage and load requirements.

Western Power's network will play a crucial role in achieving emissions targets, including the State Government's goals of net-zero emissions by 2050 and an interim reduction of 80% of 2020 levels by 2030.

Western Power continues its commitment to reducing its own network emissions through several key initiatives:

- Reducing thermal energy line losses: transforming the existing network to support large-scale renewable energy generation to enable the retirement of the Government's coal fired power station fleet
- Stand-alone Power Systems: contributing to the decarbonisation of our distribution network
- Electric Vehicles: supporting the State Government's electric vehicle strategy and increasing electric and hybrid vehicles in its fleet, while avoiding over-investment before broad adoption. Western Power's light passenger fleet now consists of more than 10% electric or hybrid vehicles.
- Project Jupiter: continuing the progress made under Project Symphony to orchestrate Distributed Energy Resources (**DERs**) such as rooftop solar panels, in-home batteries, and electric vehicles, into a Virtual Power Point (**VPP**) to address the challenges and opportunities presented by the increasing adoption of these renewable energy sources.

Extreme weather events

Extreme weather events such as severe storms, bushfire, extended heatwaves and overall hotter, drier conditions impact on customer reliability.

Extreme weather events are placing greater demands on network resilience and reliability, leading to higher operational and maintenance costs. As climate change accelerates these challenges, our ability to adapt and mitigate risks becomes even more critical to ensuring the continued delivery of safe and reliable energy to our customers.

To address impacts of extreme weather events, Western Power has increased its emphasis on disaster preparedness, and network maintenance, innovation and investment, including integrating new technologies to improve network reliability and resilience, and on-going bushfire management. This includes targeted investment in programs such as undergrounding of the overhead network, Stand-alone Power Systems, and maintaining a comprehensive bushfire mitigation strategy.

Our approach to bushfire risk reduction includes proactive asset inspections and maintenance, network enhancement and vegetation management.

Indemnity and insurance of directors and officers

Western Power has entered into a deed of indemnity with each director. The respective deeds provide that:

- Western Power indemnifies the director against all liabilities and costs relating to proceedings that are anticipated, threatened or commenced against the director in relation to matters arising in the course of the director acting in connection with the affairs of Western Power, or otherwise concerning the director holding office as a director of Western Power
- the indemnity does not extend to claims against the director by Western Power or a subsidiary, or to any liability or claim arising out of conduct involving a lack of good faith.

Western Power holds a directors' and officers' liability insurance policy. Subject to the applicable terms and conditions, the policy will pay to or on behalf of an insured person, or reimburse Western Power for any loss paid to an insured person, in relation to a claim or claims made against them jointly or severally during the period of insurance by reason of any wrongful act (as defined by the policy) in their capacity as a director or officer of Western Power.

For the reporting year ended 30 June 2025, no successful claims were made against the directors' and officers' component of the policy.

External auditor

In accordance with section 145 of the GTE Act, Western Power's financial report for a financial year must be audited by the Auditor General. Western Power did not provide indemnity and did not hold an insurance policy for the Auditor General for the year ended 30 June 2025. For more details on auditor remuneration, please refer to note 26 'remuneration of auditors' in the financial statements of this financial report.

Directors' report (continued)

Other required legislative disclosures

Observance of Western Power's Code of Conduct

Western Power's Code of Conduct has been established to provide guidance on acting responsibly and ethically when completing tasks on behalf of Western Power.

The Code of Conduct applies to all directors, executive officers and employees of Western Power, and to all contractors performing activities on behalf of Western Power. All personnel have access to Western Power's Code of Conduct.

Section 33 of the EC Act requires the Board to report to the Minister for Energy on observance of the Code of Conduct by all Western Power personnel. This report is submitted at the same time as Western Power's annual report.

All Western Power personnel receive code of conduct and conflicts of interest training upon commencement of employment and thereafter once every three years.

State Records Act 2000 (WA)

Western Power maintains and supports quality record keeping practices in its day-to-day business activities. Records are managed in accordance with the *State Records Act 2000 (WA)* and Western Power's approved record-keeping plan.

Regular reviews of Western Power's record-keeping systems and practices are conducted to ensure they remain efficient, effective and reflect business requirements.

Personnel, including contractors, are required to complete online record-keeping training prior to accessing Western Power's information management system. Training programs are reviewed on an ongoing basis to ensure they reflect evolving business processes.

Operations subject to environmental, heritage and planning regulations

Western Power's assets and associated activities are subject to State and Commonwealth environmental, heritage and planning legislation, including specific approvals, licences and permits which support regulatory compliance and maintain minimum environmental performance targets.

Western Power holds a vegetation clearing purpose permit which enables self-assessment for the clearing of native vegetation under certain circumstances. Western Power limits clearing activities and impact to the environment, and only does so for network expansion and maintenance purposes. During 2024/25, nine internal clearing permits were issued. An estimated total of 0.55 hectares of native vegetation was cleared during the year under six separate internal clearing permits.

An internal audit of 2023 clearing activities was undertaken during 2024/25. There were no significant adverse findings. One process Non-Conformance and four Opportunities for Improvement were identified.

Western Power maintains a licence for the bulk storage of oil at Kewdale Depot. Western Power performed an internal audit for compliance with our Kewdale oil stores permit, as required annually by the Department of Water and Environmental Regulation (**DWER**). The audit, conducted in August 2024, focussed on compliance within the 2023/24 Financial Year and identified no non-compliances in accordance with the licence requirements.

Western Power holds five dangerous goods licences for the storage of sulphur hexafluoride (an insulating gas used in electrical equipment). Two additional licences will need to be obtained for substations that have increased their storage of SF6 gas to quantities requiring licencing. There was one remediation notice issued by the Department of Energy, Mines, Industry Regulation and Safety during 2023/24 as a result of incomplete documentation at Kwinana Terminal. A project has commenced to address any regulatory compliance issues related to dangerous goods management, with an expected completion date of March 2026.

Western Power is required to report significant environmental incidents to its regulators as soon as practicable. During 2024/25 Western Power externally reported 21 environmental incidents, three of which were oil leaks from transformers and 18 associated with fauna deaths reported due to coming in contact with Western Power assets.

Spill response is undertaken at oil leak sites with further investigation and remediation managed in consultation with environmental regulators. While matters of fauna coming into contact with the network are also investigated and controls (i.e. bird diverters/possum guards) put in place both to minimise the risk of impact or recurrence of an impact in sensitive areas. In 2024/25 a total of 213 spills were reported, of which 210 spills were from Western Power transformers.

Western Power's Environmentally Sensitive Area (ESA) Program continues to support environmentally conscious access and land management across the network. In 2024/25 there were 643 requests for ESA procedures (2023/24: 596 requests). Western Power also continues to investigate and implement enhancements to its waste management approach, with 126 controlled waste requests in 2024/25 (2023/24: 241 controlled waste requests).

In agreement with the DWER, Western Power prepares a six-monthly report of any spills or leaks in Underground Water Pollution Control Areas (**UWPCAs**), which are in place to protect Perth's drinking water. A total of 18 oil leaks within UWPCAs were reported to the DWER for the six months ending December 2024 all of which have been addressed through Western Power's spill response process.

Directors' report (continued)

Operations subject to environmental, heritage and planning regulations (continued)

A further 5 leaks in UWPCAs have been identified for the six months ending June 2025 and will be reported to the DWER in accordance with the six-monthly review cycle and have been addressed.

Western Power submitted six development applications to the relevant planning authorities in 2024/25 and has not been notified by the Western Australian Planning Commission or any other relevant planning bodies of noncompliance, nor been required to submit notification to the Ministers for Energy or Planning in respect of works, pursuant to section 60 of the *Electricity Corporations Act 2005 (WA)* (EC Act).

Three activity notices were submitted to the South West Aboriginal Land and Sea Council under Western Power's Aboriginal Heritage Agreements in 2024/25. One activity notice was submitted to the Yamatji Nation under the WA Government Indigenous Land Use Agreement in 2024/2025.

Electoral Act 1907 (WA)

In accordance with section 175ZE of the *Electoral Act 1907 (WA)*, the below expenditure shown in table 5 (exclusive of goods and services tax) was incurred by Western Power during the reporting year ended 30 June 2025.

Rounding of amounts

Amounts presented in the directors' report have been rounded off to the nearest million dollars (\$M), unless otherwise stated.

Table 5: Expenditure incurred by Western Power during the reporting year ended 30 June 2025

Category	Amount (\$)	Recipients
Advertising agencies	516,194	• Advance Press (2013) • Cloudstoke • Juicy Design • Justin Braine • VML AUSTRALIA • Workhouse Advertising
		Advertising expenditure includes costs associated with communications; digital content and marketing; merchandise; photography; print, video and animation production; public safety and educational campaigns.
Market research organisations	220,420	• Faster Horses • Yougov Galaxy
		Market research expenditure includes costs associated with consulting; customer research; corporate reputation, campaigns and strategies.
Media advertising organisations	1,965,404	• Brand Agency
		Media advertising expenditure includes costs associated with media monitoring (radio/print/digital) and placements.
Total expenditure	2,702,018	

Directors' report (continued)

Principles used to determine the nature and amount of remuneration

Western Power's remuneration policy has been formulated to:

- provide a market competitive remuneration framework designed to attract, retain and motivate a skilled workforce with the capabilities and skills required to effectively achieve Western Power's corporate objectives
- adopt a commercial approach to the management of remuneration, including the capacity to pay, provide a clear governance framework and address associated risks
- ensure employees are appropriately compensated according to the value of the work performed, the services they provide to the company and their personal performance
- ensure compliance with all prevailing laws, applicable employment instruments and relevant enterprise agreements.

Non-executive directors

The remuneration of non-executive directors is approved by the Minister for Energy in accordance with relevant Salaries and Allowances Tribunal (SAT) determinations.

The non-executive directors' remuneration framework is based upon a total fixed remuneration approach that includes base salary and superannuation only. The Audit and Risk Committee Chair and members are also entitled to a separate allowance under the SAT determination 2023. No other benefits are paid to non-executive directors.

Non-executive directors do not participate in any variable reward or 'at-risk' plan.

No remuneration is paid to any non-executive directors that hold a full-time office or position that is remunerated out of moneys appropriated by Parliament.

Chief Executive Officer and executives

The remuneration of the Chief Executive Officer is determined in accordance with the GTE Act and the *Salaries and Allowances Act 1975 (WA)*.

As part of this, the SAT determines the relevant salary band for the Chief Executive Officer's total fixed remuneration – within which the Board has discretion to set the remuneration.

The remuneration of other executives is set by the Chief Executive Officer in consultation with the Board.

The Chief Executive Officer and other executive's remuneration framework is based upon a total fixed remuneration approach that includes base salary, superannuation and benefits to reflect the level of work, accountability and personal competency in the role.

The Chief Executive Officer and executives do not participate in any variable reward or 'at-risk' plan.

Total remuneration is reviewed annually on the basis of government policy, competitive market movement and personal performance. There are no guaranteed remuneration increases included in any executive contracts.

Details of remuneration

Non-executive directors

For a list of Western Power's directors during the reporting year ended 30 June 2025, refer to the 'Western Power's directors' section at the front of this directors' report.

The remuneration for, and duties and obligations of Western Power's directors are determined under the GTE Act.

In accordance with section 15(c) of the GTE Regulations, details of the nature and amount of each element of remuneration for the directors during the reporting years presented, are shown in table 6 below.

Table 6: Remuneration – Non-executive directors

Total remuneration band \$'000	Salary and fees	Superannuation	Total remuneration
	Number of directors*		
\$1 – \$50	1	7	1
\$51 – \$100	5	–	5
\$101 – \$150	1	–	–
\$151 – \$200	–	–	1

* During the reporting year ended 30 June 2025 the composition of the Board changed.

Directors' report (continued)

Executive officers

The remuneration and other terms of employment for Western Power's executive officers are formalised in ongoing employment agreements.

In accordance with section 15(c) of the GTE Regulations, details of the five highest remunerated officers (being executive officers of Western Power) during the reporting years presented, are shown in table 7 below.

For the total remuneration to Western Power's directors and executive officers (where key management personnel) refer to note 25(b) 'related party transactions' in the financial statements of this financial report.

Table 7: Remuneration – Executive officers

Total remuneration band \$'000	Salary	Leave [#]	Superannuation	Other	Total remuneration
	Number of executives				
\$0 – \$100	-	5	5	5	-
\$401 – \$500	4	-	-	-	-
\$501 – \$600	-	-	-	-	4
\$701 – \$800	1	-	-	-	1

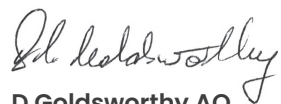
[^] Other comprises the monetary value ascribed to benefits which may include vehicle allowances, professional memberships, and other employment-related benefits.

[#] Leave may include leave entitlements and cashed out leave in line with applicable policies and agreements.

Directors' report – confirmation

This directors' report is authorised for issue in accordance with a resolution of the directors on 25 August 2025.

Signed on: 25 August 2025



D Goldsworthy AO
Board Chair



A Hall
Chair of Audit and Risk Committee

Corporate governance disclosure

Corporate governance at Western Power

The Board of Western Power is committed to a high level of corporate governance and fostering a culture that values safety, ethical behaviour, integrity, diversity and respect.

Western Power's corporate governance disclosures are published on the Western Power website at:

westernpower.com.au/about/governance/

Financial statements

Table 1: Statement of comprehensive income for the year ended 30 June 2025

	Note	2024/25 \$M	2023/24 \$M
Profit or loss			
Income			
Revenue from rendering of services	4	2,223	2,101
Other income	4	10	3
Total income		2,233	2,104
Expenses			
Materials and services		(348)	(324)
Employee related expenses	5	(276)	(255)
Depreciation and amortisation expense	5	(510)	(488)
Other expenses	5	(282)	(238)
Total expenses		(1,416)	(1,305)
Net finance costs	6	(326)	(305)
Profit before income tax equivalent expense		491	494
Income tax equivalent expense	7	(153)	(113)
Profit for the reporting year, net of tax equivalent		338	381
Other comprehensive income			
<i>Items that may be re-classified to profit or loss:</i>	23		
Changes in the fair value of cash flow hedges		(54)	(14)
Re-classifications of cash flow hedges to profit or loss		9	10
Tax equivalent on cash flow hedges		13	1
<i>Items that will not be re-classified to profit or loss:</i>	23		
Re-classifications of cash flow hedges not to profit or loss		-	2
Tax equivalent on cash flow hedges		-	(1)
Total other comprehensive loss for the reporting year, net of tax equivalent		(32)	(2)
Total comprehensive income for the reporting year, net of tax equivalent		306	379

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

Financial statements (continued)

Table 2: Statement of financial position as at 30 June 2025

	Note	2024/25 \$M	2023/24 \$M
Assets			
Current assets			
Cash and cash equivalents	8	304	222
Trade and other receivables	9	279	273
Inventories	10	247	185
Derivative financial instruments	20	-	-
Current tax equivalent assets		-	48
Total current assets		830	728
Non-current assets			
Trade and other receivables	9	1	1
Derivative financial instruments	20	5	29
Property, plant and equipment	11	13,949	13,047
Intangible assets	11	138	141
Right-of-use assets	12	39	25
Total non-current assets		14,132	13,243
Total assets		14,962	13,971
Liabilities			
Current liabilities			
Trade and other payables	13	213	164
Borrowings	18	120	107
Lease liabilities	19	16	9
Derivative financial instruments	20	8	-
Current tax equivalent liabilities		31	-
Provisions	14	113	100
Deferred income	15	251	239
Total current liabilities		752	619
Non-current liabilities			
Borrowings	18	7,910	7,565
Lease liabilities	19	24	17
Derivative financial instruments	20	20	-
Deferred tax equivalent liabilities	16	1,372	1,312
Provisions	14	25	22
Deferred income	15	86	73
Total non-current liabilities		9,437	8,989
Total liabilities		10,182	9,608
Net assets		4,773	4,363
Equity			
Contributed equity	22	2,237	2,062
Hedging reserve	23	(39)	(7)
Retained earnings	23	2,575	2,308
Total equity		4,773	4,363

The above statement of financial position should be read in conjunction with the accompanying notes.

Financial statements (continued)

Table 3: Statement of changes in equity for the year ended 30 June 2025

	Note	Contributed equity \$M	Hedging reserve \$M	Retained earnings \$M	Total equity \$M
At 1 July 2024		2,062	(7)	2,308	4,363
Comprehensive income	23				
Profit, net of tax equivalent		-	-	338	338
Other comprehensive loss, net of tax equivalent		-	(32)	-	(32)
Other comprehensive income/(loss), net of tax equivalent		-	(32)	338	306
Transactions with owners in their capacity as owners					
Contributions of equity	22	175	-	-	175
Dividends provided for or paid	24	-	-	(71)	(71)
Total transactions with owners		175	-	(71)	104
At 30 June 2025		2,237	(39)	2,575	4,773
At 1 July 2023		1,973	(5)	1,927	3,895
Comprehensive income	23				
Profit, net of tax equivalent		-	-	381	381
Other comprehensive income, net of tax equivalent		-	(2)	-	(2)
Other comprehensive income/(loss), net of tax equivalent		-	(2)	381	379
Transactions with owners in their capacity as owners					
Contributions of equity	22	89	-	-	89
Dividends provided for or paid	24	-	-	-	-
Total transactions with owners		89	-	-	89
At 30 June 2024		2,062	(7)	2,308	4,363

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

Financial statements (continued)

Table 4: Statement of cash flows for the year ended 30 June 2025

	Note	2024/25 \$M	2023/24 \$M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		2,206	2,087
Capital contributions from developers and customers		165	159
Payments to suppliers and employees (inclusive of goods and services tax)		(891)	(815)
Contributions to tariff equalisation fund		(230)	(197)
Other income		5	10
Income tax equivalents paid		-	(40)
Net cash inflows from operational activities	8	1,255	1,204
Cash flows from investing activities			
Payments for property, plant and equipment, and intangible assets		(1,311)	(968)
Proceeds on disposal of property, plant and equipment, and intangible assets		20	1
Net cash outflows from investing activities		(1,291)	(967)
Cash flows from financing activities			
Proceeds from borrowings		1,190	955
Repayments of borrowings		(827)	(815)
Lease principal paid		(15)	(13)
Interest recieved		8	1
Net finance costs paid		(343)	(311)
Proceeds from contributed equity		175	89
Distributions to equity holder		(71)	-
Net cash inflows/(outflows) from financing activities		117	(94)
Net increase in cash and cash equivalents		81	143
Cash and cash equivalents at 1 July		222	79
Cash and cash equivalents at 30 June	8	303	222

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

Notes to the financial statements

In this section

This section presents the significant accounting policies adopted by Western Power in the preparation of these financial statements. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. All principal policies have been consistently applied to the reporting years presented, unless otherwise stated.

Section 1: Basis of preparation

1. Reporting entity

Electricity Networks Corporation trading as Western Power (**Western Power**) is incorporated under the *Electricity Corporations Act 2005 (WA)* and domiciled in Australia. The registered office and principal place of business is 363 Wellington Street, Perth, Western Australia 6000.

Western Power is primarily involved in the building, maintenance and operation of the electricity network throughout the majority of southern Western Australia.

These financial statements cover Western Power as an individual entity and were authorised for issue in accordance with a resolution of the directors on 25 August 2025. The directors have the power to amend and reissue the financial report.

2. Basis of accounting

These financial statements are general purpose financial statements that have been prepared in accordance with Australian accounting standards, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**) (including Australian interpretations), the *Government Trading Enterprises Act 2023 (GTE Act)* and the *Government Trading Enterprises Regulations 2023 (GTE Regulations)*.

Western Power has been classified as a not-for-profit entity for the purpose of applying accounting standards, and accordingly applies the not-for-profit elections available in the Australian accounting standards (where applicable).

A. New accounting standards and interpretations adopted

Western Power has not adopted any new accounting standards, amendments to accounting

standards or interpretations for the first time in the reporting year commencing 1 July 2024, that have had a material impact on the financial statements.

B. New accounting standards and interpretations not yet adopted

There are no accounting standards, amendments to accounting standards or interpretations effective after the 30 June 2025 reporting year that have been identified as potentially having a material impact on Western Power in the reporting year of initial application.

C. Accrual accounting and historical cost convention

These financial statements are prepared:

- on the accrual accounting basis except for cash flow information prepared on the cash accounting basis
- in accordance with the historical cost convention except for:
 - derivative financial instruments measured at fair value
 - lease liabilities and certain employee benefit liabilities measured at present value, less the fair value of any defined benefit plan assets.

D. Comparatives

Comparative amounts are for the previous reporting year from 01 July 2023 to 30 June 2024.

Where appropriate, comparative amounts are re-presented and re-classified to ensure comparability with the current reporting year. There has been no re-statement to comparative amounts.

E. Going concern

These financial statements are prepared on the going concern basis – being Western Power has reasonable grounds to believe it is able to pay its debts as and when they become due and payable. This is considering:

- Western Power's surplus working capital as at 30 June 2025 (refer to note 17(d)(i))
- the unused portion of Western Power's available borrowing facility agreement as at 30 June 2025 (refer to note 17(d)(ii))
- Western Power's forecast 2025/26 net profit and positive operating cash flows in the 2025/26 Western Australian State Budget handed down in May 2025.

Notes to the financial statements (continued)

Section 1: Basis of preparation (continued)

2. Basis of accounting (continued)

F. Foreign currency translation

Presentation and functional currency

These financial statements are presented in Australian dollars, being the functional currency of Western Power. All financial information presented in Australian dollars has been rounded off to the nearest million (\$M), unless otherwise stated.

Transactions and balances

Transactions in currencies other than the functional currency of Western Power are translated into Australian dollars using the exchange rates at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at closing exchange rates.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates the fair values were determined.

All foreign currency translation differences are recognised on a net basis in 'Other expenses' in profit or loss, except:

- when deferred in equity for translation differences of qualifying cash flow hedges, to the extent the hedge is effective
- when the translation differences deferred to equity for qualifying cash flow hedges are transferred to the carrying value of non-financial assets.

G. Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except when the GST incurred is not recoverable from the taxation authority. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in other receivables or payables in the statement of financial position.

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

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Actual results may differ from these estimates.

Estimates, judgements and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Western Power and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the reporting year in which the estimate is revised and any future reporting years affected.

Significant judgements, estimates and assumptions

The areas where estimates and assumptions are significant to the financial statements, or a higher degree of judgement or complexity is involved, are shown in table 1 below and described in more detail in the related notes.

Table 1: Significant judgements, estimates and assumptions

Critical accounting estimates and judgements	Note
Unbilled network tariff revenue	4(c) and 9(d)
Impaired trade receivables	9(e) and 17(c)(i)
Depreciation and amortisation	11(g)
Impairment of non-financial assets	11(h) and 12(f)
Present value of lease liabilities	12(e) and 19(d)
Present value of employee benefit liabilities	14(c)
Fair values of derivative financial instruments	21(b)

Notes to the financial statements (continued)

Section 1: Basis of preparation (continued)

3. Critical accounting estimates and judgements (continued)

Climate-related risk

Western Power is exposed to climate-related risk, being the risk of financial loss due to the negative effects of climate change, including from:

- increasing frequency and severity of extreme weather events, such as storms, floods and bushfires, damaging assets and interrupting supply
- changing stakeholder expectations on climate actions
- uncoordinated uptake of distributed renewable energy resources putting power system security and network reliability at risk
- transition to climate change policy requirements, such as net-zero emissions.

Even though we believe our business model will still be viable after the transition to a low-carbon economy, climate-related risks increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. There is no evidence of a material impact of climate-related risks on the financial performance or financial position in the reporting years presented.

The items and considerations that are most directly impacted by climate-related matters include:

- useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, Management considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures
- rehabilitation provisions. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning of our assets at the end of their useful lives.

Underpinning this is:

- compliance with Australian Accounting Standards – under which financial losses from uncertain future events (such as extreme weather events) cannot be provided for
- Western Power's principal activity is as a transmitter and distributor of electricity – rather than as a generator, with the latter activity expected to be most negatively impacted by transitional climate change policy requirements (such as asset retirements and carbon pricing/taxing)
- the critical role Western Power's network is expected to play in realising net decarbonisation benefits for the State – including as a key enabler of electrification, and integrator of new and emerging renewable technologies.

Notes to the financial statements (continued)

In this section

This section presents details of Western Power's profit results and performance by reference to the services rendered and operating expenses incurred.

Section 2: Profit for the reporting years presented

4. Income

A. Accounting policy

i. Revenue

Western Power recognises revenue when the performance obligation to which it relates is satisfied. This is either at the point the service is provided – being when control of the service is transferred to the customer, or over time where control of the service is progressively transferred to the customer. It is measured at the fair value of the consideration received or receivable, being the invoiced amount including interest on overdue amounts, net of the amount of goods and services tax. Revenue also includes an estimate for the value of unbilled network tariff services.

Network services revenue

Regulated tariff services:

Western Power primarily receives revenue from the rendering of network tariff services. These services largely relate to the transmission and distribution of electricity and are regulated by the Western Australian Economic Regulation Authority (ERA) via an access arrangement agreement.

Where Western Power progressively transfers control of these services to the customer – being for on-going access to the network, the revenue is recognised over time. All other network tariff revenue is recognised when the service is provided to the customer – being at the point the network is used. The consideration invoiced for network tariff services is based on observable stand-alone prices, being mostly fixed access and usage tariffs approved by the ERA and published in Western Power's annual price list.

For network access revenue recognised over time, the output method is used, with revenue measured at the amount Western Power is entitled to invoice the customer. This is because the invoiced amount charged at fixed daily access tariffs, is deemed to

correspond directly with the value to the customer of Western Power's performance obligation completed to date.

As at each reporting date, network tariff revenue and trade receivables include amounts attributable to 'unbilled network tariff revenue'. Unbilled network tariff revenue is an estimate of electricity transported to customers not yet invoiced at the reporting date. It comprises read and unread (for periodical readings) metered services, with the latter estimated based on projected revenue consumption at observable stand-alone prices (fixed tariffs).

Other services (regulated and unregulated):

Western Power also receives revenue from the rendering of other network services, including the following:

- Regulated non-standard access services where the customer is willing to accept different conditions to the standard access contract and service standard benchmark. The tariffs for these services are negotiated between Western Power and the individual customers but must be set with regard to the regulated network tariffs
- Regulated services that can only be offered by Western Power but which are not core to the transmission and distribution of electricity. Where these are commonly requested services, the fees and charges are set in-line with a charging criteria and published on Western Power's website. For other complex or non-standard services, Western Power negotiates commercially with the individual customers
- Unregulated services contestable by other suppliers including the sales of materials. The fees and charges for these services are in-line with the methodology disclosed above for 'other regulated services'.

The revenue for other network services is recognised when the service is provided to the customer. The consideration invoiced for these services is based on observable stand-alone prices, being fixed at published or contracted fees and charges.

Developer and customer contributions

Western Power receives developer and customer contributions toward the extension or augmentation of electricity infrastructure to facilitate network connection. Contributions are mostly in the form of cash or gifted network assets.

Cash contributions are charged using the methodology included in Western Power's published Contributions Policy approved by the ERA as part of the access arrangement agreement.

Notes to the financial statements (continued)

Section 2: Profit for the reporting years presented (continued)

4. Income (continued)

A. Accounting policy (continued)

i. Revenue (continued)

Developer and customer contributions (continued)

They are initially deferred and subsequently recognised as revenue at the point the developers or customers are connected to the network. This is in satisfaction of the performance obligation of the underlying connection contract.

Gifted network assets are recognised as revenue at the point the assets are energised being in satisfaction of the performance obligation to connect the developer or customer to the network, and are measured at their fair value.

The network assets resulting from contributions received or gifted are recognised as property, plant and equipment and depreciated over their estimated useful life.

ii. Other income

Western Power receives other income from the provision of services incidental to the core activities of the business. Other income is recognised when the service is provided.

B. Amounts recognised in profit or loss

i. Revenue from rendering of services

See table 2 below.

ii. Other income

See table 3 below.

C. Critical accounting estimates and judgements: unbilled network tariff revenue

For the reporting year ended 30 June 2025, transmission and distribution network tariff revenue included \$158 million for unbilled services (30 June 2024: \$164 million). The revenue from these services is measured using a projection model applying complex estimation methodologies and algorithms.

The distribution tariff revenue from unbilled services is measured using a model which combines the following:

- consumption data measured at intervals, remotely communicated by advanced meters. This data is based on actual consumption rather than estimates; and
- consumption data projected based on assumptions and inputs such as customer billing profiles, historical and budget data, and seasonal, growth and emerging trends.

Western Power considers it highly probable a significant reversal of this estimate will not be required. As the saturation of advanced meters increases, the measurement of unbilled distribution tariff revenue will improve in accuracy, having less reliance on estimates.

Table 2: Revenue from rendering of services

	Note	2024/25 \$M	2023/24 \$M
Network services revenue			
Transmission tariff services	4(c)	568	571
Distribution tariff services	4(c)	1,314	1,218
Other services		128	127
		2,010	1,916
Developer and customer contributions		213	185
		2,223	2,101

Table 3: Other income

	2024/25 \$M	2023/24 \$M
Rent	1	1
Insurance recoveries	7	-
Other	2	2
	10	3

Notes to the financial statements (continued)

Section 2: Profit for the reporting years presented (continued)

5. Expenses

A. Employee related expenses

See table 4 below.

Table 4: Employee related expenses

	2024/25 \$M	2023/24 \$M
Wages, salaries and other employee benefits	(216)	(206)
Superannuation	(60)	(49)
	(276)	(255)

Refer to note 25(b) for details of 'total compensation' to Western Power's key management personnel.

Table 5: Depreciation and amortisation expense

	Note	2024/25 \$M	2023/24 \$M
Depreciation expense – property, plant and equipment			
Buildings		(9)	(8)
Plant and equipment		(447)	(422)
Capitalised depreciation	5(b)(i)	11	10
		(445)	(420)
Amortisation expense – intangible assets			
Computer software		(51)	(50)
Intellectual property		(7)	(11)
		(58)	(61)
Depreciation expense – right-of-use assets			
Fleet		(21)	(12)
Other equipment		6	(2)
Capitalised depreciation	5(b)(i)	8	7
		(7)	(7)
		(510)	(488)

Refer to notes 11(a)(ii), 11(b)(ii) and 12(a)(ii) for details of the depreciation and amortisation methods and estimated useful lives applied.

B. Depreciation and amortisation expense

See table 5 below.

i. Capitalised depreciation

Capitalised depreciation represents charges for fleet assets used in the course of construction.

Notes to the financial statements (continued)

Section 2: Profit for the reporting years presented (continued)

5. Expenses (continued)

C. Other expenses

i. Amounts recognised in profit or loss

See table 6 below.

ii. Accounting policy: lease costs

The below expenses are recognised as 'lease costs' in profit or loss on a straight-line basis over the period of the lease:

- expenses relating to short-term leases
- expenses relating to leases of low-value assets
- other expenses not captured as lease liabilities under *AASB 16 Leases* – including variable and termination lease payments.

Short-term leases are leases with a lease term of 12 months or less. Low-value leases are for assets individually valued at less than \$5,000. During the reporting year ended 30 June 2025, lease costs were \$0.314 million (30 June 2024: \$0.125 million).

6. Net finance costs

A. Accounting policy

Net finance costs comprises interest expense largely on borrowings, net of interest income on funds invested.

Finance costs directly attributed to the acquisition, construction or production of qualifying assets (being assets that take in excess of 12 months to be ready for their intended use, and whose estimated cost is more than \$5 million) are capitalised to form part of the cost of that asset. All other finance costs are expensed in the reporting years in which they are incurred.

'Net finance costs paid' in the statement of cash flows is prior to the effect of capitalisation.

B. Amounts recognised in profit or loss

See table 7 below.

i. Capitalised finance costs

For the reporting year ended 30 June 2025, the weighted average interest rate used to capitalise finance costs was 4.5 percent (30 June 2024: 4.3 percent). These costs are directly attributable to the construction, acquisition or production of a qualifying asset that takes in excess of 12 months to complete and where costs are estimated to be in excess of \$5 million.

Table 6: Amounts recognised in profit or loss

	Note	2024/25 \$M	2023/24 \$M
Tariff equalisation contribution	28(b)	(230)	(197)
Impairment of plant and equipment	11(d)	(25)	-
Insurance		(21)	(16)
Net loss on disposal of property, plant and equipment	17(c)(i)	(4)	(23)
Impairment of trade receivables		(1)	-
Remuneration of auditors		-	(1)
Other		(1)	(1)
		(282)	(238)

Table 7: Amounts recognised in profit or loss

	Note	2024/25 \$M	2023/24 \$M
Finance income			
Interest		9	1
Finance costs			
Domestic currency loans not at fair value through profit or loss		(350)	(319)
Fair value loss on cash flow hedges		(9)	(10)
Interest rate swaps		14	14
Finance lease interest		(2)	(1)
Capitalised finance costs	6(b)(i)	12	10
		(335)	(306)
Net finance costs		(326)	(305)

Notes to the financial statements (continued)

Section 2: Profit for the reporting years presented (continued)

7. Income tax equivalent expense

A. Accounting policy

National taxation equivalent regime

Western Power operates under the National Taxation Equivalent Regime (**NTER**). While income tax equivalent payments under this scheme are remitted to the Western Australian State Government, Western Power's tax equivalent is subject to Australian Taxation Office (**ATO**) administration. The calculation of the liability in respect of these taxes is governed by the *Income Tax Administration Acts* and the NTER guidelines as agreed by the State Government.

Income tax equivalent expense

The income tax equivalent expense for a reporting year comprises current and deferred tax equivalents. It is calculated on income assessable and expenses deductible for tax – irrespective of when the assessment or deduction arises, and includes adjustments for permanent and temporary differences.

Permanent differences are recognised for transactions that will not be included in taxable income or loss – although recognised in accounting profit or loss. Temporary differences are recognised for transactions included in taxable income or loss – but at a different point in time to recognition in accounting profit or loss.

Income tax equivalent expense is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case the tax equivalent expense is too recognised in other comprehensive income or directly in equity.

Current tax equivalent

Current tax equivalent is the expected tax equivalent payable or receivable on the taxable income or loss for the reporting year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustment to the tax equivalent in respect of previous years.

Deferred tax equivalent

Deferred tax equivalent is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for taxation purposes.

Deferred tax equivalent is measured at the tax rates that are expected to be applied when the asset is realised or the liability is settled, based on the laws that have been enacted or substantially enacted as at the reporting date.

A deferred tax equivalent asset is recognised only to the extent it is probable future taxable profits will be available against which the asset can be utilised. Deferred tax equivalent assets are reviewed at the end of each reporting year and are reduced to the extent it is no longer probable the related tax equivalent benefit will be realised. Unrecognised deferred tax equivalent assets are reassessed at each reporting date and are recognised to the extent it has become probable future taxable profits will allow the deferred tax equivalent asset to be recovered.

Deferred tax equivalent assets and liabilities are offset when there is a legally enforceable right to offset current tax equivalent assets and liabilities, and when the deferred tax equivalent balances relate to the same taxation authority.

B. Amounts recognised in profit or loss

Table 8: Amounts recognised in profit or loss						
	2024/25			2023/24		
	Current \$M	Deferred \$M	Total \$M	Current \$M	Deferred \$M	Total \$M
Income tax equivalent expense	(76)	(76)	(152)	(43)	(72)	(115)
Adjustment for income tax equivalent of previous years	(4)	3	(1)	2	-	2
	(80)	(73)	(153)	(41)	(72)	(113)

	2024/25 \$M	2023/24 \$M
Income tax equivalent expense is attributable to:		
Profit for the reporting year	(153)	(113)
Current tax equivalents included in income tax equivalent expense	(80)	(41)
Deferred tax equivalents included in income tax equivalent expense comprises:		
Movement in deferred tax equivalent assets (note 16(c))	35	4
Movement in deferred tax equivalent liabilities (note 16(d))	(108)	(76)
	(153)	(113)

C. Reconciliation of profit to income tax equivalent expense

Table 9: Reconciliation of profit to income tax equivalent expense		
	2024/25 \$M	2023/24 \$M
Profit before income tax equivalent expense	491	494
Income tax equivalent expense at the Australian tax rate of 30 per cent (30 June 2024: 30 per cent)	(147)	(148)
Income tax equivalent effect for non-temporary tax equivalent adjustments:		
Other allowable deductions	(4)	31
Net non-deductible expenses and assessable income	(1)	(1)
Net research and development expenses and incentives	-	3
Current income tax equivalent expense	(152)	(115)
Adjustment for current tax equivalent of previous years	(4)	2
Adjustment for deferred tax equivalent of previous years	3	-
Total income tax equivalent expense	(153)	(113)

D. Amounts recognised in other comprehensive income

Table 10: Amounts recognised in other comprehensive income		
	2024/25 \$M	2023/24 \$M
Changes in the fair value of cash flow hedges	16	4
Re-classifications of cash flow hedges to profit or loss	(3)	(3)
Re-classifications of cash flow hedges not to profit or loss	-	(1)
	13	-

Notes to the financial statements (continued)

In this section

This section identifies the assets used to generate Western Power's operating profit and the liabilities incurred as a result. (Refer to section 4 for the liabilities relating to Western Power's financing activities).

Section 3: Operational assets and liabilities

8. Cash and cash equivalents

A. Accounting policy

Cash and cash equivalents comprise cash at bank, deposits held at call with financial institutions and other short-term deposits that have an original maturity of three months or less that are readily convertible to known amounts of cash.

As at 30 June 2025, Western Power did not have any short-term deposits (30 June 2024: nil).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits as defined above, net of outstanding bank overdrafts. As at 30 June 2025, Western Power did not have a bank overdraft (30 June 2024: nil).

B. Amounts recognised in statement of financial position

See table 11 below.

C. Reconciliation of profit to net cash inflows from operating activities

See table 12 below.

Table 11: Amounts recognised in statement of financial position

Current	2024/25 \$M	2023/24 \$M
Cash at bank	304	222
	304	222

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash and cash equivalents at the end of the year include deposits which are restricted for use by the company and are to be expended to support operations of the following funds and in accordance with the existing agreements. The total amount as at 30 June 2025 is \$4 million (30 June 2024: \$7 million).

Table 12: Reconciliation of profit to net cash inflows from operating activities

Note	2024/25 \$M	2023/24 \$M
Profit for the reporting year, net of tax equivalent	338	381
Non-cash items		
Depreciation and amortisation expense	5(b) 510	488
Impairment of plant and equipment	5(c) 25	-
Written down value on disposal of property, plant and equipment, and intangible assets	8(d) 24	24
Non-cash capital contributions	(75)	(66)
Items classified as investing and financing activities		
Proceeds on disposal of property, plant and equipment, and intangible assets	(20)	(1)
Net finance costs	6(b) 326	305
Movements in operating assets and liabilities		
Movement in trade and other receivables	(9)	(18)
Movement in inventories	(62)	(38)
Movement in trade and other payables	4	1
Movement in provisions	16	6
Movement in deferred income	25	50
Movement in tax equivalent assets and liabilities	153	72
Net cash inflows from operating activities	1,255	1,204

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

8. Cash and cash equivalents (continued)

D. Non-cash investing and financing activities

See table 13 below.

E. Changes in borrowing liabilities arising from financing activities

Movements in borrowings during the reporting years presented, are shown in table 14 below.

i. Non-cash movements

Non-cash movements include the fair value of cash flow hedges re-classified to profit or loss over the terms of the borrowings and movements in accrued interest.

F. Fair value of cash and cash equivalents

The fair value of cash and cash equivalents is considered to be the same as the carrying amount. This is due to their short-term nature.

9. Trade and other receivables

A. Accounting policy

Trade and other receivables are initially recognised at fair value, being the value of the invoice sent to the customer, and subsequently measured at amortised cost less an allowance for impairment.

Trade receivables also include an estimate for the value of unbilled network tariff revenue.

Trade and other receivables are classified as current assets unless collection is not expected for more than 12 months after the reporting date. Where payments are due after one year, they are measured at their net present value to reflect the economic cost of the delayed payment.

Impairment

An impairment allowance is recognised for the expected credit losses (ECLs) on trade receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows expected to be received – discounted at the original effective interest rate, unless the effect of discounting would be immaterial.

Western Power applies the simplified approach in calculating ECLs, that is, an impairment allowance is recognised for credit losses expected to result from all possible default events over the lifetime of the trade receivable. This is estimated using a provision matrix based on Western Power's historical credit loss experience, adjusted for forward-looking factors specific to the receivables and economic environment.

Amounts impaired are recognised in profit or loss. They are generally written off when there is no expectation of recovery. Indicators of this include failure of a debtor to engage in a repayment plan and/or if past due for a significant period. Any subsequent recoveries of amounts written off are credited to profit or loss.

Table 13: Non-cash investing and financing activities

	Note	2024/25 \$M	2023/24 \$M
Gifted network assets	11(f)(i)	75	66
Additions to right-of-use assets	12(d)	30	18

Table 14: Changes in borrowing liabilities arising from financial activities

	Note	2024/25 \$M	2023/24 \$M
At 1 July		7,672	7,538
Cash movements			
Proceeds from borrowings		1,190	955
Repayments of borrowings		(827)	(815)
Non-cash movements	8(e)(i)	(5)	(6)
At 30 June		8,030	7,672

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

9. Trade and other receivables (continued)

B. Amounts recognised in statement of financial position

Trade receivables represent amounts due from customers for services provided or goods sold in the ordinary course of business. They are usually settled on 14 or 30 day payment terms, unless contractually agreed otherwise. Other receivables generally arise from transactions outside the usual operating activities of the business. See table 15 below.

C. Fair value of trade and other receivables (excluding prepayments)

The fair value of trade and other receivables (excluding prepayments) is considered to be the same as the carrying amount. This is due to their short-term nature. The fair value of all other receivables (excluding prepayments) is estimated at the present value of future cash flows – discounted using the current market rates of interest available for similar receivables, unless the effect of discounting would be immaterial.

D. Critical accounting estimates and judgements: unbilled trade receivables

As at 30 June 2025, trade receivables included unbilled network tariff revenue of \$158 million (30 June 2024: \$164 million). Refer to note 4(c) for further details on the estimation of this amount.

E. Critical accounting estimates and judgements: impaired trade receivables

The allowance for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. Western Power uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting date.

Refer to notes 17(c)(i) and 17(c)(ii) respectively for details of Western Power's 'impaired' and 'past due but not impaired' trade receivables as at the reporting dates presented, including key assumptions and inputs.

Table 15: Amounts recognised in statement of financial position

	Note	2024/25			2023/24		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Trade receivables	9(d)	249	-	249	252	-	252
Allowance for impairment of trade receivables	9(e)	(6)	-	(6)	(5)	-	(5)
		243	-	243	247	-	247
Prepayments		27	-	27	23	-	23
Other receivables		9	1	10	3	1	4
		279	1	280	273	1	274

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

10. Inventories

A. Accounting policy

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

B. Amounts recognised in statement of financial position

Inventories consist of materials required for the maintenance and operation of the network, as well as for general construction works. See table 16 below.

C. Amounts recognised in profit or loss

Inventories expensed to profit or loss during the reporting year ended 30 June 2025 were \$74 million (30 June 2024: \$58 million).

As at 30 June 2025, the write down of inventory to net realisable value was \$1.243 million (30 June 2024: \$0.935 million).

Table 16: Amounts recognised in statement of financial position

Current	2024/25 \$M	2023/24 \$M
Raw materials and stores	247	185
	247	185

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

11. Property, plant and equipment, and intangible assets

A. Accounting policy: Property, plant and equipment

i. Cost

Property, plant and equipment represents the capital works and plant required for the operation of the business, and is recognised at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost is determined as the fair value of the asset at the date of acquisition or construction, and includes all costs of purchase, delivery, installation and borrowing costs (where a qualifying asset), as well as any other expenditure directly attributable to bringing the acquired or self-constructed asset to a working condition for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Gifted network assets are recognised at fair value at the point the assets are energised.

Subsequent costs are included in property, plant and equipment only when it is probable the item associated with the cost will generate future economic benefits and the cost can be measured reliably. The carrying amounts of items replaced are derecognised.

All other repairs and maintenance, plus minor capital acquisitions less than \$5,000, are expensed to profit or loss in the reporting years in which they are incurred.

Works under construction

Works under construction represents costs incurred on uncompleted capital projects. Upon completion of a project, the costs are capitalised and transferred to property, plant and equipment and/or intangible assets to commence depreciation and/or amortisation over the estimated useful lives.

ii. Depreciation

In order to recognise the loss of service potential of property, plant and equipment, depreciation is calculated using the straight-line method over the estimated useful lives below, making allowances where appropriate for residual values. See table 17 below.

Property, plant and equipment received on disaggregation of Western Power Corporation is depreciated over the estimated residual useful lives. No depreciation is provided on freehold land, easements and assets while under construction.

The residual values, estimated useful lives and depreciation methods of property, plant and equipment are reviewed annually, and adjusted prospectively if appropriate at the end of each reporting year, with any changes recognised as a change in accounting estimate.

iii. Rehabilitation costs

Upon recognition of an item of property, plant and equipment, the cost of the item includes the present value of the anticipated costs of rehabilitating the site on which it is located.

iv. Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses arising from the derecognition of an asset are determined by comparing proceeds with carrying amount and are recognised in profit or loss.

Table 17: Depreciation

Class of property, plant and equipment	Estimated useful life (years)
Buildings	40
Plant and equipment	4 – 50

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

11. Property, plant and equipment, and intangible assets (continued)

B. Accounting policy: intangible assets

i. Cost

Intangible assets represent identifiable capitalised computer software and intellectual property, and are recognised at historical cost less accumulated amortisation and any accumulated impairment losses. Subsequent costs are included in intangible assets only when it is probable the item associated with the cost will generate future economic benefits and the cost can be measured reliably.

Internally generated intangible assets are recognised only if:

- an asset is created that can be identified
- it is probable the asset created will generate future economic benefits
- the development cost of the asset can be measured reliably.

Development cost includes materials and labour, as well as any other expenditure directly attributable to bringing the intangible asset to a working condition for its intended use. Where no internally generated intangible asset can be recognised the development cost is expensed to profit or loss.

All research costs are expensed to profit or loss.

Software-as-a-Service (SaaS) arrangements

A SaaS arrangement is a service contract that provides Western Power the right to access application software of a cloud provider over a contracted period. Costs incurred to configure or customise this software, as well as ongoing fees for the right to access are expensed to profit or loss when the service is provided.

Costs incurred to develop software code that enhances or modifies, or creates additional capability to Western Power's existing on-premise systems are capitalised as computer software only when the recognition criteria for an intangible asset are met – being the software is identifiable and controlled in a way that allows future economic benefits to be obtained, and others' access to those benefits restricted.

B. Accounting policy: intangible assets (continued)

ii. Amortisation

In order to recognise the loss of service potential of intangible assets, amortisation is calculated using the straight-line method over the estimated useful lives in table 18 below, making allowances where appropriate for residual values.

Intangible assets received on disaggregation of Western Power Corporation are amortised over their estimated residual useful lives.

The residual values, estimated useful lives and amortisation methods of intangible assets are reviewed annually, and adjusted prospectively if appropriate at the end of each reporting year, with any changes recognised as a change in accounting estimate.

iii. Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses arising from the derecognition of an asset are determined by comparing proceeds with carrying amount and are recognised in profit or loss.

Table 18: Amortisation

Class of intangible assets	Estimated useful life (years)
Computer software	2.5 – 10
Intellectual property	3 – 25

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

11. Property, plant and equipment, and intangible assets (continued)

C. Impairment of non-financial assets

At each reporting date, Western Power considers any indicators of impairment to non-financial assets, that is, events or changes in circumstances that indicate the carrying value may not be fully recoverable. If an indication exists, the asset's recoverable amount is estimated. Where the asset's carrying amount exceeds the recoverable amount an impairment loss is recognised for the difference.

The recoverable amount is the greater of an asset's or groups of assets (being cash generating units (CGU)) value in use and its fair value less costs to sell. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment losses are recognised in profit or loss and, where material, are disclosed separately. Any impairment losses recognised in previous years are assessed at the end of each reporting date for any indications the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

D. Amounts recognised in statement of financial position

See table 19 below.

Table 19: Amounts recognised in statement of financial position

	Freehold land \$M	Buildings \$M	Plant and equipment \$M	Works under construction \$M	Total property, plant and equipment \$M	Computer software \$M	Intellectual property \$M	Total intangible assets \$M
Cost	111	355	17,559	1,130	19,155	676	59	735
Accumulated depreciation and amortisation	-	(97)	(5,084)	-	(5,181)	(542)	(55)	(597)
Accumulated impairment losses	-	(25)	-	-	(25)			-
Carrying amount at 30 June 2025	111	233	12,475	1,130	13,949	134	4	138
Cost	108	353	16,517	807	17,785	622	59	681
Accumulated depreciation and amortisation	-	(91)	(4,647)	-	(4,738)	(492)	(48)	(540)
Carrying amount at 30 June 2024	108	262	11,870	807	13,047	130	11	141

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

11. Property, plant and equipment, and intangible assets (continued)

E. Amounts recognised in profit or loss

See table 20 below.

F. Movements in each class of property, plant and equipment, and intangible assets during the reporting years presented

See table 21 below.

i. Additions to works under construction

Contributed assets

Western Power recognises non-cash capital contributions in the form of gifted network assets in accordance with the accounting policy in note 4(a). For the reporting year ended 30 June 2025, the fair value of gifted network assets included in additions was \$75 million (30 June 2024: \$66 million).

Capitalised finance costs

Western Power capitalises finance costs in accordance with the accounting policy in note 6(a). For the reporting year ended 30 June 2025, additions included finance costs of \$12 million attributable to assets in the course of construction (30 June 2024: \$10 million).

Table 20: Amounts recognised in profit or loss

	Note	2024/25 \$M	2023/24 \$M
Depreciation expense – property, plant and equipment (excluding capitalised depreciation)	5(b)	(456)	(430)
Amortisation expense – intangible assets	5(b)	(58)	(61)

Refer to notes 11(a)(ii) and 11(b)(ii) respectively for details of the depreciation and amortisation methods and estimated useful lives applied.

Table 21: Movements in each class of property, plant and equipment, and intangible assets during the reporting years presented

	Freehold land \$M	Buildings \$M	Plant and equipment \$M	Works under construction \$M	Total property, plant and equipment \$M	Computer software \$M	Intellectual property \$M	Total intangible assets \$M
Carrying amount at 1 July 2024	108	262	11,870	807	13,047	130	11	141
Additions (note 11(f)(i))	-	-	5	1,456	1,481	-	-	-
Transfers to inventory	-	-	-	19	(19)	-	-	-
Transfers in/(out)	3	9	1,067	(1,134)	(55)	55	-	55
Issues of strategic spares	-	-	-	-	-	-	-	-
Impairment (note 11(h))	-	(25)	-	-	(25)	-	-	-
Disposals	-	(4)	(20)	-	(24)	-	-	-
Depreciation and amortisation (note 11(e))	-	(9)	(447)	-	(456)	(51)	(7)	(58)
Carrying amount at 30 June 2025	111	233	12,475	1,130	13,949	134	4	138
Carrying amount at 1 July 2023	108	261	11,277	833	12,479	140	13	153
Additions (note 11(f)(i))	-	-	-	1,083	1,083	-	-	-
Transfers to inventory	-	-	-	(11)	(11)	-	-	-
Transfers in/(out)	-	9	1,039	(1,098)	(50)	40	9	49
Disposals	-	-	(24)	-	(24)	-	-	-
Depreciation and amortisation (note 11(e))	-	(8)	(422)	-	(430)	(50)	(11)	(61)
Carrying amount at 30 June 2024	108	262	11,870	807	13,047	130	11	141

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

11. Property, plant and equipment, and intangible assets (continued)

G. Critical accounting estimates and judgements: depreciation and amortisation (including right-of-use assets)

Western Power reviews the depreciation and amortisation methods of property, plant and equipment, intangible assets and right-of-use assets at least annually in accordance with the accounting policies in notes 11(a)(ii), 11(b)(ii) and 12(a)(ii) respectively. This involves estimates and judgements associated with residual values and estimated useful lives, taking into account such factors as commercial and technical obsolescence, as well as normal wear and tear.

As at 30 June 2025, Western Power did not recognise any changes in depreciation and amortisation estimates (30 June 2024: nil).

H. Critical accounting estimates and judgements: impairment of non-financial assets (including right-of-use assets)

Western Power assesses the impairment of property, plant and equipment, intangible assets and right-of-use assets at least annually in accordance with the accounting policy in note 11(c). This involves evaluating impairment indicators specific to Western Power and/or the particular non-financial asset or CGU. Indicators include significant change in market, technological, economic, legal and/or climate related events; obsolescence or physical damage.

In 2025, the impairment loss of \$25 million represented the write-down of certain property, plant and equipment in the buildings asset class as a result of significant water damage (30 June 2024: no indicators). This was recognised in the statement of comprehensive income as other expenses. The recoverable amount was based on fair value less cost to dispose for the asset.

12. Right-of-use assets

A. Accounting policy

i. Cost

Right-of-use assets represent leased fleet and other equipment (including properties and information technology) required for the operation of the business. They are recognised at the commencement dates of the leases, at historical cost less accumulated depreciation and any accumulated impairment losses, adjusted for lease liability re-measurements.

Historical cost is measured at the amount of the initial lease liability, plus any:

- lease payments made at, or before the commencement date less any lease incentives received
- initial direct costs
- restoration costs including dismantling and removing the underlying asset.

ii. Depreciation

In order to recognise the loss of service potential, right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term, per below. See table 22.

Where Western Power is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

iii. Impairment

Refer to note 11(c) for details of Western Power's 'Impairment of non-financial assets' accounting policy.

Table 22: Depreciation

Class of right-of-use assets	Years
Fleet	2 – 7.5
Other equipment	5 – 40

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

12. Right-of-use assets (continued)

B. Amounts recognised in statement of financial position

See table 23 below.

C. Amounts recognised in profit or loss

See table 24 below.

D. Movements in each class of right-of-use assets during the reporting years presented, are below:

See table 25 below.

E. Critical accounting estimates and judgements: present value of lease liabilities

The historical cost of a right-of-use asset is largely determined by the initial measurement of the lease liability. Refer to note 19(d) for further details on the estimation of this measurement, being the present value of lease liabilities.

F. Critical accounting estimates and judgements: impairment of non-financial assets

Refer to note 11(h) for details of Western Power's critical accounting estimates and judgements used to assess the impairment of right-of-use assets.

Table 23: Amounts recognised in statement of financial position

	Fleet \$M	Other equipment \$M	Total right-of- use assets \$M
Cost	59	13	72
Accumulated depreciation	(31)	(2)	(33)
Carrying amount at 30 June 2025	28	11	39
Cost	52	13	65
Accumulated depreciation	(31)	(9)	(40)
Carrying amount at 30 June 2024	21	4	25

Table 24: Amounts recognised in profit or loss

	Note	2024/25 \$M	2023/24 \$M
Depreciation (excluding capitalised depreciation)	5(b)	(15)	(14)

Refer to note 12(a)(ii) for details of the depreciation method and estimated useful lives applied.

Table 25: Movements in each class of right-of-use assets during the reporting years presented

	Fleet \$M	Other equipment \$M	Total right-of- use assets \$M
Carrying amount at 1 July 2024	21	4	25
Additions	29	1	30
Derecognition (disposals/terminations)	(1)	-	(1)
Depreciation (note 12(c))	(21)	6	(15)
Carrying amount at 30 June 2025	28	11	39
Carrying amount at 1 July 2023	16	5	21
Additions	18	-	18
Depreciation (note 12(c))	(13)	(1)	(14)
Carrying amount at 30 June 2024	21	4	25

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

13. Trade and other payables

A. Accounting policy

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

Trade and other payables are classified as current liabilities unless payment is not due for at least 12 months after the reporting date.

B. Amounts recognised in statement of financial position

Trade and other payables represent liabilities for goods and services provided to Western Power prior to the end of the reporting year which are unpaid – including for employee wages and salaries. They are usually settled within 20 days of recognition. See table 26 below.

C. Fair value of trade and other payables

The fair value of trade and other payables is considered to be the same as the carrying amount. This is due to their short-term nature.

14. Provisions

A. Accounting policy

Provisions are recognised when:

- Western Power has either a present legal or constructive obligation as a result of past events
- it is probable an outflow of resources will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation as at the reporting date. The discount rate used to determine the

present value reflects the market assessments of the time value of money and the risks specific to the liability. Any movement in the provision due to the unwinding of the discount rate – being for the passage of time, is recognised as a finance cost.

i. Employee benefits

Provisions for the below employee benefit liabilities are recognised as a result of services rendered up to the reporting date.

Wages and salaries

Liabilities arising in respect of employee benefits that are expected to be settled wholly within 12 months of the reporting date are classified as current, and measured at their nominal amount based on remuneration rates that are expected to be paid when the liabilities are settled.

The liabilities for wages and salaries are recognised in 'Trade and other payables'. The liabilities for all other short-term employee benefits are recognised in 'Provisions'.

Annual and long service leave

Liabilities arising in respect of annual and long service leave are recognised in 'Provisions'. They are classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting date. This is regardless of when actual settlement is expected to occur. All other annual and long service leave liabilities are classified as non-current.

The liabilities for annual and long service leave are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to factors including the expected future wages and salaries levels (including related on-costs), experience of employee departures and periods of service. Expected future payments are discounted using the Commonwealth bond rates whose terms most closely match the terms of the related liabilities.

Independent actuarial valuations are carried out at each reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Table 26: Amounts recognised in statement of financial position

	2024/25 \$M	2023/24 \$M
Trade payables and accruals	182	128
Other payables	31	36
	213	164

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

14. Provisions (continued)

A. Accounting policy (continued)

i. Employee benefits (continued)

Retirement benefit obligations

All employees of Western Power are entitled to benefits upon retirement, disability or death from any number of superannuation plans, which may include a defined contribution section, a defined benefit section, or both. The liabilities for retirement benefit obligations are recognised in the 'Provision for employee benefits – other'.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which Western Power pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions to defined contribution plans are recognised as an expense in the reporting years in which the services are rendered by employees (refer to note 5(a)).

Defined benefit plans

The net liability or asset for defined benefit plans is recognised in the statement of financial position, and is measured separately for each plan at the present value of the defined benefit obligation in respect of services provided by employees up to the reporting date, less the fair value of any plan assets.

The present value is based upon expected future payments and is calculated using discounted cash flows consistent with the projected unit credit method. Consideration is given to factors including the expected future wages and salaries level, experience of employee departures and periods of service. Expected future payments are discounted using the Commonwealth bond rates whose terms most closely match the terms of the related liabilities.

The annual net defined benefit interest cost is determined by applying the discount rate to the net defined benefit liability or asset. It is recognised immediately along with all other defined benefit plan expenses including past services costs, in 'Employee related expenses' in profit or loss.

An independent actuarial valuation is carried out at each reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the reporting years in which they occur, directly in other comprehensive income.

ii. Rehabilitation costs

A provision for site rehabilitation costs is recognised when:

- there is either a legal or constructive obligation to rehabilitate a site as a result of a past event
- it is probable a rehabilitation expense will be incurred to settle the obligation
- the obligation costs can be reliably estimated.

The amount of the provision, being the estimated present value of the future rehabilitation costs, is capitalised into the cost of the related property, plant and equipment, and depreciated over the estimated useful life. Any subsequent changes in the estimated future costs, useful lives and/or the discount rates are added to or deducted from the cost of the related property, plant and equipment.

Rehabilitation costs that relate to an existing condition caused by past operations, but that do not have a future economic benefit are expensed to profit or loss in the reporting years in which they are incurred.

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

14. Provisions (continued)

B. Amounts recognised in statement of financial position (continued)

See table 27 below.

i. Environmental costs

Environmental provisions relate to estimated costs on essential safety expenditure.

C. Critical accounting estimates and judgements: present value of employee benefits

The present value of employee benefits, including annual and long service leave and retirement benefit obligations, is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results including the discount rate, future wages and salaries levels (including related on-costs), employee departures and settlement dates.

All actuarial assumptions are reviewed at each reporting date with any remeasurement gains or losses recognised in accordance with the accounting policy in note 14(a).

D. Movements in provisions

Movements in each class of provision during the reporting year presented, other than employee benefits, are shown in table 28 below.

Table 27: Amounts recognised in statement of financial position

	Note	2024/25			2023/24		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Employee benefits							
Annual leave	14(e)	57	-	57	49	-	49
Long service leave	14(e)	54	18	72	48	14	62
Other		2	-	2	2	1	3
		113	18	131	99	15	114
Rehabilitation costs	14(b)(i)	-	4	4	-	4	4
Environmental costs		-	3	3	1	3	4
		113	25	138	100	22	122

Table 28: Movements in provisions

	Rehabilitation costs \$M	Environmental costs \$M
At 1 July 2024	4	4
Provided for in the reporting year	-	-
Charged in the reporting year	-	(1)
Reversed in the reporting year	-	-
At 30 June 2025	4	3
At 1 July 2023	4	3
Provided for in the reporting year	-	-
Charged in the reporting year	-	1
Reversed in the reporting year	-	-
At 30 June 2024	4	4

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

14. Provisions (continued)

E. Amounts not expected to be settled within the next 12 months

The annual and long service leave benefits reported as current because Western Power does not have an unconditional right to defer settlement, but that based on past experience are not expected to be taken or paid within the next 12 months of the reporting dates presented, are shown in table 29 below.

15. Deferred income

A. Accounting policy

Contributions received in advance are deferred and subsequently recognised as revenue at the point the developers or customers are connected to the network. This is in satisfaction of the performance obligation of the underlying connection contract.

Contributions are classified as current liabilities unless connection to the network is not due for at least 12 months after the reporting date.

B. Amounts recognised in statement of financial position

Deferred income largely relates to contributions received in advance from developers and customers. See table 30 below.

C. Movements in deferred income

Movements in deferred income during the reporting years presented, are shown in table 31 below.

Table 29: Amounts not expected to be settled within the next 12 months

	2024/25 \$M	2023/24 \$M
Current annual leave		
Annual leave expected to be settled within 12 months	31	31
Annual leave expected to be settled after 12 months	26	18
	57	49
Current long service leave		
Long service leave expected to be settled within 12 months	48	48
Long service leave expected to be settled after 12 months	6	-
	54	48

Table 30: Amounts recognised in statement of financial position

	2024/25			2023/24		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Deferred income	251	86	337	239	73	312

Table 31: Movements in deferred income

	2024/25 \$M	2023/24 \$M
At 1 July	312	262
Received in the reporting year	169	182
Earned in the reporting year	(143)	(132)
At 30 June	337	312

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

16. Deferred tax equivalent liabilities

A. Accounting policy

Refer to note 7(a) for details of Western Power's 'Deferred tax equivalent' accounting policy.

B. Amounts recognised in statement of financial position

The temporary differences attributable to deferred tax equivalent assets and liabilities as at the reporting dates presented, are shown in table 32 below.

Table 32: Amounts recognised in statement of financial position

	2024/25			2023/24		
	Deferred tax asset \$M	Deferred tax liability \$M	Net (liability less asset) \$M	Deferred tax asset \$M	Deferred tax liability \$M	Net (liability less asset) \$M
Non-current						
Property, plant and equipment (PPE), and intangible assets	-	1,447	1,447	-	1,339	1,339
Derivative financial instruments	17	-	(17)	4	-	(4)
Provisions for employee benefits	42	-	(42)	37	-	(37)
Other temporary differences	16	-	(16)	(14)	-	14
Total deferred tax equivalent	75	1,447	1,372	27	1,339	1,312
Set-off deferred tax equivalent assets pursuant to set-off provisions	(75)	(75)	-	(27)	(27)	-
Net deferred tax equivalent	-	1,372	1,372	-	1,312	1,312
Net deferred tax equivalent						
Expected to be realised within 12 months	59	-	(59)	39	-	(39)
Expected to be realised after more than 12 months	16	1,447	1,431	(12)	1,339	1,351
	75	1,447	1,372	27	1,339	1,312

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

16. Deferred tax equivalent liabilities (continued)

C. Movements in deferred tax equivalent assets

Movements in deferred tax equivalent assets during the reporting years presented, are shown in table 33 below.

Table 33: Movements in deferred tax equivalent assets

	Derivative financial instruments \$M	Provisions for employee benefits \$M	Other temporary differences \$M	Deferred tax equivalent assets \$M
At 1 July 2024	4	37	(14)	27
Charged to profit or loss	-	5	27	32
Charged to other comprehensive income	13	-	-	13
Adjustment to income tax equivalent provided in previous years	-	-	3	3
At 30 June 2025	17	42	16	75
At 1 July 2023	3	35	(16)	22
Charged to profit or loss	-	2	2	4
Charged to other comprehensive income	1	-	-	1
Adjustment to income tax equivalent provided in previous years	-	-	-	-
At 30 June 2024	4	37	(14)	27

Table 34: Movements in deferred tax equivalent liabilities

	PPE, and intangible assets \$M	Deferred tax equivalent liabilities \$M
At 1 July 2024	1,339	1,339
Charged to profit or loss	108	108
Adjustment to income tax equivalent provided in previous years	-	-
At 30 June 2025	1,447	1,447
At 1 July 2023	1,263	1,263
Charged to profit or loss	76	76
Adjustment to income tax equivalent provided in previous years	-	-
At 30 June 2024	1,339	1,339

D. Movements in deferred tax equivalent liabilities

Movements in deferred tax equivalent liabilities during the reporting years presented, are shown in table 34 below.

Notes to the financial statements (continued)

In this section

This section presents the liabilities relating to Western Power's financing activities, as well as the key financial risks and equity of the business.

Section 4: Debt and equity

17. Financial risk management

A. Overview

The Western Power Board has overall responsibility for financial risk management. To assist in the performance of this responsibility, the Board has established an Audit and Risk sub-Committee (**ARC**).

The ARC is supported in its oversight role by the Treasury Management Committee (**TMC**) and the Internal Audit area. The TMC, comprising senior business experts, considers all financial risk management policies and activities.

The specialist Internal Audit area undertakes regular and ad-hoc reviews of financial risk management controls and procedures, the findings of which are reported to the ARC.

The Western Power Financial Management Policy sets the principles and framework for governing financial risks arising from business operations. Adherence to this policy ensures that at all times, Western Power maintains an appropriate level of control over financial and associated risks that accords with strategic objectives and legal responsibilities.

The principal financial risks arising from Western Power's current operations as described in this note are summarised in table 35 below.

Table 35: Principal financial risks arising from Western Power's current operations

Risk:	Note:	Arises from:	Measured by:	Managed by:
Market risk Interest rate risk	17(b)(i)	Borrowing obligations	Sensitivity analysis	- Interest rate swaps - Forward borrowing commitments
Foreign currency risk	17(b)(ii)	Commercial transactions	Sensitivity analysis	Forward exchange contracts
Credit risk	17(c)	- Cash and cash equivalents - Trade and other receivables (excluding prepayments) - Derivative financial instruments	- Carrying and fair value amounts - Ageing analysis	- Credit ratings - Counterparty limits - Exposure monitoring - Bank guarantees, insurance bonds or cash deposits - Legal collection of debts
Liquidity risk	17(d)	- Trade and other payables - Borrowings - Lease liabilities - Derivative financial instruments	Contractual maturities	- Available cash and borrowing facilities - Debt maturity profiles

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17. Financial risk management (continued)

B. Market risk

Market risk is the risk to Western Power that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Western Power has exposures to movements in interest and foreign exchange rates.

i. Interest rate risk

Interest rate risk is the risk to Western Power that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk in Western Power arises from borrowing obligations with floating rates.

Western Power has an interest rate risk management strategy which aims to manage exposures to interest rate movements. Debt portfolio structure guidelines are set to manage the interest rate risks arising from Western Power's commercial and regulatory environment. Interest rate exposure mix guidelines are set to ensure that Western Power is not exposed to excess risk from interest rate volatility.

Interest rate forecasts are continuously monitored and, where appropriate, exposures to interest rates are managed through the use of Board approved hedging instruments such as interest rate swaps and forward domestic borrowing commitments. The critical terms of these hedging instruments must align with the hedged items.

ii. Foreign currency risk

Foreign currency risk is the risk to Western Power that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk in Western Power arises from commercial transactions denominated in foreign currency, principally for the purchase of inventories and capital equipment from foreign suppliers.

Western Power's foreign currency risk management strategy aims to manage significant exposures through the use of Board approved hedging instruments, such as forward exchange contracts that provide certainty on costs. The critical terms of these hedging instruments must align with the hedged items.

Western Power's managed foreign currency risk as at the reporting dates presented, is shown in table 36 below.

iii. Sensitivity analysis

Table 37 (overleaf) summarises the potential impact to the annual post-tax profit and other comprehensive income of Western Power as at the reporting dates presented, due to movements in interest and foreign exchange rates.

The assumptions used are based on management's best estimate of a reasonably possible movement given current market conditions.

Table 36: Managed foreign currency risk

	2024/25		2023/24		
	Euro	United States Dollar	Canadian Dollar	Euro	United States Dollar
Weighted average foreign exchange rate	0.5763	0.6469	0.8776	0.6099	0.6630
Forward exchange contracts maturing (\$'000):					
Within one year	1,389	17,212	876	832	15,996
Later than one year but not later than five years	-	11,222	-	-	10,864

Section 4: Debt and equity (continued)

iii. Sensitivity analysis (continued)

See table 37 below.

Table 37: Sensitivity analysis

	Carrying amount \$M	Interest rate risk				Foreign currency risk			
		Impact on post-tax profit		Impact on other comprehensive income		Impact on post-tax profit		Impact on other comprehensive income	
		+1% \$M	-1% \$M	+1% \$M	-1% \$M	+10% \$M	-10% \$M	+10% \$M	-10% \$M
At 30 June 2025									
Cash and cash equivalents	304	3	(3)	-	-	-	-	-	-
Trade and other receivables (excluding prepayments)	253	-	-	-	-	-	-	-	-
Derivatives-interest rate swaps ²	5	-	-	17	(4)	-	-	-	-
Derivatives-FX contracts	-	-	-	-	-	-	-	-	3
Total financial assets	562	3	(3)	17	(4)	-	-	-	3
Trade and other payables	213	-	-	-	-	-	-	-	-
Borrowings ¹	8,030	(55)	55	-	-	-	-	-	-
Lease liabilities	40	-	-	-	-	-	-	-	-
Derivatives-interest rate swaps ²	20	-	-	-	-	-	-	-	-
Derivatives-FX contracts	-	-	-	-	-	-	-	(2)	1
Derivatives-forward borrowings ³	8	-	-	25	(28)	-	-	-	-
Total financial liabilities	8,311	(55)	55	25	(28)	-	-	(2)	(1)
At 30 June 2024									
Cash and cash equivalents	222	2	(2)	-	-	-	-	-	-
Trade and other receivables (excluding prepayments)	251	-	-	-	-	-	-	-	-
Derivatives-interest rate swaps ²	29	-	-	35	(36)	-	-	-	-
Derivatives-FX contracts	-	-	-	-	-	-	-	-	2
Total financial assets	502	2	(2)	35	(36)	-	-	-	2
Trade and other payables	164	-	-	-	-	-	-	-	-
Borrowings ¹	7,672	(45)	45	-	-	-	-	-	-
Lease liabilities	26	-	-	-	-	-	-	-	-
Derivatives-forward borrowings ³	-	-	-	-	-	-	-	(2)	-
Total financial liabilities	7,862	(45)	45	-	-	-	-	(2)	-

As at 30 June 2025, the sensitivity analysis of interest rate risk is based on Western Power's:

- ¹ Floating rate borrowings of \$3,525 million (30 June 2024: \$2,925 million) and variable rate working capital borrowings of \$51 million (30 June 2024: \$40 million). The majority of Western Power's borrowings are at fixed interest rates as allowable under the Board approved Treasury Management Standard.
- ² 46 interest rate swap agreements (30 June 2024: 41) at a notional amount of \$1,950 million (30 June 2024: \$1,550 million). These agreements are entered into to hedge against floating interest rate exposures arising from borrowing obligations.
- ³ Fixed rate forward domestic borrowing commitment (30 June 2024: Nil) at a notional amount of \$350 million (30 June 2024: \$nil million). This commitment has been entered into to mitigate refinancing risk and to hedge against floating interest rate exposure arising from future borrowing obligations. It is recognised as a derivative financial instrument in the reporting year between entering into the forward domestic borrowing agreement and draw down of the loan principal.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17. Financial risk management (continued)

C. Credit risk

Credit risk is the risk of financial loss to Western Power if a customer or counterparty to a financial instrument fails to discharge its contractual obligation. The maximum exposure to credit risk for Western Power is best represented by the carrying amounts of financial assets recognised in the statement of financial position as at the reporting dates (refer to note 17(b)(iii)).

Western Power generally provides credit on 14 or 30 day payment terms, unless contractually agreed otherwise. Credit risk is actively managed through the adherence of Western Power's Credit Risk and Treasury Management Standards, the use of credit ratings and monthly reporting to the Board. Western Power manages the quality of financial assets and its concentrations of credit risk by reference to external credit ratings, where available, or to historic information on counterparty default rates. Bank guarantees, insurance bonds or cash deposits are also obtained as security where necessary.

i. Critical accounting estimates and judgements: impaired trade receivables

Western Power applies the simplified approach to measure expected credit losses on trade receivables. This approach recognises a lifetime expected loss allowance for all trade receivables, being:

- a loss allowance from day one
- an estimate for forward-looking losses to reflect current conditions and forecasts of future conditions.

To measure the expected credit losses, trade receivables are grouped into like customer categories based on shared credit risk characteristics. The expected credit loss rate for each of these categories is based on the customers' payment profiles over a number of periods before the reporting dates presented, and their corresponding historical credit losses experienced within this period.

The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the trade receivables. Western Power has identified the Western Australian Gross State Product to be the most relevant macroeconomic factor, and accordingly adjusts the historical credit loss rates based on the expected changes in this factor.

For the reporting year ended 30 June 2025, changes in this factor reflected estimates for the ongoing impact of, and subsequent recovery from the COVID-19 pandemic on current and future economic conditions. This did not result in a material change to Western Power's allowance for impairment of trade receivables (30 June 2024: no material change).

The loss allowance for the impairment of trade receivables for the reporting years presented, is shown in table 38 below. This allowance is recognised in 'Other expenses' in profit or loss (refer to note 5(c)(i)).

Table 38: Loss allowance for the impairment of trade receivables for the reporting years presented

	2024/25			2023/24		
	Trade receivables \$M	Expected loss rate %	Impairment of trade receivables \$M	Trade receivables \$M	Expected loss rate %	Impairment of trade receivables \$M
Current	73	1.4%	1	71	1.4%	1
30 days late	3	-	-	1	-	-
60 days late	2	-	-	1	-	-
90 days late	1	-	-	1	-	-
More than 90 days late	14	35.7%	5	14	28.6%	4
Total	93	6.4%	6	88	5.7%	5

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17. Financial risk management (continued)

C. Credit risk (continued)

i. Critical accounting estimates and judgements: impaired trade receivables (continued)

Movements in the allowance for impairment of trade receivables during the reporting years presented, are shown in table 39 below.

There is no collateral security in place in respect of these amounts.

ii. Trade receivables past due but not impaired

The ageing analysis of trade receivables past due but not impaired as at the reporting dates presented, is shown in table 40 overleaf.

D. Liquidity risk

Liquidity risk is the risk Western Power will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. Western Power is governed by the Treasury Management Standard which requires active management of cash and ensures adequate facilities are in place to satisfy ongoing funding requirements. This includes actively managing working capital for immediate needs, and the debt portfolio within maturity guidelines to mitigate refinancing risk.

i. Working capital

As at 30 June 2025, Western Power reported a working capital surplus of \$78 million (30 June 2024: \$110 million surplus).

This included current liabilities of \$251 million for deferred income (30 June 2024: \$239 million) – relating to developer and customer contributions – which usually do not require an outflow of cash resources, but rather are subsequently recognised as revenue at the point the developers or customers are connected to the network in satisfaction of the performance obligation of the underlying connection contract (refer to note 15 for further details).

When these amounts are excluded, working capital shows current assets exceeding current liabilities by \$335 million (30 June 2024: \$348 million).

Table 39: Critical accounting estimates and judgements: impaired trade receivables

	Note	2024/25 \$M	2023/24 \$M
At 1 July		5	6
Charged in the reporting year			
Allowed for in the reporting year	5(c)(i)	1	-
Allowance for impairment reversed		-	-
Total charged in the reporting year		1	6
Previously allowed for and written off in the reporting year		-	(1)
At 30 June		6	5

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17. Financial risk management (continued)

ii. Financing arrangements

Western Power has in place a borrowing facility with the WATC. Included in this, is a working capital facility that can be drawn down to meet short-term financing needs. The facility's borrowing limit is set through the annual Western Australian State Budget or as amended from time to time by a formal process, including the mid-year State Budget review or via a letter of amendment.

The maximum amount of borrowings permitted by Western Power for the reporting year ended 30 June 2025 was \$7,985 million (30 June 2024: \$7,735 million). This is per the 2024/25 Western Australian State Budget handed down in May 2024 (30 June 2024: per the 2023/24 Western Australian State Budget handed down in May 2023).

The unused portion of Western Power's borrowing facility for the reporting years presented, is shown in table 41 below.

The maximum amount of borrowings permitted for Western Power for the reporting year ended 30 June 2026 is \$8,388 million. This is per the 2025/26 Western Australian State Budget handed down in May 2025.

Table 40: Trade receivables past due but not impaired

	2024/25 \$M	2023/24 \$M
Due between 1 and 59 days	5	4
Due between 60 and 89 days	1	1
Due more than 90 days	9	8
	15	13

Table 41: The unused portion of Western Power's borrowing facility for the reporting years presented

	Note	2024/25 \$M	2023/24 \$M
Borrowing limit		7,985	7,735
Used portion of borrowing limit			
Domestic working capital facility	18(b)	(51)	(40)
Domestic currency loans	18(b)	(7,910)	(7,565)
Total used portion of borrowing limit		(7,961)	(7,605)
Unused portion of borrowing limit		24	130

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17. Financial risk management (continued)

D. Liquidity risk (continued)

iii. Maturities of financial liabilities

Table 42 below presents the maturity profile of Western Power's financial liabilities as at the

reporting dates presented, based on contractual undiscounted cash flows, including estimated interest payments and cash flows associated with derivatives that are designated and qualify as cash flow hedges.

Borrowing facilities are in Australian dollars. Funds may be drawn down subject to the borrowings facility and master lending agreement with the WATC at varying maturities. As at 30 June 2025, the average maturity was 4.6 years (30 June 2024: 4.5 years).

Table 42: Maturities of financial liabilities

	Note	Within one year \$M	Between one and five years \$M	Later than five years \$M	Total contractual cash flows (undiscounted) \$M	Carrying amount \$M
At 30 June 2025						
Interest rate swaps	20					
Net settled		1	13	-	14	15
Forward exchange contracts	20					
(Inflow)		(29)	(17)	-	(46)	-
Outflow		29	17	-	46	-
Total derivative financial liabilities		1	13	-	15	23
Trade and other payables	13	213	-	-	213	213
Borrowings	18	1,456	4,511	4,450	10,417	8,030
Domestic working capital facility		120	-	-	120	120
Domestic currency loans		1,320	4,278	4,065	9,663	7,910
Forward domestic borrowing commitments ¹	20	16	233	385	634	-
Lease liabilities	19	9	14	17	40	40
Total non-derivatives financial liabilities		1,678	4,525	4,467	10,670	8,283
At 30 June 2024						
Interest rate swaps	20					
Net settled		(15)	(19)	-	(34)	(29)
Forward exchange contracts	20					
(Inflow)		(27)	(16)	-	(43)	-
Outflow		27	16	-	43	-
Forward domestic borrowing commitments ¹	20	-	-	-	-	-
Total derivative financial liabilities		(15)	(19)	-	(34)	(29)
Trade and other payables	13	164	-	-	164	164
Borrowings	18	1,355	4,306	3,950	9,611	7,672
Domestic working capital facility		107	-	-	107	107
Domestic currency loans		1,238	4,255	3,650	9,143	7,565
Forward domestic borrowing commitments ¹	20	10	51	300	361	-
Lease liabilities	19	9	14	3	26	26
Total non-derivatives financial liabilities		1,528	4,320	3,953	9,801	7,862

¹ There are no contractual cash flows for forward domestic borrowing commitments in the period between entering into the forward domestic borrowing agreement and draw down of the loan principal. The contractual cash flows after draw down of the agreed loan principal are presented in the 'Borrowings' section of this table.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

18. Borrowings

A. Accounting policy

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

Borrowings are classified as current liabilities unless Western Power has an agreement with the lender that allows refinancing of the liability for at least 12 months after the reporting date. This includes where a forward domestic borrowing commitment exists that replaces the existing borrowing on the date of maturity, and where this extends the maturity of the original borrowing to greater than 12 months after the reporting date.

Forward domestic borrowing commitments

Forward domestic borrowing commitments are entered into with the WATC to borrow specified amounts in the future at pre-determined interest rates.

Fixed rate forward domestic borrowing commitments are recognised as derivative financial instruments in the period between entering into the forward domestic borrowing agreement and draw down of the loan principal. Once the loan is drawn down, the principal is accounted for at fair value like any other borrowing.

Any fair value gain or loss relating to the effective portion of the forward is recognised in the hedging reserve and re-classified to profit or loss over the term of the loan.

B. Amounts recognised in statement of financial position

See table 43 below.

Western Power's domestic borrowings are provided by the WATC, an entity owned by the Western Australian State Government.

C. Classification of borrowings

As at 30 June 2025, the non-current domestic currency loans of \$7,910 million (30 June 2024: \$7,565 million) included an amount of \$988 million that will become due and payable during the 2025/26 reporting year (30 June 2024: \$914 million that became due and payable during the 2024/25 reporting year). The loans have been classified as non-current, supported by:

- a master lending agreement with the WATC that allows Western Power to refinance all or any part of maturing debt at regular intervals
- Western Power's forecast borrowing requirements for the next four years have been approved within the 2025 Western Australian State Budget, including no requirement for repayment of amounts classified as non-current below.

Table 43: Amounts recognised in statement of financial position

	Note	2024/25			2023/24		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Domestic working capital facility	18(c)	51	-	51	40	-	40
Domestic currency loans		-	7,910	7,910	-	7,565	7,565
Accrued interest		69	-	69	67	-	67
		120	7,910	8,030	107	7,565	7,672

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

18. Borrowings (continued)

D. Fair value of borrowings

As at 30 June 2025, the fair value of borrowings is \$8,017 million (30 June 2024: \$7,410 million). This is calculated by discounting the expected future principal and interest cash flows using the interest rates shown in table 44 below.

The fair value of domestic currency loans is classified as level 2 in the fair value hierarchy (as defined in note 21(a)) because either the inputs are based on observable market data or the valuation is independently calculated by the provider of the borrowings.

19. Lease liabilities

A. Accounting policy

Western Power leases fleet and other equipment (including properties and information technology) required for the operation of the business. The lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. Where the contracts contain both lease and associated non-lease components, Western Power elects not to separate and instead accounts for as single lease components.

At the commencement of a lease, the lease liability is measured at the present value of outstanding payments. These payments include:

- fixed lease payments (including in-substance fixed payments) less any lease incentives receivables
- variable lease payments based on an index or a rate, initially measured using the index or rate as at the lease commencement date
- amounts expected to be payable under residual value guarantees

- payments under extension options if it is reasonably certain the extension will be exercised
- the exercise price of a purchase option if it is reasonably certain the option will be exercised
- payments of penalties for terminating the lease, if the lease term reflects exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. Where this rate is not readily determined an incremental borrowing rate is used. Western Power's incremental borrowing rate is provided by the WATC, being the provider of Western Power's borrowings.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments

Variable lease payments can be exposed to potential future increases based on an index or rate. Any increases are not included in the lease liability until they take effect, at which point they are adjusted against the right-of-use asset.

Extension and termination options

Leases can include extension and termination options. This is to maximise operational and asset management flexibility. Periods covered by these options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

Short-term and low-value leases

Refer to note 5(c)(ii) for details of Western Power's 'short term and low-value leases' accounting policy.

Table 44: Fair value of borrowings

	2024/25	2023/24
WATC yield curve	3.8% - 5.8%	4.4% - 5.8%
Bank bill swap (BBSW) reference rate	3.7%	4.5%
Australian dollar (AUD) interest rate swap curve	3.2% - 3.5%	4.5% - 4.4%

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

19. Lease liabilities (continued)

B. Amounts recognised in statement of financial position

See table 45 below.

C. Amounts recognised in profit or loss

See table 46 below.

For the reporting year ended 30 June 2025, the total cash outflow for leases was \$17 million (30 June 2024: \$14 million).

D. Critical accounting estimates and judgements: present value of lease liabilities

Western Power measures lease liabilities on a present value basis in accordance with the accounting policy in note 19(a). This involves estimation and judgements associated with identifying leases within contracts, lease versus non-lease components including stand-alone prices, lease terms, variable versus fixed lease payments, discount rates and degree of certainty around exercising extensions and/or terminations options.

E. Maturity analysis of lease liabilities

See table 47 below.

20. Derivative financial instruments

A. Accounting policy

i. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value as at each reporting date. The valuation techniques used to measure fair value are further described in note 21(b).

Derivative financial instruments are presented as assets when the fair value is positive and as liabilities when the fair value is negative.

ii. Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability, or a firm commitment
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction.

At inception of the hedge relationship, Western Power documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Western Power documents the risk management objective and strategy for undertaking the hedge transactions.

Table 45: Amounts recognised in statement of financial position

	2024/25			2023/24		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Lease liabilities	16	24	40	9	17	26

Table 46: Amounts recognised in profit or loss

	Note	2024/25 \$M	2023/24 \$M
Finance lease interest	6(b)	(2)	(1)

Table 47: Maturity analysis of lease liabilities

	2024/25 \$M	2023/24 \$M
Payable within one year	15	9
Payable later than one year but not later than five years	22	14
Payable later than five years	2	2
	39	25

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

20. Derivative financial instruments (continued)

A. Accounting policy (continued)

ii. Hedge accounting (continued)

Fair value hedges

For all derivative transactions designated as a fair value hedge, the portion of gain or loss on the hedging instrument is recognised in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. There is no impact in other comprehensive income or the hedging reserve.

During the reporting year ended 30 June 2025, Western Power had not accounted for any derivative financial instruments that qualified for hedge accounting as fair value hedges (30 June 2024: nil).

Cash flow hedges

For all derivative transactions designated as a cash flow hedge, the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion is recognised in profit or loss immediately.

When the cash flows occur, the amounts accumulated in the hedging reserve are either transferred to the carrying value of the asset,

where the hedged item results in the recognition of a non-financial asset (such as inventories or property plant and equipment), or re-classified to profit or loss in the same reporting year the hedged item affects the profit or loss.

When a hedging instrument expires, is sold or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity, and is recognised when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately re-classified to profit or loss.

iii. Derivatives that do not qualify for hedge accounting

For all derivative transactions that do not qualify for hedge accounting, any changes in fair value are recognised immediately in profit or loss.

During the reporting year ended 30 June 2025, all Western Power's derivative transactions qualified for hedge accounting (30 June 2024: all qualified).

iv. Derecognition

Derivative financial instruments are derecognised when Western Power no longer controls the contractual rights that comprise the financial instrument.

During the reporting year ended 30 June 2025, Western Power did not derecognise any derivative financial instruments (30 June 2024: nil derecognised).

B. Amounts recognised in statement of financial position

See table 48 below.

Table 48: Amounts recognised in statement of financial position

	Note	2024/25			2023/24		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Assets							
Interest rate swaps	20(b)(i)	-	5	5	-	29	29
		-	5	5	-	29	29
Liabilities							
Interest rate swaps	20(b)(i)	-	20	20	-	-	-
Forward domestic borrowing commitments		8	-	8	-	-	-
		8	20	28	-	-	-

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

20. Derivative financial instruments (continued)

B. Amounts recognised in statement of financial position (continued)

i. Nature of derivatives

Derivative financial instruments are used to hedge economic exposures to movements in interest and foreign exchange rates.

Western Power uses derivative financial instruments in accordance with Board approved policy. Under this policy the critical terms of the hedging instruments must align with the hedged items. Speculative trading where a derivative is entered into without an underlying economic exposure is strictly prohibited. All derivative activities are carried out by a specialist group within Western Power that has the appropriate skills, experience and supervision.

As at the reporting dates presented, Western Power used the below derivative financial instruments. See table 49 below. All qualified for hedge accounting in accordance with the accounting policy in note 20(a). This is further explained in note 20(b)(ii).

ii. Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness can occur due to:

- changes in the forecast timing of the cash flow transaction
- differences in the critical terms between the hedging instrument and the hedged item
- changes in the credit risk of Australia or the derivative counterparty.

Interest rate swaps and forward domestic borrowing commitments

Western Power enters into interest rate swaps and fixed rate forward domestic borrowing commitments that have the same critical terms as the hedged item, including the notional amount, interest rates, payment dates and maturities. Where Western Power does not hedge all outstanding borrowings, the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the hedging instrument.

Forward exchange contracts

Western Power enters into forward exchange contracts that have the same critical terms as the hedged item, including the transaction amount, foreign exchange rates and payment dates.

During the reporting year ended 30 June 2025, Western Power assessed no hedge ineffectiveness – being all critical terms matched, ensuring the economic relationships existed between the hedged items and hedging instruments (30 June 2024: no hedge ineffectiveness).

Table 49: Nature of derivatives

Instrument	Economic exposure hedged
Interest rate swaps	Western Power enters into interest rate swaps in order to hedge against floating interest rate exposures arising from borrowing obligations.
Forward exchange contracts	Western Power enters into forward exchange contracts in order to hedge against foreign currency risk, principally arising from the future purchase of inventories and capital equipment in foreign currencies.
Forward domestic borrowing commitments	Western Power enters into fixed rate forward domestic borrowing commitments in order to mitigate refinancing risk and to hedge against interest rate exposures arising from future borrowing obligations with floating rates.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

21. Recognised fair value measurements

A. Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For the reporting dates presented, Western Power measured and recognised the below assets and liabilities at fair value disclosed by the following fair value hierarchy levels:

- **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 (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Inputs from the asset or liability that are not based on observable market data (unobservable inputs).

It is Western Power's policy to recognise transfers into and out of the fair value hierarchy levels at the end of each reporting year.

As at 30 June 2025, there were no transfers between levels for recurring fair value measurements (30 June 2024: no transfers). See table 50 below.

B. Critical accounting estimates and judgements: valuation techniques used to derive level 2 fair values

Recurring fair value measurements

The fair value of derivatives in active markets is based on quoted market prices at the end of the reporting year. Where derivatives are entered into that are not traded in active markets the fair value is determined using valuation techniques.

These techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. In some instances, independent valuations from the provider of the instrument are used.

If all significant inputs required to fair value an instrument are based on observable market data, or the valuation is independently calculated by the provider of the instrument, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data the instrument is included in level 3.

During the reporting year ended 30 June 2025, level 3 valuation techniques were not used (30 June 2024: not used).

Specific valuation techniques used to value derivative financial instruments (as relevant) include the following:

- the fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on a combination of observable BBSW reference rates and AUD interest rate swap curves
- the fair value of forward exchange contracts is determined using a combination of observable forward foreign exchange rates, BBSW reference rates and AUD interest rate swap curves as at the reporting date
- the fair value of fixed rate forward domestic borrowing commitments is independently calculated by the WATC, the provider of these instruments.

All of the resulting fair value estimates are included in level 2. For the potential impact to Western Power's annual post-tax profit and other comprehensive income due to movements in the key observable inputs being interest and foreign exchange rates, refer to the 'Sensitivity analysis' in note 17(b)(iii).

Table 50: Fair value hierarchy

	2024/25				2023/24			
	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
Financial assets								
Derivative financial instruments	-	5	-	5	-	29	-	29
Financial liabilities								
Derivative financial instruments	-	28	-	28	-	-	-	-

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

22. Contributed equity

A. Accounting policy

Contributions made by the owner, as designated so at the time of, or prior to the contribution, are recognised as a direct adjustment to equity when received.

B. Nature of contributions

Contributed equity represents the initial and subsequent contributions made by Western Power's sole owner, the Western Australian State Government. No shares have been allotted.

The owner's initial contribution comprised the assets of Western Power Corporation, after deducting liabilities, transferred to Western Power on 1 April 2006. The owner has made subsequent contributions including:

- to the edge of grid and regional power investment programs
- to offset dividends paid (and retained) on capital contributions (including income tax equivalent recoveries on commercial capital contributions)
- for the sale of land surplus to requirements
- for the recovery of income tax equivalent expense on residential capital contributions.

C. Movements in contributed equity

Movements in contributed equity during the reporting years presented, are shown in table 51 below.

i. Contributed equity

During the reporting years presented, the State Government made contributions to offset the payment of dividends retained by Western Power arising from capital contributions (including income tax equivalent recoveries on commercial capital contributions), for the sale of land surplus to requirements and for the recovery of income tax equivalent expense on residential capital contributions.

Table 51: Movements in contributed equity

	Note	2024/25 \$M	2023/24 \$M
At 1 July		2,062	1,973
Contributions received to offset	22(c)(i)		
Final dividend		175	23
Interim dividend		-	66
Total contributions received		175	89
At 30 June		2,237	2,062

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

23. Hedging reserve and retained earnings

A. Accounting policy

The hedging reserve represents the effective portion of the cumulative net changes in the

fair value of derivative financial instruments that are designated, and qualify as cash flow hedges in accordance with the accounting policy in note 20(a). Amounts are re-classified to profit or loss when the associated hedge transaction affects profit or loss.

B. Movements in hedging reserve

Movements in the hedging reserve during the reporting years presented, are shown in table 52 below.

Table 52: Movements in hedging reserve

	Note	Interest rate swaps \$M	Forward exchange contracts \$M	Forward domestic borrowing commitments \$M	Total \$M
At 1 July 2024		23	(1)	(29)	(7)
Other comprehensive income or loss for the reporting year:					
Fair value of cash flow hedges					
Changes in the fair value of cash flow hedges		(44)	-	(10)	(54)
Re-classifications of cash flow hedges to profit or loss	6(b)	-	-	9	9
Re-classifications of cash flow hedges not to profit or loss		-	-	-	-
Total fair value of cash flow hedges		(44)	-	(1)	(45)
Tax equivalent on fair value of cash flow hedges	7(d)				
Tax equivalent on changes in the fair value of cash flow hedges		16	-	-	16
Tax equivalent on re-classifications of cash flow hedges to profit or loss		(3)	-	-	(3)
Tax equivalent on re-classifications of cash flow hedges not to profit or loss		-	-	-	-
Total tax equivalent on fair value of cash flow hedges		13	-	-	13
Total other comprehensive income/(loss) for the reporting year		(31)	-	(1)	(32)
At 30 June 2025		(8)	(1)	(30)	(39)
At 1 July 2023		32	1	(38)	(5)
Other comprehensive income for the reporting year					
Fair value of cash flow hedges					
Changes in the fair value of cash flow hedges		(13)	(4)	3	(14)
Re-classifications of cash flow hedges to profit or loss	6(b)	-	-	10	10
Re-classifications of cash flow hedges not to profit or loss		-	2	-	2
Total fair value of cash flow hedges		(13)	(2)	13	(2)
Tax equivalent on fair value of cash flow hedges	7(d)				
Tax equivalent on changes in the fair value of cash flow hedges		4	1	(1)	4
Tax equivalent on re-classifications of cash flow hedges to profit or loss		-	-	(3)	(3)
Tax equivalent on re-classifications of cash flow hedges not to profit or loss		-	(1)	-	(1)
Total tax equivalent on fair value of cash flow hedges		4	-	(4)	-
Total other comprehensive income for the reporting year		(9)	(2)	9	(2)
At 30 June 2024		23	(1)	(29)	(7)

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

23. Hedging reserve and retained earnings (continued)

C. Movements in retained earnings

Movements in retained earnings during the reporting years presented, are shown in table 53 below.

24. Dividends

A. Accounting policy

Dividends are provided for in the reporting year in which the dividends recommended by the Board are accepted by the Minister for Energy – with the concurrence of the Treasurer of Western Australia. A corresponding amount is recognised directly in equity. Dividends are subject to a solvency test in-line with section 138 of the GTE Act.

B. Dividends recognised in the reporting years

During the reporting years presented, the below dividends shown in table 54 were declared and paid to the Western Australian State Government.

i. 2024/25 dividends paid

During the reporting year ended 30 June 2025, Western Power paid the State Government dividends (30 June 2024: \$nil million). This is in-line with written notice from the Minister for Energy, and pursuant to sections 140 and 141 of the GTE Act respectively.

- a final dividend of \$71 million for the reporting year ended 30 June 2024 – paid in December 2024; and

- a nil interim dividend for the reporting year ended 30 June 2025 – typically payable no later than the reporting year to which it relates (by June 2025).

C. Dividends not recognised at the end of the reporting year

Since 30 June 2025, the directors have resolved to recommend, subject to the approval of the Minister for Energy, a dividend of \$204 million for the reporting year ended 30 June 2025, being:

- a final dividend of \$253 million in-line with Western Power's net profit after income tax equivalent
- a special dividend of \$1 million for sale of land surplus to requirements
- \$50 million retention (per year between 2024/25 to 2027/28) in-line with approval by the Expenditure Review Committee as contribution toward the Housing Enabling Infrastructure Fund for housing-related infrastructure commitments.

This recommendation is reflective of a nil interim dividend for the reporting year ended 30 June 2025 in-line with written notice from the Minister for Energy.

The Expenditure Review Committee (ERC) has approved a revised dividend framework under which Western Power will contribute \$50 million per annum in retained dividends between 2024/25 and 2027/28 to the Housing Enabling Infrastructure Fund (the Fund). This retention will be offset against the recommended final dividend when due to be paid in December 2025.

The \$204 million will be provided for in the accounts once accepted by the Minister for Energy – with the concurrence of the Treasurer of Western Australia. It is to be offset by an equity contribution subject to approval by the Western Australian State Government.

Table 53: Movements in retained earnings

	Note	2024/25 \$M	2023/24 \$M
At 1 July		2,308	1,927
Profit for the reporting year, net of tax equivalent		338	381
Dividends provided for or paid	24(b)	(71)	-
At 30 June		2,575	2,308

Table 54: Dividends recognised in the reporting years

	Note	2024/25 \$M	2023/24 \$M
Final dividend	24(b)(i)	(71)	-
Special dividend	24(b)(i)	-	-
		(71)	-

Notes to the financial statements (continued)

In this section

This section presents other information that must be disclosed in compliance with Australian accounting standards and other AASB pronouncements, but that are not immediately related to individual line items in the financial statements.

Section 5: Other information

25. Related party transactions

A. Owner

Although Western Power operates as a corporatised enterprise under the GTE Act, it is accountable to and controlled by the Western Australian State Government, via the Minister for Energy, as Western Power's sole owner and shareholder.

Related parties of Western Power include:

- all Cabinet Ministers of the Western Australian State Government (**Cabinet Ministers**) and their close family members, and entities controlled or jointly controlled by them
- all Western Power directors and executive officers (unless employed for a limited period during the reporting year – generally three months or less) and their close family members, and entities controlled or jointly controlled by them
- other Western Australian statutory authorities and departments, including their related bodies, that are included in the State's whole of government consolidated financial statements
- associates and joint ventures of any entities that are included in the State's whole of government consolidated financial statements
- the Government Employees Superannuation Board (**GESB**).

B. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly.

Western Power's key management personnel has been determined to be the State's Cabinet Ministers, and the directors and executive officers of Western Power.

Total compensation to Western Power's key management personnel (excluding State Cabinet Ministers), for the reporting years presented, is shown in table 55 below.

For more detailed Western Power remuneration disclosures refer to the 'Remuneration' section of the directors' report within this financial report.

Total compensation to the State's Cabinet Ministers is not disclosed because there is no obligation for Western Power to reimburse this amount. Details however, can be found in the 2024/25 Annual Report on State Finances' published on the Western Australian Department of Treasury's website.

C. Transactions with related parties

i. Key management personnel

Western Power's key management personnel and their related parties, conduct transactions with Western Power within normal employee and customer relationships. The terms and conditions are no different to those it is reasonable to expect Western Power would adopt if dealing with the Cabinet Minister, director, executive officer and/or their related party in an arm's length transaction in similar circumstances.

Western Power is not aware of material related party transactions with the State's Cabinet Ministers, the directors and executive officers of Western Power and/or their close family members or entities controlled or jointly controlled by them.

Table 55: Key management personnel compensation

	2024/25 \$'000	2023/24 \$'000
Short-term employee benefits	4,310	3,962
Post-employment superannuation benefits	309	267
Other long-term benefits	91	81
	4,710	4,310

Notes to the financial statements (continued)

Section 5: Other information (continued)

25. Related party transactions (continued)

C. Transactions with related parties (continued)

ii. Government-related entities

During the reporting years presented, Western Power engaged in the transactions shown in table 56 below, being significant in terms of size (total annual transaction was generally in excess of \$20 million), with other public sector entities controlled by the Western Australian State Government.

Table 56: Government-related entities

	Note	2024/25 \$M	2023/24 \$M
Receipts			
Synergy			
Transmission and distribution network tariff revenue		1,519	1,287
Western Australian Treasury Corporation			
Proceeds from borrowings	8(e)	1,190	955
Department of Treasury			
Proceeds from contributed equity	22(c)	175	89
Water Corporation			
Capital contributions		31	10
Payments			
Western Australian Treasury Corporation			
Repayments of borrowings	8(e)	(827)	(815)
Net finance costs paid		(356)	(317)
Department of Treasury			
Contributions to tariff equalisation fund	28(b)	(230)	(197)
Income tax equivalents paid		-	(40)
Distributions to equity holder	24(b)	(71)	-
Department of Finance			
Payroll tax		(32)	(29)
Outstanding receivables (current)			
Synergy			
Network tariff receivables		183	179
Department of Finance			
Current tax equivalent assets		-	48
Outstanding payables (current and non-current)			
Department of Finance			
Current tax equivalent liabilities		(31)	-
Deferred tax equivalent liabilities	16(b)	(1,372)	(1,312)
Western Australian Treasury Corporation			
Borrowings (including accrued interest)	18(b)	(8,030)	(7,672)
Future commitments			
Department of Treasury			
Tariff equalisation contribution	28(b)	(997)	(942)

Notes to the financial statements (continued)

Section 5: Other information (continued)

26. Remuneration of auditors

A. Audit services

Under the GTE Act, the Auditor General for Western Australia has been appointed Western Power's independent auditor. The indicative audit fee for the services provided by the Office of the Auditor General for the reporting years presented, are shown in table 57 below.

B. Non-audit services

Neither the Office of the Auditor General nor their agent(s) provided any non-audit services during the reporting year ended 30 June 2025 (30 June 2024: nil). Non-audit services represent engagements in addition to the statutory and regulatory audit duties of the external auditor.

27. Contingencies

Western Power's policy is to disclose details of contingencies where the probability of future receipts and/or payments is not considered remote, as well as details of contingencies, which although considered remote, the directors consider should be disclosed.

A. Contingent assets

Western Power did not have any contingent assets as at 30 June 2025 (30 June 2024: nil).

B. Contingent liabilities

i. Contaminated sites

During the 2024/25 financial year, Western Power has reported 21 (2023/24: 5) new known or

suspected contaminated sites to the Department of Water and Environmental Regulation (DWER) under the *Contaminated Sites Act 2003 (WA)*.

Until Western Power conducts an investigation to determine the presence and scope of contamination, assesses the risk and agrees with the DWER the need and criteria for remediation, Western Power is unable to accurately quantify its clean-up liabilities for all known or suspected contaminated sites.

Western Power continues to monitor the sites and progressively undertakes risk-based site investigations and remediation. This approach is consistent with the DWER guidelines.

ii. Other

Western Power is currently party to, or is potentially affected by a number of legal claims. Until proceedings relating to these claims are finalised, uncertainty exists regarding the impact, if any, on the operations of Western Power.

In the opinion of the directors, provisions or further disclosures are not required in respect of these contingencies, as it is not probable a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

28. Commitments

A. Capital commitments

Future capital commitments contracted for as at the reporting dates presented, but for which no amounts have been provided for in the financial statements are shown in table 58 below. They include major transmission and distribution capital expenditure largely associated with asset replacements, customer-funded work and undergrounding, plus property and information technology initiatives.

Table 57: Audit services

	2024/25 \$'000	2023/24 \$'000
Annual audit of financial statements and other assurance services	629	529

Table 58: Capital commitments

	2024/25 \$M	2023/24 \$M
Payable within one year	396	191
Payable later than one year but not later than five years	499	115
Payable later than five years	-	2
	895	308

Notes to the financial statements
(continued)

Section 5: Other information (continued)

28. Commitments (continued)

B. Other expenditure commitments

As at the reporting dates presented, the State Government requires Western Power to make, by notice published in the gazette, the below future annual payments into the tariff equalisation fund for the benefit of the Regional Power Corporation. See table 59 below.

The 2025/26 reported commitments were gazetted on 14 June 2025 (2024/25: 14 June 2024).

For the reporting year ended 30 June 2025, Western Power made payments of \$230 million into the tariff equalisation fund (30 June 2024: \$197 million). This expense has been recognised in 'Other expenses' in profit or loss (refer to note 5(c)(i)).

29. Events occurring after the reporting date

There are no matters or circumstances that have arisen since 30 June 2025 and the date of this report that are likely, in the opinion of the directors, to significantly affect the operations of Western Power, the results of those operations, or the state of affairs of Western Power in subsequent reporting years.

Table 59: Other expenditure commitments		
	2024/25 \$M	2023/24 \$M
Payable within one year	242	230
Payable later than one year but not later than five years	755	712
	997	942

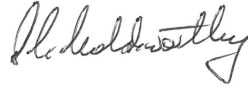
Directors' declaration

In the directors' opinion:

- A** The financial statements and notes comply with Australian accounting standards, other authoritative pronouncements and the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*.
- B** The financial statements and notes give a true and fair view of the financial position of Western Power as at 30 June 2025 and of its performance for the reporting year ended on that date.
- C** There are reasonable grounds to believe that Western Power will be able to pay its debts as and when they become due and payable.
- D** Financial records of Western Power for the financial year have been properly maintained.

The directors' have been given the declaration by the Chief Executive Officer and Chief Financial Officer for the reporting year ended 30 June 2025.

This declaration is made in accordance with a resolution of the directors on 25 August 2025.



D Goldsworthy AO
Board Chair



A Hall
Chair of Audit and Risk Committee

25 August 2025

Corporate directory

Corporate directory (as at 25 August 2025)	
Directors	Denise Goldsworthy AO Board Chair Michael Barnes Deputy Board Chair Andrea Hall Monish Paul Wayne Manners Robert Grant
Chief Executive Officer	Sam Barbaro
Company Secretary	Lucinda Kerr
Executive	Jacqui Hall Chief Financial Officer (employment ended on 1 August 2025) Alan Tate Chief Financial Officer (Interim) Andrew Cook Executive Manager Legal, Governance and External Relations Matt Cheney Executive Manager Energy Transition and Sustainability Zane Christmas Executive Manager Asset Operations Gair Landsborough Executive Manager Asset Management Jo Christie Executive Manager People Sandra Smallbon Executive Manager Technology and Innovation
Principal registered office in Australia	363 Wellington Street Perth, Western Australia 6000 Telephone 13 10 87 (general enquiries)
Auditor	The Auditor General for Western Australia 469 Wellington Street Perth, Western Australia 6000
Transactional bankers	Commonwealth Bank of Australia 95 William Street Perth, Western Australia 6000
Website address	westernpower.com.au

Independent auditor's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Electricity Networks Corporation (trading as Western Power)

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Electricity Networks Corporation (trading as Western Power) (the Corporation) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of the Corporation is prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*, and:

- gives a true and fair view of the financial position as at 30 June 2025 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial report section of my report.

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

Other information

The directors are responsible for the other information. The other information is the information in the Corporation's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a

Page 1 of 3

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Independent auditor's report (continued)

material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards
- 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 Corporation's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Electricity Networks Corporation (trading as Western Power) for the year ended 30 June 2025 included in the annual report on the

Independent auditor's report (continued)

Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 August 2025



