



Annual Report 2024

Western Power
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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.

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Western Power in FY24

**37%**

total energy generation coming from renewables

**35%**

reduction in greenhouse gas emissions since 2008/9

**99.90%**

network availability

**67%**

total annual spend with Western Australian suppliers

**3,286**

customers converted to underground power and four projects completed

**45**

SPS installed across Western Australia

**7**

of the highest demand days on record

**86%**

increase in major customer connection applications

**\$1b**

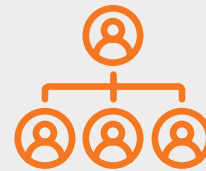
spent on network maintenance annually

**150,000**

poles and 5,700 insulators inspected in high and extreme fire risk zones

**5**

transmission towers destroyed by storm, innovative solution rebuilt in 9 days

**42.9%**

women in senior leadership positions

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.



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.



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 255,000km 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.

Our vision is to work together to power a cleaner energy future for the customers and communities covered by our network area.

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



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 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;

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.

Our revised Corporate 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 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.

In a rapidly changing landscape, our customers' energy needs are advancing and we intend to stay at the forefront of the energy revolution.

We're proud of our history and our people, and even prouder to be driving the development of WA's energy future.



Western Power Strategy



Our vision, *Working together to power a cleaner energy future*, reflects a once-in-a-generation opportunity to fundamentally shift the way electricity is used – and the key role our employees, industry, government and the community have in reaching decarbonisation goals.

Our external environment continues to change rapidly, with inflation and cost of living a major focus, WA's Wholesale Energy Market (WEM) preparing for generation challenges and opportunities in the coming decade, and our business competing for the resources to decarbonise the SWIS at the same time as many other major economies.



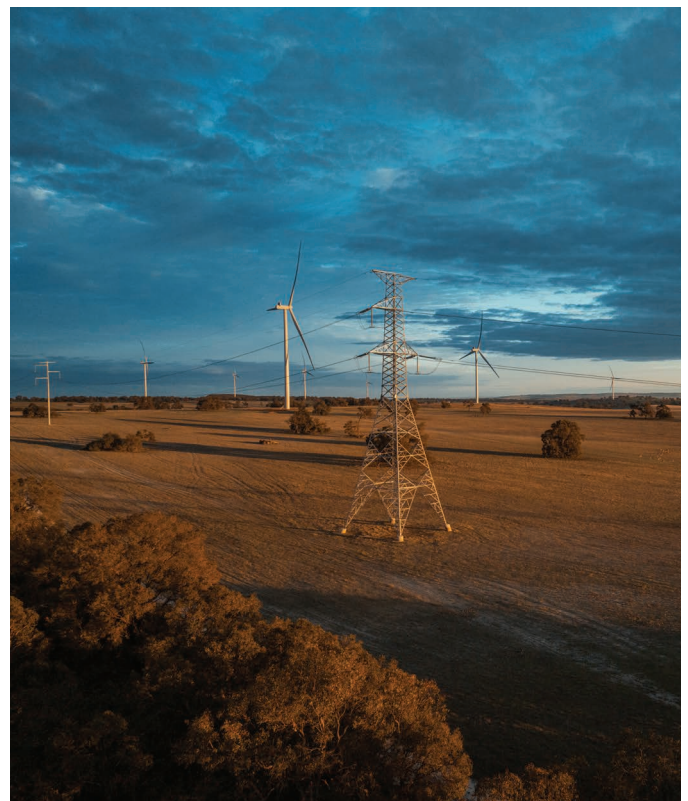
Our distribution network continues to transform to maintain delivery of reliable supply to customers in response to the changing energy needs and electrification demand of the community and the impacts of climate-related events on our network.

The provision of reliable supply in WA is made more challenging by the increasing prevalence of events experienced in FY24, such as storms and bushfires.

Our Strategy has matched the increasing momentum in decarbonising Western Australia and the role that the South West Interconnected System (SWIS) will play in enabling this for Government, industry, our customers and the community.

Decarbonisation is driving planning for a substantial expansion of the transmission network, driven by the forecast demand outlined in the SWIS Demand Assessment (SWISDA) released in May 2023 and engagement with major customers on interest to connect in October 2023.

We have had financial funding allocations from Government of over \$1.1 billion up to the end of the FY24 to progress planning for the first of the Clean Energy Link programs. We are working closely with industry to ensure that the transmission network growth proceeds in response to renewable generation customer demand.





In addition to a comprehensive maintenance and response program across the SWIS, we'll continue to identify and respond to community needs and look at ways of improving reliability including solutions such as SPS and underground power.

We'll continue to prioritise our rural reliability improvement by progressing an \$88 million allocation in consultation with the impacted communities.



Western Power's people are the key to our success and we are always looking to improve our safety outcomes and are committed to continually refining safety practices and ensuring support is in place to make this happen.

Our commitment to safety is unwavering – it's our core value. Our refreshed Safety approach and critical risk management program demonstrate that no matter what, our commitment to our people and their families is that each and every one of our workers goes home healthy, well and safe each day.



Rooftop solar numbers connected to the network continue to grow and are expected to double by 2030, potentially providing another 2GW of renewable energy generation.

Rooftop solar is currently the State's biggest single source of electricity generating around 70 per cent of network customers' total electricity needs on mild sunny days. The completion of Project Symphony in partnership with the Australian Energy Market Operator (AEMO), Synergy and Energy Policy WA (EPWA) demonstrated the value of orchestrating distributed energy resources (DER). The adoption of Electric Vehicles (EVs) continues to grow, and their impact and contribution to the grid is just one of the emerging trends factoring into our network strategy.



Western Power is a financially responsible and sustainable business.

Our Strategy emphasises financial discipline in the delivery of work and securing the funding necessary for the evolving network.

Sustainability performs a dual role in Western Power's strategy – driving the organisation to minimise its carbon footprint and to facilitate the decarbonisation of the SWIS.

Our 2023–2031 Strategy will continue to drive the organisation forward, by focussing on our commitment to the community to deliver a safe and reliable power supply, keep low costs, and enable decarbonisation.

We are now into the second year of our 2023–2031 Strategy, which provided a new vision for the business taking into account the rapidly changing energy landscape and future development for WA.





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



People and safety



Transmission network growth



Distribution transformation



Reliable supply and efficient customer service



Business and financial sustainability

Our values



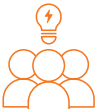
Safe and caring



Results focused



Acting with integrity



Working together



Always improving

Our strategic priorities 2023–2031





People and safety

Look after and develop our people

- Ensure all of our people feel safe at work, perform work safely and go home feeling well
- Improve our connection and engagement with our people
- Develop our workforce to deliver a decarbonised future
- Attract and retain critical capabilities
- Empower our people to make decisions



Reliable supply and efficient customer service

Deliver reliable supply and efficient services to the community

- Improve customer reliability felt experience
- Improve customer request response and communication
- Partner proactively with customers to develop flexible electrification solutions
- Engage stakeholders and customers on growth plans



Transmission network growth

Grow the transmission network to enable decarbonisation

- Establish transmission portfolio and delivery capability
- Foster partnerships to deliver our expansion and contribute to growth in WA
- Deliver transmission expansion to service renewable generation and industrial decarbonisation
- Accelerate and simplify major connection process



Distribution transformation

Maintain and transform the distribution network

- Support the growth of distributed energy resources and maximise the opportunity they present
- Deliver a climate resilient network
- Manage peaks and troughs of consumption on the network
- Improve focus on regional outcomes



Business and financial sustainability

Maintain business and financial sustainability for the future

- Incorporate sustainability into the way we work
- Deliver on revenue and expenditure objectives
- Determine and implement funding for transmission growth
- Engage and advocate with stakeholders to maintain social license

Chair message

As we enter the second financial year of Western Power's refreshed Corporate Strategy, it's clear the change of direction the Board endorsed in 2022-23 is enabling Western Australia's South West interconnected grid to accelerate decarbonisation of the WA economy.

The past financial year provided increasing clarity for the business's journey towards a clean energy future as robust engineering, modelling and risk assessments of alternative pathways, informed our priorities and reinforced our confidence and dedication to get value for money outcomes for the Western Australian community.

It has enabled the business to be agile and for our robust governance processes to provide flexibility to respond to increasing climate change challenges, unforeseen emergency events and facilitate swift decision-making.

This is all being achieved while ensuring appropriate mechanisms and responsibilities are met, including new legislation, transparent and cost effective spend of public money, and community expectations of accountability as a Government Trading Enterprise (GTE).

The significant progress made in the business' drive to be at the forefront of WA's decarbonisation journey by being a key enabler for industry, as well as Government emissions reductions, is on track. Since the release of the SWIS Demand Assessment (SWISDA) in May 2023, significant planning work has been underway to scope for transmission augmentation.

We continue to support this comprehensive work, as we move forward in collaboration with industry, stakeholders, and community in this exciting transition. This along with a strong focus on network resilience amidst growing impacts of climate change and maintaining safety outcomes are our top priorities.

I'd like to extend a warm welcome to our three new Board Directors, Wayne Manners, Andrea Hall, and Robert Grant. Thanks, and acknowledgment must go to Elisa Fear and Kathryn Barrie, who both retired from the Board during the year, for their contribution to the business during a time of significant change.



The Board's core goals over the past financial year are underpinned as always by Western Power's role as an essential service provider, and how this is continually achieved amid a period of significant change.

Together with Sam Barbaro, CEO, and the Executive, the Board is confident that the governance in place and the refreshed Corporate Strategy will strongly guide the momentum to achieving objectives as we move through this exciting and challenging phase of WA's energy transformation.

Denise Goldsworthy
Chair

CEO message

FY24 has been a year like no other for Western Power. It has posed many challenges that we've had to overcome, but also provided many opportunities for us to seize which are significant in scale and impact on the community we serve.

Climate change mitigation policies and weather events continue to drive our pathway to a once-in-a-generation network transformation and are causing concurrent impacts on our network on a scale not seen before.

Safety continues to be fundamental. We're committed to continually working to improve the safety of our employees and the community. We know there is more we can do in this space and we're working hard to achieve better outcomes.

I couldn't be more pleased with the commitment to safety shown by Western Power employees and contractors when responding to the many network incidents we have had this year. Our people worked tirelessly in remote and tough weather conditions without compromising on their safety or the safety of the community.

Last year we implemented a future-focussed corporate strategy aimed at positioning the organisation to support WA's journey towards a clean energy future, and we have significantly progressed this in the past year.

The WA Government's SWIS Demand Assessment (SWISDA) released in 2023 highlighted the forecast future needs in WA for low-emissions electricity and level of investment required in transmission infrastructure to enable this ambition to be achieved.

The modelling indicates that by 2042 more than 7 GW of new load will connect to the SWIS for low-emissions electricity, and this could require an almost tenfold increase of the current generation capacity on the SWIS.

The SWISDA outlined the amount of new transmission infrastructure that would be required to support this additional load and generation, and to support an accelerated pathway to decarbonisation.



Western Power has started the first phase of transmission augmentation and expansion, with work underway to increase the capacity of the network's northern section, including a new 330kV double circuit transmission line between Malaga and Pinjar to connect several large-scale renewable energy generation projects in the Mid-West. This expansion, known as Clean Energy Link – North, has been allocated \$655 million in funding by the State Government.

Further funding of \$503 million has been provided to assess and scope potential Clean Energy Link transmission projects in other parts of the SWIS including planning for new lines, reinforcements and upgrades around key industry areas, including Collie, as well as upgrades between Geraldton and Perth to support development at Oakajee.

We have not only been working on the future needs of the transmission network, but also continuing to consider the opportunities to transform our distribution network to enable more distributed energy resources, such as solar panels, household batteries and electric vehicles. We have had great success in the Project Symphony project, where the orchestration of distributed energy resources was trialled in Southern River to create a virtual power plant. This trial showed how there could be benefits for both customers and the network when excess renewable energy is used in a coordinated manner when it is needed most. We plan to move the trial into a second phase to further explore and learn, ensuring we gather more comprehensive data and insights to inform our future decisions.

While we are progressing the network of the future, we have also continued to maintain the network of today to ensure a reliable and safe supply for our current 2.3 million customers.

I am extremely proud as CEO of the resilience and commitment shown by Western Power employees this year in the face of increasing climate impacts. During the last financial year, Perth endured its driest six-month spell since records began almost 150 years ago. These conditions present significant challenges for the network, particularly increasing the risk of pole top fires. To manage this risk, Western Power has worked with our suppliers to develop a safe method of conducting helicopter washing and siliconing of distribution infrastructure which is proving to be an effective way of preventing the pole top fire risk.

In addition to the dry weather, the metropolitan area experienced multiple days in January and February of 40 degrees or above, which created record demand on the network. In fact, we recorded our top six peak demand days during this period. Pleasingly, despite these heatwave conditions, our recent strategic investments in network resilience paid dividends, delivering positive outcomes for the community.

However, the biggest challenges came in the form of the concurrent storms and bushfires that occurred in January, including a supercell event, which impacted thousands of customers from the Wheatbelt through to Perth Hills area.

The severity of the supercell on January 17 destroyed five transmission towers at Kondinin – an unprecedented event for our network – and affected the supply of electricity to the Goldfields region. Western Power worked on many fronts to restore power quickly, first with temporary measures via an innovative, first ever, backfeed of power via the network through Northam and, secondly, by rebuilding the damaged transmission line in just nine days – a mammoth and outstanding feat, particularly given that we were simultaneously working to restore several other parts of the network damaged by fire and storms.

Our strategy and clear direction, and progress towards this stems from the support received by the WA Government, particularly our previous Minister Hon Bill Johnston MLA for his vision for the energy sector and our new Minister Hon Reece Whitby MLA who will guide the sector through this transition to an exciting green energy future.

I would also like to express my gratitude to the Board for their continued support and guidance in a challenging and dynamic environment.

And lastly, thank you to all the Western Power staff. Your dedication to the community truly came to the fore this year – whether responding to a significant weather event, planning for a future network in the face of unprecedented renewable energy demand, or going above and beyond to innovate to find effective solutions wherever possible.

There are some very exciting projects under way and other potential projects planned, and our role as an essential provider and importance to State development is clear.

Sam Barbaro
CEO

Safety and Environmental

We work in a high-risk environment which will continually present challenges in keeping our workforce safe.

‘Safe and caring’ is our fundamental value – we always work safely because we care; we take responsibility for protecting our people, our community and the environment; and we assess and manage risk – if it’s not safe we don’t do it.

Strategic initiative: Critical Risk Management (CRM)

One of our strategic People and Safety initiatives, CRM is a layered approach to fatality and serious injury prevention through critical risk control verification and improvement to keep our workforce safe.

Last financial year we reassessed our critical risks, and focused on the 3 Questions (3Qs) and knowledge of our critical controls in the workplace and finalised the CRM Performance Standards, which underpin the entire program. We developed a program to mature our controls for our nine critical risks.

In FY24 we focused on two of the nine; these were the Critical Risks of Vehicle and Electricity, and launched the first CRM Verification Tools in both our online safety platforms ROAM and Guardian, to monitor and report on the health of our controls. Alongside coaching and mentoring, training for identified frontline leaders was undertaken in the use of the Verification Tools to drive and test verification dashboards, that in turn will provide visibility and data analysis to the business in the form of Qlik reports.

We continued to raise awareness of CRM through an intensified worker engagement approach with depot visits, in-field coaching and attendance at safety days and meetings, coaching for frontline leaders and continued worker education on the 3Qs and critical controls.

This engagement has been supported by the creation and sharing of Western Power safety educational tools including 'Knowing your 3Qs' and 'Critical Controls saves lives' animation videos, the launch of the new SharePoint Workbench on the Grid, showcasing the new branding and messaging to underpin CRM, and housing the newly created CRM educational documentation, procedures and resources.

The WHS strategy has deliberately placed focus on CRM in a continued effort to evolve our fatality prevention program from the Golden Safety Rules to Critical Risk Management.

The live work justification tool provides a documented and consistent approach across the organisation for justifying when we work live versus when we work deenergised.

This latest control has been introduced to support our operational workers to safely conduct live work ensuring everyone goes home safe every day.

Health stations roll-out

This year our health team partnered with SiSU Health to bring fast, free and confidential health checks to the workplace through introduction of automated self-service kiosks. The kiosks can measure key health statistics like blood pressure, heart rate, diabetes risk, perceived stress, body mass index, body fat percentage and weight in less than five minutes.

These insights can help employees discern potentially unhealthy trends so they can make the relevant lifestyle adjustment for a healthier life. The anonymous data also assists the health team to plan and deliver targeted health promotion strategies for the organisation. To date there have been over 2000 health checks completed by the Western Power workforce.



Environmental initiatives

Western Power is committed to protecting and conserving the natural environment we operate in. Throughout this year a variety of initiatives were undertaken to ensure the protection of our native fauna and enhancement of their habitat.

Nestbox installations

In 2023, 25 nest boxes of various sizes were installed around Western Power sites to provide additional habitat for native fauna.

This year saw the continuation of our monitoring program of these nest boxes, in collaboration with The Re-Cyc-Ology Project.

The monitoring (including through cameras installed in some of the boxes) has shown that they are being successfully used by an array of fauna. From small wood ducks to large brushtail possums, these boxes are providing valuable habitat.



Donation of materials to Kaarakin Black Cockatoo Conservation Centre

In December 2023, Western Power undertook vegetation clearing works to reduce bushfire risk to a telecommunications tower in Martin. In addition to minimising clearing as far as practicable, including preserving large trees which are threatened Black Cockatoo nesting habitat, Western Power formed a new partnership with Kaarakin Black Cockatoo Conservation Centre, salvaging and donating timber and grass trees cleared from the site to the centre. This non-for-profit organisation rehabilitates injured cockatoos and is always in need of perches and tree components for the birds in their facility.

Fauna protection measures

South West WA is home to many conservation-significant fauna species including the threatened Western Ringtail Possum and three species of Black Cockatoo. To help protect these species Western Power has installed fauna protection treatments at 50 locations across the high-voltage network in FY24. Treatments include wildlife guards on poles and cables, bird diverters and bird covers on HV cross arms and fittings, bare conductors and plant equipment with flat surfaces.



Operating review

We carried out significant investment and renewal on the network during FY24.

In partnership with the State Government and local government authorities, we completed four underground power projects with a total value of \$63 million. More than 6,200 properties benefited through improved visual amenity, increased safety performance and greater resilience against outages.

Eleven underground power projects are scheduled for construction (including those already underway) in the next financial year. Undergrounding the network helps us towards all elements of our vision to safely provide reliable supply, keep costs low and enable decarbonisation for our community.

Capital expenditure (both transmission and distribution) is typically one of the largest areas of investment for an energy network business. During the past year we allocated \$461.8 million on renewing the network, \$136.6 million on connecting new customers and \$101.3 million on meeting growth in demand.

Our safety program includes traditional investments in pole management, conductor management, connection management and bushfire management, as well as looking at alternative technological solutions where our network reaches end of life.

This includes replacing overhead network assets with underground power where applicable, and removing network assets altogether where electricity can be supplied cost effectively via a stand-alone solution.

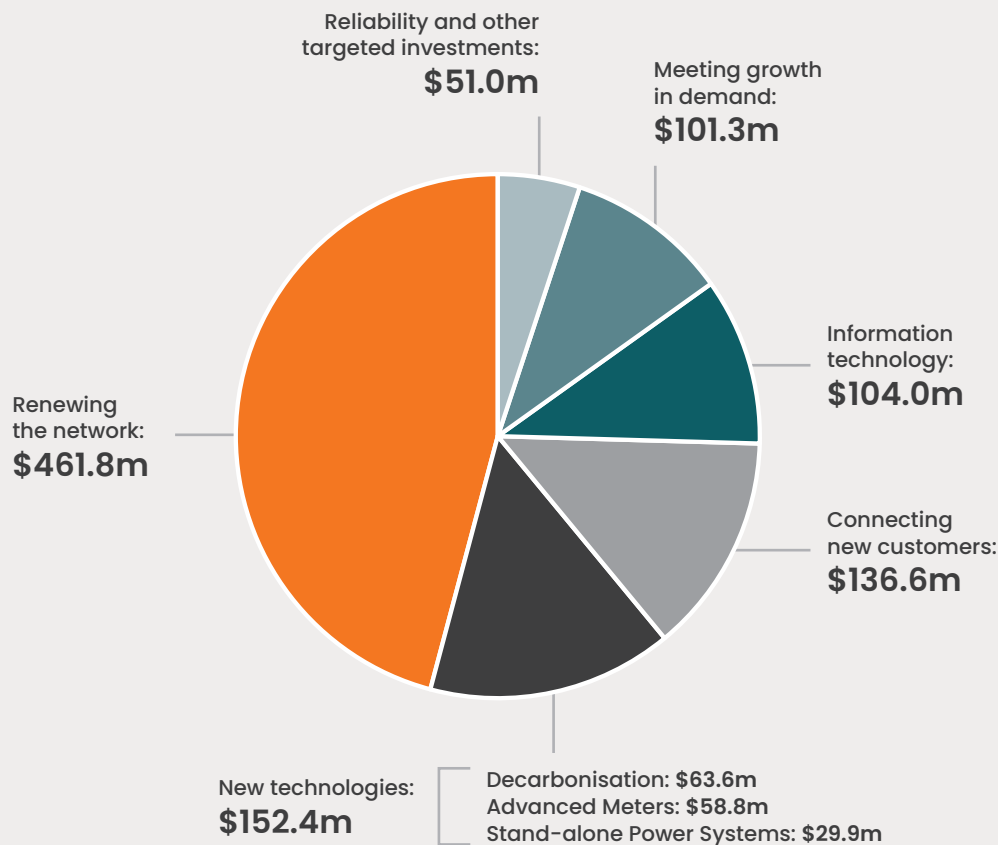
Key investments included the Advanced Metering Infrastructure (AMI) program, which improves visibility of power flows on the network providing increased safety outcomes and future enhanced distribution network forecasting. Developing a roadmap to incorporate AMI data that captures the contribution of rooftop solar and weather patterns will help to improve forecasting for the distribution network.

We continued embedding the use of SPS as an alternative for existing poles and wires, with 45 installed in FY24. SPS are off-grid systems that operate independently from the main network.

Each SPS has a renewable energy supply of solar panels and battery energy storage system, and a backup generator, making them completely self-sufficient power units. These units continue to demonstrate improved safety and reliability benefits. Additionally, we continued to invest in our cyber security capability and upgrade our information and communications technology infrastructure to meet the modern operating environment.



Capex Investment



Key Performance Measures – Full Year 2023–24

Government goal	Measure	Actual	Target
People and safety	Total Recordable Injury Frequency Rate*	8.8	<= 6.8
	All Injury Frequency Rate	33.4	<= 24
Distribution transformation	Delivery of Stand-alone Power Systems**	216	>=600
	Customers converted to underground power	3,286	>=1,575
	Percentage of renewables in the Grid	37%	>= 34%
Reliable supply and efficient customer service	Network Availability***	99.90%	>= 99.90%
Business and financial sustainability	Return on Regulated Asset Base	5.14%	5.90%

*The majority of these incidents (about 70 per cent) were minor first aid or no treatment required. **Inception to date June 2024. ***Rolling 12-months average (R12). It does not exclude Major Event Days or Force Majeure.

Our stories



Making big moves

It's not every day a 64-tonne piece of equipment needs to be moved.

Stored in our Forrestfield Depot, our Rapid Response Spare Transformer (RRST) doesn't get out often, but when it does, it's quite the spectacle and we've got the expert teams to shift it.

In January 2024, an issue with one of the transformers at the Mandurah Substation coupled with forecast extreme temperatures meant the RRST needed to be deployed to provide contingency power supply.

This is no ordinary piece of equipment – the 64-tonne, 20-metre long RRST required a prime mover to transport it from its storage location, and with a maximum speed of 40km/hr, the transport of such a large piece of kit is slow going and requires careful traffic management.

Our talented and very able Protection Commissioning, Operational Maintenance, Construction and Fleet Services teams mobilised quickly and during sweltering temperatures got the RRST loaded, transported, unloaded and installed safely and efficiently.

Once the RRST had arrived at the substation it required six 50-metre lengths, six 15-metre lengths and six nine-metre lengths of cable to all be rolled off a cable truck by hand, and the connection points cleaned and connected, so that we could provide additional power support for the community during a high demand period.

Our stories

Cyber security

This year notable attacks in Australia and across the world have continued to highlight the potential impacts of cyber events for all organisations.

The attacks included continued large scale data breaches impacting employees and customers of many major organisations, and disruptive attacks causing the shutdown of business operations. As a provider and operator of critical infrastructure in Western Australia, trusted to safely and reliably deliver electricity to the community, we must effectively identify and manage cyber security risks across the organisation.

Over the past 12 months, we continued to enhance our approach to cyber risk management, continually developing a more detailed understanding of the most prevalent cyber security threats we could face, and making sure we have effective prioritisation of defence strategies and required controls.

We've continued to invest in strengthening our security capability, including:



Enhancing our cyber security monitoring and response solutions to prevent and detect modern cyber threats



Educating our people so that they are aware of the cyber risks relevant to their work and are able to consistently demonstrate cyber safe behaviours



Uplifting cyber incident response processes to ensure we can effectively respond to and minimise the impact of a cyber incident.





Transforming our network

The past year has been an exciting one for Western Power as we continued to transform our network.

Key to this has been the embedding of the 2022–23 restructure of the business and the introduction of a new Business Unit, Energy Transition & Sustainability, whose role is to deliver the key transmission projects required to support the renewable generation needed to enable energy decarbonisation, and support the State Government's emissions reduction targets.

Key focus' for the new business unit in 2024 included growing our internal resources to provide delivery oversight during planning and construction phases, augmenting existing major project delivery governance frameworks to support the delivery approach, and establishing contract arrangements with delivery partners.



Our stories

How we project future industry demand

The SWIS Demand Assessment 2023 (SWISDA) outlined significant potential changes in electricity demand over the next 20 years and found that substantial new electricity infrastructure, including renewable generation, electricity storage and transmission networks, will be required to meet increasing demand with reliable and low-emissions electricity supply.

Industry will play a critical role in establishing the once-in a generation transmission network growth required to enable industrial decarbonisation, service renewable generation and support State and regional economic growth as WA moves towards achieving net zero.

Coordinated by Western Power and Energy Policy WA, a Registration of Interest (ROI) process was run in 2023 to further solidify the findings of SWISDA.

This process provided our industrial customers with an opportunity to submit their project plans, status, timing and willingness to contribute to network augmentation and connection costs.

These large commercial and industrial users provided information which informed how and when potential future transmission builds could happen and where renewable energy hubs could be located.

The process also called for respondents to indicate a willingness to meet proposed regulated network augmentation and connections costs.

The ROI attracted significant interest with 45 customers proposing 143 grid connected projects, intended to supply existing energy-intensive industries with renewable energy and enable potential new 'green' industries.



The Registration of Interest aimed to:



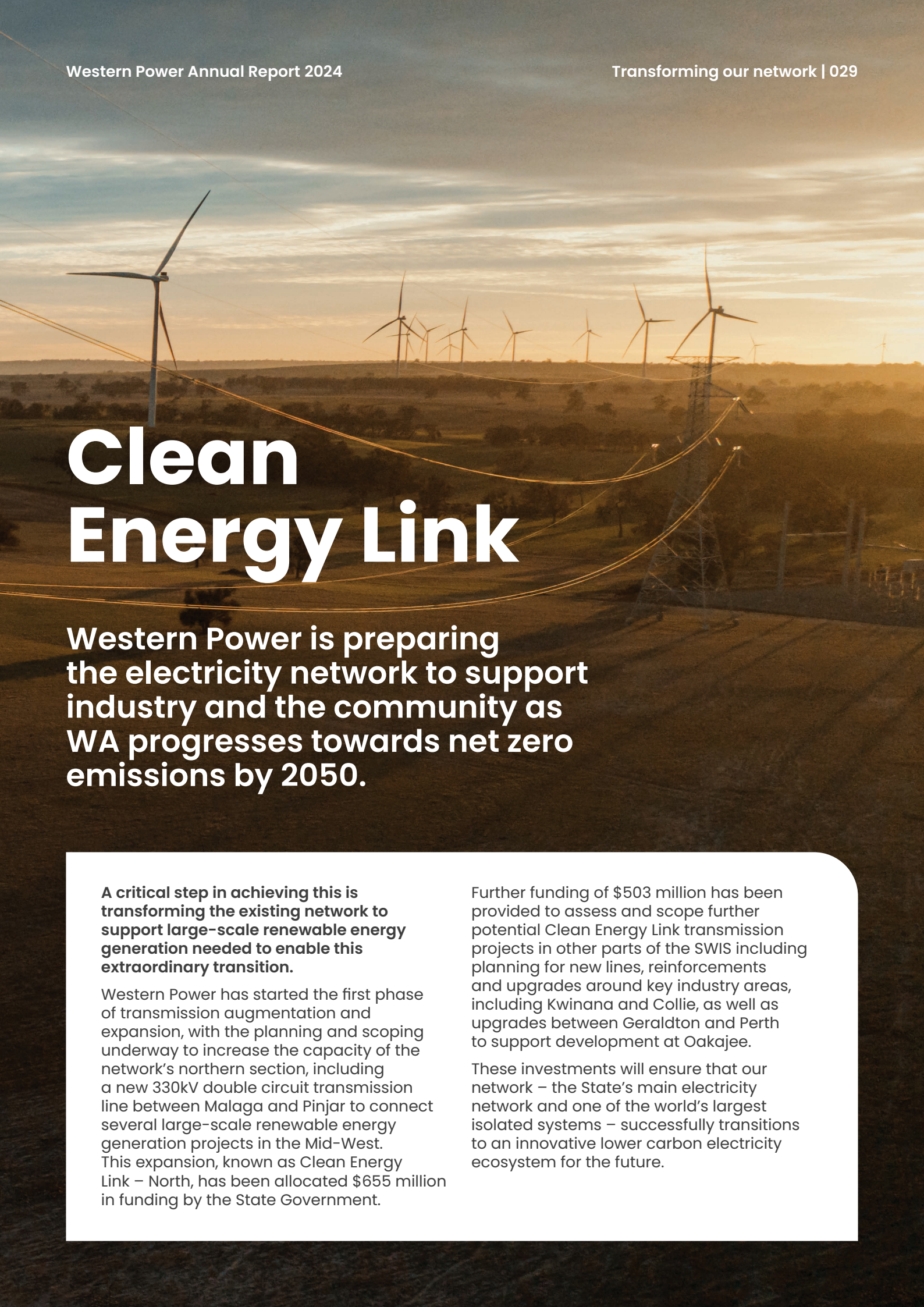
Analyse and understand the customer base that will shape future major transmission expansion projects



Prioritise areas for grid investment in this first stage



Gain valuable insight to enable policy setting for capital funding



Clean Energy Link

Western Power is preparing the electricity network to support industry and the community as WA progresses towards net zero emissions by 2050.

A critical step in achieving this is transforming the existing network to support large-scale renewable energy generation needed to enable this extraordinary transition.

Western Power has started the first phase of transmission augmentation and expansion, with the planning and scoping underway to increase the capacity of the network's northern section, including a new 330kV double circuit transmission line between Malaga and Pinjar to connect several large-scale renewable energy generation projects in the Mid-West. This expansion, known as Clean Energy Link – North, has been allocated \$655 million in funding by the State Government.

Further funding of \$503 million has been provided to assess and scope further potential Clean Energy Link transmission projects in other parts of the SWIS including planning for new lines, reinforcements and upgrades around key industry areas, including Kwinana and Collie, as well as upgrades between Geraldton and Perth to support development at Oakajee.

These investments will ensure that our network – the State's main electricity network and one of the world's largest isolated systems – successfully transitions to an innovative lower carbon electricity ecosystem for the future.

SWIS Transmission Infrastructure Planning Update

In May 2024 the State Government released the SWIS Transmission Infrastructure Planning Update and additional funding of \$324 million to enable Western Power to complete more detailed scoping, planning, design, and procurement to underpin the delivery of proposed Clean Energy Link projects.

Significant work also started on developing a social performance framework, as well as planning future engagement activities with relevant communities to inform the design of these transmission upgrades.

We are committed to working together with communities and stakeholders to identify the local factors applicable to transmission projects, and to ensure they are considered and assessed during the implementation of the Clean Energy Link program, as we move to a cleaner energy future.

Western Power will continue to work with the State Government to progress network upgrades required to meet this industry demand and its decarbonisation objectives.



The SWIS Transmission Infrastructure Planning Update – Available at wa.gov.au

Our stories

Supporting the energy transition

Improved Major Customer Connection process

Last financial year we embarked on an ambitious journey to transform the application process for connecting our major customers, with the objective of enhancing customer experience, reducing timeframes and providing alternative process pathways and delivery approaches for major customers.

We have reduced timeframes in the enquiry phase from nine to three months and the cost of this phase.

The review incorporated learnings from other national and international Network Service Providers and input from customers, electrical consultants and external government stakeholders.

For the past 12 months we've been developing, testing and implementing these initiatives, and on July 1 2024 the new and improved Major Customer Connection Process transitioned to our business as usual.

This new approach will deliver significant value for Western Power and our customers, with improvements expected to reduce the overall process timeframes by up to 2 years (from the current 3.5-year Enquiry to Access Offer baseline), depending on the customer project.

Over the next 12 months the team will continue to work with the business and our customers to monitor and refine the new process, so that by the end of FY25 it will be fully embedded and working smoothly to ensure all performance and time reduction benefits are being maintained.

Key improvement initiatives have included:



A streamlined and collaborative enquiry process



Reorganising the application process and deferring some network studies until customer commitment



Customer self-serve options



Giving customers more choice to proceed with higher uncertainty and risk



Publishing the Western Power Transmission (Tx) Technical Standards online

Critical Projects Framework

Working in parallel with the Major Customer Connection Process Improvement Program, and in consultation with State Government, Western Power has developed a Critical Projects Framework to fast-track critical major customer projects.

The framework, to identify a critical customer project, is based on a set of principles and criteria including a project's importance to system security, the State's net zero targets and a customer's readiness to connect.

Projects identified as critical will then be scheduled for connection – meaning that they receive priority access to Western Power resources.

The framework, which is now in the process of being implemented, will be put into practice early in the 2024-25 financial year.



2024 major customer connection stats:



312 per cent increase customer applications capacity (11.7GW from 2.6GW last year)



86 per cent increase in the number of customer applications (41 up from 22)



143 projects from 45 customers submitted to our Registration of Interest process

2024 major customer milestone highlights:



The first SWIS big battery (199MW/200MWh) was commissioned (Synergy)



A further 5 batteries committed or under construction (5+GWh)



Commissioned Kwinana Waste to Energy generator (43MW DSOC)



Commissioned Flat Rocks 76MW wind farm

Project Symphony



Our stories

Project Symphony reaches its crescendo

After more than three years of detailed testing, asset orchestration and evaluation, the innovative pilot Project Symphony has drawn to a close with great success.

The \$35 million project – a collaboration between Western Power, Synergy and the Australian Energy Market Operator with support and oversight from Energy Policy WA – was launched in February 2021 to demonstrate the ways in which a Virtual Power Plant (VPP) can support power system security and network reliability while delivering greater value to electricity users.

The project demonstrated how customer-owned Distributed Energy Resources (DER) like rooftop solar, batteries and major appliances can address system and network challenges while unlocking economic and environmental benefits for WA.

More than 500 customers and 900 devices participated in the project, which centred around Harrisdale, a suburb in the City of Armadale with 55 per cent solar PV penetration.

This unique pilot, which received \$8.55 million funding through the Federal Government's Australian Renewable Energy Agency's Advancing Renewables Program, showed that orchestrating customer-generated energy as part of a VPP can effectively manage 'peaks and troughs' of energy consumption on the network, while providing value to customers.

Project Symphony demonstrated that redistributing excess power produced by residential solar panels, appliances and home batteries could create approximately \$450 million in value in the coming decade.

It includes 18 recommendations that will enable VPPs to be developed in real-world settings, with Project Symphony findings to inform policy and regulatory changes.



Improving network resilience

Western Power continues to make significant investments in improving network resilience. Around \$1 billion is spent each year on upgrading and maintaining our network to manage safety, reliability and environmental risks.

Our network maintenance programs are constantly improving the way assets are managed, including the 828,000 poles in the network. We've got a comprehensive poles and wires maintenance program and bushfire mitigation program which includes pole and conductor replacements and vegetation management around our infrastructure, that is informed by our asset condition inspections.

Throughout the FY24 financial year we completed a suite of projects focused on maintaining and transforming the distribution network to help deliver a network that is resilient to the increasing impacts of climate related events.

We're continually looking at ways to improve reliability using new forms of data and modelling, including mapping potential climate change weather impacts to predict periods where weather may pose a risk to the network.

Network upgrades

During the year we undertook extensive network infrastructure upgrades to maintain safety and reliability, with a number of large work packages announced across the SWIS.



These include works undertaken in:

1 City of Swan and Shire of Mundaring

Replaced 105 poles and around 4.7km of power lines to strengthen network resilience against seasonal and environmental impacts and upgraded 70 streetlights to LEDs, enhancing safety and providing reduced maintenance costs and energy consumption.

2 Shires of Pingelly and Cuballing

Completed a \$3 million package of work in the Shires of Pingelly and Cuballing to improve power reliability and the safety of the network including the replacement of 230 poles, 27km of overhead lines, along with other maintenance activities.

3 Shires of Dalwallinu, Moora and Coorow

Replaced around 200 poles and carrying out other essential maintenance including replacing cross arms and insulators.

4 Shire of Augusta-Margaret River

Completed a \$1.1 million package of works including the replacement of around 70 poles and 12.5km of conductor along the main feeder line between Karridale and Augusta.

5 Shire of Cunderdin

Completed a \$5 million package of works including the replacement of more than 290 poles, 47kms of overhead powerlines, installation of new LED streetlights and reclosers and other essential maintenance to enhance network resilience for homes and businesses in Cunderdin and Meckering.

6 Shire of Merredin

\$1.2 million in infrastructure upgrades including the replacement of around 60 poles and 6.5kms of conductor, upgrading of streetlights and insulators, and other essential maintenance to enhance network resilience throughout Merredin.

7 Shire of Nannup

Commenced a \$3 million package of works including replacing one Ring Main Unit (RMU), about 280 poles and 35km of high voltage lines, to improve power reliability and the safety of the network. Works began in December and are due for completion in FY25.

Key network distribution feeders

Commenced a \$28 million package of work to update 10 key distribution feeders in Mandurah, Meadow Springs, Beechboro, Byford and Southern River to meet forecasted demand levels and help to mitigate unplanned outages.

Distribution transformer upgrades

Upgraded 70 distribution transformers across the South West Interconnected System (SWIS) to help manage overload of assets that have previously experienced or are forecast to experience extremely high demand.



Our stories

Putting the network to the test

In December 2021, extreme heatwave conditions over consecutive days coupled with additional metropolitan network demand due to COVID lockdowns during the festive season had a significant impact on Western Power’s network, causing outages which impacted about 107,000 customers.

Since then, Western Power has conducted significant network reliability works – including insulator replacements, transformer upgrades, revising switching patterns, improving customer communications and working with the Department of Fire and Emergency Services and local governments to review fire risk management approaches.

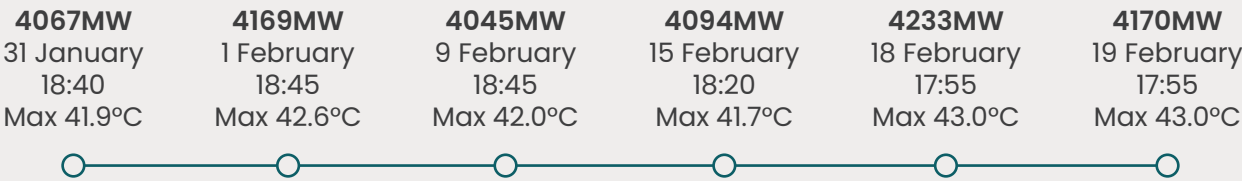
While the 2022/23 summer period was much milder, operational demand on the network during the 2023/24 summer season was significant. In January and February 2024 alone, the network recorded six of the 10 highest operational demand days in the history of the Wholesale Electricity Market, with multiple days of temperatures in excess of 40 degrees.

It was a true test of the significant network resilience works we had completed in the previous years. On Sunday February 18, the highest demand day on record was logged, with 4233MW in operational demand recorded just before 6pm on a 43-degree day – significantly exceeding the 3785MW recorded on 26 December 2021, during the Christmas outages.

With similar recorded temperatures and 12 per cent more demand than in 2021, on February 18 Western Power recorded 103 fewer fuse overloads, experienced no feeder trips due to overloads, did not hit asset equipment limits, and had new functionality to proactively communicate with customers in areas of high demand.



Peak demand days in 2024



Managing bushfire risk

The combination of extreme heat, dry conditions and vast expanses mean that we must work together with the community to reduce the risk of bushfires and the potential damage they can cause.

Each year Western Power implements its bushfire mitigation strategy to reduce the risk of bushfire. This strategy includes a mix of smart network settings, proactive management of poles and wires in high/extreme bushfire zones and changing how we operate in response to fire weather conditions.

Every year before bushfire season, our crews are hard at work preparing the network in high and extreme bushfire risk zones to reduce the likelihood of a network-related spark that could cause a fire.

This includes:

- cutting back vegetation from poles and wires
- clearing vegetation at the base of poles
- inspection of assets in high and extreme fire risk areas
- pole replacement and conductor replacement as needed
- siliconing and washing of insulators.

Extensive work was undertaken across the Western Power network to minimise bushfire risk, increase network resilience and improve reliability for the community. As part of our commitment to delivering safe and reliable power supply to the community we invested \$99M in wood pole replacement, \$38 million on vegetation management and \$38 million in conductor replacement.

A further \$72.9M in holistic inspection, residual management, bushfire defect remediation, cross arm and insulator replacement and conductor clashing remediation has also been invested in projects which will help reduce fire risk across the network.

We inspected more than 150,000 poles in high and extreme fire risk areas and replaced more than 5,700 insulators.

We also recommenced live line insulator washing and siliconing, added more emergency response generators and high voltage injection units to our fleet and continued upgrading distribution transformers and feeders across Perth's suburbs and regional areas.



Our stories

Response to supercell storm and bushfires

A large number of our employees across the business were involved in our response and recovery throughout a series of extreme weather events in January.

In addition to bushfires around the SWIS, severe thunderstorms smashed through the Perth metropolitan, hills and Wheatbelt regions resulting in widespread outages and damage to our network.

It was an incredible recovery effort from all business areas involved (plus much-appreciated assistance from a number of Horizon Power crews) with a significant portion of customers restored in the first 12 – 24 hours.

The series of weather events across the SWIS started on Friday 11 January with a bushfire in Bridgetown and were followed by multiple days of extreme heat, thunderstorms, strong winds, rain and hail.

At the peak of these extreme weather events, a supercell thunderstorm ripped through areas of Perth's northeast, hills and the Wheatbelt leaving behind a path of network destruction. This was followed by a second severe storm which significantly damaged infrastructure in the eastern part of the network including toppling five transmission towers in Kondinin.

All areas of the business rallied to restore customers as quickly and safely as possible despite concurrent events in poor weather conditions; setting up temporary depots in various support services, and of course, out in the field actively working on the repair and restoration effort. The event was the fourth largest on the Western Power Network (in terms of SAIDI) since records have been collated (January 2002).

Below is a recap of the incident.



14 days

total recovery time



14 locations

across the SWIS impacted



40,000

network assets inspected



300+ hazards

reported and addressed



**Repaired
or replaced:**

485 poles
80 transformers
51km conductor
118 crossarms

Transmission tower rebuild

Only two transmission towers had collapsed in the SWIS (one from vandalism and the second due to storm damage) in the past 30 years, until the supercell storms of January when five were destroyed by an extreme storm in just one day.

As the sun rose on January 18, the true scale of the damage became apparent as we completed a helicopter patrol of the transmission line and discovered the collapsed towers just outside of Kondinin.

Multiple teams mobilised immediately to attend the site, assess the damage, set up a temporary on-site depot, negotiate land access, work on an engineering solution, clear the site to make it safe, and communicate with impacted stakeholders and customers.

Towers of this specification are generally ordered and manufactured as they are required (which can take many months) – their sheer scale means it's impractical to store spares, let alone five of them.

While our Network Operations team were able to restore power through a temporary innovative solution, the engineering team were charged with creating a unique solution to restore the transmission line and permanently reconnect the Goldfields.

The solution was designed to use smaller existing transmission poles that were in stock at our depot in Jandakot. The design was a two-pole structure with separate crossarms better suited for difficult ground conditions in the area – and one that had never been used before.

Around 50 people were working simultaneously on site at any one time – while one team was lining up wires, the others were preparing poles. Three drill rigs ran 24/7 for close to four days. The hardness of the ground required specialist equipment to be transported from the Pilbara to enable recovery efforts to progress with speed.

Twelve poles now stand just out of Kondinin as a permanent fix to the line. It took just 10 days in total from when the towers went down to crews heading back home to their families. Works were completed and the line re-energised on 27 January – a herculean effort from all parts of the business.





Network Operations innovation

The temporary solution our teams put in place to supply power to Kalgoorlie was another example of innovation from the business following the storm of January 17.

The destruction of the five towers meant the 220kV transmission line supplying power to Kalgoorlie was out of action, so our teams worked to divert power from Northam to Merredin Terminal and then through to Kalgoorlie via the undamaged section of the 220kV line to successfully power customers in the Goldfields.

The biggest challenge was working out how to run the network from a lower voltage (132kV) and stepping it up to 220kV – essentially “running in reverse”, something which had never been done before on our network.

Western Power teams worked with Australian Energy Market Operator (AEMO) to implement this temporary solution to supply power and by January 18 they had a plan to execute.

With the support of field crews in Merredin and Kalgoorlie checking the network and helping to modify protection schemes, the network controllers began re-energising that area of the network with the key focus on domestic and essential customers like hospitals.

It was a great innovative solution for our customers and well executed with the support of our technical experts in Grid Transformation, Network Operations, Asset Performance and Operational Maintenance.

With the temporary solution in place, we looked at ways to increase capacity for industry customers. We did this through a combination of Western Power network assets and local generators.



Stand-alone power systems (SPS)

Western Power is a world leader in deploying Stand-alone Power Systems (SPS) as an innovative energy solution for regional areas.

A total of 216 SPS have been installed so far across our network (45 in FY24), with up to 4000 to be rolled out by FY31.

SPS have redefined the way we deliver power to rural and remote customers, providing those areas with more reliable and safer power, while bringing more renewables onto the grid helping deliver a lower carbon energy future.

A key benefit to SPS is the removal of overhead spur lines that service small clusters of customers across vast distances. Around 498 kilometres of overhead powerlines and 2233 power poles have already been removed in regional and remote parts of WA as part of the program, improving land amenity for farmers and reducing reliability and bushfire risk.

For the financial year ending 30 June 2023, the majority of SPS sites experienced an 80 per cent reduction in outage frequency.

As we transition the use of SPS into daily operations, we are continuing to innovate, further improving our product by working with industry and listening to our customers and learning from their feedback.

Some of these learnings include the use of Advanced Metering Infrastructure (AMI) ahead of SPS deployment to improve unit sizing accuracy, exploring larger more tailored SPS units to better meet the energy needs of customers, PV integration, mitigation of noise and improving aesthetics.



A photograph showing the lower half of a person walking on a sidewalk. The person is wearing blue jeans and green sneakers with white stripes. To the left, there is a green utility box partially obscured by a small, light-colored plant growing in a planter bed. The background is a blurred street scene with trees and buildings under a clear sky.

Undergrounding

Undergrounding provides many benefits including improved network safety, reliability and security. It also has benefits to the community and local government by improving street appearance, increasing property values, reducing the need (and cost) for street tree pruning and increased capacity for emerging clean energy technologies and future power demand.

As of June 2024, 11 WA local governments have signed Memorandum of Understanding to progress projects under our Targeted Underground Power Program (TUPP), which will provide up to 50,000 WA properties with a future-focused, safer and more reliable power supply solution.

Launched in November 2022, TUPP will significantly increase our capacity for undergrounding the distribution network in those areas with mature existing overhead assets. In August 2023, we commenced engagement with seven local governments as part of our rollout of the second release of TUPP project.

The project areas are based on a network-driven approach which targets the overhead distribution network with a higher density of assets that are due or becoming due for replacement.

Residents and businesses in the cities of Bayswater, Canning, Cockburn, Fremantle, Melville, Rockingham, Stirling, Swan, Vincent and towns of Bassendean and Victoria Park, are expected to be the first to benefit from TUPP, having recently signed Memorandums of Understanding (MOUs) with Western Power to support undergrounding within their local government.

The MOUs formalise the intent of Western Power, local government and the State Government to collaborate and develop the co-funded projects. Scoping and planning works for some projects have already begun with the first of the TUPP projects due to commence in 2025.

More than 100,000 properties in the SWIS have been converted from overhead distribution powerlines to underground power since 1996.

As well as the work on TUPP, a number of other undergrounding projects reached milestones in the past year including completion of our largest underground power project to date (in St James, East Victoria Park and Bentley), and finalisation of underground power projects in Hilton, Shelley East and Scarborough.



Our stories

Customer Connection Services

This year, our Customer Connection Services (CCS) function worked closely with industry to develop initiatives that redefined the way our services are delivered and significantly reduce our timeframes and contribute to a better customer experience.

In addition to these achievements, CCS has increased the outsourcing of design projects to keep up with the increased demand for

connection services, introduced a risk-based quality assurance framework to fast-track approvals for simple projects, and progressed MyWP Projects – an online portal to give customers greater control and visibility over their projects.

In May, CCS was made a dedicated function for distribution customer power connections and will now focus solely on this area and improving response times.

Collaboratively designed solutions for our land development customers were trialled and based on the positive response are now embedded as business as usual, including:

Pre-Design Conformance Review (DCR) clearance process

Enabling large, residential subdivision project lots to be 'cleared' before a conforming design is confirmed through Western Power. This provides developers with more control of their projects and enables land release to market while the design is still awaiting DCR. A total of 22 projects benefited from this initiative in 2023/24.



Third party audit – DCR program

Allowing developers to obtain an electrical design review from a third-party independent auditor prior to submitting to Western Power for a DCR. In a recent six-month trial, this option reduced DCR timeframes from seven months to as low as 4-6 weeks. A dedicated team has been set-up to provide an 'express service' for these applications.



Design Information Package (DIP) self-service program

Providing electrical consultants with network and design data to develop their own project designs. This initiative has reduced the average turn-around for new DIP projects from eight months to two weeks for a simple DIP and 10 weeks for DIPs that require planning studies.



Sustainability and climate action

For Western Power, sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs.



Western Power has adopted the United Nations Sustainability Development Goals (SDG) as our framework for understanding and actioning sustainability in our business and contribute to the Government of Western Australia's Climate Action agenda.

We've chosen to focus on five goals where we can make the greatest contribution for our community, while being cognisant of the other 12 goals.

The goals we focus on include:

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 has a fundamental role to play in realising SDGs 7 and 13 as energy production and supply in Australia contributed approximately 32.6 per cent of the nation's greenhouse gas emissions for the 2022 financial year (CSIRO 2023).

As such, Western Power has been collaborating with State Government departments and industry to reduce emissions from the transmission and distribution of electricity in the SWIS.

The World Business Council for Sustainable Development's (WBCSD) Electric Utilities SDG Roadmap provides a framework for maximising electricity business' contribution to a sustainable future.

Western Power recognises its critical role as an essential service provider and Government Trading Enterprise in achieving sustainable outcomes, and already has a significant range of activities underway that contribute meaningfully to sustainability outcomes for our community. The following table identifies how the SDGs have been incorporated into our operations to achieve sustainable and climate positive outcomes.



Impact opportunity	Priority SDGs to maximise positive impact		
Decarbonise electricity generation in line with limiting global warming to 1.5°C	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	13 CLIMATE ACTION
Enhance electricity system flexibility, resilience and efficiency	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Ensure access to affordable, reliable, sustainable and modern electricity services for all	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Attract and retain a diverse and inclusive workforce	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	
Leave no-one behind in the energy transition and respect human rights	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	

01

Decarbonise electricity generation in line with limiting global warming to 1.5°C

To avoid the most devastating impacts of climate change, the Intergovernmental Panel on Climate Change says it's necessary to limit global warming to 1.5°C above pre-industrial levels. The electric utilities sector must take a leading role in efforts to achieve net-zero emissions by no later than 2050.

Western Power's refreshed Strategy aligns the business with these objectives by building and operating our network to enable decarbonisation for Western Australians. We're actively supporting the transition to low-carbon electricity generation by facilitating the connection of renewable generation to meet electricity consumption needs.

Western Power will invest almost \$655 million in Clean Energy Link – North to build new transmission infrastructure and undertake reinforcement work, leveraging existing network infrastructure, corridors and easements where possible to minimise possible impacts on the communities to the northern corridor of the SWIS. The projects will enable the connection of up to 1GW of renewable energy into the SWIS, potentially reducing emissions by around 2.4 million tonnes of CO₂ per annum.

Western Power is also investing \$324 million to support expansion of the State's main electricity network to drive industry growth and renewable energy in accordance with the SWIS Transmission Infrastructure Plan.

02

Enhance electricity system flexibility, resilience and efficiency

Electricity systems are undergoing a major transformation around the world as the share of renewable generation is expanding on both transmission and distribution networks. The electricity sector has been challenged to invest in the accelerated expansion and refurbishment of transmission and distribution infrastructure. This is critical for our community as ensuring security of power supply during the energy transition requires expanding transmission and distribution infrastructure, different dispatchable and low-carbon generation technologies, and energy storage.

We have been undertaking a range of investment activities to ensure our assets are more resilient to the predicted impacts of climate change. We have been continuing our underground power and stand-alone power system programs and working to minimise damage to the SWIS from climate events.

Active engagement with customers, both households and businesses, is important as they will play a growing role in balancing the energy system through efficient energy use and demand response. In addition, electricity systems also need to build resilience to other risks, including impacts from climate change.

03

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

We are delivering one of the most advanced transformational power programs in the world with up to 4000 stand-alone power systems (SPS) or equivalent to be rolled out across the grid over the coming decades. We now have more than 200 new systems installed in regional areas.

Western Power has been working with the Federal Government's Department of Climate Change, Energy, Environment and Water and local governments to improve reliability of the grid through planning the installation of an additional six community batteries throughout the Perth Metropolitan Region. These batteries will improve the grid stability in areas that have been challenged by high solar PV penetration and complement the batteries installed through the Powerbank and Project Symphony programs.

A grant funding submission for further community batteries was allocated by ARENA on 29 June 2024.

04

Attract and retain a diverse and inclusive workforce

A diverse workforce is a key driver to innovation and developing inclusive customer solutions. The electric utilities sector globally has traditionally been a male-dominated sector, with women facing not only barriers to entry, but also barriers to career advancement. In addition to gender, inequalities in the workplace may also arise due to age, disability, race, sexual orientation, ethnicity, origin, religion or economic or other status.

Western Power has made significant strides in diversity and is working to continue to enhance the sector's attractiveness by implementing policies that promote greater diversity and inclusiveness and eliminate any form of discrimination.

Our progress in this space is outlined in our People section of this report.



05

Leave no-one behind in the energy transition and respect human rights

The transition to a low-carbon electricity system will have a substantial impact on workers and communities whose livelihoods rely on fossil fuel-based generation, including its supply chains.

The electric utilities sector needs to ensure a just transition that engages with the workforce, supply chains, communities and other relevant stakeholders on the anticipated impacts of the transition to a low-carbon electricity system, including potential challenges and opportunities.

As a Government Trading Enterprise, Western Power has an important role in leveraging its procurement activities to support local jobs, local content, and other positive social outcomes.

Western Power has aligned its procurement approach to support the State Government's social procurement framework. Western Power's procurement framework has implemented the Aboriginal Procurement Policy, WA Jobs Act Industry Participation Strategy and Plans, and the WA Buy Local Policy.

We are committed to adhering to our Modern Slavery Statement, including improving our assessment of risks and increasing our collaboration with our suppliers to address where our operations or procurement practices can be improved.

06

Climate Risk Management

Western Power provides a structured, uniform and systematic approach to managing climate risk through the application of the Risk Management principles, framework and processes, and aligns with ISO 31000:2018 Risk Management – Principles and Guidelines. In managing risk, Western Power endeavours to ensure that all risks are managed within Risk Appetite Statements set by the Board and reviewed annually. Within the Risk Appetite Statements, we consider solutions that may not be the lowest financial cost, but have better environmental or social outcomes.

Climate change risks and opportunities are currently considered from adaptation and transitional perspectives as we look to manage network stability and our assets. These risks and opportunities are reviewed periodically to ensure information is current and mitigations are progressing.

Our climate risks and opportunities are reviewed annually, examples of these are outlined on the following page.

The State Government's Climate Science Initiative will produce reliable and comprehensive Western Australia climate change projections. Western Power has continued to participate in this program on the understanding that the data outputs will enable us and other agencies to increase our understanding of the impacts of climate change on our current and future assets.

Western Power has been a participant in the Department of Treasury's pilot program to develop a Climate Risk Framework that will enable Government to report on the implications of climate change on the State's finances and infrastructure.



Risks

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



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

Changing stakeholder expectations on climate actions

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

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

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



Metrics and targets

We report our emissions to the Clean Energy Regulator in line with the National Greenhouse and Energy Reporting (NGER) Scheme, which requires disclosure of Scope 1 and Scope 2 greenhouse gas emissions, energy production and energy consumption. Scope 1 emissions are those directly produced by Western Power, while Scope 2 emissions are indirect such as from power consumed by the business.

Western Power is working towards the Government of Western Australia's 2030 target for a whole-of-government emissions reduction of 80 per cent based on 2020 levels for Scope 1 and 2 emissions. We are also committed to meeting the net zero emissions target by 2050.

Total emissions

Since reporting commenced in 2008-09, Western Power has decreased its greenhouse gas emissions from approximately 983kt CO₂-e to approximately 643kt CO₂-e in FY23, an approximate 35 percent reduction.

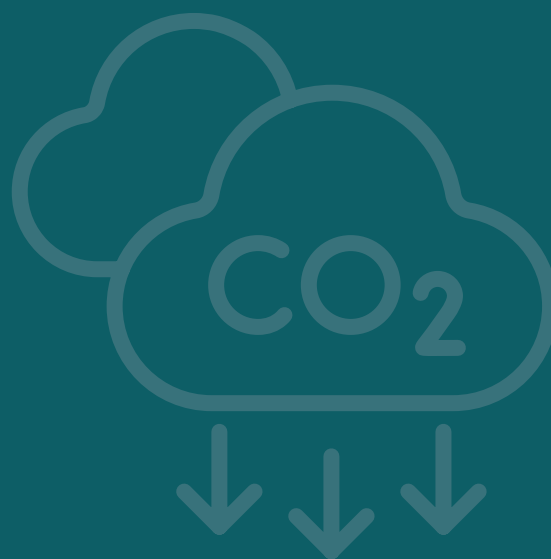
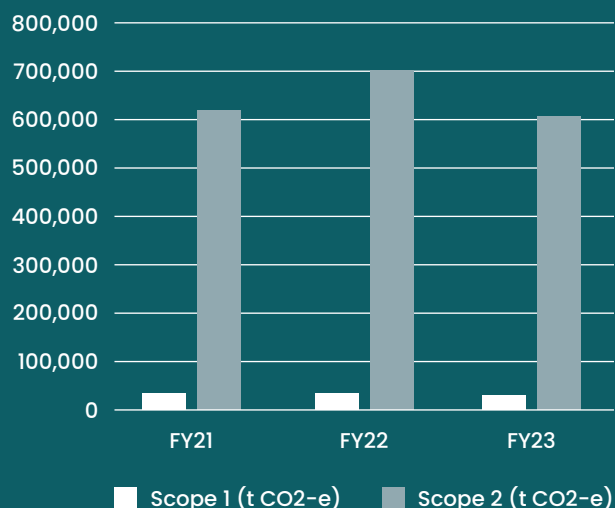
Due to positive actions undertaken by Western Power, Western Australians have continued to install rooftop solar panels at a rapid rate, with over 31,000 systems installed in the past 12 months.

This sees a total of over 450,000 rooftop systems in the SWIS, providing over 37 per cent of energy generated in the grid and Western Power has been working hard to safely accommodate this supply and encourage future renewable projects to supply the SWIS. This proactive approach has seen NGERs amend the Scope 2 greenhouse gas emissions intensity factor for the production of electricity from 0.68 to 0.51.

The chart below indicates the Scope 1 and 2 emissions over the Financial Years 2021, 2022 and 2023. The past 12 months emissions will be released to NGERs in October 2024.

The past 12 months has seen us continue to identify emissions reduction opportunities within our operations and accelerate the transition to a cleaner energy future.

Scope 1 and 2 emissions – FY21, 22 and 23



SUSTAINABLE DEVELOPMENT GOALS



The following reports on Western Power's achievement against the five United Nations Sustainable Development Goals.

7 AFFORDABLE AND CLEAN ENERGY



37%

Percentage of renewables in the grid

Measures percentage of total energy generation coming from renewable sources, including rooftop (behind the meter) solar, large scale solar and wind generation, against a future target scenario (currently based on Whole of System Plan scenarios).

8 DECENT WORK AND ECONOMIC GROWTH



8.8

Total Recordable Injury Frequency Rate

This is the number of recordable injuries per 1 million hours worked.

67%

Percentage of Annual Spend with Local WA Based Businesses

Measures the total spend excl GST for each financial year with suppliers registered in Western Australia.

3.0%

Percentage of Total Contracts with Aboriginal Businesses

As per the Aboriginal Procurement Policy mandate of progressive targets for the award of WA Government contracts to Aboriginal businesses, this tracks the number of contracts valued \$50,000 including GST and above Western Power awards to Aboriginal businesses each financial year.



71%

Employee Engagement Score

Provides an indication of the proportion of employees (permanent employees and embedded contractors) that are engaged.

42.9%

Women in Senior Leadership Team Positions

Measures the metric of women represented within the Management tiers 1, 2 and 3 (CEO, Executives and Heads of Function).

1.5%

Aboriginal and Torres Strait Islander Employees

Measures the metric to which those employees who identify themselves as Aboriginal and/or Torres Strait Islander descent are represented within the business.

1.0%

Employees with a Disability

Measures the metric to which those employees who identify themselves as having a disability are represented within the business.

2.7%

Youth

Measures the metric of employees aged 24 and under, in accordance with Australian Bureau of Statistics definitions.

28.3%

Culturally and Linguistically Diverse Employees

People who were born in countries other than those categorised by the Australian Bureau of Statistics as mainly English speaking – including Australia, Canada, England, New Zealand, South Africa, United Kingdom, United States of America.



32%

Percentage of waste recovered (as of April 2024)

Tracks the percentage of our waste that we are recovering. Waste recovered includes material recovery (reuse, reprocessing, recycling) and energy recovery (waste-to-energy). Targets are in line with WA's waste avoidance and resource recovery strategy 2030.

13 CLIMATE ACTION**13%****Percentage Emissions Reduction per annum (as of October 2023)**

Measures year on year reduction in our carbon emissions (including scope 1, our direct emissions, as well as scope 2, indirect emissions from electricity consumption) as reported in line with the National Greenhouse & Energy Reporting Act 2007. This will be updated on October 2024 through the NGERs reporting process.

216**Delivery of Stand-alone Power Systems (SPS)**

Cumulative number of SPS or equivalent units installed from inception, where SPS or equivalent includes an SPS unit, supply abolishment, proactive abolishment and IOU contracts.



Our People



People Strategy and our values

During the year we continued to make progress on initiatives delivered through our People Strategy.

This multi-year Strategy guides our People initiatives across four key pillars:

- 1 Evolving our highly capable workforce
- 2 Engaging our people
- 3 Empowering our leaders
- 4 Enhancing our culture



Western Power People Strategy | 2023–2026

Working together to power a cleaner energy future

Evolving our highly capable workforce	Engaging our people	Empowering our leaders	Enhancing our culture
 Our highly capable workforce can reliably deliver current and future services ✓ Define required workforce ✓ Source great people ✓ Develop our capabilities	 Our workforce will choose to stay, perform and thrive within Western Power ✓ Listen & identify opportunities ✓ Deliver the EVP ✓ Enhance employee experience	 Our leaders support our people to achieve outcomes for our community ✓ Support people leaders ✓ Provide data and insights ✓ Drive high performance	 We have a culture that will enable great performance and business success ✓ Define ✓ Assess ✓ Build

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

 Safe and caring	 Results focused	 Acting with integrity	 Working together	 Always improving
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Respectful relationships

Creating an environment where employees of all backgrounds achieve their full potential is a key aim of our Employee Value Proposition. The Respectful Relationships program was developed to enable teams to produce a workplace culture that creates this environment.

Through the program, employees workshop as a team to identify their personal and shared values, establishing an agreed standard of behaviours in the workplace. One of the outcomes of the program is the development of a team charter, formalising employees' shared commitment to upholding the values for their team.

Values led leadership

The Values-led leadership program comprises formal learning, personality assessment and individual coaching to deliver a quality leadership development journey in partnership with Leadership WA. While initially being rolled out to senior leaders, the program will be extended to other leadership levels in the later stages of 2024.

Employee Engagement Survey

Western Power measures employee engagement on an annual basis, including measures of our employee value proposition. The response rate increased by 20 per cent on the last 2 years, landing at an impressive 81 per cent. This year our engagement score was 71 per cent, which is a slight decrease on last year's results.



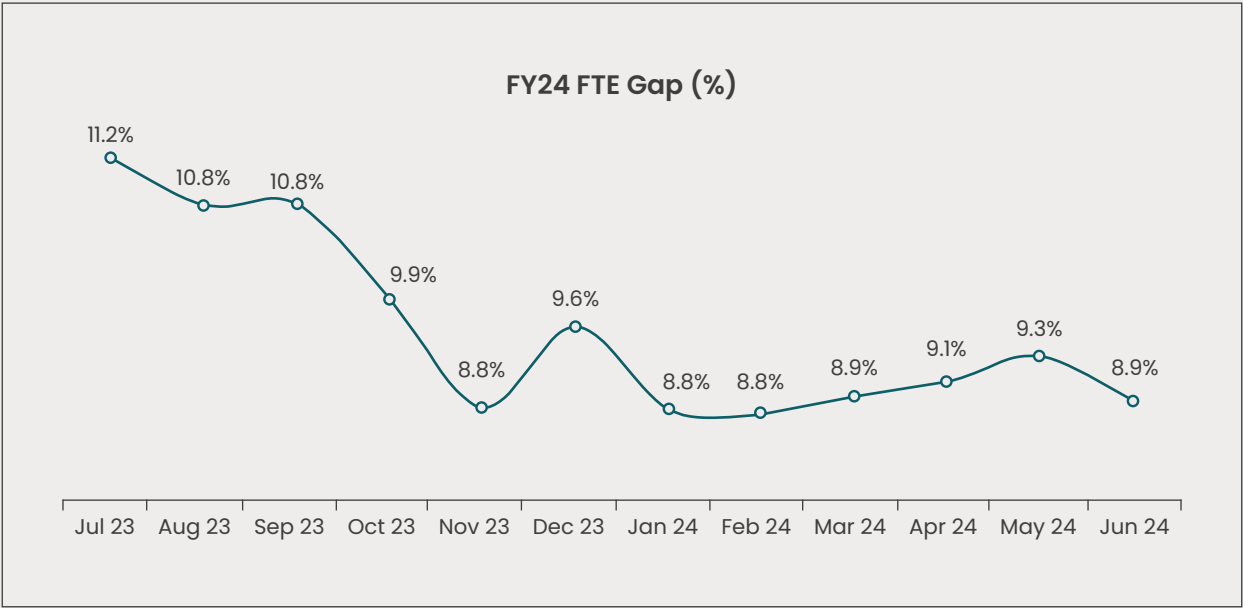
Talent acquisition

In FY24 we continued our progress in using data to make better informed decisions when it comes to talent acquisition.

Aligning external labour market constraints with internal vacancy data has enabled us to focus our talent acquisition efforts. The job market remains challenging with nation-wide shortages of key roles required for our business. Western Power has successfully recruited 594 new starters in FY24, resulting in a decrease in vacancy rate from 11.2 per cent to 8.8 per cent.

As part of our strategy to address shortages in the trades and labour and engineering workforce, analysis of recruitment trends and targeted marketing strategies across the Eastern States and New Zealand has secured an increase in hires from these areas. Continued analysis will be applied to ensure value is maintained in recruitment yield.

Improvements identified through continual review of internal efficiencies provide ongoing insights on our non-local hires and ensure that our end-to-end process – from recruitment to accommodation and training – continuously optimise the candidate experience.





Diversity, Equity and Inclusion

Diversity, Equity and Inclusion

Fostering Diversity, Equity and Inclusion (DEI) at Western Power is essential to our business. It enables us to innovate, respond to changing needs, and continue to deliver safe, reliable and efficient energy solutions.

We're focussed on attracting and retaining a diverse workforce, providing an inclusive work environment where all our employees feel safe and valued, and strengthening relationships to cement our position as a trusted partner in the community.

We have aligned to the Public Sector Commission Workforce Diversification and Inclusion Strategy 2020–2025. We support equitable employment opportunities for all ages and genders, the LGBTIQ+ community, people with disability, Aboriginal and Torres Strait Islander people, and people from culturally and linguistically diverse backgrounds.



In FY24 we:

- established the DEI Council, bringing together the executive team to oversee a cohesive company-wide Diversity, Equity and Inclusion program
- launched Western Power's DEI Strategy that was developed with input from all business units to create a blueprint and shared understanding of our DEI objectives
- published the Disability Access and Inclusion Plan 2023–2028 to articulate how we intend to increase access and participation by employees and customers with disabilities
- continued to deliver on our 'Innovate' RAP as part of our ongoing commitment to reconciliation
- reaffirmed our partnerships with the Waalitj Foundation and Clontarf Foundation to contribute to the educational outcomes of Aboriginal high school students and develop diverse candidate pipelines for entry-level pathways to employment with Western Power
- refined our DEI Learning Pathway with the development and roll-out of a foundational eLearning module and an inclusive leadership workshop, continued Aboriginal Cultural Awareness Training, and pilots of disability and neurodiversity awareness training
- developed a public holiday substitution procedure to meet our enterprise agreement obligations, demonstrate support for cultural diversity and model inclusive behaviours.

Employee Networks

Western Power acknowledges significant support from our workforce for inclusion and encourages employee involvement through the sponsorship of six volunteer-led Employee Networks. These networks play a pivotal role in building awareness of our diverse communities, while also providing a valuable source of lived experience to inform policies, initiatives and services.

All Gen

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

Focus Ability

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

Diverse Sexualities and Genders

Providing a voice for LGBTQIA+ communities and their allies

Gender Equity

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

MOSAIC

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

Walking Together

Uniting First Nations and non-Indigenous colleagues to promote respect





Employee Networks key events

The Employee Networks also assist Western Power to plan and deliver a calendar of meaningful activities and events that recognise days of significance and provide safe and inclusive spaces for dialogue and engagement.

This year, key activities have included:

WA PrideFest

Joint participation by Western Power, Horizon Power and Synergy in the Fair Day and Parade.

16 Days in WA

Events held at our Perth Office and South Metro Depot.

International Day of People with Disability

Awareness sessions held in the lead up to this day of significance to build understanding of disability inclusion within our workforce.

Harmony Week

A campaign was held to encourage employees to celebrate cultural diversity by hosting team events and share them through internal social media.

International Women's Day

Panel discussions were held at Perth Office and South Metro Depot/Boyli Mia (and online broadcast) to consider pathways to greater economic inclusion for women.

National Reconciliation Week

A series of events covering 2 metro sites, 4 regional depots and online participation ensured business-wide involvement. A bespoke info pack was developed and distributed to leaders.

NAIDOC

Celebrations saw Western Power leaders visit key regional depots. An internal communications campaign featured interviews with Aboriginal staff and promoted key business initiatives supporting engagement with Aboriginal communities.

Our stories

One year of South Metropolitan Depot (Boyli Mia)

Since reaching practical completion in July 2023, it's been a busy year of onboarding and settling in for our employees at the state-of-the-art new South Metropolitan Depot (Boyli Mia).

The Fleet team was the first to transition to their new location in early-July 2023 in preparation for the remaining staff moving in over a four-week period from 19 July 2023.

More than 900 staff now call the depot their core workplace – split between the administration building and operational yard.

Combining four previous metro depots operations into one facility at SMD has brought with it significant efficiencies and improvements, from the highly technical (like heat and humidity-controlled rooms for speciality high-voltage safety items, and bookable bays for testing and tagging key equipment) to the practical (like dedicated loading bays for stores, and easy access to arterial roads for outgoing crews and commuting employees).

But one of the biggest benefits of the new depot has been the increased collaboration and stronger relationships formed. Teams now work together a lot more, sharing vehicles, tools and resources to enable each other to deliver their works for the day, and it is not uncommon to see vehicles being shared or quick corridor and cafe conversations that result in a great benefit.

A number of purpose-built event spaces have also enabled greater opportunities for large scale meetings, external stakeholder visits, tours, training and safety days, staff fundraising events, team barbecues and gatherings, as well as the opportunity to mark key Diversity, Equity and Inclusion calendar events as a team throughout the year.

SMD by the numbers



104 heavy
fleet vehicles



135 pieces of plant
equipment including
forklifts and trailers



409 light fleet
vehicles including
44 EV/PHEV



44,000km
average distance
travelled by SMD
vehicles in a day



Our stories

Power Training Services

Our people are the key to what we do and how we do it. Ensuring employee training (and that of external parties looking to conduct work on our network) is fit-for-purpose to operate safely in our unique workplaces is the best way we can strive for success.

Due to the complexity of our network, we have our own in-house Registered Training Organisation – known as Power Training Services.

PTS coordinates and delivers a wide range of nationally recognised and enterprise specific training programs that allow students to achieve qualifications or gain enterprise skills and knowledge. All courses are delivered by qualified trainers with current, industry-based expertise.

We don't just provide refresher and upskilling training to our own experienced staff, we also train our own apprentices, and provide training and assessment for external companies and contractors looking to work on or near our network.

As part of our workforce planning strategy, we have been working with the business to attract new skills and capacity within the organisation.

This includes the new training required for strategic initiatives at Western Power including around batteries, solar and other decarbonisation programs of work aligned to Western Powers strategic drivers.

People, skills and culture remain as important as ever and we will continue to invest in them.



PTS by the numbers



0 staff injuries recorded during the year



363 different courses delivered



2,301 face-to-face classes presented



7,156 students enrolled at PTS this financial year



42,081 enrolments in 23-24

Our stories

Western Power women awarded

Western Power is committed to advancing women in the energy sector and while improvement has been made there is still significant work to do in achieving gender parity within our traditionally male dominated workforce.

Western Power's comprehensive apprenticeship, graduate, trainee, and pre-apprenticeship scholarship programs create multiple pathways to a career in an exciting and future-focussed industry.

On top of the myriad contributions women provide to all facets of our operations, in particular we've noticed that diversity within our apprentice group brings an uplift in safety reporting, higher assessment scores in technical training, and a happier and more engaged workforce.



We pride ourselves on providing an environment where women in energy can excel, and the achievements of women in our organisation were spotlighted this year with a number of awards:

- One of our apprentices Amy Hunt (pictured) was named the 2023 National Apprentice of the Year. This follows on from Amy being awarded 2023 WA Apprentice of the Year and the 2022 Western Power Apprentice of the Year. Amy, a cable jointer, was nominated for her exceptional work ethic, capability and focus on safety. Amy's recognition by these awards is testament to her exceptional abilities, dedication, and remarkable accomplishments in the power industry.
- In 2023 Principal Grid Portfolio Investment Consultant Amra Rullo was announced winner of the WA Energy Awards Advancing Women in Energy category. Amra has played a key role in delivering the state's Emergency Solar Management (ESM) strategy and our transmission network expansion preparation. Amra was acknowledged for her industry expertise, as a vocal advocate for diversity and inclusivity, along with building a community of women who she formally and informally mentors.
- Western Power also had a big win at the Australian Power Institute's Strategic Project Presentations, with Senior Asset Strategy Engineer Cherry Tin Shwe part of the winning group presentation titled 'Increasing the speed of project development and delivery' and Principal Grid Portfolio Investment Consultant Karyne Wong taking out an award for Best Individual Presentation.

Our stories

Commitment to reconciliation

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

We're committed to attracting and retaining a diverse workforce and are always looking at employment opportunities for Aboriginal and Torres Strait Islander peoples in Western Power roles.

Western Power has completed our current Innovate Reconciliation Action Plan (RAP) 2021 – 2023 we will continue to celebrate, recognise, and acknowledge past challenges and future opportunities. Our next RAP Reshape will commence shortly.

Our Aboriginal and Torres Strait Islander employee numbers continue to grow, and we're committed to improving every year:

- 21 per cent of this year's intake of 19 apprentices are people from Aboriginal and Torres Strait Islander backgrounds.
- Cultural Awareness Sessions were run at three regional depots and the Perth Office in the past year.
- National Reconciliation Week and NAIDOC Week are two major weeks for our staff and communities to recognise Aboriginal and Torres Strait Islander history and culture. We hosted 10 engagement activities during 2024 National Reconciliation Week.

- Nine contracts were awarded this financial year to Aboriginal owned businesses. Contracts were awarded to four suppliers with standalone contracts worth \$889,000, and a further four suppliers have been added to panels worth more than \$328 million.

We currently have 23 contracts on foot with Aboriginal owned businesses (19 of them multi-year). Since the start of the policy we have awarded 45 contracts (32 of them multi-year).

- We've entered our third year of partnership with Clontarf Foundation and Waalitj Foundation (Deadly Sista Girlz), which provide a rich calendar of engagement opportunities for employees and connects school-aged Aboriginal people to training and employment opportunities within our organisation. Two entry-level employment opportunities were secured through pathways created from partnerships with Clontarf and Waalitj.



Our stories

Pole top fire mitigation

As part of Western Power's comprehensive maintenance programs, we employ multiple techniques to enhance network resilience and mitigate against pole top fires.

Pole top fires can occur during light drizzling rain or misty damp conditions after long dry periods when a combination of dust and pollution builds up on insulators to create paths or 'tracks', enabling electricity to jump across. This tracking electricity can heat elements of the pole infrastructure to a point where they smoulder and burn.

In March 2024, we commenced a new and innovative live distribution line washing and siliconing program using helicopters. This program will treat over 12,700 assets on long power lines to improve network resilience across the South West Interconnected System (SWIS). More than 8,800 assets have been treated so far with the remaining to be completed by the end of August 2024.

In addition to helicopter washing and siliconing, we are also undertaking a siliconing only trial via elevated work platform. Helicopter washing and siliconing is well suited to treating insulators in more remote areas while silicone only via elevated work platform is better suited to populated areas, along main roads or areas with livestock.

During FY24 we also continued our program of insulator replacement throughout the SWIS to strengthen network resilience. We replace aging insulators with new silicone insulators which are less prone to dust and pollution build up. In FY24, we replaced more than 5,700 insulators and crossarms across the network.



In the community



Western Power understands that positive relationships with stakeholders and the community helps build trust, influence and advocacy. As a result, Western Power has ongoing interactions with stakeholders on a range of initiatives including works projects, attending regional shows and field days, liaising with local governments and other community stakeholders, and engaging with landowners.

To support our current and future strategic objectives, Western Power is strengthening its existing community and stakeholder engagement activities with an increased focus on our social licence to operate.

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

Major engagements conducted in the FY24 financial year are outlined below.

2023

Month	Event
July	Shire of West Arthur Windfarm Forum
August	Dowerin Machinery Field Days
September	Chapman Valley Show Newdegate Machinery Field Days WA Local Government Association convention 2023 Storm emergency response in Kalgoorlie-Boulder Helicopter maintenance work – City of Greater Geraldton, and the Shires of Irwin, Mingenew, Broomehill-Tambellup, Gnowangerup, Jerramungup, Katanning, Kent, Lake Grace and Ravensthorpe
October	Gidge Show Mundijong Bushfire Ready event Presentation to Great Southern Development Commission Mid West Development Commission Energy Zone community drop-in session
November	Local government forums – Mid West, South West/Great Southern, Wheatbelt Shires of Pingelly and Cuballing network upgrade Shire of Augusta-Margaret River network upgrade
December	Shire of Nannup network upgrade Shire of Harvey maintenance works Member of Parliament briefing – Agricultural region

2024

Month	Event
January	Shire of Cunderdin network upgrade Shire of Capel maintenance works Fire emergency management response in Gingin Storm emergency management response in Goldfields Mid West network maintenance
February	Goldfields stakeholder information sessions Undergrounding community information session – City of Vincent
March	Dawesville community information session Wagin Woolorama Shire of Dalwallinu, Moora, Coorow maintenance work Local government infrastructure forum Member of Parliament briefing – Agricultural region, Seat of Moore Goldfields Voluntary Regional Organisation of Councils Housing and Land Ministerial Roundtable
April	Undergrounding community info session – City of Stirling City of Wanneroo Bushfire Ready event
May	Regional Connect Lancelin community event Shire of Merredin network upgrade Wheatbelt Futures Forum Goldfield Esperance Development Commission Regional Drought Resilience Plan meeting Invest in Great Southern event – Albany Chamber of Commerce and Industry
June	AgZero event 'The Power Shift – transitioning farm communities to renewables' WA Farmers annual conference 'Farming through Adversity' WALGA Great Southern Country Zone meeting WALGA North Country Zone meeting Roleystone Energy Community info session Undergrounding community info session – City of Fremantle

Regional shows

Having a presence at regional shows is a great opportunity for local community engagement and to build relationships, particularly at regional shows in locations where there has been challenging reliability. The events are delivered with support from our local operational employees.

The Stakeholder and Community Engagement team attended five regional shows across the SWIS this year in Dowerin, Chapman Valley, Newdegate, Gidgegannup and Wagin.

At each show, we encourage community members to play our 'power to the people' game, which is designed to educate and engage as well as provide donations for local charities. The charities which shared in \$7500 worth of donations included the Royal Flying Doctor Service, Foodbank WA, St John WA, RSPCA WA and Rotary Club of Wagin.



Local Government forums

Our CEO, members of the senior leadership team and subject matter experts presented to stakeholders, including Local Governments (LGs), local Chambers of Commerce & Industry and Regional Development Commissions in November 2023.

Led by the Community and Stakeholder Relationships team, three engagement sessions were held with 18 stakeholders from across the Mid West, South West, Great Southern and Wheatbelt regions.

The purpose was to provide an update on how we prepare the network ahead of summer, provide updates on key topics important to each region and, importantly, listen to our stakeholders to understand how we can work together and strengthen relationships.

It's always a great opportunity for our senior leaders to hear directly from customers and community to understand their experience of Western Power.

Key information we share includes pre-season weather outlook, network configuration and restoration changes, vegetation management, pole inspection, pole top fire mitigation, Total Fire Ban and Harvest and Vehicle Movement Bans, emergency response generator fleet update, outage communication and local network updates.



Crisis support

As an emergency service organisation, Western Power engages with regional stakeholders during emergencies and deploys the Community and Stakeholder Relationships team to regional communities when and where required.

We work with DFES and Department of Communities to deploy to appropriate locations and in coordination with other emergency service organisations.

We provide:

- A representative to update the community at DFES led Community Information Sessions
- Practical assistance to customers, i.e. process extended outage claims
- Face-to-face advice on power restoration

- Advice on other energy related issues (vegetation clearing, private power poles, prioritisation of works etc)
- Maps to show impacted areas of the network and prioritisation schedule
- Messages to key stakeholders so they can share on their platforms

This year, Western Power supported the residents within the City of Wanneroo following the Mariginiup bushfire incident in November 2023, fire emergency response in Gingin in January 2024 and supporting the Goldfields community in the wake of a storm which damaged the 220kV transmission line near Kondinin in January 2024.



Our stories

Website refresh

As part of our ongoing commitment to better serve the community, Western Power launched its new refreshed website in late 2023.

The new website was the culmination of months of extensive customer research and testing and development. It delivers a suite of functionalities to provide easier access to our products and services, as well as a significant advancement in providing accurate, up-to-date information about power outages.

Key features of our new site include the ability to:

- view a timeline of any power outage and response
- save favourite outage locations
- view planned outages 10 days in advance and save the information to calendars
- personalise content based on whether you're a residential or commercial customer
- search and find what you're looking for sooner
- access a simplified External Design and Construct (EDC) application form for land developers.

New usage data indicated customers are significantly more engaged with our outage information page, spending an average of 2m 04s on the page, up from 1m 30s. We now provide a greater information around outages including a history of updates and contextual information based on the type of outage and duration of the incident. This is a key part of our aim to increase transparency and foster greater trust among our customers.

As engagement with our digital channels grows, utmost importance is placed on the protection of customer data, and the continuous availability and performance of these channels. Significant strides have been taken to align with our customers' expectations in these key areas.

Leveraging new technology, we now have greater understanding of our customers, empowering us to deliver an enriched digital experience.

Website by the numbers



14,566,209
views across
the site



7,667,299
of those views to
the outage page



4 March 2024
our busiest day
with 362,199 views



7,957,038
total website
views in 2023



+62.05%
views compared
to last year

Our stories

Make the Safe Call

During storms we see all sorts of things like vegetation, shed pieces, trampolines and roofing blown into overhead lines. Each year during winter we remind the community there's some steps they can take to protect themselves and the network, and to call us if there's an emergency. Every bit helps.

In July 2023, we launched the next phase of the Make the Safe Call campaign which has been on air in some form for 15 years.

This iteration of the campaign featured Karim, an inexperienced drone enthusiast who is doing his part by tying down loose items ahead of a storm.

He's joined by familiar faces Aaron Dempsey and Greg Lampropoulos – some of our experienced drone operators.

Using these drones to inspect lines remotely is an example of how we are innovating and improving the way we do things to keep everyone safe.

The campaign shows the responsibility we all have when it comes to supplying safe, reliable and efficient energy.

Adverts on TV, radio, online, and billboards ran until the end of August to help remind the community that no matter what the electrical emergency is, Make the Safe Call to Western Power.



Financial report



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 2024. 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 2022 to 30 June 2023.

Western Power’s directors

The below persons were directors of Western Power as at the date of this report:

Name	Duration
Denise Goldsworthy AO (Board Chair)	From 01/01/2018
Monish Paul	From 01/11/2020
Eva Skira AM	From 22/11/2017
Wayne Manners	From 01/11/2023
Andrea Hall	From 01/11/2023
Robert Grant	From 01/02/2024

Changes to directors during the current reporting year include:

- Ms Elisa Fear retired as a non-executive director on 31 October 2023.
- Mr Monish Paul was reappointed as a non-executive director for a further three-year term, with effect from 1 November 2023.
- Mr Wayne Manners and Ms Andrea Hall were appointed as non-executive directors for a three-year term each, with effect from 1 November 2023.
- Mr Robert Grant was appointed as a non-executive director for a three-year term, with effect from 1 February 2024.
- Mrs Kathryn Barrie retired as non-executive director on 28 May 2024.
- Mr Greg Martin retired from his position as Deputy Board Chair on 9 August 2024.

Information on directors as at the date of this report

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 31/08/2025. 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-start-ups 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. • Chancellor of Edith Cowan University. • Member of: – Chief Executive Women – Curtin University Commercialisation Advisory Board – Resources Technology and Critical Minerals Trailblazer Board.	GC Chair SPC member

Director	Profile	Committee responsibilities
Greg Martin (Retired) Deputy Board Chair Non-executive director B.Ec LLB MAICD	Appointed with effect from 29/04/2015, current term expires on 09/08/2024. Experience and expertise: Mr Martin has over 40 years' experience in the energy, utilities, resources, financial services and infrastructure sectors in Australia, New Zealand and internationally, having spent 25 years with the Australian Gas Light Company Limited (AGL), including five years as Chief Executive Officer and Managing Director. After leaving AGL, Mr Martin was the Chief Executive Officer of the infrastructure division of Challenger Financial Services Group and, subsequently, Managing Director of Murchison Metals Limited. Current directorships: • Chair of: - Provaris Energy Ltd - Safety Sherpa Pty Ltd - Sierra Rutile Holdings Limited. • Non-executive director of: - Power and Water Corporation - Mawson Infrastructure Group Inc.	ARC member GC member
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 performance and transformation. He has worked in senior roles with IBM, Deloitte, Arthur Andersen, and the Australian Federal and Western Australian Government. Mr Paul has particular expertise in economic and financial advisory, business and digital strategy, regulation and public policy, and organisation transformation. In July 2022, Mr Paul was appointed Senior Managing Director at FTI Consulting and leads its Economic and Financial Consulting practice in Western Australia. Mr Paul holds a Master of Business Administration and is an alumnus of Harvard Business School (Executive Program), University of Western Australia and Curtin University. Mr Paul is an advocate for organisational diversity and for giving back to the Western Australian community. Current directorships: • Non-executive director of Police & Nurses Limited • Non-executive director of St John WA.	SPC Chair ARC member GC member

Director	Profile	Committee responsibilities
Eva Skira AM Non-executive director BA (Hons) MBA SF Fin FAICD FAIM FCIS FGIA	Appointed with effect from 22/11/2017, current term expires on 28/05/2025. Experience and expertise: Ms Skira has a background in roles across banking, financial markets and stockbroking, along with strategic management consulting. Ms Skira also has more than 30 years' experience as a non-executive director. Ms Skira's extensive previous board experience with commercial and government boards includes roles as Chair of the Water Corporation and various other industries including engineering and construction. Ms Skira was recognised in the 2019 Australia Day Honours List and appointed a Member of the Order of Australia for her service to business through a range of industry and advisory roles. Current directorships: • Chair of Catholic Education Western Australia.	GC member ARC 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 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

Director	Profile	Committee responsibilities
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, infrastructure, education and research sectors. 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, and the Audit Committees for Evolution Mining and Commonwealth Superannuation Corporation. Current directorships: • Non-executive director of: - Perenti Ltd - Evolution Mining Ltd - Commonwealth Superannuation Corporation.	ARC Chair GC member
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: Mr Grant is a strategic Chief Executive Officer and for over 25 years 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 is currently the Managing Director and Global Head of Projects for Pollination Group, a specialist climate change investment and advisory firm, and was previously Director Energy at Fortescue Metals Group, Chair of the Clean Energy Investor Group and Senior Vice President Clean Power and Vice President Capital of SNC-Lavalin.	GC member SPC member

Directors' attendance at meetings

The numbers of Board and standing committee meetings held during the reporting year ended 30 June 2024, 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	9	9	1	1	2	2	4	4
G Martin (Retired)	9	8	5	5	2	2	–	–
K Barrie (Retired)	9	9	1	1	2	2	4	3
E Fear (Retired)	4	4	2	2	1	1	1	1
M Paul	9	9	5	5	2	2	4	4
E Skira AM	9	9	5	5	2	2	–	–
W Manners	5	5	–	–	1	1	3	3
A Hall	5	5	3	3	1	1	–	–
R Grant	4	4	–	–	1	1	2	2

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 most recently was 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.

Western Power's principal activities

The principal continuing 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
- provide access to services of network infrastructure facilities as required and authorised by Part 8 of the *Electricity Industry Act 2004 (WA)* (which relates to network access)
- provide ancillary services.

In performing its functions, Western Power must act in accordance with prudent commercial principles and endeavour to make a profit consistent with maximising its long-term value.

There have been no significant changes in the nature of Western Power's principal activities during the reporting year ended 30 June 2024.

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 2024:

- Western Power achieved a net profit after income tax equivalent of \$381 million (30 June 2023: \$261 million)
- Western Power's net cash flows excluding borrowings were \$3 million surplus (30 June 2023: \$21 million deficit). This cashflow was largely financed by an increase of \$140 million in borrowings (30 June 2023: reduction of \$70 million in borrowings).

Dividends

Details of the dividends Western Power paid to the Western Australian State Government during the reporting years presented, are below:

Dividends paid	2023/24		2022/23	
	\$M	Payment date	\$M	Payment date
Final dividend	-	-	75	20/12/2022
Special dividend	-	-	4	20/12/2022
Interim dividend	-	-	-	-
Total dividends paid	-		79	

Nil 2023/24 dividends paid

During the reporting year ended 30 June 2024, Western Power did not pay the State Government dividends (30 June 2023: \$79 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 – being the directors recommended:

- a nil dividend for the year ended 30 June 2023 – typically payable six months in arrears (by December 2023); and
- a nil interim dividend for the reporting year ended 30 June 2024 – typically payable no later than the reporting year to which it relates (by June 2024).

Dividends not recognised at the end of the current reporting year

Since the end of 30 June 2024, the directors have resolved to recommend, subject to the approval of the Minister for Energy, a dividend of \$71 million for the reporting year ended 30 June 2024, being:

- a final dividend of \$71 million in-line with Western Power's net profit after income tax equivalent; plus
- a nil special dividend – no sale of land surplus to requirements.

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 2024 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 acceptably delivers to the community a safe, reliable and affordable connection to energy.

All electrical networks in Australia including the SWIN, have an inherent level of risk in operation. This risk arises from environmental and climate related factors, which are outside of the operator's control, as well as from risks that are identified as part of the operation's strategies.

Safety risks associated with Western Power's network are managed in accordance with the Asset Management System. This System meets the requirements of the transmission and distribution licenses issued by Western Power's regulator, 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 network in an effective and sustainable manner considering the risk posed.

Asset utilisation

The global environment in which all electrical utilities are operating is undergoing significant and rapid change:

- government, industry and public sentiment around decarbonisation and climate change is driving expectation for power grids to facilitate connections of renewables generation, while industries are simultaneously electrifying their processes to improve their environmental credentials and social licence to operate

- increasing consumer reliance on electricity for many aspects of modern life, such as communications and transport, is changing both the demand patterns and the expectations about network availability and reliability
- alternative technologies for electricity generation, storage and supply continue to offer opportunities whilst creating the need for ongoing regulatory, market and technical development.

Western Power has recognised these challenges for some time and has embarked on a journey to meet these overarching challenges. We are implementing an asset strategy that will see our network develop into a modular grid where we seek to utilise the best available technologies for different parts of the network to produce better safety and reliability outcomes. This is being executed in a cost where implementation is optimised to coincide with the required replacement timing of ageing assets.

The business 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.

Western Power is also actively supporting the large-scale augmentation necessary to support the State Government's Climate Change policy by meeting the need to Grid connect the renewable generation and storage facilities required to replace retiring coal generation and supply increased network demand as major industries decarbonise.

In addition, the rapid increase in energy demand from urbanised load centres, exacerbated by the increased probability of summer heatwaves, has accelerated the augmentation of existing transmission and distribution networks.

Against this backdrop, Western Power is progressing a number of critical initiatives:

- supporting the government's SWIS Demand Assessment (**SWISDA**) and Transmission Infrastructure Plan (**TxIP**) targeting transmission network expansion and augmentations to support decarbonisation and forecast major customer load, generation and storage connections
- delivering capacity developments augmenting the current network to increase available capacity whilst transforming the grid towards the future grid vision of modularisation through asset replacement and transformation programs such as Undergrounding and Standalone Power Systems (**SPS**)
- supporting the Distributed Energy Resources (**DER**) roadmap towards full integration and coordination, accounting for increasing uptake of electric vehicles (**EV**), residential distributed energy storage systems (**DESS**) and continuing growth in rooftop solar
- developing new innovative approaches and solutions to improve supply performance to better meet the needs of our regional customers who have historically experienced above average supply interruptions.

Distributed Energy Resources (DER)

Customer adoption of rooftop solar, battery energy storage, electric vehicles, home energy management technologies, and other distributed energy resources (DERs) continues to grow along with the need to connect and integrate these DERs into the grid safely and reliably.

This growth presents a significant challenge and opportunity for Western Power, energy industry participants, and customers. With nearly 40% of all homes having rooftop solar, the 2GW of renewable energy generated is capable of meeting up to 75% of underlying electricity demand in the South West Interconnected System (**SWIS**) at certain times of the year. This level of passive or unmanaged generation connected to the network also poses local power quality issues in the distribution network while also contributing to system minimum demand issues because of excess solar generation.

Western Power have been piloting innovative ways of working with customers to integrate DERs into the network in ways that support the challenges of running a high renewable energy penetration network, for example using community batteries to help soak up excess solar energy during the day and using it during the evening peak period.

Working with key stakeholders such as Energy Policy WA (**EPWA**), Australian Energy Market Operator (**AEMO**) and Synergy we have sought to harness this energy through virtual power plants (**VPP**).

Western Power's commitment to supporting renewable energy sources and leveraging emerging technologies to provide greater customer choice aligns with the WA Government's Energy Transformation Strategy and Distributed Energy Resources (**DER**) Roadmap.

The DER Roadmap addresses the opportunities and challenges of integrating customer generated renewable energy into the power system and facilitates the transition to a more reliable and renewable energy mix.

Western Power sees the distribution network as the platform to unlock significant benefits, enabling customer-generated energy to potentially participate in new energy markets and provide services, such as reducing peak demand, that enhance network security and reliability.

Project Symphony was a major step towards this goal. Working closely with EPWA, AEMO, Synergy and residential households, Symphony tested the feasibility of aggregating customer-owned energy assets into a large, manageable power source or VPP. This allowed customers to earn additional value from their energy assets while providing services to help manage the 'peaks and troughs' of network consumption, unlocking greater economic and environmental benefits for the Western Australian community.

The Symphony final report consolidates recommendations to scale VPP participation over the coming years.

Understanding how the network will operate in a high DER future and developing capabilities to meet customer choice is essential to being future-ready. To achieve higher levels of participation, enable greater DER orchestration, and optimise the system, changes must be made to the roles and responsibilities of market players.

At the heart of DER participation is the distribution network and the need for Western Power, in our expanded role as Distribution System Operator (**DSO**), to provide the platform that enables aggregators, retailers, and a Distribution Market Operator (**DMO**) to capitalise on the proliferation of customer-generated energy.

Symphony provided us with the opportunity to test capabilities in the orchestration of DER and the learnings have been crucial in defining our DSO Strategy, guiding our organisation through changes in the distribution network.

Our vision as the DSO is to enable the platform which facilitates DER to deliver social, environmental, and economic benefits for our community while maintaining a safe and reliable energy supply and we are on track to developing foundational DSO capabilities by 2025 and operating at scale by 2030.

Climate change: decarbonisation

Over the past year, Western Power has continued to increase the pace and scale of decarbonisation. This rapid progression is driving substantial changes in forecasts for future renewable generation, storage, and load requirements as the industry moves towards 2030 and 2050 emission targets.

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

Separately, the State Government has introduced into Parliament the Climate Change Bill 2023 that proposes a framework that would enable the setting of interim targets for 2035, 2040, 2045 and 2050 for both Western Australia and for the State Government as point targets and five-yearly emissions budgets.

This role encompasses:

- facilitating electrification as a primary decarbonisation strategy due to its lower cost and ease of implementation
- integrating new and emerging renewable technologies into the grid.

To support these efforts, Western Power has progressed the planning and design work to meet future demands, particularly for the transmission network through Clean Energy Links (the key new transmission augmentations), as more industrial customers connect to the grid to electrify their processes as part of their decarbonisation efforts.

Based on the SWISDA released by the Minister for Energy in May 2023 and led by the Department of Treasury, the SWIS Transmission Planning Update May 2024 highlights strong industry interest to participate in significantly increasing renewable energy generation to the SWIS. The late 2023 Registration of Interest process saw 45 customers proposing 143 grid connected projects that intended to supply existing energy-intensive industries with renewable energy and enable potential new 'green' industries.

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

- **Clean Energy Link:** transforming the existing network to support large-scale renewable energy generation towards net zero emissions by 2050
- **Underground and 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.
- **Advanced Meters:** driving remote meter readings, managing energy loads and coordinate use of renewable energy supplies. Total advanced meters installed continue to grow and were in excess of 700,000 units as at 30 June 2024
- **Project Symphony:** integrating DERs such as rooftop solar panels, in-home batteries, and electric vehicles into a VPP to address the challenges and opportunities presented by the increasing adoption of these renewable energy sources.

Extreme weather events

Despite growing awareness and understanding of changing climate conditions, customers expect network operators to adapt the grid to remain safe and reliable, even if the environment in which the network operates changes.

For Western Power, like similar operators in Australia, climate change is challenging network resilience, asset integrity and the ability to provide a reliable service to customers. This reflects the increased occurrence and scale of extreme weather events, such as storms, floods and bushfire – including:

- ‘major event days’ that not only impact supply on the event day, but in the days and sometimes weeks following, as a result of widespread damage to the network
- the increase in:
 - total fire ban days impacting fault access and restoration times, with Western Power reviewing current processes to minimise customer impact while still prioritising public safety
 - the number of days with dangerous bushfire weather conditions, with the temperature and frequency of extremely hot days expected to increase, and heatwaves to become longer and more intense.

To address climate change impacts, Western Power recognises the increased emphasis on disaster preparedness, and network maintenance and investment – including the integration of new technologies to improve network reliability and resilience, and on-going bushfire management. Increased efforts to transition existing supply to reliable alternatives such as microgrids, are being implemented to alleviate pressure off the major network grid and aid disaster management and network reliability.

Environmental, heritage and planning performance

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 purposes. During 2023/24, 16 internal clearing permits were issued. An estimated total of 0.2029 hectares of native vegetation was cleared during the year under 10 separate internal clearing permits. An internal audit of 2023 clearing activities was undertaken during 2023/24. There were no significant adverse findings, one process Non-Conformance and five 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 July 2023, focussed on compliance within the 2022/23 Financial Year and identified no non compliances in accordance with the licence requirements.

Western Power holds six dangerous goods licences for the storage of sulphur hexafluoride (an insulating gas used in electrical equipment) and liquid petroleum gas. 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.

Western Power is required to report significant environmental incidents to its regulators as soon as practicable. During 2023/24 Western Power externally reported 17 environmental incidents, five of which were oil leaks from transformers (one was due to external factors) and 12 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 2023/24 a total of 265 spills were reported, of which 237 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 2023/24 there were 596 requests for ESA procedures. Western Power also continues to investigate and implement enhancements to its waste management approach, with 241 controlled waste requests in 2023/24.

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 11 oil leaks within UWPCAs were reported to the DWER for the six months ending December 2023 all of which have been addressed through Western Power's spill response process. A further 9 leaks in UWPCAs have been identified for the six months ending June 2024 and will be reported to the DWER in accordance with the six-monthly review cycle and have been addressed.

Western Power submitted no development applications to the relevant planning authorities in 2023/24 and has not been notified by the Western Australian Planning Commission or any other relevant planning bodies of non-compliance, 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).

Six activity notices were submitted to the South West Aboriginal Land and Sea Council under Western Power's Aboriginal Heritage Agreements in 2023/24.

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 2024, no successful claims were made against the directors' and officers' component of the policy.

Western Power has not entered into a deed of indemnity with, and does not hold an insurance policy for the external auditor.

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.

Western Power has also established processes and procedures to ensure observance of the Code of Conduct.

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 enterprise document management system. Training programs are reviewed on an ongoing basis to ensure they reflect evolving business processes.

Electoral Act 1907 (WA)

In accordance with section 175ZE of the *Electoral Act 1907 (WA)*, the below expenditure (exclusive of goods and services tax) was incurred by Western Power during the reporting year ended 30 June 2024.

Category	Amount (\$)	Recipients
Advertising agencies	1,405,154	• Birds Eye Media • Cloudstoke Media • Dragonfly Media • Justin Braine • Kris Myhre • Power On Cabling • Tangibility • VML AUSTRALIA • Workhouse Advertising • Wunderman Thompson 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	304,575	• Coredata (WA) • Faster Horses • Kantar Public • Teh & Co • Veronica Mayne Consulting Market research expenditure includes costs associated with consulting; customer research; corporate reputation, campaigns and strategies.
Direct mail organisations	374,475	• Fujifilm Data Management Solutions Direct mail expenditure includes costs associated with customer invoicing, self-reader cards and notifications.
Media advertising organisations	1,506,422	• iSentia • The Brand Agency Media advertising expenditure includes costs associated with media monitoring (radio/print/digital) and placements.
Total expenditure	3,590,626	

Rounding of amounts

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

Directors' report – remuneration

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 2024, 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 below:

Total remuneration band	Number of directors*		Salary and fees [^]		Post-employment superannuation benefits [^]		Total [^]	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
\$'000	#	#	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
\$0 ¹	1	1	-	-	-	-	-	-
\$1 – \$50	4	1	34	20	4	2	38	22
\$51 – \$100	3	4	68	47	8	20	76	67
\$101 – \$150	1	1	129	109	14	12	143	121

* During the reporting year ended 30 June 2024 the composition of the Board changed.

[^] Where there is more than one director in a remuneration band the average remuneration is shown.

¹ Ms Barrie is not remunerated by Western Power, being a representative of the Western Australian State Government. Ms Barrie resigned as non-executive director on 28 May 2024.

During the reporting year ended 30 June 2024, the below persons were titled executive officers of Western Power:

Name	Position (as at 30 June 2024)	2023/24
S Barbaro	Chief Executive Officer	*
J Hall	Chief Financial Officer	*
S Smallbon	Chief Technology Officer (joined 4/12/2023) [^]	
M Cheney	Executive Manager Energy Transition and Sustainability (from 28/08/2023 – new position) [^]	*
M Chew	General Counsel and Executive Manager Legal, Governance and External Relations	
J Christie	Executive Manager People (joined 24/07/2023)	
Z Christmas	Executive Manager Asset Operations	*
G Landsborough	Executive Manager Asset Management	*
T Deveugle-Frink	Acting Chief Technology Officer (from 28/08/2023 until 3/12/2023) [^]	
M Pyrchla	Acting Executive Manager Energy Transition and Sustainability (from 20/03/2023 – 28/08/2023) [^]	
N Smith	Acting Executive Manager People (from 20/03/2023 until 23/07/2023)	

[^] Mr Cheney was appointed Western Power's Executive Manager Energy Transition and Sustainability in August 2023 – being after the reporting year ended 30 June 2024. Ms Deveugle-Frink acted as Executive Manager Technology & Innovation until a permanent appointment is made. Ms Pyrchla returned to her substantive role as Head of Commercial.

* Denotes the five highest remunerated executive officers during the reporting year ended 30 June 2024 in accordance with section 15(c) of the GTE Regulations. For the five highest remunerated executive officers during the reporting year ended 30 June 2023 refer to Western Power's 2023 Annual Report.

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 below.

Total Remuneration band	Number of executive officers		Salary and fees [^]		Non-monetary benefits [^]		Other long-term benefits [^]		Post-employment superannuation benefits [^]		Termination benefits [^]		Total [^]	
	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23
\$'000	#	#	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
\$401-\$450	1	3	390	377	16	7	10	10	27	26	-	-	443	420
\$451-\$500 [^]	2	-	432	-	9	-	11	-	25	-	-	-	477	-
\$501-\$550	1	-	465	-	11	-	10	-	26	-	-	-	512	-
\$601-\$650	-	1	-	603	-	4	-	14	-	26	-	-	-	647
\$701-\$751	1	1	654	268	11	-	15	-	26	18	-	452 ¹	706	738

[^] Where there is more than one executive officer in a remuneration band the average remuneration is shown.

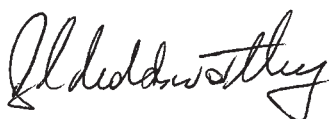
¹ Termination benefits include accrued annual and long service leave entitlements.

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.

Directors' report – confirmation

This directors' report is authorised for issue in accordance with a resolution of the directors on 26 August 2024.

Signed on: 26 August 2024



D Goldsworthy AO
Board Chair



A Hall
Chair of Audit and Risk Committee

Corporate governance disclosures

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/

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Statement of comprehensive income for the year ended 30 June 2024

	Note	2023/24 \$M	2022/23 \$M
Profit or loss			
Income			
Revenue from rendering of services	4	2,101	1,837
Other income	4	3	4
Total income		2,104	1,841
Expenses			
Materials and services		(324)	(297)
Employee related expenses	5	(255)	(252)
Depreciation and amortisation expense	5	(488)	(463)
Other expenses	5	(238)	(204)
Total expenses		(1,305)	(1,216)
Net finance costs	6	(305)	(260)
Profit before income tax equivalent expense		494	365
Income tax equivalent expense	7	(113)	(104)
Profit for the reporting year, net of tax equivalent		381	261
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		(14)	18
Re-classifications of cash flow hedges to profit or loss		10	11
Tax equivalent on cash flow hedges		1	(9)
<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	(3)
Tax equivalent on cash flow hedges		(1)	1
Total other comprehensive (loss)/income for the reporting year, net of tax equivalent		(2)	18
Total comprehensive income for the reporting year, net of tax equivalent		379	279

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

Statement of financial position as at 30 June 2024

	Note	2023/24 \$M	2022/23 \$M
Assets			
Current assets			
Cash and cash equivalents	8	222	79
Trade and other receivables	9	273	251
Inventories	10	185	148
Derivative financial instruments	20	–	2
Current tax equivalent assets		48	48
Total current assets		728	528
Non-current assets			
Trade and other receivables	9	1	2
Derivative financial instruments	20	29	44
Property, plant and equipment	11	13,047	12,479
Intangible assets	11	141	153
Right-of-use assets	12	25	21
Total non-current assets		13,243	12,699
Total assets		13,971	13,227
Liabilities			
Current liabilities			
Trade and other payables	13	164	151
Borrowings	18	107	42
Lease liabilities	19	9	9
Derivative financial instruments	20	–	1
Provisions	14	100	97
Deferred income	15	239	202
Total current liabilities		619	502
Non-current liabilities			
Borrowings	18	7,565	7,496
Lease liabilities	19	17	13
Deferred tax equivalent liabilities	16	1,312	1,241
Provisions	14	22	20
Deferred income	15	73	60
Total non-current liabilities		8,989	8,830
Total liabilities		9,608	9,332
Net assets		4,363	3,895
Equity			
Contributed equity	22	2,062	1,973
Hedging reserve	23	(7)	(5)
Retained earnings	23	2,308	1,927
Total equity		4,363	3,895

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

Statement of changes in equity for the year ended 30 June 2024

	Note	Contributed equity \$M	Hedging reserve \$M	Retained earnings \$M	Total equity \$M
At 1 July 2023		1,973	(5)	1,927	3,895
Comprehensive income	23				
Profit, net of tax equivalent		-	-	381	381
Other comprehensive loss, 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
At 1 July 2022		1,865	(23)	1,745	3,587
Comprehensive income	23				
Profit, net of tax equivalent		-	-	261	261
Other comprehensive income, net of tax equivalent		-	18	-	18
Other comprehensive income, net of tax equivalent		-	18	261	279
Transactions with owners in their capacity as owners					
Contributions of equity	22	108	-	-	108
Dividends provided for or paid	24	-	-	(79)	(79)
Total transactions with owners		108	-	(79)	29
At 30 June 2023		1,973	(5)	1,927	3,895

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

Statement of cash flows for the year ended 30 June 2024

	Note	2023/24 \$M	2022/23 \$M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		2,087	1,976
Capital contributions from developers and customers		159	142
Payments to suppliers and employees (inclusive of goods and services tax)		(815)	(759)
Contributions to tariff equalisation fund		(197)	(175)
Other income		10	3
Income tax equivalents paid		(40)	(64)
Net cash inflows from operational activities	8	1,204	1,123
Cash flows from investing activities			
Payments for property, plant and equipment, and intangible assets		(968)	(901)
Proceeds on disposal of property, plant and equipment, and intangible assets		1	1
Net cash outflows from investing activities		(967)	(900)
Cash flows from financing activities			
Proceeds from borrowings		955	870
Repayments of borrowings		(815)	(800)
Lease principal paid		(13)	(12)
Interest recieved		1	-
Net finance costs paid		(311)	(261)
Proceeds from contributed equity		89	108
Distributions to equity holder		-	(79)
Net cash outflows from financing activities		(94)	(174)
Net increase in cash and cash equivalents		143	49
Cash and cash equivalents at 1 July		79	30
Cash and cash equivalents at 30 June	8	222	79

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 26 August 2024. 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 2023, 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 2024 reporting year that have been identified as potentially having a material impact on Western Power in the reporting year of initial application.

Notes to the financial statements (continued)**Section 1: Basis of preparation (continued)****2 Basis of accounting (continued)****(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 1 July 2022 to 30 June 2023.

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 2024 (refer to note 17(d)(i))
- the unused portion of Western Power's available borrowing facility agreement as at 30 June 2024 (refer to note 17(d)(ii))
- Western Power's forecast 2024/25 net profit and positive operating cash flows in the 2024/25 Western Australian State Budget handed down in May 2024.

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.

Notes to the financial statements (continued)

Section 1: Basis of preparation (continued)

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 below and described in more detail in the related notes:

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)**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).

Notes to the financial statements (continued)

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

4 Income (continued)

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. 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.

Notes to the financial statements (continued)

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

4 Income (continued)

(b) Amounts recognised in profit or loss

(i) Revenue from rendering of services

	Note	2023/24 \$M	2022/23 \$M
Network services revenue:			
Transmission tariff services	4(c)	571	503
Distribution tariff services	4(c)	1,218	1,068
Other services		127	115
Developer and customer contributions		1,916	1,686
		185	151
		2,101	1,837

(ii) Other income

	2023/24 \$M	2022/23 \$M
Rent	1	1
Other	2	3
	3	4

(c) Critical accounting estimates and judgements: unbilled network tariff revenue

For the reporting year ended 30 June 2024, transmission and distribution network tariff revenue included \$164 million for unbilled services (30 June 2023: \$136 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.

Notes to the financial statements (continued)

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

5 Expenses

(a) Employee related expenses

	2023/24 \$M	2022/23 \$M
Wages, salaries and other employee benefits	(206)	(207)
Superannuation	(49)	(45)
	(255)	(252)

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

(b) Depreciation and amortisation expense

	Note	2023/24 \$M	2022/23 \$M
Depreciation expense – property, plant and equipment:			
Buildings		(8)	(8)
Plant and equipment		(422)	(397)
Capitalised depreciation	5(b)(i)	10	9
		(420)	(396)
Amortisation expense – intangible assets:			
Computer software		(50)	(52)
Intellectual property		(11)	(8)
		(61)	(60)
Depreciation expense – right-of-use assets:			
Fleet		(12)	(11)
Other equipment		(2)	(2)
Capitalised depreciation	5(b)(i)	7	6
		(7)	(7)
		(488)	(463)

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.

(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

	Note	2023/24 \$M	2022/23 \$M
Tariff equalisation contribution	28(b)	(197)	(175)
Insurance		(16)	(14)
Net loss on disposal of property, plant and equipment		(23)	(9)
Impairment of trade receivables	17(c)(i)	-	(4)
Remuneration of auditors		(1)	(1)
Other		(1)	(1)
		(238)	(204)

(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 2024, lease costs were \$0.125 million (30 June 2023: \$0.107 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 attributable 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.

Notes to the financial statements (continued)

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

6 Net finance costs (continued)

(b) Amounts recognised in profit or loss

	Note	2023/24 \$M	2022/23 \$M
Finance income:			
Interest		1	1
Finance costs:			
Domestic currency loans not at fair value through profit or loss		(319)	(264)
Fair value loss on cash flow hedges		(10)	(11)
Interest rate swaps		14	5
Finance lease interest		(1)	(1)
Capitalised finance costs	6(b)(i)	10	10
		(306)	(261)
Net finance costs		(305)	(260)

(i) Capitalised finance costs

For the reporting year ended 30 June 2024, the weighted average interest rate used to capitalise finance costs was 4.3 per cent (30 June 2023: 3.7 per cent). 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.

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.

Notes to the financial statements (continued)

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

7 Income tax equivalent expense (continued)

(a) Accounting policy (continued)

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

	2023/24			2022/23		
	Current \$M	Deferred \$M	Total \$M	Current \$M	Deferred \$M	Total \$M
Income tax equivalent expense	(43)	(72)	(115)	(36)	(68)	(104)
Adjustment for income tax equivalent of previous years	2	-	2	14	(14)	-
	(41)	(72)	(113)	(22)	(82)	(104)

Notes to the financial statements (continued)

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

7 Income tax equivalent expense (continued)

(b) Amounts recognised in profit or loss (continued)

	2023/24 \$M	2022/23 \$M
Income tax equivalent expense is attributable to: Profit for the reporting year	(113)	(104)
Current tax equivalents included in income tax equivalent expense	(41)	(22)
Deferred tax equivalents included in income tax equivalent expense comprises:		
Movement in deferred tax equivalent assets (note 16(c))	4	(16)
Movement in deferred tax equivalent liabilities (note 16(d))	(76)	(66)
	(113)	(104)

(c) Reconciliation of profit to income tax equivalent expense

	2023/24 \$M	2022/23 \$M
Profit before income tax equivalent expense	493	365
Income tax equivalent expense at the Australian tax rate of 30 per cent (30 June 2023: 30 per cent)	(148)	(110)
Income tax equivalent effect for non-temporary tax equivalent adjustments:		
Other allowable deductions	31	6
Net non-deductible expenses and assessable income	(1)	(3)
Net research and development expenses and incentives	3	3
Current income tax equivalent expense	(115)	(104)
Adjustment for current tax equivalent of previous years	2	14
Adjustment for deferred tax equivalent of previous years	-	(14)
Total income tax equivalent expense	(113)	(104)

(d) Amounts recognised in other comprehensive income

	2023/24 \$M	2022/23 \$M
Changes in the fair value of cash flow hedges	4	(5)
Re-classifications of cash flow hedges to profit or loss	(3)	(3)
Re-classifications of cash flow hedges not to profit or loss	(1)	1
	-	(7)

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 2024, Western Power did not have any short-term deposits (30 June 2023: 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 2024, Western Power did not have a bank overdraft (30 June 2023: nil).

(b) Amounts recognised in statement of financial position

Current	2023/24 \$M	2022/23 \$M
Cash at bank	222	79
	222	79

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(c) Reconciliation of profit to net cash inflows from operating activities

	Note	2023/24 \$M	2022/23 \$M
Profit for the reporting year, net of tax equivalent Non-cash items:		381	261
Depreciation and amortisation expense	5(b)	488	463
Written down value on disposal of property, plant and equipment, and intangible assets		24	9
Non-cash capital contributions	8(d)	(66)	(54)
Items classified as investing and financing activities:			
Proceeds on disposal of property, plant and equipment, and intangible assets		(1)	(1)
Net finance costs	6(b)	305	260
Movements in operating assets and liabilities:			
Movement in trade and other receivables		(18)	104
Movement in inventories		(38)	(38)
Movement in trade and other payables		1	26
Movement in provisions		6	5
Movement in deferred income		50	48
Movement in tax equivalent assets and liabilities		72	40
Net cash inflows from operating activities		1,204	1,123

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

	Note	2023/24 \$M	2022/23 \$M
Gifted network assets	11(f)(i)	66	54
Additions to right-of-use assets	12(d)	18	13

(e) Changes in borrowing liabilities arising from financing activities

Movements in borrowings during the reporting years presented, are below:

	Note	2023/24 \$M	2022/23 \$M
At 1 July		7,538	7,466
Cash movements:			
Proceeds from borrowings		955	870
Repayments of borrowings		(815)	(800)
Non-cash movements	8(e)(i)	(6)	2
At 30 June		7,672	7,538

(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.

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

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.

(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.

	Note	2023/24			2022/23		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Trade receivables	9(d)	252	-	252	233	-	233
Allowance for impairment of trade receivables	9(e)	(5)	-	(5)	(6)	-	(6)
		247	-	247	227	-	227
Prepayments		23	-	23	24	-	24
Other receivables		3	1	4	-	2	2
		273	1	274	251	2	253

Notes to the financial statements (continued)**Section 3: Operational assets and liabilities (continued)****9 Trade and other receivables (continued)****(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 2024, trade receivables included unbilled network tariff revenue of \$164 million (30 June 2023: \$136 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.

10 Inventories**(a) Accounting policy**

Inventories are valued at the lower of cost and 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.

Current	2023/24 \$M	2022/23 \$M
Raw materials and stores	185	148
	185	148

(c) Amounts recognised in profit or loss

Inventories expensed to profit or loss during the reporting year ended 30 June 2024 were \$58 million (30 June 2023: \$54 million).

As at 30 June 2024, the write down of inventory to net realisable value was \$0.935 million (30 June 2023: \$1.306 million).

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.

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

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.

Notes to the financial statements (continued)**Section 3: Operational assets and liabilities (continued)****11 Property, plant and equipment, and intangible assets (continued)****(a) Accounting policy: property, plant and equipment (continued)****(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.

(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.

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 (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 below, making allowances where appropriate for residual values.

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

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.

(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.

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

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

(d) Amounts recognised in statement of financial position

	Freehold land	Buildings	Plant and equipment	Works under construction	Total property, plant and equipment	Computer software	Intellectual property	Total intangible assets
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
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
Cost	108	343	15,516	833	16,800	581	50	631
Accumulated depreciation and amortisation	-	(82)	(4,239)	-	(4,321)	(441)	(37)	(478)
Carrying amount at 30 June 2023	108	261	11,277	833	12,479	140	13	153

(e) Amounts recognised in profit or loss

	Note	2023/24 \$M	2022/23 \$M
Depreciation expense – property, plant and equipment (excluding capitalised depreciation)	5(b)	(430)	(405)
Amortisation expense – intangible assets	5(b)	(61)	(60)

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

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

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

(f) Movements in each class of property, plant and equipment, and intangible assets during the reporting years presented, are below:

	Freehold land	Buildings	Plant and equipment	Works under construction	Total property, plant and equipment	Computer software	Intellectual property	Total intangible assets
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
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
Carrying amount at 1 July 2022	108	156	11,030	683	11,977	163	16	179
Additions (note 11(f)(i))	-	-	-	963	963	-	-	-
Transfers to inventory	-	-	-	(12)	(12)	-	-	-
Transfers in/(out)	-	113	653	(801)	(35)	29	5	34
Disposals	-	-	(9)	-	(9)	-	-	-
Depreciation and amortisation (note 11(e))	-	(8)	(397)	-	(405)	(52)	(8)	(60)
Carrying amount at 30 June 2023	108	261	11,277	833	12,479	140	13	153

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

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

(f) Movements in each class of property, plant and equipment, and intangible assets during the reporting years presented (continued)

(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 2024, the fair value of gifted network assets included in additions was \$66 million (30 June 2023: \$54 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 2024, additions included finance costs of \$10 million attributable to assets in the course of construction (30 June 2023: \$10 million).

(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 2024, Western Power did not recognise any changes in depreciation and amortisation estimates (30 June 2023: 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 changes in market, technological, economic, legal and/or climate related events; obsolescence or physical damage.

There were no indicators of impairment to property, plant and equipment, intangible assets and right-of-use assets as at 30 June 2024 (30 June 2023: no indicators).

Notes to the financial statements (continued)**Section 3: Operational assets and liabilities (continued)****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:

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

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.

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

	Fleet \$M	Other equipment \$M	Total right-of-use assets \$M
Cost	52	13	65
Accumulated depreciation	(31)	(9)	(40)
Carrying amount at 30 June 2024	21	4	25
Cost	43	12	55
Accumulated depreciation	(27)	(7)	(34)
Carrying amount at 30 June 2023	16	5	21

(c) Amounts recognised in profit or loss

	Note	2023/24 \$M	2022/23 \$M
Depreciation (excluding capitalised depreciation)	5(b)	(14)	(13)

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

(d) Movements in each class of right-of-use assets during the reporting years presented, are below:

	Fleet \$M	Other equipment \$M	Total right-of-use assets \$M
Carrying amount at 1 July 2023	16	5	21
Additions	18	–	8
Depreciation (note 12(c))	(12)	(2)	(14)
Carrying amount at 30 June 2024	22	3	25
Carrying amount at 1 July 2022	14	7	21
Additions	13	–	13
Depreciation (note 12(c))	(11)	(2)	(13)
Carrying amount at 30 June 2023	16	5	21

(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.

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.

Current	Note	2023/24 \$M	2022/23 \$M
Trade payables and accruals		128	107
Other payables		36	44
		164	151

(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.

Notes to the financial statements (continued)**Section 3: Operational assets and liabilities (continued)****14 Provisions (continued)****(a) Accounting policy (continued)****(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 serve 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.

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)).

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 (continued)*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

	Note	2023/24			2022/23		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Employee benefits:							
Annual leave	14(e)	49	-	49	46	-	46
Long service leave	14(e)	48	14	62	50	11	61
Other		2	1	3	1	2	3
Rehabilitation costs		99	15	114	97	13	110
Environmental costs	14(b)(i)	-	4	4	-	4	4
		1	3	4	-	3	3
		100	22	122	97	20	117

(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).

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

14 Provisions (continued)

(d) Movements in provisions

Movements in each class of provision during the reporting year presented, other than employee benefits, are below:

	Rehabilitation costs \$M	Environmental costs \$M
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
At 1 July 2022	4	3
Provided for in the reporting year	-	1
Charged in the reporting year	-	-
Reversed in the reporting year	-	(1)
At 30 June 2023	4	3

(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 below:

	2023/24 \$M	2022/23 \$M
Current annual leave:		
Annual leave expected to be settled within 12 months	31	27
Annual leave expected to be settled after 12 months	18	19
	49	46
Current long service leave:		
Long service leave expected to be settled within 12 months	48	9
Long service leave expected to be settled after 12 months	-	41
	48	50

Notes to the financial statements (continued)

Section 3: Operational assets and liabilities (continued)

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.

	2023/24			2022/23		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Deferred income	239	73	312	202	60	262

(c) Movements in deferred income

Movements in deferred income during the reporting years presented, are below:

	2023/24 \$M	2022/23 \$M
At 1 July	262	214
Received in the reporting year	182	161
Earned in the reporting year	(132)	(113)
At 30 June	312	262

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 below:

Non-current	2023/24			2022/23		
	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
Property, plant and equipment (PPE), and intangible assets	-	1,339	1,339	-	1,263	1,263
Derivative financial instruments	3	-	(3)	3	-	(3)
Provisions for employee benefits	37	-	(37)	35	-	(35)
Other temporary differences	(13)	-	13	(16)	-	16
Total deferred tax equivalent	27	1,339	1,312	22	1,263	1,241
Set-off deferred tax equivalent assets pursuant to set-off provisions	(27)	(27)	-	(22)	(22)	-
Net deferred tax equivalent	-	1,312	1,312	-	1,241	1,241
Net deferred tax equivalent:						
Expected to be realised within 12 months	39	-	(39)	37	-	(37)
Expected to be realised after more than 12 months	(12)	1,339	1,351	(15)	1,263	1,278
	27	1,339	1,312	22	1,263	1,241

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 below:

	Derivative financial instruments \$M	Provisions for employee benefits \$M	Other temporary differences \$M	Deferred tax equivalent assets \$M
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
At 1 July 2022				
Charged to profit or loss	10	31	4	45
Charged to other comprehensive income	-	4	(26)	(22)
Adjustment to income tax equivalent provided in previous years	(7)	-	-	(7)
	-	-	6	6
At 30 June 2023	3	35	(16)	22

(d) Movements in deferred tax equivalent liabilities

Movements in deferred tax equivalent liabilities during the reporting years presented, are below:

	PPE, and intangible assets \$M	Deferred tax equivalent liabilities \$M
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
At 1 July 2022	1,197	1,197
Charged to profit or loss	46	46
Adjustment to income tax equivalent provided in previous years	20	20
At 30 June 2023	1,263	1,263

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 below:

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 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 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 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 below.

	2023/24			2022/23	
	Canadian Dollar \$	Euro €	US Dollar \$	Euro €	US Dollar \$
Weighted average foreign exchange rate	0.8776	0.6099	0.6630	0.6010	0.7322
Forward exchange contracts maturing (\$'000):					
within one year	876	832	15,996	81	11,423
later than one year but not later than five years	-	-	10,864	-	3,172

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17 Financial risk management (continued)

(b) Market risk (continued)

(iii) Sensitivity analysis

The below table 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.

	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 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 ³	-	-	-	-	-	-	-	-	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-interest rate swaps ²	-	-	-	-	-	-	-	-	-
Derivatives-FX contracts ³	-	-	-	-	-	-	-	(2)	-
Total financial liabilities	7,862	(45)	45	-	-	-	-	(2)	-

As at 30 June 2024, the sensitivity analysis of interest rate risk is based on Western Power's:

- 1 Floating rate borrowings of \$2,925 million (30 June 2023: \$3,015 million) and variable rate working capital borrowings of \$40 million (30 June 2023: \$42 million). The majority of Western Power's borrowings are at fixed interest rates as allowable under the Board approved Treasury Management Standard.
- 2 41 interest rate swap agreements (30 June 2023: 44) at a notional amount of \$1,550 million (30 June 2023: \$1,600 million). These agreements are entered into to hedge against floating interest rate exposures arising from borrowing obligations.
- 3 Nil fixed rate forward domestic borrowing commitment at a notional amount of \$nil million (30 June 2023: \$200 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)

(b) Market risk (continued)

(iii) 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%	-1%	+1%	-1%	+10%	-10%	+10%	-10%
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
At 30 June 2023									
Cash and cash equivalents	79	1	(1)	-	-	-	-	-	-
Trade and other receivables (excluding prepayments)	229	-	-	-	-	-	-	-	-
Derivatives-interest rate swaps ²	44	-	-	41	(43)	-	-	-	-
Derivatives-FX contracts	2	-	-	-	-	-	-	(2)	2
Total financial assets	354	1	(1)	41	(43)	-	-	(2)	2
Trade and other payables	151	-	-	-	-	-	-	-	-
Borrowings ¹	7,538	(15)	15	-	-	-	-	-	-
Lease liabilities	22	-	-	-	-	-	-	-	-
Derivatives-forward borrowings ³	1	-	-	15	(17)	-	-	-	-
Total financial liabilities	7,712	(15)	15	15	(17)	-	-	-	-

As at 30 June 2024, the sensitivity analysis of interest rate risk is based on Western Power's:

- 1 Floating rate borrowings of \$2,925 million (30 June 2023: \$3,015 million) and variable rate working capital borrowings of \$40 million (30 June 2023: \$42 million). The majority of Western Power's borrowings are at fixed interest rates as allowable under the Board approved Treasury Management Standard.
- 2 41 interest rate swap agreements (30 June 2023: 44) at a notional amount of \$1,550 million (30 June 2023: \$1,600 million). These agreements are entered into to hedge against floating interest rate exposures arising from borrowing obligations.
- 3 Nil fixed rate forward domestic borrowing commitment at a notional amount of \$nil million (30 June 2023: \$200 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 2024, 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 2023: no material change).

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)

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

	2023/24			2022/23		
	Trade receivables	Expected loss rate	Impairment of trade receivables	Trade receivables	Expected loss rate	Impairment of trade receivables
	\$M	%	\$M	\$M	%	\$M
Current	71	1.4%	1	78	1.3%	1
30 days late	1	-	-	2	-	-
60 days late	1	-	-	2	-	-
90 days late	1	-	-	1	-	-
More than 90 days late	14	28.6%	4	13	38.5%	5
Total	88	5.7%	5	96	6.3%	6

Movements in the allowance for impairment of trade receivables during the reporting years presented, are below:

	Note	2023/24 \$M	2022/23 \$M
At 1 July		6	4
Allowed for in the reporting year	5(c)(i)	-	4
Previously allowed for and written off in the reporting year		(1)	(2)
At 30 June		5	6

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 below:

	2023/24 \$M	2022/23 \$M
Due between 1 and 59 days	2	4
Due between 60 and 89 days	1	1
Due more than 90 days	10	8
	13	13

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

17 Financial risk management (continued)

(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 2024, Western Power reported a working capital surplus of \$110 million (30 June 2023: \$18 million surplus).

This included current liabilities of \$239 million for deferred income (30 June 2023: \$202 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 \$348 million (30 June 2023: \$220 million).

(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 2024 was \$7,735 million (30 June 2023: \$7,524 million). This is per the 2023/24 Western Australian State Budget handed down in May 2024 (30 June 2023: 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 below:

	Note	2023/24 \$M	2022/23 \$M
Borrowing limit		7,735	7,524
Used portion of borrowing limit:			
Domestic working capital facility	18(b)	(40)	(42)
Domestic currency loans	18(b)	(7,565)	(7,435)
Total used portion of borrowing limit		(7,605)	(7,477)
Unused portion of borrowing limit		130	47

The maximum amount of borrowings permitted for Western Power for the reporting year ended 30 June 2025 is \$8,217 million. This is per the 2024/25 Western Australian State Budget handed down in May 2024.

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

The below table 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.

	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 2024						
Interest rate swaps:	20					
Net settled		(15)	(19)	-	(34)	(29)
Forward exchange contracts:	20					
(Inflow)		(27)	(16)	-	(43)	-
Outflow		27	16	-	43	-
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)

17 Financial risk management (continued)

(d) Liquidity risk (continued)

(iii) Maturities of financial liabilities (continued)

	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 2023						
Interest rate swaps:	20					
Net settled		(16)	(33)	(1)	(50)	(44)
Forward exchange contracts:	20					
(Inflow)		(17)	(5)	-	(22)	(2)
Outflow		16	5	-	21	
Forward domestic borrowing commitments ¹	20	-	-	-	-	1
Total derivative financial liabilities		(17)	(33)	(1)	(51)	(45)
Trade and other payables	13	151	-	-	151	151
Borrowings:	18	1,153	4,145	3,978	9,276	7,538
Domestic working capital facility		42	-	-	42	42
Domestic currency loans		1,103	4,102	3,722	8,927	7,496
Forward domestic borrowing commitments ¹	20	8	43	256	307	-
Lease liabilities	19	9	11	2	22	22
Total non-derivatives financial liabilities		1,313	4,156	3,980	9,449	7,711

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.

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 2024, the average maturity was 4.5 years (30 June 2023: 4.7 years).

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

	Note	2023/24			2022/23		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Domestic working capital facility		40	-	40	42	-	42
Domestic currency loans	18(c)	-	7,565	7,565	-	7,435	7,435
Accrued interest		67	-	67	-	61	61
		107	7,565	7,672	42	7,496	7,538

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 2024, the non-current domestic currency loans of \$7,565 million (30 June 2023: \$7,435 million) included an amount of \$914 million that will become due and payable during the 2024/25 reporting year (30 June 2023: \$822 million that became due and payable during the 2023/24 reporting year). It is Western Power's right and expectation that this amount will be refinanced under the master lending agreement with the WATC rather than repaid, and therefore has been classified as non-current. This is 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
- the approval of Western Power's forecast borrowing requirements for the next four years, including no repayment of amounts classified as non-current above, in the 2024/25 Western Australian State Budget handed down in May 2024.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

18 Borrowings (continued)

(d) Fair value of borrowings

As at 30 June 2024, the fair value of borrowings is \$7,410 million (30 June 2023: \$7,253 million). This is calculated by discounting the expected future principal and interest cash flows using the interest rates below:

	2023/24	2022/23
WATC yield curve	4.4% - 5.8%	4.1% - 5.5%
Bank bill swap (BBSW) reference rate	4.5%	4.4%
Australian dollar (AUD) interest rate swap curve	4.5% - 4.4%	4.4% - 4.6%

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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

19 Lease liabilities (continued)

(a) Accounting policy (continued)

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.

(b) Amounts recognised in statement of financial position

	2023/24			2022/23		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Lease liabilities	9	17	26	9	13	22

(c) Amounts recognised in profit or loss

	Note	2023/24 \$M	2022/23 \$M
Finance lease interest	6(b)	(1)	(1)

For the reporting year ended 30 June 2024, the total cash outflow for leases was \$14 million (30 June 2023: \$13 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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

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.

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 2024, Western Power had not accounted for any derivative financial instruments that qualified for hedge accounting as fair value hedges (30 June 2023: 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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

20 Derivative financial instruments (continued)

(a) Accounting policy (continued)

(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 2024, all Western Power's derivative transactions qualified for hedge accounting (30 June 2023: 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 2024, Western Power did not derecognise any derivative financial instruments (30 June 2023: nil derecognised).

(b) Amounts recognised in statement of financial position

	Note	2023/24			2022/23		
		Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Assets	20(b)(i)						
Interest rate swaps		-	29	29	-	44	44
Forward exchange contracts		-	-	-	2	-	2
		-	29	29	2	44	46
Liabilities	20(b)(i)						
Forward domestic borrowing commitments		-	-	-	1	-	1
		-	-	-	1	-	1

(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.

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 (continued)

As at the reporting dates presented, Western Power used the below derivative financial instruments. All qualified for hedge accounting in accordance with the accounting policy in note 20(a). This is further explained in note 20(b)(ii).

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.

(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 2024, 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 2023: no hedge ineffectiveness).

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).

	2023/24				2022/23			
	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	-	29	-	29	-	46	-	46
Financial liabilities								
Derivative financial instruments	-	-	-	-	-	1	-	1

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 2024, there were no transfers between levels for recurring fair value measurements (30 June 2023: no transfers).

(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 2024, level 3 valuation techniques were not used (30 June 2023: not used).

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

21 Recognised fair value measurements (continued)

(b) Critical accounting estimates and judgements: valuation techniques used to derive level 2 fair values (continued)

Recurring fair value measurements (continued)

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).

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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

22 Contributed equity (continued)

(c) Movements in contributed equity

Movements in contributed equity during the reporting years presented, are below:

	Note	2023/24 \$M	2022/23 \$M
At 1 July		1,973	1,865
Contributions received to offset:	22(c)(i)		
Final dividend		23	42
Interim dividend		66	66
Total contributions received		89	108
At 30 June		2,062	1,973

(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.

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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

23 Hedging reserve and retained earnings (continued)

(b) Movements in hedging reserve

Movements in the hedging reserve during the reporting years presented, are below and on following page:

	Note	Interest rate swaps \$M	Forward exchange contracts \$M	Forward domestic borrowing commitments \$M	Total \$M
At 1 July 2023		32	1	(38)	(5)
Other comprehensive income for the reporting year:					
<i>Fair value of cash flow hedges:</i>					
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)
<i>Tax equivalent on fair value of cash flow hedges:</i>	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)

(b) Movements in hedging reserve (continued)

	Note	Interest rate swaps \$M	Forward exchange contracts \$M	Forward domestic borrowing commitments \$M	Total \$M
At 1 July 2022		20	2	(45)	(23)
Other comprehensive income for the reporting year:					
<i>Fair value of cash flow hedges:</i>					
Changes in the fair value of cash flow hedges		17	2	(1)	18
Re-classifications of cash flow hedges to profit or loss	6(b)	-	-	11	11
Re-classifications of cash flow hedges not to profit or loss		-	(3)	-	(3)
Total fair value of cash flow hedges		17	(1)	10	26
<i>Tax equivalent on fair value of cash flow hedges:</i>	7(d)				
Tax equivalent on changes in the fair value of cash flow hedges		(5)	(1)	-	(6)
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		(5)	-	(3)	(8)
Total other comprehensive income for the reporting year		12	(1)	7	18
At 30 June 2023		32	1	(38)	(5)

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 below:

	Note	2023/24 \$M	2022/23 \$M
At 1 July		1,927	1,745
Profit for the reporting year, net of tax equivalent		381	261
Dividends provided for or paid	24(b)	-	(79)
At 30 June		2,308	1,927

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 were declared and paid to the Western Australian State Government:

	Note	2023/24 \$M	2022/23 \$M
Final dividend	24(b)(i)	-	(75)
Special dividend	24(b)(i)	-	(4)
		-	(79)

(i) 2023/24 dividends paid

During the reporting year ended 30 June 2024, Western Power did not pay the State Government dividends (30 June 2023: \$79 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.

Notes to the financial statements (continued)

Section 4: Debt and equity (continued)

24 Dividends (continued)

(c) Dividends not recognised at the end of the reporting year

Since 30 June 2024, the directors have resolved to recommend, subject to the approval of the Minister for Energy, a dividend of \$71 million for the reporting year ended 30 June 2024, being:

- a final dividend of \$71 million in-line with Western Power's net profit after income tax equivalent
- a nil special dividend – no sale of land surplus to requirements.

This recommendation is reflective of a nil interim dividend for the reporting year ended 30 June 2024 in-line with written notice from the Minister for Energy.

The \$71 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.

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**).

Notes to the financial statements (continued)**Section 5: Other information (continued)****25 Related party transactions (continued)****(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 below:

	2023/24 \$'000	2022/23 \$'000
Short-term employee benefits	3,962	3,466
Post-employment superannuation benefits	267	306
Long-term benefits	81	68
Termination benefits	-	452
	4,310	4,292

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 '2023/24 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.

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 below transactions, 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:

	Note	2023/24 \$M	2022/23 \$M
Receipts			
Synergy:			
Transmission and distribution network tariff revenue		1,287	1,322
Western Australian Treasury Corporation:			
Proceeds from borrowings	8(e)	955	870
Department of Treasury:			
Proceeds from contributed equity	22(c)	89	108
Water Corporation:			
Capital contributions		10	26
Payments			
Western Australian Treasury Corporation:			
Repayments of borrowings	8(e)	(815)	(800)
Net finance costs paid		(317)	(256)
Department of Treasury:			
Contributions to tariff equalisation fund	28(b)	(197)	(175)
Income tax equivalents paid		(40)	(64)
Distributions to equity holder	24(b)	-	(79)
Department of Finance:			
Payroll tax		(29)	(28)
Outstanding receivables (current)			
Synergy:			
Network tariff receivables		179	172
Department of Finance:			
Current tax equivalent assets		48	48
Outstanding payables (current and non-current)			
Department of Finance:			
Deferred tax equivalent liabilities	16(b)	(1,312)	(1,241)
Western Australian Treasury Corporation:			
Borrowings (including accrued interest)	18(b)	(7,672)	(7,538)
Future commitments			
Department of Treasury:			
Tariff equalisation contribution	28(b)	(942)	(820)

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 below:

	2023/24 \$'000	2022/23 \$'000
Annual audit of financial statements and other assurance services	529	508

(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 2024 (30 June 2023: 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 2024 (30 June 2023: nil).

(b) Contingent liabilities

(i) Contaminated sites

As at 30 June 2024, Western Power has reported 5 (30 June 2023: 162) 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.

Notes to the financial statements (continued)

Section 5: Other information (continued)

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 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.

	2023/24 \$M	2022/23 \$M
Payable within one year	191	167
Payable later than one year but not later than five years	115	131
Payable later than five years	2	2
	308	300

(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. The 2024/25 reported commitments were gazetted on 14 June 2024 (2022/23: 12 May 2023).

	2023/24 \$M	2022/23 \$M
Payable within one year	230	197
Payable later than one year but not later than five years	712	623
	942	820

For the reporting year ended 30 June 2024, Western Power made payments of \$197 million into the tariff equalisation fund (30 June 2023: \$175 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 2024 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.

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 2024 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 2024.

This declaration is made in accordance with a resolution of the directors on 26 August 2024.



D Goldsworthy AO
Board Chair



A Hall
Chair of Audit and Risk Committee

26 August 2024

Corporate directory (as at 26 August 2024)**Directors**

Denise Goldsworthy AO
Board Chair

Andrea Hall
Chair of Audit and Risk Committee

Monish Paul

Eva Skira AM

Wayne Manners

Robert Grant

Chief Executive Officer

Sam Barbaro

Company Secretary

Lucinda Kerr

Executive

Jacqui Hall
Chief Financial Officer

Andrew Cook
Acting 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



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

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 2024, 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 2024 and of its performance for the year then ended
- 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 2024, 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 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 Corporation for the year ended 30 June 2024 included in the annual report on the 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
27 August 2024



