

Part 12

Utilities

Introduction

The Utilities portfolio comprises the six State-owned electricity and water utilities, providing homes and businesses with access to safe, reliable and efficient services. The portfolio maintains the capacity and reliability of its assets, and invests in infrastructure and new and emerging technologies to support the State. It plays a central role in the economic development of the State and in improving the living standards of the community.

Summary of Recurrent and Asset Investment Expenditure

Agency	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000
Synergy		
– Asset Investment Program	1,297,800	568,436
Western Power		
– Asset Investment Program	1,341,719	1,707,926
Horizon Power		
– Asset Investment Program	151,526	112,231
Water Corporation		
– Asset Investment Program	1,487,653	2,221,715
Bunbury Water Corporation		
– Asset Investment Program	9,571	23,266
Busselton Water Corporation		
– Asset Investment Program	12,970	10,044

Ministerial Responsibilities

Minister	Agency	Services
Minister for Energy and Decarbonisation; Manufacturing; Skills and TAFE; Pilbara	Synergy	n.a.
	Western Power	n.a.
	Horizon Power	n.a.
Minister for Aboriginal Affairs; Water; Climate Resilience; South West	Water Corporation	n.a.
	Bunbury Water Corporation	n.a.
	Busselton Water Corporation	n.a.

Synergy

Part 12

Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR ^(a)							
National Tax Equivalent Regime - Income Tax	210	-	-	-	-	-	-
Local Government Rates Equivalent	739	640	640	640	640	640	640
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies ^(b)	921,471	831,266	1,256,016	715,136	470,823	364,647	264,978
Other Subsidies ^(c)	6,494	12,700	12,700	7,900	7,900	7,900	-
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	224,699	1,073,820	1,068,218	419,538	132,131	-	-
Major Treasurer's Special Purpose Account(s).....	302,942	68,946	178,997	102,255	-	-	-
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	3,600,133	3,491,927	3,680,968	3,659,000	3,750,682	3,793,396	4,074,918
Revenue from Government	927,965	843,966	1,270,415	726,801	479,238	372,547	264,978
Total Expenses ^(d)	3,938,375	4,352,278	5,102,923	4,650,458	4,549,005	4,383,671	4,536,671
Total Borrowings	161,130	182,142	562,254	746,050	1,033,181	1,195,674	1,323,647
NET PROFIT AFTER TAX	589,513	(16,385)	(151,540)	(264,657)	(319,085)	(217,728)	(196,775)
CASH ASSETS ^(e)	155,311	178,178	232,900	196,890	196,020	196,368	196,632

(a) No income tax is projected to be payable over the forward estimates period as Synergy is not expected to return taxable profits.

(b) Synergy received additional operating subsidies in 2024-25 and 2025-26 primarily because of administering the electricity bill relief for residential and small business customers, and subsidies for System Security Transition Payment and Non-Co-Optimised Essential System Services.

(c) Other subsidies include amounts from Communities for the Hardship Utilities Grants Scheme and from Energy and Economic Diversification for Energy Ahead (previously the Household Energy Efficiency Scheme).

(d) Excludes current tax expense, deferred tax expense and dividend payments.

(e) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Synergy's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Election Commitment					
Residential Battery Scheme	-	(8,793)	(1,072)	(705)	-
Key Adjustments					
Cost of Living Support					
Commonwealth Energy Bill Relief.....	(348,618)	(168,142)	-	-	-
State Government Household and Small Business Electricity Credits.....	(1,079)	-	-	-	-
Feasibility Studies for Replacement Generation Assets	(1,250)	(10,000)	(4,220)	-	-
Financial Subsidies, Rebates and Concessions	(38,234)	(265,149)	(222,371)	(116,107)	(10,964)
Lithium Industry Support Program	(20,569)	(23,390)	-	-	-
Warradarge Wind Farm Stage 2.....	(15,000)	-	-	-	-

Significant Initiatives

Residential Battery Scheme

1. To assist households to purchase residential batteries and support the clean energy transition, the Government is offering one-off rebates for Synergy and Horizon Power customers.

Commonwealth Energy Bill Relief

2. In its 2025-26 Budget, the Commonwealth Government announced an extension of its electricity bill relief for households and eligible small businesses. In the 2025-26 financial year, a total of \$168.1 million (including administration costs) in bill relief will be provided to assist Synergy's residential electricity customers with cost of living pressures.

Lithium Industry Support Program

3. The Government is committed to maintaining Western Australia's leadership in the lithium industry by providing fee waiver support to lithium miners during the ramp-up phase of production and downstream processing for up to 24 months. Through the Lithium Industry Support Program, Government Trading Enterprises (GTEs), including Synergy, will temporarily waive government fees to support the continuation of downstream processing of lithium for up to two years, with a total value of \$90 million.

Investing in WA's Future

4. A \$15.5 million subsidy will be provided to Synergy to conduct a feasibility assessment into replacement generation assets.
5. A \$15 million payment will be made to Bright Energy Investments to compensate for the financial impact that the development of Warradarge Wind Farm Stage 2 will have on the operation of Warradarge Wind Farm Stage 1.

Financial Sustainability

6. Synergy receives operating subsidies to fund its non-commercial Government obligations and for rebates and concessions to customers that it administers on behalf of the Government.
 - 6.1. Operating subsidies support revenue shortfalls due to limiting the impact of cost increases on residential and small business customers in the South West Interconnected System.
 - 6.2. The Government supports Synergy customers experiencing financial hardship or receiving concessions through various subsidies and programs.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between Synergy's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Sensibly managing the budget to set the State up for the long-term future.	1. Financial performance
Made in WA Plan: Diversifying our economy for the future and creating local jobs.	Becoming a renewable energy powerhouse.	2. Protecting our environment
	Build a skilled workforce for the future.	3. Increase organisational diversity
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Living in the healthiest State in the nation.	4. Employee safety
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Deliver well planned liveable communities, and integrated transport networks.	5. Customer service

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Financial performance:					
Earnings before interest, taxes, depreciation, and amortisation (EBITDA) (\$ million) equal or greater than ^(a)	164.1	115.5	2.2	(17.1)	1
EBITDA margin equal or greater than	4.2%	2.7%	0.0%	(0.4%)	1
Net Profit After Tax (NPAT) margin equal or greater than	0.6%	(0.4%)	(3.1%)	(6%)	
Outcome: Protecting our environment:					
Reduce emissions by 80% by 2030 (from 2020 levels) (kilotonnes of CO ₂ equivalent)	5,372	≤3,400	4,402	≤4,652	2
Outcome: Increase organisational diversity:					
Diversity index met ^(b)	3/5	5/5	3/5	5/5	
Outcome: Employee safety:					
Recordable Injury Frequency Rate (RIFR) equal or less than	1.84	5.0	3.28	2.60	
Outcome: Customer service:					
Customer Effort Score (CES) ^(c)	69.3	≥68.9	71.6	≥69.9	

(a) EBITDA is calculated as NPAT, removing the impact of depreciation and amortisation and finance and interest costs per the Income Statement.

(b) Scoring where each item is scored 0 if not met, or 1 if met (i.e. pass/fail) for the following metrics: greater than ten Aboriginal and Torres Strait Islander employees, women in senior leadership representing more than 40% of the leadership group, employees with disclosed disability representing more than 4.5% of the workforce, an inclusivity measure of greater than 60%, and spend with Aboriginal and Torres Strait Islander businesses representing 3.5% of the overall procured spend.

(c) CES is the metric Synergy uses to understand customer processes and experiences. CES is the percentage of survey respondents who provided a score of 9 or 10 out of a 0 to 10 point rating for the question 'How easy was it to interact with Synergy?'.

Explanation of Significant Movements

(Notes)

1. The 2023-24 Actual excludes the impacts arising from the reversal of provisions for onerous contracts and impairment of non-current assets and the share of loss from joint ventures. The 2024-25 Estimated Actual EBITDA is lower than the 2023-24 Actual due to increased network costs, market fees and fuel prices. The reduction of EBITDA between the 2024-25 Budget and the 2024-25 Estimated Actual is driven by market changes adversely impacting Synergy's costs, including increased essential system services costs, higher than expected network costs, increased maintenance costs and higher gas prices. A lower EBITDA is projected for the 2025-26 Budget Target primarily due to higher capacity costs for Synergy in the Wholesale Electricity Market.
2. The 2025-26 Budget Target is based on Synergy's estimated output (gigawatt hours) for the financial year. The actual emissions result is impacted by factors outside of Synergy's control including availability of other market participants, system demand and weather.

Asset Investment Program

Investment in Renewable Assets

- Over the forward estimates period, Synergy forecasts investing \$199.9 million and \$424 million to complete the Collie Battery Energy Storage System and King Rocks Wind Farm.

Thermal Generation

- Synergy's generation portfolio includes coal, gas, liquid fuel and renewable energy assets. The expenditure in 2024-25 to maintain these assets is forecast to be \$64.8 million. A total of \$69.8 million is projected to be invested in 2025-26, with \$93.8 million allocated over the outyears. Major investments include:
 - \$89.3 million for Cockburn Power Station and for the Kwinana High-Efficiency Gas Turbines. This includes the replacement of turbine blades and other critical components;
 - \$67.7 million at Pinjar Power Station to replace gas turbine rotor and other parts;
 - \$27.1 million at Muja Power Station and \$13.7 million at Collie Power Station for various upgrades and parts replacement; and
 - \$6.1 million for battery energy storage system maintenance and \$2 million to extend and increase the capacity of the Alkimos Battery.

Corporate

- Over the forward estimates period, \$18.8 million will be spent on upgrading ICT infrastructure, and ongoing ICT capital expenditures, such as replacing end-of-life systems.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
Corporate							
Business Systems Replacement	88,978	77,986	3,000	4,500	1,564	1,764	3,164
Property, Plant and Equipment	33,912	26,152	1,939	1,940	1,940	1,940	1,940
Decarbonisation							
Collie Battery Energy Storage System 1 (CBESS 1)	1,630,450	1,430,501	1,042,180	199,949	-	-	-
Decarbonisation - Other Minor Investment	2,609	1,713	1,713	448	448	-	-
King Rocks Wind Farm	503,282	79,307	79,307	291,844	132,131	-	-
Generation							
Cockburn Gas Turbine	151,399	83,458	8,021	23,500	20,000	11,350	13,091
Collie Power Station	90,795	87,784	10,710	3,011	-	-	-
Kwinana Power Station	82,168	72,452	3,588	4,716	5,000	-	-
Muja Power Station	175,130	157,830	9,830	5,300	12,000	-	-
Other Generation Infrastructure Projects	93,011	78,170	7,496	4,568	3,628	2,852	3,793
Pinjar Gas Turbine	124,185	81,585	25,116	24,600	18,000	-	-
COMPLETED WORKS							
Decarbonisation - Kwinana Battery Energy Storage System 2 (KBESS 2)	652,808	652,808	104,900	-	-	-	-
NEW WORKS							
Alkimos Battery Upgrade	2,000	-	-	1,000	1,000	-	-
Generation - Maintenance of Battery Energy Storage System ...	6,120	-	-	3,060	3,060	-	-
Total Cost of Asset Investment Program	3,636,847	2,829,746	1,297,800	568,436	198,771	17,906	21,988
FUNDED BY							
Capital Appropriation			1,037,407	404,538	132,131	-	-
Internal Funds and Balances			81,396	76,643	66,640	17,906	21,988
Major Treasurer's Special Purpose Account(s) Climate Action Fund			178,997	87,255	-	-	-
Total Funding			1,297,800	568,436	198,771	17,906	21,988

Financial Statements

Income Statement

Revenue

1. The 2024-25 Estimated Actual and the 2025-26 Budget Year have been updated to include more recent South West Interconnected System demand and dispatch forecasts. These updates also incorporate higher forecasts for market, commodity, and access prices, as well as the impact of market regulations, requirements, and the provision of market services.
2. Operating subsidies include the State and Commonwealth Government household and small business cost of living bill relief received in 2024-25 (\$811.7 million) and 2025-26 (\$168.1 million), as well as subsidies to support Synergy's financial sustainability.

Expenses

3. The 2023-24 Actual Net Profit Before Tax of \$589.7 million includes one-off benefits from the reversal of provisions for onerous contracts and asset impairments. Excluding these one-off benefits, the Net Profit Before Tax was \$24.2 million.

Statement of Financial Position

4. Property, plant, and equipment includes the capital cost of the decarbonisation assets, while the associated contributions from the Government are included in equity.
5. Long-term borrowings have increased to support Synergy's working capital requirement and operating cash outflows.

Statement of Cashflows

6. Synergy's cash flows are supported by a combination of long-term debt, subsidies, and equity contributions.

INCOME STATEMENT ^(a) (Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	3,583,004	3,480,522	3,666,282	3,645,749	3,736,531	3,783,914	4,065,970
Other revenue.....	17,129	11,405	14,686	13,251	14,151	9,482	8,948
Revenue from Government							
Operating subsidies.....	921,471	831,266	1,256,016	715,136	470,823	364,647	264,978
Other subsidies.....	6,494	12,700	14,399	11,665	8,415	7,900	-
TOTAL REVENUE	4,528,098	4,335,893	4,951,383	4,385,801	4,229,920	4,165,943	4,339,896
Expenses							
Employee benefits ^(b)	154,261	162,578	162,565	179,324	187,881	193,624	193,779
Grants and subsidies	596,219	567,113	912,122	276,000	112,882	117,639	122,600
Supplies and services	2,969,929	3,377,882	3,739,836	3,815,961	3,853,106	3,653,378	3,801,873
Accommodation	1,551	1,292	1,292	1,312	1,331	1,352	1,351
Depreciation and amortisation	(8,061)	53,142	71,129	151,292	181,284	196,839	195,845
Finance and interest costs	104,274	78,805	82,580	96,336	101,862	114,732	118,148
Other expenses	120,202	111,466	133,399	130,233	110,659	106,107	103,075
TOTAL EXPENSES	3,938,375	4,352,278	5,102,923	4,650,458	4,549,005	4,383,671	4,536,671
NET PROFIT/(LOSS) BEFORE TAX	589,723	(16,385)	(151,540)	(264,657)	(319,085)	(217,728)	(196,775)
National Tax Equivalent Regime - Current tax equivalent expense	210	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	589,513	(16,385)	(151,540)	(264,657)	(319,085)	(217,728)	(196,775)

(a) Full audited financial statements are published in Synergy's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 1,060, 1,110 and 1,165 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	155,311	178,178	232,900	196,890	196,020	196,368	196,632
Receivables.....	435,050	167,778	126,994	174,228	182,954	188,287	223,416
Assets held for sale.....	247	128	-	-	-	-	-
Other.....	555,868	275,870	328,070	244,000	239,803	248,658	270,458
Total current assets.....	1,146,476	621,954	687,964	615,118	618,777	633,313	690,506
NON-CURRENT ASSETS							
Property, plant and equipment.....	1,356,374	2,979,077	2,958,291	3,375,416	3,392,885	3,212,417	3,036,883
Intangibles.....	11,464	12,327	14,198	94	114	1,651	3,328
Other.....	65,923	27,785	24,189	59,145	61,200	63,263	65,326
Total non-current assets.....	1,433,761	3,019,189	2,996,678	3,434,655	3,454,199	3,277,331	3,105,537
TOTAL ASSETS	2,580,237	3,641,143	3,684,642	4,049,773	4,072,976	3,910,644	3,796,043
CURRENT LIABILITIES							
Employee provisions.....	42,043	19,395	11,606	30,790	34,811	37,764	41,378
Payables.....	380,127	330,673	141,302	213,992	228,503	213,936	228,276
Borrowings and leases.....	24,648	24,577	24,648	24,648	24,648	24,648	24,648
Interest payable.....	1,067	1,028	1,407	2,422	3,337	4,832	5,563
Other.....	390,774	264,104	360,158	398,040	399,575	376,286	360,768
Total current liabilities.....	838,659	639,777	539,121	669,892	690,874	657,466	660,633
NON-CURRENT LIABILITIES							
Employee provisions.....	30,730	28,941	30,770	30,650	30,650	30,650	30,650
Borrowings and leases.....	292,650	289,035	669,379	829,374	1,092,997	1,233,994	1,337,308
Other.....	911,030	1,235,526	880,069	697,418	622,970	570,777	546,470
Total non-current liabilities.....	1,234,410	1,553,502	1,580,218	1,557,442	1,746,617	1,835,421	1,914,428
TOTAL LIABILITIES	2,073,069	2,193,279	2,119,339	2,227,334	2,437,491	2,492,887	2,575,061
NET ASSETS	507,168	1,447,864	1,565,303	1,822,439	1,635,485	1,417,757	1,220,982
EQUITY							
Contributed equity.....	2,414,086	3,784,415	3,643,628	4,165,421	4,297,552	4,297,552	4,297,552
Accumulated surplus/(deficit).....	(1,906,460)	(2,342,797)	(2,058,000)	(2,322,657)	(2,641,742)	(2,859,470)	(3,056,245)
Reserves.....	(20,325)	6,246	(20,325)	(20,325)	(20,325)	(20,325)	(20,325)
TOTAL EQUITY	487,301	1,447,864	1,565,303	1,822,439	1,635,485	1,417,757	1,220,982

(a) Full audited financial statements are published in Synergy's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	3,545,702	3,362,295	3,767,480	3,493,825	3,578,084	3,601,109	4,073,272
GST receipts.....	426,938	359,918	376,327	415,393	453,260	453,971	445,861
Other receipts.....	17,922	29,346	9,774	7,983	8,397	3,310	2,566
Payments							
Employee benefits.....	(149,628)	(163,439)	(192,865)	(159,564)	(183,260)	(189,938)	(189,469)
Supplies and services.....	(3,578,981)	(3,333,677)	(4,039,706)	(3,856,562)	(3,854,757)	(3,665,772)	(3,977,940)
Accommodation ^(b)	(812)	(412)	(412)	(410)	(410)	(433)	(433)
GST payments.....	(434,220)	(384,958)	(390,362)	(442,103)	(453,184)	(453,972)	(445,859)
Finance and interest costs.....	(27,852)	(5,468)	(13,195)	(31,752)	(43,081)	(60,463)	(69,553)
Other payments.....	(718,259)	(751,142)	(982,059)	(362,559)	(206,902)	(206,543)	(210,878)
Net cash from operating activities.....	(919,190)	(887,537)	(1,465,018)	(935,749)	(701,853)	(518,731)	(372,433)
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	48	-	-	-	-	-	-
Other receipts.....	2,146	4,008	4,008	3,281	2,295	2,306	2,379
Payments							
Purchase of non-current assets.....	(690,784)	(1,228,034)	(1,297,800)	(568,436)	(198,771)	(17,906)	(21,988)
Other payments.....	-	-	-	(30,000)	-	-	-
Net cash from investing activities.....	(688,590)	(1,224,026)	(1,293,792)	(595,155)	(196,476)	(15,600)	(19,609)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	-	179,000	526,124	308,795	412,131	287,493	252,973
Payments							
Repayment of borrowings and leases.....	(4)	(207,862)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Net cash from financing activities.....	(4)	(28,862)	401,124	183,795	287,131	162,493	127,973
CASHFLOWS FROM GOVERNMENT							
Receipts							
Administered appropriations.....	224,699	-	-	-	-	-	-
Operating subsidies.....	929,513	831,072	1,192,271	778,483	470,612	364,429	264,973
Equity contributions.....	-	1,073,820	1,068,218	419,538	132,131	-	-
Other subsidies.....	6,494	12,700	14,399	11,665	8,415	7,900	-
Major Treasurer's Special Purpose Account(s)							
Climate Action Fund.....	302,942	68,946	178,997	102,255	-	-	-
Payments							
National Tax Equivalent Regime - Income Tax....	(1)	-	-	-	-	-	-
Local Government Rates Equivalent.....	(739)	(937)	(937)	(842)	(830)	(143)	(640)
Receipts paid into Consolidated Account.....	-	-	(17,673)	-	-	-	-
Net cash provided to Government.....	(1,462,908)	(1,985,601)	(2,435,275)	(1,311,099)	(610,328)	(372,186)	(264,333)
NET INCREASE/(DECREASE) IN CASH HELD.....	(144,876)	(154,824)	77,589	(36,010)	(870)	348	264
Cash assets at the beginning of the reporting period.....	300,187	333,002	155,311	232,900	196,890	196,020	196,368
Cash assets at the end of the reporting period.....	155,311	178,178	232,900	196,890	196,020	196,368	196,632

(a) Full audited financial statements are published in Synergy's Annual Report.

(b) Payment of Local Government Rates Equivalent is included within accommodation expense on the Income Statement; however, within the Statement of Cashflows it is recorded as a payment to Government and not as a payment from operating activities.

Western Power

Part 12

Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax	40,639	155,028	116,200	164,251	190,014	187,327	176,208
Local Government Rates Equivalent	1,801	1,734	1,734	1,769	1,813	1,858	1,904
Dividends ^{(a)(b)(c)(d)}	-	273,560	71,398	362,118	284,851	297,658	335,265
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Other Subsidies	1,341	-	-	-	-	-	-
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	89,073	145,481	227,246	599,001	259,879	143,048	143,836
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	2,112,331	2,300,915	2,227,582	2,479,360	2,592,093	2,674,529	2,727,651
Revenue from Government	1,341	-	-	-	-	-	-
Total Expenses ^(e)	1,620,379	1,739,724	1,799,495	1,885,340	1,940,580	2,008,727	2,100,157
Total Borrowings	7,604,714	8,216,960	7,985,236	8,388,182	8,947,070	9,323,550	9,521,454
NET PROFIT AFTER TAX	380,790	394,743	301,571	417,835	456,001	466,064	440,666
CASH ASSETS ^(f)	222,164	229,623	281,819	297,971	292,341	337,322	347,759

(a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) Western Power retained its 2023-24 dividend payment to contribute to funding future infrastructure investment.

(c) The interim dividend for 2024-25 will be paid as a final dividend for 2024-25 in December 2025.

(d) Western Power will retain \$50 million in dividends annually from 2024-25 to 2027-28 (\$200 million in total) for the Housing Enabling Infrastructure Fund.

(e) Excludes current tax expense, deferred tax expense and dividend payments.

(f) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Western Power's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Key Adjustments					
Assumed Transmission Network Tariff Revenue.....	-	17,976	41,375	45,364	46,584
Clean Energy Link Infrastructure	439	1,112	(4,054)	(13,782)	(18,906)
Community Batteries	(21)	(1,648)	3,144	(431)	(631)
Eastern Goldfields Reliability.....	(9,893)	(19,066)	(3,769)	5,383	6,800
Residential and Industrial Development	(2,774)	163	(311)	(1,022)	(1,956)
Development of a North Metropolitan Depot	-	(61)	(135)	(148)	(151)
Operating Expenditure Uplift for Insulator Treatment and Fault Response	(20,423)	(13,549)	(2,373)	(455)	(440)
Project Jupiter - Australian Renewable Energy Agency Funding	1,182	3,556	1,599	(243)	(1,616)
Relocation and Augmentation of Networks Assets	-	(275)	(598)	(629)	(599)
Retained Dividends for the Housing Enabling Infrastructure Fund	(49,314)	(47,833)	(46,084)	(44,152)	7,204
Other					
2024-25 Retained Interim Dividend	(120,537)	120,537	-	-	-
Alignment of Equity and Dividend with 2023-24 Actual Outcome	19,198	(3,503)	(3,845)	(3,876)	(3,903)
Capital Contributions Revenue and Equity Forecast Update.....	(28,673)	(4,794)	1,053	1,194	1,295
Interest Expenditure and Other Revenue Update.....	(5,451)	(11,692)	(19,869)	(30,871)	(40,959)
Network Tariff Revenue Forecast Update	(25,114)	13,347	9,920	57,272	62,355
Reprofile of Capital Expenditure.....	-	-	-	4,882	10,717

Significant Initiatives

Transmission Growth

1. Western Power is continuing to navigate a period of significant transformation within the South West Interconnected System (SWIS), driven by the State's decarbonisation targets, large-scale electrification, and customers transition to renewable energy.
2. The energy transition requires sustained investment in transmission to support renewable energy integration and modernising the distribution network to integrate and capitalise on increasing proliferation of Distributed Energy Resources (DER).
3. Works to facilitate the transmission network expansion is progressing through the Clean Energy Link program to support renewable energy integration in the electricity network, large-scale electrification and the transition away from higher carbon fossil fuel generation.
4. With the expansion of the transmission network comes increasing engagement with local communities and landowners by both Western Power and PoweringWA. The breadth and depth of its engagement will empower communities to play an active role in the energy transition.
5. The volume of activity needed to achieve the State's decarbonisation goals and the introduction of new renewable energy sources will require considerable expansion of Western Power's workforce capability and the broad energy industry locally, nationally and globally.

Housing Demand Activities

6. Supporting the Government to increase housing supply in Western Australia is a key priority for Western Power. In so doing, Western Power is continuing its focus on streamlining connection processes and increasing delivery capacity, as well as supporting the Government's policy decisions on funding and prioritising construction of development headworks to support rapid housing supply increases.
7. Western Power will retain \$50 million in dividends annually from 2024-25 to 2027-28 (\$200 million in total) for the Housing Enabling Infrastructure Fund.

Distribution Transformation

8. Western Power is developing its capability as the SWIS's Distribution System Operator (DSO) responsible for the integration and coordination of DER in the SWIS, and is building on insights from Projects Symphony and Jupiter in line with the Government's guidance on DER Orchestration Roles and Responsibilities in the SWIS.
9. These activities align with broader objectives including implementation of Government's Electric Vehicle Action Plan, expansion of advanced metering infrastructure and Government subsidies for behind-the-meter battery storage.
10. Alongside the DSO-related activities, the distribution network continues to be modernised to address reliability and safety challenges, support growing electrification, and improve climate resilience. In line with Western Power's Modular Grid Strategy, activity will include the continued deployment of standalone power systems and microgrids in regional areas and undergrounding of the urban network.

Reliable Supply

11. Network reliability remains a key priority as modelling suggests that climate-related risks such as heatwaves, dry spells, storms and bushfires continue to increase in frequency. Key to addressing these challenges is implementing a regional reliability initiative that focuses on strengthening assets in vulnerable regional areas and introducing climate-adaptive solutions. These activities continue to be undertaken in consultation with local communities to ensure the most prudent reliability improvement options.
12. Maintaining the safety and reliability of the SWIS also remains a key focus as climate-related risks continue to grow. A Non-Co-optimised Essential System Services has been implemented to support an interim reliability solution to the Eastern Goldfields Region.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between the Western Power's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Ensure business and financial sustainability.	1. Optimise the use of Western Power's assets to deliver our services
Made in WA Plan: Diversifying our economy for the future and creating local jobs.	Provide reliable customer supply to enable WA.	2. Maintain availability of customer supply across the South West Interconnected Network (SWIN)
	Develop a strong energy industry workforce.	3. Provide a workplace that engages its employees
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Ensure the safety of our people and community.	4. Minimise injuries impacting our people and their ability to deliver services to the community
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Connect more renewables to decarbonise our community.	5. Increase the proportion of all electricity needs met by renewable energy, through tracking of total electricity generation in the South West Interconnected System (SWIS)

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Optimise the use of Western Power's assets to deliver our services:					
Return on regulated asset base	5.14%	≥5.16%	5.25%	≥5.66%	1
Outcome: Maintain availability of customer supply across the South West Interconnected Network (SWIN):					
Network availability	99.9%	≥99.9%	99.91%	≥99.9%	
Outcome: Provide a workplace that engages its employees:					
Employee engagement ^(a)	71%	≥76%	n.a.	≥76%	2
Outcome: Minimise injuries impacting our people and their ability to deliver services to the community:					
Total recordable injury frequency rate ^(b)	8.8	≤8.2	7.8	≤8.2	
Outcome: Increase the proportion of all electricity needs met by renewable energy, through tracking of total electricity generation in the South West Interconnected System (SWIS):					
Percentage of renewables in the network	34%	≥38%	40%	≥43%	

(a) Reflects the broader employee experience to engage and retain Western Power's workforce.

(b) Measurement of the number of 'recordable' injuries per one million hours worked, where 'recordable' injuries include fatalities, lost time injuries, restricted work injuries and medical treatment injuries.

Explanation of Significant Movements

(Notes)

1. Previous Return on Regulated Asset Base (RAB) definitions used the Fifth Access Arrangement opening RAB balance from 2023. To improve timeliness and currency of this indicator, in 2025-26 the Return on RAB is based on the end of the previous financial year forecast RAB balance. The 2025-26 Budget Target is pending Western Power's Board's approval in June 2025.
2. Employee engagement across the entire employee population is currently measured once annually in the June quarter of the financial year. As it cannot be estimated, no 2024-25 Estimated Actual has been disclosed. Actual performance will be reported in the 2025 Annual Report.

Asset Investment Program

1. Western Power builds, maintains and operates the distribution and transmission electricity network in the southwest of Western Australia. Western Power's Asset Investment Program (AIP) is underpinned by its Asset Management Framework, designed to meet the requirements of Western Power's licence obligations, good industry practice, relevant Australian standards and customer expectations. Western Power's focus is to provide customers with access to a safe, reliable, affordable and efficient supply of electricity with a focus on more flexible connection and operation of DER and large-scale renewables.
2. As part of Western Power's Access Arrangement submission and approvals process, the Economic Regulation Authority (ERA) undertakes a rigorous review of Western Power's forecast expenditure. The ERA sets service performance targets, network tariffs and charges for Western Power that are considered in the best interests of the customer. This process ensures that there is demonstrable need for the investments proposed by Western Power, and that the investments are efficient.
3. Western Power's network is in a period of transition. Existing network assets are ageing and a portion are approaching end-of-life. At the same time, technological progress is rapidly reducing the cost of non-traditional alternative technologies. To best meet the needs of the community, Western Power is moving as safely and as affordably as possible to increase the introduction of these technologies into the network. Western Power also plays a critical role in the energy transition by connecting renewable energies to the network and enabling electrification of industries to achieve their own decarbonisation goals.

Commonwealth Government Initiatives

4. As part of the Commonwealth Government's Community Batteries for Household Solar Program, aimed at supporting households to store excess solar energy for use during peak times, reducing emissions and easing pressure on the network during peak times, Western Power will invest \$18 million in 2025-26 for the installation of community batteries on the distribution network across 13 low voltage and five medium voltage sites in Western Australia.

Government Initiatives

5. As part of the Government's energy transition plan in achieving decarbonisation objectives, \$542 million will be invested in 2025-26 to continue to progress the Clean Energy Link - North project, which involves upgrading transmission lines to allow new wind capacity to connect in the Wheatbelt and Mid West, and to undertake other early investigative works for potential transmission network augmentations to support the decarbonisation of the SWIS and enable more renewable energy sources to be connected.
6. Western Power's 2025-26 AIP includes \$17.3 million allocated to the relocation and/or upgrade of transmission and distribution assets to facilitate broader capital works across the Perth metropolitan region.

Growth

7. Growth capital expenditure (transmission and distribution) is typically one of the largest areas of investment for an energy network business. Western Power is committed to connecting customers and investing in infrastructure to support the State's economy and clean energy transition.
8. Capacity expansion projects for the distribution network will continue to address Western Power's forecast growing customer load demand. Distribution Capacity Expansion also includes the construction of a new feeder from the Medina Zone Substation to the Mundijong West Industrial Area, ensuring adequate capacity to support nearby commercial development, and an additional \$4.1 million in 2025-26 for network reinforcement to support housing growth in Bullsbrook, Mandogalup, Hammond Park and South Yunderup.

Safety

9. Safety is a priority for Western Power, which extends across the community and its employees. Investment in safety accounts for 34% of Western Power's total AIP (excluding decarbonisation investment) in 2025-26.
10. Western Power will commit \$392.2 million in 2025-26 to continue important safety programs, including:
 - 10.1. \$148.1 million as part of Western Power's Underground Power Program, where significant capital works projects have been planned to upgrade sections of the overhead network and replace with underground power to improve reliability and increase the ability to host DER while improving safety and the customer experience. The program is an opportunity for local governments to capitalise on the significant investment by Western Power. In 2025-26, the program will be delivered in suburbs/areas including Doubleview, Bassendean, North Melville, Willagee, South Perth, Kensington, North Perth, and Mount Hawthorn;
 - 10.2. \$124.9 million to replace 250 km of the highest risk overhead conductors and replacing or reinforcing 14,400 wood power poles to mitigate safety risks in the most fire prone areas with management programs; and
 - 10.3. \$111.4 million on standalone power systems to improve power system reliability for regional customers in the Western Power network area.

Security

11. Investment in security is designed to reduce supply interruptions resulting from transmission line or electrical facility outages. Western Power will commit \$6.7 million in thermal management to address fault rated equipment, voltage instability and relieve voltage constraints in the network.

Service

12. Service covers investment to ensure regulatory compliance, system reliability, asset replacement, metering, business support, ICT, including Supervisory Control and Data Acquisition, and building site management (corporate real estate). Western Power will invest \$447.8 million in service capital projects in 2025-26. Key investments include:
 - 12.1. \$127.6 million on reliability-driven asset replacement to reduce the risks of plant asset failure and ensure network service and operability are maintained, including \$9 million for Project Jupiter (funded by the Commonwealth Australian Renewable Energy Agency) to accelerate the development of virtual power plants in the SWIS and Wholesale Electricity Market;
 - 12.2. \$122.1 million in regulatory compliance, with upgrades to substation security and improvements to network reliability;
 - 12.3. \$107.3 million for business support and ICT, which primarily includes upgrades and replacement of ICT hardware and software that face rapid obsolescence, maintenance of telecommunication network management systems and cybersecurity;
 - 12.4. \$71.2 million on metering, including the installation of around 178,000 advanced meters. Advanced meters provide more detailed usage and power quality information and can be read remotely, providing data that enables Western Power to monitor the risk of, and improve safety outcomes by reducing the risk of electric shocks; and
 - 12.5. \$19.6 million on corporate real estate to undertake minor upgrades at six depots required to ensure compliance with current workplace safety practices and improve financial efficiency through redevelopment and consolidation. Investment also includes security upgrade at Hope Road depot.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
Commonwealth Government Initiatives							
Community Batteries - Community Batteries for Household Solar Program.....	22,849	4,768	4,643	18,030	51	-	-
Government Initiatives							
Decarbonisation.....	1,741,668	152,633	87,108	542,033	564,372	371,630	111,000
Relocation and Augmentation of Network Assets.....	134,046	100,268	31,384	17,295	109	8,187	8,187
Growth							
Distribution							
Capacity Expansion	487,065	347,125	59,122	42,462	36,924	28,277	32,277
Customer Access.....	2,167,092	1,675,848	129,648	145,279	139,667	94,149	112,149
Transmission							
Capacity Expansion	372,311	236,898	30,657	37,941	30,280	28,491	34,561
Customer Driven	614,429	532,735	74,012	39,334	13,640	13,360	15,360
Other Asset Investment - Motor Vehicle Fleet and Mobile Plant	216,390	141,530	38,807	18,909	20,517	16,717	18,717
Safety							
Bushfire Mitigation	100,814	89,391	9,377	1,470	1,579	4,187	4,187
Conductor Management	1,017,199	830,438	84,977	46,623	45,064	42,537	52,537
Connection Management.....	209,817	184,275	4,138	6,366	6,626	5,275	7,275
Grid Transformation.....	930,887	137,675	53,094	148,082	214,296	194,680	236,154
Pole Management.....	2,729,341	2,399,188	196,673	78,253	78,640	77,630	95,630
Standalone Power System	428,825	163,187	46,692	111,376	60,508	84,177	9,577
Security							
Thermal Management.....	6,176	3,304	224	1,222	1,222	214	214
Voltage and Fault Level Management	66,680	43,261	4,199	5,458	4,837	6,562	6,562
Service							
Business Support and ICT.....	1,679,649	1,187,758	182,843	107,255	110,586	126,025	148,025
Corporate Real Estate	407,725	371,187	34,230	19,641	16,897	-	-
Metering.....	758,217	469,874	112,859	71,206	66,899	69,119	81,119
Regulatory Compliance	638,942	343,626	57,216	122,070	117,976	24,635	30,635
Reliability Driven Asset Replacement.....	1,508,231	997,538	93,816	127,621	127,998	116,884	138,190
COMPLETED WORKS							
Government Initiatives - State Underground Power Program	233,681	233,681	6,000	-	-	-	-
Total Cost of Asset Investment Program	16,472,034	10,646,188	1,341,719	1,707,926	1,658,688	1,312,736	1,142,356
FUNDED BY							
Borrowings			1,307,106	1,270,405	1,551,772	1,331,647	1,184,235
Capital Appropriation.....			33,010	448,786	124,700	-	-
Other			1,603	(11,265)	(17,784)	(18,911)	(41,879)
Total Funding.....			1,341,719	1,707,926	1,658,688	1,312,736	1,142,356

Financial Statements

Income Statement

Revenue

- Western Power receives revenue from network services primarily through network tariff services. Network tariff is approved by the ERA under the Electricity Network Access Code 2004, including an efficient level of operating expenditure.
- Western Power's approach to populating network tariff revenue over the forward estimates period is based on the ERA's Fifth Access Arrangement Final Decision published on 31 March 2023. Accordingly, network tariff revenue and associated expenses are mostly aligned with the parameters set out in the Final Decision for the period 2024-25 to 2026-27 period. As required under the Electricity Networks Access Code 2004, Western Power is required to submit an annual price list to the ERA for approval.
- Western Power also receives revenue for unregulated services to customers, with the commercial terms and conditions negotiated between Western Power and customers.

4. Non-reference services revenue is received for revenue target services and non-revenue target services. Revenue target services reflect situations where the customer accepts different conditions to the standard access contract and service standard benchmark set under reference service tariffs. Non-revenue target services reflect the fees set by Western Power in line with the charging criteria published on the Western Power website.

Dividends

5. Western Power will retain \$50 million in dividends annually from 2024-25 to 2027-28 (\$200 million in total) for the Housing Enabling Infrastructure Fund to support future housing works.
6. The interim dividend for 2024-25 will be paid as a final dividend for 2024-25 in December 2025.

Statement of Financial Position

7. The increase in net assets over the forward estimates period reflects the ongoing investment in the AIP underpinning the Fifth Access Arrangement, and transmission network augmentations to support decarbonisation of the SWIS and enable more renewable energy sources to be connected to the network. These investments will be partly funded by internally generated funds, retained dividends, equity injection from Government and borrowings from the Western Australian Treasury Corporation.
8. The increase in borrowings over the forward estimates period will finance Western Power's capital expenditure.
9. The increase in contributed equity primarily reflects capital injection by the Government in support of the Clean Energy Link - North project.

Statement of Cashflows

10. Western Power's borrowings over the forward estimates period is primarily impacted by the level of network tariff revenue it receives from customers, offset by investment in capital expenditure and net payment to Government in the form of dividends.
11. Equity contribution for 2025-26 includes \$431.6 million in support of the Clean Energy Link - North project.
12. Cash assets at the end of 2025-26 includes the retained dividend component with the balance representing unrestricted cash.

INCOME STATEMENT ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
REVENUE							
Revenue from operations							
Sale of goods and services.....	1,917,619	2,033,762	1,997,881	2,204,451	2,333,971	2,398,618	2,443,428
Other revenue.....	194,712	267,153	229,701	274,909	258,122	275,911	284,223
Revenue from Government							
Capital subsidies.....	1,341	-	-	-	-	-	-
TOTAL REVENUE	2,113,672	2,300,915	2,227,582	2,479,360	2,592,093	2,674,529	2,727,651
Expenses							
Employee benefits ^(b)	231,392	242,128	242,128	245,776	255,912	260,637	267,152
Grants and subsidies.....	-	-	1,748	6,145	3,160	711	-
Supplies and services.....	250,097	200,239	248,973	239,844	208,101	211,641	216,927
Accommodation.....	2,532	3,297	3,297	3,373	3,460	3,450	3,536
Depreciation and amortisation	488,211	608,303	609,321	653,738	689,383	721,655	765,270
Finance and interest costs.....	314,113	344,343	352,614	380,126	412,508	449,749	483,665
Other expenses	137,034	111,414	111,414	114,338	117,056	108,884	111,607
Tariff Equalisation Contribution.....	197,000	230,000	230,000	242,000	251,000	252,000	252,000
TOTAL EXPENSES	1,620,379	1,739,724	1,799,495	1,885,340	1,940,580	2,008,727	2,100,157
NET PROFIT/(LOSS) BEFORE TAX.....	493,293	561,191	428,087	594,020	651,513	665,802	627,494
National Tax Equivalent Regime							
Current tax equivalent expense	40,639	155,028	116,200	164,251	190,014	187,327	176,208
Deferred tax equivalent expense	71,864	11,420	10,316	11,934	5,498	12,411	10,620
NET PROFIT/(LOSS) AFTER TAX.....	380,790	394,743	301,571	417,835	456,001	466,064	440,666
Dividends	-	273,560	71,398	362,118	284,851	297,658	335,265

(a) Full audited financial statements are published in Western Power's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 3,496, 3,699 and 3,814 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	7,137	24,995	18,633	34,785	29,155	74,136	84,573
Cash assets - Retained dividends	215,027	204,628	263,186	263,186	263,186	263,186	263,186
Receivables	246,225	233,909	252,450	259,298	269,711	281,487	281,839
Assets held for sale	374	2,297	374	374	374	374	374
Other.....	208,050	170,480	208,050	208,050	208,050	213,995	218,406
Total current assets.....	676,813	636,309	742,693	765,693	770,476	833,178	848,378
NON-CURRENT ASSETS							
Property, plant and equipment.....	13,072,041	13,794,906	13,809,782	14,929,571	15,964,466	16,624,496	17,066,932
Intangibles	141,100	260,731	200,228	200,228	200,228	206,949	217,613
Receivables	506	1,854	506	506	506	506	506
Other.....	29,022	43,793	29,022	29,022	29,022	29,022	29,022
Total non-current assets.....	13,242,669	14,101,284	14,039,538	15,159,327	16,194,222	16,860,973	17,314,073
TOTAL ASSETS	13,919,482	14,737,593	14,782,231	15,925,020	16,964,698	17,694,151	18,162,451
CURRENT LIABILITIES							
Employee provisions.....	116,519	113,204	118,982	119,034	119,387	119,387	119,387
Payables	96,172	151,242	104,881	153,854	175,807	167,022	165,103
Borrowings and leases	48,729	50,718	57,129	65,529	73,929	82,329	90,957
Interest payable	63,531	265	63,531	63,531	63,531	63,531	63,538
Other.....	242,349	243,523	240,655	261,874	281,610	316,669	324,630
Total current liabilities.....	567,300	558,952	585,178	663,822	714,264	748,938	763,615
NON-CURRENT LIABILITIES							
Employee provisions.....	15,767	13,107	16,002	16,003	16,005	16,005	16,012
Borrowings and leases	7,581,565	8,183,975	7,953,687	8,348,233	8,898,721	9,266,801	9,456,521
Other.....	1,391,753	1,405,116	1,406,848	1,421,728	1,429,445	1,444,690	1,459,349
Total non-current liabilities.....	8,989,085	9,602,198	9,376,537	9,785,964	10,344,171	10,727,496	10,931,882
TOTAL LIABILITIES	9,556,385	10,161,150	9,961,715	10,449,786	11,058,435	11,476,434	11,695,497
NET ASSETS	4,363,097	4,576,443	4,820,516	5,475,234	5,906,263	6,217,717	6,466,954
EQUITY							
Contributed equity.....	2,062,343	2,258,037	2,289,589	2,888,590	3,148,469	3,291,517	3,435,353
Accumulated surplus/(deficit).....	2,308,115	2,323,248	2,538,288	2,594,005	2,765,155	2,933,561	3,038,962
Reserves	(7,361)	(4,842)	(7,361)	(7,361)	(7,361)	(7,361)	(7,361)
TOTAL EQUITY	4,363,097	4,576,443	4,820,516	5,475,234	5,906,263	6,217,717	6,466,954

(a) Full audited financial statements are published in Western Power's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	1,899,829	2,037,944	2,002,063	2,209,042	2,338,700	2,403,463	2,448,395
Grants and subsidies.....	6,638	600	4,073	14,421	12,811	1,405	-
GST receipts.....	187,278	188,699	188,699	190,926	194,407	199,558	211,030
Other receipts.....	163,165	225,614	162,513	217,982	201,186	229,278	237,863
Payments							
Employee benefits.....	(222,453)	(241,452)	(241,452)	(245,516)	(255,236)	(260,418)	(266,929)
Supplies and services.....	(220,373)	(200,585)	(249,319)	(238,007)	(206,204)	(212,960)	(218,279)
Accommodation ^(b)	(731)	(3,297)	(3,297)	(1,604)	(1,647)	(1,592)	(1,632)
GST payments.....	(190,158)	(188,699)	(188,699)	(190,926)	(199,025)	(204,000)	(211,030)
Finance and interest costs.....	(311,180)	(338,154)	(346,425)	(376,418)	(410,093)	(446,464)	(480,789)
Tariff Equalisation Fund.....	(197,000)	(230,000)	(230,000)	(242,000)	(251,000)	(252,000)	(252,000)
Other payments.....	(175,516)	(112,290)	(114,038)	(122,304)	(122,085)	(111,579)	(113,640)
Net cash from operating activities.....	939,499	1,138,380	984,118	1,215,596	1,301,814	1,344,691	1,352,989
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	528	-	-	-	-	-	-
Payments							
Purchase of non-current assets.....	(967,255)	(1,373,035)	(1,341,719)	(1,707,926)	(1,658,688)	(1,312,736)	(1,142,356)
Net cash from investing activities.....	(966,727)	(1,373,035)	(1,341,719)	(1,707,926)	(1,658,688)	(1,312,736)	(1,142,356)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	955,100	1,149,312	1,047,986	1,070,406	1,226,345	1,043,993	882,057
Other proceeds.....	7,941	-	-	-	-	-	-
Payments							
Repayment of borrowings and leases.....	(828,363)	(667,461)	(667,461)	(667,461)	(667,460)	(667,460)	(684,147)
Other payments.....	(11,819)	(15,883)	(15,883)	(16,201)	(16,606)	(17,021)	(17,447)
Net cash from financing activities.....	122,859	465,968	364,642	386,744	542,279	359,512	180,463
CASHFLOWS FROM GOVERNMENT							
Receipts							
Equity contributions.....	89,073	145,481	227,246	599,001	259,879	143,048	143,836
Payments							
Dividends to Government.....	-	(273,560)	(71,398)	(362,117)	(284,850)	(297,660)	(335,264)
National Tax Equivalent Regime - Income Tax....	(39,792)	(101,500)	(101,500)	(113,377)	(164,251)	(190,016)	(187,327)
Local Government Rates Equivalent.....	(1,801)	(1,734)	(1,734)	(1,769)	(1,813)	(1,858)	(1,904)
Net cash provided to Government.....	(47,480)	231,313	(52,614)	(121,738)	191,035	346,486	380,659
NET INCREASE/(DECREASE) IN CASH HELD.....	143,111	-	59,655	16,152	(5,630)	44,981	10,437
Cash assets at the beginning of the reporting period.....	79,053	229,623	222,164	281,819	297,971	292,341	337,322
Cash assets at the end of the reporting period.....	222,164	229,623	281,819	297,971	292,341	337,322	347,759

(a) Full audited financial statements are published in Western Power's Annual Report.

(b) Payment of Local Government Rates Equivalent is included within accommodation expense on the Income Statement; however, within the Statement of Cashflows it is recorded as a payment to Government and not as a payment from operating activities.

Horizon Power

Part 12

Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax	1,904	3,947	4,419	3,080	3,549	3,430	6,112
Local Government Rates Equivalent	512	770	770	789	809	829	850
Dividends ^{(a)(b)}	-	5,844	6,457	6,019	6,007	6,061	9,523
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies ^(c)	45,234	29,342	58,002	18,848	20,383	20,838	21,026
Other Subsidies	-	1,100	2,100	1,200	200	200	200
Major Treasurer's Special Purpose Account(s)	44,918	40,668	40,668	40,533	31,961	31,961	31,961
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	2,404	-	-	-	14,451	14,451	14,451
Major Treasurer's Special Purpose Account(s)	7,455	17,496	18,550	14,446	-	-	-
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	620,489	617,048	616,546	628,469	649,344	659,752	674,666
Revenue from Government	90,152	77,037	105,274	65,535	56,589	53,196	53,187
Total Expenses ^(d)	696,101	681,033	707,091	687,742	694,112	701,510	707,486
Total Borrowings	882,672	1,056,939	968,198	1,025,186	1,042,796	1,084,697	1,138,534
NET PROFIT AFTER TAX	9,415	9,105	10,310	3,182	8,272	8,008	14,255
CASH ASSETS ^(e)	177,604	224,091	199,743	239,639	268,504	341,202	410,215

(a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) Horizon Power retained its 2023-24 dividend payments to contribute to funding future infrastructure investment.

(c) Horizon Power received additional operating subsidies in 2023-24 and 2024-25 primarily as a result of administering the electricity credits for residential and small business customers, expenditure for remote communities and the Pilbara Green Link.

(d) Excludes current tax expense, deferred tax expense and dividend payments.

(e) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Horizon Power's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Election Commitment					
Residential Battery Scheme	-	(709)	(338)	(58)	(60)
Key Adjustments					
Asset Management Plan Capital Investment	-	(214)	(254)	(254)	(254)
Blackstone Hybrid Energy Solution	-	(537)	795	(212)	(454)
Community Batteries - Commonwealth Funding	-	1,369	1,491	(65)	(490)
Cost of Living Support - Commonwealth Energy Bill Relief	(13,801)	(5,830)	-	-	-
Dampier Peninsula and Warmun Diesel Contract	-	(411)	(615)	(685)	(770)
Exmouth Power Purchase Agreement	3,999	1,059	(2,189)	(2,725)	(1,719)
Gas Price Update	(2,891)	(1,804)	(585)	(66)	-
Leonora Power Project Update	(645)	(64)	(666)	(1,602)	(1,766)
Maitland-Burrup Common Use Transmission Infrastructure - Reversal	-	(8,850)	(9,905)	(13,609)	(14,577)
Murdoch Regulated Network Transformer Replacement	(53)	(150)	(392)	(435)	(435)
Onslow Customer Energy Supply Agreement Update	(237)	(45)	-	-	-
Pilbara Green Link	(8,000)	-	-	-	-
Remote Communities					
Diesel Contract	-	279	390	409	419
Operational Parameter Adjustments	(2,440)	(2,504)	(2,570)	(2,636)	(2,707)
Priority Asset Programs	(3,539)	(2,077)	-	-	-
Subsidy Update	(235)	(234)	(240)	(233)	(245)
Other					
Tariff Equalisation Contribution Update	-	(4,976)	(9,817)	(17,279)	(21,958)

Significant Initiatives

- Horizon Power's Corporate Strategy 2025-2030 is framed under three pillars: customer-led decarbonisation, affordable energy, and regional catalyst. The projects and programs within these pillars are aimed at achieving the strategic objectives and are aligned with Government goals. The strategy targets lowest costs, capital-light investment and is cognisant of reducing the impact of Horizon Power's capital program on the State's balance sheet.
- The strategy is guided by the principles of community involvement, Aboriginal and Torres Strait Islander commitment, cleaner, greener and regions first. This helps Horizon Power to focus on listening, creating and working together to improve a shared environment and reminds its workforce of the role played in delivering growth, success and sustainability in Western Australia's regional and remote communities.
- Horizon Power's strategy is designed to be dynamic, flexible and adaptable to evolving policy and legislative environments. Importantly, Horizon Power will adapt its priorities to ensure it is always aligned to the outcomes sought by the Government.

Decarbonised Regions

- Horizon Power's decarbonisation approach consists of a balanced mix of centralised and customer generation and storage assets. Horizon Power invests in centralised solutions where they are cost-effective or required, while proactively engaging with customers to increase the penetration, and leverage the emissions reduction benefits of Consumer Energy Resources (CER). Deploying and operating centralised storage at scale is key for the effective integration of increased levels of CER to enable greater decarbonisation.

CER Uptake

- Horizon Power's customers are playing a key and growing role in helping them deliver a clean energy future, with reliable, safe and affordable power. By enabling CER such as rooftop solar, batteries, electric vehicles and smart appliances to work more effectively with their energy systems, they can deliver clean energy, offer greater customer choice and put downwards pressure on power bills. Horizon Power will continue to invest in Battery Energy Storage Systems (BESS) to allow CER to be maximised whilst ensuring reliable operations.

Alternative Energy Products

- Horizon Power will continue to provide customers with access to contemporary energy solutions to improve energy affordability and bill management. Through the provision of accessible, impactful products and services, Horizon Power can offer its customers greater affordability and autonomy over their energy usage and costs while simultaneously reducing their cost to supply in high-cost systems. Horizon Power is focusing on developing products to drive greater CER assets under management which also require BESS to maximise solar energy usage.

Optimised Energy Systems

- Optimising energy systems will move Horizon Power's business towards highly automated, integrated, efficient energy systems that can deliver business cost savings, improve system security and reliability, and contribute to affordable energy for the regions. Horizon Power will continue to leverage its Distributed Energy Resource Management System (DERMS) technology and extend its orchestration capabilities to enable coordination of high penetration centralised and decentralised renewable energy assets.

Regularised Remote Aboriginal Communities

- Horizon Power will deliver remote communities service uplift by bringing the 117 remote communities assumed under Horizon Power's responsibility in 2023 to the same regularised standards as those found in other similar sized communities by 2031. This is a long-term work program that supports the Government to advance its commitment to Outcome 9 (Target 9b) of the National Agreement on Closing the Gap.

Government Strategic Initiatives

- Horizon Power will work with Government to deliver high-priority regional initiatives. This includes the delivery of energy affordability initiatives and facilitation of Government concessions, rebates and subsidies. Horizon Power will support the Government's delivery of the Pilbara Energy Transition Plan as required.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between Horizon Power's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Affordable Energy.	1. Optimising and extending core business
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Regional catalyst.	2. Minimise the risk of harm 3. Be a high-performing business

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Optimising and extending core business:					
Cost to supply unit cost (cents/kWh) ^(a)	39.3	41.9	40.8	41.9	
Return on assets ^(b)	3.5%	3.8%	3.6%	3.2%	
Net Profit After Tax	\$9.4 million	\$9.1 million	\$10 million	\$3.2 million	1
Outcome: Minimise the risk of harm:					
Lost time injury frequency rate ^(c)	5.4	nil	3.6	nil	
Total number of notifiable incidents ^(d)	10	nil	9	nil	
Unassisted pole failure rate ^(e)	0.41	1	0.47	1	
Outcome: Be a high-performing business:					
Customer satisfaction ^(f)	73%	70%	80%	70%	
System Average Interruption Duration Index (SAIDI) ^(g)	140 minutes	290 minutes	115 minutes	290 minutes	2
System Average Interruption Frequency Index (SAIFI) ^(h)	2.2	6.6	1.8	6.6	2
Number of compliant systems (out of 38) ⁽ⁱ⁾	27	33	32	33	
Major project completion within ±5% of approved budget ^(j)	100%	100%	100%	100%	

(a) All cost associated with Horizon Power's customers divided by kilowatt-hours supplied.

(b) Return to investors for every dollar of assets under Horizon Power's control.

(c) Lost time injury frequency rate is a formula to provide the number of lost time injuries to be sustained, per one million hours worked, over a given 12-month period.

(d) A network operator must notify the Director of Building and Energy, Local Government, Industry Regulation and Safety, of any incident or event that is caused, or significantly contributed to, by electricity that results in serious injury or serious damage.

(e) An unassisted pole failure is not caused by customer installation, lightning, vehicle, water ingress or vandalism or occurs when the pole failed under forces that were less than its design specification.

(f) Customer satisfaction is measured by an annual survey, undertaken by an external agency, amalgamating customer perceptions of reliability, service quality and product offering.

(g) The SAIDI measures the duration of sustained customer interruptions.

(h) The SAIFI measures the frequency of interruptions to customers.

(i) Achievement of SAIDI and SAIFI system reliability performance, as agreed or per the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 for each system.

(j) Percentage of Government-approved projects completed within the approved budget.

Explanation of Significant Movements

(Notes)

1. The reduction of the 2025-26 Budget Target in comparison to the 2024-25 Estimated Actual is primarily a result of margin erosion from inflationary pressures on production costs.
2. The reductions in the 2024-25 Estimated Actual in comparison to the 2024-25 Budget Target are a result of investment in maintenance leading to a reduction of outages and interruptions.

Asset Investment Program

1. Horizon Power will invest \$112.2 million during 2025-26 and a further \$237.7 million over the outyears. This investment in regional Western Australia will continue to focus on providing a safe and reliable electricity supply to regional customers and supporting jobs in regional areas.

Asset Management Plan

2. Horizon Power is forecast to invest \$52.6 million in 2025-26 and a further \$167 million across the outyears to mitigate extreme and high risks associated with energy assets. This investment contributes towards ensuring regulatory compliance, reliability and capacity of all Horizon Power systems to support the safety, development and enhancement of communities throughout regional Western Australia.

Blackstone Hybrid Energy Solution

3. The diesel-fired Blackstone power station burnt down in November 2021 with the community being powered by high-cost temporary diesel generation since the event. A competitive tender process to build a new hybrid power solution, which includes solar and battery storage, has been completed. Construction is due to commence in August 2025 with an expected project completion date of mid-2026.
4. As part of the transition from high-cost diesel generation, Horizon Power will establish a Blackstone community fund to reinvest a percentage of cost savings from the displaced diesel generation into a community energy fund. This will be established in close consultation with the community and Traditional Owners. This project supports the National Agreement on Closing the Gap and the ongoing goal to enable all customers to participate in the clean energy transition.

Community Batteries

5. Horizon Power will procure and install 10 community batteries across Exmouth (three), Carnarvon (three) and Esperance (four), supported by the Government's sectoral emissions reduction strategy and Australian Renewable Energy Agency (ARENA) funding. The installation of these batteries promotes decarbonisation by enabling an increase in the uptake of customer-owned solar photovoltaic systems.
6. The batteries will provide solar smoothing services for larger renewable installations and will be storing excess energy generated by rooftop solar and other renewables to be released during peak demand. Some battery capacity will also be used to support the power system and network such as voltage control. As part of this project, DERMS technology will be used to orchestrate the network batteries to maximise the value of the investment. This will be the first time DERMS will manage batteries deployed in the distribution network. New BESS installations are currently being planned for 2025-26.

Exmouth Power Project

7. The Exmouth power station is fuelled by trucked compressed natural gas with no centralised renewables currently in place. The Exmouth power project will deliver the community's future energy system, with up to 80% of Exmouth's electricity needs met by renewables by 2026, including customer solar.
8. The new renewable solution will comprise a 9.6 MW solar farm and two BESS with combined capacity of 10 MW/49.6 MWh. The new power system is being delivered via a power purchase agreement (PPA) with Pacific Energy Limited. The PPA has a 20-year term with two five-year extension options.
9. Once complete, the Exmouth power project will deliver a lower cost energy supply in Exmouth, contributing to a reduction in Horizon Power's Tariff Equalisation Contribution (TEC).

Long Duration Energy Storage

10. Horizon Power will be trialling three long duration energy storage batteries that will establish new forms of energy storage and help diversify long duration energy storage for extreme climates. Long duration energy storage is also essential to achieving higher levels of CER penetration.
11. The trials include 78 kW/220 kWh vanadium redox flow battery in Kununurra and 250 kW/1450 kWh sodium sulphur battery in Carnarvon. Selection of a third battery technology for Nullagine is underway.
12. The vanadium redox flow battery passed its factory acceptance tests in Perth, has been transported to Kununurra and is now in service. The Carnarvon and Nullagine battery trials are funded by ARENA.

Transfer of Remote Communities Essential Services

13. Horizon Power is delivering remote communities service uplift by bringing the 117 remote communities assumed under Horizon Power's responsibility in 2023 from the Department of Communities to a standard consistent with that experienced in other similar sized communities by 2031. This is a long-term work program that supports the Government to advance its commitment to Outcome 9 (Target 9b) of the National Agreement on Closing the Gap.
14. Horizon Power's focus is on improving the safety and reliability of power services in remote communities through asset remediation and upgrades to critical energy infrastructure, and the roll out of Advanced Metering Infrastructure (AMI).
15. Failing and ageing generation assets in some remote communities are leading to increasing frequency and duration of power outages, which in the harsh climatic conditions experienced in remote communities has a significant detrimental impact on quality of life. Horizon Power will focus on replacing and upgrading ageing and end-of-life assets to deliver safer and more reliable, resilient and cleaner power generation in remote communities.
16. A significant upgrade to generation assets in Cockatoo Springs was completed in December 2024 and Horizon Power will complete an upgrade to the degraded generation asset in Chile Creek in early 2025, resulting in more resilient hybrid generation solutions and delivering lower cost energy outcomes for both communities.
17. With the consent of communities, in 2025, Horizon Power will deploy a pilot AMI rollout in up to five remote communities in the Kimberley and Pilbara regions. This critical enabling technology will provide customers in these communities with access to a range of consumer protections, including energy concessions and hardship programs. It also allows customers to digitally monitor their energy usage and use their mobile devices for pre-payment of their power, if they choose. With AMI, Horizon Power will be able to proactively monitor safety and the neutral integrity of its networks, reducing the likelihood of shocks and providing alerts of meter tampering.
18. On-ground, culturally sensitive and two-way community and Traditional Owner engagement and partnering with regional service providers will continue to be an imperative aspect of the Remote Communities program in 2025-26.

Standalone Power Systems

19. The Government committed \$45.8 million in 2021 for Horizon Power to install 150 Standalone Power Systems (SPS) in regional Western Australia over a three-year period, adjusted to 94 SPS which are already funded and either delivered or being delivered. The delivery of SPS under the Government's commitment is in addition to early deployment of SPS units by Horizon Power following the Esperance bushfires in 2015. The majority of SPS are located in Esperance, with SPS also located in Hopetoun, Exmouth and Carnarvon.
20. The SPS program eliminates the need to upgrade or replace overhead network infrastructure for end-of-grid customers, improving safety and supporting decarbonisation. It also reduces bushfire risks and leads to better service reliability through reduced exposure to environmentally-driven outages. Each system is customised to meet the energy needs of end-of-grid customers, with system size typically ranging between 5 kW and 25 kW output with battery systems between 10 kWh and 50 kWh and newer systems increasing in size to 72 kW output with battery systems of approximately 86 kWh.
21. With approved funding and increasing costs to resolve Building and Energy compliance issues, Horizon Power is currently installing approximately 85 SPS, spending \$21 million. Horizon Power will continue to work with the Government to fulfil its expectations on how SPS will be delivered in the future.

Leonora Power Project

22. The existing Leonora Power Purchase Agreement will expire after both extension options have been exercised and the gas generation assets surpassing end-of-life.
23. The new renewable solution includes a significant increase in renewable energy penetration with approximately 50% of energy being generated by the solar farm.

Regulated Network Transformer Replacement

24. To maintain power reliability to South Hedland, Horizon Power is investing in asset replacement of a transformer at the Murdoch zone substation in the Pilbara with funding allocated in 2024-25 to begin works.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
Asset Management Plan							
Asset Replacement.....	179,359	136,028	10,245	10,028	9,957	9,878	13,468
Capacity.....	27,773	23,823	3,024	914	907	901	1,228
Knowledge and Technology Investment.....	76,808	60,262	3,912	3,830	3,802	3,772	5,142
Mobile Plant and Operational Fleet.....	38,755	34,467	1,014	992	985	978	1,333
Property Management.....	69,719	46,834	5,411	5,296	5,259	5,217	7,113
Regulatory Compliance.....	72,615	51,783	4,926	4,822	4,787	4,749	6,474
Reliability.....	144,544	89,814	14,212	14,419	12,052	11,957	16,302
Safety.....	242,146	189,129	12,536	12,271	12,182	12,086	16,478
Asset Replacement - Murdoch Transformer Replacement ...	7,529	499	499	7,030	-	-	-
Customer Funded Works - Other Customer Driven Works ...	183,278	168,266	3,753	3,584	3,472	3,360	4,596
Major Projects							
Blackstone Hybrid Energy Solution.....	12,799	4,951	4,951	7,375	473	-	-
Community Batteries.....	10,384	2,546	2,429	5,383	2,357	98	-
Exmouth Power Project.....	10,000	1,243	1,243	8,757	-	-	-
Long Duration Energy Storage.....	5,693	314	182	2,860	2,519	-	-
Remote Communities - Transfer of Essential Services....	82,750	23,846	18,924	14,901	13,367	12,938	17,698
Standalone Power Systems Roll-Out - Round 5.....	18,441	12,347	11,100	6,094	-	-	-
COMPLETED WORKS							
Customer Funded Works - Maitland-Burrup Transmission							
Infrastructure.....	16,101	16,101	15,347	-	-	-	-
Major Projects							
Dampier Peninsula and Warmun Independent Power							
Producer Buy-Out.....	4,504	4,504	4,504	-	-	-	-
Dampier Resilience Project.....	3,800	3,800	3,120	-	-	-	-
Denham Hydrogen Demonstration Plant.....	10,755	10,755	410	-	-	-	-
Electric Vehicle Charging Infrastructure.....	13,456	13,456	1,545	-	-	-	-
Electric Vehicle Smart Charger and Vehicle-to-Grid Trial.....	2,150	2,150	1,231	-	-	-	-
Energy Storage in Regional Towns							
Carnarvon.....	65	65	57	-	-	-	-
Fitzroy Crossing.....	2,009	2,009	424	-	-	-	-
Halls Creek.....	2,035	2,035	353	-	-	-	-
Kimberley Communities Solar Saver.....	10,559	10,559	10,027	-	-	-	-
Kununurra Cotton Gin Electricity Infrastructure.....	4,554	4,554	1,054	-	-	-	-
Mid West Solar Program.....	16,415	16,415	517	-	-	-	-
Mobile Generation Fleet for Summer Preparedness.....	3,480	3,480	932	-	-	-	-
Outage and Life Support Management System.....	8,765	8,765	5,922	-	-	-	-
Property - New Builds.....	3,822	3,822	2,508	-	-	-	-
Refurbishment of Denham Power Station.....	12,419	12,419	292	-	-	-	-
Standalone Power Systems Roll-Out.....	16,782	16,782	2,973	-	-	-	-
Utility of the Future.....	22,703	22,703	1,949	-	-	-	-
NEW WORKS							
Major Projects - Leonora Power Project.....	13,501	-	-	3,675	9,826	-	-
Total Cost of Asset Investment Program	1,350,468	1,000,526	151,526	112,231	81,945	65,934	89,832
FUNDED BY							
Borrowings.....			119,586	87,861	62,221	47,632	71,628
Capital Appropriation.....			-	-	14,451	14,451	14,451
Commonwealth Grants.....			854	2,321	4,045	197	-
Internal Funds and Balances.....			8,692	1,308	(2,525)	(99)	3,753
Major Treasurer's Special Purpose Account(s)							
Remote Communities Fund.....			17,496	14,446	-	-	-
Royalties for Regions Fund.....			1,054	-	-	-	-
Other.....			3,844	3,662	3,753	3,753	-
Other Grants and Subsidies.....			-	2,633	-	-	-
Total Funding.....			151,526	112,231	81,945	65,934	89,832

Financial Statements

Income Statement

Revenue

1. The total revenue in the 2025-26 Budget Year is forecast to decrease by \$27.8 million from the 2024-25 Estimated Actual primarily due to the impact of the reduction of electricity credits for residential and small business customers and Pilbara Green Link operating subsidies.

Expenses

2. The total expenses in the 2025-26 Budget Year is forecast to decrease by \$19.4 million from the 2024-25 Estimated Actual primarily due to the reduction of electricity credits for residential and small business customers payments.

Statement of Cashflows

3. The reduction in other payments in the 2025-26 Budget Year is largely due to the electricity credits for residential and small business customers.

INCOME STATEMENT ^(a) (Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	363,155	348,310	347,808	355,644	367,673	376,366	390,757
Other revenue.....	60,334	38,738	38,738	30,825	30,671	31,386	31,909
Tariff Equalisation Contribution.....	197,000	230,000	230,000	242,000	251,000	252,000	252,000
Revenue from Government							
Operating subsidies.....	45,234	29,342	58,002	18,848	20,383	20,838	21,026
Capital subsidies.....	-	4,557	3,134	4,954	4,045	197	-
Other subsidies.....	-	2,470	3,470	1,200	200	200	200
Major Treasurer's Special Purpose Account(s)							
Remote Communities	9,420	9,486	9,486	8,572	-	-	-
Royalties for Regions							
Regional Community Services Fund	35,498	31,182	31,182	31,961	31,961	31,961	31,961
TOTAL REVENUE	710,641	694,085	721,820	694,004	705,933	712,948	727,853
Expenses							
Employee benefits ^(b)	92,878	73,830	89,149	92,353	95,871	98,860	101,728
Grants and subsidies	26,023	24,471	38,507	11,360	5,822	5,966	6,075
Supplies and services.....	350,529	350,567	354,212	353,586	363,489	370,349	378,031
Accommodation.....	5,806	5,809	5,809	4,801	4,926	5,048	5,092
Depreciation and amortisation	118,440	118,527	117,499	119,798	121,050	116,967	110,701
Finance and interest costs.....	59,589	71,266	63,973	66,366	70,614	70,687	71,949
Other expenses	42,836	36,563	37,942	39,478	32,340	33,633	33,910
TOTAL EXPENSES	696,101	681,033	707,091	687,742	694,112	701,510	707,486
NET PROFIT/(LOSS) BEFORE TAX	14,540	13,052	14,729	6,262	11,821	11,438	20,367
National Tax Equivalent Regime							
Current tax equivalent expense	1,904	3,947	4,419	3,080	3,549	3,430	6,112
Deferred tax equivalent expense	3,221	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX.....	9,415	9,105	10,310	3,182	8,272	8,008	14,255
Dividends	-	5,844	6,457	6,019	6,007	6,061	9,523

(a) Full audited financial statements are published in Horizon Power's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 616, 624 and 644 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	168,518	215,005	192,108	234,284	263,149	335,847	404,860
Cash assets - Retained dividends	9,086	9,086	7,635	5,355	5,355	5,355	5,355
Receivables	50,764	45,890	60,465	52,755	51,883	50,989	50,989
Other.....	45,747	27,245	45,747	45,747	45,747	45,747	45,747
Total current assets.....	274,115	297,226	305,955	338,141	366,134	437,938	506,951
NON-CURRENT ASSETS							
Property, plant and equipment.....	1,501,289	1,711,966	1,617,265	1,636,099	1,651,440	1,617,361	1,605,323
Intangibles	222,789	220,285	185,939	234,249	211,701	195,556	187,534
Receivables	3,187	3,252	3,187	3,187	3,187	3,187	3,187
Other investments.....	3,233	2,907	3,233	3,233	3,233	3,233	3,233
Other.....	113,995	116,816	113,995	113,995	113,995	113,995	113,995
Total non-current assets.....	1,844,493	2,055,226	1,923,619	1,990,763	1,983,556	1,933,332	1,913,272
TOTAL ASSETS	2,118,608	2,352,452	2,229,574	2,328,904	2,349,690	2,371,270	2,420,223
CURRENT LIABILITIES							
Employee provisions.....	17,597	20,645	17,597	17,597	17,597	17,597	17,597
Payables	86,936	64,738	86,936	86,936	86,936	86,936	86,936
Borrowings and leases	204,157	141,178	203,979	207,360	197,085	186,749	182,861
Interest payable	1,555	5,774	1,555	1,555	1,555	1,555	1,555
Other.....	21,356	20,766	21,356	21,356	21,356	21,356	21,356
Total current liabilities.....	331,601	253,101	331,423	334,804	324,529	314,193	310,305
NON-CURRENT LIABILITIES							
Employee provisions.....	7,003	3,903	7,003	7,003	7,003	7,003	7,003
Borrowings and leases	959,254	1,215,839	1,005,790	1,094,700	1,111,418	1,131,930	1,168,262
Other.....	160,763	199,831	202,968	198,398	196,025	191,031	188,357
Total non-current liabilities.....	1,127,020	1,419,573	1,215,761	1,300,101	1,314,446	1,329,964	1,363,622
TOTAL LIABILITIES	1,458,621	1,672,674	1,547,184	1,634,905	1,638,975	1,644,157	1,673,927
NET ASSETS	659,987	679,778	682,390	693,999	710,715	727,113	746,296
EQUITY							
Contributed equity.....	425,972	446,968	444,522	458,968	473,419	487,870	502,321
Accumulated surplus/(deficit).....	234,015	232,810	237,868	235,031	237,296	239,243	243,975
TOTAL EQUITY	659,987	679,778	682,390	693,999	710,715	727,113	746,296

(a) Full audited financial statements are published in Horizon Power's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	355,786	346,372	345,870	353,642	365,621	374,263	388,591
Grants and subsidies.....	-	2,277	854	4,954	4,045	197	-
GST receipts.....	57,496	37,844	37,844	38,601	39,566	44,755	46,395
Other receipts.....	63,301	29,064	29,064	24,844	24,711	25,428	25,057
Tariff Equalisation Contribution.....	197,000	230,000	230,000	242,000	251,000	252,000	252,000
Payments							
Employee benefits.....	(93,085)	(73,830)	(89,149)	(92,353)	(95,871)	(98,860)	(101,728)
Supplies and services.....	(360,502)	(349,911)	(353,556)	(352,949)	(362,836)	(369,680)	(377,362)
Accommodation ^(b)	(5,294)	(3,073)	(3,073)	(4,775)	(4,894)	(4,888)	(4,911)
GST payments.....	(59,288)	(37,844)	(37,844)	(38,601)	(39,566)	(44,755)	(46,395)
Finance and interest costs.....	(63,809)	(67,568)	(60,275)	(62,558)	(66,944)	(67,163)	(68,580)
Other payments.....	(59,482)	(61,848)	(77,263)	(51,045)	(35,986)	(39,971)	(37,819)
Net cash from operating activities.....	32,123	51,483	22,472	61,760	78,846	71,326	75,248
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	877	-	-	-	-	-	-
Payments							
Purchase of non-current assets.....	(101,445)	(189,076)	(151,526)	(112,231)	(81,945)	(65,934)	(89,832)
Other payments.....	(326)	-	-	-	-	-	-
Net cash from investing activities.....	(100,894)	(189,076)	(151,526)	(112,231)	(81,945)	(65,934)	(89,832)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	208,000	257,863	211,990	186,776	137,398	161,689	156,763
Payments							
Repayment of borrowings and leases.....	(218,647)	(165,896)	(165,262)	(168,407)	(162,064)	(151,513)	(124,319)
Net cash from financing activities.....	(10,647)	91,967	46,728	18,369	(24,666)	10,176	32,444
CASHFLOWS FROM GOVERNMENT							
Receipts							
Capital subsidies.....	2,280	2,280	2,280	-	-	-	-
Operating subsidies.....	44,604	29,342	51,143	25,707	20,383	20,838	21,026
Equity contributions.....	2,404	-	-	-	14,451	14,451	14,451
Other subsidies.....	1,370	2,470	3,470	1,200	200	200	200
Major Treasurer's Special Purpose Account(s)							
Remote Communities.....	16,875	26,982	26,982	23,018	-	-	-
Royalties for Regions							
Regional Community Services Fund.....	30,570	31,182	31,182	31,961	31,961	31,961	31,961
Regional Infrastructure and Headworks Fund.....	-	-	1,054	-	-	-	-
Payments							
Dividends to Government.....	-	(5,844)	(6,457)	(6,019)	(6,007)	(6,061)	(9,523)
National Tax Equivalent Regime - Income Tax....	(2,556)	(3,947)	(4,419)	(3,080)	(3,549)	(3,430)	(6,112)
Local Government Rates Equivalent.....	(512)	(770)	(770)	(789)	(809)	(829)	(850)
Net cash provided to Government.....	(95,035)	(81,695)	(104,465)	(71,998)	(56,630)	(57,130)	(51,153)
NET INCREASE/(DECREASE) IN CASH HELD.....	15,617	36,069	22,139	39,896	28,865	72,698	69,013
Cash assets at the beginning of the reporting period.....	161,987	188,022	177,604	199,743	239,639	268,504	341,202
Cash assets at the end of the reporting period.....	177,604	224,091	199,743	239,639	268,504	341,202	410,215

(a) Full audited financial statements are published in Horizon Power's Annual Report.

(b) Payment of Local Government Rates Equivalent is included within accommodation expense on the Income Statement; however, within the Statement of Cashflows it is recorded as a payment to Government and not as a payment from operating activities.

Water Corporation

Part 12 Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax	459,121	497,182	485,145	507,371	518,581	482,300	500,964
Local Government Rates Equivalent	7,858	8,575	8,575	8,790	9,009	9,234	9,465
Dividends ^{(a)(b)}	146	842,526	-	1,614,146	877,940	861,920	910,708
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies	605,817	681,355	596,630	756,244	829,711	905,389	893,743
Other Subsidies	42,954	49,307	40,149	12,699	14,781	311	-
Major Treasurer's Special Purpose Account(s)	32,676	33,672	68,654	73,725	23,929	23,929	23,929
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	87,608	59,775	94,030	49,196	10,060	446	420
Major Treasurer's Special Purpose Account(s)	50,218	64,990	27,298	48,977	12,680	-	-
RATIOS							
Dividend Payout Ratio (%)	85	85	85	85	85	85	85
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	2,940,665	2,893,601	2,966,989	3,035,567	3,148,637	3,295,991	3,403,055
Revenue from Government	681,447	764,334	705,433	842,668	868,421	929,629	917,672
Total Expenses ^(c)	2,106,843	2,063,500	2,118,112	2,251,817	2,299,971	2,542,474	2,635,098
Total Borrowings	4,401,646	5,079,348	4,304,471	5,384,600	6,609,262	7,248,111	7,598,864
NET PROFIT AFTER TAX	1,059,865	1,116,607	1,088,519	1,139,005	1,202,490	1,178,729	1,180,467
CASH ASSETS ^(d)	1,127,335	940,969	1,170,998	92,957	284,482	418,662	558,694

(a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) The Corporation will retain dividend payments of \$50 million per annum over 2024-25 to 2027-28 to contribute to the Housing Enabling Infrastructure Fund. The 2024-25 dividend payment will be paid in full in 2025-26.

(c) Excludes current tax expense, deferred tax expense and dividend payments.

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Corporation's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Election Commitment					
Falcon Infill Sewerage	-	-	-	(108)	(448)
Key Adjustments					
Cyber Security and Data Privacy	(4,239)	(57)	-	-	-
Goldfields and Agricultural Water Supply Scheme Upgrade	-	(4,274)	(17,359)	(10,804)	(11,087)
Impact of Climate Change and Population Growth on Water Security and Infrastructure	(548)	(17,125)	(3,510)	42,750	45,376
Increased Asset Maintenance	-	(31,522)	(354)	-	-
Support State Development, including Residential and Industrial Growth	899	(3,920)	(114)	(114)	(115)
Other					
2024-25 Dividend Payment	(779,070)	779,070	-	-	-
Asset Investment Program Recashflow Impact	16,621	25,298	35,507	41,608	43,275
Consumer Price Index/Wage Price Index and Interest Rate Updates	(16,500)	(49,540)	(57,603)	(79,635)	(96,712)
Economic and Cost Pressures	(5,593)	14,706	(15,471)	(55,265)	(19,209)
Reclassification of Capital Expenditure to Operating Expenditure	(15,610)	(38,284)	(53,858)	(75,099)	(16,207)
Regulated and Other Revenue Update, including Operating Subsidies	49,499	14,632	12,244	10,623	7,117
Regulatory and Legal Obligations	-	(250)	(253)	(253)	(253)
Retained Dividends for Housing Enabling Infrastructure Fund	(50,000)	(50,000)	(50,000)	(50,000)	-

Significant Initiatives

Election Commitment

1. The Falcon Infill Sewerage will see the Corporation deliver \$9.7 million of capital works in 2027-28 to provide infill sewerage services to approximately 150 lots in the Falcon area.

Cyber Security and Data Privacy

2. With the advent of artificial intelligence and the advancement of technology, the Corporation continues to be cognisant of the critical importance of cyber security and data privacy. As an operator of critical infrastructure, the Corporation is a significant target and will require increasing investment and effort to combat this threat. A total of \$4.8 million in additional expenditure will strengthen the cyber security program and help eliminate threats to providing services to customers.

Impact of Climate Change and Population Growth on Water Security and Infrastructure

3. Climate change is having an increasing impact on the availability and security of water sources and on many of the Corporation's water supply schemes.
4. The resources sector is driving strong growth in the Goldfields resulting in the need to increase water supply through capacity upgrades to the Goldfields and Agricultural Water Supply Scheme.
5. The Corporation is increasing production at the Southern Seawater Desalination Plant by 20 gegalitres (GL) in 2025-26 to cater for additional demand in the Integrated Water Supply Scheme. The Corporation is also exploring options to mitigate water supply risks and understand immediate and future investment requirements across the State.

Increased Asset Maintenance

6. The Corporation has a significant asset base across Western Australia with a total replacement value of \$48 billion. The 2025-26 Budget includes a \$35 million uplift to the Corporation's maintenance budget.

Support State Development, including Residential and Industrial Growth

7. Water Corporation plays an increasingly important role in supporting State development, including new residential lot development, Westport, Strategic Industrial Areas (in particular, Kwinana, Oakajee, Maitland and Boodarie) mining and new hydrogen investments.

Regulated and Other Revenue, including Operating Subsidies

8. Revenue from regulated service and usage charges is forecast to increase by \$37.6 million in 2024-25. This is largely due to higher-than-expected revenue received in the first half of 2024-25, primarily driven by higher water usage. Water Corporation will continue to monitor water use over the remainder of 2024-25.
9. Developer contributions are forecast to increase over the forward estimates period primarily due to increasing land development forecasts.

Retained Dividends for Housing Enabling Infrastructure Fund

10. The Housing Enabling Infrastructure Fund was established to fund projects that will facilitate the release of residential lots. The Corporation will retain dividend payments of \$50 million per annum over 2024-25 to 2027-28 to contribute to the Fund.

2024-25 Dividend Payment

11. The previously forecast 2024-25 Interim Dividend will form part of the final dividend payment due at the end of December 2025.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between the Corporation's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Sustainably finance our vision.	1. Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities
Made in WA Plan: Diversifying our economy for the future and creating local jobs.	Empowering our people to deliver our best performance.	2. Engaging and enabling our employees to perform at our best
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Safety for customers, communities and employees.	3. Providing safe and secure water to meet or exceed United Nations Sustainable Development Goal 6 4. Improving employee and public safety outcomes
	Local solutions in partnership with communities.	5. Building trust among the communities we serve
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Accelerating environmental sustainability of the water cycle as our climate changes.	6. Accelerating to net zero for scope 1 and 2 greenhouse gas emissions 7. Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities:					
Total cost per property	\$2,379	\$2,412	\$2,438	\$2,576	
Outcome: Engaging and enabling our employees to perform at our best:					
Employee Experience Survey - Engagement ^(a)	70%	n.a.	n.a.	≥70%	
Outcome: Providing safe and secure water to meet or exceed United Nations Sustainable Development Goal 6:					
Customers and communities we serve with access to safe water in line with United Nations Sustainable Development Goal 6	95.9%	96%	95.3%	≥96%	
Outcome: Improving employee and public safety outcomes:					
Total recordable injury frequency rate (per million hours worked) ^(b)	5.6	<3	4.7	4	
Outcome: Building trust among the communities we serve:					
Individual measurement of community trust, across regions and segments (% of customers who rate Water Corporation strongly (7-10))	68%	71%	67%	≥68%	
Outcome: Accelerating to net zero for scope 1 and 2 greenhouse gas emissions:					
Reported greenhouse gas emissions (CO ₂ equivalent kilotonnes) ^(c)	545	557	557	549	
Outcome: Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling:					
Wastewater recycled	19%	21%	21%	21%	

(a) The full Employee Engagement Survey is conducted every two years.

(b) Total recordable injury frequency rate is an estimate based on the year-to-date trend of increased injuries that are temporary in nature, with no ongoing impairment and parties have fully recovered. Overall, this continues to be an area of ongoing focus for the Corporation.

(c) Long-term target of net zero greenhouse gas emissions by 2035. Current measure is consistent with National Greenhouse Energy Reporting Scheme methodology (scope 1 and scope 2, does not include offsets).

Asset Investment Program

1. In 2025-26, \$2.2 billion is committed to asset investment projects across the State. These projects will support the expansion or improvement of the Corporation's services and ensure customers have continued access to reliable, high-quality water, wastewater and drainage services.

Expenditure in the Metropolitan Area

2. A total of \$1.4 billion has been committed to projects across the metropolitan area in 2025-26. Key projects include safeguarding drinking water supply to a growing population as climate change continues to place stress on traditional water sources and expanding facilities to collect and treat wastewater.
3. In 2025-26, \$1.1 billion has been committed to metropolitan water supply and network projects, including:
 - 3.1. \$992.9 million towards the Alkimos Seawater Desalination Plant (ASDP) program of works, which will have the capacity to produce 50 GL of water per annum and the option for future expansion to 100 GL per annum;
 - 3.2. \$19.5 million for the installation or replacement of customer meters; and
 - 3.3. \$12.7 million for critical water reticulation renewals across the metropolitan area, which will minimise the likelihood of asset failures and is expected to stabilise the number of supply interruptions.
4. In 2025-26, \$313 million has been committed to wastewater treatment and network projects in both the northern and southern metropolitan corridors, including:
 - 4.1. \$55.7 million towards an expansion of the Kwinana Water Reclamation Plant to 26.7 megalitres per day (ML/d) to meet increased demand for high quality process water from industrial users;
 - 4.2. \$45.3 million towards the upgrade of the Woodman Point Water Resource Recovery Facility, which will upgrade all aspects of the solids treatment facilities to increase treatment capacity. The project has an estimated total cost of \$285.3 million; and
 - 4.3. \$25.3 million towards an upgrade of the Ellenbrook Barrambie Way pump station capacity and the construction of a new pressure main to cater for growth in the area and reduce the risk of overflows. The project has an estimated total cost of \$72.7 million.

Expenditure in the Regions

5. Regional Western Australia will also continue to see investment in the development and upgrade of water, wastewater and irrigation infrastructure, with a total of \$673 million committed in 2025-26.
6. A total of \$498 million will be spent in 2025-26 on regional water projects, including:
 - 6.1. \$235.1 million towards an upgrade of the Goldfields and Agricultural Water Supply Scheme to deliver an additional 7.2 ML/d to meet demand from current industrial customers and forecast organic growth;
 - 6.2. \$66.6 million towards upgrading the capacity of the Burrup Seawater Supply Scheme to enable supply to Perdaman of up to 25 GL/yr of seawater and accept up to 20 GL/yr of brine for discharge to King Bay. The project has an estimated total cost of \$141.2 million; and
 - 6.3. \$52.2 million towards the construction of a water treatment plant in Onslow, which will have the capacity to produce up to 1.5 million litres of potable water per day. The overall Onslow Town Water Supply project has an estimated total cost of \$135.6 million.
7. A total of \$110 million will be spent in 2025-26 on regional wastewater projects, including:
 - 7.1. \$26.5 million towards the upgrade of Northam Water Resource Recovery Facility (WRRF) to a 2,000 kilolitre per day capacity concrete oxidation ditch to meet long-term growth and regulatory commitments; and
 - 7.2. \$12 million towards the upgrade of Waroona WRRF to address growth and environmental compliance drivers.

8. A total of \$36.2 million will be spent in 2025-26 on regional irrigation projects, including \$35 million to upgrade the Ord Irrigation Scheme to meet the State's obligation to supply water to the Knox development in the Ord Irrigation area. The project has an estimated total cost of \$79.3 million.
9. The Corporation received funding from Government totalling \$14.9 million in 2025-26 for the Remote Aboriginal Communities Accelerated Works program to deliver improved water services to remote and town-based Aboriginal communities.
10. Further funding of \$7.9 million has been received under the Essential and Municipal Services Upgrade Program for the Corporation to deliver more reliable and improved water services to a number of larger remote Aboriginal communities.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
Albert St Drain	13,781	9,396	2,600	2,037	1,198	1,150	-
COVID-19 Response - Remote Aboriginal Communities Accelerated Works	77,992	26,932	6,300	14,900	27,200	5,600	3,360
Essential and Municipal Services Upgrade Program	65,077	26,477	4,501	7,900	14,800	13,100	2,800
Metropolitan							
Drainage							
Capacity	85,420	60,280	3,726	4,694	12,108	6,405	1,933
Renewals	35,926	22,729	1,805	4,555	2,214	2,214	4,214
Wastewater							
Network Capacity	728,446	392,861	72,681	136,854	54,121	57,509	87,101
Network Renewals	236,226	157,255	15,821	28,793	18,533	9,715	21,930
Treatment Capacity	948,193	554,044	180,912	141,189	84,200	87,077	81,683
Treatment Renewals	150,487	93,444	9,737	6,409	16,050	26,102	8,482
Water							
Network Capacity	519,183	294,178	43,175	36,292	59,871	61,234	67,608
Network Renewals	501,896	305,562	83,795	32,596	58,165	64,529	41,044
Supply Capacity	3,252,091	1,016,512	532,611	1,005,987	683,263	303,533	242,796
Supply Renewals	284,090	196,904	54,566	23,212	21,725	19,751	22,498
Regional							
Drainage							
Capacity	34,660	34,659	6	-	-	-	1
Renewals	54,826	27,503	4,900	6,481	6,388	6,795	7,659
Irrigation	140,826	84,555	21,615	36,225	14,635	2,180	3,231
Wastewater							
Network Capacity	123,811	68,606	9,373	21,454	11,046	2,885	19,820
Network Renewals	156,107	65,046	3,460	23,908	21,007	24,527	21,619
Treatment Capacity	294,787	188,505	11,555	51,278	19,996	14,966	20,042
Treatment Renewals	103,127	41,874	7,681	13,390	21,788	10,189	15,886
Water							
Network Capacity	402,172	202,170	49,210	82,972	43,407	25,778	47,845
Network Renewals	905,168	249,486	34,653	264,479	319,451	39,036	32,716
Supply Capacity	712,890	388,577	70,113	128,999	85,026	64,064	46,224
Supply Renewals	106,641	49,710	4,906	21,275	12,202	14,253	9,201
Relocation and Augmentation of Network Assets	297,794	279,977	156,775	17,817	-	-	-
Service							
Business Support Costs	514,835	353,973	28,168	31,812	16,870	43,320	68,860
Capital Support Costs	313,229	194,057	23,862	29,391	28,944	30,267	30,570
Corporate Real Estate	215,696	142,536	18,220	18,290	18,290	18,290	18,290
Energy Infrastructure	322,198	23,037	-	-	94,375	204,786	-
Operational Information and Control	292,420	178,432	30,926	28,526	28,517	28,752	28,193
NEW WORKS							
Election Commitment							
Falcon Infill Sewerage	9,700	-	-	-	-	9,700	-
Total Cost of Asset Investment Program	11,899,695	5,729,277	1,487,653	2,221,715	1,795,390	1,197,707	955,606
FUNDED BY							
Borrowings			(91,234)	1,150,047	1,243,787	634,116	346,003
Capital Appropriation			31,650	16,000	2,900	-	-
Internal Funds and Balances			1,519,939	1,006,691	536,023	563,591	609,603
Major Treasurer's Special Purpose Account(s)							
Royalties for Regions Fund			27,298	48,977	12,680	-	-
Total Funding			1,487,653	2,221,715	1,795,390	1,197,707	955,606

Financial Statements

Income Statement

Revenue

1. Total revenue in the 2025-26 Budget Year is \$205.8 million higher than the 2024-25 Estimated Actual largely due to an increase in the sale of goods and services, increase in the value of assets handed over from developers, and higher operating subsidies and capital subsidies from Government.

Expenses

2. Total expenses in the 2025-26 Budget Year are \$133.7 million higher than the 2024-25 Estimated Actual largely due to increased energy costs, increased operations and maintenance costs to sustain the ageing asset base and the transfer of capital expenditure, largely under the Remote Essential Services Project, to operating expenditure due to accounting treatment considerations.

Statement of Financial Position

3. In the 2025-26 Budget Year, net assets are expected to decrease compared to the 2024-25 Estimated Actual. This is largely due to cash assets reducing as a result of the utilisation of the retained dividend to fund construction of the ASDP (\$993 million) and the 2024-25 dividend payment. Additional borrowings are also forecast in 2025-26 to fund the upgrade of the Goldfields and Agricultural Water Supply Scheme project and to fund further investment in the ASDP as the retained dividend for this purpose was used to repay debt in previous years.

Statement of Cashflows

4. Cash assets at the end of the reporting period in the 2025-26 Budget Year are lower than the 2024-25 Estimated Actual. This is largely due to retained dividends to fund the ASDP (\$993 million) being fully utilised with increased borrowings required, noting that some of the retained dividend was used to pay down debt until required to fund the project, and the 2024-25 interim dividend becoming part of the final dividend payment.

INCOME STATEMENT ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
REVENUE							
Revenue from operations							
Sale of goods and services.....	2,626,396	2,579,372	2,618,497	2,689,390	2,772,827	2,878,847	2,986,449
Other revenue.....	314,269	314,229	348,492	346,177	375,810	417,144	416,606
Revenue from Government							
Operating subsidies.....	605,817	681,355	596,630	756,244	829,711	905,389	893,743
Capital subsidies	18,042	48,707	37,648	7,901	10,043	-	-
Other subsidies.....	24,912	600	2,501	4,798	4,738	311	-
Major Treasurer's Special Purpose Account(s)							
Remote Communities	8,880	10,327	45,309	49,796	-	-	-
Royalties for Regions							
Regional Community Services Fund	23,796	23,345	23,345	23,929	23,929	23,929	23,929
TOTAL REVENUE	3,622,112	3,657,935	3,672,422	3,878,235	4,017,058	4,225,620	4,320,727
Expenses							
Employee benefits ^(b)	483,344	426,688	461,817	469,922	475,660	496,311	476,186
Supplies and services.....	631,176	709,184	752,928	838,298	809,355	920,479	929,589
Accommodation.....	7,858	8,575	8,575	8,790	9,009	9,234	9,465
Depreciation and amortisation	579,115	575,850	575,850	583,571	600,820	627,873	666,145
Finance and interest costs.....	221,123	183,819	181,884	196,100	262,747	334,409	360,285
Other expenses	184,227	159,384	137,058	155,136	142,380	154,168	193,428
TOTAL EXPENSES	2,106,843	2,063,500	2,118,112	2,251,817	2,299,971	2,542,474	2,635,098
NET PROFIT/(LOSS) BEFORE TAX	1,515,269	1,594,435	1,554,310	1,626,418	1,717,087	1,683,146	1,685,629
National Tax Equivalent Regime							
Current tax equivalent expense	459,121	497,182	485,145	507,371	518,581	482,300	500,964
Deferred tax equivalent expense	(3,717)	(19,354)	(19,354)	(19,958)	(3,984)	22,117	4,198
NET PROFIT/(LOSS) AFTER TAX.....	1,059,865	1,116,607	1,088,519	1,139,005	1,202,490	1,178,729	1,180,467
Dividends	146	842,526	-	1,614,146	877,940	861,920	910,708

(a) Full audited financial statements are published in the Corporation's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 4,019, 4,412 and 4,412 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	145,255	172,693	861,246	52,556	188,757	273,092	413,279
Cash assets - Retained dividends	982,080	768,276	309,752	40,401	90,401	140,401	140,401
Restricted cash	-	-	-	-	5,324	5,169	5,014
Receivables	330,823	197,554	331,265	334,472	344,197	354,393	365,856
Other.....	114,934	178,043	117,034	119,234	119,234	119,234	119,234
Total current assets.....	1,573,092	1,316,566	1,619,297	546,663	747,913	892,289	1,043,784
NON-CURRENT ASSETS							
Property, plant and equipment.....	18,545,408	19,796,646	19,601,352	21,394,953	22,765,207	23,517,548	23,991,102
Intangibles	112,635	116,656	112,635	112,635	112,635	112,635	112,635
Receivables	29,441	27,805	29,439	29,439	29,439	29,439	29,439
Total non-current assets.....	18,687,484	19,941,107	19,743,426	21,537,027	22,907,281	23,659,622	24,133,176
TOTAL ASSETS	20,260,576	21,257,673	21,362,723	22,083,690	23,655,194	24,551,911	25,176,960
CURRENT LIABILITIES							
Employee provisions.....	146,442	134,146	158,527	171,148	184,322	198,066	212,586
Payables.....	425,679	372,987	420,949	387,597	364,266	295,393	310,818
Borrowings and leases	18,501	28,835	20,202	20,359	20,416	20,464	20,612
Interest payable.....	39,760	44,794	40,600	41,896	41,896	41,896	41,896
Other.....	29,898	21,816	29,898	29,898	29,898	29,898	29,898
Total current liabilities.....	660,280	602,578	670,176	650,898	640,798	585,717	615,810
NON-CURRENT LIABILITIES							
Employee provisions.....	33,402	33,344	33,402	33,402	33,402	33,402	33,402
Borrowings and leases	4,605,723	5,342,424	4,505,480	5,640,649	6,876,949	7,501,119	7,834,218
Other.....	208,190	199,423	190,837	172,880	170,895	181,268	172,946
Total non-current liabilities.....	4,847,315	5,575,191	4,729,719	5,846,931	7,081,246	7,715,789	8,040,566
TOTAL LIABILITIES	5,507,595	6,177,769	5,399,895	6,497,829	7,722,044	8,301,506	8,656,376
NET ASSETS.....	14,752,981	15,079,904	15,962,828	15,585,861	15,933,150	16,250,405	16,520,584
EQUITY							
Contributed equity.....	397,446	529,365	518,774	616,947	639,687	640,133	640,553
Accumulated surplus/(deficit).....	7,028,817	7,223,861	8,117,336	7,642,195	7,966,745	8,283,554	8,553,313
Reserves	7,326,718	7,326,678	7,326,718	7,326,719	7,326,718	7,326,718	7,326,718
TOTAL EQUITY	14,752,981	15,079,904	15,962,828	15,585,861	15,933,150	16,250,405	16,520,584

(a) Full audited financial statements are published in the Corporation's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	2,582,850	2,604,958	2,644,895	2,681,599	2,764,469	2,863,734	2,970,995
Grants and subsidies.....	-	730	6,881	16,277	12,975	8,830	-
GST receipts.....	145,694	117,589	117,589	117,589	117,589	117,590	117,590
Other receipts.....	207,761	195,076	215,389	208,589	229,753	260,905	264,146
Payments							
Employee benefits.....	(467,799)	(422,767)	(446,755)	(454,233)	(459,326)	(473,175)	(458,320)
Supplies and services.....	(639,619)	(709,184)	(752,928)	(838,298)	(809,355)	(920,479)	(929,589)
GST payments.....	(152,206)	(118,127)	(118,127)	(118,127)	(118,127)	(118,127)	(118,127)
Finance and interest costs.....	(241,728)	(204,301)	(202,963)	(223,615)	(288,632)	(361,180)	(387,459)
Other payments.....	(213,056)	(177,175)	(156,107)	(162,527)	(151,206)	(167,715)	(219,384)
Net cash from operating activities.....	1,221,897	1,286,799	1,307,874	1,227,254	1,298,140	1,210,383	1,239,852
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	21,382	1,601	1,601	1,600	1,600	1,600	1,600
Payments							
Purchase of non-current assets.....	(873,917)	(1,702,964)	(1,487,653)	(2,221,715)	(1,795,390)	(1,197,707)	(955,606)
Net cash from investing activities.....	(852,535)	(1,701,363)	(1,486,052)	(2,220,115)	(1,793,790)	(1,196,107)	(954,006)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	-	963,082	502,986	1,735,401	1,979,963	1,542,640	1,340,132
Payments							
Repayment of borrowings and leases.....	(651,596)	(667,050)	(607,472)	(599,510)	(750,472)	(922,902)	(1,008,755)
Other payments.....	(7,459)	(7,579)	(7,579)	(7,724)	(7,746)	(7,579)	(7,205)
Net cash from financing activities.....	(659,055)	288,453	(112,065)	1,128,167	1,221,745	612,159	324,172
CASHFLOWS FROM GOVERNMENT							
Receipts							
Capital subsidies.....	-	10,746	13,800	3,450	-	-	-
Operating subsidies.....	694,310	681,355	596,630	756,244	829,711	905,389	893,743
Equity contributions.....	87,608	59,775	94,030	49,196	10,060	446	420
Other subsidies.....	55,462	600	6,100	3,548	2,700	-	-
Major Treasurer's Special Purpose Account(s)							
Remote Communities.....	28,214	45,309	45,309	49,796	-	-	-
Royalties for Regions							
Regional Community Services Fund.....	23,796	23,345	22,725	23,929	23,929	23,929	23,929
Regional Infrastructure and Headworks Fund.....	30,884	30,008	27,298	48,977	12,680	-	-
Payments							
Dividends to Government.....	(146)	(842,522)	-	(1,614,143)	(877,941)	(861,920)	(910,708)
National Tax Equivalent Regime - Income Tax....	(447,623)	(481,185)	(463,411)	(525,554)	(526,700)	(550,865)	(467,905)
Local Government Rates Equivalent.....	(7,858)	(8,575)	(8,575)	(8,790)	(9,009)	(9,234)	(9,465)
Net cash provided to Government.....	(464,647)	481,144	(333,906)	1,213,347	534,570	492,255	469,986
NET INCREASE/(DECREASE) IN CASH HELD.....	174,954	(607,255)	43,663	(1,078,041)	191,525	134,180	140,032
Cash assets at the beginning of the reporting period.....	952,381	1,548,224	1,127,335	1,170,998	92,957	284,482	418,662
Cash assets at the end of the reporting period.....	1,127,335	940,969	1,170,998	92,957	284,482	418,662	558,694

(a) Full audited financial statements are published in the Corporation's Annual Report.

Bunbury Water Corporation

Part 12 Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax	2,039	2,621	1,726	3,814	6,222	3,022	2,282
Local Government Rates Equivalent	73	72	75	78	80	82	85
Dividends ^{(a)(b)}	-	1,190	2,922	6,559	14,656	6,423	3,564
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies	4,737	5,981	6,010	9,168	8,756	8,988	9,224
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	-	-	-	5,325	13,889	2,909	-
RATIOS							
Dividend Payout Ratio (%)	-	85	85	85	85	85	85
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	21,679	18,757	26,035	34,831	23,356	20,655	21,324
Revenue from Government	4,737	5,981	6,010	9,168	8,756	8,988	9,224
Total Expenses ^(c)	20,768	19,699	21,293	20,873	21,901	23,127	23,723
Total Borrowings	4,272	4,873	3,523	2,761	11,988	10,381	8,226
NET PROFIT AFTER TAX	4,212	3,779	9,564	19,757	4,565	4,067	5,119
CASH ASSETS ^(d)	24,521	3,000	24,680	23,310	6,701	7,085	7,537

(a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) Bunbury Water Corporation (Aqwest) retained its 2023-24 dividend payments to contribute to funding future infrastructure investment.

(c) Excludes current tax expense, deferred tax expense and dividend payments.

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Aqwest's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Key Adjustment					
Bunbury Water Resource Recovery Scheme	-	5,325	13,889	2,909	-
Other					
Economic Conditions and Other Cost Drivers	(691)	(239)	(84)	(457)	(1,564)
Water Sales and Demand	1,732	-	-	-	-
Water Tariffs Operating Subsidy Increase.....	(22)	(665)	370	(41)	(39)

Significant Initiatives

Bunbury Water Resource Recovery Scheme

1. Aqwest has secured \$24.9 million in Commonwealth Government funding from the National Water Grid Fund for the Bunbury Water Resource Recovery Scheme. The tax and dividend payable to the State on this funding will be reimbursed to Aqwest through equity contributions totalling \$22.1 million. The project will provide recycled water infrastructure for the irrigation of public open space. These are key initiatives for climate change adaptation and water security in the region and are strongly supported by all local governments and other key stakeholders.

Water Sales and Demand

2. Water consumption in 2023-24 was the highest on record, which resulted in Aqwest exceeding its water allocation. This significant increase in annual water production was associated with one of the driest periods recorded in the Bunbury region between October 2023 and May 2024.

Economic Conditions and Other Cost Drivers

3. Cost of sales have increased and are forecast to further increase, mainly due to operating and maintenance contracts increasing at rates greater than the Consumer Price Index.
4. The growing challenges of cyber security and emerging technologies also present cost increases. These challenges include the increasing incidence of cyber attacks and ensuring customer and business information remains secure and private.
5. The volatile labour market continues to present challenges for workforce resourcing and increasing turnover costs. Aqwest maintains a Strategic Workforce Plan that outlines strategies to address workforce risks, including attraction and retention, turnover and changes in business demands.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between Aqwest's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Utilise our assets to generate sustainable and responsible financial outcomes.	1. Long-term financial viability
	Maintain safe, reliable and affordable water services for our customers.	2. Satisfied customers
Made in WA Plan: Diversifying our economy for the future and creating local jobs.	Support the Greater Bunbury economy.	3. Local jobs and local suppliers
	Develop innovation opportunities within the circular economy.	4. Highly skilled and diverse workforce
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Provide accessibility and support for employees, vulnerable customers and the Greater Bunbury community.	5. Strong supported community
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Provide climate-resilient, sustainable, fit-for-purpose water to the community.	6. Safe, reliable, high-quality drinking water 7. Safe, reliable, recycled water available 8. Environmentally sustainable operations

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Long-term financial viability:					
Economic real rate of return ^(a)	3.3%	3.2%	4.1%	n.a.	
Return on assets ^(a)	n.a.	n.a.	n.a.	5%	
Return on equity ^(a)	n.a.	n.a.	n.a.	5%	
Outcome: Satisfied customers:					
Overall customer satisfaction rating (Customer satisfaction survey) ^(b)	87%	85%	n.a.	85%	
Outcome: Local jobs and local suppliers:					
Percentage of local suppliers (Buy Local Policy target) ^(c)	50%	70%	70%	70%	
Outcome: Highly skilled and diverse workforce:					
Increase direct employment by >2% per annum ^(d)	6%	>2%	5%	>2%	
Training expenditure per annum against salaries and wages.....	3.3%	>3%	>3%	>3%	
Safety index.....	1	1	1	1	
Outcome: Strong supported community:					
Customer awareness of Aqwest services (Customer satisfaction survey) ^(b)	94%	85%	n.a.	85%	
Employee diversity and wellbeing index.....	1	1	1	1	
Strong communities index	1	1	1	1	
Outcome: Safe, reliable, high-quality drinking water:					
Customers agree water is safe to drink (Customer satisfaction survey) ^(b)	83%	85%	n.a.	85%	
Microbiological compliance.....	100%	100%	100%	100%	
Average frequency of an unplanned interruption (per 1,000 properties)	182	<250	<250	<250	
Outcome: Safe, reliable, recycled water available:					
Make available 2GL of recycled water per annum.....	nil	nil	nil	nil	1
Progress the development of a proof of concept for Managed Aquifer Recharge ^(e)	Yes	n.a.	Yes	Yes	
Conduct Managed Aquifer Recharge Trials ^(e)	n.a.	Yes	No	n.a.	
Outcome: Environmentally sustainable operations:					
Environmental sustainability index	0.5	1	1	1	

(a) Economic Real Rate of Return replaced with new indicators Return on Assets and Return on Equity in line with National Water Performance reporting handbook 2023.

(b) Annual customer survey to be completed in June 2025.

(c) For goods and services that are available in the region.

(d) This indicator targets an increase in full-time jobs by decreasing contracted work without negatively impacting on operating expenses.

(e) Indicators have been combined, proof of concept is underway for future Managed Aquifer Recharge trials, which are not expected to occur in 2025-26.

Explanation of Significant Movements

(Notes)

1. The Bunbury Water Resource Recovery Scheme is expected to be completed in 2027-28 therefore no recycled water will be produced in 2025-26.

Asset Investment Program

1. Aqwest's Asset Investment Program totals \$64.1 million over the forward estimates period and is a continuance of Aqwest's long-term plan to deliver quality community services by developing and maintaining infrastructure to meet the water supply needs of the City of Bunbury.
2. The total investment over the forward estimates period includes:
 - 2.1. \$44.9 million for the Bunbury Water Resource Recovery Scheme. The scheme will provide recycled water for the irrigation of public open spaces, reducing the impact on groundwater sources;
 - 2.2. \$7.3 million to refurbish and maintain existing water storage and treatment infrastructure;
 - 2.3. \$4.6 million to replace ageing water mains; and
 - 2.4. \$1.9 million to continue planning the Robertson Water Treatment Plant production upgrade (Treatment Plants program).

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
Treatment Plants - Fluoridation	10,158	8,158	2,619	2,000	-	-	-
Water Resource Recovery Scheme	55,664	10,762	2,000	16,505	28,397	-	-
COMPLETED WORKS							
2024-25 Programs							
Fleet, ICT and Other	1,304	1,304	1,304	-	-	-	-
Mains	2,069	2,069	2,069	-	-	-	-
Reservoirs	665	665	665	-	-	-	-
Services	118	118	118	-	-	-	-
Treatment Plants	796	796	796	-	-	-	-
NEW WORKS							
Fleet, ICT and Other							
2025-26 Program	1,008	-	-	1,008	-	-	-
2026-27 Program	1,010	-	-	-	1,010	-	-
2027-28 Program	442	-	-	-	-	442	-
2028-29 Program	539	-	-	-	-	-	539
Mains							
2025-26 Program	1,019	-	-	1,019	-	-	-
2026-27 Program	1,051	-	-	-	1,051	-	-
2027-28 Program	1,071	-	-	-	-	1,071	-
2028-29 Program	1,435	-	-	-	-	-	1,435
Reservoirs							
2025-26 Program	800	-	-	800	-	-	-
2026-27 Program	950	-	-	-	950	-	-
2027-28 Program	800	-	-	-	-	800	-
2028-29 Program	100	-	-	-	-	-	100
Services							
2025-26 Program	66	-	-	66	-	-	-
2026-27 Program	69	-	-	-	69	-	-
2027-28 Program	70	-	-	-	-	70	-
2028-29 Program	223	-	-	-	-	-	223
Treatment Plants							
2025-26 Program	1,868	-	-	1,868	-	-	-
2026-27 Program	2,552	-	-	-	2,552	-	-
2027-28 Program	880	-	-	-	-	880	-
2028-29 Program	1,285	-	-	-	-	-	1,285
Total Cost of Asset Investment Program	88,012	23,872	9,571	23,266	34,029	3,263	3,582
FUNDED BY							
Borrowings			1,350	5,120	-	-	-
Commonwealth Grants			6,000	15,650	3,278	-	-
Internal Funds and Balances			2,221	2,496	30,751	3,263	3,582
Total Funding			9,571	23,266	34,029	3,263	3,582

Financial Statements

Income Statement

Revenue

- Other revenue is forecast to increase over the period from 2024-25 to 2025-26 due to Commonwealth funding receipts for the Bunbury Water Resource Recovery Scheme.

Expenses

- Operating expenditure forecasts are driven by cyclical operational requirements and market and compliance cost pressures.
- Current income tax equivalent and dividends are forecast to increase over the period from 2024-25 to 2026-27 due to amounts payable on Commonwealth funding receipts for the Bunbury Water Resource Recovery Scheme. These will be reimbursed to Aqwest via equity contributions.

Statement of Financial Position

- Aqwest's financial position remains stable over the forward estimates period.
- In 2024-25 and 2025-26, higher cash balances are anticipated while funds are reserved for the advancement of the Bunbury Water Resource Recovery Scheme.

Statement of Cashflows

- Aqwest's cash position is forecast to remain positive over the forward estimates period.

INCOME STATEMENT ^(a) (Controlled)

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	18,951	17,147	17,089	17,717	18,190	18,681	19,177
Other revenue.....	2,728	1,610	8,946	17,114	5,166	1,974	2,147
Revenue from Government							
Operating subsidies.....	4,737	5,981	6,010	9,168	8,756	8,988	9,224
TOTAL REVENUE	26,416	24,738	32,045	43,999	32,112	29,643	30,548
Expenses							
Employee benefits ^(b)	6,117	6,770	6,773	7,376	7,320	7,588	7,591
Supplies and services.....	5,990	4,478	5,754	4,830	5,335	5,405	5,935
Accommodation.....	1,614	1,356	1,442	1,571	1,563	1,610	1,662
Depreciation and amortisation.....	4,776	4,868	4,868	4,563	5,273	5,568	5,516
Finance and interest costs.....	129	105	105	80	53	466	419
Other expenses	2,142	2,122	2,351	2,453	2,357	2,490	2,600
TOTAL EXPENSES	20,768	19,699	21,293	20,873	21,901	23,127	23,723
NET PROFIT/(LOSS) BEFORE TAX	5,648	5,039	10,752	23,126	10,211	6,516	6,825
National Tax Equivalent Regime							
Current tax equivalent expense	2,039	2,621	1,726	3,814	6,222	3,022	2,282
Deferred tax equivalent expense	(603)	(1,361)	(538)	(445)	(576)	(573)	(576)
NET PROFIT/(LOSS) AFTER TAX	4,212	3,779	9,564	19,757	4,565	4,067	5,119
Dividends	-	1,190	2,922	6,559	14,656	6,423	3,564

(a) Full audited financial statements are published in Aqwest's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 53, 55 and 62 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	24,521	2,414	24,094	22,724	6,115	6,499	6,951
Cash assets - Retained dividends	-	586	586	586	586	586	586
Receivables	4,182	3,165	4,308	4,437	4,568	4,705	4,846
Other.....	1,159	1,166	1,193	1,230	1,267	1,305	1,344
Total current assets.....	29,862	7,331	30,181	28,977	12,536	13,095	13,727
NON-CURRENT ASSETS							
Property, plant and equipment.....	142,033	171,520	159,350	177,666	206,323	205,034	203,005
Other.....	12,466	-	-	-	-	-	-
Total non-current assets.....	154,499	171,520	159,350	177,666	206,323	205,034	203,005
TOTAL ASSETS	184,361	178,851	189,531	206,643	218,859	218,129	216,732
CURRENT LIABILITIES							
Employee provisions.....	1,083	1,252	1,116	1,150	1,184	1,219	1,255
Payables.....	2,904	2,004	2,991	3,081	3,171	3,266	3,364
Borrowings and leases	1,054	1,206	1,094	1,135	1,733	2,015	2,466
Interest payable	6	-	-	-	-	-	-
Total current liabilities.....	5,047	4,462	5,201	5,366	6,088	6,500	7,085
NON-CURRENT LIABILITIES							
Employee provisions.....	152	89	170	175	180	185	191
Borrowings and leases	4,343	4,488	3,250	2,114	10,381	9,254	6,287
Other.....	14,138	11,470	13,587	13,142	12,566	11,993	11,417
Total non-current liabilities.....	18,633	16,047	17,007	15,431	23,127	21,432	17,895
TOTAL LIABILITIES	23,680	20,509	22,208	20,797	29,215	27,932	24,980
NET ASSETS	160,681	158,342	167,323	185,846	189,644	190,197	191,752
EQUITY							
Contributed equity.....	33,120	33,120	33,120	38,445	52,334	55,243	55,243
Accumulated surplus/(deficit).....	53,811	54,579	60,453	73,651	63,560	61,204	62,759
Reserves	73,750	70,643	73,750	73,750	73,750	73,750	73,750
TOTAL EQUITY	160,681	158,342	167,323	185,846	189,644	190,197	191,752

(a) Full audited financial statements are published in Aqwest's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	17,926	18,079	18,166	18,587	19,084	19,596	20,125
Grants and subsidies.....	-	-	6,000	15,650	3,278	-	-
GST receipts.....	1,594	3,115	3,115	1,211	1,057	1,057	1,084
Other receipts.....	2,468	1,116	1,482	449	455	462	469
Payments							
Employee benefits.....	(6,663)	(6,728)	(6,728)	(7,317)	(7,259)	(7,525)	(7,526)
Supplies and services.....	(1,589)	(2,283)	(2,958)	(2,338)	(2,335)	(2,474)	(2,477)
Accommodation ^(b)	(1,403)	(1,284)	(1,367)	(1,493)	(1,483)	(1,528)	(1,577)
GST payments.....	(1,730)	(3,115)	(3,115)	(1,211)	(1,057)	(1,057)	(1,083)
Finance and interest costs.....	(130)	(63)	(63)	(51)	(39)	(436)	(388)
Other payments.....	(6,161)	(4,213)	(5,024)	(4,843)	(4,879)	(4,859)	(5,360)
Net cash from operating activities.....	4,312	4,624	9,508	18,644	6,822	3,236	3,267
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	53	-	-	-	-	-	-
Payments							
Purchase of non-current assets.....	(9,118)	(18,713)	(9,571)	(23,266)	(34,029)	(3,263)	(3,582)
Net cash from investing activities.....	(9,065)	(18,713)	(9,571)	(23,266)	(34,029)	(3,263)	(3,582)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	-	1,350	-	-	10,000	-	-
Payments							
Repayment of borrowings and leases.....	(1,016)	(1,065)	(1,065)	(790)	(1,089)	(1,959)	(2,026)
Net cash from financing activities.....	(1,016)	285	(1,065)	(790)	8,911	(1,959)	(2,026)
CASHFLOWS FROM GOVERNMENT ACTIVITIES							
Receipts							
Operating subsidies.....	4,737	5,981	6,010	9,168	8,756	8,988	9,224
Equity contributions.....	-	-	-	5,325	13,889	2,909	-
Payments							
Dividends to Government.....	-	(1,190)	(2,922)	(6,559)	(14,656)	(6,423)	(4,064)
National Tax Equivalent Regime - Income Tax....	(913)	(2,621)	(1,726)	(3,814)	(6,222)	(3,022)	(2,282)
Local Government Rates Equivalent.....	(73)	(72)	(75)	(78)	(80)	(82)	(85)
Net cash provided to Government.....	(3,751)	(2,098)	(1,287)	(4,042)	(1,687)	(2,370)	(2,793)
NET INCREASE/(DECREASE) IN CASH HELD.....	(2,018)	(11,706)	159	(1,370)	(16,609)	384	452
Cash assets at the beginning of the reporting period.....	26,539	14,706	24,521	24,680	23,310	6,701	7,085
Cash assets at the end of the reporting period.....	24,521	3,000	24,680	23,310	6,701	7,085	7,537

(a) Full audited financial statements are published in Aqwest's Annual Report.

(b) Payment of Local Government Rates Equivalent is included within accommodation expense on the Income Statement; however, within the Statement of Cashflows it is recorded as a payment to Government and not as a payment from operating activities.

Busselton Water Corporation

Part 12 Utilities

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax	1,619	1,592	2,243	1,754	1,828	5,010	1,327
Local Government Rates Equivalent	68	70	70	77	79	81	83
Dividends ^{(a)(b)}	-	1,770	3,646	5,717	4,472	4,662	12,774
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies	752	4,253	4,386	4,359	4,756	5,400	6,582
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contributions	-	-	-	437	1,553	1,632	4,316
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	17,174	15,091	17,620	18,151	18,383	30,762	17,233
Revenue from Government	752	4,253	4,386	4,359	4,756	5,400	6,582
Total Expenses ^(c)	11,450	13,197	13,255	15,407	15,582	17,095	18,606
Total Borrowings	-	-	-	1,325	1,602	15,709	31,265
NET PROFIT AFTER TAX	4,857	4,555	6,508	5,349	5,729	14,057	3,882
CASH ASSETS ^(d)	19,835	11,146	12,171	6,422	7,014	6,978	4,575

(a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) The Corporation retained its 2023-24 dividend payments to contribute to funding future infrastructure investment.

(c) Excludes current tax expense, deferred tax expense and dividend payments.

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Corporation's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Key Adjustments					
Concessions Rebates Operating Subsidy	(112)	31	3	(4)	(9)
Non-Residential Water Tariff Increase	-	46	165	171	178
Regulated Revenue Update 2025-26	-	32	91	98	213
Residential and Non-Residential Water Tariff Operating Subsidy	-	-	-	-	(879)
Revenue Adjustment Bulk Water Sales	195	770	991	1,045	1,090
Other					
Board Member Remuneration Update	(2)	(5)	-	-	-
Commonwealth Government Grant Funding for Busselton Water Supply Improvement Program	437	1,553	1,632	4,816	8,925
Dividend Adjustment 2023-24	1,876	-	-	-	-
Miscellaneous Fees and Charges	-	(8)	(27)	(30)	(37)
Operating Expenditure Adjustments	-	(543)	(1,984)	(1,830)	(1,586)

Significant Initiatives

Adapting to Climate Change and Managing Water Security

1. The Corporation is implementing mitigation strategies and adapting its operations to secure sustainable long-term water supply for the Greater Busselton Area. These include:
 - 1.1. investment in 'behind the meter' renewable energy and variable speed pumps to increase energy efficiency and contribute towards to 2030 interim and 2050 net zero targets under the Western Australian Climate Policy;
 - 1.2. promoting the Corporation's water literacy campaign and water use efficiency measures to reduce consumption;
 - 1.3. investing in technology and operational programs to minimise water network water losses;
 - 1.4. planning to transition from coastal bores to inland bores to combat saltwater intrusion;
 - 1.5. upgrading infrastructure to address growing water demand; and
 - 1.6. collaboration with Water and Environmental Regulation to determine the sustainable long-term public water supply allocation for the Busselton-Capel Yarragadee groundwater system.
2. The Corporation is also investing to adapt to and mitigate climate change and meet increases in demand due to growth by contributing more than 80% of the capital investment program to 2028-29.

Transition to Cost Reflective Water Pricing to Offset Increase in Infrastructure Costs

3. The Corporation receives an operating subsidy to address the gap between the revenue needed to cover the costs of supplying water and to achieve the regulatory rate of return on assets.
4. Residential water prices (which make up approximately 78% of the Corporation's revenue) are set using the Government's household model, which currently sets price increases to 2.5%.
5. Increases in labour, material and operating costs are higher than revenue increases putting pressure on capacity to recover costs for water services in the region.
6. Commercial performance can be maintained under the household model, but the operating subsidy will rise to \$7.6 million per annum by 2033-34 to cover the shortfall.

New Technology and Cyber Security

7. The Corporation is boosting investment in cyber security and technology to enhance efficiency and meet customer expectations. The Corporation is collaborating with government bodies like the Office of Digital Government and the Australian Cyber Security Centre, ensuring new systems remain compliant with security policies and legislation.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the Government Trading Enterprise (GTE).

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between the Corporation's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	We are financially stable in the long term.	1. Return value to our shareholder (government) 2. Deliver efficient and effective lowest whole-of-life cost
Made in WA Plan: Diversifying our economy for the future and creating local jobs.	People are the core of our organisation, driving everything we do.	3. Provide a safe and supportive workplace 4. Build a diverse and inclusive workforce
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	We are easy to deal with and connect to.	5. Building value in the community 6. Improve connection with our customers
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	We are committed to secure water resources for our customers with minimal impact on the environment.	7. Addressing climate change 8. Reduce our footprint 9. Secure water for tomorrow

Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Outcome: Return value to our shareholder (government):					
Economic real rate of return ^(a)	5.99%	n.a.	8.3%	3.5%	
Outcome: Deliver efficient and effective lowest whole-of-life cost:					
Return on fixed assets ^(a)	4.2%	n.a.	5.16%	3.5%	
Outcome: Provide a safe and supportive workplace:					
Workers' compensation injury frequency rate ^(a)	nil	n.a.	nil	4	
Outcome: Build a diverse and inclusive workforce:					
Aggregated Diversity Score ^{(a) (b)}	0.6	n.a.	0.6	0.6	
Outcome: Building value in the community:					
Customer Service Response Index ^{(a) (c)}	99%	n.a.	99%	95%	
Operational Response Index ^{(a) (d)}	99%	n.a.	99%	95%	
Outcome: Improve connection with our customers:					
Number of complaints per 1000 customers (rolling average)	1.04	<5	1.04	<5	
Outcome: Addressing climate change:					
Percentage of 2020 GHG emissions ^(a)	60%	n.a.	57%	57%	
Outcome: Reduce our footprint:					
Energy use per 1000 litres of water produced kWh/KL	0.44	≤0.6	0.42	≤0.42	
Outcome: Secure water for tomorrow:					
Available water source allocation ^{(a) (e)}	15%	n.a.	13.5%	10%	
Drinking water quality compliance with health standards	100%	100%	100%	100%	

- (a) New key performance indicators. The 2023-24 Actual and 2024-25 Estimated Actual have been calculated for comparative purposes.
- (b) The diversity index ratio includes measures for age, gender, nationality and first nations employment against make up of local population.
- (c) This is an index ratio which includes measures for managing customer, developer, regulator and ministerial enquiries against the Corporation's customer commitments.
- (d) This is an index ratio which includes measures for response times to water leaks and water quality complaints against the Corporation's customer commitments.
- (e) This indicator is a measure of 'headroom' in water source, reflecting the remaining percentage of water available within the Corporation's current license allocation.

Asset Investment Program

- The Corporation's Asset Investment Program (AIP) totals \$62.5 million and will enable the Corporation to continue to support a strong regional economy.
- Key projects over the forward estimates period include:
 - \$7.4 million for the replacement and maintenance of tanks and delivery pumps used to store treated water, and to ensure greater efficiency of energy consumption;
 - \$6.6 million for preliminary works including design and detail relating to the development of a new Inland Borefield and Water Treatment Plant (Plant 8) adjacent to the Busselton Regional Airport. Construction works will commence in 2027-28 with \$41.1 million to be invested over 2027-28 and 2028-29;
 - \$2.2 million for the installation of new connections, new meters, and ongoing meter replacement;

- 2.4. \$2.1 million to upgrade reticulation mains and services within the network;
- 2.5. \$2.1 million for the ongoing upgrade and renewal of mobile plant and vehicles;
- 2.6. \$602,000 for ICT, including upgrades; and
- 2.7. \$293,000 for upgrades to buildings and associated infrastructure.
3. This AIP ensures that existing infrastructure is maintained, and new infrastructure is provided to maintain water supplies and sustain growth into the future.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
WORKS IN PROGRESS							
New Mains and Services - 2024-25 Program	619	539	539	-	-	-	-
Plant, Mobile and Other Purchases - 2024-25 Program	1,396	990	990	-	-	-	-
Treatment Plants - Inland Borefield Transition - New Water Treatment Plant (Plant 8)	52,299	4,494	4,242	6,086	521	26,917	14,281
COMPLETED WORKS							
Building, Land and Land Improvements - 2024-25 Program	158	158	158	-	-	-	-
ICT - 2024-25 Program	508	508	508	-	-	-	-
New Connections and Meters - 2024-25 Program	1,013	1,013	1,013	-	-	-	-
New Mains and Services - Caves Road Mains Upgrade	1,625	1,625	1,625	-	-	-	-
Treatment Plants 2024-25 Program	395	395	395	-	-	-	-
New Storage Tank at Plant 4	3,500	3,500	3,500	-	-	-	-
NEW WORKS							
Building, Land and Land Improvements 2025-26 Program	159	-	-	159	-	-	-
2026-27 Program	134	-	-	-	134	-	-
ICT 2025-26 Program	302	-	-	302	-	-	-
2026-27 Program	100	-	-	-	100	-	-
2027-28 Program	100	-	-	-	-	100	-
2028-29 Program	100	-	-	-	-	-	100
New Connections and Meters 2025-26 Program	812	-	-	812	-	-	-
2026-27 Program	532	-	-	-	532	-	-
2027-28 Program	411	-	-	-	-	411	-
2028-29 Program	411	-	-	-	-	-	411
New Mains and Services 2025-26 Program	1,439	-	-	1,519	-	-	-
2026-27 Program	267	-	-	-	267	-	-
2027-28 Program	175	-	-	-	-	175	-
2028-29 Program	175	-	-	-	-	-	175
Plant, Mobile and Other Purchases 2025-26 Program	371	-	-	777	-	-	-
2026-27 Program	300	-	-	-	300	-	-
2027-28 Program	528	-	-	-	-	528	-
2028-29 Program	528	-	-	-	-	-	528
Treatment Plants 2025-26 Program	1,776	-	-	389	-	-	-
2026-27 Program	3,648	-	-	-	4,611	-	-
2027-28 Program	984	-	-	-	-	1,408	-
2028-29 Program	984	-	-	-	-	-	984
Total Cost of Asset Investment Program	75,749	13,222	12,970	10,044	6,465	29,539	16,479
FUNDED BY							
Asset Sales			122	264	150	232	99
Borrowings			-	1,325	277	14,107	14,281
Commonwealth Grants			1,750	1,750	2,065	14,000	-
Internal Funds and Balances			11,098	6,705	3,973	1,200	2,099
Total Funding			12,970	10,044	6,465	29,539	16,479

Financial Statements

Income Statement

Revenue

1. The increase in total revenue over the forward estimates period is largely driven by the water tariff price increase path, operating subsidy requirements and sustained population growth in the region, resulting in additional service connections and higher consumption.

Expenses

2. Growth in expenditure over the forward estimates period is reflective of the additional cost of producing and distributing higher volumes of water.
3. Current market conditions are resulting in higher costs for materials and labour and delays in sourcing materials and contractors.
4. Employment costs will increase due to wages growth reflective of enterprise negotiations and an increase in full-time equivalents.

Statement of Financial Position

5. The Statement of Financial Position shows a stable equity position over the forward estimates period.
6. Cash assets are expected to decrease over the forward estimates period, indicative of the extensive asset investment program being undertaken. This trend is reflected in the increased balances of property, plant, and equipment recorded over the same timeframe.

Statement of Cashflows

7. Net cash from operating activities remains positive due partly in response to anticipated growth in water sales because of sustained population and consequently demand growth in the region. Expenditure increases are limited to the cost of producing and distributing higher volumes of water.

INCOME STATEMENT ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	13,162	12,190	12,969	13,808	14,225	14,648	15,055
Other revenue.....	4,012	2,901	4,651	4,343	4,158	16,114	2,178
Revenue from Government							
Operating subsidies.....	752	4,253	4,386	4,359	4,756	5,400	6,582
TOTAL REVENUE	17,926	19,344	22,006	22,510	23,139	36,162	23,815
Expenses							
Employee benefits ^(b)	4,765	5,492	5,500	5,997	6,245	6,430	6,610
Supplies and services.....	2,542	3,426	3,426	4,060	3,965	4,058	4,075
Accommodation.....	808	725	725	1,127	1,156	1,185	1,214
Depreciation and amortisation.....	2,355	2,374	2,374	2,644	2,693	2,757	2,822
Finance and interest costs.....	2	3	3	18	14	1,101	2,178
Other expenses	978	1,177	1,227	1,561	1,509	1,564	1,707
TOTAL EXPENSES	11,450	13,197	13,255	15,407	15,582	17,095	18,606
NET PROFIT/(LOSS) BEFORE TAX.....	6,476	6,147	8,751	7,103	7,557	19,067	5,209
National Tax Equivalent Regime - Current tax equivalent expense	1,619	1,592	2,243	1,754	1,828	5,010	1,327
NET PROFIT/(LOSS) AFTER TAX.....	4,857	4,555	6,508	5,349	5,729	14,057	3,882
Dividends	-	1,770	3,646	5,717	4,472	4,662	12,774

(a) Full audited financial statements are published in the Corporation's Annual Report.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 35, 40 and 42 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	12,380	7,229	8,216	2,467	3,059	3,023	620
Cash assets - Retained dividends	7,455	3,917	3,955	3,955	3,955	3,955	3,955
Receivables	4,949	3,687	4,949	4,949	3,849	2,549	2,549
Other.....	1,707	1,446	1,707	1,707	1,707	1,707	1,707
Total current assets.....	26,491	16,279	18,827	13,078	12,570	11,234	8,831
NON-CURRENT ASSETS							
Property, plant and equipment.....	113,466	120,500	124,059	131,400	135,198	161,735	175,281
Intangibles	121	243	171	136	100	113	125
Other.....	2,012	1,053	2,012	2,012	2,012	2,012	2,012
Total non-current assets.....	115,599	121,796	126,242	133,548	137,310	163,860	177,418
TOTAL ASSETS	142,090	138,075	145,069	146,626	149,880	175,094	186,249
CURRENT LIABILITIES							
Employee provisions.....	928	986	978	1,113	1,251	1,301	1,446
Payables.....	2,405	1,117	2,405	2,405	2,405	2,405	2,405
Borrowings and leases	28	41	28	28	28	28	28
Total current liabilities.....	3,361	2,144	3,411	3,546	3,684	3,734	3,879
NON-CURRENT LIABILITIES							
Employee provisions.....	64	186	131	159	188	218	248
Borrowings and leases	13	41	13	1,338	1,615	15,722	31,278
Other.....	19,239	18,671	19,239	19,239	19,239	19,239	19,239
Total non-current liabilities.....	19,316	18,898	19,383	20,736	21,042	35,179	50,765
TOTAL LIABILITIES	22,677	21,042	22,794	24,282	24,726	38,913	54,644
NET ASSETS	119,413	117,033	122,275	122,344	125,154	136,181	131,605
EQUITY							
Contributed equity.....	-	-	-	437	1,990	3,622	7,938
Accumulated surplus/(deficit).....	57,621	39,361	60,483	60,115	61,372	70,767	61,875
Reserves	61,792	77,672	61,792	61,792	61,792	61,792	61,792
TOTAL EQUITY	119,413	117,033	122,275	122,344	125,154	136,181	131,605

(a) Full audited financial statements are published in the Corporation's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	12,734	12,190	12,969	13,808	15,325	15,948	15,055
Grants and subsidies.....	-	-	1,750	1,750	2,065	14,000	-
GST receipts.....	783	482	482	482	527	-	554
Other receipts.....	3,299	2,900	2,900	2,593	2,093	2,114	2,178
Payments							
Employee benefits.....	(4,726)	(5,375)	(5,383)	(5,834)	(6,078)	(6,350)	(6,435)
Supplies and services.....	(1,639)	(2,107)	(2,107)	(2,314)	(2,210)	(2,270)	(2,255)
Accommodation ^(b)	(702)	(655)	(655)	(1,050)	(1,077)	(1,104)	(1,131)
GST payments.....	(841)	(482)	(482)	(482)	(527)	-	(554)
Finance and interest costs.....	(2)	(3)	(3)	(18)	(14)	(1,101)	(2,178)
Other payments.....	(1,810)	(2,494)	(2,544)	(3,307)	(3,264)	(3,352)	(3,527)
Net cash from operating activities.....	7,096	4,456	6,927	5,628	6,840	17,885	1,707
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	18	99	122	264	150	232	99
Payments							
Purchase of non-current assets.....	(4,154)	(9,803)	(12,970)	(10,044)	(6,465)	(29,539)	(16,479)
Net cash from investing activities.....	(4,136)	(9,704)	(12,848)	(9,780)	(6,315)	(29,307)	(16,380)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	-	-	-	1,325	277	14,107	15,556
Payments							
Repayment of borrowings and leases.....	(41)	(170)	(170)	(170)	(140)	-	-
Net cash from financing activities.....	(41)	(170)	(170)	1,155	137	14,107	15,556
CASHFLOWS FROM GOVERNMENT							
Receipts							
Operating subsidies.....	752	4,253	4,386	4,359	4,756	5,400	6,582
Equity contributions.....	-	-	-	437	1,553	1,632	4,316
Payments							
Dividends to Government.....	-	(1,770)	(3,646)	(5,717)	(4,472)	(4,662)	(12,774)
National Tax Equivalent Regime - Income Tax....	(1,384)	(1,592)	(2,243)	(1,754)	(1,828)	(5,010)	(1,327)
Local Government Rates Equivalent.....	(68)	(70)	(70)	(77)	(79)	(81)	(83)
Net cash provided to Government.....	700	(821)	1,573	2,752	70	2,721	3,286
NET INCREASE/(DECREASE) IN CASH HELD.....	2,219	(4,597)	(7,664)	(5,749)	592	(36)	(2,403)
Cash assets at the beginning of the reporting period.....	17,616	15,743	19,835	12,171	6,422	7,014	6,978
Cash assets at the end of the reporting period.....	19,835	11,146	12,171	6,422	7,014	6,978	4,575

(a) Full audited financial statements are published in the Corporation's Annual Report.

(b) Payment of Local Government Rates Equivalent is included within accommodation expense on the Income Statement; however, within the Statement of Cashflows it is recorded as a payment to Government and not as a payment from operating activities.