Annual Report 2025

Together, we're powerful

Owned by the people of WA

HORIZON POWER

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Commun

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Horizon Power is committed to delivering clean energy solutions, supporting regional growth, and providing reliable and affordable power for regional and remote Western Australia. This requires an innovative and collaborative approach, working together with our customers and communities to provide future energy solutions that work for them.

Acknowledgement of Country

We acknowledge and pay our respect to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We are privileged to share their lands, throughout 2.3 million square kilometres of regional and remote Western Australia (WA) and Perth, where our corporate office is based, and we honour and pay our respect to the past, present and emerging Traditional Owners and Custodians of these lands.

We acknowledge Aboriginal and Torres Strait Islander peoples' continued cultural and spiritual connection to the seas and the lands on which we operate. We acknowledge their ancestors who have walked this land and travelled the seas and their unique place in our nation's historical, cultural and linguistic history.

Terminology
Horizon Power uses the term Aboriginal and Torres Strait Islander (and Aboriginal on future references) instead of Indigenous. Therefore, within all Horizon Power documents the term Aboriginal is inclusive of Torres Strait Islanders who live in WA. Aboriginal and Torres Strait Islander peoples of Australia are advised that this report may contain images or names of deceased people.

Statement of Compliance
For the year ended 30 June 2025

To the Minister for Energy and Decarbonisation; Manufacturing; Skills and TAFE; Pilbara, Hon Amber-Jade Sanderson BA MLA.

In accordance with the *Government Trading Enterprises Act 2023* (WA) (the **GTE Act**) I am pleased to submit for your information and presentation to Parliament, the 2024/25 Annual Report of the Regional Power Corporation, trading as Horizon Power.

The Annual Report has been prepared in accordance with provisions of the GTE Act.

Yours sincerely

Samantha Tough

Samantha Tough
Chair
9 September 2025

Contents

About us

Horizon Power is Western Australia's regional and remote energy provider, powered by an engaged local workforce committed to delivering safe and reliable power to its customers. Our purpose is to deliver clean energy solutions for regional growth and vibrant communities.

We are playing a pivotal role in the energy industry as we explore new and innovative ways to develop our renewable energy capability. We are applying the knowledge gained through our groundbreaking trials, supported by significant investment in program deployment, and are providing our customers with more sustainable, affordable power and tailored solutions for their energy future.

In serving our customers and communities, we focus on supporting local economies, fostering a culture that inspires and unites people, and maintaining our commitment to Aboriginal peoples.

We operate across the full energy supply chain with generation, transmission, distribution and retail services, delivering power to approximately 47,000 customer accounts.

Our service area is the largest geographical catchment of any Australian power provider, spanning 2.3 million square kilometres.

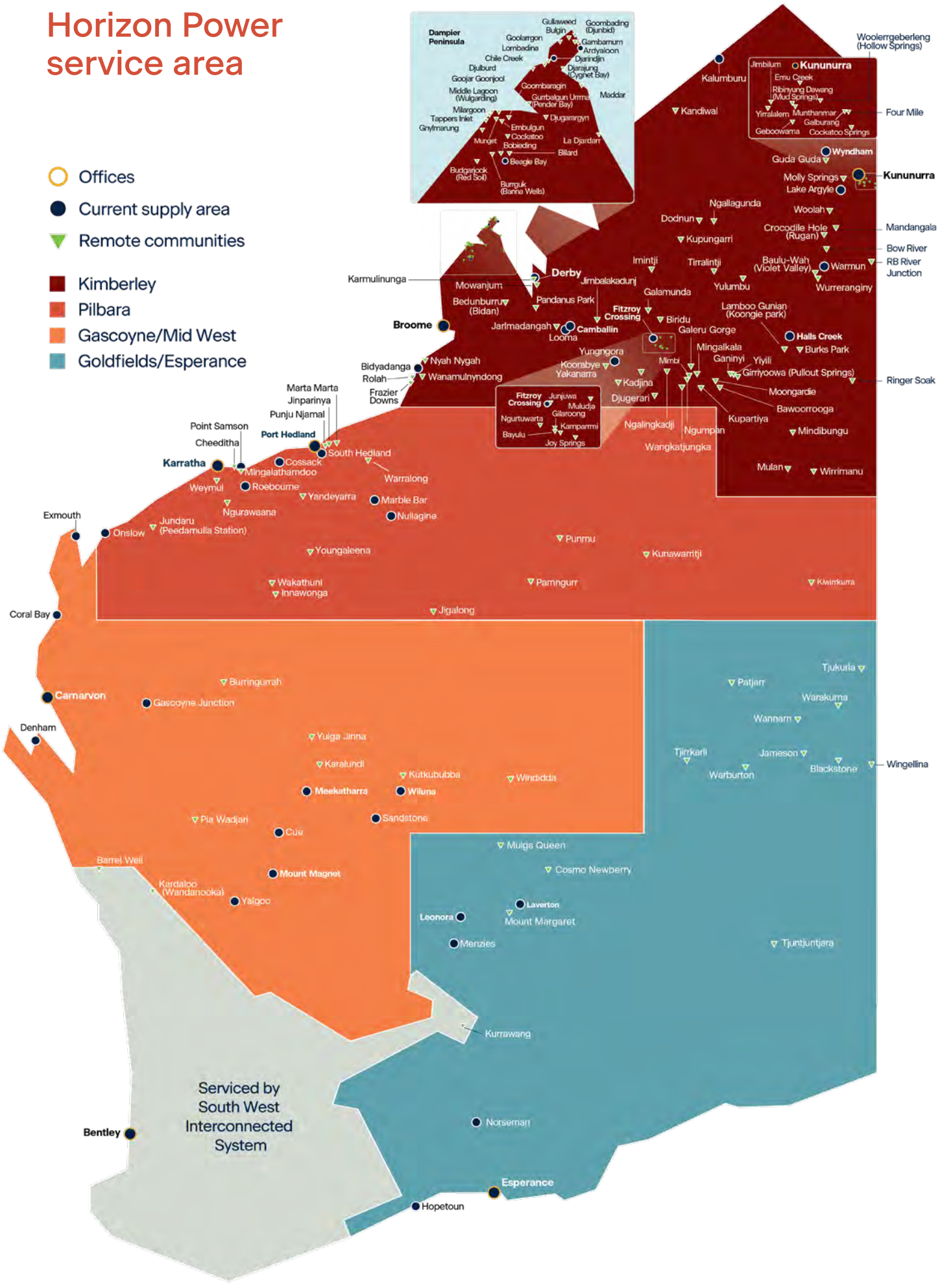
We manage six service depots across regional WA, with a corporate head office in Perth.

We operate multiple power systems tailored to meet the unique needs of some of the most isolated and remote communities in the world. This includes the North West Interconnected System (NWIS) in the Pilbara; a connected network covering three interconnected systems in Kununurra, Wyndham and Lake Argyle; more than 30 microgrids; and standalone power systems that sustainably service end-of-grid customers.

Horizon Power is also responsible for the delivery of power to 170 remote or town-based communities.

As a State-owned Government Trading Enterprise, Horizon Power operates under the *Government Trading Enterprises Act 2023* (WA) and is governed by a Board of Directors and the Minister for Energy and Decarbonisation.

Horizon Power service area



Message from the Chair

Over the last 12 months Horizon Power has remained focused on its purpose, delivering innovative clean energy solutions to the regions of Western Australia and working closely with our customers to provide more affordable and sustainable power.

Our revised corporate strategy purposely targets investment and initiatives in the coming years to achieve outcomes in three key areas: customer-led decarbonisation, affordable energy and serving as a regional catalyst.

There is a growing emphasis on the role consumer energy resources and customer-led decarbonisation will play in our State's energy future and the transition to renewable energy.

To support this, Horizon Power is developing new products and services to maximise the benefits of renewable energy technologies, increase customer choice and improve customer affordability.

Smart Connect Solar is one example of a product delivering significant savings to customers by removing previous constraints on the uptake of rooftop solar.

Since our early Distributed Energy Resource trials, Smart Connect Solar participation has grown to approximately 1,200 customers, contributing an additional 17 MW of renewable generation to our power systems.

We are unlocking opportunities in our regions, achieved through the uplift of power service delivery in remote communities and facilitating the participation of those communities in their transition to cleaner energy solutions.

In 2023, Horizon Power had an additional 117 remote communities added to its portfolio. The Remote Communities program has been developed to service these communities, with our regional teams visiting and assessing 90 per cent of these communities to date.

Along with delivering upgrades to critical generation infrastructure such as engines and fuel tanks to improve reliability and fuel security, the program has completed the inspection of 2,406 network poles, and replaced 1,139 polyvinyl chloride (PVC) cables and 'twisties' - a method of twisting cable at the point of connection. These milestones are a major benefit to public safety and demonstrate the commitment of our fantastic on-the-ground teams working in some of the most remote areas of Western Australia.

I would like to formally acknowledge the outstanding leadership and contribution of outgoing CEO Stephanie Unwin who concluded her tenure in May. Since joining the organisation in 2019, Ms Unwin played a pivotal role in steering Horizon Power through a period of transformation, aligning the utility with Western Australia's energy transition and decarbonisation goals.

“There is a growing emphasis on the role consumer energy resources and customer-led decarbonisation will play in our State’s energy future and the transition to renewable energy.”

Under her guidance, the company strengthened its executive leadership, expanded its regional energy services and championed innovation across the sector. The Board and team at Horizon Power express their gratitude for her six years of dedicated service and wish her continued success as she embarks on her next challenge.

The Board is delighted to welcome Krystal Skinner as Acting CEO, a long-term member of the Horizon Power executive team with 17 years’ experience in the energy sector. Ms Skinner will continue to maintain our strategic momentum to deliver reliable, sustainable energy solutions to regional Western Australia.

Horizon Power is also delighted to welcome the Honourable Amber-Jade Sanderson MLA, our new Minister for Energy and Decarbonisation; Manufacturing; Skills and TAFE; Pilbara. Her appointment and breadth of the portfolio signals a continued commitment to advancing the State’s energy transition and supporting regional development. The significance of Minister Sanderson’s portfolio cannot be overstated.

The inclusion of Manufacturing, Skills and TAFE, and the Pilbara alongside the Energy and Decarbonisation portfolios highlights a holistic approach to building a resilient, future-ready and diverse economy.

We also recognise the appointment of dedicated Ministers to each of our State’s regions and look forward to working with them and the Minister for Energy and Decarbonisation on delivering clean energy solutions to the regions of Western Australia.

Finally, thank you to my fellow Board members for another committed and focused year at Horizon Power.

Samantha Tough
Chair

Message from the Chief Executive Officer

At Horizon Power, we are committed to delivering a fair and equitable energy transition through investment in smart technologies, digital transformation initiatives, strategic infrastructure and customer-centric renewable energy solutions.

Through innovations like Smart Connect Solar and the Community Wave virtual power plant, we are enabling customers to be active participants in our energy systems. As a result, thousands more customers can generate and store their own clean energy, reducing their bills and contributing to a more sustainable energy system.

We welcome the WA Government's residential battery rebate and no-interest loans, allowing households and small businesses to invest in battery energy storage systems. These initiatives are aimed at making consumer energy resources more affordable, which is extremely important in the regions where our customers can experience higher costs to purchase and install.

Horizon Power is also addressing affordability for people who are renting or experiencing financial hardship. The rollout of our Kimberley Communities Solar Saver program is a great example of affordability in action, where long-term benefits are achieved for both our business and communities through reduced diesel supply and lower customer bills. In these remote locations, we have deployed our Distributed Energy Resource Management System to enable the installation of rooftop solar and optimise solar penetration for the communities.

Our digitally-enabled approach applies internally to our business too. Over the past three years, we've undertaken a large-scale digital transformation that has impacted almost every area of our business.

By June 2025, SmartWorks was operational across the Kimberley region with rollout planned for remaining operations depots by September. SmartWorks is fully automating our end-to-end works delivery processes.

This applies to all asset and work types, from proactive to reactive maintenance across generation, transmission and distribution.

With SmartWorks, our field crews have all the required job-related information on a mobile device, significantly improving efficiency.

The scale of Horizon Power's digital transformation is leading practice for an Australian energy utility and has substantially progressed us as a digital utility.

Tangible improvements have been realised across the Remote Communities program since assuming responsibility for power delivery to 117 remote communities in July 2023. Insights from our first year of operations in our Remote Communities program have progressed into action, with significant improvements delivered across the full energy supply chain.

We are constructing a new sustainable hybrid power system in Blackstone. This new system is expected to power the community with up to 80 per cent renewable energy through the installation of a modular solution that can serve as a template for future hybrid renewable solutions across our extensive remote community footprint.

“Insights from our first year of operations in our Remote Communities program have progressed into action, with significant improvements delivered across the full energy supply chain.”

The Blackstone community and Traditional Owners have been engaged through all phases of this project, with a proportion of the cost savings from reduced diesel consumption being invested back into a community energy fund. Sustaining benefits for Traditional Owners and Aboriginal communities are also anticipated to be realised through land payments and employment opportunities.

Our Exmouth Power Project is also under construction. Working together with customer solar, the new system is expected to generate up to 80 per cent renewable power for the community as early as 2026. This will have a significant impact on emissions reduction for the town and supports the aims of the WA Government’s Climate Policy.

We are also supporting the WA Government’s vision for economic diversification and opportunities arising from the energy transition, including in new industries such as green iron, green ammonia and advanced critical minerals processing.

As operator of the regulated North West Interconnected System (NWIS), Horizon Power will continue to support the WA Government’s delivery of targeted high-priority regional energy initiatives, such as the Pilbara Energy Transition Plan. To this aim, we have been working with the Australian Renewable Energy Hub (AREH) to progress early feasibility work for a transmission project to link large-scale renewables into the NWIS in the Great Sandy Desert corridor.

At the core of what we do is safety, reliability and affordability of power supply.

Sustained investment in our asset management plan is demonstrated through improved reliability results this financial year.

And despite the challenge of cost escalations in energy projects from planning to operation, we have seen a $15.2 million profit in the financial year, largely driven by higher sales, mainly in the NWIS.

The delivery of these outcomes is a testament to our people who are the cornerstone of our business.

Krystal Skinner

Krystal Skinner
Acting Chief Executive Officer

Our year at a glance

26.8 GWh

renewable energy purchased from customers

V2G

pathway to V2G with our EV orchestration trial

184km

powerlines removed with standalone power system installs

>$62k

In customer energy savings with Kimberley Communities Solar Saver to date

The rollout of our Kimberley Communities Solar Saver program is a great example of affordability in action, where long-term benefits are achieved for both our business and communities.

6%

In contracts >$50k designated to Aboriginal businesses

Digitally transforming our business through Utility of the Future

Stretch

Reconciliation Action Plan underway

17 MW

rooftop solar enabled with Smart Connect Solar

>$1m

invested in Community Partnership Program

Enabling virtual power plants with Community Wave

33%

Employees working and living in regional WA

Horizon Power is developing new products and services to maximise the benefits of renewable energy technologies, increase customer choice and improve customer affordability.

1,970

Employee community volunteering hours

Operational performance report

47,294
total customer accounts
36,796 residential accounts
9,056 business accounts
1,442 prepayment accounts

56,894
distribution poles
677 transmission poles
851 transmission towers

50,612
customer connections

1,182 GWh
electricity produced

Notes to the performance overview table

1. Notifiable Incidents

There were 10 notifiable incidents reported to Building and Energy in FY 2024/25:

- two electric shock/injury to person
  - contractor cut street light cable with reciprocating saw
  - electric shock to public from steel pole
- one fire in vegetation >200m
  - fire in vegetation >200m caused by network failure
- two failure of plant in a way that could pose a risk of injury
  - ring main unit (RMU) flashover due to fuse cannister
  - flashover within RMU
- one third-party contact with plant that was not up to standard
  - high load vehicle made contact with three service wires
- three failure to provide good work practices
  - power worker shorts between phases in a pillar with wire brush
  - overhead service wire hit with chainsaw
  - underground cable hit with auger
- one consumer installation unsafe
  - error in meter connection
  - neutral conductor left loose in tariff meter.

2. Unassisted pole failure rate

The unassisted pole failure rate increased from 0.41 to 0.53. There were six new unassisted pole failures for the year in Mount Magnet, Wyndham, Carnarvon and Port Hedland. Four poles were removed from the three-year rolling average.

3. Net profit after tax (NPAT)

NPAT exceeded target, driven primarily by robust sales to both residential customers and large enterprises, mitigating the impact of rising costs and market pressures.

4. Unit cost to supply

The unit cost to supply was below target due to increased kWh electricity sent-out, resulting in improved cost efficiency driving unit costs down.

5. Return on assets

Return on assets exceeded the previous year and aligned to the target, primarily due to an increase in earnings before interest and tax (EBIT) resulting from higher income, which was somewhat mitigated by higher costs.

6. Customer satisfaction rating

A comparable result to the previous year, and above our target of 70 per cent customer satisfaction.

7. Reliability

The number of performing systems increased from 27 to 32.

8. SAIDI/SAIFI

SAIDI and SAIFI decreased from the past financial year.

Table 1: Performance overview/critical business outcomes FY 2023/24 and FY 2024/25

Critical business outcomes	Target performance 2024/25	Actual performance 2024/25	Target achieved	Actual performance 2023/24	Notes to the table	For more information see page
Safety – minimise the risk of harm						
Public safety Total number of notifiable public safety incidents	N/A	10	N/A	10	1	N/A
Unassisted pole failure rate Number of unassisted pole failures divided by 10,000 over a 36-month rolling average	1.00	0.53	✓	0.41	2	18
Value – maximising long-term value						
Net profit after tax ($m)[1] Profit for the year after income tax	9.1	15.2	✓	9.4	3	91
Cost management (cents/kWh)[1] Unit cost to supply (estimated total cost for financial year excluding interest, depreciation and tax)	41.9	39.2	✓	39.3	4	N/A
Return on assets (%)[2] Earnings before interest and tax (EBIT) on total assets	3.8	3.8	✓	3.5	5	N/A
Community – serving our communities						
Customer satisfaction (%) Survey rating	70	76	✓	73	6	N/A
System reliability and electricity delivery						
Reliability Number of systems that meet reliability performance standards	33	32	✗	27	7	16
System Average Interruption Duration Index (SAIDI) – average total length of outages in minutes over 12 months	290	117	✓	140	8	16
System Average Interruption Frequency Index (SAIFI) – average total number of outages per customer over 12 months	6.6	1.8	✓	2.2	8	16

1 Target represents latest State Budget estimated actual as approved by WA Government (Expenditure Review Committee [ERC])
2 Total assets exclude deferred tax liabilities which are offset against deferred tax assets in the financial statements.

Providing a safe and reliable supply of electricity

Our performance (Table 1, page 15) is measured against key financial and non-financial performance indicators and targets.

Across our service area, our customers on average experienced 1.8 power interruptions for the financial year (an improvement from 2.2 in the previous financial year). This is well within our performance target of 6.6 interruptions (System Average Interruption Frequency Index – SAIFI). The average length of interruptions decreased to 117 minutes (an improvement from 140 minutes in the previous period) and remains well below our target of 290 minutes (System Average Interruption Duration Index – SAIDI).

Throughout the financial year, the number of performing systems has increased from 27 to 32 of 38 systems. This is a key internal measure of our performance which considers both the duration and frequency of interruptions experienced by our customers in each of our service areas. Generation outages and network issues including lightning, storm activity and wildlife interactions have all impacted reliability in our non-performing systems at Hopetoun Rural, Kalumburu, Lake Argyle, Laverton, Mount Magnet and Nullagine.

We recognise the impact of interruptions on our customers and the community and continue to drive continuous improvement in our asset management practices and our response mechanisms, should reliability performance issues occur.

The following systems have become performing in the past 12 months: Halls Creek, Esperance Rural, Bidyadanga, Norseman, Fitzroy Crossing, Gascoyne Junction.

Horizon Power faces challenges in providing services to remote areas in Western Australia, especially in places far away from its resource centres. Long distances make it difficult to fix system faults and infrastructure problems quickly. To address these issues, Horizon Power has introduced new strategies, focusing on reliability programs and projects to improve performance. We have also started a power system optimisation work program to find better ways to deliver and uplift reliability of power supply in remote areas. These efforts demonstrate Horizon Power's dedication to improving service quality despite the challenges caused by distance.

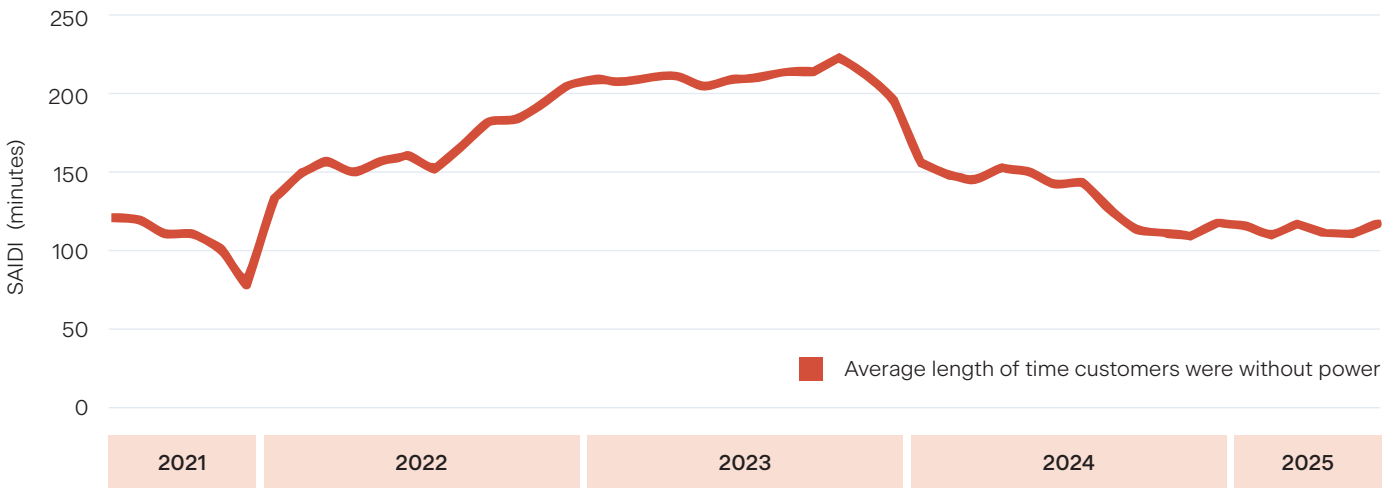
Aside from challenges related to distance, Horizon Power's systems were also exposed to five tropical cyclones that impacted its operational footprint this financial year, including one that crossed the coast near Port Hedland as a category five system. The Bureau of Meteorology (BOM) and Emergency WA issued multiple warnings and advisories for cyclones affecting the Pilbara and Kimberley regions, including warnings for gale-force winds, heavy rainfall and flooding.

These cyclones brought significant challenges to the affected areas, including power outages, infrastructure damage and disruptions due to flooding and road closures. Emergency management teams and local response teams were actively involved in preparing for and responding to these events to enable safety and support for communities.

We continued to see strong compliance with our Electricity Network Safety Management System (ENSMS), which provides a structured mechanism and targeted focus to deliver safe assets and safe work practices for our workers and our communities through continuous improvement.

Figure 1: System Average Interruption Duration Index (SAIDI) FY 2021/22 to FY 2024/25

Reliability performance (using normalised data) over a four-year period



Network assets

There was an overall 2.49 per cent reduction in the overhead mains asset class from the previous financial year. This is mainly due to a material program of decommissioning of existing single-phase overhead network being replaced by standalone power systems (SPS). A portion of the Dampier transmission line was handed over to Rio Tinto and removed from Horizon Power's records and asset base.

The transformer capacity overall increased by 5.9 MVA following installation of an additional eight transformers.

The number of distribution poles decreased by 0.2 per cent, primarily driven by the program of decommissioning of existing single-phase overhead network being replaced by SPS.

Table 2: Transmission and distribution network lines through our service area

Network type	Carrier (Network power lines)	Length (Kilometres)
Transmission	220 kV overhead	202.7
	220 kV underground	0.4
	132 kV overhead	56.6
	132 kV underground	3.6
	66 kV overhead	155.3
	66 kV underground	4.0
Distribution	High voltage 3-phase overhead	1,958.8
	High voltage 3-phase underground	990.7
	High voltage single phase overhead	2,639.5
	High voltage single phase underground	13.3
	Low voltage overhead	554.4
	Low voltage underground	1,620.9
Total		**8,200.2**

Table 3: Other transmission and distribution assets

Asset	Amount
Total transformer capacity	869 MVA
Number of transformers	4,415
Number of distribution poles	56,894
distribution wood poles	13,464
distribution steel poles	43,103
distribution concrete poles	326
distribution fibreglass poles	1
Number of transmission steel poles	677
Number of transmission towers	851

Pole management strategy

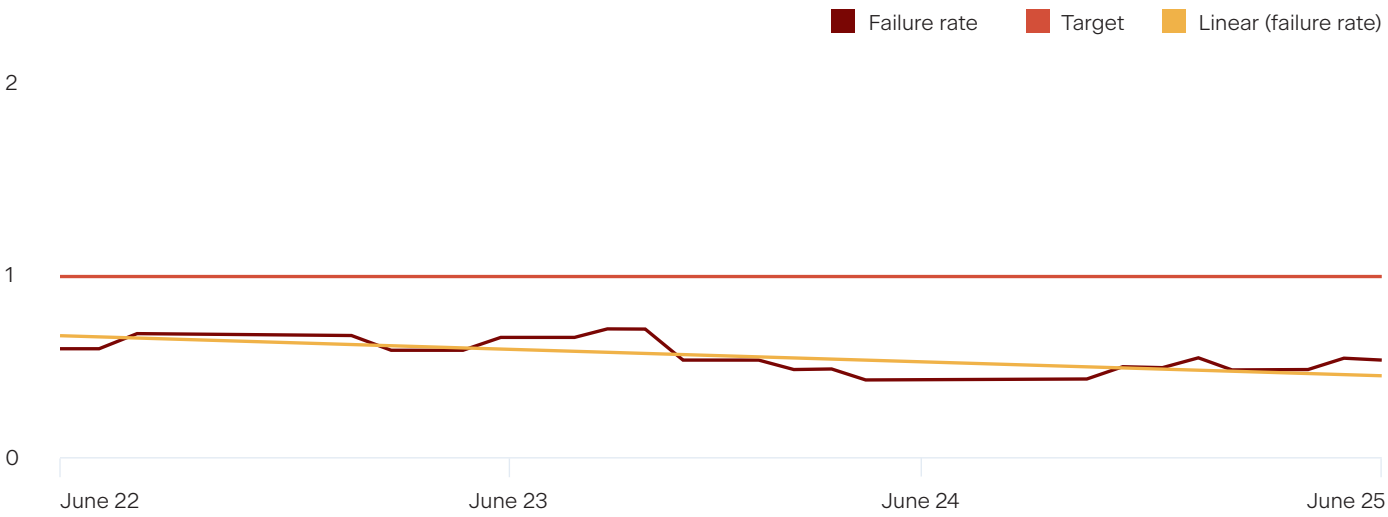
We continue to enforce and refine our overhead asset inspection strategy through a disciplined approach to our pole inspection and replacement programs. 14,533 network poles and 1,099 consumer poles (approximately 25 per cent of our pole asset base) were inspected this year with any poles that did not meet Horizon Power's serviceability criteria prioritised for replacement.

Pole condemnation rates resulting from inspection and testing have decreased significantly and are now stabilised at less than two per cent of poles inspected.

There were six unassisted pole failures for the year in Mount Magnet, Wyndham, Port Hedland and Carnarvon, which overall remains below target for our pole population. This is split between four streetlight poles and two network poles. Of particular note is the failure of three poles in Mount Magnet in a short timeframe due to very corrosive and abnormal ground conditions. The investigation into these failures triggered additional inspection and testing which identified more poles to be replaced due to the abnormal conditions in this particular area.

Figure 2: Unassisted pole failure rate FY 2022/23 to FY 2024/25

Rate per 10,000 on a three-year rolling average



The current unassisted pole failure rate has increased in the past 12-months from 0.41 to 0.53, which remains well below the industry target of 1.0 in 10,000 poles per annum. This performance is attributed to the application and continuous improvement of our overhead asset inspection strategy.

In addition to continuing to manage network pole risk, the first consumer pole on a customer's property is now routinely inspected, similar to our network poles, and forms part of our updated overhead asset inspection strategy. Where these consumer poles are found to be defective, customers are advised to enable replacement.

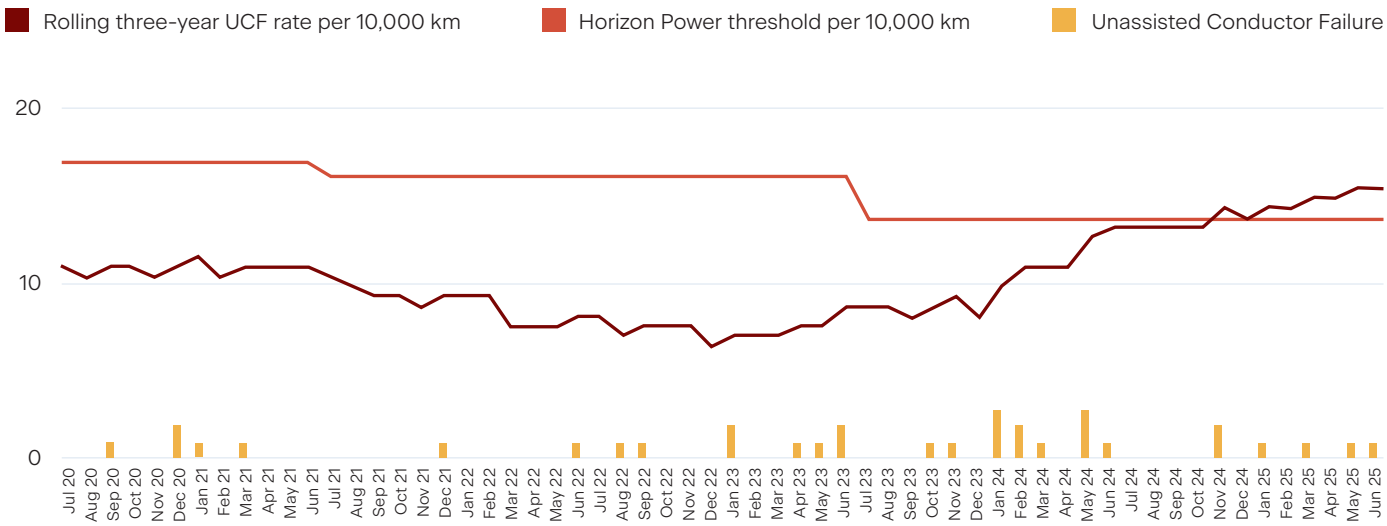
Overhead conductor management

We continue to enforce and refine our overhead asset inspection strategy through a disciplined approach to detect conductor and supporting hardware defects and undertake prioritised repair and replacement programs. All Horizon Power overhead networks were inspected in 2022 using LiDAR and aerial imagery, where conductor and supporting hardware defects identified were prioritised for repair and replacement, with all work completed in FY24 to manage the risk of unassisted conductor failures.

Routine inspections continue to identify conductor or hardware defects that do not meet Horizon Power's condition criteria guidelines and are prioritised for repair or replacement.

Over the course of FY25, there were six unassisted conductor failures – two in Carnarvon, two in Esperance (both running earths), one in Kununurra and one in Karratha. Three involved suspected or confirmed fauna-induced faults, and three were due to corrosion. This is below our annual target objective of eight unassisted conductor failures per year. However, the three-year rolling unassisted conductor failure rate did exceed the target, largely driven by conductor failures in Esperance (seven in FY23 and seven in FY24). Esperance is replacing more than 60km of overhead conductor per year and is also decommissioning overhead network where SPS are installed. Both programs are targeting conductors at risk of failure.

Figure 3: Horizon Power unassisted conductor failure (UCF)



Acknowledging this increase in the unassisted conductor failure rate, we have undertaken the following:

- We have delivered significant conductor replacement programs in Esperance (with 60.6km replaced in FY25), with recent failures experienced in the Pilbara also triggering additional conductor replacement.
- We continue to inspect conductors routinely as part of our overhead asset inspection strategy to identify conductors most prone to failure and in poor condition, with targeted replacement programs to manage the risk across the network. This includes the delivery of a 10-year replacement program for conductors prone to deterioration and failure in the Esperance region.
- We continue to analyse the correlation between conductor and pole top hardware conditions to local environmental factors (e.g. wind direction and speed, proximity to corrosion sources, conductor age and material types, bushfire risk) to further enhance and improve our overhead conductor asset management strategy.
- We continue to review our inspection processes and asset condition assessment guides to improve the identification and assessment of both hardware and conductor defects so that common failures can be detected and prioritised for repair and replacement to mitigate further unassisted conductor failures.

Our strategic vision

Our strategy's central theme is that together, we're powerful. It's when we work together at Horizon Power to achieve a goal but also when we empower our customers to join us on the journey.

Our Corporate Strategy 2025-2030 is built on three pillars: enabling customer-led decarbonisation, delivering affordable energy, and serving as a regional catalyst.

We've deliberately defined our strategic pillars to acknowledge that our customers are playing an increasingly active role in the energy transition by engaging with consumer energy resources (CER).

As Western Australia's regional and remote electricity provider, Horizon Power has an important role in delivering accessible, affordable and equitable energy for all our customers.

We support the growth, success and sustainability of our regions, including the WA Government's economic diversification and regional job creation aspirations, whilst maintaining sustainable, reliable operations.

Purpose
Delivering clean energy solutions for regional growth and vibrant communities

Foundations

Safe
Reliable
Engaged

CUSTOMER-LED DECARBONISATION	**We are supporting the acceleration of decarbonisation with an increased focus on customer uptake of CER.**
AFFORDABLE ENERGY	**We are creating effective customer products and optimising our energy systems to help deliver affordable energy for regional and remote WA.**
REGIONAL CATALYST	**We will bring our remote Aboriginal communities up to regulatory standards and deliver strategic regional energy initiatives.**

Guiding Principals

COMMUNITY INVOLVEMENT

Listening, creating and delivering together

ABORIGINAL & TORRES STRAIT ISLANDER COMMITMENT

Working in partnership for meaningful, long-term positive impact and mutual benefit

REGIONS FIRST

Preference toward local people, goods and services

CLEANER, GREENER

Improving our shared environment

Our customers

We place customers at the heart of our operations, delivering tailored support through modernised services, targeted financial relief and regionally embedded leadership.

Prepayment modernisation

Often conveniently located at local post offices, general stores, service stations or roadhouses, prepaid power outlets (PPOs) provide a valuable service in the regions: if a customer doesn't have access to the MyAccount app or would prefer to make a cash payment, they can visit a PPO to buy prepaid power credit using face-to-face recharge facilities.

A new point-of-sale (PoS) application is being rolled out to our PPOs (formerly known as recharge operators), making the purchasing of prepaid power more streamlined. The new PoS application is easier for our customers to use and will be fully deployed by October 2025.

Through the new PoS app, PPOs can 'self-service', with the ability to manage, view, and pay their invoices quickly and easily. They can also request support, view transactions, and update their business details at any time, reducing the need to contact Horizon Power to manage these requests.

National Energy Charter

As a signatory to the national Energy Charter, we have submitted our *2024 Energy Charter Disclosure Report.* The report highlighted the positive progress of our efforts to improve the customer experience, energy affordability, and support for customers facing hardship.

Energy Charter – progress on principles

Principle 1: We will put customers at the centre of our business and the energy system	EMPOWERED
Principle 2: We will improve energy affordability for our customers	EVOLVED
Principle 3: We will provide energy safely, sustainably and reliably	EVOLVED
Principle 4: Improve the customer experience	EVOLVED
Principle 5: We will support customers facing vulnerable circumstances	EMPOWERED

Maturity state self-assessment progression

ELEMENTARY → EMERGING → EVOLVED → EMPOWERED

Our 2024 Energy Charter Disclosure Report highlighted positive progress of our efforts to improve the customer experience, energy affordability, and support for customers facing hardship.

Energy bill relief

Horizon Power facilitated more than $27.7 million in WA and Australian Government household electricity credits to customers in FY 2024/25. Energy bill relief was made available to eligible residential and small business customers by applying a one-off offset to their electricity account.

The WA Government provided a $400 electricity credit to all households and small businesses as part of the FY 2024/25 budget, while the Australian Government provided an additional $300 credit for households and $325 for eligible small businesses with annual electricity consumption below 50 MWh via its Energy Bill Relief scheme.

Hardship Utility Grant Scheme

Hardship numbers slowly trended upwards, with 1,173 customers currently receiving assistance through Horizon Power's hardship program.

At the end of April 2025, 337 Hardship Utility Grant Scheme (HUGS) payments were approved for Horizon Power customers, totalling $320,825. The average grant value for these customers was $952. Of these, more than 48 per cent were from the Kimberley, 34 per cent from the Pilbara, and the remaining from the Gascoyne/Mid West and Goldfields/Esperance regions.

A total 49 customers are protected under the Economic Regulation Authority's *Code of Conduct for the Supply of Electricity to Small Use Customers* family violence provisions, with more than half of these customers also participating in the financial hardship program.

Identifying these customers to afford them protection can be challenging as we generally rely on the customer to voluntarily disclose, with only 23 per cent of customers being identified through other means.

All customer-facing employees receive training in identifying and supporting customers experiencing family violence and, as with hardship, we work closely with financial counsellors and customer advocates to aid where possible.

DIY energy audit tool for small business

To support small businesses in taking control of their energy use, we have launched a do-it-yourself (DIY) energy audit tool, available on the Horizon Power website for all small business customers on L2 and L4 tariffs.[3]

Energy audits are an essential first step in understanding how a specific business uses energy. While audits can identify opportunities to reduce overall energy costs, small business customers had previously told us they often don't know where to start, or that a professional audit is too expensive.

The new free, easy-to-use DIY energy audit tool recommends practical steps businesses can take to become more energy efficient, identifies where energy may be wasted and suggests areas for future investment that will save money.

ACCESS THE DIY ENERGY AUDIT TOOL

Once the audit is complete, customers are provided with an energy report and can then use MyAccount to track the impact of energy efficiency measures and behaviour changes.

Horizon Power's DIY energy audit tool for small business

- USER FRIENDLY INTERFACE
- COMPREHENSIVE REPORTS
- ACCURATE
- CUSTOMER SUPPORT
- FREE

→

"As a small business, we often find ourselves too busy to know where to begin with improving energy efficiency ... this DIY energy audit tool is perfect for us because it takes less than 15 minutes to use and is very straightforward."
– *Horizon Power small business customer*

3 L2 tariff applies to customers where electricity is used for business purposes, with consumption up to 50 MWh per annum. L4 tariff applies to customers where the electricity is used for business purposes, with consumption of 50 MWh or more per annum.

Serving our customers

Our Executive General Managers act as regional mentors, each dedicating support and oversight to one of our service regions.

"The Executive mentor plays a crucial role at Horizon Power by providing on-the-ground support for escalating region-specific issues.

"They gain a deep understanding of local challenges and opportunities and through firsthand experience, demonstrate Horizon Power's commitment to regional engagement and values.

Additionally, they foster team building and a positive culture, building strong relationships with the team, stakeholders, and customers." – *Horizon Power Customer and Community Manager, Kununurra*

"Mentoring a regional area provides a wonderful opportunity to become part of a regional team that covers all areas of our business, rather than a single division.

"I have been privileged to firstly mentor the Karratha region and for the past few years, Kununurra within the East Kimberley.

"Through the mentor program I gain real life experiences and insights into Kununurra. I connect with country through cultural immersions, gain knowledge of the communities, and understand both the benefits and challenges for our people and customers living in the regions.

"Recently, I was able to participate in our Customer Service on the Move program in Wyndham, which was a fantastic opportunity to see how we connect with our customers in a personal and accessible way." – *Horizon Power Executive General Manager People, Safety and Governance*

77%
Calls answered within 30 seconds

62,946
Customer phone calls

4,916
Digital self service requests

Case study 1: Life support and outage management system

End-to-end network visibility and automated customer alerts

Challenge

We needed to modernise, automate and streamline our outage management system processes and procedures to improve outage notifications for customers, including for our most vulnerable customers to help keep them safe. This incorporated improving identification of impacted customers, reducing manual processes, and rectifying gaps in network connectivity data and lack of integration between systems.

Solution

We are implementing real-time visibility over our low-voltage networks right down to the customer meter, integrating and automating our outage management and notification systems, and improving data integrity.

Key outcomes

- → Improved customer safety and communications
- → Improved safety for network workers
- → Improved regulatory compliance
- → Reduced outage response times

→

"The ability to confidently isolate a single circuit rather than the entire transformer is a significant advantage. This approach minimises the number of affected customers and enhances our operational efficiency." – *Horizon Power Works Delivery Manager, Operations*

Our life support and outage management project is centralising all outage-related activities into a single outage management and notification system with real-time monitoring.

In a first for an Australian or New Zealand utility, we are integrating our low-voltage networks into our advanced distribution management system PowerOn Advantage (POA), along with our advanced metering infrastructure. This will provide our control centre and works delivery crews with full real-time visibility of both our transmission and distribution networks, right down to the customer meter.

We are also fully digitising and streamlining our outage notification system to automatically trigger SMS and email alerts to customers during planned, unplanned, emergency and meter exchange outage events.

The new integrated, centralised system will allow for better coordination and communication across our Operations and Customer and Community teams. Our works delivery teams will plan all outages in a singular system which seamlessly links to the customer notification process, significantly reducing the manual steps and time required to plan and communicate outages.

Crucially, the alert system provides for advance warning to our life support and critical load customers such as hospitals and aged care facilities that rely on life-saving equipment, allowing them to be fully prepared for outages ahead of time.

By automating outage notifications, it reduces our need to call, visit, or perform letter drops and door knocks to inform customers of an outage and uplifts customer service and customer safety outcomes.

Our Customer and Community team will also be alerted when an acknowledgement has not been received back from impacted life support customers, prompting them to call the customer to seek acknowledgement of their awareness of an outage.

The new system reduces the need for works crews to make physical field visits to undertake visual checks of the network before planning works. It also enhances employee safety on the low-voltage network by providing a clearer understanding and improved visibility of electrified components on the network. This provides a greater level of information when making operational decisions.

The journey to this milestone has been a collaborative effort involving extensive planning, application development, integration and testing. Integration of our low-voltage network into our advanced distribution management system included global configuration changes, desktop data audits, field validation audits, cartography work and the completion of asset load transfer to the singular system.

Three key Utility of the Future projects (geospatial intelligence, end-to-end data capture risk management, and network condition monitoring tool, refer page 51) have underscored the enablement of our life support and outage management project.

→

"It was so much easier to receive an SMS rather than a phone call or home visit, as I am not always available. It is quick and easy to now just reply by SMS. As I am the account holder, I was able to forward that SMS onto my parents who also live in the property with me to let them know."
- *Mel, Esperance customer*

Case study 2: Emergency management

Supporting our customers during Severe Tropical Cyclone Zelia

Challenge

As a regional and remote electricity provider, Horizon Power's service footprint often faces extreme weather events. Severe Tropical Cyclone Zelia was a powerful cyclone that impacted the Pilbara region in February 2025, causing power outages and infrastructure damage.

Solution

Our robust crisis and emergency management procedures, including summer readiness plans, positioned us to proactively manage the potentially devastating impacts from a category five cyclone and enabled an efficient response that resulted in prompt power restoration in partnership with customers and other service providers.

Key outcomes

- → **Impacts minimised due to proactive engineering and maintenance**
- → **Impacts minimised due to rapid emergency response**
- → **Safety for customers, communities and workers**

Coongan River crossing flooded at Marble Bar Road.

Severe Tropical Cyclone Zelia was one of the most intense cyclones to strike Western Australia in recent years. It was the first tropical cyclone to make landfall during the 2024/25 Australian cyclone season and the strongest cyclone to impact the Pilbara – home to ports and critical industry – since 2019.[4][5][6]

It was also the largest cyclone to impact our service regions since we took on responsibility for an additional 117 remote communities in 2023.

Severe Tropical Cyclone Zelia reached category five intensity on 13 February 2025 with sustained winds of 215km/h. It made landfall near the De Grey River mouth (northeast of Port Hedland) as a high-end category four cyclone the following day, bringing destructive winds, heavy rain and widespread flooding.

In preparation for the cyclone, our 24/7 control centre monitored weather activity and we actioned contingency plans such as identifying temporary generators, sending additional equipment to the area, and preparing fuel supply.

As the cyclone intensified, we closed our Port Hedland and Karratha depots and stood up the Pilbara and Remote Communities Local Response Teams followed by an Emergency Management Team, with increased safety measures in place for employees and contractors.

Preparations also included limiting non-essential communications to operational teams, providing 'Be Prepared' and 'Severe Weather Alert' safety messaging to Regional Service Providers for delivery to remote communities, and working with DFES on safety messaging.

Horizon Power's remote community of Warralong was evacuated due to flooding. Our Inspectorate and Works Delivery Manager, and Regional Service Provider Pilbara Meta Maya, attended Warralong post-cyclone to assess and make safe any flooding and structural damage within the community.

Community members were able to return three days later after being evacuated prior to the cyclone. We also coordinated ground inspections for cyclone damage in the community of Strelley and reported back to the independent Aboriginal community school to arrange repairs.

Minimal damaged assets and power outages were experienced in Port Hedland, largely due to the extensive underground network. Disturbance notifications for only 30 customers in Port Hedland (out of more than 2,000 customer connections) displays the resilience of the network, with impacts related to the overhead network. In South Hedland, we had a feeder outage affecting 24 customers (out of more than 5,000 customer connections) on the day of the cyclone, and in Marble Bar a system wide outage occurred.

With the support of DFES, we engaged helicopter and aviation services to complete detailed asset inspections in impacted remote communities. Roads were closed in Marble Bar and our crew had to be flown by helicopter the day after the cyclone passed to patrol the line, with power then able to be restored. Our Port Hedland crews also commenced inspections, with crews working to restore power as quickly as possible in the cyclone's aftermath.

Considering the severity of the cyclone, these were good outcomes in a very challenging situation.

As the cyclone was downgraded, Local Response Teams and the Emergency Management Team were stood down, with the focus shifting to floods and rain impact. Record flood levels were observed across multiple monitoring stations and road access became the main issue.

The importance of climate resilience – and having energy systems and networks that can cope with and manage climate change impacts – is an increasingly important priority for Horizon Power.

4 Commonwealth of Australia. (6 June 2023). Severe Tropical Cyclone Ilsa. Bureau of Meteorology. http://www.bom.gov.au/cyclone/history/pdf/Ilsa2023_report.pdf

5 Commonwealth of Australia. (18-28 March 2019). Severe Tropical Cyclone Veronica. Bureau of Meteorology. http://www.bom.gov.au/cyclone/history/veronica.shtml

6 Commonwealth of Australia. (n.d.). Tropical cyclone reports. Bureau of Meteorology. http://www.bom.gov.au/cyclone/tropical-cyclone-knowledge-centre/history/past-tropical-cyclones/

Our people

We recognise employee excellence, foster professional development, promote diversity, equity and inclusion, and prioritise the safety and wellbeing of our workforce.

Shining Stars

Our annual Shining Stars awards provide an opportunity for employees to recognise the outstanding work of their teammates. Shining Stars are committed to achieving results, delivering on our strategic goals, and help to build a strong organisational culture aligned to our values.

In 2024, we had 167 nominations for Shining Star awards which evidences the 'team' value embedded within Horizon Power. Congratulations to our Shining Stars award winners!

Safety Award
Brian Clark, Remote Operation Works Delivery Manager

Team (Individual) Award
Melanie Rose, Supply Chain Coordinator

Integrity Award
Gavin Strack, Operational Technology Engineering Manager

Customer Award
Linsey Millard, Customer and Community Manager

Team (Group) Award
Distributed Energy Resources Technologies Team
Led by Nathan Faithfull. Team members: Richard Barnett, Rhys Carey, Bilal Muhammad and Martin Tanner

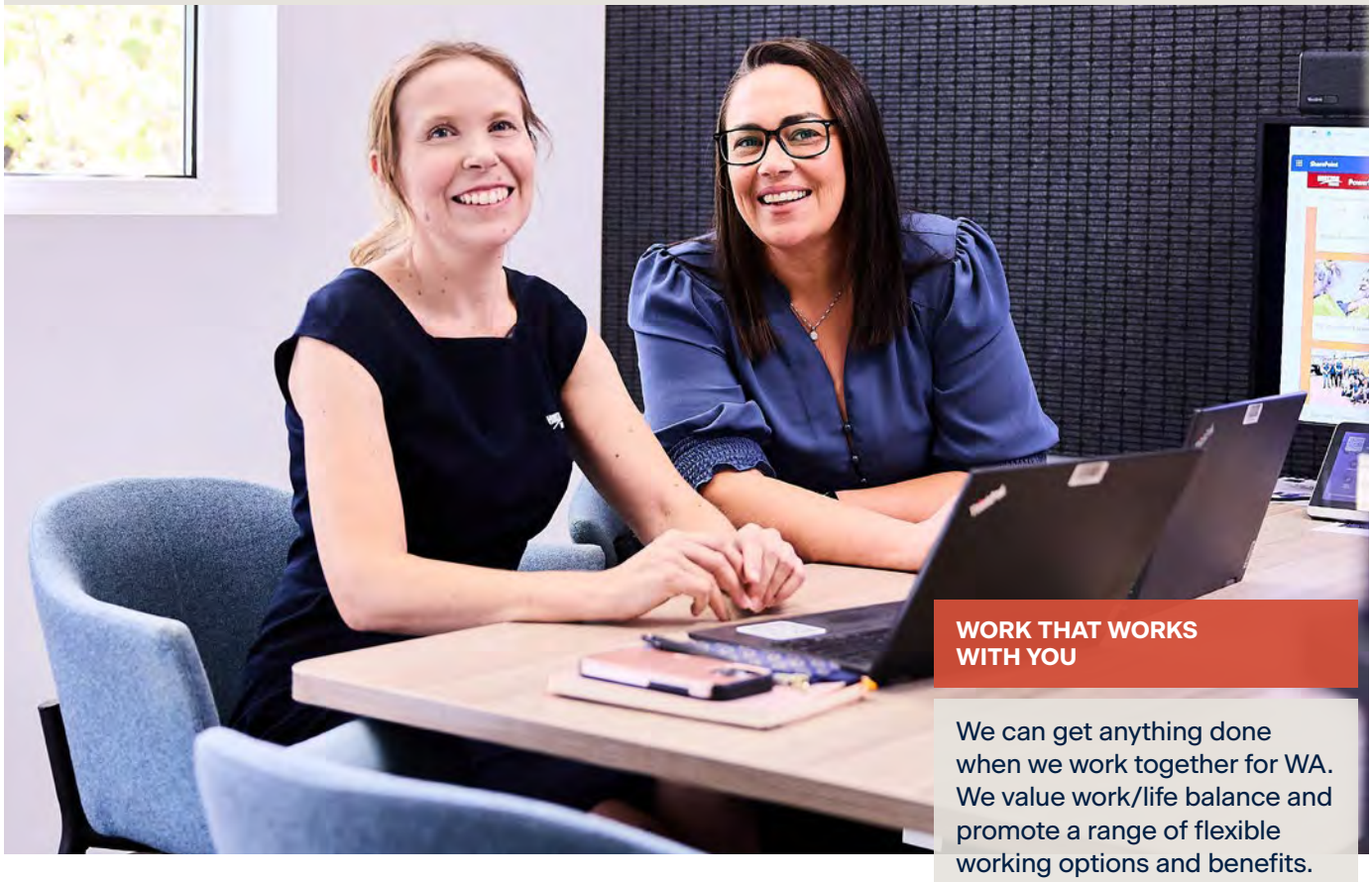
Regional Hero Award
Chris Reading, Asset Manager

Emerging Leader Award
Peter Kempster, Works Delivery Manager

CEO Gilbert Award Runner Up
Melanie Graetz, Manager Remote Operations (currently Acting EGM Remote Communities)

CEO Gilbert Award Winner
Phil Western, Senior Manager Emerging Energy Technologies

We're always striving to make our employee experience better. The enhanced digitisation of our human resources processes is improving the employee experience with more than 1,000 digital forms submitted since the deployment of our new 'people portal' in July 2024.



Evolving our Employee Value Proposition

As an extension of our Employee Value Proposition (EVP), a Leadership Development Framework has been established to enhance leadership capability.

This framework promotes a forward looking and strategic approach to drive organisational success at all levels of the business through effective leadership.

Framework streams include:

- Leadership programs
- Mentoring and coaching
- Professional development programs
- Management fundamentals
- Personal mastery programs.

Through continued investment in our people, we can enhance employee engagement, boost productivity and foster innovation.

Our EVP includes many benefits to provide a supportive, productive and purposeful workplace for all Horizon Power staff.

WORK THAT WORKS WITH YOU

We can get anything done when we work together for WA. We value work/life balance and promote a range of flexible working options and benefits.

SERIOUSLY IMPRESSIVE PROJECTS AND TECHNOLOGY

We deliver impressive projects and technology. We support our employees' career journeys and invest in their professional development.

REAL RECOGNITION AND REWARDS

We recognise and celebrate our employees. We offer additional leave benefits, a wellbeing program, career development plans, and financial benefits.

Apprentice, graduate and interns by the numbers

22 APPRENTICES | **10 GRADUATES** | **8 INTERNS**

- Two new apprentices working in regional locations were welcomed during the financial year alongside an existing seven progressing apprentices.
- We invested in upskilling 13 existing, experienced employees who are undertaking a new apprenticeship to extend their energy industry capabilities.
- Ten electrical engineering graduates are currently completing their three-year graduate program. Graduates complete the Engineers Australia/ Australia Power Institute power and renewable energy graduate program, as well as undertaking regional placements in Broome, Port Hedland, Karratha and Esperance.
- Eight interns participated in our summer intern program in the fields of electrical, mechanical and computer science engineering.

Our reconciliation journey

Developing our Stretch Reconciliation Action Plan

Horizon Power's *Innovate Reconciliation Action Plan 2022-2024* has concluded, with the business making significant progress on our reconciliation journey. In recognising Horizon Power's efforts, Reconciliation Australia formally invited us to develop a Stretch Reconciliation Action Plan (RAP) and carve our own unique reconciliation leadership role within the energy sector.

As a Stretch RAP partner, we understand the importance of demonstrating a leadership role in the reconciliation space. According to Reconciliation Australia, Stretch and Elevate RAP organisations comprise less than 15 per cent of the RAP network.[7]

Led by our Manager Traditional Owner Relationships and Reconciliation, our Stretch RAP is now being developed. Our vision and purpose is to enable meaningful steps towards addressing socio-economic disparity between Aboriginal and non-Aboriginal Australians, and to create ongoing opportunities for inclusion, respect and partnership.

7 Reconciliation Australia. (2021). RAP Leadership Organisations: Prerequisites and ongoing expectations of Elevate & Stretch RAP Partners. Q4-RAP-Leadership-Gathering-Stretch-and-Elevate-RAP-partner-expectations-FINAL.pdf

Innovate Reconciliation Action Plan 2022-24 achievements

- Established and maintained mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations
- Built relationships through celebrating National Reconciliation Week
- Promoted reconciliation through our sphere of influence
- Promoted positive race relations through anti-discrimination strategies
- Increased understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights through cultural learning
- Demonstrated respect to Aboriginal and Torres Strait Islander peoples by observing cultural protocols and cultural heritage
- Built respect for Aboriginal and Torres Strait Islander cultures and histories by celebrating NAIDOC Week
- Provided appropriate support for effective implementation of RAP commitments
- Built career and education pathways for Aboriginal and Torres Strait Islander students and peoples
- Exceeded our FY2024 target expenditure on contracts >$50,000 designated to Aboriginal businesses
- Established and maintained an effective RAP working group to drive governance of the RAP
- Achieved our seven per cent Aboriginal and Torres Strait Islander employment target at the conclusion of the RAP

Traditional Owner engagement

The way we interact with Traditional Owners is evolving. Engaging with Traditional Owners is a crucial part of any project requiring land access or land due diligence. Our need for engagement has also increased as we progress our Remote Communities work program and explore new ways of working with community participation models.

We have appointed three new Traditional Owner Relationship Advisor positions with these employees travelling across our service regions and remote communities to establish and nurture relationships with Traditional Owners, Prescribed Body Corporates (PBCs) and Aboriginal Community Controlled Organisations (ACCOs). These roles are essential to agreement making and developing meaningful and respectful partnerships to deliver culturally appropriate engagement activities.

Our Traditional Owner Relationships and Reconciliation team has also developed a Traditional Owner Land Negotiation Framework, Benefit Sharing Guidelines and Engagement Plan to support and guide our project teams in their engagement with Traditional Owner groups.

READ OUR INNOVATE RECONCILIATION ACTION PLAN 2022-2024

Cultural leave policy

Our mission is to foster an inclusive and supportive work environment that respects and celebrates Aboriginal cultural diversity. Aboriginal employees who have completed 12 months service at Horizon Power now have access to two days of cultural leave per financial year (pro rata for part-time employees).

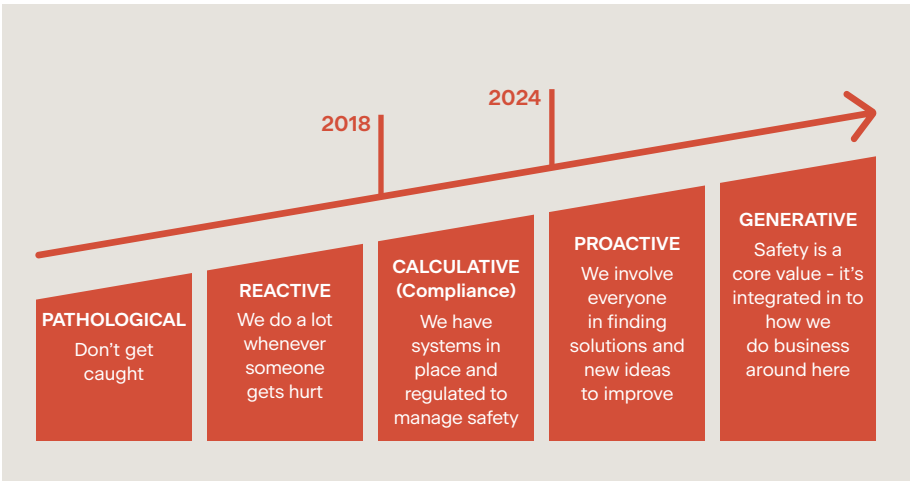
This new leave type will allow Aboriginal employees to observe days of cultural or ceremonial significance and carry out cultural obligations including events and activities related to Aboriginal culture, lore, customs and beliefs.

Cultural learning strategy

We have launched a new cultural learning strategy across our business, available to all employees. This strategy supports a key aspect of our reconciliation journey to create a culturally safe workplace and increase employees' awareness and understanding of Aboriginal cultures.

The strategy's learning resources support an employee's cultural competency development and practice in three areas: knowing, doing, and being. All new employees are automatically assigned cultural awareness training, helping to create an environment that is safe and respectful for all employees. On-Country cultural immersions are also held across WA each year for our regional depot teams, with this now extended to our Bentley staff.

Safety maturity progress 2018-2024



Safety, health and wellbeing

Last year, we engaged workplace health and safety consultancy Lloyd-Jones Meakin (LJM) to conduct a safety and health cultural maturity assessment. The assessment used the Hudson model of safety maturity and confirmed a positive step change in maturity since we were last assessed in 2018.

The assessment highlighted:

- Since the 2018 review, Horizon Power has significantly transformed its safety approach, moving from a compliance focused mindset to a proactive, behaviour based approach where safety is everyone's responsibility.
- This cultural shift is noticeable across all of Horizon Power's regional operations, evidenced by tangible changes in leadership actions, communications, systems, and practices.
- A strong reporting culture and focus on learning has been established.
- There is a demonstrated awareness of critical risks and the controls necessary to mitigate them.
- Leaders are actively present in regional areas, engaging directly with employees and taking a genuine interest in their wellbeing.
- Open dialogue is encouraged at all levels, and reimagined platforms like monthly round-up meetings (a 'tools down to reconnect teams' process) provide opportunities for information sharing.
- Horizon Power's commitment to employee wellbeing extends beyond physical safety with its Illuminate health and wellbeing program being considered leading practice.

To continue the journey of improvement, our Safety Health and Wellbeing (SH&W) strategy has been refreshed for FY26-28. This refreshed strategy focuses on the insights from the LJM assessment with a range of initiatives addressing the following four key themes:

- Maintain a connected safety culture
- Support our workforce, customers and community
- Enhance critical risk management
- Promote health and wellbeing.

Our SH&W Strategy FY26-28, along with the inclusion of 'safe' as an enabler of our Corporate Strategy 2025-2030, positions us to maintain a strong focus on continuous improvement in SH&W.

Electrical Inspectorate

Our electrical Inspectorate plays a key role in maintaining high standards of electrical compliance across residential, commercial, and industrial customer installations.

Governed by the requirements of our Inspection System Plan (ISP) which addresses the requirements of the Department of Local Government, Industry Regulation and Safety Building and Energy's (B&E) Inspection System Guideline, our Inspectorate has maintained strong performance over the year.

Despite challenges in maintaining the system of inspection across some of WA's most remote communities, the Inspectorate has demonstrated a high standard of compliance through internal and external audit. Notably, strong performance has been achieved in providing timely inspection for new electricity network connections (i.e. residential dwellings and commercial buildings), maintaining inspector designations with a focus on ongoing learning and development, and an improved focus on electric shock, fire, and breach investigations.

With an expected growth in residential solar and battery installations to be driven by the WA and Australian Government's respective WA Residential Battery Scheme and Cheaper Home Batteries Program, the Inspectorate will continue to deliver an essential safety and compliance service to the State's regional electricity consumers.

2,976	14	78	92
Completed inspections	Level 1 investigations	Level 2 investigations	Total investigations

Case study 3: Career Trackers

Professional pathways for Aboriginal university students

Challenge

As part of its Innovate Reconciliation Action Plan, Horizon Power's goal is to attract and retain Aboriginal people in its workforce across Western Australia, and build respectful and sustainable relationships at all levels of the business.

Solution

Since 2021, Horizon Power has been partnering with Career Trackers, a national not-for-profit organisation that supports Aboriginal university students by linking them with employers offering paid internships.

Key outcomes

- → Paid work experience
- → Career building and networking
- → Aboriginal employment opportunities
- → Workforce of the future

11

Aboriginal university interns over 4 years

Career Trackers links Aboriginal students with employers to participate in paid internships that support their professional aspirations. Through our partnership with Career Trackers, we are building respectful and sustainable relationships with Aboriginal people, while enabling interns to develop career-building skills in a professional setting.

Horizon Power has welcomed 11 interns through the program over the past four years and currently has three Aboriginal interns who are at different stages of their academic and professional journeys.

→

"My journey at Horizon Power has been marked by significant milestones. I progressed from an intern in a team unrelated to my degree to a role that aligns perfectly with my passion."
– *Tiarnee Lester, Horizon Power Intern*

→

"Even though we change positions every six months, the two teams that I have been involved with since my internships have both been welcoming and encouraged me to continue my development and seek out opportunities for growth."
– *Gordon Naley, Horizon Power Intern*

"My time at Horizon Power has allowed me to continuously develop and expand my skillset. The teams I have worked with have encouraged my development by engaging me in meaningful project work, by including me in regional work trips that relate to those projects, and by valuing me as a person and colleague." – *Matthew Harris, Horizon Power Intern*

Gordon Naley was in the third year of his engineering degree when he was placed in a five-week winter internship. This was followed by two 12-week summer internships, and a part-time role, which led to a graduate position in the Operations division after he finished his renewable energy degree.

Tiarnee Lester and Matthew Harris are both completing their degrees and have already secured part-time employment with Horizon Power after completing internships.

Matthew Harris works in the Corporate Affairs and Stakeholder Relations team, and also supports the Customer Engagement, and Traditional Owner Relationships and Reconciliation teams.

Career Trackers has been a beneficial investment in building Horizon Power's current and future workforce during the energy transition.

Case study 4: Zoleo communications device

Enhancing lone worker safety in remote locations

Challenge

Our lone work risk exposure increased significantly when we assumed responsibility for power delivery to 117 additional remote communities in 2023. With more work occurring in areas without mobile network coverage we needed a way to maintain communication and initiate emergency response for remote workers.

Solution

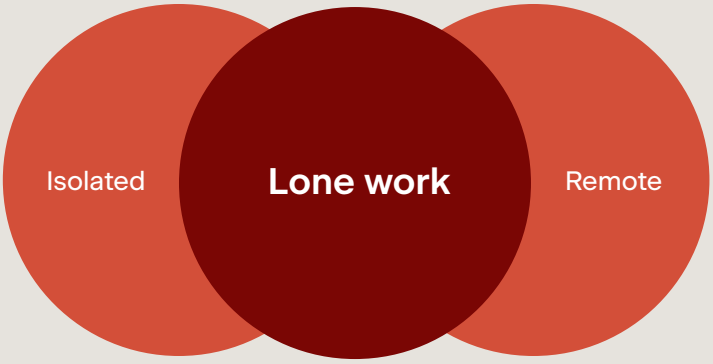
We have improved lone worker safety and connectivity in our business through the implementation of Zoleo satellite communication devices, which replace the use of one-way personal locator beacons (PLBs).

Key outcomes

- → **Improved worker safety**
- → **Improved worker to team leader connectivity**
- → **Improved emergency response**

Lone work
– comprises both isolated or remote work

Zoleo provides app based messaging, GPS tracking and monitored SOS services in any location across the State.



Zoleo is a standalone satellite communication and SOS device that connects with a worker's smartphone and provides a satellite connected messaging and tracking service in areas where there is no mobile network coverage. In our business, Zoleo is used by all team members travelling to remote areas of the State.

While PLBs offered an alert and location for emergencies, Zoleo provides ongoing two-way communication between a worker and their team leader via text, email and app-to-app messaging. Zoleo also provides GPS tracking and worker check-in functions along with SOS alerting and 24/7 third-party monitoring.

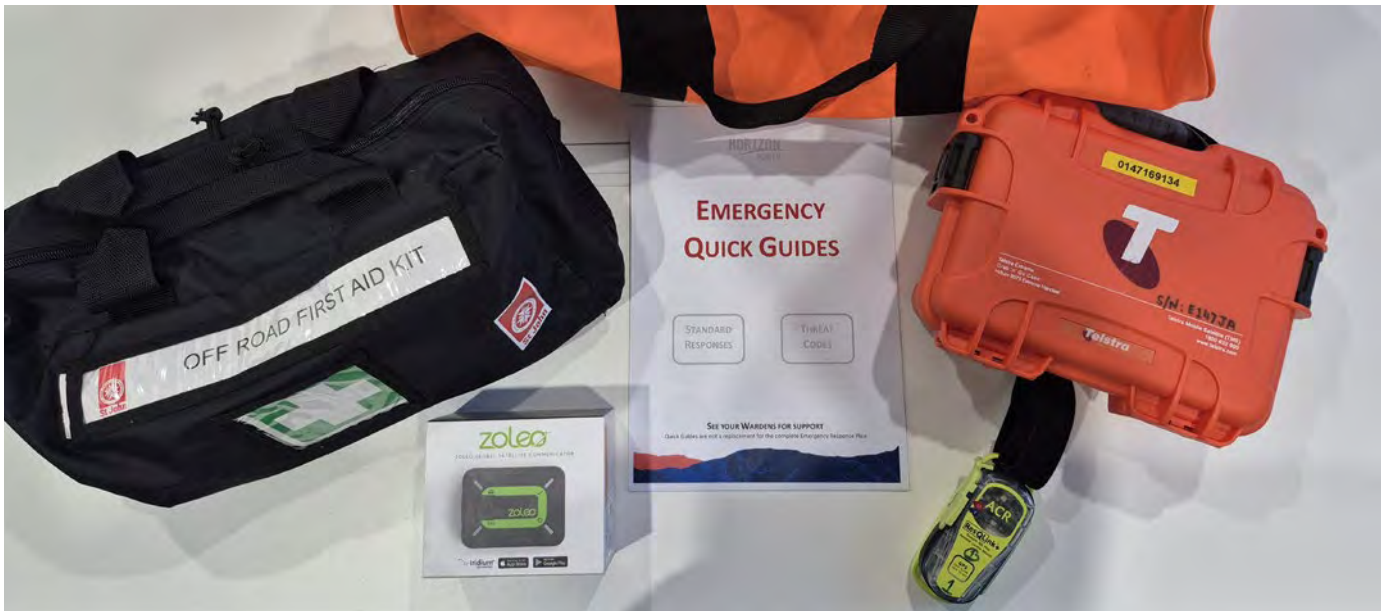
The implementation of Zoleo has enhanced management of our lone work critical risk. Workers that routinely conduct lone, remote work have been allocated a Zoleo device and those conducting ad-hoc remote travel are provided loan devices.

In addition to Zoleo, for road travel in our vehicles we use an in-vehicle safety system (IVSS) which provides warnings for driving events such as speed, collision and potential rollover to help avoid incidents and initiate emergency response.

The Zoleo device was pivotal in a recent emergency response where it provided effective communication between a Horizon Power worker and their leader when the worker became stranded in flood water.

As the worker crossed a floodplain in their vehicle the water rose quickly and they became stranded with their vehicle. The worker's Zoleo device was used to request emergency assistance and to maintain contact with their leader.

Further to the use of Zoleo, Horizon Power has multiple controls to manage and minimise risk associated with lone work. This includes setting minimum requirements for conducting lone work (including completion of a risk assessment), prohibited work activities when working alone and procedures for planning and executing lone work.



Customer-led decarbonisation

We are accelerating decarbonisation through customer-led solutions, emerging technologies and innovation, and community participation models.

Future energy project development

Decarbonisation planning program

To support decarbonisation of our power systems, we are progressing critical land acquisition and early planning activities to assess and enable expedition of renewable energy generation in Horizon Power towns, funded through the WA Government's Sectoral Emissions Reduction Strategies (SERS) program.

We are working on system-by-system planning which includes:

- Engineering modelling
- Financial modelling
- Land assessment
- Procurement
- Site due diligence and community engagement (heritage, environmental).

This baseline program of work will be complimented by an uptake in consumer energy resources, which will contribute to our distributed power systems of the future.

Exmouth's clean energy future

To secure Exmouth's clean energy future, we have signed a power purchase agreement with Perth-based Pacific Energy to deliver the Exmouth power project, helping to decarbonise one of the state's most iconic tourism destinations.

As part of the new agreement with Pacific Energy, we will provide power to Exmouth with a mix of large-scale and rooftop solar, battery storage, and only when needed, gas-fired generation.

South of the Exmouth township and adjacent to the existing Exmouth power station, a 9.6 MW solar farm and two battery energy storage systems with a combined 10 MW/49.6 MWh capacity will be constructed. The site was selected and designed to avoid impact on and to protect Aboriginal cultural heritage sites, fauna, priority flora, karst features and waterways.

Civil works commenced in March this year, with construction commencing in mid-2025 and project completion expected in mid-2026.

The Exmouth power project will have real and lasting benefits for residents, with up to 80 per cent of the town's power to be supplied by renewable energy as a result of the new energy system, in combination with CER.

Additionally, as the need for gas will be greatly reduced, the number of trucks on the road delivering compressed natural gas will go down from approximately 535 trucks each year to about 120 trucks.[8]

This measure can positively impact on road safety and improves resilience against supply constraints.

This project represents a significant step forward in our decarbonisation journey by enabling clean, reliable and affordable energy for the Exmouth community.

Dampier Peninsula and Warmun independent power producer buy-out

Horizon Power has acquired the existing Dampier Peninsula and Warmun power stations that are reaching end-of-life from independent power producers. By establishing an operational presence, it provides us with flexibility for the future integration of renewables.

As part of our Future Energy Planning framework process, we are working with Beagle Bay, Djarindjin/Lombadina, Ardyaloon, Bidyadanga and Warmun to design their future energy systems, including options for community participation. We are focused on replacement energy solutions by 2027.

The power station acquisition also provided an opportunity to employ three additional regional staff who we will train and upskill to help us deliver future energy systems.

8 Modelling supplied by Pacific Energy (2024).

As part of our engagement with Traditional Owners, the Exmouth power project solar farm will be named ‘Jirndal Solar Farm’ and is the Baiyungu word for ‘sun’.

Smart Connect Solar, Broome, WA.

Securing Laverton's power supply

Ensuring security and reliability of power supply to our customers is one of our main priorities. We are committed to delivering fit-for-purpose power systems that sustain our communities into the future. This includes having capacity to offer new customer connections and allowing for an uptake in CER.

In Laverton, the diesel power generation facilities have reached end-of-life, with capacity not suited to the increasing peak summer loads. As a result, Laverton has experienced power outages.

A temporary generation system has now been installed to meet the town's demand while a procurement process to secure a long-term solution is explored.

The installation of Laverton's current generation system was completed in an extremely short time frame and involved rapid coordination across the organisation and contractors to deliver this critical infrastructure. Our teams responded with flexibility and adaptability to enable continuity of a reliable power supply to Laverton during the summer period.

We are also exploring a long-term future power supply solution for the town of Menzies to meet future demand with an improved renewable power system.

Kimberley future energy systems

In addition to Future Energy Planning for Beagle Bay, Djarindjin/Lombadina, Ardyaloon, Bidyadanga and Warmun as part of the Dampier Peninsula and Warmun power stations buy-out, we have been exploring future energy solutions for Broome, Derby, Looma/Camballin, Fitzroy Crossing and Halls Creek.

Each future energy system is unique – it has its own progression timeline, and community and environmental impacts. We have undertaken engagement activities, market investigations, land assessments, and progressed due diligence for centralised solutions.

We also have dedicated teams working on driving customer solutions around solar and batteries and have had the opportunity to explore community participation models with Aboriginal communities.

We are targeting the secure future energy solution for 2028/29, driven by the expiry of power purchase agreements and assets at end-of-life.

Community participation models and new ways of working

Traditional Owner groups and Aboriginal corporations are wanting to play an active role in their energy futures and have demonstrated interest in co-ownership of power assets.

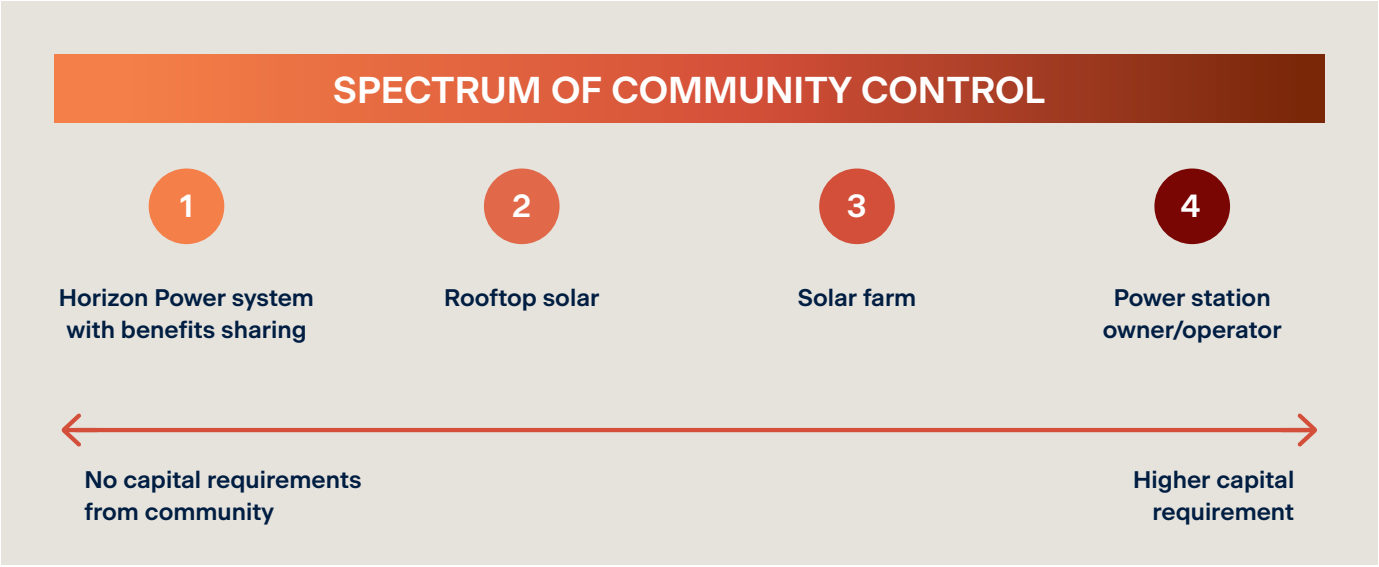
Co-ownership and community participation is an emerging issue and new models and ways of working are being explored by Horizon Power in response to these aspirations (refer community participation models spectrum of community control on page 43). Considerations include project feasibility, operational efficiency and safety, asset management and delivery strategy, procurement and governance, economics and cost competitiveness, and social impact.

We recognise the benefits associated with co-ownership and community participation models including Aboriginal participation in the energy transition, rights to self-determination and positive economic outcomes for communities.

The Blackstone hybrid energy solution project is a successful demonstration of community participation in practice (refer page 61).

We will continue to explore opportunities for shared benefit and ownership of power supply solutions to deliver on a fair and equitable renewable energy transition.

Community participation models



Consumer Energy Resources

Increasing rooftop solar uptake with Smart Connect Solar

Horizon Power's Smart Connect Solar product is delivering significant savings to customers by unleashing rooftop solar across regional WA. Powered by an advanced Distributed Energy Resource Management System (DERMS), the initiative has removed previous limits on solar installations, achieving the milestone of 'zero refusals' well ahead of the 2025 target.

Smart Connect Solar was launched in Carnarvon in February 2024 and by August that year had reached every town in Horizon Power's service area. Product adoption has risen rapidly since the launch, with Horizon Power managing 731 customer installations by the end of November 2024.

Early outcomes (February to November 2024) estimated Smart Connect Solar had enabled the abatement of 2,327 tonnes of carbon emissions and saved customers a combined total of $1 million on their energy bills through avoided import from the grid and Distributed Energy Buyback Scheme credits for surplus energy. The average percentage of energy management was estimated at 5 per cent, and well below the 10 per cent threshold.

Smart Connect Solar participation has now grown to approximately 1,200 customers, contributing 17 MW of renewable generation in our power systems.

The product has sparked enthusiastic uptake in previously capped towns like Broome, where more than 6,000 homes and businesses can now install solar.

Supported by a $6.36 million investment, this product aligns with the WA *Distributed Energy Resources Roadmap*, promoting clean, affordable energy.

This flagship initiative reflects Horizon Power's commitment to customer-led decarbonisation. Smart Connect Solar is not only lowering bills but also empowering customer choice and advancing a sustainable energy future.

SMART CONNECT SOLAR FOR BUSINESSES

SMART CONNECT SOLAR FOR HOUSEHOLDS

17 MW of rooftop solar enabled with Smart Connect Solar.

Proactively monitoring network performance

Gridsight is an AI-powered cloud analytics platform helping us modernise the way we manage the grid to improve safety and accelerate our clean energy transition.

Horizon Power has partnered with Gridsight to leverage data from more than 40,000 smart meters across regional WA to proactively and effectively identify power quality issues, enable voltage compliance across the network, reduce the risk of electric shocks and reduce the risk of grid instability.

The technology has also been integrated with our trouble call system to include automatic creation of faults for dispatching field crews to investigate issues.

This integrated technology stack is leading to safer networks and more efficient use of available resources.

The automated fault dispatch function means we have eyes on the network and a coordinated fault response 365 days a year. This allows us to fix issues before the customer experiences a power quality event or electric shock, aiming to maintain the safety of our networks in near real time.

The technology provides granular visibility on key system parameters like voltage and load so our teams can quickly identify areas that need our focus. The timely detection, dispatch and resolution of emerging network issues enables Horizon Power to provide a safer, more reliable network supply to its remote customer base.

Horizon Power has been working with Gridsight for several years to mature the technology integration and accuracy of the system. This collaboration, combined with Horizon Power's high population of advanced meters, has provided a unique opportunity to fast-track evolution of the systems.

Gridsight is enhancing network performance and reduces the need for costly upgrades by leveraging grid data. It is facilitating the shift to a decentralised, renewable-powered grid with intelligent tools, helping us to understand the impact things like EV charging is having on the network as well as more traditional consumer energy resources like rooftop solar.

Energy storage

Deploying and operating storage at scale is key for the effective integration of increased levels of CER, such as rooftop solar, to enable greater decarbonisation.

In the past year, the reliability and effectiveness of our 25 installed utility-end lithium-ion batteries has improved. We have implemented several key learnings which have produced significant outcomes and set critical foundations for future battery energy storage systems, including ten new community batteries being installed in Exmouth, Carnarvon and Esperance.

Horizon Power was an early adopter in battery energy storage systems, and for the past 15 years we have been exploring how energy storage can best be used to facilitate an increased uptake of renewable energy across regional WA.

Long duration energy storage trials

Horizon Power is continuing to lead the energy transition through the deployment of cutting edge, clean energy technology with our long duration energy storage trials.

The trials include VSUN Energy's 78 kW/220 kWh vanadium redox flow battery in Kununurra and BASF's 250 kW/1450 kWh sodium sulphur battery in Carnarvon.

A new battery technology has been selected for Nullagine, with an EnerVenue nickel hydrogen battery to be trialled in this remote, Pilbara location.

The vanadium redox flow battery passed its factory acceptance tests in Perth, was transported to Kununurra and is now successfully in service for the trial. Marking a milestone first for Australian Vanadium Limited (owner of subsidiary VSUN), electrolyte for a portion of the battery was produced from its Perth facility.

The vanadium redox flow battery trial is focused on solving technical challenges to implementing long duration energy storage in extreme temperatures, testing the capability of providing long periods of 100 per cent renewable energy.

It will provide insights on how to integrate long duration energy storage into our networks, microgrids and other off-grid power systems. We will continue to work with VSUN and the University of Western Australia to conduct testing and collect data over the trial period.

The sodium sulphur battery is expected to arrive in Australia later this year, prior to being deployed to Carnarvon. This energy storage solution can be scaled up cost effectively to suit larger towns and the North West Interconnected System.

The nickel hydrogen battery has now been procured, with this battery having the ability to be scaled down cost effectively to service small communities.

The Carnarvon and Nullagine battery trials are supported by funding from the Australian Renewable Energy Agency (ARENA).

Community batteries 2.0

We will procure and install 10 community batteries across Exmouth (3), Carnarvon (3) and Esperance (4), each 100 kW/250 kWh in output/capacity.

These 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.

Horizon Power's DERMS technology will be used to orchestrate the network batteries to maximise the value of our investment. This will be the first time DERMS will manage batteries deployed in the distribution network.

Our community batteries 2.0 program is supported by WA Government SERS funding, and ARENA funding. The installation of 10 new community batteries extends on our existing community batteries installed at Broome and Derby.

Case study 5: EV orchestration trial

Testing the potential of two-way EV charging in our grids

Challenge

Power flows on our networks need to be actively orchestrated to resolve network risks associated with increased integration of consumer energy resources, including electric vehicles, and to alleviate the need for costly major investment to augment power systems to meet increased demand.

Solution

Horizon Power's EV orchestration trial successfully validated the capability of our Distributed Energy Resource Management System (DERMS), with further development, to orchestrate EV Supply Equipment (EVSE) including vehicle-to-grid (V2G) functionality to mitigate power system constraints.

Key outcomes

- → **Validation that DERMS can provide EVSE orchestration**
- → **EVSE orchestration can support grid stability**
- → **EVSE orchestration drives decarbonisation through support for EV uptake**
- → **Informed future customer products**

EV uptake presents an opportunity to partner with our customers to optimise power systems and support decarbonisation. As part of the WA Government's *Electric Vehicle Action Plan*, Horizon Power conducted a pioneering EV orchestration trial in Exmouth. The primary goal of the trial was to confirm that DERMS could automate EVSE orchestration effectively: allowing EV's to draw power from the grid but also feed it back into the network.

Secondary objectives included testing the capability of DERMS to support flexible customer product options, assessing customer impacts, evaluating internal standards for EV integration, and understanding regional sentiment towards EV use. The trial also aimed to inform Horizon Power's technology roadmap and our EVSE orchestration readiness.

Five V2G-capable Nissan Leaf e+ EVs and 7.4 kVA Wallbox Quasar chargers (the EVSE) were deployed across four trial partner organisations in Exmouth for 12 months. Exmouth was selected as the trial location due to its DERMS-ready infrastructure, its network size being able to handle charging loads, representative climate, and community interest in green technologies.

The trial progressed through three phases:

- Base functionality: Connectivity testing and validating DERMS ability to manage EVSE.
- Basic orchestration: Addressed power system security through automated control, including V2G charging.
- Advanced orchestration: Explored dynamic scenarios to inform future customer products and outcomes. Appropriate customer products will be critical to supporting EV uptake and providing more predictability to EV connectivity.

During the trial, DERMS used data from our power/SCADA systems, CER via a grid edge solution (GES) and weather forecasts to manage EVSE utilising virtual power plant (VPP) scenarios to balance power system security with customer needs.

The grid edge solution is a fundamental enabler of CER orchestration. The edge intelligence enables critical functionality (such as failsafes), while the interoperability component ensures CER assets, the GES and DERMS can all exchange, interpret and use data.

Key findings

Peak load and generator minimum load support: DERMS can successfully constrain charging during peak loads and encourage charging during low-load periods, helping to stabilise the grid.

Discharging EV batteries to the grid during peak demand may also provide significant peak reduction support by reducing load on the power system while delivering opportunities for financial rewards for customers (as per rooftop solar buybacks).

Failsafe mechanisms: Localised failsafe settings allow for EVs to remain functional and the network to be protected even during potential communication failures between technology, the power station and CER.

Customer flexibility: DERMS accommodated customer override requests and demonstrated the ability to support opt-in/out product models.

Ramp rate management: Ramp rates (rate at which an EV charges or discharges) are an essential aspect of distributed energy resource orchestration within Horizon Power's service area, with scope for future ramp rate compliance through device certification as V2G technology advances.

Control prioritisation: EVSEs are equipped for customer interaction via apps, websites, or on-device controls. With remote orchestration, it is essential to define how EVSEs respond to different commands and determine which takes precedence.

Challenges and considerations

Technology limitations: At trial initiation, there were only two V2G compatible vehicles on the market (Nissan Leaf e+ and Mitsubishi Outlander PHEV) and one commercially available V2G capable EVSE (Wallbox Quasar). Both compatible vehicles used a CHAdeMO direct current (DC) charging port for V2G, meaning the trial had to use a CHAdeMO charging compatible EVSE, though it is likely being phased out in Australia.

Environmental impact: Harsh environmental conditions can lead to hardware deterioration, underscoring the need for climate-resilient designs and technical rules to address matters such as EVSE location.

Customer engagement: Positive shifts in trial partner attitudes were observed, reinforcing the importance of education and transparency in customer-led energy transitions.

The EV orchestration trial successfully demonstrated that DERMS can manage EVSE to support grid stability and offer flexible customer participation in the energy transition. The trial sets a strong foundation for scalable, customer-centric EV integration in our regional power systems.

EV driving	EV returns home with spare energy in the battery	V2G smart charger can charge the vehicle or draw spare energy from the EV battery and dispatch to the home and/or the energy grid	Energy discharged from the EV battery can power household appliances such as the TV and air-conditioning	Energy discharged from the EV battery can also be exported to the energy grid and used by Horizon Power to support network stability

We couldn't have completed this trial without the essential participation of our trial partners! Thank you to:

Shire of Exmouth, Gascoyne Development Commission, WA Country Health Service, Chamber of Commerce and Industry Western Australia

Affordable energy

We are delivering cutting-edge system optimisation, digital transformation, and smart technologies like Community Wave to make power more affordable.

Optimising performance of our power systems

We have been working on enhancing performance of our power stations through reduced fuel costs, improved battery functionality and higher renewable penetration.

Contemporary generation optimisation plans have been completed for five power stations, with optimisation projects now complete for three of those power stations. As part of this initiative, we are also working with independent power producers to establish third-party optimisation strategies.

Looking ahead, we are evolving this initiative to whole-of-system optimisation, including distribution networks. Our energy system optimisation program will move us towards highly automated, integrated, efficient energy systems to reduce costs and emissions while increasing safety, reliability and customer satisfaction.

We will continue to leverage DERMS to remove capacity constraints on our distribution networks, and to extend orchestration capabilities. We will also enable end-to-end visibility over all utility and customer assets to allow for continued system optimisation.

Greater automation controls to respond to customer faults will positively impact on business sustainability through more efficient work processes. It will also improve regulatory compliance outcomes, as demonstrated with our life support and outage management project (refer page 26).

“Through SmartWorks we will be able to optimise asset performance and streamline maintenance strategies.” – *Horizon Power Reliability Engineer*

Completing the Utility of the Future program

The Utility of the Future program has successfully delivered eight key initiatives over the three-year life of the program, transforming Horizon Power into a digital utility.

Creating a digitally-enabled environment is allowing us to accelerate new operating models, optimise the way we work, and explore and grow new avenues to engage customers and communities.

Key achievements include better forecasting of energy demand, improved systems and network planning, proactive asset management, enhanced customer experience, and significant cost optimisations. The program has also leveraged leading technologies such as cloud computing, internet of things (IoT), and AI to enhance productivity and decision making.

SmartWorks is our most transformative initiative. This project is digitising, standardising and streamlining end-to-end works management processes across all regions to improve safety and productivity. Field execution and efficiency will vastly improve, with field workers being able to access all job-related information on a mobile device – where they need it, when they need it.

Importantly, it’s also improving the quality of data available to reliability engineers, allowing them to make better decisions to improve the reliability and efficiency of our power systems. Improved transparency on reactive work, resource capacity and workload are also significant improvements for our asset management and works delivery teams.

UTILITY OF THE FUTURE	**Asset works & management**	SmartWorks
		Geospatial intelligence
		End-to-end data capture risk management
		Asset risk criticality
	System & network planning	Grid planning portal
	Network operations	Network conditioning monitoring tool
	Customer experience	Digital experience platform
	Procurement & finance	Procurement information & supplier management system (PRISM)

Drone use in the Gascoyne/Mid West

The Carnarvon depot is trialling use of a DJI Mini 4 Pro Drone in the inspection and maintenance of nesting birds in the region.

An ornithological survey was completed for an avian nesting hazard assessment of the Lake McLeod power line north of Carnarvon. This assessment provided information into species of birds and likely nesting times, with inactive nest management one of the controls utilised to minimise impact on power outages and reliability.

Previous practice would require an elevated work platform to be used, and a physical inspection completed on between 40 to 60 nests at different times throughout the year. Using the drone, nests were inspected pole by pole, with inactive nests quickly removed. This highly improved the efficiency of the inspection process and lowered staff exposure to critical risks.

The drone was also used in the identification of worn high voltage insulator string hardware, providing additional information on actual hardware condition. This led to a focused replacement program, with higher-risk assets prioritised. Drone use has also helped us to plan a response to a fire incident prior to DFES approving physical access.

Smart, connected, cheaper energy with Community Wave

As more customers install rooftop solar and battery systems, it's transforming how we manage and use energy. Thanks to our Smart Connect Solar technology, we can already manage the flow of rooftop solar energy within our regional towns, so that communities can benefit from our abundant WA sunshine.

Batteries play an important role in our energy future. When solar panels are installed with a battery, it allows customers to store excess solar energy when the sun is shining. This excess energy can be used later when the sun isn't out. And, like solar panels, Horizon Power can coordinate these batteries to help balance the stability of the grid.

We call this Community Wave. Community Wave is Horizon Power's virtual power plant customer product. It connects and coordinates energy assets, like solar panels and batteries, to manage the flow of energy to and from the network. This keeps power supply reliable, and more renewable energy can be used when it's most needed.

By joining Community Wave, customers may be eligible for Renewable Rewards, which includes energy buybacks, rebates and programs that can help to reduce the cost to install consumer energy resources – such as batteries via the WA Government's WA Residential Battery Scheme.

By connecting Smart Connect Solar and batteries to Community Wave, customers can enjoy the benefits of renewable energy while supporting the future of their community's energy network.

When we connect together, we're powerful.

Powering Kununurra, WA.

Case study 6: Kimberley Communities Solar Saver

Delivering equitable access to the energy transition

Challenge

Delivering equitable access to the energy transition in remote Aboriginal communities, while reducing costs and reliance on diesel supply.

Solution

Through the Kimberley Communities Solar Saver program, entire communities gain access to the benefits of rooftop solar by sharing energy bill savings across all households, not just those with rooftop solar panels installed.

Key outcomes

- → Reduced energy costs
- → Reduced carbon emissions
- → Increased renewable energy penetration
- → Equitable access to clean energy

KCSS snapshot

300
rooftop solar systems

~2 MW
combined capacity

~$450
annual household savings

~430
households to benefit with bill savings

"KCSS is a wonderful example of shared assets bringing direct benefits to our remote communities. Instead of relying solely on diesel generators, community residents are benefiting from shared solar power, resulting in a cleaner and cheaper type of energy."
– *Horizon Power Customer Programs Manager*

The Kimberley Communities Solar Saver (KCSS) program is delivering cheaper, cleaner energy to families in remote communities across Western Australia's Kimberley region.

Commencing in 2024, KCSS is underpinned by the principles of equity and collectiveness, removing community barriers to accessing renewable energy and paving the way for Horizon Power to deliver a more equitable energy transition for remote communities. The KCSS program installs solar panels on select household rooftops and shares the energy savings across the entire community.

By using existing rooftops rather than establishing large solar farms, Horizon Power is minimising direct impact on-Country and to culture and is providing opportunities for Aboriginal engagement in the transition to cleaner energy in remote communities.

Horizon Power has successfully installed solar panels to homes in the communities of Warmun, 200km south of Kununurra, and Bidyadanga, 180km south of Broome.

In Warmun, 41 solar systems have been installed, delivering energy saving credits to the community's 78 properties and providing a total of 422 kW of installed rooftop solar.

All rooftop solar systems are connected via Smart Connect Solar, with the savings collated and credits applied directly to household meters.

Since August 2024, more than $29,000 in energy saving credits have been applied to the Warmun community.

In the West Kimberley, 356.4 kW of rooftop solar has been installed across 33 properties in Bidyadanga with 133 properties receiving energy saving credits. More than $33,000 in energy credits have been applied to the community from December 2024 to June 2025.

Residents in the Dampier Peninsula community of Ardyaloon are also set to benefit from the program in FY26, as work to install solar panels on 21 properties commenced in late June. Energy credits will be shared among approximately 85 properties.

Our experience in Warmun was used to inform planning in other communities, and as we expand KCSS to future communities. We understand that each community is unique and we're committed to delivering customer choice and benefits for participating communities.

KCSS supports Horizon Power's commitment to helping customers save money on their energy costs, while also improving access to renewable energy for customers who may not otherwise have the means to access it.

The KCSS program is co-funded by the WA Government and Australian Government.

Regional catalyst

We are driving transformative change across regional and remote Western Australia through new energy solutions, infrastructure upgrades and community programs.

Pilbara decarbonisation, network rules and access

We support the WA Government in delivering the objectives of the Pilbara Roundtable and the Pilbara Energy Transition Plan to:

– deliver competitive renewable power via common use transmission infrastructure

– empower Aboriginal people to realise opportunities from the clean energy transition, and

– evolve the Pilbara electricity regulatory regime.

As part of the Pilbara Energy Transition Plan, the WA Government has identified four priority corridors for the development of new common use transmission infrastructure, being:

- The Burrup (Murujuga) Corridor – Linking the Maitland Strategic Industrial Area (SIA), with Karratha and the Burrup SIA.
- The Chichester Range Corridor – Connecting the Maitland SIA with the high-quality wind zone around 50 to 100 kilometres further south, proximate to the Chichester Range.
- The Hamersley Range Corridor – A transmission solution that will connect the Boodarie SIA and Port Hedland with the eastern edge of the Hamersley Range, home to the State's iron ore mining industry.
- The Great Sandy Desert Corridor – A transmission line that connects the Boodarie SIA and Port Hedland with proposed renewable generation projects further east near the Great Sandy Desert.

Projects given priority status will receive a WA Government recommendation to be considered for concessional financing from WA's share of up to $3 billion under the Australian Government's Rewiring the Nation program.

Through a development agreement with the Australian Renewable Energy Hub (AREH), Horizon Power is undertaking a feasibility study for the Pilbara Green Link (PGL) which sits within the Great Sandy Desert corridor. PGL is a proposed transmission line that would connect the AREH and other large-renewable energy projects into the North West Interconnected System.

We also continue to operate the Pilbara Network ringfenced business. In addition to being an operator of a regulated Pilbara network, Horizon Power's control centre coordinates the Pilbara electricity system in real time under delegation from the Independent System Operator (ISO).

In February 2025, Energy Policy WA released two consultation papers on proposed regulatory changes to the Pilbara Network Access Code and Pilbara Network Rules. The proposed changes have been developed as part of the Pilbara Roundtable and Pilbara Advisory Committee work programs, with the changes required to implement the Pilbara Energy Transition Plan.

Residential batteries to reduce power bills

We're working with the WA and Australian Governments to deliver the respective WA Residential Battery Scheme and Cheaper Home Batteries Program, linked to our Community Wave customer product (refer page 52). These initiatives will help families and small businesses to purchase behind-the-meter batteries and save on their power bills.

Rebates for residential batteries were made available on 1 July 2025. In the first year, and combined with assistance under the Australian Government's Cheaper Home Batteries program, Horizon Power customers are able to receive up to $7,500 towards the cost of a 10 kWh battery installation.

No interest loans of up to $10,000 are also available to assist lower and middle income households to take part in the scheme.

The nation-leading WA EV Network is now completed, with a total 110 charging points in 49 locations.

To further advance clean energy outcomes and reduced bills for customers, new, additional and replacement solar panels will also be eligible for loan funding assistance when they are installed as part of a package involving installation of a battery system.

Batteries installed through these programs will help play a vital role in securing WA's energy future, with households to be financially rewarded when they share their stored renewable power as part of a virtual power plant.

Through VPPs, like our Community Wave, households can sell energy stored in their battery back to the market – helping to decarbonise WA and bolster energy security.

APPLY FOR A BATTERY OR NO INTEREST LOAN

WA EV Network completion

The nation-leading WA EV Network is now completed, with a total 110 charging points in 49 locations across Horizon Power's and Synergy's service areas (Horizon Power is responsible for 27 charging locations in its service area).

This project helps our customers to decarbonise, supports the uptake of electric vehicles, and supports regional tourism by improving accessibility to the State's regions.

The WA EV Network is Australia's longest connected EV fast-charging network. It spans 7,000km from Kununurra in the north, to Esperance in the south, and to Mundrabilla near the South Australian border. The network has charging stations less than 200 kilometres apart on average and drivers are able to top up their vehicles in as little as 20 minutes, with enough energy to reach the next WA EV Network charger.

Installing EV chargers in remote locations and having them work reliably on small microgrids required novel approaches. Thinking outside the box, our project team deployed bespoke energy solutions to power charging sites, including seven sites with standalone power systems powered predominantly by solar and small-scale battery storage.

Acknowledging the need for reliable EV chargers in remote locations which are often subject to extreme climates and resource constraints, we have installed back-up chargers at all sites.

The WA EV Network forms part of the WA Government's $43.5 million investment in EV charging infrastructure in support of the *State Electric Vehicle Strategy for Western Australia*.

WA EV Network: Horizon Power chargers by the regions

Region	Number of chargers	Locations
Kimberley	9	Sandfire, La Grange, Broome, Kununurra, Warmun, Halls Creek, Mueller Ranges, Fitzroy Crossing, Derby
Pilbara	6	Fortescue River, Karratha, Whim Creek, Port Hedland, Pardoo, Nanutarra
Gascoyne/Mid West	6	Billabong, Overlander, Denham, Carnarvon, Minilya, Exmouth
Goldfields/Esperance	2	Esperance, Norseman
Nullarbor	4	Balladonia, Caiguna, Madura, Mundrabilla

Denham Hydrogen Demonstration Plant powers ahead

Identified as one of Energy Tech's '8 new microgrid projects that defined the C&I energy transition in 2024', the state-of-the-art Denham Hydrogen Demonstration Plant trial is now reaching reporting completion with our final milestone four report to be submitted to funding partner ARENA later this year.

The Denham Hydrogen Demonstration Plant is Australia's first hydrogen plant supplying power to a remote power system. Horizon Power designed, constructed, and now operates a renewable hydrogen plant, which includes a dedicated solar farm to power the hydrogen equipment.

The trial aimed to demonstrate that hydrogen storage systems can effectively store excess renewable energy and use it to power the grid, enabling the 'time shifting' of renewable energy.

Key objectives achieved include:

- *Demonstrating viability:* The plant has produced more than 4,500 kg of hydrogen, generated 45 MWh of electricity from hydrogen, and 2,200 MWh from the solar farm, net to the grid since February 2024.
- *Job creation and upskilling of workforce:* Project delivered approximately 31,000 labour hours across 50 job positions with Horizon Power staff and contractors gaining skills to contribute to a future hydrogen market.
- *Regulatory:* Collaboration with the Department of Local Government, Industry Regulation and Safety to share information to support regulatory frameworks.

The trial has served as a knowledge sharing platform for the wider energy sector, including a coordinated information exchange with the University of Alaska Fairbanks' Alaska Centre for Energy and Power (ACEP). An ACEP team toured the hydrogen demonstration plant in 2024 to inform their research on the use of hydrogen in remote microgrids, and specifically the role hydrogen can play as a long duration energy storage medium.

In addition, at the invitation and generous patronage of ACEP and the Office of Naval Research, and in collaboration with the National Renewable Energy Lab and Arctic Energy Office, the Denham project team have delivered presentations and knowledge sharing sessions to designers, regulators and utilities as well as the Alaska Sustainable Energy Conference in Anchorage, Alaska.

Our Operations team will continue to optimise and gain valuable insights from the hydrogen plant as it delivers renewable hydrogen energy to the Denham community.

Energy Ahead

Now in its second year of delivery in the West Kimberley, the Energy Ahead program, (an initiative between Horizon Power, Nirrumbuk Environmental Health and Services, and Energy Policy WA) has demonstrated positive engagement and tangible benefits for participating households.

We have visited 90% of the 117 remote communities in person.

Energy Ahead plays a critical role in supporting vulnerable customers and long-term household energy efficiency. It enhances cost savings and contributes to improved standards of living for participating communities.

- 119 eligible households have participated in tailored coaching programs, receiving energy efficiency packs (comprising practical educational tools and low-cost, energy-efficient items) and personalised in-home home audits from an Energy Ahead case worker.
- 28 recommendations for high-cost appliance replacements (air conditioners, fridges/freezers and washing machines) have been approved.
- The program has achieved an average 27 per cent decrease in electricity costs, equating to an average household saving of approximately $480 a year.

Standalone power system deployment

We continue to deploy standalone power systems under the WA Government's standalone power system (SPS) program. We have now delivered a total of 84 hybrid renewable standalone power systems across regional WA to meet the safe, reliable energy needs of end-of-grid customers.

The delivery of SPS under the WA 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.

With a key feature of SPS removing bushfire risk and increasing farming safety due to the elimination of overhead network infrastructure, the program has achieved a total 184km of powerlines removed to date.

Remote Communities

Closing the Gap

Our Remote Communities program is delivering meaningful change and tangible outcomes as we work to support the WA Government's commitment to outcome 9, target 9b on the *National Agreement on Closing the Gap*.

To meet Closing the Gap targets, we have an extensive work program through to 2031 to uplift power services in 117 remote communities, which requires travel across vast remote areas and a commitment to engaging on-Country in culturally appropriate ways.

Through the July 2023 transfer of power service delivery from the Department of Communities to a regulated power provider in Horizon Power, it will enable residents in WA's most remote communities to receive the same standard of power services as similar sized communities in other parts of the State.

The core focus of our Remote Communities program is to improve the safety and reliability of power services in these communities and deliver on our regulatory compliance obligations by 2031. Horizon Power is working together with communities on these improvements: our engagement is community led and reflects our commitment to reconciliation.

Asset management plan

Asset remediation and critical energy infrastructure upgrades continue to be a focus to improve safety and reliability of power services.

Generation and fuel management upgrades

We have been installing fuel tanks to mitigate risks associated with fuel delivery during the wet season, address fuel shortages, and improve the condition of ageing infrastructure, with 18 fuel tanks now installed.

To reduce environmental impacts caused by storage conditions of waste oil drums in power stations, we have been replacing waste oil tanks, with 27 new tanks installed.

A total of 32 engine replacements have also been carried out to enhance power supply reliability, and transformer replacements have been completed in the Pilbara/Mid West and Goldfields/Esperance regions to further improve power reliability.

Additionally, 25 Starlink connections have been installed to improve remote monitoring connectivity in some of the most remote parts of Western Australia.

We have also delivered renewable generation upgrades with standalone power systems in the communities of Cockatoo Springs and Chile Creek (refer page 64).

PVC cables and twisty remediation

We are significantly improving the safety of distribution networks through polyvinyl chloride (PVC) cable and 'twisty' remediation. We've achieved 100 per cent completion of PVC replacements in the Goldfields/Esperance and Pilbara/Mid West regions and the Kimberley region is almost 80 per cent complete.

The removal of legacy PVC and twisty components is essential to reducing electric shock risk to customers and the public and addresses aspects of Horizon Power's compliance with electricity industry regulations.

Pole testing and replacement

We are testing network and consumer poles for structural integrity. This work mitigates safety risk and addresses electricity industry regulation compliance related to unassisted pole failures. So far, more than 2,406 network poles have been tested across our remote communities' service delivery area, with a 100 per cent completion rate in the Goldfields/Esperance region, 70 per cent tested in the Pilbara/Mid West region, and more than half of poles tested in the Kimberley region. Additionally, 580 consumer poles have been tested across our service delivery area.

Earthing and protection studies

We're assessing and testing network earthing apparatus and generation protection settings and have completed 24 out of the 54 communities where there is currently an absence of clear earthing and protection documentation.

This project will capture the required data from power stations and create baseline drawings. This baseline data will lead to better identification of earthing and protection risks and inform asset management planning and prioritisation decisions. It will also help service crews respond to and rectify issues in a safe manner.

Summer readiness program

Managing remote power supply during the 2024/25 summer wet season was particularly challenging as the western tropical cyclone region had its most active cyclone season in 25 years, with a total of 11 tropical cyclones forming off the coast of northern WA.[9]

Most notably, Severe Tropical Cyclone Zelia (refer page 28) caused flooding and structural damage in February 2025 across four remote Pilbara communities: Warralong, Marta Marta, Punju Njamal and Jinparinya.

Our summer preparedness included upgraded fuel capacity, installing remote fuel monitoring smarts, and our recent network and generation improvements which improved resilience during these events.

A summer readiness review showed that our plan was effective, with no emergency aviation re-fuelling required this season.

Blackstone hybrid energy solution

Construction is scheduled to commence in September 2025 on a safer, cleaner and more reliable power system for the Blackstone community, approximately 1,575 kilometres northeast of Perth in the Goldfields/Esperance region.

This project will replace the use of high-cost temporary diesel generation with solar and batteries.

The Blackstone community's new hybrid power solution will generate up to 80 per cent renewable energy, with a 400 kW diesel generator, at least 582 kW of solar and two MWh of battery storage as part of the power station rebuild.

The Blackstone community and Ngaanyatjarra Council, as the representative body for the Yarnangu Traditional Owner group, have been engaged through all phases of this project, including design and site selection.

The project undertakes bi-monthly project reference group meetings with community and Traditional Owner representatives, who will continue to be consulted with throughout project delivery and beyond to form lasting, constructive relationships.

Forming part of the community participation model for this solution, a proportion of cost savings achieved through reduced diesel consumption will be reinvested back into the community via a Community Energy Fund. This can be used for infrastructure enhancing projects such as street lighting, lighting of ovals or airstrip, or solar on community buildings.

We are also working with the local community and power station installer to maximise opportunities for local employment, training, and procurement of goods and services.

The existing Regional Service Provider, NG Services (a subsidiary business of Ngaanyatjarra Council) currently maintains the existing power station and will continue to do so once the new power solution is built.

This pilot project will be used to test a scalable, modular energy solution which can be delivered across other remote communities, as required.

The Blackstone hybrid energy solution is supported by WA Government and ARENA as part of its Regional Microgrids Program.

Advanced Metering Infrastructure

The rollout of Advanced Metering Infrastructure (AMI – also known as 'smart meters') has been piloted across five remote Kimberley communities, replacing legacy power payment methods with advanced solutions.

AMI increases customer safety by allowing us to proactively monitor the integrity of the network and provides the ability to switch off power supply in dangerous situations like cyclones or floods.

It also facilitates the delivery of customer protections under the Economic Regulation Authority's *Code of Conduct for the Supply of Electricity to Small Use Customers* including concessions, rebates, and energy consumption data, which haven't previously been accessible to these remote customers.

Customers now also have greater visibility and control of their energy use and more options on how to purchase power through either prepayment or two-monthly billing cycles.

AMI installations start with community engagement. Once infrastructure is installed, customers can set up MyAccount software and select pre or post payment. AMI connects with the communities' existing 4G or 5G mobile telecommunications service.

These changes have enabled remote residents to transition from needing to go to a shop to recharge, to being able to recharge at home on a mobile phone.

AMI installations have been successfully completed in the Kimberley communities of Chile Creek, Cockatoo Springs, Doon Doon, La-Djadarr Bay and Embalgun, in partnership with Kimberley Regional Service Provider. The rollout will continue across the Kimberley and Pilbara regions over the next 12 months, with AMI meters to be installed in 13 remote communities by June 2026.

9 Commonwealth of Australia. (16 May 2025). Australia's 2024-25 northern wet season. Bureau of Meteorology. http://www.bom.gov.au/climate/current/season/tropics/summary.shtml

Our remote communities regions

We have established relationships with Aboriginal-owned Regional Service Providers (RSPs) that operate across three specific service regions. RSP's are valued partners delivering on-the-ground power services in remote communities.

KIMBERLEY	Kimberley Regional Service Provider (KRSP)
PILBARA/MID WEST	Meta Maya Services (MMS)
GOLDFIELDS/ESPERANCE	Ngaanyatjarra Services (NgS)

Remote Communities asset management plan

	GOLDFIELDS/ ESPERANCE	PILBARA/ MID WEST	KIMBERLEY
Engine replacements	9	12	11
Fuel tank replacements	2	3	13
Waste oil tank replacements	6	7	14
PVC cable replacements	514	126	475
Twisties removed	23	1	0
Poles tested	1,093	513	800
Transformers replaced	2	3	0
Starlink deployed	4	16	5

*As at 30 June 2025.

Case study 7: Remote communities

Generation and metering upgrades in Chile Creek

Challenge

The Bushlight power system in the remote community of Chile Creek, 198 kilometres northeast of Broome, was at end-of-life and had suffered a fire in its battery room, causing safety and reliability issues. Customers also had legacy power payment methods, limiting access to concessions, electricity rebates, and hardship payments.

Solution

The damaged system was replaced with a new standalone power system (SPS) consisting of some upgraded renewable assets seamlessly blended with a new inverter/battery system, new diesel generator and Advanced Metering Infrastructure (AMI).

Key outcomes

- → **Cleaner, safer, more reliable power supply**
- → **Reduced energy costs**
- → **Choice in bill payment methods**
- → **Access to concessions and rebates**

The pre-existing power system had a manual fill diesel generator, which posed a high risk of injury to residents who were having to regularly fill it themselves with 20 litre fuel containers.

The newly installed SPS includes 16 kW of solar, a 50 kWh battery energy storage system, a 30 kW diesel generator and a 6,000 litre diesel storage tank, which has removed the need for residents to manually fuel the system. The new design also includes the ability to expand the battery size to suit growing community needs.

New infrastructure was constructed on the pre-existing site and utilised existing solar assets, resulting in no environmental impact. Upgraded assets were installed and commissioned by 50 per cent Aboriginal-owned business Kimberley Regional Service Providers.

Since the new system was installed, the community has been running on approximately 47 per cent renewable energy, with an average load of 4.6 kW. Renewable energy penetration is expected to increase substantially during the dry season when the load decreases.

Upgrades have led to a large reduction in diesel dependency, with fuel consumption reduced by an estimated 4,600 litres annually. Greenhouse gas emissions are also expected to reduce by more than 12 tonnes per year.

The use of solar and a battery energy storage system has enhanced the reliability of power supply while promoting sustainable energy practices. It's reducing energy costs and improving safety through remote monitoring and fault detection and removing the need for community members to access electrical switch rooms.

Six new AMI meters have also been installed in this community (refer page 61). This new 'smart metering' infrastructure is addressing legacy power payment methods with advanced solutions to improve community safety and customer support, and to deliver on our regulatory compliance obligations by 2031.

With AMI, customers have greater visibility and control of their energy use and better accessibility to concessions and rebates that existing Horizon Power customers are entitled to across other areas of regional WA. AMI will play an important role in bringing equitable access to Aboriginal people and provide substantial safety benefits by enhancing the ability to detect safety issues on the network.

Asset upgrades and installation of new smart meters has transitioned Chile Creek residents from physically topping-up their own diesel, to topping-up prepaid power accounts online from their phone at home – a true digital transformation.

Customers were provided face-to-face education and training on how to purchase power with the advanced metering system, as they were previously a self-managed community and had never purchased power in this way before.

Extensive engagement with the community was undertaken throughout this project. They supported the new pre-paid solution and installation of AMI metering, which has enabled a user-pays model with Horizon Power assuming responsibility for ongoing diesel supply.

Early usage data showed 33 recharge transactions across multiple payment channels, indicating strong uptake. As at 30 June 2025, no disconnections have been reported.

Environment

We continue to advance our environmental stewardship through active participation in climate risk reporting initiatives, enhanced regulatory compliance, and deepened engagement with Traditional Owner groups to uphold cultural heritage protections.

Our approach to climate-related reporting

Horizon Power is actively engaged as a member of the Pilot Program for Climate Risk Reporting, led by the Department of Treasury and Finance and the Department of Water and Environmental Regulation as part of the development of the Climate Risk Framework (CRF).

The aim of the CRF (yet to be formally implemented) is to outline the WA public sector approach, establish priority guidelines and requirements to perform climate risk assessments, and manage agency priority climate risks and climate-risk related reporting. It is intended to establish a consistent and streamlined approach for managing and reporting climate risks within the public sector. Once completed, it will enable whole-of-government monitoring and climate disclosures and provide the ability to consider the varying materiality of risk exposure of government agencies.

Horizon Power, along with a select group of WA Government entities via participation in the pilot program, are assisting in the production of appropriate climate risk tools and guidance material for use by public sector entities.

Our retailed emissions baseline

Horizon Power's retailed emissions baseline includes reported Scope 1 and 2 emissions and non-reported Scope 3 emissions associated with our independent power producers (IPPs) generation contracts (see Table 4).

The reported emissions component of the retailed emissions figure includes Horizon Power's greenhouse gas (GHG) emissions reported annually to the Clean Energy Regulator in accordance with requirements of the National Greenhouse and Energy Reporting (NGER) Scheme. Our non-reported GHG emissions included in the retailed emissions figure are those which relate to the purchase of wholesale electricity supplied by IPPs for re-sale by Horizon Power to our customers.

The emissions attributed to independent power producer (IPP) power generation are categorised as upstream Scope 3 (indirect).

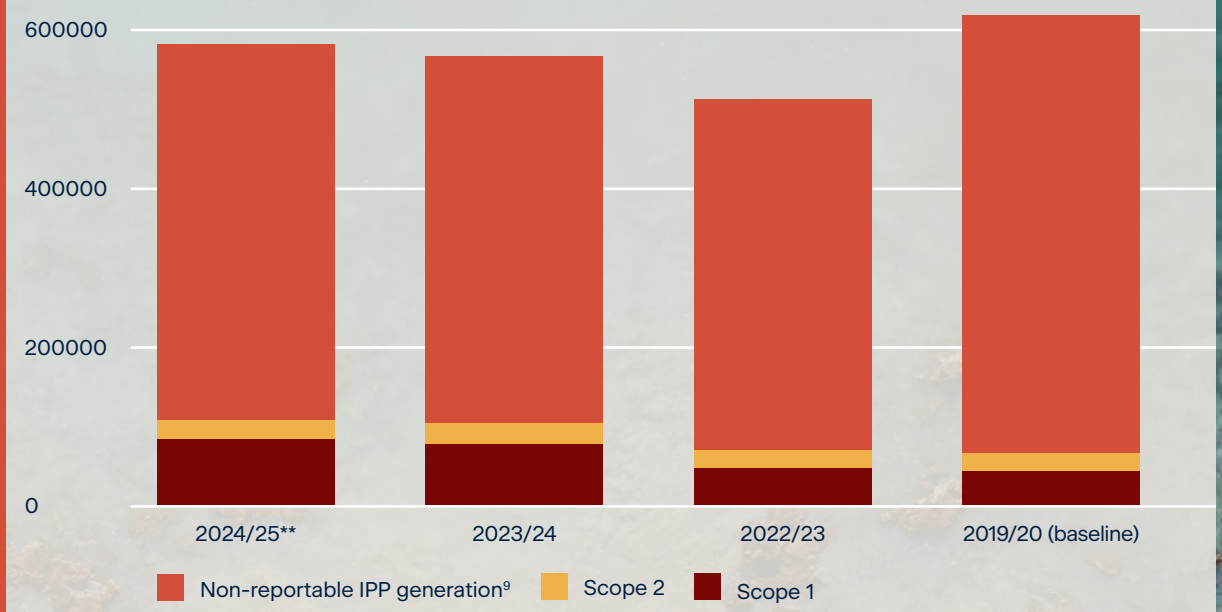
The non-reported Scope 3 emissions have been calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Emissions reporting was completed for the first time in FY 2023/24 for 117 additional remote communities' sites. To allow for accurate comparison, the retailed emissions baseline in Table 4 has been adjusted to account for these facilities and reflect our new operational footprint.

Retailed emissions attributed to Horizon Power increased by three per cent in FY 2024/25. This was driven by slightly higher electricity demand across our networks during the period.

An estimate is made for our reported Scope 1 and 2 emissions based on available information as at 12 August 2025. The Clean Energy Regulator will make our FY 2024/25 CO_2-e emissions publicly available in February 2026.

Figure 4: Reportable and non-reportable GHG emissions (tCO_2-e)



**Based on available data as at 12 August 2025.

Table 4: Retailed GHG emissions (tCO_2-e)

	REPORTABLE EMISSIONS[10]			NON-REPORTABLE	RETAILED
FY	Scope 1	Scope 2	Total reported	IPP generation[11]	Total
2024/25**	83,276	27,043	110,319	470,987	581,306
2023/24	79,183	28,436	107,619	458,880	566,499
2022/23	47,879	21,056	68,935	448,201	517,136
2019/20 (baseline)[13]	45,093	22,731	67,824	518,348	613,785[12]

**Based on available data as at 12 August 2025.

10 Reportable emissions include Scope 1 and Scope 2 reported annually in accordance with the requirements of the National Greenhouse and Energy (NGER) Scheme.

11 Non-reportable emissions estimated are limited to upstream indirect Scope 3 emissions attributed to the purchase and resale of IPP generated electricity only.

12 Retailed baseline adjusted to include 27,613 tCO_2-e from an additional 117 remote communities sites, emissions data from FY24 was added to the FY20 baseline, whilst the facilities were operational in FY20 there was no emissions reporting undertaken.

13 Where structural changes (e.g. acquisitions, divestments, or mergers) occur that significantly impact the baseline GHG emissions, the baseline figure will be recalculated to account for those changes.

GHG and carbon intensity

The carbon intensity of our retailed energy, measured as kilograms of CO_2-e per kWh of electricity sent out to our networks, is a key measure of the greenhouse gas emissions performance relevant to electricity production. Reducing the carbon intensity of our networks can demonstrate improved greenhouse gas emission efficiency, which is why it's an important indicator of how we are managing and mitigating our business's impacts on the environment.

During the reporting period carbon intensity remained consistent with our FY24 performance and is estimated as 0.55 $kgCO_2$-e/kWh sent out, as shown in Table 5.

Table 5: Carbon intensity of sent out electricity ($kgCO_2$-e/kWh)

FINANCIAL YEAR	CARBON INTENSITY ($kgCO_2$-e/kWh sent out)
2024/25**	0.55
2023/24	0.55
2022/23	0.55
2019/20 (baseline)	0.54

**Based on available data as at 12 August 2025.

Understanding our contribution to the UNSDGs

As our foundation for understanding and actioning sustainability in our business, and in recognition of the importance of contributing to the WA Government's pursuit of the objectives of the United Nations Sustainability Development Goals (SDG), we intend to track and report on our contributions to key SDGs.

The SDGs provides a universal framework that companies can use to build strategies to address the world's most challenging sustainability issues. The electricity sector has a fundamental role to play in realising SDGs as the sector will shape the future of sustainable energy, which is essential for economic growth, social equity, and efforts to combat climate change.

During the financial year, we continued development of our environmental, social, governance (ESG) frameworks as part of our wider sustainability works. The frameworks consider the materiality of risks and impacts, a continuation of previous work, with the aim to align our sustainability efforts and prioritise material ESG issues.

Governance

- Completed a review of our Environmental Policy and updated it against the revised Corporate Strategy.
- Undertook a review of environmental audit requirements, including addition of generation sites into audit programs.
- Reviewed our obligations under the *Environmental Protection (Controlled Waste) Regulations 2004*, including obtaining an exemption from controlled waste reporting in line with requirements for other Government trading Enterprises.
- Updated environmental training packages, including biosecurity training for personnel active on the network.

Regulatory instruments

Horizon Power has an operating licence for the Karratha temporary generation project, currently on care and maintenance. Our licence requires reporting on an annual basis, and this was undertaken in October 2024.

Mungullah Power Station remains a registered premises with no associated reporting requirements.

Horizon Power held 28 active native vegetation clearing permits (NVCPs) issued by the Department of Water and Environmental Regulation, with a further two under assessment by the regulator. Three NVCPs were utilised in the reporting period, resulting in a total clearing of 19.27 ha under the relevant permits. Three clearing referrals were submitted with two assessed as not requiring a clearing permit. These resulted in clearing of 0.73 ha.

Two referrals were made to the Environmental Protection Authority and Department of Climate Change, Energy, the Environment and Water (DCCEEW). One approval was obtained from DCCEEW under the *Environment Protection and Biodiversity Conservation Act 1999*.

Removing or disturbing threatened flora species in WA requires approval from the Minister for the Environment. Horizon Power takes a conservative approach when ground-disturbing work is planned to occur within 50 meters of declared rare flora species and applies for an 'authorisation to take' permit in the unlikely event that inadvertent impact from vehicles or machinery occurs.

This year, we held and complied with three 'authorisation to take' permits in Esperance and Kununurra.

Horizon Power has not undertaken any works in this financial year that require notification to the Ministers for Energy or Planning, pursuant to section 60 of the *Electricity Corporations Act 2005*.

Air emissions

We reported annual air emissions for the FY 2024/25 period to the National Pollutant Inventory (NPI) for sites exceeding the NPI reporting thresholds.

These reports and information on reporting requirements are publicly available on the NPI website.

An estimate of combined air emission data from all our reporting facilities is provided in Table 6.

The step change increase in air emissions totals in FY2023/24 and FY2024/25 is driven by increased fossil fuel consumption due to the inclusion of the remote communities within our generating fleet.

Final data supplied to the NPI may differ slightly from the estimated emissions and includes additional statutory reporting parameters not included in Table 6.

Table 6: Summary of air emissions[14]

AIR EMISSIONS	2024/25** Total (t)	2023/24 Total (t)	2022/23 Total (t)	2019/20 Total (t)
Sulphur Dioxide	0.5	0.5	0.3	0.2
Oxides of Nitrogen	1,361	1,362	568	451
PM10	73	73	20	16
PM2.5	71	71	20	15

**Based on available data as at 12 August 2025.

14 Reported in accordance with the requirements of the National Environment Protection (National Pollutant Inventory) Measures (NPI NEPM) implemented through the Environmental Protection (NEPM-NPI) Regulations 1998 under the Environmental Protection Act 1986.

Environmental noise and dust

Eight noise and dust complaints were received during the year resulting from the solar farm construction occurring at Exmouth. Noise and dust levels are monitored at the site and additional measures to mitigate dust and noise were implemented.

Management of contaminated sites

The management and remediation of historical contamination arising from operational activities at power station sites has been a key focus area for several years. This year, we successfully reclassified one site, with a further three sites expected to be reclassified in the upcoming financial year following final investigations.

Environmental incidents

There were seven reportable environmental incidents during the reporting year. Six were hydrocarbon spills at remote communities associated with theft and equipment malfunction and one was minor unauthorised clearing outside a clearing approval area. All incidents were reported as required to Department of Water and Environmental Regulation. Investigations into root causes has been undertaken and appropriate controls to prevent reoccurrence have been implemented.

Heritage and Native Title compliance

This financial year the Heritage and Native Title function was subject to an internal compliance audit. Overall, the audit found that Horizon Power's Aboriginal Cultural Heritage Management Policy and supporting framework demonstrate a strong and ongoing commitment to Aboriginal and Torres Strait Islander outcomes, collectively exceeding the baseline requirements of the *Aboriginal Heritage Act 1972*.

This reflects Horizon Power's commitment to avoiding and mitigating impacts to native title and cultural heritage.

The audit further noted that Horizon Power has made significant progress in strengthening its native title and heritage management practices since the last internal compliance audit in 2019.

Some positive observations from the audit are:

- The recommendations from the 2019 internal audit have been addressed with documented processes and guidelines for heritage and native title management.

- The sustainability portal is used effectively to provide impact assessment advice for operational works packages.
- Sample testing across Horizon Power's minor works, projects and remote communities found that heritage processes and requirements are being adhered to.
- Horizon Power have effective systems and controls to identify and manage potential heritage impacts on projects and minor works.

Key improvement opportunities arising from the audit were:

- Strengthening governance by improving document management controls and embedding Traditional Owner benefit considerations within the business case template.
- Documenting the existing process of involving Sustainability and Traditional Owner Relationships and Reconciliation representatives in incident investigations relating to Aboriginal heritage.
- Further existing guidance to clarify the strategic benefits of Horizon Power entering determination-wide (operational) Heritage Protection Agreements.

Heritage and Native Title engagement

Aboriginal people are an integral part of our customer base and an important stakeholder in project development and delivery. Throughout the year we worked with several Traditional Owner groups across the State, entering into site-specific heritage protection agreements to facilitate project-focused heritage surveys, as well as providing a culturally safe approach to project delivery.

In FY 2024/2025 we executed project-specific heritage protection plans with Tarlka Matuwa Piarku Aboriginal Corporation, Yinggarda Aboriginal Corporation, and Nyamba Buru Yawuru.

Additionally, we undertook heritage surveys with the following groups:

- Tarlka Matuwa Piarku Aboriginal Corporation
- Yinggarda Aboriginal Corporation
- Nyamba Buru Yawuru
- Esperance Tjaltjraak Native Title Aboriginal Corporation
- Buurabalayji Thalanyji Aboriginal Corporation
- Kariyarra Aboriginal Corporation
- Ngaanyatjarra Council Group

We also engaged heritage monitors to assist in protecting cultural values during ground-disturbing works for operational and project related activities, including:

- Murujuga Aboriginal Corporation
- Esperance Tjaltjraak Native Title Aboriginal Corporation
- Nganhurra Thanardi Garrbu Aboriginal Corporation
- Watarra Aboriginal Corporation

Across our service area we operate according to our heritage management processes, and as a result, no breaches of the *Aboriginal Heritage Act 1972* were recorded during this financial year. We continue regular process reviews and improvements to enable a continued best practice approach and effective risk mitigation.

Social

629	611	36%	7.5%
Employees	Full-time equivalent	Female	Aboriginal

Embracing diversity across our business

Diversity, equity and inclusion are foundations of our workplace culture. We are committed to fostering a workplace of belonging by embracing diverse perspectives, promoting equitable opportunities and embedding inclusive practices across all levels of the business.

FEMALE REPRESENTATION	Number	%
Board	3/5	60%
Executive	5/9	56%
Senior management	10/29	34%
TOTAL	227/629	36%

DEPOT / OFFICE	NUMBER OF REGIONAL EMPLOYEES
Broome (community)	2
Broome (Nila Janyba)	6
Broome Depot	30
Carnarvon Depot	26
Denham	2
Esperance Depot	42
Karratha Depot	32
Kununurra Depot	24
Marble Bar	1
Mungullah Power Station	14
Onslow Depot	2
Port Hedland Depot	25
TOTAL	206

27%	2.2%	2.1%	33%
From diverse cultural & linguistic backgrounds	With a disability	Youth (under 25 years old)	Regionally based

Working with Aboriginal businesses

We encourage Aboriginal businesses to work with us to deliver economic activity to regional and remote WA. Through our commitment to the WA Government's Aboriginal Procurement Policy, we aimed to designate 4 per cent of contracts valued at $50,000 or more to Aboriginal enterprises.

We have well established contractor relationships with Regional Service Providers with Aboriginal ownership, which support delivery of our Remote Communities program. Contracts with RSPs also support increased employment of Aboriginal people.

REGION	VALUE OF PURCHASE ORDERS ($)	VALUE OF CONTRACTS ($)	TOTAL[15]	%
Kimberley	$55,592.00	$1,174,163.60	$1,229,755.60	26%
Goldfields/Esperance				0%
Gascoyne/Mid West		$65,000.00	$65,000.00	1%
Perth Metro	$286,725.00	$2,657,213.50	$2,943,938.50	63%
Pilbara	$259,428.00	$200,000.00	$459,428.00	10%
South West				0%
TOTAL	$601,745.00	$4,096,377.10	$4,698,122.10	100%

Commitments >$50,000 to Aboriginal businesses FY 2024/25 = $19.3m

No. of Aboriginal suppliers in our supply chain = 82 (5% of supplier database)

Contracts >$50,000 to Aboriginal businesses FY 2024/25 = $4.7m

15 The contract award estimates are based on the contract term and not the financial year. Spends on these contracts will only be reached over the life of each contract.

Disability Access and Inclusion Plan 2025-2030

We have launched our Disability Access and Inclusion Plan 2025-2030 (DAIP), marking an important milestone on our journey towards creating a more accessible, inclusive environment for our employees, customers and community.

Our DAIP sets out 24 strategies for achievement against seven key outcome areas: events and services, facilities, information, service quality, complaints, consultation and employment.

READ
OUR DAIP
2025 - 2030

Community Partnerships Program

We're committed to supporting local community initiatives through our Community Partnerships Program. These initiatives help make regional and remote WA more vibrant and contribute to positive community outcomes in a range of areas such as the arts, sports, health and wellbeing, education and youth, events, and the environment.

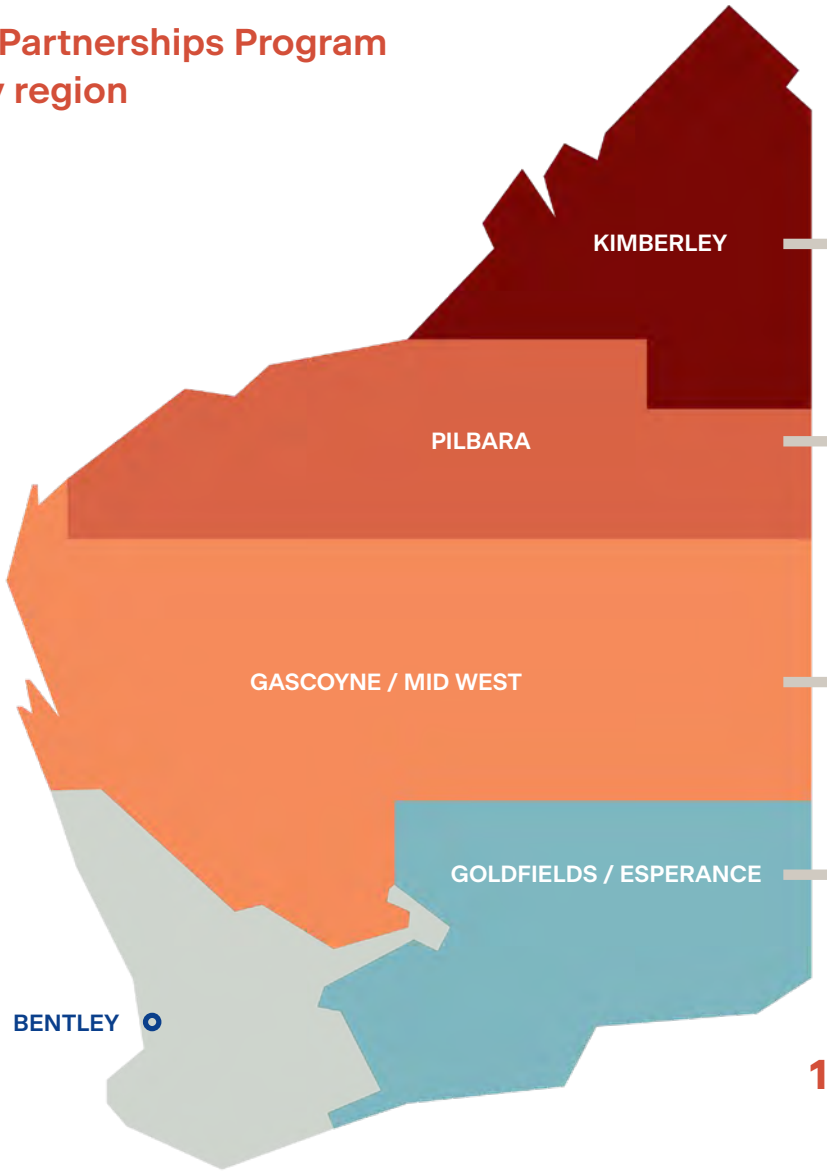
Since 2020, Horizon Power's Community Partnerships Program has delivered more than $5 million in funding to support more than 560 initiatives across WA's regions.

$1,041,088
of funding provided

Round 9 = $494,788
Round 10 = $546,300

124
initiatives supported

Community Partnerships Program initiatives by region



17 Cross regional and major events

Award-winning corporate volunteering program

Horizon Power's corporate volunteering program is an integral part of our company culture and Employee Value Proposition.

We offer employees two paid volunteer leave days per financial year, enabling employees to volunteer at a not-for-profit of their choice across the State, including in regional WA.

In 2025, Horizon Power was recognised as the winner of the Corporate Volunteering Impact award at the WA Volunteer of the Year Awards.

1,970
total volunteering hours

572
volunteering hours supporting regional organisations

$94,580
value invested back into WA communities

Our response to modern slavery

Our Modern Slavery Statement outlines the steps taken to address modern slavery across the business and our supply chain, and sets out our plans for future improvement.

Our supply chain remains the area of greatest potential risk for our business. Through continual reporting, we can establish and enhance ways to detect modern slavery in our supply chain.

We expect that our suppliers' employees and contractors are legally entitled to work and that our supplies comply with the guidelines set out in the United Nations *Guiding Principles on Business and Human Rights*.

Over the past two reporting periods, we have focused on internal staff education and continue to develop and implement staff capability and infrastructure related to modern slavery.

READ OUR 2024 MODERN SLAVERY STATEMENT

Social impact reporting

Our Social Impact Report enables time-based measurement of the progress of our social impact goals across six key areas which are directly linked to our purpose statement of 'delivering clean energy solutions for regional growth and vibrant communities.'

Regional Growth	Regional employment: Horizon Power employed six additional people in the regions, of which three identify as Aboriginal.
	Regional economic activity: Regional spending decreased by a total nine per cent, and Remote Communities program spend has started to normalise. The Gascoyne/Mid West had the highest WA regional spend (38 per cent), followed by the Pilbara (16 per cent).
Vibrant Communities	Lower carbon: As a result of additional hosting capacity, there has been a steady 23 per cent increase in total approved rooftop solar.
	Affordable and sustainable: Purchases of renewable energy from our customers increased by 11 per cent to 26.8 GWh. Total A2 residential customers average bills increased by 10 per cent, with above average temperatures potentially influencing higher demand in some areas.[16] [17] Customer disconnections reduced by 10 per cent.
	Thriving business: The total number of L2 and L4 unique business customer accounts increased by one per cent. The percentage of contracts >$50,000 designated to Aboriginal businesses decreased by 24 per cent (to six per cent), and spend on regional Aboriginal businesses decreased by 39 per cent. This is attributed to normalisation of spending in the Remote Communities program following the mid-2023 transfer to Horizon Power.
	Community health and wellbeing: Employees volunteered an average of 3.2 hours, 39 per cent more than the previous period.

16 Commonwealth of Australia. (6 March 2025). Western Australia in summer 2025. Bureau of Meteorology. http://www.bom.gov.au/climate/current/season/wa/archive/202502.summary.shtml

17 Commonwealth of Australia. (3 June 2025). Western Australia in autumn 2025. Bureau of Meteorology. http://www.bom.gov.au/climate/current/season/wa/archive/202505.summary.shtml

Directors' report

Corporate governance

Corporate governance is the system by which we are directed and managed. It influences how:

- Business objectives are set and achieved
- Risk is assessed and managed
- Corporate fairness, transparency and accountability are promoted
- Performance of the business is optimised.

To best reflect the expectations of our people, stakeholders and customers, we seek to use recognised best practice for corporate governance by implementing a corporate governance framework.

In practical terms, the framework:

- Provides structure and consistency to the way we do business with our customers and stakeholders
- Allows employees to respond to situations as they arise with confidence, understanding the requirements of the business
- Promotes our performance drivers and corporate governance principles, including the roles, responsibilities and authorities of the Board and Executive
- Is aligned with our strategic and business plans
- Provides accountability and control systems commensurate with the risks involved
- Is an essential component of our overall success.

Managing business risk

Our Risk Management Framework is designed to encourage and support the development of an appropriately risk-aware culture within the organisation and assist us in realising the benefits that accrue from a conscious, structured and dynamic approach to managing risk. This means our people can perform their activities in a responsible, thoughtful, knowledgeable and consistently professional manner, contributing to our overall success.

Our Risk Management Framework is aligned with the ISO 31000:2018 standard and includes processes to identify, assess, monitor, report and escalate risk exposure to management.

The framework:

- Applies to everyone including the Board of directors, the Executive team and all other employees and contractors
- Is applied at all levels of the business
- Is applied to all operational risk management processes and practices
- Is integrated with other corporate frameworks, in particular the strategic business planning and corporate budgeting processes. This assists with prioritising important projects and promotes a risk-based approach to investment decisions.

Our corporate risk profile includes risks identified annually by various teams and divisions within the business, before it is reviewed by the Executive and then reported to the Audit and Risk Management Committee.

In accordance with the *Government Trading Enterprises Act 2023 (WA)* (the GTE Act), we must be governed by a Board of between five and nine Directors to be appointed by the Minister for Energy and Decarbonisation (the Minister), as per the provisions of the GTE Act.

The Board is responsible to the Minister for the performance of the business.

The primary role of the Board is to set Horizon Power's strategic direction, approve major expenditure and provide advice to the Minister on regional power issues.

The Board formally delegates the day-to-day management of Horizon Power to the Chief Executive Officer and Executive team.

During the year, our Board comprised the following people:

Ms Samantha Tough
Chair

Mr Mark Puzey
Deputy Chair

Ms Ivy Chen
Director

Ms Sandra Di Bartolomeo
Director

Ms Kirsty Laurie
Director

Mr Rohan Williams
Director

Our board

Ms Samantha Tough
Chair

Appointed 26 November 2019
Current term expires
26 November 2025

Samantha has a distinguished executive and non-executive career with experience in energy, resources and engineering. She is the Pro Vice Chancellor of Industry and Commercial at the University of Western Australia (UWA) and has a current board portfolio that includes Aurizon Holdings Ltd, Clean Energy Finance Corporation, Rumin8 Pty Ltd and the WA Investment Attraction Fund.

Samantha has experience in regional WA and has served on the boards of several businesses and non-government organisations.

Samantha completed a Bachelor of Laws and Bachelor of Jurisprudence at UWA and worked as a barrister and solicitor before moving to the commercial sector. She is a Fellow of the Australian Institute of Company Directors.

Mr Mark Puzey
FAICD, FCA
Deputy Chair

Appointed 21 December 2021
Current term expires
22 December 2025

Mark spent 33 years at KPMG where he was a Chartered Accountant, gaining extensive experience with internal and external audit, risk management, IT advisory, governance, strategy and business transformation roles. He was the lead partner for the utilities sector (WA), and the IT governance Asia Pacific leader.

Mark is Horizon Power's Audit and Risk Management Committee Chair. He is also currently Audit and Risk Committee Chair and non- executive Director of both DUG Technology Limited (ASX: DUG) and Sircel Limited. Upon retiring from KPMG, his roles have included strategy, fund raising due diligence, innovation and business growth advisory for a variety of entities, including energy and technology enabled companies, as well as chair of other audit, digital and risk board committees. He is also a major supporter of the arts.

Mark holds a Bachelor of Commerce and is a Fellow of Chartered Accountants ANZ (FCA) and the Australian Institute of Company Directors (FAICD). He is certified in the Governance of Enterprise IT (CGEIT).

Ms Ivy Chen
Director

Appointed 23 August 2020
Current term expires
26 November 2025

Ivy is a corporate governance specialist who leads mining geology and resource estimations teams in China and Australia. She is a consultant in the mining industry and previously served as a national advisor for geology and mining for the Australian Securities and Investment Commission (ASIC).

Ivy was heavily involved in the ASIC contribution to the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) update, the 2015 Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code) and the ASX listing rules for mining and oil and gas. Ivy was awarded an Australian Public Service Australia Day medal in 2013 in recognition of her outstanding service for this work.

Ivy is the Deputy Chair of Football West, a Director of the Football Futures Foundation (the charity arm of Football West), a member of the Mining and Petroleum Advisory Committee (MAPAC), and the WA Government's Investment Attraction Fund Governance board. Ivy is also a Director of Multicultural Futures, and a Director of Take It Seriously.

Ivy holds a Bachelor of Applied Science and a Post Graduate Diploma in Natural Resources.

Ms Anna Dartnell
Director

Appointed 11 August 2025
Current term expires 10 August 2028

Anna has more than two decades of senior experience in global resources, manufacturing, mining and resources, infrastructure and transport, including executing significant business improvement programs. She has also recently served as Group Executive Bulk at Aurizon, Australia's largest rail-based freight operator.

Anna has a Bachelor of Arts in Industrial Relations from UWA and is a graduate of the Advanced Management Program at Harvard Business School and Australian Institute of Company Directors.

Mr Robert Radley
Director

Appointed 11 August 2025
Current term expires 10 August 2028

Robert is a senior strategy specialist and partner at Oliver Wyman, a leading international management consultancy. He has more than 18 years of experience in management consulting, working with clients across multiple sectors including mining, engineering services, steel, businesses and utilities.

Robert has a Masters in Electrical Engineering, a Master of Business Administration from the University of Witwatersrand and is a graduate of the Australian Institute of Company Directors. He is Deputy Chancellor at Edith Cowan University, on the Board of the Ability Centre and Non-Executive Director of Adcorp Holdings Australia.

Mr Travis Robinson
Director

Appointed 11 August 2025
Current term expires 10 August 2028

Travis is the Chief Operating Officer at Australian Capital Equity. With a background in stakeholder engagement for the government and private sectors, he has strategic and operational expertise in people and asset management, change management, organisational culture, maximising productivity and increasing profitability.

Travis has a Masters in Human Resource Management from Curtin University and a Graduate Certificate in Migration Law from Murdoch University. He is on the Board of the Perth Zoo and Chair of the WA Chapter of the Australia Indonesia Business Council.

Our board

Ms Sandra Di Bartolomeo
Director

Appointed 20 November 2018
Term concluded
9 August 2025

Sandra is an experienced banking and finance lawyer, specialising in corporate, construction, resources, energy and property financing. She was formerly a partner of a top tier national law firm, leading the Finance Division in Perth, and held various senior leadership positions with National Australia Bank Limited.

Sandra previously held positions on the Art Gallery of Western Australia Foundation Council, Italian Chamber of Commerce and Industry Committee, the Law Society of Western Australia Commercial Law Committee and the Liquor Commission.

She holds a Bachelor of Laws from UWA and postgraduate qualifications from both the Securities Institute of Australia and the Australian Institute of Management. She is a graduate of the Australian Institute of Company Directors.

Mr Rohan Williams
Director

Appointed 8 March 2023
Term concluded
16 July 2025

Rohan has 20+ years of experience leading mining and resource companies, after starting his career as a geologist. Previous roles include CEO and Managing Director of Avoca Resources Ltd, Chief Strategic Officer and Executive Director of Alacer Gold Corporation, and Executive Chairman and CEO of Dacian Gold Ltd. He also served on the board of the Telethon Kids Institute for nine years.

Rohan is currently Director of Neap Consulting, assisting resource companies and not-for-profit organisations with all facets of company management including administrative, corporate and operational leadership as well as strategic activities and objectives.

Rohan holds a Bachelor of Science with first class honours from La Trobe University.

Ms Kirsty Laurie
Director

Appointed 21 November 2021
Term concluded
20 November 2024

Kirsty has more than 20 years of experience across the WA and Australian Governments, leading the Revenue and Intergovernmental Relations directorate of WA Treasury for 11 years and now heading up the directorate responsible for budget advice on utilities, ports and climate change.

Prior to relocating to WA in 2010, she worked in the Commonwealth Industry Department and Commonwealth Treasury on issues including the 2000 Innovation Summit, the Ralph Review of Business Taxation, GST Policy, the Commonwealth Budget, the Future Fund and the Carbon Pollution Reduction Scheme. She also served as Manager of the Climate Change and Environment Unit, leading advisory efforts to Ministers on new climate change, energy efficiency and renewable energy policy proposals.

Kirsty received honours in Applied Economics from the Australian National University and holds a Bachelor of Economics and a Bachelor of Arts in International Relations and French, both from the University of Queensland.


HORIZON
POWER

Attendance at Board meetings

The Board met for seven scheduled meetings throughout the year and considered eight circular resolutions, the latter of which are recognised as duly constituted Board meetings.

Table 7:
Board of Directors' scheduled meeting attendance FY 2024/25

Director	Number of meetings attended	Number of meetings eligible to attend during the time the Director held office during the year
Samantha Tough	7	7
Mark Puzey	6	6
Ivy Chen	7	7
Sandra Di Bartolomeo	6	7
Kirsty Laurie	3	3
Rohan Williams	6	7

Table 8:
Board of Directors' terms of appointment

Director	Appointed	Expires
Samantha Tough Second term	26 November 2019 27 November 2022	26 November 2022 26 November 2025
Mark Puzey Second term Third term	21 December 2021 21 December 2024 30 June 2025	20 December 2024 20 June 2025 22 December 2025
Ivy Chen Second term	23 August 2020 27 November 2022	26 November 2022 26 November 2025
Sandra Di Bartolomeo Second term Third term	20 November 2018 10 August 2021 10 August 2023	9 August 2021 9 August 2023 9 August 2025
Kirsty Laurie	21 November 2021	20 November 2024
Rohan Williams	8 March 2023	7 March 2026

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is a sub-committee of our Board of Directors. The ARMC helps the Board discharge its responsibility to provide oversight of, and corporate governance for, the business. The ARMC is accountable, and reports, to the Board.

Internal control and risk management

The ARMC provides oversight of the identification of risks and threats to Horizon Power, as well as the processes by which those risks and threats are managed. The ARMC also assesses and provides oversight of internal controls and the internal audit function.

Financial reporting

The ARMC provides oversight in relation to financial reporting by considering:

- Whether Horizon Power's accounting policies and principles are appropriate
- Significant estimates and judgements in the financial reports
- Management's process for enabling compliance with laws, regulations and other requirements relating to Horizon Power's external reporting obligations
- Information from internal and external auditors regarding the quality of financial reports.

External auditors

In accordance with the GTE Act, the financial report is audited by the Office of the Auditor General for Western Australia (OAG). There was no indemnity given or insurance premium paid for the OAG for the year ended 30 June 2025. Refer page 143 for total auditor remuneration.

Composition of the ARMC

The ARMC comprises:

Mr Mark Puzey
Chair

Ms Ivy Chen
Director

Ms Kirsty Laurie
Director
(membership concluded 20 November 2024)

Ms Sandra Di Bartolomeo
Director
(membership commenced 21 November 2024)

Table 9: ARMC meetings and attendance FY 2024/25

Director	Number of meetings attended	Number of meetings eligible to attend during the time the Director held office during the year
Mark Puzey	3	3
Ivy Chen	3	3
Kirsty Laurie	2	2
Sandra Di Bartolomeo	1	1

Sustainability and People Committee

The Sustainability and People Committee (SPC) is a sub-committee of our Board of Directors. Formerly called the People, Safety and Culture Committee (PSCC), it was established in June 2020 to help the Board discharge its responsibility to provide oversight of, and corporate governance for, the business. The SPC is accountable, and reports, to the Board.

The SPC's role is to consider and make recommendations to the Board on matters relating to corporate governance, the environment, safety and people, and to assist the Board with its oversight of Horizon Power's strategy, policies, practices and controls in relation to these areas.

The SPC assists the Board to discharge its responsibility to exercise due care, diligence and skill in relation to Horizon Power, by providing oversight of the following areas:

- Matters in relation to Board composition including:
  - Independence of Directors
  - Composition of the Board, including assessing and recommending to the Board the appropriate mix of skills, knowledge, experience, succession, independence and diversity, to enable the
  - Board to discharge its responsibilities effectively regarding the execution of Horizon Power's strategic objectives, legal requirements and to the highest standards of corporate governance
  - Recommendations to the Board in relation to the appointment and retirement of Directors
- The processes in place to review the performance of the Board and the Chief Executive Officer
- Matters in relation to people and performance including:
  - The remuneration framework for senior management
  - Horizon Power's remuneration and employment policies, procedures and programs
- Diversity within Horizon Power
- Safety, health and wellbeing including matters relating to:
  - Occupational health and safety performance, policies and systems
  - Health and wellbeing policies, practices and programs
- Environment and sustainability
- Corporate social responsibility and customer commitment
- Aboriginal and Torres Strait Islander commitment
- Corporate governance.

Composition of the SPC

The SPC comprises:

Mr Rohan Williams
Chair

Ms Ivy Chen
Director

Ms Sandra Di Bartolomeo
Director

Table 10: SPC meetings and attendance FY 2024/25

Director	Number of meetings attended	Number of meetings eligible to attend during the time the Director held office during the year
Sandra Di Bartolomeo	5	5
Ivy Chen	5	5
Rohan Williams	5	5

Governance and corporate compliance disclosures

In compliance with the accountability provisions of the GTE Act, we provided the Minister with an Interim Report for the period July to December 2024 and this Annual Report for the entire financial year.

The Interim Report included an overview of achievement against operational and financial key performance indicators. This Annual Report is provided to the Minister within the time specified by the GTE Act and includes consolidated financial statements and other statutory information required under the GTE Act.

In addition to interim and annual reports, the *Government Trading Enterprises Act 2023* (WA) and the *Electricity Corporations Act 2005* (WA) requires the Minister to be provided with:

- A Statement of Expectations
- Annual Performance Statement
- A separate report on employee compliance with any issued codes of conduct
- Any specific information in our possession requested by the Minister.

Changes in written law

Regulated Pilbara network business
Since 1 July 2021, Horizon Power's NWIS network assets in the Pilbara have been open to access by third parties ('coverage regime') under the Pilbara Networks Access Code (PNAC). This enables other parties to compete with Horizon Power's retail business to provide electricity services to new and existing customers whose annual consumption exceeds 1,200 MWh. Additionally, it facilitates access to the network by new developments in the Pilbara.

Following a public consultation process, Horizon Power's Pilbara network business refreshed policies and procedures, including a published price list, for the second three-year pricing period (July 2025– June 2027) to enable access to the NWIS.

Pilbara ACCC authorisation
The Australian Competition and Consumer Commission (ACCC) has granted an authorisation that allows Pilbara ISOCo Ltd and other key participants in the NWIS to work together under specific conditions. This authorisation is to enable that the NWIS remains safe, secure, and reliable. This collaboration involves sharing important system information, coordinating outages, and setting technical standards to keep the system running smoothly.

Likely developments in operations in future years

- We plan to deploy our Distributed Energy Resource Management System to extend orchestration capabilities to battery energy storage systems, power stations, electric vehicle supply equipment, and home energy management systems.
- We plan to extend energy storage through delivery and/or facilitation of behind-the-meter, community and long duration energy storage batteries.
- We will work towards delivering asset upgrades and remediation work in our Remote Communities program, to uplift power services to meet regulatory compliance by 2031.
- The Blackstone power station rebuild will pilot a scalable modular power solution and inform the future roll out of high penetration renewable energy to other remote Aboriginal communities.
- We will explore opportunities for community-level participation in the energy transition through our community participation model.
- We will work towards delivering standalone power systems under the WA Government's SPS program.
- We are working with Pacific Energy to deliver a renewable energy solution for Exmouth (solar farm and BESS) under a 20-year PPA.
- We will support the WA Government to deliver strategic regional initiatives, such as the Pilbara Energy Transition Plan, as advised by Government.
- We plan to deliver a renewable energy solution for Leonora, driven by PPA expiry and asset end-of-life.

Shares in statutory authorities

N/A

Significant changes in state of affairs and business operations

During the year, we restructured our organisation to align with our revised Corporate Strategy. Two Divisions were combined, and one Division was removed, taking our total Divisions from nine in FY 2023/24 to seven in FY 2024/25

Declarations of interest

Our Code of Conduct and Conflicts of Interest Policy are endorsed by the Board and Executive and provide all employees with information as to what constitutes a conflict of interest and how one should be managed. A conflict of interest may arise in a number of situations involving the interests of Horizon Power and the interests of the relevant individual.

Members of the Board are required to declare any conflicts of interests at all Board and committee meetings.

Indemnification of Directors

The Directors' and Officers' Liability Insurance Policy insures (among others) Horizon Power's Directors and officers, shadow Directors and employees, and covers any loss resulting from a claim made against an insured person during the policy period, subject to any exclusions set out in the Policy. The premium paid for this Policy this year is $113,942.50 (including statutory charges but excluding GST). At the date of this report, no claims have been made against the Directors' and Officers' component of the policy.

Horizon Power has also entered into deeds of indemnity, insurance and access with its Directors. Under these deeds, Horizon Power agrees to indemnify its Directors in respect of all liabilities of a civil nature incurred while acting as a Director of Horizon Power. The indemnity includes liabilities of a civil nature owed to persons (other than Horizon Power) incurred by the Director unless the liability arises out of conduct involving a lack of good faith.

It also includes covering the reasonable costs incurred defending civil proceedings where the Director is given judgment in their favour, defending criminal proceedings where the Director is acquitted, or obtaining relief under clauses 9 and 10 of Schedule 2 of the *Electricity Corporations Act 2005* (WA). The indemnity remains in full force and effect for seven years after the Director ceases to hold office.

Since last year, Horizon Power has not entered into a deed of indemnity, insurance and access.

Remuneration paid to Directors and the Executive

Board members are appointed by the WA Government under the GTE Act following WA Government approval processes that also outline the remuneration payable for their services. The remuneration of the Directors is determined by the Minister within a range determined by the Salaries and Allowances Tribunal.

The Chief Executive Officer's remuneration is set by the Board within the range determined by the Salaries and Allowances Tribunal following an annual performance assessment against key performance indicators.

Executive salaries were reviewed in 2025, considering both Government requirements and prevailing market trends.

Principles used to determine the nature and amount of remuneration

Remuneration approval protocols are as follows:

- Provide market competitive remuneration to employees, having regard to both the level of work assigned and the effectiveness of performance
- Allocate remuneration to employees on the basis of merit and performance
- Adopt performance measures that align the interests of employees with the interests of key stakeholders.

Non-executive directors

- Payment to non-executive Directors consists of base remuneration, allowances and superannuation.

Chief Executive Officer and executives

The Chief Executive Officer and Executives' compensation framework is based on a total package that includes total fixed remuneration structures with:

- Cash
- Selection of prescribed non-financial benefits
- Superannuation
- Cost of fringe benefits tax.

Total fixed remuneration

The compensation framework is market competitive and performance based, with flexibility for the package to be structured at the Executive's discretion with a combination of cash, a selection of prescribed non-financial benefits, superannuation and the cost of fringe benefits tax.

External remuneration consultants provide analysis and advice to set remuneration to reflect the market for a comparable role. Remuneration for Executives is reviewed annually so the level is market-competitive. There are no guaranteed remuneration increases included in any Executive contracts.

Non-financial benefits

Novated lease for vehicles is an available option for all employees.

Superannuation

Paid in accordance with the amount required under the *Superannuation Guarantee (Administration) Act 1992* (Cth) on the Executive's behalf to a superannuation fund that is a complying superannuation fund within the meaning of the Act.

Table 11: Board of Directors' remuneration[18] for FY 2024/25[19]

Total remuneration band $	Number of directors		Short-term $'000				Post-employment $'000				Total $'000	
			Salary and fees		Other		Super		Termination			
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
0-24,999	0	0	0	0	0	0	0	0	0	0	0	0
25,000-49,999	3	0	42	0	0	0	4.2	0	0	0	46.2	0
50,000-74,999	1	3	54	48.8	0	0	5.3	5.6	0	0	59.3	54.4
75,000-99,999	1	1	75	70	0	0	7.5	8	0	0	82.5	78
100,000-124,999	1	1	95	97.8	0	0	10.5	11.2	0	0	105.5	109
125,000-150,000	0	0	0	0	0	0	0	0	0	0	0	0

18 Where there is more than one Director in the remuneration band the average remuneration is shown.

19 Government employed non-executive Directors are not remunerated by Horizon Power.

Table 12: Executive officer remuneration[20] for FY 2024/25

Total remuneration band $	Number of staff		Short-term $'000				Post-employment $'000				Total $'000	
			Salary and fees		Other		Super		Termination			
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
0-249,999	1	0	249	0	0	0	27	0	0	0	276	0
250,000-349,999	1	1	349	315	0	0	27	24	0	0	376	339
350,000-424,999	8	2	388	347	0	0	24	32	0	0	412	379
425,000-499,999	0	7	0	409	0	0	0	33	0	0	0	442
500,000-574,999	0	0	0	0	0	0	0	0	0	0	0	0
575,000-625,000	1	1	572	593	0	0	27	30	0	0	599	623

20 Where there is more than one Executive officer in the remuneration band the average remuneration is shown.

Table 13: Persons titled executive officers during FY 2024/25

Position	Title as at 30 June 2025
Ms Stephanie Unwin#	Former Chief Executive Officer
Ms Krystal Skinner#	Acting Chief Executive Officer
Mr Mike Houlahan#	Chief Financial Officer & Acting Deputy Chief Executive Officer
Mr Darren Hill#	Executive General Manager Customer and Community
Mr Mick Veverka#	Executive General Manager Operations
Ms Vi Garrood	Executive General Manager Future Energy
Ms Jennie Milne	Executive General Manager People, Safety and Governance
Mr Ray Achemedei	Executive General Manager Technology and Digital Transformation
Mr Cameron Parrotte	Former Executive General Manager Engineering and Project Delivery
Ms Evette Smeathers	Former Executive General Manager Customer and Community
Mr Frank van der Kooy	General Counsel and Company Secretary

# Denotes the five executive officers with the highest remuneration to 30 June 2025.

Legislation

The Electricity Corporations Act 2005 (WA) establishes Horizon Power as a corporation with responsibility for the provision of electricity outside the South West Interconnected System (SWIS).

Horizon Power is also bound by the GTE Act and its regulations which standardise governance requirements for Government Trading Enterprises.

Electricity licences

The Electricity Industry Act 2004 (WA) requires participants who generate, transmit, distribute or retail electricity in WA to obtain a licence to operate. Licences are issued by the Economic Regulation Authority (ERA or the Authority). We were issued with an Integrated Regional Licence on 30 March 2006.

The Integrated Regional Licence requires us to comply with a number of codes, including:

- *Code of Conduct for the Supply of Electricity to Small Use Customers 2022*
- *Electricity Industry (Networks Quality and Reliability of Supply) Code 2005*
- *Electricity Industry (Metering) Code 2012.*

Compliance with other legislation

We have a number of controls and systems in place that support the business to comply with all legislation and regulations affecting our activities. This includes an online compliance register.

We have also recently created a Compliance Specialist role within Horizon Power.

Restriction on the area within which we may operate

Within WA, the performance of our functions is generally limited to those parts of WA that are not serviced by the SWIS.

Observance of the Code of Conduct

Section 33 of the *Electricity Corporations Act 2005* (WA) requires the Board of Horizon Power to provide to the Minister, at the same time as delivering our Annual Report, a separate report on the observance of its Code of Conduct by employees.

The Board confirms that Horizon Power's Code of Conduct was updated and adopted by the Board at its meeting in December 2023.

Employees, Directors and certain contractors are required to observe the required standards of conduct and integrity as set out in the Code of Conduct.

During the year, there were four minor misconduct matters that were reported to the Public Sector Commission (PSC). These matters were investigated and closed during the year. One other contractor misconduct matter was reported to the WA Police.

Shared responsibility with other agencies

We did not share any responsibilities with other agencies during FY 2024/25.

State Records Act 2020

We maintain and support high-quality record-keeping practices in our day-to-day business activities. The function of managing records resides within individual business divisions.

All records are managed according to the requirements of the *State Records Act 2020* (WA) and our approved record keeping plan.

Our record keeping plan is reviewed every five years for currency and updates are submitted to the Minister and State Records Office for approval.

Regular reviews of record-keeping systems and practices are conducted as required to enable efficiency and effectiveness. Training programs for core systems, supplemented by the provision of relevant information on our intranet, are provided and reviewed to reflect new business requirements.

Our online employee induction includes the business's Code of Conduct, which explains an employee's responsibilities with respect to information and knowledge management. We regularly review our induction process so it includes all relevant information for employees and will continue to refine this process. Additional information about this is easily accessible to all employees on our intranet.

Western Australian Electoral Act 1907

In accordance with the requirements of Section 175ZE of the *Western Australian Electoral Act 1907*, the following information is presented in respect of all expenditure (excluding GST) incurred during the financial period ending 30 June 2025.

Table 14: WA Electoral Act 1907 expenditure FY 2024/25

Agency type	Agency/organisation name	Amount
Advertising agencies	Branch Creative, Function Creative, Impact Digi, Kiosk Creative, Nani Creative, Ngaanyatjarra Media, Rare, VML, Wildlings	$1,650,618.58
Market research	CoreData	$177,670
Polling	N/A	
Direct mail	Campaign Monitor	$1,377.67
Media advertising organisations	Hearts & Science, Match & Wood	$523,834.86
Total		$2,353,501.11

Environmental regulations

The primary environmental legislation in WA is the *Environmental Protection Act 1986*, which gives rise to many regulations. The main regulations relevant to us include, but are not limited to:

- *Environmental Protection Regulations 1987* provide generally for the prevention and control of pollution and enable appropriate processes to be established to manage pollution, noise and other environmental impacts generated by construction and operations
- *Environmental Protection (Controlled Waste) Regulations 2004* provide for the licensing of carriers, drivers and vehicles involved in the transportation of controlled waste on public roads
- *Environmental Protection (Native Vegetation Clearing) Regulations 2004* protect all native vegetation in WA. Clearing native vegetation is prohibited, unless a clearing permit is granted by the Department of Water and Environmental Regulation or the clearing is for an exempt purpose
- *Environmental Protection (Unauthorised Discharges) Regulations 2004* provide for the prevention of unauthorised discharge of potentially environmentally harmful materials
- *Environmental Protection (Noise) Regulations 1997* provide for noise emitted on a premises or public place and received on another premises.

We operate in accordance with other relevant environmental obligations, which include, but are not limited to:

- *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*
- *Contaminated Sites Act 2003*
- *Dangerous Goods Safety Act 2004*
- *National Greenhouse and Energy Reporting Act 2007*
- *National Environment Protection (National Pollutant Inventory) Measure 1998*
- *Biodiversity Conservation Act 2016*

Refer environment section commencing page 66 for performance in relation to environmental obligations.

Operations and principal activities during the 2024/25 financial year

Principal activities include the generation, procurement, distribution and sale of electricity to residents and businesses in remote and regional Western Australia. No changes to the nature of principal activities occurred during the reporting period. To avoid duplication of content, refer to the general report content for details on principal activities, and to the operational performance report commencing page 14 for a review and results of operations. Refer page 86 for changes in state of affairs and business operations.

Dividends

During the year we paid dividends of $7.6 million to the WA Government, representing the final dividend of $1.8 million on profits for FY 2023/24 and an interim dividend of $5.8 million for FY 2024/25.

Financial performance

Net profit after tax (NPAT) during the year increased to $15.2 million, compared to $9.4 million in the previous financial year.

The increase in profit is mainly attributable to higher sales of electricity to residential customers and large enterprises, mitigating the impact of rising costs and market pressures.

We recorded a 5.9 per cent increase in total income for the year compared to the previous year ($716.2 million in FY 2024/25 v $676.4 million in FY 2023/24). The increase was primarily attributable to:

- higher energy sales
- increased in developer and customer contribution.

The increase in energy sales (+$23.0 million: from $363.2 million in FY 2023/24 to $386.2 million in FY 2024/25) is primarily attributable to an increase in the residential and large enterprise customers in the NWIS.

Overall electricity and fuel purchases increased from the previous period, ($282.7 million in FY 2024/25 v $268.0 million in FY 2023/24) driven by higher volume of electricity sold and increases in gas prices.

Operating expenses increased by 7.5 per cent ($232.0 million in FY 2024/25 v $215.9 million in FY 2023/24) partially from the increase in sales, inflation and market pressures.

Depreciation and amortisation costs increased to $121.2 million in FY2024/25 from $118.4 million in FY 2023/24, resulting from ongoing investment in replacing ageing infrastructure and investments in renewable energy.

Our net assets totaled $686.2 million, an increase of $26.2 million over the previous year. Our total asset base is $2,056.2 million, with $1,382.1 million of property, plant and equipment being the key asset class.

Capital expenditure

We delivered a $141.5 million capital expenditure program in FY 2024/25, upgrading existing assets to enable us to continue to provide safe and reliable power across regional WA. Major expenditures for the year included below key investments:

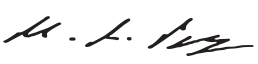
- $6.8 million Standalone power systems
- $6.1 million Life support and outage management system
- $4.6 million Onslow generation capacity expansion
- $3.0 million Electric vehicle fast charging infrastructure
- $2.9 million Dampier Resilience project.

Directors' report - confirmation

This Directors' report is authorised for issue in accordance with a resolution of the Directors on 9 September 2025.

Signed on: 9 September 2025

Samantha Tough
Chair



Mark Puzey
Deputy Chair

Regional Power Corporation trading as Horizon Power
Financial statements
For the year ended 30 June 2025

ABN: 57 955 011 697

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Statement of comprehensive income

	Notes	30 June 2025 $'000	30 June 2024 $'000
Revenue	4(b)	**485,057**	478,297
Other income	5(b)	**231,185**	198,146
Total income		**716,242**	676,443
Expenses			
Electricity and fuel purchases	6(b)	**(282,686)**	(267,996)
Employee benefits expense	6(b)	**(97,843)**	(85,462)
Materials and services	6(b)	**(91,800)**	(92,068)
Depreciation and amortisation expense	6(b)	**(121,238)**	(118,440)
Other expenses	6(b)	**(42,311)**	(38,411)
Finance costs	6(b)	**(56,188)**	(59,590)
Profit before income tax equivalent expense		**24,176**	14,476
Income tax equivalent expense	7(b)	**(8,982)**	(5,106)
Profit for the year		**15,194**	9,370
Other comprehensive income			
Items not to be reclassified subsequently to profit or loss			
Re-measurement of defined benefits plan		**4**	64
Tax equivalent on re-measurement of defined benefits plan	7(d)	**(1)**	(19)
		3	45
Other comprehensive income for the year, net of tax equivalent		**3**	45
Total comprehensive income for the year		**15,197**	9,415

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

Statement of financial position

	Notes	30 June 2025 $'000	30 June 2024 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**161,879**	177,604
Receivables	10	**65,823**	62,556
Inventories	11	**19,114**	22,001
Intangible assets	12	**590**	3,721
Derivative assets		**51**	-
Other current assets		**6,039**	7,286
Total current assets		**253,496**	273,168
Non-current assets			
Property, plant and equipment	13	**1,382,067**	1,340,942
Right of use asset	14	**192,812**	205,922
Work in progress	15	**146,259**	148,368
Intangible assets	12	**44,596**	28,848
Investment in joint venture	22	**3,479**	3,233
Other non-current assets		**2,553**	3,185
Deferred tax equivalent assets	8	**30,937**	32,947
Total non-current assets		**1,802,703**	1,763,445
Total assets		**2,056,199**	2,036,613
LIABILITIES			
Current liabilities			
Payables	16	**124,065**	110,413
Provisions	17	**21,528**	15,763
Current tax equivalent payable	8	**4,173**	80
Derivative liabilities		**-**	241
Interest bearing liabilities	18	**190,414**	204,157
Total current liabilities		**340,180**	330,654
Non-current liabilities			
Payables	16	**62,249**	64,483
Provisions	17	**20,244**	21,075
Retirement benefit obligations		**1,124**	1,158
Interest bearing liabilities	18	**946,224**	959,256
Total non-current liabilities		**1,029,841**	1,045,972
Total liabilities		**1,370,021**	1,376,626
Net assets		**686,178**	659,987
EQUITY			
Contributed equity	20	**444,522**	425,972
Retained earnings		**241,656**	234,015
Total Equity		**686,178**	659,987

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

Statement of changes in equity

	Notes	Contributed equity $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2023		**416,113**	**224,600**	**640,713**
Profit for the year		-	9,370	9,370
Other comprehensive income, net of tax equivalent		-	45	45
Total comprehensive income for the year		**-**	**9,415**	**9,415**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax equivalent	20	9,859	-	9,859
Balance at 30 June 2024		**425,972**	**234,015**	**659,987**
Balance at 1 July 2024		**425,972**	**234,015**	**659,987**
Profit for the year		**-**	**15,194**	**15,194**
Other comprehensive income, net of tax equivalent		**-**	**3**	**3**
Total comprehensive income for the year		**-**	**15,197**	**15,197**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax equivalent	20	**18,550**	**-**	**18,550**
Dividends paid		**-**	**(7,556)**	**(7,556)**
Balance at 30 June 2025		**444,522**	**241,656**	**686,178**

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

Statement of cash flows

	Notes	30 June 2025 $'000	30 June 2024 $'000
Cash flows from operating activities			
Receipts from customers (including GST)		**514,233**	492,453
Developer and customer contributions		**15,406**	10,152
Receipts of Tariff Equalisation Contribution (TEC)		**230,000**	197,000
Net GST and fuel tax credits received		**18,515**	17,681
Interest received		**2,146**	1,601
Payments to suppliers and employees (including GST)		**(626,140)**	(615,502)
Finance costs paid		**(29,110)**	(28,670)
(Payments)/Receipts for financial assets at fair value through profit or loss		**(1,170)**	518
Income taxes equivalent paid		**(2,880)**	(2,556)
Net cash inflow from operating activities	9(c)	**121,000**	72,677
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**1,273**	1,637
Payments for property, plant and equipment		**(113,215)**	(72,689)
Payments for intangibles		**(32,296)**	(28,755)
Investment in joint venture		**885**	(270)
Net cash outflow used in investing activities		**(143,353)**	(100,077)
Cash flows from financing activities			
Proceeds from borrowings		**231,000**	208,000
Repayment of borrowings		**(235,339)**	(174,839)
Proceeds from contributed equity	20	**18,550**	9,859
Dividends Paid		**(7,556)**	-
Customer Extension Scheme - refunds		**(27)**	(3)
Net cash inflow from financing activities		**6,628**	43,017
Net increase (decrease) in cash and cash equivalents		**(15,725)**	15,617
Cash and cash equivalents at the beginning of the financial year		**177,604**	161,987
Cash and cash equivalents at end of year	9(b)	**161,879**	177,604

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

Contents of the notes to the financial statements

Notes to the financial statements

1. General information

(a) Corporation information

The financial statements of Regional Power Corporation, trading as Horizon Power ("Horizon Power" or the "Corporation") for the year ended 30 June 2025, were authorised for issue in accordance with a resolution of the Directors on 9 September 2025. The Directors have the power to amend and reissue the financial report.

Horizon Power is a not-for-profit public sector entity incorporated under the *Electricity Corporations Act 2005* and domiciled in Australia. Its registered office is at 1 Stovehill Road, Karratha.

The Corporation's principal activities include the generation, procurement, distribution and sale of electricity to residents and businesses in remote and regional Western Australia.

(b) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the disclosure requirements of the *Government Trading Enterprises Act 2023*.

The financial statements are presented in Australian dollars, and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

These financial statements have been prepared on the historical cost convention except for derivative financial instruments that are measured at their fair value as at the reporting date. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods.

(c) Statement of compliance

The financial statements comply with Australian Accounting Standards, as applicable to public sector entities as well as the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*.

(d) Comparative amounts

Comparative amounts are for the period 1 July 2023 to 30 June 2024. Where appropriate, comparative information is represented or reclassified to align to the current year presentation and ensure comparability. There has been no restatement to comparative amounts.

1. General information (continued)

Going concern

The financial statements are prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, as at 30 June 2025, the Corporation had net current liabilities of $86,684,000 (2024: $57,486,000)

The Directors believe that it is reasonably foreseeable that the Corporation will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, with consideration of the following factors:

- The net cash inflow from operations amounting to $121,000,000 (refer to Note 9(c)) indicates that the Corporation's ongoing operations generate sufficient cash flow to cover its usual operations, to pay interest on its debts and to pay income taxes;
- Under a Master Lending Agreement (MLA) with the Western Australian Treasury Corporation (WATC), the Corporation's borrowing facilities for financial year ending June 2026 is up to $1,025,186,000, which includes a working capital facility of $30,000,000;
- WATC has advised the Corporation that in accordance with the MLA, WATC has no intention of cancelling any Facility within an 18-month period from 1 July 2025; and
- Under the *Electricity Industry Act 2004* the Corporation receives subsidies to ensure it has the cash required for its operating activities. The subsidies include the Tarriff Equalisation Contribution (TEC), which covers the difference between the revenue from uniform tariffs and the efficient cost of supply of electricity to people in areas outside of the South West Interconnected System. TEC is legislated and has been published in the Government gazette at $242,000,000 for the financial year ended 30 June 2026.

Economic dependency

A significant portion of Horizon Power's revenue is derived from the Tariff Equalisation Fund (TEF), which is provided in accordance with the *Electricity Industry Act 2004*. Electricity Networks Corporation trading as Western Power pays money into the TEF in amounts determined by the Treasurer. This money is released to Horizon Power as determined by the Treasurer. Horizon Power has a significant dependency on the sufficient and timely flow of these funds to effectively remain a going concern entity to continue carrying out its objectives, obligations and commitments in the foreseeable future. Horizon Power began receiving revenue from the TEF in October 2006.

Foreign currency translation

The functional and presentation currency of Horizon Power is Australian dollars (AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All monetary assets and monetary liabilities currency translation differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item. All other gains or losses arising on the translation of non-monetary items are recognised in profit or loss.

2. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

- impairment of intangible assets (Note 12 (a) (iii)).
- provision for restoration and decommissioning costs (Note 17 (a) (ii)).
- lease liabilities incremental borrowing rate (Note 18 (a) (ii)).
- lease liabilities lease term (Note 18 (a) (iii)).
- commitments (Note 27).

3. New and amended accounting standards and interpretations

New and amended accounting standards adopted

Horizon Power has not adopted any new accounting standards, amendments to accounting standards or interpretations for the first time in the reporting year commencing 1 July 2024, that have had a material impact on the financial statements.

New accounting standards and interpretations not yet adopted

There are no new accounting standards, amendments to accounting standards or interpretations effective after the 30 June 2025 reporting year, that will potentially have a material impact on Horizon Power in the reporting year of initial application.

Standard	When effective
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability changeability	1 January 2025
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026
AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11	1 January 2026
AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity	1 January 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)	1 January 2028

Profit for the reporting year

4. Revenue

(a) Accounting policy

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Horizon Power and the revenue can be reliably measured. It is valued at the fair value of the consideration received, or to be received, net of the amount of Goods and Services Tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

(ii) Sale of electricity

Sale of electricity comprises revenue earned from the provision of electricity and is recognised once the performance obligations have been met during the period, which is at the point in time electricity is delivered to the customers, less rebates/concessions allowed to entitled customers. As at each reporting date, sales and receivables incorporate amounts attributable to 'unbilled sales', which relate to electricity delivered to customers that has not been billed at the reporting date.

(iii) Community service obligations

Community service obligations (CSOs) are obligations to perform functions, on behalf of the WA Government (State Government), that are not in the commercial interests of Horizon Power. Where the Government agrees to reimburse Horizon Power for the cost of CSOs, the entitlement to reimbursement is recognised in the statement of comprehensive income on a basis consistent with the associated CSO expenses within the financial year. Horizon Power recognises revenue in respect of the reimbursement of CSOs including:

- Air Conditioning Rebate;
- Power for Remote Water and Waste Water Service;
- Energy Assistance Payments;
- Dependent Child Rebates;
- Tariff Adjustment Payments;
- Cost of living support payments;
- Esperance electrification transition payments; and
- Remote Essential Services Program

(iv) Developer and customer contributions

Horizon Power receives developer and customer contributions toward the extension of electricity infrastructure to facilitate network connection. Contributions can be in the form of either cash or assets and consist of:

- work performed for developers - developers make cash contributions to Horizon Power for the construction of electricity infrastructure within a subdivision;
- upgrade and new connections - customers (including generators) make cash contributions for the upgrade or extension of electricity infrastructure to existing lots or for the construction of electricity infrastructure to new lots in existing areas; and
- handover works - developers have the option to independently construct electricity infrastructure within a subdivision. Upon approval by Horizon Power of the completed work, these network assets are vested in Horizon Power.

Cash contributions and network assets are recognised as revenue at the point in time when the customers/developers are connected to the network in accordance with the terms of the contributions. Vested assets are recognised as revenue at the point of handover and are measured at their fair value. The network assets resulting from contributions received are recognised as property, plant and equipment and depreciated over their useful life.

4. Revenue (continued)

(a) Accounting policy (continued)

(v) Network revenue

Network revenue is recognised when the service is provided to the customer, which is at the point in time the network is used. The consideration invoiced for network services consists mainly of a fixed access charge.

(vi) Revenue from contract works

Revenue from contract works is recognised at the point in time the products or services have been delivered to the customer. Contract works include installation of renewable energy equipment, vegetation clearing, design works and high load escorts.

(vii) Revenue from grants

To determine if a grant contract should be accounted for under AASB 1058 Income of *Not-for-Profit Entities* or AASB 15 *Revenue from Contracts with Customers*, the Corporation determines if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing whether the performance obligations are 'sufficiently specific', the Corporation applies judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Corporation has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

(b) Amounts recognised in statement of comprehensive income

	30 June 2025 $'000	30 June 2024 $'000
Revenue consists of the following items:		
Sale of electricity	**386,228**	363,155
Community service obligations revenue	**53,634**	64,129
Network revenue	**16,818**	15,870
Developer and customer contributions	**10,438**	9,441
Revenue from contract works	**5,050**	14,700
Grants	**1,412**	2,371
Revenue from joint controlled operations	**4,959**	1,998
Others	**6,518**	6,633
	485,057	**478,297**

	30 June 2025 $'000	30 June 2024 $'000
Timing of Revenue Recognition:		
Services transferred at a point in time	**483,645**	475,926
Services transferred over time	**1,412**	2,371
	485,057	478,297

5. Other Income

(a) Accounting policy

(i) Tariff Equalisation Contribution

A significant portion of Horizon Power's income comes from the TEC, which is derived from the TEF. Electricity Networks Corporation, trading as Western Power, pays money into the TEF in amounts determined by the Treasurer. This money is released to Horizon Power as determined by the Treasurer and is recognised on a cash receipt basis.

(b) Amounts recognised in statement of comprehensive income

	30 June 2025 $'000	30 June 2024 $'000
Tariff Equalisation Contribution	**230,000**	197,000
Gain on disposal of property, plant and equipment	**1,185**	1,146
	231,185	198,146

6. Expenses

(a) Accounting policy

(i) Electricity and fuel purchases

Electricity and fuel purchases are those costs attributable to the integrated manufacturing process involved in the generation and transformation of electricity into a saleable commodity. It includes costs associated with purchasing fuel and electricity.

Electricity purchased from independent generators is recognised at the contracted price on an accrual basis.

Liquid fuel costs are assigned on the basis of weighted average cost. Gas costs comprise payments made under sale and purchase agreements.

Costs to operate and maintain the electricity transmission and distribution systems are recognised on an accrual basis.

(ii) Finance costs

Finance costs include:

- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- amortisation of discounts or premiums relating to borrowings;
- discount rate adjustment for the movement in present value over time in connection with the contributory extension scheme payables and decommissioning costs;
- finance charges in respect of leases recognised;
- interest on bank overdrafts, short-term and long-term borrowings; and
- guarantee fees on borrowings from the WATC.

(b) Amounts recognised in statement of comprehensive income

	30 June 2025 $'000	30 June 2024 $'000
Electricity and fuel purchases		
Electricity purchases	**189,335**	185,219
Fuel purchases	**92,861**	82,334
Water purchases	**490**	443
Total electricity and fuel purchases	**282,686**	267,996
Employee benefits expense		
Salaries, wages and allowances	**66,684**	59,441
Superannuation	**10,825**	9,029
Annual leave	**6,773**	6,273
Long service leave	**3,370**	2,520
Payroll tax	**5,941**	5,190
Other related expenses	**4,250**	3,009
Total employee benefits expenses	**97,843**	85,462

6. Expenses (continued)

(b) Amounts recognised in statement of comprehensive income (continued)

	30 June 2025 $'000	30 June 2024 $'000
Materials and services		
Contracted services	**59,186**	57,274
IT services	**9,636**	7,963
Consultant services	**8,541**	7,000
Materials	**5,572**	10,253
Customer services	**4,060**	4,003
Other services	**4,805**	5,575
Total materials and services	**91,800**	92,068
Depreciation		
Network	**48,873**	46,701
Right-of-use assets	**31,500**	35,057
Generation	**18,717**	16,541
Plant & equipment	**7,603**	5,969
Buildings	**3,368**	3,021
Total depreciation	**110,061**	107,289
Amortisation		
Computer software	**11,177**	11,151
Total amortisation	**11,177**	11,151
Total depreciation and amortisation	**121,238**	118,440
Other expenses		
Permits and licenses	**11,536**	9,545
Property expenses	**6,184**	5,104
Travel expenses	**4,298**	3,800
Insurance	**4,157**	4,144
Other staff-related expenses	**3,286**	3,036
Allowance for expected credit losses	**2,878**	2,404
Advertising expenses	**2,322**	2,492
Telecommunication	**1,238**	1,292
Sponsorship expenses	**940**	1,065
Subscriptions	**1,288**	1,147
Fleet-related expenses	**1,057**	1,236
Other	**3,127**	3,146
Total other expenses	**42,311**	38,411
Finance costs		
Interest on debts	**29,110**	28,670
Lease liability interest	**22,461**	26,190
Unwinding of discount on decommissioning provision	**678**	669
Interest other	**3,939**	4,061
Total finance costs	**56,188**	59,590

7. Income tax equivalent expense

(a) Accounting policy

(i) National Taxation Equivalent Regime (NTER) and other taxes

The calculation of the liability in respect of Horizon Power's taxes is governed by the Income Tax Administration Acts and the NTER guidelines as agreed by the Western Australian State Government.

Income tax equivalent expense on the statement of comprehensive income for the reporting period comprises current and deferred equivalent tax. Income tax equivalent expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in other comprehensive income.

Current tax equivalent liability is the expected tax equivalent payable on the taxable equivalent income for the reporting period using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

(b) Amounts recognised in statement of comprehensive income

Income tax equivalent expense

	30 June 2025 $'000	30 June 2024 $'000
Current tax	**9,604**	3,001
Deferred tax	**(2,304)**	1,397
Adjustments for net deferred tax assets and liabilities of prior period	**4,313**	1,805
Adjustments for current tax of prior periods	**(2,631)**	(1,097)
	8,982	5,106
Deferred income tax equivalent expense/(benefit) included in income tax equivalent expense comprises:		
Decrease in deferred tax equivalent assets (note 8(a)(i))	**3,446**	10,579
Decrease in deferred tax equivalent liabilities (note 8(a)(ii))	**(5,750)**	(9,182)
Closing amount	**(2,304)**	1,397

(c) Numerical reconciliation of income tax equivalent expense to prima facie tax equivalent payable

	30 June 2025 $'000	30 June 2024 $'000
Profit before income tax equivalent expense	**24,176**	14,476
Tax at the Australian tax equivalent rate of 30.0% (2024 - 30.0%)	**7,253**	4,343
Non-temporary tax adjustments:		
Non-deductible and other	**47**	55
Adjustments for net deferred tax assets and liabilities of prior period	**1,682**	708
Total income tax equivalent expense	**8,982**	5,106

7. Income tax equivalent expense (continued)

(d) Amounts recognised directly in other comprehensive income

	30 June 2025 $'000	30 June 2024 $'000
Net deferred tax equivalent – recognised directly in other comprehensive income, in relation to:		
– Re-measurement on defined benefit plans	**(1)**	(19)
Total	**(1)**	(19)

Operational assets and liabilities

8. Tax equivalent assets and liabilities

(a) Amounts recognised in statement of financial position

(i) Deferred tax assets

	30 June 2025 $'000	30 June 2024 $'000
The balance comprises temporary differences attributable to:		
Lease liabilities	**77,490**	84,222
Provisions	**14,447**	12,837
Community service obligation	**2,763**	3,902
Property, plant and equipment	**-**	2,895
	94,700	103,856
Other		
Accruals	**345**	441
Contributory extension scheme	**-**	153
Other	**20**	192
Sub-total other	**365**	786
Total deferred tax assets	**95,065**	104,642
Set-off of deferred tax liabilities pursuant to set-off provisions (note 8(a)(ii))	**(64,128)**	(71,695)
Net deferred tax assets	**30,937**	32,947

	30 June 2025 $'000	30 June 2024 $'000
Movements:		
Opening balance	**104,642**	114,316
Credited to profit or loss (note 7(b))	**(3,446)**	(10,579)
Charged to equity	**-**	(19)
Reclassification to deferred tax liability	**(3,902)**	-
Adjustments for deferred tax equivalent assets of prior periods	**(2,229)**	924
Total	**95,065**	104,642

(ii) Deferred tax equivalent liabilities

	30 June 2025 $'000	30 June 2024 $'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	**57,844**	69,241
Property, plant and equipment	**3,475**	-
Other	**2,809**	2,454
Total deferred tax equivalent liabilities	**64,128**	71,695
Set-off of deferred tax equivalent assets pursuant to set-off provisions (note (8(a)(i))	**(64,128)**	(71,695)
Net deferred tax equivalent liabilities	**-**	-

8. Tax equivalent assets and liabilities (continued)

(a) Amounts recognised in statement of financial position (continued)

(ii) Deferred tax equivalent liabilities (continued)

	30 June 2025 $'000	30 June 2024 $'000
Movements		
Opening balance as at 1 July	**71,695**	78,149
(Expensed)/ credited to profit or loss (note 7(b))	**(5,750)**	(9,182)
Reclassification from deferred tax asset	**(3,902)**	-
Adjustments for deferred tax liabilities of prior periods	**2,085**	2,728
Total	**64,128**	71,695

(iii) Current tax equivalent payable

	30 June 2025 $'000	30 June 2024 $'000
Income tax equivalent liability	**(4,173)**	(80)
Total	**(4,173)**	(80)

9. Cash and cash equivalents

(a) Accounting policy

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

(b) Amounts recognised in statement of financial position

	30 June 2025 $'000	30 June 2024 $'000
Cash in operational accounts	**103,779**	127,604
Short-term investment deposits	**58,100**	50,000
Total	**161,879**	177,604

Management assessed that the fair value of cash at bank and short-term investment deposits approximate their carrying amounts.

9. Cash and cash equivalents (continued)

(c) Reconciliation of profit after income tax equivalent expense to net cash flows from operating activities

	30 June 2025 $'000	30 June 2024 $'000
Profit for the year	**15,194**	9,370
Depreciation and amortisation	**121,238**	118,440
Gifted assets	**(1,697)**	(2,541)
Share of profit from joint ventures	**(1,131)**	(26)
Net gain on sale of non-current assets	**(1,065)**	(877)
Allowance for expenses credit losses	**2,878**	2,404
Changes in operating assets and liabilities:		
Receivables	**(1,084)**	(16,103)
Inventories	**2,887**	(3,353)
Other current assets	**10,388**	(2,641)
Payables	**(40,869)**	(47,726)
Other current liabilities	**3,551**	16,106
Derivatives	**(292)**	241
Tax equivalent assets and liabilities	**6,102**	2,568
Employee provisions	**5,765**	(4,567)
Other provisions	**(865)**	1,382
Net cash inflow from operating activities	**121,000**	72,677

(d) Non-cash investing and financing activities

	30 June 2025 $'000	30 June 2024 $'000
Gifted assets (note 13(b))	**1,697**	2,541
Additions to right-of-use assets (note 14(b))	**16,915**	4,165
Total	**18,612**	6,706

10. Receivables

(a) Accounting policy

Receivables, which generally have 12-day terms for tariff customers, 7 to 14 day terms for contract customers and 30 to 90 days for non-energy customers, are recognised and carried at the original invoice amount less an allowance for any expected credit loss. No interest is charged on current receivables.

Horizon Power applies the AASB 9 *Financial Instruments* general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables, including unbilled amounts. To measure the expected credit losses, energy trade receivables and unbilled amounts have been grouped based on their credit risk characteristics, linked to actions taken by the credit team since the customer's invoices became overdue. Unbilled amounts from customers have substantially the same risk characteristics as the receivables for the same types of contracts. The expected loss rates for receivables are a reasonable approximation of the loss rates for unbilled amounts.

The expected loss rates are based on the historical recovery rates achieved by the credit team on debtors in the relevant categories. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Non-energy receivables relate mainly to discrete transactions with customers, the expected credit loss rates are based on a review of individual debts outstanding, the risk profile of the customer and the nature of transactions.

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

Other receivables are not considered at risk and therefore no expected loss allowance has been provided.

The amount of the expected credit loss is recognised in the statement of comprehensive income within other expenses. When a receivable for which an expected credit loss had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income against expected credit loss allowance expense.

10. Receivables (continued)

(b) Amounts recognised in Statement of Financial Position

	30 June 2025 $'000	30 June 2024 $'000
Receivables		
Receivables - energy - billed	**30,470**	31,387
Receivables - energy - unbilled (i)	**24,319**	24,468
Total receivables - energy	**54,789**	55,855
Allowance for expected credit loss – energy	**(5,531)**	(4,778)
	49,258	51,077
Receivables - non-energy	**13,578**	7,551
Allowance for expected credit loss – non-energy	**(1,316)**	(1,168)
	12,262	6,383
Other receivables (note 10(d))	**4,303**	5,096
Total receivables	**65,823**	62,556

(i) Receivables – Energy Unbilled: Following the roll-out of the advanced metering infrastructure, management has developed reporting tools that track ongoing consumption for customers with advanced meters resulting in a high level of accuracy in the evaluation of the unbilled electricity consumption.

10. Receivables (continued)

(c) Impaired trade receivables

(i) Movements in the allowance for expected credit loss of receivables are as follows:

	30 June 2025 $'000	30 June 2024 $'000
At 1 July	**5,946**	5,092
Allowance for expected credit loss recognised during the year	**2,878**	2,404
Receivables written off during the year as uncollectable	**(1,977)**	(1,550)
At 30 June	**6,847**	5,946

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. All expected credit losses relate to amounts due from contracts with customers.

The loss allowance as at 30 June 2025 was determined as follows for both trade receivables and unbilled amounts:

30 June 2025

Energy

Status	**Total Energy Receivables $'000**	**Expected Loss Rate**	**Loss Allowance $'000**
Not overdue	**22,620**	**0.3%**	**59**
Overdue			
Pre-disconnection	**16,443**	**1.3%**	**213**
Post-disconnection	**6,234**	**23.0%**	**1,432**
Special dispensation	**6,668**	**20.7%**	**1,383**
With collection agents	**1,175**	**80.4%**	**945**
Not recoverable	**1,649**	**90.9%**	**1,499**
Total	**54,789**	**10.1%**	**5,531**

Non-energy

Status	**Total Non-energy Receivables $'000**	**Expected Loss Rate**	**Loss Allowance $'000**
Not overdue	**11,278**	**0.2%**	**19**
Overdue			
Low to moderate risk	**1,058**	**20.7%**	**219**
High risk	**867**	**81.1%**	**703**
Not recoverable	**375**	**100.0%**	**375**
Total	**13,578**	**9.7%**	**1,316**

10. Receivables (continued)

(c) Impaired trade receivables (continued)

30 June 2024

Energy

Status	Total Energy Receivables $'000	Expected Loss Rate	Loss Allowance $'000
Not overdue	28,127	0.1%	34
Overdue			
Pre-disconnection	13,867	1.5%	214
Post-disconnection	5,967	17.4%	1,039
Special dispensation	4,883	18.4%	899
With collection agents	1,466	81.0%	1,188
Not recoverable	1,545	90.9%	1,404
Total	55,855	8.6%	4,778

Non-energy

Status	Total Non-energy Receivables $'000	Expected Loss Rate	Loss Allowance $'000
Not overdue	2,795	0.2%	5
Overdue			
Government and related entities	1,920	1.1%	22
Low to moderate risk	2,275	26.5%	604
High risk	137	82.5%	113
Not recoverable	424	100.0%	424
Total	7,551	15.5%	1,168

(d) Other receivables

These amounts generally arise from transactions outside the usual operating activities of Horizon Power. No significant risk is believed to be attached to other receivables.

(e) Fair value

Due to the short-term nature of receivables, their carrying amount is approximate to their fair value.

11. Inventories

(a) Amounts recognised in statement of financial position

	30 June 2025 $'000	30 June 2024 $'000
Materials	**13,754**	17,250
Fuel	**5,360**	4,751
Total inventories	**19,114**	22,001

12. Intangible assets

(a) Accounting policy

Intangible assets acquired separately are capitalised at cost at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible asset.

(i) Renewable energy certificates

Under the *Renewable Energy (Electricity) Act 2000*, parties on grids of more than 100 MW making wholesale acquisitions of electricity (relevant acquisitions) are required to demonstrate that they are supporting the generation of renewable electricity by purchasing increasing amounts of renewable energy certificates (RECs). The Act imposes an annual liability, on a calendar year basis, by applying the specified Renewable Power Percentage and Small-Scale Technology Percentage to the relevant volume of electricity acquired.

These parties demonstrate compliance by surrendering RECs to the Clean Energy Regulator (CER). Large-Scale Generation Certificates are surrendered annually between 1 January and 14 February for the previous calendar year (compliance year). Small-Scale Technology Certificates are surrendered on a quarterly basis.

The REC's liability is extinguished by surrendering an equivalent number of RECs, with a penalty applying for any shortfall. Horizon Power acquires RECs on the spot market and under agreement with suppliers. Horizon Power's liability is measured at the estimated cost to settle its obligation to the CER, being the number of RECs required to settle the obligation, less the number of any internally generated RECs on hand at year end. Any shortfall in the number of RECs is measured at market value (unless there are unfulfilled contracts to purchase RECs at a fixed or agreed price).

(ii) Amortisation and estimated useful life

The useful lives of intangible assets are assessed to be either finite or infinite. For intangible assets with finite useful lives, an amortisation expense is recognised in profit or loss over the useful lives of the assets.

The useful lives and amortisation of Horizon Power's major intangible asset classes are as follows:

Intangible asset	Finite/infinite useful life	Amortisation method	Useful life
Computer software	Finite	Straight-line method	3 - 5 years
Renewable Energy Certificates	Infinite	Not amortised	

Amortisation rates are reviewed annually, and if necessary adjusted to reflect the most recent assessment of the useful lives of the assets.

(iii) Impairment of assets

Intangible assets are tested for impairment annually to determine if there is any indication of impairment. If any indication exists, Horizon Power estimates the asset's recoverable value. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

There were no indicators of impairment to intangible assets at 30 June 2025 (2024: nil).

12. Intangible assets (continued)

(b) Amounts recognised in statement of financial position

(i) Current assets

Renewable energy certificates	**30 June 2025 $'000**	30 June 2024 $'000
Opening balance	**3,721**	2,012
Additions	**6,006**	10,909
Surrendered	**(9,137)**	(9,200)
Closing balance	**590**	3,721

(ii) Non-current assets

Computer software	**30 June 2025 $'000**	30 June 2024 $'000
Year ended 30 June 2025		
Opening carrying amount	**28,848**	22,086
Transfers from work in progress (note 15)	**26,925**	17,913
Amortisation charge	**(11,177)**	(11,151)
Closing carrying amount	**44,596**	28,848
Cost	**154,253**	127,328
Accumulated amortisation	**(109,657)**	(98,480)
Carrying amount	**44,596**	28,848

13. Property, plant and equipment

(a) Accounting policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. A gifted asset is recognised at fair value at its initial recognition (at the point of handover to Horizon Power) and depreciated over its useful life.

(i) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value attributed to the asset at the date of acquisition plus costs incidental to the acquisition. Direct costs and associated indirect costs in respect of assets being constructed are capitalised.

Costs are only capitalised when it is probable that future economic benefits will flow from the establishment of the asset and the cost of the asset can be reliably measured.

(ii) Decommissioning costs

Upon recognition of an item of property, plant and equipment, the cost of the item includes the anticipated costs of dismantling and removing the asset, and restoring the site on which it is located, discounted to their present value as at the relevant date of acquisition.

(iii) Capitalisation of borrowing costs

Horizon Power, as a not-for-profit public sector entity, has elected to expense borrowing costs in the period incurred under AASB 123 *Borrowing Costs*.

(iv) Depreciation

Discrete assets that are not subject to continual extension and modification are depreciated using the straight-line method. Such assets include power stations, transmission network assets and buildings.

Other assets, primarily the electricity distribution network that is continually extended and modified, are depreciated using the reducing balance method. Land is not depreciated.

The useful lives of Horizon Power's major property, plant and equipment classes are as follows:

- Buildings 8-40 years
- Generation 3-50 years
- Network 3-50 years
- Other 3-40 years

Depreciation rates are reviewed annually and, if necessary, adjusted to reflect the most recent assessment of the useful lives of the assets.

(v) Estimation of useful lives of assets

The estimation of the useful lives of assets is based on historical experience. Leased equipment is depreciated over the useful life of the asset, however if there is no reasonable certainty that Horizon Power will obtain ownership by the end of the lease term, the leased equipment is depreciated over the shorter of the estimated useful life of the asset and the lease term. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation charges are included in note 6(b).

13. Property, plant and equipment (continued)

(a) Accounting policy (continued)

(vi) Impairment of assets

At each reporting date Horizon Power assesses whether there is any indication that an asset may be impaired, that is, where events or changes in circumstances indicate the carrying value exceeds the recoverable amount. The assessment includes an evaluation of conditions specific to Horizon Power and to the particular asset that may lead to impairment and includes product and manufacturing performance, technology, economic and political environments and future product expectation. Where an indicator of impairment exists, Horizon Power makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

Natural disasters

Horizon Power owns assets that can be impacted by acute and extreme weather conditions, such as cyclones or bushfires. However, these are uncertain future events.

Under Australian Accounting Standards no provisions are allowed against future losses resulting from uncertain future events.

Based on the above, there were no indicators of impairment to property, plant and equipment at 30 June 2025 (2024: nil).

13. Property, plant and equipment (continued)

(b) Amounts recognised in statement of financial position

	Freehold land	Buildings	Generation	Network	Plant & equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2025						
Opening carrying amount	11,722	60,400	223,847	1,019,452	25,521	1,340,942
Additions	-	-	-	3,250	-	3,250
Transfers from work in progress (note 15)	1,995	11,530	37,830	51,482	13,807	116,644
Disposals	(34)	(75)	(18)	(11)	(70)	(208)
Depreciation charge (note 6(b))	-	(3,368)	(18,717)	(48,873)	(7,603)	(78,561)
Closing carrying amount	13,683	68,487	242,942	1,025,300	31,655	1,382,067
At 30 June 2025						
Cost	13,683	104,769	389,177	1,587,343	117,292	2,212,264
Accumulated depreciation	-	(36,282)	(146,235)	(562,043)	(85,637)	(830,197)
Carrying amount	13,683	68,487	242,942	1,025,300	31,655	1,382,067

	Freehold land	Buildings	Generation	Network	Plant & equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2024						
Opening carrying amount	11,742	55,147	209,526	995,265	26,106	1,297,786
Additions	-	-	-	515	-	515
Transfers from work in progress (note 15)	-	8,648	30,912	70,378	5,426	115,364
Disposals	(20)	(374)	(50)	(5)	(42)	(491)
Depreciation charge (note 6(b))	-	(3,021)	(16,541)	(46,701)	(5,969)	(72,232)
Closing carrying amount	11,722	60,400	223,847	1,019,452	25,521	1,340,942
At 30 June 2024						
Cost	11,722	93,476	351,368	1,532,626	104,674	2,093,866
Accumulated depreciation	-	(33,076)	(127,521)	(513,174)	(79,153)	(752,924)
Carrying amount	11,722	60,400	223,847	1,019,452	25,521	1,340,942

Horizon Power receives non-cash capital contributions in the form of gifted assets. The fair value of the non-cash capital contributions included in the additions to plant and equipment in 2025 was $1,697,000 (2024: $2,541,000).

In 2025 plant and equipment include capitalised decommissioning costs of $1,551,680 (2024 $2,027,000).

14. Right-of-use Assets

(a) Accounting policy

Horizon Power has lease contracts for power purchase agreements and office and residential properties. Horizon Power also has leases of equipment with terms of less than 12 months or with low value, to which Horizon Power applies the short-term and lease of low-value recognition exemptions.

(i) Depreciation

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Power purchase agreements based on the term of the contract (2 to 30 years)
- Office and residential properties 2 – 13 years

(b) Amounts recognised in statement of financial position

	Power purchase agreements	Office and residential properties	Total
	$'000	$'000	$'000
Year ended 30 June 2025			
Opening carrying amount	193,941	11,981	205,922
Additions	15,660	1,255	16,915
Lease adjustments	944	531	1,475
Disposals	-	-	-
Depreciation charge (note 6(b))	(28,318)	(3,182)	(31,500)
Closing carrying amount	182,227	10,585	192,812
At 30 June 2025			
Cost	616,031	23,825	639,856
Accumulated depreciation	(433,804)	(13,240)	(447,044)
Carrying amount	182,227	10,585	192,812

14. Right-of-use Assets (continued)

(b) Amounts recognised in statement of financial position (continued)

	Power purchase agreements	Office and residential properties	Total
	$'000	$'000	$'000
Year ended 30 June 2024			
Opening carrying amount	222,211	13,013	235,224
Additions	3,093	1,072	4,165
Lease adjustments	570	1,020	1,590
Disposals	-	-	-
Depreciation charge (note 6(b))	(31,933)	(3,124)	(35,057)
Closing carrying amount	193,941	11,981	205,922
At 30 June 2024			
Cost	599,428	22,039	621,467
Accumulated depreciation	(405,487)	(10,058)	(415,545)
Carrying amount	193,941	11,981	205,922

15. Work in progress

Work in progress represents expenditure incurred on uncompleted capital projects. Upon completion of a project, expenditure is capitalised and transferred to either intangible assets (note 12) or property plant and equipment (note 13) to start its amortisation or depreciation in line with the assets' useful life.

Non-Current Assets

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	**148,368**	180,421
Additions	**141,460**	104,317
Transfers to right-of-use assets (note 14(b))	**-**	(3,093)
Transfers to intangible (note 12 (b) (ii))	**(26,925)**	(17,913)
Transfers to property plant and equipment (note 13 (b))	**(116,644)**	(115,364)
Closing balance	**146,259**	148,368

16. Payables

(a) Accounting policy

These amounts represent liabilities for goods and services provided to Horizon Power prior to the end of the reporting period that are unpaid. The amounts are unsecured and are settled within prescribed periods.

Payables are non-interest bearing and are generally settled on 30-day terms.

CES (Contributory Extension Scheme) payables represent amounts received from customers to extend specific electricity supplies. These deposits are progressively refunded as other customers are connected to existing supply extension schemes. The carrying value of CES payables approximates their fair value.

Other payables are also non-interest bearing and are generally settled between 14 and 30 days. Due to the short-term nature of these payables, their carrying value approximates their fair value.

(b) Amounts recognised in statement of financial position

(i) Current liabilities

	30 June 2025 $'000	30 June 2024 $'000
Payables	**88,223**	87,677
CES payables	**651**	1,802
Other payables	**11,168**	560
Contract liabilities	**24,023**	20,374
Total	**124,065**	110,413

(ii) Non-current liabilities

	30 June 2025 $'000	30 June 2024 $'000
Contract liabilities	**62,249**	64,483
Total	**62,249**	64,483

Contract liabilities under non-current liabilities refer to upfront payments for the use of Horizon Power's network assets and are amortised over the term of the agreements.

Movements in Contract Liabilities

	30 June 2025 $'000	30 June 2024 $'000
Carrying amount at the start of the year	**84,865**	83,900
Additions	**15,219**	16,195
Revenue recognised in the reporting period	**(13,812)**	(15,238)
Closing balance	**86,272**	84,857
Comprised of:		
Current	**24,023**	20,374
Non-current	**62,249**	64,483
Total	**86,272**	84,857

17. Provisions

(a) Accounting policy

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave.

Liabilities arising in respect of any employee benefits expected to be settled within 12 months from the reporting date are measured at their nominal amount based on remuneration rates that are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. The present value of future cash outflows is determined using the projected unit credit method.

A provision for the on-costs attributable to annual leave and unconditional long-service leave benefits is recognised in other provisions, not as employee benefits.

(ii) Restoration and decommissioning

Provision is made for the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of decommissioning activities includes the removal of generating facilities and restoration of affected areas, including the treatment of contaminated sites.

Typically, the obligation arises when the asset is installed at the location. When the provision is initially recognised, the estimated cost is capitalised by increasing the carrying amount of the related generating facility.

Over time, the provision is increased for the change in the present value based on a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in generating assets is depreciated over the useful life of the related assets.

Costs incurred that relate to an existing condition caused by past operations are expensed.

17. Provisions (continued)

Estimates and assumptions

A provision has been made for the present value of anticipated costs of future restoration and decommissioning of generating plants and distribution lines to be removed. The provision includes future cost estimates associated with dismantling closure, decontamination and permanent storage of historical residues. The calculation of this provision requires assumptions such as the application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditures differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised by adjusting both the expense or asset (if applicable) and provision. The related carrying amounts are disclosed within the property, plant and equipment in note 13.

(b) Amounts recognised in statement of financial position

Current liabilities

	30 June 2025 $'000	30 June 2024 $'000
Long service leave	**10,329**	6,209
Annual leave	**6,454**	6,010
Decommissioning and rehabilitation	**500**	733
Employee benefits accruals and on-costs	**4,245**	2,811
Total	**21,528**	15,763

Non-Current liabilities

	30 June 2025 $'000	30 June 2024 $'000
Long service leave	**2,099**	4,815
Decommissioning and rehabilitation	**17,286**	15,231
Employee benefits accruals and on-costs	**859**	1,029
Total	**20,244**	21,075

17. Provisions (continued)

(b) Amounts recognised in statement of financial position (continued)

Movements in provisions - decommissioning and rehabilitation

	30 June 2025 $'000	30 June 2024 $'000
Carrying amount at the start of the year	**15,964**	17,583
Payments/other sacrifices of economic benefits	**(408)**	(261)
Changes in assumptions	**1,552**	(2,027)
Unwinding of discount	**678**	669
Carrying amount at end of year	**17,786**	15,964
Comprised of:		
Current	**500**	733
Non-current	**17,286**	15,231
Total	**17,786**	15,964

Movements in provisions – Employee benefits accruals and on-costs

	30 June 2025 $'000	30 June 2024 $'000
Carrying amount at the start of the year	**3,840**	7,102
Additional provisions recognised	**3,434**	3,219
Payments/other sacrifices of economic benefits	**(2,170)**	(6,481)
Carrying amount at end of year	**5,104**	3,840
Comprised of:		
Current	**4,245**	2,811
Non-current	**859**	1,029
Total	**5,104**	3,840

The annual leave benefits are reported as current because Horizon Power does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Long service leave liabilities are unconditional long service leave provisions classified as current liabilities as Horizon Power does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

17. Provisions (continued)

(b) Amounts recognised in statement of financial position (continued)

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because Horizon Power has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

18. Interest-bearing liabilities

(a) Accounting policy

(i) Loans

All loans are initially recognised at fair value net of transaction costs incurred. Subsequent to initial recognition loans are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Any difference between the cost and the redemption amount is recognised in the statement of comprehensive income over the period of the loan using the effective interest method.

(ii) Leases- initial recognition and measurement

At the commencement date of the lease, Horizon Power recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Horizon Power uses the incremental borrowing rate provided by the Western Australian Treasury Corporation (WATC).

(iii) Leases- estimation of lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to Horizon Power's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; the existence of significant leasehold improvements; and the costs and disruption to replace the asset. Horizon Power reassesses whether it is reasonably certain to exercise an extension option or not exercise a termination option if there is a significant event or significant change in circumstances.

(b) Amounts recognised in statement of financial position

Current liabilities

	30 June 2025 $'000	30 June 2024 $'000
WATC loans (i)	**150,000**	164,000
Lease liabilities (note 27 (b))	**40,414**	40,157
Total	**190,414**	204,157

Non-Current liabilities

	30 June 2024 $'000	30 June 2023 $'000
WATC loans (ii)	**728,333**	718,672
Lease liabilities (note 27 (b))	**217,891**	240,584
Total	**946,224**	959,256

(i) The market value* of the current loans owing to WATC is $150,224,109 (2024: $164,214,000).
(ii) The market value* of the non-current loans owing to WATC is $712,509,698 (2024: $679,796,000).

*Market value includes the debt outstanding plus accrued interests

18. Interest-bearing liabilities (continued)

(b) Amounts recognised in statement of financial position (continued)

Classification of borrowings

As at 30 June 2025, the non-current WATC loans of $728,333,000 (2024: $718,672,000) included an amount of $96,710,736 (2024: $82,221,000) with an original contractual maturity in the 2025-26 year. It is Horizon Power's expectation that this amount will be refinanced under the MLA rather than repaid and therefore has been classified as non-current. The loans have been classified as non-current as a result of the following:

- The MLA with the WATC, an entity owned by the Western Australian State Government, allows Horizon Power the unequivocal right to refinance all or any part of maturing debt at regular intervals; and
- Horizon Power's approved forecast borrowing requirements for the next four years include no repayment of amounts classified above as non-current and contained within the 2024-25 State Budget.

Horizon Power's borrowing limit as at 30 June 2025 was $968,198,000 (2024: $925,540,000)

19. Financial risk management

Horizon Power's principal financial instruments comprise cash and cash equivalents, receivables, derivatives financial instruments, payables and interest-bearing borrowings.

Horizon Power holds the following financial instruments:

	30 June 2025 $'000	30 June 2024 $'000
Financial assets		
Cash and cash equivalents	**161,879**	177,604
Financial assets at amortised cost	**60,228**	57,333
Financial assets at fair value through profit or loss	**51**	-
Total	**222,158**	234,937

	30 June 2025 $'000	30 June 2024 $'000
Financial liabilities		
Financial liabilities at amortised cost	**91,420**	88,818
Financial liabilities at fair value through profit or loss	**-**	241
Lease liabilities	**258,305**	280,741
WATC Loans	**878,333**	882,672
Total	**1,228,058**	1,252,472

19. Financial risk management (continued)

Horizon Power has developed a Financial Risk Management policy to provide a framework through which Horizon Power maintains the appropriate level of control over financial and associated risks. The Treasury Management Committee oversees treasury functions on behalf of the Board to enable significant financial and associated risks to be managed through the use of various financial instruments.

The main risks arising from Horizon Power's financial instruments are summarised below.

Risk	Exposure arising from	Measurement	Management
Market risk- foreign exchange	Future commercial transactions Fluctuations in the gasoil price	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk- commodity price	Fluctuations in the gasoil price	Sensitivity analysis	AUD-denominated gasoil commodity swaps
Market risk- interest rate	Long-term floating (variable) WATC loans	Sensitivity analysis	Debt guidelines
Liquidity risk	WATC loans	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Credit risk	Cash and cash equivalents and receivables	Ageing analysis Credit ratings	Credit management Approved counterparties exposure. Monitor of ratings from rating agency.

(a) Market risk

(i) Foreign exchange risk

Exposure

Horizon Power's exposure to foreign currency risk at the current reporting date is low because all the transactions were denominated in Australian dollars (AUD).

(ii) Commodity price risk

Exposure

Horizon Power is exposed to fluctuations in the gasoil price through the purchase of fuel for its diesel power stations as well as fuel consumed by its power producers.

Instruments used

Horizon Power may enter into a 12-month hedging program for the full financial year, based on a minimum of 80% of the monthly forecasted volumes. At 30 June 2025 Horizon Power economically hedged 136,489 barrels at an average price of AUD $126.70 per barrel.

19. Financial risk management (continued)

(iii) Interest rate risk

Exposure

Horizon Power's exposure to floating interest rates relate primarily to its floating long-term debt obligations.

Horizon Power's borrowings obtained through the WATC include loans at fixed and floating rates with varying maturities. Borrowings with floating debts, including working capital facilities, have variable interest rates linked to movements in Reserve Bank of Australia rates. The ratio of floating debt shall be a maximum of 30% of total core debt portfolio.

The debt portfolio is expected to be maintained with the following minimum and maximum debt maturity guidelines with the Financial Risk Management policy.

	Term				
	< 1 Year	> 1 Year	> 3 Years	> 5 Years	> 10 Years
Maximum Policy Limit	30%	100%	100%	100%	10%
Minimum Policy Limit	0%	70%	40%	30%	0%

The exposure of Horizon Power's WATC loans to interest rate changes and the contractual re-pricing dates at the end of the year are as follows:

	30 June 2025 $'000	**% of total loans**	30 June 2024 $'000	% of total loans
Floating rate borrowings	**290,830**	**33%**	225,761	26%
Fixed-rate borrowings- repricing or maturity dates:				
Less than 1 year	**68,545**	**8%**	69,409	8%
Between 1 and 5 years	**274,179**	**31%**	274,179	31%
Over 5 years	**244,779**	**28%**	313,323	35%
Total	**878,333**	**100%**	882,672	100%

An analysis by maturity is provided in note 19(b) below. The percentage of total WATC loans shows the proportion of loans that are currently at floating rates concerning the total amount of borrowings.

Instruments used

There are no financial instruments used to manage the exposure.

19. Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity

Profit or loss is sensitive to higher/ lower interest expenses from WATC loans due to changes in interest rates of floating WATC loans.

At 30 June 2025, if interest rates had decreased/increased by 200 basis points from the year-end rates with all other variables held constant, the impact on Horizon Power's post-tax profit for the year would have been less than $2.3 million (2024: less than $2.5 million).

(b) Liquidity risk

Horizon Power's objective is to enable sufficient funding to be available at all times, to meet the financial commitments of Horizon Power, as they arise in a cost-effective manner.

Horizon Power has appropriate procedures to manage cash flows including preparation of cash flows forecast and making decisions using the facilities in place as well as monitoring to enable sufficient funds to be available to meet its commitments.

At the reporting date, Horizon Power held short-term investment deposits of $58,100,000 (2024: $50,000,000) that are expected to readily generate cash inflows for managing liquidity risk.

Financial arrangements

Horizon Power's borrowing limits are based on Horizon Power's forecast cash flow estimates submitted for the Annual State Budget. WATC will manage Horizon Powers' requests for borrowings within the confines of these approved limits unless, and until, it receives authority from the Treasurer for any approved amendment.

The borrowing limit at the reporting date was $968,198,000 (2024: $925,540,000)

The amounts disclosed in the following tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

19. Financial risk management (continued)

(iii) Interest rate risk (continued)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2025	Weighted average effective interest rate	Carrying amount	Interest rate exposure: Fixed interest rate	Interest rate exposure: Variable interest rate	Interest rate exposure: Non-interest bearing	Nominal amount	Maturity dates: Less than 3 months	Maturity dates: 3 to 12 months	Maturity dates: 1 to 5 years	Maturity dates: More than 5 years
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets										
Cash and cash equivalents	3.41	161,879		161,879		161,879	161,879			
Trade Receivables [a]		55,926			55,926	62,151	62,151			
Other Receivables		4,301			4,301	4,301	4,301			
Total		**222,106**	**-**	**161,879**	**60,227**	**228,331**	**228,331**	**-**	**-**	**-**
Financial liabilities										
Payables [a]		91,420			91,420	91,420	91,420			
Lease liabilities [b]	9.98	258,305	258,305			410,745	15,186	44,580	159,089	191,890
WATC Loans and Borrowings	5.10	878,333	587,503	290,830		1,001,184	168,920	53,111	457,109	322,044
Total		**1,228,058**	**845,808**	**290,830**	**91,420**	**1,503,349**	**275,526**	**97,691**	**616,198**	**513,934**

(a) The amounts of trade receivables and payables exclude GST.
(b) The amount of lease liabilities includes $226,721,000 from power purchase agreements and $31,584,000 from leased buildings.

2024	Weighted average effective interest rate	Carrying amount	Interest rate exposure: Fixed interest rate	Interest rate exposure: Variable interest rate	Interest rate exposure: Non-interest bearing	Nominal amount	Maturity dates: Less than 3 months	Maturity dates: 3 to 12 months	Maturity dates: 1 to 5 years	Maturity dates: More than 5 years
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets										
Cash and cash equivalents	2.82	177,604		177,604		177,604	177,604	-	-	-
Trade Receivables [a]		52,236			52,236	57,642	57,642	-	-	-
Other Receivables		5,097			5,097	5,097	5,097	-	-	-
Total		**234,937**	**-**	**177,604**	**57,333**	**240,343**	**240,343**	**-**	**-**	**-**
Financial liabilities										
Payables [a]		88,818			88,818	88,818	88,818			
Lease liabilities [b]	9.50	280,741	280,741			436,793	17,081	44,745	186,423	188,544
WATC Loans and Borrowings	3.35	882,672	656,911	225,761		1,013,740	185,999	63,883	355,408	408,450
Total		**1,252,231**	**937,652**	**225,761**	**88,818**	**1,539,351**	**291,898**	**108,628**	**541,831**	**596,994**

(a) The amounts of trade receivables and payables exclude GST.
(b) The amount of lease liabilities includes $266,737,000 from power purchase agreements and $14,004,000 from leased buildings.

19. Financial risk management (continued)

(iii) Interest rate risk (continued)

(c) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to energy and non-energy (such as customer-funded works) customers, including outstanding receivables.

Risk management – counterparty risk

Horizon Power minimises its credit risk by transacting only with quality credit counterparties with a Standard and Poors (S&P) rating of A or better. Where the counterparty is not specifically rated by S&P the equivalent Moody's rating may be used.

Horizon Power manages credit risk by setting, monitoring and updating credit limits for its financial counterparties. No derivative transaction is to be undertaken with any counterparty unless an International Swaps and Derivatives Association ("ISDA") Agreement is executed.

Risk management – energy and non-energy customers

Energy customer credit risk is managed under the established policies, procedures and control relating to customer credit risk management.

Risk management – non-energy (customers funded works)

Horizon Power has policies under which the creditworthiness of non-energy customers is assessed before credit is offered. Horizon Power has undertaken credit vetting which includes external ratings, where available and agreed to install payment options where required.

Horizon Power follows stringent credit control and management procedures in reviewing and monitoring debtor accounts.

Credit risk in respect of energy and non-energy receivables is detailed in note 10(c).

20. Contributed equity

(a) Accounting policy

AASB Interpretation 1038 *'Contributions by Owners Made to Wholly Owned Public Sector Entities'* requires transfers, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions to be designated by the State Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions have been credited directly to contributed equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, is designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(b) Amounts recognised in statement of financial position

	30 June 2025 $'000	30 June 2024 $'000
Opening Balance	**425,972**	416,113
Equity contribution during the financial year	**18,550**	9,859
Total contributed equity at the end of the financial year (i)	**444,522**	425,972

(i) The increase in contributed equity was in respect of the following:

	30 June 2025 $'000	30 June 2024 $'000
Transfer of Remote Essential Services Program	**17,496**	7,455
Electric vehicle charging infrastructure	**-**	2,404
Kununurra Cotton Gin Infrastructure	**1,054**	-
Total increase in contributed equity	**18,550**	9,859

21. Dividends

Horizon Power's dividend policy is to pay 75% of the net profit after tax plus any special dividend, if required by the shareholder. Dividends are subject to a solvency test and declared in consultation with the Minister for Energy.

In December 2024, the WA Government requested to pay the final dividends for the year ended 30 June 2024. Subsequently, in June 2025, the WA Government requested payment of the interim dividend for the current financial year. No dividends were paid during the 12-month period ended 30 June 2024.

	30 June 2025 $'000	30 June 2024 $'000
Final dividend for the previous financial year	**1,757**	-
Interim dividend for the current financial year	**5,799**	-
Dividends paid	**7,556**	-

22. Interests in joint operations and joint venture

(a) Accounting policy

(i) Interest in joint arrangements

Joint arrangements are contractual arrangements in which Horizon Power and other parties undertake an economic activity subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides Horizon Power with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation, and as such Horizon Power recognises its share of the operations assets, liabilities, revenue and expenses, including those incurred jointly. To the extent the joint arrangement provides Horizon Power with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

(ii) Jointly controlled operations

Jointly controlled operations	Principal activity	% of ownership interest
Mid-West Pipeline Joint Venture	Gas Transportation in the Mid-West and Hill 60 Pipelines	50% (2024: 50%)

Horizon Power has a 50% ownership interest in the Mid-West Pipeline pursuant to an unincorporated Joint Venture Agreement dated 13 January 1999. The remaining 50% interest is owned by Mid-West Pipeline Pty Ltd. The Mid-West pipeline is a 376 km natural gas pipeline that extends from the Dampier to Bunbury Natural Gas Pipeline to the town of Mount Magnet and to the Windimurra Vanadium Project.

Horizon Power's assets employed in the above jointly controlled operations were fully depreciated as at 30 June 2019.

(iii) Interests in joint venture

Name of entity	Principal activity	% of ownership interest
Boundary Power Pty Ltd	Manufacture and sale of standalone power systems	50% (2024: 50%)

Boundary Power Pty Ltd, was established in November 2020 as a 50:50 Incorporated Joint Venture with Ampcontrol Ltd.

The movement in the net carrying value of investment in Boundary Power Pty Ltd is shown below:

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	**977**	567
Share of profit for the year	**577**	410
Dividends	**(850)**	-
Closing balance	**704**	977

22. Interests in joint operations and joint venture (continued)

(iii) Interests in joint venture (continued)

Name of entity	Principal activity	% of ownership interest
WAAE Pty Ltd	Designs and builds rooftop and ground-mounted solar PV and battery storage systems	50% (2024: 50%)

WAAE Pty Ltd, was established in March 2023 as a 50:50 Incorporated Joint Venture with Green to Go Ltd.

The movement in the net carrying value of investment in WAAE Pty Ltd is shown below:

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	**2,256**	2,340
Shareholder loan provided	**-**	300
Receipt of interest on shareholder loan	**(35)**	-
Share of profit/(loss) for the year	**554**	(384)
Closing balance	**2,775**	2,256

(iv) Total interests in joint ventures

Total interests in Joint ventures	**30 June 2025 $'000**	30 June 2024 $'000
Boundary Power Pty Ltd	**704**	977
WAAE Pty Ltd	**2,775**	2,256
Closing balance	**3,479**	3,233

23. Key management personnel remuneration

Horizon Power's key management personnel have been determined to be the State Cabinet Ministers, Directors and Senior Officers of Horizon Power. However, Horizon Power is not obligated to compensate State Cabinet Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report of State Finances.

The total compensation paid to key management personnel for the reporting period is presented below.

	30 June 2025 $'000	30 June 2024 $'000
Short-term employee benefits	**4,782**	4,029
Post-employment benefits	**386**	302
Others^	**-**	40
Total compensation of key management personnel	**5,168**	4,371

^ Amount paid for contractor services rendered as Executive General Manager. The remuneration paid in the year ended 30 June 2024 relates to services rendered during the year ended 30 June 2023.

Further details of key management personnel remuneration are disclosed in the Directors' Report section of the annual report.

24. Related party transactions

Related parties of Horizon Power include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all key management personnel and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, included in the whole of Government consolidated financial statements;
- associates and joint ventures of an entity included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Transactions with State Government related entities include sale of electricity, purchases of inventories and service transactions in the ordinary course of business on normal commercial terms. Other significant transactions include:

- WATC: Borrowings under a Master Lending Agreement whereby Horizon Power has drawn down $231,000,000 (2024: $208,000,000) and repaid $235,339,000 (2024: $174,839,000) during the year ended 30 June 2025. Interest paid under the Master Lending Agreement was $29,054,000 (2024: $28,260,000) during the year ended 30 June 2025.
- Department of Treasury:

  $27,714,000 (2024: $17,881,000) received for the WA Electricity Credit, allocated to customer accounts.

  $230,000,000 (2024: $197,000,000) received in relation to the Tariff Equalisation Fund.

  $9,659,000 (2024: $9,628,000) for the reimbursement of the cost of CSOs included in electricity and other services.

  $10,819,000 (2024: $10,362,000) received as funding for the Remote Essential Services Program.

  $17,496,000 (2024: $7,455,000) received as equity injection for the Remote Essential Services Program, refer to note 21.

  $8,000,000 (2024: $0) received as funding for Pilbara Green Link and Burrup transmission project.

  $1,054,000 (2024: $0) received as equity injection for Kununurra Cotton Gin.

  $213,102 (2024: $142,665) received as interest on public bank accounts.

  $13,718,000 (2024: $0) received as funding for the Municipal Services Subsidy and Leonora Power Project two-year extension.

24. Related party transactions (continued)

- Department of Primary Industries and Regional Development: $31,182,000 (2024: $30,570,000) received in relation to the Remote Essential Services Program.
- Electricity Networks Corporation: Transactions disclosed below are in relation to inventory purchases and network access and metering services.
- Electricity Generation and Retail Corporation: Transactions disclosed below are in relation to electricity sales, purchases, and services.

Transactions with joint ventures and operations and associates, disclosed below, include transactions in relation to the manufacturing and sale of Standalone Power Systems with Boundary Power Pty Ltd and the design and build of battery storage systems with WAAE Pty Ltd.

Horizon Power is not aware of any material transactions with the key management personnel or their close family members or controlled entities outside the ordinary course of business and normal commercial terms.

Remuneration and benefits received by directors and key management personnel are disclosed in the directors' report and in note 23.

Horizon Power is not aware of any material transactions with the Premier of Western Australia or any of the Cabinet Ministers during the year ended 30 June 2025.

	Receipts $'000	Payments $'000	Liabilities $'000	Receivables $'000	Commitments $'000
30 June 2025					
Joint Ventures	**-**	**(4,381)**	**(45)**	**-**	**(5,972)**
Electricity Networks Corporation	**524**	**(4,992)**	**(189)**	**49**	**(2,089)**
Electricity Generation and Retail Corporation	**597**	**(33,916)**	**(279)**	**-**	**-**
30 June 2024					
Joint Ventures	81	(4,866)	(776)	-	(328)
Electricity Networks Corporation*	513	(8,451)	(296)	46	(199)
Electricity Generation and Retail Corporation*	960	(31,024)	(588)	-	-
Parrotte Energy Consulting	-	(44)	-	-	-

*The comparative balances for receipts, payments and liabilities for Electricity Networks Corporation and Electricity Generation and Retail Corporation have been restated.

25. Contingencies

(i) Contingent liabilities

Essential Services Transfer Deed

The Corporation entered into the Essential Services Transfer Deed (the Deed) effective 1 July 2023, to reallocate responsibility and funding from the Department of Communities for the delivery of power services in 117 Remote Aboriginal Communities.

The Corporation may be required at a point in the future to decommission some existing infrastructure within these Remote Aboriginal Communities.

The Corporation anticipates receiving government funding to meet the costs of any such activities

(ii) Contingent assets

Horizon Power did not have any contingent assets as at 30 June 2025 (30 June 2024: nil).

(iii) Contaminated sites

Under the *Contaminated Sites Act 2003*, the Corporation is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated and remediation required or possibly contaminated and investigation required, Horizon Power may have a liability in respect of investigation or remediation expenses. All known contaminated sites are provided for as per note 17.

(iv) Asbestos management

Several properties, including power stations and residential accommodations, owned by Horizon Power, have asbestos containing materials. Horizon Power has a robust management and monitoring process in place for the ongoing identification and risk assessment of asbestos hazards and implements safe systems of works during any repair, maintenance and demolition works at these sites. Horizon Power complies with the relevant regulations, including the Code of Practice for the Management and Control of Asbestos in Workplaces and commissions compliance surveys on a regular basis. Our long-term objective is the removal of asbestos materials from all our sites.

There is currently no claim against Horizon Power from current or past employees and contractors for illnesses arising from exposure to asbestos that is not covered by RiskCover. Should any claim arise in the future, Horizon Power is likely to be appropriately covered by its workers' compensation and public liability insurance, or RiskCover.

26. Remuneration of auditors

	30 June 2025 $'000	30 June 2024 $'000
Audit of financial statements	**308**	283
Total	**308**	283

(i) Audit services

Under the Act, the Auditor General of Western Australian has been appointed as Horizon Power's independent auditor. During the year, the above fees were paid, or are due and payable, for audit services provided by the Office of Auditor General of Western Australia.

(ii) Non-audit services

Neither the Office of Auditor General of Western Australia nor their agents provided non-audit services during the year ended 30 June 2025 (2024: Nil).

27. Commitments

(a) Capital commitments

	30 June 2025 $'000	30 June 2024 $'000
Within one year	**47,388**	39,679
Total	**47,388**	39,679

- At 30 June 2025, capital expenditure commitments principally related to Standalone Power System – Round 5 ($7,856,000), Blackstone Renewable Energy Solution ($7,054,000), Community Battery 2.0 ($3,813,000) and Standalone Power System – Round 4 ($3,282,000).
- At 30 June 2024, capital expenditure commitments principally related to Standalone Power System – Round 5 ($13,350,000), Standalone Power System – Round 4 ($3,921,000), HP Light Commercial Vehicle Replacement ($3,368,000) and Electric Vehicle Fast Charging Infrastructure ($2,292,000).

27. Commitments (continued)

(b) Energy Procurement and Property Lease Commitments

(i) Lease commitments

Leases relate to the right of control over the use of an identified asset for a period of time in exchange for consideration in accordance with the AASB 16 *Leases*.

	30 June 2025 $'000	30 June 2024 $'000
Commitments in relation to leases are payable as follows:		
Within one year	**59,766**	61,826
Later than one year but not later than five years	**159,089**	186,423
Later than five years	**191,889**	188,544
Minimum lease payments	**410,744**	436,793
Future finance charges	**(152,439)**	(156,052)
Recognised as a liability	**258,305**	280,741
Representing lease liabilities:		
Current (note 18 (b))	**40,414**	40,157
Non-current (note 18 (b))	**217,891**	240,584
Total	**258,305**	280,741

Forecast energy procurement requirements are not included in the above commitments.

(ii) Non-lease commitments – Energy Procurement

These commitments consist of contractual obligations in respect of fixed charges relating to the purchase of electricity, gas and renewable energy certificates, which are not defined as leases.

	30 June 2025 $'000	30 June 2024 $'000
Within one year	**143,146**	142,457
Later than one year but not later than five years	**454,870**	487,445
Later than five years	**1,447,538**	1,564,774
Total	**2,045,554**	2,194,676

27. Commitments (continued)

(b) Energy Procurement and Property Lease Commitments (continued)

Judgements

Horizon Power has entered into power purchase agreements relating to specific generating facilities and property lease agreements. Horizon Power has assessed whether the agreement is, or contains, a lease.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset. Under certain lease arrangements, Horizon Power has the option to purchase the underlying assets.

(c) Non-lease commitments – Property, Plant and Equipment

Horizon Power has commitments to leases of short term or low-value IT equipment, and property leases, at 30 June 2025, that do not qualify as a right-of-use asset under AASB 16 *Leases*. Property lease rentals are subject to half yearly and yearly reviews.

	30 June 2025 $'000	30 June 2024 $'000
Commitments for other lease payables are as follows:		
Within one year	**456**	447
Later than one year but not later than five years	**84**	254
Later than five years	**-**	-
Total	**540**	701

28. Subsequent events

On 31 July 2025, Horizon Power sold its 50% stake in Boundary Power Pty Ltd. The sale will be accounted for in the financial year ending 30 June 2026. As Horizon Power no longer has joint control or significant influence, the investment will be derecognised from its financial statements.

No other matter or circumstance has arisen that will likely, in the opinion of the Horizon Power Board, significantly affect the operations of Horizon Power, the results of those operations, or the state of affairs of Horizon Power in subsequent reporting periods.

Directors' declaration

In accordance with a resolution of the Directors of the Regional Power Corporation, trading as Horizon Power (the Corporation), we state that:

In the opinion of the Directors:

(a) the financial statements and notes are prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*, and

  (i) gives a true and fair view of the financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

  (ii) in accordance with Australian Accounting Standards.

(b) there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer for the reporting year ended 30 June 2025.

Signed in accordance with a resolution of the Directors:

Samantha Tough
Chair

Mark Puzey
Deputy Chair

9 September 2025

Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Regional Power Corporation (trading as Horizon Power)

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Regional Power Corporation (trading as Horizon Power) (the Corporation) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of the Corporation is prepared in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the financial position as at 30 June 2025 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial report section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information is the information in the Corporation's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

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

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If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023 that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for:

- assessing the Corporation's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Regional Power Corporation (trading as Horizon Power) for the year ended 30 June 2025 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 September 2025

Glossary

A	
Australian Renewable Energy Agency (ARENA)	Established by the Australian Government in July 2012, ARENA supports the global transition to net zero emissions by accelerating the pace of pre-commercial innovation, to the benefit of Australian consumers, businesses and workers.
B	
Battery energy storage system (BESS)	Rechargeable battery systems that store energy from solar arrays or the electric grid and provide that energy to a home or business.
C	
Carbon dioxide equivalent (CO_2-e)	Greenhouse gas emissions are expressed in terms of carbon dioxide equivalents (CO_2-e), the amount of a greenhouse gas measured as an equivalent amount relative to carbon dioxide's global warming potential.
Clean Energy Regulator	An independent statutory authority responsible for administering Federal legislation that will reduce carbon emissions and increase the use of clean energy.
Climate change	A change in the state of the climate that can be identified, for example, by statistical tests, by changes in the mean and/or variability of its properties, and that persists for an extended period of time, typically decades or longer.
Co-creator	A person or representative group that collaborates to innovate and develop energy solutions.
Cost to supply	All costs associated with Horizon Power's customers, divided by kilowatt hours sent out.
Consumer energy resources (CER)	Distributed energy assets like solar panels, batteries, and smart appliances that consumers use to generate or manage energy.
D	
Decarbonisation	The process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry, and transport.
Distributed energy resources (DER)	Dispersed power generation, energy storage and demand management located at customer premises or connected directly to the distribution network. While DER is often used to refer to renewable generation sources, it also includes dispersed non-renewable generation sources.
Distributed energy resource management system (DERMS)	A system designed to manage and optimise the technical operation of thousands of grid-connected DER to dynamically balance supply and demand, maintain system stability and optimise long-run economic efficiency.
Distributed solar	Smaller, modular solar generation connected to the electricity grid.
E	
Electric vehicle (EV)	Refers to cars or other vehicles with motors that are powered by electricity, rather than liquid fuels.
Electricity Corporations Act 2005 (WA)	Establishes Horizon Power as a corporation with responsibility for the provision of electricity outside the South West Interconnected System; sets out the powers and functions of the business, including Board and corporate governance, and Ministerial relationship.
Energy Charter	A national CEO-led collaboration that supports the energy sector toward a customer-centric future. The core are brought to life through #BetterTogether initiatives focused on delivering better customer outcomes for all Australians. Horizon Power was the first full WA-based signatory when it joined the Energy Charter in 2019.
Energy Policy WA (EPWA)	EPWA provides policy advice to the WA Government to facilitate the delivery of secure, reliable, sustainable and affordable energy services to Western Australians.
Energy efficiency	The ratio of output of useful energy or other useful physical outputs obtained from a system, conversion process, transmission or storage activity to the input of energy.
Energy storage	A means of storing energy within an electricity system, either directly or indirectly. Storage may be either centralised or distributed throughout a network. Examples include batteries, power capacitors, flywheels and pumped hydro systems.
Energy transition	A pathway toward transformation of the global energy sector from fossil-based to zero-carbon. At its heart is the need to reduce energy-related CO_2 emissions to limit dangerous climate change impacts.

F	
Feed-in-management (FIM)	A type of generation management where participating customers allow Horizon Power to control their generation output to prevent system instability.
G	
Government Trading Enterprise (GTE)	A government body that derives its prime source of revenue from the sale of goods and services in a commercial environment.
Government Trading Enterprises Act 2023 (WA)	The GTE Act took effect 1 July 2023, and was introduced to consolidate governance requirements of GTEs which were contained in multiple instruments, while maintaining flexibility for practices to adapt to industry, market and Government policy changes over time. The GTE Act provides GTEs with greater clarity on their relationship with Government, and consolidates and updates governance, strategic planning, and financial management provisions without mandating how GTEs undertake their day-to-day business activities.
Green hydrogen	Produced when the energy used to power electrolysis comes from renewable energy sources like wind, water or solar.
Greenhouse gas emissions (GHG)	Includes all greenhouse gases as defined by Australia's Clean Energy Regulator, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6) and specified hydro fluorocarbons and perfluorocarbons.
Grid/off-grid	The electrical grid is the interconnected network delivering electricity from producers to consumers, consisting of generation, transmission and distribution assets. Off-grid power systems are not connected to the public electricity network and can be standalone power systems that provide a smaller community with electricity.
H	
Hosting capacity	Amount of rooftop solar an electricity system can accommodate in a town without disrupting supply to customers.
Hydrogen	A fuel that, when consumed in a fuel cell, produces only water. Hydrogen can be produced from a variety of domestic resources, such as natural gas, nuclear power, biomass, and renewable power like solar and wind. It is an attractive fuel option for transportation and electricity generation applications, and can be used in cars, houses, for portable power, and in many other applications.
I	
Independent power producer (IPP)	IPPs are usually engaged via a power purchase agreement (PPA) to build, own, operate and maintain a power generation facility.
Independent system operator (ISO)	Established to enhance whole-of-network security, manage ancillary services and perform network planning.
Integrated Resource Planning (IRP)	Process in which Horizon Power works together with communities and stakeholders to identify and explore energy options that will shape their future energy system.
L	
Light detection and ranging (LIDAR)	A method for determining variable distance by targeting an object or a surface with a laser and measuring the time for the reflected light to return to the receiver. Similar to the way that SONAR or RADAR work by using sound or radio waves to determine the distance to a target.
Light-emitting diode (LED)	A semiconductor light source that emits light when current flows through it.
Long duration energy storage (LDES)	LDES encompasses a range of technologies that can store electrical energy in various forms for prolonged periods, at competitive cost and at scale. These technologies can then discharge electrical energy when needed – over hours, days or seasons – to fulfill long-duration system flexibility needs to shift the increasing, variable, renewable energy supply to match demand.

Glossary

M	
Microgrid	A geographically confined collection of electrical resources that act together, with centralised generation typically playing a key role. Microgrids can be remote, embedded, or interconnected and may begin their life either detached or attached to a larger grid.
N	
Net zero emissions	Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.
National Pollutant Inventory (NPI)	Provides the government, industry and communities with free information about substance emissions in Australia. Includes a publicly accessible database providing information on the emissions of 93 selected substances and the source and location of these emissions.
Net profit after tax (NPAT)	Net profit is synonymous with net income and reflects a company's total earnings after subtracting all expenses. Subtracted expenses include the costs of normal business operation as well as depreciation and taxes. Net profit after tax is often referred to as a company's 'bottom line' and is a true indicator of an organisation's profitability.
Nitrogen Oxides (NOx)	A mixture of nitric oxide (NO) and nitrogen dioxide (N_2O), which forms during fossil fuel burning processes.
North West Interconnected System (NWIS)	One of three major electricity networks in Western Australia, the NWIS comprises interconnected electricity generation, transmission and distribution assets in the Pilbara region.
Notifiable public safety incidents	A network operator must notify the Director of Building and Energy, and the Department of Local Government, Industry Regulation and Safety of any incident or event that is caused, or significantly contributed to, by electricity and that results in serious injury or serious damage.
P	
Particulate matter (PM)	Extremely small solid particles and liquid droplets suspended in air. PM10 particles are those with a diameter of 10 micrometres or less, while PM2.5 are those with a diameter of 2.5 micrometres or less.
Photovoltaic (PV)	The conversion of light into electricity using solar panels.
Pilbara Networks Access Code (PNAC)	The PNAC governs access to lightly-regulated networks in the Pilbara region.
Pilbara Network Rules (PNR)	Establishes rules for the operation, management, security and reliability of Pilbara networks and the functions of the Pilbara independent system operator.
Power purchase agreement (PPA)	A contract between two parties, one which generates electricity (the seller) and one which is looking to purchase (the buyer).
Prepayment meter	A billing system where customers pay for electricity before it can be consumed.
Prosumer	A consumer of energy who also produces energy, a shift made possible from the rise of connected technologies and steady increase of more renewable power like solar and wind onto electricity grids. When a prosumer's energy production exceeds their requirements, they may sell, store or trade their surplus energy.
R	
Reconciliation Action Plan (RAP)	A strategic document that supports an organisation's business plan, including practical applications that will drive a business's contribution to reconciliation, both internally and in the communities in which it operates.
Renewable energy	Forms of energy that can be used to provide electricity, heating or fuel for transportation. Unlike oil, gas and coal, renewable energy sources are not finite. Key sources include wind, solar and geothermal.
Retailed emissions	Horizon Power uses the term 'retailed emissions' to include emissions associated with our own generation and supporting activities, as well as those which relate to the purchase of wholesale electricity supplied by independent power producers (IPPs) for re-sale by us to our customers.
Return on assets	Return to investors for every dollar of assets under the company's control.

S	
Scope 1 emissions	Greenhouse gas emissions released to the atmosphere as a direct result of an activity under operational control of an entity, such as burning fossil fuels to produce electricity, sometimes referred to as direct emissions.
Scope 2 emissions	Greenhouse gas emissions released to the atmosphere from the indirect consumption of an energy commodity, such as using energy produced by another entity, sometimes referred to as indirect emissions.
Scope 3 emissions	Greenhouse gas emissions released to the atmosphere that occur in the value chain of the reporting company, including both upstream and downstream emissions which are not included in scope 2
System Average Interruption Duration Index (SAIDI)	Average total length of interruptions/outages in minutes per customer over a 12-month period.
System Average Interruption Frequency Index (SAIFI)	Average number of interruptions/outages per customer over a 12-month period.
Standalone power system (SPS)	An off-grid power system that provides electricity to one or more customers through a combination of energy storage and both renewable and fossil-fuel generation.
South West Interconnected System (SWIS)	One of the three major electricity networks in Western Australia, the SWIS serves the Perth metro area and stretches from Geraldton to Albany, with a feeder to Kalgoorlie-Boulder. This network is managed by Western Power.
Sustainability	A dynamic process that guarantees the persistence of natural and human systems in an equitable manner.
Sulphur dioxide (SD)	A gaseous air pollutant composed of sulphur and oxygen which forms when sulphur-containing fuel such as diesel is burned.
T	
Traditional generation	Large-scale electricity generation produced at centralised facilities and typically fuelled by gas or diesel. Traditional generation is from fossil fuel-fired power stations, one-way power flow to customers, and 'poles and wires' infrastructure.
U	
Unassisted pole failure	As defined by Regulation 28 of the Electricity (Network Safety) Regulations 2015: 1) is not caused by customer installation, lightning, vehicle, water ingress or vandalism 2) occurs when the pole failed under forces that were less than its design specification.
Uniform tariff policy (UTF)	All retail electricity customers in Western Australia are charged the same UTF rate, even though the cost to supply differs by system and region.
Unit of energy	A unit of electrical energy, also referred to as one kilowatt hour (kWH).
United Nations Sustainable Development Goals (UNSDGs)	A set of 17 global goals adopted by United Nations member states in 2015 to address various social, economic, and environmental challenges and promote a more sustainable future.
Utility of the Future (UotF)	UotF is a multi-year program which aims to future-proof our business by creating a leading-edge, digitally enabled and sustainable business, leveraging digital platforms, smart devices, the Cloud and advanced analytics.
V	
Vehicle-to-grid (V2G)	Technology allows electric vehicles to return stored energy to the grid, enhancing energy distribution and grid stability.
Virtual power plant (VPP)	A network of decentralised energy resources that are digitally connected and coordinated to operate like a single power plant.
Units of measurement	
Gigawatt hour (GWh)	One GWh equals 1,000 megawatt hours or one million kilowatt hours.
Kilogram (kg)	One kg equals 1,000 grams.
Kilovolt (kV)	One kV equals 1,000 volts.
Kilowatt (kW)	One kW equals 1,000 watts.
Kilowatts per hour (kWh)	Standard 'unit' of electricity which represents the consumption of electrical energy at the rate of one kW over a period of one hour.
Megawatt (MW)	One MW equals 1,000 kilowatts.
Megawatts per hour (MWh)	One MWh equals 1,000 kilowatt hours.


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HORIZON POWER