



Western Australian Energy Disputes Arbitrator

Annual Report 2024–25



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For year ended 30 June 2025

Hon Amber-Jade Sanderson MLA

Minister for Energy and Decarbonisation

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Energy Disputes Arbitrator for the financial year ended 30 June 2025.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, the *Public Sector Management Act 1994* and the Treasurer's Instructions.

The financial statements comply with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board.



Gordon Smith

Energy Disputes Arbitrator

3 September 2025

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This report will be made available in alternative formats on request.



Overview



Vision

To achieve vigorously competitive energy markets in Western Australia with minimal regulatory oversight.



Mission

To promote competition in energy markets by seeking the effective and efficient resolution of disputes and facilitating reviews of regulatory decisions relating to energy infrastructure in Western Australia at the lowest practical regulatory cost.

Values

- Promote a competitive market for energy in which customers may choose suppliers, including producers, retailers and traders.
- Prevent abuse of monopoly power.
- Provide for resolution of disputes.
- Provide rights of access to regulated energy infrastructure on conditions that are fair and reasonable for the owners and operators of those assets and persons wishing to use the services provided by the assets.
- Facilitate the development and operation of a market for energy in Western Australia.



Executive summary

Performance highlights

Energy Disputes Arbitrator

No applications for arbitration of a dispute were received in 2024–25.

Electricity Review Board

No applications for review were received or being considered in 2024–25.



Gordon Smith
Energy Disputes Arbitrator

Operational structure

Role of the Arbitrator

The Energy Disputes Arbitrator provides a disputes resolution service:

- In relation to the negotiation of contracts and contractual disputes in relation to access to regulated electricity networks.
- Between users, or prospective users, and providers of gas pipeline services and other parties seeking access to regulated gas pipelines.
- Between a gas producer and the operator of a pipeline that is subject to a pipeline impact agreement.
- Between parties associated with the use, storage or transportation of broad specification gas.

The services provided by the Arbitrator relate to infrastructure located in Western Australia:

- Western Power's electricity network in the South West.
- Dampier to Bunbury Natural Gas Pipeline.
- Goldfields Gas Pipeline.
- Kalgoorlie to Kambalda Pipeline.
- Mid West and South West Gas Distribution Systems.
- Macedon Gas Field.

The Arbitrator also has responsibility for the financial management and provision of administrative support to the Review Board.

Role of the Electricity Review Board

The Review Board is an appeals body constituted when required to make determinations and review decisions.

Review Board panel members are nominated by the Minister for Energy and appointed by the Governor of Western Australia. Two panels are established, one for legal practitioners and one for experts.

The Review Board can be constituted to review decisions of:

- The Economic Regulation Authority:
 - Regarding access to electricity networks under the Electricity Networks Access Code 2004.
 - Concerning electricity licences and standard form contracts under the *Electricity Industry Act 2004*.
- The Australian Energy Market Operator relating to the Wholesale Electricity Market Rules and the *Gas Services Information Act 2012*.
- The Minister for Energy and Decarbonisation on the coverage of network infrastructure under the *Electricity Industry Act 2004*.

The Review Board comprises a presiding member chosen by the Attorney General from the panel of legal practitioners, and two experts, chosen by the presiding member from the panel of experts.

The Review Board may be separately constituted to hear and determine different appeals.



Organisational chart

The Arbitrator does not have a supporting organisation, but public service employees can be assigned to assist the Arbitrator perform his functions. The Arbitrator has an administrative arrangement with the Department of Energy, Mines, Industry Regulation and Safety for the provision of corporate services.

The following chart represents the organisational structure of the Arbitrator as at 30 June 2025.

Mr Gordon Smith was appointed as Energy Disputes Arbitrator for a three-year term from 12 July 2022.

Figure 1: Organisational structure of the Arbitrator

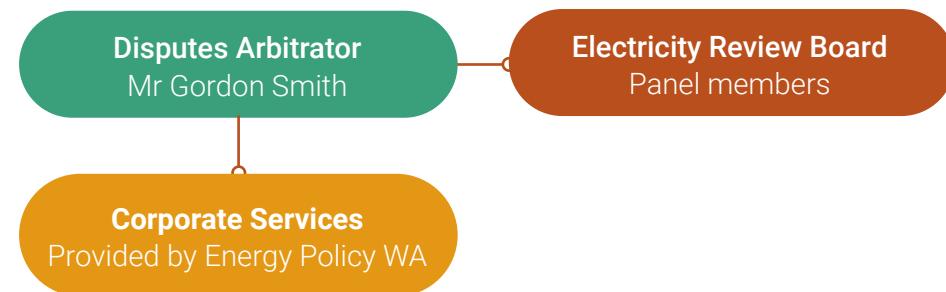


Table 1: Members of the Electricity Review Board Panels

Panel of Legal Practitioners

Mr Scott Ellis

Mr Matthew Knox

Ms Eva Lin

Mr Jasen Murray

Mr Luke O'Callaghan

Mr Michael Sweeney

Mr Rex Vines

Panel of Experts

Mr Malcolm Abbott

Mr Cameron Edwards

Mr Mark Johnston

Mr George Martin

Ms Stephanie McDougall

Mr Simon Orme

Ms Annette Perrin

Mr Gregory Thorpe

Mr Gregory Watkinson



Enabling legislation

The Arbitrator is established under section 62 of the *Energy Arbitration and Review Act 1998*.

The Western Australian Review Board is established under section 50 of the *Energy Arbitration and Review Act 1998*.

Functional legislation

- National Gas Access (WA) Act 2009 including arbitration functions under the National Gas Law.
- Gas Supply (Gas Quality Specifications) Regulations 2010.
- Gas Services Information Act 2012.
- Electricity Industry Act 2004.
- Electricity Networks Access Code 2004.
- Electricity Industry (Metering) Code 2012.

Responsible Minister

The Hon Amber-Jade Sanderson MLA, Minister for Energy and Decarbonisation

The Arbitrator is independent of direction or control by the Crown or any minister or officer of the Crown in the performance of his functions. The Minister for Energy and Decarbonisation can only direct the Arbitrator about administration and financial administration.



Agency performance

Agency performance 2024–25

Summary of key performance indicators

The desired outcome for the Arbitrator is the effective and efficient delivery of a dispute resolution service and provision of administrative services to the Review Board.

Table 2: Provisions of a dispute resolution service

Key performance indicator	Target	Actual
Key effectiveness indicator: The number of disputes resolved as a proportion of total disputes registered	100 per cent	N/A (no disputes)
Key efficiency indicator: Average cost per dispute	\$0	N/A (no disputes)

Table 3: Provision of administrative services to the Review Board

Key performance indicator	Target	Actual
Key effectiveness indicator: Percentage of Review Board members satisfied or very satisfied with the services provided by the Arbitrator in support of review processes	75 per cent	N/A (no review)
Key efficiency indicator: Average cost per review application	\$0	\$0

The Arbitrator's outcome is achieved by maintaining a state of readiness for the resolution of disputes and providing timely and efficient support to the Review Board when it is constituted.

Maintaining a state of readiness

To enable the measurement of the cost efficiency associated with the Arbitrator's availability to address matters arising from the regulation of infrastructure, the concept of a standard unit of regulated infrastructure was established. This recognises and allows for the fact that the size, value and complexity of regulated infrastructure varies from one asset to another. It also recognises that the size, cost and complexity of regulation and arbitration work will vary accordingly.

For example, the demands placed on the Arbitrator by several smaller regulated assets in one year may be equivalent to those of a single larger piece of regulated infrastructure in another year. To ensure that the units of measurement are reasonably consistent from one year to the next, a standard unit of regulated infrastructure is defined as one having a capital base value of \$500 million.

Number of units of regulated infrastructure oversighted

During 2024–25, the Arbitrator had oversight of 32.31 equivalent standard units of regulated infrastructure, slightly above the target based on regulated asset base calculations in updated access arrangements for the ATCO Mid West and South West Gas Distribution Systems and the Goldfields Gas Pipeline.

The calculation of units of regulated infrastructure does not include the value of generation facilities covered by the Wholesale Electricity Market oversighted by the Arbitrator.

No value has been attributed to generation facilities in calculating the number of units of regulated infrastructure as no such value is available and it is not cost effective to calculate such a value.



Average cost of oversighting

The Arbitrator's costs for 2024–25 were \$61,485 against a budget of \$55,000. The actual number of units of regulated infrastructure overseen in 2024–25 was 32.31. The actual cost per unit of regulated infrastructure in 2024–25 was \$1,903 against a target of \$1,741.

Provision of administrative services to the Review Board

To assess satisfaction with the administrative services provided by the Arbitrator to the Review Board, the members of any Review Boards active during the year are invited to respond to a survey to rate their satisfaction in relation to:

- venues and facilities;
- timeliness of services; and
- general administrative services.

Financial performance

The Arbitrator does not include costs associated with arbitration, review or appeal in the annual estimates. The 2024–25 expenditure in Figure 2 does not include any expenditure relating to reviews or arbitration which is consistent with the previous year.

The cost of the Arbitrator being available to address matters arising from the regulation of infrastructure for 2024–25 was \$61,485 compared to \$56,471 in 2023–24 and \$47,580 in 2022–23.

Figure 2: Arbitrator costs

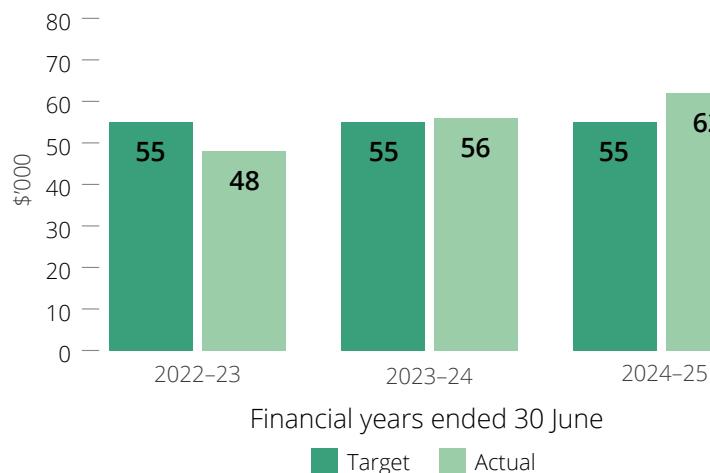
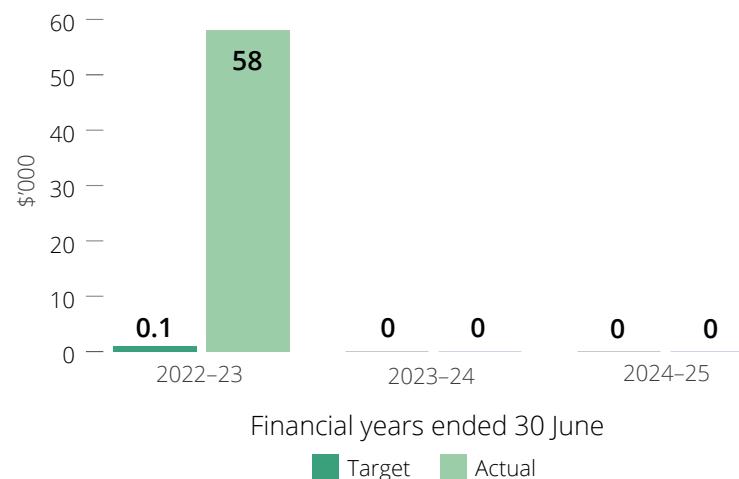


Figure 3: Review Board costs



Changes to outcome-based management framework

The Arbitrator's outcome-based management framework did not change during 2024–25.

Shared responsibilities with other agencies

The Arbitrator did not share any responsibilities with other agencies in 2024–25.

Significant issues

Energy Policy WA undertook recruitment to the panel of legal practitioners and the panel of experts in 2024–25 with the membership outcome shown on page 7, table 1.



Auditor General

Independent Auditor's Report 2025

Western Australian Energy Disputes Arbitrator

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Western Australian Energy Disputes Arbitrator (Entity) which comprise:

- 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 and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Entity for the year ended 30 June 2025 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Arbitrator for the financial statements

The Arbitrator is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as the Arbitrator determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Arbitrator is responsible for:

- assessing the entity'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 entity.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements. 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 statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at www.auasb.gov.au/auditors_responsibilities/ar4.pdf

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Entity. The controls exercised by the Entity are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Entity are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2025, and the controls were implemented as designed as at 30 June 2025.

The Arbitrator's responsibilities

The Arbitrator is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the

incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the

outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Entity for the year ended 30 June 2025 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Entity for the year ended 30 June 2025 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Entity's performance and fairly represent indicated performance for the year ended 30 June 2025.

The Arbitrator's responsibilities for the key performance indicators

The Arbitrator is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Arbitrator determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Arbitrator is responsible for identifying key performance indicators that are relevant

and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5: Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality management relating to the report on financial statements, controls and key performance indicators

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.

Other information

The Arbitrator is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do 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 statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a

material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Energy Disputes Arbitrator for the year ended 30 June 2025 included in the annual report on the Entity's website. The Entity's management is responsible for the integrity of the Entity's website. This audit does not provide assurance on the integrity of the Entity's website. The auditor's report refers only to the financial statements, controls and key performance indicators 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 statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Steven Hoar

Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 September 2025

Certification of financial statements

For the financial year ended 30 June 2025

The accompanying financial statements of the Western Australian Energy Disputes Arbitrator have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing, we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Jeremy Kwong
Chief Finance Officer
3 September 2025



Gordon Smith
Energy Disputes Arbitrator
3 September 2025



Statement of comprehensive income

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Cost of services			
Expenses			
Employee benefits expenses	2.1	30,586	29,451
Supplies and services	2.2	597	537
Other expenses	2.2	30,302	27,800
Total cost of services		61,485	57,788
Income			
Regulatory fees	3.1	28,854	27,902
Other income	3.3	2,995	9,621
Total income		31,849	37,523
Net cost of services		(29,636)	(20,265)
Income from State Government			
Income from other public sector entities	3.2	28,854	28,569
Total income from State Government		28,854	28,569
(Deficit)/surplus for the period		(782)	8,304
Total comprehensive (loss)/income for the period		(782)	8,304

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

Statement of financial position

As at 30 June 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	66,155	91,777
Receivables	4.1	37,945	10,473
Total current assets		104,100	102,250
Total assets		104,100	102,250
Liabilities			
Current liabilities			
Payables	4.2	35,580	32,948
Total current liabilities		35,580	32,948
Total liabilities		35,580	32,948
Net assets		68,520	69,302
Equity			
Contributed equity		1,252,328	1,252,328
Accumulated (deficit)		(1,183,808)	(1,183,026)
Total equity		68,520	69,302

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

Statement of changes in equity

For the year ended 30 June 2025

	Contributed equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2023	957,181	–	(1,191,330)	(234,149)
Surplus/(deficit)	–	–	8,304	8,304
Total comprehensive income for the period	–	–	8,304	8,304
<i>Transactions with owners in their capacity as owners:</i>				
Capital appropriation	400,000	–	–	400,000
Distributions to owners	(104,853)	–	–	(104,853)
Total	295,147	–	–	295,147
Balance at 30 June 2024	1,252,328	–	(1,183,026)	69,302
Balance at 1 July 2024	1,252,328	–	(1,183,026)	69,302
Surplus/(deficit)	–	–	(782)	(782)
Total comprehensive loss for the period	–	–	(782)	(782)
Balance at 30 June 2025	1,252,328	–	(1,183,808)	68,520

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

Statement of cash flows

For the year ended 30 June 2025

	Notes	2025	2024
		\$	\$
Cash flows from/(to) the State Government			
Capital appropriations		–	400,000
Distributions to owners		–	(104,853)
Funds from other public sector entities		28,854	28,569
Net cash provided by the State Government		28,854	323,716
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(30,705)	(30,146)
Supplies and services		(536)	(35,848)
GST payments on purchases		(5,864)	(8,551)
Other payments		(27,611)	(27,799)
Receipts			
Regulatory fees		1,632	36,941
Interest received		2,995	9,621
GST receipts from taxation authority		5,613	9,354
Net cash provided by/(used in) operating activities		(54,476)	(46,428)
Cash flows from financing activities			
Repayment of Treasurer's Advance		–	(400,000)
Net cash provided by/(used in) financing activities		–	(400,000)
Net decrease in cash and cash equivalents		(25,622)	(122,712)
Cash and cash equivalents at the beginning of the period		91,777	214,489
Cash and cash equivalents at the end of the period	5.1	66,155	91,777

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

Notes to the financial statements

1. Basis of preparation

The Western Australian Energy Disputes Arbitrator is independent of industry, government, or other interests and is not subject to State or Ministerial direction in carrying out its functions.

However, under section 75 of the *Energy Arbitration Act 1998*, the relevant Minister may give directions in writing to the Arbitrator on administration and financial administration matters. It is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the '**Overview**' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Arbitrator of the WA Energy Disputes Arbitrator on 4 September 2025.

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, the Conceptual Framework and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's Instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's Instructions, which are legislative provisions governing the preparation of financial statements for agencies, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed.

Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Notes to the financial statements

Contributed equity

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, as designated as contributions by owners (at the time of, or prior to, transfer) be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 8 - Requirement 8.1(i) and have been credited directly to contributed equity.

Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the WA Energy Disputes Arbitrator funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the WA Energy Disputes Arbitrator in achieving its objectives and the relevant notes are:

	Note	
Employee benefits expenses	2.1	
Other expenditure	2.2	
2.1 Employee benefits expenses		
	2025	2024
	\$	\$
Employee benefits	27,429	26,549
Superannuation – defined contribution plans	3,157	2,902
Total employee benefits provided	30,586	29,451

Employee benefits: The Arbitrator only receives a salary as they are not entitled to annual or long service leave.

Superannuation: The Arbitrator has an amount included as part of his remuneration which is deducted from each payment and remitted to a complying superannuation fund. The Government has no unfunded superannuation liability in respect of the Arbitrator.

Notes to the financial statements

2.2 Other expenditure

	2025	2024
	\$	\$
Other	597	537
Total supplies and services expenses	597	537
Other		
Audit fee	30,302	27,800
Total other expenses	30,302	27,800
Total other expenditure	30,899	28,337

(a) There are no board fees due to the Electricity Review Board not sitting to hear any proceedings in 2024–25.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Other expenditure

Other expenditure generally represents the day-to-day running costs incurred in normal operations.

3. Our funding sources

How we obtain our funding

This section provides additional information about how the WA Energy Disputes Arbitrator obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Arbitrator and the relevant notes are:

	Note
Regulatory fees	3.1
Income from State Government	3.2
Other income	3.3

3.1 Regulatory fees

	2025	2024
	\$	\$
Regulatory fees	28,854	27,902
	28,854	27,902

Standing charges (regulatory fees) are recognised over time in accordance with the:

- National Gas Access (WA) (Local Provisions) Regulations 2009.
- Gas Supply (Gas Quality Specifications) Regulations 2010.
- Gas Services Information Regulations 2012.
- Electricity Industry (Arbitrator and Board Funding) Regulations 2009.

The Arbitrator satisfies its performance obligations in relation to these regulatory fees prior to issuing the invoices after the end of each quarter.

Notes to the financial statements

3.2 Income from State Government

	2025 \$	2024 \$
Income received from other public sector entities during the period:		
Standing charges -		
Western Power Corporation	28,854	28,569
Total income from other public sector entities	28,854	28,569
Total income from State Government	28,854	28,569

Income from other public sector entities is recognised as income when the Arbitrator has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Arbitrator receives the funds.

3.3 Other income

	2025 \$	2024 \$
Interest income	2,995	9,621
	2,995	9,621

The Arbitrator's bank account does not form part of the consolidated fund. Revenue is recognised as the interest accrues.

4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Arbitrator's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Note
Receivables	4.1
Payables	4.2
4.1 Receivables	
	2025 \$
	2024 \$
Current	
Trade receivables	0
Accrued revenue	34,914
GST receivable	3,031
Total receivables at end of the period	37,945
	10,473

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net receivables is equivalent to fair value as it is due for settlement within 30 days.

Notes to the financial statements

4.2 Payables

	2025 \$	2024 \$
Current		
Trade payables	33,332	30,580
Accrued expenses	1,428	1,666
Accrued salaries	820	702
Total payables at end of period	35,580	32,948

Payables are recognised at the amounts payable when the Arbitrator becomes obliged to make future payments as a result of a purchase of goods or services. The carrying amount is equivalent to fair value as settlement for the Arbitrator is generally within 30 days.

Accrued salaries represent the amount due to the Arbitrator but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Arbitrator considers the carrying amount of accrued salaries to be equivalent to its fair value.

5. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Arbitrator.

5.1 Cash and cash equivalents

	2025 \$	2024 \$
Cash and cash equivalents	66,155	91,777
Balance at end of period	66,155	91,777

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand and operating account that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Notes to the financial statements

6. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Arbitrator.

	Note
Financial instruments	6.1
Contingent assets and liabilities	6.2

6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2025 \$	2024 \$
Financial assets		
Cash and cash equivalents	66,155	91,777
Financial assets at amortised cost ^(a)	34,916	7,693
Total financial assets	101,070	99,470
Financial liabilities		
Financial liabilities at amortised cost ^(b)	35,580	32,948
Total financial liabilities	35,580	32,948

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

6.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate. The Arbitrator has no contingent assets or contingent liabilities.

Notes to the financial statements

7. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Note
Events occurring after the end of the reporting period	7.1
Key management personnel	7.2
Related party transactions	7.3
Related bodies	7.4
Affiliated bodies	7.5
Remuneration of auditors	7.6

7.1 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period.

7.2 Key management personnel

The Arbitrator has determined key management personnel to include Cabinet Ministers and senior officers. The Arbitrator does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for the Arbitrator for the reporting period are presented within the following band:

	2025	2024
20,001 – 30,000	–	1
30,001 – 40,000	1	–

	2025	2024
	\$	\$
Short term employment benefits	27,429	26,549
Post-employment benefits	3,157	2,902
Total compensation of the Arbitrator	30,586	29,451

7.3 Related party transactions

The Arbitrator is independent of direction or control by the State, or any Minister or officers of the State in performing its functions. The Minister for Energy and Decarbonisation can only direct the Arbitrator in respect of general policies to be followed by the Arbitrator with regard to administration and financial administration.

Related parties of the Arbitrator include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- the Arbitrator and his close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities); and
- the Government Employees Superannuation Board (GESB).

Notes to the financial statements

Material transactions with related parties

Outside of normal citizen type transactions with the Arbitrator, there were no other related party transactions that involved the Arbitrator and/or his close family members and/or their controlled (or jointly controlled) entities.

7.4 Related bodies

The Arbitrator had no related bodies as defined in the *Financial Management Act 2006* and Treasurer's Instruction 8.

7.5 Affiliated bodies

The Arbitrator has no affiliated bodies.

7.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current reporting period is as follows:

	2025 \$	2024 \$
Auditing the accounts, financial statements, controls and key performance indicators	30,302	27,800

Disclosures and legal compliance

Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Energy Disputes Arbitrator's performance and fairly represent the performance of the Western Australian Energy Disputes Arbitrator for the financial year ended 30 June 2025.



Jeremy Kwong
Chief Finance Officer
3 September 2025



Gordon Smith
Energy Disputes Arbitrator
3 September 2025



Disclosures and legal compliance

Key performance indicators

The Office of the Arbitrator was established by the *Energy Arbitration and Review Act 1998* and is funded through provisions in the National Gas Access (WA) (Local Provisions) Regulations 2009, the Electricity Industry (Arbitrator and Board Funding) Regulations 2009, the Gas Supply (Gas Quality Specifications) Regulations 2010 and the Gas Services Information Regulations 2012.

The strategic high-level government goal relevant to the Arbitrator is:

"A quality environment with liveable and affordable communities and vibrant regions".

The desired outcome of the activities of the Arbitrator in support of this high-level strategic goal is:

"The efficient, safe and equitable provision of utility services in Western Australia".

Although the Arbitrator's role does not directly contribute to this desired outcome, the services provided to the Electricity Review Board are consistent with this outcome.

The desired outcome for the Arbitrator is the effective and efficient delivery of the following programs:

- Arbitration of disputes.
- Provision of administrative services to the Electricity Review Board (Review Board) for the review of decisions.

These programs are facilitated by maintaining a state of readiness for the arbitration of disputes and the review of decisions by the Review Board. The outcome is achieved by assisting parties to resolve disputes and providing timely and efficient support to the Review Board when it is constituted.

The Arbitrator is only required to report in relation to his administrative and management functions. Therefore, performance indicators have been prepared to comply with section 84(2) of the *Energy Arbitration and Review Act 1998* which states that:

"any requirement under the Treasurer's Instructions (issued under section 78 of the Financial Management Act 2006) that the Arbitrator prepare performance indicators is to be limited to the Arbitrator's management functions (including financial management), and is not to apply to the performance of any function referred to in section 73."

Disclosures and legal compliance

Key effectiveness indicators

Resolution of disputes

The most meaningful measure of the effectiveness of this first program is the number of disputes resolved as a proportion of total disputes registered. The number of resolved disputes includes disputes withdrawn or extended until the next year or indefinitely.

Provision of administrative services to the Electricity Review Board

The Arbitrator provides administrative support to the Review Board when it is constituted. The effectiveness of this program can be established through a survey of the respective Review Board members who have first-hand experience of the support provided and are best placed to respond as to their level of satisfaction with the services provided by the Arbitrator.

2024–25 Performance - effectiveness

Arbitration of disputes

The number of disputes resolved as a proportion of total disputes registered.

The target for this effectiveness indicator is 100 per cent which assumes that all disputes lodged will be resolved. There were no disputes lodged in 2024–25.

Provision of administrative services to the Electricity Review Board

Percentage of Electricity Review Board members satisfied or very satisfied with the services provided by the Arbitrator in support of review processes.

The Arbitrator's effectiveness in supporting the Electricity Review Board in its review of decisions is measured by determining the percentage of Electricity Review Board members involved in reviews of decisions that

are satisfied or very satisfied with the services provided by the Arbitrator in support of review processes.

The target for this effectiveness indicator is that 75 per cent of Electricity Review Board members will be satisfied with the support provided by the Arbitrator. No Electricity Review Board members were active during 2024–25.

Desired outcome	Arbitration of disputes	Provision of administration services to the Electricity Review Board for the review of decisions
Measure	The number of disputes resolved as a proportion of total disputes registered	Percentage of Electricity Review Board members satisfied or very satisfied with the services provided by the Arbitrator in support of review processes
Target	100 per cent	75 per cent
2024–25	N/A (no disputes)	N/A (no review)
2023–24	N/A (no disputes)	N/A (no review)
2022–23	N/A (no disputes)	67 per cent
2021–22	N/A (no disputes)	100 per cent
2020–21	N/A (no disputes)	100 per cent
2019–20	N/A (no disputes)	24 per cent

Disclosures and legal compliance

Key efficiency indicators

Resolution of disputes

The efficiency indicator for the arbitrator's program of arbitrating disputes is the average cost per dispute during the year.

Provision of administrative services to the Electricity Review Board

The efficiency indicator for the arbitrator's program of providing administrative services to the Review Board is the average cost per review application before the Review Board during the year.

Maintaining a state of readiness

The efficiency indicator for the arbitrator's program of maintaining a state of readiness is the average cost per standard unit of regulated infrastructure. This facilitates the measurement of the cost efficiency associated with the Arbitrator's ability to respond to matters brought before him, such as disputes and reviews.

The availability of the Arbitrator to resolve disputes and establish and support a review body when required is an important feature of an efficient regulatory regime. This is implemented by providing parties with assistance in settling disputes and providing owners of regulated infrastructure with an opportunity and means of having regulatory decisions reviewed to ensure that they are fair and reasonable.

The concept of a standard unit of regulated infrastructure is used to recognise and allow for the fact that the scale, value and complexity of regulated infrastructure, including gas pipelines and electricity networks, varies from one asset to another. It also recognises that the cost and complexity of regulation and arbitration work will vary accordingly. For example, the demands placed on the Arbitrator by several smaller regulated assets in one year may be equivalent to those of a single larger piece of regulated infrastructure in another year. To ensure that the units

of measurement are reasonably consistent from one year to the next, a standard unit of regulated infrastructure has been defined as one having a capital base value of \$500 million.

It should be noted, however, that the Arbitrator oversees generation facilities covered by the Wholesale Electricity Market. If the value of these generation facilities were taken into account, then the number of units in 2024–25 would far exceed 32.31 units. As the generation facilities overseen by the Arbitrator are owned by both private and public electricity market participants, no readily available value exists that may be ascribed to this infrastructure. Indeed, to ascribe a value to such infrastructure would not be justified, as this would involve significant cost and serve no other purpose. Accordingly, no value has been ascribed to generation facilities, which are therefore not reflected in the 32.31 equivalent standard units of regulated infrastructure.

The Arbitrator's function under the *Gas Supply (Gas Quality Specifications) Act 2009* aligns with the existing key performance indicators of resolution of disputes and maintaining a state of readiness.

2024–25 Performance - efficiency

The three efficiency indicators for the Arbitrator are:

1. Average cost per dispute.
2. Average cost per review application.
3. Average cost per standard unit of infrastructure.

The efficiency indicators 1 and 2 are reported as disputes/reviews that are active during the year, regardless of whether they have been completed. This approach reflects the costs incurred, particularly where a dispute/review spans more than one year.

Disclosures and legal compliance

Efficiency

Service	Arbitration of disputes	Review of regulatory decisions	Maintaining a state of readiness
Performance indicator	Average cost per dispute	Actual cost per review application	Average cost per standard unit of regulated infrastructure
Target	\$0	\$0	\$1,741
2024–25	\$0	\$0	\$1,903
2023–24	\$0	\$0	\$1,788
2022–23	\$0	\$57,698	\$1,506
2021–22	\$0	\$66,192	\$1,331
2020–21	\$0	\$167,223	\$1,599

1. Average cost per dispute

There were no disputes active during 2024–25 so no costs were incurred. The target for this efficiency indicator is zero, consistent with an objective of having no disputes.

2. Average cost per review application

This indicator represents the average cost per review in the reporting year.

The average cost of reviews varies between years depending on the amount of work undertaken by the Registrar and members of the Electricity Review Board in each year. In 2024–25 no review application was underway, therefore no costs were incurred.

As the costs for review applications are highly dependent on the nature of any review and the actions of the parties to it, a target of zero has been used. The target for this indicator is zero, consistent with an objective of having no applications for review lodged.

3. Average cost per standard unit of infrastructure

The average cost per standard unit of regulated infrastructure overseen in 2024–25 is the cost necessary to ensure that procedures are in place to address matters that fall within the jurisdiction of the Arbitrator.

The target for this indicator in 2024–25 was \$1,741 based on the Arbitrator's approved budget (\$55,000) divided by the target of 31.59 standard units of regulated infrastructure. The actual cost was \$1,903 in 2024–25 compared to \$1,788 in 2023–24 and \$1,506 in 2022–23. This increase was due in part to increased audit costs.

Other financial disclosures

Pricing policies of services provided

Expenditure other than that directly associated with the hearing of disputes by the Arbitrator and reviews by the Review Board is funded by regulated industries.

The Arbitrator recognises that support services from the Department of Energy, Mines, Industry Regulation and Safety and the State Solicitor's Office are provided free of charge. The cost that has been recognised for those services in 2024–25 is nil.

Gas industry

The Arbitrator receives 50 per cent of his annual estimate from the gas industry.

One-third comes from operators of regulated gas pipelines under the National Gas Access (WA) (Local Provisions) Regulations 2009. The pipeline and the percentages for calculating standing charges are set out in schedule 1 of the Regulations.

Table 4: Standing charges – National Gas Access (WA) (Local Provisions)

Service provider	Standing charges (\$)
WA Gas Networks Pty Limited (Atco)	2,598
Goldfields Gas Transmission	1,949
Southern Cross Pipelines Pty Limited	262
DBNPG (WA) Transmission Pty Limited	4,809
Total	9,618

One-third comes from producers of broad specification gas under the Gas Supply (Gas Quality Specifications) Regulations 2010. BHP Group is the only producer of broad specification gas in Western Australia.

Table 5: Standing charges – Gas Supply (Gas Quality Specifications) Regulations 2010

Service provider	Standing charges (\$)
BHP Group	9,618

One-third comes from the Australian Energy Market Operator under the Gas Services Information Regulations 2012, in relation to the Gas Statement of Opportunities and the Gas Bulletin Board.

Table 6: Standing charges – Gas Services Information Regulations 2012

Service provider	Standing charges (\$)
Australian Energy Market Operator	9,618

Electricity industry

The Arbitrator receives 50 per cent of his annual estimate from the electricity industry under the Electricity Industry (Arbitrator and Board) Funding Regulations 2009. The network and the percentage for calculating standing charges are set out in schedule 1 of the Regulations.

Table 7: Standing charges – Electricity Industry (Arbitrator and Board) Funding Regulations 2009

Service provider	Standing charges (\$)
Western Power	28,853

Other financial disclosures

Other funding

The *Gas Pipelines Access (Western Australia) Act 2009* and the *Electricity Industry Act 2004* allows the Arbitrator to recover costs incurred in arbitrating disputes. There were no costs in 2024–25.

The Arbitrator is also able to recover certain costs and expenses of the Review Board for hearings and determinations of the Review Board. The Review Board can fix an amount that represents its costs and expenses for the hearing and determination of proceedings, and assign costs to the parties of the proceedings.

Treasurer's Advance

Section 83 of the *Energy Arbitration and Review Act 1998* allows for the Arbitrator to borrow from the Treasurer.

Capital works

There were no capital works undertaken during 2024–25.

Employment and industrial relations

Under section 64(1) of the *Energy Arbitration and Review Act 1998*, the Arbitrator is assumed to be a tribunal that comes within item 4 of schedule 1 of the *Public Sector Management Act 1994*.

While the *Energy Arbitration and Review Act 1998* allows the Arbitrator to make arrangements to use the services of any public sector officer or employee and to have administrative authority over the officer, no arrangement was in place during 2024–25. The Arbitrator has an arrangement for the provision of corporate services from the Department of Energy, Mines, Industry Regulation and Safety.

Occupational health and safety

As the Arbitrator did not have administrative authority over any staff in 2024–25, no occupational health and safety issues existed.



Legal Requirements

Annual estimates

In accordance with section 40 of the *Financial Management Act 2006*, the Arbitrator prepares and submits an annual estimate of expenditure to the Minister for approval.

The following estimates were approved by the Minister for 2024–25.

Table 8: Estimates approved by the Minister for 2024–25

Expenditure estimate	2024–25
Remuneration including on-costs	\$30,586
Supplies and services	\$597
Audit fees	\$30,302
Total expenditure for the ongoing costs of the Arbitrator for 2024–25	\$61,485
Total annual estimate	\$55,000

Advertising

Section 175ZE of the *Electoral Act 1907* requires public agencies to report on expenditure relating to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies.

The only costs the Arbitrator incurs relates to a market research organisation carrying out an annual survey of Review Board members when a Review Board is active. There was no cost 2024–25 as no Review Board was active.

Recordkeeping

The records of the Arbitrator are maintained by the Department of Energy, Mines, Industry Regulation and Safety as part of the agreement for provision of corporate services.

Compliance with the *State Records Act 2000* is carried out by the Department of Energy, Mines, Industry Regulation and Safety as part of that agreement.

The Arbitrator undertakes evaluations of its recordkeeping systems in concurrence with the Department of Energy, Mines, Industry Regulation and Safety. The Arbitrator does have a separate Record Keeping Plan and Retention and Disposal schedule covering the Arbitrator's records (which includes records relating to reviews by the Review Board).

Complaints handling

There are three main areas that can be the source of complaints relating to the Arbitrator:

- administration;
- matters relating to reviews carried out by the Electricity Review Board; and
- matters relating to the arbitration of disputes.

Complaints relating to the provision of corporate services provided to the Arbitrator by the Department of Energy, Mines, Industry Regulation and Safety are dealt with under its Code of Conduct.

Complaints relating to the review of decisions and the arbitration of disputes are dealt with through the formal review and arbitration processes.

There were no complaints lodged during the reporting period.





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