



## EDL PILBARA PTY LTD

Electricity Retail Licence (ERL16) – 2025 Performance Audit

Reasonable Assurance Engagement Report

15 December 2025

---

## CONTENTS

|  |    |
|--|----|
| 1. EXECUTIVE SUMMARY .....   | 2  |
| 1.1 Introduction .....   | 2  |
| 1.2 Background .....   | 2  |
| 1.3 Scope .....  | 2  |
| 1.4 Previous Audit Report .....  | 2  |
| 1.5 Performance Audit Result .....   | 2  |
| 2. AUDIT AND REVIEW OBJECTIVES .....   | 3  |
| 2.1 Objective .....  | 3  |
| 2.2 Recommendations from previous audit .....  | 4  |
| 3. SCOPE OF WORK .....   | 4  |
| 3.1 Approach and Scope of Work .....   | 4  |
| 4. PERFORMANCE SUMMARY .....   | 5  |
| 4.1 Overall Compliance Assessment .....  | 5  |
| 4.2 Summary of Findings and Recommendations .....  | 5  |
| 5. DETAILED FINDINGS .....   | 8  |
| 5.1. Detailed findings - Electricity Industry Act 2004 .....                             | 9  |
| 5.2. Detailed findings - Electricity Licences – Licence Conditions and Obligations ..... | 11 |
| APPENDIX A - REFERENCES .....  | 16 |
| APPENDIX B – PERSONNEL .....   | 18 |

This report has been prepared for distribution to EDL Pilbara and the Economic Regulation Authority (“ERA”). RSM Australia Pty Ltd (“RSM”) disclaims any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared. Suggestions for improvement should be assessed by EDL management for their full commercial impact before they are implemented.

RSM disclaims all liability to any party other than EDL in respect of, or in consequence of, anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than EDL, who chooses to rely in any way on the contents of this report, does so at their own risk.

The information in this report and in any related oral presentation made by RSM is confidential between RSM, EDL and the ERA and should not be disclosed, used or duplicated in whole or in part for any purpose except with the prior consent of RSM.

# 1. EXECUTIVE SUMMARY

## 1.1 Introduction

The Economic Regulation Authority (the ERA) has, under the provisions of the Electricity Industry Act 2004 (the 'Act'), issued to EDL Pilbara Pty Ltd ('EDL Pilbara'), a wholly owned subsidiary of Energy Developments Pty Ltd ('EDL'), an Electricity Retail Licence ('ERL16' or the 'Licence').

RSM Australia Pty Ltd ('we or 'RSM') was engaged by EDL to conduct an independent performance audit of EDL Pilbara's compliance with the conditions of the Licence. The performance audit was required to be conducted under Section 13 of the Act with this audit relating to the period 1 September 2020 to 31 August 2025 (the 'reporting period').

RSM was approved by the ERA to conduct the performance audit on 21 July 2025, with the Audit Plan approved by the ERA on 12 September 2025.

## 1.2 Background

Energy Developments Pty Limited (EDL) is a global producer of energy operating across five countries, with a focus in Australia with 59 power stations producing 713MW, including Karratha. EDL, through its subsidiary EDL Pilbara Pty Ltd ("EDL Pilbara"), owns and operates a liquefied natural gas ("LNG") facility at the Maitland Industrial Estate in Western Australia's Pilbara region. The facility was originally designed to service the EDL owned gas fired power stations being built in the west of Kimberley region. However, as the LNG facility's electricity generation capacity exceeded its needs, EDL sought and was granted Electricity Retail Licence ERL 16 to supply electricity under a commercial arrangement with Supagas, co-located on the facility's leasehold land in the Maitland Industrial Estate. EDL is regulated by the ERA, who granted them with Electricity Retail Licence (ERL16), as noted above. The licence is valid for a period of 15 years, expiring on 26 August 2026.

The Licence commenced from 27 August 2011. EDL only supply electricity to Supagas and this supply is over 160 MWh per annum. Under the Electricity Industry Act 2004 the third party is not a small use customer (the Act defines what a 'small use customer' is). Hence, this does not trigger the need for EDL to report under the conditions when supplying electricity to a small use customer.

## 1.3 Scope

EDL Pilbara is required by Section 11ZA (1) of the Act to provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA no less than once in every 24 month period (or such longer period as the ERA allows). The performance audit is an audit of the effectiveness of the measures taken by EDL Pilbara to meet the performance criteria specified in the licence (ERL 16) and is designed to provide reasonable assurance. For this purpose, we have been engaged by EDL Pilbara to undertake the performance audit that is aligned with the requirements of ASAE3100 - Compliance Engagements and consistent with the ERA's 2025 Audit and Review Guidelines - Electricity and Gas Licenses ("Audit Guidelines"). This performance audit covered EDL Pilbara's Electricity Retail Licence ERL16 for the 60 month period from 1 September 2020 to 31 August 2025 and examined a total of 12 obligations from the Compliance Manual.

An audit plan was developed and approved by the ERA using a risk based approach to focus on high risk areas in accordance with Risk Management Guidelines, AS ISO 31000:2018 and the Audit Guidelines. To assess the controls and performance against those standards, RSM applied various approaches including a combination of interviews, enquiries, examination of documents and detailed testing.

## 1.4 Previous Audit Report

We note that an unqualified opinion was provided in the previous performance audit report (November 2020) and no material non-compliances were identified. Therefore there were no recommendations provided for EDL Pilbara to action within the current audit period.

## 1.5 Performance Audit Result

Based on our assessments of controls and pertinent evidence per our audit methodology (refer to Section 2 and Section 3), we note that EDL Pilbara has a robust control environment in maintaining compliance with their licence obligations. There have been no material non-compliances within the audit period.

## 2. AUDIT AND REVIEW OBJECTIVES

### 2.1 Objective

The performance audit is defined as an examination of measures taken by EDL Pilbara to meet the performance criteria specified in ERL16. As required by the ERA Guidelines, the scope of the performance audit considered:

- Process compliance: the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls;
- Outcome compliance: the actual performance against standards prescribed in the Licence throughout the audit period;
- Output compliance: the existence of the output from systems and procedures throughout the audit period (specifically, proper records which provide assurance that procedures are consistently followed and controls are maintained);
- Integrity of reporting: the completeness and accuracy of the compliance and performance reports provided to the ERA; and
- Compliance with any individual licence conditions: the actual performance against the requirements imposed on EDL Pilbara by the ERA or specific matters raised by the ERA.

**Table 1: Obligations relevant to EDL Pilbara's Licence (ERL16)**

| No. | Instrument   | Obligation Description  |
|-----|--|---|
| 101 | Electricity Industry Act, section 13(1)                            | A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months (or any longer period that the ERA allows).   |
| 105 | Economic Regulation Authority (Licensing Funding) Regulations 2014 | A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.   |
| 106 | Electricity Industry Act, section 31(3)                            | A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.  |
| 107 | Electricity Industry Act, section 41(6)                            | A licensee must pay the costs of taking an interest in land or an easement over land.   |
| 110 | Electricity Industry Act, section 76                               | If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act. |
| 119 | Electricity Industry Act, section 11                               | A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.   |
| 120 | Electricity Industry Act, section 11                               | A licensee must comply with any individual performance standards prescribed by the ERA.   |
| 121 | Electricity Industry Act, section 11                               | A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.  |
| 123 | Electricity Industry Act, section 11                               | In the manner prescribed, a licensee must notify the ERA if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations                                 |
| 124 | Electricity Industry Act, section 11                               | A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.  |
| 125 | Electricity Industry Act, section 11                               | A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.   |
| 126 | Electricity Industry Act, section 11                               | All notices must be in writing, unless otherwise specified.   |

The table above is inclusive of all obligations relevant to EDL Pilbara. The following legislative elements (and their included obligations) were excluded from the audit as they were not relevant to EDL Pilbara's operations:

- 8. Type 1 Reporting Obligations for all licence types
- 9. Electricity Industry (Customer Transfer) Code 2016
- 10. Electricity Industry (Obligation to Connect) Regulations 2005
- 11. Electricity Industry (Customer Contracts) Regulations 2005
- 14. Code of Conduct (for the Supply of Electricity to Small Use Customers) 2022
- 15. Electricity Industry (Metering) Code 2012
- 16. Electricity Industry (Network Quality and Reliability of Supply) Code 2005
- 17. Specific Licence Conditions

## 2.2 Recommendations from previous audit

We note that there were no recommendations raised from the previous performance audit and therefore this audit did not involve a review or assessment of previous recommendations and their implementation.

# 3. SCOPE OF WORK

## 3.1 Approach and Scope of Work

Our approach allowed us to provide reasonable assurance over EDL Pilbara's compliance with the Licence, consistent with ASAE 3100 Compliance Engagements. Our approach was designed to obtain sufficient and appropriate audit evidence in order to provide reasonable assurance for the period 1 September 2020 to 31 August 2025. Our approach for this reasonable assurance engagement involved the following activities, which were undertaken during the period June to November 2025:

- Utilising the Audit Guidelines and Reporting Manuals as a guide, development of a risk assessment. This involved discussions with key EDL Pilbara staff;
- Conducting a document review to assess controls, which included review of compliance reports submitted by EDL Pilbara to the ERA by 31 August each year (excluding the one late submission noted as an exception)
- Interviews with, and representations from, relevant EDL Pilbara staff to gain an understanding of process controls (refer Appendix A for a listing of EDL Pilbara staff involved);
- Development of an Audit Plan for approval by the ERA;
- Review of documents and walkthroughs of processes and controls to assess the overall compliance with, and effectiveness of, those processes and controls in accordance with Licence obligations (see Appendix A for reference listing);
- Sample testing where relevant for obligations rated as an audit Priority 3 and above; and
- Reporting of findings to EDL Pilbara for review and response.

There were no major deviations from the approved Audit Plan as approved by the ERA as no issues or concerns were identified that indicated a need to modify the nature and extent of testing or priority ratings. We note that a site visit did not form part of this engagement. This is a requirement of the ERA Audit and Review Guidelines 2025, however the ERA approved an exemption from this requirement on 15 September 2025.

The personnel who conducted the audit, hours invested in performing this audit and the pertinent documents reviewed have been noted in Appendix A.

## 4. PERFORMANCE SUMMARY

### 4.1 Overall Compliance Assessment

In considering EDL Pilbara's internal control procedures, structure and environment, its compliance culture and its information systems specifically relevant to those licence obligations subject to audit, we observed that EDL Pilbara has:

- Maintained and established its control framework through tailored policies and procedures intended to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause;
- Maintained a mix of manual and automated controls in relation to compliance obligations and maintenance scheduling; and
- Maintained oversight over its compliance requirements through a Compliance Task Register.

These controls and EDL Pilbara's overall compliance has been assessed and while one non-compliance has been identified, is not material to EDL Pilbara's overall compliance with their licence obligations.

### 4.2 Summary of Findings and Recommendations

Table 2 below sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance and the adequacy of controls in place.

Table 3 below summarises the audit assessments made in relation to EDL Pilbara's compliance and the adequacy of controls in place for EDL Pilbara to manage its compliance with the relevant obligations or conditions of the Licence. The summary tables show there were no material non-compliances identified.

Table 2: ERA Performance Audit Rating Scale

| Adequacy of Control Ratings |  | Compliance Rating |   |
|-----------------------------|--|-------------------|---|
| Rating                      | Description  | Rating            | Description   |
| A                           | Adequate controls – no improvements needed             | 1                 | Compliant   |
| B                           | Generally adequate controls – improvement needed       | 2                 | Non-compliant – minor impact on customers or third parties    |
| C                           | Inadequate controls – significant improvement required | 3                 | Non-compliant – moderate impact on customers or third parties |
| D                           | No controls evident                                    | 4                 | Non-compliant – major impact on customers or third parties    |
| N/P                         | Not performed – a controls rating was not required     | N/R               | Not rated – no activity took place during the audit period    |

Table 3: Contract Rating and Compliance Rating Table Summary

|                 |       | Compliance Rating |   |   |   |     |       |
|-----------------|-------|-------------------|---|---|---|-----|-------|
|                 |       | 1                 | 2 | 3 | 4 | N/R | Total |
| Controls Rating | A     | 5                 | 1 | - | - | 2   | 8     |
|                 | B     | -                 | - | - | - | -   | -     |
|                 | C     | -                 | - | - | - | -   | -     |
|                 | D     | -                 | - | - | - | -   | -     |
|                 | N/P   | -                 | - | - | - | 4   | 4     |
|                 | Total | 5                 | 1 | - | - | 6   | 12    |

We note that there was one non-compliance which was identified in relation to Obligation 124 (refer to Section 5.1). We note that this non-compliance was not of a material nature and no further occurrences had occurred prior to, nor after this instance.

| Obligation No. | Licence Obligation  | Observation and Recommendation   |
|----------------|---|--|
| 124            | <p><b>Electricity Industry Act, Section 11</b><br/>A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.</p> | <p><b>Non-Compliant – A 2</b></p> <p>EDL Pilbara is required to submit Annual Compliance Reports relating to the ERL16 licence to the ERA by 31 August of each year, along with any other additional information requested by the ERA in regard to items required under the Electricity Industry Act.</p> <p>We have inspected evidence of EDL Pilbara's submission of the ERL16 Annual Compliance Report for the years 2020, 2021, 2022, 2023, 2024, and 2025. We do note that the ERA notified EDL Pilbara of their failure to submit their 2023-2024 Annual Compliance Report by the due date of 31 August 2024. EDL have noted in their response to this that this was due to a breakdown of handover processes resulting from key staff leaving the business. This was not caused by a systemic error - we understand that there have been no non-compliances regarding the subsequent, or previous, submissions of the Annual Compliance Reports.</p> <p>In the annual compliance report (30 August 2025) where this non-compliance was raised, it was noted that internal processes had been established to ensure no recurrence of the breach. We have verified that EDL implemented a Regulatory and Licensing Gantt Chart as an additional internal control mechanism. This spreadsheet contains all compliance requirements for EDL, including key dates for the ERL16 Performance Report and Annual Reports. The Regulatory and Licensing Gantt Chart is a live tracker and has assigned responsibilities for multiple staff within the organisation to ensure that all compliance deliverables are addressed on a timely basis. Therefore, when changes in staff occur, compliance responsibilities can be assumed by other EDL staff members until the new responsible person is determined.</p> <p>The Principal Commercial Analyst has also confirmed that for the period 1 September 2020 to 31 August 2025 that there has been no correspondence from the ERA outside of the required licence return matters (as per Obligation 126), the Annual Compliance Reports (as per Obligation 120) and the undertaking of the Performance Audit.</p> <p>Based on the above, we determined EDL to be non-compliant with this obligation. However this does not warrant a recommendation.</p> |

| No.   | Obligation Description  | Audit Priority | Control Rating |   |   |   | Compliance Rating |   |   |   |   |
|---|---|----------------|----------------|---|---|---|-------------------|---|---|---|---|
|   |   |                | A              | B | C | D | N<br>P            | 1 | 2 | 3 | 4 |
| 11. Electricity Industry Act – Licence Conditions and Obligations |   |                |                |   |   |   |                   |   |   |   |   |
| 101   | A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months (or any longer period that the ERA allows).   | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 105   | A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.   | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 106   | A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.  | Priority 4     | ✓              |   |   |   |                   |   |   |   | ✓ |
| 107   | A licensee must pay the costs of taking an interest in land or an easement over land.   | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 110   | If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act. | Priority 4     |                |   |   |   | ✓                 |   |   |   | ✓ |
| 12. Electricity Licences – Licence Conditions and Obligations     |   |                |                |   |   |   |                   |   |   |   |   |
| 119   | A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.   | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 120   | A licensee must comply with any individual performance standards prescribed by the ERA.   | Priority 4     |                |   |   |   | ✓                 |   |   |   | ✓ |
| 121   | A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.  | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 123   | In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations                                | Priority 4     |                |   |   |   | ✓                 |   |   |   | ✓ |
| 124   | A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.  | Priority 4     | ✓              |   |   |   |                   | ✓ |   |   |   |
| 125   | A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.   | Priority 4     |                |   |   |   | ✓                 |   |   |   | ✓ |
| 126   | All notices must be in writing, unless otherwise specified.   | Priority 4     | ✓              |   |   |   |                   |   |   |   | ✓ |

## 5. DETAILED FINDINGS

This section has been structured into subsections for the relevant Codes and Regulations against which we assessed EDL Pilbara's compliance. The Codes and Regulations relevant to EDL Pilbara's operations are:

- *Electricity Industry Act 2004*
- *Electricity Licenses - Licence Conditions and Obligations*.

We have used the below table (as prescribed by the ERA) to assess EDL's compliance with the licence conditions. Following this, Section 5.1 contains an assessment of compliance and control adequacy, based on the conclusions from our audit procedures and an assessment of EDL Pilbara's compliance with the applicable obligations under the ERL16 Licence.

| Adequacy of Control Ratings |  | Compliance Rating |   |
|-----------------------------|--|-------------------|---|
| Rating                      | Description  | Rating            | Description   |
| <b>A</b>                    | Adequate controls – no improvements needed             | <b>1</b>          | Compliant   |
| <b>B</b>                    | Generally adequate controls – improvement needed       | <b>2</b>          | Non-compliant – minor impact on customers or third parties    |
| <b>C</b>                    | Inadequate controls – significant improvement required | <b>3</b>          | Non-compliant – moderate impact on customers or third parties |
| <b>D</b>                    | No controls evident                                    | <b>4</b>          | Non-compliant – major impact on customers or third parties    |
| <b>N/P</b>                  | Not performed – a controls rating was not required     | <b>N/R</b>        | Not rated – no activity took place during the audit period    |

Per Section 5.1.7 of the ERA Guidelines, these tables include:

- key findings of the audit fieldwork;
- sources of information used to assess compliance or effectiveness;
- audit procedures performed to assess compliance or effectiveness;
- assessments of policies and procedures performed during the audit or review;
- interviews conducted with licensee staff or external parties; and
- the assessment of compliance or effectiveness over the audit period.

## 5.1. Detailed findings - Electricity Industry Act 2004

| Obligation No. | Licence Obligation  | Audit Priority | Observation and Recommendation   | Controls Rating | Compliance Rating |
|----------------|---|----------------|--|-----------------|-------------------|
| 101            | <p>A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months (or any longer period that the ERA allows).</p> <p><b>Section 13(1) - Condition 3.1</b></p>                                  | 4              | <p><b>Compliant</b></p> <p>RSM was engaged by EDL Pilbara, the licensee, to undertake a performance audit engagement pending approval of RSM as an independent expert by the ERA. The ERA approved the appointment of RSM to conduct the performance audit of EDL Pilbara Pty Ltd's electricity retail licence ERL16 on 21 July 2025.</p> <p>The ERA decided, due to the outcomes of EDL Pilbara's previous audits, that EDL Pilbara would be exempt from completing their next (current) Performance Audit within the prescribed 24 month period (as per the obligation description within the Electricity Compliance Reporting Manual).</p> <p>EDL Pilbara demonstrated a high level of compliance with its licence conditions within the Performance Audits undertaken in 2016 and 2020. Hence, the ERA determined that an exemption was to be granted to extend EDL's required period between Performance Audits to 60 months (2025).</p>  | A               | 1                 |
| 105            | <p>A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.</p> <p><b>ERA (Licensing Funding) Regulations 2014 Condition 4.2.1</b></p>                                   | 4              | <p><b>Compliant</b></p> <p>Under the requirements of Clause 6 of the Economic Regulation Authority (Licensing Funding) Regulations 2014, EDL Pilbara is required to pay a licence charge to the ERA for the use of the ERL16 licence, annually within one month after the anniversary on which the licence was granted (27 August 2011). We have inspected evidence of licence renewal payments made to the ERA for the 2020, 2021, 2022, 2023 and 2024 periods through the invoices provided by the ERA, and the remittance advice documents. We also inspected the transaction listings within EDL Pilbara's accounting system evidencing the payment of the annual licence charges by EDL Pilbara.</p> <p>Clause 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014 are in reference to standing charges (liability and amount, and assessment and payment of these charges, respectively). EDL Pilbara noted that the ERA requests information in relation to standing charges be submitted via a Microsoft Forms template. This is completed on an annual basis. The Principal Commercial Analyst has stated that there were no standing charges to be paid in relation to the ERL16 licence during the period between 1 September 2020 to 31 August 2025.</p> | A               | 1                 |
| 106            | <p>A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.</p> <p><b>Section 31(3) - Condition 4.1.1</b></p> | 4              | <p><b>Not Assessed</b></p> <p>Our interviews with EDL indicated that there have not been any significant incidents on the Maitland site that would have caused an extended interruption, suspension or restriction to the supply of electricity to Supagas. There have been occasional maintenance events resulting in breaks/interruptions to the supply of electricity from the power station. All of these incidents are recorded within EDL's Strategic Asset Management (SAM) system. EDL Pilbara undertakes the following to minimise interruptions to the supply of electricity:</p> <ul style="list-style-type: none"> <li>▪ Maintaining an inventory of critical spares on the Maitland site</li> <li>▪ Maintenance of a black start generator on the Maitland site</li> <li>▪ Regular preventative maintenance on on-site machinery</li> <li>▪ Regular training and emergency exercises (run every two months), either internally or in collaboration with Supagas</li> </ul>  | A               | N/P               |

| Obligation No. | Licence Obligation  | Audit Priority | Observation and Recommendation   | Controls Rating | Compliance Rating |
|----------------|---|----------------|--|-----------------|-------------------|
|                |   |                | <ul style="list-style-type: none"> <li>Critical control audits completed on an identified 205 individual elements. This is conducted on a two yearly basis (a rotation of approximately 50 elements assessed every six months).</li> </ul>   |                 |                   |
| 107            | <p>A licensee must pay the costs of taking an interest in land or an easement over land.</p> <p><b>Section 41(6) - Condition 4.1.1</b></p>  | 4              | <p><b>Compliant</b></p> <p>The land on which the Maitland site is situated has been leased from DevelopmentWA (formerly LandCorp) commencing from 28 March 2006, for a term of 20 years until 28 March 2026.</p> <p>We have inspected the invoices issued by DevelopmentWA for the yearly renewal of the lease for the period 1 September 2020 to 31 August 2025 and the associated remittance advice documents. We also inspected the transaction listings within EDL Pilbara's accounting system evidencing the subsequent payment of the lease charges by EDL Pilbara.</p>  | A               | 1                 |
| 110            | <p>If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.</p> <p><b>Section 76 - Condition 6.7.1</b></p> | 4              | <p><b>Not Assessed</b></p> <p>The Principal Commercial Analyst has confirmed that for the period 1 September 2020 to 31 August 2025 that the ERA had not designated EDL Pilbara as a retailer of last resort under section 70 of the Electricity Industry Act 2004.</p> <p>EDL noted that their power station is not connected to the network and that they only supply electricity for their own use and for one client as a retailer (Supagas). It is therefore unlikely that EDL would be required by the ERA to act as retailer of last resort. EDL have also noted that, considering the circumstances, they are functionally the supplier of last resort for Supagas, despite not being formally designated as such.</p> | N/P             | N/R               |

## 5.2. Detailed findings - Electricity Licence – Licence Conditions and Obligations

| Obligation No. | Licence Obligation   | Audit Priority | Observation and Recommendation  | Controls Rating | Compliance Rating |
|----------------|--|----------------|---|-----------------|-------------------|
| 119            | A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.  | 4              | <p><b>Compliant</b></p> <p>Energy Developments Pty Ltd (EDL), the parent company of EDL Pilbara, was acquired by the CK William Group in 2017. The CK William Group is based in Hong Kong. As such EDL Pilbara's financial year aligns with the calendar year (31 January to 31 December).</p> <p>We reviewed the financial statements for the period 1 September 2020 to 31 August 2025. These were independently audited by Deloitte Australia Pty Ltd ("Deloitte") in accordance with the Australian Accounting Standards.</p> | A               | 1                 |
| 120            | A licensee must comply with any individual performance standards prescribed by the ERA.  | 4              | <p><b>Not Assessed</b></p> <p>The Principal Commercial Analyst has confirmed that the ERA have not prescribed EDL Pilbara any additional individual performance standards for the period 1 September 2020 to 31 August 2025. EDL Pilbara and their auditors are only required to comply with the standard audit guidelines applicable to performance audits as per the Electricity Compliance Reporting Manual.</p>   | N/P             | N/R               |
| 121            | A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.   | 4              | <p><b>Compliant</b></p> <p>The ERA approved the Audit Plan provided for the current Performance Audit (2025) on 12 September 2025. This Audit Plan and proposed approach were in alignment with the ERA Guidelines. The audit procedures were also conducted in alignment with the ERA Guidelines.</p>  | A               | 1                 |
| 123            | In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations | 4              | <p><b>Not Assessed</b></p> <p>EDL Pilbara has confirmed that they and their parent entities (Energy Developments Pty Ltd and CK Williams Group) were not under external administration, or had any significant changes in circumstances, during the period 1 September 2020 to 31 August 2025.</p>  | N/P             | N/R               |

| Obligation No. | Licence Obligation   | Audit Priority | Observation and Recommendation   | Controls Rating | Compliance Rating |
|----------------|--|----------------|--|-----------------|-------------------|
| 124            | <p><b>Electricity Industry Act, Section 11</b></p> <p>A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.</p> | 4              | <p><b>Non-Compliant – A 2</b></p> <p>EDL Pilbara is required to submit Annual Compliance Reports relating to the ERL16 licence to the ERA by 31 August of each year, along with any other additional information requested by the ERA in regard to items required under the Electricity Industry Act.</p> <p>We have inspected evidence of EDL Pilbara's submission of the ERL16 Annual Compliance Report for the years 2020, 2021, 2022, 2023, 2024, and 2025. We do note that the ERA notified EDL Pilbara of their failure to submit their 2023-2024 Annual Compliance Report by the due date of 31 August 2024. EDL have noted in their response to this that this was due to a breakdown of handover processes resulting from key staff leaving the business. This was not caused by a systemic error - we understand that there have been no non-compliances regarding the subsequent, or previous, submissions of the Annual Compliance Reports.</p> <p>In the annual compliance report (30 August 2025) where this non-compliance was raised, it was noted that internal processes had been established to ensure no recurrence of the breach. We have verified that EDL implemented a Regulatory and Licensing Gantt Chart as an additional internal control mechanism. This spreadsheet contains all compliance requirements for EDL, including key dates for the ERL16 Performance Report and Annual Reports. The Regulatory and Licensing Gantt Chart is a live tracker and has assigned responsibilities for multiple staff within the organisation to ensure that all compliance deliverables are addressed on a timely basis. Therefore, when changes in staff occur, compliance responsibilities can be assumed by other EDL staff members until the new responsible person is determined.</p> <p>The Principal Commercial Analyst has also confirmed that for the period 1 September 2020 to 31 August 2025 that there has been no correspondence from the ERA outside of the required licence return matters (as per Obligation 126), the Annual Compliance Reports (as per Obligation 120) and the undertaking of the Performance Audit.</p> <p>Based on the above, we determined EDL to be non-compliant with this obligation. However this does not warrant a recommendation.</p> | A               | 2                 |
| 125            | A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.  | 4              | <p><b>Not Assessed</b></p> <p>EDL Pilbara has confirmed that the ERA did not direct EDL Pilbara to publish any information in relation to their ERL16 licence for the period 1 September 2020 to 31 August 2025. EDL Pilbara noted that the ERA only requested the Annual Compliance Reports to be provided to them during this period.</p>  | N/P             | N/R               |
| 126            | All notices must be in writing, unless otherwise specified.  | 4              | <p><b>Not Assessed</b></p> <p>Communications between the ERA and EDL Pilbara are completed via email. EDL have noted that should there be any official requests from the ERA, that EDL will always communicate by letter. These letters are used to track that all communications are completed correctly, in an appropriate manner, and are maintained within EDL Pilbara's records management system.</p>  | A               | N/R               |



## EDL PILBARA PTY LTD

Independent Assurance Report – Electricity Distribution Licence (ERL16)

1 September 2020 to 31 August 2025

---

---

## INDEPENDENT ASSURANCE REPORT

To: The Economic Regulation Authority (“ERA”) and Management of EDL Pilbara Pty Ltd (“EDL Pilbara”)

### **Independent Assurance Report on compliance with EDL Electricity Retail Licence (ERL16)**

We have conducted an audit on the systems, procedures and processes used by EDL Pilbara to evaluate the operating effectiveness of the controls identified to maintain compliance with EDL Pilbara’s Licence obligations for the period 1 September 2020 to 31 August 2025. Our audit has been conducted to form a reasonable assurance conclusion, and this report has been prepared in accordance with the Audit Guidelines.

#### *EDL Pilbara’s Responsibilities*

Management of EDL Pilbara are responsible for designing, implementing and maintaining internal controls relevant to compliance with the Electricity Retail Licence (ERL16) and ensuring operating processes meet the requirements as per the Audit Guidelines.

#### *Independence*

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Australian Standard on Quality Control 1, RSM maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We also confirm that this independence remained compliant with the independence criteria set out in the ERA Guidelines.

#### *Our Responsibilities*

Our responsibility is to express a conclusion on compliance with the Electricity Retail Licence (ERL16), in all material respects. The audit has been conducted in accordance with ASAE 3100 – Compliance Engagements to provide reasonable assurance that EDL Pilbara has complied with all relevant obligations of their Electricity Retail Licence (ERL16) in accordance with the Audit Guidelines. We accordingly include such tests and procedures we consider necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Inherent Limitations*

Because of the inherent limitations of any internal control structure, it is possible that fraud or errors may occur and not be detected. We have not audited the overall internal control structure and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of non-compliance as it is not performed continuously throughout the period, and the tests performed are on a sample basis having regard to the nature and size of the entity.

Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit conclusion.

---

---

---

*Use of Report*

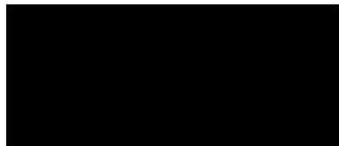
This reasonable assurance report has been prepared for EDL Pilbara and the ERA. We disclaim any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared.

We disclaim all liability to any party other than EDL Pilbara in respect of, or in consequence of, anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than EDL Pilbara, who chooses to rely in any way on the contents of this report, does so at their own risk.

*Conclusion*

Based on the procedures performed and evidence obtained, in our opinion, EDL have complied, in all material respects, with the Electricity Retail Licence (ERL16) for the period 1 September 2020 to 31 August 2025.

Signed



**Dan Hutchens**  
Partner  
RSM Australia Pty Ltd

Perth  
15 December 2025



## APPENDIX A - REFERENCES

### EDL Pilbara Personnel participating in the Performance Audit

| Title                         | Name            |
|-------------------------------|-----------------|
| Principal Commercial Analyst  | Martyn Anderson |
| LNG Plant & Transport Manager | Alex de Vreeze  |
| LNG Duty Plant Manager        | Keith Sargent   |

## APPENDIX A – REFERENCES (CONT.)

### Key Documents Reviewed

Please note this list is not exhaustive:

- Annual Compliance Reports 2020 – 2025
- Evidence of submission of Annual Compliance Reports (2020 - 2025) to the ERA (via email communications)
- 2016 and 2020 Performance Audit Reports
- ERA notices and letter regarding their decision on the outcome of the 2016 and 2020 Performance Audits
- Evidence of submission of the 2020 Performance Audit Report to the ERA (via email communications)
- Tax invoices from the ERA in relation to the annual licence charges (2020 - 2025)
- EDL Remittance Advice documents in relation to the annual licence charges paid to the ERA (2020 - 2025)
- General Ledger extract evidencing annual licence charges and EFT payments of licence charges (2020 - 2023)
- 2043-LNG-00-DM-001 Rev 4 Maitland LNG Site Layout
- 2043-LNG-00-DM-021 Rev 4 Site Plan Emergency Response
- 2043-LNG-00-DM-042 Rev 4 Hazardous Area Main Plant Area
- 2043-LNG-00-PQ-003 Rev 13 Maitland LNG Cyclone Preparation & Emergency Check Sheets
- 2043-OPS-00-SWI-012 Rev 2 - Maitland LNG Plant, Site Recovery from Station Black without UPS
- Safe Work Instructions
- Copies of completed Work Orders and Service Permits (Yearly Maintenance, Weekly Test Runs, Yearly Service Reports)
- "Work Order List" spreadsheet extracts noting work orders from 2020 - 2025
- Black Start, Gas Turbines & EGM4 Maintenance Schedule documents
- DevelopmentWA Lot 3002 North West Coastal Highway Rent (annual rent charges) (2020 - 2025)
- Bank Statement Report extracts noting payment of annual rent charges (2020 - 2025)
- EDL Audited Financial Statements (2020 - 2024)
- "Short Form for Annual Compliance Report" documents noting EDL management sign off/compliance and confirmation statements in relation to the Annual Compliance Reports (2020 - 2025)
- Compliance Task Register - Maitland
- Extract of the "Compliance Task Register" spreadsheet noting current "In Progress" tasks (2025)
- Compliance Task Schedule extract
- SAM Events Maitland 092020 - 082025
- 008A Lease – Maitland - /lease agreement with DevelopmentWA for Lot 3002 North West Coastal Highway
- KHA Emergency Drill and Maitland Emergency Exercises Register
- 2020 – Obligations 123 Self-Reported non-compliance background and summary
- RE Request for Contacts Update - EIRL1 - EDL NGD (WA) Pty Ltd
- ERA EDL Correspondence history – Summary
- Reminder from the ERA - Overdue Annual Compliance Report - ERL16 - EDL Pilbara Pty Ltd
- Remittance Advice and Standing Charges for Licence Fees 2020 – 2025
- Energy Retail Licence Audit - SAM Events Maitland 092020 – 082025
- Remittance Advice for easement costs 2020 - 2025
- Approval of Auditor Letter.

## APPENDIX B – PERSONNEL

### RSM Staff

RSM Staff who were involved in the Performance Audit include:

- Dan Hutchens, Engagement Partner
- Tim Pittaway, Engagement Quality Review Partner
- Shyam Kumar, Assistant Manager
- Nadya Haryanto, Senior Consultant

### Timeframe and Work Schedule

In summary, the time invested per team member was as follows:

| Task  | RSM Personnel   | Total Hours |
|---|---|-------------|
| Initial Planning  | <ul style="list-style-type: none"><li>▪ Dan Hutchens (Partner)</li><li>▪ Shyam Kumar (Assistant Manager)</li><li>▪ Nadya Haryanto (Senior Consultant)</li></ul>                                     | 12          |
| Risk Assessment and Preparation of Audit Plan                 | <ul style="list-style-type: none"><li>▪ Dan Hutchens (Partner)</li><li>▪ Shyam Kumar (Assistant Manager)</li><li>▪ Nadya Haryanto (Senior Consultant)</li></ul>                                     | 18          |
| Execute Audit Plan – Fieldwork<br>Detailed Compliance Testing | <ul style="list-style-type: none"><li>▪ Dan Hutchens (Partner)</li><li>▪ Shyam Kumar (Assistant Manager)</li><li>▪ Nadya Haryanto (Senior Consultant)</li></ul>                                     | 22          |
| Completion and Reporting                                      | <ul style="list-style-type: none"><li>▪ Dan Hutchens (Partner)</li><li>▪ Tim Pittaway (QA Partner)</li><li>▪ Shyam Kumar (Assistant Manager)</li><li>▪ Nadya Haryanto (Senior Consultant)</li></ul> | 28          |

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM.  
RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, 2nd Floor, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association

**rsm.com.au**

Liability limited by a scheme approved under professional standards legislation

