

Electricity Generation and Retail Corporation

Electricity Generation Licence (EGL7)
2025 Asset Management System Review

Final report

March 2026



ASSURANCE
ADVISORY
GROUP

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5 March 2026

Mr Ian O'Brien
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Dear Mr O'Brien

Electricity Generation Licence (EGL7) – 2025 Asset Management System Review Report

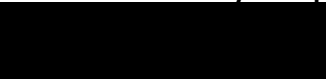
We have completed the Electricity Generation Licence Asset Management System Review for Electricity Generation and Retail Corporation (Synergy) for the period 1 November 2020 to 31 October 2025 and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin at abaldwin@assuranceadvisory.com.au or myself at slinden@assuranceadvisory.com.au.

Yours sincerely

Assurance Advisory Group



Stephen Linden

Director

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1. Independent auditor's assurance report

Modified conclusion

Based on the procedures we have performed and the evidence we have obtained, except for the effects of the matters described in the Basis for modified conclusion paragraph below, nothing has come to our attention that causes us to believe that Electricity Generation and Retail Corporation (**Synergy**) has not established and maintained, in all material respects, an effective asset management system for assets subject to the Licence, as measured by the effectiveness criteria in the July 2025 issue of the Audit and Review Guidelines: Electricity and Gas Licences (**Guidelines**) issued by the Economic Regulation Authority (the **ERA**) and that the systems have not operated effectively for the review period.

Scope

We have undertaken a limited assurance engagement on the effectiveness of Synergy's asset management system, relating to its Electricity Generation Licence (EGL7) (the **Licence**) for the period 1 November 2020 to 31 October 2025 (**review period**).

The assurance engagement was undertaken in accordance with the ERA's Guidelines.

The scope of the assurance work required relates to assessing the effectiveness of Synergy's asset management system for assets subject to the Licence for the duration of the review period.

Basis for modified conclusion

During the period 1 November 2020 to 31 October 2025, Synergy's asset management system had the following deficiency (rated B3) that requires correction in order to address the effectiveness criteria nominated in the Guidelines:

Key process & effectiveness criteria	Description
5. Asset operations <i>5.6: Staff resources are adequate and staff receive training commensurate with their responsibilities</i>	One of the power stations under review was observed to have 17.5% of contract staff with overdue mandatory training. There was no indication that this matter had been recognised and either addressed or escalated in a timely manner.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3500 *Performance Engagements* (**ASAE 3500**) issued by the Auditing and Assurance Standards Board. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3500 we have:

- Used our professional judgement to plan our procedures and assess the risks relevant to each of the asset management system processes assessed by this review;
- Considered internal controls implemented to meet the asset management system effectiveness criteria for each of the asset management system processes assessed by this review; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of procedures

A limited assurance engagement conducted in accordance with ASAE 3500 involves identifying areas where the AMS for assets subject to a Licence is likely to be materially ineffective, addressing the areas identified and considering the process used to prepare the AMS for assets subject to the Licence. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our procedures consisted primarily of:

- Utilising the Guidelines as a guide for development of a risk assessment, which involved discussions with key staff and review of documents to perform a preliminary controls assessment
- Development of a Review Plan for approval by the ERA, and an associated work program
- Interviews with and representations from Synergy representatives and key operational and administrative staff to gain an understanding of the development and maintenance of policies and procedural type documentation. A full list of staff engaged has been provided at Appendix B
- Examination of documented policies and procedures for key functional requirements and consideration of their relevance to Synergy's AMS requirements and standards
- Physical visit to operations located at the Collie and Cockburn power stations
- Consideration of reports and references evidencing activity
- Consideration of activities performed by Synergy that relate to operation of the assets.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Accordingly, we do not express a reasonable assurance opinion on the effectiveness of Synergy's AMS for assets subject to the Licence.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitation of any system of controls it is possible that fraud, error or non-compliance with the requirements of the Guidelines may occur and not be detected.

A limited assurance engagement relating to the period from 1 November 2020 to 31 October 2025 does not provide assurance on whether the effectiveness of Synergy's AMS for assets subject to the Licence will continue in the future.

Synergy's responsibility for the AMS

Synergy is responsible for ensuring that it has:

- Complied in all material respects with the requirements of the Licence as specified by the Review Guidelines
- Established and maintained an effective AMS for assets subject to the Licence, as measured by the effectiveness criteria detailed in the Guidelines.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on Synergy's AMS for assets subject to the Licence, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with ASAE 3500, in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that Synergy's AMS for assets subject to the Licence, have not been established and maintained, in all material respects. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the AMS for assets subject to the Licence is materially ineffective.

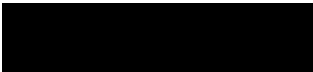
Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Use of this Assurance Report

This report has been prepared for use by the intended users as specified in Section 14 of the Electricity Industry Act 2004 for the purpose of expressing a conclusion whether Synergy has established and maintained an effective asset management system for assets subject to the Licence, for the period 1 November 2020 to 31 October 2025. We disclaim any assumption of responsibility for any reliance on this report to any person other than the intended users as specified in Section 14 of the Electricity Industry Act 2004, or for any other purpose other than that for which it was prepared.

Assurance Advisory Group



Stephen Linden
Director

5 March 2026

2. Executive summary

2.1 Introduction and Background

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Electricity Generation and Retail Corporation (**Synergy**) an Electricity Generation Licence (EGL7) (**Licence**).

Synergy is Western Australia's largest electricity generator and retailer of electricity with more than one million residential, business and industry customers. The licence relates to Synergy's extensive and diverse generation activities which includes a range of non-renewable and renewable energy sources, predominantly within the South West Interconnected System. Synergy's major power stations, listed on the EGL7 are located in Collie, Muja, Kwinana/Cockburn and Pinjar.

Section 14 of the Act requires Synergy to provide to the ERA an asset management system (**AMS**) review (**review**) report conducted by an independent expert acceptable to the ERA not less than once in every 24-month period unless otherwise approved by the ERA. With the ERA's approval, Assurance Advisory Group (**AAG**) was appointed to conduct the review for the period 1 November 2020 to 31 October 2025 (**review period**).

The review has been conducted in accordance with the ERA's July 2025 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Guidelines**), which set out 12 key processes in the asset management life-cycle. The limited assurance review was undertaken in order to state whether, based on the procedures we have performed and the evidence we have obtained, anything has come to our attention to indicate that Synergy has not established and maintained, in all material respects, an effective AMS for assets subject to the Licence, and that the systems have not operated effectively for the review period.

2.2 Findings

In considering Synergy's internal control procedures, structure and environment, its compliance arrangements and its information systems specifically relevant to those effectiveness criteria subject to review and with a focus on its Thermal Generation Business Unit (**TGBU**) and Coal Generation and Gas Generation (**GTDG**) activity, we observed that:

- During the five year period subject to review
 - Synergy had maintained a largely appropriate suite of procedures and controls for the effective management of its generating assets covered by the Licence
 - Synergy's asset management system continued to mature and improve, with several effective enhancements made to its approach to asset management planning and monitoring of performance. These enhancements reflect value from focussed investment in technology and staff capability
- Staff appeared to have a full working understanding of their roles, particularly displaying an understanding of the asset management processes within their area of responsibility
- The capability and influence of the Thermal Asset Optimisation function appears to have further uplifted Synergy's asset management planning practices
- Synergy has extensively reviewed the cause of issues impacting the Pinjar Power Station's performance and has established and resourced a roadmap for achieving the required improvements. Synergy also plans to feed lessons back into the elements of the asset management system as part of its asset management system continuous improvement (CI) process. We recognise that Synergy's CI process adds considerable strength to the overall

asset management system, enabling Synergy to recognise and respond to risks and issues as they arise

- Notwithstanding the genuine improvements achieved, there was one element of Synergy’s asset management system that we assessed as requiring corrective action, relating to Synergy’s management of the critical staff training performance of its Operations and Maintenance contractor
- There were a small number of opportunities for Synergy to further improve elements of its asset management processes and practices (where criteria are rated as “B” or “2”) in relation to strengthening its management of underperforming power station assets. *The effectiveness ratings made by this review relate to the historical opportunities for improvement that Synergy has since recognised and responded to during the review period; and this review makes no further recommendations for improvement*

This review assessed that, of the 58 elements of Synergy’s AMS:

- For the asset management process and policy definition adequacy ratings:
 - 57 are rated as “Adequately defined”
 - 1 is rated as “Requires some improvement”.
- For the asset management performance ratings:
 - 54 are rated as “Performing effectively”
 - 3 are rated as “Opportunity for improvement”
 - 1 is rated as “Corrective action required”

2.3 Synergy’s response to previous review recommendations

There were no recommendations from the 2020 AMS review.

2.4 Recommendations to address current asset system deficiencies

A. Resolved during current review period

Not applicable.

B. Unresolved at end of current review period

Reference (no./year)	Process and policy deficiency / Performance deficiency (Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency)	Auditor’s recommendation	Action taken
1/2025	<p>B3</p> <p><u>5. Asset operations</u></p> <p><i>5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities</i></p> <p>One of the power stations under review was observed to have 17.5% of contract staff with overdue mandatory training. There was no indication that this matter had been recognised and either addressed or escalated in a timely manner .</p>	<p>Synergy implement improvements to its:</p> <ul style="list-style-type: none"> • Contract management activities to ensure that all aspects of contractor training responsibilities are being met • Monthly dashboard reporting of training performance metrics across all generation assets. 	n/a

2.5 Scope and objectives

The objective of the review was to independently examine the effectiveness and performance of the AMS established for assets subject to Synergy's Licence during the review period.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3500 Performance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides limited assurance as defined in ASAE 3500. The procedures we performed are described in more detail in section 2.6 below.

ASAE 3500 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

In accordance with the Guidelines, the review considered the effectiveness of Synergy's existing control procedures within the following 12 key processes in the asset management life cycle:

Key processes	Effectiveness criteria
1. Asset Planning	<ul style="list-style-type: none"> 1.1 Asset management plan covers the processes in this table 1.2 Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning 1.3 Service levels are defined in the asset management plan 1.4 Non-asset operations (e.g. demand management) are considered 1.5 Lifecycle costs of owning and operating assets are assessed 1.6 Funding options are evaluated 1.7 Costs are justified and cost drivers identified 1.8 Likelihood and consequences of asset failure are predicted 1.9 Asset management plan is regularly reviewed and updated
2. Asset creation and acquisition	<ul style="list-style-type: none"> 2.1 Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options 2.2 Evaluations include all life-cycle costs 2.3 Projects reflect sound engineering and business decisions 2.4 Commissioning tests are documented and completed 2.5 Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood
3. Asset disposal	<ul style="list-style-type: none"> 3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process 3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken 3.3 Disposal alternatives are evaluated 3.4 There is a replacement strategy for assets
4. Operating environment	<ul style="list-style-type: none"> 4.1 Opportunities and threats in the asset management system environment are assessed 4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved 4.3 Compliance with statutory and regulatory requirements 4.4 Service standard (customer service levels etc) are measured and achieved.

Key processes	Effectiveness criteria
5. Asset operations	5.1 Operational policies and procedures are documented and linked to service levels required 5.2 Risk management is applied to prioritise operations tasks 5.3 Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition 5.4 Accounting data is documented for assets 5.5 Operational costs are measured and monitored 5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities
6. Asset maintenance	6.1 Maintenance policies and procedures are documented and linked to service levels required 6.2 Regular inspections are undertaken of asset performance and condition 6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule 6.4 Failures are analysed and operational/maintenance plans adjusted where necessary 6.5 Risk management is applied to prioritise maintenance tasks 6.6 Maintenance costs are measured and monitored
7. Asset management information systems	7.1 Adequate system documentation for users and IT operators 7.2 Input controls include suitable verification and validation of data entered into the system 7.3 Security access controls appear adequate, such as passwords 7.4 Physical security access controls appear adequate 7.5 Data backup procedures appear adequate and backups are tested 7.6 Computations for licensee performance reporting are accurate 7.7 Management reports appear adequate for the licensee to monitor licence obligations 7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation
8. Risk management	8.1 Risk management policies and procedures exist and are applied to minimise internal and external risks 8.2 Risks are documented in a risk register and treatment plans are implemented and monitored 8.3 Probability and consequences of asset failure are regularly assessed
9. Contingency planning	9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks

Key processes	Effectiveness criteria
10. Financial planning	10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those 10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs 10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets) 10.4 The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period 10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services 10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary
11. Capital expenditure planning	11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates 11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure 11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan 11.4 There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented
12. Review of asset management system	12.1 A review process is in place to ensure the asset management plan and the asset management system described in it remain current 12.2 Independent reviews (e.g. internal audit) are performed of the asset management system

Each key process and effectiveness criterion is applicable to Synergy's Licence and as such was individually considered as part of the review. The Review Plan, set out at Appendix A, details the risk assessments made for and review priority assigned to each key process and effectiveness criterion.

2.6 Approach and work schedule

Our approach for this review involved the following activities, which were undertaken during the period November 2025 to early February 2026:

- Utilising the Guidelines, development of a risk assessment, which involved discussions with key staff and review of documents to undertake a preliminary assessment of relevant controls
- Development of a Review Plan (refer to Appendix A) for approval by the ERA
- Reviewed relevant documentation and walked through processes and controls to assess the effectiveness and performance of each asset management system process and effectiveness criterion (refer to Appendix B for reference listing)
- In accordance with the sample size guide in the approved Review Plan, tested each key asset management system process and control
- Review fieldwork was performed at Synergy's premises in Perth, remotely (via email exchange and Microsoft Teams calls) and via site visits to the Collie and Cockburn power stations with a focus on understanding the generation assets, their function, normal mode of operation, age and an assessment of the facilities against the AMS review criteria
- Consideration of the resourcing applied to maintaining those controls and processes
- Validated findings with Synergy staff.

3. Summary of ratings

In accordance with the Guidelines, the assessment of both the process and policy definition adequacy rating (refer Table 1) and the performance rating (refer Table 2) for each of the key AMS processes was performed using the below ratings.

For the avoidance of doubt, these ratings do not provide reasonable assurance.

Table 1: Asset management process and policy definition adequacy ratings

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> Processes and policies are documented Processes and policies adequately document the required performance of the assets Processes and policies are subject to regular reviews, and updated where necessary The asset management information system(s) are adequate in relation to the assets that are being managed
B	Requires some improvement	<ul style="list-style-type: none"> Process and policy documentation requires improvement Processes and policies do not adequately document the required performance of the assets Reviews of processes and policies are not conducted regularly enough The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed)
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policy documentation is incomplete or requires significant improvement Processes and policies do not document the required performance of the assets Processes and policies are significantly out of date The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed)
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).

Table 2: Asset management performance ratings

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> The performance of the process meets or exceeds the required levels of performance Process effectiveness is regularly assessed and corrective action taken where necessary
2	Opportunity for improvement	<ul style="list-style-type: none"> The performance of the process requires some improvement to meet the required level Process effectiveness reviews are not performed regularly enough Process improvement opportunities are not actioned
3	Corrective action required	<ul style="list-style-type: none"> The performance of the process requires significant improvement to meet the required level Process effectiveness reviews are performed irregularly, or not at all Process improvement opportunities are not actioned
4	Serious action required	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor that the process is considered to be ineffective.

This report provides:

- A breakdown of each function of the AMS into sub-components as described in the Guidelines. This approach is taken to enable a more thorough review of key processes where individual components within a larger process can be of greater risk to the business therefore requiring different review treatment
- A summary of the ratings applied by the review (Table 3) for each of:
 - Asset management process and policy definition adequacy (definition adequacy rating)
 - Asset management performance (performance rating).
- Detailed findings, including relevant observations and recommendations (Section 4). Descriptions of the effectiveness criteria can be found in section 4 and the Review Plan at Appendix A.

Table 3: AMS effectiveness summary

Ref	Asset management process and effectiveness criteria	Review priority	Ratings	
			Definition adequacy	Performance
1. Asset Planning			A	1
1.1	Asset management plan covers the processes in this table	Priority 4	A	1
1.2	Planning processes and objectives reflect the needs of all stakeholders and is integrated with business planning	Priority 4	A	1
1.3	Service levels are defined in the asset management plan	Priority 4	A	1
1.4	Non-asset operations (e.g. demand management) are considered	Priority 4	A	1
1.5	Lifecycle costs of owning and operating assets are assessed	Priority 4	A	1
1.6	Funding options are evaluated	Priority 5	A	1
1.7	Costs are justified and cost drivers identified	Priority 5	A	1
1.8	Likelihood and consequences of asset failure are predicted	Priority 4	A	1
1.9	Asset management plan is regularly reviewed and updated.	Priority 4	A	1

Ref	Asset management process and effectiveness criteria	Review priority	Ratings	
			Definition adequacy	Performance
2. Asset creation and acquisition			A	1
2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	Priority 4	A	1
2.2	Evaluations include all life-cycle costs	Priority 4	A	1
2.3	Projects reflect sound engineering and business decisions	Priority 4	A	1
2.4	Commissioning tests are documented and completed	Priority 4	A	1
2.5	Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	Priority 2	A	1
3. Asset disposal			A	1
3.1	Under-utilised and under-performing assets are identified as part of a regular systematic review process	Priority 4	A	1
3.2	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	Priority 5	A	1
3.3	Disposal alternatives are evaluated	Priority 5	A	1
3.4	There is a replacement strategy for assets	Priority 4	A	1
4. Operating environment			A	1
4.1	Opportunities and threats in the asset management system environment are assessed	Priority 4	A	1
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	Priority 4	A	2
4.3	Compliance with statutory and regulatory requirements	Priority 4	A	1
4.4	Service standard (customer service levels etc) are measured and achieved.	Priority 4	A	1
5. Asset operations			A	2
5.1	Operational policies and procedures are documented and linked to service levels required	Priority 4	A	1
5.2	Risk management is applied to prioritise operations tasks	Priority 4	A	2
5.3	Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	Priority 4	A	1
5.4	Accounting data is documented for assets	Priority 4	A	1
5.5	Operational costs are measured and monitored	Priority 4	A	1
5.6	Staff resources are adequate and staff receive training commensurate with their responsibilities	Priority 4	B	3
6. Asset maintenance			A	1
6.1	Maintenance policies and procedures are documented and linked to service levels required	Priority 4	A	1
6.2	Regular inspections are undertaken of asset performance and condition	Priority 2	A	1

Ref	Asset management process and effectiveness criteria	Review priority	Ratings	
			Definition adequacy	Performance
6.3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	Priority 2	A	2
6.4	Failures are analysed and operational/maintenance plans adjusted where necessary	Priority 2	A	1
6.5	Risk management is applied to prioritise maintenance tasks	Priority 2	A	1
6.6	Maintenance costs are measured and monitored	Priority 4	A	1
7. Asset management information systems			A	1
7.1	Adequate system documentation for users and IT operators	Priority 5	A	1
7.2	Input controls include suitable verification and validation of data entered into the system	Priority 4	A	1
7.3	Security access controls appear adequate, such as passwords	Priority 5	A	1
7.4	Physical security access controls appear adequate	Priority 5	A	1
7.5	Data backup procedures appear adequate and backups are tested	Priority 4	A	1
7.6	Computations for licensee performance reporting are accurate	Priority 5	A	1
7.7	Management reports appear adequate for the licensee to monitor licence obligations	Priority 5	A	1
7.8	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	Priority 4	A	1
8. Risk management			A	1
8.1	Risk management policies and procedures exist and are applied to minimise internal and external risks	Priority 2	A	1
8.2	Risks are documented in a risk register and treatment plans are implemented and monitored	Priority 4	A	1
8.3	Probability and consequences of asset failure are regularly assessed	Priority 2	A	1
9. Contingency planning			A	1
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	Priority 2	A	1
10. Financial planning			A	1
10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those	Priority 4	A	1
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	Priority 5	A	1
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	Priority 5	A	1
10.4	The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	Priority 5	A	1
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	Priority 4	A	1

Ref	Asset management process and effectiveness criteria	Review priority	Ratings	
			Definition adequacy	Performance
10.6	Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	Priority 4	A	1
11. Capital expenditure planning			A	1
11.1	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	Priority 4	A	1
11.2	The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	Priority 5	A	1
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	Priority 4	A	1
11.4	There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	Priority 5	A	1
12. Review of asset management system			A	1
12.1	A review process is in place to ensure the asset management plan and the asset management system described in it remain current	Priority 5	A	1
12.2	Independent reviews (e.g. internal audit) are performed of the asset management system	Priority 5	A	1

4. Detailed findings and recommendations

Summary of generation works subject to review

Synergy's asset portfolio

Synergy operates in the competitive Western Australian wholesale electricity market. Its generation portfolio includes generating units with a range of technology, fuel type, age and role. For the purpose of this Asset Management System Review, it's important to recognise that the review focusses on asset management activities relevant to the five power stations covered by the EGL7 Licence, being the Cockburn, Collie, Kwinana, Muja and Pinjar power stations.

A key component of Synergy's asset management philosophy is to ensure the continued long term economic operation of its portfolio of assets within an acceptable risk criteria to deliver over the short, medium and long term. Where commercially and technically feasible, Synergy undertakes plant enhancements to its portfolio of assets in order to increase capacity revenue returns to the business as well as meet its obligations relating to compliance with Wholesale Electricity Market Rules, relevant safety, environmental and legal requirements and WA Government policy requirements and implications.

Synergy's assets portfolio is in a state of transition toward its decarbonisation targets, resulting in expansion of its renewable fleet and battery storage, and transition to closure of its coal fleet. Synergy's aging coal fired power station asset introduce operational risk, which is managed via established processes.

Key details relating to Synergy's generation operations relevant to the Licence are as follows:

Coal generation

- Muja CD Power Station is comprised of Muja Units 5 to 8. Muja Units 5 and 6 were retired during the review period, in October 2022 and April 2025 respectively. The current forecast retirement date is for Units 7 and 8 is 2029. Muja Power Station Units 7 and 8 accounts for approximately 27% of Synergy's generation capacity.
- Collie Power Station accounts for approximately 16% of Synergy's generation capacity and has a forecast retirement date of 2027, which has been broad forward from 2040. Synergy has contracted WPS to operate and maintain the power station, with a requirement for its asset management system to align with Synergy's asset management system.

Gas generation

- Cockburn Power Station accounts for approximately 12% of Synergy's generation capacity
- Kwinana High Efficiency Gas Turbines account for approximately 10% of Synergy's generation capacity
- Pinjar Industrial frame type gas turbines account for approximately 29% of Synergy's generation capacity.

The following tables contain:

- *Findings*: the reviewer's understanding of the process and any issues that have been identified during the review
- *Recommendations (where applicable)*: recommendations for improvement or enhancement of the process or control.

1 Asset Planning

Key process: Asset planning strategies are focused on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price)

Expected outcome: Asset planning is integrated into operational or business plans, providing a framework for existing and new assets to be effectively utilised and their service optimised

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings	
1.1 Asset management plan covers the processes in this table	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and consideration of Synergy’s asset management framework, system, policies and processes, we determined that:</p> <ul style="list-style-type: none"> • Synergy has maintained suitable Asset Management Plans (AMP) for each of the five power stations covered by the Licence. Those plans are based on equipment maintenance plans that roll up to support the generating unit’s plans and missions. Previously, separate Asset Life Cycle Plans (ALCP) were prepared in support of the AMPs, however asset life cycle planning is now fully incorporated in the asset management planning process (i.e. a separate plan is no longer prepared) • Each AMP is reviewed and where appropriate, formally updated on an annual basis and provides a five-year outlook outlining: <ul style="list-style-type: none"> ○ Relevant statutory, regulatory, licencing and technical rules requirements ○ Synergy’s relevant business and operational requirements ○ Analysis of the asset condition and associated risks and opportunities ○ Analysis of current and future asset performance and associated risks and opportunities ○ Guidance to short term and long term strategies, plans and actions, including operational and capital expenditure plans. • The Collie Power Station AMP is prepared by WPS as part of its contractual obligations. While the AMP is in a WPS format and structure, it aligns with Synergy’s key requirements • Overall, each AMP covers each of the Asset Planning Process criteria reflected at 1.2 to 1.9 below. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>1.2 Planning processes and objectives reflect the needs of all stakeholders and is integrated with business planning</p>	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and consideration of Synergy’s asset management framework, system, policies and processes, we determined that:</p> <ul style="list-style-type: none"> • Synergy is committed to maintaining an asset management system that ensures its assets are managed safely, reliably and efficiently by integrating leading practices in process safety into a unified Process Safety Asset Management (PSAM) system. This system manages asset-related risks and aligns with the internationally verified requirements of the ISO 55001:2024 standard for asset management • Synergy’s PSAM system is guided by its Asset Management Policy, endorsed by the CEO in 2024 • The policy supported by a detailed strategy that integrates process safety with the requirements for effective asset management. <ul style="list-style-type: none"> ○ The Synergy Asset Management Manual (SAMM) outlines the structure and operational details of this strategy as it applies to Synergy’s people, processes and systems, in support of its efforts to manage risks and costs while delivering the required performance from its generation portfolio ○ Synergy’s 2025-26 Strategic Asset Plan outlines the capital expenditure requirements for operating its electricity generation portfolio • Asset planning is based on a demand forecast model, which accommodates input from all stakeholders involved, including: <ul style="list-style-type: none"> ○ AEMO – providing demand and availability requirements ○ Synergy’s Wholesale Trading business unit and TGBU’s Fuel branch – providing fuel assumptions for input into the modelling process ○ TGBU’s Coal Generation and Gas Generation operations – providing relevant information from life cycle plans ○ Market intelligence ○ Government – in relation to renewable energy targets . 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

Effectiveness criteria	Findings	
1.3 Service levels are defined in the asset management plan	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and examination of each of the five power station AMPs, we determined that:</p> <ul style="list-style-type: none"> • The plans provide considerable detail on the asset management and maintenance strategies for each plant system, including business requirements and operational service levels, plant production and outage/capacity factor targets • Service levels are determined by the respective Operations teams on the basis of: <ul style="list-style-type: none"> ○ Relevant operational information from each asset ○ Actual data on plant output and condition. • Service levels are defined in Synergy’s maintenance standards and integrated into the Synergy’s computerised maintenance management module. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
1.4 Non-asset operations (e.g. demand management) are considered	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and consideration of Synergy’s planning, procurement and business case approval processes, we determined that:</p> <ul style="list-style-type: none"> • Synergy’s business case approval process for instigating new projects requires asset alternatives and non-asset options to be considered • The SAMM outlines one of Synergy’s key asset management objectives to optimise asset flexibility in order to respond to market volatility • Over the duration of the review period, Synergy has continued to consider opportunities to adjust its asset portfolio to provide that required flexibility in the performance loads of its generators. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
1.5 Lifecycle costs of owning and operating assets are assessed	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Group Financial Controller and Head of Strategic Analysis & Planning, and consideration of Synergy's planning, procurement and business case approval processes, we determined that Synergy has the following processes in place to assess lifecycle costs of owning and operating assets:</p> <ul style="list-style-type: none"> • The SAMM states that one of the asset management objectives is to maintain and assure the performance and integrity of assets throughout their projected lifecycle, ensuring the lowest operating cost and efficient use of capital. This objective is accommodated in the current versions of the AMPs, which reconsider asset life cycle plans and implications on at least an annual basis (though asset management planning workshops). Those implications are reflected in Synergy's assessment of the criticality and condition of electrical, control and mechanical systems and identification of any requirement for capital, operational, strategy, inventory or engineering solutions to be examined • The Business Case Template document requires that for each proposed project the following be outlined: <ul style="list-style-type: none"> ○ Project OPEX, project CAPEX, contingency OPEX and CAPEX, ongoing yearly costs and total available funding ○ Expected reduction in Capital and Operating costs over a given time period and the expected payback period ○ Net Present Value and Internal Rate of Return assessments ○ Non-cost factors must also be considered for the life of the asset, including fitness for purpose, technical and financial issues, contractor capability, sustainability, risk exposures, availability of maintenance, service and support, compliance with specifications, ease of inspection and communication and delivery • Project evaluations are conducted with both engineering and finance personnel input and with evaluation results detailed and approved by relevant personnel to ensure all engineering, finance, environmental, health and safety aspects are addressed. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
1.6 Funding options are evaluated	<p>Through discussions with the Group Financial Controller Operations and Head of Strategic Analysis & Planning, and consideration of Synergy's asset planning processes, we determined that:</p> <ul style="list-style-type: none"> • Synergy's evaluation of funding options considers a number of key inputs, such as: <ul style="list-style-type: none"> ○ Internal financial position and funding options ○ Availability of government debt ○ Government policy ○ Suitability of finance. • Project evaluations also require the sources of funds to be considered and outlined for approval . 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
1.7 Costs are justified and cost drivers identified	Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Strategic Analysis & Planning, and consideration of Synergy's asset planning processes, we determined that the approval process for new assets requires the costs and cost drivers (in the form of a business case and supporting financial model) to be identified, considered and justified.	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
1.8 Likelihood and consequences of asset failure are predicted	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and examination of Synergy's risk assessment process and documentation, we observed that Synergy applied the following mechanisms for regularly assessing consequence and likelihood of power station asset failure:</p> <ul style="list-style-type: none"> • The annual asset management planning process includes a comprehensive review of the likelihood of asset failure taking into consideration the history of failure, previous maintenance activities, previous CAPEX projects and any OEM notifications • Synergy uses an Asset Criticality Analysis Procedure to rank the asset criticalities of systems and equipment across its generating portfolio. The consequences of failure are then assessed by conducting Failure Mode and Effects Analysis (FMEA) style workshops. Consequences are categorised by impact on financial, health and safety, environmental, community, reputation, legal and compliance requirements • All material physical asset risks (Level 3 High or Level 4 Extreme) are required to be reviewed on at least an annual basis. Earlier reviews can be triggered by a change in asset management strategy that may impact on operational risk such as extending time in service past nominated service life, changes in financial targets, discovery of new risks or plant issues, assessment of loss of availability trends and changes to safety/environmental management of systems or equipment <p>Each of the 10 AMPs that we examined capture the assessment of likelihood and consequence of asset component failure.</p> <p>We note that the Pinjar Power Station has experienced higher than anticipated failure rates due to a combination of factors, including the shift from being rarely used to a Peaker Plant in 2021 and insufficient historical maintenance. These factors resulted in new and unknown failure modes. In assessing the effectiveness of the asset management system separately to the performance of the asset, we acknowledge that Synergy's asset management planning process and its criticality and risk framework was able to recognise and address emerging issues resulting from the unique and extreme shift of operation of Synergy generating assets, ultimately serving to prevent the emergence of multiple failure modes to ensure safe operation. Synergy has applied an Availability and Reliability Implementation Roadmap to fulfill necessary improvements.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
1.9 Asset management plan is regularly reviewed and updated.	Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and examination of Synergy's Asset Management Planning process, we determined that all AMPs are subject to annual review and update where appropriate. During the review period, the most recent AMP reviews were completed in November 2024 for Collie Power Station, March 2025 for Cockburn and Kwinana Power Stations, July 2025 for Pinjar Power Station and August 2025 for Muja Power Station, which is comprised of two separate AMPs - for Muja Stage D and CD Common, plus Balance of Plant. Note that the Muja Power Station AMPs were last updated in April 2024, as Synergy determined during the annual review process that no further update was required on the basis that asset risks, project scopes and priorities had not changed significantly since the 2024 review and update.	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

2 Asset creation and acquisition

Key process: Asset creation/acquisition is the provision or improvement of assets

Expected outcome: The asset acquisition framework is economic, efficient and cost-effective; it reduces demand for new assets, lowers service costs and improves service delivery

Overall Adequacy/Performance rating: Adequately defined (A) / Performing effectively (1)

Effectiveness criteria	Findings	
<p>2.1. Full project evaluations are undertaken for new assets, including comparative assessment of non- asset options</p>	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Strategic Analysis & Planning, and consideration of Synergy’s procurement and project management processes we determined that:</p> <ul style="list-style-type: none"> • As a government trading entity, Synergy is required to seek government approval for projects involving new assets • Project evaluations are supported by a business case template, which contains: <ul style="list-style-type: none"> ○ Commentary on the business need for the asset ○ Funding components and summary financial analysis (including net present value and payback period) ○ Alternative options (including non-asset options) and potential impact - a standard minimum of three options is required, including a baseline ‘do nothing’ option ○ Supporting appendices, which include: <ul style="list-style-type: none"> ▪ Project estimate costs ▪ Risk assessment ▪ Project delivery timeline ▪ Financial workbook (including lifecycle costs) • Non-asset solutions are considered to meet Synergy’s strategic operational requirements, for example to continue to improve flexibility of existing generating units in response to market needs • Options are evaluated based on their advantages, disadvantages, corporate risks, project delivery risks, project interdependencies and alignment with Synergy’s strategic pillars of sustainable and high performing operations, customer centricity, engaged and empowered people, and energy leadership • The strategic value of each project is evaluated using Synergy’s ‘Project Online’ project management tool and investment plan optimised to deliver highest strategic value. Certain projects can have a ‘forced’ rule if they are mandatory for regulatory or other reasons. 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

Effectiveness criteria	Findings	
2.2 Evaluations include all life-cycle costs	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Strategic Analysis & Planning, and consideration of Synergy's planning, procurement and business case approval processes, we determined that Synergy has the following processes in place to evaluate all lifecycle costs of owning and operating assets:</p> <ul style="list-style-type: none"> • The Business Case Template document requires that for each proposed project the following be outlined: <ul style="list-style-type: none"> ○ Project OPEX, project CAPEX, contingency OPEX and CAPEX, ongoing yearly costs and total available funding ○ Expected reduction in Capital and Operating costs over a given time period and the expected payback period ○ Net Present Value and Internal Rate of Return assessments ○ Non-cost factors must also be considered for the life of the asset, including fitness for purpose, technical and financial issues, contractor capability, sustainability, risk exposures, availability of maintenance, service and support, compliance with specifications, ease of inspection and communication and delivery • Project evaluations are conducted with both engineering and finance personnel input and with evaluation results detailed and approved by relevant personnel to ensure all engineering, finance, environmental, health and safety aspects are addressed. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
2.3 Projects reflect sound engineering and business decisions	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Strategic Analysis & Planning, and consideration of Synergy's planning, procurement and business case approval processes, we determined that Synergy has the following processes in place to assess the commercial and technical competence of projects:</p> <ul style="list-style-type: none"> • Project evaluations are conducted with both engineering and finance personnel input and with evaluation results detailed and approved by relevant personnel to ensure all engineering, finance, environmental, health and safety aspects are addressed • Project evaluations are designed to be managed using project modelling tools whilst taking into account relevant economic measures. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
2.4 Commissioning tests are documented and completed	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation and Head of Strategic Analysis & Planning, and consideration of Synergy's relevant procedures, we observed that:</p> <ul style="list-style-type: none"> • Commissioning tests form part of the project lifecycle for all additions to Synergy's assets or asset portfolio • Full documentation of commissioning tests is required to be prepared and maintained in Synergy's DM system. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>2.5 Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</p>	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation, Worley staff at Collie Power Station, Synergy staff at Cockburn Power Station, and consideration of Synergy’s relevant procedures, we determined that Synergy has the following processes in place to manage the legal, environmental and safety obligations specific to each asset:</p> <ul style="list-style-type: none"> • Synergy’s legal obligations relevant to its operations primarily relate to environmental and safety matters. Other legal obligations are specifically addressed either directly via Synergy’s in house legal counsel or with the assistance of external legal advisors • Synergy manages awareness of key obligations imposed on the business through a register of environmental and related licences • Synergy’s Process Safety Management Standard is applied across the organisation as part of the Process Safety and Asset Management system. Each site has a designated Process Safety Management leader and committee whose assigned responsibilities include identifying, evaluating and documenting legislative and regulatory requirements pertaining to process safety • Synergy maintains an environmental management system that it aims to align with ISO14001 in order to comply with its environmental and legal requirements. The environmental team is responsible for identifying, evaluating and documenting legislative and regulatory requirements pertaining to environmental obligations • Environmental and legal considerations are also addressed in Synergy’s project evaluation procedures • Incidents are recorded and managed to close out through Empower, an information management system for managing production, environmental, health and safety incidents and hazards. The owner, investigation lead, due date and review with incident learnings are assigned and documented. Synergy tracks and reports the closure of process safety incident investigations as a formal KPI • Synergy has a Health & Safety performance dashboard that tracks KPIs related to incident and hazard investigations, corrective actions and lessons learnt • The Training Matrix outlines the Health, Safety and Environmental training courses available to Synergy personnel. These are designated as either mandatory, recommended or optional depending upon the role’s relation to legal, environmental and safety obligations. Note that for the Collie Power Station, WPS maintains a separate Training Matrix for the mandatory Health, Safety and Environmental training course to be undertaken by each of the power station’s maintenance, operations, engineering and administrative staff. That training matrix is adequately aligned with Synergy’s requirements • An examination of practices employed at the Collie and Cockburn power stations confirmed that Synergy maintains an appropriate awareness of the environmental and safety obligations at a site level. 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

3 Asset disposal

Key process: Asset disposal is the consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets

Expected outcome: The asset management framework minimises holdings of surplus and underperforming assets and lowers service costs. The cost-benefits of disposal options are evaluated

Overall Adequacy/Performance rating: Adequately defined (A) / Performing effectively (1)

Effectiveness criteria	Findings	
<p>3.1. Under-utilised and under-performing assets are identified as part of a regular systematic review process</p>	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation, and examination of relevant supporting documentation, we observed that Synergy has applied the following mechanisms for identifying under-utilised and under-performing assets:</p> <ul style="list-style-type: none"> • Monitoring of asset operational and financial performance is performed on a weekly, monthly, quarterly and annual basis • Generation of operational and financial reporting packs, which include: <ul style="list-style-type: none"> ○ Weekly production meeting packs ○ Weekly generation statistics ○ Monthly TGLT Operations performance reporting • Review of the AMPs for each power station are undertaken on an annual basis • Independent expert reviews are conducted on capital expenditure relating to maintenance of assets. Those reviews are typically on an annual basis as part of Synergy's financial planning and budget process • Loss prevention inspections, as a major aspect of Synergy's risk management activities directed at asset operations • Results of these assessments and inspections are included in Synergy's rolling five year plans • As part of Synergy's annual budgeting and asset management planning process, updates of forecasts of plant dispatch of all plant operating on the SWIS over a long-term time horizon (e.g. 20 years), for generation/fuel planning and corporate planning (budgeting) purposes. • Identification of risks associated with the viability of individual generating units, such as Muja C and D, which had high fixed operating costs. <p>We sighted supporting documents from the Muja Unit 5 Transition to Retirement as evidence of Synergy's application of its asset decommissioning strategy and processes .</p>	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

Effectiveness criteria	Findings	
3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation, and examination of relevant supporting documentation, we observed that Synergy has applied its asset disposal mechanisms to facilitate the examination of under-utilised and under-performing assets by:</p> <ul style="list-style-type: none"> • Collecting relevant data and information to enable assessment of the root cause of any underutilisation or poor performance of power station assets • Incorporating assessments into the annual TGBU budgeting process, which considers the major projects planned for the coming financial year and required output levels (in line with Synergy strategy). AMPs provide a greater breakdown of assessments including any equipment refurbishment, upgrade or replacement • Preparing a business case as part of the capital expenditure process, providing justification for the importance of the upgrade/purchase of equipment to the condition of the asset. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
3.3 Disposal alternatives are evaluated	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and examination of supporting documentation, we determined that Synergy's processes include the following:</p> <ul style="list-style-type: none"> • Reconsideration of asset life cycle plans and implications on at least an annual basis, though asset management planning workshops. Those reviews necessitate Synergy to address alternatives for decommissioning, removal or storage of key plant • AMPs are required to provide details of the major projects planned for each asset in the coming financial year, including any equipment replacement requirements. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
3.4 There is a replacement strategy for assets	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation, we determined that replacement strategies established for Synergy's power station assets are reflected in:</p> <ul style="list-style-type: none"> • The TGBU Portfolio Asset Mission Statement • AMPs established for each asset site. <p>We also note that Synergy's replacement strategies consider the replacement of generation capacity at the portfolio level by means of retirement and closure rather than replacement of individual assets.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

4 Operating environment

Key process: Examines the asset management system environment and assesses all external factors affecting the asset management system

Expected outcome: The asset management system regularly assesses external opportunities and threats and identifies corrective action to maintain performance requirements

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings
4.1 Opportunities and threats in the asset management system environment are assessed	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • The change in operation due to the WEM reform in October 2023 and increased low load running, generation assets have experienced increased number of starts • In line with its asset life-cycle planning, condition assessments and maintenance planning, Synergy has continued to appropriately identify and manage plant reliability and potential and actual failure events • Synergy's Asset Optimisation function has clearly identified projects that will mitigate these risks based on criticality and costs, in addition to making operational and maintenance improvements, all of which have been outlined in the AMPs for each of the power stations • For coal-fired units in Collie and Muja Power Stations, the UOF for 2023/2024, while it is a significant increase compared to the previous ten-year average, is considered to be in line with other coal fired units that are routinely cycled in industry. Overall, there is a shift in operating regime with substantial increase in total number of starts of the unit • By the end of year 2025, no previously identified asset risks were assessed to have increased over the year, with many remaining at the same risk rating level via the ongoing mitigation strategies • For coal-fired power stations in Collie and Muja, with the imminent retirement of the unit plant by end 2029, the number of large improvement actions is reducing as the station moves to avoid capital spend, with prioritised work assuring that the safe operation is not compromised • By FY28, Synergy's strategy is to improve Availability Capacity Factor (ACF) and reduce outage factors for Pinjar, Kwinana and Cockburn by undertaking scheduled outages and major maintenance works over FY26 and FY27, so that these power stations can meet the power requirements whilst its Collie and Muja Power Stations are phased out

Effectiveness criteria	Findings	
	<ul style="list-style-type: none"> Synergy's Asset Optimisation function is focussed on undertaking continuous monitoring and balancing budget allocations to improve reliability of critical assets and reduce the likelihood of failures. <p>We conclude that Synergy is adequately managing the risks and implementing continuous improvement strategies by assessing opportunities and threats that may impact performance of its asset management system.</p>	
4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> Synergy has well-established systems to measure and record all operational and maintenance metrics of all its assets on a weekly basis and map performance against target and to forecast the performance requirements of the assets for the next 5 years so that all their obligations in the energy market can be achieved Due to aging assets, corrosion impacting metal integrity, changes to operational requirements in the energy market leading to increased starts of the generation assets and increased duration of low load operations has led to high likelihood of asset failures that are now being addressed and mitigated through continuous monitoring and improvements undertaken with targeted budget allocations by Synergy's Asset Optimisation team Due to reliability and obsolescence issues experienced by the Pinjar Power Station, Synergy has been reactive in addressing plant performance issues. This is reflected in performance metrics with high POF forecasted for FY26, which in turn impacts the plant ACF metric, however it is forecasted that this would not be the case from FY27 With the scheduled retirement of the Collie and Muja Power Stations by FY29, no major capital projects are being undertaken, although must-to-do projects are being undertaken. There have been some gaps in the maintenance strategy leading to minor non-conformances and an increased metric for UOF The failure of generation assets would primarily result in the loss of generation and trigger a reserve capacity refund, with significant repair costs and operational impacts. Asset management plans play a critical role in Synergy's prevention of early failure of its generation assets. <p>We conclude that Synergy has maintained its systems to measure performance standards for all assets, however not all performance standards have achieved their target in this review period as outlined above. As Synergy's Thermal Asset Optimisation function is well-informed of the shortfalls and is actively in the process of addressing them through continuous monitoring and improvements this review makes no further recommendations for improvement.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
	Performance Rating: Adequately defined (A)	Performance Rating: Opportunity for improvement (2)

Effectiveness criteria	Findings	
4.3 Compliance with statutory and regulatory requirements	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy maintains a register to track and report all statutory and regulatory requirements for compliance purposes • External audits are undertaken on an annual basis to ensure compliance • Process Safety Incidents through the review period have been on a decline since FY23 indicating implementation of continuous improvement strategies • In accordance with its compliance and statutory requirements, Synergy had sufficiently identified, managed and reported incidents and minor breaches during this review period. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
4.4 Service standard (customer service levels etc) are measured and achieved	<p>As Synergy's Licence is limited to power generation, it does not have specific customer service levels to attain in relation to its electricity generation operations.</p> <p>In the context of its obligations to the community, Synergy operates and monitors its power generation operations in accordance with its statutory and regulatory obligations, including those of the market operator, AEMO.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

5 Asset operations

Key process: Asset operations is the day-to-day running of assets (where the asset is used for its intended purpose)

Expected outcome: The asset operation plans adequately document the processes and knowledge of staff in the operation of assets so service levels can be consistently achieved

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Opportunity for improvement \(2\)](#)

Effectiveness criteria	Findings	
5.1 Operational policies and procedures are documented and linked to service levels required	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy has consistently maintained an entire set of operational policies and procedures for all its assets in all power stations • Adjustments have been made to these policies and procedures in this review period when changes were made to the operating philosophy of assets caused by increased starts, increased low-load operations and excessive hours of asset operation • Prompted by asset failures and environmental compliance breaches, changes have been made to the Operator walkdown procedures in this review period • Work order management processes are effective with metrics in place to track overdue tasks and their impact based on criticality rating for effectively managing power station operations. <p>We conclude that Synergy appropriately links its operational policies and procedures to the requirements of asset service levels.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
5.2 Risk management is applied to prioritise operations tasks	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy undertakes risk assessments on a weekly or monthly basis, based on the asset type and priority, in order to align with asset inspection findings and to forecast potential failures and their impact to its Asset objectives • Risks are categorised in order of priorities based on criticality and cost of improvement or repair • Operational tasks are prioritised to meet compliance with statutory and regulatory requirements • Work order management processes maintain criticality rating of operational tasks to prioritise and complete them. <p>This review considers that Synergy's risk assessment processes are effective in identifying and mitigating risks associated with asset objectives.</p> <p>For Pinjar Power Station, the approach of repairs and improvements and the impact of reserved capacity refunds, is indicative of delayed effectiveness of improvement activities. Synergy has already developed a plan and is in the process of implementing it to address these issues. On the basis that there is a sustaining capital program in place at Pinjar to undertake upgrades and improve performance, it shows that Synergy's risk assessment processes are effective.</p> <p>Synergy acknowledges that the attraction and retention of critical skills required to operate and maintain generation assets is an ongoing risk to the business. For some key roles there are limited contingency options available and Synergy is actively pursuing options to manage this risk. We note this matter as a improvement opportunity that Synergy has recognised.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Opportunity for Improvement (2)

Effectiveness criteria	Findings	
5.3 Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy maintains a very comprehensive list of all its assets in the asset registers for all its power stations • There are up-to-date AMPs for each power station with the most recent data and physical/structural condition assessment of its assets • Spares management processes are in place and are effectively managed with detailed spares listing • Document management processes are comprehensive and all associated documentation of each of the assets is readily accessible to users • Frequency of revisions of these documents linked to assets are prompted and completed through Work Order Management Systems effectively. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
5.4 Accounting data is documented for assets	<p>By reviewing various documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy's asset registers for all power stations maintain details of asset condition and its residual value based on age and condition assessment • Synergy maintains corporate records to capture appropriate accounting data for its power station assets, including relevant costs, values and dates/periods. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
5.5 Operational costs are measured and monitored	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Annual operational budget is forecasted and then tracked against actual, which forms the basis of next year's operational budget allocation • Condition of assets prompt the operational tasks in the form of work orders which then provide the basis for operational budget forecasts each year • Decisions to replace or repair are dependent on the impact these assets make to the operating budget and for prioritising the budget spend accordingly • Risk assessments are undertaken to prioritise expenditure from the operational budget on a regular basis • Spares management maintains assets cost price and criticality to asset objectives based on which decisions around the requirement for maintaining minimum number of spares is made and this has an impact on the operational budget. This assists with streamlining operations management of the power station in order to minimise loss of capacity credits and to improve the overall plant reliability and availability. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities</p>	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy’s training processes are well-structured with list of training course requirements mapped against relevant roles and responsibilities undertaken by staff, contractors, graduate trainees and apprentices. • Training courses are structured from Level 1 to Level 5, with Level 1 being a requirement for all employees • Synergy’s Training Matrices appear to cover all job roles for power station employees, administration, engineering staff, management, etc. Retraining courses for the Emergency Response Team are identified with specified retraining period. The training matrix identifies mandatory training • Completion of training is tracked in RAPID and Enlighten LMS • Synergy funds and supports Employee Individual Transition Plan (ITP) development and implementation • Synergy is now in the process to work out a Workforce Transition Plan for employees of Muja Power Station due to the imminent closure of their employment by 2029 in line with the coal -fired plants being decommissioned • Performance reviews of employees is undertaken each year to identify training requirements for individuals • One of the power stations under review was observed to have 17.5% of contracted staff with overdue mandatory training, which was below target levels. Although these training courses were subsequently undertaken in December 2025, our review of the monthly report for November 2025 showed no tracking or emphasis placed to achieving the targeted training metrics. Mandatory training compliance was not being adequately tracked by either the contracted Operations and Maintenance provider or Synergy. Whilst Synergy has established processes to escalate training related issues with contractors, there was no indication that this matter had been recognised and either addressed or escalated in a timely manner to ensure Synergy continues to apply effective contract monitoring for achieving targeted training metrics. <p>Recommendation 1/2025 Synergy implement improvements to its:</p> <ul style="list-style-type: none"> • Contract management activities to ensure that all aspects of contractor training responsibilities are being met • Monthly dashboard reporting of training performance across all generation assets. 	
	<p>Adequacy Rating: Requires some improvement (B)</p>	<p>Performance Rating: Corrective action required (3)</p>

6 Asset maintenance

Key process: Asset maintenance is the upkeep of assets

Expected outcome: The asset maintenance plans cover the scheduling and resourcing of the maintenance tasks so work can be done on time and on cost

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings	
6.1 Maintenance policies and procedures are documented and linked to service levels required	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy has consistently maintained an entire set of maintenance policies and procedures for all its assets in all power stations • Adjustments have been made to these policies and procedures in this review period when changes were made to the operating philosophy and maintenance frequency for assets caused by increased starts, increased low-load operations and excessive hours of asset operation • Prompted by asset failures and environmental compliance breaches, changes have been made to maintenance procedures in this review period • Work order management processes are effective with metrics in place to track overdue tasks and their impact based on criticality rating for effectively managing power station maintenance. <p>All the above shows that Synergy links its maintenance policies and procedures to the requirements of asset service levels.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
6.2 Regular inspections are undertaken of asset performance and condition	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review and testing of asset inspection and maintenance activity for each of the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy maintains a detailed condition report of all its critical assets that have an impact on the plant availability and reliability in its AMPs that are reviewed annually • Asset Performance is reported through metrics on a weekly basis and tracked for continuous improvement in the Asset objectives • Frequency of asset inspections are outlined in AMPs and are tracked for completion through the work order system in Synergy’s computerised maintenance management system • Maintenance strategies for all power stations are based on condition monitoring • Due to changes made to the operational parameters through increase in starts, increase in low-load operations, increased hours of asset operation and historical condition assessment of the assets, Synergy’s Asset Optimisation Team has increased its frequency of inspections in this review period. 	
6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review and testing of maintenance plans and activity for each of the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Maintenance plans for all the assets have been developed and are available for use by the Maintenance Team in the form of Maintenance Procedures and ITPs. Categorisation of work orders from PM01 to PM06, based on whether maintenance has to be carried out immediately (PM01) or can wait to be carried out at the next outage of the plant, is undertaken by the Maintenance Planner • Kwinana and Cockburn power station metrics indicate performance above target • For Pinjar Power Station, there is a recognised need to change the maintenance strategy for meeting the availability capacity factors and to improve its reliability when Collie and Muja Power Stations have been taken offline in FY29. These works have already been actioned by Synergy’s Asset Optimisation Team • For Muja and Collie Power Stations, metrics for completing maintenance work orders indicate that Synergy continues to have opportunities to improve its performance and allocate maintenance budget and resources by prioritising tasks accordingly. We raised this matter Synergy’s Thermal Asset Optimisation team, who is aware of the opportunities and is active in addressing them through continuous monitoring and improvements. This review makes no further recommendations for improvement. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
	Adequacy Rating: Adequately defined (A)	Performance Rating: Opportunity for improvement (2)

Effectiveness criteria	Findings	
6.4 Failures are analysed and operational/maintenance plans adjusted where necessary	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review and testing of maintenance activity and failure assessments for each of the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy's assets in Muja, Collie and Pinjar have experienced high FOF and UOF because of their age and changes made to their operational regime that fall outside the envelope of its design limitations since FY23 that has resulted in a loss in capacity credits and some minor non-compliances environmentally • Changes made to the maintenance plans at the Muja, Collie and Pinjar power stations will see improved availability and reliability of assets post FY27 • Synergy's Asset Optimisation Team has demonstrated that it takes necessary steps upon analysing failures. As an example, we sighted changes made to the operator walkdown checklist, training and maintenance plans after a non-compliance incident. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
6.5 Risk management is applied to prioritise maintenance tasks	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review and testing of maintenance plans and activity for each of the five power stations covered by the Licence, we determined that:</p> <ul style="list-style-type: none"> • Synergy undertakes risk assessments on a weekly or monthly basis, based on the asset type and priority in order to identify maintenance tasks and prioritise them from PM01 to PM06 based on the timing and urgency of repairs to be undertaken • Maintenance tasks are prioritised to minimise loss of capacity credits and to meet compliance with statutory and regulatory requirements • Work order management processes maintain criticality rating of maintenance tasks which are prioritised and scheduled for completion by the maintenance planner. <p>This review considers that Synergy's risk assessment processes are effective in identifying and mitigating risks associated with asset objectives. We note that with Collie and Muja Power Stations being retired by FY29, any major maintenance activities with high cost will become progressively less viable for these two assets. However, based on cost, criticality and potential risks of asset failure, maintenance budget allocation is currently carried out and scheduled/tracked for completion.</p> <p>For Pinjar Power Station, the approach of repairs and improvements and the impact of reserved capacity refunds, is indicative of delayed effectiveness of improvement activities. Synergy has already developed a plan and is in the process of implementing it to address these issues. On the basis that there is a sustaining capital program in place at Pinjar to undertake upgrades and improve performance, it shows that Synergy's risk assessment processes are effective.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
6.6 Maintenance costs are measured and monitored	<p>Through discussions with WPS staff at Collie Power Station, Synergy staff at Cockburn Power Station and various other Synergy staff from Corporate office associated with compliance and performance optimisation portfolios along with review of relevant documents from the five power stations covered by the Licence, we observed that:</p> <ul style="list-style-type: none"> • Maintenance costs are forecasted and monitored by noting the actual cost upon completion • Annual maintenance budget is forecasted and then tracked against actual, which forms the basis of next year's maintenance budget allocation, which also takes into consideration any planned outages • Condition of assets prompt the maintenance tasks in the form of work orders, which then provide the basis for maintenance budget forecasts each year • Decisions to replace or repair are dependent on the impact these assets make to the plant availability and reliability and by prioritising the budget spend accordingly • Risk assessments are undertaken to prioritise expenditure from the maintenance budget on a monthly basis • Detailed planning and budgeting for major outages is undertaken and updated in power station AMPs accordingly. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

7 Asset management information systems

Key process: An asset management information system is a combination of processes, data and software supporting the asset management functions

Expected outcome: The asset management information system provides authorised, complete and accurate information for the day-to-day running of the asset management system. The focus of the review is the accuracy of performance information used by the licensee to monitor and report on service standards

Overall Adequacy/Performance rating: Adequately defined (A) / Performing effectively (1)

Effectiveness criteria	Findings	
7.1 Adequate system documentation for users and IT operators	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation and Work Management and Master Data Team Lead, and walkthrough of relevant information systems, we observed that Synergy:</p> <ul style="list-style-type: none"> • Uses an established Computerised Maintenance Management System (CMMS) • Uses an established live monitoring and recording database for plant operations • Maintains internal support teams for the maintenance of these systems • Has developed a suite of policies and user guides for the CMMS and general IT use, which are stored in Synergy's electronic document management system. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
7.2 Input controls include suitable verification and validation of data entered into the system	<p>Through discussion with the Work Management and Master Data Team Lead and consideration of Synergy's Master Data Standards and Management of Change – Technical processes we determined that Synergy has the following verification and validation controls over CMMS asset operations and maintenance data:</p> <ul style="list-style-type: none"> • Access to input data is limited by role-based user profiles allocated to each employee. Role profiles assign only the relevant transaction codes to the employee and access is tested by the Master Data Team • The process to input, validate and verify data is outlined in the TGBU – CMMS Master Data Standard - Change Process Procedure • Input or change of data is centralised through the Master Data Team through a 'D1 Notification' Change Process. Input data must follow the Master Data Template and/or the Material Cataloguing Form. Complex changes that affect the budget or maintenance strategy require additional approval from site engineers or managers who verify and validate the data. Upon attaining all required approvals, the Master Data Team executes the change • The Master Data Team has maintained a Data Audit and Cleansing program and CMMS Master Data Quality Metrics. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
7.3 Security access controls appear adequate, such as passwords	Through discussion with the Manager Infrastructure, Technology and Business Services (TBS), and consideration of Synergy's logical security arrangements, we determined that Synergy has maintained adequate security access controls.	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
7.4 Physical security access controls appear adequate	Through discussion with the Manager Infrastructure, TBS and consideration of Synergy's physical security over its data, we determined that Synergy has maintained adequate physical security access controls across its relevant sites.	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
7.5 Data backup procedures appear adequate and backups are tested	Through discussion with the Manager Infrastructure, TBS, consideration of Synergy's Data backup mechanisms and sighting of an example system backup and restore, we determined that Synergy has maintained adequate data backup procedures and testing arrangements.	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
7.6 Computations for licensee performance reporting are accurate	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Senior Engineer Work Management, and consideration of Synergy's management reporting procedures, we determined that for TGBU operations, including the five power stations covered by the Licence:</p> <ul style="list-style-type: none"> • Weekly and monthly performance reports are based on data input into the Loss of Energy Availability Data System (LEADS) application • Data input into LEADS has an associated timestamp and user information for traceability. The data is verified by weekly cross-referencing of LEADS against the Market Performance Interface which is used by AEMO to monitor regulatory requirements. The reported data is sense checked by engineering site representatives who validate what has been computed • Forecast models are verified with historical data and recalibrated to suit, particularly regarding operational data. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
7.7 Management reports appear adequate for the licensee to monitor licence obligations	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Senior Engineer Work Management, and consideration of Synergy's management reporting procedures, we determined that for TGBU operations, including the five power stations covered by the Licence:</p> <ul style="list-style-type: none"> • A variety of scheduled reports are capable of being generated from Synergy's CMMS • Scheduled reports are run on a regular basis including Weekly Availability Reports and TGBU Monthly Report Packages in relation to Availability Capacity Factor, Planned Outage Factor, Forced Outage Factor, Maintenance Outage Factors, Reserve Capacity Refunds, MWh lost for each generation unit, causes of outages, known plant issues and outage scheduling • Synergy is progressively implementing live dashboards to provide management with more current and useful information. <p>We conclude that Synergy's asset management reports are adequately designed and used to monitor its Licence obligations.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	<p>Through discussion with the Acting Risk Manager, Cyber Security Governance Risk and Compliance Officer and Head of Assurance and Compliance, and consideration of Synergy's information management and cyber security risk assessment and management arrangements, we observed that Synergy has established and maintained appropriate processes and procedures relating to the protection of information assets and systems.</p>	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

8 Risk management

Key process: Risk management involves the identification of risks and their management within an acceptable level of risk

Expected outcome: The risk management framework effectively manages the risk that the licensee does not maintain effective service standards

Overall Adequacy/Performance rating: Adequately defined (A) / Performing effectively (1)

Effectiveness criteria	Findings	
<p>8.1 Risk management policies and procedures exist and are applied to minimise internal and external risks</p>	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Head of Assurance and Compliance, and walk through of Synergy’s enterprise risk management framework and related policies, procedures and practices, we determined that:</p> <ul style="list-style-type: none"> • Synergy’s enterprise risk management framework is aligned with the principles of ISO 31000 – Risk Management • Synergy incorporates risk management as a fundamental aspect of its decision making processes to support and enhance business activities in all areas of its operations • The Synergy Board provides oversight on all elements of risk management. The Chief Executive Officer has the ultimate ownership responsibility for risk management, with the Executive Leadership Team playing a pivotal role. The Head of Risk provides guidance on the application of the process and also reports risk management activity to the Board • Synergy’s risk management hierarchy (as it applies to its TGBU operations) is comprised of: <ul style="list-style-type: none"> ○ Risk governance processes (including Risk Management Policy, Enterprise Risk Management Standard (ERM Framework), H&S Risk Management Procedure and Critical Risk Control Management Procedure), which are referenced in the PSAM program and supporting AMPs ○ Tailored risk tables that are specific and applicable to TGBU operations, enabling Synergy to determine the likelihood, consequence, control effectiveness, materiality and tolerability of each risk, with set thresholds for each ○ Empower, Synergy’s organisation wide risk management system, which captures all details for five categories of risk, being Strategic, Enterprise, Operational, Project and Emerging ○ Risk analyses conducted on a project basis, as part of business case proposals for acquisition of new assets • Synergy aligns with the So Far As Is Reasonably Practicable methodology which requires risks to be reduced to the lowest level that is reasonably achievable <p>We confirmed that each power station AMP captures the power station asset risk profile and associated treatments/mitigations. We also observed the completion of risk treatments for the Collie and Cockburn Power Stations.</p>	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

Effectiveness criteria	Findings	
8.2 Risks are documented in a risk register and treatment plans are implemented and monitored	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and examination of Synergy's risk management procedures, we determined that:</p> <ul style="list-style-type: none"> • All power station (asset site) identified operational risks and associated risk treatments/actions are recorded in the organisation wide Empower risk management system • Risk treatment plans are primarily actioned through CMMS work orders, schedules and tasks, which are monitored through day-to-day operations • All risks are required to be reviewed on at least an annual basis, with triggers for reviewing material risks more frequently. The annual asset management planning process is a demonstration of the annual review of risks relating to each power station, with AMPs documenting those key asset management risks and their associated mitigations and treatment plans • The material risk profile is reported on a monthly basis to the ERT and to the Board on a scheduled basis. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>8.3 Probability and consequences of asset failure are regularly assessed</p>	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation and Head of Thermal Asset Optimisation, and examination of Synergy’s risk assessment process and documentation, we observed that Synergy applied the following mechanisms for regularly assessing consequence and likelihood of power station asset failure:</p> <ul style="list-style-type: none"> • The annual asset management planning process includes a comprehensive review of the likelihood of asset failure taking into consideration the history of failure, previous maintenance activities, previous CAPEX projects and any OEM notifications • The consequences of failure are then assessed by conducting FMEA style workshops. Consequences are categorised by impact on financial, health and safety, environmental, community, reputation, legal and compliance requirements. • All material physical asset risks (Level 3 High or Level 4 Extreme) are required to be reviewed on at least an annual basis. Earlier reviews can be triggered by a change in asset management strategy that may impact on operational risk such as extending time in service past nominated service life, changes in financial targets, discovery of new risks or plant issues, assessment of loss of availability trends and changes to safety/environmental management of systems or equipment <p>Each of the 10 AMPs that we examined capture the assessment of likelihood and consequence of asset component failure.</p> <p>We note that the Pinjar Power Station has experienced higher than anticipated failure rates due to a combination of factors, including the shift from being rarely used to a Peaker Plant in 2021 and insufficient historical maintenance. These factors resulted in new and unknown failure modes. In assessing the effectiveness of the asset management system separately to the performance of the asset, we acknowledge that Synergy’s asset management planning process and its criticality and risk framework was able to recognise and address emerging issues resulting from the unique and extreme shift of operation of Synergy generating assets, ultimately serving to prevent the emergence of multiple failure modes to ensure safe operation. Synergy has applied an Availability and Reliability Implementation Roadmap to fulfill necessary improvements.</p>	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

9 Contingency planning

Key process: Contingency plans document the steps to deal with the unexpected failure of an asset

Expected outcome: Contingency plans have been developed and tested to minimise any major disruptions to service standards

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings
<p>9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</p>	<p>Through discussion with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Head of Assurance and Compliance, relevant managers and other staff at Collie Power Station and Cockburn Power Station, examination of relevant supporting documentation and sample testing of the execution of plans, we determined that:</p> <ul style="list-style-type: none"> • Synergy has continued to maintain an integration of emergency management, crisis management and business continuity management through: <ul style="list-style-type: none"> ○ <u>An overarching Crisis Management Plan (CMP)</u>, which is designed to provide a framework for management and coordination of Synergy's response to a crisis or crises. Synergy uses a scalable Crisis Management Team model comprising of senior staff at all levels of the business to ensure that they are able to respond accordingly to any crisis situation ○ <u>Site specific Emergency Management Plans (EMP)</u>. For Collie Power Station, the equivalent plan prepared by WPS is the Emergency Response Plan <ul style="list-style-type: none"> ▪ Each site Emergency Response/Management Plan specifies roles and responsibilities for staff to assist in management of an emergency and provides various scenarios and possible management strategies ○ <u>Site specific Business Continuity Plans (BCP)</u> <ul style="list-style-type: none"> ▪ BCPs have been maintained for each of the Cockburn, Collie, Kwinana, Muja and Pinjar power stations. We sighted the most recent versions, which are all based on Synergy's most recent BCP template

Effectiveness criteria	Findings	
9.1 (cont.)	<ul style="list-style-type: none"> • Crisis Management and Business Continuity system and processes are subject to a detailed annual review by the Risk Team and Executive General Manager General Counsel and Governance • Synergy’s risk management practices also review potential crises on an annual basis to ensure provisional crisis management plans are developed for the most critical scenarios • The design of Synergy’s power station sites contain inherent contingencies for fuel, water, critical equipment and power backup • Synergy has developed and/or maintained workaround strategies for its core generating asset contingencies • Synergy has routinely undertaken scheduled exercises and drills at each of the five power stations covered by the Licence: <ul style="list-style-type: none"> ○ Discussion and walkthroughs with site personnel at Collie and Cockburn Power Stations indicated that they understood the Emergency Management Plans and Business Continuity Plans ○ We sighted records of the December 2024 Mock Environmental Evacuation Drill at the Collie Power Station, which was designed to incorporate both safety related and environmental related emergencies. The exercise simulated a hazard to personnel, evacuation of those personnel (with missing personnel) and an environmental incident ○ We sighted records of the March 2025 Site Wide Emergency Evacuation Drill (including the Gas Generation Kwinana / Cockburn site), which simulated a structural collapse, missing persons and personal injury ○ We sighted a Muster Point Site Evacuation Register for a 7 March 2024 drill at Collie Power Station. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

10 Financial planning

Key process: Financial plan brings together the financial elements of the service delivery to ensure its financial viability over the long term

Expected outcome: The financial plan is reliable and provides for the long-term financial viability of the services

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings	
10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those	<p>Through discussion with the Head of Strategic Analysis & Planning and Group Financial Controller Operations, and consideration of Synergy's financial planning mechanisms, we observed that:</p> <ul style="list-style-type: none"> • The Synergy's Statement of Corporate Intent , which is prepared on an annual basis for submission to the Minister for Energy, encompasses Synergy's financial objectives, strategies to achieve them and KPI targets to measure them • In accordance with Synergy's Manage to Budget process, on an annual basis, the TGBU prepares a full financial plan detailing all expenditure projections for each of its Coal Generation operations, Gas Generation operations, portfolio projects and asset optimisation projects. This financial plan is incorporated into Synergy's annual budget, which is approved by the Board • The financial objectives and strategies of Thermal Generation operations are driven by its overall business unit objectives • Financial plans extend to the cost centre level, which includes each of the power stations covered by the Licence. Power station AMPs reflect those financial plans. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs	<p>Through discussion with the Head of Strategic Analysis & Planning and Group Financial Controller Operations, and consideration of Synergy's financial planning mechanisms, we observed that:</p> <ul style="list-style-type: none"> • In preparation of a portfolio level financial plan, Synergy has access to funds mainly from internal funding options through budget offsets, debt facility from WA Treasury or equity injection by government • The evaluation of funding options is incorporated into Synergy's Business Case Template. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	<p>Through discussion with the Head of Strategic Analysis & Planning and Group Financial Controller Operations, and consideration of Synergy's financial planning mechanisms, we observed that:</p> <ul style="list-style-type: none"> • Detailed level projections of operating statements and statement of financial position occur at a portfolio level after taking into account operational information from individual assets • The financial plan for TGBU's Thermal Generation and Gas Generation operations includes a separate projection of monthly profit and loss subdivided into operational, maintenance, logistics and staff by site • Projections of detailed monthly profit and loss are prepared for each of TGBU's Thermal Generation and GTDG operations and incorporated into monthly TGBU Portfolio Reviews • Quarterly Reports and the Annual Report presented to the State outline Synergy's actual financial positions. • Financial plans extend to the cost centre level, which includes each of the power stations covered by the Licence. Power station AMPs reflect those financial plans. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
10.4 The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	<p>Through discussion with the Head of Strategic Analysis & Planning and Group Financial Controller Operations, and consideration of Synergy's financial planning mechanisms, we observed that:</p> <ul style="list-style-type: none"> • Synergy utilises market simulation software to generate long term market projections for various market scenarios • As part of the annual State Budget Forecast process, a five year forecast of income and expenses is prepared at a portfolio level (being a collation of plans and forecasts prepared for each asset) and submitted to the Department of Treasury for review, prior to inclusion in the State budget • Detailed information is provided for each item in the five year forecasts, including underlying assumptions and financial impacts and presented for review to Synergy's Board • A longer term outlook up to 20 years is also carried out with indicative predictions of income. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services</p>	<p>Through discussion with the Head of Strategic Analysis & Planning, Group Financial Controller Operations and Cockburn Power Station Manager, and consideration of Synergy’s financial planning policies, monthly financial performance reports and models, we observed that:</p> <ul style="list-style-type: none"> • In accordance with Synergy’s Manage to Budget process, a detailed financial plan is prepared for TGBU’s Coal Generation and Gas Generation operations, which includes a detailed monthly Profit and Loss for each of the major assets, including each of the power stations covered by the Licence • The financial plan for TGBU’s Coal Generation and Gas Generation operations considers operational costs relating to engineering, maintenance and administration and provides a separate monthly Profit & Loss for each of these costs • Site analysts at each asset are required to submit a plan that covers requirements for labour, maintenance, administration, materials, contractors and other operational costs. The maintenance plan is determined based on scheduled work plus availability requirements • For each site (cost centre) , a separate monthly Profit & Loss is prepared for each of the operational costs relating to logistics, staff, engineering, maintenance and operations • The financial plan is supported by a capital expenditure plan, which outlines projects and associated expenditure for each asset • Power station AMPs reflect those financial plans for operations and maintenance, administration and capital expenditure requirements 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

Effectiveness criteria	Findings	
<p>10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary</p>	<p>Through discussion with the Head of Strategic Analysis & Planning and Group Financial Controller Operations, consideration of Synergy's financial planning mechanisms, and examination of monthly TGBU reports, we observed that:</p> <ul style="list-style-type: none"> • The monthly TGBU Portfolio Review tracks actual vs forecast expenditures and breaks down costs by individual project • Progress against planned budget is tracked by Thermal Generation and GTDG during monthly Financial Performance Updates, which review financial performance by generating asset and individual department (maintenance, operations, engineering, outage management) • Reasons for large variations for that month and the year to date are presented in the monthly Financial Performance Update, which enables management to specifically assess actual vs budgeted expenditure for each asset, identify sites that are over budget or problematic and determine necessary corrective action • The Quarterly Report also outlines large variances in actual/budget income and expenses and identifies the internal and external reasons leading to these variations • No significant variances, which required action beyond the standard business processes detailed above occurred during the period subject to review. 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

11 Capital expenditure planning

Key process: The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure for these works over the next five or more years. Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would usually be based on firm estimates

Expected outcome: The capital expenditure plan provides reliable forward estimates of capital expenditure and asset disposal income. Reasons for the decisions and for the evaluation of alternatives and options are documented

Overall Adequacy/Performance rating: [Adequately defined \(A\)](#) / [Performing effectively \(1\)](#)

Effectiveness criteria	Findings	
11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	<p>Through discussion with the Head of Strategic Analysis & Planning and Head of Thermal Projects, consideration of Synergy's capital planning procedures and examination of the capital expenditure plans for Synergy's generation assets, we determined that:</p> <ul style="list-style-type: none"> • A capital expenditure plan is included in the annual financial plan for TGBU's Coal Generation and Gas Generation operations • Capital expenditure planning is undertaken along with financial planning on a rolling five year basis, as part of the State Budget Forecasting process • The plan provides information on the amount of budgeted capital expenditure, purpose and description of the spend and the asset to which it relates • Business cases for each project also detail the assigned project manager, project dates, detailed scope of actions proposed and allocated funds. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure</p>	<p>Through discussion with the Head of Strategic Analysis & Planning and Head of Thermal Projects, consideration of Synergy's capital planning procedures and examination of capital expenditure plans for Synergy's generation assets, we determined that:</p> <ul style="list-style-type: none"> • TGBU's Coal Generation and Gas Generation operations capital expenditure plans outline the: <ul style="list-style-type: none"> ○ Individual capital projects by site (e.g. power station) ○ Details of the financial year in which the capital expenditure amount is planned ○ Reasons for the expenditure. Note that: <ul style="list-style-type: none"> ▪ Supporting business cases outline the opportunity/problem reasoning behind the project and the investment driver ▪ The strategic value of each project is evaluated using Synergy's dedicated project management tool and the investment plan optimised to deliver highest strategic value (beyond any mandatory projects) • Power station AMPs reflect the CAPEX strategy for each generating unit and the risk associated with the hazard being addressed by a capital expenditure • The deferral of projects and any budget reduction initiatives must also undergo a risk assessment to ensure enterprise risk level does not exceed Synergy's threshold. This allows prioritisation of projects whilst minimising enterprise risk given limited funding. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
<p>11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</p>	<p>Through discussion with the Head of Strategic Analysis & Planning and Head of Thermal Projects, consideration of Synergy's capital planning procedures and an examination of the capital expenditure plans for Synergy's generation assets, we determined that:</p> <ul style="list-style-type: none"> • In accordance with Synergy's Manage to Budget process, capital expenditure plans are prepared using CMMS finance data and modelling to analyse and optimise expenditure by evaluating the interaction between plant condition, maintenance spending, investment spending, operating regime and reliability targets • Power station AMPs reflect the most recent annual review of asset life and condition , which inform the capital expenditure plan • Synergy's procedures address the requirement for life cycle costs of assets to be assessed and recorded in formal project evaluations • Synergy's procedures address the requirement for investment and capital expenditure estimates to be calculated and disclosed within the project evaluation phase. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

Effectiveness criteria	Findings	
<p>11.4 There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented</p>	<p>Through discussion with the Head of Strategic Analysis & Planning and Head of Thermal Projects, consideration of Synergy's capital planning procedures and an examination of the capital expenditure plans for Synergy's generation assets, we determined that:</p> <ul style="list-style-type: none"> • Synergy's dedicated project management tool supports project initiation, business case development, procurement, project cost estimation and delivery. The progress status of individual project expenditure and delivery can be tracked • The capital plan is annually reviewed internally along with the financial plan to ensure consistent alignment with current business and strategic plans • The monthly TGBU Portfolio Review is used to track and discuss progress of projects in the capital expenditure plan. The TGBU Portfolio Review encompasses updates and changes to projects, projects not started, projects in business case/planning stage, monthly CAPEX spend forecast, yearly CAPEX spend forecast, top expenditure projects and individual project expenditure by division or programme • The capital plan is also reviewed annually as part of the State Budget forecasting process. 	
	<p>Adequacy Rating: Adequately defined (A)</p>	<p>Performance Rating: Performing effectively (1)</p>

12 Review of asset management system

Key process: The asset management system is regularly reviewed and updated

Expected outcome: The asset management system is regularly reviewed and updated

Overall Adequacy/Performance rating: Adequately defined (A) / Performing effectively (1)

Effectiveness criteria	Findings	
12.1 A review process is in place to ensure the asset management plan and the asset management system described in it remain current	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Head of Assurance and Compliance, and examination of Synergy’s Asset Management Policy, Asset Management Manual and TGBU Portfolio Asset Mission Statement, we determined that:</p> <ul style="list-style-type: none"> • Synergy’s Asset Management Policy requires Synergy to “Review and monitor the asset management system regularly for compliance and continuous improvement opportunities” • Synergy’s PSAM and Asset Management Policy are subject to annual management review, that results in a system effectiveness and health report that considers performance, policy, objectives and targets, continuous improvement and emerging risks to ensure adequacy and effectiveness • The SAMM is subject to review every two years, with the next scheduled review in October 2027 • AMPs are subject to annual review. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)
12.2 Independent reviews (e.g. internal audit) are performed of the asset management system	<p>Through discussions with the Manager Process Safety and Asset Management Thermal Generation, Head of Thermal Asset Optimisation and Head of Assurance and Compliance, and examination of Synergy’s Asset Management Policy, Asset Management Manual and supporting documents, we determined that:</p> <ul style="list-style-type: none"> • Synergy’s PSAM system and SAMM provides for a PSAM system audit program, including three key types of audits, being: <ul style="list-style-type: none"> ○ Local PSAM system audits undertaken by an operational team, in collaboration with Asset Performance; ○ Specialised PSAM system audits managed by Asset Performance; and ○ External audits managed by Internal Audit • PSAM continuous improvement recommendations from the audit program are recorded by the Asset Performance team • In 2024/25, Synergy engaged Better AIM to perform an independent assessment of its asset management maturity, using the Institute of Asset Management’s IAM 40 Subject Framework. The assessment concluded that Synergy’s AMS had continued to mature since 2019, with some priority gaps and observations and a recommended 3 year program of practical improvement initiatives. 	
	Adequacy Rating: Adequately defined (A)	Performance Rating: Performing effectively (1)

5. Status of recommendations addressing asset system deficiencies from previous review

Reference (no./year)	Process and policy deficiency / Performance deficiency (Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency)	Reviewer's recommendation or action planned	Date resolved	Details of further action required (including current recommendation Further action required (Yes/No/Not Applicable) reference, if applicable)
A. Resolved during current review period				
B. Unresolved at end of current review period				
Not applicable - there were no recommendations addressing asset system deficiencies from the previous 2020 review.				

Appendix A - Review Plan

Electricity Generation and Retail Corporation (Synergy)

Electricity Generation Licence (EGL7)

2025 Asset Management System Review

Review Plan

November 2025

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Introduction

Overview

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Electricity General and Retail Corporation (**Synergy**) an Electricity Generation Licence (EGL 7) (the **Licence**).

Section 14 of the Act requires Synergy to provide to the ERA an asset management system review (the review) report conducted by an independent expert acceptable to the ERA not less than once in every 24-month period unless otherwise approved by the ERA. With the ERA's approval, Assurance Advisory Group (**AAG**) has been appointed to conduct the review for the period 1 November 2020 to 31 October 2025 (**review period**).

Synergy is Western Australia's largest electricity generator and retailer of electricity and gas with more than one million residential, business and industry customers. The licence relates to Synergy's extensive and diverse generation activities which includes a range of non-renewable and renewable energy sources, predominantly within the South West Interconnected System. Synergy's major power stations, listed on the EGL7 are located in Collie, Muja, Kwinana, Cockburn and Pinjar.

The review will be conducted in accordance with the ERA's July 2025 issue of the *Audit and Review Guidelines: Electricity and Gas Licences (Review Guidelines)*. In accordance with the Review Guidelines this document represents the Review Plan (the **Plan**) that is to be agreed upon by AAG and Synergy and presented to the ERA for approval.

Objective

The objective of the review is to independently examine the effectiveness and performance of the asset management system established for the assets subject to Synergy's Licence during the review period.

Scope

In accordance with the Review Guidelines, the review will consider the effectiveness of Synergy's existing control procedures within the 12 key processes in the asset management life cycle as outlined below at Table 1. Each key process and effectiveness criteria is applicable to Synergy's Licence and as such will be individually considered in this review.

Table 1 – Asset management system key processes and effectiveness criteria

Key processes	Effectiveness criteria
1. Asset Planning	<ul style="list-style-type: none">1.2 Asset management plan covers the processes in this table1.3 Planning processes and objectives reflect the needs of all stakeholders and is integrated with business planning1.4 Service levels are defined in the asset management plan1.5 Non-asset options (e.g. demand management) are considered1.6 Lifecycle costs of owning and operating assets are assessed1.7 Funding options are evaluated1.8 Costs are justified and cost drivers identified1.9 Likelihood and consequences of asset failure are predicted1.10 Asset management plan is regularly reviewed and updated

Key processes	Effectiveness criteria
2. Asset creation and acquisition	2.1 Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options 2.2 Evaluations include all life-cycle costs 2.3 Projects reflect sound engineering and business decisions 2.4 Commissioning tests are documented and completed 2.5 Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood
3. Asset disposal	3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process 3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken 3.3 Disposal alternatives are evaluated 3.4 There is a replacement strategy for assets
4. Operating Environment	4.1 Opportunities and threats in the asset management system environment are assessed 4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved 4.3 Compliance with statutory and regulatory requirements 4.4 Service standard (customer service levels etc) are measured and achieved
5. Asset operations	5.1 Operational policies and procedures are documented and linked to service levels required 5.2 Risk management is applied to prioritise operations tasks 5.3 Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition 5.4 Accounting data is documented for assets 5.5 Operational costs are measured and monitored 5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities
6. Asset maintenance	6.1 Maintenance policies and procedures are documented and linked to service levels required 6.2 Regular inspections are undertaken of asset performance and condition 6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule 6.4 Failures are analysed and operational/maintenance plans adjusted where necessary 6.5 Risk management is applied to prioritise maintenance tasks 6.6 Maintenance costs are measured and monitored
7. Asset management information systems	7.1 Adequate system documentation for users and IT operators 7.2 Input controls include suitable verification and validation of data entered into the system 7.3 Security access controls appear adequate, such as passwords 7.4 Physical security access controls appear adequate 7.5 Data backup procedures appear adequate and backups are tested 7.6 Computations for licensee performance reporting are accurate 7.7 Management reports appear adequate for the licensee to monitor licence obligations 7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation

Key processes	Effectiveness criteria
8. Risk management	<p>8.1 Risk management policies and procedures exist and are applied to minimise internal and external risks</p> <p>8.2 Risks are documented in a risk register and treatment plans are implemented and monitored</p> <p>8.3 Probability and consequences of asset failure are regularly assessed</p>
9. Contingency planning	<p>9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</p>
10. Financial planning	<p>10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those</p> <p>10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs</p> <p>10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)</p> <p>10.4 The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period</p> <p>10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services</p> <p>10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary</p>
11. Capital expenditure planning	<p>11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates</p> <p>11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure</p> <p>11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</p> <p>11.4 There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented</p>
12. Review of asset management system	<p>12.1 A review process is in place to ensure the asset management plan and the asset management system described in it remain current</p> <p>12.2 Independent reviews (e.g. internal audit) are performed of the asset management system</p>

Synergy's responsibility for maintaining an effective asset management system

Synergy is responsible for putting in place policies, procedures and controls, which are designed to provide for an effective asset management system for assets subject to the Licence.

AAG's responsibility

Our responsibility is to express a limited assurance conclusion on whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that Synergy's AMS for assets subject to its Licence have not been established and maintained, in all material respects, in accordance with the Licence as measured by the effectiveness criteria in the Guidelines for the period from 1 November 2020 to 31 October 2025. The review will be conducted in accordance with Australian Standard on Assurance Engagements ASAE 3500 Performance Engagements (**ASAE 3500**), issued by the Australian Auditing and Assurance Standards Board.

ASAE 3500 requires that we plan and perform the review to obtain limited assurance about whether the AMS for assets subject to the Licence is materially ineffective. A limited assurance engagement conducted in accordance with ASAE 3500 involves identifying areas where the AMS for assets subject to a Licence is likely to be materially ineffective, addressing the areas identified and considering the process used to prepare the AMS for assets subject to the Licence. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk

assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Limitations of use

Our report will be produced solely for the information and internal use of Synergy and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner or for any purpose, on our report.

We understand that a copy of our report will be provided to the ERA for the purpose of meeting Synergy's reporting requirements of section 14 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, however we accept no responsibility to the ERA or to anyone who is provided with or obtains a copy of our reports.

This plan is intended solely for the use of Synergy for the purpose of its reporting requirements under section 14 of the Act.

Inherent limitations

A review consists primarily of making enquiries, primarily of persons responsible for the management of assets, applying analytical and other review procedures, and examination of evidence for a small number of transactions or events. A review is substantially less in scope than a reasonable assurance "audit" conducted in accordance with ASAEs. Accordingly, we will not express an audit opinion in the asset management system review report.

Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

Approach

The review will be conducted in three distinct phases, being a risk assessment, system analysis/policy and procedure review and examination of performance. From the review results, a report will be produced to outline findings, overall assessments and recommendations for improvement in line with the Review Guidelines. Each step of the review is discussed in detail below.

Risk assessment

The review will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to review. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the reviewer to focus on pertinent/high risk areas of Synergy’s asset management systems established for the assets subject to Synergy’s licence. The risk assessment considers changes to Synergy’s relevant systems and processes and any matters of significance raised by the ERA and/or Synergy. The level of risk and materiality of the process determine the level of review required i.e. the greater the materiality and the higher the risk, the more effort will be applied.

The first step of the risk assessment is the rating of the potential consequences of Synergy not effectively maintaining an asset management system for the assets subject to its licence, in the absence of mitigating controls. The consequence classification descriptions listed at Table 1 of the Reporting Manual, provides the risk assessment with context to enable the appropriate consequence rating to be applied to each component of the asset management system subject to review.

Once the consequence has been determined, the likelihood of Synergy not effectively maintaining an asset management system for the assets subject to its licence (with reference to the defined effectiveness criteria) is assessed using the likelihood rating listed at Table 17 of the Review Guidelines (refer to Appendix 1). The assessment of likelihood is based on the expected frequency of non-performance against the defined criteria, over a period of time.

Table 2 below (sourced from Table 18 of the Review Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual effectiveness criteria.

Table 2: Inherent risk rating

	Consequence		
Likelihood	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings specified in the Review Guidelines (refer to Appendix 1-3). Once inherent risks and control risks are established, the review priority can then be determined using the matrix specified in the Review Guidelines (refer to Table 3 below). The higher the level of risk the more substantive testing is required.

Table 3: Assessment of Review Priority

Inherent Risk	Preliminary adequacy of existing controls		
	Weak	Moderate	Strong
High	Review priority 1	Review Priority 2	
Medium	Review priority 3	Review Priority 4	
Low	Review Priority 5		

The following table outlines the review requirement for each level of review priority. Testing can range from extensive substantive testing around the controls and activities of particular processes (including physical inspection of asset infrastructure, which will be given greater attention for those processes with a review priority of 1, 2 or 3) to confirming the existence of controls through discussions with relevant staff.

Table 4: Review Priority Table

Priority rating	Review requirement
Review Priority 1	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls as they apply to each asset management system effectiveness criteria • Examine relevant documents, registers and reports as they apply to each asset management system effectiveness criteria • Obtain evidence of policies, procedures and controls being in place and working effectively • Controls testing and extensive substantive testing of activities and/or transactions as they apply to each asset management system effectiveness criteria, including physical inspection of applicable asset infrastructure • Follow-up and if necessary, re-test matters previously reported.
Review Priority 2	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls as they apply to each asset management system effectiveness criteria • Examine relevant documents, registers and reports as they apply to each asset management system effectiveness criteria • Obtain evidence of policies, procedures and controls being in place and working effectively • Controls testing and moderate substantive testing of activities and/or transactions as they apply to each asset management system effectiveness criteria, including physical inspection of applicable asset infrastructure • Follow-up and if necessary, re-test matters previously reported.
Review Priority 3	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls as they apply to each asset management system effectiveness criteria • Examine relevant documents, registers and reports as they apply to each asset management system effectiveness criteria • Limited controls testing (moderate sample size) of activities and/or transactions as they apply to each asset management system effectiveness criteria, including physical inspection of applicable asset infrastructure. Only substantively test transactions if further control weakness found • Follow-up of matters previously reported.
Review Priority 4	<ul style="list-style-type: none"> • Confirmation of existing controls via walk through of key processes and examination of key documents including policies and procedures, compliance/breach registers and reports • Follow-up of matters previously reported.
Review Priority 5	<ul style="list-style-type: none"> • Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references including policies and procedures, compliance/breach registers and reports (“desktop review”).

Auditors must assign a review priority of 1 to 5 to each process and criterion. Review priority 1 is the highest priority and 5 is the lowest.

The risk assessment has been discussed with Synergy stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were based on:

- Prior assessments of the state of controls during the 2020 EGL AMS review
- Our understanding of Synergy's assets and internal processes
- Any other factors that may influence the level or strength of controls.
- Consideration of relevant circumstances and activity that trigger specific performance issues.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. The risk assessment is attached at Appendix 2.

System analysis / policy and procedure review

The level of policy and procedure review required will be determined utilising the priority scale. Once the priority level has been defined, the review will consist of:

- Interviewing Synergy representatives and key operational and administrative staff responsible for the development and maintenance of policies and procedural type documentation
- Examination of documented policies and procedures for key functional requirements and consideration of their relevance to Synergy's asset management system requirements and standards.

The policy and procedure definition element of the asset management system review will be performed to provide a rating as defined under Table 5 (refer below).

Key documents which may be subject to review include the following (a full list of documents examined will be included in the review report):

- Synergy Asset Management Manual
- Strategic Asset Plan(s)
- Facility Asset Management Plans
- Commissioning procedures
- Capital expenditure planning procedures, business cases etc
- Asset Operations and Maintenance Policies, Procedures and Work Instructions
- Evidence of maintenance activities, inspections, root cause assessments, failure reports etc
- Asset Performance Reports
- Regulatory Register and Compliance Reports
- Environment Management Plans
- Training registers
- Risk Register
- Asset and Critical Spares Register
- Information Management and Security Policies and Procedures
- Contingency and Disaster Recovery Plans

- Financial Planning Procedures and Financial Reports
- Reports from other Asset Management Reviews conducted (if any)
- Emergency Response Management Plans.

Examination of performance

The actual performance of the relevant controls and processes in place will then be examined via:

- Consideration of reports and references evidencing activity
- Interviews with Synergy representatives and key operational and administrative staff
- Physical visit to selected facilities' site
- Consideration of Synergy facilities' function, normal modes of operation and age

Testing/review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare those standards maintained by Synergy with the relevant requirements.

Control testing is performed for those obligations with a review priority 3 and above and where there is relevant activity.

A full work program will be completed to record the specific aspects of our review and examination of the performance of each asset management system key process. This work program will be based on:

- The review priority determined by the risk assessment to be applicable to each effectiveness criteria
- The results of the policy and procedure review, as described above
- AAG's sampling methodology, which is in accordance with ASA 530 (Audit Sampling) and takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. This review will also be guided by the ERA's 2025 Audit and Review Guidelines which states that sample sizes can be determined through the exercise of professional judgement, with a recommended minimum sample size of 10% of the population up to a maximum number of 20. Sufficient appropriate evidence will be collected commensurate with the review priority assigned to the performance criterion
- The location of personnel and activity to be tested.

Review fieldwork will include a visit to Synergy's electricity generating assets located at Collie (Collie G1) and Cockburn (Cockburn CCG1), plus meetings with Synergy staff who are located primarily in Perth. Meetings will be virtual where appropriate.

Note that the review fieldwork will also include consideration and testing of asset management activity at Synergy's other generating assets located at Muja, Pinjar and Kwinana. If necessary to obtain appropriate evidence, a visit to the appropriate site will be undertaken.

The performance effectiveness element of the asset management system review will be performed to provide a rating as defined under Table 6 (refer below).

Reporting

In accordance with the Review Guidelines, the reviewer must provide an assessment of both the process and policy definition rating (refer to Table 5 below and Table 9 in Appendix 1 of the Guidelines) and the performance rating (refer to Table 6 below and Table 10 in Appendix 1 of the Guidelines) for each of the key processes in Synergy's asset management system.

Synergy is responsible for providing a separate post review implementation plan, if required.

Table 5: Process and policy rating scale

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> Processes and policies are documented Processes and policies adequately document the required performance of the assets Processes and policies are subject to regular reviews, and updated where necessary The asset management information system(s) are adequate in relation to the assets that are being managed
B	Requires some improvement	<ul style="list-style-type: none"> Process and policy documentation requires improvement Processes and policies do not adequately document the required performance of the assets Reviews of processes and policies are not conducted regularly enough The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed)
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policy documentation is incomplete or requires significant improvement Processes and policies do not document the required performance of the assets Processes and policies are significantly out of date The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed)
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).

Table 6: Performance rating scale

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> The performance of the process meets or exceeds the required levels of performance Process effectiveness is regularly assessed and corrective action taken where necessary
2	Improvement required	<ul style="list-style-type: none"> The performance of the process requires some improvement to meet the required level Process effectiveness reviews are not performed regularly enough Process improvement opportunities are not actioned
3	Corrective action required	<ul style="list-style-type: none"> The performance of the process requires significant improvement to meet the required level Process effectiveness reviews are performed irregularly, or not at all Recommended process improvements are not implemented
4	Serious action required	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor that the process is considered to be ineffective.

Appendix 1 - Risk assessment key

1-1 Criteria for classification of consequence of ineffective performance

Source: Modified from Electricity Compliance Reporting Manual February 2023

Classification	Criteria for classification
Major	Classified on the basis that: <ul style="list-style-type: none"> • The consequences of ineffective performance would cause major damage, loss or disruption to customers; or • The consequences of ineffective performance would endanger or threaten to endanger the safety or health of a person.
Moderate	Classified on the basis that the consequences of ineffective performance affect the efficiency and effectiveness of the licensee’s operations or service provision, but do not cause major damage, loss or disruption to customers.
Minor	Classified on the basis that: <ul style="list-style-type: none"> • The consequences of ineffective performance are relatively minor – i.e. ineffective performance will have minimal effect on the licensee’s operations or service provision and do not cause damage, loss or disruption to customers; • Assessment of performance against the obligation is immeasurable; • The matter of ineffective performance is identified by a party other than the licensee; or • The licensee only needs to use its reasonable or best endeavours to demonstrate effective performance, or where the obligation does not otherwise impose a firm obligation on the licensee.

1-2 Likelihood ratings

Source: Audit and Review Guidelines: Electricity and Gas Licences July 2025

	Level	Criteria
A	Likely	Ineffective process or performance is expected to occur at least once or twice a year
B	Probable	Ineffective process or performance is expected to occur every three years
C	Unlikely	Ineffective process or performance is expected to occur at least once every 10 years or longer

1-3 Preliminary adequacy ratings for existing controls

Source: Audit and Review Guidelines: Electricity and Gas Licences July 2025

Level	Description
Strong	Controls mitigate the identified risks to a suitable level
Moderate	Controls only cover significant risks; improvement required
Weak	Controls are weak or non-existent and do little to mitigate the risks

Appendix 2 - Risk assessment

1. Asset Planning						
Key process	Asset planning strategies focus on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price)					
Outcome	Asset planning is integrated into operational or business plans, providing a framework for existing and new assets to be effectively utilised and their service optimised					
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
1.1	Asset management plan covers the processes in this table	Moderate	Probable	Medium	Strong	Priority 4
1.2	Planning process and objectives reflect the needs of all stakeholders and are integrated with business planning	Moderate	Probable	Medium	Strong	Priority 4
1.3	Service levels are defined in the asset management plan	Moderate	Probable	Medium	Strong	Priority 4
1.4	Non-asset options (e.g. demand management) are considered	Moderate	Probable	Medium	Strong	Priority 4
1.5	Lifecycle costs of owning and operating assets are assessed	Moderate	Probable	Medium	Strong	Priority 4
1.6	Funding options are evaluated	Minor	Probable	Low	Strong	Priority 5
1.7	Costs are justified and cost drivers identified	Minor	Probable	Low	Strong	Priority 5
1.8	Likelihood and consequences of asset failure are predicted	Moderate	Probable	Medium	Strong	Priority 4
1.9	Asset management plan is regularly reviewed and updated	Moderate	Probable	Medium	Strong	Priority 4

2. Asset creation and acquisition						
Key process		Asset creation/acquisition is the provision or improvement of assets				
Outcome		The asset acquisition framework is economic, efficient and cost-effective; it reduces demand for new assets, lowers service costs and improves service delivery				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	Moderate	Probable	Medium	Strong	Priority 4
2.2	Evaluations include all life-cycle costs	Moderate	Probable	Medium	Strong	Priority 4
2.3	Projects reflect sound engineering and business decisions	Moderate	Probable	Medium	Strong	Priority 4
2.4	Commissioning tests are documented and completed	Moderate	Probable	Medium	Strong	Priority 4
2.5	Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	Major	Probable	High	Strong	Priority 2

3. Asset disposal						
Key process		Asset disposal is the consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets				
Outcome		The asset management framework minimises holdings of surplus and underperforming assets and lowers service costs. The cost-benefits of disposal options are evaluated				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
3.1	Under-utilised and under-performing assets are identified as part of a regular systematic review process	Moderate	Probable	Medium	Strong	Priority 4
3.2	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	Minor	Probable	Low	Strong	Priority 5
3.3	Disposal alternatives are evaluated	Minor	Probable	Low	Strong	Priority 5
3.4	There is a replacement strategy for assets	Moderate	Probable	Medium	Strong	Priority 4

4. Operating Environment						
Key process		Examines the asset management system environment and assesses all external factors affecting the asset management system				
Outcome		The asset management system regularly assesses external opportunities and threats and identifies corrective action to maintain performance requirements				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
4.1	Opportunities and threats in the asset management system environment are assessed	Moderate	Probable	Medium	Strong	Priority 4
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	Moderate	Probable	Medium	Strong	Priority 4
4.3	Compliance with statutory and regulatory requirements	Moderate	Probable	Medium	Strong	Priority 4
4.4	Service standard (customer service levels etc) are measured and achieved.	Moderate	Probable	Medium	Strong	Priority 4

5. Asset operations						
Key process		Asset operations is the day-to-day running of assets (where the asset is used for its intended purpose)				
Outcome		The asset operation plans adequately document the processes and knowledge of staff in the operation of assets so service levels can be consistently achieved				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
5.1	Operational policies and procedures are documented and linked to service levels required	Moderate	Probable	Medium	Strong	Priority 4
5.2	Risk management is applied to prioritise operations tasks	Moderate	Probable	Medium	Strong	Priority 4
5.3	Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	Moderate	Probable	Medium	Moderate	Priority 4
5.4	Accounting data is documented for assets	Moderate	Probable	Medium	Strong	Priority 4
5.5	Operational costs are measured and monitored	Moderate	Probable	Medium	Strong	Priority 4
5.6	Staff resources are adequate and staff receive training commensurate with their responsibilities	Moderate	Probable	Medium	Strong	Priority 4

6. Asset maintenance						
Key process	Asset maintenance is the upkeep of assets					
Outcome	The asset maintenance plans cover the scheduling and resourcing of the maintenance tasks so work can be done on time and on cost					
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
6.1	Maintenance policies and procedures are documented and linked to service levels required	Moderate	Probable	Medium	Strong	Priority 4
6.2	Regular inspections are undertaken of asset performance and condition	Major	Probable	High	Strong	Priority 2
6.3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	Major	Probable	High	Strong	Priority 2
6.4	Failures are analysed and operational/maintenance plans adjusted where necessary	Major	Probable	High	Strong	Priority 2
6.5	Risk management is applied to prioritise maintenance tasks	Major	Probable	High	Strong	Priority 2
6.6	Maintenance costs are measured and monitored	Moderate	Probable	Medium	Strong	Priority 4

7. Asset management information system						
Key process		An asset management information system is a combination of processes, data and software supporting the asset management functions				
Outcome		The asset management information system provides authorised, complete and accurate information for the day-to-day running of the asset management system. The focus of the review is the accuracy of performance information used by the licensee to monitor and report on service standards				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
7.1	Adequate system documentation for users and IT operators	Minor	Probable	Low	Strong	Priority 5
7.2	Input controls include suitable verification and validation of data entered into the system	Moderate	Probable	Medium	Strong	Priority 4
7.3	Security access controls appear adequate, such as passwords	Minor	Probable	Low	Strong	Priority 5
7.4	Physical security access controls appear adequate	Minor	Probable	Low	Strong	Priority 5
7.5	Data backup procedures appear adequate and backups are tested	Moderate	Probable	Medium	Strong	Priority 4
7.6	Computations for licensee performance reporting are accurate	Minor	Probable	Low	Moderate	Priority 5
7.7	Management reports appear adequate for the licensee to monitor licence obligations	Minor	Probable	Low	Moderate	Priority 5
7.8	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	Moderate	Probable	Medium	Moderate	Priority 4

8. Risk management						
Key process		Risk management involves the identification of risks and their management within an acceptable level of risk				
Outcome		The risk management framework effectively manages the risk that the licensee does not maintain effective service standards				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
8.1	Risk management policies and procedures exist and are applied to minimise internal and external risks	Major	Probable	High	Strong	Priority 2
8.2	Risks are documented in a risk register and treatment plans are implemented and monitored	Moderate	Probable	Medium	Strong	Priority 4
8.3	Probability and consequences of asset failure are regularly assessed	Major	Probable	High	Strong	Priority 2

9. Contingency planning						
Key process		Contingency plans document the steps to deal with the unexpected failure of an asset.				
Outcome		Contingency plans have been developed and tested to minimise any major disruptions to service standards.				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	Major	Probable	High	Strong	Priority 2

10. Financial planning						
Key process		Financial brings together the financial elements of the service delivery to ensure its financial viability over the long term				
Outcome		The financial plan is reliable and provides for the long-term financial viability of the services				
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those	Moderate	Probable	Medium	Strong	Priority 4
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	Minor	Probable	Low	Strong	Priority 5
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	Minor	Probable	Low	Strong	Priority 5
10.4	The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	Minor	Probable	Low	Strong	Priority 5
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	Moderate	Probable	Medium	Strong	Priority 4
10.6	Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	Moderate	Probable	Medium	Strong	Priority 4

11. Capital expenditure planning						
Key process	The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure for these works over the next five or more years. Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would usually be based on firm estimates					
Outcome	The capital expenditure plan provides reliable forward estimates of capital expenditure and asset disposal income. Reasons for the decisions and for the evaluation of alternatives and options are documented					
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
11.1	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	Moderate	Probable	Medium	Strong	Priority 4
11.2	The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	Minor	Probable	Low	Strong	Priority 5
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	Moderate	Probable	Medium	Strong	Priority 4
11.4	There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	Minor	Probable	Low	Strong	Priority 5

12. Review of asset management system						
Key process	The asset management system is regularly reviewed and updated					
Outcome	The asset management system is regularly reviewed and updated					
Ref	Effectiveness criteria	Consequence	Likelihood	Inherent risk rating	Controls assessment	Review priority
12.1	A review process is in place to ensure the asset management plan and the asset management system described in it remain current	Minor	Probable	Low	Moderate	Priority 5
12.2	Independent reviews (e.g. internal audit) are performed of the asset management system	Minor	Probable	Low	Strong	Priority 5

Appendix 3 - Previous review recommendations

There were no recommendations from the 2020 AMS review.

Appendix B - References

Synergy representatives participating in the review:

- Manager Process Safety and Asset Management, Thermal Generation
- Head of Thermal Asset Optimisation
- Head of Assurance and Compliance
- Special Advisor (Compliance Improvement)
- Governance Principal
- Group Financial Controller
- Manager Cyber Security
- Owners Representative Collie Power Station
- Collie Power Station Manager (WPS)
- Collie Power Station Operations Supervisor (WPS)
- Collie Power Station Maintenance Supervisor (WPS)
- Operations Manager Cockburn-Kwinana Gas Generation
- Manager Infrastructure, Technology and Business Services
- Manager Asset Engineering
- Planning Lead
- Master Data Management Team Lead
- Lead Asset Strategy Engineer
- Manager Central Operations & Analytics
- Manager Finance Business Partnering
- Acting Risk Manager
- Cyber Security Governance Risk and Compliance Officer
- Head of Strategic Analysis & Planning
- Head of Thermal Projects

AAG staff participating in the review:

Hours

- | | | |
|-----------------------|-----------------|-------|
| • Margaret-Mary Gauci | Consultant | 8.5 |
| • Tanuja Sanders | Senior Engineer | 84 |
| • Andrew Baldwin | Lead Auditor | 140.5 |
| • Stephen Linden | Director (QA) | 2.5 |

Key documents and other information sources examined 7.5

- Synergy Asset Management Policy – July 2024
- Synergy Asset Management Manual – October 2025
- TGBU Portfolio Asset Mission Statement
- Strategic Asset Plan 2025/2026
- Collie Power Station Strategic Asset Management Plan
- Collie Power Station Asset Management Plans – 2023-24, 2024-25, 2025-26

- Cockburn Power Station Asset Management Plans – 2021-22, 2024-25, 2025-26
- Kwinana Gas Turbines Asset Management Plan – 2025-26
- Pinjar Power Station Gas Turbines and Shared Services Asset Management Plan – 2025-26
- Muja Stage D and CD Common Asset Management Plan - 2024-25
- Muja Balance of Plant Asset Management Plan - 2024-25
- GBU Asset Criticality Analysis Procedure
- Better AIM Asset Management Maturity Assessment Report – March 2025
- Asset Performance Report FY25
- GBU Process Safety Management Standard – July 2024
- Synergy Procurement Standard – October 2025
- Procure-it Procurement and Contract Management Procedure - April 2024
- Sustaining Projects Delivery Framework process flow
- List of projects with business cases
- Business Case Lite template
- Project brief template
- Thermal Project Delivery Document Matrix Muja 4g Network Upgrade Project - key project documentation including business case and project close report
- GBU Salvage and Scrap Process – March 2022
- GBU Closure Planning Framework – System – September 2025
- Kwinana Rehabilitation Project – Demolition Phase Risk assessment – Impacts on Operational Functions
- Muja 5 Decommissioning Plan – July 2023
- Synergy Environmental Management Framework – November 2023
- Thermal Generation HSE Dashboard
- Collie Power Station Annual Audit Compliance Report – 2024/25, plus supporting data
- Cockburn Power Station Annual Audit Compliance Report – 2024/25, plus supporting data
- Cockburn Power Station Annual Environmental Report 2024-25
- Kwinana and Cockburn Power Stations Annual Groundwater Compliance Monitoring Report – July 2024 to June 2025
- Summary of Findings from ISO 45001 and ISO 14001 Gap Assessments - 2025
- Environmental Obligations Management Internal Audit Report – May 2024
- WPS Collie Power Station Fatigue Management Plan
- Cockburn Power Station Bi-Annual Emissions Compliance Monitoring Report – May 2025
- Example licence obligation activity report s- Kwinana and Cockburn Power Stations – 2025
- Muja Power Station Checklist for bulk chemical unloading – May 2023
- Synergy Environment and Climate Policy - August 2025
- Synergy HSE Incident Management Procedure – November 2024
- Synergy HSE Risk Management Procedure – November 2024
- Synergy Document Control Procedure – June 2021
- GTDG Controlled Documents record (spreadsheet)
- Muja Power Station – list of controlled documents

- CMMS extract – detailed asset register
- Cockburn Power Station – weekly production meeting agenda and records – January to October 2025
- WPS Collie Power Station Training Matrix – December 2025, updated 4 February 2026
- Thermal Generation Training Status Dashboard Report – April 2025
- Cockburn Power Station Operations Prestart & Plant Walkdown checklist
- Cockburn Power Station Starting & Operating Instruction Steam Turbine
- Standby Diesel Generator – Emergency Start / Shutdown Procedure – June 2024
- Cockburn Power Station Production Officer Trainee Program Process Overview –
- Risk report – attraction and retention of people through to retirement of coal generation assets
- WPS Collie Power Station procedures, checklists, safe work method statements
- Synergy Corporate Training Matrix – January 2026
- GBU Maintain Assets Work Management Blueprint Standard and individual process procedures – January 2025
- Gas Generation Outage Framework Procedure – July 2023
- Synergy “A day in the life of...” User guides for various operational positions
- Example PowerBi Maintenance Matrix Report – extract from PSAM system
- 2023 Weekly Maintenance Metrics Reports
- Listing of Thermal Generation Major Outages exceeding 240 hours – November 2020 to October 2025
- Collie Power Station Maintenance Plan and items – CMMS extract
- Cockburn Power Station Maintenance Plan and items – CMMS extract
- Listing of maintenance strategy changes – November 2020 to October 2025
- CMMS extract – work order backlog @ 7 December 2025
- Example work order weekly planning record (spreadsheet)
- Example maintenance activity and performance snapshots
- Listing of outage work orders - CMMS extract
- Example maintenance activity reports relating to inspections and failures at each power station
- Example repair procedures
- Pinjar Power Station Maintenance Excellence Road Map – February 2025
- Availability & Reliability Implementation Roadmap – January 2026
- Sustaining Projects Delivery Document Tracking sheet Synergy Power Generation Assets Closure Cost Estimation Report – FY25
- Collie Power Station OPEX and CAPEX Budget – FY26 to FY29
- Cockburn Power Station OPEX and CAPEX Budget – FY26 to FY30
- Collie Power Station - Asset Criticality, Prioritization and RCM Assessment - November 2025
- Fixed Asset Register – 30 June 2025
- Synergy Portfolio Overhaul Schedule – August 2025
- Synergy Power Generation Assets Closure Cost Estimate FY 2025 – May 2025

- Thermal Generation Leadership Team Operations Meeting Presentations – June 2023, July 2023, June 2024, October 2025
- Generation Leadership Team Operations Meeting Presentation – January 2021
- TGBU – CMMS Master Data Standard - Change Process Procedure
- List of all TGBU – CMMS Master Data Standard – work Instructions and guides
- CMMS Master Data Quality Metrics
- CMMS Master Data – Data Audit and Cleansing results
- Example evidence of Data backup and recovery task
- Infrastructure risk identification and management methodology
- Information Security Manual – Table of Contents
- Synergy Risk Management Policy – March 2021
- Synergy Enterprise Risk Management Standard – April 2025
- Synergy Critical Risk Control Management Procedures – June 2020
- Wholesale Electricity Market Risk Report – August 2025
- Risk register extract – all power station sites
- Crisis Management Plan – May 2025
- Collie Power Station Business Continuity Plan – November 2024
- Muja Power Station Business Continuity Plan – November 2024
- Pinjar Power Station Business Continuity Plan – November 2024
- Cockburn Power Station Business Continuity Plan – November 2024
- Kwinana Power Station Business Continuity Plan – November 2024
- Collie Power Station Emergency Response Plan – June 2025
- Collie Power Station Emergency Response Scenario documents (Fire – Stockpile, Gas Leak, Solid or Liquid Spill, Fire – Diesel Fuel Oil Tank Area, Ash Dam Limited Damage, Ash Dam Major Damage, Ash Dam Alert) – May 2025
- Synergy FY26 Budget Guidelines
- Synergy Statement of Corporate Intent – 2020/21
- Synergy Annual Performance Statement – 2024/25
- GBU FY21 Budget Summary, Operating Cost Detailed Report, FTE Report and P&L Report
- Thermal Generation FY26 financial forecast and variance reports
- Budget and financial reports to TGLT Operations meetings – 2025
- Portfolio Steering Committee Process Flow
- Midterm Budget Development and Approval process flow