

WESTERN POWER -

Supplementary Information No 97

Question: Hon Louise Pratt asked how much will Western Power spend this financial year on marketing, advertising, public relations and sponsorships?

Answer:

Advertising

Western Power operates in the increasingly competitive Western Australian energy market. Currently, Western Power generates about 55 per cent of the State's electricity, with the remainder generated by private industry. Western Power's enabling legislation allows the Corporation to undertake a range of commercial activities including marketing, advertising and corporate sponsorship to support its presence in the market place.

Western Power's advertising campaigns seek to not only increase awareness of the Corporation's products, services and brand, but also to educate customers and the general public about a variety of other issues including safety, energy conservation, saving money, renewable energy options and environmental management. Western Power also has extensive safety and community service obligations which require the Corporation to undertake ongoing advertising campaigns as part of its regular operations. Western Power's 2001/02 advertising budget is about \$3.2 million.

Corporate Public Relations/Sponsorship

Western Power recognises the important role it plays in and its obligations to communities across Western Australia. The Corporation undertakes a number of corporate public relations programs which deliver significant benefits to Western Australians across the State. For example, Western Power's award winning community partnership program includes a range of education, philanthropic, sports, arts and community initiatives. Key programs include the Western Power Solar Model Car Challenge, the Young Australian of the Year Awards, support, through WACOSS, for customers with difficulty paying Western Power accounts, Regional Junior Cricket Program, Scitech, Kings Park and the Western Warriors.

In selecting community partnership programs, Western Power looks to provide a balanced suite of programs across the State in the areas of arts and culture, sports, environment and community/education to benefit a wide cross section of the Western Australian community.

Other activities under Western Power's corporate public relations program include publication of the company's newsletters "Switched On" and "Connected" (for residential and small business customers respectively), a rural stakeholder liaison program and the publication of issue specific brochures and pamphlets.

Western Power's corporate public relations budget is about \$1,350,000. Of this, approximately 75% supports its community partnership programs.

Supplementary Information No 98

Question: Hon Louise Pratt asked -

- (1) As Western Power undertakes market testing and polling, it is possible for that information to be provided by way of supplementary information?*
- (2) What was the outcome of the research and the type of research conducted?*

Answer: Western Power tracks the effectiveness of its commercial activities through an ongoing monitoring program, which measures such things as customer satisfaction, environmental reputation, corporate reputation, brand value and advertising effectiveness. Key results of this monitoring program are published each year in the Corporation's Annual Report.

Western Power also undertakes market research during the development of new products and services to ensure that it delivers products and services to the market that meet customers' needs. The development of innovative and valued products and services is a critical element in Western Power's strategy to differentiate itself from competitors. Western Power's market research in this area is commercially sensitive. However, Western Power would be pleased to make available a representative to speak with members interested in obtaining further information on the Corporation's market research program and its outcomes.

Supplementary Information No 99

Question: Hon Robin Chapple asked for Western Power to provide documentation that shows the access regime offered, whether it be renewable energy or large IPP's or Western Power, is the same for everybody?

Answer: Under the *Electricity Corporation Act 1994* (Schedule 6 (2)), Western Power is required to make available access to spare capacity and new capacity on a non-discriminatory and first come first served basis to any existing or prospective user seeking access to either or both of these capacities.

The Electricity Transmission Regulations and Electricity Distribution Regulations, which govern access to Western Power's transmission and distribution networks, were developed by the Electricity Access Steering Committee (EASC) and recommended to the Minister for Energy. As part of this process, the Electricity Access Consultative Committee (EACC) provided substantial input from an industry perspective. Membership of EACC includes representatives from independent generators and retailers, customers, the Office of Energy and both Western Power Networks and Retail business units.

Key features of the Electricity Transmission and Distribution Regulations include procedural requirements, performance standards and general terms of access. They are supplemented by Western Power's Technical Code and Pricing publications. The regulations apply to all users of the networks. The *Electricity Corporation Act 1994* specifically defines 'users' of the electricity transmission and distribution networks as including Western Power. Similarly, technical requirements and published access prices apply to all users of the networks.

Access arrangements include clear ring fencing requirements to ensure functional separation of Western Power's Networks, Retail and Generation Business Units. These arrangements prevent Western Power from using its role as networks owner and operator for competitive advantage. In accordance with Schedules 5 and 6 of the *Electricity Corporation Act 1994* and Electricity Transmission and Distribution Regulations, strict accounting separation is in place for Western Power's individual business units. The regulations also prescribe essential confidentiality provisions to prevent information related to third party users of the systems to be made available to the Retail or Generation Business Units within Western Power.

Documentation outlining the access arrangements, prices and technical requirements in place for all users of Western Power's networks is available on Western Power's website at www.westernpower.com.au.

Supplementary Information No 100

Question: Hon George Cash asked if Western Power could provide a schedule showing the salaries and conditions attaching to various senior executives whose salaries and conditions are set by the governance and remuneration committee for each of the past seven years or the period in which Western Power has been corporatised? The persons for whom the governance and remuneration committee makes decisions?

Answer: Western Power's Board Governance and Remuneration Committee's role is to develop and implement policies relating to:

the remuneration and other terms and conditions of service of the Managing Director. This policy is approved by the Board and agreed by the Minister for Energy;

senior executive remuneration; and

the remuneration and other terms and conditions of service for staff.

It is the Western Power Board's policy to report total income (in bands), including motor vehicles, superannuation and associated taxes, for Directors and Executive Officers in the company's annual report. This policy has been in place since Western Power was established in 1995 and meets the company's legislative remuneration disclosure requirements.

The relevant extracts from Western Power's 1995 to 2001 Annual Reports are attached. [Held by Committee.]
