



STANDING COMMITTEE ON PUBLIC ADMINISTRATION

23 October 2012

Report 14 – *Unassisted Failure* - Erratum

The Committee accepts as correct, the Auditor General's insistence that paragraph 9.9, given a strict literal interpretation, may suggest that the Auditor General "*signed-off on Western Power's 2010-2011 Annual Report*". The relevant paragraph, as published in Report 14 – *Unassisted Failure*, was as follows:

In this respect, the Committee has also had cause to question whether Western Power has observed its statutory obligation of full disclosure to the Auditor General. This Report has highlighted a number of instances where the Auditor General may have been either intentionally, or carelessly, misled by Western Power. The Committee is troubled by the fact that the Auditor General signed off on the 2010/2011 Annual Report which talked about "Managing the Network", only to have Western Power make a public statement barely a week later that its "network was reaching the end of its useful and safe life", requiring 20 years of increased remedial investment, beginning with a five year \$1.222 billion program. This concern is exacerbated by the finding that the Auditor General has never conducted a performance audit on Western Power's asset management systems practices and processes. The Committee is further concerned to observe that Western Power's key asset management systems have been subject to sustained critique by both of its principal regulators for over five years. This sustained critique has included repeated adverse regulatory compliance notices and orders.

Accordingly, the Committee draws the attention of the reader to the fact that the third sentence of paragraph 9.9 of Report 14 should have been expressed in the following terms:

In this respect, the Committee has also had cause to question whether Western Power has observed its statutory obligation of full disclosure to the Auditor General. This Report has highlighted a number of instances where the Auditor General may have been either intentionally, or carelessly, misled

*by Western Power. The Committee is troubled by the fact that the Auditor General signed off on the **Audit Opinion relating to the Financial Statements of Western Power's 2010/2011 Annual Report** which talked about "Managing the Network", only to have Western Power make a public statement barely a week later that its "network was reaching the end of its useful and safe life", requiring 20 years of increased remedial investment, beginning with a five year \$1.222 billion program. This concern is exacerbated by the finding that the Auditor General has never conducted a performance audit on Western Power's asset management systems practices and processes. The Committee is further concerned to observe that Western Power's key asset management systems have been subject to sustained critique by both of its principal regulators for over five years. This sustained critique has included repeated adverse regulatory compliance notices and orders. [New text indicated in bold lettering]*

Yours sincerely



Hon Max Trenorden MLC
(Chairman)