Statement of Corporate Intent
2012/13
Statement of Corporate Intent

This Statement of Corporate Intent (SCI) is prepared in accordance with Part 5 of the Electricity Corporations Act 2005.

This document reflects the business intentions of the Electricity Networks Corporation, trading as Western Power, for the 2012/13 financial year.

Consistent with the requirements of section 99 of the Act, this SCI outlines the objectives, functions, main undertakings and performance targets for the year, the community service obligations required of the business, the dividend and accounting policies to apply and the information to be provided to the Minister.

The SCI is consistent with the Corporation’s Strategic Development Plan (SDP) 2012/13 to 2016/17. The SDP sets out Western Power’s economic and financial objectives and operational targets over the medium term, and the commercial strategies and initiatives it will pursue.
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1. Introduction

Western Power is a publicly owned State Government Trading Enterprise (GTE) governed by an independent Board that reports through the Minister for Energy to Parliament. Its purpose is connecting people with energy. Western Power is responsible for the safe, reliable and efficient transmission and distribution of electricity in the south west of Western Australia.

This SCI is the agreed level of performance for the 2012/13 financial year between Western Power and the Minister for Energy, with the concurrence of the Treasurer. It is prepared in accordance with the requirements of the Electricity Corporations Act 2005 (WA).

Western Power’s priorities in 2012/13 are:

- Safety – Reduce the highest priority public safety risks, including asset failure with a focus on wood pole failures and electric shock incidents.

- Compliance – Work towards meeting compliance obligations by working with regulators (including Energy Safety and the Economic Regulation Authority) and other third parties and delivering on commitments.

- Customer service – Better understand and meet the needs of customers.

- Meet the expectations of stakeholders – Develop and maintain relationships with stakeholders to achieve positive outcomes.

- Network Growth, Security and Service – Ensure that the network has the capacity to:
  - meet increasing demand
  - reduce the risk of long-duration and widespread power interruptions
  - maintain service at historical average levels

- Operational effectiveness and efficiency – Increase efficiencies in a sustainable manner to improve returns to our shareholder and assist in price affordability.

- Cultural transformation – Create a culture that delivers on its promises and is accountable for its actions.

The achievement of these priorities will ensure that Western Power meets the objectives of its owner to be a safe, effective and affordable transmitter and distributor of electricity which meets the needs of the community and facilitates economic development in the State.

Standing Committee on Public Administration

These priorities are also influenced by the findings of the Standing Committee on Public Administration in January 2012 in its inquiry into Electricity Transmission and Distribution Management by Western Power, in particular wood pole management and unassisted failures.

Western Power accepts that currently it has failed to satisfactorily address the Committee’s concerns and accepts that it does not have the full confidence of its stakeholders and regulators. Western Power acknowledges that it must win back the confidence of the Parliament and the community and is committed to address the concerns raised by this report.
The Economic Regulation Authority (ERA) oversees the performance of Western Power’s business within a prescribed regulatory period. On 30 September 2011, Western Power submitted to the ERA the revisions to the Access Arrangement and associated material for the five years from 1 July 2012 to 30 June 2017 (AA3). The ERA provided a draft decision on 29 March 2012. A final determination from the ERA is anticipated in October or November 2012.

The Access Arrangement prescribes both service performance targets and network tariffs and charges that are efficient and consistent with the principles defined in the *Electricity Networks Access Code 2004*.

It is important to note that the achievement of Western Power’s priorities will be influenced by the ERA’s final determination and funding received through the State Budget process. Western Power is committed to meeting the requirements of the Energy Safety regulator. Western Power has amended its funding submission to the ERA to seek additional funding to increase wood pole reinforcement and replacements rates to further move towards meeting Energy Safety Order 01-2009 and to address the concerns raised by the Standing Committee on Public Administration.
2. Business context

The business priorities have been developed in recognition that Western Power operates in a challenging environment. Specifically:

- **The inherent safety risk presented by electricity**
  
  Electricity can be very hazardous. There is the potential for catastrophic accidents for the public and Western Power’s employees and contractors as well as the potential for significant damage to property. Overriding all actions and decisions is a concern for safety both in terms of injury and harm as well as compliance with standards. Western Power has active risk management processes, improvement and education programs in place to continue to address this risk.

- **The network is aged**
  
  A large proportion of Western Power’s assets were built during the 1960s and 1970s, when the State experienced a period of significant and sustained economic expansion. These assets are now reaching the age where a relatively higher proportion of replacement and repair work is needed. The overhead network is generally in poor condition (poles) and there is a looming challenge in the condition of conductors (wires). Recognising this, Western Power has been increasing expenditure since 2006 and is continuing to accelerate investment to replace and refurbish the highest risk elements of the network during the AA3 period. This is most immediately evident in the substantial investment required to replace poles and wires (conductors) to improve safety levels. From a population of approximately 630,000 distribution wood poles in the Western Power Network, 169,798 are currently over their anticipated average in-service life of 40 years.

- **The findings from the Standing Committee inquiry into wood poles**
  
  In November 2009, the Standing Committee on Public Administration commenced an inquiry into Electricity Transmission and Distribution Management (in particular distribution wood pole management) by Western Power and Horizon Power. The inquiry concluded in January 2012 and the report identified a number of areas requiring improvement by Western Power including:

  - Wood pole asset management and planning
  - Wood pole asset records and databases
  - Relationships with regulators
  - Operational delivery
  - Corporate culture and leadership

  Actions have commenced across all areas to address the concerns raised in the report and Western Power has committed to the Minister to undertake key action plans.

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1 Report 14 Standing Committee on Public Administration “Unassisted Failure”, 20 January 2012
• **A thriving State economy and increasing consumer consumption are driving the need for investment**

Expansion in mining projects, which require large amounts of electricity, is driving a need to augment and expand the network, particularly in regional areas. As a predominantly residential driven network, changes to the density of housing and the appliance profile of residential homes can alter the capacity requirement of the network. Urban infill in some Perth suburbs is significantly increasing demand. In addition, the increase in the use of air conditioners is expected to continue, creating a higher and sharper peak demand. This results in a large amount of expensive network augmentation and capacity that is only used for a very short period.

• **Electricity price rises have increased public scrutiny of the entire supply chain**

Affordability of electricity for customers is a high priority issue for Western Power. Retail electricity prices are set by the State Government. Prices for electricity were held constant from 1997 to 2009 and have increased significantly since then. Western Power is keenly aware of these cost pressures and their broader implications and will continue to seek opportunities to be more efficient as an organisation.

• **The topography of the network**

Western Power’s network covers a very large area of 261,000 square kilometres. Unlike all other major urban areas of Australia which are covered by a series of interconnected networks known as the National Electricity Market (NEM), Western Power’s network is isolated and self-contained. This means that the electricity needs of consumers within the south west of Western Australia must at all times be delivered by the network itself without any outside support or backup.

• **Western Power’s ability to invest to meet its regulatory, compliance and service obligations**

Western Power is committed to meeting its regulatory, compliance and service obligations. However, Western Power's ability to deliver on this commitment will depend on the availability of funding and priorities set by Government. Western Power will keep the Government informed of the relationship between standards and the level of investment.

• **Efficiency Dividend**

As a GTE, Western Power will comply with Government Policy and provide an Efficiency Dividend of 2.5 per cent (equating to $7.3 million) for 2012/13.
3. About Western Power

Western Power builds, maintains, owns and operates the electricity network in the south west corner of Western Australia. The Western Power Network forms the vast majority of the South West Interconnected Network (SWIN), which together with all of the electricity generators comprises the South West Interconnected System (SWIS).

Unlike many other electricity network businesses in Australia, Western Power is an integrated transmission and distribution network owner. This presents unique challenges and opportunities as Western Power plans, maintains and develops a network to support the connection of new generation and large loads while keeping pace with the growing energy demands of new and existing customers. In addition, Western Power also provides the system management functions to ensure system security and support market efficiency.

Western Power ensures the SWIS delivers a safe, secure and reliable electricity supply to just over one million connected customers including homes, businesses, factories, mines, schools, hospitals and public transport providers.

Western Power is a publicly owned government trading enterprise. It is governed by an independent Board and reports to the Minister for Energy to Parliament.

Western Power’s commitment is to connect people with the energy they need, ensuring we are meeting their requirements today and in the future, thereby supporting economic development.

It does this by working closely with electricity generators and retailers to ensure a variety of traditional and renewable energy sources can be connected to the network.

Figure 1: Western Power Network

Western Power Network
- 96,189 km of powerlines
- 792,530 poles and towers
- 230,375 streetlights
- 1,081,321 connected customers
- 957,085 calls in 2010/11
- 26,614 new connections in 2010/11
- Covering ~ 261,000 km

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2 Network and customer metrics as at the end of 2010/11.
4. Purpose

Western Power’s purpose is connecting people with energy. This purpose is founded on three elements:

- **connections** – internal and external connections between its people, its customers and the community, as well as the physical connections to infrastructure and technology
- **people** – customers and communities of south west Western Australia
- **energy** – recognising that the primary focus is around electricity

5. Values

Western Power’s values are a key component of its culture. They are the principles that underpin everything Western Power does and guide the way Western Power works, enabling it to achieve its goals. They assist it to create a constructive culture that drives the delivery of its services. Western Power’s values are:

*Put safety first*
In everything we do, we are committed to putting safety first.

*Respect our customers*
We stay connected to our customers to achieve the best energy solutions.

*Work together*
We work collaboratively to achieve consistent results that are in Western Power’s and the customers’ collective interests.

*Make a positive difference*
We are focused on being innovative and creative when adding value to customers and accept accountability for delivering results.

*Earn trust*
We work to earn the trust of others and deliver on commitments.

*Act like it’s our own business*
Western Power is our business and our actions will always reflect this.
6. Priorities

Western Power supports key recommendations of the Standing Committee on Public Administration – Report 14 (20 January 2012) and also aims to balance the key objectives of:

- Safety
- Compliance
- Enabling growth and security of supply
- Customer service
- Affordability
- Efficiency

Western Power’s priorities have been developed in the context of these objectives and are detailed below.

Safety

Western Power owns and operates a vast electrical network that impacts the general community and environment. Its infrastructure crosses both public and private property, above and below ground. While inherent risks exist in any electrical network, Western Power has a responsibility to deliver continuous improvement and effectively reduce the risks associated with its assets and operations.

Key areas of focus:

- Significantly increase the number of wood pole reinforcements
- Bushfire mitigation
- Replacing obsolete overhead customer service connections
- Replacing obsolete streetlight switch wires
- Continue to develop and refresh workforce competence through training and investment
- Reduce public safety risk through engagement and education
- Develop its processes and behaviours in terms of safety in parallel
- Enhance its Occupational Health initiatives

Compliance

Western Power is committed to meeting its obligations by working with regulators and other third parties and delivering on its commitments.

Key areas of focus:

- EnergySafety Order 01-2009
- Type 1 breaches\(^3\) including amendments to the small use customer code
- Active management of the low voltage network
- Ensuring the compliance framework is highly effective

\(^3\) Type 1 breaches are situations that would cause a major damage, loss or disruption to customers or endanger or threaten to endanger the safety or health of a person.
Customer service

Customer satisfaction surveys indicate that Western Power is steadily improving in a number of customer service areas, particularly in the services provided to major customers and electrical contactors. However, it acknowledges there is still significant room for improvement.

Key areas of focus:
- Understanding the needs of its customers
- Making it easier for customers to do business
- Keeping customers informed
- Keeping its promises to customers

Meeting the expectations of stakeholders

Western Power has been established as a GTE operating in a regulatory framework to deliver the best outcomes for the Western Australian community. For the Western Australian community to gain maximum benefit from this model, it is important that Western Power plays a key role in developing and maintaining relationships with all key stakeholders.

Key areas of focus:
- Understanding the needs of its stakeholders
- Delivering on its commitments
- Operating within the regulatory framework

Network growth, security and service

The State economy continues to grow from the thriving resources sector. This growth, combined with increases in consumer electricity consumption, requires Western Power to ensure that the network has the capacity and reliability to meet this increased demand.

Key areas of focus:
- Ongoing asset replacement to maintain security, reliability and service levels
- Expanding capacity to meet the growth in electricity consumption
- Efficiently meet the requests of customers for new connections, expansions and modifications to agreed timelines

Operational effectiveness and efficiency

Western Power is committed to improving the efficiency of its business. Western Power will continue to improve its systems and processes to meet its service obligations and drive cost efficiencies in a sustainable manner.

Key areas of focus:
- Planning and delivering the works program
- Improving business processes to deliver operating efficiencies
- Attraction and retention of highly skilled employees
• Reduction in expenditure of $7.3 million as part of the 2012/13 efficiency dividend initiative announced by Government in April 2012
• Developing additional efficiency key performance indicators by 30 June 2013

Cultural transformation
To meet the expectations of its stakeholders Western Power must demonstrate a paradigm shift in its culture. It is focused on creating a culture that delivers on its promises and is accountable for its actions, and respectful of external stakeholders, including regulators.

Key areas of focus:
• Developing a more productive and efficient workforce
• Demonstrating accountability to deliver on promised commitments
• Ensuring a strong, performance oriented culture that is respectful of external stakeholders, including regulators. This will commence with Executive and senior leadership programs specifically focused on accountability and creating a high performing team culture
• Understanding the needs of its customers and stakeholders
• Aligning behaviours to organisational values
• Developing and implementing culture change programs
7. Works program

Western Power has worked closely with government and community stakeholders to develop its proposed investment plan (Access Arrangement 3 from 1 July 2012 to 30 June 2017). Western Power lodged the investment plan with the ERA on 30 September 2011 and is waiting on their final determination which is anticipated in October or November 2012.

Western Power’s proposed investment plan focuses on the following key outcomes for 2012/13:

- **safety** - addressing the highest priority public safety risks including wood pole failures, bush fires and electric shock incidents

- **growth and security** – expanding the network’s capacity to meet growth and connect new customers, while improving system security to reduce the risk of long-duration and widespread power interruptions

- **service** – Western Power’s investment plan maintains current average service levels while improving service in poor performing areas where it is valued by the customer and cost effective

Its planning, asset management and works delivery system is designed to ensure investment achieves the identified objectives, is economically efficient and in line with good electricity industry practice.

Western Power’s Network Investment Strategy states the reasons why it invests in the network. It articulates the network objectives Western Power considers when making investment decisions. There are four network objectives, which are summarised in Figure 2.

![Figure 2: Network objectives](image)

The major focus of the 2012/13 Works Program will be to reduce public safety risks in the network, facilitate State growth by connecting new customers and maintain the network’s reliability.
Importantly, the 2012/13 safety investment programs include a significant increase in the number of wood pole reinforcements, which will help Western Power move towards meeting the requirements of the Energy Safety Order 01-2009.

A failed wood pole presents multiple hazards – it can harm people and/or damage property. Energised power lines contacting the ground can also cause electric shock and, in very specific conditions, cause fires.

Western Power’s objective is to minimise the risk of pole failure. The likelihood of pole failure is assessed by routine inspection. Poles that fail to meet inspection criteria are condemned and earmarked for remediation. Western Power is fast-tracking more crews on the ground and undertaking further investment in equipment and training. Work has commenced to undertake additional volumes over the 5 year period. Priority is given to address poles in the poorest condition in highest risk locations.

The capital investment by Western Power in the State’s infrastructure for 2012/13 through the Works Program will be over $1 billion.

This investment will include:

Safety and service

- 17,000 pole replacements and 45,800 pole reinforcements: $187 million
- Replacement of 35,000 overhead customer service connections: $29 million
- Replacement of 2,048 km of streetlight switch wire: $17 million
- Powerline management, including 177 km of line replacement: $23 million
- Bushfire mitigation: $38 million
- State Underground Power Program: $40 million

Growth and security

- Growing the network to meet customer demand: $224 million
- Capacity expansion works to improve network security: $92 million
- Other works, including fleet, IT, asset replacement, metering, corporate real estate, and capitalised borrowing costs: $213 million
- Stage 1 of the Mid West Energy Project: $176 million

Stage 1 of the Mid West Energy Project is the most significant transmission growth project to date in Western Australia. It will unlock significant investment in the Mid West region from the resource and generation sectors. It will enable growth in capacity to meet increasing electricity demand and enable the connection of power generators (including renewable energy projects) to the network. This project will improve network reliability and security, benefiting all users in the region.

8. Measures

Western Power’s key performance indicators and targets for 2012/13 are detailed below.  

<table>
<thead>
<tr>
<th>Indicator description</th>
<th>2012/13 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>Lost Time Injury Frequency Rate (LTIFR)</td>
<td>≤2</td>
</tr>
<tr>
<td>Public safety incidents (per month)</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Number of wood poles replaced and reinforced</td>
<td>≥62,800</td>
</tr>
<tr>
<td>Total expenditure of the pole management program in 2012/13</td>
<td>≤$187M</td>
</tr>
<tr>
<td>Service Standards</td>
<td></td>
</tr>
<tr>
<td>System Average Interruption Duration Index (SAIDI) (minutes)</td>
<td>233</td>
</tr>
<tr>
<td>Customer</td>
<td></td>
</tr>
<tr>
<td>Charter compliance</td>
<td>&gt;90%</td>
</tr>
<tr>
<td>Financial</td>
<td></td>
</tr>
<tr>
<td>Return on assets</td>
<td>≥3.9%</td>
</tr>
<tr>
<td>Works Delivery</td>
<td></td>
</tr>
<tr>
<td>Total cost reductions on major projects</td>
<td>≥2.5%</td>
</tr>
<tr>
<td>Major work projects delivered over schedule</td>
<td>≤5%</td>
</tr>
<tr>
<td>Mid West Energy Project (stage 1) 330kV line energised on schedule</td>
<td>≤June 2014</td>
</tr>
<tr>
<td>Culture</td>
<td></td>
</tr>
<tr>
<td>Organisational health</td>
<td>≥77</td>
</tr>
</tbody>
</table>

Western Power will be reviewing its key performance indicators during 2012/13.

As part of the 2012/13 State Budget, the Government announced a range of savings initiatives including a further efficiency dividend for GTEs to be measured as a percentage of their discretionary spending, starting at 2.5 per cent in 2012/13 with an additional 1.5 per cent in 2013/14, 1.5 per cent in 2014/15 and 0.5 per cent in 2015/16.

4 A Glossary of Terms in included in the Appendix.

5 Efficiency of the pole management program is measured by both the delivery of the volumes of wood poles replaced and reinforced as well as expenditure on the pole management program. If less expenditure occurs, we should still be achieving the required number of wood poles replaced and reinforced. If greater volumes are required and justified, this could support greater expenditure.

6 Western Power proposed in its AA3 submission that the SAIDI measures used in AA2 be modified for AA3 to include distribution and transmission interruptions experienced by distribution-connected customers. During AA2, SAIDI only measured the interruptions on the distribution network. Interruptions on the transmission network were excluded even when these events were within its control. In addition, the SAIDI measure represents the aggregate performance on the whole Western Power Network, however, in its proposed Access Arrangement, SAIDI is split into CBD, urban, short rural and long rural network performance indicators and measured separately as this is more meaningful to customers.
This built on the existing five per cent efficiency dividend applied to GTEs in the 2011/12 State Budget. The financial performance indicators shown above include the impact of the 2011/12 and 2012/13 efficiency dividends.

9. Dividend policy

Dividends are agreed annually according to accepted profit results and in keeping with maintaining an overall satisfactory level of payments to its shareholder the Western Australian Government. Dividends are based upon the dividend policy of 65 per cent of Net Profit After Tax (NPAT). The dividend for 2012/13 is aligned with the State Budget and will be paid in accordance with the process outlined in the *Electricity Corporations Act 2005*. Western Power will continue to discuss the dividend policy with Government, and subject to agreement, any proposed changes will be reflected through the Mid Year Review process.

10. Accounting Policies and Governance Standards

Western Power’s accounting policies are consistent with Corporations Law requirements. Financial statements adopt the historic cost convention and reflect the accrual basis of accounting. Consistent with the State Budget, the projected financial outlook is in accordance with the International Financial Reporting Standards.

In addition, the following guidelines and standards are considered to be most relevant to Western Power’s corporate governance practice:

- Government of Western Australia: Principles of Good Corporate Governance for Western Australian Public Sector Boards and Committees
- Australian Standard: AS 8000-2003: Good Governance Principles
- Australian Standard: AS 3806-2006: Compliance Programs
- Australian Stock Exchange Corporate Governance Council: Corporate Governance Principles and Recommendations with 2010 amendments (“ASX Guidelines”)

Although Western Power is not obliged to comply with the ASX Guidelines, the business has committed to adopt best practice principles and practices that are in the best interests of its stakeholders.

11. Nature and Extent of Community Service Obligations

Section 99(1) of the Act defines “community service obligations” as “obligations to perform functions or to meet performance targets that it is not in the commercial interests of the corporation concerned to perform or meet”.

![Western Power Logo]
In total, it is expected that the Government will make payments to Western Power for the State Underground Power Program (SUPP) totalling $9.8m in 2012/13.

12. Ministerial Reporting

To meet the reporting requirements as outlined in the Act Western Power will provide the Minister the following information.

Quarterly reporting

As a Government Trading Enterprise, and in accordance with the Act, Western Power will provide the Minister and the Western Australian Treasurer with a quarterly report for the first three quarters of the financial year.

Quarterly reports will detail actual quarterly and year-to-date performance of the business, provide comparisons to SCI targets, and highlight any significant issues. The business will submit the quarterly reports in accordance with the requirements of section 106 of the *Electricity Corporations Act 2005*.

The quarterly reports will be provided to the Minister for Energy and the Western Australian Treasurer within one month after the end of the quarter.

Annual reporting

The Annual Report will be provided to the Minister, following the end of the financial year within the time specified by the Act.

In addition to the financial statements, the Annual Report will include an overview of major achievements, an appraisal of future prospects, a comparison of performance with the SCI targets, a statement on the state of the infrastructure, and other information required to be included by the Act.

In addition to quarterly and annual reports, the Act requires that the Minister for Energy be provided with:

- A five-year Strategic Development Plan and this one-year Statement of Corporate Intent;
- A report on staff compliance with any Board issued codes of conduct; and
- Any information in Western Power’s possession requested by the Minister.
13. Notes

Access to information

Copies of Western Power’s major public documents including the SCI, quarterly and annual reports can be accessed through its website, [www.westernpower.com.au](http://www.westernpower.com.au).

Network pricing and tariffs

Western Power’s network pricing policy and tariffs are reviewed and published on an annual basis.

A key determinant of network tariffs is the Aggregate Annual Revenue Requirement (AARR) for Western Power to invest in new assets, operate the network and earn a reasonable commercial return on its asset base. The ERA plays a crucial role in reviewing Western Power’s AARR submitted for each regulatory period to ensure that Western Power is operating in a manner that is economically efficient and will continue to provide value for money network access and infrastructure services.

System Management

Part of the role of System Management has been financially segregated within Western Power to reflect its market functions.

On 31 March 2010, the ERA issued its Allowable Revenue Determination which sets System Management’s market revenue stream for the three year period commencing 1 July 2010. The funding is intended to cover the cost of the market related functions that are performed by System Management and is collected from participants in the Wholesale Electricity Market (WEM).

By November 2012, System Management must submit an Allowable Revenue submission to the ERA for the period of 2013 to 2016.

Government Guarantee Fee

The State Budget shows an increase to the Government Guarantee Fee (GGF) paid by the state owned entities to the Department of Treasury. The increase is from 0.2% to 0.7% effective 1 July 2012, which will result in higher interest costs for Western Power on all new and existing borrowings.
14. Appendix – Glossary of Terms for Key Performance Indicators

<table>
<thead>
<tr>
<th>Term</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Time Injury Frequency Rate (LTIFR)</td>
<td>LTIFR is a 12 month rolling average measure of total workforce (employee and contractor) lost time injuries per million hours worked and is an accepted measure of organisation safety performance for benchmarking purposes.</td>
</tr>
<tr>
<td>Public safety incidents</td>
<td>This represents the 12 month rolling average of public safety incidents including fire or explosion involving Western Power assets or incidents caused by Western Power assets; contact with Western Power’s network by vehicle/plant/equipment (excluding car vs. pole); injury or death to people or animals for inadvertent contact with Western Power’s network; injury or death from electric shock within the customer's premise if caused by Western Power’s network; and any Energy Safety order or reported defect.</td>
</tr>
<tr>
<td>Number of wood poles replaced and reinforced</td>
<td>Number of transmission and distribution wood poles replaced or reinforced across the Western Power Network in the 2012/13 financial year.</td>
</tr>
<tr>
<td>Total expenditure of the pole management program</td>
<td>Total expenditure in nominal dollars to replace or reinforce transmission and distribution wood poles across the Western Power Network.</td>
</tr>
<tr>
<td>System Average Interruption Duration Index (SAIDI)</td>
<td>This represents the average duration of interruptions per customer per annum (total minutes lost). System Average Duration Index is a commonly used measure of network performance.</td>
</tr>
<tr>
<td>Charter compliance</td>
<td>This performance indicator consists of responsiveness measurement of the top six Access Code compliance categories for customer transactions (including targets for streetlights, call centre faults and enquiries telephony, energisation, complaints and enquiry management). Measurement is the average of the 12 monthly results.</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>Return on asset is defined as Net Profit after tax divided by average Total Assets</td>
</tr>
<tr>
<td>Total cost reductions on major projects</td>
<td>Tracking the delivery of major projects is a significant focus of the business due to the scale of the investment and the number of customers impacted. This measure is in place to promote efficiencies in the delivery of major projects against budgeted expenditure.</td>
</tr>
<tr>
<td>Major work projects delivered over schedule</td>
<td>The target applies to only major projects that are over schedule. For those projects, they must be no more than 5 per cent over schedule.</td>
</tr>
<tr>
<td>Organisational health</td>
<td>The Organisational Health Indicator (OHI) is a key performance indicator of organisation health and staff engagement, reflecting favourable responses from ten questions within a broader organisational survey.</td>
</tr>
</tbody>
</table>