1. *Compliance framework abstract

**Western Power’s purpose is to connect people with electricity in a way that is safe, reliable and affordable. An important aspect of achieving this is to ensure Western Power acts consistently in meeting its commitments, legislative requirements and its own policies.**

Western Power aspires to build and maintain a culture of compliance which enables it to meet the expectations held by the community, *Regulators and other stakeholders. This *Framework outlines Western Power’s approach to achieving compliance with all relevant legislative and regulatory obligations and appropriate ethical standards.**

1.1 Contents

A contents table is included at the end of this *Framework to assist with navigation.

1.2 Related policies

This *Compliance Framework is made under and supports the Assurance Policy (DM#11918906).

1.3 Purpose

To outline a framework of *Compliance that:

(i) establishes an effective compliance programme to minimise Western Power’s regulatory risk taking guidance from Australian Standard AS 3806-2006 (see 2 below)

(ii) prevents failures to comply with *Obligations by identifying priorities and accountabilities (see 3.3 below)

(iii) supports the establishment and maintenance of a proactive culture of compliance in Western Power through compliance planning (see 4.4.3)

(iv) establishes an assurance program by which the Western Power Executive and Board can be satisfied of Western Power’s compliance status (see 4.4.4)

(v) empowers all *Personnel to embrace a proactive compliance culture and to be accountable for compliance within their area of work

(vi) maintains open communication with *Personnel on compliance outcomes and support and encourages the reporting of actual or suspected *compliance failures
(vii) encourages the identification of *Obligations in need of reform and encourages engagement with relevant *Regulators to influence favourable legislative and policy amendment

(viii) enhance Western Power’s corporate reputation by demonstrating a comprehensive compliance programme and proactive compliance culture to its shareholder, customers, *Regulators, and other key stakeholders.

1.4 Scope

This *Compliance Framework:

(i) outlines Western Power’s approach to achieving compliance with all relevant *Obligations and serves to demonstrate Western Power’s commitment to compliance with those *Obligations and ethical standards

(ii) is complemented by the Risk Management *Framework (DM#3861477) Quality Management *Standard (DM#11657673)

(iii) applies to all areas and activities of Western Power

(iv) applies to all *Personnel.

2. *Compliance Framework

Western Power’s has taken guidance from AS 3806-2006 - Compliance Programs in designing this *Compliance Framework for Western Power’s compliance programme.

Australian Standard, AS 3806-2006 - Compliance Programs, sets out 12 principles that sit within the themes of Commitment, Implementation, Monitoring and Measuring and Continual Improvement.

Western Power’s measures in relation to these themes are documented in this *Compliance Framework as follows:
3. Commitment to *Compliance

3.1 Corporate commitment

3.1.1 Statement of corporate intent

Western Power’s commitment to compliance, particularly safety and environmental compliance, is evidenced in its annual Statement of Corporate Intent.

The Statement of Corporate Intent is prepared in accordance with Part 5 of the *Act. It sets out Western Power’s business intentions for the following financial year and outlines the objectives, functions, main undertakings and performance targets for the year, the community service obligations required of Western Power, the dividend and accounting policies to apply and the information to be provided to the Minister (section 99 of the *Act). It sets compliance with Obligations as a key annual priority and provides that:

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

3.1.2 Strategic plan

Western Power has established the Western Power Strategic Plan for 2013-17 which includes corporate objectives of safety, reliability and affordability in connecting people with electricity. A significant portion of Western Power’s *Obligations arise out of legislation enacted to ensure worker and public safety and reliability of electricity connection. A compliance programme that delivers compliance with these *Obligations aligns with Western Power’s objectives of safety and reliability. It is also upholds the corporate value of integrity.
3.1.3 Corporate governance framework

While not obliged to do so, Western Power follows, where it is relevant, the Australian Stock Exchange’s ‘Guidelines on Good Corporate Governance and Best Practice Recommendations’ for publicly listed companies. A corporate governance statement is included on Western Power’s public website.

In accordance with the best practice recommendations, Western Power has a documented Corporate Governance Framework (DM#3444604) which strives to ensure that its business operates with high standards of corporate responsibility. An aspect of the Corporate Governance Framework is Western Power’s Corporate Policies. One of the key corporate policies is the Assurance Policy (DM#11918906). This *Compliance Framework is made under and supports the Assurance Policy.

3.1.4 Finance & Risk Committee

The Board established the *F&RC to assist in the oversight of compliance systems and to review this *Compliance Framework. See below at 4.1.2 for further information.

3.1.5 Risk management standard & framework

Addressing legal and regulatory risks also forms part of the risk management standard and framework (DM#3861477).

3.2 Resourcing

Western Power is committed to having adequate compliance resources to develop, monitor and review its compliance programme.

3.2.1 General Counsel

The Board has appointed Western Power’s General Counsel to have overall management responsibility for developing an effective, organisation-wide compliance programme.

Western Power’s General Counsel has a direct reporting line to the Board in accordance with the Australian Standard AS 3806-2006, which recommends positions with compliance responsibilities are given a direct reporting line to the governing body. See below at 4.1.5 for General Counsel’s accountability.

3.2.2 Corporate compliance business area

Western Power engages a Corporate Compliance Manager within the Legal & Governance business unit. This position supports General Counsel in the day-to-day management of the compliance programme. See below at 4.1.6 for Corporate Compliance Manager accountability.

The Corporate Compliance Manager has access to internal and external legal advisers to provide up to date advice on compliance *Obligations and is also expected to participate in professional development activities to maintain appropriate knowledge levels of regulatory developments.

The Corporate Compliance Manager leads a team of Compliance Advisers to assist with the achievement of compliance goals. Compliance Advisers are appointed based
on skills, experience and ability. The Corporate Compliance Manager monitors workflows and prepares requests for resources as necessary based on the ability of the team to achieve satisfactory compliance outcomes.

### 3.2.3 Compliance personnel generally

Western Power is subject to numerous laws and regulations and is an organisation with many specialised areas, therefore, in some situations, it is more practical for dedicated compliance personnel to sit within various business functions to manage function-specific compliance requirements. However, in keeping with Western Power’s chosen operating model (‘process centric, functionally aligned’), the function-specific compliance activities are overseen by the Corporate Compliance business area to ensure a co-ordinated, consistent approach and that minimum standards are maintained across Western Power. It is also critical that all monitoring and compliance failures are centrally reported to enable enhanced compliance reporting to the Board and the Executive and a more holistic view of compliance across Western Power.

### 3.2.4 Safety, health and environment

The *SHE function that sits within the Corporate Services business unit has significant function-specific compliance responsibilities. In response to this, there are function-specific systems and personnel that compliment and support the *Compliance Framework.

Western Power has a dedicated *SHE assurance team that develops and delivers Western Power’s *SHE audit and assurance programmes to assess compliance with *Obligations and business processes.

The *SHE Management System comprises the Safety and Health Management System *(DM#9551623) and the Environmental Management System *(DM10433411).

The Safety and Health Management System is a systematic management approach to ensure that Western Power’s duty of care *Obligations are met in relation to occupational health and safety. The system structure is consistent with AS/NZS 4804:2001 ‘Occupational Health and Safety Management Systems’.

The Western Power Environmental Management System *(DM#10433411), referred to as *EMS is built upon the principles of ISO 14001, the international environmental management system standard. *EMS is a structured process for achieving continuous improvement in environmental performance.

### 3.2.5 Regulatory compliance business area

Western Power has a dedicated Regulatory Compliance business area with oversight of Western Power’s compliance with *Obligations in its distribution and transmission licences. The Regulatory Compliance business area sits within the Regulation & Investment Management business function, and the Strategy Regulation & Finance business unit.

The Regulatory Compliance business area:

(i) communicates licence (including *Type 1 Obligations) changes to the relevant internal stakeholders
(ii) sets timeframes for updating controls relevant to new or amended *Type 1 Obligations

(iii) liaises with Corporate Compliance to provide appropriate training for the *Type 1 Obligations

(iv) undertakes audits of the relevant function in relation to compliance with the *Type 1 Obligations assigned to them as *SLO Sponsors (see further at 3.3.2 for *SLOs and 4.1.7 for Accountabilities).

(v) notifies the *ERA when *Type 1 Obligations breaches are identified

(vi) ensures that improvements to existing controls are identified and implemented to prevent a recurrence of any breach

(vii) reports the results of any operating licences audits to Executive Management and the Board via the Corporate Compliance Manager

(viii) prepares annual operating licences compliance reports and submits the reports to the *ERA and the Minister for Energy

(ix) regularly liaises with the *ERA on matters relating to operating licences.

3.2.6 Risk & insurance business area

Western Power operates in accordance with a Risk Management Standard & Framework (DM#301708) and has a dedicated Risk and Insurance business area within the Finance, Treasury & Risk business function, and the Strategy, Regulation & Finance business unit.

3.3 Identification and assessment of *Obligations

Western Power’s business activities are governed by legislation, regulations and codes covering many aspects of its operations, including business performance targets, waste disposal and the safety of the public and employees. There are also several *Regulators with which Western Power interacts, including the *ERA, Public Utility Office, Energy Safety, *IMO, *EPA and Work Safe. Many of these bodies issue guidelines and rules which impact on the way Western Power operates.

All *Obligations must be correctly identified, documented and assessed as part of Western Power’s *Compliance Framework.

3.3.1 Online compliance register

Western Power maintains an electronic *Obligations register, referred to as the ‘Online Compliance Register’, which catalogues *Obligations applicable to Western Power’s business activities. All *Personnel have access to the Western Power Online Compliance Register via Busbar (Western Power’s intranet system).

The Online Compliance Register is updated on a quarterly basis to take into account new, or amended, *Obligations. This ensures that the register does not fall into obsolescence. The updates may also reflect changes arising from new or changed business activities – where applicable, changes to organisational structure, or significant change to the external environment in which Western Power operates.
3.3.2 *SLOs & *Type 1 Obligations

The *Obligations contained in the Online Compliance Register are assessed against the Risk Assessment Criteria (DM#6242026) and given a residual risk rating based on the impact of the unmitigated risk occurring. Each *Obligation is subsequently allocated to a specific Function (that is best positioned to manage and control the risk of non-compliance) for management. The results enable the identification of Western Power’s *SLOs which have an inherent risk assessment rating of catastrophic.

Within the SLO’s are *Type 1 Obligations. *Type 1 Obligations refer to the ERA’s risk and reporting classification of electricity licence obligations and carry more onerous reporting requirements than the balance of licence obligations. Western Power has committed purpose-specific resourcing to comply with its licence obligations (see 3.2.5).

Western Power’s *Compliance Framework will initially have its primarily focus on identified *SLOs, and includes the provision of compliance education, training, monitoring and reporting.

Priority has been given to the identification and management of *SLOs but compliance with other *Obligations, carrying less significant inherent risk assessment ratings, is still required. For accountability for SLO’s, see below at 4.1.7.

4. Implementation of this *Compliance Framework

4.1 Accountability

Western Power has adopted the approach outlined in Australian Standard AS 3806-2006 in that responsibility for compliance outcomes is clearly articulated and assigned within Western Power.

Ownership and accountability for compliance within Western Power is a shared day-to-day responsibility and is cascaded from the Board and *Executive Manager’s to all *Personnel. The responsibilities of the various levels of governance and management are assigned as set out in this section 4.1.

An overview of Western Power’s business units, functions and areas is contained in DM#11181854.

4.1.1 Board

<table>
<thead>
<tr>
<th>Board accountabilities</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultimate compliance responsibility</td>
<td>Ultimately responsible for ensuring Western Power conducts its operations in compliance with applicable *Obligations</td>
</tr>
<tr>
<td></td>
<td>The Board has established and oversees the operation of the *F&amp;RC in relation to its compliance responsibilities, to which responsibility is delegated.</td>
</tr>
</tbody>
</table>

1 The Board has delegated this policy approving power to the F&RC (see Board resolution DB/109/2006 dated 18/12/2006).
4.1.2 Finance & Risk Committee

The *F&RC is a Board committee established to assist the Board in fulfilling its fiduciary and corporate governance responsibilities, including those in relation to compliance.

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess framework</td>
<td>Assess *Compliance Framework including the processes for addressing and reporting on key legal risks</td>
</tr>
<tr>
<td>Monitor framework</td>
<td>monitors implementation and maintenance of this *Compliance Framework by receiving reports from management</td>
</tr>
<tr>
<td>Monitor compliance</td>
<td>monitors Western Power’s compliance performance by receiving regular reports of *compliance failures and corrective action(s) taken</td>
</tr>
</tbody>
</table>

4.1.3 Executive management generally

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champion compliance culture</td>
<td>Ensure this *Compliance Framework is promulgated, implemented and maintained throughout Western Power and adequately communicated to all *Personnel.</td>
</tr>
<tr>
<td>Resource compliance</td>
<td>Ensure adequate resources are devoted to compliance</td>
</tr>
<tr>
<td>Monitor compliance performance</td>
<td>monitors Western Power’s compliance performance by receiving regular reports of *compliance failures and corrective action(s) taken</td>
</tr>
</tbody>
</table>

4.1.4 Executive Managers

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endorse compliance framework</td>
<td>ensure that the commitment to compliance, and to this *Compliance Framework, is upheld within their respective business units</td>
</tr>
<tr>
<td>Business Unit compliance</td>
<td>ensure that all *Personnel reporting to them are aware of, and comply with, the compliance *Obligations and *Policies regarding compliance impacting on their roles (see 5.3.2)</td>
</tr>
</tbody>
</table>
### Executive manager individual accountabilities

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit failure reporting</td>
<td>implement and supervise reporting procedures to support employees in their business unit to disclose issues regarding non-compliance with relevant *Obligations. Guidance from the Corporate Compliance Manager may be requested disclose to the Corporate Compliance Manager any information which relates to past, current or future, actual or suspected *compliance failures relating to Western Power’s *Obligations</td>
</tr>
<tr>
<td>Apply KPIs</td>
<td>ensure that the performance of all *Personnel reporting to them is measured against compliance KPIs</td>
</tr>
<tr>
<td>Assurance reports</td>
<td>provide quarterly compliance assurance reports (see 5.3.2 and 5.3.3) for identified *SLOs and other *Obligations which are their business unit’s responsibility to manage</td>
</tr>
<tr>
<td>Communicate changes in *Obligations</td>
<td>where legislative requirements in need of reform are identified, communicate them to the Corporate Compliance Manager, support the Corporate Compliance Manager to proactively seek to influence legislative and regulatory policy and change.</td>
</tr>
<tr>
<td>Remedial action</td>
<td>ensure the rectification of any *compliance failures within their business unit (see 5.4.3)</td>
</tr>
</tbody>
</table>

### 4.1.5 General Counsel

In order to maintain independent management and autonomy in the development and maintenance of the compliance programme, the Board and *F&RC have entrusted the management of the programme to Western Power’s General Counsel.

The Board will provide General Counsel with adequate resources in terms of funding and staff, to ensure that the implementation, maintenance and ongoing improvement of Western Power’s compliance programme meets its objectives and the desired compliance culture is embedded within Western Power.

<table>
<thead>
<tr>
<th>General Counsel individual accountabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
</tr>
<tr>
<td>*Compliance Framework ownership</td>
</tr>
<tr>
<td>Business Unit compliance</td>
</tr>
</tbody>
</table>

### 4.1.6 Corporate Compliance Manager

Reporting to the General Counsel, the Corporate Compliance Manager is responsible for the day-to-day operation of the compliance programme. The Corporate Compliance Manager administers this *Compliance Framework and Western Power’s *Policies regarding compliance and assists in identifying *Obligations affecting Western Power, and develops procedures to address these requirements.
In conjunction with operational management of the compliance programme, the Corporate Compliance Manager is responsible for the accountabilities set out in the below table.

<table>
<thead>
<tr>
<th>Corporate Compliance Manager accountabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
</tr>
<tr>
<td>Identify <em>Obligations</em></td>
</tr>
<tr>
<td>Corporate procedures</td>
</tr>
<tr>
<td>Legislative and regulatory process</td>
</tr>
<tr>
<td>Training</td>
</tr>
<tr>
<td>Expert advice</td>
</tr>
<tr>
<td>Employee KPIs</td>
</tr>
<tr>
<td>Failure reporting systems</td>
</tr>
<tr>
<td>Metrics and records</td>
</tr>
<tr>
<td>Continuous improvement</td>
</tr>
<tr>
<td>Third party KPIs</td>
</tr>
<tr>
<td>Framework reviews</td>
</tr>
<tr>
<td>Board reporting</td>
</tr>
</tbody>
</table>

4.1.7 Heads of Function, Area Managers and formal leaders generally

In order to achieve an embedded compliance culture across all Western Power operations, all managers within Western Power have a role to play with respect to the implementation of this *Compliance Framework*. This includes Heads of Function, *SLO Sponsors, Area Managers and formal leaders generally. The below compliance accountabilities apply.
### All formal leader accountabilities

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>leading by example, both by adhering to and actively supporting compliance, and by being seen to be adhering and actively supporting this Compliance Framework</td>
</tr>
<tr>
<td>Recruitment</td>
<td>ensuring compliance is factored into position descriptions and Personnel performance management processes where appropriate (See 4.2.2)</td>
</tr>
<tr>
<td>Training completion</td>
<td>ensuring that staff whom they are responsible for successfully complete all required compliance and other relevant educational training</td>
</tr>
<tr>
<td>Apply KPIs</td>
<td>ensure that the performance of all *Personnel reporting to them is measured against compliance KPIs</td>
</tr>
</tbody>
</table>

### Head of function accountabilities

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLOs (for which the head of function is a sponsor)</td>
<td>Day to day management of the *Obligation for Western Power. The Head of Function may delegate to *Obligation owners from within the business function via the compliance plans.</td>
</tr>
<tr>
<td>Non- SLO *Obligations</td>
<td>While priority has been given to the identification and management of *SLOs, compliance with other *Obligations, carrying a less significant inherent risk assessment ratings, is still required. Non-SLO obligations are allocated to relevant business functions, and remain the responsibility of the applicable Heads of Function to manage.</td>
</tr>
<tr>
<td>Quarterly assurance†</td>
<td>Periodic personal representations as to the compliance performance within their business function via the quarterly compliance assurance reporting process (see 5.3.3) and appropriate due diligence to support the reports</td>
</tr>
<tr>
<td>Compliance plans†</td>
<td>ensure that their respective compliance plans are maintained and all relevant information is captured (see 4.4.3). Preparation and maintenance of compliance plans is facilitated by the Corporate Compliance Advisors. The Head of Function may assign *Obligation owners from within the business function to support compliance planning.</td>
</tr>
</tbody>
</table>

### Area manager accountabilities

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operation</td>
<td>cooperating with and supporting the Corporate Compliance Manager and encouraging personnel to do the same in relation to each of the manager’s compliance responsibilities</td>
</tr>
<tr>
<td>Personal commitment</td>
<td>personally complying, and being seen to comply and follow, operational procedures and actively encouraging, mentoring, coaching and supervising *Personnel to promote compliant behaviour</td>
</tr>
</tbody>
</table>
Area manager accountabilities

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment &amp; compliance plans</td>
<td>identifying, documenting and communicating compliance exposures in their respective operations and analysing *SLO controls performance to identify the need for corrective action (and advising the *SLO Sponsor accordingly)</td>
</tr>
<tr>
<td>Integration</td>
<td>identifying *Obligations with the support of the Legal &amp; Governance Business Unit and other relevant resources, and translating those requirements into actionable procedures with the aim of integrating *Obligations into existing practices and procedures in their respective areas of responsibility</td>
</tr>
<tr>
<td>Remediation support</td>
<td>actively participating in the management and resolution of compliance-related incidents and issues</td>
</tr>
<tr>
<td>Promote reporting</td>
<td>encouraging *Personnel to report and escalate compliance incidents in accordance with this *Compliance Framework</td>
</tr>
<tr>
<td>Resource assessment</td>
<td>formally raising with senior management any inadequacies in resourcing to achieve compliance</td>
</tr>
<tr>
<td>Compliance resource access</td>
<td>providing *Personnel with access to resources such as detailed manuals or guides on compliance procedures and reference materials and databases and adequate work tools, training and facilities (see also 4.2.1)</td>
</tr>
<tr>
<td>Reporting resource access</td>
<td>providing *Personnel with access and support mechanisms for reporting, such as access to the Corporate Compliance Manager and “whistleblower” systems</td>
</tr>
<tr>
<td>Competence building</td>
<td>providing, or organising, ongoing training support to ensure that all relevant persons in the Area are trained on a regular basis developing *Personnel’s awareness of *Obligations and requiring them to meet training and competence requirements</td>
</tr>
<tr>
<td>Third party compliance</td>
<td>ensuring that compliance capabilities and performance are communicated to and factored into contracts with external suppliers or third parties and providing oversight of proposed outsourcing arrangements to ensure *Obligations are communicated and satisfied</td>
</tr>
</tbody>
</table>

4.1.8 Risk Assurance and Audit

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review framework</td>
<td>Review the effectiveness and efficiency of this *Compliance Framework</td>
</tr>
<tr>
<td>Review implementation</td>
<td>compliance application and understanding.</td>
</tr>
</tbody>
</table>

4.1.9 All *Personnel

In order to successfully embed a satisfactory compliance culture across Western Power, it is expected that all *Personnel act in accordance with the principles of the compliance programme and Code of Conduct (DM#3575156). Western Power makes educational information and training available to all *Personnel to ensure that they are aware of the *Obligations that apply to them.
<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review framework</td>
<td>fully comply with all *Obligations that apply to their day-to-day functions</td>
</tr>
</tbody>
</table>
| Take responsibility                       | Take steps to become aware of, and adhere to, *Obligations relevant to their position  
                                            | Actively seek advice in order to understanding the implications of breaching *Obligations  
                                            | Perform duties in an honest, unbiased, fair and safe manner |
| Complete training                         | complete compliance training in accordance with Western Power's compliance programme |
| Report *Compliance Failures               | reporting *compliance failures in accordance with the reporting procedures outlined in this *Compliance Framework. Reporting should not be restricted to *SLOs relating to an individuals' business unit. *Compliance failures in relation to any *Obligation should be reported. |

4.1.10 Contractors and outsourced functions

Outsourcing of Western Power’s operations does not relieve it of its *Obligations. The standard that would be required for any outsourcing contract is the same as that for Western Power itself.

If there is any outsourcing of Western Power’s activities, Western Power needs to undertake effective due diligence to ensure that its standards and commitment to compliance will not be lowered. Controls over contractors should also be in place to ensure that the contract is complied with effectively.

4.2 Competence

Education and awareness of *Obligations are key components in the early identification of potential *compliance failures and the management of compliance generally.

Regular education and training regarding compliance risks, together with operational and task orientated skills training, is also an essential component of effective compliance management. In order to be accountable for compliance outcomes, *Personnel must first have appropriate education and training on the *Obligations with which they must comply in the performance of their duties.

4.2.1 Head of function responsibility to identify training

Heads of Function are responsible for identifying the training needs of staff under their guidance, and should identify “training triggers” that indicate compliance training needs to be developed, updated and implemented. These triggers include:

(i) a change in an individual’s position or responsibilities  
(ii) changes in Western Power’s processes or procedures  
(iii) changes in organisational structure  
(iv) significant changes in *Obligations/*SLOs
(v) changes in business activities
(vi) issues arising out of adherence to this *Compliance Framework.

4.2.2 Formal leader responsibility in recruitment

A vast majority of roles within Western Power contain specific compliance accountabilities, therefore those employed to fulfil these roles should be competent to discharge those accountabilities effectively. As part of the recruitment process, formal leaders are responsible for identifying which positions under their supervision require compliance competencies and ensuring that they are included in the position description.

Formal leaders must also ensure instruction on key operational compliance systems is given where relevant to an individual’s position such as the *SHE Management System.

4.2.3 Induction

Western Power has an induction programme which is completed by all employees joining the organisation. This programme introduces new employees to key compliance *Policies and *Frameworks including:

(i) the Code of Conduct (DM#3575156)
(ii) the Assurance Policy, this *Compliance Framework and the related Compliance Failure Reporting Procedure
(iii) record keeping procedures
(iv) the *PID Standard (DM#3442810)
(v) the Risk Management Standard & Framework (DM#3861477)
(vi) this *Compliance Framework.

4.2.4 Ongoing training

*Personnel have their annual training and competency needs assessed as part of their annual performance review. This training includes compliance training in *Obligations relevant to their position.

Western Power’s approach in regard to compliance training is to use a variety of communication media, including:

(i) online learning modules
(ii) newsletters and circulars
(iii) publications concerning relevant *Policies and *Procedures regarding compliance
(iv) face to face presentations by subject matter experts.

The aim of compliance education is to ensure that all *Personnel understand relevant *Obligations, recognise what can go wrong, how they should act in particular circumstances and when they need to seek advice.
Where possible all training is assessed and results communicated to the *F&RC. Records of all compliance training completed are maintained by the Corporate Compliance Manager. These records may also be used in planning future training.

4.3 Behaviours and culture

Western Power places the utmost importance on the ethical behaviour of its *Personnel in order to protect its assets, profitability, performance and reputation.

4.3.1 Code of conduct

The principles established by the Code of Conduct (DM#3575156) are an important part of the compliance programme. Under WA legislation governing the electricity supply licence held by Western Power, the Board is required to report to the State Government on the observance of the Code of Conduct by its employees. This information is included in Western Power’s annual report. The Code of Conduct is communicated to all employees through the new employee on-boarding process and annual compliance training, and is also available on Western Power’s website and intranet.

Adhering to Western Power’s standards of conduct, as outlined within the Code of Conduct and other *Policies, is considered to be a term of employment applying to all *Personnel.

Any *Personnel who breach the standards of conduct contained therein may face disciplinary action up to and including dismissal. If the situation involves a breach of law or regulation, the matter may also be referred to the appropriate law enforcement authority.

4.3.2 *KPIs & performance management

To reinforce and fulfil the commitments established in this *Compliance Framework, compliance targets should be included in performance objectives of all *Personnel and relevant *Obligations inserted into all position descriptions. These may vary depending on the level of the position to which the description relates.

Compliance targets or *KPI’s adopted as part of the performance management programme are measurable and are linked to the remuneration scheme adopted by Western Power.

4.4 Compliance policies, procedures and controls

4.4.1 Governance framework

See above at 3.1.3 for an overview of the Governance Framework.

Western Power’s *Policies, *Standards and *Frameworks are accessible via Western Power’s intranet on the ‘Legal & Governance’ page, and are readily accessible by all *Personnel including those outside of the metropolitan area.

All *Policies, *Standards, *Frameworks, and the Code of Conduct are produced as “controlled” documents and may only be amended and loaded on Western Power’s internet and intranet sites for access and use in accordance with the formal approval process.
Supplementing this Framework and the compliance *Procedures are the following additional *Policies and *Frameworks, which cover legal issues and outline behavioural standards of conduct for *Personnel:

(i) Code of Conduct (DM#3575156) (see further above 4.3.1)
(ii) Conflict of Interest Standard (DM#4040184)
(iii) *PID Standard (DM#34422810)
(iv) Quality Management Standard (DM#11919399)
(v) ‘Directors’ Governance Handbook’ and ‘Executive Officers’ Governance Handbook’

4.4.2 Compliance procedures and guidelines

The Corporate Compliance Manager will review and develop appropriate procedures for implementation of this *Compliance Framework. At present Western Power’s compliance procedures and guidelines include the following.

Procedures:
(i) *Compliance Failure Reporting Procedure (DM#4205081)
(ii) Function Compliance Plan & Quarterly Compliance Assurance Report Procedure (DM#10193714) (see 4.4.3 and 5.3.3)
(iii) Regulatory Changes Process (DM#10686782)

Guidelines, Templates & Instructions

(i) Compliance Plan Template (DM#10401537)
(ii) Compliance Plan Spreadsheet Template (DM#10401539)
(iii) Controlled Document Register (DM#7872829)
(iv) SLO Self-Assurance Guidance (DM#10322373)
(v) SLO Self-Assurance Controls Work Instructions (DM#10352445)
(vi) Head of Functions Quarterly Compliance Assurance Report (DM#7265508).

4.4.3 Compliance plans

Each *SLO Sponsor must ensure that their *SLOs are documented in a compliance plan that includes:

(i) a risk assessment in relation to the risk of non-compliance (inherent risk rating)
(ii) information relating to controls that mitigate the relevant *Obligation risks
(iii) allocated accountability for those controls within the business function
(iv) control self-assurance activities
(v) an adequacy rating of each of the controls in accordance with the Western Power Risk Assessment Criteria demonstrating the effectiveness of the control (residual risk rating)
(vi) *compliance failure notifications

(vii) improvement actions.

The information collected by the *SLO sponsor in the compliance plan must be made available for review by the relevant *Executive Manager in order for the *Executive Manager to prepare his/her quarterly compliance assurance report (see 5.3.3). The compliance plans assist the Executive Managers in meeting their legislative obligation to exercise care and diligence in the performance of their function.

4.4.4 Quarterly compliance assurance reporting

*Executive Managers and Heads of Function are required to report on, and provide a personal certification in relation to, their business functions’ compliance management performance on a quarterly basis. The matters to be certified are set out below at 5.3.3.

4.4.5 Other controls

In addition to the Governance Framework and its supporting *Policies, *Frameworks and other corporate documents, other controls utilised within the various business units and their functions of Western Power include:

(i) work instructions

(ii) system and exception reports

(iii) approval processes

(iv) the segregation of duties

(v) computer system controls.

4.4.6 Electronic tools

Western Power will continue to review and assess the electronic compliance tools used throughout the business to identify improvements and efficiencies within and between electronic systems. As such its electronic tools may change from time to time. The current electronic tools include the following:

(i) the Online Compliance Register (see 3.3.1) which is used in conjunction with CURA to support general legislative and policy compliance

(ii) CURA is an electronic system which is used to house a register of Western Power’s key risks (including strategic, corporate, network, divisional and project risks), the respective risk ratings, controls, control ratings and risk treatments

(iii) EMISWeb intranet based documentation and management tool supporting the Environmental Management System (see above at 3.2.3). Documents in the management system are regularly reviewed and updated to improve performance and to respond to changes in legislation. All documents in the Environmental Management System should be read in conjunction with the Work Practice Manual

(iv) the *SHE function also utilises the Guardian system, Business Asset Ranking Tool (BART) and an Electric Shock and Serious Injury Reporting Tool, for the purpose of reporting of *SHE incidents.
5. Monitoring and compliance measuring

5.1 *Compliance framework audits

This *Compliance Framework is monitored regularly by the Corporate Compliance Manager to ensure compliance performance is achieved. The data collected by the monitoring process will be used to:

(i) identify and remedy problems
(ii) track progress on meeting compliance objectives
(iii) evaluate the effectiveness of operational controls.

The monitoring process relates to both this *Compliance Framework and compliance performance.

5.2 Compliance monitoring

5.2.1 General legislative compliance

The monitoring plan prepared by the Corporate Compliance Manager will include matters such as:

(i) effectiveness of compliance training and evaluation of attendance records
(ii) evaluation of complaints data focussing on the identification of systemic and recurring problems
(iii) currency of *Obligations
(iv) effectiveness of addressing previously identified issues
(v) status of compliance cultures assessed e.g. by way of a survey
(vi) effective allocation of responsibilities for meeting *Obligations
(vii) analysing instances where critical controls are not followed, causing a breach of an *Obligation
(viii) objectives and targets not being met by Western Power
(ix) *compliance failures or breaches and ‘near misses’

In reviewing compliance performance, feedback is sought from a range of sources, including:

(i) *Personnel through feedback and suggestions
(ii) customers and complainants
(iii) suppliers
(iv) *Regulators
(v) business activity records.
Data captured from compliance reviews, including complaint and actual or suspected *compliance failure data, is to be collated, classified and analysed to identify appropriate corrective actions or to propose changes to compliance or business procedures and documentation.

5.2.2 Safety, health and environment

Western Power’s business activities and assets pose significant risks that have the potential to cause incidents involving serious injury, damage or death. Such incidents impact the workforce, the wider community and the Western Power’s reputation.

Western Powers’ *SHE Management System set out the measurable and quantifiable *SHE key performance indicators (lead and lag indicators) designed to provide an assurance that Western Power activities and assets are being managed responsibly.

Western Power’s *SHE electronic tools are utilised by Western Power to generate periodic reports and data sets to assist Western Power in monitoring of its *SHE compliance performance.

5.3 Compliance reporting

5.3.1 Periodic reporting

Western Power’s annual report includes compliance disclosures in relation to specific *Obligations required under the relevant Western Australian legislation, or applicable licensing regime, that applies to it. For example, the annual report includes disclosures in relation to observance of Western Power’s Code of Conduct (DM#3575156) and the State Records Act 2000 (WA).

Statutory compliance reporting is supplemented and expanded by internal compliance reporting. The Corporate Compliance Manager prepares quarterly reports for the Board and *F&RC which may include reporting on:

(i) compliance monitoring outcomes
(ii) compliance training results and effectiveness
(iii) significant changes to *Obligations
(iv) legal and regulatory updates
(v) breaches of *Obligations and related rectification actions
(vi) non-routine communications with *Regulators.

The Corporate Compliance Manager gathers information for the contents of the quarterly reports from the quarterly compliance assurance reports (see 4.4.4 above) and other relevant reports, electronic compliance tools (see 4.4.6 above), audits and periodic meetings with senior managers.
5.3.2 Responsibility of *Executive Managers to obtain information & report

*Executive Managers are required to:

(i) ensure that *Personnel reporting to them are aware of the responsibilities of Western Power and its *Personnel in relation to *Obligations and Western Power’s *Policies and *Procedures

(ii) have a process in place to ensure that *compliance failures are brought to their attention (not only for the notifications to the Corporate Compliance Manager and others depending on the nature of the breach, but also to enable the *Executive Manager to take prompt rectification action)

(iii) implement, supervise and support reporting procedures for *Personnel in their business unit to disclose issues regarding non-compliance with relevant *Obligations. Guidance from the Corporate Compliance Manager may be requested

(iv) disclose to the Corporate Compliance Manager any information which relates to past, current or future, actual or suspected *compliance failures relating to Western Power’s *Obligations

(v) submit quarterly compliance assurance reports to the Corporate Compliance Manager setting out details of any *compliance failures for the Business Unit and providing the compliance sign-offs in the format required.

If a *Executive Manager becomes aware of an actual or suspected, *compliance failure in relation to an *SLO, they must immediately notify the Corporate Compliance Manager, or if the Corporate Compliance Manager is unavailable, General Counsel.

In addition to this immediate notification requirement, *Executive Managers must provide a quarterly compliance assurance report to the Corporate Compliance Manager (see 5.3.3).

5.3.3 Quarterly compliance assurance reporting

*Executive Managers and *SLO Sponsors are required to report on, and provide a personal certification in relation to, their business unit or functions’ compliance management performance on a quarterly basis. *SLO Sponsors provide their quarterly compliance assurance report to their *Executive Manager. *Executive Managers’ quarterly compliance assurance reports are to be provided to the Corporate Compliance Manager and form part of the Quarterly Risk Compliance Report provided by the Corporate Compliance Manager to the Board.

*Executive Managers and *SLO Sponsors include the following details in the quarterly compliance assurance reports in the format required by the Corporate Compliance Manager:

(i) matters within their responsibility which have given, or may give, rise to a *compliance failure in relation to the *Obligations, or failure to comply with Western Power’s *Policies and *Procedures regarding compliance

(ii) in relation to *compliance failures raised in prior reports, whether the matter is no longer an issue, or a status update on rectification of the *compliance failure

(iii) if there are no actual or potential *compliance failures, confirmation in that regard.
The Compliance Procedure may provide for other personnel to also report on, and provide certification in relation to, compliance management as part of the quarterly compliance assurance reporting. The certification process is set out in Function Compliance Plan & Quarterly Compliance Assurance Report Procedure (DM#10193714). For additional guidance documents see 4.4.2 above.

5.3.4 Integrity of quarterly compliance assurance reports and diligence

Failing to report a significant matter in the quarterly compliance assurance report may expose Western Power, its Board and *Executive Managers to a significant risk of regulatory action being taken and reputational damage being incurred.

In order to maintain the integrity of reporting to the Board and F&RC, Executive Manager quarterly compliance assurance reporting may be audited as part of the annual Internal Audit Plan. It is therefore recommended that each Executive Manager retain sufficient evidence to justify their quarterly assurance report, such as a compliance plan (see 4.4.3 above).

Additionally, the Corporate Compliance Manager may conduct random checks to confirm the accuracy of the information received to determine whether the report, or information, provided is complete and/or factual. Where a report is found to have inconsistencies, the Corporate Compliance Manager will investigate the circumstances to determine the cause of any error/inaccuracy, correct the misinformation and, if appropriate, amend compliance procedures to prevent further instances occurring.

If it becomes reasonably apparent that false information has been intentionally provided, the Corporate Compliance Manager will include narrative in the report to the *F&RC to that effect. The *F&RC or Board may recommend disciplinary action against the person(s) who intentionally made the false report in accordance with the Code of Conduct (DM#3575156).

5.4 *Compliance failure reporting

Western Power’s good reputation is a significant asset. Early detection of problems is vital to ensure they are rectified without incurring reputational damage or future liabilities. A strong compliance culture and programme requires all *Personnel to be aware of the specific requirements for handling and reporting actual or suspected *compliance failures.

5.4.1 Reporting procedure

All actual or suspected *compliance failures (irrespective of the *Obligation owner or assigned accountability), must be reported by Personnel that become aware of such a failure, through the procedures identified in this *Compliance Framework and the Compliance Failure Reporting Procedure (DM#4205081).

Western Power expects all *Personnel to assist the Corporate Compliance Manager promptly, accurately and fully when asked to respond to requests for information about actual or suspected *compliance failures in respect of *Obligations.

The Corporate Compliance Manager will periodically review and amend the Compliance Failure Reporting Procedure (DM#4205081) under the direction of General Counsel. The Compliance Failure Reporting Procedure may modify standard reporting procedures for specified categories of *Obligations or breaches where it serves to
encourage reporting, increase efficiencies or otherwise serves the best interests of Western Power.

*Compliance failures may be identified in the following ways:

(i) "Personnel notifications directly to the Corporate Compliance Manager in relation to *compliance failures and ‘near misses’

(ii) training, assessment and supervision of *Personnel

(iii) feedback from customers, contractors, suppliers and the general public

(iv) quarterly assurance reports prepared by the *Executive Managers (see 5.3.3)

(v) a review of compliance related complaints received (see 5.4.5)

(vi) other parties that may review business operations, such as audit, risk, external auditors, *Regulators and external consultants.

5.4.2 *SLO compliance failure reporting

Unless otherwise set out in the Compliance Failure Reporting Procedure (DM#4205081), the Corporate Compliance Manager, under the direction of General Counsel, will control the creation of written records on actual or suspected SLO *compliance failures.

This approach is taken as documents produced for certain purposes, including for obtaining legal advice, are treated as confidential by Western Power and may be subject to client-lawyer (or legal professional) privilege.

Unless otherwise set out in the Compliance Failure Reporting Procedure (DM#4205081), the Corporate Compliance Manager will liaise with General Counsel, or necessary external advisers, to investigate any *SLO *compliance failures and ascertain if it has been correctly identified as such. Other *Personnel, including senior management, should not make their own enquiries, or create written or electronic documents, in relation to an *SLO matter under investigation.

When an *SLO *compliance failure is correctly identified, the Corporate Compliance Manager will record details of the failure in the Breach Register. The Corporate Compliance Manager will consult General Counsel for advice in relation to the impact and rectification of any *compliance failure.

5.4.3 Rectification

The rectification of a particular *compliance failure is the primary responsibility of the Executive Manager(s) in the relevant Business Unit(s), in liaison with the Corporate Compliance Manager and General Counsel where appropriate. The Corporate Compliance Manager:

(i) will include details of rectification action(s) taken to address any reported breach in the monthly compliance report to the Executive Management and the quarterly compliance report to the *F&RC

(ii) may undertake periodic reviews of completed remedial actions as part of the monitoring programme

(iii) may assesses the effect on Western Power’s policy and procedures and make any necessary changes
(iv) will coordinate the communication of any policy/procedural changes to *Personnel and provide additional training as necessary.

5.4.4 *Breach Register

The Corporate Compliance Manager maintains a comprehensive register which records details of reported *compliance failures. The Breach Register is the primary source of information on *compliance failures reported to Executive Management, the *F&RC and the Board.

Data analysed from the Breach Register may be used to:

(i) identify *Personnel training needs on internal procedures and *Obligations
(ii) modify existing compliance documentation and processes
(iii) promote corporate compliance on Western Power’s intranet or via other media
(iv) improve customer information documents or marketing material.

The Corporate Compliance Manager will review the Breach Register on an annual basis in order to identify any trends or systematic *compliance failures. If any systemic failures are identified, the Corporate Compliance Manager will ensure that appropriate measures are taken to rectify the trend. The data from analysing *compliance failures will be used to reassess key controls and procedures within Western Power.

5.4.5 Customer complaints handling

Information obtained from complaints data is an important source of feedback on the performance of a compliance programme.

The WA State Government regulates how electricity companies deal with each other and with their customers. Electricity industry legislation provides for a number of customer specific mechanisms for small use customers (i.e. customers who consume no more than 160MWh of electricity per year). However, the most significant protection mechanism for these customers is the *Small Use Customer Code which deals with a wide variety of matters relating to the supply and marketing of electricity. Western Power is bound by the *Small Use Customer Code as an electricity distributor.

As part of its compliance with the *Small Use Customer Code, Western Power has developed an internal complaints handling process. This process has been designed to comply with the Australian Standard on complaints handling, i.e. AS ISO 10002-2006. Western Power’s Customer Charter and Information for Customers flyer sets out the procedures for:

(i) acknowledging complaints
(ii) assisting with complaints
(iii) resolving complaints including a review by a senior employee
(iv) the complainant’s right of appeal to the Energy and Water Ombudsman.

Western Power has a dedicated complaints handling team. The Corporate Compliance Manager has access to the complaints data for analysis and identification of actual or suspected *compliance failures. Actual or suspected *compliance failures are then investigated and rectified in accordance with the process outlined in 5.4.2.
5.5 Compliance documentation and records

The Corporate Compliance Manager maintains accurate and up to date records of Western Power’s compliance activities to assist in the monitoring, reviewing, and demonstrating conformity with, this *Compliance Framework. These records include:

(i) analysis of compliance outcomes and objectives
(ii) the allocation of roles and responsibilities in relation to compliance and governance
(iii) the *Obligations register including the register of *SLOs
(iv) results of internal compliance monitoring and reviews of this *Compliance Framework
(v) compliance training records
(vi) complaints data on possible *compliance failures
(vii) the Breach Register
(viii) copies of compliance reports to the *F&RC and *Regulators.

6. Continuous improvement of the programme

6.1 Participation in legislative process

The Corporate Compliance Manager is to work with all parts of Western Power’s business and regulatory authorities to identify and influence development of, or amendments to, legislation and regulations to assist Western Power more effectively use its resources to deliver services to its customers. This will include the Corporate Compliance Manager establishing procedures and working groups from time to time.

6.2 Framework review

In the interests of continuous improvement, Western Power’s *Compliance Framework will be reviewed every two years, or sooner if circumstances require.

The review, which will be carried out by appropriately qualified personnel, may include information as to:

(i) whether the *Compliance Framework is operating effectively
(ii) communications from *Regulators, customers and internal feedback
(iii) changes in the external industry or regulatory environment, including statutory requirements and best practice guidelines
(iv) adequacy of resources
(v) consistency with Western Power’s structure and operations
(vi) the extent to which compliance targets have been met
(vii) results of monitoring activities
(viii) details of corrective actions and the timeliness of resolution of *compliance failures
(ix) the adequacy of compliance training and the training tools available.

The results of the review may be reported to the Board via the *F&RC.

7. Dictionary

Words in the first column of the following table are defined terms and have the corresponding meaning shown in the second column of the table.

Defined terms are identified in this *Compliance Framework by the insertion of an asterisk (“*”) before the defined term.

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Act</td>
<td>*Electricity Corporations Act 2005 (WA)</td>
</tr>
<tr>
<td>*compliance failure</td>
<td>A breach, near-miss, or potential non-compliance with an *Obligation – including a suspected breach or near-miss</td>
</tr>
<tr>
<td>*Compliance Framework</td>
<td>This Compliance Standard &amp; Framework document which is a *Framework</td>
</tr>
<tr>
<td>*EMS</td>
<td>Western Power’s environmental management system</td>
</tr>
<tr>
<td>*EPA</td>
<td>Environmental Protection Authority (WA)</td>
</tr>
<tr>
<td>*ERA</td>
<td>Economic Regulatory Authority (WA)</td>
</tr>
<tr>
<td>*Executive Manager</td>
<td>An Executive Manager of Western Power</td>
</tr>
<tr>
<td>*F&amp;RC</td>
<td>Finance &amp; Risk Committee of Western Power's Board</td>
</tr>
<tr>
<td>*Framework</td>
<td>A structure of procedures and guidelines and other controls that support the implementation of the stated outcomes of corporate policies in a consistent manner in a specified area</td>
</tr>
</tbody>
</table>

*Obligations

Western Power’s obligations are contained in the following sources:

1. Commonwealth Government legislation and regulations, e.g. finance, privacy, freedom of information, trade practices and some environmental laws
2. State Government legislation and regulations, e.g. those applicable to Western Power’s role in the distribution and transmission of electricity within the *SWIS and as a participant in the *WEM
3. industry codes of conduct, e.g. the *Small Use Customer Code
4. conditions imposed on approvals and licences required to carry out the business
5. the general law
6. Commonwealth and State Government policy, guidelines and practice statements
7. relevant industry guidelines and practice statements
<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
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<tr>
<td>8. compliance related internal *Policies and ethical standards</td>
<td>Western Power utilises the additional obligation classifications of *SLOs and *Type 1 Obligations (see 3.3.2)</td>
</tr>
<tr>
<td>*IMO</td>
<td>Independent Market Operator</td>
</tr>
<tr>
<td>*KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>*Personnel</td>
<td>All officers and employees of Western Power and all contractors, subcontractors, agents and suppliers of Western Power when performing activities for or on behalf of Western Power under its direct supervision.</td>
</tr>
<tr>
<td>*PID</td>
<td>Public interest disclosure</td>
</tr>
<tr>
<td>*Policies</td>
<td>High level, brief, straightforward, statements of principle indicating Western Power’s intention and direction, and enabling effective decision making processes</td>
</tr>
<tr>
<td>*Procedures</td>
<td>How-to or step by step instructions implementing a process and detailing the roles and responsibilities of the people assigned to carry out the particular activities</td>
</tr>
<tr>
<td>*Regulators</td>
<td>State or Commonwealth Government regulators that administer *Obligations governing Western Power’s business including but not limited to the Australian Competition and Consumer Commission (ACCC), the regulator for Competition and Consumer Protection, and Energy Safety within the WA Department of Consumer Protection and Employment (DOCEP), the Inspector of Dangerous Goods, Work Safe, *EPA and the *ERA</td>
</tr>
<tr>
<td>*SHE</td>
<td>Safety, health &amp; environment</td>
</tr>
<tr>
<td>*SHE Management System</td>
<td>The *SHE Management System comprises the Safety and Health Management System *DM#9551623 and the Environmental Management System *DM10433411.</td>
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</tbody>
</table>
| *SLO or SLOs | Significant legislative obligation or significant legislative obligations, respectively. The *Obligations that have been assigned an Extreme or High residual risk evaluation rating.  
Note: While the legislative obligations are being re-calibrated against the amended Western Power risk assessment criteria (#6242026) initial inherent consequence ratings have been applied to all legislative obligations. During the re-calibration process any legislative obligations with inherent consequence ratings of "catastrophic" will be considered *SLOs. Final risk evaluation ratings will be applied once the consequences have been mapped against the likelihood ratings and controls. |
| *SLO Sponsor | A Head of Function that is assigned accountability for Western Power’s compliance with an *SLO |
| *Small Use Customer Code | Code of Conduct for the Supply of Electricity to Small Use Customers |
| *SWIS | South West Interconnected System |

2 The Safety and Health Management System and EMS are scheduled to be combined into the SHE Framework in 2015.


<table>
<thead>
<tr>
<th>Defined term</th>
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<tr>
<td>*Type 1 Obligations</td>
<td>Refer to the *ERA’s risk and reporting classification of electricity licence obligations (see Electricity Compliance Reporting Manual May 2011). Type 1 Obligations are classified on the basis that (1) the consequences of non-compliance would cause major damage, loss or disruption to customers; or (2) the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person.</td>
</tr>
<tr>
<td>*WEM</td>
<td>Wholesale Electricity Market (WA)</td>
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8. Further information

If you have any questions in relation to this Framework please contact either the Corporate Compliance Manager or General Counsel.

9. Content owner

General Counsel

10. Related documents

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<td>Compliance failure reporting procedure</td>
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<td>Code of conduct</td>
<td>DM#3575156</td>
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<tr>
<td>Executive Officers’ governance handbook</td>
<td>DM#3447852</td>
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<tr>
<td>Assurance policy</td>
<td>DM#11761707</td>
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<tr>
<td>Risk management standard and framework</td>
<td>DM#3861477</td>
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<td>Public interest disclosure standard</td>
<td>DM#3442810</td>
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11. Approval history

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<th>Date</th>
<th>Resolution no.</th>
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<td>BD/114/2006</td>
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<td>FRC/15/2007</td>
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<td>015/2015/BD</td>
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<td>31/03/2015</td>
<td>04/2015/BD</td>
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**APPROVED by GENERAL COUNSEL**
in accordance with the Board’s delegation
04/2015/BD approved on 1 July 2014
pursuant to section 71 of the
*Electricity Corporations Act 2005 (WA)*:

Sam Barbaro
General Counsel
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Compliance standard & framework

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Working draft: DM#3363640
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