

Estimates and Financial Operations Committee
2018-19 Budget Estimates hearings - Questions prior to hearings

Electricity Networks Corporation (Western Power)

The Committee asked:

- 1) For each project identified in your asset investment program in Budget Paper No. 2, was it subject to cost-benefit analysis and, if so, what was its ratio?

Answer:

The Asset Investment Program (AIP) table shown on Page 657 of Budget Paper 2 reflects Funding Category totals, not individual projects. These funding categories are aligned with Treasury as the number of individual projects are far too numerous to list. Furthermore, not all of our AIP breaks down into individual projects as a lot of the work is part of an ongoing, multi-year volumetric program of works.

Western Power's governance process is designed to ensure that the individual projects are prudent and efficient. This process also ensures these projects meet all the regulatory requirements under the Access Code and that non-regulatory projects will result in a positive return to Western Power. Cost benefit analysis is not used as a specific tool in Western Power's analysis of capital, but the investment governance processes utilised by Western Power are designed to maximise the project benefit at the lowest cost.

Western Power's AIP is developed along strict investment governance guidelines and as Western Power is regulated they are designed to promote prudent and efficient investment as required under the Electricity Networks Access Code 2004 (the Code). The investment governance process incorporates a Board approved policy, an overarching governance framework, investment management standards and business cases. A six gated investment cycle process is used to implement this governance process.

Each project is subject to the preparation of a detailed business case, which includes a comprehensive options analysis. This business case incorporates a financial analysis, which in the case of regulated projects provides a lowest net present cost (NPC) outcome and for non-regulated projects a net present value (NPV) outcome. Regulated capital projects are also required to meet the relevant regulatory tests outlined in the Code.



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Hon Peter Collier MLC asked:

- 1) How many Aboriginal people were employed by the agency/department on July 1st 2017 and April 30th 2018?

Answer:

- a) On July 1st 2017, there were 30 Aboriginal and Torres Strait Islander people employed by Western Power.
 - b) On April 30th 2018, there were 32 Aboriginal and Torres Strait Islander people employed by Western Power.
- 2) How many Aboriginal people employed by the agency/department were Level 8 and above (including Senior Executive Service positions) on July 1st 2017 and April 30th 2018?

Answer:

- a) On July 1st 2017, there was 1 Aboriginal and Torres Strait Islander employee at a Level 8 and above.
- b) On April 30th 2018, there were no Aboriginal and Torres Strait Islander employees at a Level 8 and above.

