

Policy no: **1.4.8A**



Approval date: **18/12/2006**
(original approval)

Last review date: **03/05/2010**

Policy title: **LEGISLATIVE & REGULATORY COMPLIANCE**

POLICY

Western Power is committed to complying with the law as it applies to it and to demonstrating ethical behaviour. Integrity underpins Western Power's corporate value of 'earning trust' and organisations of integrity comply with the law and ethical standards. Ethical conduct and upholding the law are also part of good business practice. Western Power will:

- comply with all relevant legislation, laws, standards, codes and internal policies;
- maintain and raise the level of awareness of its compliance obligations throughout the corporation by provision of education programmes, training and legal advice;
- develop and deploy appropriate practices and processes to ensure compliance with its legal and ethical obligations;
- monitor compliance with its legal and ethical obligations; and
- take appropriate corrective action to prevent recurrence of compliance failures.

PURPOSE

This policy encompasses Western Power's obligations to comply with all laws (State and Federal) applicable to the operation of its business. Federal laws include those that govern employment, finance, privacy, freedom of information, trade practices, and the environment. State laws include those applicable to Western Power's role in the distribution and transmission of electricity within the South West Interconnected System (SWIS) and as a participant in the Western Australian wholesale electricity market.

SCOPE

This policy applies to all areas and all activities of Western Power, including Western Power's wholly owned subsidiaries. Every officer, employee, contractor, sub-contractor, agent and supplier (**Personnel**) of Western Power is required to comply with all aspects of the law and to act ethically, at all times.

In this policy, a reference to the law includes:

- acts, regulations, codes and other subordinate legislation;
- operating licences and other authorisations;
- government policy;
- government and industry guidelines and practice statements;
- court cases (common law); and
- conditions imposed on approvals and other licences,

OUTCOMES

1. Minimise regulatory risk through the establishment of a pro-active culture of compliance throughout Western Power.
2. Enhance Western Power's corporate reputation by demonstrating a culture of compliance to customers, shareholders, regulators and other key stakeholders.

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3. Identify compliance strengths and weaknesses (including compliance failures) so as to benefit from the strengths and effectively remedy any weakness.
4. Establish an effective energy regulatory regime, through the creation of efficient management systems, procedures and practices.
5. Empower all Western Power Personnel to embrace a culture of compliance and be accountable for compliance within their area of work.
6. Allocate responsibilities and accountabilities for regulatory compliance within Western Power.
7. Engage stakeholders on regulatory matters and participate in regulatory forums.
8. Highlight/identify legislative requirements and obligations in need of reform and provide Western Power with opportunities to proactively influence legislative and regulatory policy and change.

OUR CORPORATE VALUES

This policy aligns with and/or supports the following Western Power corporate values:

- | | |
|---|--|
| <input checked="" type="checkbox"/> put safety first | <input checked="" type="checkbox"/> make a positive difference |
| <input checked="" type="checkbox"/> respect our customers | <input checked="" type="checkbox"/> earn trust |
| <input checked="" type="checkbox"/> work together | <input checked="" type="checkbox"/> act like it's our own business |

Western Power is committed to complying with the law and its ethical obligations. This promotes a positive culture in which:

- the trust of regulators and other external as well as internal stakeholders is earned; and
- the individual conduct of Western Power Personnel is consistent with that which is expected of the business as a whole.

PRINCIPLES

Legislative and regulatory compliance means ensuring that Western Power meets its obligations in law in an ethical and pro-active manner.

All Western Power Personnel have an obligation to comply with the law. Wilful breaches of legislative and regulatory obligations pose an unacceptable risk to Western Power's business and will not be tolerated. Legislative and regulatory compliance is a shared, day-to-day responsibility.

1. Each and every member of Western Power Personnel, from the top down, is required to comply with the law – insofar as it is applicable to their role and responsibilities – by:
 - 1.1 ensuring they are aware of Western Power's legislative and regulatory obligations;
 - 1.2 complying with Western Power's legislative and regulatory obligations;
 - 1.3 understanding the implications of compliance failures;
 - 1.4 reporting any incidents of compliance failures;
 - 1.5 being honest, unbiased, fair and trustworthy in all their dealings; and
 - 1.6 taking action to ensure that Western Power fully complies with all laws and other requirements to which it is subject.
2. Western Power will not provide support to Personnel who wilfully breach the law..

RELATED DOCUMENTS/INFORMATION

Legal references: [Electricity Corporations Act 2005 \(WA\)](#)

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Standards & guidelines:

AS 8001-2003: Fraud & Corruption Control
AS 8000-2003: Good governance principles
AS 3806-2006: Compliance programs
ISO 31000 -2009: Risk management

Related policies & other documents:

Legislative & regulatory compliance framework ([DM #3877655](#)).
Compliance failure reporting policy ([DM #4205081](#))
Legislation register (<http://compliance.mallesons.com>)
Western Power code of conduct ([DM #3575156](#))
Directors' governance handbook ([DM #3444412](#))
Risk management policy ([DM #3842495](#))
Risk management framework ([DM #3861477](#))
Legal representation for Western Power employees policy ([DM #3403246](#))
Public interest disclosure policy ([DM #3442810](#))

Approving authority for related procedures, guidelines, etc:

Legal & Governance

ACCOUNTABILITY AREA:

Legal & Governance

POLICY OWNER:

General Counsel & Company Secretary

NEXT REVIEW DATE:

31/03/2012

APPROVED BY:

Finance & Risk Committee
(as delegate of the Board)



This is a digital reproduction of the original execution clause

A handwritten signature in black ink, appearing to read "Doug Aberle".

.....
Doug Aberle – Managing Director

A handwritten signature in blue ink, appearing to read "John Pease".

.....
John Pease – Executive Officer

RESOLUTION NO:
(where applicable)

023/2010/FRC

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