



# Notice

11 December 2024

## Western Power 2023/24 Service Standard Performance Report

The Economic Regulation Authority has published [Western Power's Service Standard Performance Report](#) for the year ending 30 June 2024.

2023/24 is the first year that new performance reporting requirements set by the ERA for the fifth access arrangement period (or AA5) have applied.

The performance of Western Power's distribution network for all measures was worse than the average performance for the previous four years.<sup>1</sup> Western Power considers that 2023/24 was an extraordinary year marked by multiple, concurrent severe weather events and environmental challenges affecting the network.

Performance of the transmission network, call centre and streetlight repairs was generally better than, or similar to, the average performance for the previous four years.

The ERA monitors and publishes Western Power's actual performance against the service standard benchmarks set out in its access arrangement every year. Western Power is also subject to a service standard adjustment mechanism, which determines financial rewards or penalties to be included in the target revenue for the next five-year access arrangement period, depending on its service standard performance.

Based on its reported performance, Western Power will incur a penalty of \$13.8 million (June 2022 \$) at the next access arrangement review.<sup>2</sup>

We are reviewing the data provided by Western Power and seeking further information on the reasons for under-performance and the measures it is taking to address the underperformance. We will provide additional analysis on its performance in our next annual report on Western Power's progress against the AA5 decision, due by mid-2025.

### Background

In the AA5 review we changed the method for assessing service standard performance to make clearer what standards Western Power is expected to deliver:

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<sup>1</sup> For comparison purposes, Western Power has adjusted the performance reported for 2019/20 to 2022/23 to be consistent with the new AA5 definitions.

<sup>2</sup> As set out in our AA5 final decision, the penalty for not meeting the rural long service standard will be waived providing Western Power meets certain conditions, including developing and implementing an overall plan to address regional reliability. However, for 2023/24 the penalty relating to measures other than rural long performance exceeds the overall cap of 1 per cent of revenue so the total penalty will remain at \$13.8 million.

- The standard for rural long feeders, which are feeders greater than 200 km supplying customers in small towns and rural areas, was reset to be in line with the legislative obligation under the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005*.
- We also amended the definitions for specific measures so that outages due to faults on the transmission network are no longer excluded from Western Power's performance assessment.
- Interruptions caused or extended by a total fire ban or direction from government or emergency services are now excluded from the assessment.

Our final decision for AA5 recognised that using average performance measures does not provide a good indication of the level of service some customers are experiencing. For AA5, we maintained average performance measures, but in the longer term, we consider that more granular standards should be set. In the interim, to provide better information for customers and to assist the development of better performance measures, we required Western Power to provide more granular detail in its annual service standard reports. Western Power has provided estimates of disaggregated outage information by feeder and local government area in Appendix B of the report.<sup>3</sup>

## Further information

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<sup>3</sup> The data has also been provided in an excel spreadsheet.