

# ActewAGL

Annual Report 2010-11

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## ActewAGL

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## ActewAGL

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# About this report

This year, ActewAGL published its Annual Report and Sustainability Report as two standalone publications. This enables ActewAGL to reduce its paper usage by publishing its Sustainability Report online only. For information relating to ActewAGL's performance against the Global Reporting Initiative (GRI) framework, please refer to the Sustainability Report which will be available from [actewagl.com/publications](http://actewagl.com/publications).

All information contained within this report was accurate at the time of publication.

## Target audience

ActewAGL's Annual Report contains relevant information for our stakeholders. Our primary stakeholder segments are:

- our customers
- suppliers and industry partners
- our owners
- our people
- Federal and local government
- community groups.

## Reporting period

The data presented in this report covers ActewAGL's significant activities and operations during the 2010–11 financial year (1 July 2010 until 30 June 2011).

## Report scope and boundary

This report covers the activities and operations of ActewAGL which is primarily based in the ACT in Australia. The businesses to which ActewAGL provides management services under Management Services Agreements (TransACT) and ActewAGL's owners (ACTEW Corporation and Jemena) are excluded from this report.

## Assurance and verification

ActewAGL's Financial Report was audited the ACT Auditor General's Office.

Please see page 60 for the Independent External Audit Report.

## Contact us

Please email any comments or feedback about this report to [publications@actewagl.com.au](mailto:publications@actewagl.com.au) or call (02) 6248 3328.

## Images

Photography by Eddie Mistic (Eddison Photography), Leigh Atkinson (Imagemakers) and ActewAGL.

## Copies of this report

Copies of this report can be viewed and downloaded from [actewagl.com.au/publications](http://actewagl.com.au/publications)

To request a hard copy, please call Corporate Publications Manager Kirsten Le on (02) 6248 3328.

# Overview of ActewAGL

On 3 October 2000, a Joint Venture formed between ACTEW Corporation and the Australian Gas Light Company. The Joint Venture, ActewAGL, became the first multi-utility operating as a public-private partnership in Australia.

ActewAGL combined ACTEW Corporation's network and retail electricity business with AGL's ACT and Queanbeyan network and retail gas business.

ACTEW Corporation retained ownership of the water and wastewater assets and business, with ActewAGL operating and maintaining the water and wastewater networks under the Utilities Management Agreement.

## Two partnerships

In October 2000, the Joint Venture comprised two partnerships, ActewAGL Distribution and ActewAGL Retail, with the Australian Gas Light Company and ACTEW Corporation each owning a 50 per cent share in the partnerships.

The ActewAGL Distribution partnership is now equally owned by SPI (Australia) Assets Pty Ltd and ACTEW Corporation Ltd via their respective subsidiary companies, Jemena Networks (ACT) Pty Ltd and ACTEW Distribution Ltd. The ActewAGL Retail partnership is owned equally by AGL Energy Ltd and ACTEW Corporation Ltd via their respective subsidiary companies, AGL ACT Retail Investments Pty Ltd and ACTEW Retail Ltd.

## ActewAGL's owners

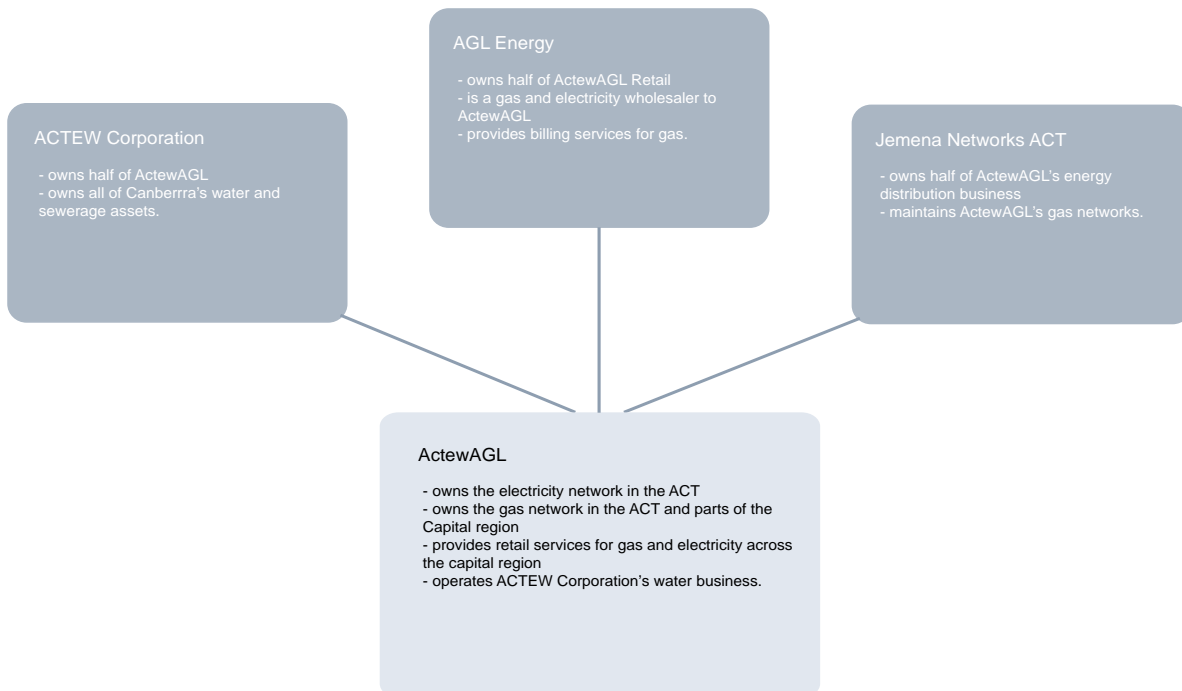
ACTEW Corporation is owned by the ACT Government. Its voting shareholders are the ACT Chief Minister and Deputy Chief Minister. It retains 100 per cent ownership of the ACT's water assets. AGL is one of the Australian Stock Exchange's top 50 companies. It includes retail and merchant

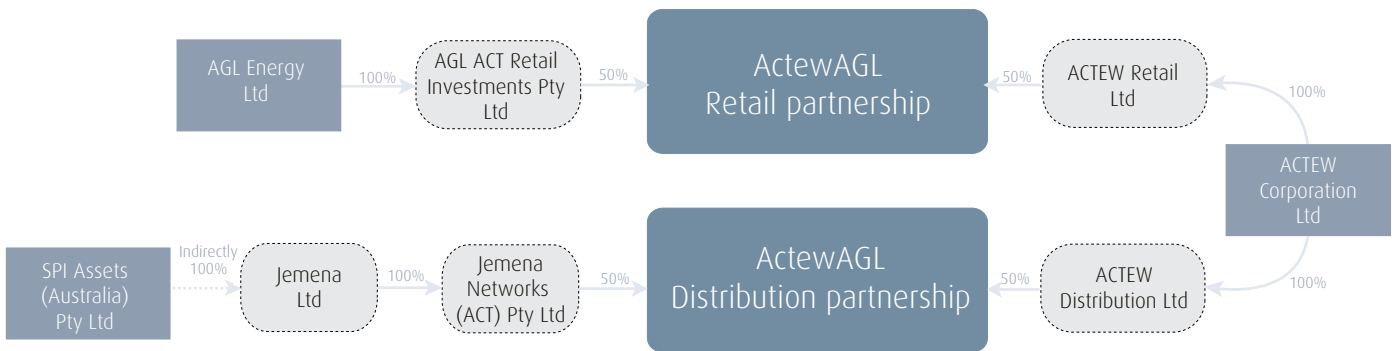
energy businesses, power generation assets and an upstream gas portfolio. Jemena is one of Australia's leading energy infrastructure companies and is ultimately owned by SPI (Australia) Assets Pty Ltd.

## ActewAGL's functions

ActewAGL Distribution owns and operates the electricity network in the ACT and the gas network in the ACT, Shoalhaven and Queanbeyan regions. ActewAGL Distribution also operates and maintains the water and sewerage networks under the Utilities Management Agreement with ACTEW Corporation.

The ActewAGL Retail partnership provides customer service and marketing of electricity, gas and water.





### Area of operations

ActewAGL's energy network operations are located in the ACT, but the retailing of energy occurs throughout the Capital region which extends to areas such as Goulburn, Booroowa, Yass, Young, Shoalhaven (see Capital region map on page 68).

ActewAGL manages the ACT's water and wastewater network on behalf of ACTEW Corporation.

### The ActewAGL Joint Venture Board

There are six ActewAGL Joint Venture Board members, of which three are appointed by the ACTEW partners and three by the AGL partners (the AGL partners are made up of AGL ACT Retail Investments Pty Ltd and Jemena Networks (ACT) Pty Ltd). Board member profiles are available on page 22. For information regarding the Board's committees and functions please see the corporate governance section, page 16.

### Law firms, banks and auditors

ActewAGL uses several law firms, including Mallesons Stephen Jaques and Minter Ellison for large matters and smaller firms for specialised matters.

ActewAGL has relationships with a number of banks, principally Westpac Banking Corporation and the Commonwealth Bank of Australia.

ActewAGL's financial reports are audited by the ACT Auditor-General. Deloitte Touche Tohmatsu acts as contract auditor for the ACT Auditor-General's Office.

# Chairman's Report

ActewAGL's strategic outlook for 2010 – 2020 continues to underpin the organisation's operation and performance, and will continue to shape the way ActewAGL does business over the next decade.



The ActewAGL Group returned an operating profit after tax of \$166.6 million for 2010–11 compared to a profit of \$184.8 million in the previous year. The decrease in profit is due mainly to the gain on the sale of ECOWISE Environmental Pty Ltd and its subsidiaries during the previous financial year.

Total operating revenue for the year ended 30 June 2011 was \$876.6 million compared to \$818.9 million in the previous year. The three per cent increase can be attributed to price rises in line with regulatory price determinations, higher volumes as a result of Canberra's continuing population growth and increased consumption in the ACT and Nowra region mass markets, as well as consumption by commercial customers and favourable weather conditions.

The Joint Venture returned a total of \$92 million to the Joint Venture owners in 2010–11.

See page 57 for the Summary Financial Report.

ActewAGL currently has no significant borrowings.

## Board and senior management

Board members have undertaken to make their decisions in the best interests of the Joint Venture. Although ActewAGL Board members are not 'directors' in *Corporations Act 2001* terms, they adhere to the high standards of integrity and performance required of directors under the Act.

There were several changes to the Board during 2010–11. Paul Adams joined the Board replacing Lim Lay Hong. Jim Galvin resigned and was replaced by Michael Fahey.

I would also like to extend a warm welcome to the new members of the Executive management team; Peter Holden, Stephen Devlin, Robert Atkin and Dianne King.

## Safety

The safety of our people, contractors and the public continues to be a primary concern of the Board. Working in the electricity, water and gas industries presents its share of safety risks and it is extremely important for our people to be well trained in, and always aware of, their own safety and their colleagues' safety.

The Board replaced the Environment Committee with the Safety and Environment Committee reflecting the Board's strong focus on safety.

In December 2010, stage one of Deloitte Touche Tohmatsu's review of occupational, health and safety (OHS) in the organisation was complete. From the stage one findings, ActewAGL will improve communication and consultation, increase management responsibility and accountability, improve OHS governance, redesign the current OHS management system and look at a new incident reporting system. A new Environment, Health, Safety and Quality division was formed with a new Director appointed, who will report directly to the CEO, to help address these findings.

A safety improvement project team was formed. A three-year strategic safety action plan and safety score board were developed with the assistance of Deloitte Touche Tohmatsu.

## Regulation

The Independent Competition and Regulatory Commission (ICRC) continues to regulate retail prices for electricity customers who remain on the Transitional Franchise Tariff (TFT), as well as prices for ACTEW Corporation's water and wastewater services. The Australian Energy Regulator (AER) remains responsible for economic regulation of the ACT, Queanbeyan and Palerang gas and ACT electricity distribution networks and the Independent Pricing and Regulatory Tribunal (IPART) for ActewAGL's retail gas service prices in NSW.

I take this opportunity to acknowledge the commitment and contribution of Mr Paul Baxter who ended his term as Senior Commissioner of the ICRC in June 2011. Mr Baxter led the ICRC since its establishment in 2000 and in its previous incarnations as the Energy and Water Charges Commission (EWCC) from 1996 and the Independent Pricing and Regulatory Commission (IPARC) from 1997. Mr Baxter's time at the ICRC covered the period of the formation of the ActewAGL Joint Venture, the structural reform to the energy industry including separation of retail and distribution functions and the introduction of Full Retail Contestability for electricity and gas. I would like to welcome the two new ICRC commissioners; Senior Commissioner Malcolm Gray and Standing Commissioner Mike Buckley.

ActewAGL Distribution's electricity network prices for 2011–12 were reset in accordance with the AER's final decision for the period 1 July 2009 to 30 June 2014 by 7.85 per cent (including CPI) on average, nearly half of which was to recover increased electricity transmission costs paid to TransGrid by ActewAGL for the transport of electricity to the ACT. As the AER noted in its final decision, the price increases are driven also by significant investment by ActewAGL in major capital projects which will result in a more reliable and secure network.

ActewAGL Distribution's gas network prices for 2011–12 were varied in accordance with the AER's September 2010 Amended Access Arrangement. These were approved by the AER on 2 June 2011. The approved variation provides for average distribution network service price increases of 16.73 per cent (including CPI) for 2011–12. The price increases are also driven by significant investment in a number of infrastructure projects including the network expansion into new suburbs such as North Weston and those under development in the Molonglo Valley, as well as in some existing areas where customers will have access to gas for the first time.

ActewAGL Retail's 2011–12 prices for its NSW gas retail customers were reset by the Independent Pricing and Regulatory Tribunal (IPART) in accordance with the current approved Voluntary Transitional Pricing Agreement (VTPA). On average, natural gas retail prices increased from 1 July 2011 by 3.5 per cent, 7.4 per cent and 2.2 per cent (including CPI of 2.65 per cent) in the Capital, Queanbeyan/Bungendore and Shoalhaven regions respectively. These increases were driven by increased network charges.

ActewAGL Retail's 2011–12 prices for Transitional Franchise Tariff customers were reset in accordance with the ICRC's mid-term review decision which allowed for an increase to prices of 6.37 per cent (including CPI). The main drivers of the price increase are the increased cost of the Federal Government's renewable energy schemes and increases in network charges.



## Strategic direction

ActewAGL continued to implement its 10-year strategic outlook and developed a framework for the strategy during the year. The Board met with the Executive management team in October 2010 to approve the strategic plan. In accordance with the plan, ActewAGL will continue to change and grow. We are actively pursuing alternative energy sources, including the development of a large scale solar facility in the ACT. We are also actively facilitating the introduction of electric vehicle infrastructure in the ACT.

As a part of the strategic plan, there were major changes to safety, networks and information technology during the year. These changes signify the biggest change in ActewAGL since it was first formed in 2000. As a result of the changes, which will continue over the next ten years, ActewAGL will be placed in a better position to deal with the challenging environment we are going to face in the next decade.

A Strategic Programme Management Office (SPMO) was established to manage strategic change projects, including safety improvement, Energy Networks restructure and Enterprise Resource Planning.

## Core business

ActewAGL continued to develop several sub-transmission projects which will ensure security of supply to the existing and future electrical load in the ACT.

The gas networks capital works program continued to present strong and steady growth with a total of seven major projects undertaken during the year, representing an investment in excess of \$17 million in new network infrastructure. This not only increases the security of supply to ActewAGL's existing customers but provides further expansion of its customer base well into the future. Notable examples of the capital works undertaken during the 2010–11 period include the Pestells Lane Trunk Receiving Station and Bolong Road Primary Regulating Station upgrade, the Hume to Tuggeranong interconnection, the Narrabundah to Hume extension, and the Queanbeyan to Jerrabomberra interconnection.

Together ACTEW Corporation and ActewAGL have delivered outstanding results in delivery of the 2010–11 capital works program. With realised cost savings, efficiency gains, unspent risk allowances and contingencies taken into account, ActewAGL delivered an earned value of \$59.3 million, 99.8 per cent of the \$59.4 million annual target expenditure. This is considered to be an excellent result given that ActewAGL's ability to expend money on 11 projects was reduced by \$5.1 million due to delays outside of ActewAGL's control associated with significant wet weather, lack of access to assets due to operational constraints and government approval delays.

ActewAGL continued to maintain high reliability in its electricity and gas networks, and worked in support of ACTEW Corporation on projects that will strengthen Canberra's water resources. For ActewAGL's service performance to its customers, see page 43.

## Risk Management

Following a major review of risk assessment and management process within ActewAGL during the previous year, the Audit and Risk Management Committee now has access to an enhanced approach to the identification of risks, their management and reporting.

ActewAGL is in the process of improving our risk management and control framework based on ASX Corporate Governance Principle 7. The General Counsel and Board Secretary (in regard to risk management) and the Chief Finance Officer (in regard to financial control) provided Management Assurance Reports for 2010–11 to the CEO, who in turn provides assurance to the Audit and Risk Management Committee regarding the adequacy and effectiveness of arrangements for risk management and financial control. The Audit and Risk Management Committee has also agreed that, over a number of years, the Management Assurance Reporting process will be extended to other areas of internal control including safety, environmental and quality management.

## Thanks

ActewAGL began a transformation process over the past year and I would like to thank ActewAGL's employees and the community for embracing this time of change with positivity and enthusiasm.

ActewAGL met or exceeded objectives set by the Board. I thank our parent companies, AGL, Jemena and ACTEW Corporation, for their continued support and confidence. I also thank my fellow board members, the management team and employees for their valuable contributions throughout the year.

Finally, celebrating 10 years is a significant achievement for ActewAGL and each and every staff member – both past and present – has contributed towards making the organisation all that it is today.

A handwritten signature in white ink, appearing to read 'John Mackay', with a small mark below the end of the signature.

John Mackay AM  
Chairman

# CEO's Report

2010–11 has been a year of major change for ActewAGL as it continues to implement its Strategic Outlook 2010 – 2020. An emphasis on renewable energy and changes to safety and to the organisation's culture will see ActewAGL in a better position to deal with the challenges presented by a dynamic utilities industry over the coming decade.



## Celebrating 10 years

October marked an exciting milestone for ActewAGL as it turned 10 on 3 October 2010.

Celebrating 10 years is a significant milestone for ActewAGL and every staff member has helped make ActewAGL the success it is today.

ActewAGL formed in October 2000 when the Australian Gas Light Company and ACTEW Corporation, an ACT Government-owned enterprise, entered into Australia's first multi-utility joint venture to offer electricity, natural gas, water and wastewater services.

Although ActewAGL is celebrating 10 years, it has been supplying reliable essential services to the region for much longer. Our journey began in 1915 with the Kingston Power House, which supplied electricity for Canberra's water supply at the Cotter Dam. Over the years we've contributed to the building of the ACT and have grown and changed with the needs of the city.

## Safety

The Safety Improvement Program began in late November 2010 and continues to progress.

Our safety consultant, Deloitte Touche Tohmatsu, proposed that there should be a new area, Environment, Health, Safety and Quality Improvement. I am pleased to announce that Dianne King joined ActewAGL as the Director Environment, Health, Safety and Quality (EHSQ) on 4 July 2011. Dianne has 20 years' of experience working with various industries, Commonwealth, State and local government departments and community groups in the areas of adult education, environment, health and safety. Dianne will be responsible for helping ActewAGL achieve an improved safety culture. I have every confidence that Dianne will be an asset to ActewAGL as we continue to improve our safety performance and transition towards 2020.

There will be a new organisational structure for safety. It will be clear that every division, manager and person will be directly responsible for safety. The responsibility of the safety team will be to simplify the broad processes to be implemented by divisions, and to advise and support the divisions and their managers in carrying out their responsibilities.

### Networks restructure

As a result of Deloitte Touche Tohmatsu's findings from the safety review, a fundamental review of Networks division was undertaken during early 2011 by an experienced utilities consultant firm, Marchment Hill. They proposed a consultative organisation review and restructure of Energy Networks. This is currently being implemented under my direct leadership and with the help of the two new General Managers, Stephen Devlin and Robert Atkin, who have been appointed to two new positions.

### Renewable energy and sustainability opportunities

ActewAGL and Better Place Australia signed a landmark deal for the supply of renewable energy to Better Place's electric car charging network in Canberra.

This supply agreement is worth approximately \$60 million over 10 years, and is the largest renewable energy deal of its kind in Australia. The renewable energy will be drawn from generation sources such as wind, hydro and solar.

In October 2010, ActewAGL opened its Compressed Natural Gas refuelling station in Fyshwick.

ActewAGL continues to express its keen interest in participating in the ACT Government's large scale solar plans. We look forward to participating in this important venture in the near future.

ActewAGL has welcomed the Federal Government's Clean Energy Future and intends to work with both the Federal Government and the ACT Government to implement opportunities arising from these climate change policy initiatives.

ActewAGL is actively working on a number of environmental initiatives to help Canberra and the region reduce its impact on the environment. As a provider of energy and other essential services, sustainable business practices are critical to ActewAGL's thinking.

ActewAGL continues to express its keen interest in participating in the ACT Government's large scale solar plans. We look forward to participating in this important venture in the near future.



ActewAGL remains a major employer in the ACT with 1,117 staff employed during the 2010–11 financial year.

### Enterprise bargaining agreement

The ActewAGL and Combined Unions Enterprise Agreement 2008 nominally expired on 1 July 2011. After 14 lengthy meetings with bargaining representatives, and with their agreement, ActewAGL employees voted on the proposed ActewAGL and Combined Unions Enterprise Agreement 2011 which took effect from 1 July 2011.

### New website

ActewAGL launched its new look website giving customers improved access to information and tools to help them better manage their services.

### An employer of choice

ActewAGL remains a major employer in the ACT with 1,117 staff employed during the 2010–11 financial year. As at 30 June 2011, there were seven trainees, 42 apprentices, 12 graduates and seven cadets placed across the organisation. There are 58 employees currently participating in ActewAGL's studies assistance program.

### Executive management changes

In August 2010, General Counsel and Board Secretary, Ian Macara, left the organisation and Peter Holden was appointed to the position. He has 20 years' experience in energy and resources, and he spent much of that time as an in-house counsel.

Director Internal Audit, Norris Robertson, left ActewAGL and consequently, the Internal Audit function was moved to the Legal and Secretariat division.

As noted earlier, Dianne King also joined ActewAGL as Director Environment Health Safety and Quality on 4 July 2011.

Following the review of networks, + division was divided into two functions; Network Services and Asset Services. General Manager Networks Mick Charlton left ActewAGL in January 2011 and as a result of the restructure, Rob Atkins was appointed to General Manager Network Services and Stephen Devlin was appointed General Manager Asset Services.

### TransACT rollback

The TransACT rollback was substantially complete by 30 June 2011.

### Competition

Following the sale of NSW energy retailers by the NSW Government, ActewAGL Retail is currently exploring and implementing competitive initiatives to ensure our continued growth in the ACT and surrounding region.

### Enterprise resource project

Towards the end of the financial year, ActewAGL commenced planning a review of its major IT systems. These systems support critical business functions and require considerable investment to either upgrade or replace. We have engaged an external consultant with expertise in both single and multi-system enterprise resource planning solutions who will provide advice on the best way to do this. The Board has agreed that this new system must contribute to business process efficiency and provide a seamless customer experience for all services. Following the development of the business case, the implementation is expected to commence in December 2011 and is likely to take 18- to 24-months to implement.

## National Energy Customer Framework

The ACT Government has indicated it will pass the National Energy Customer Framework (NECF) legislation to take effect from 1 July 2012. ActewAGL has set up a project team to ensure compliance.

## Looking forward

Over the past year, ActewAGL has undergone significant changes and together these signify the biggest transformation ActewAGL has seen since it was first formed in 2000. These changes present challenges to the organisation and the way we do business now but looking forward, ActewAGL will be better placed to operate within the dynamic environment it will face over the next decade.

Further business improvement changes will continue to occur around the organisation to ensure we successfully transition toward our future goals and continue to achieve great outcomes for ActewAGL.



Michael Costello, AO  
Chief Executive Officer

# Report against key priorities for 2010–11

ActewAGL worked throughout the reporting period to achieve the initial stages of its Strategic Outlook 2010 – 2020. The Strategic Outlook sets out ActewAGL's broad strategic intent over the coming years.



The Strategic Outlook process produces a 10 year statement that is expected to be reviewed and fine tuned every 12 months to take into account current developments. The first review after 30 June 2011 is expected to take place in late September 2011 and to produce a Strategic Outlook for the period 2011-2021. The Outlook for 2010 – 2020 specifies that, by 2020, ActewAGL will:

- retain a leading market share within the ACT and the surrounding region
- operate a modernised, automated (intelligent) distribution network better able to effectively manage distributed intermittent generation, distribution network assets and end use applications
- operate and maintain additional significant water infrastructure assets
- build, own, operate and maintain co-generation facilities in commercial developments, industrial sites and town centres throughout the ACT
- operate a number of energy-related network businesses, such as electric vehicle infrastructure and additional gas networks external to the ACT
- own and operate a number of solar power facilities within the ACT and surrounding region
- operate a retail services business that provides a range of energy related services as well as supplying energy needs
- provide operational services to other entities.

The Strategic Outlook includes a range of transitional elements to facilitate the achievement of the overall plan. The transitional items require:

- employees with a culture of adaptability, commercial agility and enthusiasm to embrace change and with the skills to succeed and in whom the culture of safety is deeply embedded
- existing business activities to be responsive to a new industry landscape and to be undertaken on the basis of continual improvement and improved efficiency
- modernisation of the networks
- successful implementation of major capital works programs
- active exploration of new markets and innovative ways of building customer loyalty

- growth through judicious investment in areas related to ActewAGL's core businesses
- an increased focus on community interaction and corporate reputation under the one strong Joint Venture brand.


Solid progress was made throughout the reporting period in relation to a number of the key priorities identified for 2010–11. This included:

- further increasing its emphasis and focus on the achievement of a safe work environment for all employees
- implementing a number of organisational restructures
- initiating a number of major system improvement programs
- continuing to pursue renewable energy opportunities within the region
- working with our customers to ensure our products and services best meet their energy requirements.

Further information regarding the initiatives outlined above is detailed throughout this report.

During the year, ActewAGL increased its focus on achieving a safe work environment for all employees.





## Corporate governance

There are six Board members of the ActewAGL Joint Venture Board. Three members are appointed by the ACTEW Corporation partners and three by the AGL partners.

## Joint Venture Board overview

A member can only be removed by the partners that appointed them. A quorum for a meeting of the Board is at least one member appointed by the ACTEW Corporation partners and at least one member appointed by the AGL partners.

Board member obligations are set out in the ACTEW Corporation and AGL Umbrella Agreement. Members act in the best interests of the partnerships as a whole. Although the Board members of ActewAGL are not 'directors' in *Corporations Act 2001* (Cth) terms, they adhere to the standards required of directors under the Act.

ActewAGL has a documented corporate governance policy and manual. The corporate governance manual, together with a wide range of supporting documents, is published electronically for the use of Board members and executive management.

The Board monitors business performance through progress reports on key projects and divisional progress against budgets and activity plans. The Board sets performance targets and makes decisions related to business strategy.

Between 1 July 2010 and 30 June 2011 the Board met seven times.

A member of the Board may appoint an alternate member to attend a meeting on their behalf. Telephone participation during meetings is also permitted by the ACTEW Corporation and AGL Umbrella Agreement.

## Participation in meetings

	Number of Board meetings attended	Number of Board meetings eligible to attend	Number of committee meetings attended	Number of committee meetings eligible to attend
John Mackay	7	7	6	6
Michael Easson	7	7	10	11
Mark Sullivan	7	7	7	7
Lim Lay Hong	2	4	2	7
Lim Howe Run	7	7	6	6
Lim Howe Run as alternate for Lim Lay Hong on the Audit and Risk Management Committee	-	-	2	2
Jim Galvin	3	4	2	3
Michael Fahey (alternate to Jim Galvin)	1	1	0	0
Michael Fahey	3	3	5	5
Paul Adams	3	3	3	4
Joanne Pearson (alternate for Paul Adams)	-	-	1	1

## Board membership

During 2010–11 there were some changes to the Board.

Jim Galvin resigned in January 2011 and was replaced by Michael Fahey. Lim Lay Hong resigned in February 2011 and was replaced by Paul Adams.

## Committees

### Environment Management Committee

The Environment Management Committee operated for most of the year and was replaced by the Safety and Environment Committee in June 2011.

Through the Environment Management Committee, the Board reviewed and determined ActewAGL's corporate environment management procedures, and monitored progress on activities with significant environmental implications.

During the year, the Committee approved the Sustainability Strategy for 2010 - 2015. The Committee approved the annual ActewAGL Environment Action Program and monitored progress against the action items identified in it.

The Committee's charter stated that the corporate environment management system is modelled on international standards of best practice and is aimed at the integration of environmental management into commercial decision making.

Committee members in 2010–11 were Michael Easson (Chairman), John Mackay, Mark Sullivan, Jim Galvin, Lim Howe Run, and Lim Lay Hong. The Committee met three times during the 2010–11 financial year.

### Safety and Environment Committee

In May 2011 the Board established the Safety and Environment Committee to advise the board on the effective discharge of its responsibilities in relation to safety and the environment. This Committee replaced the Environment Management Committee.

The Committee will ensure that ActewAGL pursues best practice safety and environmental management, and assist the Board to promote a strong culture throughout ActewAGL in which safety and the environment are part of the way business is done.

The Committee members are Michael Easson (Chairman), Mark Sullivan and Paul Adams. The Committee met once during 2010–11.

### Audit and Risk Management Committee

The Audit and Risk Management Committee charter provides that the Committee will assist the Board by gaining assurance over the quality of financial and management information, financial statements, business risk management, internal control frameworks and the maintenance of legal and regulatory compliance processes.

During the year, the Committee reviewed the end of financial year results and financial statements. The Committee also reviewed the outcomes of internal audits carried out during the year. There were changes to the internal audit function and during the year PricewaterhouseCoopers was engaged to provide internal audit services under the management of ActewAGL's Manager Assurance and Risk.

Following a major review of the risk assessment and management process within ActewAGL during the previous year, the Committee now has access to an enhanced approach to the identification of risks, their management and reporting.

The Auditor-General appointed a new external audit contractor, Deloitte Touche Tohmatsu.

Committee members between June 2010 and February 2011 were Ted Mathews (Chairman), Lim Lay Hong and Michael Easson. In February 2011, the Committee membership increased to four; Michael Fahey was appointed to the Committee, and Lim Lay Hong resigned and was replaced by Paul Adams. Lim Howe Run was Lim Lay Hong's alternate on the Committee and Joanne Pearson was Paul Adams alternate.

The Committee met four times during 2010–11.

### Remuneration Committee

The Remuneration Committee, in accordance with its charter, deals with remuneration and terms and conditions of the Chief Executive Officer. The Committee, in consultation with the Chief Executive Officer, discusses issues of senior executive remuneration and performance appraisals, and the Board sets collective management performance targets.

The Remuneration Committee comprises all members of the ActewAGL Joint Venture Board. The Chairman of ActewAGL is the Committee's Chairman. The Committee met three times during 2010–11.

## Internal audit

Internal audit is an integral part of the corporate governance framework, providing the Board and management with independent assurance regarding the implementation and operation of appropriate internal controls. During 2010–11 an external consultant reviewed the internal audit service delivery model, and assessed the function against the standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. As a result of this work, revised arrangements were implemented, including the appointment of a new Manager Assurance and Risk and a single internal audit services provider, Pricewaterhouse Coopers, under a three-year contract.

The Manager Assurance and Risk manages ActewAGL's internal audit program. The Manager Assurance and Risk reports to the General Counsel and Board Secretary and maintains unrestricted access to the Chief Executive Officer and to the Chairman of the Audit and Risk Management Committee.

Eight reviews were performed as part of the 2010–11 internal audit program. These reviews covered:

- Fraud and corruption prevention
- Revenue assurance
- Contractor management
- IT security
- Fixed price service charge
- Retail hardship and disconnection arrangements
- Treasury
- TransACT rollback.

A similar broad program of reviews has been approved by the ActewAGL Audit and Risk Management Committee for 2011–12.

## Risk management

Risk management is a fundamental component of ActewAGL's corporate governance. The Manager Assurance and Risk is responsible for maintaining a comprehensive, integrated and effective Risk Management Framework that is consistent with AS/NZS ISO 31000:2009 Risk management – principles and guidelines. The Risk Management Framework incorporates risk management policy and procedure, governance arrangements, training and support, and arrangements for ensuring ongoing review and continuous improvement. Under risk management

governance arrangements, the General Counsel and Board Secretary is identified as the executive member responsible for risk management.

Risk registers are maintained by each division and key risks are reported twice annually to the Audit and Risk Management Committee and the Board, with emerging risks reported as required by established procedure.

ActewAGL is in the process of improving our risk management and control framework based on ASX Corporate Governance Principle 7. For 2010–11 the General Counsel and Board Secretary (in regard to risk management) and the Chief Finance Officer (in regard to financial control) provided Management Assurance reports to the CEO, who in turn provides assurance to the Audit and Risk Management Committee regarding the adequacy and effectiveness of arrangements for risk management and financial control. The Committee has also agreed that, over a number of years, the Management Assurance Reporting process will be extended to other areas of internal control including safety, environmental and quality management.

## Insurance

ActewAGL manages the insurance program for ActewAGL and ACTEW Corporation.

Renewals of the major insurance programs were effective from 31 May 2011 for a 12-month period. Negotiations with the General Liability underwriters were able to secure a further two-year renewal term which is expected to minimise ActewAGL's exposure to an upturn in the liability market.

## Policies and procedures

ActewAGL has a directory of corporate policies and procedures in place to ensure efficient operation, best practice and compliance with legislation and international and Australian standards. ActewAGL's policies and procedures also help the organisation remain an ethical and efficient business.

As part of a functioning quality and risk management system, ActewAGL's policies and procedures provide the framework for continual improvement and increased confidence that its processes are established and well-documented.

All corporate and divisional policies and procedures are available to employees on the ActewAGL intranet.

During 2010–11, a review of the entire suite of corporate policies and procedures commenced. The review will ensure all policies and procedures are clear, concise, accurate and up-to-date and consistent with ActewAGL's corporate style guide.

### Code of Conduct and ethics

The organisation values and respects each individual's contribution, encourages maximum productivity and promotes and rewards creativity and initiative. ActewAGL does not tolerate discrimination, unsafe work practices and other inappropriate workplace behaviour. The code applies to all ActewAGL employees and requires them to be honest, show integrity, work safely, respect others and be adaptable to change.

An Ethics committee is responsible for reviewing the Code of Conduct and investigating possible breaches.

### Legal compliance

ActewAGL's legal compliance program follows the principles set out in Australian Standard 3806 for compliance programs.

During the year, 127 staff members completed online training in privacy, 130 in fraud prevention and 89 in ring fencing. In addition, ActewAGL provided over 50 managers with access to more comprehensive online legal training in workplace relations, privacy, contract law, the *Consumer and Competition Act 2010* and environmental law.

### Legislative framework

*The Utilities Act 2000* (ACT), its regulations and codes form the legislative centrepiece which governs ActewAGL's utility operations in the ACT. While the ICRC regulates prices for water and wastewater services, economic regulation of the energy network business (electricity and gas) is the responsibility of the AER under the National Electricity and National Gas Law. The AER also regulates the electricity and gas transmission networks.

Non-price energy distribution and retail functions, including standard contracts and consumer protection, are scheduled to transfer from the ICRC and IPART to the AER with the establishment of a new National Energy Customer Framework.

The transfer of functions to the AER is expected to commence in the ACT around July 2012. Until this process is complete, the ICRC will continue to license utilities that supply electricity and natural gas in the ACT.

Ring fencing guidelines were issued by the ICRC in November 2002, requiring clear separation of operations and accounts between the Distribution and Retail partnerships. The guidelines continue to have effect under the transitional provisions of the National Electricity Rules and are supported by additional ring fencing provisions under the National Gas Law.

# Licence compliance

## Electricity networks

ActewAGL Distribution is licensed under the *Utilities Act 2000 (ACT)* to provide electricity distribution services and electricity connection services. Under the terms of the licence, ActewAGL Distribution must report by 1 October each year to the Independent Competition and Regulatory Commission (ICRC) on its compliance in relation to the Act, industry and technical codes, ring fencing guidelines, and any other requirements imposed by the licence. There were no known material breaches of the licence during the year.

## Gas networks

ActewAGL Distribution is licensed to provide gas distribution and connection services under the *Utilities Act 2000 (ACT)*. Under the terms of the licence, ActewAGL Distribution must report by 1 October each year to the ICRC on its compliance with the Act, industry and technical codes, and any other requirements imposed by the licence.

ActewAGL Distribution also holds a Reticulator's Authorisation under the *Gas Supply Act 1996 (NSW)* for its gas distribution systems in Greater Queanbeyan, Palerang and Nowra and a pipeline licence for the Eastern Gas Pipeline interconnect from Hoskinstown in NSW to the ACT border. There were no known material breaches of licences or authorisation during the year.

## Retail

ActewAGL Retail is licensed to retail electricity and gas in the ACT and NSW. ActewAGL Retail had no material non-compliances in respect of its electricity and gas retail licences in its areas of operation.

ActewAGL Retail has also maintained membership of the Electricity and Water Ombudsman of NSW scheme as required by its NSW retail licence.

ActewAGL Retail reports annually on compliance with relevant codes to Independent Pricing and Regulatory Tribunal (IPART) in NSW and the ICRC in the ACT.

ActewAGL Retail met all compliance requirements of the (i) Expanded Renewable Energy Target, (ii) ACT Greenhouse Gas Abatement, (iii) NSW Greenhouse Gas Abatement and Energy Savings schemes as well as maintaining (iv) National GreenPower Accreditation for its Greenchoice product. ActewAGL's 2010 calendar year obligations under the ACT and NSW Greenhouse Gas Abatement schemes and the National GreenPower Accreditation scheme were independently audited, verifying ActewAGL's compliance.

## Water and sewerage

ActewAGL operates ACTEW Corporation's water and sewerage network, which is required to comply with various licences and environmental protection agreements. Performance against these licences and agreements during 2010–11 is set out below.

Licence compliance	%
LMWQCC effluent discharge	99.95
LMWQCC furnace	99.1
Googong sludge drying bed drainage discharge	100
LMWQCC effluent reuse	100
Southwell Park water reuse	100
Drinking water utility licence	100

# Joint Venture Board members as at 30 June 2011



**JOHN MACKAY, AM, BA, FAIM**  
Chairman

Mr Mackay was appointed Chairman of ActewAGL on 1 July 2008. Mr Mackay is also Chairman of ACTEW Corporation, TransACT Communications Pty Ltd, Neighbourhood Cable Pty Ltd, and the Canberra International

Arboretum and Gardens Board of Governors. He is a Director on the Boards of Canberra Investment Corporation Ltd, the Little Company of Mary Healthcare and the Canberra Raiders. He is also an active board member of several community organisations including The Salvation Army Advisory Board, and the Carbine Club.

Mr Mackay was previously Chief Executive Officer of ACTEW Corporation from 1998 to 2000, and Chief Executive Officer of ActewAGL from 2000 to 2008.

He was appointed a Member of the Order of Australia in 2004, was Canberra Citizen of the Year in 2008, and was awarded an honorary doctorate from the University of Canberra in 2009.

Mr Mackay was appointed Chancellor at the University of Canberra on 1 January 2011.



**MICHAEL FAHEY, BEC, CA, FAICD**  
Deputy Chairman

Mr Fahey was appointed to the ActewAGL Board in February 2011 and is a member of the Audit and Risk Management Committee.

Mr Fahey joined AGL Energy Ltd in August 2008 and currently holds the position of Head of Finance, Merchant Energy and Retail Energy.

Prior to joining AGL, he has held executive roles with a number of multinational companies in Australia, Europe and Singapore.



**MICHAEL EASSON, AM, BA (Hons), FAICD**

Mr Easson was appointed as Deputy Chairman of ActewAGL in October 2008. He has been a board member of ActewAGL since October 2000, is Chairman of ActewAGL's Environment

Management Committee, and is a member of the Audit and Risk Management Committee.

Mr Easson is Chairman of the EG Property Group, a business consultant to Allens Arthur Robinson, and a Director of ING Real Estate Group, and Stadium Australia Management Ltd.

Mr Easson has been a Director of ACTEW Corporation since July 1995 and Deputy Chairman since May 1996. He is Chairman of ACTEW Corporation's Audit and Risk Management Committee. Mr Easson was made a Member of the Order of Australia in 1998.



**PAUL ADAMS**, B.Eng (Hons), FAIM, FIEAust

Mr Paul Adams was appointed to the ActewAGL Board in February 2011 and is a member of the Audit and Risk Management Committee.

Mr Adams is Managing Director of Jemena Ltd and holds directorships at Energy Networks Association, SPI (Australia) Assets Pty Ltd and various other companies. He has a wealth of experience in the energy sector, having worked across many facets of the gas and electricity industries for 30 years.

Mr Adams has held various senior roles including Manager Finance and Corporate Services, Manager Operations, and General Manager Networks for TXU. He was General Manager Networks at TXU and General Manager Network Services Group at SP AusNet prior to his current role.



**LIM HOWE RUN**, BE (Mech)

Mr Lim Howe Run was appointed to the ActewAGL Board in September 2007. He is the Managing Director, Strategic Investments of Singapore Power, and is responsible for the strategic development and stewardship of

Singapore Power Group's overseas investments. Prior to his appointment as Managing Director, he held various positions in general management, risk management, asset management and business development within the Singapore Power Group.



**MARK SULLIVAN**, AO, BEC, FCPA, FAIM, MAICD

Mr Sullivan is the Managing Director of ACTEW Corporation and was appointed as a member of the ActewAGL Board in July 2008. Mr Sullivan was previously Secretary of the Department of

Veterans' Affairs (DVA), President of the Repatriation Commission and Chair of the Military Rehabilitation and Compensation Commission (2004 to 2008).

Before being appointed Secretary of the DVA, Mr Sullivan was Secretary of the Department for Family and Community Services (2002 to 2004), Chief Executive Officer of the Aboriginal and Torres Strait Islander Commission (1999 to 2002), and Deputy Secretary at the Department of Immigration and Multicultural Affairs. He has extensive senior managerial experience in both the private and public service sectors including WANG Australia, SBS, the Department of Social Security and the Australian Taxation Office.

Mr Sullivan received an Australian Centenary Medal in 2003 and he was made an Officer of the Order of Australia in 2008. This recognition was for his work in multicultural affairs, in indigenous affairs, community services and with veterans.



# Executive management team as at 30 June 2011



**MICHAEL COSTELLO, AO, BA, LLB, FAICD**  
Chief Executive Officer

Mr Costello is the Chief Executive Officer of ActewAGL. Before his appointment to ActewAGL in 2008, he was Managing Director, ACTEW Corporation, a member of the ACTEW Corporation Board and a member of the ActewAGL Joint Venture Partnerships Board from 2003.

Mr Costello is a member of the Advisory Council of the Australian National University's Crawford School of Economics and Government. Mr Costello was previously Deputy Managing Director of the Australian Stock Exchange. He was Chief of Staff to the Hon Kim Beazley AC, a former Labor Opposition Leader and to the Hon Bill Hayden AC when he was the Minister for Foreign Affairs. Michael has been the Secretary of the Department of Foreign Affairs and Trade and the Department of Industrial Relations. He has held a number of diplomatic posts including Ambassador to the United Nations. He is a Fellow of the Australian Institute of Company Directors. He received an Order of Australia (AO) in 1996 for international relations.



**JOHN KNOX, BFA, CPA, MAICD**  
Chief Finance Officer

Mr Knox is responsible for the general financial management across the ActewAGL Group including statutory financial and tax reporting, treasury management, group performance analysis and internal advisory services. He is also responsible for the provision of procurement, property and security services to all ActewAGL business divisions and oversees Regulatory Affairs and Human Resources.



**STEPHEN DEVLIN, BEng(Electrical), MBA, MComLaw**  
General Manager Asset Management

Mr Devlin is responsible for ActewAGL's energy networks asset strategy and planning functions. He is also responsible for the gas networks business, technical regulatory standards, customer solutions and program development.



**ASOKA WIJERATNE, BE (Chem. Eng)**  
General Manager Water

Mr Wijeratne is responsible for managing the water and wastewater services to the ACT community on behalf of ACTEW Corporation. The responsibilities include asset management planning, water and sewer network operation and maintenance, water and sewage treatment, capital works program development and delivery, customer liaison, operation and maintenance of the recycled water treatment and network facilities. These responsibilities fall under the Utilities Management Agreement with ACTEW Corporation.



**ROB ATKIN, BEng (Electrical) (with distinction)**  
General Manager Network Services

Mr Atkin is responsible for the delivery of services on ActewAGL's electricity network including design, construction, maintenance and network operations. He is also responsible for the call centre, logistics and customer services functions associated with the electricity network.



**PETER HOLDEN**, LLB, B.Sc (Hons),  
AFAIM, MAICD  
General Counsel and Board  
Secretary

Mr Holden is responsible for ActewAGL's legal services, corporate governance, legal compliance, secretariat, risk management, internal audit, corporate procedures & publications, and corporate records management. He has held many senior legal positions in the energy and resources sectors in Australia and internationally for over 20 years. He is a member of the Australian Corporate Lawyers' Association and AMPLA - the Resources and Energy Law Association, of which he is a former National President.



**DIANNE O'HARA**, BA (Prof. Writing),  
LLB (Hons), MPubLaw  
General Manager Business  
Development and Strategy

Ms O'Hara is responsible for the development and ongoing review of core strategic plans for ActewAGL. She is also responsible for the realisation of business development opportunities identified within the strategic framework.



**AYESHA RAZZAQ**, BEng (Hons)  
General Manager Retail

Ms Razzaq is responsible for ActewAGL's development of markets for electricity and natural gas, as well as customer and account management services for water and wastewater. She is also responsible for customer acquisition strategies, sales and marketing, wholesale activities and retail regulation.



**JOHN BARRIGA**, B.IT, MBA  
Chief Information Officer

Mr Barriga is responsible for IT corporate governance, service delivery and operations, applications, infrastructure, telecommunications, system processes and IT project management. He is a Senior Member of the Australian Computer Society and the CIO Executive Council.



**PAUL WALSH**, CPM  
Director Marketing and Corporate  
Affairs

Mr Walshe is responsible for ActewAGL's branding, media, marketing, communications, online communications, sponsorships, event management and graphic design. Mr Walshe has worked for the organisation for over 30 years and is well known in the community for his work with many sporting groups and charities. Mr Walshe a member of the Australian Marketing Institute.



**DAVID GRAHAM**, MEd  
Director Regulatory Affairs  
and Pricing

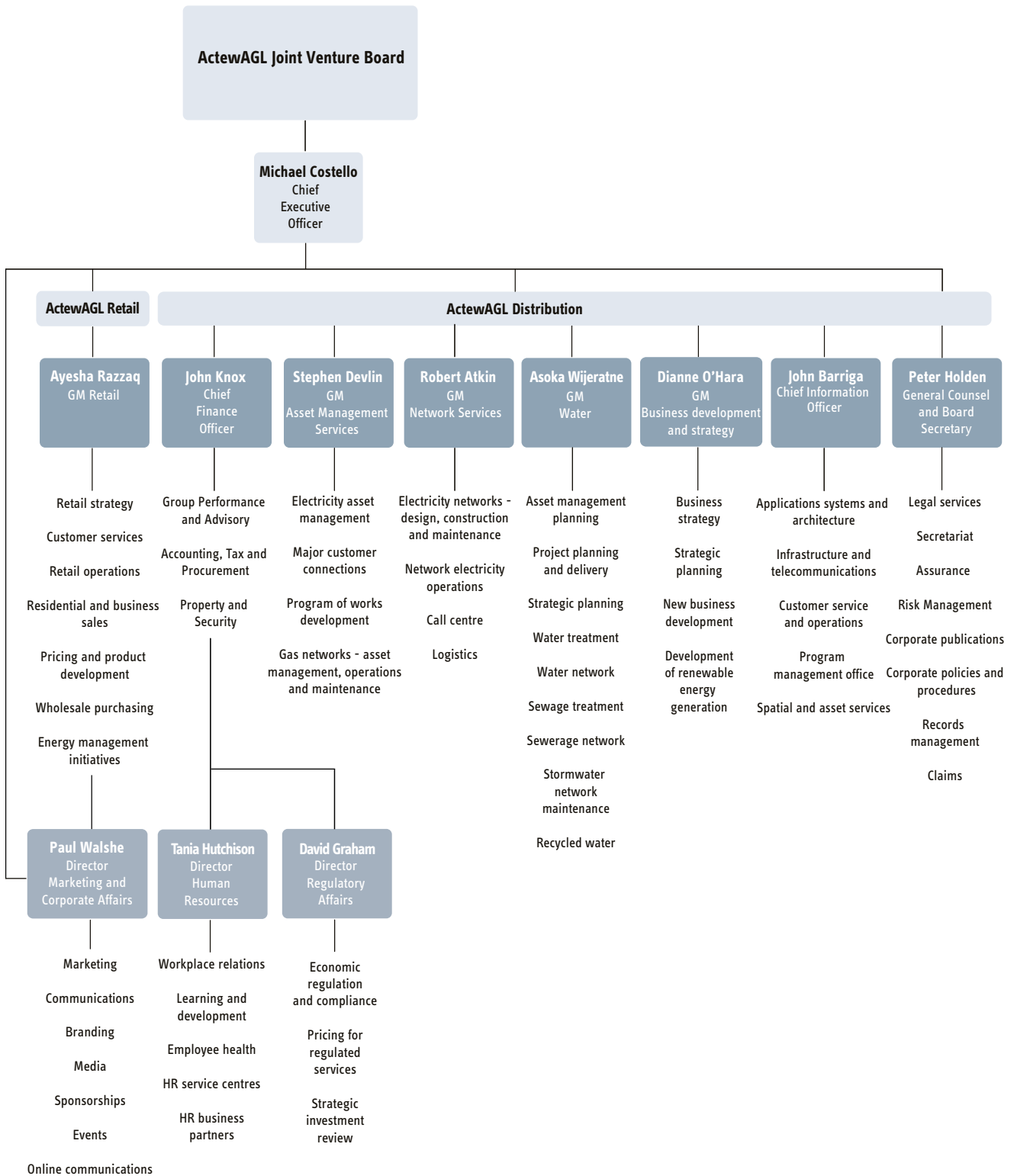
Mr Graham is responsible for ActewAGL's economic regulation and compliance functions, including conduct of major price reviews, setting of regulated retail and network prices, economic analysis and investment review, and regulatory and pricing services for ACTEW Corporation.




**TANIA HUTCHISON**, MAHRI  
Director Human Resources

Ms Hutchison is responsible for developing and promoting an appropriate Human Resources management framework in ActewAGL. She is responsible for corporate Human Resources management, including enterprise agreement negotiation, employee relations, recruitment and selection, corporate training and development, workforce planning, employee health and safety, strategy, equity and diversity, remuneration and benefits, and employment policy and procedures.

# Organisational chart as at 30 June 2011



A worker in a blue and orange safety harness is positioned in a white bucket, working on a metal structure of a power line tower. The bucket has "NIFTY-LIFT" and "250kg SWL" printed on it. The background shows a clear blue sky and parts of the tower structure.

# Network assets and maintenance

ActewAGL's Network and Water divisions continued works to increase security of supply and to maintain and improve electricity, gas, and water and sewerage assets.

## Electricity Networks

ActewAGL Distribution owns the electricity network in the ACT. It covers an area of 2,358 km<sup>2</sup> and supplies 168,974 customers. The network has 3,083 km of overhead lines, 4,383 km of underground cables and 52,745 power poles. During the year the peak demand was 614 MW.

## Safety

To improve the safety of zone substations, higher security fences were installed at City East Zone Substation and Bruce Switching Station. Designs were completed for new fences at Wanniasa and Gilmore zone substations. Wanniasa Zone Substation was refurbished and asbestos was removed. Cable terminations at Gilmore Zone Substation were replaced to improve network reliability and safety of personnel.

A document was developed for WorkSafe ACT on working near above-ground and underground utility assets by representatives from Water, Electricity and Gas. The document describes the process of locating, identifying, protecting and working in close proximity to utility assets. The document is intended to become a WorkSafe ACT standard and will be enforceable under WorkSafe ACT legislation.



Stage One of the Hume to Tuggeranong interconnection project was completed during the year. The project will support future growth in these areas and ensure continued supply over the next 20 years.

### Environment

In 2010–11 a Code of Practice and a Management Agreement for working on controlled land (unleased land) were signed-off by ActewAGL and the ACT Government. The Code of Practice helps staff and contractors comply with the requirements of the Nature Conservation and Utility Acts.

### Network augmentation

The network continued to expand into new suburbs, including Bonner, Casey, Crace, Forde, Franklin and Wright. Network capacity was increased in other areas to meet higher demand for power in existing suburbs.

During the year approximately 3,500 new photovoltaic generators were connected to the network.

The 132 kV network is being reinforced with the commencement of another point of supply from Williamsdale.

### Asset management

During the year existing network assets such as poles, lines, cables, transformers, switchgear and protection relays were replaced, maintained and refurbished. Assets damaged by external parties were replaced or repaired. Vegetation was cleared from around substations, pillars and power lines. Vegetation management activities were carried out as part of the bushfire mitigation control program.

Composite poles were introduced for pole replacements in backyards and other locations with difficult access.

### Gas networks

ActewAGL Distribution owns the gas networks in the ACT, Queanbeyan, Palerang and Nowra. Jemena, under an asset management and services contract, operates and maintains these networks on behalf of ActewAGL. These networks comprise a total of 4,717 km of natural gas pipeline and provide services to over 124,000 customers.

The ActewAGL gas network continued to expand in 2010–11 with ongoing reticulation in the new estates of Casey, Crace, North Weston, and Wright. During the year, 97 km of new gas pipeline was laid and there were 4,329 new customers.

The commercial building boom also continued in Canberra during 2010–11 with many new office and commercial buildings constructed with natural gas specified as a key energy source. There were 120 new industrial and commercial customers during the year, adding 153 TJ load to the gas network.

### Network augmentation

As domestic building and construction activity increases, ActewAGL undertook and completed network augmentation projects that ensure the gas network is able to meet future growth and demand. For example, there were a number of capacity development projects undertaken in Kaleen, Kambah and Jerrabomberra which will improve the reliability of supply.

### Nowra gas network

Nowra gas network growth remained strong with 139 new customer connections, a 14 per cent increase, during 2010–11. These new connections increased total consumption by 239 TJ. This increase means consumers in the region are confident in the reliability and security of natural gas. A total of \$4.2 million in capital works was undertaken in the region to increase capacity and improve the reliability of supply to more than 2,600 customers in Nowra and Bomaderry.

### Major industrial and commercial customers

ActewAGL's business relationships with industrial and commercial customers are vital to the success of its gas networks. During 2010–11, the total of industrial and commercial customers on ActewAGL's gas network reached over 4,000, with the annual network load exceeding two petajoules.

Gas networks continue to seek new commercial opportunities while ensuring the security of supply to its commercial and industrial customers, with capacity development projects taking place. For example, works on a primary regulating station at Hume will provide supply to new and existing commercial customers in industrial areas.

### Gas safety and awareness

ActewAGL undertook several initiatives to maximise safety and reduce the risk of injuries resulting from contact with the gas network. These initiatives include public safety marketing programs and enhancements to Dial Before You Dig and the Geographical Information System (GIS) for the gas network. ActewAGL delivered regular presentations on safety and gas network awareness to high risk industry groups such as builders, developers and excavators to highlight and mitigate potential hazards. These initiatives have significantly improved public awareness, and this is demonstrated by an increase in the number of customers seeking advice from ActewAGL prior to undertaking works near the gas network.

### Water and sewerage

ActewAGL operates and maintains the Canberra water and sewerage networks on behalf of ACTEW Corporation. ActewAGL implements works to maintain and augment ACTEW Corporation's water supply and sewerage systems.

Works on Canberra's ageing water supply and sewerage system continued to maintain service standards and minimise disturbances and restoration needs. For example, Water division replaced old cast iron water mains and will continue this work over coming years to avoid corrosion and water quality problems. Water division also undertook sewer rehabilitation works using trenchless technology, traditional excavation and repair and replacement methods.

To determine rehabilitation work required and ascertain the current condition, ActewAGL inspected approximately 60 km of reticulation sewers using closed-circuit television (CCTV) inspections and

approximately 14 km of trunk sewers by man-entry. The outcome of the inspection program helps Water division plan the maintenance and pipe replacement program for 2011–12.

Planned sewer maintenance works continued including high pressure sewer cleaning, localised repairs and root foaming. There was a reduction in the number of overflows indicating the effectiveness of the current maintenance program. ActewAGL will refine the planned sewer network maintenance strategy over the remainder of the regulatory period to maintain the reduction in overflow. In 2010–11 ActewAGL commenced a detailed review of ventilation and hydraulic capacity of the sewer network, starting with the Belconnen catchment. These works will extend to the remainder of the ACT catchments in coming years.

Planned maintenance continued on the water supply system including regular hydrant and valve inspections and reservoir cleaning. A leakage management program is in place for parts of the distribution network, focusing on large water customers. Design and modelling work was completed during the year to extend the leakage management program to Belconnen and North Canberra over the next two years. This work has resulted in an annual saving of approximately 600 ML of water.

Water division has developed a maintenance program for the bulk supply network which will be implemented in 2011–12.

Flooding in the ACT and NSW in December 2010 prompted inspection of water supply and sewer networks assets to ensure their integrity was not impacted. Flood debris was removed from some of the sewer pipe bridge crossing structures. Water division carried out further inspections on the Bendora bulk supply main and Fyshwick effluent storage lagoons to help develop a works program that addresses flood impacts on these facilities.

The background of the page is a photograph of several large, blue-painted metal pipes lying on a dirt ground at a construction site. The pipes are arranged in a line, receding into the distance. The lighting is bright, suggesting a sunny day. The overall tone is professional and industrial.

## Major projects

ActewAGL undertook new and existing projects to improve security of supply, customer service, customer and employee safety, environmental impacts and employee conditions.

ActewAGL completed the sale of the Asset Information Request System (AIRS) for Dial Before You Dig.

## Electricity networks

ActewAGL continued to develop several sub-transmission projects which will ensure security of supply to the existing and future electrical load in the ACT.

### Southern point of supply to the ACT

ActewAGL and TransGrid continued work at Williamsdale on establishing a major interconnection point between NSW and the ACT. The project is the largest upgrade to the ACT electricity network the region has seen in decades.

The construction of 132 kV interconnecting lines from Williamsdale to the existing ActewAGL network has progressed. Stage one is due for completion by October 2011.

Procurement of the second stage of the project is proceeding with completion programmed for December 2013. This will provide enhanced capacity on existing sections of the Williamsdale to Theodore 132 kV line. The entire load of the ACT can then be supplied from Williamsdale.

### Eastlake zone substation

Electricity Networks continued development work on a new Eastlake zone substation, which will service parts of south Canberra experiencing significant growth, in particular Canberra International Airport, Fyshwick and Kingston. This project will also enhance the visual appearance of the ecologically significant Jerrabomberra Wetlands by removing the Causeway Switching station and overhead 132 kV lines.

The National Capital Authority and ACT Government have now respectively approved the works and the development application. Procurement of the plant and works contractor are now proceeding. Site works will start in July 2012 with completion expected by December 2014.

### Molonglo Valley zone substation

The ACT Government requested a new 132 kV/11 kV substation to service the Molonglo Valley residential land development. ActewAGL purchased the substation site and is currently developing the project, obtaining works and development approvals.

### Civic zone substation

Due to recent commercial and residential developments in City West, the existing Civic zone substation, that has been servicing City West for over 40 years, is being upgraded to increase

capacity and security of supply. Design work for the upgrade commenced at the start of 2009. The upgrade will involve the installation of a third 132 kV/11 kV transformer and the replacement of the existing 11 kV switchboards over the next three years. Construction commenced in July 2011 with completion expected by November 2012.

### Angle Crossing zone substation

As a part of the ACT water security improvement project, the Angle Crossing 132 kV/11 kV substation will provide power to the Murrumbidgee to Googong water transfer scheme. Construction is underway and the work is expected to be complete by December 2011.

### Overhead earth wire system

As a part of Networks upgrade project to facilitate improved protection and control, as well as future smart grid systems, an optical fibre composite overhead earth wire system is being installed on the 132 kV network. Procurement has commenced with an expected rollout between February 2012 and December 2015.

## Gas networks

### Capital Projects

The capital works program continued to present strong and steady growth with a total of seven major projects undertaken representing an investment in excess of \$17 million in new network infrastructure. This not only increases the security of supply to ActewAGL's existing customers but provides further expansion of its customer base well into the future. Notable examples of the capital works undertaken during the 2010–11 period include the Pestells Lane Trunk Receiving Station and Bolong Road Primary Regulating Station upgrade, Hume to Tuggeranong interconnection, Narrabundah to Hume extension, and Queanbeyan to Jerrabomberra interconnection.



### Pestells Lane TRS and Bolong Road PRS upgrade

Stage two of this \$4.4 million north Nowra high-pressure system upgrade was completed in 2010–11. This upgrade will increase the capacity of the Pestells Lane Trunk Receiving Station (TRS) and Bolong Road Primary Regulating Station (PRS). The upgrades will help meet a step change in load for two major commercial customers and more generally, it will improve capacity and reliability of supply in North Nowra to meet the growing demand in the region.

### Hume to Tuggeranong interconnection

Stage one of this \$1.5 million major capital project was completed during the year, enhancing the availability of supply in Hume and Tuggeranong, where the gas network was approaching its winter peak capacity limits. This project will also support future growth in these areas and ensure continued supply over the next 20 years.

### Narrabundah to Hume extension

ActewAGL commenced work on an extension of the primary gas mains from Narrabundah to Hume, as well as the construction of a new Primary Regulating Station at Hume. These works are expected to be complete by June 2013 and will ensure continued supply to approximately 25,000 customers in the areas of Jerrabomberra, Queanbeyan, Fyshwick, Hume, and the future proposed developments at Googong and Tralee.

### Queanbeyan to Jerrabomberra interconnection

This \$2.4 million project was completed in July 2011. ActewAGL installed 5.2 km of new secondary mains pipeline, enhancing the availability and security of supply to the new and existing areas of Jerrabomberra and southern Queanbeyan. Further to this, ActewAGL Distribution worked closely with

the Canberra Investment Corporation (a major ACT property developer) to facilitate supplying natural gas to the future Googong housing estate.

### High-rise and medium-density developments

This sector experienced significant growth over the last year with 16 new high-rise development sites and 33 new medium-density sites connecting to natural gas. These include the 'Oracle Apartments' in Belconnen, 'The ApARTments' in New Acton and the 'Avoca Apartments' on Woden Green. In total, over 1,187 new high-rise apartments and 426 new medium-density units were serviced with natural gas during the year.

### Meter set inspection

ActewAGL conducted a major compliance review program targeting its commercial gas meter sets, with 2,700 commercial meters reviewed and subsequently 300 meters upgraded, to ensure compliance with standards and improve the safety of the gas network and its customers.

### CNG re-fuelling station

The Compressed Natural Gas (CNG) market in the ACT remained steady with ActewAGL's CNG re-fuelling station in Fyshwick retaining existing commercial and private customers. The CNG re-fuelling station enables ActewAGL to capitalise on the existing gas network while offering the transport sector in the ACT an alternative to petrol for private and commercial use.

### Gas service and Installation Rules

ActewAGL progressed its Gas Service and Installation Rules which is nearing implementation. These rules supplement the relevant Australian standards and gas fitting codes and set out the compliance requirements when interacting with ActewAGL's gas network. This will improve public safety and awareness.

With the ongoing redevelopment of the Canberra City area, ActewAGL constructed multiple major substations construction for various office developments, government departments, retail and residential developments.

## Business Systems

### Desktop software modernisation

Business Services division (BSD) is establishing an organisation-wide program to replace or upgrade core assets and core management systems, upgrading, replacing or retiring ageing or unsupported software technology, replacing bespoke systems with 'off the shelf' solutions and eliminating any custom-built software that is preventing advancement of software solutions. When complete, the project will result in a dynamic and modern desktop environment for staff and it will minimise time and cost meeting arising business needs.

### Improved disaster recovery capability

ActewAGL commissioned a new data centre to strengthen the resilience of information systems that support ActewAGL's critical infrastructure. The data centre has significantly improved the energy efficiency of the supporting information technology infrastructure. A Power Usage Effectiveness analysis compared the new facility with the old facility and indicated that cooling power was reduced by approximately 77 per cent per cent. The new facility also uses an Argonite Zero Ozone Depleting Potential fire suppression system without hydrofluorocarbons (HFC), which also reduces impact on the environment.

### TransACT – Transition of technology services

As a part of the TransACT rollback, BSD helped TransACT replicate the ICT services ActewAGL previously provided to TransACT under the Management Services Agreement so that TransACT can continue these services autonomously. The project was successfully completed in April 2011 and has helped TransACT become more efficient, better prioritise work and improve control of resources.

## Human Resources

### Employee relations

The majority of the projects undertaken in Employee Relations have been driven by the changes made to the Enterprise Agreement in 2008 and the application of the *Fair Work Act 2009* (Cth).

### Single salary spine implementation

During 2010–11, 259 employees participated in stretch targets. Stretch targets are available to staff who commenced after the effective date of the last 2008 EBA and those who have reached the top of their classification (not on competency based arrangements). Stretch targets are set at the

beginning of the financial year and if achieved by the end of the financial year, the employee receives a performance payment in addition to their annual Enterprise Bargaining Agreement (EBA) increase. Targets are moderated.

### Managing unsatisfactory performance

Performance Management Plans (PMPs), made in accordance with the unsatisfactory performance terms in the 2008 EBA, are used to address unsatisfactory performance. The process aims to help the employee get back on track but in a few cases it provides the basis for termination of employment. PMPs are increasingly being used as another way of improving productivity.

The CNG re-fuelling station offers the transport sector in the ACT an alternative to petrol for private and commercial use.

### Fair Work legislation implementation

Compliance with the *Fair Work Trading Act* (Cth) has been a major challenge for the organisation in 2010–11. The new National Employment Standards (NES) resulted in some changes to employee entitlements which have been delivered in a new NES policy.

The immediate impact on ActewAGL of Award Modernisation has been minimal as the ACTEW Corporation Award underpinning the EBA is an Enterprise Award and Enterprise Awards may only be modernised upon application of the parties to Fair Work Australia. The Fair Work legislation is challenging managers across the organisation to improve their people management processes.

Contract of Employment templates have been rewritten to comply with the changes in the Fair Work legislation. The impact of the legislation is resulting in changes to the conduct of the negotiations to replace ActewAGL's EBA in particular the new rules relating to bargaining and the approval of these agreements.



ActewAGL and Better Place Australia are working together to develop the electric car charging network in Canberra.

### Safety training

The safety leadership training was completed in 2011. The training enhances ActewAGL's leadership capabilities with desired safety-focused cultural outcomes. A total of 191 employees attended the initial two day training sessions, of which 138 went on to complete advanced training. Additionally, 66 employees opted to be formally assessed in competencies taken from the Certificate IV in OHS. These competencies were:

- BSBOHS403B - Identifying hazards and assessing OHS risks
- BSBOHS404B - Contribute to the implementation of strategies to control OHS risk.

### Human Resources strategy and wellness

Successful tender processes were conducted for a new private workers compensation insurer and a new medical services provider. Respectively, Allianz was selected to replace QBE from 1 July 2010 and Medibank Health Solutions replaced the Preventative Medicine and Rehabilitation Centre effective from 1 May 2010.

### Retail

#### Alternatively fuelled vehicles

During 2010–11, ActewAGL Retail continued its commitment to the market development of alternatively fuelled vehicles.

ActewAGL Retail engaged with the ACT Electric Vehicle Council and sponsored the National Electric Vehicle Festival during September 2010.

During June 2011, Retail finalised a landmark deal with Better Place Australia (BPA) for the supply of renewable energy to BPA's electric car charging network in Canberra. Throughout the reporting period, ActewAGL worked with BPA to facilitate the planned deployment of BPA infrastructure and services throughout the ACT.

During October 2010, ActewAGL officially launched its first dedicated CNG public re-fuelling station in Fyshwick. ActewAGL continues efforts to develop the CNG market within the ACT and is marketing the CNG business to potential commercial and domestic customers.

#### Customer service week

ActewAGL held Customer Service Week in February, with all Retail staff invited to participate in a range of events and activities. An ongoing communications campaign will reinforce the key messages. A training program was rolled out to staff who deal with customers to educate and assist them with engaging customers in quality conversations.

#### Feed-in tariff scheme

ActewAGL continues to be a source of information and advice for the ACT community on the ACT Government's feed-in tariff scheme. As at 30 June 2011, 5,329 customers were receiving the feed-in tariff from ActewAGL Retail.

#### TransACT Managed Service Agreement

From January 2010, ActewAGL rolled back services previously provided to TransACT under a Managed Service Agreement. The rollback of retail services was completed on 31 December 2010. ActewAGL and TransACT are committed to continuing bundle services.

#### Strategic Retail partnerships

Retail established new partnerships to help grow and retain market share in the ACT and NSW. ActewAGL partnered with NRMA on their 'More4Members' loyalty program, and engaged two boutique direct-sales businesses to expand growth in NSW.

ActewAGL partnered with the Real Estate Institute of the ACT to promote a 'Movers' program to assist customer retention in the ACT, and engaged a

number of online channel partners to promote ActewAGL and its products to increase ActewAGL's presence in the digital space.

#### Energy services

Key ActewAGL staff have been trained on a suite of energy services which are value added products and services that are being offered to ActewAGL's large customers including energy consultancy services, energy project management, power management and power quality checking, demand management and breakdown, and programmed maintenance support.

#### Water

ACTEW Corporation and ActewAGL have delivered outstanding results in delivery of the 2010–11 capital works program. When realised cost savings, efficiency gains, unspent risk allowances and contingencies are taken into account, ActewAGL has delivered earned value equating to \$59.3 million being 99.8 per cent of the \$59.4 million annual target expenditure. This is considered to be an excellent result given that ActewAGL's ability to expend money on 11 projects was reduced by \$5.1 million due to delays outside of ActewAGL's control associated with significant wet weather, lack of access to assets due to operational constraints and government approval delays.

#### LMWQCC secondary treatment augmentation

The LMWQCC plant which was commissioned in the late 1970s was augmented to ability to comply with future environmental regulations and increase capacity to keep up with Canberra's population growth.

Water division, recently completed this project on schedule and within budget. The \$70 million project has provided major new sewage treatment facilities including:

- two anoxic biological reactor tanks
- three secondary clarifiers
- mixed liquor recycle stream (this process allows greater removal of nitrates from the effluent)
- methanol storage and dosing facility (methanol dosing is used to optimise removal of nitrates)
- improved aeration efficiency at the biological reactors
- related site services.

ACTEW Corporation and ActewAGL have delivered outstanding results in delivery of the 2010–11 capital works program.

Since the new facilities were brought online, there have been some significant wet weather events in late 2010 and early 2011 which have caused very large plant inflows. The new facilities were instrumental in allowing the plant to cope with the extreme flows in a much better manner than was previously possible. The improved aeration efficiency at the Biological Reactors has allowed energy use at the plant to be reduced. In addition the plant has been able to reduce the total nitrates in the effluent, thereby reducing the risk of algal blooms in the Murrumbidgee River and Burrinjuck Dam.

#### Uriarra water and sewerage services

This \$10 million project requires the construction of a remotely operated MBR sewerage treatment plant to assist with the rebuilding one of Canberra's rural villages that was destroyed in the 2003 bushfires. This project is being delivered by the AAT Alliance and was commissioned in 2010–11. The project is expected to be handed over to operations in late 2011.



The AAT alliance successfully commissioned Cotter Pump 10 during the year.

Associated with this project is Canberra's first pressure sewerage system that uses known technology to deliver household wastewater to the treatment plant.

#### Jacka water supply reservoir, pump station and rising main

This \$6.5 million project includes the design and construction of a pump station adjacent to the existing Elmgrove reservoir, and a 375 diameter rising main from the pump station to a three ML water reservoir which will supply water to higher sections of the suburbs of Jacka and Bonner. Work at the pump station accelerated per the Land Development Agency's (LDA) request and ActewAGL met the LDA's deadline for the release of new residential land. The reservoir and rising main are expected to be commissioned in early 2011–12.

#### Molonglo trunk sewer

This \$5.3 million project includes the design and construction of a trunk sewer to service the new suburbs of Wright and Coombs. Construction commenced in late 2010 and is on schedule to meet the Land Development Agency's land release dates.

#### Cotter Pump 10

Using new Australian construction techniques, Cotter Pump 10 is a compact high lift pump house engineered to provide modular modernisation within Canberra's existing water supply network. Located alongside the historical Cotter Pump Station, Cotter Pump 10 is an example of modern engineering using latest techniques to maximise benefits for the community. Successful commissioning was recently completed when the pump achieved the rated flow of 44 ML per day and the project is now approaching finalisation.

#### AAT alliance

ActewAGL's alliance with Tenix Australia Pty Ltd was established in 2009 to deliver a sub-program of capital works projects over the next four years with the possibility of extension for a further five years. The program of work includes renewals and upgrades for pumping stations, sewer networks and treatment process units. Water and sewerage infrastructure development for Uriarra Village will also be delivered. The alliance improves ActewAGL's ability to deliver ACTEW Corporation's capital works program through:

- access to a design capability
- access to project management and supervisory systems and resources for the delivery of projects
- assistance in the delivery of automation and control projects
- greater certainty of project costs and schedule earlier in the project life cycle
- enhanced safety, quality and environmental outcomes.



# Our customers and the community

ActewAGL takes pride in being an organisation with a community focus. As a local organisation providing electricity, natural gas, water and wastewater services, and a major employer in the ACT, ActewAGL plays a vital role in the community. ActewAGL has a responsibility to support its customers and the community just as they have supported ActewAGL and its predecessors over the years.

## Community awareness

Three public awareness campaigns ran during the year highlighting messages relating to our utility infrastructure. The campaigns focused on electrical and natural gas safety, vegetation management around assets, including keeping trees away from powerlines, and building near utility assets, which encouraged people to dial before they dig. In addition, ActewAGL implemented a campaign that promoted the environmental and cost benefits of natural gas.

During 2010–11 ActewAGL celebrated its 10<sup>th</sup> birthday, which was promoted through a special 24-page advertising feature published in the Canberra Times.

## Education

ActewAGL's commitment to water education continued throughout the last year. The ActewAGL Water division Education Officer engaged with community groups at events and visited primary and secondary schools and colleges, as well as the University of Canberra and the Canberra Institute of Technology, presenting to over 1,600 participants.

Topics focused on local water quality degradation, sustainability issues and catchment health, including surface water, stormwater and the potable and effluent water treatment processes. Catchment tours and field work were also facilitated.

The officer provided water quality training sessions for students, presentations at local community events, such as ActewAGL's Amazing World of Science, and learning programs at the CSIRO Discovery Centre. Other activities included working on ACTEW Corporation's Plumbers Accreditation Scheme, where the guideline drawings and Deed of Agreement were finalised. The first round of training took place in late June 2011, with the accreditation of all ActewAGL plumbers employed within Water division. There was also considerable interest in the Source to Sewer desktop presentation.

The ActewAGL education website continued to feature information on sustainability and the environment. ActewAGL launched a kids club for children in the ACT and Queanbeyan. The club promoted sustainability, ActewAGL's core products and the importance of having a healthy lifestyle.

Greenchoice workshops were once again held in the ActewAGL Look 'n' Learn marquee at Floriade. The workshops drew many visitors across the four days at Floriade with participants enjoying fun and educational activities.

School and community groups expressed interest in ActewAGL's facilities, with a number of groups taking the following tours:

- Lower Molonglo sewerage treatment plant – 40 plant tours were conducted for 606 students and community members, professional groups and foreign delegations.
- Stromlo water treatment plant – five tours were conducted for 94 visitors.
- Fyshwick sewerage treatment plant and North Canberra water recycling plant – tours were conducted for 50 visitors.

The total number of students and members of the community that either participated in treatment branch tours or attended presentations held by the Water division Education Officer exceeded 2,300.

## Environment

ActewAGL continued to demonstrate its commitment to increasing awareness of environmental issues.

The number of customers subscribed to ActewAGL's accredited GreenPower program, Greenchoice, grew by 10.45 per cent in 2010–11, taking the total customer numbers to 19,896. When customers opt for Greenchoice, the extra amount they pay is invested in renewable energy generation from sources like mini-hydro, wind power and biomass. Depending on the plan a customer chooses, ActewAGL purchases a certain amount of renewable energy on the customer's behalf. This can be a percentage of the electricity they use, or a fixed amount each day. In either case, that amount of renewable energy is added to the electricity grid on the customer's behalf. This helps to reduce greenhouse gas emissions associated with the generation of electricity from fossil fuels.

In addition, ActewAGL Retail's electricity consumption was met entirely with accredited GreenPower, with Retail purchasing 1,976 megawatt hours in 2010–11.

ActewAGL was a major local supporter of Earth Hour in the ACT, along with The Canberra Times and the ACT Government. ActewAGL's sponsorship included cash support, as well as assistance with promoting the event locally. Businesses and the community worked together to reduce electricity consumption by eight per cent during the hour. ActewAGL also purchased 275,607 kWh of GreenPower through its Greenchoice program, which was equal to the amount of electricity used by the city during the hour.

ActewAGL's commitment to environmentally friendly practices was further demonstrated through its internal environmental awareness campaign, Be Green. The Be Green campaign aims to educate staff about the different ways they can reduce water, electricity and paper use. In addition, ActewAGL implemented a campaign that raised awareness within the community of the organisation's involvement in environmental initiatives, including its involvement with Better Place Australia. This campaign also promoted energy-saving tips to help households reduce their energy usage and impact on the environment.

ActewAGL continued to sponsor events that promote sustainability, including the Walk Against Warming initiative in December. ActewAGL used this event to promote the Greenchoice program and its commitment to the environment. ActewAGL was also the principal sponsor of the 12<sup>th</sup> Annual Business Leaders' Forum on sustainability, held at Parliament House during May. This sponsorship enabled ActewAGL to promote its sustainability commitment to a large corporate and government audience through branding and workshop participation.

### Community sponsorship program

ActewAGL's corporate social responsibility actions were highlighted through the Community Sponsorship program, through which ActewAGL developed partnerships with a diverse range of charities, business organisations, academic programs, sporting teams and community groups across the region. This support allowed organisations to host a range of events, which helped boost tourism in the ACT and make Canberra and the surrounding region an exciting place to live.

The 2010–11 financial year again saw an increase in the number of community organisations supported by ActewAGL and included a comprehensive sponsorship leveraging program for a number of the major sponsorships. ActewAGL's support included cash sponsorship, as well as in-kind support through the provision of goods, services and expertise, to help organisations achieve their objectives.

A key sponsorship during 2010–11 was the ActewAGL Royal Canberra Show. The 2011 show attracted over 120,000 visitors from across the region with ActewAGL's pre-show sales surpassing last year's sales. ActewAGL raised over \$3,800 for Cranleigh School.

ActewAGL was once again the major sponsor of the Australian Science Festival, with the 2010 program providing children and families from all over the region with the opportunity to learn and discover more about science. ActewAGL also launched an environmental grants pilot program for schools. The grants allowed schools to submit an application for up to \$10,000 to implement a project that helped to reduce their energy and/or water use. One of the schools to receive the grant was O'Connor Cooperative School. The school used its grant to insulate the ceiling of the school's original wing, built in 1948, along with the hot water service. It is estimated that the insulation will save over 15 per cent on heating, ventilation and airconditioning costs.

ActewAGL was also the presenting partner for the National Gallery of Australia's summer exhibition, Ballets Russes, which had a total of 112,843 visitors and returned \$22.5 million to the ACT economy. ActewAGL also continued its sponsorship of the Canberra Area Theatre (CAT) Awards, which is an iconic event recognising the excellent theatrical work of people from all over the ACT and surrounding region.

In April, the ActewAGL Women and Girls Fun Run/Walk showcased the organisation's commitment to community initiatives that encourage healthy and fun activity. Almost 1,000 participants ran or walked the 5 km course helping to raise over \$5,000 for the Ovarian Cancer Foundation.

ActewAGL launched a staff volunteer program, which aimed to direct the skills and talents of ActewAGL staff towards building projects for deserving local groups. The first staff volunteer program project was completed in April with the construction of an outdoor learning, barbecue and garden area for Galilee school.

In 2010–11 the organisation's business sponsorships once again provided a great opportunity for brand exposure to the business community and for the ActewAGL sales team to network.

Charity organisations are a significant component of ActewAGL's community sponsorship program. This year we supported a large number of groups – the most notable for 2010–11 being the ACT Eden Monaro Cancer Support Group, The Salvation Army Red Shield Appeal, Cancerians, AFFIRM and the National Breast Cancer Foundation Pink Dinner. In addition, ActewAGL developed a program of homelessness initiatives, including installing clothing donation banks at its facilities in Greenway, Mitchell and Civic, purchasing and installing a new solar hot-water system for the Bridge Back to Life Foundation in Holt, which provides accommodation and support for local homeless and at-risk young people, and encouraging its staff to donate blankets to The Salvation Army's Share the Warmth campaign. ActewAGL Chief Executive Officer Michael Costello also participated in the St Vincent de Paul Society's 2011 CEO sleepout.

ActewAGL's sponsorship of local community festivals was again evident this year through its support of the Queanbeyan Show, the Belconnen, Tuggeranong and Woden Community Festivals and the National Multicultural Festival.





The Staff Volunteer program aims to direct the skills and talents of employees towards building projects for local groups.

ActewAGL's support of the sporting community covered 'grassroots' initiatives right through to our elite stars and sporting teams. In January, the ActewAGL Ladies Classic golf tournament showcased ActewAGL's commitment to women's sport, with a high calibre line-up of professional female players competing for important rankings and \$135,000 prize money. Our support of Capital Football covers the junior under 5's right through to our elite women's side competing on the national stage in the W-League.

NSW sponsorships once again made up a part of ActewAGL's program for 2010–11. In September, ActewAGL was the major sponsor of the 139<sup>th</sup> Young Annual Show and through a strong leveraging program, achieved excellent sponsorship outcomes. The leveraging program included branding on all advertising material, signage and promotional material at the show. ActewAGL was also a major sponsor of the 2011 Narooma Oyster Festival in May, which provided brand and community exposure for ActewAGL in the region.

## Sponsorships for 2010–11

### Academic

- ACT Training Excellence Awards
- Australian Science Festival
- Graduate Chef Awards
- Blue Earth

### Arts

- Australian National Eisteddfod
- Canberra Glassworks
- Canberra Symphony Orchestra - Stromlo Series
- Canberra Area Theatre Awards
- Gorman House Arts Centre

- National Gallery of Australia – Ballets Russes
- Warehouse Circus

### Business

- ACT Electric Vehicle Council
- ACT Work Cover - Safety Awards
- Australian Hotels Association
- Canberra Chamber of Commerce
- Canberra International Riesling Challenge
- ClubsACT
- Housing Industry Association
- Master Builders Association
- Master Plumbers Drainers and Gas Fitters Association
- National Business Leaders Forum
- Property Council
- Real Estate Institute of the ACT (REIACT)
- Restaurant and Catering Awards

### Charity

- ACT/Eden Monaro Cancer Support Group
- AFFIRM
- Ben Donahoe Fun Run
- CAMP Quality Canberra
- Cancerians
- Juvenile Diabetes
- National Breast Cancer Fundraiser
- The Salvation Army
- Special Children's Christmas Party
- The Heart Foundation

### Community

- ACT Women's and Girl's Fun Run/Walk
- Australia Day in ACT
- Belconnen Festival

- The Canberra Times Fun Run
- Charnwood Community Festival
- Chequered Ribbon Ball
- Conservation Council Walk Against Warming
- Floriade
- FM 104.7 Sky Fire
- FM104.7/Mix106.3 Community Switchboard
- Live in Canberra
- National Multicultural Festival
- New Years in the City
- Royal Canberra Show
- Tuggeranong Festival
- Christmas in the City

#### Sporting

- ACT Bowls Association
- ACT Brumbies
- ACT Cricket
- ACT Intellectually Disabled Basketball
- ACT Racing Club
- ACT Rugby League Referees Association
- ACT Sport Hall of Fame
- ActewAGL Royal Canberra Ladies Classic
- AFL Canberra
- Capital Football
- Capital Football Women's League
- Canberra Cavalry
- Canberra Raiders
- Canberra TransACT Capitals
- Hockey ACT

#### NSW - Business

- Eurobodalla Employee of the Year Awards
- Milton Ulladulla Times (Business of the year awards)
- South Coast Tourism Awards
- Tuggeranong Football Club

#### NSW - Community

- Narooma Oyster Festival
- Perisher Snowy Mountains of Music
- Young Show Society

#### NSW - Sporting

- Bomaderry Tigers Football Club, Nowra
- Goulburn City Swans Football Club
- Goulburn Racing Club
- Queanbeyan District Cricket Club

- Queanbeyan Kangaroos Football Club
- Queanbeyan Racing Club
- Queanbeyan Tigers Football Club
- Queanbeyan Whites RUFC
- Saints Netball Team Nowra
- Stags Football Club, Goulburn
- Yass Roos Football Club
- Young Junior Rugby League Football Club

#### Publications

During the year, ActewAGL's Essentials magazine continued to be distributed quarterly to customers throughout the ACT and NSW. The aim of the publication is to strengthen the ActewAGL brand, support local business, promote regional events, and communicate timely and relevant information to customers.

ActewAGL creates, maintains and updates a suite of publications to assist customers. Copies of these publications can be obtained from the ActewAGL website. ActewAGL also publishes contracts relating to electricity and natural gas in the ACT and NSW, and tariffs and charges for electricity, natural gas, water and sewerage services.

#### Customer relations

ActewAGL's website continues to be ranked the best in the energy industry by Global Reviews. In June 2011 ActewAGL revamped its website with a new look and navigation, making it easier for customers to access information about their ActewAGL services. New features include:

- practical energy and water-saving tips to help customers reduce their energy usage
- an energy and water-savings calculator to help customers understand what areas of their household use the most energy and how putting energy-saving tips into practice can help
- more online application processes, allowing customers to apply for multiple services and approvals easily
- a service availability checker that allows customers to enter their address and find out what electricity and/or natural gas services are available
- technical information for industry professionals and tradespeople, grouped together all in the one spot, and online form lodgment functions.

During 2010–11 ActewAGL also launched an official Facebook page and Twitter account.



This year, ActewAGL achieved an overall customer satisfaction with products and services of 87 per cent.

ActewAGL continues to grow its active user base for epayplus with 28,084 active registered epayplus customers that conducted more than 158,000 transactions, totalling more than \$42 million, in 2010–11.

The 2010–11 ActewAGL Customer Satisfaction survey was conducted in February and March 2011. This year ActewAGL recorded an 'overall satisfaction with products and services' score of 87 per cent, with price being the number one factor customers consider important when choosing an energy retailer.

The top three most common associations that customers make with the ActewAGL brand continue to be 'local', 'approachable' and 'good corporate citizen'.

Consistent with last year's findings, 87 per cent of customers indicated their expectations were being fully or mostly met and 94 per cent of customers anticipate continuing their relationship with ActewAGL, which remains consistent with last year.

Customer satisfaction with individual services and customer interface areas also remains high.

Customer service area	10-11
Electricity	89%
Natural gas	91%
Green energy	70%
Water	87%
Wastewater	91%
Bundle	78%
Call centres	89%
Shopfronts	83%* 75%**
Website	74%
Essentials	85%

\*Relates to ActewAGL stores in Civic, Woden and Gungahlin.

\*\*Relates to ActewAGL Energy Shops.

### Shopfronts and retailers

ActewAGL stores located at Westfield Woden, City Walk Civic and The Marketplace Gungahlin, continued to offer Canberra residents the opportunity to discuss their energy and communication requirements face-to-face with its customer service staff. Not only do these stores provide customers with account payment facilities, but also gives them access to information on both ActewAGL and TransACT products and services, as well as advice on managing costs through payment options and bundling products.

ActewAGL 12- and 24-month interest-free finance for selected heating, cooling and hot water products, offered through ActewAGL Energy Shops and the ActewAGL Approved Dealer scheme, remained popular with customers.

ActewAGL continues to service customers throughout Canberra and south-east NSW through the ActewAGL Energy Shops located in Fyshwick, Goulburn, Young and Nowra. The ActewAGL Energy Shops provide sales and installation of heating, cooling and hot water systems.

ActewAGL Retail's contact centre continued to deliver quality service – meeting performance targets of 80 per cent of calls being answered within 30 seconds whilst also achieving an abandonment rate of less than five per cent. The contact centre has consistently ranked in the top two for Customer Service Benchmarking Australia's energy sector and on two occasions held first position. The Contact Centre still also remains well ahead in the utilities sector. Customer Services Branch email enquiry responses continue to maintain a strong first position in Global Reviews' benchmarking results.

## Complaints

Complaint area	10-11
Discount and rebates	89
Billing	356
Damage, site restoration	299
Outage related	268
Work – notice, timing, noise, faulty	92
Customer service issues	81
Water - colour, taste, odour, pressure and noise	192
Meters, meter reading	130
Sales and marketing	30
Other	92
Disconnection	47
Sewer surcharge and blockage	76
Driving and parking	28
Notices offended	30

## Service performance to our customers

### Gas indicators

Gas disruptions refer to loss of supply to a customer or customers. Main bursts that did not result in loss of supply to a customer are not counted in these figures. Restoring gas disruptions refers only to incidents that caused loss of gas supply to one or more customers.

Gas disruptions: % restored within four hours



Gas disruptions: number per 1,000 properties per year



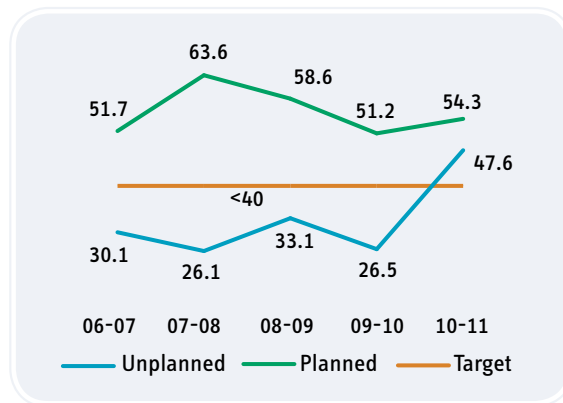
## Electricity indicators

Electricity outages are interruptions to availability of supply. Planned outages are necessary, for example, to enable lineworkers to safely connect extensions to the lines or so that trees and vegetation can be trimmed to minimise fire hazards and unplanned outages.

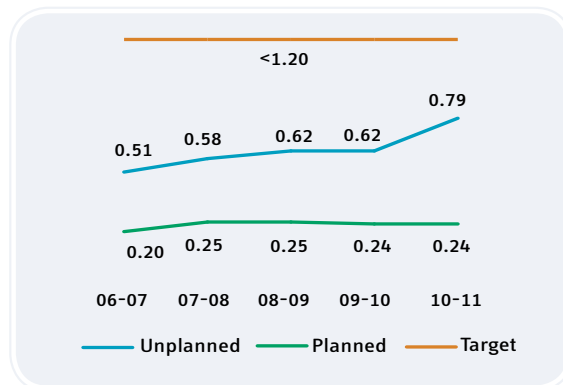
The information presented below is calculated by the average number of customers affected per outage, multiplied by the total number of outages (or their duration), divided by the total number of customers.

It can be seen that this year there was a significant increase in the average number of unplanned minutes off supply per customer. This was due to the loss of auto close functionality at two of ActewAGL's zone substations during the replacement of supervisory control devices within the substations.

Electricity outages: Average duration per customer in minutes



Electricity outages: Average number per customer per year



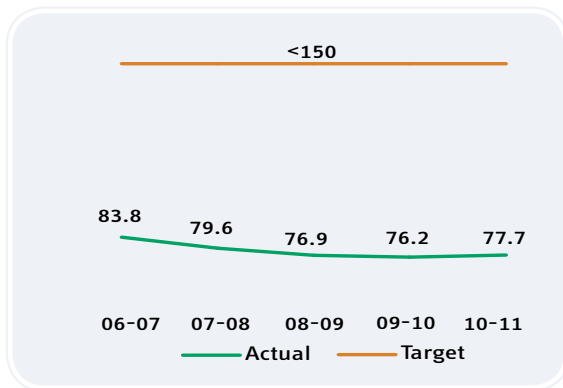
## Water and sewerage indicators

Water interruptions refers to the number of unplanned interruptions to water supply services excluding failures in customers' water service pipes. Each interruption to supply to a property is a separate count.

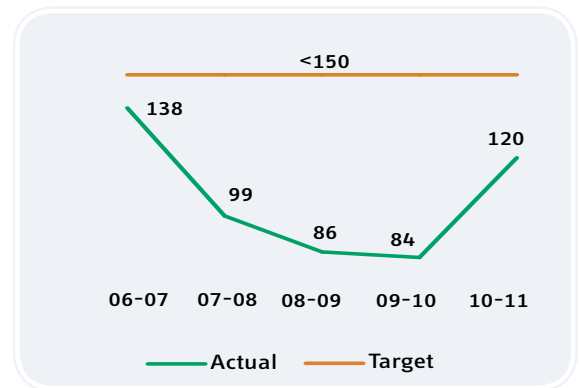
Average interruption time for priority 1 events measures the timeliness of repairs to interruptions in water supply for priority 1 events (this includes major damage to property or environment, or customers without water).

Sewerage disruptions refers only to sewer blockages and other failures occurring in mains or property connections. The term does not include failures in sanitary drains of properties.

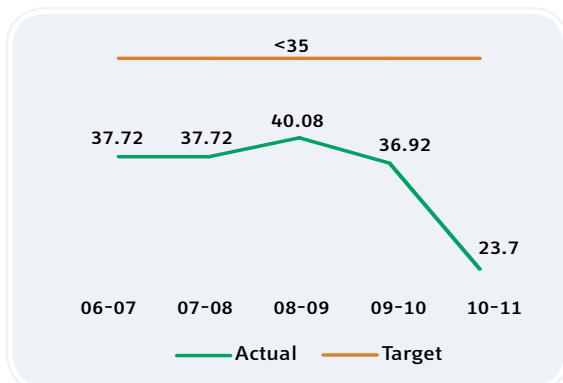
Water interruptions: Average interruption time in minutes of priority 1 events



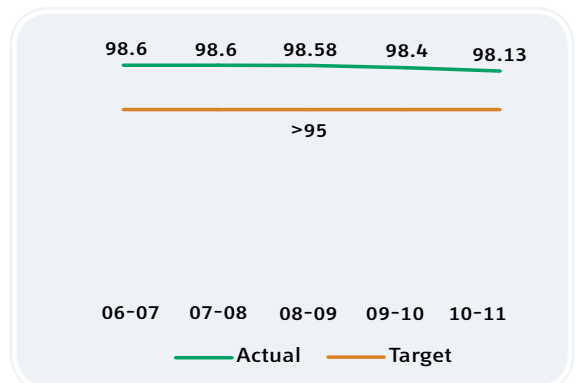
Water interruptions: Total number per 1,000 properties per year



Sewerage disruptions: Total number per 1,000 properties per year



Sewerage disruptions: % restored within five hours



## Our people

ActewAGL is a major employer in the ACT and is committed to providing a safe, healthy and non-discriminatory working environment.

ActewAGL again identified safety among its key objectives for 2010–11 and has committed time and resources into continuing to implement a safety leadership program, provide safety support services to key safety risk areas such as construction projects and undertake a comprehensive review of safety management. ActewAGL consults staff and involves them and unions in decisions about changes to the workplace.



To help work towards ActewAGL's Strategic Outlook for 2010 – 2020, ActewAGL's focus will be on ensuring our culture is one of adaptability, commercial agility and enthusiasm to embrace change and in which a culture of safety is deeply embedded.

We will also focus on ensuring employees are given the skills to help them succeed. The Human Resources business plan will focus on these key objectives for 2011–12.

Head count by business area	09-10	10-11
ACTEW Corporation	2	2
ActewAGL Retail	114	107
Business development and strategy	4	1
Business systems	114	91
Finance and resources	99	103
Executive, Legal and Secretariat	23	17
Networks (Asset Management and Network Services combined total)	447	449
Water	326	341
Environment, Health, Safety and Quality	–	6
ActewAGL Total	1,129	1,117

Employer	09-10	10-11
Seconded from ACTEW Corporation	320	295
ActewAGL Distribution	692	713
ActewAGL Retail	97	93
ActewAGL Distribution seconded to ACTEW Corporation	1	1
ActewAGL Retail seconded to ACTEW Corporation	1	1
ACTEW Corporation seconded to ActewAGL Retail	17	13
ActewAGL Retail seconded to Distribution	1	1
Total	1,129	1,117

## Health, safety and environment

At ActewAGL, health, safety and environment is managed through a management system that complies with Australian/New Zealand standards for occupational, health and safety and environmental management.

ActewAGL is committed to safeguarding the health and safety of its employees and the community, and protecting the environment.

ActewAGL's health, safety and environment program is guided by a Safety Action plan, which is reviewed annually and formulated by identifying key factors for improvement using the following sources of information:

- cross-divisional audit findings from annual safety system audits
- statistical analysis of incidents
- top health, safety and environment risks from divisional risk registers that have a corporate application.



In August 2010, the ActewAGL Board engaged Deloitte Touche Tohmatsu to undertake a detailed review of safety across the organisation. The review involved an analysis of the level of safety maturity in relation to people, processes, systems and structure.

There were three strategic areas for improvement arising from this review:

- Safety Management system
- Communication and consultation
- Leadership

To ensure improved safety performance a Safety Improvement Project team made up of representatives from each division was formed to address the strategic themes and operational findings identified by the review.

### Lost Time Injury Frequency Rate

During 2010–11, ActewAGL employees incurred 11 Lost Time Injuries which resulted in a Lost Time Injury Frequency Rate (LTIFR) of 4.97. This is a 14.44 per cent decrease against last financial year's LTIFR of 5.80 (this LTIFR was reported as 5.60 in the 2009–10 Annual Report, but has been adjusted this financial year following the exclusion of ACTEW Corporation data).

The LTIFR is calculated on the number of injuries that resulted in an employee being absent for one or more shifts, per million hours worked.

### Consultation and communication

To facilitate workplace consultation there are six Health, Safety and Environment committees operating across ActewAGL and related organisations.

In addition, there is a Health, Safety and Environment Policy Committee (joint union and management) as well as the Safety Coordinators Network Committee.

All committees publish meeting minutes. Members receive safety committee training. Work safety representatives attend an intensive four-day training program as required by ACT Work Safety legislation.

To ensure health, safety and environment information is communicated, an ActewAGL Safety Report is circulated to all staff on a monthly basis. This Safety Report provides staff with details on the organisation's health and safety performance as well as information on safety initiatives.

### Safety initiatives

Throughout 2010–11, safety continued to be a key priority for ActewAGL.

ActewAGL continued to deliver the Always Safe management system, with 98 per cent of employees completing safety refresher training.

In 2011, ACT Health published the ACT Workplace Health Promotion Needs Analysis Summary Report, in which ActewAGL's ACTIVE health and wellness program featured as a model case study of an organisation promoting workplace health and wellbeing programs for its employees.

### Health and fitness

ActewAGL continued to promote and support health and wellbeing initiatives throughout the year. Health and fitness initiative highlights included:

- 458 staff members had health and fitness assessments
- 294 (as at 31 May 2011) staff members took up gym memberships
- 464 staff members took up the workplace influenza vaccination program.

### Injury management and workers compensation

During the reporting period, there were a number of improvements and changes to the way ActewAGL manages its workers compensation and injury management functions.

The workers compensation and rehabilitation function was incorporated into the Human Resources strategy and wellness team, resulting in additional dedicated resources.

A number of policy and process improvements have been implemented including:

- revised care of the injured and ill and compensation corporate procedure
- guidelines for medical treatment
- an injury management flow chart designed to assist leaders and managers to comply with early intervention
- updated intranet site with links to relevant injury management and workers compensation material.

ActewAGL completed a successful tender for a new medical services provider with Medibank Health Solutions which replaced the Preventative Medicine and Rehabilitation Centre. The change was effective from 1 May 2010.

ActewAGL developed a Service Level Agreement and increased usage of external rehabilitation providers. These providers are engaged each time an injured worker is likely to be off work for more than five days, or if the case is likely to be a complex one in the opinion of the Injury Management team.

Information sessions outlining the policy changes and improved injury management processes were conducted during Safety Week (Networks division) and Back-to-Base (Water division) and will continue.

Communication between the Injury Management team and dedicated contact officers improved within some of the high risk areas of the business.

There was the regular claims review with medical providers and insurers as well as improved internal data integrity, including the development of an electronic case management tracking system.

Over the coming year, the Injury Management team will trial a 24 hour on-call roster to service the needs of some of the higher risk areas of the organisation. Work also continues on developing ongoing communication, education and awareness of the injury management process, the importance of early and pro-active intervention and ensuring that all workers are able to return to pre-injury duties as soon as possible.

### Compensation claims

Following a competitive tendering process in early 2010, ActewAGL changed private workers compensation insurers from QBE Insurance to Allianz Insurance, effective 1 July 2010. During the reporting year, 36 claims for workers compensation were submitted to Comcare and 65 to Allianz Insurance. As at 30 June 2011, there were 24 open compensation claims with Allianz Insurance and 40 active claims (for current employees) with Comcare.

### Equity and diversity

ActewAGL is continuing efforts to achieve greater equity and diversity across its workforce. This commitment is led by the CEO and the Executive management team. It is driven by the Equity and Diversity Management plan which comprises four key areas:

- workplace diversity
- harassment and discrimination
- legislative compliance
- employment conditions.

The plan is reviewed annually to identify and prioritise objectives, strategies and performance measures to enable the organisation to measure its performance.

Over the past 12 months ActewAGL has continued to develop and implement many new and exciting equity and diversity initiatives. These include:

- ActewAGL Women's Network, Women in Utilities
- national employment standards formalising the right to request flexible working arrangements for employees with carer responsibilities
- Women in Apprenticeships marketing campaign, designed to increase the number of female applicants for the apprentice intake
- two undergraduate scholarships to female students studying at the Australian National University
- Indigenous employment strategy in partnership with the Australian Employment Covenant
- scholarship program through Melba Copland secondary school, offering work experience placements to students in Year 10
- Childcare Referral Service via API Leisure and Lifestyle
- ActewAGL Listening Forum
- Employee Assistance program.

### Employment conditions

The Human Resources division continued to provide advice and interpretation of employment conditions across the organisation. All recruitment selections are based on merit.

### Workplace relations

All industrial issues were resolved using the grievance procedure in the EBA and there was no loss of working time as a result of industrial action.

The centrepiece of the performance pay system for staff not on competency arrangements is the single salary spine. This classification system is based on work level descriptors that apply to new staff and current staff not on competency arrangements. These employees may choose to set stretch targets with their supervisor. If they achieve the stretch targets they will receive a three per cent increase on their base pay, in addition to the annual salary increase negotiated for all employees subject to the EBA.



CEO Michael Costello pictured with the 2010–11 intake of apprentices.

## Workplace harassment and discrimination

ActewAGL offers a Colleague Support Network of volunteers across the organisation who provide a reporting channel for discrimination and harassment incidents, as well as support and procedural advice to colleagues.

To ensure impartiality and thorough analysis, ActewAGL engaged the Dispute Resolution Centre, a national mediation and dispute resolution service provider, to conduct workplace investigations into complaints of bullying and harassment. The centre investigated ten formal complaints of bullying and harassment during the reporting year. Most complaints were resolved with the use of mediation and training and only a small number resulted in disciplinary action.

To increase awareness of bullying and harassment issues among employees, ActewAGL also implemented the Dispute Resolution Centre Hotline. This hotline operates during business hours and provides staff with another avenue to report or discuss acts of bullying and harassment. Staff can speak confidentially with a qualified, external mediator if they are experiencing conflict in the workplace or have been the victim of, or witness to, bullying and harassment.

## Staff development and training

### Key training and development priorities

Training needs and priorities continued to be identified and actioned through the Personal Performance Development Plan (PPDP) process during the year. A new uniform PPDP template was rolled out and aligns with the ActewAGL Capability Framework, including the identified behaviours required across each core level. Training Officers within Water, Network and Retail divisions managed the scheduling and coordination of divisional training programs and initiatives.

Two separate applications were submitted for a number of government assisted productivity placement programs during the reporting year and ActewAGL was successful in obtaining funding for 110 qualifications, including project management, customer contact, business sales, business, management, training and assessment and frontline management.

Other internal training programs and initiatives designed and facilitated by the Human Resources Division included:

- HR Masterclass series
- Team development workshops
- Health, safety and environment awareness training
- Induction and orientation.

### Total expenditure on training

ActewAGL's budget for training and development for 2010–11 was approximately \$5.6 million, which was \$4.5 million last year. Total expenditure reached around \$3.8 million.

## Talent pipeline

During the reporting year, the Human Resources division continued to examine innovative ways the organisation can build and maintain a pipeline of talent across all disciplines (engineering, IT, business, technical, finance and trades). Initiatives and programs undertaken during the reporting period include:

- Para-professional program – a partnership with the University of Southern Queensland to deliver a program for existing employees selected to participate in an Associate Degree in Electrical Engineering.
- ActewAGL Cadetship program – Networks division currently has six cadets studying at various universities, including the Australian National University (ANU), University of Wollongong and University of New South Wales.
- ActewAGL and the ANU scholarship program – ActewAGL currently has four undergraduate scholarships and two post-graduate scholarships in place.
- Melba Copland career starter program – five students undertook practical work experience placements that align with their current skills and subjects being studied.
- Women in Apprenticeships – targeted marketing campaign, advertising via Facebook, radio, internet and major sporting events.
- Studies assistance – 58 employees were participating in ActewAGL's studies assistance program. The program provides financial assistance with fees and paid leave to attend classes and exams. Studies are currently undertaken during and after business hours as well as online and via correspondence. Students are currently attending a range of universities and educational establishments throughout Australia, in programs ranging from certificates to masters in areas such as accounting, engineering, information technology, management, human resources, business and science.

During 2010–11, there were seven trainees, 42 apprentices, 12 graduates and seven cadets placed across the organisation.

## Staff rewards and recognition

### Shooting Stars

Shooting Stars, ActewAGL's rewards and recognition program, features four categories through which great work can be recognised. The Shooting Stars program rewards those employees who consistently show an exceptional commitment to ActewAGL's core values.

The recipients of bi-monthly awards in each category for the reporting year were as follows:

#### Commitment and dedication

Stephanie Leulf, Snezana Saravovska, Trudy Tetu, Jessica Nicholson.

#### Top performance

Ann Avenell, Richard Jones, Scott Ahearn, Ralph Stokes, Tony Jadric, Robert Cupitt, Garry Draper.

#### Always Safe excellence

Mark Redding, Toby McQualter, Grant Astley, Mark Dubbert, Kieran Clune, Phil Johnstone.

#### Superior customer or community focus

Tanya George, Lachlan Young, Andrew Jones, Robert Collins, Mario Genero, Ashley Bowman, Ben Roberts, Andrew Jones, Geoffrey Stewart, Russell Mackay, Warren Gurr, Robert Rice, Peter Hyland.

## Economic aspects

This section contains information about ActewAGL's pricing framework. The ACT water and sewerage networks are owned by ACTEW Corporation. ACTEW Corporation is the licensed provider of water and wastewater services under the *Utilities Act 2000* (ACT). However, ActewAGL manages and operates the water and wastewater networks and provides services under contract to ACTEW Corporation and, therefore, information on water and sewerage pricing is included in this report.

Customer numbers and other financial statistics, including comparisons with previous years, are contained in the appendices to this report.

## Pricing

### Regulation

The Australian Energy Regulator (AER) is responsible for economic regulation of ActewAGL's ACT, Queanbeyan and Palerang gas network and ACT electricity distribution network.

The Independent Competition and Regulatory Commission (ICRC) regulates retail electricity prices for customers who remain on the Transitional Franchise Tariff (TFT), as well as prices for ACTEW Corporation's water and wastewater services in the ACT.

The Independent Pricing and Regulatory Tribunal (IPART) regulates prices for ActewAGL's retail gas services in NSW.

### Network prices

#### Electricity networks

ActewAGL Distribution's electricity network prices for 2011–12 were reset in accordance with the AER's final decision for the period 1 July 2009 to 30 June 2014. On 8 June 2011 the AER approved price increases of 7.85 per cent (including CPI of 2.85 per cent) on average, of which 3.28 per cent was to recover the 16.6 per cent increase in electricity transmission costs paid to TransGrid by ActewAGL for the transport of electricity to the ACT distribution network. As the AER noted in its final decision, the price increases are also driven by significant investment in major capital projects which will result in a more reliable and secure network.

The AER's final decision provided for pass-through of the direct tariff costs of the ACT Government feed-in tariff scheme during the regulatory period. The feed-in tariff scheme for micro and medium scale generators closed on 13 July 2011 after reaching its cap of 30 MWh.

From October 2010, Time of Use (TOU) tariffs were made the default network tariff for all new residential and commercial premises. TOU tariffs are intended to encourage customers to manage their load by providing an incentive to shift usage from peak times to off-peak times, thereby improving the utilisation of the network capacity and lowering overall household bills. In the long-term, this has potential to reduce the need to invest in the network as well as reducing electricity costs for customers.

From July 2011, ActewAGL Distribution also extended eligibility for the Residential TOU tariff to include electric vehicle recharging facilities in residential premises. This change comes in response to customer initiated intentions to implement city-wide rollout of electric vehicle infrastructure in Canberra, the availability of electric vehicles, and increasing public awareness of electric vehicles as an alternative to conventional internal combustion engine vehicles. It is intended that this change will encourage recharge businesses to manage their demand on the electricity network with the incentive to recharge electric vehicles in residential areas in off-peak residential times.

### Gas networks

On 30 March 2010, the AER released its final decision on ActewAGL's proposed Access Arrangement (AA) to apply to ActewAGL Distribution's ACT, Queanbeyan and Palerang gas distribution network for the period 2010–11 to 2014–15. On 27 April 2010 the AER released the AA and accompanying Access Arrangement Information (AAI) incorporating the changes to ActewAGL's revised AA proposal required by its final decision. The AA took effect from 1 July 2010.

The AA and the AAI were subsequently amended by order of the Australian Competition Tribunal following review of elements of the final decision.

ActewAGL Distribution's gas network prices for 2011–12 were varied in accordance with the AER's September 2010 Amended Access Arrangement. These were approved by the AER on 2 June 2011. The approved variation provides for average distribution network service price increases of 16.73 per cent (including CPI of 2.85 per cent) for 2011–12.

The price increases that apply from 2010 – 2015 are driven by:

- increased operating and maintenance expenditure requirements in line with the rising cost of skilled labour and materials
- the instigation of new activities required to monitor and maintain safety and reliability as the network ages and expands.

The AER also allowed for a number of infrastructure projects proposed by ActewAGL for the period of the Access Arrangement, including:

- expansion of the network into the new housing developments in the Molonglo Valley and North Weston, and Googong, as well as some existing areas where customers will have access to natural gas for the first time
- expansion of the gas network’s capacity to meet expected demand in Tuggeranong, Queanbeyan, Red Hill and Griffith.

## Retail prices

### Electricity

On 28 August 2009, the ACT Government issued a terms of reference for the ICRC to provide a price direction for the supply of electricity to non-contestable TFT customers for the period from 1 July 2010 to 30 June 2012. This two-year decision follows an initial three-year transitional price direction in 2003 and four successive annual price directions.

The two-year decision provided for a mid-term review to set 2011–12 prices. Accordingly, on 20 June 2011, the ICRC released its final decision which allows for a nominal increase of 6.37 per cent, equivalent to a real increase of 3.42 per cent, from 1 July 2011. The main drivers of the price increase are the increased cost of the federal government renewable energy schemes and increases in electricity network charges.

The impact of the decision in 2011–12 for an indicative TFT residential electricity customer on the Always Home at ActewAGL plan using 7,000 kWh per annum will be an increase of around 6.42 per cent in the annual bill (including CPI) or around \$1.59 per week (including GST). The ACT electricity price increase compares to NSW electricity retail price increases of between 15.5 per cent and 18.1 per cent in 2011–12.

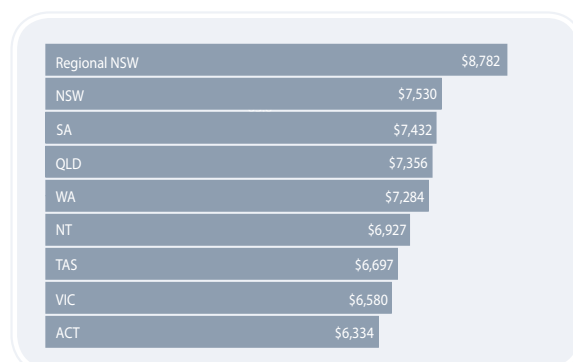
These graphs provide an indicative annual bill comparison for the year 2010–11.

Domestic electricity bill comparison for annual consumption of 7,000 kWh (GST-inclusive)



Note: Based on prices as published by selected retailers.

Small commercial electricity bill comparison for annual consumption of 30,000 kWh (GST-inclusive)



Note: Based on prices as published by selected retailers.

### Australian Energy Market Commission review

In November 2010, the Australian Energy Market Commission (AEMC) concluded its review of the effectiveness of competition in the electricity retail market in the ACT.

The review, initiated in March 2010, was conducted in two stages. Stage 1 sought to establish whether competition in the ACT retail electricity market is effective. Stage 2 was to provide advice on options to phase out price regulation where competition is found to be effective, or to increase competition where competition is found to be ineffective.

The AEMC Stage 1 Final Report, released in November 2010, found that competition was not effective due to the 'unique characteristics' of the ACT market, including a low level of customer awareness of retail contestability, the small size of the ACT market, the economies of scale and scope achieved by ActewAGL Retail, and the regulated price being based on ActewAGL Retail's efficient costs rather than new entrant retailers' costs.

The AEMC's Stage 2 Final Report, released in February 2011, recommended the removal of retail price regulation in the ACT as part of a two-step approach to improving competition.

The first step recommended by the AEMC is the implementation by the ACT Government of a series of policy measures designed to increase customer awareness and mobility, including consumer education programs, and greater harmonisation of regulatory requirements between the ACT and other jurisdictions via implementation of frameworks such as the National Energy Customer Framework.

The second step recommended is the removal of retail price regulation from 1 July 2012 (in line with the expiry of the ICRC's 2010–12 price direction), and the introduction of a three-year price monitoring program. A review at the end of this initial period would assess whether the program should continue.

The ACT Government responded to the AEMC review in September 2011 that it does not agree with the AEMC recommendation that the TFT should be removed for small electricity customers and advised its decision to retain the TFT for a further two years.

### Natural gas ACT

Retail pricing for gas supply in the ACT is not subject to price regulation. The ACT gas supply market was opened to competition in January 2002 and became de-regulated from 1 July 2004.

ActewAGL applied an average price increase of 7.74 per cent (including CPI of 2.85 per cent) to its natural gas tariffs from 1 July 2011. This increase incorporates a rise in network charges of 16.45 per cent on average for ACT gas customers. The impact of changes to prices for gas services in 2011–12 will be an increase of around 7.50 per cent in the annual bill or around \$1.80 per week (including GST) for an indicative residential customer on a Home Gas and Home Saver Gas plan consuming 50 GJ per annum.

### Natural gas NSW

ActewAGL's NSW retail gas prices for the Capital, Queanbeyan/Bungendore and Shoalhaven regions are regulated by IPART by way of an agreed pricing arrangement. The current approved Voluntary Transitional Pricing Agreement (VTPA) for the period 2010 to 2013 allows for full-pass through of network costs and a price path of CPI minus 1 per cent on the retail component of tariffs for each year of the VTPA period. In accordance with the VTPA, IPART approved ActewAGL's 2011–12 NSW gas retail prices on 17 June 2011. On average, natural gas retail prices increased from 1 July 2011 by 3.5 per cent, 7.4 per cent and 2.2 per cent (including CPI of 2.65 per cent) in the Capital, Queanbeyan/Bungendore and Shoalhaven regions respectively.



## Water and sewerage

ACTEW Corporation's water and wastewater businesses are managed and operated by ActewAGL under a Utilities Management Agreement (UMA). ActewAGL provides network planning, operations and maintenance services as well as billing and collection services.

ACTEW Corporation's water and sewerage prices were reset during 2011 in accordance with the mid-term adjustment mechanism within the ICRC's water and wastewater price direction for the five-year period from 1 July 2008 to 30 June 2013. The ICRC reset prices to apply in 2011–12 and 2012–13 to allow for:

- an adjustment to water usage volumes originally forecast by the ICRC for 2011–12 and 2012–13
- incorporation of capital expenditure and operating costs for the Tantangara Transfer project.

These graphs provide an indicative annual bill comparison for the year 2010–11.

Domestic wastewater bill comparison for annual consumption of 200 kL



**Note:**

\* Adelaide bill based on South Australia Government Transparency Statement 2010–11, Potable Water and Sewerage Prices South Australia.

\* Perth bill based on ERA Final Report 2009, Inquiry into Tariffs of the Water Corporation, Aqwest and Busselton Water.

\* ACT bill includes UNFT.

\* All bills based on prices published by selected retailers.

Domestic water bill comparison for annual consumption of 200 kL



**Note:**

\* Brisbane bill includes State Government bulk water charge per kilolitre used.

\* ACT bill includes WAC and UNFT.

\* All bills based on prices published by selected utilities.

# Summary Financial Report

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# Summary Financial Report

for the year ended 30 June 2011

## Financial highlights

### Profit

Net profit for the year ended 30 June 2011 was \$166.6 million. This compares to the prior year's net profit of \$184.8 million. The decrease in profit is due mainly to the gain on sale of ActewAGL's interests in ECOWISE Environmental Pty Ltd and its subsidiaries recognised in the prior year.

Total operating revenue for the year ended 30 June 2011 was \$876.6 million compared to \$818.9 million in the prior year. The increase in revenue is due mainly to price rises for electricity and gas in line with regulatory price determinations (having taken into account amongst other things, increase in transmission charges and wholesale energy costs and additional infrastructure investments), higher volumes as a result of Canberra's continuing population growth, increased consumption in the ACT and Nowra region mass markets, consumption by major commercial customers and favourable weather conditions experienced throughout the 2010–11 financial year.

Total expenses for the year ended 30 June 2011 were \$710.1 million, compared to \$665.4 million for the prior year. This is primarily attributed to higher energy purchases resulting from higher transmission charges and wholesale energy prices.

The decrease in operating expenses is mainly due to cost saving initiatives undertaken during the financial year.

### Cash flow

The Group generated \$187.4 million from its operating activities for the year ended 30 June 2011 compared to \$194.0 million in the prior year. The investing net cash outflow of \$100.5 million, is a decrease of \$68.4 million compared to \$32.1 million in the prior year. This is mainly because the cash outflows in the prior year were offset by the proceeds received from the sale of ECOWISE Environmental Pty Ltd and funds received from held-to-maturity investments amounting to \$56.2 million. The investment in capital maintains and grows the network business. For the 2010–11 financial year, the major investment projects undertaken included the construction of the new warehouse in Greenway, development of several distribution and subtransmission projects to ensure security of supply to existing and future electrical load within the ACT such as the Southern point of supply project, construction of multiple major substations for office developments, government departments, retail and residential purposes, continuing pole replacement program, Angle Crossing pump station project, and the connection of secondary mains in Queanbeyan and Jerrabomberra which will improve the security of supply to the secondary gas network.

Cash surplus to the Group's operational and capital requirements is returned to the partners in the form of cash distributions. In 2010–11 financial year, \$91.8 million was distributed to ActewAGL's partners, \$56.8 million lower than the \$148.6 million in the prior year due mainly to the sale of ECOWISE Environmental Pty Ltd and its subsidiaries.

# Summary Financial Report

for the year ended 30 June 2011

## Financial position

As at 30 June 2011, the Group has net assets of \$954.5 million compared to \$879.8 million in the prior year. The increase in net assets is mainly due to the increase in working capital and capital investment in the network business. Cash available as at 30 June 2011 was \$5.1 million lower than prior year.

Current assets were \$229.5 million compared to \$205.3 million in the prior year.

Current liabilities were \$197.1 million compared to \$182.9 million at the same time last year. The Group does not have any borrowings other than finance leases.

The carrying value of property, plant and equipment is \$898.1 million compared to \$832.8 million as at 30 June 2010, primarily due to investment in system-related assets.

## Partners' return

The return on funds employed for 2010–11 financial year based on the net profit before tax was 17.5 per cent compared to 21 per cent in the prior year.

# Independent Audit Report

for the year ended 30 June 2011



**ACT AUDITOR-GENERAL'S OFFICE**



## **INDEPENDENT AUDIT REPORT**

### **To the Partners of ActewAGL Joint Venture**

#### **Report on the summary financial report**

The summary financial report (financial report) of the ActewAGL Joint Venture has been audited. The financial report comprises the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and Joint Venture Board's declaration. The financial report has been derived from the audited special purpose financial report of the ActewAGL Joint Venture (the Joint Venture) for the year ended 30 June 2011.

On 6 September 2011, I issued an unmodified audit report on the special purpose financial report of the Joint Venture for the year ended 30 June 2011

The financial report does not contain all disclosures required by the *ACTEW/AGL Partnership Facilitation Act 2000*, or as may be considered necessary to meet the needs of the Partners of the Joint Venture. Reading the financial report is, therefore, not a substitute for reading the audited financial report of the ActewAGL Joint Venture.

#### **Responsibility for the summary financial report**

The Board of the Joint Venture is responsible for the preparation of the financial report.

#### **Auditor's responsibility**

I am responsible for expressing an audit opinion on the financial report based on my procedures. These procedures were conducted in accordance with Auditing Standard ASA 810: 'Engagements to Report on Summary Financial Statements'.

#### **Electronic presentation of the summary financial report**

Those viewing an electronic presentation of this financial report should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from this financial report. If users of the financial report are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial report to confirm the accuracy of this electronically presented information.

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# Independent Audit Report

for the year ended 30 June 2011

## **Independence**

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

## **Audit opinion**

In my opinion, the financial report, derived from the audited special purpose financial report of ActewAGL Joint Venture for the year ended 30 June 2011, is materially consistent with the special purpose financial report.



Dr Maxine Cooper  
Auditor-General  
6 September 2011

# Statement of comprehensive income

for the year ended 30 June 2011

	2010	2011
	(\$'000)	(\$'000)
Revenue from continuing operations	818,934	876,643
Other income	28,663	-
	847,597	876,643
Energy purchases	(328,623)	(376,383)
Employee costs	(152,590)	(154,987)
Depreciation and amortisation expenses	(34,047)	(35,043)
Subcontractor expenses	(78,470)	(76,979)
Lease expense	(15,309)	(16,369)
Material costs	(14,912)	(14,964)
Finance costs	(3,010)	(2,101)
Project related expenses	(15,520)	(17,201)
Selling expenses	(13,203)	(9,332)
Other expenses	(9,676)	(6,707)
Share of net profit of associates and Joint Venture partnership accounted for using the equity method	474	-
Profit before income tax	182,711	166,577
Discontinued operations		
Profit from discontinued operations, net of income taxes	2,059	-
Net profit for the year	184,770	166,577
Profit is attributable to:		
Partners of the ActewAGL Joint Venture	184,770	166,577
Total comprehensive income for the year is attributable to:		
Partners of the ActewAGL Joint Venture	184,770	166,577

# Balance sheet

for the year ended 30 June 2011

	2010	2011
	(\$'000)	(\$'000)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	43,769	38,635
Trade and other receivables	151,263	182,096
Inventories	10,248	8,771
<b>Total current assets</b>	<b>205,280</b>	<b>229,502</b>
NON-CURRENT ASSETS		
Receivables	141	389
Available-for-sale financial assets	2,000	2,000
Property, plant and equipment	832,778	898,133
Intangible assets	28,110	28,987
<b>Total non-current assets</b>	<b>863,029</b>	<b>929,509</b>
<b>TOTAL ASSETS</b>	<b>1,068,309</b>	<b>1,159,011</b>
<b>LIABILITIES</b>		
Current liabilities		
Trade and other payables	129,675	139,106
Provisions	31,796	34,315
Other liabilities	21,377	23,657
<b>Total current liabilities</b>	<b>182,848</b>	<b>197,078</b>
Non-current liabilities		
Provisions	3,048	3,570
Other liabilities	2,634	3,827
<b>Total non-current liabilities</b>	<b>5,682</b>	<b>7,397</b>
<b>TOTAL LIABILITIES</b>	<b>188,530</b>	<b>204,475</b>
<b>NET ASSETS</b>	<b>879,779</b>	<b>954,536</b>
<b>JOINT VENTURE FUNDS</b>		
Joint Venture Funds	879,779	954,536
<b>Total Joint Venture Funds</b>	<b>879,779</b>	<b>954,536</b>



# Statement of changes in equity

for the year ended 30 June 2011

	2010 (\$'000)	2011 (\$'000)
Total Joint Venture funds at the beginning of the financial year	843,619	879,779
Total comprehensive income for the year	184,770	166,577
Transactions with partners in their capacity as owners:		
Distributions paid	(148,610)	(91,820)
Total Joint Venture funds at the end of the financial year	879,779	954,536

# Statement of cash flows

for the year ended 30 June 2011

	2010	2011
	(\$'000)	(\$'000)
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	918,098	946,261
Payments to suppliers and employees (inclusive of goods and services tax)	(726,741)	(761,266)
	191,357	184,995
Interest received	3,548	2,448
Interest and other costs of finance paid	(264)	(43)
Incomes taxes paid	(690)	-
<b>Net cash inflow from operating activities</b>	<b>193,951</b>	<b>187,400</b>
<b>Cash flows from investing activities</b>		
Proceeds from held-to-maturity investments	18,500	-
Payments for property, plant and equipment	(93,910)	(103,285)
Proceeds from sale of property, plant and equipment	699	35
Payments for investment	(2,000)	-
Proceeds from sale of interest in Joint Venture	486	2,229
Proceeds from sale of subsidiary	37,720	500
Repayment of loans	5,130	-
Return of capital from Woodlawn	631	-
Return of partnership funds	632	-
<b>Net cash outflow from investing activities</b>	<b>(32,112)</b>	<b>(100,521)</b>
<b>Cash flows from financing activities</b>		
Distributions paid to partners	(148,610)	(91,820)
Proceeds from borrowings	1,007	-
Repayment of borrowings	(644)	(193)
<b>Net cash outflow from financing activities</b>	<b>(148,247)</b>	<b>(92,013)</b>

# Statement of cash flows

for the year ended 30 June 2011

	2010	2011
	(\$'000)	(\$'000)
Net increase in cash and cash equivalents	13,592	(5,134)
Cash and cash equivalents at the beginning of the financial year	24,677	43,769
Transfer to non-current assets held for sale	5,500	-
Cash and cash equivalents at the end of financial year	43,769	38,635

# Joint Venture Board's declaration

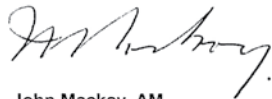
for the year ended 30 June 2011

**30 June 2011**

The board members declare that:

- (a) the summarised financial report on pages 4 to 7:
  - (i) complies with applicable Accounting Standards and other mandatory professional reporting requirements; and
  - (ii) gives a true and fair view of the Joint Venture's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and cashflows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Joint Venture will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Joint Venture board.



**John Mackay, AM**

Chairman

Canberra

31 August 2011



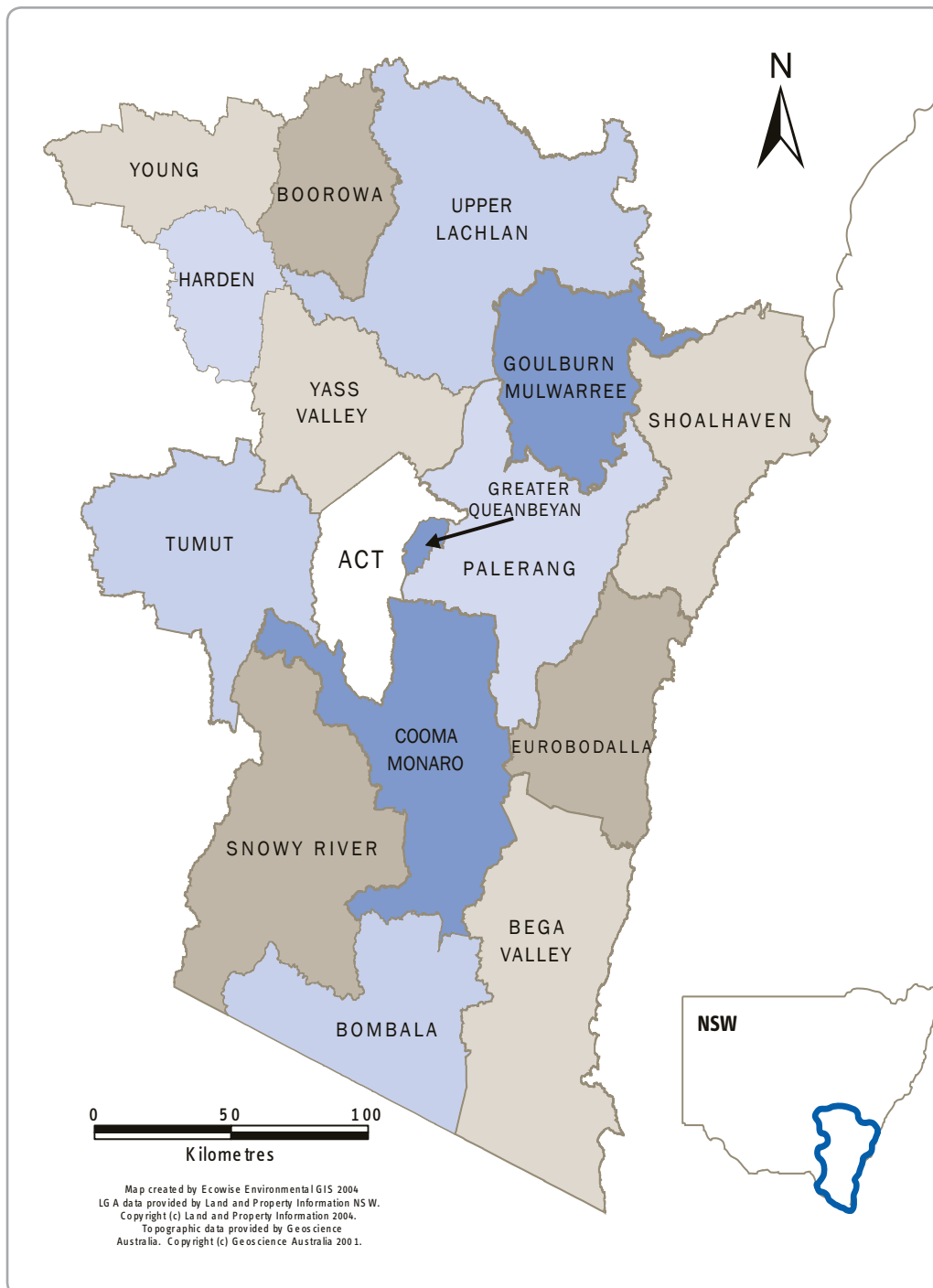
**Mark Sullivan, AO**

Board member

Canberra

31 August 2011

# Map of ACT region



# Publications

Each year ActewAGL creates, maintains and updates a suite of publications. Copies of these publications can be obtained from the ActewAGL website ([actewagl.com.au](http://actewagl.com.au)).

Publications include:

- ActewAGL Code of Conduct
- ActewAGL Essentials magazine
- Scan before you plan
- Business energy solutions
- ActewAGL career pathways
- ActewAGL career pathways –Networks Apprenticeship program
- ActewAGL Graduate Development program
- Customer summary
- Domestic water meter installations
- Electrical safety tips
- Greenchoice for your business
- Greenchoice for your home
- Green Scene
- Energy saving tips
- Natural gas safety tips
- Privacy policy
- Public safety
- Sewer blockages and surcharges
- Trees, powerlines and safety
- Substations, mini pillars and safety
- Energy and communication solutions for your business
- Staying Connected
- Direct debit
- epayplus

ActewAGL also published contracts for the supply of electricity and natural gas in the ACT and NSW, and schedules of charges for electricity, natural gas, water and sewerage services.

- Annual and other publications
- Annual Report
- Sustainability Report

# Statistics

Financial	2006–07	2007–08	2008–09	2009–10	2010–11
<b>Financial performance (\$'000)</b>					
Total revenue	592,597	770,932	798,762	847,597	876,643
Operating profit before income tax	110,849	137,171	156,736	182,711	166,577
Income tax expense	92	339	0	0	-
Operating profit after tax	110,757	136,832	158,721	184,770	166,577
Distributions to partners	97,000	113,000	117,546	148,610	91,820
<b>Financial position (\$'000)</b>					
Current assets	129,664	164,077	216,921	205,280	229,502
Non-current assets	785,749	804,710	803,944	863,018	929,509
Total assets	915,413	968,787	1,020,865	1,068,298	1,159,011
Current liabilities	132,800	158,258	173,887	182,848	197,078
Non-current liabilities	3,991	8,079	3,359	5,671	7,397
Joint Venture funds	778,622	802,450	843,619	879,779	954,536
<b>Electricity</b>					
Network customers and connections	156,359	158,455	161,061	164,900	168,937
System throughput (GWh)	2,933	2,967	3,011	3,038	3,062
Amount of energy supplied from renewable sources (GWh)	108.8	173.4	216.3	277.6	533.4
<b>Mains in service (km)</b>					
<b>Overhead</b>					
132 kV	159	159	159	159	159
66 kV	7	7	7	7	7
22 kV	34	34	34	34	34
11 kV	1,008	1,002	999	1,000	992
Low voltage**	1,205	1,201	1,196	1,190	1,188
<b>Underground</b>					
132 kV	3	3	3	3	3
66 kV	-	-	-	-	-
22 kV	2	2	2	2	2
11 kV	1,274	1,299	1,323	1,354	1,386
Low voltage**	1,004	1,028	1,072	1,109	1,160
<b>Nominated kVA of transformers ('000)</b>					
132 kV	1,283	1,283	1,283	1,283	1,283
66 kV	59	59	59	59	59
22 kV	22	25	34	36	37
11 kV and below	1,730	1,786	1,848	1,901	1,934

# From 2003–04 this includes renewable energy credits purchased under the MRET scheme.

\* Significant variations due to implementation of new asset recording and management systems in 2002–03 resulted in more accurate data.

\*\* Lengths of low voltage mains do not include LV service cables and conductors.

Gas	2006–07	2007–08	2008–09	2009–10	2010–11
Network customers and connections	106,952	112,738	116,281	120,026	123,725
Length of mains (km)	4,386	4,484	4,555.5**	4,620.23**	4,717
Quantity of gas receipted (TJ)	7,311*	8,097	9,472	9,578	10,528
Trunk receiving/pressure reduction stations	9	9	12	11	11
District regulating stations	84	87	89	90	91

\* Previously reported as quantity of gas supplied.

\*\* Totals equal GIS pipe lengths including services plus five per cent.

Water	2006–07	2007–08	2008–09	2009–10	2010–11
Customers	138,917	141,046	143,741	146,608	150,310
Number of dams	4	4	4	4	4
Capacity of dams (GL)	207.4*	207.4	207.4	207.4	207.4
Number of reservoirs	44	44	44	46	46
Capacity of reservoirs (GL)	891	891	891	917.4	917.4
Number of pumping stations	23	23	23	24	25
Length of mains (km)	3,007**	2,980***	3,059	3,096	3,134
Maximum daily demand (ML)	266	195	220	213	213
Total consumption (ML)	51,060	43,556	44,955	45,133****	40,914
Consumption per person per annum (kL)	136	115	116	114	101
Rainfall (mm)	428	455.2	511	612.4	866.4

# Not including plant reservoirs.

\* Bathymetry survey down-rated storage capacity – stage 1 in 2005–06, stage 2 in 2006–07.

\*\* Variation is a result of corrections due to improvements in data quality.

\*\*\* Variation is a result of a change in the Water Services Association of Australia's definition for length of mains. Previously included mains from source to treatment facilities (53 km).

Water reuse system#	2006–07	2007–08	2008–09	2009–10	2010–11
Number of reservoirs (storage facilities)*	1	1	1	1	1
Capacity of reservoirs (ML)*	2	2	3	3	3
Number of pumping stations	3	3	3	3	3
Length of mains (km)	15	15	15	18	18
Quantity of water reused (ML)	2,104	3,899**	4,237	4,249	4,305

# Water is used exclusively for non-potable uses such as irrigation or flushing sewer mains.

\* Previously reported under water statistics.

\*\* From 2007–08 quantity of water reused includes water provided to the incinerator scrubber at the LMWQCC.

Sewerage	2006–07	2007–08	2008–09	2009–10	2010–11
Customers accounts	135,241	137,262	139,794	142,577	146,231
Number of pumping stations	27	27	27	26	26
Quantity of sewage treated (ML)	26,437	25,707	25,307	26,769	32,243
Maximum daily load (ML)	91.5	87	100.7	211.7	385.5
Sewage treated per person per annum (kL)	79	75	73	75	89
Length of mains (km)	2,993	3,014	3,059	3,094	3,134



# Glossary

ACAT	ACT Civil and Administrative Tribunal	LMWQCC	Lower Molongolo Water Quality Control Centre
ACT	Australian Capital Territory	LPG	Liquefied Petroleum Gas
ACTEW	ACTEW Corporation Limited owns the water and wastewater assets and business in the ACT.	LSD	Legal and Secretariat division
ACMS	ActewAGL Corporate Mapping System	LTI	Lost Time Injury
ADWG	Australian Drinking Water Guidelines	LTIFR	Lost Time Injury Frequency Rate
AEMC	Australian Energy Market Commission	MSA	Managed Service Arrangement
AER	Australian Energy Regulator	NABERS	National Australian Built Environment Rating System
AGL	AGL Energy Ltd	NES	Net Employment Standards
AGLC	Australian Gas Light Company	NSW	New South Wales
Always Safe	ActewAGL's employee safety program	PMP	Performance Management Plan
AMP	Asset Management Plan	PPDP	Personal Performance Development Plan
ANU	Australian National University	Retail	ActewAGL Retail Partnership
ARMC	Audit and Risk Management committee	SWA	Safe Work Australia
BPA	Better Place Australia Pty Ltd	TAMS	Territory and Municipal Services
BSD	Business Systems division	TFT	Transitional Franchise Tariff
BWA	Bulk Water Alliance	TransACT	TransACT Communications
CEO	Chief Executive Officer	TransGrid	TransGrid is the owner, operator and manager of the New South Wales (NSW) high voltage network connecting generators, distributors and major end users in New South Wales.
CFO	Chief Financial Officer	UAG	Unaccounted for Gas
CIO	Chief Information Officer	UNFT	Utilities Network Facilities Tax
CNG	Compressed Natural Gas	UMA	Utilities Management Agreement
CPI	Consumer Price Index	VTPA	Voluntary Transitional Pricing Agreement
Distribution	ActewAGL Distribution Partnership		
EAP	Environment Action Program		
EBA	Enterprise Bargaining Agreement		
ECOWISE	ECOWISE Environmental Pty Ltd		
EHSQ	Environment, Health, Safety and Quality division		
EMP	Environment Management Program		
FiT	Feed-in Tariff		
GM	General Manager		
GRI	Global Reporting Initiative		
GST	Goods and Services Tax		
HR	Human Resources		
HSE	Health, Safety and Environment		
ICRC	Independent Competition and Regulatory Commission		
IPART	Independent Pricing and Regulatory Tribunal		
IRS	Incident Reporting System		
JAM	Jemena Asset Management		
Jemena	Jemena Networks (ACT) Pty Limited		
Joint Venture	ACTEW Corporation and AGL Joint Venture		