

*ActewAGL
Environment Management
Plan 2005 – 2010*

Foreword

At ActewAGL we are extremely proud of our environmental achievements. Our aim is to meet the essential service needs of the community in an economically and ecologically sustainable way. We remain committed to safeguarding the environment as well as the health, safety and well-being of the community.

In fact the focus on environmental sustainability has increased. Today we face even greater challenges than before. We are committed to further reducing our greenhouse gas emissions, despite our dependence on traditional sources of energy. We must also work with ACTEW Corporation and the ACT government to address the ever-growing demands placed on our water resources.

This is ActewAGL's first five-year environment management plan. During its first years of operation, ActewAGL operated under ACTEW Corporation's second environment management plan. ACTEW Corporation's plans paved the way for certification of all operational areas to ISO 14001/2004 standard, our participation in the National Greenhouse Challenge Program and the introduction of the successful GreenChoice retail energy product. This Environment Management Plan 2005-2010 builds on the targets and directions of those previous environmental plans. It provides us with a five-year guide with which we can continue to improve our environmental achievements.

ActewAGL now supplies natural gas and electricity in the region surrounding the ACT. We will endeavour to provide leadership and expertise in consultation with those communities in achieving the goals of sustainable development, including water and energy conservation and the evolution of standards for the improvement of the quality of water and sewerage treatment.

We are constantly seeking ways to reduce the effects of our environmental footprint. We will continue to participate in the National Greenhouse Challenge Program and invest in the development of renewable energy resources. We are also committed to the further development of the Canberra spatial plan, the ACT water resources strategy and the ACT greenhouse abatement scheme.

This environment management plan provides a strategy for integrating and achieving our long-term environmental goals. Within this framework we will continue to comply with and, where feasible, perform beyond the legislative and regulatory standards under which we operate.

We welcome feedback on the environmental directions we have established and invite you to become an active participant in achieving our shared goals.

J A Mackay AM
Chief Executive Officer



Introduction

ActewAGL is Australia's first true multi-utility. It provides electricity, natural gas, water and wastewater services and telecommunications under one roof.

ActewAGL is a utility centred on the ACT that retails electricity and gas, owns and operates gas and electricity networks, and operates the ACT water network for the network owner, ACTEW Corporation. Ultimate joint owners are as follows. The Retail partnership is 50:50 owned by ACTEW and AGL Energy Ltd. The Distribution Partnership is 50:50 owned by ACTEW and Alinta Limited

The ActewAGL Joint Venture Board governs the business of the ActewAGL Retail and ActewAGL Distribution partnerships on behalf of the partners, subsidiaries of AGL and ACTEW Corporation.

In February 2004 ActewAGL entered into a management agreement with TransACT Capital Communications Pty Ltd. ActewAGL now manages the network and day-to-day operations of TransACT.

Annual planning, assessment and reporting

In order to take steps to continually improve environmental performance, it is necessary to understand, measure, monitor and report on environmental impacts. ActewAGL is committed to utilising the long-established, continuous improvement cycle of "plan, do, check, review" in its environmental management (EMS) process.

Together with each division's environment management system, our annual Environment Action Program (EAP) identifies the individually measurable outcomes and responsibilities that fall under the priorities established in the Environment Management Plan (EMP), and assists in their implementation. Each quarter the board's Environment Management Committee and members of the executive receive a status report on the actions contained in the EAP.

ActewAGL's annual sustainability report provides information on its progress and achievements with regard to environmental, social and economic aspects of its business activities.

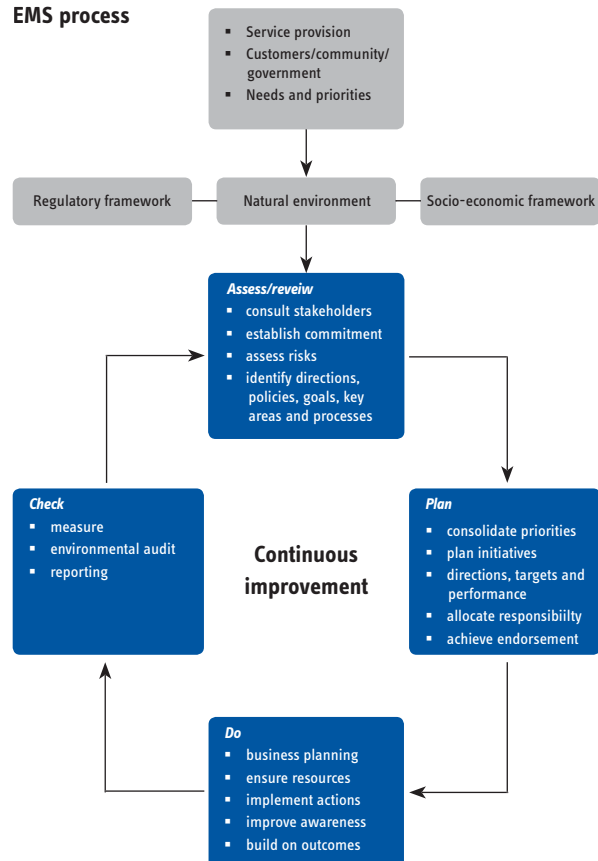
Management approach

The board's Environment Management Committee, in conjunction with the executive management team, sets the organisation's environmental policies and oversees their implementation. It also governs ActewAGL's responses to environmental issues, government policies and legislation.

The management team at ActewAGL believes that it is important for the organisation to have clear, visible and workable environmental management systems for everyone in the organisation to relate to. It also believes that environmental management must be a part of our daily operations.

To assist in achieving its goals, Life Guard, a health, safety and environment program, establishes the framework for managing ActewAGL's environmental performance through policies, standards, guidelines and management practices. It also dictates that environmental risks are assessed, together with health and safety risks, when work is being planned.

EMS process



ActewAGL's environmental goals for 2005 – 2010

The main purpose of this EMP is to ensure that the proposed procedures, actions and measures are not just statements of goodwill, but that they will be effectively implemented. ActewAGL is extremely proud of its significant environmental achievements fostered under the ACTEW Corporation EMPs and over the next five years ActewAGL will:

- integrate environmental considerations and objectives into business planning and day-to-day activities including establishing environmental objectives at the beginning of all projects so that design parameters can be based on economic, social and environmental considerations
- develop the process of continuous improvement that sees environmental management embraced within the Life Guard health, safety and environment management system
- work within the framework of regulatory pricing structures to improve the existing network assets.
- satisfy all the requirements of its operating licences by complying with all environment, conservation and heritage legislation relating to its activities, and encourage all of its suppliers and contractors to meet the same standards
- provide education and training for executives, managers and employees to impart an understanding of the need for continued protection of the environment
- provide strong community leadership on energy and water issues, contributing to increased community understanding of these issues through an open and informative approach
- review the significant environmental effects of its business, set appropriate objectives to improve its environmental performance, commit to the prevention of pollution and maintain management systems to achieve these objectives
- contribute to the overall environmental sustainability of the ACT and surrounding region through its operations.

Environmental targets and directions for 2005 – 2010

ActewAGL will strive to meet the following broad environmental targets over the life of this EMP. These targets will provide the base strategy and performance criteria for the entire organisation.

Regulatory compliance

Many of ActewAGL's business functions and activities are governed by legislative or regulatory requirements. In order to operate we must comply with numerous ACT, NSW and Commonwealth laws and regulations. These include the *Utilities Act 2000 (ACT)*, the *Environment Protection Act 1997 (ACT)*, the *ACT Water Resources Act 1998* and the *Environment Protection and Biodiversity Conservation Act 1999 (Cth)*. ActewAGL must also follow directives issued by the Independent Competition and Regulatory Commission and NSW Independent Pricing and Regulatory Tribunal.

ActewAGL will:

- ensure that it conforms to the spirit and intention of utilities legislation and see that all codes, regulations and licence requirements are fully complied with
- maintain accreditation against international environmental standards in the operational divisions
- comply with accepted vegetation management principles, and work with relevant authorities and interested parties to maintain the ActewAGL vegetation management plan
- comply with the bushfire mitigation strategy and management plan
- comply with the national PCB (polychlorinated biphenyls) management plan.

Environment management systems

In relation to its management systems, ActewAGL will monitor the impacts arising from its activities and seek to reduce those impacts by:

- further integrating the links between the Life Guard health, safety and environment management system with the divisional systems
- improving corporate and operational environment management systems and auditing them regularly
- ensuring that annual environment action programs identify measurable performance indicators
- reviewing the attitudes of the whole of ActewAGL's workforce towards environmental issues and directions
- improving its approach and the content of environmental awareness training at the corporate, divisional and operational site levels
- improving reporting on its performance and environmental initiatives to both its internal and external stakeholders.

Suppliers and contractors

ActewAGL recognises that, as a relatively large organisation, its decisions and requirements can often influence the actions of its suppliers and contractors. ActewAGL will encourage its suppliers and contractors to be environmentally sensitive by:

- ensuring that contractors and suppliers are aware of its environmental policies and requirements
- encouraging all its suppliers and contractors to meet these same standards
- giving preference to more environmentally-responsible suppliers, all other things being equal in competitive supply proposals
- reviewing its arrangements for the supply of equipment to induce environmentally-friendly return and recycling of obsolete items.

Waste and hazardous chemicals

ActewAGL sets objectives and targets within its operational and corporate frameworks for waste reduction and recycling. It also supports the ACT government's No Waste by 2010 management strategy for Canberra.

In this context ActewAGL will:

- review its recycling practices and identify and implement improvements where appropriate
- maintain its commitment to effluent reuse
- follow its oil-management strategy
- monitor emissions of sulphur hexafluoride (SF₆) gas from sub-transmission equipment.

In relation to hazardous chemicals, ActewAGL will:

- further develop appropriate measures for handling and disposing of materials containing asbestos
- maintain the ongoing PCB management plan
- develop a management plan for the effective control of ActewAGL's SF₆ electrical switchgear gas inventory
- develop a management plan for the effective control of ActewAGL's handling of treated tanalith (CCA – copper chrome arsenate) timber power poles.

Transport use

ActewAGL recognises that, by changing the types of vehicles it uses and how it uses them, it can help to reduce greenhouse gas emissions and pollution. It can also send a signal to the community that it considers environmental sustainability important in every aspect of its operations. In this regard, ActewAGL will:

- where operational needs permit, replace vehicles with smaller models or vehicles that use LPG, and to investigate and implement, where feasible, the use of alternative fuels and other improvements that reduce emissions
- explore the potential for the expanded use of telecommunications equipment to improve efficiency and save time, energy and vehicle emissions.

Greenhouse gas emissions

ActewAGL renewed its commitment to the National Greenhouse Challenge Program in March 2004. Under a previous agreement, ACTEW Corporation and ActewAGL undertook several actions that significantly reduced our greenhouse gas emissions. Under the current agreement, we have identified ongoing actions and new actions to further reduce our emissions. ActewAGL will also:

- seek actions to lower emissions associated with its day-to-day operations, such as implementation of cost-effective recommendations arising from our energy, water and waste audits.
- investigate the commercial opportunities of re-forestation and plantation development in relation to carbon sequestration
- comply with new ACT and NSW legislation in regard to greenhouse gas abatement schemes
- program and initiate improvements to the Lower Molonglo Water Quality Control Centre (LMWQCC) incinerator to maintain and improve air emission levels in accordance with licensing requirements and community expectations
- find ways to reduce electricity and gas network losses.

Products and services

As Australia's first multi-utility to offer electricity, natural gas, water and wastewater services, it is important that ActewAGL engages with the community to promote the efficient use of energy and water, waste reduction and recycling. ActewAGL will:

- investigate and implement technologies and improve the use of the internet for customer services
- explore the use of demand management to reduce energy consumption
- provide educational material and advice on energy and resource management
- improve the reference to our own policies and environmental actions via the ActewAGL web site and other media
- promote, enhance and demonstrate environmentally-friendly housing design and fit-out.

Energy

In order to meet current energy needs without compromising the needs of future generations, energy supply and use must be cleaner, more productive and more secure.

To satisfy these demands ActewAGL will:

- achieve its established goal of increasing the customer subscription to GreenChoice, ActewAGL's retail electricity product generated from renewable energy sources
- investigate and develop renewable and alternative power sources including:
 - wind generation
 - cogeneration
 - mini and micro hydro generation
 - solar generation
- obtain increasing quantities of energy from renewable sources in accordance with its environmental philosophy, and to meet the federally-mandated targets for renewable energy sourcing
- set objectives and targets within its operational and corporate frameworks for energy conservation, and achieve these targets through programmed asset and operational improvements in accordance with the recommendations of the recently conducted audits
- continue the reconfiguration of the electrical system and associated projects to achieve reductions in lost electricity.



Water conservation, treatment and catchment management

The recent effects of the drought and bushfires in the region have increased the focus on the management of the ACT's water supply catchments. In conjunction with the ACT Water Resources Strategy, ActewAGL will continue with research initiatives, such as the evaluation of alternative water sources and on-site effluent management systems, to determine their suitability for application in urban development in the region. ActewAGL will:

- support ACTEW Corporation in the development and implementation of water restrictions for as long as necessary
- set objectives and targets within its operational and corporate frameworks for water conservation, and achieve these targets through programmed asset and operational improvements in accordance with the recommendations of the recently conducted audits
- work with the price regulator to develop pricing structures that achieve efficient water use and conservation
- as directed, maintain adequate spending in relation to catchment improvements and research and include these outcomes in the wider catchment management programs
- investigate the commercial and water quality improvement opportunities of re-forestation of the catchments
- commit to liaison with Environment ACT and appropriate NSW authorities to support regional water resources studies to examine the long-term possibilities or emerging requirements for two-way flows of water between the ACT and NSW
- enhance water sustainability by increasing the volume of recycled water and effluent used in the ACT
- assess and report on outcomes of the household water reuse pilot projects
- review the performance of the LMWQCC clarifiers, and implement improvements as required
- achieve more efficient management of waste solids at LMWQCC.

Conclusion

The intention of this five-year EMP is to provide a strategic and flexible guide to direct ActewAGL's future environmental actions.

ActewAGL's annual environment action programs will identify the individual tasks and key performance indicators that it will monitor and report against.

The aim is to keep ActewAGL at the forefront of sustainable practices that deliver benefits to its stakeholders and to the community it serves.

ActewAGL welcomes your feedback and enquiries. Please address them to:

The Environment Manager
ActewAGL
GPO Box 366
Canberra ACT 2601

Telephone: 13 14 93

Website: www.actewagl.com.au



Postal address

GPO Box 366
CANBERRA ACT 2601

Telephone

13 14 93

www.actewagl.com.au

Feedback and enquiries on this document are welcome.



ActewAGL Distribution ABN 76 670 568 688
a partnership of ACTEW Distribution Ltd ABN 83 073 025 224
and Alinta GCA Pty Ltd ABN 24 008 552 663

ActewAGL Retail ABN 46 221 314 841
a partnership of ACTEW Retail Ltd ABN 23 074 371 207 and
AGL ACT Retail Investments Pty Ltd ABN 53 093 631 586

Printed on recycled paper