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About this report

Target audience
ActewAGL’s Annual Report contains information about ActewAGL’s activities and performance during the financial year. Our primary stakeholder segments are:

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

Reporting period
The information and data presented in this report cover ActewAGL’s significant activities and operations during the 2011–12 financial year (1 July 2011 until 30 June 2012).

All information contained within this report was accurate at 30 June 2012.

Report scope and boundary
This report covers the activities and operations of ActewAGL which is primarily based in the ACT in Australia.

This report covers the operations, activities and performance of ActewAGL during 2011–12.

Assurance
ActewAGL’s Financial Report was audited by the ACT Auditor General’s Office.

Please see "Independent audit report" on page 58.

Sustainability report
ActewAGL publishes its Annual and Sustainability reports separately. The Sustainability report is published online only which helps ActewAGL reduce its impact on the environment.

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.au/publications in late 2012.

Images
Images used throughout this report are sourced from iStock, Eddie Misic (Eddison Photography), Leigh Atkinson (Imagemakers) and ActewAGL (own).

Contact us
You can obtain a copy of this report by visiting actewagl.com.au/publications, calling (02) 6248 3328 or emailing Kirsten.Le@actewagl.com.au.
ActewAGL’s proud history

Although ActewAGL was set up in October 2000, we’ve been supplying reliable essential services to Canberra and the region for much longer. The 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 capital and have grown and changed with the needs of the nation’s capital.
About ActewAGL

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

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, with ActewAGL operating and maintaining the water and wastewater network under the Utilities Management Agreement.

Two partnerships
The ActewAGL Distribution partnership is 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 owns the ACT’s water and wastewater 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 network under the Utilities Management Agreement with ACTEW Corporation.

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

## ActewAGL ownership structure

![ActewAGL ownership structure diagram]

- **ActewAGL Retail partnership**: 50% owned by AGL Energy Ltd and 50% by ACTEW Corporation Ltd.
- **ActewAGL Distribution partnership**: 50% owned by Jemena Networks (ACT) Pty Ltd and ACTEW Corporation Ltd.
- **SPI (Australia) Assets Pty Ltd**: Indirectly owns 100% of Jemena Ltd.
- **Jemena Networks (ACT) Pty Ltd**: 50% owned by Jemena Ltd and 50% owned by ACTEW Corporation Ltd.
- **AGL ACT Retail Investments Pty Ltd**: 50% owned by AGL Energy Ltd.
- **ACTEW Retail Ltd**: 50% owned by ACTEW Corporation Ltd.
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, and Shoalhaven (please see “Map of Capital region” on page 47).

ActewAGL continued to manage the ACT’s water and wastewater network on behalf of ACTEW Corporation until 30 June 2012. From 1 July 2012, the operation of the water and wastewater assets and business integrated with ACTEW Corporation. ActewAGL continues to provide corporate and retail services to ACTEW Corporation for the water and wastewater business under a number of agreements.

The ActewAGL Joint Venture Board

ActewAGL is governed by a Joint Venture comprised of six Board members, of which three are appointed by the ACTEW partners and three by the AGL/Jemena partners. For Board member profiles please see “Joint Venture Board members” on page 16. For information about the Board’s committees and functions, please see “Corporate governance” on page 12.
Over the past couple of years, ActewAGL has developed and implemented strategic planning that will help achieve a sustainable, long-term future for ActewAGL. The strategy includes changes that will enable ActewAGL to retain its position as a leader in the utilities industry, a preferred service provider and an employer of choice.

I have been impressed with ActewAGL’s demonstrated ability to achieve objectives outlined in the strategy while continuing to deliver its high standard of business-as-usual services. The Board has also noted the positive consensus among employees that the changes represent opportunities to grow and improve. These achievements will help ActewAGL succeed along the change journey.

One of the most significant changes for ActewAGL during the year was the integration of Water division and ACTEW Corporation. From 1 July 2012, the water and sewerage business was separated from ActewAGL’s electricity and gas businesses and Water division was integrated into ACTEW Corporation. The transition was seamless and will enable both businesses to further improve their services to customers and increase returns for their owners.

Financial performance
ActewAGL returned an operating profit after tax of $162.6 million for 2011–12 compared to $166.6 million in the previous year. Total operating revenue for the year ended 30 June 2012 was $722.1 million compared to $737.6 million in 2010–11. The decrease in revenue is primarily a result of lower electricity sales caused by cooler than average weather conditions throughout summer. To meet accounting standards and due to the sale of Water division, ActewAGL restated the revenue and expense line components in the 2010–11 statement of income. Last year’s net profit figure remains the same. The results of Water division appear in our income statement as a discontinued operation.

The Joint Venture returned a total of $87.4 million to the Joint Venture owners in 2011–12.

Please see “Summary financial report” on page 50.

ActewAGL currently has no significant borrowings.

Safety
The safety of ActewAGL’s people and the community continues to be a primary concern for the Board.

I was pleased to see the new Environment, Health, Safety and Quality division up and running at the start of the reporting period. The division has already created positive change in the organisation, beginning with a strategy that will see ActewAGL’s safety culture shift to a proactive state by 2015.

There has also been a focus on increasing personal accountability for safety with the Executive management team and their branch managers writing and signing “commitment to action” statements which are displayed at worksites.

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 Safety and Environment Committee visited a number of ActewAGL sites during the year and discussed safety-related matters with employees from a range of disciplines. During the visits, it became evident that attitudes have changed and there is now a greater awareness of the importance of safety.

Board membership
There were no changes to the Board membership during 2011–12.

Looking ahead to 2012–13, Michael Fahey and Lim Howe Run resigned from the Board. In August 2012, Law Chin Ho replaced Lim Howe Run and in September, Paul Frazer joined the Board replacing Michael Fahey. I would like to thank Mr Fahey and Mr Lim for their contributions during their time with the Joint Venture Board and wish them well for the future. I would also like to take this opportunity to welcome Law Chin Ho and Paul Frazer and I look forward to working with them.

Strategic Outlook
The ActewAGL Board endorsed the Strategic Outlook 2012 – 2022. The Strategic Outlook sets out ActewAGL’s objectives for the coming 10-year period and in particular, identifies priorities for the initial planning horizon (to 2015). ActewAGL’s initial priorities include embedding an effective safety culture throughout the organisation, finalising a series of internal restructures and improved information management systems, ensuring the business is well-positioned to respond to competition and procuring satisfactory outcomes in upcoming regulatory reviews.
A price on carbon
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 recent climate change policy initiatives. A project team was set up by ActewAGL to ensure compliance with the introduction of a price on carbon which took effect from 1 July 2012.

National Energy Customer Framework
The ACT Government passed legislation to implement the National Energy Customer Framework (NECF) to take effect from 1 July 2012. ActewAGL set up a project team to ensure compliance with NECF in the ACT from 1 July 2012 and will continue to work with the NSW Government to ensure compliance as NECF related amendments to the NSW energy regulations are introduced.

Thanks
ActewAGL has the full support and confidence of its owners and the Joint Venture Board. Over the past year ActewAGL’s leaders and employees achieved what they set out to do and embraced every change and challenge with a positive approach. I would like to thank my Board, CEO Michael Costello AO along with his Executive management team and employees for their efforts and contributions throughout 2011–12 and I look forward to the continued successes that await us in the year ahead. Additionally, I would like to thank the community for its ongoing support of ActewAGL.

John Mackay
Chairman

Supporting our community: Canberra Symphony Orchestra
The Canberra Symphony Orchestra (CSO) is the professional symphony orchestra of the national capital, attracting many of Australia’s leading musicians both to its ranks and as soloists. ActewAGL has been sponsoring the CSO for over 10 years. During the year ActewAGL supported the CSO through Llewellyn Series concert engagement, which showcased the wonderful talent within the orchestra. ActewAGL is also proud to support the CSO’s chief conductor Dr Nicholas Milton through the Community Sponsorship Program. Please see “Community sponsorship program” on page 31 for more information.
CEO’s report

We have come a long way since we started implementing the strategic changes in 2010. We have changed the way we work – focussing our energy on core business, the areas we excel in and improving our safety performance. While the process of change is long-term, I’m pleased to report that during 2011–12, we were able to realise positive results from the changes we have undergone. I am now even more confident in ActewAGL’s resilience and ability to face present and future challenges.

Safety

For the past couple of years, I have emphasised the need for ActewAGL to make safety its foremost priority. At the start of the financial year, a new Environment, Health, Safety and Quality (EHSQ) division was established, led by Director EHSQ, Dianne King. Since then, the division has taken a lead role in ensuring safety measures are in place throughout the organisation, initiating a process for regular safety inspections, instilling a sense of personal accountability for safety in managers and leaders, and identifying a direction and way forward for safety at ActewAGL.

In February, we released Guardian, a new integrated management system which replaced the Always Safe incident reporting system. Aside from being user-friendly, it improves reporting, and helps manage corrective actions and follow-up after incidents. The Strategic Portfolio Management Office Board approved the EHSQ Project program which comprises 21 EHSQ projects to be delivered over a three-year period commencing July 2012. I look forward to seeing the results of the program and in turn, seeing a culture in which safety is deeply embedded. For more information about the EHSQ project program, please refer to “Major projects” on page 25.

In January, the Asset Management and Network Services divisions successfully completed a recertification audit that measured against requirements from ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Occupational, Health and Safety) standards. This is an outstanding achievement and reflects ActewAGL’s commitment to safety, quality and the environment. It shows that by working together we can achieve our objective to be recognised as a safety leader in the industry and in turn, ensure the safety of our people, property and the environment.

ACTEW Corporation and Water division integration

For the past 11 years, ActewAGL has operated and maintained ACTEW Corporation’s water and sewerage network and business under the Utilities Management Agreement. From 1 July 2012, the water and sewerage business was separated from ActewAGL’s electricity and gas businesses and Water division was integrated into ACTEW Corporation. This decision follows a review that recommended the integration would allow for the best opportunity to balance profit, customer value and community wellbeing in the long-term.

Throughout 2011–12, ActewAGL and ACTEW Corporation worked closely to ensure a seamless transition. Under a Corporate Services Agreement, ActewAGL Distribution will provide a range of corporate services to ACTEW Corporation. Similarly, ActewAGL Retail will provide ACTEW Corporation with a range of customer services and community support services under a Customer Services and Community Support Agreement.

These agreements reflect the commitment of ACTEW Corporation, ActewAGL Distribution and ActewAGL Retail to build long-term, collaborative, value-adding relationships to the mutual benefit of the organisations, their customers and the broader community. I look forward to a close working relationship between ACTEW Corporation and ActewAGL in the future.

Environment

In February 2012, ActewAGL achieved a 5.5 star NABERS Energy rating for its tenancy of ActewAGL House. In order to maintain this rating, ActewAGL’s internal campaign Be Green will continue to remind employees of their environmental responsibilities at work.

During 2011–12, ActewAGL continued its commitment to the market development of alternatively-fuelled vehicles. ActewAGL engaged with the ACT Electric Vehicle Council and sponsored the National Electric Vehicle Festival during September. ActewAGL continued marketing the Compressed Natural Gas (CNG) business to potential domestic and commercial customers.

ActewAGL Retail developed energy-saving product packages to help residential customers manage their energy more efficiently. Energy-saving product packages will be offered to customers through the ActewAGL website and Assist shopfronts.

Core Systems Replacement project

A Program Initiation Document was submitted to the ActewAGL Board in February and it was agreed that some existing information management platforms will continue to be optimised. Where necessary, applications will be upgraded or replaced to meet current and future business requirements. This project will result in more efficient processes and improve the accuracy, integrity and timeliness of information across the entire organisation.

Capital works

Electricity

ActewAGL Distribution continued to develop several sub-transmission projects which will ensure security of supply to the existing and future electrical load in the ACT. Works included the Southern point of supply to the ACT, overhead earth wire system zone substations as well as a number of zone substations at Eastlake, Molonglo Valley, Civic and Angle Crossing.
Water
ACTEW Corporation and ActewAGL achieved outstanding results in the delivery of the 2011–12 capital works program. ActewAGL delivered 99.4 per cent of the annual target expenditure. This result demonstrates a high standard of project management and delivery and application of well-established processes.

Gas
The capital works program continued to present strong and steady growth with a total of eight major projects in progress, representing an investment in excess of $20 million in new network infrastructure. These projects not only increase the security of supply to ActewAGL’s existing customers but also support further growth to its customer base. Capital works that commenced during the 2011–12 period include the Fyshwick Trunk Receiving Station upgrade, new Hume Primary Regulating Station, Narrabundah to Hume Primary main extension, Hume to Tuggeranong Secondary main interconnection, Gungahlin to Amaroo extension and Googong extension.

Customer satisfaction
Customer satisfaction remained at the forefront of our core business. ActewAGL rolled out the new “For you” branding which represents our commitment to customers. We increased the amount of support and advice available to customers by training key staff in providing energy advice and implementing the new ActewAGL Assist program. ActewAGL Assist allows customers to ask ActewAGL any questions they may have relating to energy and we will help them manage their energy bills. For example, through the Assist program customers can find out how to pay their bills monthly or discover energy-saving strategies to help them save on their energy bills. Additionally, it enables customers experiencing financial difficulty to find out more about our Staying Connected program.

ActewAGL Retail established an internal program about customer intelligence to help our contact centre communicate more effectively with customers and provide tailored energy solutions. Our annual customer satisfaction survey conveyed results consistent with last year’s findings – 89 per cent of customers indicated their expectations were being fully or mostly met and 92 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.

Our people
ActewAGL remained an employer of choice in the ACT this year, employing 1,170 people. We continued to develop talent with six graduates, five trainees, seven cadets and 33 apprentices placed across the organisation throughout the year.
During 2011–12, our studies assistance program helped 58 people improve their skills through tertiary studies.
ActewAGL’s HR team focussed on improving awareness of bullying, harassment and discrimination across ActewAGL by reviewing and changing the structure of training. Each year half of the business will complete face-to-face training provided by WorkSafe ACT while the other half will complete online training modules. As a major employer in the ACT, ActewAGL is committed to building a diverse workforce where employees’ individual differences and attributes are respected and valued. ActewAGL is committed to its staff and ensuring their health and wellbeing.

Executive management team changes
In July 2011, Dianne King joined ActewAGL as Director EHSQ. Ms King’s 20 years’ of experience, working in Commonwealth and State government departments and community groups in the areas of adult education, environment and health and safety has been instrumental in establishing the new division.

Following the integration of Water division, I would like to take this opportunity to thank the General Manager Water, Asoka Wijeratne for his significant work and valuable contributions during his 24 years with ActewAGL (and its predecessors). I wish Mr Wijeratne and his colleagues at Water division well as they begin a new chapter with ACTEW Corporation.

On the horizon
In June, the Board approved ActewAGL’s Strategic Outlook 2012 – 2022 which details long-term objectives over the course of three planning horizons. From 2012–13, we will focus on embedding a proactive safety culture, finalising and implementing the internal organisational restructures and replacing legacy information management systems, ensuring the business is well-positioned to respond to increasing competition and changed customer service requirements and upcoming regulatory reviews. This will ensure ActewAGL is well-placed to meet future operational challenges and requirements.

Thanks
I would like to thank my management team and staff for their continued hard work during the year. I am proud to lead a group of dedicated individuals. I would also like to thank the Joint Venture Board for their continued support and guidance.

Michael Costello
Chief Executive Officer
As a part of ActewAGL's Strategic Outlook to 2022, ActewAGL aims to build, own, operate and maintain alternative generation assets, including natural gas co-generation and solar generation facilities.
Key priorities

Since its formation in 2000, ActewAGL has consistently:

• operated and maintained the most reliable distribution networks in Australia
• led the Australian market by offering the lowest cost electricity rates
• achieved an extremely high overall customer approval rating
• delivered strong annual returns to its owners.

ActewAGL intends to retain its leadership position in these key areas. In addition, ActewAGL will:

• significantly improve its safety performance
• ensure the organisation is well-placed to meet future operational challenges and requirements efficiently and effectively.

The Strategic Outlook provides a high level overview of ActewAGL’s proposed objectives over the period 2012 – 2022. Specifically, by 2022, ActewAGL aims to:

• be recognised within the utilities sector as a safety leader by eliminating harm to people, property and the environment
• provide a rewarding and stimulating work environment to a diverse, skilled and adaptable workforce
• continue to consistently deliver strong annual returns to its owners
• be acknowledged within the industry and by customers for providing affordable and efficient services
• be the leading presence in the ACT retail energy market and a market leader in the surrounding capital region
• operate a retail business that provides a range of energy and sustainability-related services as well as supplying energy needs
• deliver outstanding and innovative customer service
• operate a modernised, automated electricity distribution network better able to effectively manage distributed intermittent generation, distribution network assets and end-use applications
• maintain and enhance the asset value of its regulated gas networks business
• build, own, operate and maintain alternative generation assets, including natural gas co-generation and solar generation facilities, in commercial developments, industrial sites and town centres
• build, own, operate and maintain a number of energy-related network businesses, such as electric vehicle infrastructure
• own and operate a number of larger scale solar power facilities.

ActewAGL has structured its ten-year strategic outlook into three broad (and overlapping) planning horizons. In the initial planning phase (to 2015), ActewAGL will:

• embed an effective safety culture throughout the business and completing the implementation of a comprehensive environment, health, safety and quality strategy
• finalise and implement the internal organisational restructures and replacement of legacy information management systems necessary to ensure the business is equipped to operate effectively and efficiently in the future
• ensure the business is well-positioned to respond to increasing competition in the retail market and changed customer service requirements
• achieve regulatory review outcomes that meet business needs.

Further information on ActewAGL’s progress against its initial priorities is contained within “Major projects” on page 25 of this report.
Corporate governance

The ActewAGL Joint Venture Board is comprised of six members. Three members are appointed by the ACTEW Corporation partners and three are appointed by the AGL/Jemena partners.

Joint Venture Board overview

Members 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/Jemena 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 ActewAGL Joint Venture Board members are not “Directors” in Corporations Act 2001 (Cth) terms, they adhere to the standards required of directors under the Act.

ActewAGL’s corporate governance manual is published electronically for the use of Board members, along with a wide range of supporting documents.

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.

The Board met five times between 1 July 2011 and 30 June 2012.

A member of the Board may appoint an alternate member to attend a meeting on their behalf. Telephone participation during meetings is also permitted.

Board membership

There were no changes to the Board membership during 2011–12.

Committees

Safety and Environment Committee

Members: Michael Easson (Chairman), Mark Sullivan and Paul Adams.

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 met three times during 2011–12 to ensure that ActewAGL pursues best practice safety and environmental management and to assist the Board in promoting a culture in ActewAGL where safety and the environmental awareness is embedded in everyday business practices.

The Committee visited ActewAGL operational sites in Fyshwick and Greenway as well as the retail and customer services areas in ActewAGL House to discuss safety and environment issues with employees.

Audit and Risk Management Committee

Members: Ted Mathews (Chairman), Michael Easson, Michael Fahey, Paul Adams and Joanne Pearson (alternate for Mr Adams).

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

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. Major initiatives during the year included the review and approval of the Management Assurance Reporting Framework and the annual review of the internal audit performance. In February the Committee conducted a self-assessment of its effectiveness and agreed to conduct further assessments every two years.

The Committee met four times during 2011–12.

Remuneration Committee

Members: John Mackay (Chairman), Mark Sullivan, Michael Easson, Michael Fahey, Paul Adams and Lim Howe Run.

The Remuneration Committee, in accordance with its charter, deals with the 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 once during 2011–12.

**Internal audit**

Internal audit is an integral part of the corporate governance framework, providing the Board and management team with independent assurance regarding the implementation and operation of appropriate internal controls. ActewAGL uses a co-sourced service delivery model for Internal Audit with an in-house manager (Manager Assurance and Risk) supported by an external service provider, PricewaterhouseCoopers.

The Manager Assurance and Risk manages ActewAGL’s Internal Audit program. The Internal Audit function maintains unrestricted access to the Chief Executive Officer and Chairman of the Audit and Risk Management Committee.

There were 13 reviews performed as part of the 2011–12 Internal Audit program. These reviews covered:

- Workforce planning
- Accounts payable
- Processes for implementing regulated retail electricity prices
- Bushfire risk mitigation
- Business continuity and IT disaster recovery planning
- Delegations of authority
- Legal compliance framework
- A range of strategic projects.

A similar broad program of reviews has been approved by the ActewAGL Audit and Risk Management Committee for 2012–13.

**Risk management**

Risk management is a fundamental component of ActewAGL’s corporate governance. ActewAGL maintains 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.

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 an established procedure.

ActewAGL is in the process of improving its risk management and control framework based on ASX Corporate Governance Principle 7.

For 2011–12 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 and ACTEW Corporation manage their own separate insurance programs. Renewals of the major insurance programs were effective from 30 June 2012 for a 12-month period. The General Liability underwriters were able to maintain the current renewal term which minimises 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.
In the previous financial year a review of the entire suite of corporate policies and procedures commenced. The aim of the review was to ensure all policies and procedures are clear, concise, accurate, up-to-date and consistent with ActewAGL’s corporate style guide.

The policies and procedures template was revised and the process of reviewing and transferring current policies and procedures to the new template began in 2011–12.

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

**Code of conduct**

ActewAGL’s Code of Conduct was reviewed and updated in late 2011. Some of the changes to the code included clarification about reporting requirements for accepting gifts. The code is reviewed annually and made available to all staff.

**Legal compliance**

ActewAGL’s legal compliance program has been reviewed and is being updated in accordance with the principles set out in Australian Standard 3806 for compliance programs.

ActewAGL provided over 50 managers with access to comprehensive online legal training in workplace relations, privacy, contract law, the Consumer and Competition Act 2010 and environmental law.

**Legislative framework**

The Utilities Act, National Energy Retail Law, National Electricity Law, National Gas Law and associated regulations and rules form the legislative centrepiece that governs ActewAGL’s utility operations in the ACT. While the Independent Competition and Regulatory Commission (ICRC) regulates prices for water and wastewater services, economic regulation of the energy network business (electricity and gas) is the responsibility of the Australian Energy Regulator (AER) under the National Electricity Law 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, transferred from the ICRC to the AER with the implementation by the ACT of the National Energy Customer Framework on 1 July 2012. The ICRC continues to license utilities that supply electricity and natural gas in the ACT.

On 1 July 2012 the AER assumed responsibility for administering the ring fencing guidelines in the ACT. To date, the AER has not amended, revoked or replaced the ring fencing guidelines that were issued by the ICRC in November 2002. As a result, the ICRC guidelines, which require clear separation of operations and accounts between the Distribution and Retail partnerships, continue to apply in the ACT in addition to any ring fencing provisions under the National Electricity Law and National Gas Law.
Licence compliance

Electricity network
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 network
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.

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 2011–12 is set out below.

<table>
<thead>
<tr>
<th>Licence compliance</th>
<th>2011–12 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMWQCC effluent discharge</td>
<td>99.9</td>
</tr>
<tr>
<td>LMWQCC furnace</td>
<td>99.2</td>
</tr>
<tr>
<td>Googong sludge drying bed drainage</td>
<td>100</td>
</tr>
<tr>
<td>discharge</td>
<td></td>
</tr>
<tr>
<td>LMWQCC effluent reuse</td>
<td>100</td>
</tr>
<tr>
<td>Southwell Park water reuse</td>
<td>100</td>
</tr>
<tr>
<td>Drinking water utility licence</td>
<td>100</td>
</tr>
<tr>
<td>(Australian Drinking Water Guidelines,</td>
<td></td>
</tr>
<tr>
<td>2004, compliance)</td>
<td></td>
</tr>
</tbody>
</table>

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 the Independent Pricing and Regulatory Tribunal (IPART) in NSW and the ICRC in the ACT.

ActewAGL Retail surrendered sufficient certificates to meet CY2011 compliance obligations under the: (i) Large-scale Renewable Energy Target, (ii) Small-scale Renewable Energy Scheme, (iii) ACT Greenhouse Gas Abatement Scheme, (iv) NSW Greenhouse Gas Abatement Scheme and (v) NSW Energy Savings Scheme as well as maintaining (vi) National GreenPower Accreditation for its Greenchoice products. Compliance with ACT and NSW Greenhouse Gas Abatement schemes was verified via independent audits completed during March 2012. GreenPower compliance is also subject to verification by independent audit with completion by 31 July 2012.
Joint Venture Board members

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. He is Chancellor of the University of Canberra and chairs the Board to the National Arboretum Canberra. 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 of Canberra.

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.

LIM HOWE RUN BE (Mech)

Mr Lim was appointed to the ActewAGL Board in September 2007. He is the Head of Regulatory Management at Singapore Power Ltd. Before his appointment to his current position, he held various positions in general management, risk management, asset management and business development within the Singapore Power Group.

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 held executive roles with a number of multinational companies in Australia, Europe and Singapore.

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, Indigenous affairs, community services and with veterans.

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

Mr Adams was appointed to the ActewAGL Board in February 2011. He is a member of the Audit and Risk Management Committee, Safety and Environment Committee and the Remuneration 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 more than 30 years. Mr Adams has held various senior roles including Manager Finance and Corporate Services, Manager Operations, and General Manager Networks for TXU.

MICHAEL EASSON AM, BA (Hons), FAICD

Mr Easson has been a Board member of ActewAGL since October 2000, is Chairman of ActewAGL’s Safety and Environment Committee, and is a member of the Audit and Risk Management Committee. He was Deputy Chairman of ActewAGL from October 2008 to 2010. Mr Easson is Chairman of the EG Property Group, and a Director of 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.
Executive management team

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 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. He has been the Secretary of the Department of Foreign Affairs and Trade and the Department of Industrial Relations. Mr Costello has held a number of diplomatic posts including Ambassador to the United Nations.

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 network asset strategy and planning functions. He is also responsible for the gas networks business, technical regulatory standards, customer solutions and program development.

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.

AYESHA RAZZAQ BEng (Hons)  
General Manager Retail  
Ms Razzaq is responsible for meeting the needs of ActewAGL’s utility customers across the ACT and NSW. She is responsible for customer and account management services, sales and marketing, pricing and product development, wholesale activities and retail regulation.

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. This includes 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.

PETER HOLDEN LLB, B.Sc (Hons), AFAIM, MAICD  
General Counsel and Board Secretary  
Mr Holden is responsible for ActewAGL’s legal services, corporate governance, the legal compliance framework, secretariat, risk management, corporate publications, and corporate records and knowledge 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.
JOHN BARRIGA  B.IT, MBA  
Chief Information Officer  
Mr Barriga is responsible for Information Technology 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.

DIANN E 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 ActewAGL’s core strategic plans. She is also responsible for the realisation of business development opportunities identified within the strategic framework.

PAUL WALSHE CPM  
Director Marketing and Corporate Affairs  
Mr Walshe is responsible for ActewAGL’s branding, media, marketing, communications, online communications, social media, 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 is a member of the Australian Marketing Institute.

DIANNE KING MOHS, GradDipOHS, BEd (Adult), CPMSIA  
Director Environment, Health, Safety and Quality  
Ms King is responsible for managing environment, health, safety and quality across ActewAGL. This includes improving safety management procedures, conducting system audits, leading incident investigations, undertaking hazard and risk assessments, developing and providing specific safety training, safety data analysis and reporting, providing advice on EHSQ matters, as well as identifying key EHSQ projects that will improve safety performance.

DAVID GRAHAM MEc  
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, along with regulatory and pricing services for ACTEW Corporation.

TANIA HUTCHISON  
Director Human Resources  
Ms Hutchison is responsible for developing and promoting a Human Resources management framework at ActewAGL. She is responsible for corporate Human Resources management, including enterprise agreement negotiation, workplace relations, recruitment and selection, organisational capability, workforce planning, employee health, injury management, bullying and harassment prevention and awareness, equity and diversity, remuneration and benefits, strategic HR projects and employment policy and procedures.
Our electricity network

2,358 km² coverage area
174,000 customers
2,402 km of overhead lines
2,650 km of underground cables
53,000 power poles
14 zone substations
4,460 Distribution substations (ground padmounts, chambers and overhead)
132/22/11 kV and 415/240v operating voltages
620 MW peak demand
Network assets and maintenance

Electricity network

ActewAGL Distribution owns, develops, operates and maintains the electricity transmission and distribution infrastructure in the ACT and surrounding region.

ActewAGL progressed work on reinforcing the 132 kV transmission network with a southerly extension of the network connected to the new TransGrid Williamsdale substation completed during the year. To complete the reinforcement project, environmental planning approvals are under way to upgrade the 132 kV line between Gilmore and Theodore zone substations.

ACT economic conditions, along with Federal and ACT Government policies, have influenced customer-initiated development and construction activity.

Commercial development, such as works in Fyshwick and the Canberra Airport precinct, has accelerated high voltage augmentation requirements.

The network continued to expand in new suburbs including Bonner, Casey, Crace, Forde, Franklin and Wright.

ActewAGL increased network capacity in some existing suburbs (e.g. Kingston) to meet higher electricity demand.

To help meet future network and security needs, ActewAGL progressed a capital investment project planning, and coordinating approvals for a new 132/11 kV zone substation at Eastlake and Molonglo.

During the year several thousand photovoltaic systems have been connected to the network.

Asset management

ActewAGL delivered a high quality of leadership in asset performance through effective implementation and network planning during the year. ActewAGL continues to review and monitor progress against the Asset Management plan.

One of the key strategies is to build upon and continue to deliver a well-planned and well-executed infrastructure replacement program that focusses on meeting customer network demands while efficiently managing costs.

Major capital investment programs include:

- modernisation and development of new zone substations
- transmission and High Voltage distribution line augmentations
- installation of the latest distribution automation and management system technologies to monitor and control the network.

Throughout the reporting period, ActewAGL delivered strategic asset management through the following key functional areas:

- Asset strategy – Long-term (five to 20 years) planning and capital investment strategy, demand forecasting and development of the overall Asset Management Strategic Plan
- Network augmentation – High Voltage network augmentation, and capacity planning and approvals
- Network performance – Overhead and underground network maintenance policy, performance and reliability improvement programs
- Zone substation planning and performance – Planning, design, maintenance policy and performance improvement programs
- SCADA – Planning, design, implementation and network augmentation. SCADA system replacement upgrades were completed on Woden, Theodore and Wanniassa zone substations to improve the capability of ActewAGL’s distribution network management system. ActewAGL commenced work on a program to replace legacy SCADA hardware in over 30 distribution substations. ActewAGL implemented SCADA as standard practice in all new indoor substations to assist data gathering for network performance analysis, and to improve fault detection and response time provision.

During the year, routine inspections, upgrades and refurbishment programs of work on existing network assets such as poles, lines, cables, transformers, switchgear and protection relays were completed. Around 800 timber poles were replaced.

Assets damaged by external parties were replaced or repaired. As part of the bushfire mitigation control program, pole and line inspections as well as vegetation management activities were carried out.

As a part of zone substation and switching station maintenance, an audit was undertaken to assess current functional conditions of all assets and to determine immediate repairs. The outcomes of the audit will also contribute to future asset management strategies required to minimise risks.

ActewAGL installed higher security fences at the Latham, Theodore and Woden zone substations to improve safety. Draft designs were completed for a new fence at the Belconnen zone substation.

New security monitoring systems were installed at the Latham, Theodore and Woden zone substations, and planned security upgrades are underway for the Belconnen and Wanniassa zone substations.

The 11 kV cable terminations at the Wanniassa zone substation were replaced under the network reliability improvement program. Work on the cable terminations replacements at the Theodore zone substation also form a part of the program.

ActewAGL completed an inspection program of zone substation buildings which will ensure compliance with the Code of Practice for the Management and Control of Asbestos in Workplaces, improve OH&S conditions for field staff, and increase reliability of the zone substations.
**Gas network**

ActewAGL Distribution owns the gas network in the ACT, Queanbeyan, Palerang and Nowra. Jemena, under an asset management and services contract, operates and maintains the network on behalf of ActewAGL.

**Gas network expansion**

The ActewAGL gas network continued to expand in 2011–12 with ongoing reticulation in the new estates of Amaroo, Casey, Coombs, Crace, Curtin, Forde, Jacka, Lawson, Macgregor and Wright. During the year, 59.11 km of new gas pipeline was laid and there were 3,866 new customers.

The commercial building boom also continued in Canberra during 2011–12 with many new office and commercial buildings constructed with natural gas specified as a key energy source. There were 69 new industrial and commercial customers during the year, adding approximately 157 TJ load to the gas network.

**Network augmentation**

With significant increases in domestic building and construction activity in Canberra, ActewAGL undertook and completed network augmentation projects to ensure that the gas network is able to meet future growth and demand. For example, two system improvement projects were undertaken in Griffith and Greenway which will improve the reliability of supply.

**Nowra gas network**

Nowra gas network growth continued with 75 new customers connected during 2011–12. These new connections increased total consumption by 181 TJ. This increase indicates ongoing consumer confidence in the reliability and security of natural gas.

Capital works worth a total of $1.8 million were undertaken by way of upgrading Pestell’s Lane and Bolong Road High Pressure Stations to increase capacity and improve the reliability of supply to more than 3,000 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 network. During 2011–12, the total of industrial and commercial customers on ActewAGL’s gas network reached over 4,200 with the annual network load exceeding two PJ.

ActewAGL continued 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 supply gas to new and existing commercial customers in the Hume and surrounding industrial areas.

**Gas safety and awareness**

During the year, ActewAGL undertook several initiatives to maximise safety and to reduce the risk of injuries resulting from contact with the gas network. These initiatives include enhancements to Dial Before You Dig for the gas network, targeted television and print media public safety marketing programs and communications at various ActewAGL-sponsored events such as the Home and Leisure Show and the ActewAGL Royal Canberra Show. These campaigns focussed on high risk industry groups such as builders, developers, excavators and home renovators to highlight and mitigate potential hazards. These initiatives have significantly improved public awareness, as demonstrated by a steady increase in the number of customers seeking advice from ActewAGL prior to undertaking works near the gas network.

**Water and sewerage**

During 2011–12, ActewAGL continued to operate and maintain Canberra’s water and sewerage networks on behalf of ACTEW Corporation. ActewAGL implemented works to maintain and augment ACTEW Corporation’s water supply and sewerage systems.

Work on Canberra’s water supply and sewerage system continued to maintain service standards and minimise disturbances and restoration needs. Water division undertook sewer rehabilitation works using trenchless technology, traditional excavation, and repair and replacement methods.

To determine rehabilitation work required and ascertain the current condition of the sewer reticulation network, ActewAGL inspected approximately 60 km of reticulation sewers using closed-circuit television inspections. The outcomes of the inspection program help Water division plan the maintenance and pipe replacement program for 2012–13 and future years.

Planned sewer maintenance work continued including high pressure sewer cleaning, localised repairs and root foaming.

The number of blockages and overflows decreased indicating the effectiveness of the current maintenance program. The planned sewer network maintenance strategy will be refined over the remainder of the regulatory period to maintain the reduction of overflow.

ActewAGL continued 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 and condition assessment. A leakage management program is in place for parts of the distribution network, focussing 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 developed a maintenance program for the bulk supply network which will be implemented in 2012–13.
Our gas network

Over 127,000 network customers and connections
4,776 km length of mains
11,091 TJ gas receipted
11 Trunk Receiving Stations and Pressure Reduction Stations
92 district regulating stations.
ActewAGL continued to develop several sub-transmission projects which will ensure security of supply to the existing and future electrical load in the ACT.
Major projects

National Energy Customer Framework legislation
The ACT Government passed legislation to implement the National Energy Customer Framework (NECF) to take effect from 1 July 2012. ActewAGL set up a project team to ensure compliance with NECF in the lead up to implementation and will continue to work with the NSW Government to ensure compliance as NECF related amendments are introduced.

Water division and ACTEW Corporation integration
ACTEW Corporation’s water and wastewater businesses were managed and operated by ActewAGL under a Utilities Management Agreement from 2000 until 30 June 2012. During that period, ActewAGL provided network planning, operations and maintenance services as well as billing and collection services. From 1 July 2012 ACTEW Corporation will assume direct responsibility for the management and operation of its water and sewerage network. The deed was signed by ActewAGL Distribution and ACTEW Corporation on 3 May 2012. Throughout 2011–12, a project team developed a Corporate Services Agreement under which ActewAGL Distribution will provide a range of corporate services to ACTEW Corporation. Similarly, ActewAGL Retail will provide ACTEW Corporation with a range of customer services and community support services under a Customer Services and Community Support Agreement.

Core Systems Renewal program
The Joint Venture Board approved a Program Initiation Document in February which outlined the existing platforms that will be optimised. Where necessary, applications will be upgraded or replaced to meet current and future business requirements. Approval for the final design of these applications is expected in October 2012.

The program will continue to include specific projects to upgrade or replace each of the following four core information technology applications.

- Oracle ebusiness – financial management information systems
- Gentrack – customer information management (and billing) system
- WASP – works management system
- Aurion – human resource management system.

This is a significant program of work for ActewAGL and the changes will provide more efficient processes and improve the accuracy, integrity and timeliness of information across the entire organisation.

Electricity network
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 to establish a major interconnection point between NSW and ACT. The project is the largest upgrade to the ACT electricity network in decades. Stage one of the construction of 132 kV interconnecting lines from Williamsdale to the existing ActewAGL network was completed in July 2012.

Stage two is proceeding with completion expected in October 2013. This will provide enhanced capacity on existing sections of the Williamsdale to Theodore 132 kV line.

Zone substations

Eastlake
Development work continued on the new Eastlake zone substation and once completed, it 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 Jerrabomberra Wetlands by removing the Causeway Switching station and overhead 132 kV lines.

The National Capital Authority and ACT Government have approved the development application and works, and ActewAGL has successfully procured the plant and works contractor. Pre-construction activities started in July 2012 with completion expected by December 2014. The substation and future switching station works will be completed in September 2013.

Molonglo Valley
A new 132 kV/11 kV substation to service the Molonglo Valley residential land development is required to ensure security of supply. ActewAGL purchased the substation site and commenced development works, obtaining works and development approvals. Completion is expected in October 2015.

Civic
Due to recent commercial and residential developments in City West, the existing Civic zone substation will be upgraded to increase capacity and security of supply. Construction progressed, including the installation of a third 132 kV/11 kV transformer and the replacement of the existing 11 kV switchboards. Completion is expected in December 2012.

Angle Crossing
In July 2012, as a part of the ACT Water Security Improvement Project, ActewAGL completed construction on the Angle Crossing substation which provides power to the Murrumbidgee to Googong water transfer scheme.

Overhead earth wire system
ActewAGL installed an optical fibre composite earth wire system with a 132 kV network. The Gilmore to Williamsdale and Angle Crossing sections are complete. These works form a significant part of the Network upgrade project to facilitate improved protection and control, as well as future smart grid systems.
Gas network

Capital projects
The capital works program continued to present strong and steady growth with eight major projects in progress, representing an investment of more than $20 million in new network infrastructure. This program increases the security of supply to ActewAGL’s existing customers and further supports the expansion of its customer base into the future. During 2011–12, the following capital work projects commenced.

**Fyshwick Trunk Receiving Station upgrade**
Planning for this $8.4 million project commenced in late 2011 and completion is expected in early 2013. ActewAGL will upgrade the existing station to increase its capacity to meet growing gas supply demands across the region. ActewAGL will install duplicate regulating equipment to increase reliability.

**Narrabundah to Hume extension and Hume Primary Regulating Station**
Works continued on the extension of the primary gas mains from Narrabundah to Hume and the construction of a new Primary Regulating Station at Hume. These works, worth $13.4 million, will ensure continued supply to approximately 25,000 customers in the areas of Jerrabomberra, Queanbeyan, Fyshwick, Hume, and the proposed developments at Googong and Tuggeranong. The Hume Primary Regulating Station will also provide enhanced gas supply to Tuggeranong via the Hume to Tuggeranong interconnection.

**Hume to Tuggeranong interconnection**
This capital project, worth $5 million, is currently in stage two with planning commencing during the year and will enhance the availability of gas in Tuggeranong where the gas network is approaching its winter peak capacity limits.

**Googong extension**
ActewAGL worked closely with the Canberra Investment Corporation, a major ACT property developer, to facilitate natural gas supply to the future Googong housing estate. Construction will commence in late 2012.

**Gungahlin to Amaroo extension**
The extension will enhance gas supply for the suburbs of Bonner, Forde and Amaroo. Planning commenced and construction is planned to commence by December 2012.

**Hoskinstown to Fyshwick trunk main pigging facilities**
ActewAGL installed a PIG (Pipeline Inspection Gauge) launching facility at the Hoskinstown custody transfer station and a pig receiving facility at the Fyshwick trunk receiving station. These operations enable ActewAGL to clean and inspect the pipeline. The project was completed in September 2011 and enables the in-line inspection of the high pressure mains pipeline feeding the ACT network, ensuring compliance, integrity and security of supply to customers in the ACT.

**High-rise and medium-density developments**
This sector experienced significant growth over the last year with 31 high-rise developments and 45 new medium-density sites connecting to natural gas including the “Manhattan” apartments in Canberra City, the “Axis” apartments in Lyneham and the “Altitude” apartments in Belconnen. In total, 2,786 new high-rise apartments and 681 new medium-density units were serviced with natural gas during the year.

Gas Service and Installation Rules
ActewAGL continued work on its Gas Service and Installation Rules which are nearing implementation. These rules will supplement the relevant Australian standards and gas fitting codes. The rules set out the compliance requirements when interacting with ActewAGL’s gas network, improving public safety and awareness.

Water
ACTEW Corporation and ActewAGL returned outstanding results in the delivery of the 2011–12 capital works program. ActewAGL delivered 99.4 per cent of the annual target expenditure.

**LMWQC centrifuges**
The AAT Alliance removed and replaced two centrifuges and pipework associated with the dewatering system at the Lower Molonglo Water Quality Control Centre (LMWQCC). The new pumps and pipe work are now operational. The AAT Alliance will continue work to commission the new centrifuge. Completion is expected for the end of July 2012. This project represents $5.7 million and forms a part of the Capex program.

**Stromlo Water Treatment Plant – Filter to Waste facility**
The AAT Alliance is expected to complete works on the Filter to Waste facility by late 2012 with the major works scheduled during the plant shutdown in August. Once completed, it will assist treatment plant operations to be more responsive to “out of specification” water situations in a much safer environment and ensure the plant can maintain optimum water delivery to ACT customers.

**Repairs at Yarralumla Creek**
ActewAGL completed $2.6 million in repair works on the main outfall sewer at Yarralumla Creek. A crack in a section of the sewer that crosses Yarralumla Creek caused a severe hydrogen sulphide attack in a section of the main outfall sewer, downstream of Yarralumla Creek. ActewAGL repaired both sections of the sewer, preventing structural failure.

**Uriarra Village water and sewerage services**
A $10 million sewage treatment plant was successfully commissioned as a part of the Uriarra Village reconstruction. The project successfully piloted Membrane Bioreactor (MBR) technology. This technology will now be used in other water treatment assets. The AAT alliance will hand this project over to ACT customers.

**Water supply critical infrastructure security upgrade**
This project aims to review and upgrade security systems for ACTEW Corporation’s critical infrastructure sites. ActewAGL commenced upgrade works on three pilot sites based on risk and vulnerability assessments. When this is complete, the design will be refined and rolled out to further high priority sites. The works are in accordance with recommendations from the Attorney General’s Department and security concerns.
Environmental, Health, Safety and Quality

During 2011–12, the EHSQ division developed a program of 21 projects to be delivered over a three-year period from July 2012 to June 2015. The program aims to:

- address the Deloitte safety review findings
- meet new statutory requirements
- target high levels of incidents, particularly those with associated muscular stresses and strains
- incorporate best practice in safety
- align with the ActewAGL strategy.

The People Centred Implementation Change Management Framework will be applied to the program to ensure that completed projects can more effectively be implemented within each division.

On 12 June 2012, the ActewAGL Strategic Program Management Office Board approved the EHSQ Program.

Business Systems

Telecommunications contract

ActewAGL entered a three-year telephony contract with TransACT to fulfill ActewAGL's telephony and data requirements. The contract established mutual terms for services while securing competitive prices and service levels.

ActewAGL Information Management System

Project work on the DM5 replacement system continued. ActewAGL's Information Management System (AIMS) will use Microsoft Sharepoint, OnePlaceMail and Recordpoint. Once implemented, it will improve the quality of information management, it will make document management user-friendly and it will integrate well with our other Microsoft applications. User Acceptance Testing will commence shortly and a phased rollout will follow.

Enlarged Cotter Dam

ActewAGL's Business Systems division continues to liaise with ACTEW Corporation and the Bulk Water Alliance on the Enlarged Cotter Dam project. Communication design details are being finalised to deliver the technical specifications to ACTEW Corporation and Bulk Water Alliance requirements.

Murrumbidgee to Googong pipeline trunked mobile radio station

Business Systems installed and commissioned a Trunked Mobile Radio base station at Gibraltar Hill for the Murrumbidgee to Googong Pipeline. This provides 100 per cent communications coverage from the Low Lift Pump Station to the mini-hydro along the full length of the new pipeline.

ActewAGL also installed and commissioned communications to the Murrumbidgee to Googong High Lift Pump Station. The final stage involves the installation for water quality and flow rate monitoring for Murrumbidgee to Googong licence compliance.

Retail

Alternatively-fuelled vehicles

ActewAGL Retail continued its commitment to the market development of alternatively-fuelled vehicles. ActewAGL engaged with the ACT Electric Vehicle Council and sponsored the National Electric Vehicle Festival during September. ActewAGL also continued with marketing the CNG business to potential domestic and commercial customers.

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 2012, there were 9,384 customers receiving the feed-in tariff from ActewAGL Retail.

Customer intelligence

ActewAGL Retail established an internal customer intelligence program to educate staff dealing with customers about how to more effectively communicate with customers and provide tailored solutions.

Energy-saving products

ActewAGL Retail has developed energy-saving product packages to help residential customers manage their energy more efficiently. Energy-saving product packages will be offered to customers through the ActewAGL website and Assist shopfronts.

Energy services

Key ActewAGL staff received training which will help them provide specialised advice to customers on a suite of energy services including energy consultancy services, energy project management, power management and power quality checking, demand management and breakdown and programmed maintenance support.

Strategic Retail partnerships

ActewAGL Retail established a number of strategic partnerships to assist with the acquisition and retention of customers. Partners include three new brokers, a lead generation partner and two online channel partners. ActewAGL Retail also maintained its strategic partnership with NRMA to offer customers free Greenchoice through the More for Members program.
Business rewards club
ActewAGL Retail established a Business Rewards club to engage with the ACT and NSW business communities and provide customers with personalised account management. As at 30 June 2012, there were over 500 small to medium enterprise customers provided with access to energy seminars and forums, expert energy advisors and tailored business networking events.

Human Resources
Following a review of ActewAGL’s Human Resources (HR), the division was restructured in August 2011 and is now comprised of the following branches:

- Workplace relations
- Employee health
- HR service centre
- HR business partners
- Organisational capability
- HR planning and projects

Workplace relations
During 2011–12, Workplace Relations undertook a number of major projects driven by the changes made to the Enterprise Bargaining Agreement (EBA).

A new three-year EBA was negotiated and approved by Fair Work Australia in August 2011. The new EBA will apply annual four per cent increases for all employees as well as “at risk” cash incentives as part of the annual Personal Performance Development Plan (PPDP) process already in place. A number of reviews will take place over the course of the new agreement including the electrical worker competency framework, Category B employee salary review, and the warehouse employee competencies and classifications.

Employee health
The Employee Health branch continued to implement the Corporate Health Strategy and HR business plan.

Corporate health strategy
This strategy has been embedded across the business and promotes ActewAGL’s commitment to improving and maintaining staff wellbeing, health and safety, and goes a step beyond ActewAGL’s legislative obligations.

Successful tender processes were conducted for a new medical services provider: WorkSafe Medics replaced Medibank Health Solutions effective from June 2012.

There was a review of the process to manage employees with high cost and long-tail claims. The review has resulted in changes to the process, including someone employed on a full-time basis to assist with these cases.

HR service centre
The HR service centre undertook major projects driven by the HR review and HR business plan.

These include the Water division and ACTEW Corporation integration, the restructure of the Recruitment team to Talent Sourcing and Support, and the core systems replacement project.

The HR review identified improvements needed to increase the capability of recruitment within ActewAGL. As a result the Recruitment team became “Talent Sourcing and Support” and will now focus on strategic initiatives relating to the acquisition and management of talent within ActewAGL.

Organisational capability
The Corporate Learning and Development branch became “Organisational Capability.”

The revised role aligns with ActewAGL’s Strategic Outlook and objectives to become an employer of choice, and to be the safest workplace in the Australian utilities sector.

HR planning and projects
A number of projects were undertaken to implement the Equity and Diversity policy and the HR business plan.

Bullying and harassment training
HR restructured its bullying and harassment training model. HR developed a training schedule where each year, half of the business will complete face-to-face training provided by WorkSafe ACT while the other half completes online training. This revised training program has resulted in the highest completions rates for this type of training at ActewAGL.

Employee engagement survey
In March 2012, the employee engagement survey rolled out to all employees across ACTEW Corporation and ActewAGL. The survey ran for a period of two weeks and received 616 completed surveys with a completion rate of 52 per cent. As an incentive, for every survey that was completed ActewAGL committed to donating a specified amount to The Smith Family. As a result, ActewAGL raised and donated $3,080 to The Smith Family “Learning for Life” program on behalf of those who participated in the survey. Key themes have been identified across the organisation and over the next 12 months, HR will work with each business area to address them.
Supporting our community: Royal National Capital Agricultural Society (Canberra Show)

The ActewAGL Royal Canberra Show, Canberra’s largest all-ages event, is hosted annually by the Royal National Capital Agricultural Society. In 2012, ActewAGL was proud to be the naming rights sponsor of the Royal Canberra Show once again. For over a decade ActewAGL has sponsored the Royal National Capital Agricultural Society as part of its commitment to supporting local agricultural communities in the ACT region. The 2012 show attracted over 98,000 people. Raising money for Cranleigh School at the show has become an important tradition for ActewAGL. This year a photo booth that allowed visitors to capture show memories with family and friends for a gold coin donation together with the sale of Dr Harry Cooper’s books, ActewAGL raised $3,500 for the school, which assists children with moderate to severe disabilities.
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.

Public awareness campaigns

Three public safety campaigns ran during the year highlighting messages relating to our utility infrastructure. The campaigns focussed on electrical and natural gas safety, vegetation management around assets (including keeping trees away from powerlines and building near utility assets and encouraged people to use Dial Before You Dig). In addition, ActewAGL implemented a public awareness campaign that promoted the environmental and cost benefits of natural gas.

Education

ActewAGL’s commitment to water education continued throughout the year. ActewAGL’s Water division staff engaged with community groups at events and facilitated Water Treatment Plant (WTP) tours. Staff assisted students by being project mentors and gave presentations at primary schools, secondary schools and colleges, including the Canberra Institute of Technology. Catchment tours, field work and laboratory investigations of water ecology and water quality were also facilitated.

Water education topics presented during the year included:

- local water quality degradation and catchment health issues affecting water quality, including source and surface waters
- water sustainability issues and the potable and effluent water treatment processes, as well as stormwater impacts on riparian and riverine ecology.

School and community groups continued to express interest in ActewAGL and ACTEW Corporation facilities, with a number of groups taking the following tours:

- Lower Molonglo Sewageage Treatment Plant – 31 plant tours were conducted for 403 students and community members, professional groups and foreign delegates.
- Googong WTP – seven tours were conducted for 90 visitors.
- Mount Stromlo WTP – 23 tours were conducted for 639 visitors.

As part of ActewAGL’s Source Water Protection Program (SWPP), 378 students took part in a pilot activity which included a catchment tour, a Mount Stromlo WTP tour, a SWPP presentation and a Waterwatch investigation on water contamination. The students were from the southern ACT Murrumbidgee River corridor catchments of Point Hutt Dam and Tuggeranong Creek.

In total, Water division gave 37 presentations to students and community members. The Source to Sewer bench-top tour was the most widely delivered. Waterwatch field activities were also popular with senior secondary and college students.

There were over 1,000 participants in the treatment plant tours, and water education and community engagement presentations.

The ActewAGL education website continued to feature information about sustainability and the environment. ActewAGL’s Little Sparks kids’ club grew to over 90 members. The club continued to promote sustainability, ActewAGL’s core products and the importance of a healthy lifestyle.

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, totalled 20,001. 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 through Retail purchasing 400 megawatt hours in 2011–12.

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. ActewAGL also purchased 298,601 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 the environment was further demonstrated through its internal environmental awareness campaign, Be Green. The Be Green campaign aims to educate staff about how they can reduce water, electricity and paper use. In addition, ActewAGL implemented a campaign that promoted energy-saving tips to help households reduce their energy usage and impact on the environment.

ActewAGL continued to sponsor events promoting sustainability, including Green Savvy Sunday and the Living Green Festival in October. ActewAGL also provided 100 per cent accredited green energy through its green energy program Greenchoice for the Skate in the City events in July 2011 and January 2012. ActewAGL also promoted electric vehicles throughout the year primarily via its association with Better Place who are proactive in the rollout of an electric vehicle network in the Nation’s Capital and through the Electric Vehicle Festival, which was held in September 2011.
Community sponsorship program

ActewAGL’s corporate social responsibility actions were highlighted through the Community Sponsorship program, where ActewAGL developed partnerships with a diverse range of charities, business organisations, art institutions, 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 and visit.

In March, ActewAGL announced it would be a principle partner of the Centenary of Canberra celebrations. This demonstrates ActewAGL’s commitment to the local community.

This year, there was an increase in the number of community organisations supported by ActewAGL. 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 2011–12 was the ActewAGL Royal Canberra Show. The 2012 show attracted over 98,000 people from across the region and ActewAGL raised $3,500 for Cranleigh School.

Another highly successful community event held in the Canberra region was the ActewAGL Great Aussie Day Breakfast at Rond Terrace. Record numbers of attendees kept ActewAGL and Camp Quality volunteers busy on the day and more than $6,000 in donations was collected for Camp Quality at the event.

In the field of Arts, ActewAGL played a significant role in the opening of the Treasures Gallery at the National Library of Australia in October 2011. In May 2012, ActewAGL was announced as the presenting partner of National Gallery of Australia’s 2012 Summer Blockbuster: Toulouse-Lautrec.

ActewAGL was again associated with some of the biggest sporting events in the ACT region throughout the year. In January 2012 the ActewAGL Royal Canberra Ladies Classic took place, with over 14 countries represented and eight of Australia’s top 10 female golfers taking part. Over 8,000 people attended during the three days.

In April ActewAGL proudly presented the Greater Western Sydney (GWS) GIANTS’ first match in Canberra at Manuka Oval. This historic match against the Western Bulldogs was the first of a 10-year partnership with the ACT Government and was the inaugural contest for the Prime Minister’s Cup.

Also in April, the ActewAGL Women and Girls’ Fun Run/Walk showcased the organisation’s commitment to community initiatives that encourage healthy and fun activity. This event helped to raise $4,000 for the Ovarian Cancer Foundation.

ActewAGL continued its community support program in regional areas. The highlights of these involvements were the Young Show in September, Eurobodalla Show in January and Narooma Oyster Festival in May.

In 2011–12 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.

In March 2012 ActewAGL launched the Business Rewards Club (BRC). The BRC is a loyalty program for small to medium enterprises that focusses on providing energy efficiency advice, tips and sharing best practices with customers. The BRC currently has over 500 members who interact regularly at arranged corporate and social events.

Charity organisations are a significant component of ActewAGL’s community sponsorship program.

This year we supported a large number of charity groups, the most notable being the ACT Eden-Monaro Cancer Support Group, The Salvation Army Red Shield Appeal, Cancerians, Camp Quality and the National Breast Cancer Foundation.

In addition, ActewAGL developed a program of initiatives to tackle homelessness, including installing clothing donation banks at its facilities in Greenway, Mitchell and Civic and encouraging staff to donate blankets to The Salvation Army’s Share the Warmth campaign.

ActewAGL Chief Executive Officer Michael Costello again participated in the St Vincent de Paul Society’s CEO sleepout, which was held in June 2012.
Sponsorships in 2011–12

Academic
- ACT Training Excellence Awards
- Bluearth
- CIT Electric Vehicle Program
- Graduate Cook Awards

Arts
- Australian National Eisteddfod
- Canberra Glassworks
- Canberra Symphony Orchestra
- CAT Awards
- National Library of Australia – Treasures Gallery
- Strathnairn Arts Association
- Warehouse Circus

Business
- ACT and Region Chamber of Commerce and Industry
- Australian Hotels Association
- Canberra Business Council
- Canberra Convention Bureau
- Canberra International Riesling Challenge
- ClubsACT
- Housing Industry Association
- Master Builders Association
- Master Plumbers Drainers and Gas Fitters Association
- Property Council of Australia (ACT Branch)
- Real Estate Institute of the ACT (REIACT)
- Restaurant and Catering Awards

Charity
- ACT Eden-Monaro Cancer Support Group
- AFFIRM
- Ben Donohoe Fun Run
- Camp Quality Canberra
- Cancernians Ball
- Chief Minister’s Inclusions Awards
- Heart Foundation
- Juvenile Diabetes Research Foundation
- National Breast Cancer Fundraiser – Pink Dinner
- National Press Club Charity Golf Day
- RSPCA
- Salvation Army Red Shield Appeal Launch
- The Great Minds Charity Trivia Night

Community
- ACT Women’s and Girls’ Fun Run/Walk
- AFP Chequered Ribbon Ball
- Belconnen Festival
- Canberra CBD Ltd (Skate/Roller Skate in the City)
- Canberra Times Fun Run
- Charnwood Festival
- Floriade
- FM 104.7/106.3 Community Switchboard
- FM 104.7 Skyfire
- Live in Canberra
- National Multicultural Festival
- Royal National Capital Agricultural Society (Canberra Show)
- Tuggeranong Festival

Environmental
- ACT Electric Vehicle Council
- Earth Hour
- National Arboretum
- National Business Leaders Forum

Sporting
- ACT Bowls Association
- ACT Cricket
- ACT Intellectually Disabled Basketball
- ACT Racing Club
- ACT Rugby League Referees Association
- ACT Showjumping Cup
- ACT Sport Hall of Fame
- AFL Canberra
- Brumbies Rugby
- Canberra Capitals
- Canberra Cavalry
- Canberra Raiders
- Canberra United
- Capital Football – Junior Competition
- GWS GIANTS (Canberra Games)
- Hockey ACT
- Royal Canberra Ladies LPGA Tournament
- Tennis ACT

Regional sponsorships
- Bungendore Country Muster
- Broulee SLSC
- Eurobodalla Show
- Goulburn Make-a-Wish Foundation
- Goulburn City Swans Football Club
- Goulburn Racing Club
- Goulburn Stags Football Club
- Murrumbateman Moving Feast
- Narooma Little Athletics
- Narooma Oyster Festival
- QBNFM 96.7 Community Radio
- Queanbeyan District Cricket Club
- Queanbeyan Kangaroos Football Club
- Queanbeyan Racing Club
- Queanbeyan Show Society
- Queanbeyan Tigers Football Club
- Queanbeyan Whites RUFC
- Saints Netball Team Nowra
- South Coast Tourism Awards
- Yass Roos Football Club
- Young Junior Rugby League Football Club
- Young Show Society
Supported events

Aside from ActewAGL’s extensive Sponsorship portfolio, the organisation has also been involved with many successful community events in 2011–12 including, but not limited to the following:

- Cancer Council ACT – Relay for Life
- Conservation Council of ACT – World Environment Day Dinner
- Great Aussie Day Breakfast
- Green Savvy Sunday
- JDRF – Walk for a Cure
- Living Green Festival
- Salvation Army Red Shield Appeal Doorknock
- St. Vincent de Paul Society – CEO Sleepout

Fundraising initiatives

Our community engagement goes much further than our sponsorship and events program. Each year ActewAGL staff have a major hands on role in raising funds and providing support for a number of charities and community groups in and around the capital region. ActewAGL has developed a corporate culture that supports community groups and encourages its employees through its Workplace Giving program. During the year ActewAGL staff supported the following causes:

- The Salvation Army Red Shield Appeal
- Daffodil Day – Cancer Council
- Jeans for Genes Day – Children’s Medical Research Institute
- World’s Greatest Shave – Leukaemia Foundation
- Movember – Beyond Blue and the Prostate Cancer Foundation of Australia
- Hawaiian Shirt Day – Eden-Monaro Cancer Support Group
- Stress Down Day – Lifeline
- CEO Sleepout – St Vincent de Paul Society
- Give me five for Kids

Green Grants program

During the year, through the Green Grants program, ActewAGL offered not-for-profit organisations and schools in the capital region the chance to receive up to $10,000 for an environmental project that will help reduce energy and water use and have a positive impact on the environment and sustainability.

The following groups received Green Grants:

- Chapman Primary School – installation of Power Factor Correction unit to reduce energy usage.
- Multiple Sclerosis ACT – installation of dual flush toilets to reduce water usage.
- Uniting Church of St. James Curtin – installation of dual flush toilets to reduce water usage.
- Spielwelt German Parents’ Association, Turner Scout Hall – installation of new windows to reduce energy usage.
- Australian Railway Historical Society ACT – installation of Rainwater Tanks to reduce water usage.
- Latham Primary School – installation of door closers to reduce energy usage.

Publications

During the year, ActewAGL’s Essentials magazine continued to be distributed quarterly to customers throughout the ACT and NSW. In response to a customer survey the magazine was redesigned to include more content relevant to readers. 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.

Staff volunteer program

ActewAGL conducted its second Staff Volunteer project in 2012, which directed the skills and talents of ActewAGL staff towards building projects for deserving local groups. The beneficiary of this year’s project was L’Arche Genesaret, with staff volunteering their time at the end of May 2012 to improve the disabled residence and the surrounding grounds.
Customer relations

In 2011–12 ActewAGL continued enhancing the usability of the website. The ActewAGL website received over 500,000 visits and two million page views during 2011–12.

During 2011–12 ActewAGL's social media presence grew. ActewAGL is now present on Facebook with an official ActewAGL account, a Privileges Canberra account and a Think Gas account. As at 30 June, ActewAGL had 1,697 likes, Privileges Canberra had 252 likes and Think Gas has 200 likes. ActewAGL is also present on Twitter with an ActewAGL account, which has 585 followers and an ActewAGL events account, which has 13 followers.

ActewAGL continued to grow its active user base for epayplus with 33,433 active registered epayplus customers that conducted more than 180,000 transactions, totalling more than $50 million in 2011–12. Natural gas functionality returned to epayplus in 2011–12.

The 2011–12 ActewAGL Customer Satisfaction survey was conducted in April and May 2012. This year ActewAGL recorded an “overall satisfaction with products and services” score of 83 per cent, with price still 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 ‘reliable’.

Consistent with last year’s findings, 89 per cent of customers indicated their expectations were being fully or mostly met and 92 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.

<table>
<thead>
<tr>
<th>Customer service area</th>
<th>2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>85</td>
</tr>
<tr>
<td>Natural gas</td>
<td>87</td>
</tr>
<tr>
<td>Water</td>
<td>84</td>
</tr>
<tr>
<td>Wastewater</td>
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<tr>
<td>Bundle</td>
<td>83</td>
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<tr>
<td>Call centres</td>
<td>87</td>
</tr>
<tr>
<td>Stores*</td>
<td>74</td>
</tr>
</tbody>
</table>

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

Complaints for 2011–12

<table>
<thead>
<tr>
<th>Complaints</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounts and rebates</td>
<td>108</td>
</tr>
<tr>
<td>Billing*</td>
<td>513</td>
</tr>
<tr>
<td>Damage and site restoration</td>
<td>216</td>
</tr>
<tr>
<td>Outage related</td>
<td>256</td>
</tr>
<tr>
<td>Worknotice, timing, noise, faulty</td>
<td>33</td>
</tr>
<tr>
<td>Customer service issues</td>
<td>60</td>
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<tr>
<td>Water – colour, taste, odour, pressure and noise</td>
<td>163</td>
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<tr>
<td>Meters, meter reading</td>
<td>164</td>
</tr>
<tr>
<td>Sales and Marketing**</td>
<td>64</td>
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<tr>
<td>Other</td>
<td>127</td>
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<tr>
<td>Disconnection</td>
<td>82</td>
</tr>
<tr>
<td>Sewer surcharge and blockage</td>
<td>103</td>
</tr>
<tr>
<td>Driving and parking</td>
<td>33</td>
</tr>
<tr>
<td>Notices offended</td>
<td>20</td>
</tr>
</tbody>
</table>

*The increase in this figure is due to the Feed-in tariff.
** Attributable to increase in door knocking related complaints.
Shopfronts and retailers

ActewAGL stores located at City Walk Civic, Westfield Woden and The Marketplace Gungahlin, continued to offer residents of Canberra the opportunity to discuss their energy and communication needs face-to-face with our customer service staff. Not only do these stores provide customers with bill payment facilities, but they can also find out how they can better manage their energy costs, access energy-saving advice, discuss payment options and find out about our bundling products.

ActewAGL’s 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.

This year, the Fyshwick Energy Shop moved to a newly renovated location in Fyshwick, which now includes a dedicated area for ActewAGL Assist.

ActewAGL Retail’s electricity and water and sewerage customer service contact centre continued to deliver quality service – meeting performance targets of 80 per cent of calls being answered within 30 seconds while also achieving an abandonment rate of less than five per cent.

ActewAGL’s contact centre has consistently ranked in the top two for Customer Service Benchmarking Australia’s energy sector, even holding first position over two years. The contact centre still also remains well ahead in the utilities sector. The Customer Services Branch’s email enquiry responses continue to maintain a strong first position in Global Reviews’ benchmarking results.

Supporting our community: Salvation Army Red Shield Appeal Launch

The Red Shield Appeal is The Salvation Army’s major annual fundraising drive to help finance its vast network of social and community services. For the past 11 years ActewAGL has supported the Red Shield Appeal through providing door knock volunteers, donating money through staff morning teas and workplace giving. In 2012 ActewAGL was the major sponsor for the Red Shield Appeal Breakfast Launch held at the Hyatt Hotel, Canberra. ActewAGL promotes the Red Shield appeal through a variety of ways including the external quarterly publication Essentials and internal monthly newsletter Connected and also encouraged staff members to donate time and door knock for the Salvation Army.
Service performance to our customers

Gas indicators

Gas disruptions refers to loss of supply to a customer(s). 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.

ActewAGL’s target was to restore over 90 per cent of unplanned gas disruptions within four hours. At the end of the reporting period, ActewAGL achieved 99 per cent of unplanned gas disruptions restored within four hours which is an excellent result.

The average number of unplanned gas disruptions per 1,000 properties was 4.7 for 2011–12, and the target was less than 10.
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 is calculated by the average number of customers affected per outage, multiplied by the total number of outages (or their duration) and divided by the total number of customers.

ActewAGL’s target for the average number of planned and unplanned electricity outages was less than 1.20 per customer per year. This year the actual averages were 0.63 unplanned outages and 0.22 for planned outages.

The average duration of electricity outages per customer decreased since the previous year with an average of 32.3 minutes for unplanned outages and 45.8 minutes for planned outages. ActewAGL’s target was less than 91 minutes.
**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.

The average number of unplanned water interruptions decreased since previous years, and was well below the target of less than 150, with just 55 water interruptions per 1,000 properties per year recorded for 2011–12.

The average water interruption time was 86.2 minutes which was again well below the target of less than 150.

There was an average of 17.32 properties within 1,000 affected by unplanned sewerage disruptions per year. In 2011–12, 99.1 per cent of disruptions were restored within five hours.
Our people: Women in apprenticeships

ActewAGL continued its Women in apprenticeships marketing campaign to encourage women to apply for the 2012 ActewAGL apprentice intake. The campaign was delivered through targeted marketing via radio, Facebook and press advertising.

ActewAGL offers electrical fitter and lineworker apprenticeships. Apprentices receive above-award pay, on-the-job training, nationally recognised tertiary qualifications along with further study and career path options.

During 2012, there was a total of 120 applications for the apprentice intake with 12 applications from female applicants. Of the five apprenticeships offered, two were awarded to females (including Sam Green, pictured).

Over the past couple of years ActewAGL has fostered female apprentices who have excelled, including Michelle Tifan who became the first electrical apprentice and second female to win the Construction Industry Outstanding Apprentice of the Year award.

ActewAGL is an employer that values diversity in the workplace. ActewAGL’s achievements to date shows that women who are good at problem solving, enjoy being outdoors, are team players and work hard can thrive in a non-traditional trade.
Our people

ActewAGL continued to work towards achieving the objectives in the Strategic Outlook 2010 – 2020 by implementing changes that ensure our culture is adaptable, commercially agile and to embed safety within its culture.

ActewAGL concentrated on giving employees the skills they need to help them succeed. The HR business plan, underpinned by the Strategic Outlook, focussed on the "people" aspect of these key objectives.

### Head count by business area 2011–12

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTEW Corporation</td>
<td>1</td>
</tr>
<tr>
<td>ActewAGL Retail</td>
<td>141</td>
</tr>
<tr>
<td>Business development and strategy</td>
<td>1</td>
</tr>
<tr>
<td>Business systems</td>
<td>83</td>
</tr>
<tr>
<td>Finance and resources</td>
<td>110</td>
</tr>
<tr>
<td>Executive, Legal and Secretariat</td>
<td>22</td>
</tr>
<tr>
<td>Networks (Asset Management and Network Services combined total)</td>
<td>450</td>
</tr>
<tr>
<td>Water</td>
<td>347</td>
</tr>
<tr>
<td>Environment, Health, Safety and Quality</td>
<td>15</td>
</tr>
<tr>
<td><strong>ActewAGL Total</strong></td>
<td><strong>1,170</strong></td>
</tr>
</tbody>
</table>

### Employer 2011–12

<table>
<thead>
<tr>
<th>Employer</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seconded from ACTEW Corporation</td>
<td>271</td>
</tr>
<tr>
<td>ActewAGL Distribution</td>
<td>756</td>
</tr>
<tr>
<td>ActewAGL Retail</td>
<td>130</td>
</tr>
<tr>
<td>ActewAGL Distribution seconded to ACTEW Corporation</td>
<td>1</td>
</tr>
<tr>
<td>ActewAGL Retail seconded to ACTEW Corporation</td>
<td>0</td>
</tr>
<tr>
<td>ACTEW Corporation seconded to ActewAGL Retail</td>
<td>12</td>
</tr>
<tr>
<td>ActewAGL Retail seconded to ActewAGL Distribution</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,170</strong></td>
</tr>
</tbody>
</table>

Health and fitness

ActewAGL continued to promote and support health and wellbeing initiatives throughout the year. This year the ACTive health and wellness program was available to the entire organisation with Networks’ employees joining the program for the first time. All participants were eligible for free gym memberships on completion of a health and fitness assessment. Other initiatives included flu vaccinations, a quit smoking program and individual exercise and weight management coaching. Health forums were available to all employees as well as new workshops specifically designed for field-based employees to reduce soft tissue injuries. An internal "10,000 steps challenge" boosted physical activity levels and awareness while also encouraging competition between the divisions. Below are the numbers of people who took part in some of these initiatives:

- 758 employees had health and fitness assessments
- 399 employees took up the workplace influenza vaccination program.

Equity and diversity

ActewAGL continued efforts to achieve greater equity and diversity across its workforce. This commitment was led by the CEO and the Executive management team. It was driven by the Equity and Diversity policy which comprised four key areas:

- women
- Indigenous Australians
- people with disabilities
- employees aged over 50

Over the past 12 months, ActewAGL has continued to develop and implement many new equity and diversity initiatives including:

- ActewAGL’s Women in Utilities Network
- Women in Apprenticeships marketing campaign aimed at increasing the number of female applicants for the apprentice intake
- Four equity scholarships to students studying at the Australian National University awarded on the basis of financial hardship
- Indigenous employment strategy in partnership with the Australian Employment Covenant
- a partnership with CRS Australia to offer work experience placements to people with a disability, injury or health condition to give them skills and experience they need to return to the workforce
- offering work experience placements to Year 10 students through a scholarship program with Melba Copland secondary school
- Childcare Referral Service via API Leisure and Lifestyle
- accreditation as a Breastfeeding Friendly Workplace through Australian Breastfeeding Association
- Employee Assistance program through Converge International.

Employment conditions

HR 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 Enterprise Bargaining Agreement (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 existing staff not on competency arrangements.

A new three-year EBA was negotiated and approved by Fair Work Australia in August 2011. The new EBA will apply annual four per cent increases for all employees as well as “at risk” cash incentives as part of the annual Personal Performance Development Plan (PPDP) process already in place. A number of reviews will take place over the course of the new agreement including the electrical worker competency framework, category B employee salary review, and the warehouse employee competencies and classifications.
Harassment and discrimination
ActewAGL's Colleague Support Network provides a reporting channel for discrimination and harassment incidents. Volunteers from across the organisation provide support and procedural advice to colleagues. The Colleague Support Network has undertaken targeted training over the last 12 months in relation to bullying, harassment and discrimination issues.

ActewAGL continued its partnership with 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 12 formal complaints of bullying and harassment during the reporting year. Most complaints were resolved with the use of mediation and only a small number resulted in disciplinary action.

Similarly, ActewAGL continued to offer the Dispute Resolution Centre Hotline to employees. This hotline operates during business hours and provides staff with another avenue to report or discuss acts of bullying and harassment. Callers 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.

To continuously improve awareness across ActewAGL, the structure of the training has changed over the last 12 months. Each year half of the business will complete face-to-face training provided by WorkSafe ACT while the other half of the business completes online training.

Staff development and training
Key developments and priorities
The Corporate Learning and Development branch became Organisational Capability during the year.

The revised role aligns with the Strategic Outlook and ActewAGL’s objectives to become an employer of choice and to be the safest workplace in the Australian Utility sector.

The Organisational Capability branch oversees the following:
1. Behavioural change
2. Change management programs
3. Manager and leader as coach program
4. Streamlining the PPDP process and performance management training for managers and supervisors
5. Workforce and succession planning and talent management
6. Leadership development framework
7. Formal training programs for work-experience students, trainees, cadets and graduates
8. Improved induction and orientation processes

ActewAGL continued providing training under a decentralised model. Individual business units take responsibility for identifying current and future needs of their business and their staff, and delivering training programs to ensure those needs are met in an effective and efficient manner.

Total expenditure on training
ActewAGL's budget for training and development in 2011–12 was approximately $6.8 million and total expenditure reached around $3.6 million. This level of expenditure is due to restructures in the business and a decline in training needs identified in PPDPs.

Talent pipeline
HR continued to find innovative ways to build and maintain a pipeline of talent across all disciplines (engineering, IT, business, technical, finance and trades). Initiatives and programs undertaken include:
- Para-professional program – a partnership with the University of Southern Queensland for selected employees studying an Associate Degree in Electrical Engineering.
- ActewAGL Cadetship program – there were seven cadets from Networks division 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 – there were four undergraduate scholarships and two postgraduate scholarships in place.
- Melba Copeland work-experience students
- "Women in Apprenticeships" marketing campaign – advertising through Facebook, radio, internet and major sporting events
- Studies assistance – 58 employees participated 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.
- Mentoring program – 48 participants took part in the program.
- Graduate program – six graduates participated in the program.
- Apprentice intake – there were 33 apprentices during the year.
Staff rewards and recognition

Shooting Stars
ActewAGL’s rewards and recognition program, Shooting stars, recognises great work through the following four categories:

• Commitment and dedication
• Top performance
• Always Safe excellence
• Superior customer or community focus

The program rewards employees who consistently show an exceptional commitment to ActewAGL’s core values.

Environmental Sustainability Award
A new Environmental Sustainability Award was introduced this year as part of ActewAGL’s commitment to promote and improve all aspects of sustainability. This award can recognise:

• individuals or teams that go above and beyond their regular duties to improve environmental practices and sustainability
• individuals or teams who implement an environmental sustainable initiative that positively impacts on their team members’ behaviours
• individuals or teams who identify and implement actions to improve poor environmental practices.

Environment, Health, Safety and Quality
Throughout 2011–12, safety continued to be a key priority for ActewAGL. The following initiatives were undertaken during the year:

• establishing and resourcing the new Environment, Health, Safety and Quality (EHSQ) division
• developing and coordinating approvals for the EHSQ Strategy 2012 – 2015
• identifying and implementing the positive EHSQ Key Performance Indicators (KPIs) from 1 July 2012
• identifying, as well as gaining approval and commitment for the EHSQ Program
• maintaining management system certification
• upgrading and developing the new safety management system to reflect changes in the new ACT Work Health and Safety Act 2011 and Work Health and Safety Regulation 2011
• reviewing and improving incident recording and reporting systems and definitions
• piloting safety leadership programs in Networks Services, Retail and Corporate Services
• rolling out the new monthly planned EHSQ communication materials.

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

Commitment and dedication
Joseph Pelle, Gina Fallace and Neroli Spackman.

Top performance

Always Safe excellence
Rod Morrison, Mark Middleton, David O’Connor, Mathew Orlando, Timothy Rua, Grant Williams, Neven Young, Joseph Zappia, Craig Grocock, David Cain, Timothy O’Leary, Dale Wrenford, Darren Bell, Daniel Farthing, Jay Ebsworth and Peter Nicholson.

Superior customer or community focus
Bayne Geikie, Keren Baker, Kristy Charlton and Nicholas Dunn.

EHSQ Strategy 2012 – 2015
ActewAGL is committed to providing employees with a workplace that is safe and does not impact on the environment or their health or wellbeing. Through the leadership and commitment of our managers, ActewAGL aims to move to a “proactive” safety culture by the end of 2015.

A three-year EHSQ strategic plan was developed and approved in 2011. One area of the strategic plan focusses on the immediate implementation of positive or lead EHSQ KPIs, while the other areas focus on EHSQ projects, known as the EHSQ Program 2012 – 2015. Both the EHSQ Program and the KPIs target the following five categories:

1. Employee participation, involvement and commitment
2. EHSQ leadership, engagement and action
3. Communication, consultation and collaboration
4. Competency and training
5. Compliance.
During the year, 12 EHSQ KPIs were implemented to enable reporting from 1 July 2012.

In June 2012, the EHSQ Program was approved for implementation from July 2012. The EHSQ Program is sponsored by the ActewAGL Executive team and managed by the EHSQ division. Progress is reported monthly to the ActewAGL Executive.

Safety Town Hall
On 22 March 2012, the ActewAGL Executive management team and their branch managers met off-site to gain an understanding of the current and future state of environment, health and safety in the organisation. The event aimed to:

- educate senior leaders about the EHSQ Strategy 2012 – 2015 and their role in implementing the strategy
- clarify the role of EHSQ
- obtain commitment and support from the executive and their branch managers.

To demonstrate ActewAGL leaders’ commitment to safety following Safety Town Hall, a number of activities were undertaken between October 2011 and January 2012 to formalise leaders’ and work group safety ‘commitment to action’ statements. All safety commitment statements are displayed at worksites. Safety actions will feed into the safety section of individual 2012–13 PPDPs.

Guardian
In March 2012, ActewAGL implemented Guardian, a web-based incident management recording and reporting system that captures:

- Incidents (near misses, environment, fire, quality, property damage, security incidents, injury or illness, and motor vehicle accidents)
- Actions (corrective and preventative actions)
- Hazards
- Risks
- Incident investigations
- Injury management information
- Legal obligations.

Guardian replaced the following systems:

- Incident Reporting System
- Corrective actions
- Injury management databases and spreadsheets
- Individual risk systems
- Lawman/Lawlex.

Guardian has improved incident reporting, particularly with automated email notifications that inform managers of incidents, near misses and progress of actions. Guardian enables all hazard, risk, incident and action information to be stored in one place.

Lost Time Injury Frequency Rate
The total number of incidents reported increased substantially in 2011–12 with a total of 583 incidents — the highest number since 2007–08. Incidents reported may have involved equipment, vehicle or other damage rather than injury. This commitment to transparency and increased reporting is regarded as positive and is encouraged.

The number of incidents requiring medical treatment decreased and was the lowest it has been since 2007–08, with just 56 injuries reported in 2011–12.

In June 2012, a review of lost time and serious injury cases identified inconsistencies and differing interpretations regarding the internal reporting of lost time injury numbers and rates. This resulted in the correction of the 2010–11 and 2011–12 rates. During 2011–12, ActewAGL incurred 26 lost time injuries and a Lost Time Injury Frequency Rate (LTIFR) of 13.5 injuries per million hours, which is a decrease since the 2010–11 LTIFR of 15.3. The 2011–12 LTIFR is higher than the current average for NSW (2008–09) of 12.6.

During 2011–12, ActewAGL employees incurred 19 serious injuries resulting in a Serious Injury Frequency Rate (SIFR) of 8.6 injuries per million hours which is the same as the previous year. This result is higher than the current average SIFR for Australia (2008–09) of 4.1.

Looking ahead to 2012–13, ActewAGL will focus on implementing the EHSQ Program and positive KPIs, including a specific target on increasing near miss reporting and the identification of solutions in order to prevent injuries from occurring.
Economic aspects

This section contains information about ActewAGL’s pricing framework. For customer numbers and other financial statistics, including comparisons with previous years please see “Statistics” on page 48.

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 franchise 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 network

ActewAGL Distribution’s electricity network prices for 2012–13 were reset in accordance with the AER’s final decision for the period 1 July 2009 to 30 June 2014. On 1 June 2012 the AER approved a price increase of 8.67 per cent (including CPI of 3.39 per cent) on average, incorporating its April decision to correct a material error in the 2009 final decision. The price increases are driven by significant investment in major capital projects which will result in a more reliable and secure network.

From July 2012, ActewAGL Distribution will allow residential customers with a meter with two registers, each capable of providing time-of-use consumption data, to have time-of-use charges applied separately to each register. This is intended to allow residential consumers to separately meter the energy consumption of electric vehicles.

Gas network

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 2012–13 were varied in accordance with the AER’s September 2010 Amended AA. The decision provided for pass through of other costs, including a price on carbon. The prices were approved by the AER on 30 May 2012. The approved variation provides for average distribution network service price increases of 6.72 per cent (including CPI of 3.39 per cent) for 2012–13.

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 AA, including:

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

Retail prices

Electricity

On 4 October 2011, the ACT Government issued terms of reference for the ICRC to provide a price direction for the supply of electricity to franchise customers for the period from 1 July 2012 to 30 June 2014. The terms of reference followed the Australian Energy Market Commission’s (AEMC’s) 3 March 2011 recommendation that on 1 July 2012 the ACT Government remove the TFT for small consumers of electricity, establish a monitoring regime for a three year period with a review at the end of that period and introduce a package of policy measures to foster customer awareness.

The ACT Government responded to the AEMC review with a media release on 5 September 2011 stating that it did 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.

On 8 June 2012, the ICRC released its final decision for the supply of electricity to franchise customers for the period 1 July 2012 to 30 June 2014 which provided for a nominal increase of 17.74 per cent, equivalent to a real increase of
Domestic electricity bill comparison for annual consumption of 7,000 kWh (GST-inclusive)

<table>
<thead>
<tr>
<th>Region</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional NSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIC</td>
<td></td>
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</tr>
<tr>
<td>WA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional NSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td></td>
<td></td>
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<tr>
<td>NT</td>
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<tr>
<td>TAS</td>
<td></td>
<td></td>
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<tr>
<td>VIC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td></td>
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</tbody>
</table>

Note: Based on prices as published by selected retailers.

13.88 per cent, from 1 July 2012. The main drivers of the price increase are the introduction of a price on carbon and increases in electricity network charges.

The impact of the decision in 2012–13 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 18.2 per cent in the annual bill (including CPI) or around $4.80 per week (including GST). The ACT electricity price increase compares to NSW electricity retail price increases of between 11.8 per cent and 20.6 per cent in 2012–13.

Clean energy legislative package

In November 2011, the Federal Government passed legislation to implement its Clean Energy Future Plan for reducing Australia’s greenhouse gas emissions. The Carbon Pricing Mechanism (CPM) creates an incentive for all businesses to cut their pollution by investing in clean technology or finding more efficient ways of operating. As part of this plan, a price on carbon will apply from 1 July 2012.

The CPM will be implemented in a two-stage approach:

- a carbon fixed price period commencing on 1 July 2012, which involves a carbon price of $23 per tonne of CO2-e, rising at 2.5 per cent each year in real terms
- an emissions trading scheme commencing on 1 July 2015, with the carbon price being determined by the market, with the potential for international linkages.

ActewAGL has passed through the costs of the price on carbon in its electricity and gas prices in accordance with the relevant regulatory decisions and legislation.

ACT Natural gas

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 deregulated from 1 July 2004.

ActewAGL applied an average price increase of 11.82 per cent (including CPI of 3.39 per cent) to its natural gas tariffs from 1 July 2012. This increase incorporates the rise in network charges and passes through the price on carbon. The impact of changes to prices for gas services in 2012–13 will be an increase of around 11.5 per cent in the annual bill or around $2.96 per week (including GST) for an indicative residential customer on a Home Gas and Home Saver Gas plan consuming 50 GJ per annum.

NSW Natural gas

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 one per cent on the retail component of tariffs for each year of the VTPA period. In accordance with the VTPA, IPART approved ActewAGL’s 2012–13 NSW gas retail prices incorporating the pass through of the price on carbon on 13 June 2012. On average, natural gas retail prices increased from 1 July 2012 by 14.89 per cent, 11.87 per cent and 9.32 per cent (including CPI of 3.10 per cent) in the Capital, Queanbeyan/Bungendore and Shoalhaven regions respectively.
Water and sewerage

ACTEW Corporation’s water and sewerage businesses were managed and operated by ActewAGL under a Utilities Management Agreement from 2000 until 30 June 2012. During that period, ActewAGL provided network planning, operations and maintenance services as well as billing and collection services. As of 1 July 2012 ACTEW Corporation assumed direct responsibility for the management and operation of its water and sewerage network.

ACTEW Corporation’s water and sewerage prices were reset on 1 July 2012 in accordance with the ICRC’s water and wastewater price direction for the five-year period from 1 July 2008 to 30 June 2013. The ICRC reset for 1 July 2012 allowed for a 4.31 per cent, or around $0.47 per week increase in water prices for a customer using 200kL per annum, and an 8.15 per cent, or around $0.87 per week, increase in sewerage prices.

Domestic water bill comparison for annual consumption of 200 kL

![Water Bill Comparison](chart)

**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.

Domestic sewerage bill comparison for annual consumption of 200 kL

![Sewerage Bill Comparison](chart)

**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, Aepend and Busselton Water
* ACT bill includes UNFT
* All bills based on prices published by selected retailers.
Map of Capital region
**Statistics**

### Financials

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue ($’000)</strong></td>
<td>770,932</td>
<td>798,762</td>
<td>847,597</td>
<td>737,563*</td>
<td>722,146</td>
</tr>
<tr>
<td><strong>Operating profit before income tax ($’000)</strong></td>
<td>137,171</td>
<td>156,736</td>
<td>182,711</td>
<td>166,577</td>
<td>162,606</td>
</tr>
<tr>
<td><strong>Income tax expense ($’000)</strong></td>
<td>339</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Operating profit after tax ($’000)</strong></td>
<td>136,832</td>
<td>158,721</td>
<td>184,770</td>
<td>166,577</td>
<td>162,606</td>
</tr>
<tr>
<td><strong>Distributions to partners ($’000)</strong></td>
<td>113,000</td>
<td>117,546</td>
<td>148,610</td>
<td>91,820</td>
<td>87,400</td>
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</tbody>
</table>

*Total revenue for 2010–11 was restated due to the sale of Water division.

### Financial position ($’000)

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</thead>
<tbody>
<tr>
<td><strong>Current assets ($’000)</strong></td>
<td>164,077</td>
<td>216,921</td>
<td>205,280</td>
<td>229,502</td>
<td>266,156</td>
</tr>
<tr>
<td><strong>Non-current assets ($’000)</strong></td>
<td>804,710</td>
<td>803,944</td>
<td>863,018</td>
<td>929,509</td>
<td>985,680</td>
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<tr>
<td><strong>Total assets ($’000)</strong></td>
<td>968,787</td>
<td>1,020,865</td>
<td>1,068,298</td>
<td>1,159,011</td>
<td>1,251,836</td>
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<tr>
<td><strong>Current liabilities ($’000)</strong></td>
<td>158,258</td>
<td>173,887</td>
<td>182,848</td>
<td>197,078</td>
<td>213,695</td>
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<tr>
<td><strong>Non-current liabilities ($’000)</strong></td>
<td>8,079</td>
<td>3,359</td>
<td>5,671</td>
<td>7,397</td>
<td>8,399</td>
</tr>
<tr>
<td><strong>Joint Venture funds ($’000)</strong></td>
<td>802,450</td>
<td>843,619</td>
<td>879,779</td>
<td>954,536</td>
<td>1,029,742</td>
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### Electricity

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Network customers and connections</strong></td>
<td>158,455</td>
<td>161,061</td>
<td>164,900</td>
<td>158,455</td>
<td>173,186</td>
</tr>
<tr>
<td><strong>System throughput (GWh)</strong></td>
<td>2,967</td>
<td>3,011</td>
<td>3,038</td>
<td>2,967</td>
<td>3,017</td>
</tr>
</tbody>
</table>

*Please refer to the ActewAGL Sustainability Report.*

### Amount of energy supplied from renewable sources (GWh)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Overhead</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>132 kV</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>188</td>
</tr>
<tr>
<td>66 kV</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>22 kV</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>11 kV</td>
<td>1,002</td>
<td>999</td>
<td>1,000</td>
<td>1,002</td>
<td>987</td>
</tr>
<tr>
<td>Low voltage**</td>
<td>1,201</td>
<td>1,196</td>
<td>1,190</td>
<td>1,201</td>
<td>1,186</td>
</tr>
</tbody>
</table>

### Mains in service (km)

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Overhead</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>132 kV</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>66 kV</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>22 kV</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>11 kV</td>
<td>1,299</td>
<td>1,323</td>
<td>1,354</td>
<td>1,299</td>
<td>1,436</td>
</tr>
<tr>
<td>Low voltage**</td>
<td>1,028</td>
<td>1,072</td>
<td>1,109</td>
<td>1,028</td>
<td>1,209</td>
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</table>

### Nominal MVA capacity of transformers

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overhead</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>132 kV</td>
<td>1,283</td>
<td>1,283</td>
<td>1,283</td>
<td>1,283</td>
<td>1,298</td>
</tr>
<tr>
<td>66 kV</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>47</td>
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<tr>
<td>22 kV</td>
<td>25</td>
<td>34</td>
<td>36</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>11 kV and below</td>
<td>1,786</td>
<td>1,848</td>
<td>1,901</td>
<td>1,786</td>
<td>1,964</td>
</tr>
</tbody>
</table>

# 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 low voltage service cables and conductors.
### Gas

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Network customers and connections</td>
<td>112,738</td>
<td>116,281</td>
<td>120,026</td>
<td>123,725</td>
<td>127,782</td>
</tr>
<tr>
<td>Length of mains (km)</td>
<td>4,484</td>
<td>4,555.5</td>
<td>4,620.23</td>
<td>4,717</td>
<td>4,776</td>
</tr>
<tr>
<td>Quantity of gas receipted (TJ)</td>
<td>8,097</td>
<td>9,472</td>
<td>9,578</td>
<td>10,528</td>
<td>11,091</td>
</tr>
<tr>
<td>Trunk receiving/pressure reduction stations</td>
<td>9</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>District regulating stations</td>
<td>87</td>
<td>89</td>
<td>90</td>
<td>91</td>
<td>92</td>
</tr>
</tbody>
</table>

*Previously reported as quantity of gas supplied.
**Totals equal GIS pipe lengths including services plus five per cent.

### Water

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>141,046</td>
<td>143,741</td>
<td>146,608</td>
<td>150,310</td>
<td>154,210</td>
</tr>
<tr>
<td>Number of dams</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Capacity of dams (GL)</td>
<td>207.4</td>
<td>207.4</td>
<td>207.4</td>
<td>207.4</td>
<td>207.4</td>
</tr>
<tr>
<td>Number of reservoirs</td>
<td>44</td>
<td>44</td>
<td>46</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Capacity of reservoirs (GL)</td>
<td>891</td>
<td>891</td>
<td>917.4</td>
<td>917.4</td>
<td>931.9</td>
</tr>
<tr>
<td>Number of pumping stations</td>
<td>23</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Length of mains (km)</td>
<td>2,980*</td>
<td>3,059</td>
<td>3,096</td>
<td>3,134</td>
<td>3,179</td>
</tr>
<tr>
<td>Maximum daily demand (ML)</td>
<td>195</td>
<td>220</td>
<td>213</td>
<td>213</td>
<td>177</td>
</tr>
<tr>
<td>Total consumption (ML)</td>
<td>43,556</td>
<td>44,955</td>
<td>45,133</td>
<td>40,914</td>
<td>41,629</td>
</tr>
<tr>
<td>Consumption per person per annum (kL)</td>
<td>115</td>
<td>116</td>
<td>114</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Rainfall (mm)</td>
<td>455.2</td>
<td>511</td>
<td>612.4</td>
<td>866.4</td>
<td>788</td>
</tr>
</tbody>
</table>

*Variation is a result of a change in the Water Services Association of Australia’s definition for length of mains.

### Water reuse system#

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of reservoirs (storage facilities)*</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Capacity of reservoirs (ML)*</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of pumping stations</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Length of mains (km)</td>
<td>15</td>
<td>15</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Quantity of water reused (ML)</td>
<td>3,899**</td>
<td>4,237</td>
<td>4,249</td>
<td>4,305</td>
<td>4,607</td>
</tr>
</tbody>
</table>

# 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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers accounts</td>
<td>137,262</td>
<td>139,794</td>
<td>142,577</td>
<td>146,231</td>
<td>150,065</td>
</tr>
<tr>
<td>Number of pumping stations</td>
<td>27</td>
<td>27</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Quantity of sewage treated (ML)</td>
<td>25,707</td>
<td>25,307</td>
<td>26,769</td>
<td>32,243</td>
<td>34,096</td>
</tr>
<tr>
<td>Maximum daily load (ML)</td>
<td>87</td>
<td>100.7</td>
<td>211.7</td>
<td>385.5</td>
<td>472</td>
</tr>
<tr>
<td>Sewage treated per person per annum (kL)</td>
<td>75</td>
<td>73</td>
<td>75</td>
<td>89</td>
<td>83</td>
</tr>
<tr>
<td>Length of mains (km)</td>
<td>3,014</td>
<td>3,059</td>
<td>3,094</td>
<td>3,134</td>
<td>3,174</td>
</tr>
</tbody>
</table>
Summary financial report
For the year ending 30 June 2012

Introduction to the summary financial report 51
Statement of comprehensive income 52
Balance sheet 53
Statement of changes in Joint Venture funds 54
Statement of cash flows 55
Joint Venture Board’s declaration 56
Auditor’s independence declaration 57
Independent Auditor’s report 59
Introduction to the summary financial report

Profit
Net profit for the year ended 30 June 2012 was $162.6 million. This compares to the prior year’s net profit of $166.6 million.

Total operating revenue from continuing operations for the year ended 30 June 2012 was $722.1 million compared to $737.6 million in the prior year. The decrease in revenue is primarily due to lower electricity sales as a result of the cooler than average weather conditions experienced throughout summer.

Total expenses from continuing operations for the year ended 30 June 2012 was $566.4 million compared to $575.3 million in the prior year. This is primarily attributed to lower energy purchases resulting from a decrease in electricity sales due to the cooler than average weather conditions experienced throughout summer. Operating expenses are largely in line with the previous financial year.

Cash flow
The Group generated $194.0 million from its operating activities for the year ended 30 June 2012 compared to $187.4 million in the prior year.

Net cash outflows from investing activities were $81.1 million for the current year, compared to $100.5 million for the prior year. The $19.4 million decrease in cash outflows is mainly driven by the receipt in advance of monies from ACTEW Corporation for the sale of Water division. For the 2011–12 financial year, the major electricity investment projects undertaken included the construction of several distribution and sub-transmission projects to ensure security of supply to existing and future electrical load within the ACT. Other major investment projects include addressing ageing equipment and capacity shortfalls at Civic zone substation which supplies approximately half of the Canberra Central Business District area and the ongoing construction of major substations for office developments, government departments, retail and residential purposes and continuation of the pole replacement program. Major investment in the gas network currently in progress is the development of the Hume Primary Regulating Station and Primary Mains Extension which will increase network capacity as well as ensure security of supply to Tuggeranong, Queanbeyan, Googong and Woden areas.

Other investment projects include the upgrade to the Fyshwick Trunk Receiving Station which will ensure the security of gas supply to approximately 25,000 customers in the areas of Jerrabomberra, Queanbeyan, Fyshwick, and Hume, and future proposed developments at Googong and Tralee.

Cash surplus to the Group’s operational, capital and working capital requirements is returned to the partners in the form of cash distributions. In the 2011/12 financial year, $87.4 million was distributed to ActewAGL’s partners; $4.4 million lower than the $91.8 million in the prior year mainly due to lower sales in electricity.

Financial position
As at 30 June 2012, the Group had net assets of $1,029.7 million compared to $954.5 million in the prior year. The increase is mainly due to the increase in working capital and capital investment in the Network business. Cash available as at 30 June 2012 was $63.9 million, $25.3 million higher than the prior year. Current assets were $266.2 million compared to $229.5 million in the prior year. Current liabilities were $213.7 million compared to $197.1 million as 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 of $952.0 million, compared to $898.1 million as at 30 June 2011, is primarily due to continued investment in Network assets to meet peak demand and ensure security of supply.

Partners’ return
The return on funds employed for the 2011–12 financial year based on the net profit before tax was 15.8 per cent compared to 17.5 per cent in the prior year.

The summarised financial report is consistent with the special purpose financial report from which it is derived.
## Statement of comprehensive income

<table>
<thead>
<tr>
<th>Description</th>
<th>2012 ($'000)</th>
<th>2011 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continuing operations</td>
<td>722,146</td>
<td>737,563</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>722,146</strong></td>
<td><strong>737,563</strong></td>
</tr>
<tr>
<td>Energy purchases</td>
<td>(362,001)</td>
<td>(376,383)</td>
</tr>
<tr>
<td>Employee costs</td>
<td>(107,915)</td>
<td>(105,888)</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>(36,156)</td>
<td>(34,311)</td>
</tr>
<tr>
<td>Subcontractor expenses</td>
<td>(25,391)</td>
<td>(22,887)</td>
</tr>
<tr>
<td>Lease expenses</td>
<td>(12,231)</td>
<td>(13,770)</td>
</tr>
<tr>
<td>Material costs</td>
<td>(4,711)</td>
<td>(4,180)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(1,709)</td>
<td>(2,100)</td>
</tr>
<tr>
<td>Project related expenses</td>
<td>(924)</td>
<td>(2,772)</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(12,600)</td>
<td>(9,240)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(2,769)</td>
<td>(3,750)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>(566,407)</strong></td>
<td><strong>(575,281)</strong></td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td>155,739</td>
<td>162,282</td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>6,867</td>
<td>4,295</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>162,606</strong></td>
<td><strong>166,577</strong></td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td><strong>162,606</strong></td>
<td><strong>166,577</strong></td>
</tr>
<tr>
<td>Profit is attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners of the ActewAGL Joint Venture</td>
<td>162,606</td>
<td>166,577</td>
</tr>
<tr>
<td>Total comprehensive income for the year is attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners of the ActewAGL Joint Venture</td>
<td>162,606</td>
<td>166,577</td>
</tr>
<tr>
<td>Total comprehensive income for the year attributable to owners of ActewAGL Joint Venture arises from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>155,739</td>
<td>162,282</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>6,867</td>
<td>4,295</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td><strong>162,606</strong></td>
<td><strong>166,577</strong></td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2012 ($’000)</th>
<th>2011 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>63,897</td>
<td>38,635</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>185,145</td>
<td>182,096</td>
</tr>
<tr>
<td>Inventories</td>
<td>10,538</td>
<td>8,771</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>6,576</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>266,156</td>
<td>229,502</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>614</td>
<td>389</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>952,048</td>
<td>898,133</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>31,018</td>
<td>28,987</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>985,680</td>
<td>929,509</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,251,836</td>
<td>1,159,011</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>140,401</td>
<td>139,106</td>
</tr>
<tr>
<td>Provisions</td>
<td>20,705</td>
<td>34,315</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>35,722</td>
<td>23,657</td>
</tr>
<tr>
<td>Liabilities classified as held for sale</td>
<td>16,867</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>213,695</td>
<td>197,078</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>3,066</td>
<td>3,570</td>
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<tr>
<td>Other liabilities</td>
<td>5,333</td>
<td>3,827</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>8,399</td>
<td>7,397</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>222,094</td>
<td>204,475</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>1,029,742</td>
<td>954,536</td>
</tr>
<tr>
<td><strong>Joint Venture Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Venture Funds</td>
<td>1,029,742</td>
<td>954,536</td>
</tr>
<tr>
<td><strong>Total Joint Venture Funds</strong></td>
<td>1,029,742</td>
<td>954,536</td>
</tr>
</tbody>
</table>
## Statement of changes in Joint Venture funds

<table>
<thead>
<tr>
<th>Description</th>
<th>2012 ($)'000</th>
<th>2011 ($)'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Joint Venture funds at the beginning of the financial year</td>
<td>954,536</td>
<td>879,779</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>162,606</td>
<td>166,577</td>
</tr>
<tr>
<td>Transactions with partners in their capacity as owners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions paid</td>
<td>(87,400)</td>
<td>(91,820)</td>
</tr>
<tr>
<td><strong>Total Joint Venture funds at the end of the financial year</strong></td>
<td>1,029,742</td>
<td>954,536</td>
</tr>
</tbody>
</table>
## Statement of cash flows

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012 ($'000)</th>
<th>2011 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers (inclusive of goods and services tax)</td>
<td>958,217</td>
<td>946,261</td>
</tr>
<tr>
<td>Payments to suppliers and employees (inclusive of goods and services tax)</td>
<td>(766,795)</td>
<td>(761,266)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>191,422</td>
<td>184,995</td>
</tr>
<tr>
<td>Interest received</td>
<td>2,585</td>
<td>2,448</td>
</tr>
<tr>
<td>Interest and other costs of finance paid</td>
<td>(45)</td>
<td>(43)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>193,962</td>
<td>187,400</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(96,816)</td>
<td>(103,285)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>46</td>
<td>35</td>
</tr>
<tr>
<td>Proceeds from sale of interest in Joint Venture</td>
<td>-</td>
<td>2,229</td>
</tr>
<tr>
<td>Proceeds from sale of subsidiary</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Proceeds from sale of Water division</td>
<td>15,695</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (outflow) from investing activities</strong></td>
<td>(81,075)</td>
<td>(100,521)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions paid to partners</td>
<td>(87,400)</td>
<td>(91,820)</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(221)</td>
<td>(193)</td>
</tr>
<tr>
<td><strong>Net cash (outflow) from financing activities</strong></td>
<td>(87,621)</td>
<td>(92,013)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td>25,266</td>
<td>(5,134)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>38,635</td>
<td>43,769</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the financial year</strong></td>
<td>63,897</td>
<td>38,635</td>
</tr>
</tbody>
</table>
Joint Venture Board’s declaration

ActewAGL Joint Venture
Joint Venture Board’s declaration
30 June 2012

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 2012 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
21 August 2012

Mark Sullivan, AO
Board Member
Canberra
21 August 2012

Note: The reference to pages 4 - 7 above refers to the hardcopy financial statements that were signed by the Joint Venture Board. For the purposes of this Annual Report, please see pages 51 – 55.
Auditor's independence declaration

Board of Directors
ActewAGL Joint Venture
GPO Box 366
CANBERRA CITY ACT 2601

ActewAGL Joint Venture Summary Report

In relation to the audit of the financial report of the ActewAGL Joint Venture Summary Report for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the code of professional conduct.

Dr Maxine Cooper
Auditor-General
21 August 2012
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 joint venture funds, 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 2012.

On 29 August 2012, I issued an unmodified audit report on the special purpose financial report of the Joint Venture for the year ended 30 June 2012.

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.
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 2012, is materially consistent with the special purpose financial report.

Dr Maxine Cooper
Auditor-General
29 August 2012
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). Publications include:

- ActewAGL career pathways
- ActewAGL career pathways — Networks Apprenticeship program
- ActewAGL Code of Conduct
- ActewAGL Essentials magazine
- ActewAGL Graduate Development program
- Check your block before you plan
- Customer summary
- Direct debit
- Domestic water meter installations
- Electrical safety tips
- Energy and communication solutions for your business
- Energy-saving tips
- epayplus
- Greenchoice for your business
- Greenchoice for your home
- Keep trees trimmed
- Natural gas safety tips
- Privacy policy
- Sewer blockages and surcharges
- Staying Connected

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. Other annual publications include:

- Annual Report
- Sustainability Report