Energy Queensland Limited
Statement of Corporate Intent
2017-2018

Prepared by the Directors and Management of Energy Queensland Limited for the Shareholding Ministers:

Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Natural Resources, Mines and Energy

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PO Box 1090, Townsville QLD 4810
Level 6, 420 Flinders Street, Townsville QLD 4810
www.energyq.com.au

Energy Queensland Limited ABN 96 612 535 583

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1 Introduction

This Statement of Corporate Intent (SCI) has been prepared in compliance with the *Government Owned Corporations Act 1993* (GOC Act) and applies to Energy Queensland and its subsidiaries for the 2017/18 financial year.

Energy Queensland will continue to evolve throughout 2017/18 implementing its portfolio structure and embedding an efficient operating model to ensure the business can effectively respond to the challenges of a rapidly changing energy industry. Energy Queensland recognises the expectations of its shareholders as expressed in the Shareholder Mandate and have taken them into account in the development of its strategy and in setting the financial and non-financial performance targets for this SCI.

The Energy Queensland vision is to "*Energise Queensland communities*". Consistent with the vision, the purpose of Energy Queensland is to safely deliver secure, affordable and sustainable energy solutions with our communities and customers. During 2017/18, Energy Queensland is committed to meeting the expectations of its shareholders with a focus on the following:

- Maintaining a strong emphasis on safety, reliability and customer responsiveness particularly during emergencies and natural disasters;
- Supporting local communities, with a focus on regional Queensland;
- Delivering ongoing implementation of the efficiencies created through the merger;
- Continuing to progress and refine the range of strategic initiatives;
- Improving benchmarked operating efficiency in the distribution businesses in preparation for the next regulatory determination; and
- Establishing the Energy Services business to deliver new products and services that complement the existing network and retail businesses, and enhance the overall shareholder value whilst also creating further job opportunities across Queensland.

As part of its strategy development, Energy Queensland has established four strategic objectives:

- Be community and customer focused;
- Operate safely as an efficient and effective organisation;
- Strengthen and grow from our core; and
- Create value through innovation.

In being a community-oriented portfolio business, Energy Queensland will create enhanced levels of value by deepening our understanding of customers and communities' needs and providing greater choice and control over their energy use. Another immediate priority for Energy Queensland is to ensure the business is running as efficiently and effectively as possible to deliver long term sustainable cost efficiency improvements to improve outcomes for customers and shareholders. Energy Queensland will also leverage the significant scale and strength of our distribution network infrastructure and our people to continue to strengthen and grow by continually improving our processes, systems, capabilities and knowledge. Innovating to deliver differentiated and compelling offerings for our communities, customers, partners and shareholders will also be critical to long-term business success.

In providing effective governance, oversight and strategic direction over the affairs of Energy Queensland, as well as those of its subsidiaries, the Energy Queensland Board is committed to ensuring the interests of the shareholding Ministers are met. Should any major changes to key assumptions and outcomes detailed in this SCI come to the attention of Energy Queensland this financial year, these matters will be brought to the attention of shareholding Ministers.

2 Performance Indicators

2.1 Financial and Non-financial Performance Indicators

Energy Queensland's financial and non-financial performance indicators and targets for 2017/18 are set out in Table 1 below. The business will report to shareholding Ministers on a quarterly basis in regard to its performance against these measures and targets.

Table 1: Energy Queensland's Financial and Non-financial Performance Indicators

KRA	Performance Indicators	2017/18 Target
Safety	TRIFR	5% improvement[1]
	LTIFR	5% improvement[1]
Financial	NPAT ($M)	$612M
	SCS TOTEX ($M)	$1,780M
	ROCE	6.90%
Customer	Customer Index	6.7
People	Employee Engagement Results	Above target[2]
Operations	Minimum service standards (MSS)	Favourable to MSS
	PoW Delivery Index	>90%

1. Target to be established based on an improvement from 2016/17 end of year actuals.
2. Baseline and target to be established on completion of employee engagement survey conducted in August 2017.

3 Financial Information

The information in this section is provided in accordance with Section 106 of the *GOC Act* and provides the financial forecasts for Energy Queensland for the 2017/18 financial year.

3.1 Key Developments / Factors

3.1.1 Merger Savings

As announced by the Queensland Government in the 2015/16 Mid-Year Fiscal and Economic Review (MYFER), the formation of Energy Queensland was expected to result in savings of approximately $562 million against the Government's forward estimates at that time. The forward estimates approximated the regulatory allowance over the period to 2019/20. Progress against the savings target is measured with reference to Standard Control Services (SCS) total expenditure (Totex). Expenditure on Alternative Control Services (ACS) is subject to external forces such as market demand. Increased expenditure in other areas, such as investments in non-regulated activities might be appropriate in order to meet the growth objectives in these areas.

For the 2017/18 year, Energy Queensland expects to achieve $81 million of net savings. The relationship between the estimates of costs in the combining entities before the merger and the forward targets for Energy Queensland is shown in Table 2 below. The phasing of the planned savings might vary as savings plans are continuously reviewed and refined in response to changing circumstances and actual outcomes.

Energy Queensland will continue to strive to make further sustainable efficiency savings where possible.

Table 2: Energy Queensland SCI/CP savings compared to 2015 MYFER

Merger savings ($M)	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Savings announced by shareholder and adjusted in 2015/16 MYFER ($M)	**-8**	**10**	**178**	**180**	**202**	**562**
Energy Queensland SCI/CP target savings in SCS Totex						
AER SCS Allowance (Approximate) / 2015 MYFER		1,958	1,913	1,939	1,979	**7,789**
SCS Totex Target		1,685	1,780	1,798	1,775	**7,038**
Implementation & redundancy costs		40	52	45	52	**189**
Energy Queensland SCI/CP savings compared to 2015 MYFER		**233**	**81**	**96**	**152**	**562**

3.1.2 Roadmap Initiatives

The State Government's announced merger savings of $562 million have been built into both the 2017/18 budget and future budgets up to 2020. Energy Queensland will continue to closely monitor financial performance to ensure delivery against this commitment.

As part of the initial merger process, a number of detailed roadmaps were prepared which related to achieving efficiency savings and transforming the business. In total, there are 88 roadmaps with financial savings/cost reductions. The review and validation of the anticipated merger (or roadmap) savings is now complete with executive roadmap owners appointed. Roadmap savings will be monitored and validated using a robust governance framework and methodology. The roadmaps will be used as a management tool to ensure ongoing delivery of savings well into the next regulatory control period.

3.1.3 Retail

In 2017/18, Ergon Energy Queensland (EEQ) is forecasting an EBIT of approximately $238.2 million. In preparing this 2017/18 forecast, sales are based on draft prices released by the Queensland Competition Authority (QCA) in February 2017. The Operating Cost strategy for the next five years focuses on continued delivery of the transformation benefits from the implementation of the Customer Information System (CIS), Contact Centre Technologies (CCT) and Digital Enablement. Over the medium term, the price of alternative sources of supply such as solar PV and batteries are expected to decrease which in turn could put downward pressure on EEQ's energy sales.

3.1.4 Energy Services

The establishment of Energy Services is a key priority for Energy Queensland over the 2017/18 year and management is currently considering a number of business cases and strategies. The non-regulated activities are expected to contribute $33 million or 2% to total consolidated EBIT in 2017/18.

Energy Services' strategy is underpinned by the following priority focus areas including:

- Enhancing the position of Metering Dynamics;
- Providing specialist engineering services to develop products and services that support the diverse range of activities in the Energy Queensland group while delivering commercial benefits to shareholders; and
- Developing business cases that build the customer platform for the future which provides more specific data about energy load, greater access to renewables and enables retailers to provide innovative services at efficient prices and more control for customers.

Energy Services is also currently assessing the attractiveness of a number of current and new growth pathways including:

- Metering (current);
- Utility Services (current);
- Micro-grids (new);
- Distributed Energy Resources (DER) (new); and
- Telecommunications (current).

In particular, Energy Services is focused on building a portfolio of businesses with a common purpose that delivers synergies and an integrated value proposition to customers. Together these businesses are expected to form a new eco-system within Energy Queensland that will contribute significant value over the medium term.

3.2 Consolidated Financial Information

3.2.1 Statement of Profit and Loss

Table 3: Statement of Profit and Loss

Consolidated Group ($M)	2016/17 Est Actual	2017/18 Plan
Operating Revenue		
Distribution Use of System (DUoS) Revenue	3,328.7	3,048.7
Transmission Use of System (TUoS) Revenue	882.4	594.3
Energy Sales - EEQ	2,090.3	2,097.4
Elimination of DUoS & TUoS charge to EEQ	(1,600.7)	(1,400.5)
Other SCS Revenue	34.4	8.6
ACS Revenue	312.2	317.3
Unregulated Revenue	218.4	232.1
Other Revenue	14.2	12.5
Interest Received	4.5	6.8
Total Operating Revenue	**5,284.4**	**4,917.2**
Direct Operating Expenditure		
TUoS Expenditure	868.1	604.7
Energy Purchases	608.9	704.3
Solar PV Feed In Tariff	299.8	283.5
CSO Contribution	(609.9)	(488.2)
SCS Program of Work	623.0	659.7
ACS Program of Work	162.6	170.1
Unregulated Expenditure	184.1	218.1
Other Direct Expenditure	22.8	23.4
Total Direct Operating Expenditure	**2,159.4**	**2,175.6**
Indirect, Depreciation & Amortisation		
Indirect Expenditure (excluding Restructure)	770.7	790.6
Corporate Restructuring Costs	39.9	39.0
Depreciation & Amortisation	910.6	956.2
Overhead Allocation	(643.5)	(702.4)
Realised Earnings Before Interest & Tax	**2,047.3**	**1,658.2**
Mark to Market (MTM)	22.3	-
Earnings Before Interest & Tax (EBIT)	**2,069.6**	**1,658.2**
Borrowing Costs	768.6	783.9
Income Tax Expense	390.3	262.3
Net Profit After Tax (NPAT)	**910.7**	**612.0**

Table 4: Distribution yield [redacted]

Measure	2016/17 Est Actual	2017/18 Plan
Distribution yield (Regulated)	12.8%	8.1%
[redacted]	[redacted]	[redacted]

3.2.2 Statement of Financial Position

Table 5: Statement of Financial Position

Consolidated Group ($M)	2016/17 Est Actual	2017/18 Plan
Cash Assets	377.3	5.2
Current Receivables	900.0	935.5
Inventories	169.4	169.7
Current Assets Held for Sale	182.3	182.3
Other Current Assets	41.8	41.4
TOTAL CURRENT ASSETS	**1,670.8**	**1,334.1**
Non-Current Receivables	0.8	0.7
Property, Plant and Equipment	23,129.0	23,973.1
Intangible Assets	315.0	324.4
Other Non-Current Assets	161.3	154.5
TOTAL NON-CURRENT ASSETS	**23,606.1**	**24,452.7**
TOTAL ASSETS	**25,276.9**	**25,786.8**
Current Payables	403.9	398.7
Current Interest Bearing Liabilities	23.5	23.5
Current Provisions	1,120.8	778.8
Other Current Liabilities	177.0	181.4
TOTAL CURRENT LIABILITIES	**1,725.1**	**1,382.4**
Non-Current Interest Bearing Liabilities	16,250.0	16,686.5
Net Deferred Tax Liabilities	3,573.3	3,678.5
Non-Current Provisions	39.2	38.4
Other Non-Current Liabilities	7.5	6.5
TOTAL NON-CURRENT LIABILITIES	**19,870.0**	**20,409.9**
TOTAL LIABILITIES	**21,595.2**	**21,792.3**
NET ASSETS	**3,681.7**	**3,994.5**
Contributed Equity	1,008.0	1,008.0
Retained Earnings	71.0	71.0
Reserves	2,602.7	2,915.6
TOTAL SHAREHOLDERS' EQUITY	**3,681.7**	**3,994.5**

Table 6: Debt to RAB Ratio

Measure	2016/17 Est Actual	2017/18 Plan
Debt to SCS RAB ratio	72%	71%

3.2.3 Statement of Cash Flows

Table 7: Statement of Cash Flows

Consolidated Group ($M)	2016/17 Est Actual	2017/18 Plan
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	5,794.0	5,400.8
Payments to Suppliers and Employees	(3,714.3)	(3,457.1)
Capital Contributions	92.2	87.8
Community Service Obligations	609.9	488.2
Borrowing Costs	(768.6)	(783.9)
Income Tax Equivalent Received / (Paid)	(537.9)	(325.3)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	**1,475.4**	**1,410.5**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,252.5)	(1,344.5)
Proceeds from sale of property, plant and equipment	10.5	29.3
Interest received	4.5	6.8
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	**(1,237.5)**	**(1,308.4)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from Borrowings	-	436.5
Net Repayable Deposits	2.5	-
Dividends Paid	-	(910.7)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	**2.5**	**(474.2)**
Cash at the Beginning of the Financial Year	136.9	377.3
Net Increase/ (Decrease) in Cash Held	240.4	(372.1)
QTC Working Capital Facility	-	-
CASH AT THE END OF THE FINANCIAL PERIOD	**377.3**	**5.2**

Table 8: Distribution Cash Coverage

Measure	2016/17 Est Actual	2017/18 Plan
Distribution Cash Coverage	0.90	1.15

Table 9: Net Cash Flows to Government

Net Cash Flows to Government ($M)	2016/17 Est Actual	2017/18 Plan[1]
Dividends Paid	-	910.7
Income Tax Paid	537.9	325.3
CSOs (Community Service Obligations)	(609.9)	(488.2)
Pensioner Rebates received	(53.0)	(54.3)
Net Flow to Government	**(125.0)**	**693.5**

1. Excluding amounts pursuant to the direction issued on 30 May 2017 under section 257 of the *Electricity Act 1994* to not pass Jurisdictional Scheme amounts to customers

3.2.4 Statement of Capital Expenditure

Table 10: Statement of Capital Expenditure

Consolidated Group ($M)	2016/17 Est Actual	2017/18 Plan
Standard Control - System		
Augmentation	167.0	194.3
Replacement	546.0	532.0
Connections	157.0	164.8
Standard Control - System	**870.0**	**891.1**
Non System	138.4	170.2
Alternative Control Services	161.3	133.2
Unregulated	72.2	90.2
ICT (SPARQ)	75.2	127.5
Total Capital Expenditure	**1,317.1**	**1,412.2**

For 2017/18 Energy Queensland's total capital expenditure is forecast at $1,412 million. For the regulated distribution business, capital expenditure over 2017/18 is expected to be lower than the allowance set by the AER for the Energex and Ergon distribution entities by $116 million as the programs continue to be reviewed by Energy Queensland. Other capital expenditure across the Group is expected to increase as property projects deferred from the current year are brought to completion and investment in ICT continues to enable the business objectives.

3.3 Major capital projects

A list of major capital projects with a total escalated cost of over $2 million that are scheduled to be completed in 2017/18 are outlined in Attachment 3 – Large Projects. These projects are under continuous review and are subject to change pending final scoping.

3.4 Community Service Obligation

The Uniform Tariff Policy (UTP) provides for parity of pricing for all non-market electricity consumers, regardless of their geographic location in Queensland. For customers outside of the south east corner, the cost of supplying electricity typically exceeds the recovery allowed for in regulated retail tariffs. The Queensland Government pays Ergon Retail (EEQ) a Community Service Obligation (CSO) to compensate for elements, as specified in the CSO Deed, associated with this under-recovery.

The revenue from energy sales varies over the year depending on:

- The time of year, as typically the volume of sales is highest during summer months; and
- The tariff mix, which influences the price of energy sold.

The CSO is subject to many variables and thus the forecast is subject to a high number of assumptions. Estimated network charges are based on the AER Determination and related adjustments and are subject to revision pending final approval of revenue and tariffs for the

2017/18 year (including pass-throughs and other adjustments). The expected volume of energy sales has been estimated taking into account current sales volumes, historical churn, expected weather conditions and the expected level of solar PV uptake. The expected revenue from sales has been developed based on draft rates set by the Queensland Competition Authority (QCA). Changes in any of these assumptions would impact the CSO forecast. The budgeted amounts per category of CSO are as follows:

Table 11: CSO Budget by category

Category	Amount ($M)[1]
NEM	401.4
Mt Isa	20.7
Isolated	47.5
ACS Metering	18.6
Total	**488.2**

1. Excluding amounts pursuant to the direction issued on 30 May 2017 under section 257 of the *Electricity Act 1994* to not pass Jurisdictional Scheme amounts to customers.

Energy Queensland will continue to work with Queensland Government representatives to develop initiatives which sustainably reduce the CSO over time.

3.5 Other Financial Information

3.5.1 Capital Structure and Dividend policies

Energy Queensland's dividend policy complies with the GOC Act and the Corporations Act 2001 (Cwlth). The Board will ensure that Energy Queensland's dividend payments also target a long term capital structure of 70% debt to the SCS RAB. Energy Queensland's policy is to recommend and pay a dividend amount equivalent to 100% (or the percentage approved by shareholding Ministers, if different) of Energy Queensland's consolidated profit. The Board adopts such a policy on the basis of its shareholders agreeing to provide the necessary funding under the State Borrowing Program for projects which have received Board and shareholding Ministers' approval, for the maintenance of Energy Queensland's approved capital structure and/or for ensuring the operational viability of Energy Queensland. It is anticipated that Energy Queensland would be in a position to achieve a stand-alone credit rating for the merged business of at least BBB, however this will need to be confirmed upon completion of Energy Queensland's first formal credit review to be conducted in the first quarter of 2017//18.

3.5.2 Investment Thresholds

Energy Queensland acknowledges the requirements to notify appropriate parties and obtain approval for proposed CAPEX consistent with the Investment Guidelines for GOCs. An investment is defined as capital expenditure where a return is expected over a period of time. Energy Queensland will:

Gain approval for:

- All regulated investments above $75 million, except for:
  - Regulated investments in the Western Zone, where approval is required above $40 million; and
- All unregulated investments above $60 million, except for:
  - Retail and isolated systems investments, where approval is required above $10 million; and

Provide notification of:

- All regulated investments above $20 million; and
- All unregulated investments above $20 million, except for:
  - Unregulated investment which is outside of Queensland, or involves investment in new markets that Energy Queensland has not entered before, where notification will be provided above $10 million.

In relation to Building Queensland:

- Projects greater than $50 million require a business case to be submitted to Building Queensland for review; and
- Projects greater than $100 million require Building Queensland to lead the business case.

3.6 Financial Assumptions

The financial forecasts are based on a set of economic and operational assumptions as shown below in Table 12.

Table 12: Key annual assumptions

Key Assumptions	2016/17 Est Actual	2017/18 Plan
Long Term Interest Rate	4.73%	4.76%
Consumer Price Index	2.50%	2.50%
Wages growth	3.0%	3.0%
Corporate Tax Rate	30.0%	30.0%
Dividend Payout Ratio	100.0%	100.0%
Weighted Average Cost of Capital	6.04%	6.04%
Target Gearing Ratio - Debt/RAB(SCS)	70%	70%

4 Government Directions

Energy Queensland, including its subsidiaries, will comply with all relevant policies and guidelines as issued by Shareholder and Government, and formal directions as received from time to time.

5 Performance Agreement

This Statement of Corporate Intent is presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993.*

In accordance with Chapter 1, Part 3, Section 7 of the *Government Owned Corporations Act 1993*, the Statement of Corporate Intent represents a formal performance agreement between the Board of Energy Queensland and its shareholding Ministers, with respect to the financial and non-financial performance targets specified for the financial year. The Statement of Corporate Intent also represents an acknowledgment of an agreement to Energy Queensland's major activities, objectives, undertakings, policies, investments and borrowings for the 2017/18 financial year. This Statement of Corporate Intent is consistent with Energy Queensland's 2017/18 to 2021/22 Corporate Plan submitted to the shareholding Ministers in accordance with Chapter 3, Part 7 of the *Government Owned Corporations Act 1993.*

In signing this document, the Board of Energy Queensland undertakes to ensure that the document and all reports to shareholding Ministers are prepared with accuracy and timeliness.

In signing this document, the Board of Energy Queensland undertakes to achieve the targets proposed in the Statement of Corporate Intent for the 2017/18 financial year.

Major changes to key assumptions and outcomes detailed in this Statement of Corporate Intent, which come to the Board's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this Statement of Corporate Intent will be dealt with in accordance with the *Government Owned Corporations Act 1993.*

This Statement of Corporate Intent is signed by the Chairman on behalf of all the Directors in accordance with a unanimous decision of the Board of Energy Queensland Limited.

Philip Garling
Chairman

Date: 19 December 2017

The Honourable Jacklyn Trad MP
Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

Date: 20/04/18

The Honourable Dr Anthony Lynham MP
Minister for Natural Resources, Mines and Energy

Date: 9/4/18

6 Attachments

Attachment 1	List of Performance Indicator Descriptions
Attachment 2	Employment and Industrial Relations (E&IR) Plan
Attachment 3	Large Projects with a total escalated cost over $2M scheduled to be completed in 2017/18
Attachment 4	Sponsorship, advertising, corporate entertainment, donations and other activities
Attachment 5	Weighted average cost of capital calculations
Attachment 6	Glossary of Terms

6.1 Attachment 1 – List of Performance Indicator Descriptions

Performance Indicator	Definition
TRIFR	Rate of recordable injuries and illnesses per million hours worked in the reporting period.
LTIFR	Rate of lost time injuries and illnesses per million hours worked in the reporting period.
NPAT	Provides a measure of Energy Queensland's profitability after debt servicing costs and income tax.
SCS TOTEX	Total expenditure relating to standard control services
ROCE	Measures return on capital employed
Customer Index	Customer Index Score measures satisfaction of key drivers across all customer groups.
Employee Engagement Results	Measures employee engagement to the business
MSS: Minimum Service Standards Levels	Subject to exclusions prescribed in the Electricity Industry Code, a distribution entity must use its best endeavours to ensure that it does not exceed in a financial year the a) system average interruption duration index (SAIDI) and b) system average interruption frequency index (SAIFI) limits by feeder type (i.e. CBD, Urban, Rural)
PoW Delivery Index	PoW Delivery Index consolidates the results of the following measures: • CAPEX project designs completed; • CAPEX projects commissioning completed; • CAPEX routine physicals to program; • OPEX routine physicals to program; • Customer projects on time; and • Customer initiated service orders on time.

6.2 Attachment 2 – Employment and Industrial Relations Plan

Shareholder Information

Employment and Industrial Relations Philosophy / Direction

The Energy Queensland vision is to "*Energise Queensland communities"*. To achieve this vision, Energy Queensland needs to safely deliver secure, affordable and sustainable energy solutions with our communities and customers.

This business will be positioned to ensure it can meet and adapt to changes and developments in the rapidly evolving energy market. Energy Queensland is also committed to the Government's objectives of maintaining a strong regional presence throughout Queensland and it contributing to the stimulation of economic activity and job growth in regional areas.

Energy Queensland will strive to create a culture that ensures all employees are focused on communities and customers and deliver whole of business outcomes through the strategic objectives of being community and customer focused; creating an efficient and effective organisation; enabling the portfolio businesses to strengthen and grow; as well as delivering value through innovation.

Energy Queensland's people initiatives will be designed to enable this transformation and accelerate integration by:

- Identifying and developing our leadership capability for the future.
- Managing the performance of our people with a focus on stretch targets/outcomes, behaviours and flexibility.
- Design and implementation of Energy Queensland performance and reward and recognition frameworks to support the 2017/18 people planning cycle, including objective setting, development planning and performance review.
- Design and implementation of the 2017/18 talent and succession planning framework.
- Aligning the workforce to respond to Energy Queensland's current and future business needs through strategic workforce planning and analysis.
- Embedding the diversity and inclusion of our workforce to provide a greater variety of solutions from a broader range of individual talents, experiences and ideas leading to increased innovation and adaptability.
- Commercially aligning and simplifying processes, systems and employment conditions.

Significant and Emerging Issues

The merging of Energex, Ergon Energy and SPARQ Solutions to form Energy Queensland will deliver significant savings by removing duplication and deliver efficiency improvements across the business. The business is presently undertaking significant organisational and workforce transformation through the implementation of new business unit structures.

This presents risks to the engagement and retention of employees and has the potential to impact the business through the loss of critical skills, capabilities, organisation and industry experience.

To mitigate this risk, Energy Queensland has developed staff transition principles in consultation with key stakeholders, including industry unions, to support the implementation of the Government's merger objectives.

This will support the transfer of employment of employees into Energy Queensland (subject to the Energy Queensland corporate structure complying with the legal and regulatory requirements relating to ring fencing guidelines and licencing requirements).

Energy Queensland is committed to managing the implementation of change effectively and recognises the benefits of achieving real and sustainable workplace change is best realised by co-operative and open change management processes, including regular discussion and consultation with its employees and union representatives.

Energy Queensland will also commence negotiations this year subject to formal bargaining submission approval requirements for a new enterprise agreement for the business. A new enterprise agreement framework will need to consider the business transformation and alignment considerations arising from the merger in the short term and the broader strategic direction for the business.

The critical issues for the Energy Queensland enterprise agreement negotiations will be determining the scope of the new enterprise agreement framework for the business; resolving the approach for alignment of core enterprise agreement terms; and consideration of productivity initiatives and cost savings required to fund annual wage increases.

2016/17 Remuneration for CEO and Senior Executives

The remuneration provided in the table below reflects the rates at which the CEO and Senior Executives were permanently appointed to Energy Queensland. Please note that the Total Remuneration amounts are not representative of the actual amounts paid as the CEO and Senior Executives each commenced employment at different times during the 2016/17 financial year.

CEO / Senior Executives	Base salary	Employer superannuation contributions	Car park	Other personal benefits	Total remuneration (exc performance pay)	Performance payment	Total remuneration
David Smales Chief Executive Officer[1]	$845,384	$19,616	$0	$0	$865,000	$0	$865,000
Peter Scott Chief Financial Officer[2]	$504,084	$19,616	$0	$0	$523,700	$0	$523,700
Roslyn Baker Chief Operating Officer[3]	$553,333	$19,616	$0	$0	$572,949	$0	$572,949
Belinda Watton EGM People, Culture and Safety[4]	$394,511	$19,616	$0	$0	$414,127	$0	$414,127
Peter Price EGM Asset Safety and Performance[5]	$417,094	$41,710	$0	$0	$458,804	$0	$458,804
Barbara-Anne Bensted Chief Digital Officer[6]	$394,511	$19,616	$0	$0	$414,127	$0	$414,127
Cheryl Hopkins EGM Retail[7]	$407,076	$19,616	$0	$0	$426,692	$0	$426,692
Charles Rattray EGM Energy Services[8]	$372,480	$19,616	$0	$0	$392,096	$0	$392,096
Craig Chambers EGM Strategy, Portfolio and Innovation[9]	$461,622	$19,616	$0	$0	$481,238	$0	$481,238

[1] David Smales commenced employment with Energy Queensland on 26 September 2016.

[2] Peter Scott commenced employment with Energy Queensland on 14 November 2016.

[3] Roslyn Baker commenced employment with Energy Queensland on 14 November 2016 and left the business on 6 March 2017.

[4] Belinda Watton commenced employment with Energy Queensland on 31 October 2016.

[4] Belinda Watton commenced employment with Energy Queensland on 31 October 2016.

[5] Peter Price commenced employment with Energy Queensland on 14 November 2016.

[6] Barbara-Anne Bensted commenced employment with Energy Queensland on 12 January 2017.

[6] Barbara-Anne Bensted commenced employment with Energy Queensland on 12 January 2017.

[7] Cheryl Hopkins commenced employment with Energy Queensland on 9 February 2017.

[8] Charles Rattray commenced employment with Energy Queensland on 19 December 2016.

[9] Craig Chambers commenced employment with Energy Queensland on 12 December 2016.

Employment Conditions

As a Government Owned Corporation covered by federal industrial relations legislation, Energy Queensland will continue to meet its obligations consistent with the guidelines provided by the Queensland Government and under the *Fair Work Act 2009* (Cth).

The majority of employees (with the exception of some employees on contract arrangements) are employed under the following enterprise agreements:

- Energex Union Collective Agreement (EUCA) 2015;
- Ergon Energy Union Collective Agreement (EEUCA) 2015;
- EEQ Retail Enterprise Agreement (EEQ) 2014 ; and
- SPARQ Solutions Enterprise Union Agreement (SS EUA) 2016.

Collective bargaining with industry unions will continue to be the preferred means of industrial regulation of enterprise agreements. Industry unions include:

- The Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical Division (ETU);
- The Association of Professional Engineers, Scientists and Managers, Australia (Professionals Australia);
- Automotive, Metals, Engineering, Printing and Kindred Industries Union of Employees (AMWU); and
- Australian Municipal, Administrative, Clerical and Services Union (Services Union).

As at 31 December 2016, Energy Queensland subsidiary full time equivalent (FTE) employees were employed under the following industrial instruments and contractual arrangements:

Business	Type	Number of Employees
Enterprise Agreements:		
Energex	• Energex Union Collective Agreement 2015	2,809.9
Ergon Energy	• Ergon Energy Union Collective Agreement 2015	3,578.9
	• Ergon Energy Queensland Retail Enterprise Agreement 2014	339.4
SPARQ Solutions	• SPARQ Solutions Enterprise Union Agreement 2016	303.9
	• **Total Enterprise Agreements**	**7,032.1**
Contractual Arrangements*:		
Energy Queensland	• TFR	9.0
Energex	• TFR	89.1
Ergon Energy	• TFR and TEC	85.2
SPARQ Solutions	• TFR and TEC	10.0
	• **Total Contractual Arrangements**	**193.3**
	• **Total Number of Employees**	**7,225.4**

*Includes contracts for employees outside the coverage and application of the respective Enterprise Agreements only

To support the merger, the Government sought the establishment of an Industrial Relations Consultation Group (IRCG) to advise on industrial relations issues and to develop a framework to guide the merger of Energex and Ergon Energy distribution and retail electricity businesses.

The objective of these transition principles is to provide a:

- Supportive and transparent framework for employees to transfer, where applicable, from the existing businesses to the Parent company, Energy Queensland;
- Set of principles and practices which the businesses will adhere to in the treatment of affected employees during the restructure process;
- Appropriate and fair treatment of employees during the merger process including an avenue for employees to resolve disputes arising from the transfer;
- Consistent set of parameters to be used by the businesses to assist in making the merger process as seamless and as efficient as possible; and
- Basis for 'modelling' best practice change management practices.

These transition principles are in addition to prevailing provisions contained in enterprise agreements.

Energy Queensland and industry unions recognise the benefits of regular discussion and consultation and are committed to reviewing the existing consultative committee structures to develop an appropriate framework for consultation across the Energy Queensland business by 30 June 2017.

Enterprise Agreements

The existing enterprise agreements will continue in force after their nominal expiry date until such time as they are replaced or terminated by law.

Key features of the current enterprise agreements include:

- Employment Security provisions (i.e. no forced retrenchments);
- 3% per annum pay increases (EEQ enterprise agreement provides a 2.75% per annum pay increase);
- Applicable allowances indexed by annual wage increase each year;
- Employee and union consultation provisions;
- Union Delegate Rights and Responsibilities clauses; and
- Provisions surrounding Use of Contractors (for core electrical work in the EUCA and EEUCA).

With the exception of the EEQ enterprise agreement, all other enterprise agreements were approved in accordance with current GOC Wages Policy 2015.

Ergon Energy has an Memorandum of Understanding with the Services Union and Professionals Australia to align core terms (e.g. employment security, consultation) of the EEQ enterprise agreement with that of EEUCA.

Redundancy Provisions

The following redundancy and retrenchment provisions are common to all four (4) Enterprise Agreements currently in use at Energy Queensland:

- ‘No forced retrenchment’ for employees provided they do not unreasonably refuse redeployment to suitable alternative employment within a fifty (50) kilometre radius of their original location;
- Salary maintenance at the employee’s base rate of pay while they remain in their redeployed position;
- Commitment to take all reasonable steps to determine what suitable alternative employment exists within the business;
- An ex-gratia retrenchment payment of three (3) weeks per year of service, together with a proportionate amount for an incomplete year of service. The minimum and maximum retrenchment payment will be four (4) weeks and seventy five (75) weeks respectively;
- Annual Leave: Payment for annual leave includes an employee’s accumulated balance as well as the pro-rata balance. Pro-rata annual leave is paid to the date of termination; and
- Long Service Leave: A long service leave payment of 1.3 weeks for each completed year of service will be made.

For all Enterprise Agreements other than the EUCA 2015, employees may also be eligible for an Early Separation Incentive Payment (ESIP) of 13 weeks’ pay where applicable. Approval of ESIP is at the discretion of Ergon Energy. Employees must apply for ESIP within 14 days of notification and their employment must terminate within 14 days of receipt of approval of an ESIP application.

Employees employed under the terms of the EUCA 2015 may be eligible for a Separation Date Incentive Payment (SDIP) of 13 weeks’ pay, where applicable and at Energex’s discretion.

Future Bargaining

The “Staff Transition Principles” agreed through the IRCG commit the parties to commence discussions in relation to future enterprise agreement arrangements for Energy Queensland by 1 April 2017. Any commencement of formal negotiations will be in accordance with the planning and approval requirements of the Government Owned Corporations - Wages and Industrial Relations Policy (2015).

It is proposed that the four existing Enterprise Agreements will be replaced prior to their respective nominal expiry dates through the abovementioned discussions and negotiations for Energy Queensland enterprise agreement arrangements.

Other Employment Conditions

Energex Enterprise Agreement employees

Employees who are covered by the EUCA 2015 may, at the absolute discretion of Energex and subject to the achievement of earnings before interest and tax (EBIT) business targets, participate in an annual performance pay plan.

The size of the total pool available for distribution each year is determined by the CEO, however, will not exceed the maximum pool of 6% of participating employee salaries. While the size of the pool is primarily driven by the achievement of business and stretch targets, the CEO applies a level of judgement and discretion in an assessment of the results.

The aggregate pool is distributed proportionately amongst eligible employees.

Ergon Energy Enterprise Agreement employees

Employees who are covered by the EEUCA 2015 conditions do not have access to performance pay unless employed under the Individual Employment Arrangement (IEA) provisions. The IEA provides eligibility for the Ergon Energy At-risk Scheme of up to 10% of salary, which is subject to achievement of corporate gateway KPIs and individual performance targets being met (the same At-risk scheme criteria that is applied to above Enterprise Agreement employees).

SPARQ Solutions Collective Agreement employees

Employees who are covered by the SS EUA 2016 may, at the absolute discretion of SPARQ Solutions and subject to the achievement of business targets, participate in an annual performance pay plan.

The size of the total Performance Pay pool available for distribution each year is up to a maximum of 6% of all participating employee's eligible salaries. The size of the pool is at the absolute discretion of SPARQ Solutions and is primarily based on performance against a range of financial and non-financial KPIs.

The aggregate pool is distributed amongst eligible employees having regard to employee performance during the period.

Consistent with Ergon Energy, SPARQ Solutions also has a small number of employees employed under IEA provisions who are also eligible to participate in an At-risk Scheme of up to 10% of salary, subject to the achievement of corporate KPIs and individual performance targets being met.

Above Enterprise Agreement employees

Employees employed under a common law contract arrangement that is outside the coverage of an Enterprise Agreement at Energex, Ergon Energy and SPARQ Solutions have the ability to receive a maximum performance payment of 15% of salary. Performance is assessed relative to pre-determined objectives using a balanced scorecard system, with measures that are directly or indirectly linked to each organisation's SCI and achievement of business and stretch targets.

Superannuation

All Energy Queensland employees other than those employed under the EEUCA 2015 can elect to choose a complying superannuation fund other than the default fund (operated by Energy Super). Energy Queensland subsidiaries contribute the Superannuation Guarantee (SG) of 9.5% of the employee's ordinary time earnings for those who are members of the Defined Contribution section of Energy Super and all other funds of choice.

Energy Queensland subsidiaries also offer an increase of employer superannuation contribution if an employee elects to make a minimum voluntary contribution of 5% from their salary (capped at 10% employer contribution for Energex employees). The SG rate is currently legislated to increase to 10% on 30 June 2021 and then increase by 0.5% each year until it reaches 12% on 1 July 2025.

The Defined Benefit funds are now closed to new employees across Energy Queensland and its subsidiaries (i.e. all new employees join the Defined Contribution part of the Fund).

At 31 December 2016, Energy Queensland FTE numbers in each Superannuation Fund are listed below:

Business	Energy Queensland	Energex	Ergon Energy	SPARQ Solutions	Total
Energy Super Defined Contribution Fund	6.0	2,145.4	3,262.2	235.0	5,648.6
Energy Super Defined Benefit Fund	1.0	549.7	703.3	56.3	1,310.3
QSuper Defined Benefit Fund	0.0	1.0	0.0	0.0	1.0
Other – own choice of fund	2.0	202.9	38.0	22.6	265.5
Total	**9.0**	**2,899.0**	**4,003.5**	**313.9**	**7,225.4**

Types of Employment

At 31 December 2016, Energy Queensland FTE numbers in each Employment Category are listed below:

Employment Category	Energy Queensland	Energex	Ergon Energy	SPARQ Solutions	Total
Permanent Employees	2.0	2,616.7	3,596.7[10]	304.9	6,520.3
Fixed Term Employees[11]	0.0	96.3	122.3	4.0	222.6
Senior Executive Contract	7.0	2.0	2.0	5.0	16.0
Apprentices (In House)	0.0	183.0	218.0	0.0	401.0
Trainees (In House)	0.0	0.0	17.0	0.0	17.0
Casual Employees	0.0	1.0	47.5	0.0	48.5
Total Directly Employed Workforce	**9.0**	**2,899.0**[12]	**4,003.5**[13]	**313.9**[14]	**7,225.4**
External labour hire[15]	6.0	105.0	45.0	106.0	262.0
s457 Temporary Visa (excluded from total)[16]	0.0	0.0	1.0	0.0	N/A
Total Workforce	**15.0**	**3,004.0**	**4,048.5**	**419.9**	**7,487.4**

Use of Contractors

Energy Queensland and its subsidiaries utilise external resources to support the permanent labour force in the completion of core work. The use of contractors is subject to the following guidelines as specified within the various applicable enterprise agreements for Energy Queensland subsidiary businesses:

- The work volume is beyond the capacity of the resources or staff;
- The type of work or specialisation required is beyond the capacity of the resources or staff;
- It is in the public interest to undertake such work. Public interest includes issues of cost effectiveness;
- The security and tenure of employment of additional staff required to meet work peaks cannot be guaranteed;

10 Includes Sponsored Apprentices (22 Sponsored Apprentices are included in this figure).

11. Includes all fixed-term employees and Vacation Students.

12. Total includes 70.1 FTE deemed to be inactive due to employee absence exceeding 3 months in duration.

13. Total includes 93.2 FTE deemed to be inactive due to employee absence exceeding 3 months in duration.

14. Total includes 2.0 FTE deemed to be inactive due to employee absence exceeding 3 months in duration.

15. Includes labour hire and professional services contractors. Core tendered contractors are excluded due seasonal fluctuations in utilisation. Work assigned to external contractors is in accordance with Section 6 and long-term trends indicate that utilisation is trending downwards.

16. S457 Temporary Visa employees are included in one of the Total Directly Employed Workforce categories and they are on a temporary visa while their permanent residency visas are being processed.

- Energy Queensland and its subsidiaries do not intend to utilise contractors to reduce its commitment to training of permanent employees, or merely to avoid increases in the permanent workforce;
- The use of contractors is not to be exercised to avoid training for existing staff or employing new staff to cater for emerging areas of work. “Emerging areas of work” does not include one off works or temporary work peaks; and
- Consultation is undertaken with relevant unions in accordance with the requirements of the enterprise agreements.

Energy Queensland and its subsidiaries have contractual processes in place to ensure compliance with licensing requirements, qualifications requirement in accordance with Government specifications and the contract tendering and award process complies with the Competition and Consumer Act 2010 (Commonwealth) and the Building and Construction Industry Improvement Act 2005. Auditing processes are undertaken where required.

Workplace Health and Safety

There is no greater priority than safety and it remains a key value. As the owner of the electricity network across the entire state, Energy Queensland needs to ensure its employees, customers and communities stay safe. Energy Queensland is committed to creating a positive safety culture for its employees, customers and community, where health and safety is integrated into everything it does.

Energy Queensland wants to stand with the best when it comes to safety performance in Australia, but acknowledges that the safety journey is a continuous one – it’s critical in times of change that the business continues to understand and manage risk, and strive for continual improvement.This includes community safety and raising awareness about how to live safely with electricity – at home, at work and in public spaces.

Consultation

The Energy Queensland E&IR Plan is developed in accordance with the terms of section 149 of the Government Owned Corporations Act 1993, in that consultation has occurred with Industry Unions; Shareholder & Structural Policy Division, Queensland Treasury; Office of Industrial Relations, Queensland Treasury; and the Department of Premier and Cabinet.

6.3 Attachment 3 – Large projects with a total escalated cost over $2M scheduled to be completed in 2017/18

The key projects for 2017/18 listed in the table below include all specific capital works projects with:

- A total escalated cost of $2M or more; and
- A forecast commissioning date within the coming financial year - this is a date by which the works are complete, except for minor omissions or defects which do not prevent the works from being reasonably capable of being used for their intended purpose.

This list excludes infrastructure or customer driven projects, as these projects are subject to changing customer requirements and other outside influences. Detailed information regarding these projects is available in Energex's/Ergon's Distribution Annual Planning Report, which covers a rolling five year planning cycle.

Ergon/ Energex	Project Description	Approved ($M)	Commissioning Date
Energex	Replace transformers & 33kV circuit breakers at Nudgee Zone Substation	9.8	Jan-18
Energex	Replace Overhead Earthwire between South Pine and Hays Inlet	4.5	Oct-17
Energex	Replace 11kV Circuit Breakers at Strathpine Zone Substation	3.8	Mar-18
Energex	Replace 11kV Circuit Breakers at Bromelton Zone Substation	2.7	Feb-18
Ergon	Mobile and Embedded generator expansion to meet safety net customer restoration times	7.2	Jun-18
Ergon	Network capacity monitoring and risk management improvements	4.7	Dec-17
Ergon	Safety and Risk Replacements of Substation Protection Relays	2.6	Jun-18
Ergon	Upgrade of key Kamerunga 22kV feeder exit cables	3.0	Jun-18
Ergon	Replace Gen Sets - Murray Island and Aurukun	2.2	Apr-18
Ergon	Multi Card Operated Meters	3.9	Apr-18
Ergon	Isolated Sites SCADA & Comms Upgrade	4.8	Dec-17

6.4 Attachment 4 - Sponsorship, advertising, corporate entertainment, donations and other activities

Summary of Advertising, Community Support, Corporate Entertainment, Donations and Other Related Activities

Activity	2016-17 Estimated Actuals ($)	2017-18 Budget
Advertising (And Other Marketing Channels)	5,281,494	5,071,800
Community Support - Partnership Programmes	1,389,513	1,422,490
Corporate Entertainment	232,812	207,920
Other Related Activities	89,357	88,450
TOTAL[1]	**6,993,176**	**6,790,660**

1. Advertising, Community Support, Corporate Entertainment and Other Related activities represent consolidated Ergon Energy and Energex initiatives and budgets which are still being reviewed to ensure alignment with the Energy Queensland vision.

Advertising

Activity	2016-17 Estimated Actuals ($)	2017-18 Budget
Distribution over $5,000		
Community and High Risk Safety Campaigns	2,860,000	2,935,000
General Customer Engagement	190,000	200,000
Other Marketing Activities[2]	870,000	719,000
Retail over $5,000		
General Customer Engagement - Retail	435,644	320,500
Product and Services Marketing	666,743	693,600
Leveraging the Community Partnership Program - Retail	259,107	203,700
TOTAL ADVERTISING	**5,281,494**	**5,071,800**

2. Other Marketing Activities includes the following Energex advertising activities not reported under safety campaigns - Business Media Support costs ($42.5k); Brand Development ($184.5k); Advertising Campaign Talent Maintenance ($60k); and Residential Demand Mgt ($220k) and Ergon Energy Nexium Telecommunications activities ($62k) and Ergon Energy Solutions Marketing Development ($30k).

Community Support

Activity	2016-17 Estimated Actuals ($)	2017-18 Budget
Distribution over $5,000		
Local Government Community Support	35,000	35,000
Queensland State Emergency Services	150,000	150,000
Queensland Rural Fire Service	75,000	75,000
Queensland Museum	200,000	220,000
Queensland Ballet	30,000	30,000
Queensland Theatre Company	50,000	50,000
Royal National & Agricultural Assoc. of Qld	130,000	0
Queensland Museum - World Science Festival	50,000	0
QUT Scholarship	58,500	58,500
UQ Scholarship & Women in Engineering	40,000	34,500
Carnival of Flowers	50,000	20,000
PA Research Foundation	100,000	0
CEDA Event	6,500	6,500
Unallocated Funds3	97,500	217,990
Distribution under $5,000		
Community Fund[3]	137,013	200,000
Local Community Investment Plans[3]	120,000	230,000
Retail over $5,000		
QUT Business Leaders Forum	30,000	30,000
RFDS Local Heroes Award 2018	0	30,000
Unallocated funds	30,000	35,000
TOTAL COMMUNITY SUPPORT	**1,389,513**	**1,422,490**

Corporate Entertainment

Activity	2016-17 Estimated Actuals ($)	2017-18 Budget
Customer Care Excellence Awards	7,311	8,000
Apprenticeship Awards	8,000	12,500
Supplier Awards	5,000	5,000
Staff Recognition - 25 years of service	5,000	6,500
Other Entertainment below $5k	207,501	175,920
TOTAL CORPORATE ENTERTAINMENT	**232,812**	**207,920**

Donations and other related activities

Activity	2016-17 Estimated Actuals ($)	2017-18 Budget
Distribution over $5,000		
Townsville Enterprise Membership	34,091	33,000
Capricorn Enterprise Membership	20,000	20,000
Mt Isa to Townsville Economic Development Zone Inc.	7,500	7,500
CEDA Corporate Membership	6,450	6,450
Clean Energy Council Membership	13,500	13,500
Distribution under $5,000		
Other Community Memberships below $5k	7,816	8,000
TOTAL OTHER RELATED ACTIVITIES	**89,357**	**88,450**

6.5 Attachment 5 - Weighted average cost of capital calculations

Energy Queensland's weighted average cost of capital (WACC) calculations is based on the Government Owned Corporations – Cost of Capital Principles (2006).

Energy Queensland will apply a separate WACC calculated for each key business activity with different risk profiles. The WACC method establishes rates that are applied to nominal cash flows and are used for project evaluation purposes.

The WACC for the electricity network businesses relates to investments under the National Electricity Regulation framework and is outlined in the WACC calculations below.

WACC calculations

Financial Impact ($M)	2015-20 Regulatory control period - final determination [1]	2016-17 Regulatory WACC[2]	2017-18 Regulatory WACC[2]
Vanilla WACC	**6.01%**	**6.04%**	**6.04%**
Cost of debt (pre-tax)			
Cost of debt (Kd)	**5.01%**	**5.06%**	**5.07%**
Cost of Equity (post tax)			
- Risk free rate (Rf)	2.95%	2.95%	2.95%
- Market risk premium	6.50%	6.50%	6.50%
- Equity beta	0.70	0.70	0.70
- Gamma	0.40	0.40	0.40
Cost of Equity (Ke) (nominal post tax)	**7.50%**	**7.50%**	**7.50%**
Corporate Tax Rate (T)	**30.00%**	**30.00%**	**30.00%**
Capital Structure			
- % debt	60%	60%	60%
- % equity	40%	40%	40%

1. WACC is based on the AER Final Determination.
2. WACC reflects the return on equity as allowed in the AER Final Determination, updated for the annual return on debt as prescribed by the AER.

Capital asset pricing model

The Capital Asset Pricing Model is used to calculate the cost of equity as follows.

$Ke = Rf + \beta e \ x \ MRP$

Where: Ke = Required rate of return on equity.

Rf = Required rate of return on a risk free investment.

MRP = Market risk premium.

βe = Equity beta (correlation between the asset's risk and overall market risk).

6.6 Attachment 6 – Glossary of Terms

Abbreviation	Description
ACS	Alternative Control Services
AER	Australian Energy Regulator
ARR	Annual Revenue Requirement
BAU	Business as Usual
CAM	Cost Allocation Methodology
CAPEX	Capital Expenditure
CIS	Customer Information System
CNF	Competitive Neutrality Fee
CP	Corporate Plan
CPI	Consumer Price Index
CSO	Community Service Obligations
DER	Distributed Energy Resources
DUOS	Distribution Use of System
E&IR	Employment and Industrial Relations
EECL	Ergon Energy Corporation Limited
EEUCA	Ergon Energy Union Collective Agreement
EQL	Energy Queensland Limited
EUCA	Energex Union Collective Agreement
FiT	Feed-in Tariff
FTE	Full Time Equivalent
GOC Act	*Government Owned Corporations Act 1993 (Qld)*
ICT	Information and Communications Technology
KRA	Key Result Area
LTIFR	Lost Time Injury Frequency Rate
MSS	Minimum Service Standards
NECF	National Energy Customer Framework
NEM	National Electricity Market
NPAT	Net Profit After Tax

Abbreviation	Description
OPEX	Operating Expenditure
PoC	Power of Choice
PoW	Program of Work
RAB	Regulated Asset Base
ROA	Return on Assets
ROCE	Return on Capital Employed
SCI	Statement of Corporate Intent
SCS	Standard Control Services
SEQ	South East Queensland
Totex	Total Expenditure
WACC	Weighted Average Cost of Capital