Network hit hard with five severe storms in seven consecutive days during January and another in March. Projects ‘January’ and ‘369’ are implemented to achieve fast recovery of the brand and network. Somerville Inquiry established following the severe network disruption.

SPARQ Solutions formed to provide information technology services to Energex and Ergon Energy. Preliminary work begins in July for the CityGrid Project the largest single capital works project to date. In partnership with Powerlink Queensland, the project is a combination of new and upgrade work on Energex’s substations and high voltage electricity network, supplying the CBD. Works are complete by late 2006.

1997
SEQEB changes its trading name to ‘Energex.’ Industry reforms split network and retail businesses. Energex’s vision is to be Asia Pacific’s first choice in energy.

1998
Allgas Energy Ltd is acquired by Energex.

1999
Energex’s operations include Victoria, New Zealand, Hong Kong and significant progress in China, Indonesia and Malaysia. Energex launches a new ‘internet’ site which offers comprehensive safety, energy efficiency, environmental and employment opportunities information.

2000
Energex is the first company to recommit to Federal Government’s Greenhouse Challenge 2000-2005.

2001
The first Australian company to develop a specific program to enact the regulations stemming from the Federal Government’s Renewal Energy (Electricity) Act 2000 with Solar Certificates Program.

2002
Energex modernises the network operations and data capture system with enhancements to Distribution Management System (DMS).

2003
Energex’s network assets are now available on a geographic information system, ‘EnerGISe,’ and is available to all staff.

2004
Energex introduces the tagline ‘Positive Energy.’

2005
Service Essentials Pty Ltd is established, a joint venture between Energex and Ergon Energy, delivering cost effective transaction services for retail operations.

2006
More than 150 staff, along with 52 trucks and 16 large mobile generators, are sent to assist with power restoration following Cyclone Larry.

OUR VISION
BE THE PREFERRED SUPPLIER OF CONNECTED ELECTRICITY SERVICES.

OUR PURPOSE
DELIVER CHOICE AND AFFORDABILITY TO MEET OUR CUSTOMERS’ EVOLVING ENERGY NEEDS.

OUR VALUES

PUT SAFETY FIRST
Think safe, work safe, home safe. We are committed to achieving an injury free workplace.

DELIVER ON OUR CUSTOMER PROMISE
We are clear in what we promise customers and we deliver on our promise.

BE A TEAM PLAYER
We operate as a team and leverage and learn from each other.

DELIVER BALANCED RESULTS
We are passionate and disciplined about achieving our performance targets. We deliver sustainable performance.

RESPECT AND SUPPORT EACH OTHER
We value each other’s views. Together, we create success.

SET A GREAT EXAMPLE
We live our corporate values every day, encourage people to grow and make changes for the better.

Our values are the foundation for our everyday success
State Government announces Solar Bonus Scheme which pays households for generating and contributing solar power to the grid. A record number of new connections is made in February with over 300 connections in one day and more than 74,000 additions for the year.

Joint Workings Program established with Ergon Energy, creating efficiencies and reduce investment duplication.

November storms affect more than 230,000 customers. Ninety per cent of customers have supply restored within 24 hours.

Energex’s Cool Change Project begins and is one of a number of coordinated initiatives developed in a bid to reduce peak electricity demand across South East Queensland.

Flash flooding in May leaves 75,000 homes and businesses without power. Crews work through the night to restore power. A week later more than 32 Energex crews help New South Wales electricity network owner, Country Energy, with storm damage repairs in Northern New South Wales.

Major floods in South East Queensland. Brisbane city power supply shut down until waters recede. The Community and Sustainability Fund is launched, generated from recycled materials. More than 250 groups benefit and $600,000 of funds distributed.

Ex-tropical Cyclone Oswald impacts 40 per cent of the network. Energex and Ergon Energy crews work shoulder to shoulder restoring power.

Battery Energy Storage System trial begins at Energex Esitrain, Rocklea.

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Battery Energy Storage System trial begins at Energex Esitrain, Rocklea.

Our core role is to provide the necessary infrastructure to safely deliver a reliable electricity supply to almost 1.4 million homes and businesses.

We provide a service for more than 310,000 solar photovoltaic (PV) connections which allows customers to sell electricity to the market. We also deliver electricity to a population base of around 3.4 million people via more than 53,000km of overhead and underground power supplies with assets worth more than $12 billion.

Our network spans approximately 25,000 square kilometres across South East Queensland.
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- Chairman’s review
- Board profiles

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- Corporate Governance Principles
- Acting Chief Executive Officer’s report

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- Financial Performance
- Operational Excellence
- Network Performance
- People
- Customers
- Community
- Environment

## ADDITIONAL CORPORATE REPORTING

## GLOSSARY AND ABBREVIATIONS
2015/16 HIGHLIGHTS

- Developed a new Customer Strategy based on customer principles that recognises the customer driven nature of our business
- Launched a battery trial at our Esitrain Facility to better understand the connection of battery storage to our network and provide our customers with choice in their energy consumption decisions
- Welcomed 59 new apprentices into our apprenticeship program to complete technical training at our Esitrain Facility at Rocklea

- Established our Joint Market Transaction Centre bringing together Energex and Ergon’s market data, metering and billing services
- Achieved a Community Regard Index of 67.3 and Service Performance Index of 85.4
- We planted more than 35,300 trees as part of our Environmental Offset Strategy

- The expansion of Energex’s underground network continued with 17,867km of cable now in place, meaning more than a third of our network is underground
- During 2015/16 the 300,000th solar PV system was connected to our network – the highest of any supplier in Australia. A total of 20,071 systems connected during 2015/16
- We launched our first state wide community support partnership of the State Emergency Service (SES) in conjunction with Ergon Energy and Powerlink

- The 2020 Safety Strategy was launched, while approximately 1,500 staff attended the Leading Safety Program
- Joined other Australian electricity businesses in supporting the Fiji Electricity Authority with vital equipment following Tropical Cyclone Winston
- 34,489 new customers were connected to the South East Queensland electricity grid – one of the highest increases on record
## FIVE YEAR SUMMARY

### Profit and Loss ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total revenue</th>
<th>Materials and consumables</th>
<th>Solar photovoltaic feed-in tariff expense</th>
<th>Transmission use of system charges</th>
<th>Employee expenses</th>
<th>Termination benefits</th>
<th>Depreciation, amortisation and impairment</th>
<th>Contractors and consultants</th>
<th>Borrowing costs</th>
<th>Other operating expenses</th>
<th>Total operating expenses</th>
<th>Operating profit before income tax</th>
<th>Income tax equivalent</th>
<th>Operating profit after tax (OPAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,739</td>
<td>(48)</td>
<td>(74)</td>
<td>(390)</td>
<td>(198)</td>
<td>(10)</td>
<td>(329)</td>
<td>(183)</td>
<td>(323)</td>
<td>(42)</td>
<td>(1,597)</td>
<td>142</td>
<td>(42)</td>
<td>100</td>
</tr>
<tr>
<td>2013</td>
<td>1,951</td>
<td>(50)</td>
<td>(167)</td>
<td>(394)</td>
<td>(203)</td>
<td>(51)</td>
<td>(365)</td>
<td>(119)</td>
<td>(366)</td>
<td>(57)</td>
<td>(1,772)</td>
<td>179</td>
<td>(54)</td>
<td>125</td>
</tr>
<tr>
<td>2014</td>
<td>2,248</td>
<td>(51)</td>
<td>(227)</td>
<td>(404)</td>
<td>(199)</td>
<td>(18)</td>
<td>(385)</td>
<td>(135)</td>
<td>(400)</td>
<td>(52)</td>
<td>(1,871)</td>
<td>377</td>
<td>(111)</td>
<td>266</td>
</tr>
<tr>
<td>2015</td>
<td>2,575</td>
<td>(63)</td>
<td>(204)</td>
<td>(388)</td>
<td>(205)</td>
<td>(26)</td>
<td>(444)</td>
<td>(136)</td>
<td>(400)</td>
<td>(52)</td>
<td>(1,842)</td>
<td>737</td>
<td>(221)</td>
<td>512</td>
</tr>
<tr>
<td>2016</td>
<td>2,572</td>
<td>(64)</td>
<td>(187)</td>
<td>(434)</td>
<td>(220)</td>
<td>(10)</td>
<td>(435)</td>
<td>(135)</td>
<td>(326)</td>
<td>(50)</td>
<td>(1,851)</td>
<td>721</td>
<td>(220)</td>
<td>501</td>
</tr>
</tbody>
</table>

### Balance Sheet ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total assets</th>
<th>Total debt</th>
<th>Total shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10,787</td>
<td>5,465</td>
<td>2,954</td>
</tr>
<tr>
<td>2013</td>
<td>11,359</td>
<td>6,001</td>
<td>2,946</td>
</tr>
<tr>
<td>2014</td>
<td>12,388</td>
<td>6,465</td>
<td>3,193</td>
</tr>
<tr>
<td>2015</td>
<td>12,475</td>
<td>6,811</td>
<td>2,073</td>
</tr>
<tr>
<td>2016</td>
<td>12,452</td>
<td>-</td>
<td>10,291</td>
</tr>
</tbody>
</table>

### Capital Expenditure ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate initiated augmentation</th>
<th>Asset replacement</th>
<th>Customer initiated capital works</th>
<th>Other</th>
<th>Total Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>422</td>
<td>191</td>
<td>184</td>
<td>198</td>
<td>995</td>
</tr>
<tr>
<td>2013</td>
<td>340</td>
<td>245</td>
<td>184</td>
<td>226</td>
<td>995</td>
</tr>
<tr>
<td>2014</td>
<td>307</td>
<td>257</td>
<td>184</td>
<td>226</td>
<td>995</td>
</tr>
<tr>
<td>2015</td>
<td>307</td>
<td>277</td>
<td>184</td>
<td>226</td>
<td>995</td>
</tr>
<tr>
<td>2016</td>
<td>277</td>
<td>277</td>
<td>184</td>
<td>226</td>
<td>995</td>
</tr>
</tbody>
</table>

### Share Information

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends ($M)</th>
<th>Dividends per share (¢)</th>
<th>Dividends/Net profit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>226</td>
<td>33.6</td>
<td>51.5</td>
</tr>
<tr>
<td>2013</td>
<td>294</td>
<td>406</td>
<td>451</td>
</tr>
<tr>
<td>2014</td>
<td>406</td>
<td>406</td>
<td>58.5</td>
</tr>
<tr>
<td>2015</td>
<td>406</td>
<td>406</td>
<td>58.5</td>
</tr>
<tr>
<td>2016</td>
<td>406</td>
<td>406</td>
<td>58.5</td>
</tr>
</tbody>
</table>

### Ratios

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings per share (¢)</th>
<th>Return on average shareholders' equity (%)</th>
<th>Debt/(Debt + Equity) (%)</th>
<th>Return on average total assets (%)</th>
<th>Current ratio (%)</th>
<th>EBITDA interest cover (times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11.4</td>
<td>3.4</td>
<td>64.9</td>
<td>4.5</td>
<td>112.1</td>
<td>2.3</td>
</tr>
<tr>
<td>2013</td>
<td>14.3</td>
<td>4.2</td>
<td>67.1</td>
<td>4.9</td>
<td>112.1</td>
<td>2.3</td>
</tr>
<tr>
<td>2014</td>
<td>30.3</td>
<td>8.7</td>
<td>66.9</td>
<td>6.5</td>
<td>112.1</td>
<td>2.3</td>
</tr>
<tr>
<td>2015</td>
<td>30.3</td>
<td>19.4</td>
<td>76.7</td>
<td>8.5</td>
<td>112.1</td>
<td>2.3</td>
</tr>
<tr>
<td>2016</td>
<td>58.5</td>
<td>8.1</td>
<td>-</td>
<td>8.3</td>
<td>112.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

1. Historical results and ratios were restated to reflect a change in the revenue recognition policy related to regulated revenue. OPAT as published in the respective years under the historical revenue recognition policy was 2012 - $282 million; 2013 - $351 million; 2014 - $508 million.
2. Adjusted for total Depreciation, Amortisation and Impairment
3. Pursuant to the Government Owned Corporations (Energy Consolidation) Regulation 2015, company debt was transferred to the State
4. The 2015 dividend includes an additional $783 million declared from retained earnings and reserves
5. OPAT / Average of Opening and Closing Shareholders’ Equity
6. EBIT / Average of Opening and Closing Total Assets
7. Current Ratio = Current Assets / Current Liabilities
8. EBITDA / (Borrowing Costs + Capitalised Interest)
### Performance targets and outcomes for 2015/16

<table>
<thead>
<tr>
<th>KEY RESULT AREA (KRA)</th>
<th>KEY PERFORMANCE INDICATOR (KPI)</th>
<th>ACTUAL PERFORMANCE</th>
<th>TARGET PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve top quartile</td>
<td>Lost Time Injury Frequency Rate (LTIFR)</td>
<td>4.59</td>
<td>&lt;2.00</td>
</tr>
<tr>
<td>performance against peers</td>
<td>Total Recordable Injury Frequency Rate (TRIFR)</td>
<td>22.58</td>
<td>&lt;20</td>
</tr>
<tr>
<td>and an injury free workplace</td>
<td>Potential High Consequence Events Actioned (People)</td>
<td>100%</td>
<td>&gt;95%</td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliver a sustainable financial position</td>
<td>Operating Profit after Tax (OPAT)</td>
<td>$500.7M</td>
<td>&gt;$421.2M</td>
</tr>
<tr>
<td>Return on Assets (ROA)¹</td>
<td>8.3%</td>
<td>&gt;7.4%</td>
<td></td>
</tr>
<tr>
<td>SCS OPEX²</td>
<td>$327.2M</td>
<td>&lt;$346.0M</td>
<td></td>
</tr>
<tr>
<td>SCS CAPEX³</td>
<td>$552.9M</td>
<td>$591.3M (± 5%)</td>
<td></td>
</tr>
<tr>
<td><strong>Operational Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliver the Program of Work (PoW) cost effectively and optimise programs to meet customer and business requirements</td>
<td>Operating Efficiency Index⁴</td>
<td>29.1</td>
<td>&lt;30.6</td>
</tr>
<tr>
<td>PoW Delivery Index</td>
<td>98%</td>
<td>&gt;90%</td>
<td></td>
</tr>
<tr>
<td><strong>Network Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operate the network effectively to meet required performance standards</td>
<td>Minimum Service Standards (MSS)</td>
<td>Favourable Performance</td>
<td>Favourable Performance</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Be an employer committed to performance leadership providing a safe workplace and an engaged workforce</td>
<td>Employee Engagement Index⁵</td>
<td>Achieved</td>
<td>Achieved targeted staff survey results</td>
</tr>
<tr>
<td><strong>Customer and Community</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliver quality services to our customers and positively engage with our community</td>
<td>Service Performance Index⁶</td>
<td>85%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>Community Regard Index⁷</td>
<td>67%</td>
<td>&gt;63%</td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliver a sustainable environment position</td>
<td>Environment Operations Plan</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

¹ Return on Assets (RoA) reflects EBIT divided by the average closing balance of total assets.

² SCS OPEX includes operating expenditure related to the program of work, levies and support costs related to Standard Control Services (SCS). It excludes debt raising costs which are included in the regulatory allowance.

³ The SCS CAPEX target is a range of 5% reflecting the natural variance in timing of expenditure for multi-year projects.

⁴ This measures total SCS expenditure relative to both Energex’s regulated asset base and customer density i.e. Efficiency Index = (SCS Totex ÷ SCS RAB) x 10,000 (No. customers ÷ Network line length).

⁵ Reflects workforce alignment to business direction.

⁶ Based on an independent and random telephone customer survey on recent service interactions with Energex which measures service performance standards (Initial Contact and Delivery of Service). Represented as an index score out of 100.

⁷ Based on an independent survey of customers’ perceptions on whether Energex plays a sustainable part in the community e.g. ethical business dealings, public confidence, community education, environmentally.
CHAIRMAN’S REVIEW

THE 2015/16 YEAR, ENERGEX’S LAST AS A STANDALONE GOVERNMENT OWNED CORPORATION (GOC) PRIOR TO THE MERGER WITH ERGON ENERGY TO FORM ENERGY QUEENSLAND, WAS MARKED BY THE DELIVERY OF OUTSTANDING FINANCIAL AND NETWORK PERFORMANCE RESULTS.

Today’s challenge for electricity network businesses is to continue delivering the basics of safe, reliable, cost-effective services, whilst at the same time transforming the business to be able to sustainably provide the flexible connectivity which underpins the emerging environment of new technology, customer-focused energy solutions. Our company has performed very well on both those fronts.

The growing population of homes and businesses in South East Queensland has continued to benefit from the highly reliable network which results from Energex meeting or exceeding the stringent targets for network performance. Our performance against the national incentive-based network targets was notably strong.

And whilst this year was free of high consequence safety incidents and we met almost all of our key safety targets, the whole of year performance against one measure unfortunately drifted above target at the very end of the financial year. Better safety performance is a priority, front-of-mind improvement opportunity for the coming years.

The well above-target financial performance enabled Energex to pay a higher than expected dividend to the Queensland Government, whilst maintaining the underlying financial strength of the business.

The continuing high levels of adoption of rooftop solar PV systems by South East Queensland households and businesses – now totalling some 310,000 connections in our region alone – together with the imminent arrival of economic battery storage systems is re-defining the future role of the distribution network. And we have been transforming our business accordingly.

Whilst proactive demand management has long been an important tool in our management of summer peak demands on our network, the scale and market penetration of our solutions has been growing solidly – with 730,000 customers participating in one or more of our technically innovative solutions.

We have commenced an extensive trial into home energy storage, utilising batteries and technologically advanced control systems from a number of highly regarded international suppliers.
At the centre of all these achievements is a very capable, dedicated and engaged workforce – the people of Energex continue to deliver both the traditional customer expectations of a highly reliable and safe electricity supply (including the safe and timely restoration of that supply following storm events and the like), and meet the challenges of the transformation to providing the connectedness and new solutions which provide the foundation for customer-focused energy distribution.

The Energex Board is very proud of your achievements, and very confident of your ability to succeed in the new merged corporate structure of Energy Queensland.

I would like to acknowledge the significant contributions of our directors and the very capable executive management team in providing the strong governance and insightful leadership upon which our business success depends. In a year of considerable change, I especially thank our long-standing directors John Geldard, Peter Arnison, and Kerryn Newton for their valuable guidance, and deep commitment to Energex’s success over the past decade.

Finally, on behalf of the Board, I acknowledge the outstanding contribution of CEO Terry Effeney over the past 10 years. Terry will be leaving Energex after his current short secondment as Interim CEO at Energy Queensland. Energex is a much better and more highly regarded business after 10 years of Terry’s leadership. It is indeed fitting that Terry’s final year at Energex is marked for posterity by the outstanding business results.

Gordon Jardine
Chairman, Energex Limited
THE ENERGEX BOARD PROVIDES STRATEGIC DIRECTION AND ENCOURAGES OUR PEOPLE TO PERFORM THEIR DUTIES IN AN ETHICAL AND RESPONSIBLE MANNER.

VANESSA SULLIVAN
ROBERT (BOB) SHEAD
Gordon Jardine was appointed to the Energex Board in May 2015 and was appointed Chairman of the Board, effective 1 October 2015. He is Chairman of the Network and Technical Committee and a member of the People Committee and the Regulatory Committee.

He is also the independent Chairman of ElectraNet Pty Limited, the private company which owns and operates the high voltage electricity transmission grid in South Australia, a position held since 2011. He has been an ElectraNet director almost continuously since 2000.

From 1995 to 2011, he was CEO of Powerlink Queensland, which owns and operates the high voltage electricity transmission grid in Queensland. During this period, he was seconded to Energex as CEO for 9 months in 2004/05.

Gordon spent his early career in the computer software industry, where he held a number of national and international roles, and in the mining industry in Queensland and Western Australia.

John Geldard was first appointed a non-executive Director of the Energex Limited Board in July 2005. He is Chairman of the Audit and Risk Committee and Chairman of the Regulatory Committee.

John has extensive experience within the private and public sectors in the manufacturing, mining and energy industries and has been involved with electricity industry reform in Queensland and Western Australia.

Previously, John has held executive positions at Energex, including Chief Executive Officer between March and December 2000, and Chief Financial Officer from July 1997 to April 2001. Prior to this, John served as the Chief Financial Officer for the Queensland Transmission and Supply Corporation.

John is a Director of Energy Super (formerly ESI Super), Gardior Ltd and is a previous Deputy Member of the Queensland Treasury Corporation Board.

Kerryn Newton first joined the Energex Limited Board in October 2008 and since that time has been a member of, and chaired, several of the Board Committees and has served as Chair of the Board. She is currently Chair of the People Committee, a member of the Audit and Risk Committee and a member of the Network and Technical Committee.

Kerryn was admitted as a solicitor of the Supreme Court of Queensland in 1991 and has over 25 years experience working in various legal, management and commercial roles in the private and public sectors, and as a consultant working across the private, government, publicly-listed, and not-for-profit sectors in an extensive range of industries.

Kerryn has also been a member, and Chair, of a wide range of boards and committees, and was a member of the former Queensland Liquor and Gaming Commission. Currently, Kerryn is Managing Director of a national governance consulting firm and advises a wide range of organisations in the areas of governance, strategy and management.
Robert (Bob) Shead – Director  
**BBus (Acctcy), MBA (Hons), FCPA**

Bob Shead was appointed as a non-executive Director of the Energex Limited Board on 1 October 2015. He is a member of the Network and Technical Committee and the Audit and Risk Committee.

Bob is a consultant specialising in public financial management and governance. He has 40 years’ experience in the public and private sectors in Australia and across the Asia-Pacific region. Bob is a retired partner at BDO (Qld), and an Asian Development Bank advisor to the People’s Republic of China.

Previously, he has been a World Bank and United Nations Development Program advisor, and chair of Forestry Plantations Queensland. Prior to 2000, Bob had a number of roles in the Queensland public sector, including at Queensland Treasury and the Queensland Audit Office.

Vanessa Sullivan – Director  
**BEc (Hons), Grad. Dip. Finance and Investment (SIA)**

Vanessa Sullivan was appointed as a non-executive Director of the Energex Limited Board on 1 October 2015. She is a member of the Audit and Risk Committee, the People Committee and the Regulatory Committee. Vanessa is a qualified economist with significant knowledge of the energy, carbon and water sectors and has been a senior member of water and energy reform teams.

Vanessa is currently a Partner at Lyon Infrastructure and her previous roles include Executive Director, Ernst & Young, where she was responsible for undertaking energy market analysis for both network and generation businesses, and financial and strategic assessment of climate change. Vanessa has valuable experience in the development of utility solar and energy storage projects, including the development of the Cook Shire Solar/Storage Project in Far North Queensland.

Vanessa Sullivan – Director  
**BEc (Hons), Grad. Dip. Finance and Investment (SIA)**

Vanessa Sullivan was appointed as a non-executive Director of the Energex Limited Board on 1 October 2015. She is a member of the Audit and Risk Committee, the People Committee and the Regulatory Committee. Vanessa is a qualified economist with significant knowledge of the energy, carbon and water sectors and has been a senior member of water and energy reform teams.

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Terry Effeney – Chief Executive Officer  
*(8 January 2007 - 29 June 2016)*

**BE (Hons), BEcon, MEng, FAICD, RPEQ, FIE Aust, FAIM**

Terry Effeney was appointed Chief Executive Officer of Energex in January 2007. Possessing extensive electricity industry experience, Terry held senior engineering and management roles within Ergon Energy and its predecessors prior to his Energex appointment.

Peter Weaver – Acting Chief Executive Officer *(Appointed 30 June 2016)*  
**BCom, MBA, FAICD**

Peter was announced as Acting Chief Executive Officer of Energex in June 2016. He joined Energex in 1998 with a key role of consolidating the Call Centre, Customer Accounts and Service Delivery sections in preparation for the opening of the commercial electricity market. His most recent role was as EGM Service Delivery in Energex, which he held since 2013. Prior to his career in the electricity industry, Peter spent 14 years at Ansett.

Michael Russell – Director Corporate Governance and Company Secretary  
**BE, MBA, Grad Dip AppCorpGov, GAICD, AGIA, MIEAust, CPEng**

Michael Russell joined the organisation when it was operating as SEQEB in 1984, and has held various engineering and management positions. His expertise in corporate governance has been developed through responsibilities that included the management of significant Energex investments in a listed telecommunications company and in a listed ceramic fuel cell development company.

Marnie White – Corporate Governance Manager and Company Secretary  
**LLB, BA, Grad Dip LP, Grad Dip App Corp Gov, AGIA, GAICD**

Marnie White was admitted as a solicitor in July 2000 and practiced in a national law firm before joining Energex as Legal Counsel Network in 2005. She was appointed as Secretariat and Governance Manager (Company Secretary) in December 2007 and became Corporate Governance Manager in 2011.

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**CORPORATE GOVERNANCE**

**FRAMEWORK AND ORGANISATIONAL STRUCTURE**

Framework and organisational structure

*This structure was in place until 30 June 2016 when the shares in Energex Limited were transferred to Energy Queensland Limited (EQL). EQL became a Government Owned Corporation with the two Shareholding Ministers listed on page 11. Energex Limited became a GOC subsidiary.*

^SPARQ Solutions Pty Ltd is a joint venture company, providing IT services to Energex and Ergon Energy Corporation Limited (Ergon).
CORPORATE GOVERNANCE PRINCIPLES

ENERGEX REPORTS AGAINST THE CORPORATE GOVERNANCE GUIDELINES FOR GOVERNMENT OWNED CORPORATIONS (THE GUIDELINES) ISSUED BY THE QUEENSLAND GOVERNMENT. THE GUIDELINES PROVIDE THE FRAMEWORK FOR ALL GOCs AND THEIR SUBSIDIARIES TO DEVELOP, IMPLEMENT, REVIEW AND REPORT ON THEIR CORPORATE GOVERNANCE ARRANGEMENTS UNDER EIGHT PRINCIPLES.

Principle 1 - Foundations of management and oversight

Shareholders

Until 30 June 2016, Energex was a GOC, with two shareholding Ministers who held the shares on behalf of the State of Queensland. Our shareholding Ministers were:

- The Hon. Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport, holding 50 per cent of the A class voting shares and 100 per cent of the B class non-voting shares; and

- The Hon. Mark Bailey MP, Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply, holding the remaining 50 per cent of the voting shares.

On 30 June 2016, the shares in Energex Limited, which were held by the above shareholding Ministers, were transferred to the newly created GOC, Energy Queensland Limited. From 30 June 2016, Energex became a GOC subsidiary.

Board Charter

Our Board Charter and Delegation of Authority Policy provide a clear delineation between the roles and responsibilities of the Board and individual Directors and the matters which are delegated to management. Management’s responsibilities are well defined through job profiles, performance agreements and the Board-approved Delegation of Authority framework.

The Board has delegated certain aspects of its authority to the Chief Executive Officer (CEO), through a control framework which includes financial authority limitations, to operate the business on a day-to-day basis. The CEO and Executive General Managers (EGM) from each division comprise the Executive Management Team (EMT). The EMT implements the Board’s strategies and policies through the Delegation of Authority Framework and Business Plan.

The Board Charter is reviewed every two years and the last review was in early 2016. The review ensures that the Charter continues to remain effective and current. A copy of our Board Charter is available at www.energex.com.au/about-us/company-information/right-to-information/publication-scheme

Board Committees

The Board has established four committees to assist the Board in the performance of its functions in key areas:

- Audit and Risk Committee – provides oversight of financial integrity, risk management, effectiveness of the control framework, integrity, assurance over business operations and work place health and safety.

- Network and Technical Committee – provides oversight of technical and network standards for the delivery of electricity in a manner that meets the reasonable expectations of the community and complies with our legal and regulatory obligations. The Committee also has oversight of workplace health and safety related to network and technical matters.

- People Committee – provides oversight of remuneration and employment policies, workforce planning, diversity, staff establishment and company structure matters.

- Regulatory Committee – provides oversight of significant regulatory issues and related corporate projects.

Board Handbook

Our Directors’ and Officers’ Handbook is distributed to Energex Directors and EMT and is used as an integral part of their induction process. The Handbook defines the Board governance systems and supports Directors in their governance responsibilities. The Handbook is regularly reviewed and updated.

Directors’ induction

New Directors attend a structured induction session to provide them with an overview of our operations and information on the Board and committee functions. The induction assists Directors to understand their role and responsibilities, our business, and corporate expectations.
Assessing senior management performance

TEAM Success is the comprehensive and formal performance management program for all employees including senior management. The program includes individual executive performance agreements based on the achievement of well-defined Key Result Areas (KRAs) and Key Performance Indicators (KPIs) involving corporate, commercial and personal goals. During the year, the Board, through the People Committee, assesses the performance of the CEO and has oversight of the performance assessments of senior executives undertaken by the CEO.

Principle 2 – Structure the Board to add value

Our Directors

Our Board of Directors, including the Chairman, are all independent, non-executive Directors. Our Directors are appointed by the Governor-in-Council in accordance with the Government Owned Corporations Act 1993 (Qld). As such, the Board does not play a formal role in selecting Directors or the size of the Board.

Our Directors assess their independence, with reference to the “factors relevant to assessing the independence of a director” in the ASX Corporate Governance Principles and Recommendations (3rd edition).

Where a Director has an interest or a material personal interest in a matter being considered by the Board, the Director will declare that interest in accordance with directors’ obligations under the Corporations Act 2001, the Energex Conflict of Interest Policy and the Energex Limited Constitution.

The Constitution provides that a Director must absent themselves from a meeting, including all deliberations and voting on a matter where they have declared a material personal interest in the matter.

Details of Directors’ skills, experience and expertise relevant to their position are included in this report (pages 8-9).

The terms of office and date of expiry held by each Director at the date of this report, as well as Directors’ attendances at Board and committee meetings, are set out in the 2015/16 Energy Queensland Annual Financial Statements.

A performance evaluation of the Board was last held in June 2015, via a self-assessment process through the use of a survey of Directors. The results showed that Energex has in place strong corporate governance practices.

However, the evaluation prompted a number of agreed actions relating to governance refinements, which were implemented during 2015/16. In accordance with the Guidelines, the Board wrote to the shareholding Ministers regarding the results of the evaluation.

Directors’ access to advice and training

The Board Charter provides that Directors may seek independent professional advice, at the company’s expense, to assist them to carry out their duties as a Director. The Board also has access to continuing education and training to maintain, update and enhance their skills, knowledge and experience.

Principle 3 – Promote ethical and responsible decision making

Key governance policies

We are committed to ethical and responsible decision making and have in place a suite of governance policies to establish this framework.

These include the Code of Conduct, Compliance Policy, Fraud and Corruption Control Policy, Delegation of Authority Policy, Conflict of Interest Policy, Public Interest Disclosure Policy, Lobbying Policy, Reportable Gifts Policy, Procurement Policy and the Energex Purchasing Manual.

The Energex Code of Conduct applies to Energex Directors, management, staff and contractors. New employees receive induction training on ethical business practices including the Code of Conduct. A copy of the Code of Conduct is provided to new employees and is readily available on the staff intranet.


Directors have additional obligations and Directors’ duties under law. These are set out in the Energex Board Charter (which includes a Directors’ Code of Conduct) and the Directors’ and Officers’ Handbook.

Trading policy

As our company was government owned, no Director or employee holds or trades securities in any Energex Group Company. Our Conflict of Interest Policy includes a Share Trading Policy, which supplements the legal duties that apply to directors, officers and employees relating to the misuse of information or position and insider trading laws.

Principle 4 – Safeguard integrity in financial reporting

Audit and Risk Committee
The role of the Audit and Risk Committee, comprised of independent Directors, is to oversee matters of financial integrity, risk management, effectiveness of the control framework, integrity and assurance over business operations.

The Committee's duties and responsibilities are set out in its Charter, a summary of which is available on our website at www.energex.com.au/about-us/company-information/right-to-information/publication-scheme.

Details of members’ qualifications are included in this report (pages 8-9).

Attendance at meetings is disclosed in the 2015/16 Energy Queensland Annual Financial Statements.

Principle 5 – Make timely and balanced disclosure

The Board has reporting and continuous disclosure obligations to the shareholding Ministers under the GOC Act and Corporations Act 2001 (Cth).

We adopt a broad approach to disclosure to our shareholders. We take into consideration the obligations set out in legislation and relevant policies in order to ensure accountability to the shareholding Ministers, who are in turn accountable to Parliament. The shareholding Ministers¹ have access to material information concerning our company including our operations, financial performance, financial position and governance of our company and its subsidiaries.

¹ As of 30 June 2016, the shareholding Ministers are now the shareholders of Energex’s parent company, Energy Queensland Limited

Principle 6 – Respect the rights of shareholders

Reporting to our shareholders
We report to the shareholding Ministers in a timely manner on all issues likely to have a significant financial, operational, social or environmental impact in accordance with our obligations under legislation and government guidelines.

We work cooperatively with the shareholding Ministers on these issues.

The Chairman is the principal liaison officer with the shareholding Ministers, both on a formal and informal basis.

The CEO and certain managers and employees liaise with representatives of shareholder departments on a regular basis.

Our dividend policy
Between 1 and 16 May each financial year, our Board has made a dividend recommendation to the shareholding Ministers in accordance with section 131 of the GOC Act. On 9 June 2016, the shareholding Ministers issued a direction to Energex under section 131 of the Government Owned Corporations Act 1993 to declare and pay a dividend for 2015/16 of $451 million.

Principle 7 – Recognise and manage risk


Energex’s ERM Framework comprises the language, accountabilities, principles, practices, systems, tools and reporting processes used to manage risks in our business. Our risk management practices identify and manage risks in the delivery of Energex’s balanced commercial outcomes.

The Board articulates its risk appetite through approved Risk Appetite Statements. Following a review with the Board in 2015/16, risk appetites have now been identified against three categories of business activity – Operational Compliance, Operational Performance and Strategic Performance.

Corporate Risk Plans have been developed and maintained for both long term strategic risks and those with a more operational focus.

Risk management activities are integrated with strategic and business planning processes to ensure that they support informed business decision-making.

The ERM Framework has been adopted throughout the organisation to ensure risks and compliance obligations are consistently identified and appropriately managed. The risks we manage include: safety, network, financial, operational, people, compliance and strategic.

Details of these risks and mitigation strategies and controls are captured in risk registers managed by each division and at a corporate level.
Responsibilities within the ERM Framework include:

- Board oversight of the ERM Framework’s effectiveness through the Audit and Risk Committee.
- Board oversight of the internal control framework within Energex, which is designed to provide reasonable assurance regarding the achievement of the organisation’s objectives.
- The internal control framework is comprised of policies and procedures, including compliance training and assurance processes, to ensure the affairs of the organisation are being conducted in accordance with relevant legislation, regulations and codes of practice. These procedures enable the Board and the Executive Management Team (EMT) to monitor, in a timely manner, any material matters affecting our operations.
- EMT responsibilities to ensure material business risks and compliance matters, and the effectiveness of risk management processes, are continuously monitored and reported to the Board on a monthly basis.

Risk management involves not only making certain that the distribution network is managed in an efficient and cost-effective manner but also ensuring that our systems and processes operate effectively, including during times of stress or crisis. We continually monitor our formal Business Continuity Management (BCM) Framework, with a focus on the currency of Business Continuity Plans (BCPs) for core functions where continued operation in times of disruption is regarded as critical. Business areas also maintained strong compliance practices and processes to ensure no significant non-compliance matters arose over the year.

Fraud Risk Management
We are committed to the prevention of fraud including corruption. To provide an effective fraud control framework that is closely integrated with the overarching ERM Framework, a suite of strategies and initiatives has been established comprising:

- the Code of Conduct deployment and relevant policy which actively discourages fraudulent activity and drives an ethical culture,
- fraud registers to identify and document all fraud-related risks and the internal controls that currently exist to mitigate each identified fraud risk,
- internal control measures embedded into business practices and processes,
- fraud investigation capabilities, standards and protocols,
- the independently operated 24-hour Disclosure Line,
- fraud risk management plan,
- fraud awareness training.

Remuneration policy
Our remuneration strategy and practices are aimed at ensuring we attract, retain and motivate highly competent and capable employees at all levels by providing an appropriate combination of competitive, fixed and variable remuneration components. We comply with government guidelines in relation to remuneration for executives to achieve a balance between public accountability and transparency and our need to attract and retain staff from competitive labour markets.

Assessing performance
To reinforce our performance-based culture, we offer an annual performance pay scheme which is linked to our KRAs and KPIs. During 2015/16, we measured progress towards the achievement of our vision and purpose through success against our KRAs and KPIs as set out in the SCI.

Our performance management program, TEAM Success, which incorporates the performance pay scheme, aims to improve performance management processes and practices across our business and strives towards a performance-focused culture which is critical to our people and safety strategy.

The framework promotes continual performance and developmental conversations between the employee and their leader.

Principle 8 – Remunerate fairly and responsibly

People Committee
The People Committee oversees employee remuneration and performance policies. Membership of the Committee is disclosed in the 2015/16 Energy Queensland Annual Financial Statements.

The Committee’s Charter sets out the roles and responsibilities of Committee members. A summary is available on our publication scheme website at www.energex.com.au/about-us/company-information/right-to-information/publication-scheme.

During all of this, the one mainstay has been our people who have not only adapted to these changing conditions, but continued to provide quality interaction with our customers.

This has also been achieved while safely and promptly providing electricity supply on a daily basis in all weather – mild or severe. I wish to thank Energex staff for their dedication and commitment.

In an overall sense, 2015/16 has been a very successful year for Energex with strong financial, operational and customer outcomes on top of a significant uplift in staff survey and safety survey results.

Safety

There is no greater priority than the safety of our people and it remains our key value. Our staff should be commended for achieving our Lead Safety Measures and ensuring no high consequence incidents during 2015/16. This year we reached two years without a Lost Time Injury which is a considerable achievement for all our staff to be proud of considering the inherently dangerous nature of the business and our primary product of high voltage electricity. Our contractors who represent us also recorded an outstanding result with no Lost Time Injuries this year compared with six in 2014/15.

We continue to embed our safety principles of Care, Ownership, Trust and Learning within our workplace. A key highlight this year has been our people embracing ‘Ownership’ by sharing their own positive stories about how they manage distraction, complacency and fatigue at work and at home, to stay safe. These authentic stories reinforce the safety message and resonate due to their honesty.

Our Safety Roadmap 2020 has been launched and we undertook a Safety Culture Survey in May as a ‘temperature check’ for our staff. Our response rate was 67 per cent compared to 64 per cent in 2013. There have been positive increases across all areas of the Safety Culture Survey. Our staff understanding of the corporate safety policy and vision improved by 10 per cent. Personal ownership and leadership of corporate safety remain strong with both at 79 per cent. Our results are benchmarked against 27 other companies in the oil, construction and utilities industries and we are placed in the top 25th percentile of performance.

Our safety journey is ongoing and we will always consider a single injury one too many, and safety to be of the utmost importance in everything we do.
Service delivery and our customers

Being a distributor of an essential service, maintaining a safe and high performing electricity network is paramount. We continue to prudently invest in our network and focus on reliability programs. During 2015/16 we invested $325 million in upgrading network assets and $168 million in operating the network.

This year our Program of Work progressed smoothly and we delivered all our projects on time and within budget. We achieved a progressive outcome from the Australian Energy Regulator’s re-assessment of our capital expenditure programs and approval of our submitted operating expenditure program. This compares positively with other Australian electricity distributors.

We delivered a strong after tax profit of $500.7 million for our shareholders, the people of Queensland, which is then used to provide essential services and support across the state.

With the uptake of solar PV and the emergence of battery storage systems, our electricity network is transforming. Our customers are increasingly looking to exercise choice and control and we are responding by exploring technology solutions. We are undertaking trials with battery manufacturers to understand how commercial and residential battery energy storage systems can be configured and used safely within our electricity network. We are also gaining an enhanced understanding of how battery storage will assist us with managing future network peaks.

With this emerging technology, our customer strategy allows us to engage with and listen to our customers while providing them targeted products and services. We have established a Customer and Community Council and Commerce and Industry Panel which will provide a customer voice for strategic decisions in the future.

Looking forward

The merger of Energex and Ergon Energy is an evolution of Queensland’s energy industry.

It allows us to address the fast-paced changes and challenges of our industry and provides the opportunity for our business to evolve further to improve network efficiency and deliver sustainable prices for our customers.

Energex contributed to the Merger Project Team with two of our Executive Management team and several of our senior leadership team providing strategic advice.

I want to thank all Energex staff for their patience and understanding as we managed these staff movements and subsequent changes.

I would like to congratulate Energex’s former Chief Executive Officer Terry Effeney on his appointment as the Interim CEO of the new parent company Energy Queensland.

Terry’s tenure of nearly a decade as Energex CEO will be invaluable as we transition into this new era.

On behalf of the Executive Management team and all Energex staff I want to thank Terry for his steadfast leadership during his time with the company.

With the advent of Energy Queensland we enter a time of change and opportunity which I embrace wholeheartedly. I encourage all our staff to do the same as we transform from South East Queensland’s supplier to servicing Queensland from the Torres Strait to the Tweed through our parent company Energy Queensland.

Peter Weaver
Acting Chief Executive Officer
Statewide business merger

In December 2015, the Queensland Government announced the distribution businesses of Energex and Ergon Energy and Sparq Solutions will be merged under a new parent company.

The merged group will consolidate the corporate functions for each business, while retaining the established frontline businesses of Ergon and Energex. In addition a new energy services business will be established to provide a range of products and services to give customers greater control over their energy use and access to new and emerging technologies. In June 2016, the new parent company, Energy Queensland, was announced along with its inaugural Chairman Phil Garling, two Board members and an Interim Chief Executive Officer.

The Queensland Government’s plan to merge is expected to see positive outcomes for Queensland through improved network efficiencies, economies of scale to invest in new technologies and most importantly better customer outcomes such as reducing the pressure on electricity network prices for Queenslanders.

Our Roadmap

We hosted a national forum in July 2015 to launch the Electricity Network Transformation Roadmap which provides a blueprint for transitioning Australia’s electricity industry to enable better customer outcomes.

The Roadmap represents a partnership with Energy Networks Australia (ENA) and the national science agency, CSIRO and details how power utilities such as Energex can work better to shape the future of the energy market. We are active participants in this program and our 2020 Transition Roadmap document aligns with the ENA and CSIRO’s work.

We developed our business strategy in response to the dynamic energy market. Our strategy reflects a transformation from a traditional network typified by ‘poles and wires’ to a connected customer-centric, multi-directional network. Our strategy acknowledges the Queensland Government’s A Solar Future policy and its aspiration of having solar PV installed on one million rooftops in Queensland or the equivalent of 3,000 megawatts by 2020.

In our roadmap we define strategies for the next five years across our focus areas of safety and people, customers, financial position, technology and network and market reform. Over the next five years, we plan a staged transition to a connected network that delivers choice and affordability to our customers, encompasses new technology and enables the connection of low carbon/renewable energy.

These strategies aim to strengthen our business platform to enable us to leverage technology, data and customer relationships to provide valued service into the future.

Emerging business opportunities

We have leveraged our expertise and knowledge of the National Electricity Market (NEM) in new ways in 2015/16. Metering Dynamics is a registered business of Energex Limited and has long provided a range of innovative metering and information solutions to our business as well as to commercial and industrial customers across Australia.

We increased our number of contestable metering points by 10 per cent during 2015/16, servicing approximately 70,000 metering points across both NEM and non-NEM markets, while also contributing to company earnings through the achievement of our financial targets. As we move forward into 2016/17 our focus will be to cost effectively meet the new customer energy requirements in the residential metering market in preparation for Power of Choice market reforms in December 2017.

Our Joint Market Transaction Centre established in 2015/16 brought together Energex’s Energy Market Services Group and Ergon Energy’s Meter Data Agency into one specialised business unit. We are now able to provide market data, metering and billing services for the network functions of these two organisations.
Evolving Technology

We vigilantly monitor technologies including solar, battery storage, energy management systems and electric vehicles. Rapid uptake of these technologies continues as our customers embrace the flexibility and choice they provide.

Through industry scanning, creating relationships with manufacturers and undertaking trials and pilots we are focused on being able to integrate these technologies safely with our electricity network. These technologies are assisting us in transforming our traditional network from a one-way delivery of energy into a connected and intelligent network that allows energy to flow in a number of ways.

A more intelligent network will facilitate customer choice and leverage technology and data to provide reliable and valued services for a connected future.

Power of Choice

The Australian Energy Market Commission’s (AEMC) Power of Choice program is a significant market reform for the national electricity industry which will begin in December 2017.

The market reform introduces a number of changes to the provision of metering services to customers designed to provide more choice and options for how consumers use their energy such as the deployment of advanced meters and promoting innovation in investment and advanced metering services.

To be ready, we have been working with Ergon Energy and retailers to identify the changes to our systems, processes and workforce for a smooth transition to these new market conditions to ensure we maintain safe and effective network operations for our staff, customers and the community.
PUT SAFETY FIRST IS ENERGEX’S CORE VALUE AND ENERGEX’S PRIMARY FOCUS FOR ITS EMPLOYEES, CONTRACTORS AND THE COMMUNITY.

WHAT WE SET OUT TO ACHIEVE THIS YEAR  HOW WE PERFORMED?

Progress the Safety Strategy through deployment of the 2013-2016 Safety Roadmap  ✓ On track through delivery of 90 day plans

Development of Our Safety Strategy 2020  ✓ Achieved

Development and deployment of a revised Safety Assurance Program  ✓ Achieved

Completed the organisation-wide roll out of the Leading Safety Program  ✓ Achieved

Outlook for 2016/17

Develop and deploy the Safety Strategy 2020 Roadmap

Continue to enhance Energex’s safety risk management sub-framework and risk maturity

Deploy the Learning and Assurance Program across the organisation and develop plans to deploy across our contract works

Continue to embed the Leading Safety Program learnings and build our culture leveraging our Safety Principles – Care, Ownership, Trust and Learning

Performance

A key focus for the year was to prevent high consequence incidents amongst Energex staff. A positive result has been achieved with no high consequence injuries. Whilst Total Recordable Injury Frequency Rate (TRIFR) performance is slightly higher than last year, there has been a reduction in the severity of injuries from 2014/15.

We recorded an outstanding achievement regarding our contractor safety with no Lost Time Injuries (LTI) recorded in 2015/16 compared to six in the 2014/15. We will continue our ongoing focus on lead measures to drive a positive safety culture for our workforce and the community.

Our Safety Strategy and Roadmap

Through the commitment of our people, Energex has made significant progress on our safety journey, guided by our Safety Principles of Care, Ownership, Trust and Learning and through delivery of rolling 90 day action plans.

Table 1 – Key Safety Performance Trends

<table>
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<tr>
<th>Performance Trends</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
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<tr>
<td>Lead Measures Achieved</td>
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<tr>
<td>Total Recordable Injury Frequency Rate (TRIFR)</td>
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<td>Lost Time Injury Frequency Rate (LTIFR)</td>
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<tr>
<td>Number of High Consequence Incidents</td>
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<td>-</td>
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</tbody>
</table>

Note: In 2015/16, LTIs were no longer reported.
Internal Safety Campaigns

Leading Safety Program Embedding
We achieved full deployment of the Leading Safety Program (LSP) across all available staff and locations in 2015/16 and commenced our strategy to embed and sustain learnings. New initiatives within the LSP Embedding Strategy include six monthly Senior Leader Safety Forums, the commencement of a Safety Champions Group comprising employees across the organisation who provide voluntary advocacy for safety, and an Adopt-a-Workgroup Program where senior leaders work with high risk work groups to embed key safety processes. The LSP Embedding Strategy will continue in 2016/17.

Shared Learnings
The Shared Learnings initiative has been successfully entrenched in the business as a way to improve understanding and communication of learnings from incidents for all employees. A suite of materials is utilised to make the process open and informative and depending upon the complexity of the learning can include conversations with staff involved, face to face deployment to teams, videos, photographs, and support provided by our Incident Analysis team. This initiative provides employees with knowledge on how we are making improvements after safety events aimed at reducing a repeat of the same incident.

Learning and Assurance Program
This program introduces a Behaviour Based Process, underpinned by listening and coaching, which involves two way learning conversations about safety risk between employees and leaders. We also incorporated a new framework for planned assurance activities that ensures independent and objective audits of our safe system of work, including critical controls of our high risk work activities, and focuses on identifying continuous improvement opportunities. After a successful pilot and strong endorsement by employees, leaders and Energex’s Board, we will deploy this program fully in 2016/17.

Safety Communications
Throughout 2015/16 Energex has progressively implemented the findings from its Best Practice Safety Communications research. A key recommendation has involved changing Energex’s approach to the development of safety campaigns to involve data analysis and employee involvement, and ensuring that campaigns create the opportunity for sustained behavioural change. In this regard, Energex launched a six month campaign in February 2016 focusing on Distraction, Complacency and Fatigue. Energex will continue to implement remaining recommendations through 2016/17.

Engaging our Contractors
We continue to collaborate with our network service providers to work safely. We agree and discuss performance against key safety performance measures with our providers to ensure everyone stays focussed on safety and work commitments. We believe these discussions around safety have resulted in decreasing the Lost Time Injury for contractors from six in 2014/15 to none in 2015/16.

Energex’s Safe Future
Energex’s Safety Strategy 2020 provides direction for continuing to progress Energex’s safety journey and sustain improvements in safety performance. We have sought leading practice thought and guidance from best practice safety organisations to inform our strategy, which will focus on three themes:

1. People are the Solution – Leveraging the collective experience of the people who are doing the work so they have greater involvement in delivering work safely.

2. Learning from the Positives – Learning about safety from the positive adaptations that our people make to work every day

3. Humanistic Leadership – Leading with care, trust and respect for everyone.

Listening, involving, empowering and making it easy for employees to deliver their work will be a key focus for Energex through the strategy, which will continue to be governed through rolling 90 day action plans.
Electrical safety awareness in the community

Our 2015/16 Community Safety Plan outlined strategies to increase electrical safety awareness and understanding in the South East Queensland community and minimise the occurrence of electrical injuries through safety initiatives and programs aimed at identifying, monitoring and managing risks around the electricity network.

It’s important that we stay connected with the community to ensure we are meeting their community safety needs. The community’s perception has been consistently high with an average score of 7.65 on a scale of 10 (where 10 is excellent).

The number of asset related shock incidents for the 2015/16 was 163 compared to 208 events recorded in the 2014/15 period. Energex continues to actively deploy programs to reduce public exposure to future shocks.

Public communications

We place a high priority on providing timely and accurate communications to the community, the media and our primary stakeholders during times of significant network events, especially during storm season, extreme heat days and natural disasters.

During these events we use mainstream media, website, social media channels and other methods of mass information distribution to inform customers of areas affected, safety messages, approximate restoration times and, where possible, the cause of the outage.

Safety advertising

We conduct a number of public safety advertising campaigns to highlight important safety issues and address community misconceptions. Throughout the year, we ran a suite of safety advertisements using the tagline, ‘if you could see the dangers, you’d stop yourself’, encouraging the community to stop and think about unsafe actions around fallen powerlines during severe weather events and when working near overhead powerlines.

Research results by global market research company TNS show an extremely high community recall (>65 per cent) of our current safety advertising campaigns – Fallen powerline safety and Look up and Live. The importance of Energex undertaking safety advertising was also measured with 67 percent of respondents rating it an eight out of 10 (where 10 is very important).

These campaigns complement our other targeted messages of severe weather safety, power outage safety, seasonal safety, safety at home, safety around the network, safety at work and kids’ safety.

Working together

We continue to drive positive community safety outcomes through long-standing, collaborative partnerships with the Electrical Safety Office, Division of Workplace Health and Safety, the Department of Energy and Water Supply, Dial Before You Dig, and Ergon Energy. In 2015/16, we attended more than 40 community safety events, providing targeted messages to the trucking, farming and DIY industry. Energex continues to be a key stakeholder in providing support to a range of emergency services groups such as Emergency Management Queensland (EMQ), Queensland Fire and Emergency Services (QFES), State Emergency Services (SES), Queensland Police, Queensland Ambulance Service and Local Councils. These partnerships are a fundamental component of our safety campaigns and will continue to be a key element through collaborative promotions and events.
WE CONTINUE TO FOCUS ON THE DELIVERY OF SAFE, RELIABLE ELECTRICITY SERVICES TO OUR CUSTOMERS, WITH A CLEAR FOCUS ON BUSINESS EFFICIENCIES WHICH ENABLE SUSTAINABLE ELECTRICITY PRICES AND APPROPRIATE RETURNS TO OUR SHAREHOLDERS.

### WHAT WE SET OUT TO ACHIEVE THIS YEAR

- Deliver business efficiency initiatives
- Assess and agree balance sheet management strategies to meet shareholders’ objectives
- Implement Energex’s 2015-20 Regulatory Determination to achieve optimal outcomes

### HOW WE PERFORMED?

- Our efficiency program achieved improved productivity and efficiencies in the delivery of our services.
- We worked with our shareholders to achieve a successful transformation to a revised capital structure as part of the Energy Queensland merged entity.
- Reshaped the capital program to manage our obligations within the overall 2015-20 Regulatory Determination.

### Outlook for 2016/17

- Maintain efficient working capital and allocate capital prudently to deliver appropriate returns to shareholders and contribute to the minimisation of group debt levels.
- Continue to align indirect expenditure with industry benchmarks through group synergies in support functions.
- Continue to pursue unregulated growth opportunities within the regulatory framework.
- Support the Government’s objectives with the merger of Energex and Ergon Energy.

2015/16 was the first year of the Regulatory Control Period 2015-20 and our focus was on implementing the 2015-20 Regulatory Determination, delivering ongoing business efficiencies, maintaining sustainable network performance, enhancing customer engagement and influencing market and tariff reform.

The long-term goal to reduce the network component of electricity prices to a level below the rate of inflation was achieved in 2015/16 and is expected to be maintained for the remainder of the current regulatory period.

On 30 June 2016, all Energex shares were transferred to the newly formed Government Owned Corporation, Energy Queensland Limited, in line with the Queensland Government’s policy to effect the merger of Queensland Electricity Distribution Networks. Under the enabling legislation, all long term borrowings, totalling $8,160 million were transferred to the state government and Energex will be funded on an ongoing basis by its new shareholder.

### Our results

Throughout the year we maintained a focus on business efficiencies to ensure delivery within reduced allowances established by the 2015-20 Regulatory Determination. Program of Work spend during the period has been set at a level which will deliver sustainable network benefits to customers with no compromise to safety or legislative obligations.

Within these constraints, financial performance for 2015-16 remained strong with OPAT of $500.7 million. Revenue, and hence a portion of the current year profits for the 2015/16 year, included recoveries of solar feed in tariffs related to prior years under the Queensland Government’s solar bonus scheme.

The focus on cost reductions to levels appropriate to support a reduced Program of Work enabled a reduction in the planned borrowing during the year with associated cost savings through lower borrowing costs.
Revenue
Total revenue of $2,572 million is largely reflective of distribution revenue billed to customers. Distribution Revenue comprises the Annual Revenue Requirement (ARR) to recover efficient costs incurred to provide standard control services and other revenue recoveries such as pass through amounts, jurisdictional scheme amounts and other carryovers. The ARR is derived in accordance with the building block approach outlined in the National Electricity Rules. The allowed ARR is determined by the AER for the five year regulatory period 2015-20.

Steady growth in commercially sourced revenue remains a focus as Energex prepares for future regulatory reforms. The AER continues to encourage competition with the transition of services from regulated (ie. under a revenue or price control mechanism) to unregulated service classifications. Non regulated revenue contributed approximately 5 per cent of total revenue during the year.

Operating Expenditure
Total expenditure of $1,851 million represents a real decrease compared to 2014/15 reflecting favourable borrowing costs as a result of lower debt requirements supplemented by ongoing strong cost control. The reduced expenditure is reflective of a reduction in maintenance and operational expenditure aligning with the 2015-20 Regulatory Determination resulting from a robust network with low levels of defects supplemented by strong cost control, efficiencies and a benign storm season.

Total operating expenditure on the network for 2015/16 was 5.5 per cent lower than the expenditure allowed through our current regulatory determination.

Returns to shareholder
Energex remains committed to maintaining a sustainable financial position consistent with shareholder expectations, while maintaining customer and regulatory obligations. In 2015/16 we returned a dividend to our shareholder on 29 June 2016, the Queensland Government of $451 million from current year profits. This payment was in addition to the payment of the dividend of $1,295 million following a declaration in the 2014/15 financial year.
## OPERATIONAL EXCELLENCE

**WE WILL CONTINUE TO INVEST PRUDENTLY IN THE SOUTH EAST QUEENSLAND ELECTRICITY NETWORK TO MAINTAIN A SAFE, RELIABLE AND AFFORDABLE POWER SUPPLY TO CUSTOMERS.**

<table>
<thead>
<tr>
<th>WHAT WE SET OUT TO ACHIEVE THIS YEAR</th>
<th>HOW WE PERFORMED?</th>
</tr>
</thead>
<tbody>
<tr>
<td>PoW Delivery Index</td>
<td>Achieved 98 per cent against a stretch target of 95 per cent</td>
</tr>
<tr>
<td>Key Projects Delivered</td>
<td>Nineteen key projects were planned for delivery in 2015/16. These projects were all successfully completed by March 2016, well in advance of the end of the financial year.</td>
</tr>
<tr>
<td>Standard Control Services System Capital Expenditure (SCS System CAPEx)</td>
<td>Delivered under target spending due to lower levels of customer driven work, less requirement for pole replacements and lower unit rates due to efficiency and productivity improvements.</td>
</tr>
<tr>
<td>Standard Control Services System Operating Expenditure (SCS System OPEX)</td>
<td>Delivered under target spending due to a lower level of defects identified by inspections, less emergency/storm response costs and better integration of customer requested vegetation management.</td>
</tr>
</tbody>
</table>

### Outlook for 2016/17

- **New scoping (planning and designing stage of infrastructure construction) training development is underway to ensure effective and consistent scoping methods are applied to field work**
- **Work is underway to streamline how we issue work to the field, by replacing the existing Work Scheduling Tool**
- **A focus on leveraging digital technology to enable improved mobility and connecting with field staff**
- **Upgrade to Energex Program of Work (PoW) planning and tracking tool (Primavera)**
- **Drive efficiency and improvements in the delivery of our Program of Work**

### Major Projects

Throughout 2015/16 we continued to support major infrastructure projects across South East Queensland including the Moreton Bay Rail Link, Sunshine Coast University Hospital and Port of Brisbane Expansion which are all progressing towards operation.

Our support will also be required in the coming years for the ongoing development of the Gold Coast 2018 Commonwealth Games infrastructure, stage two of the Gold Coast Light Rail project, Toowoomba second range crossing and the Gateway Motorway Upgrade.

### Field efficiency initiatives

We continue to work on the Field Services Improvement Initiative Program which targets efficiencies in the way we do work and prudent expenditure.

In 2015/16 initiatives included:
- **The Distribution Review Project** – delivering action plans for each field service regional hub area to enable improvements to safety, contractor management, works management and delivery, leading to improved unit rates.
- **Digital Communication in the field** – focusing on improving the way we communicate with our field staff.
- **Introduction of 33kV and 11kV composite fibre cross-arms** – a lighter and easier to handle cross-arm, saving time on the installation and providing a safer option than timber.
Table 2 – A selection of Major Projects completed in 2015/16

<table>
<thead>
<tr>
<th>Project description</th>
<th>Spend $M</th>
<th>Customers benefiting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria Park (Bowen Hills) Substation upgrade and local network enhancements</td>
<td>62.9</td>
<td>3,300 (including Royal Brisbane Hospital)</td>
</tr>
<tr>
<td>Springfield Central Substation establishment</td>
<td>51.8</td>
<td>4,600</td>
</tr>
<tr>
<td>Coorparoo Substation upgrade</td>
<td>15.1</td>
<td>9,121</td>
</tr>
<tr>
<td>Wacol substation upgrade and local network enhancements (two projects at this substation)</td>
<td>13.8</td>
<td>1,071</td>
</tr>
<tr>
<td>Network enhancement between Nudgee and Hendra Substations</td>
<td>13.1</td>
<td>20,100</td>
</tr>
<tr>
<td>Archerfield Substation upgrade</td>
<td>11.0</td>
<td>560</td>
</tr>
<tr>
<td>Lockrose Substation upgrade</td>
<td>10.9</td>
<td>2,602</td>
</tr>
<tr>
<td>Cleveland Substation upgrade</td>
<td>9.1</td>
<td>7,183</td>
</tr>
<tr>
<td>Jindalee Substation upgrade</td>
<td>7.3</td>
<td>3,250</td>
</tr>
<tr>
<td>Samford Substation upgrade and local network enhancements</td>
<td>7.0</td>
<td>4,486</td>
</tr>
<tr>
<td>Moggill Substation upgrade and local network enhancements</td>
<td>4.2</td>
<td>4,884</td>
</tr>
<tr>
<td>North Stradbroke Island Substation upgrade</td>
<td>3.8</td>
<td>2,203</td>
</tr>
<tr>
<td>Network enhancement between Raby Bay and Capalaba Substations</td>
<td>2.8</td>
<td>10,662</td>
</tr>
</tbody>
</table>

- **New pole extractors** – capable of extracting wood, nailed wood, steel and concrete pole. This mitigates lifter borer damage from attempting to extract poles and is a more cost effective option than vacuum extraction.

- **New High Voltage and Low Voltage Applicant Training courses** – improving the consistency and quality of field work applications for switching.

- **Advanced Distribution Management System (ADMS) using the General Electric (GE) Digital Energy PowerOnTM Fusion product** – improving resiliency for changing data, automation of prepared switching applications to deliver construction works and changes to enhance the user experience and functionality.

- **Field Force Automation (FFA)** – incorporating legislative and regulatory appointment timeframes for field crews to better manage resources and forecasting of work.

- **Progressing our Property Strategy**

  Our Corporate Property Strategy focuses on reducing future operating costs, minimising safety risks and improving environmental performance within the existing property portfolio to position Energex for the future.

  **Key projects for 2015/16:**

  - A new depot opened at Berrinba, centrally positioned in our southern metropolitan area to improve efficiencies and response time in this growing region,

  - Relocation of Cleveland depot to a newly constructed and owned facility to consolidate operations on to a single property,

  - Significant upgrades to existing depot facilities at Burleigh, Geebung, Yandina and Southport,

  - Extensive refurbishment of the Victoria Park Control Centre and Data Centre,

  - Acquired a property at Stafford that will be redeveloped into a new depot to replace the leased facilities at Kelvin Grove.
Impacts of Severe Weather

Severe weather can impact our network especially during our summer season. We carry out a comprehensive preparation and planning program for our operational response which is included in our Summer Preparedness Plan. Also detailed in this Plan are works carried out for summer 2015/16 to minimise power supply interruptions during extreme weather conditions. In addition, we routinely review our Bushfire Risk Management Plan and Flood Risk Management Plan to ensure bushfire and flood risks are identified and mitigated. All three Plans are available on our website https://www.energex.com.au/about-us/company-information/company-policies-and-reports.

In addition to our planning, we utilise advanced numerical weather forecasting from Weatherzone and Weatherwatch which draws on professional meteorologists’ advice to inform our operational response during severe weather. We are currently working with Weatherwatch to evaluate the use of three dimensional radar functionality which could provide further improvements to our weather response tasks.

Supporting South East Queensland

In the 2015/16, we responded to eight severe weather events in South East Queensland, most of these occurring in the first months of the storm season. Among the most severe weather events that occurred in early December 2015; nearly 150 Energex crews worked over a number of days responding to the largest event for the season. This weather event impacted the localities of Logan City and Southern Moreton Bay Islands, recording 62,000 lightning strikes and wind gusts up to 102 km/h. We actioned the Major Repair Process due to the extent of localised damage, mostly attributed to falling trees and branches contacting overhead powerlines. Our crews restored power to more than 42,300 customers during the event.

Above average hot weather conditions were experienced on several occasions during January/February 2016. Temperatures exceeding 35C were recorded in many locations around South East Queensland and minimal impact to customers was experienced.

Two further severe weather events impacted the network in June 2016. In the first weekend of June, an East Coast Low brought heavy rain and winds of more than 80 km/h. During this event, more than 120 fallen powerlines were reported and crews restored power to more than 67,000 customers during the morning of Sunday 5 June 2016. Another significant event occurred on Friday 24 June, where South East Queensland was impacted by strong westerly winds (>90 km/hr). These gusty conditions impacted more than 43,300 customers, with some customers experiencing an outage of 30 hours. More than 130 crews were involved with this repair effort.

Supporting Ergon’s Christmas Storm Response

On Christmas Day 2015, more than 30 field services staff deployed to assist Ergon Energy to rebuild the power network and safely restore power supplies in the Toowoomba area.

Wild storms on Wednesday 23 December 2015 caused significant network damage with more than 80 poles reported down and difficult conditions due to extensive mud and water.

In addition to our crew support, we contributed a number of borer lifters, excavators and the Forward Command Mobile Communication Centre to support the rebuilding effort. All crews returned safely home on Tuesday 29 December 2015 after a four day deployment.

Fiji Recovery Effort

In 2015/16 our support extended to the Fiji Electricity Authority in partnership with the Australian Government’s Department of Foreign Affairs and Trade. Tropical Cyclone Winston devastated Fiji’s electricity network with more than 4,500 power poles down or damaged.

We donated three heavy vehicles as part of a consortium of energy networks including ActewAGL, Ausgrid, AusNet Services, Energex, Ergon Energy, Essential Energy, Jemena, SA Power Networks, TasNetworks and Zinfra Group. Two Energex staff also went to Fiji to provide maintenance and safe use training to Fijian mechanics and operators. In total, the consortium provided seven heavy vehicles – crane borers, elevated work platforms and a service truck – and more than $270,000 of specialised tools and equipment including electrical test equipment, hydraulic cutting tools, drills and pole saws which will accelerate the safe restoration of power to Fiji.
Highlights of Energex’s Capital Program include:

$325 MILLION INTO THE NETWORK SYSTEM CAPITAL PROGRAM

CONSTRUCTION AND AUGMENTATION OF OVER 300KM OF MAJOR POWERLINES AND CONDUCTORS

4,500 AGED/UNSERVICEABLE POLES AND 6,500 CROSS ARMS

INSTALLATION AND RETROFIT OF 3,680 TRANSFORMERS (POLE AND PADMOUNT) TO MAINTAIN RELIABILITY AND NETWORK INTEGRITY

REPLACEMENT OF MORE THAN 600 AIR BREAK SWITCHES ACROSS THE NETWORK TO MEET SERVICE TARGETS

$168 MILLION WAS INVESTED INTO THE PLANNED MAINTENANCE PROGRAM WHICH INCLUDED:

77,395 POLE INSPECTIONS TO ENSURE SAFETY AND RELIABILITY OF ELECTRICITY SUPPLY

$63 MILLION TO MAINTAIN A SAFE CLEARANCE BETWEEN TREES AND POWERLINES

638 HELICOPTER PATROLS TO THE OVERHEAD NETWORK
WE WILL BE RECOGNISED AS A LEADING UTILITY PROVIDING CONTEMPORARY NETWORK CAPABILITY AND SERVICE LEVELS THAT KEEP PACE WITH CUSTOMER VALUES, LIFESTYLE AND TECHNOLOGY CHOICES.

WHAT WE SET OUT TO ACHIEVE THIS YEAR

Meet our Minimum Service Standards (MSS) for network reliability and security

Service Target Performance Incentive Scheme (STPIS)

Identify ways to integrate emerging technology into our network

HOW WE PERFORMED?

✓ Met our MSS across all areas

✓ Manage performance for unplanned incidents

✓ Embedded demand management programs and trials of battery energy storage system

Outlook for 2016/17

Achieve our target for Minimum Services Standards (MSS) for network reliability and security

Continue to monitor emerging technology and ways it can be integrated with our network

Ensuring a reliable network

Minimum Service Standards

In 2015/16 we met our Minimum Service Standards (MSS) across all areas. Table 3 highlights our reliability performance across System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) since 2011/12 and compares our 2015/16 network performance with our MSS targets. CBD SAIDI compared less favourably to previous year’s results due to a higher incidence of planned works, however these were well managed and a clear outcome of our cost / service trade-off strategy.

Urban SAIDI returned a more favourable result in 2015/16. Rural SAIDI was marginally less favourable to 2014/15 results due to a higher incidence of severe storms that did not meet the threshold for declaration as Major Event Days.

Table 3 shows our SAIDI and SAIFI performance since 2011/12 and compares our 2015/16 performance against the MSS targets.

Table 3 – Reliability Performance

<table>
<thead>
<tr>
<th>Normalised Reliability Performance MSS (Total of Planned &amp; Unplanned)</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2015/16 MSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIDI (mins)</td>
<td>CBD</td>
<td>8.030</td>
<td>1.690</td>
<td>3.560</td>
<td>3.699</td>
<td>4.680</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>64.700</td>
<td>72.700</td>
<td>74.864</td>
<td>90.851</td>
<td>76.680</td>
</tr>
<tr>
<td></td>
<td>Short rural</td>
<td>198.000</td>
<td>160.500</td>
<td>173.392</td>
<td>178.790</td>
<td>180.840</td>
</tr>
<tr>
<td>SAIFI (events)</td>
<td>CBD</td>
<td>0.035</td>
<td>0.015</td>
<td>0.058</td>
<td>0.158</td>
<td>0.032</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>0.747</td>
<td>0.820</td>
<td>0.804</td>
<td>0.786</td>
<td>0.726</td>
</tr>
<tr>
<td></td>
<td>Short rural</td>
<td>1.730</td>
<td>1.611</td>
<td>1.556</td>
<td>1.547</td>
<td>1.514</td>
</tr>
</tbody>
</table>
Service Performance

In 2015/16 we commenced the first year of the AER Service Target Performance Incentive Scheme (STPIS) for 2015-20 regulatory period. This follows five years operation under the scheme for the 2010-15 regulatory period. The new performance targets were approved by the AER based on the previous five years performance. We exceeded our targets and achieved the maximum incentive reward ($28 million) for the year.

We achieved this by proactively investigating high impact network incidents to identify and address any common issues across the network. Further improvements will be deployed in 2016/17 through the Protection System Performance strategy project which follows the completion of a major review of secondary system performance.

Graph 1 – System SAIDI (12 month)

Graph 1 displays our system SAIDI since 2011/12 and demonstrates the significant impact of Major Event Days on our 2012/13 results which were impacted by the January 2013 Australia Day long weekend weather event.
Managing the network

Our annual Distribution Annual Planning Report (DAPR) outlines our five year plan to safely and efficiently manage the electricity distribution network for customers across South East Queensland. In accordance with National Electricity Rules, the DAPR outlines our network objectives in relation to load forecasting, demand management, new capacity investments, asset replacement and refurbishments, reliability and supply power quality and input into the future development of the network.

In 2015/16 we progressed upgrades to software and IT applications. We entered the second phase of the Distribution Monitoring Analytics (DMA) project with enhancements to improve our planning, design, engineering and maintenance of our electricity network and refining processes to make prudent network investment decisions. An upgrade of our Geographic Information System (GIS) is also underway and once complete will provide our staff with better-quality visuals and mapping of our network and assets.

To efficiently and safely manage the SEQ electricity network, it is critical to rigorously analyse data to identify emerging community and industry trends. In the 2015/16 year a total of 34,489 new customers were connected to the Energex network – one of the highest figures in the company’s history.

This increase of almost 100 additional connections every day is in stark contrast to the 20,224 connections which occurred just four years ago, and up more than 10 per cent on the 2014/15 number. Almost 40 per cent of these new 2015/16 connections were for multi-tenancy buildings, highlighting the surge in new apartment complex developments especially in central and greater Brisbane and on the Gold and Sunshine Coasts.

Providing network solutions

Our programs seek to manage peak demand for our network, facilitate choice and lifestyle and build an understanding of new technology and its impact on our network.

Our long established Positive Payback program provides financial incentives to homes and businesses that connect to economy tariffs or install technology to reduce energy use during peak periods. In 2015/16 more than sixty builders and developers increased their participation in our program and we removed 24MVA of network demand with more than 16,400 PeakSmart products installed during the 2015/16 period.

PeakSmart

We activated our PeakSmart air-conditioner technology on 1 and 2 February 2016. On these two days South East Queensland experienced 40 degree temperatures. More than 50,000 air-conditioners were signalled to reduce their demand by approximately 25 per cent between 4.30pm and 5.30pm. More than 25,000 air-conditioners were active at the time and reduced peak demand on our network by 11.2 MW on 1 February and 16.4MW on 2 February.

These load reductions are the equivalent of more than 7,200 homes on our network. Surveys completed with participants after the event indicated no impact on comfort. This result demonstrates our PeakSmart technology is a valuable tool to manage demand on our network.
Solar PV

Solar PV is now steadily increasing at an average of 1,673 connections per month with 20,071 systems connected in 2015/16. As at 30 June 2016 there were 310,077 solar PV systems connected across South East Queensland with nameplate installed capacity of more than 1,086 megawatts.

- An additional 970 distribution transformers now have penetration levels greater than 25 per cent (the threshold likely to cause network voltage impacts), which is a 13 per cent increase from 2014/15.
- There are now 70 additional 11 kV feeders with more than 1MW of installed inverter capacity, an increase of 19 per cent from 2014/15.
- Energex is currently conducting voltage investigations for an average of more than 34 solar related issues per month and remediating these issues with a number of measures including balancing the PV generation, changing transformer taps and installing new transformers.

We are looking at innovative solutions to managing output or excess solar power from customers to offset peak demand on our network. During the year we trialled the ability of our network to ‘switch’ the hot water load off our network to better coincide with the solar power generated at residences.

Our pilot trial identified an area of 6,000 residences with controlled hot water (hot water is generated for a specific amount of hours) and solar PV. This dynamic switching trial was successful and provides another option for our network to address peak demand and provide better customer service outcomes.

Graph 3 – Comparing a traditional switching day with dynamic switching trial

![Graph 3](image-url)
Battery Energy Storage Systems

Over the past five years as solar PV increased we adapted our network to integrate solar PV and, with this experience, we are well placed to accommodate the uptake of Battery Energy Storage Systems (BESS) across our network.

We have partnered with battery storage manufacturers SolarEdge, Sunverge, Tesla, Reposit, and Redback with systems installed at our EsiTrain Centre. We are trialling battery systems to better understand how BESS connections can be safely integrated into our network and also how we can provide our customers with choices in their energy consumption decisions.

We are creating a Smart Energy Education House which simulates a small residence with solar, battery and home energy management system. This facility will provide our customers with a working demonstration that better reflects their lifestyles. We are launching this mobile educational facility at the Royal Queensland Show in August 2016 to demonstrate to the Queensland community the positives of a safe and reliable BESS within Energex’s distribution framework.

We are also working on understanding how we can use BESS for network support purposes. We are looking at ways to remotely control BESS at peak times – as we do with our PeakSmart program so we can reduce the need for network expansion to address future peak demand. The uptake of battery energy storage systems is predicted to continue to grow over the next five years. We are conducting trials to better understand how the technology works and its impacts on customers in South East Queensland.

Battery Energy Storage Trial located at Rocklea

FORECASTS ESTIMATE UP TO 55,000 BATTERY ENERGY STORAGE SYSTEMS COULD BE INSTALLED IN SOUTH EAST QUEENSLAND BY 2021
### PEOPLE

**AT ENERGEX, WE SUPPORT THE DELIVERY OF STRONG BUSINESS RESULTS THROUGH AN ADAPTIVE, ENGAGED, PRODUCTIVE AND DIVERSE WORKFORCE RESPONSIVE TO CHANGING BUSINESS NEEDS.**

**WHAT WE SET OUT TO ACHIEVE THIS YEAR**

| Maintain workforce safety, alignment, engagement and productivity |
| Align workforce capacity and capability with future business requirements |
| Implement People Plan Initiatives |

**HOW WE PERFORMED?**

- 87 per cent response rate to our 2015/16 Staff Survey, with a significant increase in both the Alignment to Business Direction and Engagement scores.
- Investment in training and development of key employee groups continues and includes apprenticeships, graduates, as well as developing the skills of our leaders and supporting employee development across the business.
- Key initiatives were delivered as per the People Plan. Highlights include progress on our leadership capability, outcomes of the Energex Union Collective Agreement 2015, aligning our workforce to the Program of Work and promoting a diverse and inclusive workforce.

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**Outlook for 2016/17**

- Continue to deliver on our people strategy through our People Plan to support an adaptable, diverse, inclusive, productive and engaged workforce capable of delivering strong business results.
- Continue to develop our diversity strategy focusing on better business through diversity of thought and inclusiveness.
- Continue to support our people through change by offering development programs such as ‘Change Awareness,’ ‘Managing Resilience through Change’ and ‘Leading and Supporting through Change’.

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**Building a workforce for the future**

We are a significant employer in the South East Queensland region, employing 3,004 people as at 30 June 2016. As we enter into a period of considerable change, it is important that we continue to support our people and maintain the right balance of knowledge, experience and skills. This will ensure our workforce capability and flexibility align with changing business and customer requirements.

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**Energex People Plan**

The 2015/16 Energex People Plan continued to support our people strategy and is the overarching document that consolidates key people activities related to four key organisational initiatives:

- Develop our leadership capability for the future.
- Align and engage our workforce to respond to Energex’s business needs.
- Match the size and skill of our workforce to our Program of Work and future work.
- Improve the diversity and inclusion thinking of our workforce.
The following initiatives outline the achievements of our 2015/16 People Plan:

**Building effective leaders**

Leadership skills development continues to be a focus of our development programs. This year’s programs included:

- Certificate IV in Frontline Leadership which aims to equip new and emerging first line leaders with the knowledge and skills to succeed in their roles. This program continues to be well received by staff and managers with 19 frontline leaders graduating in 2015/16.

- Employee in Charge Program aims to develop the frontline leadership skills of field-based staff by addressing day to day challenges and providing important leadership insights. Between July 2015 and June 2016, 30 Employees in Charge completed this program.

- The Conscious Leadership Program has been a flagship program again in 2015/16, this year providing 19 established frontline and department leaders the opportunity to further enhance their leadership skills.

- Short courses in Leadership and Management Fundamentals (LMF) have also been offered allowing flexibility in meeting changing business requirements. The number of LMF program participants for 2015/16 was 344.

This year has also seen the introduction of the Executive Leadership Programs – Executive Conscious Leadership and Accelerate Leadership Programs; which are due for completion later in 2016. This program has 20 participants and the Accelerate program has 16.

All corporate programs are supported by other development activities including job rotations, secondments and project roles to expand the knowledge and skills of our leaders.

**Listening to our staff**

The annual Energex Staff Survey was conducted throughout March and April 2016, with an 87 per cent response rate, providing excellent feedback on a broad range of issues of importance to our employees. Our lead measure for the staff survey is Employee Alignment to Business Direction. It measures employees’ understanding of the relationship between their roles, the role of their teams, and achieving business outcomes. We achieved a result of 57 per cent (of employees agreeing and strongly agreeing with the statements). This result has improved by 10 per cent from the previous year and is considered a significant improvement.

In 2015/16 we developed three corporate staff survey initiatives based on our 2014/15 Staff Survey results:

**TEAM Success**

– Together Energex Achieves More

We replaced our performance planning, review and reward framework for all employees covered by the Energex Union Collective Agreement (EUCA) 2015, which is pivotal to our commitment to building and maintaining a culture that is underpinned by a shared set of corporate values.

TEAM Success enables staff to be recognised for their contribution and, based on the achievement of specific eligibility criteria and corporate performance outcomes, the potential to be rewarded for team effort in achieving performance targets through the proportionate sharing of a performance pay pool. Performance conversations are now more forward looking and concentrate on areas of improvement and development.

**Translating Energex’s Vision**

A need to strengthen employee understanding of our business’ strategic direction was identified as a key area of focus from our 2014/15 staff results.

We developed ‘Our Connected Future’ animation videos that showcased our employees working on innovative projects supporting our strategic direction. This was accompanied by group activities and discussion guides for leaders to raise awareness and understanding of Energex’s vision and purpose.

**EnergexConnect**

– Create, Innovate and Collaborate

EnergexConnect provides our staff with the opportunity to problem solve and influence the progress and achievement of our business priorities. It is a framework developed in response to 2014/15 Staff Survey data that indicated employees want to be heard and have their ideas contribute to making our business more efficient and a better place to work. The EnergexConnect framework provides staff with the opportunity to get involved through focus groups, input into key initiatives that support business performance, as well as submit their own ideas through an online Innovation Form. EnergexConnect fosters the need to create, innovate and collaborate, recognising the diversity of thought that exists within our business.

More than 26 initiatives have been registered across the business with more than 140 employees engaged through focus groups to improve the way we do business and deliver on business plan related outcomes.
Wellness Program

We continue to provide our employees with a range of initiatives including the Employee Assistance Program, Employee Resilience Training, Quit Smoking, Flu Vaccination, Global Corporate Fitness Challenge, Skin check rebate and a Wellness Blog.

In 2015/16 we became the first Queensland business to hold a Queensland Government Gold Rated Wellness Program for three years as part of the Queensland Government Healthier, Happier Workplace initiative. To achieve this, we undertake an annual reaccreditation with an independent professional panel reviewing our achievements in workplace health.

A key focus of our 2015/16 program has been psychological risks and the development of a mental health strategy known as ‘MindFit’ designed to mitigate mental health risks and support employee mental health. The Mindfit program uses the evidence based framework developed for the National Mental Health Commission and the Mentally Healthy Workplace Alliance. A key focus of the program is raising awareness, reducing stigma and facilitating early help seeking.

In addition, Energex and other parties involved in the Energex Union Collective Agreement (EUCA) 2015 Agreement have successfully implemented a Domestic and Family Violence Leave Policy for our employees. This policy includes access to leave, facilitation of access to support services in the workplace and outside of the workplace as well as maintenance of confidentiality.

Fostering Diversity and Inclusion

Our diversity and inclusion program is underpinned by our policy and our strategic framework ‘A Diverse Energex’. The Council for Diversity and Inclusion, chaired by our CEO, progresses diversity initiatives and develops strategies. Three working parties have been created and include a variety of volunteers from across the business who are interested in diversity, as well as managing and implementing initiatives to support the Diversity Strategy. The three working parties are Gender, Indigenous and Communication, Education and Awareness.

The two current focus areas support gender and indigenous initiatives. Work has commenced on understanding barriers to flexible working arrangements and diversity of thought in recruitment practices. We have published an Indigenous Engagement Strategy and will continue to work collaboratively with various community groups.

“ENERGEX MANAGEMENT CONTINUES TO DEMONSTRATE STRONG LEADERSHIP TO WORKPLACE HEALTH AND WELLBEING AND SETS A GREAT EXAMPLE FOR OTHER WORKPLACES TO FOLLOW”

A range of activities have been developed to embed diversity of thought throughout the business. We have introduced Diversity of Thought – Unconscious Bias training (527 employees have attended since the program commenced in September 2015) which is being deployed across the business to raise general awareness of diversity and inclusion issues. A ‘Diversity Dialogue’ blog provides an opportunity for our employees to share their diverse stories. Various events have also been held throughout the year to celebrate diversity and inclusion, such as International Women’s Day, White Ribbon Day and World Day for Cultural Diversity.
Developing our technical capability

We operate a Registered Training Organisation (RTO), EsiTrain, which provides the trade and post-trade technical training required to work on our network for both internal and external participants. Throughout 2015/16 we held 1,047 training courses with 23,994 participants trained face to face and on-line.

Developing the next generation

Engineering

We have a comprehensive Graduate Engineer Development Program which aims to develop individuals, providing technical as well as business and leadership skills to meet the organisation’s ongoing professional engineering requirements.

Key features of the Graduate Program include:

● Our Professional Development Committee comprised of senior managers, senior engineers and human resource specialists, develops and oversees the work experience program to ensure our graduates gain valuable career and personal development opportunities.

● Graduates undertake a four year program which includes six month rotations to gain an insight into the organisation’s business operations and challenges, as well as future career plan.

● Each Graduate in the program is assigned a mentor (typically a senior manager), who adopts the role of adviser. The mentor, in conjunction with the Professional Development Committee, is responsible for coordinating the developmental interests of the Graduate with the broader requirements of the organisation.

Apprenticeships

Our apprentice program continues to attract strong interest. In 2015/16 we welcomed 59 new apprentices with a particular focus on attracting females and indigenous Australians.

These new recruits will spend the first six months undertaking the required technical training before they transition to their practical phase and gain first-hand experience with the latest technology and trade skills for the energy network of the future.

Investing in our next generation of electrical workers and attracting a diverse range of candidates is an important part of preparing our business for the future. By the time these candidates graduate in 2020, our energy network will be transforming into a more connected network that will require more varied skill sets.
CUSTOMERS

WE CONTINUE TO WORK WITH OUR CUSTOMERS TO FORM POSITIVE RELATIONSHIPS THAT WILL ENSURE OUR ACTIVITIES, SERVICES AND INTERACTIONS MEET OUR CUSTOMERS’ NEEDS AND EXPECTATIONS.

WHAT WE SET OUT TO ACHIEVE THIS YEAR

<table>
<thead>
<tr>
<th>WHAT WE SET OUT TO ACHIEVE THIS YEAR</th>
<th>HOW WE PERFORMED?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve a Service Performance Index (SPI) greater than 80 per cent</td>
<td>✔ Achieved a SPI score of 85 per cent</td>
</tr>
<tr>
<td>Seek opportunities to work with our customers on key projects</td>
<td>✔ We are working with our customer representative groups, partners and key stakeholders to explore and develop strategies to respond to issues affecting our customers</td>
</tr>
<tr>
<td>Redesign the Customer Service Standards Program to ensure we are working with our customers in an open and transparent manner</td>
<td>✔ We have instigated a review of our customer standards and made changes where necessary, such as our Planned Power Outage standard, to reflect the need for greater choice in decision making. We are currently developing communications for our customers on customer standards to increase understanding and accessibility regarding our services.</td>
</tr>
<tr>
<td>Involve and work with customers to deliver tariff reform in 2015/16</td>
<td>✔ We worked with customers to develop our Regulatory Proposal, draft Tariff Structure Statement and Customer Impact Statement for submission to the AER. We are proactively working with our customers to undertake a study and research into consumer education, awareness and understanding of tariffs to support these regulatory requirements.</td>
</tr>
</tbody>
</table>

Outlook for 2016/17

Continue to deliver positive Service Performance Index results, and look at ways we can improve our approach to customer metrics

Continue to seek opportunities to work with our customers on key projects

Work with customers on the implementation of tariff reform for 2016-2020

Commit to openness and transparency of our Customer Standards Program and work with our customers to enhance their customer experience

Continue to enable strategic input from our customers through our Customer and Community Council and Commerce and Industry Panel
In 2015/16, we prepared for the establishment of our Customer and Community Council and Commerce and Industry Panel to help us make informed strategic decisions around our regulatory submissions, projects and initiatives. The Council and Panel will have their first meetings in 2016/17.
### Our Customer Principles

Central to our Customer Strategy are our Customer Principles – **Safety, Trust, Efficiency, Simplicity** and **Choice**. These principles set out how we have recognised the customer-driven nature of our business and put our customers at the centre of everything we do.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Deliver safe and secure products and services</td>
</tr>
<tr>
<td>Trust</td>
<td>Form strong relationships and partnerships based on trust</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Supply products and services at a competitive, affordable and sustainable price</td>
</tr>
<tr>
<td>Simplicity</td>
<td>Communicate, engage, design and deliver products and services that are easily accessed and understood</td>
</tr>
<tr>
<td>Choice</td>
<td>Provide choice through innovative products and services</td>
</tr>
</tbody>
</table>

### Digital Strategy

Our Digital Strategy incorporates information technology digital solutions and the accompanying cultural change, policies and procedures. We continue to improve our communication and interaction channels to meet all our customer segments’ expectations.

Throughout 2015/16, we commenced our website redesign, with a goal for our website to be the first point of contact for all our customers and to meet expectations of immediate satisfaction of information, services and conversations. Stage one of the Energex “Power On” Application (app) was released.

The app provides customers with greater choice and options, and has evolved to meet customers’ emerging technology needs and behaviours and makes interacting with us easier.
Table 4 – Guaranteed Service Levels (GSLs) claims by category and entity source

<table>
<thead>
<tr>
<th>GSL Event</th>
<th>Total GSL Claims Paid</th>
<th>Energex Related</th>
<th>Retailer Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability - interruption duration</td>
<td>3,897</td>
<td>6,110</td>
<td>3,897</td>
</tr>
<tr>
<td>Reliability - interruption frequency</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Reliability</strong></td>
<td>3,897</td>
<td>6,110</td>
<td>3,897</td>
</tr>
<tr>
<td>Customer Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Connection</td>
<td>32</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>Wrongful disconnection</td>
<td>179</td>
<td>109</td>
<td>90</td>
</tr>
<tr>
<td>Failure to reconnect</td>
<td>312</td>
<td>138</td>
<td>63</td>
</tr>
<tr>
<td>Hot water complaint - failure to attend</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Missed scheduled appointment</td>
<td>238</td>
<td>252</td>
<td>225</td>
</tr>
<tr>
<td>Planned interruptions - business</td>
<td>171</td>
<td>144</td>
<td>171</td>
</tr>
<tr>
<td>Planned interruptions - residential</td>
<td>1,621</td>
<td>1,448</td>
<td>1,621</td>
</tr>
<tr>
<td><strong>Total Customer Service</strong></td>
<td>2,553</td>
<td>2,128</td>
<td>2,201</td>
</tr>
<tr>
<td>GSL Total</td>
<td>6,450</td>
<td>8,238</td>
<td>6,098</td>
</tr>
</tbody>
</table>

Connected Customer Services

IN 2015/16 WE RESPONDED TO MORE THAN 666,700 CUSTOMER ENQUIRIES INCLUDING CALLS, LETTERS AND EMAILS. CALL VOLUMES TO THE GENERAL ENQUIRIES LINE WERE SIMILAR TO THOSE RECEIVED IN 2014/15 AND WE ANSWERED 77 PER CENT OF THESE CALLS WITHIN 20 SECONDS.

Major storm activity on 10 December 2015 resulted in large volumes of calls and due to the extensive damage to the Energex network 4,374 GSL payments were made. This increased the overall volume of Reliability Duration GSLs compared to 2014/15.

Overall the storm season was mild and call volumes to the loss and emergency lines were lower than those seen in the prior year.

National Energy Customer Framework (NECF)

We facilitated the changes necessary to be compliant with the National Energy Customer Framework (NECF) by July 2015. Mandated by the Queensland Government, NECF compliance required both manual and system changes to processes such as our planned interruptions, new connections, alterations and additions, and compliance reporting. We undertook change management and training with our employees, staff and electrical contractors to ensure all changes were communicated before July 2015.

As part of our NECF compliance activities, we developed a new service operating model which amalgamated three of our customer touchpoint groups to form the Connected Services team. The Connected Services team ensures a seamless one touch end-to-end customer experience as well as increasing business efficiencies.
Understanding our customers

Service Performance Index

We engage an independent research company to assess perceptions regarding our service delivery to our customers. The results are used to create a key customer service benchmark – the Service Performance Index (SPI).

Understanding what our customers expect now and in the future assists us to both understand and improve our performance and service delivery and inform our strategic planning process.

Tariffs and Pricing

By engaging our customers in our tariff reform program, “Your Network, Your Choices” we have been able to devise a Tariff Structure Statement for 2017-2020 that considers and addresses impacts on our connected customers.

This engagement provided us with valuable insights into what customers expect from their electricity prices and how we, as an electricity distributor, need to better meet our customer needs and promote more efficient use of the network.

The engagement process also provided us with important insights in our engagement practice that has helped shaped ongoing engagement work across our business.

Central to tariff reform, engagement has been the goal of working with customer and community groups to develop mutually beneficial relationships. As our tariff reform program progresses, the scope and focus was greatly influenced by the input and feedback from customers across all of our customer segments.

A critical outcome from the engagement process was the redesign of the tariff reform program to create a ‘whole of market’ response. Through engagement, we were able to recognise that reform would not deliver if we weren’t working closely with the market, energy retailers, Government, technology providers and both residential and business connected customers. We have developed this concept further and are working with electricity retailers in 2016/17 to implement partnerships to deliver market wide tariff reform.

We are committed to proactive, meaningful and mutually beneficial relationship and engagement practices. We acknowledge the considerable time and effort our customers have contributed to tariff reform. As tariff reform implementation continues, we aim to progress the strong foundation created through the “Your Network, Your Choices” program.

Supporting industry review

In 2015 the Queensland Productivity Commission (QPC) commenced two inquiries – one into Electricity Pricing in Queensland and one into Solar Feed-In Pricing in Queensland. The objective of the Electricity Pricing Inquiry was to examine electricity pricing in Queensland and to provide the Government with future options that improve outcomes for consumers. The objective of the Solar Feed-In Inquiry was to determine the best way of achieving a fair price for solar power produced by homes and small businesses.

We actively participated in both inquiries by providing responses on the QPC issues papers and draft reports in line with the key themes of ensuring efficient costs for customers; providing choice and control for customers; promotion of economic development for Queensland by acting in the long term interests of consumers; and the facilitation and integration of low carbon energy options.

The QPC has delivered the final reports to Government. The reports are expected to be released publicly in late 2016.
We strive to consider customer views and expectations gained from the QHES and other channels in our decision making.

Three Key Findings

1. Customers are replacing appliances with newer technology and owning fewer of the same appliances. In the last five years the biggest ownership increases have been in LED or LED/LCD televisions, LED light bulbs, tablet computers, 3D televisions and instantaneous hot water systems. Over the same period the largest decreases in ownership have been in tablets, computers, stereos, compact fluorescent light bulbs, LCD televisions and electric heaters.

2. Changes in the way our customers use entertainment devices may shift electricity consumption away from the lounge room. Ownership of multiple tablet computers has increased four per cent since 2014 (to 37 per cent) while ownership of at least one television has decreased by six per cent (to 91 per cent).

3. Air-conditioner penetration has remained stable at 75 per cent. This is forecast to increase slightly to 76 per cent and remain at this level for the next few years. Popularity of split system air-conditioners in newer homes (less than five years old) is declining, although still remains high overall (74 per cent) offset by increases in ducted air conditioning systems. The number of people purchasing portable systems has increased slightly from two per cent to three per cent in 2015.

New technologies

Based on responses to the QHES, customer knowledge and understanding of battery storage has increased significantly across South East Queensland, with approximately 46 per cent of respondents indicating awareness (which increases to 64 per cent among solar PV owners). The greatest motivation for the adoption of this new technology is the desire for self-sufficiency, which is closely followed by the storage of electricity for use in peak times. However, the upfront costs of battery storage are still prohibitive for many customers, with 35 per cent of respondents indicating the purchase price is too expensive.

Purchase intent is likely to increase when the technology is more affordable, such as when battery storage costs are more in line with solar PV. According to responses received through the QHES, customers become increasingly interested in battery storage systems at a hypothetical price point of $4,621. However current market prices remain substantially higher than this.

Concerns in relation to rising electricity prices

The QHES findings show high level concerns about rising electricity costs have decreased in South East Queensland over the past twelve months, with only 38 per cent of customers stating a high concern. Whilst bill concern is still relevant for many people, the findings also show that fewer customers, 75 per cent compared to 81 per cent (2014), are taking steps to reduce their energy consumption and mitigate high bill concern.

As customers are responding less to price concerns, electricity demand is expected to increase. Fifteen per cent of South East Queensland respondents recorded an intention to install solar PV during the next two years. This rate of uptake may change once battery storage becomes more widely available. As we progress with our program of work over the next year, we will utilise information from the QHES to develop more targeted engagement programs to ensure customer feedback is incorporated into our decisions in this area.
## COMMUNITY

WE STRIVE TO BE A TRUSTED COMMUNITY PARTNER WHO POSITIVELY ENGAGES WITH THE COMMUNITY.

<table>
<thead>
<tr>
<th>WHAT WE SET OUT TO ACHIEVE THIS YEAR</th>
<th>HOW WE PERFORMED?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve a Community Regard Index (CRI) greater than 63 per cent</td>
<td>✔ Achieved a CRI score of 67 per cent</td>
</tr>
<tr>
<td>Continue community engagement for our Program of Work</td>
<td>✔ Achieved</td>
</tr>
<tr>
<td>Provide support to South East Queensland through our Community Support Program</td>
<td>✔ Continued to provide $927,500 to the South East Queensland community</td>
</tr>
</tbody>
</table>

### Outlook for 2016/17

- Continue to deliver positive Community Regard Index results
- Continue community engagement programs for our Program of Work activities
- Maintain and identify new partnership opportunities for our Community Support Program which support the community in which we operate

### Maintaining a community focus

We actively measure our corporate responsibility using an independently developed index – the Community Regard Index (CRI). The CRI focuses on public perceptions of Energex, our role as an electricity distribution service provider and associated media stories and events that have a wide community impact or recognition.

Our CRI exceeded our overall target by more than four points, achieving 67.4 for 2015/16. This score is marginally lower than previous years which can be attributed to less significant storm activity during the 2015/16 period. Our score continues to position us as one of the top performing Australian utilities.

### Informing the community

During the 2015/16 period, we provided timely information for the community regarding thousands of small localised network upgrades and more than sixty major capital works projects. Our communications included flyers, stakeholder letters, advertising, media and stakeholder meetings.

### Graph 5 – Community Regard Index

Graph 5 compares our performance in community regard since 2011/12.

<table>
<thead>
<tr>
<th>Year</th>
<th>CRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>68.8</td>
</tr>
<tr>
<td>2012/13</td>
<td>69.5</td>
</tr>
<tr>
<td>2013/14</td>
<td>69.8</td>
</tr>
<tr>
<td>2014/15</td>
<td>69</td>
</tr>
<tr>
<td>2015/16</td>
<td>67.4</td>
</tr>
</tbody>
</table>
Providing community support

IN 2015/16 WE INVESTED MORE THAN $927,500 ACROSS THE FOUR THEMES OF OUR COMMUNITY SUPPORT – SAFETY, COMMUNITY, EDUCATION AND ENVIRONMENT.

Energex has a proud history of support for emergency response groups, such as our long standing partnerships with the Queensland Rural Fire Service and Volunteer Marine Rescue. In 2015/16 we built on this legacy with the launch of our first ever state-wide community support partnership with the State Emergency Service (SES) in conjunction with Ergon Energy and Powerlink Queensland.

The partnership will provide $200,000 worth of vital equipment to enhance emergency response capacity of more than 5,900 volunteers across Queensland.

Community Support partnership highlights for 2015/16 included:

- **PA Research Foundation** – our third year of partnership involves funding and field staff (approximately 50 staff to date) involvement to improve the early detection of skin cancer,
- **Royal National Association of Queensland** – our longest running community support partnership which provides us with an opportunity to promote electrical safety awareness and educate primary school children about rural and regional Queensland,
- **Queensland Ballet** – the arts is important to the community and our partnership supports five emerging dancers and high-quality local productions,
- **University engineering scholarships** – across two universities we provide support to attract and retain emerging and diverse talent to the power and distribution engineering discipline,
- **Queensland Theatre Company** – our partnership supports indigenous storytelling and the nurturing of the next generation of Queensland acting talent,
- **Energex Community and Sustainability Fund** – more than $100,000 in grants has been provided to more than 80 local community groups including Beenleigh PCYC, Bulimba Seniors and Community Centre, Jimboomba Community Garden, and The Gap State High School.

Our Community Support Committee comprising of our Chief Executive Officer and senior managers across the business is responsible for the Community Support Strategy and monitoring and evaluating new and existing partnerships.

Graph 6 – Distribution of our community support funds 2015/16

A snapshot of the distribution of our community support funds within the key community support areas

- **Safety**
- **Environment (ECSF)**
- **Education**
- **Community**

Total Community Support: $927,500
ENVIRONMENT

WE ARE COMMITTED TO RESPONSIBLE ENVIRONMENTAL MANAGEMENT AND CONTINUOUS IMPROVEMENT AS PART OF OUR CORPORATE SOCIAL RESPONSIBILITY AND MEETING STAKEHOLDER AND COMMUNITY EXPECTATIONS.

**WHAT WE SET OUT TO ACHIEVE THIS YEAR**

- Maintain current performance during a period of significant change
- Deliver a sustainable environmental position
- Exceed Environmental Management Systems requirements

**HOW WE PERFORMED?**

- ✓ Maintained performance
- ✓ Delivered balanced sustainable outcomes
- ✓ Continued to comply with our Environmental Management System (ISO 14001)

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**Offsetting our impact**

Through our environmental off-set policy, we seek to balance the unavoidable impacts to native plants, wildlife habitats and regional ecosystems when we construct new infrastructure.

We aim to replace every native tree unavoidably removed for network infrastructure with three saplings. To achieve this, we partner with several local Councils and community groups to meet our offset obligations. Over the past five years we have planted more than 290,000 trees on 178 hectares of land across South East Queensland.

In 2015/16 more than 35,300 trees were planted as part of our offset strategy.

**Major projects included:**

- The second year of a four year project with the Oxley Creek Catchment Association and Brisbane City Council to rehabilitate more than five hectares of Granard Wetland in the Oxley and Rocklea area,
- A new four year restoration program with Tamborine Mountain Landcare and Scenic Rim Regional Council to revegetate approximately 11 hectares of cleared rainforest on Tamborine Mountain,
- The completion of an ecological restoration of our 279 hectare environmental offset property at Undullah in the Logan area. Extensive restoration activities have been completed on the property including new koala habitats, restoring waterways, wetlands and endangered regional ecosystems,
- The final stages of a more than 90,000 tree planting project to create a koala and wildlife habitat at the Pimpama Conservation Reserve in conjunction with SEQ Catchments and Gold Coast City Council.

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**Outlook for 2016/17**

- Continue to identify ways to reduce our environmental impact within our property portfolio
- Develop programs and strategies to improve waste management and recycling across our organisation
- Identify partnership opportunities with Councils and community groups to fulfil our environment offset policy obligations
Improving our waste reduction and recycling

We educate our staff to promote waste avoidance and conserve resources by avoiding landfill disposal of waste.

Our Waste Reduction and Recycling Strategy is based on the internationally recognised waste management hierarchy which describes the preferred order for managing waste to conserve resources. The hierarchy places waste reduction as the preferred management option, followed by re-use, through recycling and recovery options to disposal as the least preferred approach.

To improve our waste reduction and recycling behaviours, the Energex Best Bin Competition, which was launched in 2014, continues to encourage our field staff to recycle our equipment where possible and reduce the amount of waste sent to landfill. The competition allocates funds from the sale of scrap metal to be used for the winning depot’s nominated charity.

In 2015/16 greater than two thirds of all waste generated across Energex was recycled including 2,890 tonnes of scrap metal, 2,540 tonnes of timber and 673,673 litres of oil.

Sunshine Coast Solar Farm

We worked with Sunshine Coast Council to progress a 15 megawatt solar farm at Valdora on the Sunshine Coast.

The solar farm is well-located near our existing network and construction is now underway. Once complete, more than 57,800 panels will be installed with the potential to generate enough electricity to power the equivalent of 5,000 homes, thereby reducing Council’s electricity running costs. The farm is expected to be the largest utility scale facility of its type built by a local government in Australia.

Graph 7 – Waste Reduction and Recycling Standard

![Graph showing the waste reduction hierarchy]

Most preferable
- Reduce
- Reuse
- Recycle
Least preferable
- Dispose

Table 5 – Comparison to previous years including benchmark 2005/06 year

We continue to focus on managing greenhouse gas emissions. The organisation has a robust measurement and reporting framework in place and a suite of initiatives in place to reduce emissions. We also recognise that climate change may pose an elevated risk to electricity security and are a participant in the Queensland Climate Adaptation Strategy.

<table>
<thead>
<tr>
<th>Measure</th>
<th>2005/06</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>kWh Total</td>
<td>17,073,981</td>
<td>15,910,239</td>
<td>17,184,439</td>
<td>16,486,763</td>
<td>14,792,105</td>
<td>15,171,121</td>
</tr>
<tr>
<td>% change prev year</td>
<td>-</td>
<td>-4.4%</td>
<td>8.0%</td>
<td>-4.0%</td>
<td>-10.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>% change to 05/06</td>
<td>-</td>
<td>-6.8%</td>
<td>0.6%</td>
<td>-3.4%</td>
<td>-13.4%</td>
<td>-11.1%</td>
</tr>
</tbody>
</table>

Energy efficiency comparison – kWh per m²

<table>
<thead>
<tr>
<th>Portfolio m²</th>
<th>119,780.3</th>
<th>151,222.3</th>
<th>157,999.5</th>
<th>160,187.6</th>
<th>155,622.9</th>
<th>154,540.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>kW per m²</td>
<td>142.54</td>
<td>105.21</td>
<td>108.76</td>
<td>102.92</td>
<td>95.05</td>
<td>98.17</td>
</tr>
<tr>
<td>% change</td>
<td>-26.2%</td>
<td>-23.7%</td>
<td>-27.8%</td>
<td>-33.3%</td>
<td>-31.1%</td>
<td>-28.3%</td>
</tr>
</tbody>
</table>
Directions
On 12 November 2015, the Government issued a Direction to Energex under section 299 of the Electricity Act 1994 for Energex not to apply for a review of the Australian Energy Regulator’s “Final Decision Energex Determination 2015-16 to 2019-20” which was released on 29 October 2015. This decision was taken in order to ensure there was no additional financial burden with electricity cost pressures to Queensland households, the agricultural sector or to businesses as a result of seeking a review of the Final Determination.

On 9 June 2016, the shareholding Ministers issued a Direction to Energex under section 131(3)(b) of the Government Owned Corporations Act 1993 to pay a dividend for 2015/16 of $451 million, to be declared and paid on 29 June 2016.

On 24 June 2016, the shareholding Ministers issued a Direction to Energex under section 86 (1) of the Government Owned Corporations Act 1993 to make amendment to Energex’s subsidiary company constitutions, required as part of the electricity industry restructuring on 30 June 2016.

Ministerial Notifications
In 2015/16, there were no Ministerial Notifications issued to Energex under section 114 of the GOC Act.

Table 6 – International Travel Expenditure 2015/16
Summarised below is the international travel expenditure costs for 2015/16.

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Purpose</th>
<th>No. of visits</th>
<th>Subtotal ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>United Kingdom, Germany, Belarus, Netherlands</td>
<td>Visit to leading European utilities. The purpose of this visit was to better understand the learnings/challenges from their smart grid pilot and trials as well as experience in transitioning into new unregulated areas of business. It also sought to identify scope for Australian utilities to leverage these European utilities’ past learnings, visions and strategic directions.</td>
<td>2</td>
<td>$12,194</td>
</tr>
<tr>
<td>Europe</td>
<td>London, United Kingdom</td>
<td>Due to the merger of Energex and Ergon Energy, new Directors’ and Officers (and supporting policies) and public liability insurance policies were required. To ensure efficient and effective policies were obtained, face-to-face meetings were held with existing and potential new insurers to discuss key risks associated with our business.</td>
<td>1</td>
<td>$12,011</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$24,205</strong></td>
</tr>
</tbody>
</table>

Table 7 – Corporate entertainment and hospitality events 2015/16
Summarised below are the corporate entertainment and hospitality events over $5,000 (including GST), incurred by the Energex Group of companies for 2015/16.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Subtotal ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Recognition – 25 Years of Service</td>
<td>7 August 2015</td>
<td>$6,000</td>
</tr>
<tr>
<td>Energex Apprenticeship Awards</td>
<td>27 May 2016</td>
<td>$12,447</td>
</tr>
<tr>
<td>Energex Excellence Awards</td>
<td>6 May 2016</td>
<td>$13,215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>**</td>
<td><strong>$31,662</strong></td>
</tr>
</tbody>
</table>
### Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Overhead and Underground (km)</td>
<td>51,434</td>
<td>51,879</td>
<td>52,176</td>
<td>52,635</td>
<td>53,034</td>
</tr>
<tr>
<td>Lines - Length of Overhead (km)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35,051</td>
<td>35,094</td>
<td>35,112</td>
<td>35,171</td>
<td>35,167*</td>
</tr>
<tr>
<td>LV (Low Voltage)</td>
<td>14,274</td>
<td>14,262</td>
<td>14,242</td>
<td>14,226</td>
<td>14,213</td>
</tr>
<tr>
<td>11 kV</td>
<td>17,502</td>
<td>17,529</td>
<td>17,541</td>
<td>17,553</td>
<td>17,570</td>
</tr>
<tr>
<td>33 kV</td>
<td>2,098</td>
<td>2,130</td>
<td>2,196</td>
<td>2,219</td>
<td>2,211</td>
</tr>
<tr>
<td>132 kV and 110 kV</td>
<td>1,177</td>
<td>1,173</td>
<td>1,173*</td>
<td>1,173*</td>
<td>1,173*</td>
</tr>
<tr>
<td>Cables - Length of Underground (km)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16,383</td>
<td>16,785</td>
<td>17,064</td>
<td>17,464</td>
<td>17,867</td>
</tr>
<tr>
<td>LV (Low Voltage)</td>
<td>10,262</td>
<td>10,457</td>
<td>10,599</td>
<td>10,848</td>
<td>11,114</td>
</tr>
<tr>
<td>11 kV</td>
<td>5,122</td>
<td>5,290</td>
<td>5,421</td>
<td>5,547</td>
<td>5,684</td>
</tr>
<tr>
<td>33 kV</td>
<td>866</td>
<td>892</td>
<td>892</td>
<td>913</td>
<td>913</td>
</tr>
<tr>
<td>132 kV and 110 kV</td>
<td>133</td>
<td>146</td>
<td>152</td>
<td>156</td>
<td>156</td>
</tr>
<tr>
<td>Other Equipment (Quantity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Supply Substations</td>
<td>41</td>
<td>41</td>
<td>42</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Zone Substations</td>
<td>235</td>
<td>238</td>
<td>242</td>
<td>244</td>
<td>246</td>
</tr>
<tr>
<td>Poles(^1)</td>
<td>653,741</td>
<td>658,886</td>
<td>661,714</td>
<td>667,469</td>
<td>671,803</td>
</tr>
<tr>
<td>Distribution Transformers</td>
<td>46,792</td>
<td>47,436</td>
<td>47,875</td>
<td>48,436</td>
<td>48,997</td>
</tr>
<tr>
<td>Street Lights(^2)</td>
<td>340,248</td>
<td>345,807</td>
<td>348,716</td>
<td>354,691</td>
<td>359,100</td>
</tr>
<tr>
<td>Customer Numbers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>1,220,430</td>
<td>1,235,740</td>
<td>1,250,326</td>
<td>1,271,644</td>
<td>1,297,106</td>
</tr>
<tr>
<td>Other</td>
<td>113,185</td>
<td>111,455</td>
<td>113,489</td>
<td>113,801</td>
<td>114,522</td>
</tr>
<tr>
<td>Total</td>
<td>1,333,615</td>
<td>1,347,195</td>
<td>1,363,815</td>
<td>1,385,445</td>
<td>1,411,628</td>
</tr>
</tbody>
</table>

\(^1\) All poles including customer poles and streetlight poles held on record.
\(^2\) All streetlights including rate 3 streetlights.
\(^3\) Distance includes previously purchased 110 kV lines from Powerlink that are currently out of service.
<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>The assets referred to in the revenue section of this document can include financial assets and network equipment.</td>
</tr>
<tr>
<td>Australian Energy Market Commission (AEMC)</td>
<td>The Australian Energy Market Commission was established in 2005 by the Council of Australian Governments as part of new governance arrangements to oversee the nation's main energy markets. It is responsible for making rules to govern the electricity and natural gas markets, including the retail elements of those markets.</td>
</tr>
<tr>
<td>Australian Energy Regulator (AER)</td>
<td>The Australian Energy Regulator is the economic regulator of the national electricity market established under Section 44AE of the Competition and Consumer Act 2010 (Cth). It is their role to review our Regulatory Proposal and determine our revenue cap for the five year regulatory period.</td>
</tr>
<tr>
<td>Battery Energy Storage System (BESS)</td>
<td>A Battery Energy Storage System allows storage of electricity for use at a later time. While batteries were first produced in the 1800s, the types of batteries that efficiently store power and provide electricity to households are relatively new.</td>
</tr>
<tr>
<td>C20 CAPEX</td>
<td>C20 Capital Expenditure – C20 is used to indicate sub-transmission network and distribution backbone capital projects.</td>
</tr>
<tr>
<td>C25 CAPEX</td>
<td>C25 Capital Expenditure – C25 is used to indicate distribution capital projects for customer connections, company initiated and customer driven works.</td>
</tr>
<tr>
<td>Consumer Price Index (CPI)</td>
<td>Consumer Price Index is determined by the Australian Bureau of Statistics which measures changes in the price of consumer goods and services purchased by households.</td>
</tr>
<tr>
<td>Demand</td>
<td>The amount of electricity being used at a given time measured in either kilowatts or kilovolt amperes.</td>
</tr>
<tr>
<td>Demand Management programs</td>
<td>Demand management programs provide solutions to our customers which are designed to reduce demand on our electricity supply network or part of the electricity supply network.</td>
</tr>
<tr>
<td>Electricity Distributor</td>
<td>An electricity distributor is an owner and operator of substations, poles and wires that transport electricity from high voltage transmission network to customers. It is also a provider of technical services including construction of power lines, inspection of equipment, maintenance and public lighting. We are an electricity distributor, operating as a registered participant in the National Electricity Market for the region of South East Queensland. There are sixteen electricity distributors which operate within the National Electricity Market.</td>
</tr>
<tr>
<td>Electricity use</td>
<td>The amount of electricity used by a customer (or all customers) over a period of time. Electricity use is measured in watt hours, kilowatt hours, megawatt hours or gigawatt hours.</td>
</tr>
<tr>
<td>Gigawatt hours (GWh)</td>
<td>A measure of electricity volume or use.</td>
</tr>
<tr>
<td>Guaranteed Service Levels (GSL)</td>
<td>A Guaranteed Service Level is a commitment of Energex to meet standards defined by the Queensland Electricity Industry Code. The standards include; appointments, hot water, reliability etc. Where these service levels are not met, we are required to make a payment to the customer impacted.</td>
</tr>
<tr>
<td>Kilowatt hours (kWh)</td>
<td>A measure of electricity volume or use.</td>
</tr>
<tr>
<td>Maximum allowable revenue</td>
<td>The maximum revenue which can be recovered through network tariffs for the regulatory period.</td>
</tr>
<tr>
<td>Megavolt amperes (MVA)</td>
<td>A measure of electricity demand.</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>Megawatt hours (MWh)</td>
<td>A measure of electricity volume or use.</td>
</tr>
<tr>
<td>National Electricity Law</td>
<td>The legislation that establishes the role of the Australian Energy Regulator as the economic regulator of the National Electricity Market and the regulatory framework under which the Australian Energy Regulator operates.</td>
</tr>
<tr>
<td>National Electricity Market</td>
<td>The interconnected electricity grid covering Queensland, New South Wales, Victoria, Tasmania, South Australia and the Australian Capital Territory.</td>
</tr>
<tr>
<td>National Electricity Rules</td>
<td>The legal provisions (enforced by the Australian Energy Regulator) that regulate the operation of the National Electricity Market and the national electricity systems, the activities of market participants and the provision of connection services to retail customers.</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>The combined total of maintenance and operating costs. Maintenance costs relate to the repair and maintenance of network equipment while operating costs relate to day to day operations.</td>
</tr>
<tr>
<td>Peak demand</td>
<td>The peak demand recorded at a customer’s meter or the peak demand placed on the electrical distribution network system at any time or at a specific time or within a specific time period, such as a month. Maximum demand is an indication of the capacity required for a customer’s connection or the electrical distribution network.</td>
</tr>
<tr>
<td>PeakSmart</td>
<td>A signal receiver device installed on an air-conditioner to reduce energy use of the appliance and to assist with managing peak demand.</td>
</tr>
<tr>
<td>Positive Payback</td>
<td>A program which provides incentives to residential or business customers to participate in demand management programs.</td>
</tr>
<tr>
<td>Queensland Government Solar Bonus Scheme</td>
<td>A Queensland Government policy that pays small residential and business customers for the surplus electricity generated from roof-top solar PV systems that is exported to the Queensland electricity network.</td>
</tr>
<tr>
<td>Regulation</td>
<td>Delegated legislation made under an Act of Parliament.</td>
</tr>
<tr>
<td>Reliability</td>
<td>How long and how often customers experience power outages.</td>
</tr>
<tr>
<td>Solar PV</td>
<td>A system made up of an inverter and photovoltaic (PV) panels that uses sunlight to generate electricity for use at the customer’s property. These systems may have the capability to feed electricity into the network.</td>
</tr>
<tr>
<td>Standard control service</td>
<td>Services we provide where the entire community shares the cost are called standard control services. Standard control services include network services which ensure the operation of our network and delivery of electricity services. The costs for these services are shared by everyone who is connected to the network and are subject to a ‘revenue cap’. This means the total revenue is a fixed amount collected over a five year period.</td>
</tr>
<tr>
<td>SCS System CAPEX</td>
<td>Standard Control Services Systems Capital Expenditure – A measure of the capital expenditure incurred by the Energex Group on standard control system capital works to the end of the reporting period.</td>
</tr>
<tr>
<td>SCS System OPEX</td>
<td>Standard Control Services System Operating Expenditure – A measure of the operational expenditure incurred by the Energex Group on standard control services to the end of the reporting period.</td>
</tr>
</tbody>
</table>
For general enquiries:

www.energex.com.au
custserve@energex.com.au
13 12 53 (8am to 5:30pm, Monday to Friday)
13 14 50 Telephone interpreter service

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