

STATUTORY INFORMATION

GOVERNANCE

Minister

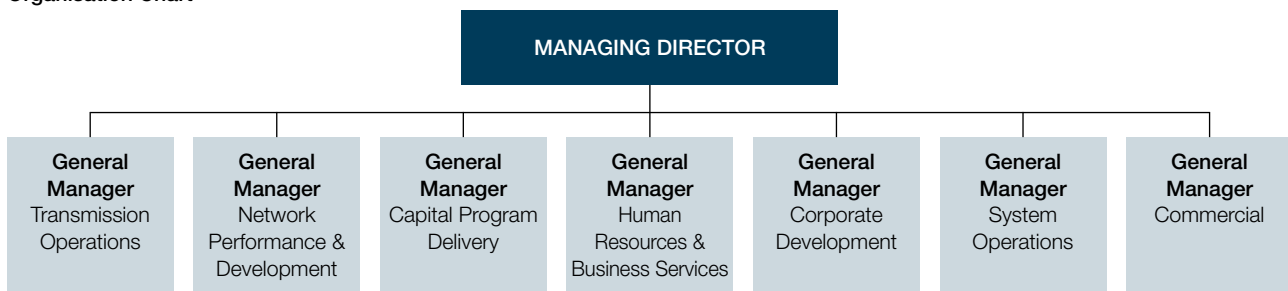
TransGrid is subject to the control and direction of its Portfolio Minister.

From 1 July 2005 to 2 August 2005, TransGrid formed part of the portfolio of The Hon. Frank Sartor MP; Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts.

From 3 August 2005 to 16 February 2006, TransGrid formed part of the portfolio of The Hon. Carl Scully MP; Minister for Utilities and Minister for Police.

From 17 February 2006 to 30 June 2006, TransGrid formed part of the portfolio of The Hon. Joe Tripodi MP; Minister for Energy, Minister for Ports and Waterways, and Minister Assisting the Treasurer on Business and Economic Regulatory Reform.

Organisation Chart



Aims & Objectives

Australia's largest transmission company serving the national and international electricity supply industry.

Our Objectives

KEY RESULT AREAS	OBJECTIVES
Business	To be commercially successful
	To have the necessary business processes in place to enable innovation and continual improvement
	To achieve a fair outcome in the next revenue reset
Customers	To be socially responsible
	To provide reliable and accessible facilities for the transmission of electricity
Safety and Environment	To be responsive to the needs of our customers
	To be environmentally responsible
	To provide a safe environment for the public
People	To provide for the safety of our people
	To develop our people in line with business needs
	To value our people
Stakeholders	To attract high quality candidates in key areas
	To be responsive to our stakeholders needs
	To influence our stakeholders views
	To communicate with our stakeholders

Our Values; In pursuing its goals, TransGrid seeks to draw on its values of;

1. Honesty and Integrity

To be truthful and consistent in all our dealings

2. Trust and Respect

To recognise and have confidence in the ability of our colleagues, value their contributions and opinions and accept the differences, as well as the similarities of people

3. Open Communication

To share information in an open and transparent manner

4. Professionalism

To undertake our tasks diligently and to address competently the difficult as well as the ordinary issues that we face

5. Fairness and Equity

To undertake our duties without fear or favour and make decisions with impartiality and sensitivity

6. Consideration

To treat people with understanding and consider their viewpoints when making decisions

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Charter

TransGrid was established as a State-owned corporation on 14 December 1998, by and under the *Energy Services Corporations Amendment (TransGrid Corporatisation) Act 1998*, which effected various amendments to the *Energy Services Corporations Act 1995*.

Section 6C of the *Energy Services Corporations Act* gives TransGrid, as an energy transmission operator, two principal functions, viz.

- (a) to establish, maintain and operate facilities for the transmission of electricity and other forms of energy, and
- (b) to provide services for the transmission of electricity and other forms of energy in accordance with the relevant regulatory regime.

The Section also empowers TransGrid to utilise and develop its electricity transmission facilities to carry out telecommunications services.

The principal legislation under which TransGrid operates is the *Energy Services Corporations Act 1995*, the *Electricity Supply Act 1995* and the *State Owned Corporations Act 1989*.

Senior Officers

Position	Name	Qualifications
Executive Director and Managing Director	Mr Kevin Murray	BE (Elec), Dip Bus Studies, FAICD
General Manager/Commercial and Board Secretary	Mr John Byrne	Comm. (Acctg Proc) Cert, Cost Acctg Post Cert, Comm Prog Cert, FCPA, FAICD
General Manager/Capital Program Delivery	Mr Chris FitzGerald	BSc, BE (Hons), ME, Grad Dip (Bus Admin), FIE Aust, CP Eng
General Manager/Transmission Operations	Mr Vic Galea	BE (Elec)
General Manager/Network Performance and Development	Mr Peter McIntyre	BSc, BE (Hons), MBA (Technology Management), GAICD
General Manager/Human Resources and Business Services	Mr Paul Phillips	BE (Hons), BSc, MMgt
General Manager/System Operations	Mr Lionel Smyth	BE (Elec), Grad Mgt Qual, GAICD
General Manager/Corporate Development	Mr Kym Tothill	B.Tech (Electrical), B.Economics, C.P.Eng., MIEE, GAICD, Post Grad. Dip. Business Management

Performance Statements

Mr K Murray, Managing Director, was assessed by the Board as having achieved all key performance criteria set in the Corporate Plan and the Statement of Corporate Intent with the NSW Government including restructuring the organisation to provide an increased focus on core activities, an improved capital works governance process and strategies to continue to reduce real operating costs.

Mr J Byrne, General Manager/Commercial, was assessed by the Managing Director as having achieved all performance criteria, including the effective management of all TransGrid financial functions, successful implementation of International Accounting Standards (AIFRS) and improved business reporting systems including the upgrade of TransGrid's ERP, achievement of a significant level of Unregulated Income, and improved commercial arrangements with equipment suppliers.

Mr V Galea, General Manager/Transmission Operations, was assessed by the Managing Director as having achieved all performance criteria of his position, including network reliability, equipment availability, completion of Network's maintenance and asset replacement / refurbishment programs, construction and commissioning of various major capital works while maintaining a high level safety performance and environmental compliance.

Mr C FitzGerald, General Manager/Capital Program Delivery, was assessed by the Managing Director as having achieved all performance criteria including the achievement of the significant major capital works program for 2005/06 with the completion of the new Yass 330kV Substation and transformer replacements at Armidale, Liverpool, Wellington, Newcastle and Sydney West Substations being among the major milestones. GM/CPD also progressed to program a range of other major capital works including the Coffs Harbour 330kV Substation works and the Western 500kV Upgrade. The Capital Expenditure Steering Committee chaired by Chris FitzGerald has also been a major achievement in managing the capital works program for TransGrid.

Mr P McIntyre, General Manager/Network Performance and Development, was assessed by the Managing Director as having achieved all performance criteria including achievement of the transmission network planning and development requirements to facilitate TransGrid's significant capital program, the production of the 2007-2011 Network Management Plan and 2006 Annual Planning Report, the introduction of improved reliability governance processes, and the delivery of best-practice asset management services.

Mr P Phillips, General Manager/Human Resources and Business Services was assessed by the Managing Director as having achieved all performance criteria including workforce succession and resource planning, leading TransGrid's Safety Commitment and achieving an industry leading Lost Time Injury rate, achieving reliability of better than 99% for the corporate computer systems, maintaining certifications of TransGrid's Information Security Management System to AS 7799, Environmental Management System to ISO 14001 and Quality System to ISO 9001, development of TransGrid's Real Estate Plan and extension of TransGrid's Environmental Rules to cover premises and cables.

Mr L Smyth, General Manager/System Operations, was assessed by the Managing Director as having achieved all performance criteria including network reliability and availability targets, improving the systems and processes across the business unit, providing leadership in restructuring of the business unit, negotiating a new Operating Agreement with NEMMCO, commissioning a new Energy Management System, and developing new Safety Rules that are aligned with the national guidelines.

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Mr K Tothill, General Manager/Corporate Development, was assessed by the Managing Director as having achieved all performance criteria including the management of customers, addressing the needs of stakeholders, preparation for the next regulatory revenue reset activity, implementation of transmission pricing and discount arrangements, and contributing to the development of the strategies for the approach to the potential changes of the NEM arrangements applying to the transmission business.

Mr M Park, Executive Manager/Strategic Network Planning, was assessed by the General Manager/Network Performance and Development as having achieved all performance criteria including the preparation of Strategic Network plans for the NSW system, the implementation of effective Joint Planning processes, preparation of 5 and 10 year capital works programs, implementation of Demand Side initiatives and effectively representing TransGrid on the Regional Planning Committees.

Significant Committees

Management Activities – TransGrid Committees

Executive Team

Mr K Murray	Managing Director
Mr J Byrne	General Manager/Commercial
Mr C FitzGerald	General Manager/Capital Program Delivery
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr L Smyth	General Manager/System Operations
Mr K Tothill	General Manager/Corporate Development

Executive Risk Management Committee

The Executive Risk Management Committee ensures the effectiveness of management control is maintained. It oversees the setting of policies, co-ordination and communication of risk management strategies and ensures that TransGrid's overall risk management framework operates effectively.

Mr K Murray	Managing Director (Convenor)
Mr J Byrne	General Manager/Commercial
Mr C FitzGerald	General Manager/Capital Program Delivery
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr L Smyth	General Manager/System Operations
Mr K Tothill	General Manager/Corporate Development
Mr D Van Beek	Corporate Risk and Audit Manager (Meeting Secretary)

Executive Occupational Health and Safety Committee

The Executive Occupational Health and Safety Committee provides direction on policies and procedures relating to occupational health and safety matters, and provides executive support to location managers and Occupational Health and Safety Committees.

Mr K Murray	Managing Director (Convenor)
Mr C FitzGerald	General Manager/Capital Program Delivery
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr L Smyth	General Manager/System Operations
Mrs L Cooper	Health and Safety Manager
Mr K Dodds	Manager/Supply Management
Mr K Stephenson	Manager/Northern Region
Mr J Zahra	Manager/Corporate
Mr J Robinson	Senior Occupational Health and Safety Advisor (Meeting Secretary)

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Executive Regulation Committee

The Executive Regulation Committee operates as a steering committee with the principal responsibility and accountability for the development and delivery of NEM regulatory strategy for TransGrid.

Mr K Murray	Managing Director
Mr J Byrne	General Manager/Commercial
Mr C Fitzgerald	General/Manager/Capital Program Delivery
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr L Smyth	General Manager/System Operations
Mr K Tothill	General Manager/Corporate Development
Mr P Gall	Manager/Regulation

Executive Environment Committee

The Executive Environment Committee sets corporate environmental policy and monitors the effectiveness of environmental management within TransGrid.

Mr K Murray	Managing Director (Convenor)
Mr J Byrne	General Manager/Commercial
Mr C FitzGerald	General Manager/Capital Program Delivery
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr M Morris	Corporate Environmental Manager
Ms M Calvert	Environmental Engineer (Meeting Secretary)

Capital Works Program (CAPEX) Steering Committee

The CAPEX Steering Committee monitors the capital works program in TransGrid and facilitates and coordinates the delivery of the program and specific individual projects as required. The Committee also monitors the efficiency and effectiveness of the capital works delivery process.

Mr C FitzGerald	General Manager/Capital Program Delivery (Convenor)
Mr K Murray	Managing Director
Mr J Byrne	General Manager/Commercial
Mr V Galea	General Manager/Transmission Operations
Mr P McIntyre	General Manager/Network Performance and Development
Mr P Phillips	General Manager/Human Resources and Business Services
Mr L Smyth	General Manager/System Operations
Mr K Tothill	General Manager/Corporate Development
Mr M Park	Executive Manager/Strategic Network Development
Mr G Chubb	Manager/Network Planning
Mr A Power	Manager/Project Development (Meeting Secretary)

Staff Overseas Visits

Name	Position	Countries Visited	Purpose of Visit
M. Grierson	Engineering Officer	Thailand	Design Review of 132kV 60MVA Transformers
G. Ebb	Manager	Thailand	Design Review of 132kV 60MVA Transformers
P. Higginson	Chairman	Singapore & India	Attend the AESIEAP CEO Conference
H. Allen	Engineering Officer	Finland	Testing of Reactors for Canberra Capacitor Banks
M. Grierson	Engineering Officer	Thailand	Acceptance Testing of 132kV Transformers
P. Antuch	Engineering Officer	Turkey & China	Inspection and assessment of Manufacturer's works for transmission line projects
B. Harris	Professional Officer	USA	Attend SCADA Security Summit
J. Howland	Manager	Portugal	Attend ITOMS 2005 Conference/Workshop
V. Galea	General Manager	Portugal	Attend ITOMS 2005 Conference/Workshop
J. Byrne	General Manager	UK	Undertake work associated with placement of TransGrid's Insurance Coverage
K. Murray	Managing Director	UK	Undertake work associated with placement of TransGrid's Insurance Coverage
P. Higginson	Chairman	UK	Undertake work associated with placement of TransGrid's Insurance Coverage
P. McIntyre	General Manager	Canada	Attend International Grid Conference

A further 13 trips, of which the majority of costs were funded by other Organisations, were undertaken by TransGrid officers.

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Board of Directors Remuneration

Executive Remuneration Policy

The objective of TransGrid's executive remuneration framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of shareholder value and it conforms to market best practice for delivery of reward.

The Board Committee – Remuneration and Structure determines

Executive Remuneration. Each year the Committee commissions a report from an external executive remuneration consultant detailing equivalent market remuneration and a recommendation on suitable remuneration levels for all executive officers.

All executive officers have in place a written Performance Agreement aligned to the organisation's corporate goals. Performance outcomes are matched to performance targets with remuneration based on documented performance levels.

Remuneration of Directors

Chairman	P Higginson	\$105,501
Non-Executive Director	B Vaughan*	\$24,805
Non-Executive Director	B Foy**	\$32,305
Non-Executive Director	B Langton	\$59,018
Non-Executive Director	N Betts	\$54,527
Non-Executive Director	P Moy	\$54,527
Non-Executive Director	M Papathanasiou	\$59,381***

* Tenure ceased on 14/12/05

** Appointed on 15/12/05

*** includes a retrospective committee fee payment for June 2005

Remuneration of Senior Officers

Managing Director	K Murray	\$513,750
General Manager/Commercial	J Byrne	\$294,500
General Manager/Capital Program Delivery	C FitzGerald	\$255,500
General Manager/Corporate Development	K Tohill	\$247,250
General Manager/Network Performance & Development	P McIntyre	\$239,827
General Manager/Transmission Operations	V Galea*	\$234,635
General Manager/System Operations	L Smyth	\$220,000
General Manager/Human Resources & Business Services	P Phillips**	\$205,904
Executive Manager/Strategic Network Planning	M Park	\$218,500

* appointed 26/9/2005

** appointed 31/10/2005.

Numbers of Executive Officers

Executive Officers	As at 30th June 2006	As at 30th June 2005
Number of Executive Officers at SES Level 1 or above	87	79
Number of Female Executive Officers at SES Level 1 or above	5	5

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BUSINESS PERFORMANCE

Compliance 2005 to 2006

TransGrid has a formal compliance process to review the requirements of the National Electricity Market and which clarifies roles and responsibilities to support all of its activities associated with meeting its obligations to the participants of the National Electricity Market.

TransGrid continues to monitor and review all areas that are affected by changes in legislation and the National Electricity Rules to ensure that compliance is integrated into the culture of TransGrid operations and processes.

Comparison of Staff Numbers as at 30 June 2006

	Total Staff	No. P/T Staff	Equiv. F/T of P/T	Equiv. F/T Staff
Senior Contract Officers	101	0	0	101
Professional Officers	173	4	2.2	171.2
Engineering Officers	233	0	0	233
Administrative Officers	158	13	8.6	153.6
Tradespersons	64	0	0	64
Power Workers	54	0	0	54
Team Leader – Network	21	0	0	21
Operator	27	0	0	27
Lineworker	60	0	0	60
Apprentice	52	0	0	52
Total	943	17	10.8	936.8

Category Description	Number of Employees 2006	Number of Employees 2005	Number of Employees 2004
Administrative Officer	158	165	166
Apprentice	52	42	41
Engineering Officer	233	225	229
Lineworker	60	64	65
Operator	27	30	32
Professional Officer	173	175	177
Power Worker	54	59	63
Senior Contract Officer	101	106	110
Team Leader - Network	21	22	24
Tradesperson	64	65	67
Total	943	953	974

Graduates, Cadets, Sponsorship Program

During 2005/2006 TransGrid maintained its commitment to graduate, cadet and scholar development programs. These programs support TransGrid's resource and succession planning through the provision of holistic on the job learning & development in the disciplines of engineering, accountancy, information systems and the environment. This is achieved by rotating graduates on an annual basis across various teams and Business Units within the organisation; each placement affords a unique opportunity for the development of diverse skills, knowledge and competencies.

TransGrid currently has twenty-five (25) graduates and three (3) cadets across the disciplines of Engineering, Accounting, Information Systems and the Environment.

During 2005/06, TransGrid continued its commitment to scholarship programs for undergraduates and cadets by offering scholarships in electrical engineering or environmental studies at the University of Newcastle, University of Wollongong, University of New England and

the University of Technology (Sydney). TransGrid also awarded scholarships in Electrical Engineering to two of its high achieving electrical apprentices to be commenced at the conclusion of their apprenticeships.

Cost of Annual Report

TransGrid's annual Report was produced under the guidance of an internal steering committee in conjunction with an external graphic designer. The total external cost incurred in the production of the annual report was \$71,696.00. The annual report is available on the internet (www.transgrid.com.au) and on CD ROM.

Consultants Fees

During the year, \$336,505 was spent on consulting services relating to the preparation of environmental impact assessments, and for specific technical and management advice in the normal course of the business.

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Credit Card Usage

Credit Card usage in TransGrid is in accordance with its detailed documented procedures. TransGrid continues to promote the correct usage of its corporate Credit Cards and there is a continuous review of usage characteristics and authorisations.

Key Performance Indicators (Excluding Superannuation Income/(Expense))

	Actual	SCI Target
Earnings Before Interest and Tax (\$ million)	217.6	218.0
Operating Profit Before Tax (\$ million)	118.1	113.3
Dividend (\$ million)	69.5	59.0
Return on Assets	5.9%	5.8%
Return on Equity	5.3%	4.6%

TransGrid demonstrated strong financial performance during the year in comparison to its 2005/06 Statement of Corporate Intent (SCI) targets.

TransGrid achieved 70% of maximum incentive payment for performance above the targets for the 2005 calendar year.

TransGrid has successfully completed and continues to undertake a number of major projects to meet the increasing demand of electricity within NSW.

Land Disposal

The following surplus land was disposed of in the 2005-2006 financial year:

1. 1.1153 Old Northern Road, Dural – Lot 1 507547

1.76ha vacant land, was sold at public auction on 28.07.05 for \$350,000.00. A 60 metre transmission line easement was reserved for the Sydney West to Sydney North No: 2 330 Transmission Line.

2. 2.5 Cousins Drive, Wellington – Lot 8 DP 260674

723m² former staff cottage sold to the tenant at market value. Contract settled on 26.10.05 for \$80,000.00

Legislative Change

1 Workplace Relations Amendment (Workchoices) Act 2005 (cth):

The effect of this legislation is to dramatically increase the role of the Commonwealth in regulating workplace relations in New South Wales.

The effect on TransGrid employees is minimal because a common law agreement has been entered into between TransGrid and Unions covering TransGrid employees.

2 Protection of the Environment Operations Act 2005

The most relevant effect of this Act, which amended the Protection of the Environment Act 1997, was to replace the defence of “no knowledge” previously available to managers and directors of corporations found to have contravened a provision of the Act with two alternative defenses:

- that either the manager or director “was not in a position to influence the conduct of the corporation in relation to its contravention of the provision” or
- that they “used all due diligence to prevent the contravention by the corporation”.

3 Occupational Health and Safety Amendment (Workplace Deaths) act 2005

This legislation provides that anyone in an organisation, whether a director or employee, is liable to both heavy fines and up to five years imprisonment if they are reckless as to the danger of death or serious injury to any person at that person’s place of work.

4 National Energy Law

The National Energy Law came into effect this year

5 Electricity Supply Amendment (Protection of Electricity Works) Act 2006

This Act amended the Electricity Supply Act 1995 to protect the presence, operation and use of existing electricity works. It commenced on 26 May 2006.

The major effect of this amendment is to prevent owners of property on which existing electricity works are located but not protected by a registered easement from taking legal action against a network operator in respect of the presence, operation or use of those works, in the absence of negligence.

Judicial Decisions

There were no judicial decisions affecting TransGrid this year.

Research & Development

TransGrid promotes research relationships with external organisations and educational institutions for projects that align with business needs. This enables TransGrid to provide innovative solutions to achieve core objectives.

TransGrid has a number of research projects or is involved in projects in the following areas.

- Support for the newly formed Australian Power Institute.
- Power quality effects due to voltage variations in cooperation with University of Wollongong.
- Fibre Optic Current and Voltage transducers that use light to measure these quantities on high voltage networks in cooperation with University of Sydney and ABB Australia.
- Corporate condition monitoring system that will allow easy viewing, trending and analysis of data from online monitoring devices on the power network.
- Aging of insulation on extra high voltage transmission lines with the Queensland University of Technology.
- Demand side management with EnergyAustralia.
- Power system stability in cooperation with University of Adelaide.

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Risk Management & Insurance

The Executive Risk Management Committee is responsible for ensuring TransGrid's risks are identified and effectively managed. Implementation of risk management strategies are the responsibility of all levels of management within TransGrid and a framework exists to ensure that all risks are proactively and explicitly managed on an ongoing basis.

The Corporate Risk and Audit Group provide advice and assistance in the development and maintenance of enterprise wide risk management plans, training staff in all aspects of risk management and the ongoing verification and review of risk mitigation actions across the organisation.

The Corporate Risk and Audit Manager is responsible to the Managing Director for the provision of risk management services including internal audit.

Risk management programs include health and safety, environmental, legislation and National Market Code compliance. In recognition of the high level of importance that the organisation places on health and safety and the environment, separate Executive Committees exist for these activities.

TransGrid is a licensed workers compensation Self-Insurer. Other insurable risks are covered by a program of self-retained and external insurance policies.

Annual Reporting Exemptions

The following reporting exemptions have been granted by NSW Treasury to enable financial reporting requirements that apply, to be broadly consistent with Corporations Act reporting requirements, given that the entity operates in the competitive National Electricity Market:

Statutory Requirements	Act/Regulation References	Comments
Budgets		
• detailed budget for the year reported on	s.7(1)(a)(iii)ARSBA	
• outline budget for next year	s.7(1)(a)(iii)ARSBA	
• particulars of material adjustments to detailed budget for the year reported on	cl 6 ARSBR	
Report of Operations	s.7(1)(a)(iv)ARSBA	Exemption subject to the condition that information relating to the "Summary review of operations" is to be disclosed in a summarised form.
Management and Activities	Schedule 1 ARSBR	Exemption subject to the condition that relevant information is to be disclosed in a summarised form.
Research & Development	Schedule 1 ARSBR	
Human Resources	Schedule 1 ARSBR	
Consultants	Schedule 1 ARSBR	Exemption subject to the condition that the total amount spent on consultants is to be disclosed along with a summary of the main purposes of the engagements.
Land Disposal	Schedule 1 ARSBR	
Payment of Accounts	Schedule 1 ARSBR	
Time for Payment of Accounts	Schedule 1 ARSBR	
Report on Risk Management and Insurance Activities	Schedule 1 ARSBR	Exemption subject to the condition that relevant information is to be disclosed in a summarised form.
Investment Performance	cl 12 ARSBR	
Liability Management Performance	cl 13 ARSBR	

Abbreviations:

ARSBA Annual Reports (Statutory Bodies) Act 1984

ARSBR Annual Reports (Statutory Bodies) Regulation 2005

Funds Granted to Non-Government Community Organisations

Greening Australia	155,000
Keep Australia Beautiful	40,000
EarthWatch Institute	15,200
The Institute of Engineers	13,500
Australian National Committee of Technology Sponsorship	2,727
Yass Valley Festival	2,000

Internet Contact Details

The TransGrid Website can be located at www.transgrid.com.au

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CORPORATE SOCIAL RESPONSIBILITY

Fraud Prevention

TransGrid is committed to high ethical and governance standards in order to maintain public confidence in the way it does business. Fraud prevention and control are considered a high priority because of their integral position in TransGrid's governance framework.

During the year, a series of interactive Fraud Risk Assessment Workshops were carried out throughout the organisation and the resulting risks were entered into the organisation's Risk records.

Awareness continues to be created and maintained through Code of Ethics and Conduct awareness sessions, the use of anti corruption and fraud prevention posters as well as by articles in the Ethics Newsletter. The Ethics Helpline, in operation for a number of years, is designed for use by internal and external stakeholders.

During the year, TransGrid's fraud and corruption prevention systems were acknowledged when the organisation won the Corruption Prevention Network Award in the State Public Sector category in recognition of corruption prevention excellence through its corruption reporting systems.

Freedom of Information & FOI Statement

TransGrid received one (1) Freedom of Information (FOI) application under the Freedom of Information Act 1989 in 2005/2006.

TransGrid received one (1) request for internal review under Section 47 of the Act. TransGrid determined that the document was exempt.

In addition, two external agencies received applications under the Act for access to certain documents and in the course of dealing with the applications, the agencies sought TransGrid's views under Section 32 of the Act as to whether the documents were exempt by virtue of Clause 7 of Schedule 1 to the Act. TransGrid advised both agencies that it did not see the documents as exempt.

The following table provides an overview of responses to requests made under the Freedom of Information Act 1989.

FOI Requests	Total	
	2005 – 06	2004 – 05
Numbers of requests received	1	9
Brought forward	0	0
Completed	1	9
Transferred out	0	0
Unfinished (Carried forward)	0	0
Granted in full	0	4
Partially granted	0	2
Refused	1	3
Fees received	\$40	\$5,090

During the 2005/2006 year:

- The impact of the requirements of the Act on TransGrid's activities was minor.
- No major issues arose in connection with TransGrid's compliance with the requirements of the Act.
- No determination by TransGrid was the subject of review by the Ombudsman, the Administrative Decisions Tribunal or the Supreme Court.

Statement of Affairs

Information required under Section 14(2) of the Act, is located as follows:

- The agency's structure and functions: Corporate Governance
- The way its functions affect the public: Environment, People, Business Performance and Corporate Social Responsibility
- How the public may participate in agency policy development: Environment
- The kinds of documents the agency holds: Promotion
- How members of the public may access and amend agency documents: Promotion, Environment, FOI

Guarantee of Service

TransGrid has defined service commitments with its customers through its Connection Agreements. TransGrid's service levels are monitored by its regulator, the Australian Energy Regulator, and the New South Wales Department of Energy, Utilities and Sustainability

Industrial Relations Policies & Procedures

During 2005/06, the Industrial Relations Commission of New South Wales ratified the TransGrid Employees Award 2006. This agreement developed as a result of consultative and cooperative negotiations with Unions NSW and affiliate unions on behalf of TransGrid employees.

The TransGrid Employees Award 2006 provided an initial 4.6% wage increase for TransGrid Award employees. TransGrid continued to consult with Unions and employees on a range of industrial relations matters during the life of the Award.

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ENVIRONMENTAL PERFORMANCE

Waste Reduction And Purchasing Policy

TransGrid has been a participant in the NSW Government's Waste Reduction and Purchasing Policy (WRAPP) since 1999, as a part of its commitment to reduce the amount of waste generated. This process is designed to promote ecologically sustainable development, one of our fundamental environmental drivers, with minimisation on usage of natural resources, and increased recycling of materials.

The key areas of waste reduction that TransGrid address are:

- Paper products
- Office equipment and components
- Vegetation materials
- Construction, demolition and excavated materials

TransGrid is committed to the reduction of waste and some of the strategies for the future are:

- Improved reporting mechanisms
- Implementation of updated organisational wide waste management procedure
- Increased organisational awareness of waste reduction and recycling issues

OUR PEOPLE

Aboriginal Employment & Development Statement

TransGrid's Aboriginal Employment and Development Strategy is an integral part in TransGrid's Workforce Diversity Strategy.

The Aboriginal Employment and Development Strategy has been developed with reference to the *Aboriginal Employment in Practice Plan for the NSW Public Sector*, issued by the New South Wales Premier's Department.

TransGrid is committed to playing its part in achieving meaningful and sustainable improvements in Indigenous employment by focusing on provision of development opportunities and support to enable Aboriginal & Torres Strait Islander people to develop their career potential.

Action Plan for Women

Provision of Programs for Women

TransGrid's major initiative in relation to women is the on-going development of the TransGrid Spokeswomen's Network. This Network forms part of the New South Wales Government's "Spokeswomen's Program" administered by the Premier's Department. The Program exists to promote efficiency and effectiveness in the NSW public sector by assisting women to develop their skills so that they can fully participate in the work environment.

The Spokeswomen's Network supports TransGrid's operations and business activities through the provision of relevant support to its women. The Network is comprised of a Women's Liaison Officer, a Spokeswomen's Co-coordinator and 10 Spokeswomen positions.

Spokeswomen consolidate and complement the activities of TransGrid management by bringing to their attention issues relating to women.

The main focus of Spokeswomen is identifying the needs of women in the organisation, in particular with respect to Equal Employment Opportunity.

This includes:

- information needs relating to women and work;
- career, training and development needs;
- anti-discrimination issues;
- providing access to a wide contact and referral network;
- provision of information in relation to workplace conditions; and
- identifying varying issues and priorities of women in different stages of their lifecycle or career paths.

During 2005/06, TransGrid encouraged female employees to participate in various activities specifically geared towards the development of women, such as:

- attendance of TransGrid's Spokeswomen at relevant training sessions, Network Days and the Annual Spokeswomen's Conference;
- the continued publication of the TransGrid Spokeswomen's quarterly newsletter, *Women of Today*;
- attendance of female employees at the Women's Information Days facilitated by the Spokeswomen's Program. These are held throughout the State and cover a wide variety of topics relating to women; and
- the continued participation in the Springboard Women's Development Program.

During the year the Spokeswomen's Network set up a Child Care page on TransGrid's Intranet that allows parents to select and book babysitting and child care services on-line.

TransGrid continues to value the diversity of its workforce and remains committed to the principles of equity, access, opportunity and participation.

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Code of Ethics & Conduct

TransGrid has reviewed its corporate position on Ethics Management in accordance with its organisational restructure and has realigned the responsibility for ethics policy and management within the Corporate Development Business Unit.

TransGrid's Corporate Plan identifies ethics management as an essential element of continued business success and continues to build upon the planning framework that has been implemented successfully since the formation of the company.

Our Code of Ethics and Conduct provides a framework for TransGrid to deliver our vision and mission and to ensure that our reputation as a trustworthy and honourable company is maintained.

Our commitment to our numerous stakeholders is such that we are committed to putting in place systems, processes and measures that allow our practices to be transparent and above reproach.

TransGrid continues to monitor the standard of its business practices and recently reviewed "Our Code of Ethics and Conduct" which has now been distributed to all employees.

During 2005/2006, interactive workshops were conducted across Business Units in metropolitan and country areas, the objective of the workshops was to allow staff to appreciate and discuss ethical issues as well as ensuring that the Code remains a 'live document', relevant and effective to the needs of the organisation.

New employees continue to be introduced to TransGrid's ethical standards through an on-line induction program relaying the importance of TransGrid's reputation and to ensure their awareness and expected compliance.

The promotion of ethics and conduct is undertaken across TransGrid by the promulgation of a suite of ethics codes starting with the Directors Code of Conduct, Our Code of Ethics and Conduct and the associated brochure "TransGrid Business Ethics – A guide to Contractors, Clients and Agencies". Awareness and communication is undertaken on the TransGrid Internet site, our Intranet site, TransNet and internal posters providing messages and reminders for staff about ethical behaviour. The Ethics newsletter continued to keep employees abreast of topical ethics information and trends in behaviour. The Ethics Helpline with its 24 hour 1800 261 993 phone number allows easy access for staff to seek ethical advice or relay concerns in a confidential manner.

TransGrid continued to support the St James Ethics Centre, the Corruption Prevention Network and education programs with a number of staff attending seminars, tertiary courses and events on ethical subjects and anti-corruption measures.

Consumer Response

TransGrid receives Property Information Inquiries from solicitors, conveyancers and the general public regarding TransGrid's rights and interests that may affect title to land. For the year ending 30 June 2006, TransGrid responded to 65,880 such inquiries.

Response times were within designated time frames.

More than 80% of these inquiries were processed using online access facilities provided by the Central Register of Restrictions administered by the Department of Lands.

Disability Plan

TransGrid has a documented Disability Action Plan as part of its overall workforce diversity strategy.

The Plan demonstrates TransGrid's commitment to the objectives of the NSW Government's Disability Policy Framework, the NSW Disability Services Act 1993 and the NSW Anti Discrimination Act 1977.

The plan has strategies, which have been implemented by management and staff to respond to the needs of disabilities of people within New South Wales. The Plan is published on TransNet to facilitate staff access.

EEO Disclosures

Commentary on EEO Achievements

Outcomes – July 2005 – June 2006

- Interactive workshops were provided to staff on the application of the Code of Ethics and Conduct.
- Information on harassment and discrimination prevention was kept updated and made available on the TransGrid intranet 'TransNet'.
- The current Referral Officer's Network was maintained and refresher training provided.
- All new employees attended an Induction Program which provides exposure to TransGrid's policies and conditions of employment including Occupational Health and Safety; Code of Ethics and Conduct; TransGrid Employees Award; Grievance and Dispute Procedures; Harassment Prevention; and Workforce Diversity.
- All Human Resources procedures are reviewed regularly to reflect changes in Workforce Diversity practice.
- The Apprentice intake for 2006 encouraged Indigenous applicants to apply for a range of apprentice opportunities across Sydney and Regional locations.

Major Planned Outcomes July 2006 – June 2007

- Review current Workforce Diversity Strategies and Plans.
- Include Workforce Diversity Data Collection Survey in the Induction Program for all new employees.
- Continued support for the Spokeswomen's Network.
- Develop a broader advertising strategy for vacant positions to encourage applications from female, disabled and indigenous applicants. Continued rollout of Workplace Bullying information sessions for Supervisors and Managers as required.

STATUTORY INFORMATION

EEO Disclosure

Trends in the Representation of EEO Groups

EEO Group	% of Total Staff (Refer Note 1)					
	2001	2002	2003	2004	2005	2006
Women	12	12	13	13.2	13	13
Aboriginal and TSI	0.53	0.73	0.73	0.62	0.52	0.64
People whose first language was not English	8	10	10	10.47	11	11
People with a disability	7	2	6	4.71	4.9**	4.97
People with a disability requiring work-related adjustment		1	0.51	0.42**	0.42	

1. Excludes casual staff

** Error in 2005 reporting (4.9% is correct figure)

Trends in the Distribution of EEO Groups

EEO Group	Distribution index (Refer Note 3)					
	2001	2002	2003	2004	2005	2006
Women	115	116	124	129	129	125
Aboriginal and TSI	5	7	7	6	5	6
People whose first language was not English	79	96	98	102	104	102
People with a disability	65	18**	53	46	47	47
People with a disability requiring work-related adjustment		13	5	4	4	

1. Current staff numbers are as at 30 June 2006

2. Excludes casual staff

3. A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff.

** Error in reporting

Ethnic Affairs Priority Statement (EAPS)

As the New South Wales Transmission Network Service Provider, TransGrid provides services to business but has limited exposure to the general community. The organisation does, however, carry out community consultation on proposed major projects to ensure public understanding and identification of relevant concerns.

Key indicators applicable to EAPS include the maintenance of merit based recruitment practices, flexible work arrangements and accommodating the needs of employees in regards to cultural or religious customs.

Strategies for 2005/06 included:

- the provision of "plain English" promotional information for public use;
- consultation for projects affecting local community groups.

Strategies for 2006/2007 include:

- continued community consultation at all relevant stages of projects;
- review merit based recruitment practices to identify how they accommodate needs of a diverse general community.

STATUTORY INFORMATION

Occupational Health & Safety

Frequency Rate:	3.7
Average Lost Time Rate:	32.6
Total Lost time Injuries:	7
Total Days Lost:	228

Table of Lost time Injuries

Part of Body Injured	Number	Type of Injury	Days Lost
Multiple	1	Multiple	172
Ankle	1	Sprain/strain	1
Knee	2	"	12
Shoulder	1	"	6
Groin	1	"	36
Hip	1	"	1
Total	7	Total	228

Privacy Management Plan

Obligations for the use and protection of personal information in New South Wales are governed by the Privacy and Personal Information Protection Act 1998.

TransGrid is committed to adherence with the principles of sound privacy practice to ensure management of personal information is consistent with legislative requirements. TransGrid has a Privacy Management Plan in place to facilitate adherence to the principles of the Act and to communicate how privacy is managed within the organisation.

TransGrid's Privacy Management Plan is available to all staff via TransNet.

No complaints were received and TransGrid conducted no internal reviews during the requisite reporting period.

Promotion

TransGrid is committed to providing a variety of communication vehicles to inform the public, customers, stakeholders, employees and suppliers. Throughout the reporting period publications included:

- Annual Report
- Code of Ethics and Conduct
- Corporate Plan
- Environmental Handbooks
- Internet site
- NSW Annual Planning Report
- Network Asset Management Plan
- Project Specific Newsletters
- TransGrid Business Ethics – A Guide to Contractors, Clients and Agencies
- TransTalk: In-House Newsletter
- NSW 500 GRID Energising the Future Brochure
- Variety of Brochures and Advertisements promoting TransGrid's Business and Services

Staff by Category

Category Description	Number of Employees 2006
Administrative Officer	158
Apprentice	52
Engineering Officer	233
Lineworker	60
Operator	27
Professional Officer	173
Power Worker	54
Senior Contract Officer	101
Team Leader – Network	21
Tradesperson	64
Total	943

Workforce Diversity Achievements

Referral Officer Network

TransGrid encourages and supports a Referral Officer Network, which provides information on options available to staff in relation to harassment, discrimination and workplace bullying.

The Referral Officer Network continues to provide information and confidential support to employees regarding TransGrid's Grievance Management Procedure.

Vacation Care Subsidy

The continuation of the Vacation Care Program has ensured that subsidised childcare has been made available to all staff throughout TransGrid for all school vacation periods. During 2005/2006 twenty-six (26) subsidies were allocated.

Workforce Diversity Strategy

TransGrid has a documented Workforce Diversity Strategy developed in line with the requirements of Part 9A of the *Anti-Discrimination Act 1977*.

TransGrid is committed to Equal Employment Opportunity, Cultural Diversity and Ethical Practices. All employees are expected to demonstrate an understanding of and commitment to these areas.

During 2005/06, Workforce Diversity Data Collection Forms were forwarded to all new employees in an attempt to capture and maintain diversity data on a voluntary basis.

STATISTICAL INFORMATION

Table 1
NSW System Energy and Maximum Demand

	Yearly Energy (GWh)	Yearly Maximum (MW)
1992/93	54 750	9 792
1993/94	56 667	9 888
1994/95	58 242	10 613
1995/96	60 252	10 228
1996/97	61 260	10 564
1997/98	63 894	11 156
1998/99	65 420	11 324
1999/00	67 569	11 900
2000/01	69 353	11 572
2001/02	70 289	12 156
2002/03	71 687	12 456
2003/04	73 783	12 476
2004/05	74 584	13 126
2005/06	76 979	13 292

Yearly energy and maximum demand calculations are based on the total output of NSW scheduled generators, plus net import from other regions. Recent data is available from NEMMCO as "HistDemand" (see: <http://www.nemweb.com.au/reports/current/histdemand/>). Prior to the start of the NEM in December 1998 data was recorded by TransGrid without the Sithe generator. However, for consistency with later data, Table 1 includes an estimate of the Sithe generator during 1997 and 1998.

Table 2
Transmission Lines & Underground Cables in service as at 30th June, 2006

	Transmission Lines		Underground Cables	
	Route (km)	Circuit (km)	Route (km)	Circuit (km)
Operating Voltage				
500kV in service at 500kV	143	286		
500kV in service at 330kV	386	771		
Total 500kV	529	1057		
330kV in service at 330kV	4389	5214	47	47
330kV in service at 132kV	76	111		
Total 330kV	4465	5325	47	47
220kV in service at 220kV	681	681		
Total 220kV	681	681		
132kV in service at 132kV	5224	5305		
132kV in service at 66kV	4	4		
Total 132kV	5228	5309		
66kV in service at 66kV	61	61		
Total 66kV	61	61		
Totals	10964	12433	47	47

STATISTICAL INFORMATION

Table 3

Schedule of Substations and Switching Stations in service as at 30th June 2006

	Comm. Year	System Voltage kV	Comm. Year	System Voltage kV
Voltage 500kV – Site				
Eraring	1984	500/330		
Kemps Creek	1984	500/330		
	1989	330/16		
Total sites at 500 kV = 2				
Voltage 330kV – Site				
Armidale	1972	330/132		
	1969	132/66		
	2001	330/13.6		
Avon	1974	330		
Bayswater	1984	330		
Beaconsfield West	1979	330/132		
Canberra	1967	330/132		
Dapto	1962	330/132		
Darlington Point	1988	330/220		
		330/132		
Dumaresq	2000	330		
Haymarket	2004	330/132		
Ingleburn	1984	330/66		
Jindera	1979	330/132		
Kangaroo Valley	1976	330		
Liddell	1970	330		
Lismore	1992	330/132		
	2000	132/66		
Liverpool	1985	330/132		
Lower Tumut	1972	330		
Marulan	1992	330/132		
Mt Piper	1986	330/132		
Munmorah	1967	330/132		
Murray	1967	330/132		
Muswellbrook	1983	330/132		
Newcastle	1969	330/132		
Regentville	1998	330/132		
Sydney East	1976	330/132		
Sydney North	1963	330/132		
Sydney South	1961	330/132		
	2003	330/132		
Sydney West	1965	330/132		
	2004	330/18		
Tamworth	1968	330/132		
Tomago	1983	330		
Tuggerah	1986	330/132		
Upper Tumut	1959	330		
Vales Point	1962	330/132		
Vineyard	1994	330/132		
Wagga	1973	300/132		
Wallerawang	1975	330/132		
Waratah West	1992	330/132		
Wellington	1984	330/132		
Yass	2006	132/66		
		330/132		
Total Sites at 330kV = 38				
Voltage 220kV – Site				
Balranald	2000	220/22		
Broken Hill	1979	220/22		
Buronga	1988	220		
Total Sites at 220kV = 3				
Voltage 132kV – Site				
Albury	1958	132		
ANM	1981	132		
Beryl	1976	132/66		
Burrinjuck	1950	132		
Coffs Harbour	1979	132/66		
Coleambally	1993	132		
Cooma	1954	132/66/11		
Cowra	1960	132/66		
Deniliquin	1971	132/66		
Finley	1991	132/66		
Forbes	1969	132/66		
Gadara	2000	132/11		
Glen Innes	1970	132/66		
Griffith	1964	132/33		
Gunnedah	1985	132/66		
Guthega	1970	132		
Hume	1957	132		
Inverell	1984	132/66		
Kempsey	1967	132/33		
		66/33		
Koolkhan	1963	132/66		
Molong	2001	132/66		
Moree	1984	132/66		
Mt. Piper	1988	132/66		
Munyang	1989	132/33		
Murrumburrah	1985	132/66		
Narrabri	1965	132/66		
Nambucca	2001	132/66		
Orange	1954	132/66		
Panorama	1979	132/66		
Parkes	1993	132/66		
Port Macquarie	1979	132/33		
Queanbeyan	1957	132/66		
Tamworth	1961	132/66		
Taree	1958	132/66		
		132/33		
Tenterfield	1970	132/22		
Tumut	1967	132/66		
Wagga	1955	132/66		
Wallerawang	1953	132/66		
Yanco	1969	132/33		
Total Sites at 132kV = 39				
Total Sites at all Voltages = 82				
Total Transformers				
at rating	Total Number	Total Rating MVA		
500kV	9	3,600		
330kV	117	24,710		
220kV	3	230		
132kV	77	4,005		
66kV	2	30		
Total Transformers at all ratings	208	32,575		

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TRANSGRID CONTACT DETAILS

Sydney

201 Elizabeth Street

PO Box A1000

Sydney South NSW 1235

Telephone 02 9284 3000

Telephone 61 2 9284 3000

Facsimile 02 9284 3456

Facsimile 61 2 9284 3456

Business Hours 8.00am – 6.00pm

TransGrid ABN: 19 622 755 774

Metropolitan

Telephone 02 9620 0777

Orange

Telephone 02 6360 8711

Newcastle

Telephone 02 4967 8678

Tamworth

Telephone 02 6765 1666

Wagga

Telephone 02 6922 0222

Yass

Telephone 02 6226 9666

www.transgrid.com.au

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