2008

Sustainability Report

08

Delta electricity

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Chief Executive's Introduction

Welcome to Delta Electricity's 2008 Sustainability Report.

Delta's progress towards a long-term, sustainable footing requires that we maintain a balance between meeting the demand from the community for a reliable electricity supply while minimising the environmental impact of our operations. Equally important is our continuing focus on providing a rewarding and safe work environment and fostering good relationships with communities located near our power plants.

We already have many of the essential elements of a sustainable business strategy in place. These include strong risk management and governance systems, good stakeholder relations, careful water resource management and long-term greenhouse emission abatement programs.

We are very proud of our joint initiative with the University of Sydney to establish the Delta Electricity Chair in Sustainable Energy Development. Dr Anthony Vassallo was appointed to the Chair from a very strong field of candidates. He has worked previously with CSIRO and has consulted to our industry on new energy technologies, the promotion of sustainable energy research and its commercial application. We look forward to collaborating with Professor Vassallo on the further development and implementation of sustainable energy solutions.

This Sustainability Report has been written in a format which complies with the new National Generators Forum Environment Working Group Guidelines. The guidelines are based on the Global Reporting Initiative (GRI), an internationally recognised standard for Sustainability Reporting. As they are closely aligned, we have included the GRI indicator and energy sector supplemental indicator numbering system, to identify the standards against which we have reported. This will allow for ease of benchmarking against not only energy generation corporations but all businesses reporting against the GRI standards.

The report also includes Delta's sustainability targets. We propose to detail our progress against these targets in future reports as well as update the targets as our strategy evolves.

Our aim in preparing our report in this format is to disclose our measured performance in achieving sustainable development in a way that makes us accountable to both internal and external stakeholders. This disclosure showcases our sustainable business practices and provides a consistent benchmark against which to compare our future performance.

As an electricity generator we use large quantities of fossil fuel. This makes the management of greenhouse emissions our most important sustainability challenge. We, and the electricity generation industry as a whole, face a period of significant change and opportunity with the introduction of the Commonwealth Government's Carbon Pollution Reduction Scheme in 2010.

Our electricity output meets the needs of an estimated three million homes, resulting in Delta having a potential carbon certificate liability in excess of 21 million units.

We must adapt quickly to the new trading regime and we have begun preparation by modelling trading scenarios and developing policies and business systems to integrate carbon trading into our business once the scheme begins.

Importantly, we are developing a portfolio of low emission generation projects to reduce our greenhouse emissions. These projects include renewable energy plants, gas peaking plants and initiatives to trial the capture of carbon dioxide from our power stations for storage in deep geological structures.

These far reaching changes will have a substantial impact on our future operations and will require our workforce to be adaptable to change. We will maintain training levels to retain our skilled and experienced workforce as well as attracting new people with new skills. The changing demographics of our workforce are another challenge we are gearing up to meet with an estimated 25% of staff reaching retirement age within the next five years.

From its inception in 1996, we have recognised the importance of providing an account of Delta's environmental performance. Over this time, this account has been written as a separate report and later incorporated into the Annual Report in line with the trend for triple bottom line reporting. This report has been prepared in a style consistent with the trend for increasing transparency and accountability.

We have participated in the development of the generation sector specific Australian National Generators Forum reporting guidelines and we have made explicit our compliance with the GRI principles (see Appendix 1). Through this approach, we are committing to the highest standards of sustainable business practice and performance reporting in our industry and rising to the challenge of being in the business of electricity generation in a carbon constrained world. I trust you will find the information outlined here informative and inspiring.

Jim Henness
Chief Executive

Key Achievements

Financial performance

- Profit before tax of $132.1 million

Plant performance

- New record level of production recorded with 24,054 GWh sent out

Plant improvements

- Fitted systems at all four power stations to comply with new national market technical standards
- Mt Piper generator control system upgraded to digital technology
- Safety and environmental improvements at Munmorah

Development

- Began construction at Colongra of low emission gas turbine plant and associated pipeline
- Commenced commissioning of renewable energy plants at Condong and Broadwater
- Prepared environmental assessments for New South Wales gas turbine facilities at Marulan and at Bamarang

Environmental management

- Commenced the pilot Post Combustion Carbon Capture research project with CSIRO with the construction of a pilot-scale plant at Munmorah Power Station
- Retained ISO 14001 compliance, assuring best practice processes in environmental management

Safety

- Mt Piper Power Station staff achieved 1,000 days without a Lost Time Injury
- Met requirements of Workcover safety audit for self-insurance licence

People

- Delta apprentice won Central Coast Apprentice of the Year for second consecutive year
- New scholarship established for indigenous students at University of Newcastle Ourimbah campus

Delta's Sustainability process

Delta's sustainability process

Delta's strategy and business planning framework

Sustainability is particularly relevant to Delta Electricity because our principal fuel source is coal, which contributes significantly to NSW's carbon dioxide emissions. Significant and rapid change to the operating environment due to the introduction of emission reduction policies will prove to be a major test of our resilience. Therefore, a key element of our approach is to formally structure Delta's sustainability initiatives into a business strategy to ensure a successful transition to a lower emissions future.

The added benefit of an integrated, sustainable business strategy is greater social recognition, which improves our standing with existing and prospective investors, customers and employees. The competitive advantage offered by a sustainable business strategy is amplified in a carbon-constrained environment where new market opportunities rapidly open and close and where long-term business success may rely on an ability to anticipate developments and adapt.

Our sustainability aim is to be acknowledged in the community as a leader in the reliable supply of low carbon emission electricity. To achieve this medium-term aim we are undertaking the following actions:

1. Increasing our production of low carbon emission electricity.
2. Broadening our vision through research into the development of sustainable energy.
3. Tracking the success of Delta's sustainability objectives by engaging our employees, customers, suppliers and the community.
4. Promoting organisational resilience and adopting measures to respond effectively to a changing operating environment.
5. Improving efficiency and reducing waste within the business.

The actions and targets we have set to achieve these objectives are published in this Sustainability Report and will report our performance against these targets in future reports.

Description of key impacts, risks and opportunities

Description of key impacts, risks and opportunities

Delta's key sustainability issue is the environmental impact from the use of fossil fuel, in particular greenhouse emissions from the combustion of coal. NSW's large reserves of coal have provided the State with a readily available source of fuel, enabling it to produce competitive and reliable electricity. Coal has been a key element of the state's sustainable economic development.

The greenhouse emissions from the combustion of coal are closely linked to global warming. The Commonwealth Government is introducing a Carbon Pollution Reduction Scheme (CPRS), which will cap emissions nationally and allocate a cost to each tonne of CO_2 emitted.

Delta's challenge is to:

- minimise impact on its shareholders by managing interaction with the trading scheme and continue to provide a sustainable financial return;
- meet community expectation by continuing to supply reliable electricity while reducing its greenhouse impact;
- promote resilience in our workforce through provision of skills to adapt to the changing environment.

Delta's response is to manage its greenhouse risk by effective certificate trading combined with developing low emission technologies as a hedge against the potentially rising cost of certificate liability.

Delta has been preparing by modelling trading scenarios and by developing policies and business systems that will integrate trading into our business operations when the scheme commences.

We have also developed a portfolio of low emission generation projects, including renewable energy plants and gas peaking plants and are participating in research into carbon capture and storage.

Delta has commissioned two co-generation plants in Northern NSW in conjunction with the NSW Sugar Milling Co-Operative. These will run continually and supply around 60,000 homes with renewable electricity, saving around 400,000 tonnes of greenhouse emissions per year. We are also installing low emission gas-fired peaking generators at Colongra on the NSW Central Coast, and have sought planning permission to install low emission gas combined-cycle plants near Nowra and Goulburn.

Delta has been investigating and trialling several innovative technologies in preparation for a carbon constrained future. With CSIRO, we have constructed a $5 million pilot-scale research facility at Munmorah Power Station on the NSW Central Coast to test methods for capturing CO_2 from a coal-fired power plant. The Munmorah pilot project will investigate post-combustion carbon capture processes under Australian conditions, and is the precursor of a larger carbon capture and storage (CCS) demonstration plant which will remove carbon dioxide from the flue gas and store it in deep geological structures.

This technology has the potential to be retrofitted to existing coal and gas-fired plant to reduce emissions by up to 90%.

We are also supporting a feasibility assessment of solar-thermal technology for base-load generation.

These strategies are creating opportunities for our staff to develop new skills in a range of areas including technology development and financial trading instruments.

Targets and measures

Delta follows the principles of sustainability to balance the environmental, economic, social and corporate governance needs of the business with the objective of protecting the potential needs of future generations.

In 2005, Delta became a signatory to the Energy Supply Association of Australia (esaa) Code of Sustainable Practice. In supporting the industry code, Delta adopted sustainability as a business philosophy and developed policies and implemented practices that ensure our business is managed sustainably.

Delta's Sustainability Policy was agreed in September 2006. The policy aims to ensure that Delta complies with the social, economic and environmental obligations of the *State Owned Corporations Act 1989* and meets the obligations of the esaa Code of Sustainable Practice.

This is the first year Delta has published its sustainability targets. We propose to report our progress against these targets in future reports as well as update the targets as our strategy evolves. Our performance is reported using the National Generators Forum recommended performance indicators. Our future performance will be measured using this methodology and each year's performance compared to the previous year's performance.

Description of key impacts, risks and opportunities

Long-term target

1. Increase the production of low carbon emission electricity.

- 2,500 GWh of electricity produced from low carbon emission sources by 2012-2013 increasing to 11,000 GWh in 2025
- Commence operation of an integrated carbon capture and storage facility by December 2013

Targets for 2008-2009

2. Broaden our vision through research and development into sustainable energy.

- Commission the Munmorah carbon capture pilot plant and commence the experimental program
- Establish geo-sequestration exploratory bore holes in conjunction with the Department of Primary Industry
- Implement a governance structure for an integrated carbon capture and storage demonstration project
- Complete direct injection feasibility and fuel sourcing studies for large-scale biomass co-firing
- Assess the feasibility of solar thermal concentration technology into the design of the demonstration carbon capture plant
- Establish a PhD program within the University of Sydney Delta Electricity Chair in Sustainable Energy Development

3. Track the success of Delta's sustainability objectives by engaging our employees, customers, suppliers and the community.

- Demonstrate commitment through publishing our sustainability objectives
- Develop media packages to promote Delta's new generation project credentials
- Implement a staff awareness program to engage our staff
- Undertake a gap analysis of Delta's sustainability plan and implement recommendations in accordance with the approved program
- Effectively capture stakeholder feedback

4. Promote organisational resilience by developing the tools to adapt effectively to a changing operating environment.

- Develop costing for alternative water sources in the western region and integrate into a long-term incremental access program.
- Develop a greenhouse response strategy incorporating a policy for government/regulator/industry engagement
- Enhance Delta's preparedness for an emission trading scheme (ETS) by developing a market simulation model
- Revise assessment methodology for plant improvement projects in line with emissions trading parameters and plant life expectations

5. Improve efficiency and reduce waste within the business.

- Establish a portfolio of plant efficiency improvement projects that are economic under an ETS and prioritise projects for inclusion in the 2009-2010 capital program
- Implement Green IT and Communications Guidelines to reduce energy consumption
- Achieve a minimum 4.5 star energy efficiency rating for the Liverpool Street Corporate Office
- Develop and articulate arguments to promote the greater utilisation of ash by-product
- Develop new ash utilisation contract for Mt Piper with increased flexibility for reuse
- Establish facilities for the increased reuse of ash from Wallerawang

Organisational Profile

Delta Electricity is an electricity generation corporation which provides some 12% of electricity for the market covering South Australia, Queensland, NSW, Victoria, the Australian Capital Territory and Tasmania. Generation from the portfolio is co-ordinated, helping Delta maximise efficiencies and respond to market demand and plant changes.

We produce electricity using diverse energy sources including coal and bagasse as well as from mini hydro-electric plants. The output of energy from renewable energy sources will grow steadily as new projects, such as the large scale co-firing of biomass at Wallerawang, are completed.

Delta's corporate headquarters are located on Level 20, 175 Liverpool Street, Sydney.

Area of operations

Most of Delta's generation occurs at four power stations located in NSW: Mt Piper and Wallerawang near Lithgow, and Vales Point and Munmorah on the Central Coast. These stations have a combined generating capacity of 4,320MW.

Ownership and legal form

Delta Electricity operates under the *Energy Services Corporations Act 1995* and the *State Owned Corporations Act 1989*.

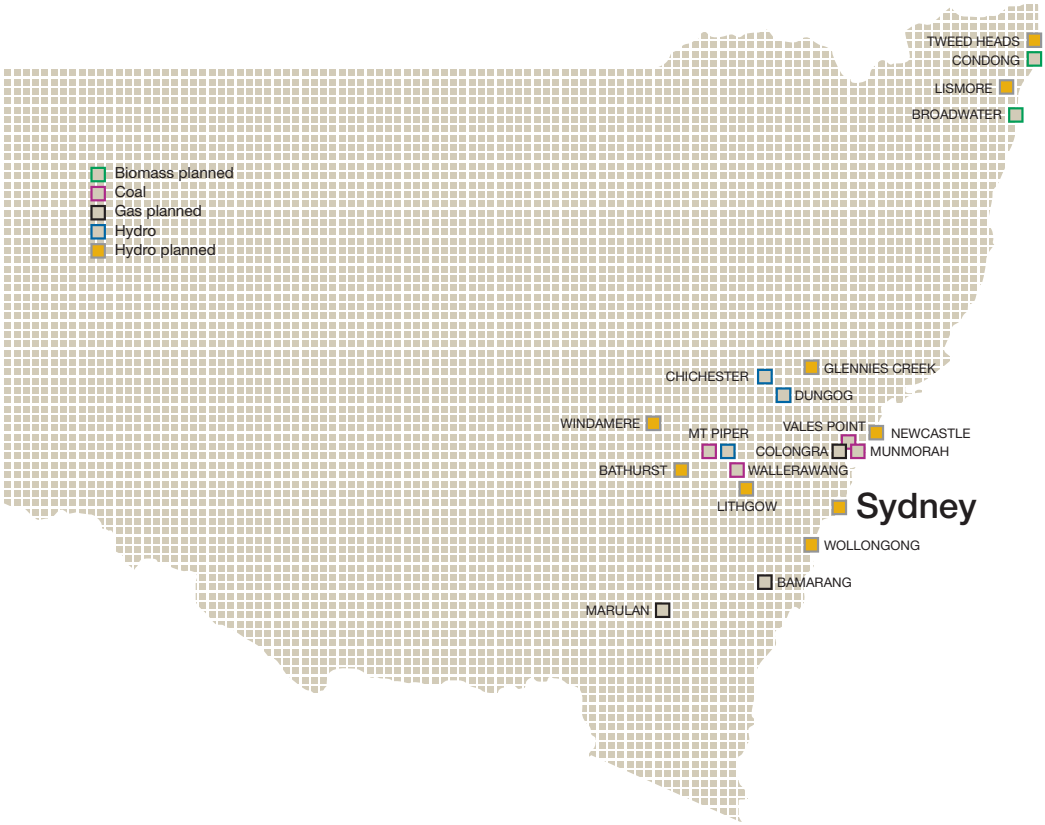
The organisation was formed on 1 March 1996 as part of the NSW Government's restructure of the state's electricity industry. This restructure was in response to large-scale changes in generation, transmission and supply of electricity in eastern Australia following a program of competition reform.

Markets

Australia's National Electricity Market (NEM) was established when Australia's electricity supply industry was restructured.

In 2007-2008, the output from Delta's portfolio of operations was 24,054 GWh, equivalent to 12% of the total generation in the NEM.

Total sales revenue for electricity output from all facilities was $1,008 million. Additional revenue from renewable products included income from any green premium or market instruments.



Organisational Profile

Delta Electricity organisational statistics

Number of employees

At the end of the reporting period Delta directly employed 744 people. There were a further 1,958 contractors inducted to work on our sites during the course of the year.

Net revenues

The net revenues are available in the Financial Section of the 2008 Annual Report, which is publicly available at www.de.com.au

Quantity of products or services provided

Our level of production this year was 24,054 GWh sent out which is sufficient to power three million homes. We returned a before tax profit of $132.1 million.

Total assets

The total assets, current and non-current, are outlined in the 2008 Annual Report and at 30 June 2008 were $2,738,866 million.

Installed capacity MW

EU1

Location	Unit size	Total units	Capacity
Coal			
Mt Piper	700 MW	2	1,400 MW
Vales Point	660 MW	2	1,320 MW
Wallerawang	500 MW	2	1,000 MW
Munmorah	300 MW	2	600 MW
			4,320 MW
Hydro			
Mt Piper	350 kW	1	350 kW
Chichester Dam	110 kW	1	110 kW
Dungog Water Treatment Plant	110 kW	1	110 kW
			570 kW
Biomass			
Biomass operations at Wallerawang and Vales Point involve the addition of biomass materials to the coal being conveyed to the station for combustion. This activity does not change the capacity of the station.			Output for 2007-2008 was **1.9 GWh**

Allocation of CO_2 emission permits

EU4

The Commonwealth Government's proposed Carbon Pollution Reduction Scheme (CPRS) will be one of the most far-reaching structural adjustment policy measures ever implemented in Australia. It will substantially increase costs to large emitters of carbon dioxide by requiring them to purchase permits for every tonne of CO_2 released into the atmosphere. The energy generation sector, including Delta Electricity, will be the most heavily impacted by the introduction of this scheme.

The power generation industry has assessed the business impact of emissions trading as the policy has been developed. Industry bodies supported by Delta Electricity have carried out several modelling studies. These aimed to determine the profitability and value of generation assets under the CPRS. Two major studies undertaken - The Impact of an ETS on the Energy Supply Industry by esaa/ACIL Tasman and Market Modelling to Assess Generator Revenue Impact of Alternative GHG Policies by the NGF/CRA. They both show that coal-fired generators, including Delta, face difficult business conditions under emissions trading.

Delta is investigating the financial impacts of the climate change policy. A study is being undertaken that compares the CO_2 reduction benefits of our projects to determine the most cost-effective capital investment strategy.

Significant changes regarding size, structure, or ownership

There have been no significant changes in size, structure or ownership during the reporting period.

Report Profile

Reporting period
The Sustainability Report for 2008 reports performance from 1 July 2007 to 30 June 2008.

Date of most recent previous report
The previous report included information from 1 July 2006 to 30 June 2007.

Reporting cycle
Delta reports on its sustainability performance on an annual basis. The performance information is published in the middle of the following reporting year for use in the strategic planning process.

Contact point for report queries
The Delta Sustainability Report is compiled by the Sustainability Manager who can be reached on (02) 9285 2700.

Report contents
Our approach to this year's Sustainability Report is to present our information in compliance with the the National Generators Forum (NGF) Environment Working Group Guidelines. These are are based on the Global Reporting Initiative (GRI), including the Utility Sector Supplement 2007 Pilot Version. The aim of this report is to disclose our measured performance in achieving sustainable development in a way that makes us accountable to our internal and external stakeholders.

This report includes all NGF Level Three reporting that is relevant to Delta as a generator. We acknowledge that sophisticated sustainability strategies and reporting cannot be achieved in the first year and are a journey from risk assessment to full transparency on strategy and achievement against objectives and targets, which are incremental.

The NGF Level Three reporting relates directly to the GRI Application Level B. As part of this year's Sustainability Reporting we have developed procedures and practices to improve our reporting. It is our objective to move to the higher level of reporting through continual improvement.

Report boundary
The Sustainability Report relates only to Delta Electricity and does not include its subsidiary Delta Electricity Australia which is a Joint Venture partner with the NSW Sugar Milling Co-Operative. Delta is an electricity generator and is not reporting on the upstream and downstream impacts of our supply chain.

We are not reporting on the impacts of the supply of fuels or on the delivery issues of supply to electricity retailers, including transmission and distribution losses.

Limitations on the scope or boundary of the report
This is Delta's first report written to comply with the NGF Guidelines as detailed above. The aim of this report is to establish a benchmark for our performance, a Sustainability Reporting framework and procedures for future reporting.

In identifying the relevant performance indicators that can practically be used in this report we have developed new measurement practices. These practices will result in improved reporting in subsequent reporting periods.

We are committed to reporting on the positive and potentially negative aspects of our business to demonstrate our commitment to disclosure.

We have ensured that the report is consistent with the six principles of the Global Reporting Index, on which the NGF guidelines are based. See Appendix 1.

Joint ventures, subsidiaries and other entities
This report does not cover the sustainability performance of Delta's subsidiary company Delta Electricity Australia (DEA). Note that Delta Electricity's Financial Performance is reported each year on a consolidated basis in Delta's Annual Report.

Data measurement techniques and calculation methods
We have developed a procedural document that identifies data managers and data custodians who are accountable for the accuracy of the information. The information sources and business systems used are identified to ensure accuracy and consistency. All information in the report is supportable.

Report Profile

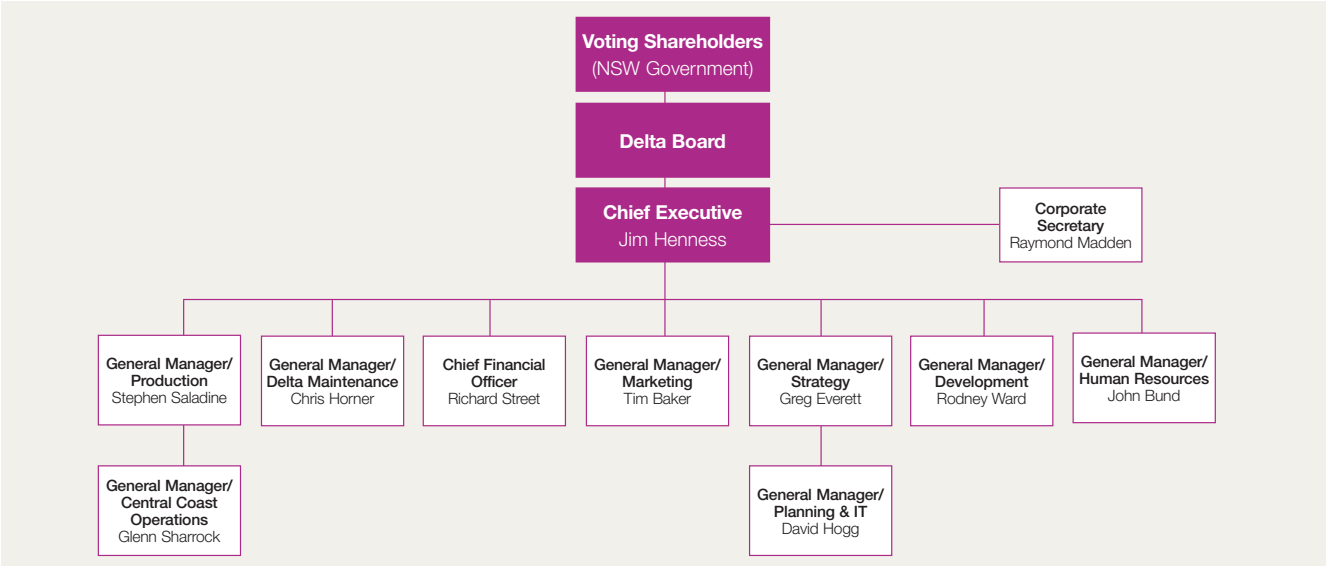
Restatements of information
There are no restatements of information from earlier reports.

Significant changes from previous reports
There are no significant changes in the reporting boundaries of this report; however, while the 2007 Sustainability Report was prepared in accordance with the esaa guidelines for sustainability reporting, this Sustainability Report has been prepared to comply with the National Generator's Forum (NGF) Environment Working Group Guidelines. This means that our performance indicators have been widened and been modified where necessary to follow the guidelines.

External assurance
Energetics undertook an analysis of the 2007 Sustainability Report and made a series of recommendations that have informed the preparation of this report. However, the contents of this report have not been independently verified.

Governance

Governance structure



The Delta Electricity Board

The *State Owned Corporations Act 1989* and the Constitution govern appointment of Directors to the Board. The Delta Electricity 2008 Annual Report provides detailed information on the governance structure of Delta. The following information is included as an overview, if more detail is required please refer to the Annual Report.

The Directors in office at 30 June 2008 were:

- Peter Young AM, BSc, MBA, Chairman and Director
- Warren Phillips FCPA, FCIS, AIMM, MAICD, Dip Comm, Director
- Sandra Moait, Director
- Michael Knight AO, Director
- Paul Forward BCom, MCom, MSc, Director
- Loftus Harris BA, FAICD, Director
- Jim Henness BSc, BE (Hons), MEngSc, MBA, FAICD, Chief Executive and Director

Meetings of the Board

The Board of Delta Electricity meets monthly, or as required.

Meetings follow set agendas providing all necessary information for informed discussion of important issues. Meetings are held at the corporate office or at a selected power station to allow the Board to visit the operational sites of the business. There are several Board committees in place to deal with particular aspects of Delta's business.

Board committees

The three Board committees in place at 30 June 2008 are:

- Board Audit and Finance Committee;
- Board Remuneration and Staff Committee;and
- Board Environment and Occupational Health and Safety Committee.

The Terms of Reference for each Board Committee were reviewed and approved by the Board in May 2008.

Board Audit and Finance Committee

The Board Audit and Finance Committee provides a forum for communications between the Board, senior management and both the internal and external auditors. It is responsible for the integrity of the internal audit function and ensures that management practices and systems support the effective operation of Delta's risk management strategies, business continuity and fraud control plan. It reviews the adequacy of Delta's short and long-term finance and risk management strategies.

Board Remuneration and Staff Committee

The primary objectives of the Board Remuneration and Staff Committee are to:

- provide advice to the Board on remuneration and associated issues;
- enhance the independence and objectivity of Board decisions on sensitive commercial and personal issues related to the executive managers of the corporation;

Governance

- enable corporate and business strategies and plans, and remuneration strategy and policy to be effectively linked; and
- review processes and controls relating to Delta's remuneration strategy, policy and practices in relation to legal and taxation requirements, corporation reporting obligations and overall corporation policy and direction.

Board Environment and Occupational Health and Safety Committee
The primary objectives of the Board Environment and Occupational Health and Safety Committee are to assist the Board in discharging its responsibility for compliance with environmental and occupational health and safety policies and legislation.

Governance
Delta Electricity operates under a two-tier system where the executive management team is responsible for day-to-day operations and the Board has responsibility for reviewing and approving strategic direction and major business initiatives and for appointments to the executive management team and executive remuneration.

Independent board members
The Chief Executive is the only executive member on Delta Electricity's Board. All other Board members are appointed by and are accountable to the shareholding Ministers.

Staff communications with the Board
Board Audit and Finance Committee
The Board Audit and Finance Committee provides a forum for communications between the Board, senior management and both the internal and external auditors. It is responsible for the integrity of the internal audit function and ensures that management practices and systems support the effective operation of Delta's risk management strategies, business continuity and fraud control plan. It reviews the adequacy of Delta's short and long-term finance and risk management strategies.

Managing employee-identified risks
Delta's Risk Management Plan provides employees with a framework for identification, assessment and reporting of risk. Risk management software supports a reporting hierarchy, which allows employees to identify, register and escalate risks for review, comment and action.

The framework allows risk information to be elevated from plant owners to executive staff or the Board, if necessary. Key operational and strategic risks are reviewed and reported monthly to the business unit level and quarterly to the Board.

Strategic development
Employees are involved in developing strategies as part of several consultative processes. The annual strategic plan is formulated after consultation with senior staff at the annual planning conference. Before the plan is finalised, a strategic planning day with Directors and the executive management team is held. The annual planning process also provides a ten-year horizon. Annual asset management reviews are held with senior staff.

Compliance planning
Delta has a Corporate Governance and Legal Compliance Plan, based on a compliance management software system that allows business units to centrally register their legal, regulatory and compliance obligations. The system provides escalation rules to ensure that non-compliances and overdue compliance tasks are elevated to senior management for action.

Chief Executive presentations
At the biennial presentations by the Chief Executive to employees at all work sites, staff are invited to submit questions beforehand with their team leader or to raise issues on the day in direct consultation with the Chief Executive for his response.

Performance-linked remuneration
The 2007-2008 performance payments for executive managers were based on one or more of the following criteria:

- the outcome of performance against a Delta overall balanced scorecard;
- the outcome of performance against business-unit-specific balanced scorecards;
- an individual performance payment based on:
  - individual performance, and
  - individual management and leadership performance.

Details of executive remuneration are shown in the Delta 2008 Annual Report.

Conflicts of interest
Delta has a Corporate Governance and Legal Compliance Plan to ensure full compliance with obligations imposed on the organisation and its officers by all relevant legislation, including corporate governance. Delta maintains a register of Directors interests and this is updated as required with Board members declaring any change in their interests as and when they occur.

Board selection
Appointment of Directors to the Board is governed by the State Owned Corporations Act 1989 and the Constitution. The Board of Delta Electricity is composed by the following method:

- the Chief Executive Officer;
- one Director appointed by the Voting Shareholders on the recommendation of a selection committee comprising:
  a. two persons nominated by the Portfolio Minister; and
  b. two persons nominated by the Labor Council of NSW, being persons selected by the committee from a panel of three persons nominated by the Labor Council; and
- at least two and not more than five other directors appointed by the Voting Shareholders, at their discretion.

Governance

Mission statements, codes of conduct, and management principles

Delta uses a set of well-defined and established principles to guide strategic decision-making (see above). These include principles which maximise the state's investment, are socially responsible and enable ecologically sustainable development.

Delta as a state-owned corporation is obliged to comply with all statutory requirements set out in relevant legislation, regulations and licences issued by government authorities related to electricity generation.

However, in addition to these statutory requirements, Delta sets its own more stringent environmental targets. These include targets to reduce fuel and water use per unit of production and to manage air and water emissions. We also undertake additional monitoring with the aim of reducing the impact of our operations on the environment and nearby communities.

The ISO 14001 international standard outlines best practice processes to manage environmental impact. A recertification audit was carried out on the Central Coast and the Western Region in 2008 and recertification was achieved.

Delta has a Code of Conduct, which is reviewed every two years (like all Delta policies) and was last reviewed in February 2008. The Code of Conduct is designed to help maintain a high standard of conduct and behaviour, as well as providing a means of dealing with ethical dilemmas that staff members may encounter as they carry out their professional duties. It is designed as a guide to the standards of behaviour expected of Delta Electricity Board members and employees.

Governance procedures for managing performance

Delta implements its sustainability framework through its strategic and business planning process, which is the organisation peak planning process. Progress with implementation of strategic objectives is reviewed regularly at executive level and bi-annually at Board level.

Governance processes for evaluating the Board's performance

The performance agreement between the Board and the voting shareholders is in the form of an Annual Statement of Corporate Intent. Quarterly performance reports are provided to the voting shareholders with six monthly meetings arranged to discuss progress against the objectives set out in the Statement.

The precautionary principle

Delta's Sustainability Policy includes a strategic requirement that we act with caution when scientific knowledge is inconclusive and there are risks of serious irreversible consequences.

This is implemented at operational level through the use of environmental management plans, which use risk assessments to assess the impacts of all new operational procedures.

Charters, principles or initiatives

Delta is a signatory to the esaa Code of Sustainable Practice. Consistent with the code we pursue a wide range of environmental initiatives and participate in various government energy and greenhouse response programs, including the Greenhouse Challenge Program and Generator Efficiency Standards.

The ISO 14001 international standard outlines best practice processes to manage environmental impact. A recertification audit was carried out on the Central Coast and the Western Region in 2008 and recertification was achieved.

Delta uses ISO 9000 as a standard for our quality management systems, which include procedures for key management processes, monitoring processes, record-keeping, maintenance procedures and corrective actions, and to facilitate continual improvement.

Delta Electricity's Risk Management Plan was updated this year and conforms to the Australian Standard AS/NZS 4360:2004 Risk Management.

Delta fully complies with the NSW Government's Waste Reduction and Purchasing Policy (WRAPP). We aim to reduce landfill by about 10% each year in accordance with WRAPP.

Membership of associations and advocacy organisations

Delta has membership and participates in the:

- Australian Power Institute
- Bioenergy Australia
- Clean Energy Council
- Committee for Economic Development of Australia (CEDA)
- Coal Industry Advisory Board
- CRC for Integrated Engineering Asset Management
- Energy Supply Association of Australia (esaa)
- Electric Power Research Institute
- International Council on Large Electric Systems (CIGRE)
- National Generators Forum (NGF)
- Welding Technology Institute of Australia.

Governance

Stakeholder groups

Delta engages with its stakeholders on issues that concern them. We have identified our stakeholders and seek to address their concerns through a number of channels. The following table summarises our stakeholders and their major concerns.

Stakeholder	Concerns and focus	Methods of engagement
State government	• Cost and production efficiency • Reliability • Contentious issues including environmental and social impacts	• Formal management arrangements • Statutory reporting • Regular briefings
Customers (electricity retailers)	• Demonstrating professional integrity and expertise • Maintaining the highest level of customer satisfaction • Delivering uniquely structured and customised derivative products	• High levels of contact including regular face to face meetings
Local residential communities	• Corporate citizenship expected, including support for local schools, community organisations and amenities • Noise, water and air quality impacts • Local employment and apprenticeship opportunities	• A Western Region community consultation forum established • The Central Coast community consultation forum, CARE Forum, maintained • Regional sponsorship and donations programs • Free to call recorded information line
Staff	• Work safety and other working conditions • Negotiation of Delta Employee Enterprise Agreement • Performance and development reviews • Effective internal communication • Training opportunities • Long-term career development prospects • Recruitment & retention • Governance • Impacts of technological change • CO_2 emissions, water use and climate change	• Comprehensive occupational health and safety policies, practices and communications developed and implemented each year. • Management and trade union communications to staff regarding the Enterprise Agreement negotiations. • Six monthly performance reviews undertaken, with on line submission of work plans and assessments. • Internal Communications plan developed annually, and implemented across multiple channels including intranet, weekly staff email, staff newsletter and face to face presentations • Initiatives to improve recruitment, retention, training and options for long term careers • Engage staff in environmental sustainability initiatives
Wider community	• Reliability of electricity supply; water use; CO_2 emissions; climate change	• Through press and broadcast media and Delta's website content
Local Retailers (and suppliers)	• Support expected for local chambers of commerce and local business networks • Local and regional economy development	• Direct engagement in the regions
Media	• All the above	• Briefings, interviews and media releases

Identification and selection of stakeholders

Delta has a clear set of stakeholders, identified above.

Delta Electricity maintains close links with the local communities in which our power stations and major facilities are located. We seek local people's inputs into decision-making that may potentially impact on their communities.

Governance

In 2008, a community consultative group was established in the Western Region so that regular discussions (quarterly) can be held with local residents and other stakeholders with an interest in our operations.

A similar group on the Central Coast, the CARE Forum, has met quarterly since its establishment in 1997. At the meetings, reports are presented on operational and environmental matters and community representatives are invited to raise issues of concern to them or others in their local community.

Since its establishment, Delta has been supporting activities and organisations that promote community development in the Western and Central Coast regions.

Grants are made to:

- local government to assist with improvements to local playing areas and park facilities;
- local schools for annual prizes for student achievement;
- Landcare groups for their environmental activities;
- local business groups that support regional development; and
- other community organisations that help support families, children and those with disabilities.

Members of staff are encouraged to donate to their preferred charity through a payroll-giving program and a corporate policy has provided a dollar-for-dollar matching donation. Around $70,000 was donated by staff and matched in this way during 2007-2008.

Delta undertakes appropriate actions to address issues and reports progress back to the groups.

A community consultation plan is prepared and implemented for all new development projects. In the past year, community consultations were undertaken as part of seeking approval for the following projects:

- the construction of the co-generation facilities at Condong and Broadwater sugar mills;
- a proposal to construct a gas turbine facility in the Bamarang area;
- a proposal to construct a gas turbine facility in the Marulan area;
- a proposal to extend an ash storage facility known as Kerosene Vale;
- the construction of a gas pipeline to supply Colongra gas turbines; and
- a proposal to construct a rail coal unloader at Pipers Flat, near Lithgow.

Approaches to stakeholder engagement

Delta's progress towards a long-term sustainable footing requires it to maintain a balance between the demand from the community for reliable electricity supply, and the impact from the production of this electricity on the environment.

Delta's developing sustainability strategy aims for the organisation to listen to the community and be capable of adapting to its longer-term needs. This is how we intend to maintain an acceptable balance between reliable supply and environmental impact, to meet community and stakeholder expectations.

Delta already has many essential elements of a sustainability strategy in place, including strong risk management and governance systems, good shareholder relations and long-term greenhouse emission abatement programs.

Delta proposes to formalise a sustainability framework that aims at greater recognition of the links between our business and the community. The plan aims to inform the community of Delta's sustainability initiatives and formally seek its feedback.

Key stakeholder concerns

Following investigation and review, responses have been made to the following main issues and concerns:

- noise, especially on quiet, still nights;
- ash from ash storage repositories perceived to be blowing outside of Delta boundaries;
- perception of impacts on local water courses and lakes;
- water usage during periods of drought;
- visual amenity of power stations and ash repositories;
- unsafe driving practices of coal delivery and other contractor truck drivers;
- coal trucks spilling coal on roads;
- visible emissions from stacks and impacts on air quality (resolved by fitting fabric filters at Vales Point Power Station in 2007); and
- purchasing coal from outside the local district (in Western Region).

Economic Performance

Production

As a major generator, Delta Electricity has been implementing strategies to increase capacity, reduce emissions and prepare for the introduction of an emissions trading scheme.

We achieved our highest level of production this year with 24,054 GWh sent out which is sufficient to power three million homes. We returned a before tax profit of $132.1 million.

Peak demand is currently at its highest in winter both in NSW and in the National Electricity Market however, summer maximum demand is growing faster than winter maximum demand in all regions.

Market forces

Growth in demand for electricity continued to tighten the supply demand balance in NSW. Spot prices were low compared to the previous year, failing to provide a signal to encourage timely investment in new base-load plant in NSW.

In the forward and futures electricity markets, considerable price volatility and low trading volumes marked the year for terms beyond June 2010. The early part of the year was dominated by concerns about the impact of the drought across most regions of the market, as the majority of coal-fired power stations rely on fresh water for cooling. Both hydro and coal-fired stations experienced low water storage levels. The prospect that these low storages might feed into high spot prices drove up forward prices in the first half of the year.

The second half of the year was affected by uncertainty around the proposed carbon regulatory regime. It substantially reduced trading activity for forward years 2010-2011 and beyond.

Delta continues to play a constructive role in the development of energy policy and regulation through the industry consultation processes conducted by the Australian Energy Market Commission (AEMC), National Electricity Market Management Company (NEMMCO) and other relevant bodies.

Direct economic value generated and distributed

EC1

Delta Electricity is a statutory, state-owned, electricity generation corporation domiciled in NSW operating under the Energy Services Corporations Act 1995 and the State Owned Corporations Act 1989.

It produces electricity sold on Australia's National Electricity Market (NEM).

Operating revenues
$1,016,923,000

Operating costs (excluding financial costs)
$789,482,000

Employee compensation
$125,684,000

Retained earnings
$48,534,000

Payments to capital providers and governments (dividends)
In 2008, Delta paid a dividend to its shareholders, representing the NSW Government, of $124,422 million.

List donations and other community investments
Each year, Delta provides $200,000 in community sponsorship and donations in the two regions where its power stations are operating including staff donations to charities and community causes. IN 2008, a further $100,000 funded research bodies, cultural institutions apprenticeship programs and several industry and environment conferences, including the 2008 Green Globe Awards.

Delta also maintains the Energy Expo located near Mt Piper Power Station, which is a popular destination for school excursion groups. Tours of Mt Piper Power Station are conducted for school groups and interested community members on a daily basis.

Financial implications and other risks and opportunities for the organisation's activities due to climate change

EC2

Strategic assessment of climate change
Delta Electricity has developed a strategic plan for 2008-2009, which considers the impacts of climate change on the organisation. Its key strategic actions are structured into seven groupings:

1. Sustainability: initiatives to establish sustainable business practices.
2. Business Development: identifies competitive options for future new capacity across a range of technologies, including renewable and low emission technologies.
3. Marketing: initiatives for market positioning and profitability and to influence regulatory developments.
4. People: addresses safety and security and provides strategies to meet future skills requirements.
5. Essential Supplies: addresses the future availability of fuel and water for generation.
6. Licence to Operate – addresses effects of environmental regulation and the information needs of decision-makers.
7. Reliability and Cost – identifies strategies for enhancing plant reliability and reducing production costs.

Economic Performance

Opportunities and risks of climate change
Physical risks of climate change
Our Strategic Plan addresses the impacts on the Western power stations of reduced fresh water for cooling based on extended drought conditions. Drought affects both the Coxs River storages and the Fish River supply from Oberon Dam (which supplies about one third of Delta's water needs). Allocation of water is restricted during drought.

We are investigating options for alternative water supplies. Major options include large-volume extraction from a disused underground mine complex in the Lithgow region and a water reclamation scheme at Vales Point using treated sewage. The feasibilities of supply options from other lower quality regional water resources are also being investigated.

Regulatory risks (e.g. the cost of activities and systems to comply with new regulations)
The National Energy and Reporting System (NGERS)
The NGERS has been integrated into our corporate financial reporting tracking system to ensure "auditability" and accountability for greenhouse reporting. Our tracking system will be operational by July 2009.

Trading Certificate System
Delta operates an information system for managing renewable energy certificates. It is also capable of managing carbon certificates created from the Carbon Pollution Reduction Scheme (CPRS).

Opportunities to provide new technologies, products or services to address challenges related to climate change
The Federal Government has committed to an Australia-wide renewable energy target of 20% by 2020. This will require that 20% of the electricity generated in Australia be produced from renewable sources by 2020.

In response, Delta has invested in renewable energy projects to increase generation of green energy as well as to reduce emissions.

Carbon capture
With CSIRO, we have constructed a $7 million pilot-scale research facility at Munmorah Power Station on the NSW Central Coast to capture, and release, up to 3,000 tonnes of CO_2 per year. The Munmorah pilot project will investigate post-combustion carbon-capture processes under Australian conditions. Additionally, Delta is participating in the NSW Clean Coal Council to develop low emission coal technologies.

Geo-sequestration
With other NSW power generators and the NSW Department of Primary Industries, Delta commenced assessment of the viability of geo-sequestration of carbon dioxide in deep saline aquifers and coal seams.

Co-firing biomass	
Wood waste	1,688 MWh
Hydro-electric	
Dungog Hydro-electric	38.7 MWh
Chichester Hydro-electric	1.4 MWh
Mt Piper Hydro-electric	0.0 MWh
Sugar cane biomass co-generation	
Condong	1,745.7 MWh
Broadwater	8,214.0 MWh
Green energy generation target	
Delta has set green energy targets for 2008-2009:	
Hydro-electric generation	1 GWh
Biomass generation at Vales Point	8 GWh
Biomass generation at Wallerawang	2 GWh
Total	**11 GWh**

Potential competitive advantages created for the organisation by regulatory or other technology changes linked to climate change
Delta's portfolio includes baseload renewable generation, low emission gas-fired generators with the potential to convert to combined cycle operation and some high performance coal-fired plant. These, plus the ongoing research and development of post-combustion carbon capture technologies and the potential for significant biomass co-firing, will ensure that Delta remains a significant contributor in the NEM under a range of carbon cost scenarios.

Financial implications of climate change for the organisation (e.g. cost of insurance and carbon credits). If quantified, disclose the quantification methodology
The Commonwealth Government's proposed CPRS will be one of the most far-reaching structural adjustment policy measures ever implemented in Australia. It will substantially increase cost to large emitters of carbon dioxide by requiring them to purchase permits for every tonne of CO_2 released into the atmosphere. The energy generation sector, including Delta Electricity, will be the most heavily impacted by the introduction of the CPRS.

The power industry has assessed the business impact of emissions trading as the policy has developed. A number of modelling studies have been carried out by the industry representing Delta Electricity. These aimed to determine the profitability and value of generation assets under the CPRS. Two major studies undertaken were The impact of an ETS on the Energy Supply Industry by esaa/ACIL Tasman and Market Modelling to Assess Generator Revenue Impact of Alternative GHG Policies by NGF/CRA. They both show that coal-fired generators, including Delta, will face difficult business conditions under emissions trading.

Economic Performance

Significant financial assistance received from government

Government assistance	Amount
Tax relief/credits	Not relevant to state-owned corporations
Subsidies	$0
Investment grants, research and development grants or any other relevant type of grant	$0
Awards	$0
Royalty holiday	Not relevant
Financial incentives and other financial benefits received from any government for any operation	$0

Report whether the government is present in the shareholding structure
Delta is a state-owned corporation and is wholly owned by the NSW Government.

Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation EC6

Policies and practices
Local purchasing
Delta power stations are located in the NSW Western Region and the Central Coast. Procurement for supply contracts less than $100,000 is undertaken locally by regions. Corporate management is based in Sydney and procurement of supplies and services over $100,000 is administered there.

Our works and services contracts contain quality assurance requirements in accordance with ISO 9001, requirements to comply with Environmental Management Plan and detailed OH&S provisions. Our supply contracts have waste minimisation provisions in accordance with the Waste Avoidance and Resource Recovery Act 2001.

Proportion of expenditure on local procurement
To this date, data about the proportion of spending in regions using locally based suppliers. has not been easily calculated. To clarify this information, a specialized financial reporting system is being developed that will identify spending based on the postcode of the supplier. Information about the proportion of expenditure in local procurement will be available in the 2009 report.

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement EC8

Section 96 Environment Protection & Assessment Act 1979, and other contributions made to local communities for infrastructure
Delta has two projects where local infrastructure investment will provide a benefit. Information about the impacts and benefits is found in the Environmental Impact Assessment undertaken for the major projects.

Bamarang Project
There were no infrastructure investments this year on the Bamarang Project however, there are likely to be contributions in the 2011-2012 financial year for a road upgrade. The cost is not estimated at this stage.

Marulan Project
There were no infrastructure investments this year on the Marulan Project however, there are likely to be contributions in the 2011-2012 financial year associated with mitigating impacts of the facility, such as, sealing the gravel road and intersection. The cost is not estimated at this stage.

Environmental assessments were completed for these development projects which included detailed studies of impacts such as visual, traffic, noise, emissions to air, and socio-economic. Community needs, made up of individual, infrastructure and other services needs, were determined based on impact level and mitigation requirements.

The works to mitigate the impacts on the communities are either instigated early in the project under the Statement of Commitments or may be negotiated with councils (or other regulatory bodies) during the development.

Research and development aimed at providing reliable and affordable electricity and promoting sustainable development EU7

Delta provided significant funding to the CSIRO for the research and development of the pilot, post-combustion, carbon-capture technology at Munmorah Power Station. Delta is also investigating advanced solar thermal technology. Our study focuses on technology selection, site selection (including in NSW), network issues and costs.

Delta was a member of the Cooperative Research Centre for Coal in Sustainable Development, which completed its term in June 2008. The centre focused on options for converting coal-fired plants to low emission.

Delta also retains its membership of the

- Electric Power Research Institute;
- Welding Technology Institute of Australia; and
- CRC for Integrated Engineering Asset Management.

Our direct investment on research and development activities in 2007-2008 was $1.6 million.

Our research focuses on improving the reliability of existing power plants and the development of low greenhouse electricity generation technology.

Economic Performance

Average generation efficiency

EU12

Source category	Generation efficiency
Coal	35.03% sent out

Generation efficiency is the ratio of energy leaving the plant to energy source, that is, electricity sent out divided by gross energy going into the plant expressed as a percentage.

Average plant availability factor by energy source and regulatory regime (local, state, regional, national)

EU29

Average plant availability	Average
2007-2008	77.30 %

Equivalent availability factor is the total potential generation in megawatt hours divided by the product of the maximum dependable capacity (MDC) in megawatts and the period hours, expressed as a percentage. Note that total potential generation is equal to MDC times period hours minus losses in megawatt hours due to all curtailing outages.

Environmental Performance

Delta's progress towards possessing a long-term sustainable footing requires us to maintain a balance between the demand from the community for reliable electricity supply and the impact on the environment from the production of this electricity.

Delta's developing sustainability strategy requires us to listen to the community and be capable of adapting to its longer-term needs. We need to maintain an acceptable balance between reliable supply and environmental impact, to meet community and stakeholder expectations.

Delta already has a number of essential elements of a sustainability strategy in place, including strong risk management and governance systems, good shareholder relations and long-term greenhouse emission abatement programs.

Materials management

Coal

Fundamental to Delta's coal strategy is the development of new resources. In conjunction with the Department of Primary Industries, Delta has sponsored exploration for resources in the Western region. Exploration licences will be made available for resources that appear to have economic prospects. Power station supply contracts may be available for those who secure resources.

Gas

Delta's short-term objective is to secure sufficient gas supply and transport arrangements for the commissioning of the Colongra gas turbines over the peak winter period in 2009.

Delta will also actively participate in the development of the short-term traded market for gas, secure the appropriate trading skills, and develop the systems that will ensure the flexible and effective operation of this plant. Most of these activities are scheduled for completion by late 2009.

Renewable energy

Delta's sustainability objectives are supported by research and development projects that investigate renewable energy production. These range from biomass co-firing, carbon capture and storage technologies to solar thermal technologies and sustainable energy development programs.

Water use

Delta's western power stations are reliant on fresh water for cooling. The worst effects of a drought experienced were lessened from mid-2007. This reduced the direct pressure on Delta to find new sources of water although a number of options continue to be evaluated.

The water shortages have helped Delta to focus on innovations such as purifying recycled water using a reverse osmosis plant, reclaiming water from sewage treatment plants and treating recovered mine water. These initiatives reduce our use of drinking quality water in industrial processes.

Emissions, effluents and wastes

Delta is committed to complying with all statutory requirements set out in the relevant legislation, regulations and licences issued by a number of government authorities. These cover the range of activities related to electricity generation including emissions, effluents and wastes.

Delta fully complies with the NSW Government's Waste Reduction and Purchasing Policy (WRAPP). We aim to reduce landfill by about 10% each year in accordance with WRAPP.

Products and services

In the past 12 months, Delta has continued developing options for delivering both base-load and peaking capacity. These include investing in the provision of base-load renewable energy and the construction of low emission gas turbine facilities. Building the gas turbine facility on the Central Coast near existing infrastructure is part of Delta's strategy to lower greenhouse gas emissions while broadening its portfolio of generation to meet growing demand.

Environmental incidents

It was a disappointing year for environmental incidents. Four incidents were reported to the Department of Environment and Climate Change (DECC) for breaches of our environmental operating licence.

One incident involving high pH in a cooling water discharge at Wallerawang, related to poor water supply quality, partly a result of drought conditions. In response we have implemented long-term water management plans at all power stations to manage the drought risk and we have modified our operating procedures to better manage water quality.

A second incident, which resulted in high suspended-solid levels in a water discharge at Wallerawang, was an operational matter. Operation and system modifications have been undertaken to prevent any recurrence.

Two other incidents, the clearing of native bushland with no approvals and dust escaping from an ash repository, related to the performance of contracted service providers. Measures have been put in place to strengthen the management of contracted service providers' environmental responsibilities.

Environmental Performance

Materials consumed in production by weight or volume (tonnes, ML or kL) EN1

Materials converted to energy

Materials	Weight/volume
Coal	10,251,019 tonnes
Fuel oil	12,153 tonnes
Gas	Not applicable in 2008
Biomass	1,536 tonnes

Tonnes of renewable fuels (wood and biomass) used

Renewable fuels	Weight
Sawdust	152 tonnes
Construction and demolition (C&D) material	1,384 tonnes

Associated process materials

Process materials	Weight/volume
Transport fuels	1,040 kL
Lubricants and transformer oils	72 kL
Major process chemicals (top four)	
1. Sulfuric Acid	3,226 tonnes
2. Sodium Hydroxide	1,371 tonnes
3. Sulfur	395 tonnes
4. Chlorine	245 tonnes

Percentage of materials used that are recycled input materials EN2

Tonnes and type of recycled materials used (excludes recycled waste water covered in EN8)

Recycled materials used	Tonnes
Re-refined oil	3,876 tonnes
C&D biomass	1,384 tonnes

Percentage of net energy input for fuel materials

Percentage of net energy input for fuel materials	Per cent
2007-2008 (Re-refined oil and C&D material)	0.08 %

Percentage of total supply by volume or mass for others

Percentage of total supply by volume or mass for others	Per cent
2007-2008	0%

Direct energy consumption by primary energy source EN3

Materials	Energy consumption*
Coal	248.522 PJ**
Fuel oil	0.553 PJ
Gas	0 PJ
Biomass wet: sawdust	0.002 PJ
Biomass dry: C&D material	0.020 PJ
Mine methane	0.006 PJ

* Based on the sum of the stations.
** PJ = petajoule (equivalent to a thousand trillion joules)

Total water withdrawal by source EN8

Water used for processing (including use of fresh water in ash handling), cooling and consumption in thermal power plant

Gross extraction by water source	Potable	Non-potable	Saline
Surface water	Coxs River: 19,553 ML Fish River: 4,367 ML		
Ground water			
Rain water			
Waste water		Springvale: 4,485 ML	
Municipal water supplies	Hunter and Wyong: 893 ML		
Estuaries and oceans			Lake Munmorah and Macquarie: 1.970 x10^6 ML

Volume of water used/MWh net generation

Region	Volume of water used
Western	1.64 x10^{-3} ML/MWh
Central Coast	0.09 x10^{-3} ML/MWh

Environmental Performance

Total direct and indirect greenhouse gas emissions by weight

EN16

Emission type	Kilotonnes
Direct (Scope 1 emissions)	21,962.5 kt
Indirect (Scope 2 emissions)	33.6 kt

The World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD) developed a protocol for voluntary corporate greenhouse gas inventories. Delta has adopted the protocol for reporting.

Scope 1 represents direct greenhouse gas emissions from on-site energy production or other industrial activities. Scope 2 represents emissions from energy that is purchased off-site (primarily electricity, but can also include energy like steam).

Delta does not calculate nor report Scope 3 emissions as the category is less significant for a power generator. Scope 3 includes upstream and downstream emissions including: employee travel, emissions embedded in products purchased or processed by the firm, and emissions associated with transporting and disposing of products sold by the firm.

Emissions intensity by generation type and CO_2 from fossil fuel generation per MWh net (sent out) fossil fuel generation

Generation type	Emission intensity
Fossil fuels	907 kg/MWh
Other fuels	Not applicable

Initiatives to reduce greenhouse gas emissions and reductions achieved

EN18

Initiatives to reduce greenhouse gas emissions and the areas where the initiatives were implemented.

Completed actions: voluntary	Completion date	Production
Biomass co-firing	July 2008	1,656 MWh
Chichester and Dungog mini-hydros	July 2008	37 MWh
Gas turbine	Commenced construction of Colongra gas turbines	
Sugar mill co-generation	Commenced commissioning of 60 MW renewable energy project with 30 MW plant at the Condong and Broadwater sugar mills	
Carbon capture program	Constructed a pilot carbon capture plant at Munmorah Power Station in conjunction with CSIRO	

Greenhouse gas emissions reductions achieved

Initiatives	CO_2 emission reduction
Renewable energy initiatives	1,536 tonnes
Fossil fuel initiatives	0 tonnes

Emissions of ozone-depleting substances by weight

EN19

Emissions	Western	Central Coast
CFCs	0	0
HCFCs	0	0
Halons	0	0

NOx, SOx, particulate and other significant air emissions by type and weight

EN20

NOx (as NO2 equivalent) in kilotonnes

Region	Total emissions	Per MWh sent out
Western[1]	42.2 kt	2.91 kg/MWh
Central Coast[2]	26.1 kt	2.70 kg/MWh
Delta total	68.3 kt	2.82 kg/MWh

SOx (as SO_2 equivalent) in kilotonnes

Region	Total emissions	Per MWh sent out
Western[3]	66.5 kt	4.58 kg/MWh
Central Coast[2]	24.0 kt	2.48 kg/MWh
Delta total	90.5 kt	3.74 kg/MWh

Total particulate in kilotonnes

Region	Total emissions	Per MWh sent out
Western[4]	2.0 kt	0.14 kg/MWh
Central Coast[4]	1.0 kt	0.10 kg/MWh
Delta total	3.0 kt	0.12 kg/MWh

Fine particulate emissions as PM_{10} kilotonnes

Region	Total emissions	Per MWh sent out
Western[4]	1.5 kt	0.10 kg/MWh
Central Coast[4]	0.8 kt	0.08 kg/MWh
Delta total	2.2 kt	0.09 kg/MWh

Significant other emissions kilotonnes, fluoride (as HF equivalent)

Region	Total emissions	Per MWh sent out
Western[4]	0.3 kt	0.02 kg/MWh
Central Coast[4]	0.1 kt	0.01 kg/MWh
Delta total	0.4 kt	0.02 kg/MWh

[1]Predictive emission monitoring.
[2]Continuous emission monitoring.
[3]Mass balance emission monitoring.
[4]Periodic emission monitoring.

Environmental Performance

Total water discharge by quality and destination

EN21

Destination	Volume	Treatment method	Is it reused?
Coxs River at Wallerawang	5,476 ML	pH control	Drinking water and power station extraction
Saline ash dam discharges at Lake Macquarie and Lake Munmorah	25,077 ML	settlement	No

Thermal discharges. Hours/year at specified temperatures above background

Station	Operating hours >35ºC
Vales Point	47 hours/year
Munmorah	4 hours/year

Total weight of waste by type and disposal method

EN22

Total weight of waste by type

Waste type	Weight
Hazardous	0 tonnes
Non-hazardous (ash)	2,207,907 tonnes
Non-hazardous (other solid wastes)	389 tonnes

Total amount of waste in tonnes by type and disposal method

Disposal method	Western	Central Coast
Composting	Not applicable	Not applicable
Reuse	190,796 tonnes	116,562 tonnes
Recycling	See WRAPP Report	See WRAPP Report
Recovery	Not applicable	Not applicable
Incineration	Not applicable	Not applicable
Landfill	151 tonnes	237 tonnes
Deep-well injection	Not applicable	Not applicable
On-site storage (ash)	1,217,856 tonnes	682,694 tonnes
Other	Not applicable	Not applicable

Total number and volume of significant spills

EN23

Significant spills, reported as a liability on financial statements (of chemicals, oils or fuels) 2007-2008	Volume
Nil	n/a

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

EN28

Monetary values of significant fines for non-compliance with environmental laws and regulations

Significant fines	Monetary value
An enforceable undertaking to complete environmental works at Colongra Swamp Nature Reserve in Budgewoi	$45,000

Total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Non-monetary sanctions	Number
2007-2008	nil

Cases requiring dispute resolution or other settlement such as voluntary environmental offsets

Cases requiring dispute resolution or other settlement such as voluntary environmental offsets	Number
2007-2008	nil

Social Performance

Delta already has a number of essential elements of a sustainability strategy in place, including strong risk management and governance systems, good shareholder relations and long-term greenhouse emission abatement programs.

The Strategic Plan proposes to formalise a sustainability framework, which aims at greater recognition of the links between our business and the community. The plan aims to inform the community of Delta's sustainability initiatives and formally seek its feedback.

Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting

SO1

Programs

All development in NSW is undertaken under the Environmental Planning and Assessment Act 1979 (the EP&A act). The EP&A act is based on ecologically sustainable development and encourages:

> *proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment.*

It seeks to promote shared responsibility for environmental planning between different levels of government and to increase opportunity for public involvement and participation in environmental planning and assessment.

Delta is undertaking several infrastructure projects, which are being managed and approved under the EP&A act.

Before any new development proposed by Delta, such as changing operations at an ash dam or building a gas turbine plant in a new locality, a comprehensive consultation plan is developed to ensure effective communication occurs with the community.

Throughout the development approval period (and during construction if the project is approved) information is provided to interested community stakeholders and feedback is sought from them. This information and feedback process may involve: community newsletters, advertising in the local press, interviews on local radio, establishing free-to-call specific 1800 numbers and holding forums for information exchange.

As part of development approval, cultural heritage studies may be required. If there is a possibility of indigenous cultural artifacts being in an area, the local Aboriginal land council is consulted and invited to nominate a representative to supervise all digging in the area.

Local government and local Members of Parliament are also contacted to ensure they are aware of developments that may impact on their constituents.

Project approvals describe the measures required for

- managing impacts on traffic;
- managing impacts on environment including water courses, as required;
- managing operational impacts such as noise mitigation or dust suppression; and
- managing community complaints.

1. Bamarang gas turbine facility 400 MW
This year the Stage 2 Project Approval Application and associated environmental assessment were undertaken. Detailed assessment was undertaken under Part 3A of the EP&A act which involved community consultation.

2. Marulan gas turbine facility 450 MW
This joint concept with Energy Australia required detailed environmental assessment. Detailed assessment was undertaken under Part 3A of the EP&A act which involved community consultation.

3. Glennies Creek Dam 620 kW mini-hydro development
Detailed assessment was undertaken under Part 3A of the EP&A act including community consultation with a view to submitting a development application to Singleton Shire Council in December 2008.

4. Windamere Dam 620 kW mini-hydro development
Detailed assessment was undertaken under Part 3A of the EP&A act including community consultation with a view to submitting a development application to Mid-Western Shire Council (Mudgee) in December 2008.

Social Performance

These infrastructure projects are being assessed and approved at the appropriate level of government under the EP&A act and are compliant with its requirements.

Project	Impacts of operations on local communities			Data collection defined	Community source of information defined	Negative impacts mitigated
	Prior to entering	While operating	While exiting			
Bamarang GT	✓	✓	✓	✓	✓	✓
Marulan GT	✓	✓	✓	✓	✓	✓
Glennies Creek Hydro	✓	✓	✓	✓	✓	✓
Windamere Dam Hydro	✓	✓	✓	✓	✓	✓

Other infrastructure projects

- Two 30 MW renewable energy plants constructed at the Condong and Broadwater sugar mills. Community newsletters and local stakeholder liaison provided updates on progress on the construction of the two plants and associated infrastructure.
- Expansion of the Kerosene Vale Ash Repository. Community consultation was undertaken as part of a detailed Environmental Assessment as required under Part 3A of the EP&A act.
- Colongra gas pipeline. Ongoing consultation during construction phase undertaken by Jemena, following earlier consultation by Delta to secure approval for the preferred route of the gas pipeline to supply the Colongra gas turbine facility being constructed on the Central Coast.

Practices

Complaints monitoring and tracking

Complaints are managed using Delta Electricity's corporate standard which requires all complaints to be registered and recorded in detail including the nature of the complaint, its validity and resolution. This register is regularly reported to Delta's Compliance Manager, to the Executive and to the Board Environment, Occupational Health and Safety subcommittee.

This management process ensures that all complaints are responded to appropriately and promptly. Should an issue result in repeated complaints, it may be raised with the relevant local community consultative group. Up to date information is presented to the group for feedback, and advice on the progress of any operational changes that can be put in place to address the issue is provided at subsequent meetings.

Project approvals stipulate the actions required to manage any community complaints. Construction and operational environment and community management plans are required before projects commence.

Community engagement for ongoing operations

To assist in the assessment and management of impacts of ongoing operations, Delta has established community reference groups on the Central Coast and in the Western Region. Both forums are made up of people with links to other local community representative organisations, such as Progress Associations and Landcare groups.

The reference groups meet quarterly with senior Delta managers. Agendas are developed collaboratively and usually consist of an operations report, slide presentations and the opportunity for community members to raise issues of concern to them and their neighbours. Issues are clarified and investigated when required, and the outcomes of these investigations, including modifications to equipment or practices, are reported back to forum members.

Issues of concern have included unwelcome noise impacts, visible emissions from the power station stacks, unsafe driving practices of coal and contractor trucks and perceived impacts of our operations on lake or river water.

Forum members also identify local community investment opportunities, such as upgrades to local parks and other amenities.

A 1800 recorded information line has been established. In the event of an incident, a message is recorded so that should community members be concerned about unexpected noises or smoke, or sirens from emergency vehicles, they can ring and be advised of the current status of an incident.

The Delta website homepage invites readers to contact us using a feedback facility. The Corporate Relations Manager responds to all enquiries.

Percentage and total number of business units analysed for risks related to corruption SO2

Business units analysed for risks related to corruption	Percentage
2007-2008	100%

Delta has established a compliance management system (CMS) to assist staff to comply with legislation and other requirements and laws that apply to their area of operation or management.

Delta has reviewed its operations and identified its key legal risks. All business units have been analysed for key legal risks including corruption.

We recognise that non-compliance could expose Delta and its employees to significant liability. Therefore all business units have prepared and maintain policies, procedures and standards relating to the minimisation of risk including actions to prevent corrupt behaviour.

Social Performance

Percentage of employees trained in organisation's anti-corruption policies and procedures

SO3

Employees trained in anti-corruption policies and procedures	Percentage
2007-2008	84%

The Legal and Compliance Manager reviews all laws, standards and voluntary codes relevant to Delta. He is responsible for consulting with and nominating the business unit affected by them. The business unit is responsible for developing a compliance plan to comply with the laws, standards and voluntary codes.

Compliance plans include processes and procedures developed to control or mitigate these risks and a training component.

Team leaders identify relevant compliance training for their staff. The team leaders also semi-annually review whether the objectives of the training programs have been met.

This year CMS training was specified and developed for online delivery. The CMS training package is scheduled to be rolled out in early 2008-2009 and will be reported on next year.

Actions taken in response to incidents of corruption

SO4

Corruption area	Incidents
Employees Total number of incidents in which employees were dismissed or disciplined for corruption.	nil
Business partners Total number of incidents when contracts with business partners were not renewed due to violations related to corruption.	nil
Legal cases Legal cases regarding corrupt practices brought against the organisation or its employees.	nil

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

SO8

Non-compliance	Monetary value of fines
Offence arising under s 8(2) of the Occupational Health and Safety Act 2000.	$190,000
The Department of Environment and Climate Change (DECC) agreed to an enforceable undertaking from Delta for environmental works following the discharge of a quantity of acid into an outlet canal at Munmorah Power Station.	Works to the value of $45,000
July 2007. Cooling water discharged from Wallerawang showed a slight exceedance of the upper pH limit.	No fine
December 2007. Total suspended solids discharged from Wallerawang settling pond exceeded limits.	No fine
August 2007. Native bushland cleared by contractor (later dismissed).	No fine
September 2007. Dust escaped from ash repository.	Judgement pending from the Land and Environment Court.

Contingency planning measures and disaster/emergency management plan and training programs

EU20

Contingency planning
Delta has a comprehensive Business Continuity Management (BCM) system for developing risks assessments. Ten action plans have been developed to restore normal operations as quickly and efficiently as possible after an emergency.

Emergency Response Plan
The action plans link with Delta's Emergency Response Plan and are activated during emergency procedures when an incident has escalated to a pre-determined level.

The BCM contains a range of testing strategies from desktop walk-throughs to full-scale disaster simulations involving emergency services.

The BCM is audited every two years. It was independently audited in May 2007 and assessed as "well-managed".

Training
Online training courses have been developed for general awareness (mandatory for all staff) and specifically for people with designated roles.

Human Rights Performance

Ethnic affairs priority statement

Our Ethnic Affairs Priority Statement (EAPS) identifies objectives and targets relating to social justice, community harmony and cultural opportunities. While not a direct service provider, Delta draws its employees from the multi-cultural Australian community. We recognise the importance and benefits of cultural diversity to our organisation and the community in general.

Our forward plan includes ensuring the continuance of merit-based recruitment practices and work arrangements that are sensitive to, and accommodate, cultural and religious differences where appropriate.

Support for local indigenous communities

Delta has continued its support for indigenous communities. For some years, we have allocated an apprenticeship opportunity in each region for an Aboriginal or Torres Strait Islander candidate although more than this number have been recruited on occasion. Since 2007, a $2,000 scholarship has been donated to the University of Newcastle for a student from an Indigenous background studying at their Ourimbah Campus, on the Central Coast. We also sponsor annual NAIDOC events on the Central Coast.

Total number of incidents of discrimination and actions taken

HR4

Discrimination claims 2007-2008	Number
Complaints of discrimination lodged against Delta on the grounds of race, colour, sex, religion, political opinion, national extraction or social origin.	nil

Labour and Work Performance

Employment diversity

Equal employment principles remain a fundamental platform for our recruitment and work practices. These principles are reinforced through staff induction and ongoing training. All policies and standards governing work are reviewed to ensure alignment with Equal Employment Opportunities (EEO) principles.

Programs designed to promote accelerated development opportunities and effective leadership capabilities continue.

Internal communication

The development of positive two-way communication channels with staff are a major focus with the development of an annual communications calendar and implementation of issue specific communications.

The 2008 plan focused on maintaining the currency of our Intranet, the provision of emailed weekly updates, a major campaign about work place safety, presentations by senior managers and progress reports on actions arising from an analysis of the 2007-2008 staff survey.

A consultative forum was established with Unions NSW and union representatives to discuss major initiatives and issues that may impact upon the workplace. This coincided with negotiations to extend the Delta Electricity Employees Enterprise Agreement for a further 12 months.

Safety

The safety of staff remains Delta's highest priority.

A new safety program, Safety Excellence, was successfully rolled out across the organisation with the aims of communicating and reinforcing Delta's commitment to keep everyone safe at work. One of the interventions, which aims to improve safety in the workplace, saw an increased number of managers conducting safety inspections with over 300 recorded for the year.

Delta's Zero Incident Process (DZIP), a behaviour-based safety program was introduced in 2003 to help improve safety at work and at home. It encourages safe behaviours by looking at how people carry out their job, identifying safe and at-risk behaviours and having a conversation to reinforce the safe behaviours. Various benchmark targets have been established to monitor progress.

Delta successfully met all requirements of a week-long NSW WorkCover Authority audit conducted in May 2008.

Employee benefits

A review of the remuneration and reward systems will be completed by July 2008. In conjunction with this review, Delta will also implement an on-line performance and development system which will be managed electronically from July 2008. The system will not only significantly improve the administrative efficiency of managing a large number of performance agreements, it will also ensure a consistency in staff development plans throughout the organisation. Further, it is expected to improve the alignment between Delta's strategic objectives and the individual targets established for each employee. Employees enjoy other benefits such as financial assistance and study leave for further study.

Skills development

Delta has established a comprehensive workforce-planning program, which will continue to form the basis for future recruitment and training plans.

A range of initiatives were put in place during 2008 with a view to attracting, retaining and developing a skilled workforce. For example, several Career Expos were attended and sponsorship was provided through training organisations to support 21 new apprenticeships.

Labour and Work Performance

Total workforce by employment type, employment contract, and region

LA1

Employee type and locality

Employee type	Munmorah	Vales Point	Mt Piper	Wallerawang	Sydney	Total
Full-time	122	256	109	171	56	714
Part-time permanent employee	0	1	3	1	4	9
Part-time trainee (fixed term)	0	3	0	0	0	3
Casual	0	6	0	3	0	9
Contract staff (fixed term)	1	0	0	0	1	2
Temporary university students	0	2	1	4	0	7
Total	123	268	113	179	61	744

Total sub-contracted workforce

EU16

Contract staff 2007-2008	Number*
Number of contract staff inducted to work on power stations in 2007-2008	1,958

* Based on the number of contractors who have undertaken on-line induction training.

Total number and rate of employee turnover by age group, gender and region

LA2

Since 2004, Delta's average annual staff turnover has been approximately 3.5%. The highest yearly figure experienced during this period peaked at 5.1% in 2007.

Terminations

Terminations by type	
Resignations	17
Redundancy	3
Retirements	11
Total	31

Terminations by gender	
Males	27
Females	4
Total	31

Terminations by age	
< 18 years	0
18 - 30 years	5
30 - 50 years	7
50 - 65 years	18
65 years plus	1
Total	31

Terminations by physical location	
Munmorah	0
Vales Point	14
Mt Piper	4
Wallerawang	10
Sydney	3
Total	31

Recruitment

Recruitment	
Recruitment	49
Total	49

Recruitment by gender	
Males	41
Females	8
Total	49

Recruitment by age	
< 18 years	0
18 - 30 years	26
30 - 50 years	21
50 - 65 years	2
65 years plus	0
Total	49

Recruitment by physical location	
Munmorah	10
Vales Point	16
Mt Piper	7
Wallerawang	12
Sydney	4
Total	49

Labour and Work Performance

Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities by region

LA7

Total workforce

The total workforce as at June 2008 was 726 permanent employees, plus two fixed contract staff, seven university students on work experience and nine casual employees. (See LA1 Total workforce by employment type, employment contract and region on page 29)

Independent contractors working on-site to whom the organisation is liable for the general safety of the working environment

Delta Electricity had 1,958 contract staff inducted to work on power station sites in the 2007-2008 year.

Lost days

Delta operates in a high-risk environment and uses a range of risk-minimisation strategies including training, policies and procedures and a wide range of safety initiatives such as risk assessments and audits.

Delta's injury statistics

Injury measurement	Rate
Frequency rate	4.9
Duration rate	5.71 days
Number of lost time injuries	7
Number of lost time days	40

The above injury rates do not include minor (first aid level) injuries.

The frequency rate count begins once a full day or shift is lost after the one in which the injury occurred. The rate represents the average number of lost time injuries (LTIs) on a staff number basis.

The frequency is calculated: (Total Lost Time Injuries x 1,000,000)/(Average Number of Staff During Past 12 Months x 2,000).

The total days lost is based on scheduled work days rather than calendar days.

There have been no work-related fatalities involving Delta employees or contractors for the financial year 2007-2008.

Occupational diseases

There were seven industrial deafness claims (current and ex-employees) lodged in the relevant period and three overuse-syndrome claims. There were also two mesothelioma claims lodged by ex-employees. It should be noted that the industrial deafness and mesothelioma claims are excluded from the overall duration/frequency rates.

Delta does not currently report occupational diseases rates or absentee rates on a regional basis.

Health and safety performance of contractors and sub-contractors

Contractors

Measurement	Western	Central Coast	Delta Maintenance
No. of lost time injuries	3	5	3
No. of lost time days	37	18	4

Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

LA8

Assisting workforce members regarding serious diseases

	Education and training		Counselling		Prevention and risk control		Treatment	
Program recipients	Yes	No	Yes	No	Yes	No	Yes	No
Workers	✓		✓		✓		✓	
Workers' families		✓	✓			✓	✓	
Community members		✓		✓		✓		✓

Labour and Work Performance

Education and training
Delta has identified a number of potential workplace hazards that may lead to serious disease. These include exposure to asbestos and other dangerous chemicals and risk from fatigue and anxiety. Delta has developed procedures and training and information packages to manage these hazards.

Counselling
Employee Assistance Program
Delta operates an Employee Assistance Program (EAP) to support and provide counselling to members of staff and families in need. Participation in EAP is voluntary and confidential. Employees with personal problems or issues are encouraged to seek assistance and ensured that it will not affect job security, leave or any other entitlements.

Counseling is available for a wide range of issues including substance abuse, relationships, financial and legal concerns, disability, health and retirement.

Reports are provided which protect the anonymity of participants while allowing Delta to adapt practices and manage issues within the workplace.

Prevention and risk control
Fitness fee reimbursement scheme
Delta runs a fitness fee reimbursement scheme to encourage our staff to keep physically and mentally healthy. The scheme reimburses half of fees to a maximum of $250, for a range of activities that provide for aerobic fitness. These include gym and swimming centre membership, entrance fees for some sporting events and some sporting club memberships.

Vaccinations
Each year influenza vaccinations are made available to staff free of charge.

Health monitoring
Several medical checks are used routinely to monitor at-risk staff members, including heart checks, skin checks and dust and disease board lung x-rays.

Treatment
Delta complies with the Occupational Health and Safety Act 2000, the Occupational Health and Safety Regulation 2001, the Workers Compensation Act 1987 and the Workplace Injury Management and Workers Compensation Act 1998. These specify that an employer must develop an injury management plan and assist in the rehabilitation of the affected worker.

Average hours of training per year per employee by employee category — LA10

Employee training hours

Employee category	Average days/ employee per year
Administrative officer	3
Engineering officer	5.5
Operator	11.5
Professional officer	7.5
Production officer	6.5
Powerworker	2.00
Contract Manager	4.5
Tradesperson	5
Trainee temporary	0.5
Casual administration officer	0.25
University students (temporary work experience)	4.5
Contract staff (fixed term)	0.08
Total	5.8

Labour and Work Performance

Ratio of basic salary of men to women by employee category

LA14

Equal Employment Opportunity (EEO) principles set down by the NSW Government remain fundamental to our recruitment and work practices. These principles are reinforced with staff during induction and training. All work policies and standards are aligned with EEO principles. Low staff turnover has limited our ability to satisfy these targets.

Gender balance by employee category

Employee category	Females	Males	Total Staff
Administrative officer	54	67	121
Engineering officer	1	145	146
Operator	0	132	132
Professional officer	4	50	54
Production officer	0	60	60
Powerworker	1	60	61
Contract manager	1	42	43
Tradesperson	1	105	106
Trainee (temporary)	1	2	3
Casual administration officer	8	1	9
University students (temporary work experience)	0	7	7
Contract staff (fixed term)	0	2	2
Total	71	673	744

Processes to ensure retention and renewal of skilled workforce

EU15

Minimising staff turnover

Turnover period	Turnover rate
Average annual staff turnover rate (2004-2007)	3.5%
Staff turnover rate 2007-2008	5.1%

A large number of staff have defined superannuation arrangements. This type of scheme encourages staff to remain with Delta as benefits are maximized towards the end of a person's career. Other factors affecting recent turnover include staff waiting for the outcome of energy industry reforms and uncertainty about the current financial markets.

Training and development

Average training days per employee	Annual rate
2007-2008	5.8

Delta recognises that staff training is important to ensure that people both obtain and retain skills. Training opportunities are identified, negotiated and listed during the Performance & Development Agreement (PADA) discussions, and reviewed at both six and 12 months.

Delta also provides ongoing support to employees who wish to undertake external study for both their current and future positions. Employees undertaking an approved course of study who satisfy the criteria for study assistance may apply for reimbursement of fees or expenses.

A Chief Executive Scholarship is available to full-time staff within Delta. The successful applicant is offered the opportunity to be fully paid while undertaking full-time study at a tertiary institution for a year.

Future development

Training sponsorships	Number sponsored
New apprentices	21
Apprentices (total)	49
University students	8

Sponsorship was provided through training organisations to support 21 new apprenticeships, bringing the total number of sponsored apprenticeships to 49.

Delta also provides sponsorship for university students studying engineering. Currently eight sponsorships of varying arrangements are offered at Newcastle and Wollongong universities. The sponsorship includes financial support of their studies and opportunities for work experience at a Delta site. Additional placements for work experience are also offered to university students during semester breaks.

Delta is also a member of the Australian Power Institute (API). It is a non-profit body established by the electricity power industry to boost the quality and quantity of power engineering graduates. It provides additional bursaries and work experience opportunities.

Product Responsibility Performance

The current procedures and policy requirements for advertising and promotions are outlined in the current NSW Government Advertising Guidelines. State owned corporations are not necessarily subject to the requirements but may choose to use them as guidelines for achieving value for money outcomes.

Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship

PR6

Laws, standards and voluntary codes

Advertising and promotions

The current procedures and policy requirements for advertising and promotions are outlined in the current NSW Government Advertising Guidelines. State owned corporations are not necessarily subject to the requirements but may choose to use them as guidelines for achieving value for money outcomes.

Key requirements for the different types of advertising activities include:

- public awareness advertising;
- recruitment advertising; and
- important public information and statutory notices.

Sponsorship

A sponsorship policy has been developed to ensure that Sponsorships and Donations are aligned to Delta Electricity's strategic business and community relations objectives, provide opportunities for direct interaction with both the broader community and specific local communities closest to Delta's business operations and achieve the principal aims of social and environmental responsibility in the local community as set out in the Energy Services Corporations Act.

The policy sets out that all community investments should be strategically focused, informed by the results of community research and consultation and aim to reflect Delta's social and environmental responsibilities. The policy notes that an annual sponsorship and donation program be prepared as part of each Regional Community Plan, detailing estimated budgets, delegations for the approval of different levels of sponsorship and a protocol for substituting a suitable alternative sponsorship should a planned-for project not proceed. Each year a review is conducted of outcomes from the annual regional community relations plans, before another is prepared and approved by the Chief Executive.

All Corporate level sponsorships are approved by the Chief Executive and subject to review.

Compliance Management System (CMS)

Delta has established a Compliance Management System (CMS) to assist staff to comply with legislation and other requirements laws that apply to their area of operation or management.

The Delta CMS essentially comprises:

(1) An integrated set of policies, processes and systems aimed at ensuring Delta meets its compliance obligations (Delta compliance processes) for each business area.

(2) A structural allocation of responsibilities of organisational positions and governance bodies within Delta, to ensure the compliance processes are implemented, followed and adapted as needed (the Delta compliance responsibility allocations).

Number of employees trained in the laws, standards and voluntary codes

Number of employees trained in the laws, standards and voluntary codes	Number
2007-2008	Code of Conduct training is mandatory for all staff.

Team leaders identify relevant compliance training for their staff. The team leaders also semi-annually review whether the objectives of the training programs have been met.

This year CMS training was specified and developed for online delivery. The CMS training package is scheduled to be rolled out in early 2008-2009 and will be reported on next year.

The current marketing communications procedures and policy requirements are included in the CMS and compliance is managed consistently with it.

Product Responsibility Performance

Frequency with which the organisation reviews its compliance with the laws, standards and voluntary codes

Frequency with which the organisation reviews its compliance with the laws, standards and voluntary codes.	Frequency
2007-2008	Continuous, with periodic formal reviews verified within the organisation's Lawlex compliance management system.

The Legal and Compliance Manager reviews all laws, standards and voluntary codes relevant to Delta. He is responsible for consulting with and nominating the business unit affected by that instrument. The relevant business unit is responsible for developing a compliance plan for that instrument.

Appendix 1. Compliance with GRI principles

Principle	GRI Definition	Test	Compliance
Reliability	Information and processes used in the preparation of a report should be gathered, recorded, compiled, analysed, and disclosed in a way that could be subject to examination and that establishes the quality and materiality of the information.	The scope and extent of external assurance is identified.	2007 Report reviewed independently by Energetics.
		The original source of the information in the report can be identified by the organisation.	All performance information has source identified and is defined in a separate procedural document.
		Reliable evidence to support assumptions or complex calculations can be identified by the organisation.	All information in the report is supportable.
		Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.	Data managers and data custodians are identified and are accountable for the accuracy of the information.
Clarity	Information should be made available in a manner that is understandable and accessible to stakeholders using the report.	The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail.	The Sustainability Report has been professionally written, sub-edited and designed.
		Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.	The report has a table of contents and key aspects are indexed.
		The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and should include explanations (where necessary) in the relevant section or in a glossary.	The Sustainability Report includes explanations where necessary, and a glossary of technical terms.
		The data and information in the report is available to stakeholders, including those with particular accessibility needs (e.g., differing abilities, language, or technology).	Information is available if requested.
Balance	The report should reflect positive and negative aspects of the organisation's performance to enable a reasoned assessment of overall performance.	The report discloses both favourable and unfavourable results and topics.	Delta is committed to providing full disclosure of information relating to sustainability.
		The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.	This report sets a benchmark for comparing performance over the following years.
		The emphasis on the various topics in the report is proportionate to their relative materiality.	Performance indicators are selected to be industry specific.

Appendix 1. Compliance with GRI principles

Principle	GRI Definition	Test	Compliance
Comparability	Issues and information should be selected, compiled and reported consistently. Reported information should be presented in a manner that enables stakeholders to analyse changes in the organisation's performance over time and could support analysis relative to other organisations.	The report and the information contained within it can be compared on a year-to-year basis.	This report sets a benchmark for comparing performance over the following years.
		The organisation's performance can be compared with appropriate benchmarks.	The performance indicators are selected by the NGF to be generation industry specific and comparable.
		Any significant variation between reporting periods in the boundary, scope, length of reporting period, or information covered in the report can be identified and explained.	There are no significant variations as explained in Sections 3.7 and 3.8.
		Where they are available, the report utilises generally accepted protocols for compiling, measuring and presenting information, including the GRI Technical Protocols for Indicators contained in the Guidelines.	Performance indicators present information using industry standards.
		The report uses GRI Sector Supplements, where available.	The Electricity Utility Sector Supplement has been included.
Accuracy	The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organisation's performance.	The report indicates the data that has been measured.	Quantitative information is used throughout the report. Qualitative information indicates processes are in place.
		The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.	Performance indicators present information using industry standards except where otherwise stated.
		The margin of error for quantitative data is not sufficient to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance.	All information provided in the report is robust and margins of error are not relevant.
		The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found.	Few estimates have been used and where they have been they are explained.
		The qualitative statements in the report are valid on the basis of other reported information and other available evidence.	Qualitative information is sourced from a number of defined sources and can be substantiated.
Timeliness	Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.	Information in the report has been disclosed while it is recent relative to the reporting period.	The information is current for the reporting period.
		The collection and publication of key performance information is aligned with the Sustainability Reporting schedule.	The report provides information to the Executive as part of Delta's strategic planning cycle.
		The information in the report (including web-based reports) clearly indicates the time period to which it relates, when it will be updated, and when the last updates were made.	The period of the report is clearly indicated throughout, and is equivalent to the period covered by the annual financial performance report.

Glossary

CARE	Community Access Regional Environment forum
CH4	Methane
CO_2	Carbon dioxide
CO_{2-e}	Carbon dioxide equivalents
EC	European Community
EPA	Environment Protection Authority
GRI	Global Reporting Initiative
GWh	Gigawatt hour; 109 watt hours – unit of power
ISO	International Standards Organisation
kg	kilogram
kL	Kilolitre = 1,000 litres
kt	Kilotonne = 1,000 tonnes
kWh	Kilowatt hour = 1,000 watt hours – unit of power
mg/L	Milligrams per litre
ML	Megalitre (million litres)
Mt	Megatonne (million tonnes)
MWh	Megawatt hour: Million watt hours – unit of power
NEM	National Electricity Market
NEMMCO	National Electricity Market Management Company
NOx	Nitrogen oxides, primarily nitric oxide (NO) and nitrogen dioxide (NO2)
NPI	National Pollutant Inventory
PCB	Polychlorinated biphenyls
pH	measure of the degree of the acidity or the alkalinity of a solution as measured on a scale (pH scale) of 0 to 14
PJ	Peta Joule; 1015 Joules – a measure of energy content of fuel
ppb	Parts per billion
ppm	Parts per million
SOx	Sulfur oxides, primarily sulphur dioxide (SO2) and sulfur trioxide (SO3)