

DELTA ELECTRICITY 2010 SUSTAINABILITY REPORT

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GRI-1 Sustainability report for Delta Electricity

Chief Executive's introduction

Delta Electricity is now producing electricity using gas, hydro and biomass technologies as well as using coal in conventional power stations. Using this mix of coal-fired plant with low carbon emission technologies, we supply reliable, low-cost electricity that contributes significantly to the economic prosperity of NSW.

Delta's sustainability challenge is to balance the social and economic benefits of electricity generation with the environmental impacts in a way that is acceptable to our major stakeholders. This report provides evidence of our success in meeting this challenge.

Increasing the production of low carbon emission electricity

Gas

With the opening of the \$500 million Colongra Gas Power Station in December 2009, Delta became the largest electricity generator in Australia. Colongra, with a maximum production capacity of 667MW, is the largest gas power plant in NSW. When operating on natural gas, it produces 40% less greenhouse emissions than existing coal power stations.

Delta has to prepared for future growth in electricity demand. We have gained planning consent for a high-efficiency, low greenhouse emission, combined cycle, gas-fired power station near Nowra. We have also gained planning permission to build a similar power station at Marulan near Goulburn.

Renewables

Delta has continued to operate Australia's largest baseload renewable energy plant on the NSW North Coast in conjunction with the NSW Sugar Milling Co-operative. The co-generation facilities use waste from sugar cane to provide baseload supply of renewable electricity.

This year, Delta's share of the electricity generated from the project was in excess of 114,000 MWh, which saved 104,000 tonnes of greenhouse emissions.

Developing low emission sustainable energy solutions

Carbon capture and storage

Delta has continued to develop carbon capture and storage (CCS) technology for emission abatement at our fossil fuel-fired power stations. In conjunction with CSIRO, we have undertaken a post-combustion, carbon-capture, pilot plant program at Munmorah Power Station. This year, the experimental program produced some significant achievements: exceeding its capture rate, carbon dioxide purity and sulfur removal targets. The findings from the program will be used to select technology for a large-scale, demonstration, carbon capture and storage plant. We expect the program at Munmorah to be completed by the end of 2010.

A significant step towards developing a 100,000 tonne per year demonstration plant was the signing of a funding agreement for \$28.3 million in February 2010. The funding will be provided by the Federal Government, the NSW Government, and the Australian Coal Association. This is complemented by a statewide exploration program for suitable geological storage sites by the NSW Department of Primary Industries.

Bioenergy

We are investigating improvements to biofuel processing to increase the quantity of fuel extracted from renewable sources. We are also investigating expanding the sources of sustainable biomass fuel supplies to include energy crops. This year, Delta commenced a eucalyptus mallee trial that included planting 200,000 seedlings across ten farm properties near Forbes in NSW. This trial aims to demonstrate the best farming model for producing energy crops from eucalyptus; to investigate propagation methods, planting productivities and survival rates; and to stimulate interest in the concept from farmers.

We successfully completed the first phase of biomass trials at Wallerawang, to increase our capacity to use renewable fuels. This achieved proof-of-concept status for transport logistics, storage, handling, processing and combustion. The next phase of the site trials will be to develop engineering design aspects to meet the targeted 20% displacement of coal and to take the project to a technically ready-to-go status.

Being recognised by the community

Delta follows sustainable business practices by ensuring that our operations are understood and accepted by our stakeholders. We have been recognised by the industry for demonstrating best practice in community consultation. We seek to respond to our stakeholders' concerns and requirements wherever we can.

The Vales Point Water Reclamation Plant won the inaugural Energy Supply Association of Australia (esaa) Sustainable Practice Framework Award for demonstrating best practice in community consultation and for receiving support from a wide range of stakeholder groups.

We have responded to complaints about noise on the Central Coast, by permanently connected noise monitors into the operating room at Vales Point and Munmorah. We are now able to identify and respond immediately to noise problems.

Sponsoring research

The Delta-sponsored Chair in Sustainable Energy Development at the University of Sydney, held by Professor Tony Vassallo, is currently focussing research on renewable energy technologies with emphasis on grid integration and energy storage. Professor Vassallo also hosted a symposium that explored the policy and technology challenges facing the energy industry to 2050.

Delta believes successful development and integration of storage technologies are essential to achieve reliable, base-load, renewable generation.

Adapting to a changing operational environment

Physical risks of climate change—water use

Water saving initiatives have been implemented in both the Central Coast and Western Regions to ease pressure on water levels in the catchment. These involve treating wastewater and minewater using reverse osmosis plants to lessen reliance on rivers and town water supplies.

Delta's Vales Point Water Reclamation Plant is expected to save up to 230 megalitres of drinking water a year by providing recycled water for its cooling water system.

We have made preparations to install a reverse osmosis, water treatment plant at Wallerawang, which is due for completion by late 2010. It will address potential water supply and quality issues in the Western Region, and will complement a similar system already installed at Mt Piper.

Other water management measures include:

- treatment of reverse osmosis waste to remove salt and to enable reuse of the treated water;
- use of water from coal mines to reduce our demands on natural catchment water sources and also reduce discharge to rivers;

- conversion from wet to dry ash extraction and placement systems; and
- monitoring and modelling of water use.

Carbon Pollution Reduction Scheme (CPRS)

Delta has been preparing for the introduction of the Carbon Pollution Reduction Scheme (CPRS) by economic modelling of the industry impacts and trading scenarios, and by developing policies and business systems that will integrate trading into our business operations when the scheme commences.

Delta understands the Scheme's broad intentions and, despite the level of CPRS uncertainty, has developed strategies to support its objectives and to minimise impacts on our business.

Integrating sustainability into our workplace

Delta joined the Department of Environment, Climate Change and Water's (DECCW) Sustainability Advantage Program in December 2009. The Program is designed to help organisations understand what sustainability means to their business and to implement sustainability strategies and programs. It aims to promote a culture of sustainability among Delta's staff by recognising positive behaviours and achievements that align with sustainability values.

Delta managers and staff attended a vision and planning workshop and developed a sustainability implementation strategy, which has been integrated into the 2010-11 business strategic plan.

Improving efficiency and reducing waste

In 2009-10, Delta's plant generated in excess of 22,000 GWh at an availability rate of 92.0%. This result was achieved with an improved portfolio thermal efficiency rate of 34.6%. A range of plant modifications, including turbine blading improvements at Mt Piper have yielded an improvement in portfolio thermal efficiency reducing our emission intensity. Delta has continued to investigate opportunities to improve by-product ash utilisation. Delta currently reuses approximately 15% of the ash produced and we have a long-term goal to increase utilisation to 50% of current levels.

Acknowledgements and thanks

We will continue to work with our stakeholders to find the best balance between the social and economic benefits and the environmental impacts of energy production. Providing information to our stakeholders about our benefits and our impacts in a transparent way is an important part of finding this balance.

My thanks to the executive team and all staff members for their contributions towards improving Delta's focus on sustainability. I also thank the Board for their leadership over the last year.

Greg Everett
Chief Executive

Key achievements

Environmental management and sustainability

Achieved high CO₂ capture and purity rates with the pilot carbon capture plant at Munmorah.

Vales Point water reclamation plant awarded an Energy Supply Association of Australia Sustainable Practice Framework Award in the category Industry Innovation/Best Practice Community Consultation and Stakeholder Support.

Trialed co-firing of biomass fuel with coal in a mill dedicated to biomass to reduce greenhouse emissions at Wallerawang.

Established a planting trial near Forbes of mallee as a biomass fuel crop.

213 million litre output of recycled water from the reverse osmosis plant at Vales Point that replaced the use of drinking quality water in generation.

Held a national symposium with the University of Sydney Chair of Sustainable Energy, to examine likely policy and technology challenges for the energy generation industry through to 2050.

\$28.3 million in funding secured from Federal Government, the NSW Government, and the Australian Coal Association for demonstration scale carbon capture and storage project.

Safety

Major safety improvement achieved with the successful implementation of a lockout isolation system. Retained National Safety Council of Australia Five Star rating.

People

The Step Ahead program was initiated to engage staff and promote a culture of sustainability by recognising positive behaviours and achievements that align with sustainability values.

Sponsored 7 traineeships and 23 first-year apprenticeships.

New skill acquisition and development programs to support future plant operations.

Financial performance

Profit before tax of \$78.4 million.

Plant performance

High level of production recorded, in excess of 22,000 GWh sent out.

Vales Point Power Station set new records for the continuous operation of both units.

Wallerawang Power Station achieved longest period of continuous operation in ten years.

Colongra Power Station formally opened and operating successfully from December 2009.

Plant improvements

Mount Piper Power Station capacity upgrade to 2 x 700 MW units.

New benchmark in reliable operations at all power stations resulted in a low rate of unplanned outages.

Reliable operation of Wallerawang maintained with restricted access to good quality Fish River water supply.

Developments

Granted project modification approval for increased capacity of a combined cycle gas turbine plant planned for Bamarang, near Nowra.

Granted concept and project approval for the joint Delta Electricity and EnergyAustralia development application for two gas turbine facilities at a development site near Marulan.

Granted concept approval for up to 2,000 MW of combined cycle gas turbine plant or coal-fired ultra-supercritical plant at a development site next to Mt Piper Power Station.

Lodged a major project application with a preliminary environmental assessment for approval to establish new ash placement sites for Mt Piper Power Station.

Lodged a major project application and preliminary environmental assessment for approval to rehabilitate Munmorah Power Station.

Key impacts, risks and opportunities

Delta has long recognised that climate change presents us with our most significant challenges. The impact of climate change on Delta's business is assessed annually as part of our strategic planning process. The main climate change risks we face are: reduction in the availability of long-term water supplies for our Western Region power stations; and the uncertainty and potential increased costs from the introduction of emissions trading legislation.

We are undertaking a number of measures to reduce risk associated with water management including:

- treatment of waste water to remove salt and to enable reuse of the treated water;
- use of water from coal mines to reduce demand on natural catchment water sources and also reduce discharge of mine water to rivers;
- conversion of ash extraction and placement systems from wet to dry systems; and
- ongoing monitoring and modelling of water use.

We have examined a wide range of business implications of an emissions trading scheme. We monitor prospective legislation changes and their impacts on Delta's business. We quantify the estimated financial impacts of a trading scheme on the organisation as part of our risk management processes. We have prepared for the introduction of reporting and trading obligations from the scheme

While the type and timing of any emissions trading legislation is unclear, we have expanded Delta's low-emission generation capacity with the inclusion of gas fired and renewable energy plant. We are investigating ways to further improve the thermal efficiency of our generation portfolio and actively develop carbon capture and storage technology.

Delta also faces sustainability challenges from the local and broader communities that expect a reliable and affordable electricity supply; reduced environmental and greenhouse impacts; and economic prosperity. Delta has strong and direct economic links with the local communities in which we operate in regional NSW. We provide direct employment to people operating and maintaining our power stations, and indirect employment in the mining industries that provide our fuels.

Reporting materiality

Determining materiality for Delta's sustainability reporting was a key improvement target for this year's report. Determining what is material to our stakeholders ensures that the information presented in the report reflects the range of Delta's economic, environmental, and social impacts.

To determine materiality for this year's report a desktop assessment was undertaken using already available information about stakeholder's interests. A materiality matrix was developed to correlate components of Delta's business with management aspects defined by the GRI guidelines.

The source documents for the assessment were used to represent the views of our major stakeholder groups:

- Complaints—environmental complaints log;
- Media/General Community—analyses undertaken by the Corporate Relations Manager summarizing the year's media commentary about Delta Electricity and the energy industry;
- Shareholder concerns—corporate risk assessment;
- Community concerns—Community Reference Group and CARE forum minutes; and
- Employee concerns—Word on the Street research report (employee survey).

The desktop exercise involved assessing the sources of information, identifying the key issues, and relating them to a set of management aspects defined in the GRI guidelines. The frequency of the management aspects across all source documents provides an approximate measure of their materiality. Combining assessments of each stakeholder document created a materiality matrix that identifies the most important management aspects. It should be noted that the stakeholder groups have varied priorities.

Based on this analysis the following twenty management aspects were found to be Delta's most material. They are highlighted in the management sections of the report:

Management disclosure	Page
1. Emissions, effluents, and waste	37
2. Water	45
3. Compliance	43
4. Biodiversity	40
5. Employment	60
6. Community	55
7. Research and development	36
8. Materials	43
9. Products and services	36
10. Public policy	29
11. Indirect economic impacts	30
12. System efficiency	28
13. Labour/management relations	60
14. Availability and reliability	28
15. Transport	42
16. Occupational health and safety	61
17. Diversity and equal opportunity	59
18. Training and education	60
19. Marketing communications	70
20. Disaster/emergency planning and response	56

Please note that materiality is a measure of relevance to stakeholders. Materiality is used to guide the selection of information for emphasis in this report.

Reporting against our targets 2009-10

As part of our strategic planning, we set ourselves five key sustainability goals under which we develop our targets.

GOAL 1—Increase the production of low carbon emission electricity

Long-term targets

i) 2,500 GWh of electricity produced from low carbon emission sources by 2012-13, increasing to 11,000 GWh in 2025

Our production of low carbon emission electricity increased from 118 GWh in 2008-09 to 267 GWh this year. Significant steps were made towards meeting the target with the achievement of the following milestones:

Project	Capacity	Status reached in 2009-10
Renewable energy development	68 MW	Broadwater and Condong sugar mills entered commercial service in November 2008
Colongra gas turbines	667 MW	Commenced operation in December 2009
Marulan gas turbine facility	450 MW	Planning consent granted for the gas turbine facility
Bamarang gas turbine facility	400 MW	Development consent was received for the gas turbine facility.
Mt Piper Extension	2000 MW	Concept Approval granted for development of a high efficiency coal or gas fired power station
Munmorah Power Station Rehabilitation	700MW	Concept Application lodged with the Department of Planning to rehabilitate the power station with improved efficiency

Target revision

Under the NSW Government energy reforms, it is proposed to sell Delta's development sites that would include the Marulan and Bamarang low-emission gas turbine sites. Delta originally assumed inclusion of these facilities within our portfolio in order to achieve our low-emission generation target. As a result of these changes, the long-term, low-emission energy production target will be reviewed in next year's report.

ii) Commence operation of an integrated carbon-capture and storage facility by December 2013

A significant step towards developing a 100,000 tonne per year demonstration plant was the signing of a funding agreement for \$28.3 million in February 2010. The funding will be provided by the Federal Government, the NSW Government, and the Australian Coal Association. This is complemented by a statewide exploration program for suitable geological storage sites by the NSW Department of Primary Industries.

Relevant performance indicators

EN1, EN3, EN16, EN18

Management disclosure

Emissions, effluents, and waste; Availability and reliability

GOAL 2—Advance research and development into sustainable energy

Targets for 2009-10	Results
Implement a delivery vehicle for an integrated carbon-capture and storage demonstration	This was achieved with a steering committee nominated and funding agreements in place.
Complete experimental carbon-capture program at Munmorah by June 2011	Ahead of schedule (with test targets achieved) the experimental program will be completed August 2010.
Complete business case for large-scale biomass co-firing at Wallerawang	Deferred to 2011
Complete pelletised biomass trials at Wallerawang	Trials successfully completed.
Develop an effective research program with the Chair in Sustainable Energy Development at Sydney University	Research program achieved with the Chair in place and a successful symposium held.

Relevant performance indicators

EU8, EN6

Management disclosure

Emissions, effluents, and waste; Research and development

GOAL 3—Engaging our employees, customers, suppliers and the community

Targets for 2009-10	Results
Eliminate gaps in Delta's sustainability plan reporting, as measured against the Global Reporting Initiative Guidelines	Level check and gap analysis of the 2008-09 report completed
Achieve at least silver level in the DECCW Sustainability Advantage Recognition Scheme by December 2011	On target

Relevant performance indicators

SO1, EU19

Management disclosure

Community; Labour/management relations; Training and education

GOAL 4—Developing the tools to adapt effectively to a changing operating environment

Targets for 2009-10	Results
Enhance Delta's preparedness for a CPRS by participating in carbon market simulation	Simulation was cancelled due to delay in carbon market implementation to 2013.
Regularly assess the plant required to operate in the market to determine optimal plant line-up	Complete. Wallerawang's role reviewed in light of western water conditions. Munmorah's role in market reviewed with a revised standby status implemented.

Relevant performance indicators

EU8, EN6, LA10, EU14

Management disclosure

Availability and reliability; System efficiency

GOAL 5—Improve efficiency and reduce waste within the business

Targets for 2009-10	Results
Review and prioritise the portfolio of plant efficiency improvement projects that are economic under a CPRS.	In progress—list of projects with costings established. Mount Piper turbine blade work completed. Carbon capture efficiency projects identified and are being progressed.
Support programs for developing agricultural and other ash reuse options	An independent strategic review of ash utilisation opportunities was initiated.

Relevant performance indicators

EU6, EU30

Management disclosure

Availability and reliability; System efficiency; Research and development; Ash; Emissions, effluents and waste

Our targets for 2010-11

As part of the Department of Environment, Climate Change and Water's (DECCW's) Sustainability Advantage Program (that Delta joined in December 2009) we have developed a sustainability implementation strategy, which has been integrated into the 2010-11 strategic plan. This has resulted in a new set of five aspirational sustainability targets.

GOAL 1—To be recognised by the community as a responsible environmental manager

A key element for 2010-2011 will be the delivery of a staff engagement program aimed at fostering a recognised environmental culture among Delta staff. Members of staff who value an environmental culture are more likely to go beyond compliance, where it is reasonable to do so, and deliver better risk management outcomes for the organisation.

Targets for 2010-2011

Develop an appropriate environmental KPI for staff Performance Plans

Undertake a base line survey of community attitudes to Delta's environmental management and implement recommendations in accordance with program

Engage the community through four events or sponsorships with an environmental focus

Conduct both regional community consultation forums quarterly

Implement DECCW approved Sustainability Advantage modules for Vision and Commitment, Resource Efficiency and Staff Engagement

50% reduction in substantiated pollution related complaints on 2009 levels by 2013

20% reduction in substantiated complaints related to land and water management

Investigate inclusion of recognition of community attitudes in project evaluation criteria

Relevant performance indicators

SO1, EU19

Management disclosure

Community; Training and education

GOAL 2—Adapt to climate change and a low carbon future

We will continue implementing our greenhouse response strategy by further developing low emission generation technologies. This includes ongoing development of Carbon Capture and Storage technologies and the investigation of thermal efficiency improvements.

Targets for 2010-2011

Finalise the experimental carbon capture program at Munmorah

Re-establish pilot at Vales Point (subject to funding)

Finalise selection of a host power station for CCS Demonstration project and location of a geological storage site

Achieve operational demonstration facility by December 2014

Subject to CPRS, implement recommendations from Wallerawang biomass combustion trials in accordance with approved program

Monitor the progress of the Mallee fuel crop – annual report in June each year

Develop a Biomass Business Plan

Implement certificate purchasing and acquittal system 3 months prior to CPRS commencement date

Program thermal efficiency improvements that are economic under an CPRS into 10 year asset management plan

Relevant performance indicators

EC2, EN6, EU8, EN16

Management disclosure

Research and development; System efficiency

GOAL 3—Continuous improvement in the efficient use of resources and by-products

Delta shares water with the local community and the drought has focused community attention on Delta's water consumption. We will implement programs to minimise consumption and secure sufficient water to ensure the supply of electricity services.

Initiatives include the expansion of reverse osmosis capability in the Western region and the use of mine water for cooling purposes where practical. We also continue to focus on ways of better utilising ash produced from combustion of coal at our power stations.

Targets for 2010-2011

Reconfirm water supply for electricity security in light of changing climate patterns using accredited external catchment modelling

Identify and assess new options to minimise water use

Include economic or strategic water reduction initiatives in Asset Management Plan and Operational Plan

Review existing strategies and expand ash utilisation business plan

Incorporate economic ash utilisation business plan actions into Asset Management Plan

Increase efficiency on portfolio basis by more than 1% relative to 2009-10

Subject to market needs, cease routine operation of Munmorah

Relevant performance indicators

EU6, EU11, EN3, EN6, EN8, EN22

Management disclosure

Emissions, effluent and waste; Water; Ash; System efficiency; Materials

GOAL 4—Operate beyond compliance

Delta Electricity has a well-established environmental compliance, monitoring and reporting program consistent with an organisation that is heavily regulated in environmental and other performance areas. We have a framework for project implementation, designated environmental compliance staff and annual reporting on environmental performance.

Targets for 2010-2011

Zero Category 1 incidents

Review Environmental Standards and update compliance reporting definitions

Include Category 2 and Category 3 incidents review in ISO14000 Audits

Complete independent audit of Delta's NGRS submission

Relevant performance indicators

EN23, EN28, SO8, PR9, EU16

Management disclosure

Compliance; Occupational Health and Safety

GOAL 5— Provide options for generation capacity expansion

Delta will finalise planning consents for the refurbishment of Munmorah Power Station and the expansion of the Mt Piper ash placement area.

Targets for 2010-2011

Munmorah rehabilitation project approval

MP 1/2 ash disposal development approval

Relevant performance indicators

EU6

Management disclosure

Availability and reliability

GRI-2 Organisational profile

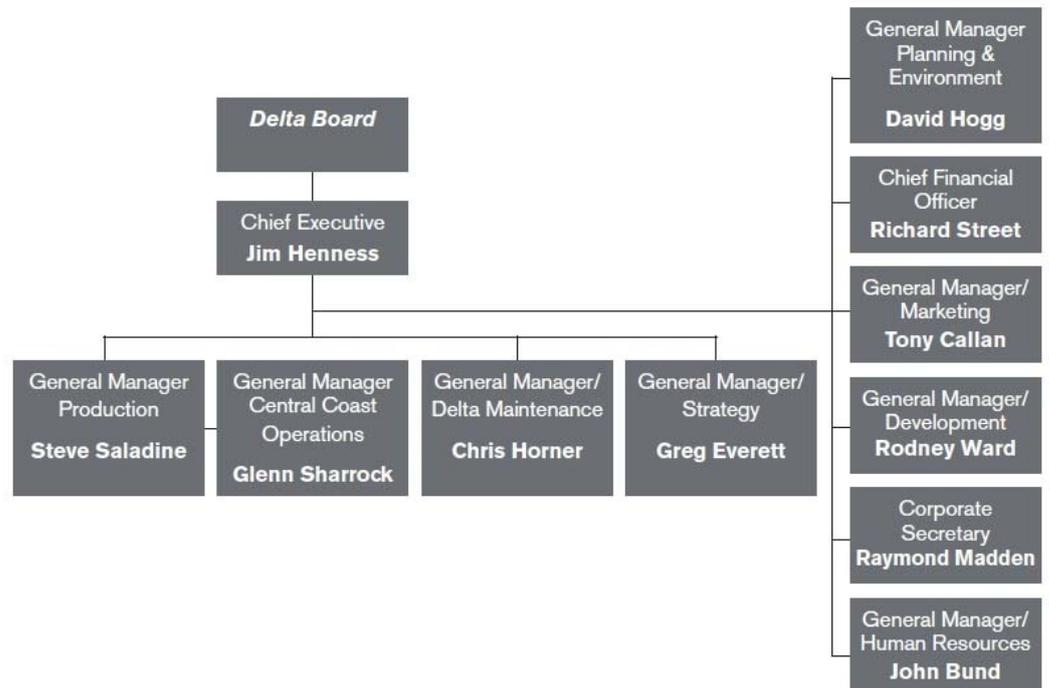
GRI-2.1 Name of the organisation

Delta Electricity

GRI-2.2 Primary brands, products, and/or services

Delta Electricity is an electricity generation corporation that provides 12% of the electricity for the National Electricity Market, which covers South Australia, Queensland, NSW, Victoria, the Australian Capital Territory and Tasmania.

GRI-2.3 Operational structure



GRI-2.4 Location of headquarters

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

GRI-2.5 Area of operations

Delta's coal-fired 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 4,320 MW.

The gas-fired Colongra Power Station has four gas turbines, each with 167 MW capacity.

Broadwater and Condong, our biomass plants, have a combined capacity of 68 MW.

Each of the hydro-electric plants at Dungog and Chichester have a capacity of 0.110 MW.

We also have a hydro-electric plant at Mt Piper with a capacity of 0.350 MW.



GRI-2.6 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.

GRI-2.7 Markets

Delta is a registered wholesale participant in Australia's National Electricity Market (NEM).

GRI-2.8 Scale of Delta Electricity

Number of employees

At the end of the reporting period (June 2010) Delta directly employed 733 permanent employees. There were a further 3097 contractors inducted to work on our sites during the course of the year.

Total sales revenues

The total sales revenue for this year was \$ 1,042.5 million. Other financial details are available in the Financial Section of the 2010 Annual Report, which is publicly available at www.de.com.au

Quantity of products or services provided

Our level of production this year was 22,163 GWh sent out which is sufficient to power three million homes.

Total assets

The total assets, current and non-current, are outlined in the 2010 Annual Report of the consolidated entity and at 30 June 2010 were \$ 3.2 billion.

GRI-2.9 Significant changes in size, structure or ownership

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

GRI-2.10 Awards received in the reporting period.

Delta's Vales Point Water Reclamation Plant, which is expected to save up to 230 megalitres of drinking water a year by providing recycled water for its cooling water system, was awarded an ESAA Industry Innovation Award for demonstrating best practice in community consultation and importantly, for receiving project support from a wide range of stakeholder groups.

The Colongra Power Station project was a finalist in the Government Partnership Excellence category of the Infrastructure Partnership Australian 2010 National Infrastructure Awards.

Delta received a certificate of appreciation from the NSW Police Service (Tuggerah Lakes Local Area Command) in appreciation of our ongoing support in donating trail bikes and associated equipment to the Command. This has assisted police in meeting the needs of the local community by providing increased capability with search and rescue operations, road safety campaigns and anti-social behaviour. The certificate was presented at the Medal and Awards Presentation Ceremony of the Tuggerah Lakes Local Area Command.

Other certificates of appreciation were received by Delta from Central Coast organisations that we have assisted throughout the year including:

Bonnells Bay Public School	Northlakes Public School
Camp Breakaway	St Brendans Catholic School
Chain Valley Bay Community Group	Team Lake Macquarie (to attend International Children's Games)
Greater Toukley Vision	Toukley Adult Day Care
Kidney Health Australia	Variety
Lake Macquarie City Council	Wangi Amateur Sailing Club
Lakes Surf Life Saving Club	Warnervale and Districts Community
Mannering Park Progress Association	
Nords Wharf Public School	

Delta also received certificates of appreciation from organisations in the Western Region:

Highland Steam & Vintage Fair Oberon	Mitchell Conservatorium
Lithgow District Car Club	Portland Tidy Towns
Lithgow Show Society	

EU1 Installed capacity MW

Location	Capacity
Coal	
Mt Piper	1,400 MW
Vales Point	1,320 MW
Wallerawang	1,000 MW
Munmorah	600 MW
	4,320 MW
Gas	
Colongra gas turbines	667 MW
Renewable	
Mt Piper hydro (pumped storage recovery)	0.350 MW
Chichester Dam hydro	0.110 MW
Dungog Water Treatment Plant hydro	0.132 MW
Condong Sugar Mill co-generation	30 MW
Broadwater Sugar Mill co-generation	38 MW
	69 MW
Biomass co-firing	
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 2009-10 was 3.9 GWh

EU2 Net energy output broken down by primary energy source and by regulatory regime

Energy source	Net energy output (MWh)	Regulatory regime
Coal	22,109,194 ¹	NSW
Fuel oil ¹		NSW
Gas	151,228	NSW
Biomass	116,223 ²	NSW

¹ Included in coal figure above not able to provide separate figure due to the small volume of fuel oil used.

² Includes Delta's share of electricity production from the Sunshine Electricity Joint Venture.

EU4 Allocation of CO₂ emission permits

As the Commonwealth Government's proposed Carbon Pollution Reduction Scheme (CPRS) has been deferred we have not provided a commentary on emission permit allocation in this year's report.

GRI-3 Report parameters

GRI-3.1 Reporting period

The 2010 Sustainability Report reports performance from 1 July 2009 to 30 June 2010.

GRI-3.2 Date of most recent previous report

The previous report included information from 1 July 2008 to 30 June 2009.

GRI-3.3 Reporting cycle

Delta reports on our sustainability performance on an annual basis.

GRI-3.4 Contact point for report queries

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

GRI-3.5 Report contents

In 2008, Delta developed our sustainability reporting based on the National Generators Forum (NGF) guidelines that used the Global Reporting Initiative's (GRI) Draft Electricity Utilities Sector Supplement as its basis. Reporting procedures were developed and the 2008 Sustainability Report written to comply with the NGF guidelines and GRI standard. The 2008 Sustainability Report was developed to provide a benchmark level for subsequent reporting.

The reporting procedures developed in 2008 identified data custodians (those responsible for establishing organization-wide policy, definitions, and rules for the collection and storage of the information) and the data managers (those responsible for collecting and managing the data) as well as defining how each performance indicator would be measured and reported.

In 2009 Delta adopted the Energy Supply Association of Australia (esaa) Sustainability Reporting Framework, which uses a similar method to the NGF by selecting relevant performance indicators from the GRI standard. The esaa framework requires a slightly different set of performance indicators to the NGF guidelines.

This year's sustainability report follows the format of last year's report by incorporating the esaa's reporting requirements into those of the NGF (and GRI) standards that were established in 2008 as a benchmark.

However, this year, based on an independent review of last year's report (see section GRI-3.13) we have focused on improving the materiality of our sustainability reporting.

Determining materiality ensures that the information presented in the report reflects the spectrum of Delta's economic, environmental, and social impacts that are most important to Delta's full range of stakeholders (see section GRI-1.1).

Delta seeks to maintain our GRI Level B reporting level (see section GRI-3.13), which is an international benchmark, with the additional objective of moving to a higher level of reporting through continual improvement.

GRI-3.6 Report boundary

The Sustainability Report relates to Delta Electricity, and only to our subsidiaries Delta Electricity Australia Pty Ltd and Mid West Primary Pty Ltd with respect to their inclusion as a consolidated entity in Delta's financial accounts.

In the case of Delta Electricity Australia Pty Ltd, Delta's share of energy production from the Sunshine Electricity Joint Venture is included with renewable energy data reported in this document.

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.

GRI-3.7 Limitations on the scope or boundary of the report

The boundary and scope of this report include the full range of material economic, environmental, and social impacts of Delta Electricity but not its subsidiaries as stated above in GRI-3.6.

GRI-3.8 Joint ventures, subsidiaries and other entities

This report does not cover the sustainability performance of Delta's subsidiary companies Delta Electricity Australia Pty Ltd (DEA) or Mid West Primary Pty Ltd. However, in the case of DEA Delta's share of renewable energy production from the Sunshine Electricity Joint Venture is included. Note that Delta Electricity's Financial Performance is reported each year on a consolidated basis in Delta's Annual Report.

GRI-3.9 Data measurement techniques and calculation methods

In 2008 we developed a Data Accountabilities Table (DAT) to identify data managers and data custodians who are accountable for the accuracy of the information in this report. The DAT has been reviewed and amended each year to reflect changes needed to comply with the esaa framework and with widened reporting. The information sources and business systems used are identified to ensure accuracy and consistency. All information in the report is supportable and able to be tracked to source.

GRI-3.10 Restatements of information

Amendments have been made to the figures for some of the environmental performance indicators due to some minor reporting errors.

GRI-3.11 Significant changes from previous reports

There are no significant changes in the reporting boundaries of this report. This is Delta's third report written to comply with the NGF guidelines. Additional performance indicators have been included to comply with the esaa Sustainability Reporting Framework (as described above). The aim of this report is to record our progress in achieving our sustainability targets.

GRI-3.12 Standard disclosures

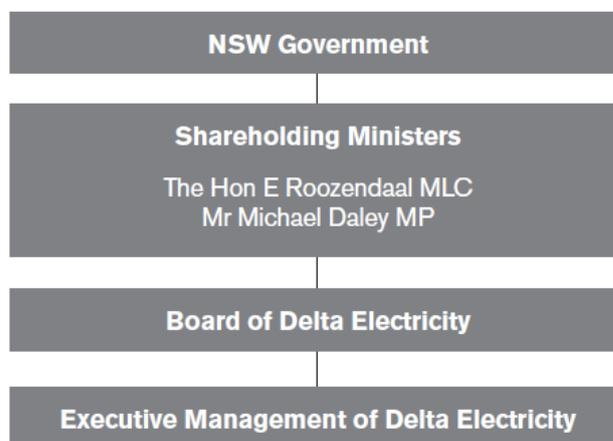
An index of standard disclosures is provided at Appendix 2.

GRI-3.13 External assurance

The contents of this report have not been independently verified. However, Netbalance has assessed this 2010 Sustainability Report as an Application Level B, against the reporting requirements of the Global Reporting Initiative G3 Guide. Netbalance has also provided us with opportunities to improve our reporting which we intend to incorporate into our 2011 report.

GRI-4 Governance, commitments and engagement

GRI-4.1 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 2010 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 2010 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 2010 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 2010.

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;
- 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 our responsibility for compliance with environmental and occupational health and safety policies and legislation.

GRI-4.2 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.

GRI-4.3 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.

GRI-4.4 Staff communications with the Board

Board Meetings

Delta's Board meetings are regularly held at the power station sites giving the Board and regional staff the opportunity to discuss matters relating to their local working environment. Executive managers are invited to present directly to the Board on matters for decision relating directly to their region or business unit.

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 bi-annual 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.

GRI-4.5 Performance-linked remuneration

The 2009-10 performance payments for executive managers mirrored the scheme that was used during 2008-09. This was based upon a range of measures, including:

- 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.

Delta's Annual Report includes details of executive remuneration for the reporting period.

GRI-4.6 Avoiding conflicts of interest

Delta has a Corporate Governance and Legal Compliance Plan to ensure full compliance with obligations imposed on the organisation and our 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.

GRI-4.7 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.

GRI-4.8 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 that 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.

In addition to these statutory requirements, Delta sets our 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 at least every two years (like all Delta policies) and on June 2010 had been reviewed and is with the Board for approval. 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.

GRI-4.9 Governance procedures for managing performance

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

GRI-4.10 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. A meeting with the Voting Shareholders is held to discuss and agree each forthcoming Annual Statement.

In addition, an independent review of the Board's performance was arranged by NSW Treasury on behalf of the Voting Shareholders, as part of a review of State Owned Corporation Boards.

GRI-4.11 The precautionary principle and risk management

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.

Risk management

Delta's Risk Management Plan conforms to Australian Standard AS/NZS 4360:2004 Risk Management. The plan provides Delta's management and employees with policy direction and a framework for identification, assessment and reporting of risk.

The risk management software system provides a hierarchical framework to identify, register and, if necessary, escalate risks to higher management levels for review, comment and action. Key operational and strategic risks are reviewed and reported monthly at business unit level and reported quarterly to the Delta Board.

GRI-4.12 Charters, principles or initiatives

Delta supports the Sustainable Practice Framework developed by the Energy Supply Association of Australia (esaa), which encourages best practice sustainability programs, improves voluntary sustainability reporting and shares good environmental, community, governance and workplace practice within the energy supply industry.

The framework demonstrates the commitment of esaa members to sustainable practice and builds on the previous esaa Code of Sustainable Practice – which encouraged better sustainability reporting. The framework takes into account the Global Reporting Initiative G3 Guidelines and the related Electric Utilities sector information.

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. The next recertification is due in 2011.

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

Delta Electricity's Risk Management Plan was updated in June 2009 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.

GRI-4.13 Membership of associations and advocacy organizations

Delta has membership and participates in the:

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

GRI-4.14 Stakeholder groups

Delta seeks to engage with the community on issues that concern our stakeholders. We have identified our stakeholders and seek to address their concerns through a number of channels. The table summarises our stakeholders and their major concerns.

Stakeholder	Concerns and focus	Methods of engagement
Voting Shareholders and Portfolio Minister	<ul style="list-style-type: none"> • Cost and production efficiency • Reliability • Contentious issues including environmental and social impacts 	<ul style="list-style-type: none"> • Formal management arrangements • Statutory reporting • Regular briefings
Customers (electricity retailers)	<ul style="list-style-type: none"> • Demonstrate professional integrity and expertise • Maintain the highest level of customer satisfaction • Deliver uniquely structured and customised derivative products 	<ul style="list-style-type: none"> • High levels of contact including regular face to face meetings
Local government and local residential communities	<ul style="list-style-type: none"> • Demonstrate corporate social responsibility including community consultation • Support for local schools, community organisations and public amenities • Noise, water and air quality impacts • New developments • Local employment and apprenticeship opportunities 	<ul style="list-style-type: none"> • The Western Region community consultation forum meets quarterly • The Central Coast community consultation forum, CARE Forum, meets quarterly • Regional community engagement programs including sponsorship and donations Free to call 1800 recorded information line • Information published in local media • Occasional community newsletters
Staff	<ul style="list-style-type: none"> • Work safety and other working conditions • Performance and development reviews • Effective, timely and regular internal communication • Training opportunities • Long-term career development prospects • Recruitment and retention • Governance • Impacts of technological and policy change • CO2 emissions, water use and climate change 	<ul style="list-style-type: none"> • Comprehensive occupational health and safety policies, practices and communications developed and implemented each year • Six-monthly performance reviews undertaken, with online 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	<ul style="list-style-type: none"> • Reliability of electricity supply; water use; CO2 emissions; climate change; ongoing operations and new developments 	<ul style="list-style-type: none"> • Press and broadcast media comment • Delta's website content • Community consultation including newsletters for local communities • Engagement with peak industry and other groups
Local retailers (and suppliers)	<ul style="list-style-type: none"> • Demonstrate corporate social responsibility through support for local chambers of commerce and local business networks • Local and regional economy development 	<ul style="list-style-type: none"> • Sponsorship of annual business awards. Direct engagement with business networks in the regions • Policies to support regional economic development
Media – metropolitan and regional	<ul style="list-style-type: none"> • Predominantly local operational issues, environmental impacts and new developments 	<ul style="list-style-type: none"> • Briefings, interviews and media releases

GRI-4.15 Identification and selection of stakeholders

As part of our commitment to sustainable business practices, Delta aims to ensure that our operations are understood and accepted by our stakeholders. Delta has adopted the definition of stakeholders used by the Global Reporting Initiative that stakeholders are individuals or groups who affect—or are affected by—an organisation's activities.

We have been focusing on identifying and engaging with our stakeholder for over a decade with the group categories evolving over this time. Identification of the most influential groups such as customers and shareholders is clear. The material interests of the community, staff and regional organisations have been identified by research which includes staff surveys, community attitude surveys and engaging with interest groups in each of the regions where we operate. Stakeholder network and linkage assessments undertaken for new projects have added to our understanding of stakeholder material issues. The identification of these particular interests has helped Delta focus engagement activities on the elements of the community that have the greatest stake in Delta's business.

GRI-4.16 Approaches to stakeholder engagement

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

By listening to our stakeholders, we adapt our management practices to their expectations. The acceptable balance between reliable supply and environmental impact therefore becomes one defined by the community and our stakeholders.

Our primary stakeholders are people who live and work close to our operating power stations, as well as Local Government representatives, local business lobby groups, community organisations and schools in the regions. We have established consultative forums in both major regions where we operate: the Western Community Reference Group in the Western region and the Community Advisory Regional Environmental (CARE) Forum on the Central Coast. More information about these forums is shown later in the report in the Social Performance section.

Our institutional stakeholders include the two shareholding Ministers of the New South Wales Government, local mayors and council members, and the Members of Parliament for the electorates where we operate.

Delta's suppliers of goods and services are also stakeholders, as are our staff. Communication channels are in place and management processes used to ensure that timely, understandable information is available to help permanent and contracted staff to do their jobs safely and well. Internal communications with effective feedback are an ongoing focus for improvement within Delta.

Environmental groups are also keenly interested in the operations of the energy industry. Although Delta complies with our environmental licence conditions and fulfills all our reporting obligations, local environment groups have brought a new level of scrutiny to our operations.

Delta periodically conducts stakeholder research to gain a better idea of the broader community's knowledge and understanding of, and interest in, our business. We have planned a research study to commence in the latter part of 2010. We intend to use the findings of these studies in a range of planning activities but particularly for planning for local community engagement.

The Vales Point water reclamation plant installed in 2008 won the inaugural esaa Sustainable Practice Framework Award. This was the Industry Innovation Award for demonstrating best practice in community consultation and for receiving support from a wide range of stakeholder groups.

Delta is developing a staff engagement program as part of our involvement with the DECCW Sustainable Advantage program. Its objective is to promote a culture of sustainability among Delta's staff by recognising positive behaviours and achievements that align with sustainability values. A workshop involving key staff, and facilitated by DECCW, identified essential requirements for staff engagement mostly derived from experience with implementation of other cultural initiatives at Delta, particularly safety.

Donations and other community investments

Sponsorship is an important aspect of stakeholder engagement in the regional communities where our power stations are located. Delta engages in sponsorship to enhance the effectiveness of our stakeholder engagement and to build a positive corporate reputation with a wider group of stakeholders.

Each year, regional community relations plans are prepared which describe our stakeholder engagement activities. Included in the plans are the sponsorship and donation plans up to \$200,000 in each region. This includes matching donations made by staff to cancer research, charities and emergency appeals. In 2009, we matched \$21,000 in this way. We provided corporate sponsorship of \$200,000 during the year to support research bodies, cultural institutions and Delta's participation in industry and environment conferences.

Delta also maintains the Energy Expo located near Mt Piper Power Station. It is a display of the latest technology used in the production of energy efficient electricity. Interactive exhibits have been designed to provide an insight into what electricity is, how it is made and how it is distributed. It is a popular destination for school excursion groups. We conduct tours of Mt Piper for school groups and interested community members on a daily basis.

GRI-4.17 Key stakeholder concerns

In 2009-2010, following investigation and review, responses have been made to the following main issues and concerns:

- Impacts of licensed discharges into drought affected Coxs River;
- Volume of water used in generation impacting drought affected Oberon Dam;
- Operational noise;
- Coal trucks spilling coal and dust on roads when delivering supplies to Delta power stations;
- Control of feral animals;
- Air quality;
- Dust; and
- Proposal to establish new ash repositories.
- Munmorah Power Station Rehabilitation Development Application
- Mt Piper Power Station Extension Development Application.

Assessing suppliers or contractors against sustainability criteria

Delta's contract specifications and contract assessment process includes a weighting to encourage the purchase of low waste products and products with a recycled content that are cost and performance-competitive with non-recycled products. Delta's specifications for work on power station sites include provisions for the implementation of Environment and Waste Management Plans requiring the contractor to comply with our policies on environmental management and management of waste streams.

GRI-5 Management approach and performance indicators

Economic performance

System efficiency

Improving system efficiency is an important, cost-effective strategy to increase production without having to invest in building further plants. Delta continually seeks to improve the generation efficiency of each of its plants:

- High output factors and challenging availability targets have restricted efficiency work at Vales Point Power Station to scheduled outages, which were primarily aimed at restoring baseline efficiency for the plant;
- Our most efficient generating units, those at Mt Piper, had a capacity upgrade in 2009;
- Munmorah Power Station currently fulfills a stand-by role so efficiency projects have not been undertaken during 2010 (however, it is listed as a development site with possible future refurbishment, which will include efficiency improvements); and
- Wallerawang Power Station has benefitted from modifications that aim to optimise the combustion systems and to improve cooling tower efficiency. These include:
 - Modification to baffles and dampers to improve distribution of air to burners, which will improve combustion;
 - Control system tuning to optimise performance, which will improve responsiveness to load changes; and
 - Replacement of Unit 8 cooling tower pack with the aim of achieving an improvement in cooling range.

Reliability and availability

Delta's reliability increased in 2009-10 to 95.9% from 94.3% in 2008-09. Vales Point set new records for the continuous operation of both its units—from March 2009 to early October 2009—as well as setting new annual records in availability and energy generation levels. This performance was made possible by capital investment in the plant over previous years and a continuing focus on effective operations and maintenance practices.

Some problems at Vales Point arose during the year, with the premature failure of the fabric filter bags resulting in some visible emissions. The cause of the failure was resolved successfully with the supplier, and stack emissions were returned to normal with virtually no visible emissions.

During the year, a generator transformer weighing 242 tonnes was delivered to Vales Point Power Station to replace a transformer which then became a spare. This was a major logistical exercise, with the transformer travelling from Brisbane to Vales Point via Goondiwindi, Moree and Muswellbrook.

In the Western Region, Mt Piper completed a major overhaul, including work to upgrade its capacity from 1320 MW to 1400 MW. The increase in capacity was achieved primarily by replacing the last row of turbine blades with a new, higher efficiency design.

Production

Delta had a high level of production this year, with 22,163 GWh sent out. This was achieved because of the high reliability rates of our plants. However, we did not improve on last year's production record because of a major overhaul to Mt Piper Power Station. The overhaul aimed to increase its capacity to 700 MW per generating unit by upgrading the turbines to new, more efficient blade designs.

Vales Point Power Station, set new records for the continuous operation of both its units—from March 2009 to early October 2009—and Wallerawang Power Station achieved its longest period of continuous operation in ten years despite restricted access to Fish River water supply.

The new Colongra gas-fired power station operated as planned, coming into service for short periods of time when electricity demand and prices were higher. Colongra achieves full load in 20 minutes and has black start capability to enable it to re-energise the grid in the event of a total grid blackout.

Munmorah was in operation during the 2009-10 summer period to provide energy supply and emissions for the carbon capture pilot research plant. Munmorah continued to provide portfolio backup for plant outages and to take advantage of several market opportunities which arose.

Plant performance at Wallerawang was excellent, with Unit 7 operating reliably during the 2009 winter following a major overhaul.

Market forces

Prices in the National Electricity Market remained under pressure during the 2009-2010 financial year due to very low market growth and the commissioning of new generating plant. The market was characterised by extended periods of low prices punctuated by short periods of extreme volatility. Generation from wind farms continues to increase and has caused periods of very low prices when high generation coincides with low overnight demand for electricity.

Forward contract prices have remained steady but well down on the highs reached in 2007, when prices were driven by concerns about the impact of drought on the market. Contract trading in the near term has increased markedly, with the expectation that a carbon trading scheme is unlikely to commence until 2013.

Public policy

Delta Electricity continued to be an active participant in the consultative process of energy policy and regulation development conducted by the energy market's regulatory authorities. Through our sponsorship of the Chair in Sustainable Energy Development at the University of Sydney we supported a symposium that explored the policy and technology challenges for the energy industry to 2050.

Indirect economic impacts

A major concern highlighted by the media in this reporting period was the impact on consumers of rising electricity prices.

While the costs of electricity generation are included in the overall charge to consumers, the need for increased transmission and distribution infrastructure investment is driving price increases. Prices for small retail customers are determined in NSW by the Independent Pricing and Regulatory Tribunal (IPART). The Australian Energy Market Commission (AEMC) sets and develops the rules for the NEM and the Australian Energy Regulator (AER) regulates the wholesale electricity market and is responsible for the economic regulation of the electricity transmission and distribution networks in the NEM.

Price determinations take into account costs to produce, deliver and improve infrastructure. With an increased focus on renewable electricity generation, for instance, there are additional costs associated with developing distribution networks. Renewable energy generation is location-specific because plants must be constructed where the wind, solar, ocean, biomass or geothermal resources are available. Network costs make up about half the final electricity bill for households and small businesses in Australia.

EC1 Direct economic value generated and distributed

Delta Electricity is a statutory, state-owned, electricity generation corporation domiciled in New South Wales, 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).

Economic measure	2007-08	2008-09	2009-10
Operating revenues	\$1,016,923,000	\$1,004,587,000	\$1,050,047,000
Operating costs (excluding financial costs)	\$789,482,000	\$874,549,000	\$833,694,000
Employee compensation	\$88,505,000	\$100,138,000	\$98,699,000
Retained earnings	\$48,534,000	\$Nil	\$Nil
Payments to capital providers and governments (dividends)	In 2007-08, Delta provided for a dividend to our shareholders, representing the NSW Government, of \$124.4 million	In 2008-09, Delta provided for a dividend to our shareholders, representing the NSW Government, of \$59.2 million	In 2009-10, Delta provided for a dividend to our shareholders, representing the NSW Government, of \$36.6 million

EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change

Delta has long recognised that climate change presents us with our most significant challenges. The impact of climate change on Delta's business is assessed annually as part of our strategic planning process. The main climate change risks we face are:

- reduction in the availability of long-term water supplies for our Western Region power stations; and
- the uncertainty and potential increased costs from the introduction of emissions trading legislation.

We are undertaking a number of measures to reduce risk associated with water management including:

- treatment of waste water to remove salt and to enable reuse of the treated water;
- use of water from coal mines to reduce demand on natural catchment water sources and also reduce discharge of mine water to rivers;

- conversion of ash extraction and placement systems from wet to dry systems; and
- ongoing monitoring and modelling of water use.

We have examined a wide range of business implications of an emissions trading scheme. We monitor prospective legislative changes and their impacts on Delta's business. We quantify the estimated financial impacts of a trading scheme on the organisation as part of our risk management processes. We have prepared for the introduction of reporting and trading obligations from the scheme

While the type and timing of any emissions trading legislation is unclear, we have expanded Delta's low-emission generation capacity with the inclusion of gas fired and renewable energy plant. We are investigating ways to further improve the thermal efficiency of our generation portfolio and actively develop carbon capture and storage technology.

Delta also faces sustainability challenges from the broader and local community that expect a reliable and affordable electricity supply; reduced environmental and greenhouse impacts; and economic prosperity. Delta does not exist in isolation from the general community as we have strong and direct economic links with the local communities in which we operate in regional NSW. We provide direct employment to people operating and maintaining our power stations, and indirect employment in the mining industries that provide our fuels.

Technology opportunities – carbon capture and storage

Delta has continued to develop carbon capture and storage (CCS) technology for emission abatement at our fossil fuel fired power stations. In conjunction with CSIRO, we have undertaken a post-combustion, carbon-capture, pilot plant program at Munmorah Power Station. This year, the experimental program made some significant achievements: exceeding its capture rate, carbon dioxide purity and sulfur removal targets. The findings from the program will be used to select technology for a large-scale, demonstration, carbon capture and storage plant. We expect the program at Munmorah to be completed by the end of 2010.

A significant step towards developing a 100,000 tonne per year demonstration plant was the signing of a funding agreement for \$28.3 million in February 2010. The funding will be provided by the Federal Government, the NSW Government, and the Australian Coal Association. This is complemented by a statewide exploration program for suitable geological storage sites by the NSW Department of Primary Industries.

Renewable energy opportunities

The Australian Government has set a target to achieve a 20% share of renewables in Australia's electricity mix by 2020. The Renewable Energy Target scheme guarantees a market for additional renewable energy generation, using a mechanism of tradable renewable energy certificates. Delta will continue to take advantage of the opportunities offered by participation in the renewable energy certificate market by increasing capacity and production from our renewable energy portfolio.

Renewable energy production	2008-09 (MWh)	2009-10 (MWh)
Mt Piper hydro	0	0
Chichester Dam hydro	0	187
Dungog Water Treatment Plant hydro	12	7
Condong Sugar Mill co-generation*	58,596	58,054
Broadwater Sugar Mill co-generation*	52,175	56,196
Biomass co-firing at Vales Point	2,565	0
Biomass co-firing at Wallerawang	1,322	1,973
Total	114,670	116,417

*Based on Delta's share of production from the Sunshine Electricity Joint Venture

Financial implications of climate change for the organisation (e.g. cost of insurance and carbon credits). If quantified, disclose the quantification methodology

The financial implications of a carbon trading scheme are assessed annually as part of Delta's risk management process.

EC4 Significant financial assistance received from government

Delta Electricity is a state-owned corporation and earns its income through selling output to the National Electricity Market. Therefore it does not receive tax relief or tax credits; subsidies; investment grants; awards; royalty holidays; or financial incentives and other financial benefits which are generally available to private industry.

During 2009 -10, Delta Electricity received support from Industry and Investment NSW and Regional Development Australia to the value of \$90,000 to assist funding a small mallee planting trial in the Forbes region. Delta Electricity is currently investigating the use of mallee as a fuel source for the generation of electricity.

In February 2010, a funding agreement for \$28.3 million to finance the development stage of a 100,000 tonne-per-year post combustion capture demonstration plant was agreed. The funding is being provided by the Federal Government, the NSW Government and the Australian Coal Association. During 2009-10, \$402,000 of this funding was provided.

Government presence in the shareholding structure

Delta is a state-owned corporation and is wholly owned by the NSW Government.

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

Delta's power stations are located in the NSW Western Region near Lithgow and on the NSW Central Coast. Delta does not have a formal policy to procure goods and services in these regions. Each region has a purchasing group that administers procurement of goods and services for contracts less than \$100,000 and will procure locally where suppliers and contractors are available.

The Corporate Purchasing Group, based in Sydney, administers procurement of goods and services for contracts over \$100,000. These contracts go to the open market which allows any tenderer including regionally based companies to tender and to be awarded contracts over \$100,000.

For this reporting period Delta sourced goods and services to the value of \$34.4 million from locally-based suppliers and contractors on the Central Coast and \$16.6 million in the Western Region. In addition to these purchases, Delta also spent in excess of \$400 million on coal purchases in our local regions. This procurement is a major contribution to local employment and the sustainability of local communities.

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

Delta made no infrastructure investments in this period that were primarily for public benefit through commercial, in-kind, or pro bono engagement.

EU6 Management approach to ensure short and long-term electricity availability and reliability

Availability and reliability are two of Delta's key performance indicators and are a central part of Delta's strategic and business planning processes. The recent performance of Delta's plant reflects recent successes resulting from plant maintenance and capital expenditure programs. This was particularly true at Vales Point that achieved record production as a result of high availability.

Measurement	Per cent	
	2008-09	2009-10
Reliability*	94.3%	95.9%

*Reliability is reported as 100 minus sum of Equivalent Forced Outage Factor and Equivalent Breakdown Maintenance Factor.

At the strategic and business planning level, Delta's availability and reliability targets are set in consideration of industry benchmark performance sourced from esaa. These targets look ahead ten years and are linked with the production and budgeting processes. These target levels provide the foundation for asset management strategies which have been implemented to ensure that budget scenarios can be met.

EU8 Research and development activity and expenditure aimed at providing reliable and affordable electricity and promoting sustainable development

Research and development is a key element of our strategy to deliver a more reliable and sustainable energy supply. We undertook a number of activities in 2009-2010 as part of the strategy.

Carbon capture and storage

Delta continued our program to develop carbon capture and storage technology as an emission abatement option for our fossil fuel-fired power stations. In conjunction with CSIRO, it progressed the post combustion capture pilot plant experimental program at Munmorah Power Station. The experimental program achieved some significant milestones with the technology exceeding its capture rate, carbon dioxide purity and sulfur removal targets. The program is expected to be completed at Munmorah in August 2010. Data from the program will be used to inform the selection of technology for a large scale demonstration carbon capture and storage plant.

Development of a demonstration scale facility took a big step forward this year with a funding agreement for \$28.3 million to finance the development stage of a 100,000 tonne per year demonstration plant signed in February 2010. The funding is being provided by the Federal Government, the NSW Government, and the Australian Coal Association.

An exploratory drilling program was completed at Munmorah and Vales Point power stations. The drilling is part of a statewide program being undertaken by Industry and Investment NSW to assess the potential for geological storage of carbon dioxide. The drilling indicated a low probability of geological storage potential on the Central Coast with drilling activities now underway in north-western NSW.

Research programs to investigate ways of minimising water and energy consumption for post combustion carbon capture technologies are progressing with early indications showing promising reductions.

Renewable energy

We are investigating how to increase the quantity of fuel from renewable sources by improving biofuel processing, and how to expand the source of sustainable biomass fuel supplies to include energy crops.

Delta commenced a eucalyptus mallee trial that planted 200,000 seedlings across ten farm properties in the Forbes region of NSW. This trial aims to demonstrate the farming model, to prove the propagation and planting productivity and survival rates, and to stimulate interest from farmers in the concept. The first phase of on-site trials at the 1,000 MW Wallerawang Power Station, aimed at increasing its capacity to use renewable fuels, has been successfully completed. This process achieved 'proof of concept' status for transport logistics, storage, handling, processing and combustion. The next phase of site trials is intended to develop the engineering design aspects in order to prove the targeted 20% displacement of coal and take the project to a technically 'ready to go' status.

Delta is collaborating with Crucible Carbon (that has received Commonwealth Government funding) to run a demonstration-scale, torrefaction facility at Vales Point Power Station. The torrefaction demonstration facility is used for pre-drying biomass that improves efficiency by significantly reducing fuel transport and processing costs.

Research sponsorship

Delta also supports research that will provide long-term benefits for the operation and maintenance of our existing generation fleet through sponsorship of the Electric Power Research Institute, Welding Technology Institute of Australia and Co-operative Research Centre for Integrated Engineering Asset Management. It is also supporting the Co-operative Research Centre for By-product Utilisation as part of a broader ash utilisation strategy.

The Delta sponsored Chair in Sustainable Energy Development at the University of Sydney hosted a very successful symposium in March that explored the policy and technology challenges for the energy industry to 2050. The Chair, held by Professor Tony Vassallo, is investigating renewable energy technologies, their development and grid integration, including energy storage. Delta believes successful development and integration of storage technologies are essential to achieve reliable, base-load, renewable generation.

Wallerawang Biomass Co-firing Project

Approximately 85% of all power generation on the east coast of Australia is derived from coal-fired power plant; in NSW, nearly 98% of the electricity is generated in coal-fired stations. Any projects demonstrating the successful substitution of coal with sustainable fuels are of extreme interest in a carbon-constrained economy.

Delta is currently developing a project which aims to replace up to 20% of the current coal fuel at the 1,000MW Wallerawang Power Station with carbon neutral biomass. This will displace the equivalent of more than one million tonnes of CO₂ per annum.

Following the completion of a feasibility study which included a range of engineering studies and financial modelling, the first phase of on-site trials at Wallerawang has been successfully completed. This achieved proof-of-concept status for site-related aspects of the project including: transport logistics, storage, handling, processing and combustion. The next phase of site trials is intended to develop the engineering design aspects in order to prove the targeted 20% displacement of coal and take the project to a technically ready-to-go status.

A number of potential sources of biomass are being investigated including eucalyptus mallee plantings in Western NSW (see Renewable energy section above), established specifically to supply the substitute biomass. A number of more readily available alternative fuels are also being investigated including plantation forestry residue, clean timber waste, and invasive native scrub.

EU11 Average generation efficiency

Generation efficiency	Per cent sent out	
	2009-10	2008-09
Source category—coal	34.6	34.5
Source category—gas	33.0	-

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.

Delta does not record efficiencies for biomass or methane. The new source category—gas, listed above, represents Delta's Colongra gas turbine station that commenced operation in December 2009.

EU30 Average plant availability factor by energy source and regulatory regime (local, state, regional, national)

Plant availability	Average (per cent)	
	2009-10	2008-09
Plant availability—coal	92.0	86.8
Plant availability—gas	98.1	-

The new plant availability category—gas, listed above, represents Delta's Colongra gas turbine station that commenced operation in December 2009.

Delta Electricity Availability Reporting aligns with the North American Electric Reliability Council Methodology.

Environmental performance

Products and services—Research & Development

Delta's research and development activities are a key element in our business and sustainability strategies to deliver a more reliable and sustainable energy supply. The following activities, summarised from EU8, were undertaken in 2009-2010 as part of the strategy.

Carbon capture and storage

Delta continued our program to develop carbon capture and storage technology as an emission abatement option for our fossil fuel-fired power stations:

- in conjunction with CSIRO, we progressed the post combustion carbon capture pilot plant program at Munmorah Power Station;
- a funding agreement was signed for \$28.3 million for a demonstration-scale facility with the Federal Government, the NSW Government, and the Australian Coal Association;
- an exploratory drilling program was completed at Munmorah and Vales Point Power Stations as part of a statewide program to assess the potential for geological storage of carbon dioxide; and
- investigations into ways to minimise water and energy consumption for post combustion carbon capture technologies are showing promising reduction opportunities.

Renewable energy

We are investigating how to increase the quantity of fuel from renewable sources by improved biofuel processing, and how to expand the source of sustainable biomass fuel supplies to include energy crops.

- Delta commenced a eucalyptus mallee trial by planting 200,000 seedlings on ten farms in the Forbes region of NSW, which aims to demonstrate the farming model, to prove the propagation and planting productivity and survival rates, and to stimulate interest from farmers in the concept;
- the first phase of on-site trials at Wallerawang (see below), aimed at increasing its capacity to use renewable fuels has been successfully completed; and
- Delta is collaborating with Crucible Carbon to run a demonstration-scale torrefaction facility at Vales Point for pre-drying biomass to reduce fuel transport and processing costs.

Research sponsorship

Delta also supports research that will provide long-term benefits for the operation and maintenance of our existing generation portfolio.

- Sponsorship of the Electric Power Research Institute, Welding Technology Institute of Australia and Co-operative Research Centre for Integrated Engineering Asset Management.
- Support for the Co-operative Research Centre for By-product Utilisation as part of a broader ash utilisation strategy.
- The Delta sponsored Chair in Sustainable Energy Development at the University of Sydney hosted a successful symposium in March that explored the policy and technology challenges for the energy industry to 2050.

Wallerawang Biomass Co-firing Project

Delta is currently developing a project which aims to replace up to 20% of the current coal fuel at the 1,000MW Wallerawang Power Station with carbon neutral biomass. This will displace the equivalent of more than one million tonnes of CO₂-e per annum.

- a feasibility study which included a range of engineering studies and financial modelling has been completed;

- the first phase of on-site trials, which achieved proof-of-concept status for site-related aspects of the project including: transport logistics, storage, handling, processing and combustion, has been successfully completed;
- the next phase of site trials will develop the engineering design to prove the targeted 20% displacement of coal and take the project to a technically ready-to-go status; and
- potential sources of biomass are being investigated including eucalyptus mallee plantings in Western NSW (see Renewable energy section above), plantation forestry residue, clean timber waste, and invasive native scrub.

Emissions and air quality

Delta monitors air quality in the Central Coast and Western Coalfields regions where we operate. The monitoring shows that air quality is consistently high and well within health and environmental air quality standards.

Sulfur dioxide and nitrogen dioxide levels are measured continuously by our air quality monitors. Measurements taken over many years have shown that levels are well below the environmental standards and that the National Air Quality Standards have never been exceeded.

Particulate monitoring for particles less than 10 microns and less than 2.5 microns shows that power stations make a small contribution to particle levels. Regional events, like bushfires and dust storms, are the largest contributors to occasional elevated concentrations.

Ash

Approximately 15% of the ash produced by Delta is used in cement and concrete products. We have a long-term strategic goal of increasing ash utilisation to 50% (based on the current level) and have a number of initiatives in place to help achieve this goal. Ash is a by-product of coal-fired power stations. Coal ash containing silica (SiO_2) and alumina (Al_2O_3) can be used as an alternative to clay in cement manufacture. When mixed with lime and water it forms a compound similar to cement. The spherical shape of the ash particles reduces internal friction and increases the concrete's consistency and mobility.

The use of ash in cement and concrete products has the benefit of lowering greenhouse gas emissions by displacing other greenhouse intensive ingredients of the cement and of reducing the amount of waste material produced.

Delta participates in the Sustainability Advantage program, run by the NSW Department of Environment, Climate Change and Water, to develop re-use options and to build collaborative programs with industry.

We are investigating potential new markets in agriculture and construction and are sponsoring independent research into ash by-product use in building products. Agricultural applications include using the ash as a fertiliser and in potting mix. Construction applications include using ash in the production of lightweight building products and as a structural fill material in road and buildings.

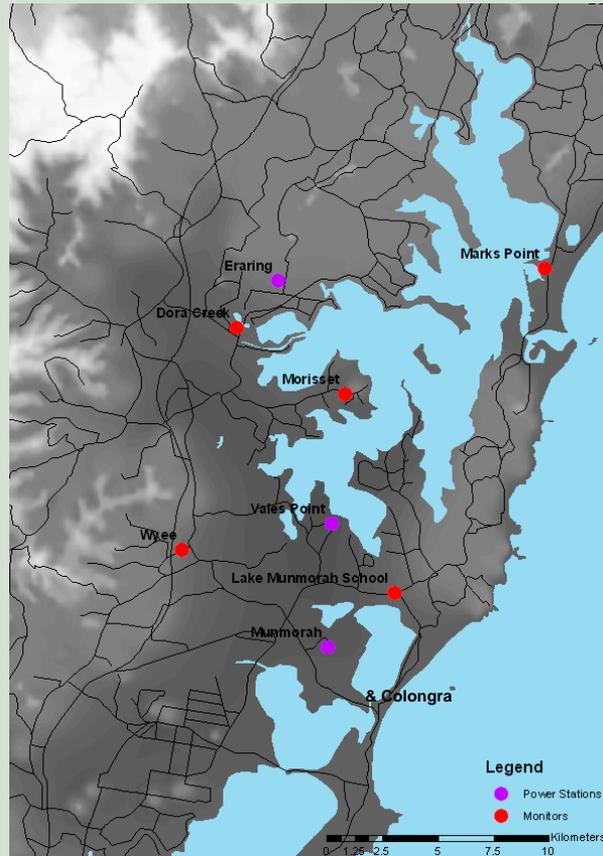
We are also looking at processing and transport options to make the ash more suitable and economic to use. By investigating ash by-product re-processing options we can better match its characteristics to end-user's requirements. By investigating low-cost bulk-transport options, including by rail, we aim to make the product available more cheaply and make it a more viable option for industry.

Monitoring air quality on the Central Coast

Monitoring locations

Delta operates two coal-fired and one gas-fired power station in the Central Coast region of NSW.

Air quality in the region of the power stations is monitored continuously by three air quality monitoring stations operated by Delta (see map below). The Wyee and Lake Munmorah Public School sites commenced monitoring in the early 1990s and the Morisset Peninsula site was established in late 2005. In addition to the air quality monitoring sites, Delta operates a climate station at Munmorah and a number of dust fall-out gauges around coal and ash storage areas at Vales Point and Munmorah. Note that Eraring Power station is owned by Eraring Energy, operator of the Marks Point and Dora Creek monitoring stations.



Location of power stations and air quality monitoring sites in the Central Coast Region

SO₂ and NO₂ concentrations

The tables below show that the maximum SO₂ and NO₂ concentrations are well below the relevant one-hour average National Air Quality Standards – no exceedences have been recorded over the years of monitoring that has been undertaken. Results for other averaging periods are also well below the relevant National Standards.

Maximum one - hour average SO₂ concentrations for Central Coast

SO ₂ concentrations	Parts per million (ppm)*	
	2009	2008
Maximum one - hour average SO ₂ concentrations	0.07	0.11
National Standard, must be less than	0.2	0.2

Maximum one - hour average NO₂ concentrations for Central Coast

NO ₂ concentrations	Parts per million (ppm)*	
	2009	2008
Maximum one - hour average NO ₂ concentrations	0.04	0.04
National Standard, must be than	0.12	0.12

Particulates

A diverse range of local and regional sources contribute to the particulate results measured at the monitoring stations. The sources also vary over time and it is not always straightforward to determine which sources have contributed to the monitored results.

The table below shows that concentrations of total suspended particulates (TSP) are well below the NSW assessment criterion (there being no National Standard for TSP).

The tables show that smaller sized particulate matter (PM₁₀ and PM_{2.5}) concentrations are below the standards for the vast majority of the time - occasional elevated concentrations are usually related to broad-scale factors such as bushfires and dust storms, most recently in September 2009.

Annual average TSP concentrations for Central Coast

Annual average TSP concentrations	Micrograms per cubic metre $\mu\text{g}/\text{m}^3$ *	
	2009	2008
Annual average TSP concentrations	42	40
NSW assessment criterion, less than	90	90

Maximum PM₁₀ concentrations for Central Coast

Maximum PM ₁₀ concentrations	Micrograms per cubic metre $\mu\text{g}/\text{m}^3$ ¹	
	2009	2008
Maximum 24 hour average PM ₁₀ concentrations	1923 ²	32
National Standard, less than ¹	50	50
Exceedences	5	0

1. National Standard 50 $\mu\text{g}/\text{m}^3$ with a maximum of 5 exceedences in a year

2. Dust storms across eastern Australia

Maximum PM_{2.5} concentrations for Central Coast

Maximum PM _{2.5} concentrations	Micrograms per cubic metre $\mu\text{g}/\text{m}^3$ ¹	
	2009	2008
Maximum 24 hour average PM _{2.5} concentrations	250 ²	21
National Advisory Standard, less than ¹	25	25
Exceedences	2	0

1. National Advisory Standard 25 $\mu\text{g}/\text{m}^3$ with a maximum of 5 exceedences in a year

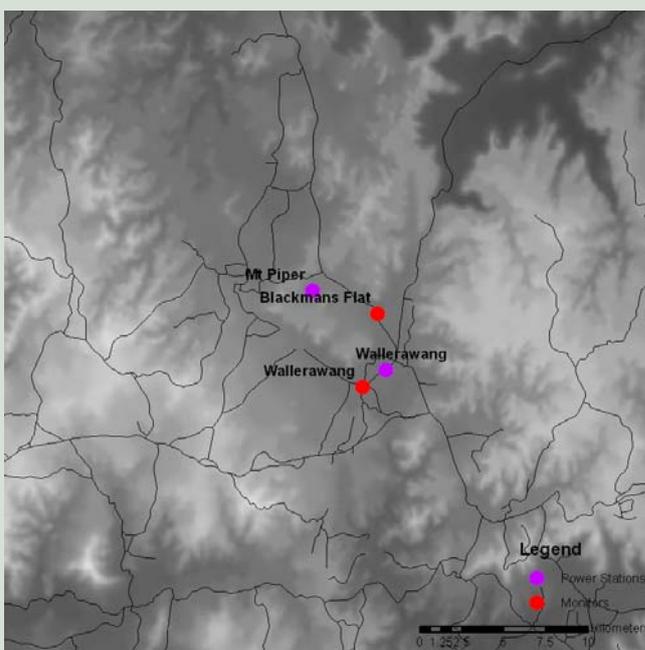
2. Dust storms across eastern Australia

Monitoring air quality in the Western Coalfields

Delta's Wallerawang and Mt Piper coal-fired power stations have operated in the Western Coalfields region since the 1970s and 1990s, respectively.

Air quality near the power stations is monitored continuously by two air quality monitoring stations operated by Delta (see map below). The Wallerawang and Blackmans Flat sites commenced operation in the early 1990s. Delta also operates a total solid particulate monitor near the Mt Piper ash storage area for management purposes.

In addition to the air quality monitoring sites, Delta operates a climate station at Mt Piper and a number of dust "fall-out" gauges around coal and ash storage areas.



Location of power stations and air quality monitors in the Western Coalfields

The following tables show that the maximum SO₂ and NO₂ concentrations are below the relevant one-hour average National Air Quality Standards – no exceedences have been recorded over the years of monitoring that has been undertaken. Results for other averaging periods are also well below the relevant National Standards.

Maximum one-hour average SO₂ concentrations for Western Coalfields

SO ₂ concentrations	Parts per million (ppm)*	
	2009	2008
Maximum one - hour average SO ₂ concentrations	0.09	0.16
National Standard, less than	0.2	0.2

Maximum one-hour average NO₂ concentrations for Western Coalfields

NO ₂ concentrations	Parts per million (ppm)*	
	2009	2008
Maximum one - hour average NO ₂ concentrations	0.03	0.03
National Standard, less than	0.12	0.12

Monitoring of particulates at the Wallerawang and Blackmans Flat sites commenced in late 2009. A diverse range of local and regional sources influence the results measured at the monitoring stations to varying degrees at different times and it is not always easy or straightforward to determine which source(s) have contributed to the monitored results.

Data to the end of July 2009 show that fine particulate matter (PM₁₀ and PM_{2.5}) concentrations are below the standards for the vast majority of the time—occasional elevated concentrations are usually related to broad-scale factors such as bushfires and dust storms.

Maximum PM₁₀ concentrations for Western Coalfields

Maximum PM ₁₀ concentrations	Micrograms per cubic metre $\mu\text{g} / \text{m}^3$ ¹
	2010 ²
Maximum 24 hour average PM ₁₀ concentrations	49
National Standard, less than ¹	50
Exceedences	0

1. National Standard 50 $\mu\text{g} / \text{m}^3$ with a maximum of 5 exceedences in a year

2. January – July 2010

Maximum PM_{2.5} concentrations for Western Coalfields

Maximum PM _{2.5} concentrations	Micrograms per cubic metre $\mu\text{g} / \text{m}^3$ ¹
	2010 ²
Maximum 24 hour average PM _{2.5} concentrations	29
National Advisory Standard, less than ¹	25
Exceedences	2 ³

1. National Advisory Standard 25 $\mu\text{g} / \text{m}^3$ with a maximum of 5 exceedences in a year

2. January – July 2010

3. Cause of the events unclear – do not appear to be related to Delta's operations

Biodiversity and land management

Delta has procedures in place to ensure compliance with the *Environmental Protection and Biodiversity Conservation Act 1999*, including obligations in our contracts and works orders to ensure contractor compliance with the requirements of the legislation.

We have carried out biodiversity and cultural heritage surveys for lands managed by Delta Western and Delta Central Coast.

For new generation projects, assessment of the likely significance of the action on threatened biodiversity must be determined following the Guidelines for Threatened Species Assessment (Department of Environment and Conservation and Department of Primary Industries). Provisions for habitat offsets are incorporated into the development consent conditions for each specific project.

Delta's assessment standards include the identification of the effects of a proposed activity on all flora and fauna species (including fish and marine vegetation species), populations, ecological communities and their habitats, including effects on Commonwealth listed threatened species, ecological communities and/or migratory species.

Delta Electricity maintains land management plans for all our landholdings consistent with the National Generators Forum Guideline for Land Management. Land management plans are to be reviewed or updated every five years and are currently under review.

For Bushfire Risk Management, Delta's Fire Procedures Manual defines fire regimes appropriate to vegetation community types. The manual is based on available information concerning the site impacts of fire on biodiversity for different vegetation communities and the known fire history. Delta regularly consults with the Rural Fire Service and the local community to discuss hazard reduction burning and fire trail maintenance to minimise risk and protect neighbours and surrounding properties.

Transport

Delta's coal supplies are received from local and distant sources where the coal quality and volumes can vary due to the different fuel contracts established. Coal may be delivered to the station by overland conveyers, rail or road and transferred on site using a conveyor system. Shortfalls in coal supply may require that coal be delivered by road which results in intermittent periods of high volume truck movements near the delivery station.

Effective management of fuel handling systems ensures that operations are controlled to mitigate and minimise environmental impacts. Delta uses several mitigation techniques to reduce the impacts of the transport and handling of coal which includes:

- automatic truck wash stations to remove coal build up on trucks before returning to public roads;
- water drainage and treatment systems;
- water tankers for dust suppression on site;
- street sweeping during periods of high volume road deliveries;
- buffer zones to minimise visual and noise impacts;
- night operations are kept to a minimum when possible; and
- coal delivery monitoring (including fine particles and moisture content with respect to weather conditions) and corrective actions implemented when required.

Overall environmental management

Delta's Environmental Management System (EMS) is the foundation of our environmental compliance and risk management. Our EMS is accredited under ISO 14001, the international standard which defines environmental best practice approach.

The Board Environment and OH&S Committee reports environmental performance to the Board every quarter. The committee's role is to assist the Board in discharging our responsibilities relating to compliance with environmental policies and legislation.

At an operational level, the Executive Environment Committee, which includes the Chief Executive, is responsible for reviewing the performance of the EMS and the organisation's overall environmental performance.

Responsibility for environmental performance, and its continual improvement, is delegated to line managers and, through them, to staff throughout the organisation. All staff are provided with the necessary technical and personal development skills and resources to achieve Delta's environmental objectives.

Key risk management elements of the EMS include:

- a register of environmental legislation and our obligations;
- environmental training, ranging from site induction to specialist training;
- performance monitoring using incident reporting protocols and data gathering;
- emergency response procedures including regular exercises; and
- regular environmental risk analysis of the operating power stations.

Environmental incidents

In May 2009, there was a cooling water discharge from Wallerawang that slightly exceeded the upper pH limit. The incident was reported to the Department of Environment, Climate Change and Water (DECCW). It was corrected by lowering the control set point. To reduce the risk of a reoccurrence, Delta is investigating the feasibility of pH control at the licence discharge point.

Materials

Ensuring an adequate supply of fuel for our power stations is an operational priority. All fuel materials have to be purchased and transported to the generation sites in the most economical way. Supply of materials includes coal, gas, and renewables.

Coal prices have increased significantly in recent years. This has increased the risk for Delta in securing supplies of coal at competitive prices. Delta spent in excess of \$400 million on coal purchases in our local regions, which contributes significantly to local employment and the sustainability of local communities.

Western Region water use

To generate electricity from the Western Region power stations, about 23 gigalitres (GL) of water is used each year. These stations operate on the Carnot steam cycle generation system. Steam is created in a boiler and used to drive a turbine. The steam is then condensed for reuse in the boiler and continues in the cycle. About 99% of the power station's water supply may be consumed in cooling purposes and released by evaporation.

Water is sourced primarily from the Upper Coxs River catchment. However the supply is also supplemented from the Fish River Water Supply Scheme (at Oberon Dam and Duckmaloi Weir) and from incidental mine water from coalmines in the vicinities of the power stations.

Recent supply to the western power stations has been sourced from:

- Coxs River—up to 19 GL/year (maximum 23 GL allocation but 25GL in some cases);
- Fish River—3.3 to 8 GL/year (maximum allocation 8.18 GL with additional constraints during drought); and
- Mine water—up to 5 GL/year (depending on availability and water quality considerations).

A Water Management Licence for the Western Region sets out conditions for power station access to the Coxs River water supplies. While the licence allows for extraction of 23 GL/year the full allocation has not recently been used due to drought conditions.

The better quality Fish River water is preferred for some operational uses but a proportion of mine water is used to supplement available supplies and to reduce demands on the Coxs River and Fish River systems. The proportions vary each year depending on availability, operational requirements and water quality.

There is insufficient capacity in the Upper Coxs River system to sustain generation over an extended dry period without reducing generation output. A review of annual inflows averaged over five year periods shows a minimum inflow of 12 GL per year. The recurrence of dry conditions will lead to a decline in water storage levels. Therefore the supplementary sources, the Fish River supply scheme and mine water discharges, are essential to maintain the water supply for electricity generation. Maintaining water quality under constrained water supply circumstances also requires careful management.

A rigorous system of water management has been developed to balance supply demands, water quality impacts and the interests of other stakeholders in the region. The other stakeholders using water from the Upper Coxs River catchment include the Lithgow Shire community and users involved in agriculture, mining and forestry.

We have commenced construction of a reverse osmosis (RO) water treatment plant at Wallerawang Power Station for commissioning by late 2010 to reduce salt load discharged and decrease the salinity in the Coxs River, and to enable more effective use of the Coxs River supply during drought periods. This plant will complement the two similar plants installed at Mt Piper Power Station. Other water management measures include treatment of RO plant waste to remove salt to enable reuse of the treated water; conversion from wet to dry ash extraction and placement systems; and monitoring and modelling of water use. Using water discharged from coalmines decreases discharges to rivers and reduces our demands on natural catchment water sources. Delta is actively seeking additional mine water supplies.

Water use by the Western Region power stations

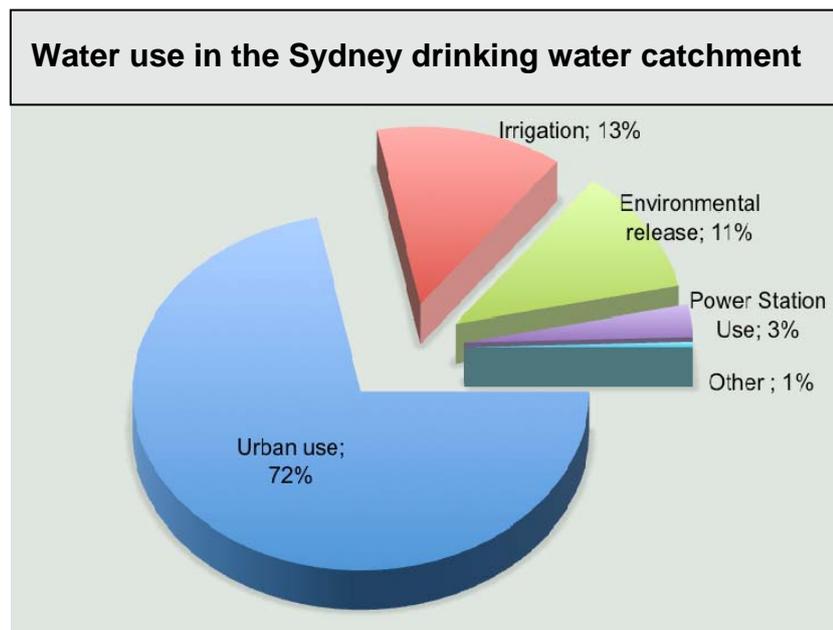
The Upper Coxs River catchment covers an area of 380 square kilometers (km²) which is 4.2% of the total Warragamba drinking water catchment area (9,051 km²) and 2.4% of the total Sydney Drinking Water Catchment (16,000 km²). The Hawkesbury Nepean catchment, including the large Warragamba Dam catchment, provides drinking water to 70% of the NSW population. The Upper Coxs catchment is in a lower rainfall region than the other areas of the catchment closer to the coast.

Sydney Water's 2009 Annual Report states its customers have an average household water use of 278 kL per year. There is an additional average of 14.4 kL per year of water consumption linked to the generation of the electricity for each household. In total, the average household water consumption is 292.4 kL per year (4.9% being from the electricity component).

Total consumption of surface water in the Sydney Drinking Water Catchment in 2006-2007 was estimated to be 792 GL. This was broken down:

- 570 GL (72%) was extracted for urban water supply;
- 105 GL (13%) was used for irrigation purposes; and
- 90 GL (11%) was released for environmental purposes.

The western region power station water use of 23 GL/year equates to only about 3% of the total volume of surface water used in the Sydney drinking water catchment.



This figure shows power station use as part of total water use in Sydney's drinking water catchment.

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

Materials converted to energy

Materials	Weight/volume	
	2009-10	2008-09
Coal (tonnes)	9,523,334	10,295,718
Fuel oil (kL)	24,608	12,470
Gas (GJ)	1,295,493	130,893
Biomass (tonnes)*	265,010	325,484

*Includes Delta's share of fuel used by the Sunshine Electricity Joint Venture.

Tonnes of renewable fuels (wood and biomass) used

Renewable fuels	Weight (tonnes)	
	2009-10	2008-09
Sawdust	2,052	3,325
Construction and demolition (C&D) material	314	1,218
Crop wastes (bagasse)*	180,577	276,606
Wood waste*	82,067	44,335

*Includes Delta's share of fuel used by the Sunshine Electricity Joint Venture.

Associated process materials

Process materials	Weight/volume	
	2009-10	2008-09
Transport fuels (kL)	1,011	1,055
Lubricants and transformer oils (kL)	119	157 ¹
Major process chemicals (top four)		
1. Sulfuric acid (tonnes)	3,815	2,948 ²
2. Sodium hydroxide (tonnes)	1,252	1,136 ³
3. Sulfur (tonnes)	322	300 ⁴
4. Chlorine (tonnes)	164	184 ⁵

1 2008-09 is shown as 157 kL – it was incorrectly shown as 57 kL in the previous Sustainability Report.

2 2008-09 is shown as 2,948 tonnes – it was incorrectly shown as 2,985 tonnes in the previous Sustainability Report.

3 2008-09 is shown as 1,136 tonnes – it was incorrectly shown as 1,485 tonnes in the previous Sustainability Report.

4 2008-09 is shown as 300 tonnes – it was incorrectly shown as 375 tonnes in the previous Sustainability Report.

5 2008-09 is shown as 184 tonnes – it was incorrectly shown as 206 tonnes in the previous Sustainability Report.

EN2 Materials used that are recycled input materials

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

Recycled materials used	Weight (tonnes)	
	2009-10	2008-09
Re-refined oil	2,175	5,111
Construction and demolition (C&D) biomass	314	1,218
Crop waste (bagasse)	180,577	276,606

Percentage of net energy input for fuel materials

Net energy input for fuel materials	Per cent	
	2009-10	2008-09
Re-refined oil, C&D material, and crop waste	0.8	1.1

Percentage of total supply by volume or mass for others

Percentage of total supply by volume or mass for others	Per cent	
	2009-10	2008-09
Other fuel materials	0	0

EN3 Direct energy consumption by primary energy source

Materials	Energy consumption* (GJ)	
	2009-10	2008-09
Coal	228,427,143	251,569,937
Fuel oil	671,337	487,993
Gas	1,295,493	130,893
Biomass (co-firing)	26,548	54,241
Biomass (sugar mill co-generation)*	2,772,149	3,049,135
Mine methane	Nil	18,807

*Based On Delta's share of fuel used by the Sunshine Electricity Joint Venture.

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives

Refer to EN18, below. Note that this performance indicator was not included in last year's report.

EN8 Total water withdrawal by source

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

Surface water (potable)

Water source	Gross extraction (ML)	
	2009-10	2008-09
Coxs River	22,821	23,008 ¹
Fish River	2,860	3,356
Total	25,681	26,364

¹ 2008-09 is shown as 23,008 ML – it was incorrectly shown as 19,024 ML in the previous Sustainability Report.

Delta's net extraction entitlement from the Coxs River Catchment is 23,000ML per year. As is shown in Table 6, 160 ML was returned to the Coxs River Catchment in 2009-10 bringing the net extraction to 16,661 ML.

Waste water (non-potable)

Water source	Gross extraction (ML)	
	2009-10	2008-09
Springvale mine water	4,056	545
Treated sewage effluent	212	120
Total	4,268	665

Municipal water supplies

Water source	Gross extraction (ML)	
	2009-10	2008-09
Hunter and Wyong	495	681

Estuaries and oceans

Water source	Gross extraction (ML)	
	2009-10	2008-09
Lake Munmorah and Lake Macquarie	1,760,903	1,872,000

Volume of water used/MWh net generation

Region	Volume of water used per kWh (litres)
Western	1.78
Central Coast	0.06

EN12 Describe significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

Delta has investigated options for biodiversity banking or offsets schemes in relation to some of our planned generation development projects.

EN14 Describe the organisation's strategies, current actions and future plans for managing impacts on biodiversity

Delta has procedures in place to ensure compliance with the *Environmental Protection and Biodiversity Conservation Act 1999*, including obligations in our contracts and works orders to ensure contractor compliance with the requirements of the legislation.

Biodiversity and cultural heritage surveys have been carried out for lands managed by Delta Western and Delta Central Coast.

For new generation projects, assessment of the likely significance of the action on threatened biodiversity must be assessed following the Guidelines for Threatened Species Assessment (Department of Environment and Conservation and Department of Primary Industries).

Delta's assessment standards include the identification of the effects of a proposed activity on all flora and fauna species (including fish and marine vegetation species), populations, ecological communities and their habitats, including effects on Commonwealth listed threatened species, ecological communities and/or migratory species.

Delta Electricity maintains land management plans for all our landholdings consistent with the National Generators Forum Guideline for Land Management. Land management plans are to be reviewed or updated every five years.

For Bushfire Risk Management, Delta's Fire Procedures Manual defines fire regimes appropriate to vegetation community types. The manual is based on available information concerning the site impacts of fire on biodiversity for different vegetation communities and the known fire history.

EN16 Total direct and indirect greenhouse gas emissions by weight

Emission type	Kilotonnes	
	2009-10	2008-09
Direct (Scope 1 emissions)	20,453	22,258
Indirect (Scope 2 emissions)	233	202

Delta has adopted the National Greenhouse and Energy Reporting (NGERs) protocol for reporting greenhouse emissions.

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 CO₂ from fossil fuel generation per MWh net (sent out) fossil fuel generation

Generation type	Emission intensity (kg/MWh)	
	2009-10	2008-09
Fossil fuels	929	937
Other fuels	N/A	N/A

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Plant modifications

A range of plant modifications, including turbine blading improvements at Mt Piper have yielded an improvement in portfolio thermal efficiency reducing our emission intensity from 0.94 to 0.93 tCO₂/MWh. This has resulted a reduction in greenhouse emissions of 221,576 tonnes of CO₂ compared with 2008-09.

Delta's research and development program

Delta's research and development activities are a key element in our strategy to reduce greenhouse emissions and deliver a more reliable and sustainable energy supply. The activities described in the Management disclosure—Products and services—R&D (above and summarised from EU8).

Colongra Gas Power Station

With the opening of the \$500 million Colongra Gas Power Station in December 2009, Delta became the largest electricity generator in Australia. Colongra, with a maximum production capacity of 667MW, is the largest gas power plant in NSW. When operating on natural gas, it produces 40% less greenhouse emissions than existing coal power stations.

Delta continues to plan for future growth in electricity demand. We have gained planning consent for a high-efficiency, low greenhouse emission, combined cycle, gas-fired power station for Bamarang near Nowra. We have also gained planning consent to build a similar power station at Marulan near Goulburn.

Renewables

Delta has continued to operate Australia's largest baseload renewable energy plant on the NSW North Coast in conjunction with the NSW Sugar Milling Co-operative. The co-generation facilities use waste from sugar cane to provide baseload supply of renewable electricity.

This year, Delta's share of the electricity generated from the project was in excess of 114,000 MWh, which saved 104,000 tonnes of greenhouse emissions. The collapse of the Renewable Energy Certificate (REC) Market has made further investment in large renewables projects unattractive and has contributed to financial distress in existing renewable projects that depend on a strong REC market.

EN19 Emissions of ozone-depleting substances by weight

Western Region

Ozone depleting substances	Emissions (tonnes)	
	2009-10	2008-09
CFCs	0	0
HCFCs	0	0
Halons	0	0

Central Coast Region

Ozone depleting substances	Emissions (tonnes)	
	2009-10	2008-09
CFCs	0	0
HCFCs	0	0
Halons	0	0

EN20 NO_x, SO_x, particulate and other significant air emissions by type and weight

NO_x (as NO₂ equivalent) in kilotonnes

Region	Total emissions (kt)		Weight per MWh sent out (kg/MWh)	
	2009-10	2008-09	2009-10	2008-09
Western	36.9	36.7	2.79	2.81
Central Coast	21.1	27.0	2.42	2.50
Total	58.0	63.7	2.64	2.67

SO_x (as SO₂ equivalent) in kilotonnes

Region	Total emissions (kt)		Weight per MWh sent out (kg/MWh)	
	2009-10	2008-09	2009-10	2008-09
Western	60.5	58.8	4.57	4.49
Central Coast	21.1	26.1	2.41	2.41
Total	81.6	84.9	3.70	3.55

Total particulates in kilotonnes

Region	Total emissions (kt)		Weight per MWh sent out (kg/MWh)	
	2009-10	2008-09	2009-10	2008-09
Western	2.5	2.0	0.19	0.15
Central Coast	0.3	0.9	0.04	0.08
Total	2.8	2.9	0.13	0.12

Fine particulate emissions as PM₁₀ kilotonnes

Region	Total emissions (kt)		Weight per MWh sent out (kg/MWh)	
	2009-10	2008-09	2009-10	2008-09
Western	1.6	1.3	0.12	0.10
Central Coast	0.1	0.5	0.01	0.04
Total	1.7	1.8	0.08	0.07

Significant other emissions - fluoride (as HF equivalent) kilotonnes

Region	Total emissions (kt)		Weight per MWh sent out (kg/MWh)	
	2009-10	2008-09	2009-10	2008-09
Western	0.2	0.2	0.02	0.02
Central Coast	0.1	0.1	0.01	0.01
Total	0.3	0.3	0.01	0.01

EN21 Total water discharge by quality and destination

Destination	Treatment method	Is it reused?	Volume (ML)	
			2009-10	2008-09
Coxs River at Wallerawang	pH control	Drinking water and power station extraction	6,160	4,343
Saline ash dam discharges at Lake Macquarie and Lake Munmorah	Settlement	No	14,617	11,761

Thermal discharges. Hours/year at specified temperatures above background

Station	Operating hours >35°C (hours/year)	
	2009-10	2008-09
Vales Point	126	42
Munmorah	14	10

EN22 Total weight of waste by type and disposal method

Delta is always seeking opportunities to reduce, reuse and recycle waste materials and to convert wastes to useful by-products. Information about waste utilisation in the plants is at EN1.

Total weight of waste by type

Waste type	Waste amount (tonnes)	
	2009-10	2008-09
Hazardous	0	0
Non-hazardous (ash)	2,162,370	2,224,019 ¹
Non-hazardous (other solid wastes)	275	347
	2,162,645	22,240,538

¹ 2008-09 is shown as 2,224,019 tonnes – it was incorrectly shown as 3,036,158 tonnes in the previous Sustainability Report.

Total amount of waste in tonnes by type and disposal method

Western

Disposal method	Waste amount (tonnes)	
	2009-10	2008-09
Composting	N/A	N/A
Reuse	188,085	195,344
Recycling	See WRAPP Report	See WRAPP Report
Recovery	N/A	N/A
Incineration	N/A	N/A
Landfill	151	157
Deep-well injection	N/A	N/A
On-site storage (ash)	1,165,058	1,092,715
Other	N/A	N/A

¹ 2008-09 is shown as 1,092,715 tonnes – it was incorrectly shown as 1,904,850 tonnes in the previous Sustainability Report.

Central Coast

Disposal method	Waste amount (tonnes)	
	2009-10	2008-09
Composting	N/A	N/A
Reuse	94,624	141,248
Recycling	See WRAPP Report	See WRAPP Report
Recovery	N/A	N/A
Incineration	N/A	N/A
Landfill	237	190
Deep-well injection	N/A	N/A
On-site storage (ash)	714,604	794,717
Other	N/A	N/A

EN23 Total number and volume of significant spills

Significant spills, reported as a liability on financial statements (of chemicals, oils or fuels)	Significant spills	
	2009-10	2008-09
Number	Nil	Nil
Volume	N/A	N/A

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

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

Significant fines	Events	Monetary value
2007-08	An enforceable undertaking to complete environmental works at Colongra Swamp Nature Reserve in Budgewoi	\$45,000
2008-09	Failure to minimise or prevent the emission of dust from premises in accordance with licence conditions	\$45,000
2009-10	None recorded	\$0

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

Non-monetary sanctions	Number of cases	
	2009-10	2008-09
Total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Nil	Nil

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

Dispute resolution cases	Number of cases	
	2009-10	2008-09
Cases requiring dispute resolution or other settlement such as voluntary environmental offsets	An action was commenced in the Land And Environment Court alleging Delta had polluted the Upper Coxs River. Hearing dates have not yet been set and the outcome of an appeal on a protective costs order for this matter is pending.	Nil

Social performance

Community

Western Community Reference Group

The immediate neighbours of our Western power stations at Mt Piper and Wallerawang include the people of Wallerawang, Lidsdale, Cullen Bullen, Portland, Blackman's Flat and surrounds.

In late 2007, we established the Western Community Reference Group as a standing consultative forum. Every three months, representatives of local communities and other community stakeholders meet to discuss operational and development matters with Delta senior management. Intermittently we also consult with the community about specific new operational or infrastructure developments as well as conduct telephone surveys or focus groups to gauge community opinions about our operations.

Information is regularly provided to the local media and Delta managers participate in a range of committees and meetings. Through our sponsorship and donation program, we support many community activities in the region. These include:

- environmental projects by Landcare groups;
- support for children and young people through sporting, arts and music organizations;
- Tidy Towns committees; and
- community events such as Celebrate Lithgow, Ironfest and Australia Day.

Community Advisory Regional Environmental (CARE) Forum

Delta operates Colongra, Munmorah and Vales Point Power Stations about 110 kms north of Sydney on the Central Coast.

Our neighbours include the people of Buff Point, Halekulani, Budgewoi, San Remo, Doyalson, Blue Haven, Windermere Park, Lake Munmorah, Chain Valley Bay, Mannering Park, Wyee Point, Wyee, Gwandalan, Summerland Point, Brightwaters, Morisset Park, Sunshine, Bonnells Bay and surrounds.

Delta engages with our local community in a number of ways. For over ten years, the Community Advisory Regional Environmental (CARE) Forum has been meeting quarterly with Delta managers. The CARE Forum is made up of representatives from local Progress Associations and the Central Coast Environment Council. The CARE Forum helps Delta understand what the community thinks about our activities in the region.

Through our sponsorship and donation program, we support many local activities, often in partnership with Wyong and Lake Macquarie Councils. We have:

- ensured the amenity of local parks for families and people with disabilities;
- sponsored community events such as Australia Day and Clean Up Australia Day;
- provided support for various environmental initiatives including Landcare; and
- helped many local organizations, including Lions and Rotary Clubs, Tidy Towns, the Country Women's Association, Cancer Council, Surf Clubs and local schools.

Disaster/emergency planning and response

As described in EU20 (below) Delta has a comprehensive Business Continuity Management (BCM) system for developing risk assessments. We have developed action plans based on a Business Impact Analysis to restore normal operations as quickly and efficiently as possible after an emergency.

SO1 Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting

Delta has a standing community consultation process in place, with senior managers meeting every three months with the CARE Forum on the Central Coast and a community consultative group in the Western region.

Representatives are residents in the small towns located near our power stations and are often active in local community groups such as precinct committees, Landcare, Progress Associations and the Tidy Towns movement. In this way, they act as a two-way conduit of information and community views. On occasion, issues are raised which require a change to operations to improve outcomes for the community, for example, on the Central Coast, following complaints about noise, new monitors were permanently connected into the control room at Vales Point and Munmorah power stations. This allows operators to become aware of noise immediately, to address the problem promptly and to minimise the disturbance to the local community.

Community consultation is also an important part of the development approval process. When Delta is seeking approval to build new infrastructure or to modify our operations a community consultative plan is developed and implemented.

Advertisements, newsletters and media releases, are designed to provide information to stakeholders about the proposal, the approval process, how they can find out more information, and can contribute their views.

Feedback about development proposals is usually first directed to consultants developing the Environmental Impact Assessment and then, while the assessment is being exhibited, to the Department of Planning. In this way, communities are able to participate in decision-making related to changes to Delta's operations or to new development proposals.

In the 2009-2010 financial year, community consultation was undertaken as part of seeking development approval for the following proposals:

- extension of Mt Piper Power Station;
- four new ash placement sites proposed for Mt Piper Power Station; and
- a modification to the existing Bamarang approval so that a 330 kV connection could be linked into the existing TransGrid network.

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

Corruption risk	Percentage (%)	
	2008-09	2009-10
Business units analysed for risks related to corruption	100	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. It has reviewed operations and identified key legal risks.

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 fraudulent and corrupt behaviour.

During the year the existing Delta policy on fraud prevention was replaced by a new Fraud and Corruption Prevention Standard. A new computer-based training module on fraud and corruption prevention was also developed and added to Delta's suite of compliance training modules for use by our staff.

SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures

Anti-corruption training	Number
	2009-10
Employees trained in Delta's Code of Conduct policies and procedures*	485 (66 %)

*Training is undertaken every two years

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

The Legal and Compliance Manager reviews all new 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.

Team leaders identify relevant compliance training for their staff. The team leaders also bi-annually review whether the objectives of the training programs have been met. A new computer based training course on fraud and corruption prevention has been developed and has been introduced across Delta's sites. This training is mandatory for all staff.

SO4 Actions taken in response to incidents of corruption

Corruption area	Incidents	
	2009-10	2008-09
Employees		
Total number of incidents in which employees were dismissed or disciplined for corruption	0	0
Business partners		
Total number of incidents when contracts with business partners were not renewed due to violations related to corruption	0	0
Legal cases		
Legal cases regarding corrupt practices brought against the organisation or its employees	0	0

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

Fines and sanctions	Monetary value of fines	
	2009-10	2008-09
Offence arising under s 8(2) of the <i>Occupational Health and Safety Act 2000</i>	\$0	\$220,000
Offences arising under the <i>Protection of the Environment Operations Act 1997</i>	\$0	\$45,000

No non-monetary sanctions for non-compliance were recorded in 2009-10.

EU20 Contingency planning measures and disaster/emergency management plan and training programs

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

Delta has undertaken a review of the action plans to include a Business Impact Analysis which assesses all impacts and develops new response procedures to restore normal business operations.

Both Risk Management and Business Continuity were subject to internal audit in 2009 and were assessed as being well managed.

Human rights performance

Diversity and equal opportunity

Delta's Multicultural Policies and Services Program identifies objectives and targets relating to social justice, community harmony and cultural opportunities. While not a direct service provider, we draw our 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.

Delta achieved the outcomes outlined in our Multicultural Policies and Services Program and complied with our Equal Opportunity Policy.

Support for local indigenous communities

Delta has continued its support for indigenous communities. Over recent years, we have allocated an apprenticeship opportunity in each region for an Aboriginal or Torres Strait Islander. This year, Delta successfully recruited two Indigenous apprentices who were both offered indentured four-year apprenticeships.

Delta continues to provide financial support to the Indigenous community by sponsoring a NAIDOC event on the Central Coast; sponsorship for this year was \$5,000.

Since 2007, a \$2,000 scholarship has been donated to the University of Newcastle for a student from an Indigenous background studying at its Ourimbah Campus, on the Central Coast. This year's successful applicant is studying a Bachelor of Science degree. The sponsorship was used for assistance in purchasing books and other study material.

Delta is committed towards putting initiatives in place to provide more employment opportunities for Aboriginal people. An Aboriginal Employment Strategy has been developed and includes a target of 2.6% per cent Aboriginal Employment by 2015. The strategy is consistent with Making It Our Business: - The NSW Aboriginal Employment Action Plan 2009-2012.

HR4 Total number of incidents of discrimination and actions taken

Number of discrimination claims	Number of cases	
	2009-10	2008-09
Complaints of discrimination lodged against Delta on the grounds of race, colour, sex, religion, political opinion, national extraction or social origin	0	0

Labour and work performance

management disclosure

Employment

Delta continues to be a significant regional employer in both the Western and Central Coast regions. On the Central Coast, the effects of reduced operations of Munmorah are being offset by the recent construction and commissioning of the new gas-fired Colongra Power Station and by some staff retirements. In the Western region, employment sustainability will be enhanced through refining water management strategies designed to ensure the ongoing viability of the stations during periods of low rainfall.

Delta provides a range of sponsored initiatives such as scholarships and apprenticeships to ensure links with valued regional labour markets and educational institutions. These activities build labour market awareness of the industry and provide pipelines for future staffing requirements.

Delta values our highly skilled workforce which helps us to maintain a competitive place in the market. Notwithstanding this, plans to reform the electricity industry will be monitored for their effect on employment parameters.

Labour/management relations

Delta's commitment to employee engagement is demonstrated in our continuous improvement approach to internal communication. A communication plan has been established which addresses internal communication protocols and allocates responsibilities for ensuring the dissemination of information across the whole organisation. It includes both formal and informal staff briefings, staff newsletters, notifications, and weekly updates to all staff concerning events and actions affecting upon Delta.

Information is provided through a range of media and we encourage opportunities to engage in consultative processes including union representations. All staff are able to connect to our intranet where they are able to access a range of information and material concerning their employment and our operations.

Delta has maintained a close working relationship with Unions NSW and union representatives during this period, with forums being conducted on a regular basis.

All of these activities have resulted in increasing alignment to our mission and values and a reduction in conflicts leading to industrial disputes.

Training and education

Delta's skills portfolio is supported by clear role definition incorporating a competency framework, a performance management system, workforce planning framework and a budgetary commitment to ensure the skill sets needed to run the business. Delta has clear policies on Training and Development.

We conduct formal performance reviews biannually and consider the skill sets required for current and future responsibilities. We have a strong focus on technical training to support our business objectives and we have developed the capacity to deliver technical training in-house to further support the sustainability of Delta's skill sets.

With a high proportion of long tenure employees (i.e. with greater than 20 years service) our staff are characterised by workers with strong technical skills and extensive experience in their fields. Delta's commitment to scholarship and apprenticeship schemes assists in building an experienced employee pool that can support our operations, and industry needs into the future.

management disclosure

management disclosure

Occupational Health and Safety

We continued to develop our risk management activities and to increase the focus on leadership development, reinforcing Delta's commitment to ensuring that everyone is safe at work. This has resulted in increased understanding of safety hazards associated with our operations and the development of strategies to eliminate hazards or to mitigate the risks of injury to personnel.

Delta's lost time injury frequency improved and analysis of all injuries showed a reduction in the severity of injuries.

Delta's behavioural-based safety system, D-ZIP, was reviewed during the 2009-10 year resulting in the development of a refresher training package that re-emphasises the original concepts of behavioural based safety.

We continue to improve the OHS Management System and successfully reviewed and restructured all OHS documentation. The documentation has been published on our intranet so all staff can access information on ongoing projects allowing for better access to information relevant to people's positions.

The Lock Out Isolation System, implemented in 2008-09, has delivered significant improvement to staff participation and planning. This has led to significant improvements in the delivery of large project work as well as safety.

The safety of everybody on our power station sites and corporate offices remains the highest priority for Delta. A strong consultative structure exists within the organisation that ensures all concerns are considered and safety continually improves.

Delta maintains a comprehensive suite of safety policies including:

- DEP SA 001 Safety
- DEP SA 002 Smoking
- DEP SA 003 Fire Protection and Control
- DEP SA 004 Access to Apparatus Rules Policy
- DEP SA 005 Eye Protection
- DEP SA 006 Policy Statement on Alcohol and Drugs
- DEP SA 007 Corporate Policy on Fatigue
- DEP SA 008 Distracting Devices

LA1 Total workforce by employment type, employment contract and region

Employee type and locality

Employee type	Central Coast	Western Region	Sydney	Total	
				2009-10	2008-09
Full-time	363	283	59	705	729
Part-time	2	4	6	12	12
Part-time trainee (fixed term)	0	0	0	0	0
Casual	6	2	0	8	9
Contract staff (fixed term)	0	0	3	3	4
Temporary university students	4	1	0	5	10
Total	375	290	68	733	764

EU17 Total sub-contracted workforce

Contract staff	Number*	
	2009-10	2008-09
Number of contract staff inducted to work on power stations	3,097	3,918

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

LA2 Total number and rate of employee turnover by age group, gender and region

Employee turnover rate

	2009-10	2008-09
Turnover rate	5.0%	2.9%

Terminations by type

	2009-10	2008-09
Resignations	13	10
Redundancy	1	2
Retirements	18	10
Other	5	0
Total	37	22

Terminations by gender

	2009-10	2008-09
Males	32	21
Females	5	1
Total	37	22

Terminations by age

	2009-10	2008-09
< 18 years	0	0
18 - 30 years	5	3
30 - 50 years	9	5
50 - 65 years	23	14
65 years plus	0	0
Total	37	22

Terminations by physical location

	2009-10	2008-09
Munmorah	2	2
Vales Point	19	10
Mt Piper	3	1
Wallerawang	8	5
Sydney	5	4
Total	37	22

Recruitment

	2009-10	2008-09
Recruitment	14	36
Total	14	36

Recruitment by gender

	2009-10	2008-09
Males	7	28
Females	7	8
Total	14	36

Recruitment by age

	2009-10	2008-09
< 18 years	0	0
18 - 30 years	6	15
30 - 50 years	8	20
50 - 65 years	0	1
65 years plus	0	0
Total	14	36

Recruitment by physical location

	2009-10	2008-09
Munmorah	0	2
Vales Point	0	13
Mt Piper	1	6
Wallerawang	3	11
Sydney	9	4
Colongra	1	0
Total	14	36

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. We review all policies and standards governing work to ensure alignment with Equal Employment Opportunities (EEO) principles and our own policy (DEP PE 004 Equal Employment Opportunity).

Twenty-five per cent of new employees engaged in 2009-10-09 were female and three apprenticeships were offered to women.

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

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational safety programs

Delta Electricity has four local OHS Committees in place. These are shown in the table below.

OHS committees	Workforce representation
Delta Maintenance Central Coast	10
Delta Maintenance Western	6
Production Central Coast	26
Production Western	17
Total	59 (8.2%)

LA7 Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities by region

Total workforce

The total workforce at June 2010 was 741 permanent employees. (See LA1 Total workforce by employment type, employment contract and region).

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

Delta Electricity had 3,089 contract staff inducted to work on sites in the 2009-10 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	
	2009-10	2008-09
Frequency rate	4.1	4.77
Duration rate (days)	7.8	3.00
Number of lost time injuries	6	7
Number of lost time days	47	21

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: $(\text{Total lost time injuries} \times 1,000,000) / (\text{Average number of staff during past 12 months} \times 2,000)$.

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

There were no work-related fatalities involving Delta employees or contractors for the financial year 2009-10.

Occupational diseases

There were five industrial deafness claims (all ex-employees) lodged in the relevant period.

It should be noted that the industrial deafness 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

Measurement	Western		Central Coast		Delta Maintenance	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
No. of lost time injuries	0	2	2	5	0	1
No. of lost time days	0	14	8	18	0	1

LA8 Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

Assistance to workforce members regarding serious illness

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

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 are assured that it will not affect job security, leave or any other entitlements.

Counselling 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.

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

Employee training hours

Employee category	Average days/ employee/year	
	2009-10	2008-09
Administrative officer	3.1	4.7
Engineering officer	4.0	8.9
Operator	9.3	8.9
Professional officer	7.9	8.4
Powerworker	3.6	2.3
Contract Manager	2.5	4.4
Tradesperson	4.8	8.7
Trainee temporary	-	-
Casual administration officer	0.1	0.1
University students (temporary work experience)	1.1	3.4
Contract staff (fixed term)	.1	0.1
Average	5.5	7.2

LA14 Ratio of basic salary of men to women by employee category

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.

Gender balance by employee category

Employee category	Females		Males		Total staff	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Administrative officer	61	58	62	65	123	123
Engineering officer	2	1	148	148	150	149
Operator	0	0	180	189	180	189
Professional officer	7	7	64	64	71	71
Powerworker	1	1	48	59	49	60
Contract Manager	1	1	40	43	41	44
Tradesperson	0	1	103	104	103	105
Trainee (temporary)						
Casual admin. officer	8	8	0	1	8	9
University students (temp. work exp.)	0	1	5	9	5	10
Contract staff (fixed term)	0	0	3	4	3	4
Total	80	78	653	686	733	764

EU14 Processes to ensure retention and renewal of skilled workforce

Staff turnover

Delta's overall staff turn over has remained low during this reporting period. A large number of staff have defined benefit superannuation arrangements that maximise benefits towards the end of a person's career. Accordingly, this type of scheme has encouraged staff to remain with Delta.

To help mitigate against the impact of future staff losses Delta has introduced several initiatives. Through a range of support initiatives (sponsorships for Graduates and Apprenticeships) Delta continues to develop a pool of suitably skilled people to meet future employment needs.

Graduate engineers employed by Delta are required as part of their development program to attain Chartered Status with Engineers Australia. Delta also conducts an Accelerated Development Program for high potential staff, providing additional development and support for a two year period to build upon their leadership and job specific skills.

On an annual basis Delta undertakes a review of our workforce profile and future skill needs. This review is the basis for the development of future succession strategies.

Training and development

Staff training remains a critical activity for Delta as it not only builds upon the effectiveness of a person in their role, but also supports the development of a safe workplace. Training opportunities are identified, negotiated and listed during the Performance & Development Agreement discussions, and reviewed at both six and 12 months.

A range of initiatives are in place to assist in the development of Delta employees, including access to external training where appropriate and support for external study for both their current and future positions.

Delta has continued to provide a Chief Executive Scholarship to full-time staff within Delta, with the successful candidate undertaking full-time study on full pay at a tertiary institution for a year.

Future development

Training sponsorships	Number sponsored	
	2009-10	2008-09
New apprentices	25	25
Apprentices (total)	67	67
University students	18	17

Sponsorship was provided through training organisations to support 25 new apprenticeships, bringing the total number of sponsored apprenticeships to 67, including four trainee riggers.

A range of sponsorships have been offered to engineering undergraduates 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.

Through our ongoing membership of the Australian Power Institute (API), Delta has continued to support the development of power engineering skills. The API facilitates a range of bursaries and work experience placements with our member organisations.

Employee benefits

Delta provides staff with access to a range of other benefits over and above legislative requirements including:

- Additional employer superannuation contributions;
- Access to a range of salary sacrifice arrangements;
- Reimbursement of fitness fees;
- Study assistance;
- Opportunity to work flexible arrangements;
- Staff Enterprise Agreement;
- Rewards and recognition program to acknowledge individuals/teams/projects that have demonstrated an outstanding work commitment or an innovative and flexible approach to the achievement of significant performance objectives;
- Employee assistance program provides counselling services to members of staff and their families;
- Influenza vaccinations are made available free of charge and health monitoring of at-risk staff members, including health checks, skin checks and dust and disease board lung x-rays: and
- Access to the availability bonus and business unit, performance-payment schemes.

EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job and category and region.

Employees eligible to retire by category

Category	0 - 5 years		0 - 10 Years*	
	Number	%	Number	%
Administrative officer	4	0.5%	19	2.6%
Engineering officer	8	1.1%	61	8.3%
Operator	8	1.1%	47	6.4%
Professional officer	3	0.4%	12	1.6%
Powerworker	9	1.2%	26	3.5%
Contract Manager	2	0.3%	13	1.8%
Tradesperson	2	0.3%	18	2.5%
Casual administration officer	0	0.0%	0	0.0%
Temporary university students	0	0.0%	0	0.0%
Contract staff (fixed term)	3	0.4%	3	0.4%
Total	39	5.3%	199	27.1%

* Includes 0-5 years staff.

Employees eligible to retire by region

Category	0 - 5 years		0 - 10 years*	
	Number	%	Number	%
Vales Point	16	2.2%	91	12.4%
Munmorah	6	0.8%	32	4.4%
Mt Piper	3	0.4%	21	2.9%
Wallerawang	11	01.5%	42	5.7%
Sydney	3	0.4%	12	1.6%
Colongra	0	0%	1	0.1%
Total	39	5.3%	199	27.1%

* Includes 0-5 years staff.

This performance indicator was not reported last year. The retirement projections used were based on an assumed retirement age of 65 for all Delta staff.

EU16 Policies and requirements regarding health and safety of employees and employees of contractors and sub-contractors

Delta Electricity has developed a range of OHS Policies and Standard Procedures to manage the health, safety and welfare of all personnel working on Delta sites. All documentation is subjected to stakeholder consultation, reviewed by the Executive Safety Committee and approved by the Chief Executive.

Delta Electricity reviews all our Policies and Standard Procedures within a two-year period, with many being reviewed on a more frequent basis.

EU18 Percentage of contractors and sub-contractors that have undergone relevant health and safety training

One hundred per cent of contractors working for Delta have undertaken Delta's Induction Training, which includes OHS training.

EU19 Participatory decision-making processes with communities and outcomes of engagement

Community consultation can be conducted along a spectrum of strategies ranging from providing information to participatory decision-making. Delta's approach to community consultation is to inform community representatives about ongoing operations and new developments and seek their feedback. Some operations or aspects of a proposed new development may be modified in order to address concerns raised by community members.

As part of the development approval process, Delta consults broadly with those residential community members who may be impacted by a proposal. These communities may be outside our established areas of operation, and not represented on our standing consultative forums. Therefore, information is often provided to these communities through a community newsletter, which provides directions about how to give feedback about the proposal.

Feedback about development proposals is usually directed first to consultants that develop the Environmental Impact Assessment and then, while they are on exhibition, to the Department of Planning. In this way, communities are able to participate in decision-making related to changes to Delta's operations or to new development proposals. See also GRI-4.16 and Management disclosure—Community involvement.

EU25 Number of injuries and fatalities to the public involving organization's assets, including legal judgements, settlements and pending legal cases of disease

There were no injuries or fatalities to the public during the period.

Product responsibility performance

PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship

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.

The different types of advertising activities include:

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

Sponsorship

A Sponsorship Policy is in place that ensures that corporate sponsorships and donations are aligned to our business and community relations objectives. They often provide opportunities for direct interaction with both the broader community and specific local communities closest to Delta's business operations. Sponsorship and donations also contribute to achieving our aim of operating consistently with the principles of social and environmental responsibility as set out in the *Energy Services Corporations Act 1995*.

The Sponsorship 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 in the context of the Central Coast and the Western Community Relations Plan. Annual community relations plans and 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 and 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 our compliance obligations (Delta compliance processes) for each business area; and
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

Compliance training	Number (2009-10)
Number of employees trained in the laws, standards and voluntary codes	100%*

*Training is undertaken every two years

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

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

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

Compliance reviews	Frequency (2009-10)
Frequency with which the organisation reviews its compliance with the laws, standards and voluntary codes	Continuous review, with periodic independent audits verified within the organisation's Lawlex compliance management system

The Legal and Compliance Manager reviews all new laws, standards and voluntary codes relevant to Delta. The role 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. At 30 June each year the responsible business unit manager certifies that all compliance plans for the business unit are relevant and adequate, and compliance tasks are included in the organisation's compliance management database.

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Delta received no fines or notices of National Electricity Law breaches in 2009-10.

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.	This Report was reviewed by Netbalance to check for GRI reporting level.
		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.

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 from proceeding years.
		The organisation's performance can be compared with appropriate benchmarks.	The performance indicators are selected by the NGF and ESAA 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 GRI 3.6 and 3.7.
		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.
		The report indicates the data that has been measured.	Quantitative information is used throughout the report. Qualitative information indicates processes are in place.
Accuracy	The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organisation's performance.	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 because they are based on other reported information and other available evidence.	Qualitative information is sourced from a number of defined sources and can be substantiated.
		Information in the report has been disclosed while it is recent relative to the reporting period.	The information is current for the reporting period.
Timeliness	Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.	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.

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Glossary

BCM	Business Continuity Management
CARE	Community Access Regional Environment forum
CCS	Carbon capture and storage
CFC	Chlorofluorocarbon
CMC	Compliance Management System
CO₂	Carbon dioxide
CPRS	Carbon Pollution Reduction Scheme
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DECCW	NSW Department of Environment, Climate Change and Water
EAPS	Ethnic Affairs Priority Statement
EEO	Equal Employment Opportunities
EMS	Environmental Management System
EP&A Act	Environmental Planning and Assessment Act 1979
esaa	Energy Supply Association of Australia
ESAS	Electricity Sector Adjustment Scheme
ETS	emissions trading scheme
GJ	Gigajoule (equivalent to a thousand million joules)
GRI	Global Reporting Initiative
GWh	Gigawatt hour; 109 watt hours – unit of power
HCFC	Hydrochlorofluorocarbon
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
LTI	Lost Time Injuries
mg/L	Milligrams per litre
ML	Megalitre (million litres)
Mt	Megatonne (million tonnes)
MW	Megawatt
MWh	Megawatt hour: Million watt hours – unit of power
NAIDOC	National Aboriginal and Islander Day Observance Committee
NEM	National Electricity Market
NGERS	National Greenhouse and Energy Reporting System
NGF	National Generators Forum
NOx	Nitrogen oxides, primarily nitric oxide (NO) and nitrogen dioxide (NO ₂)
OHS	Occupational Health and Safety
PADA	Performance and Development Agreement
pH	Measure of the degree of acidity or alkalinity of a solution from 0 to 14
PJ	Peta Joule; 10 ¹⁵ Joules – a measure of energy content of fuel
SOx	Sulfur oxides, primarily sulfur dioxide (SO ₂) and sulfur trioxide (SO ₃)
WRAPP	NSW Government's Waste Reduction and Purchasing Policy