

# Becoming Australia's leading utility business

The year 2004-2005 was one of success and growth for Country Energy.

## Highlights

- Delivered a smooth merger with the former Far West utility, Australian Inland, effective 1 July 2005 – creating Australia's largest network operating area across 95 per cent of New South Wales, and adding the new dimension of a water supply business to our operations
- Recorded a profit (after tax expense) of \$98.7 million
- Commenced a record \$1.2 billion, five year network investment program

### A leader in safety

- Reduced our Lost Time Injury Frequency Rate (LTIFR) from 11.5 to 11.0 (per million hours worked)
- Improved our Injury Severity Index (ISI) from 122.0 to 109.7
- Restructured our core safety team and consultative committees, developed new corporate and regional safety improvement plans and improved reporting systems

More information from page 5

### A successful national retailer

- Achieved an 85 per cent overall customer satisfaction rating
- Answered 75 per cent of calls to our call centres within 20 seconds – and was the only Australian company to win an award at the 2004 Utility Awards for the successful deployment of new Customer Information System software
- Recorded a customer retention rate of more than 99 per cent, more than four per cent above target

See more retail successes from page 11

### The best network manager

- Achieved a 5.5 per cent improvement on average minutes without supply per customer (SAIDI) – from 371 to 354 minutes
- Became the first Australian electricity utility to link multiple operational control centres
- Installed new fibre optic telecommunications networks to 16 country and coastal towns

Read about more network developments from page 17

### A responsible environmental manager

- Negotiated the largest carbon sequestration deal brokered under the NSW Greenhouse Gas Abatement Scheme – will see 30,000 hectares of new mallee eucalypts planted in regional New South Wales
- Launched Australia's first trial of advanced 'smart metering' technology, featuring an in-house cost and consumption display unit
- Signed up our 6,000th new *countrygreen™energy* customer – a genuine accredited Green Power product

More information from page 27

### A valued part of the community

- Opened 10 new customer and field service centres – adding to a total of 33 customer and field service centres opened since Country Energy was formed in 2001
- Achieved the lowest rate of investigations per customer by the Energy and Water Ombudsman of New South Wales (EWON)
- Expanded our *Country Support* hardship assistance program – helping to halve customer disconnections for non-payment

See further details from page 35

### An employer of choice

- Won a gold medal for our Indigenous Employment Program in the New South Wales' Premier's Public Sector Awards
- Recruited 58 new apprenticeships in 2005 – boosting the number of apprenticeships created in the past four years to more than 280
- Recognised almost 300 employees with Service Milestone Awards for a collective 6,215 years of service

Read about new employee development programs from page 43

This year's report is titled 'Growth', reflecting our expansion into Far West New South Wales and water supply, our growing intake of apprentices and trainees, and our increasing investment in the electricity network and the communities we serve.

'Growth' also reflects our sincere hope that the drought affecting much of New South Wales will soon end.

# At a glance

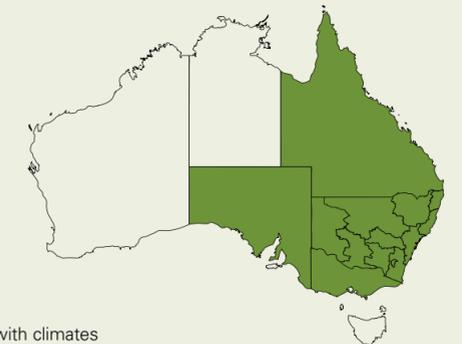
Country Energy is a leading Australian energy services corporation – managing the nation's largest power supply network and retailing energy and related products and services in five states and territories.

On 1 July 2005, Country Energy and Australian Inland merged to form a genuine multi-utility.

The new Country Energy serves 95 per cent of New South Wales' land mass, with a product range including electricity, natural and bottled gas, internet services and specialist energy advice. The addition of a water supply business serving the Broken Hill region adds a significant new dimension.

- **780,000 customers**
- **Decentralised regional structure responding to local priorities**
- **3,300 employees at more than 140 locations**
- **Revenue of around \$1.6 billion – one of Australia's top 150 companies**
- **195,000 kilometres of powerlines, 1.4 million power poles, 113,000 distribution substations and 120,00 streetlights**

**Retail operations** spanning New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory.



**A network** spanning mountains, plains and deserts, with climates ranging from snow to extreme heat. Following the merger with Australian Inland, the new Country Energy serves 95 per cent of New South Wales' land mass (shaded area).



1888

Tamworth is southern hemisphere's first town to have electric streetlights.

1904

Sydney turns on its first electric streetlights.

1920

Australia starts producing electrical meters.

1995

NSW Government changes the State's 25 distributors to six corporations, including NorthPower, Great Southern Energy, Advance Energy and Australian Inland.

1997

Great Southern Energy purchases gas business from Wagga Wagga City Council.

1998

National Electricity Market commences. NSW appoints an Energy Industry Ombudsman.

2001

Advance Energy, Great Southern Energy and NorthPower merge to form Country Energy.

2002

NSW introduces full retail competition for electricity and natural gas household residential customers.

2005

Australian Inland joins Country Energy.