Statement of Corporate Intent

2017/2018

Prepared by the Directors and Management of Powerlink Queensland for shareholding Ministers, including the:

- Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships
- Minister for Natural Resources, Mines and Energy

QUEENSLAND ELECTRICITY TRANSMISSION CORPORATION LIMITED
ABN 082 078 849 233

Contents

Financial Targets

Performance Targets	2016/17 Target	2017/18 Target
EBIT	$743.1 M	$411.3 M
Net Profit After Tax (NPAT)	$279.4 M	$129.5 M
Capital Expenditure	$179.6 M	$196.5 M
Return on Assets (ROA)	9.1%	5.0%
Net Debt / Fixed Assets Ratio	65.8%	65.4%
Net Debt / Regulated Assets (RAB) Ratio	75.2%	75.0%
Interest Cover Ratio (EBITDA)	3.1	3.3
CFO + Interest / Interest	> 2 times	> 2 times
CFO / Net Debt	> 7%	> 7%
Dividend Provided *(Including special dividend)*	$439.4 M	$179.5 M
Performance Indicators		
Return on Equity (ROE)	17.2%	8.0%
Distribution Yield	21.6%	22.4%
Distribution Cash Coverage	1.2 times	0.9 times

Non-financial Targets

Performance Targets	2016/17 Target	2017/18 Target
Safety [1]		
LTIFR (Lost Time Injury Frequency Rate)	2.5	2
TRIFR (Total Recordable Injury Frequency Rate)	9.5	8.5
Environment		
Number of major, extreme or catastrophic incidents [2]	To be materially compliant	0
Cost Efficiency		
Total Controllable Operating Cost / Depreciated Asset Value [3]	3.0%	3.0%
Network Performance – System Reliability	**2016 Calendar Year**	**2017/18 Financial Year**
Event in excess of 0.1 system minutes	Not more than 4	Not applicable
Event in excess of 0.75 system minutes	Not more than 1	Not applicable
Event in excess of 0.05 system minutes [4]	Not applicable	Not more than 3
Event in excess of 0.40 system minutes [4]	Not applicable	Not more than 1

[1] – Powerlink.
[2] – Material and serious harm resulting in EPA intervention.
[3] – Controllable operating cost includes AEMC levy and one-off costs (e.g. provisions for employee payments).
[4] – Applies to Calendar Year. New targets from AER Final Revenue Determination to apply from 1 July 2017.

Assumptions

The Powerlink Board's undertaking to achieve its performance outcomes is predicated on the below assumptions:

Economic Assumption	2016/17 Target	2017/18 Target
CPI	2.45%	2.45%
Dividend Payout Ratio	157%	139%
Shareholder Equity Injections [1]	Nil	Nil
Shareholder Equity Withdrawals [1]	Nil	Nil

[1] – Approval of the SCI does not constitute approval of forecast equity injections or withdrawals.

Key Assumptions for Financial Forecast

Powerlink's financial forecasts are based on the following key assumptions.

AER Revenue Reset

The Australian Energy Regulator (AER) released its Final Decision on 28 April 2017, which sets out Powerlink's Maximum Allowed Revenue (MAR), and operating and capital expenditure allowances for 2017/18 to 2021/22. Powerlink's 2017/18 SCI financial forecasts are based on the Final AER Decision.

Powerlink continues to progress operational efficiencies in response to reduced electricity demand growth, to the ongoing impact of electricity prices on customers, and in line with the Final AER Decision. The SCI for the 2017/18 financial year reflects this and other business initiatives that are focused on safety, the workplace, and business reputation. The SCI reflects the more immediate strategic issues and goals of Powerlink, with the longer term plans outlined in the Powerlink 2017/18 - 2021/22 Corporate Plan.

Regulated Revenue

Regulated revenue reflects the forecast of billings and collections. There is no recognition in revenue of any asset or liability for the under or over recovery for differences between actual collections and the MAR.

The AER Service Target Performance Incentive Scheme (STPIS) operates on a calendar year basis. The 2016 calendar year STPIS bonus of $24.0 million is included in the Regulated Revenue collections for 2017/18.

Regulatory pass through Items

There are a number of cost items that are subject to regulatory "pass through" arrangements, such as some "Network (Grid) Support Costs" and "Insurance Above Cap Events".

Should pass through events occur, Powerlink is able, with the consent of the AER, to adjust the revenue collections in subsequent years. While this may not impact profitability, it will affect Powerlink's cash flows.

Natural Disaster Events

Powerlink assets are subject to extreme climatic events, and transmission structures are designed to withstand high wind loadings. Although infrequent, events such as cyclones, severe wind events and severe flood events can cause major network damage.

The AER's self-insurance and pass through regulatory arrangements, and Powerlink's insurance policies provide some level of cover for most natural disaster event costs. As the self-insurance allowances are based on annualised long-term actuarial allowances for these events, variances between the actual cost of events and annual allowances may impact on annual profitability.

Powerlink has included an allowance for rectification works associated with tower damage in March 2017 from Tropical Cyclone Debbie.

Regulated Network Investments

Powerlink's forecast for regulated network investments in 2017/18 is consistent with the capital expenditure allowance in the AER Final Decision.

Contestability
It is assumed that:

- Powerlink will continue to be a monopoly owner of regulated transmission assets in Queensland; and
- Powerlink will continue to have access to required debt funding to pursue approved non-regulated investment opportunities.

Non-regulated Network Investments
For business planning purposes, Powerlink has only included capital expenditure for existing or committed non-regulated network investments. However, it should be noted that discussions and negotiations continue for a range of potential proponent-driven investments, with a strong focus on renewable generation connections.

There are a range of such renewable and other projects which may reach commitment stage over the 2017/18 financial year. Powerlink will seek to provide the transmission connection services to these projects where they are connecting to the transmission network. These will be provided as non-regulated services. Powerlink forecasts the value of potential non-regulated opportunities that may commit in Queensland The timing of these negotiations and resultant decisions are dependent on the proponent. Most of the capital expenditure for non-regulated network investments that Powerlink is successful in winning would be expected to occur in subsequent financial years. Powerlink will need flexible resourcing arrangements for these investments, particularly given the relatively tight delivery timeframes required by proponents.

Powerlink will report progress on non-regulated network investment opportunities in its quarterly progress reports to shareholding Ministers.

Community Service Obligations
No community service obligations have been identified by Powerlink in 2017/18.

Capital Structure and Borrowings
There are no net new borrowings forecast for 2017/18.

Dividend Policy
In line with shareholding Ministers' expectations, Powerlink has adopted a 100% dividend payout ratio and additional special dividends that target a gearing level for the regulated business that equates to a forecast closing Net Debt to RAB ratio of approximately 75%.

Electricity Demand
Electricity demand growth and demand for electricity transmission network services remains relatively flat due to the uptake of solar photovoltaic (PV) installations, technology developments, a continuing slowdown in the mining and resources sector and consumer response to electricity costs.

Capital Expenditure

Total Capital Expenditure	Estimated Expenditure 2017/18 ($M)
Significant Projects	$ 70.1
Total Other Projects [1]	$126.4
Total Capital Expenditure[1]	**$ 196.5**

[1] – Includes non-network capex such as IT, vehicles and facilities.

Significant Projects	Approved Total Cost ($M)	Estimated Expenditure 2017/18 ($M)	Expected Completion Date
Regulated			
Braemar iPASS Secondary Systems Replacement	$29.2 M	$1.7 M	Winter 17
Blackwall iPASS Secondary Systems Replacement	$33.1 M	$1.8 M	Summer 17/18
Moura Switchyard Replacement	$24.5 M	$1.6 M	Summer 17/18
Nebo 275/132kV Transformer Replacement	$24.8 M	$3.7 M	Summer 17/18
Ross Secondary Systems Replacement	$27.0 M	$3.6 M	Summer 17/18
Substation Security Upgrade	$40.0 M	$16.0 M	Winter 18
Callide A / Calvale 132kV Network Reinvestment	$21.4 M	$8.0 M	Summer 18/19
Collinsville to Proserpine Transmission Line Refit	$29.8 M	$8.2 M	Summer 18/19
Mackay Substation Replacement	$24.5 M	$8.6 M	Summer 18/19
Rocklea Secondary Systems Replacement	$21.1 M	$6.0 M	Summer 18/19
Stanwell Secondary Systems Replacement	$19.3 M	$1.5 M	Summer 18/19
Nebo Primary Plant Replacement	$22.5 M	$2.3 M	Winter 22
Calvale & Callide B Secondary Systems Replacement	$21.8 M	$4.0 M	Winter 21
Nebo Secondary Systems Replacement	$21.0 M	$3.0 M	Winter 22

Employment and Industrial Relations Plan (E&IR Plan)

An Employment and Industrial Relations Plan (E&IR Plan) meeting the requirements of the GOC Act is provided to shareholding Ministers as Attachment 2 to this SCI. The remuneration arrangements for the Directors, Chief Executive and all senior executives of Powerlink are also detailed in the E&IR Plan.

Financial Statement

Profit and Loss Statement	2016/17 Target ($M)	2017/18 Target ($M)
Total Operating Revenue	**1,316.9**	**988.0**
Operating Expenses		
Controllable Operating Expenses	238.6	235.5
Grid Support Costs	1.8	---
Depreciation	323.0	333.4
Other [1]	10.4	7.8
Total Operating Expenses	**573.8**	**576.7**
Earnings Before Interest and Tax (EBIT)	**743.1**	**411.3**
Interest Expense	344.0	226.3
Income Tax Equivalent Expense	119.7	55.5
Net Profit After Tax (NPAT)	**279.4**	**129.5**
Dividends Provided for (includes Special Dividend)	**439.4**	**179.5**

[1] – Includes Cost of Disposal of Non-Current Assets and External Customer Services Expenses.

Financial Statements

Balance Sheet	2016/17 Target ($M)	2017/18 Target ($M)
Current Assets		
Cash	86.5	118.7
Receivables	107.0	79.9
Other	52.0	43.9
Total Current Assets	**245.5**	**242.5**
Non-Current Assets		
Property, Plant & Equipment	7,868.5	7,872.3
Other	18.3	14.0
Total Non-Current Assets	**7,886.8**	**7,886.3**
Total Assets	**8,132.3**	**8,128.8**
Current Liabilities		
Creditors	35.0	61.9
Other	308.9	175.1
Total Current Liabilities	**343.9**	**237.0**
Non-Current Liabilities		
Borrowings	5,265.2	5,265.2
Other	912.2	951.6
Total Non-Current Liabilities	**6,177.4**	**6,216.8**
Total Liabilities	**6,521.3**	**6,453.8**
Net Assets	**1,611.0**	**1,675.0**
Shareholders' Equity		
Share Capital	401.0	401.0
Reserves	1,210.0	1,274.0
Retained Earnings	---	---
Total Shareholders' Equity	**1,611.0**	**1,675.0**

Financial Statements

Cash Flow Statement	2016/17 Target ($M)	2017/18 Target ($M)
Cash Flows from Operating Activities		
Cash Receipts in the course of Operations	1,293.1	1,008.1
Cash Payments in the course of Operations	(240.4)	(208.8)
Interest Received	1.0	1.6
Interest Paid	(344.0)	(234.0)
Tax Equivalent Payments	(123.0)	(75.3)
Net Cash Provided by Operating Activities	**586.7**	**491.6**
Cash Flows from Investing Activities		
Payments for Property, Plant and Equipment	(179.6)	(196.5)
Proceeds from Sale of Non-Current Assets	5.5	5.4
Other	---	---
Net Cash used in Investing Activities	**(174.1)**	**(191.1)**
Cash Flows from Financing Activities		
Proceeds from Borrowings	---	---
Dividends Paid	(369.8)	(385.1)
Other	---	---
Net Cash from Financing Activities	**(369.8)**	**(385.1)**
Net Increase/(Decrease) in Cash Held	**42.8**	**(84.6)**
Cash at the Beginning of the Financial Year	43.7	203.3
Cash at the End of the Financial Year	**86.5**	**118.7**

Note: Numbers may not add up due to rounding.

Attachment 1

Financial and Non-Financial Target Definitions

Return on Assets	$\frac{\mathit{Earnings\ Before\ Interest\ and\ Tax\ (EBIT)}}{\mathit{Average\ Total\ Assets}}$
Return on Equity	$\frac{\mathit{Net\ Profit\ After\ Tax\ (NPAT)}}{\mathit{Average\ Total\ Equity}}$
Net Debt to Fixed Assets	$\frac{\mathit{Total\ Debt\ less\ Cash}}{\mathit{Total\ Closing\ Fixed\ Assets\ (including\ WIP)}}$
Net Debt to Regulated Assets	$\frac{\mathit{Total\ Debt\ less\ Cash}}{\mathit{Total\ Closing\ Regulated\ Fixed\ Assets\ (including\ WIP)}}$
Interest Cover (EBITDA)	$\frac{\mathit{EBITDA}}{\mathit{Interest\ Expense}}$
Cash Flow from Operations (CFO) Interest Cover	$\frac{\mathit{CFO\ +\ Interest\ Paid}}{\mathit{Interest\ Paid}}$
CFO to Net Debt	$\frac{\mathit{CFO}}{\mathit{Total\ Debt\ less\ Cash}}$
Distribution Yield	$\frac{\mathit{Shareholder\ Distributions\ (Dividends\ Paid)}}{\mathit{Actual\ RAB\ -\ Net\ Debt}}$
Distribution Cash Coverage	$\frac{\mathit{Net\ Operating\ Cash\ Flow\ -\ Repex}}{\mathit{Shareholder\ Distributions\ (Dividends\ Paid)}}$
Lost Time Injury Frequency Rate (LTIFR)	$\frac{\mathit{No.\ of\ Lost\ Time\ Injury\ Occurrences\ x}\ 1{,}000{,}000}{\mathit{No.\ of\ Hours\ Worked}}$
Total Recordable Injury Frequency Rate (TRIFR)	$\frac{\mathit{No.\ of\ Injury\ Occurrences\ x}\ 1{,}000{,}000}{\mathit{No.\ of\ Hours\ Worked}}$
System Minute	*A measure of energy not supplied during transmission disturbances. One system minute is the amount of energy that would be transported within Queensland during one minute at the system maximum demand.*

Attachment 2

Employee Relations

1. Employment and Industrial Relations Approach

Powerlink, and the electricity sector in general, continues to be under intense scrutiny due to ongoing concern about electricity prices, requiring that Powerlink's business operations continue to be effective and efficient.

Powerlink's aim is to ensure that its business operations:

- are directed towards sustainably providing transmission services in line with customer expectations and in a manner that supports Queensland's economic prosperity;
- are competitive for non-regulated business opportunities; and
- assist in placing downward pressure on electricity prices by delivering efficient electricity transmission services.

Powerlink's priority continues to be on the delivery of its business strategy. In 2016, Powerlink developed a new business strategy for the period 2016-2021. The new strategy has a focus on six key themes, being:

- Safe for Life
- Future Regulated Network
- A Great Place to Work
- Reputation and Influence
- Innovate for Efficiency
- Non-Regulated Business

To effectively implement change that will have an enduring benefit on Powerlink's operations, Powerlink strives to take a proactive, early engagement approach with staff and their representatives, to get input, and to resolve issues within the business. A constructive relationship with staff is integral to Powerlink's employee relations approach.

<u>Industrial Relations Framework</u>:

Powerlink's aim in its employment and industrial relations approach is to have employment arrangements that support the delivery of the strategic business priorities and positively contribute to the business' objectives to be more efficient. These approaches are largely contained in Powerlink's two enterprise agreements:

- The *Powerlink Managers Enterprise Agreement 2014* covers approximately 4% of the workforce. It is aligned to the organisational architecture of Powerlink and recognises the important role of leadership in driving business outcomes. Its nominal expiry date is 21 January 2018.

- The *Working at Powerlink 2015 - Union Collective Agreem*ent covers approximately 90% of Powerlink's staff. It provides the majority of their terms and conditions of employment. Its nominal expiry date is 28 February 2018.

Re-negotiations on both these agreements will start in mid-2017.

2. Significant and Emerging Issues

There are several issues to note that influence the current employee relations plan and approach including:

- Factors in the external environment such as tighter regulatory controls, increased stakeholder expectations, and falling consumer electricity demand continue to impact on the network and our business. These factors will require ongoing review of workforce capacity to ensure it is at the level required to operate the business efficiently and that the necessary skill mix is built and maintained to meet these challenges.
- Powerlink's Final AER Decision for the 2018–22 regulatory period recognises forecast requirements to deliver reliable and efficient transmission services and impacts on the amount of work associated with the regulated network and associated workforce requirements.
- Re-negotiation of the two industrial agreements for Powerlink will be a significant focus and require substantial commitment to achieve resolution of new agreements by the end of 2017.
- In 2015 a comprehensive review of Powerlink's indirect controllable costs occurred and a range of proposals for potential change were identified. In 2016 Powerlink initiated a program of work to progress cost saving projects to deliver the efficiencies implicit in the regulatory allowances. The projects also resulted in major restructures in the business, with a significant reduction in positions including a 25% reduction of management positions.
- The growth of the non-regulated business will become increasingly important to Powerlink's workforce into the future and to support this Powerlink established a Business Development group in 2016 to increase the focus on winning this work.
- In 2016 Powerlink initiated a review of the resources needed in the blue collar areas, due to declining workload. A consultative group was established with the ETU (the Forward Works Review Group). The identification of reduced resource needs and how to achieve this will continue through 2017/18.
- Ongoing adjustments of Powerlink's workforce levels are expected to be required as a result of reduced work on the regulated network due to the flat outlook for growth and limited non-regulated opportunities.
- Powerlink adopts a 'no forced redundancies' policy in accordance with the Queensland Government's GOC Wages Policy, which requires that Powerlink retain in employment individuals whose roles have been declared redundant. Wherever possible, Powerlink strives to place these individuals into suitable alternative roles.

<u>Our primary Employment and Industrial Relations goals for this year are to:</u>

- Negotiate new enterprise agreements through constructive engagement with employees and their representatives including identifying productivity improvements to offset wage increases.
- Continue to implement and embed further efficiencies gained through ongoing process improvement and structure reviews.
- Increase our ability to resource Powerlink's work appropriately and flexibly through re-skilling, ease of movement of people across the business and greater ability for temporary or project based engagements.
- Increase business productivity by driving changes to the Powerlink culture to be more constructive and by improving employee engagement.
- Improve consultative relationships with unions in line with the State Government's "Union Encouragement Policy". Powerlink has been implementing a significantly different approach to its relationships with unions by engaging with both employees and unions at an earlier stage of significant decision making in addition to complying with its consultation requirements at later stages of the decision making process.

EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN

1. Employment Conditions

Enterprise Agreements

Conditions of employment for Powerlink employees are regulated largely by either:

- the *Working at Powerlink 2015 - Union Collective Agreement* (the Working at Powerlink Agreement); or
- the *Powerlink Managers Enterprise Agreement 2014* (Powerlink Managers Agreement).

The Working at Powerlink Agreement is Powerlink's primary enterprise agreement covering approximately 90% (765) of employees.

The key features of the Working at Powerlink Agreement include:

- A three year agreement operative until 28 February 2018;
- 3% wage and related allowance increase per annum for the life of the Agreement (three years);
- Wage increase backdated to 1 March 2015;
- No forced redundancies and salary maintenance provisions maintained for the life of the Agreement;
- Existing consultation provisions to remain in place, with an additional obligation on Powerlink to consult on changes to rosters or hours of work;
- Absorption of the Transmission Network Reliability Allowance/Payment into base rates of pay; and
- All other key terms and conditions of the previous Agreement were maintained.

The key features of the Powerlink Managers Agreement, which covers approximately 4% (40) of employees, include:

- A three year agreement operative until 21 January 2018;
- A base wage increase of 2.75% per annum (plus an administrative increase of 0.25% to align with GOC wages policy increase of 3%);
- An annualised salary paid to all Managers including a 13% all-purpose flexibility loading with no additions, penalties or other allowances paid. (Note an alternative 16.5% all-purpose flexibility loading is paid to employees on a 24/7 'on call' availability roster);
- A flexible 38 hour working week with no additional compensation paid for reasonable additional hours;
- Choice in complying superannuation funds and superannuation payments at the rate of the Commonwealth Superannuation Guarantee Contribution Levy (currently 9.5%), or 10% where an employee elects to contribute 5%;
- Optional individual employment agreements (Alternative Working Arrangements) based on a total employment cost (TEC) contract basis;
- A two week minimum period in acting/relieving roles before higher duties can be paid;
- The ability to 'cash out' excess annual leave provided a minimum balance of 4 weeks annual leave is maintained;
- Continuation of existing redundancy benefits with a reduction in salary maintenance arrangements to a maximum 12 month period in the event of redeployment;

- A simplified agreement incorporating the Fair Work Act's model consultation, dispute resolution and individual flexibility terms and removing all restrictions on the use of contractors and any conditions not relevant to Powerlink managers; and
- A 'no further claims' clause prohibiting the parties from making any extra claims in relation to employment conditions during the life of the agreement.

Enterprise agreements within Powerlink have been and will continue to be negotiated within the State Government GOC Wages Policy as required.

The current Working at Powerlink Agreement was negotiated in line with the 2015 GOC Wages Policy. As the Powerlink Managers Agreement was negotiated under a previous policy, employees covered by this agreement receive an additional 0.25% administrative pay increase and the benefit of the Government's 'no forced redundancy' policy.

2. Workforce

Powerlink's resource planning process considers what workforce is required to deliver its programs of works, for the regulated program, the non-regulated program and the ongoing operational requirements.

Each year the planning process is integrated with the annual budget cycle to ensure that resources are effectively deployed to operate the business soundly through operating a reliable network and seeking opportunities for efficiency.

The capital program includes work undertaken by external construction companies, with design and project management by Powerlink employees. To account for variability in the quantum and mix of projects, Powerlink uses a workforce comprising a combination of permanent and fixed term employees. There is currently minimal use of labour hire given the low and reducing workload.

Workforce FTEs [1]	**1 January 2017**
Employment Category: Permanent (including Part-time)	760
Senior Executive	6
Apprentices (In House)	20
Trainees (In House)	22
Casual and Fixed Term Employees	36
Total Directly Employed Workforce:	844
Labour hire	5
Total Workforce (including labour hire):	849

[1] – Full Time Equivalent (FTE) means full time equivalent per annum. Powerlink applies FTE to employees (full time, part time and casual) and labour hire. Overtime does not count toward FTEs.

3. Redundancy Provisions

Powerlink's redundancy provisions focus on redeployment and retraining, but provide for the following in cases of redundancy:

- 6 months' notice of redundancy or 13 weeks early separation payment.
- 3 weeks per year of service severance payment with a minimum of 4 weeks (National Employment Standards) up to a maximum of 75 weeks.
- Pro-rata long service leave.
- Accrued recreation leave.
- Outplacement and retraining support.

The Working at Powerlink Agreement provides a commitment to 'no forced redundancies', subject to employees accepting reasonable redeployment and retraining. This commitment will continue to challenge Powerlink to assist employees whose roles are redundant to find alternative permanent employment.

The Powerlink Managers Agreement provides substantially similar redundancy benefits to the Working at Powerlink Agreement, and although the commitment to 'no forced redundancies' is limited to employees who were permanently employed by Powerlink at the date the Agreement was approved by the Fair Work Commission (13 January 2015), administratively this is not applied.

4. Remuneration Arrangements

The remuneration details for Powerlink's Chief Executive Officer and other Senior Executives applying on 31 January 2017 are:

CEO / Senior Executives	Base Salary [1]	Employer Superannuation Contributions	Total Fixed Remuneration	Performance Payment in 2015/16 [2]
Merryn York, Chief Executive	687,269	68,719	755,988	82,370
Maurie Brennan, Chief Financial Officer	365,231	36,519	401,750	30,860
Cathy Heffernan [3] Executive General Manager People and Corporate Services	300,003	29,997	330,000	n/a
Stewart Bell [3] Executive General Manager Delivery and Technical Services	275,457	27,543	303,000	n/a
Gary Edwards [3] Executive General Manager Operations and Service Delivery	268,185	26,815	295,000	n/a
Kevin Kehl [3] Executive General Manager Strategy and Business Development	367,276	36,724	404,000	n/a

[1] – Includes any salary sacrifice items (eg. motor vehicle, superannuation and other benefits) and cash salary.
[2] – Relates to previous financial year and is linked to the achievement of corporate results.
[3] – Appointed during 2016/17.

Performance pay for individuals employed under Senior Executive contracts is in accordance with Government policy and linked to organisation and individual performance.

Enterprise agreement employees are also eligible for both:

- a gainsharing payment based on corporate results; and
- performance pay based on individual and small team performance during a financial year and corporate results.

5. Superannuation

Employer superannuation contributions for employees who are covered by the Working at Powerlink Agreement are made to the Energy Super Superannuation Scheme. The only exceptions to this are those employees who had existing membership of QSuper, who may remain in that fund. Designated managers covered by the Powerlink Managers Agreement and senior staff who are outside of the agreements have Super Choice.

In accordance with the Working at Powerlink Agreement, Powerlink currently contributes 9.5% (or the appropriate percentage as determined by applicable superannuation legislation) of an employee's salary, or 10% where the employee contributes 5% of their salary.

6. Consultation

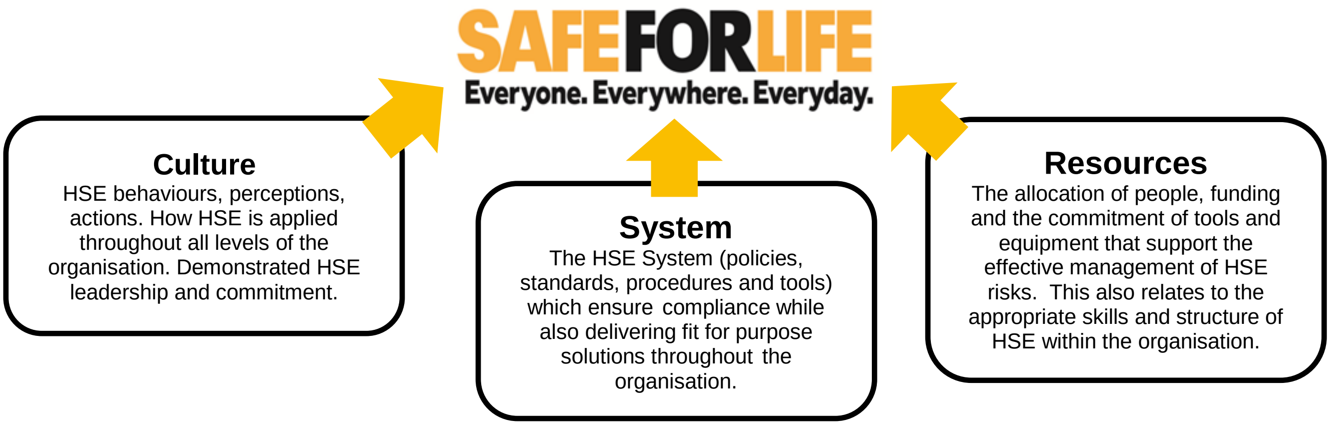
The shareholding Ministers' departments and the Industrial and Employee Relations Division of the Queensland Treasury Department have been consulted on this plan, as have relevant unions.

7. Workplace Health & Safety

Safety is one of Powerlink's values and a key part of our culture. It is a Board sponsored value which everyone in Powerlink owns and drives to continually improve our safety practices and outcomes. We take a proactive approach to health and safety, where safety is regarded as essential for all; health and wellbeing are protected and promoted; and safety is integrated into all work practices.

Powerlink will continue to focus on its commitment to workplace health and safety with our 2017/2018 Safe for Life Improvement Program. This program aligns to and supports our strategic theme 'Safe for Life' and will see the integration of Health, Safety and Environment (HSE) functions to deliver efficiencies and align with contemporary practices.

The 2017/2018 program will focus on the following key elements which will ensure delivery of sustainable change and improved HSE performance.



Attachment 3

Sponsorship, Advertising, Corporate Entertainment and Donations

Sponsorships

Powerlink's sponsorship arrangements include a framework which all applications are assessed against. Powerlink's framework highlights three key focus areas:

- empowering communities;
- protecting and conserving the environment; and
- supporting safety and well-being.

Applicants can submit a request for sponsorship funding in writing to Powerlink, which will be assessed against set criteria for evaluation. To be accepted, the sponsorship must be in line with the framework and provide an appropriate and value for money business outcome.

Any sponsorship greater than $5,000 must be reviewed and endorsed by the Powerlink Board.

Advertising

Powerlink undertakes very limited advertising. Advertising undertaken generally relates to operational requirements and includes items such as advertising environmental impact assessment consultation arrangements, notifying communities of helicopter maintenance activities, recruitment, and similar.

Table 1: Sponsorship, Donations, Advertising, Corporate Entertainment and Other (Including Items over $5,000)

Activity	Description / Benefit	Budget 2016/17 ($)	Budget 2017/18 ($)	2017/18 – Quarter ($)			
				Sept	Dec	Mar	Jun
SPONSORSHIPS [1]							
Engineers Australia	EA Branch Program	5,000	5,000	---	---	---	5,000
Energy Users Assoc. of Aust.	Conference and Qld Forum	15,000	30,000	---	---	30,000	---
Local Govt. Assoc. of Qld	State and Regional Conferences	20,000	20,000	---	---	---	20,000
Qld State Emergency Service	Statewide equipment sponsor	50,000	50,000	---	---	50,000	---
Qld Environmental Law Society	Conference	---	5,000	---	---	5,000	---
Environmental Sponsorship	Program sponsorship	10,000	5,000	---	5,000	---	---
Women in Engineering Sponsorship	Industry partnership program	---	10,000	10,000	---	---	---
Total over $5,000		**100,000**	**125,000**	**10,000**	**5,000**	**85,000**	**25,000**
Other (total) below $5,000		30,000	50,000	12,500	12,500	12,500	12,500
Total Sponsorship (1):		**130,000**	**175,000**	**22,500**	**17,500**	**97,500**	**37,500**
DONATIONS							
Total over $5,000		**10,000**	**10,000**	**Nil**	**Nil**	**10,000** [3]	**Nil**
Other (total) below $5,000		---	---	---	---	---	---
Total Donations (2):		**10,000**	**10,000**	**Nil**	**Nil**	**10,000**	**Nil**
ADVERTISING [2]							
Total over $5,000		---	---	---	---	---	---
Other (total) below $5,000		---	---	---	---	---	---
Total Advertising (3):		**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

[1] – Subject to review prior to SCI final approval.
[2] – As a general policy, Powerlink only undertakes advertising that is directly associated with its operational activities and as such, no details included.
[3] – Powerlink conducts an annual donation program for a charity in conjunction with staff. The 2016/17 beneficiary was Cancer Council Queensland.

Activity	Description / Benefit	Budget 2016/17 ($)	Budget 2017/18 ($)	2017/18 – Quarter ($)			
				Sept	Dec	Mar	Jun
CORPORATE ENTERTAINMENT							
Total over $5,000		**Nil**	**Nil**	**---**	**---**	**---**	**---**
Other (total) below $5,000		50,000	40,000	10,000	10,000	10,000	10,000
Total Corporate Entertainment (4):		**50,000**	**40,000**	**10,000**	**10,000**	**10,000**	**10,000**
OTHER							
Total over $5,000		---	---	---	---	---	---
Other (total) below $5,000		---	---	---	---	---	---
Total Other (5):		**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
TOTAL (1)+(2)+(3)+(4)+(5)		**190,000**	**225,000**	**32,500**	**27,500**	**117,500**	**47,500**

Contact us

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