

**GOVERNMENT TRADING ENTERPRISES
PERFORMANCE INDICATORS
1990-91 TO 1994-95**

VOLUME 1: OVERVIEW

**STEERING COMMITTEE ON NATIONAL PERFORMANCE
MONITORING OF GOVERNMENT TRADING ENTERPRISES**

JUNE 1996

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The Industry Commission acts as the Secretariat for the Steering Committee on National Performance Monitoring of Government Trading Enterprises. The Industry Commission is merging with the Bureau of Industry Economics and the Economic Planning Advisory Commission to form the Productivity Commission, which will continue the role of Secretariat for the Committee.

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Steering Committee on National Performance Monitoring of Government Trading Enterprises

This is the fourth annual report of the Steering Committee for National Performance Monitoring of Government Trading Enterprises (GTEs). It covers the period from 1990–91 to 1994–95.

As Chairman of the Steering Committee, I am pleased to report that the reform process under way within GTEs is continuing to deliver tangible benefits both to customers and to governments. Notably, real prices fell substantially in all sectors last year, with GTEs maintaining their total payments to governments (and therefore to the community) at the same level as in the two previous years. This level is high by comparison with 1990–91.

Labour productivity is still increasing, although its growth has slowed. Overall, the profitability of the GTEs covered, as indicated by the aggregate operating sales margins, deteriorated in 1994–95. To some extent this is attributable to reforms designed to reduce GTEs' monopoly power, such as increased competition in GTEs' markets and independent price regulation.

Although the GTEs discussed in this report have generally improved their performance, not all have shown the same rate of improvement. Furthermore, even within sectors which have made the most progress, there are individual GTEs that are falling behind.

The story, though complex, is that the rate of performance improvement is greatest in those sectors and jurisdictions where reform is most extensive.

Clearly, there is a need for reform to continue. Efficient government trading enterprises are essential to the overall efficiency of the Australian economy. They collectively comprise a large segment of the economy. They deliver key services — often regarded as essential — both to households and the business sector. The quality of those services and their cost are important to the well-being of Australians.

The task of monitoring government trading enterprises has been made more difficult this year. New GTEs have been created by the division of former GTEs into separate new bodies. The nature of many GTE's activities has altered. There has been an increase in out-sourcing. Some GTEs have been divested of some of their functions, in particular, regulatory functions. Some have lost market share through the introduction of competition.

Consequently, consistent time series of performance indicators are not available for many enterprises. Results in this year's Volume 1 cannot always be compared directly to the results in last year's report.

Despite these difficulties, performance trends within GTE sectors could be reported in this Volume. It has also been possible to make observations, albeit qualified, about the effects of the reform process on the performance of GTEs within each industry.

This highlights the contemporary value of Performance Monitoring of GTEs. In an environment of constant change in markets and corporate structure, consistent monitoring enables informed judgements to be made about the efficiency and effectiveness of GTEs. The transparency of the Steering Committee's approach brings information about significant directions and trends into the public domain. By facilitating benchmark comparisons, governments are made aware of the scope for even further improvement of their GTEs.

This publication was compiled by the Secretariat under the direction of the Steering Committee for National Performance Monitoring of Government Trading Enterprises. The Steering Committee, with members from the Commonwealth, State and Territory Governments, thanks all those involved in its preparation. In particular, it thanks the participating GTEs without whose co-operation this report would not have been possible.

Bill Scales AO
Chairperson

CONTENTS

VOLUME 1

1	OVERVIEW	1
2	ELECTRICITY SUMMARY	21
3	GAS SUMMARY	39
4	WATER, SEWERAGE, DRAINAGE AND IRRIGATION SUMMARY	55
5	URBAN TRANSPORT SUMMARY	77
6	RAILWAYS SUMMARY	93
7	PORT AUTHORITIES SUMMARY	111
8	COMMONWEALTH GTEs SUMMARY	125
ATTACHMENTS		
A	ENTERPRISE LISTINGS	
	by Jurisdiction	143
	by Industry Classification	147
B	DETAILS OF CHARTS CONSTRUCTION	149
	REFERENCES	153

1 OVERVIEW

This is the fourth annual report of the Steering Committee for National Performance Monitoring of GTEs. It documents the performance of 68 of Australia's government trading enterprises (GTEs) between 1990–91 and 1994–95. Many of these GTEs have been undergoing a far-reaching series of reforms, designed to improve their efficiency.

Key Results 1994–95

- **Real prices fell once again ...**

Real prices fell by 5 per cent in 1994–95, and there were reductions in average real prices in all industries.

- **... and payments to government remained steady.**

Dividends, tax and tax equivalent payments totalled \$4.4 billion (current dollars). They stood at \$2.3 billion in 1990–91. Telstra and the electricity industry contributed a total of \$3.3 billion in 1994–95.

- **Labour productivity is still rising, but its rate of growth is levelling out.**

Labour productivity rose by 10 per cent, associated with a further fall in employment.

- **Profitability declined slightly.**

Operating sales margin fell to 18.4 per cent (from 20.5 per cent in the previous year).

- **Not all industries showed improved financial performance.**

Performance in the water industry did not change. The performance of the rail and urban transport industries was mixed.

- **No evidence of deterioration in service quality.**

The available information on service quality is limited, but reveals little change. However, results are uneven with some industries showing significant improvements.

Source: Steering Committee on National Performance Monitoring of GTEs.

The GTEs covered in this report

The 68 GTEs covered in this report include eight Commonwealth GTEs, including Telstra and Australia Post, as well as the major State and Territory authorities involved in electricity, gas transmission, water and related services, transport and ports.¹

The GTEs monitored account for approximately 80 per cent of the total revenue earned by all Australian GTEs and approximately 75 per cent of their total employment.

A complete list of the GTEs covered in this report, classified by sector and jurisdiction, can be found in Attachment A to this volume. Information about their relative sizes and the range of activities in which each engages is presented in the chapters covering each sector.

Overall performance of the GTEs covered in this report

Real Revenue

The *real revenue* of monitored GTEs has increased steadily since 1990–91 (see Figure 1.1). Changes in this indicator reflect changes in sales volumes rather than prices.² Only in the rail sector did total real revenue decline in 1994–95.³

Profitability

Aggregate profitability, as measured by the *operating sales margin*, fell from over 20 per cent in the previous year to approximately 18 per cent in 1994–95 (see Figure 1.2).⁴

This is the second year in succession that the margin has fallen slightly. Asset revaluations, by increasing depreciation expense, exert downward pressure on future recorded profits. Reduced profitability may also be due to prices having

¹ With the exception of the Snowy Mountains Hydro-Electric Authority, the Commonwealth GTEs are engaged in transport and communications.

² Real revenue is computed by adjusting actual revenue for each GTE by an index of prices for its services.

³ Double counting in 1993–94 may account for this apparent decline in real revenues within the rail industry. 1993–94 was the first full year of operations for the National Rail Corporation (NRC). Double counting occurred because other rail authorities provided interstate freight services on behalf of NRC. Double counting decreased in 1994–95, as the majority of interstate rail assets were transferred from other rail GTEs to the NRC in that year.

⁴ The operating sales margin captures the relationship between operating profit and revenue. Variations between industries do not necessarily imply differences in overall profitability.

been reduced by regulatory bodies, as in New South Wales and Victoria, as well as the removal of impediments to competition in the markets supplied by many GTEs. Finally, GTEs which have undergone changes, such as corporatisation or disaggregation, may have incurred some additional costs in the process, at least in the short term.

Gas and urban transport were the only industries in which profitability improved in 1994–95 (see Table 1.1).

Despite a decline in average profitability, the results for 1994–95 indicate that, even in the short term, reforms have delivered significant overall benefits to customers and governments. Declining prices and increasing payments to government are the main indicators of the extent to which the general public shares in the benefits of improved GTE performance. Both have improved.⁵

Figure 1.1: Real revenue



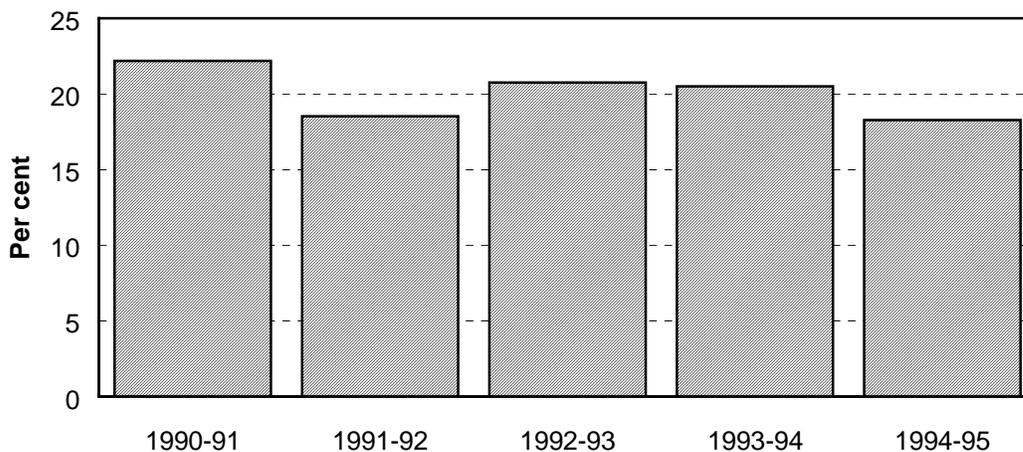
Notes: Excludes Gosford City Council (Water), Gold Coast Water, DPI Water Resources, South East Qld. Electricity Corp.

Source: Steering Committee on National Performance Monitoring of GTEs.

⁵ Service quality is also important, but much more difficult to assess.

The return on assets declined slightly in 1994–95 — from 6.8 per cent to 6.3 per cent (see Figure 1.3 and Table 1.2). This is largely due to asset revaluations, particularly by the State Rail Authority.

Figure 1.2: Operating sales margin



Notes: Excludes Gosford City Council (Water), Gold Coast Water, DPI Water Resources.

Source: Steering Committee on National Performance Monitoring of GTEs.

Table 1.1: Operating sales margin, by industry classification

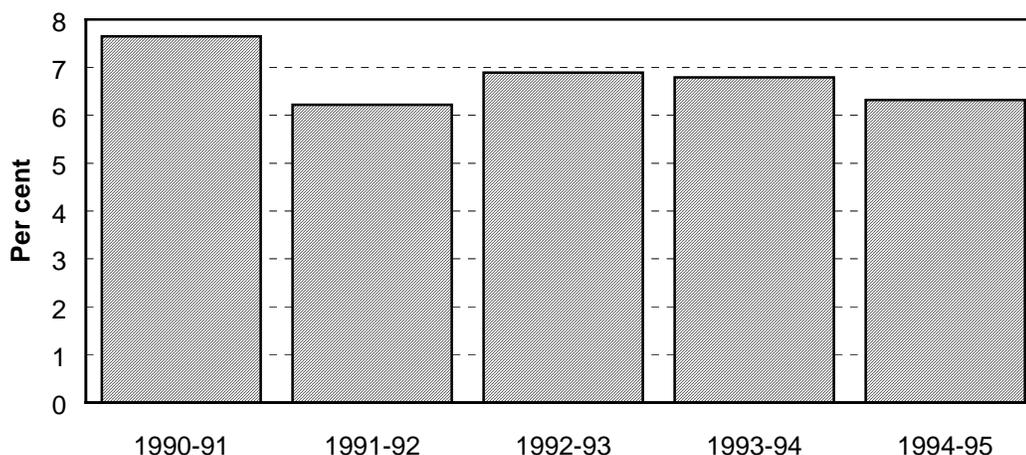
	1990–91	1993–94	1994–95
Overall	22	21	18
Electricity	29	26	23
Gas	15	21	26
Water	30	32	32
Urban Transport ^a	3	8	9
Rail ^a	-5	-4	-9
Ports	25	37	36
Commonwealth	24	21	18

a Neither the rail nor the urban transport industry recover, through passenger and freight revenue, the full cost of their operations. Consequently, governments make payments to fund specifically agreed services, such as CSOs, and operating deficits. These payments are included in the calculations for this table.

Notes: Excludes Gosford City Council (Water), Gold Coast Water, DPI Water Resources.

Source: Steering Committee on National Performance Monitoring of GTEs.

Figure 1.3: Return on assets



Notes: Excludes Gosford City Council (Water), Gold Coast Water, DPI Water Resources.

Source: Steering Committee on National Performance Monitoring of GTEs.

Table 1.2: Returns on assets, by industry classification

	1990-91	1993-94	1994-95
Overall	7.6	6.8	6.3
Electricity	11.2	8.8	8.8
Gas	14.0	16.0	13.5
Water	3.2	3.0	3.0
Urban Transport	3.1	6.4	8.5
Rail	-2.3	-1.1	-2.1
Ports	6.8	8.4	8.1
Commonwealth	12.4	13.4	12.1

Source: Steering Committee on National Performance Monitoring of GTEs.

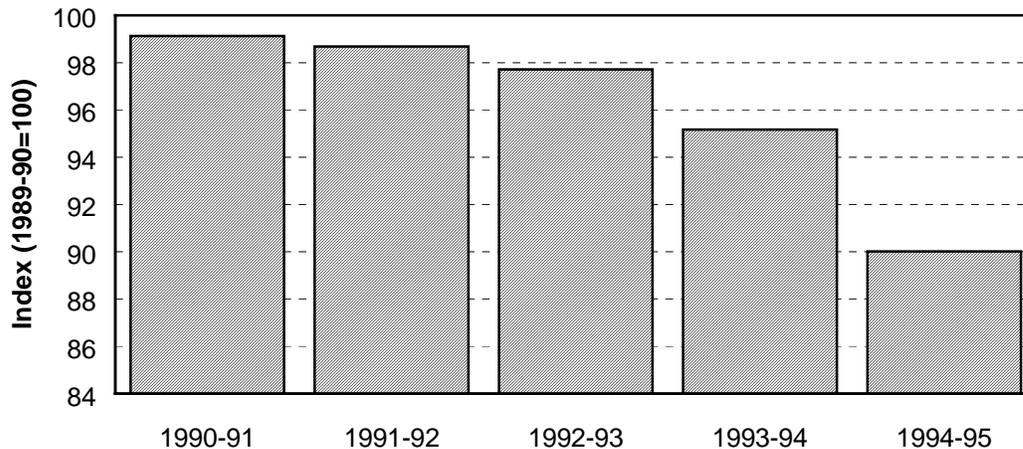
Real Prices

Over the five years covered by this report, the average real price index has fallen continuously, amounting to a cumulative reduction of over 9 per cent (see Figure 1.4). During 1994-95, this trend accelerated, with the real price index of the GTEs monitored falling by over 5 per cent.

1994-95 was the first year since 1990-91 that all sectors recorded a fall in their average prices (see Table 1.3). The sharpest decreases were recorded by port

authorities (9.5 per cent), mainly due to a reduction of 20 per cent in the average price by the Port of Melbourne and 7 per cent by the Maritime Services Board of New South Wales.

Figure 1.4: Real prices



Notes: Excludes Gas Transmission Corp., Alinta Gas, Gosford City Council (Water), Gold Coast Water, DPI Water Resources, Wyong Shire Council (Water), Fremantle Port Authority, ANL Limited, Civil Aviation Authority, Federal Airports Corp.

Source: Steering Committee on National Performance Monitoring of GTEs.

Table 1.3: Percentage change in real prices, by industry classification

	1990-91 to 1994-95	1993-94 to 1994-95
Overall average	-9.1	-5.4
Electricity	-5.9	-5.6
Gas	11.4	-0.6
Water	0.8	-3.2
Urban Transport	12.6	-5.1
Rail	-8.5	-2.7
Ports	-18.1	-9.5
Commonwealth	-18.1	-7.4

Notes: Excludes Gas Transmission Corp., Alinta Gas, Gosford City Council (Water), Gold Coast Water, DPI Water Resources, Wyong Shire Council (Water), Fremantle Port Authority, ANL Limited, Civil Aviation Authority, Federal Airports Corp.

Source: Steering Committee on National Performance Monitoring of GTEs.

However, the overall index is weighted by each sector's real revenue, in which the share of port authorities is relatively small. Taking revenue into account, the major contributors to the overall index are Telstra and the electricity authorities. The overall index disguises changes in the relative prices charged to different classes of customer. For example, the result for the electricity sector is mainly due to a reduction in electricity prices for commercial and industrial users, imposed across the board, but largest in New South Wales. In New South Wales, electricity prices fell by between 6 and 14 per cent.

Shareholders' returns

Over the past five years, the total amount payable to government, by way of dividends, tax and tax equivalents, rose in real terms by 75 per cent.⁶

This reflects the emphasis now placed on *competitive neutrality*, where GTEs make the same dividend payments to their owners as they would in private hands, and pay all taxes and charges that private companies pay, including sales tax equivalents.

Most of this increase occurred in 1992–93, when total payments jumped by 60 per cent in real terms — from \$2.3 billion to \$3.7 billion (see Figure 1.5). Payments to government remained at much the same level for the last three years, and were recorded as \$3.9 billion in 1994–95. Of this, \$1.4 billion (in 1989–90 dollars) is attributable to Telstra, and \$1.7 billion to electricity authorities (see Table 1.4). Rail and urban transport authorities made a small contribution, but these GTEs often require government budget subsidies to meet their annual running costs.

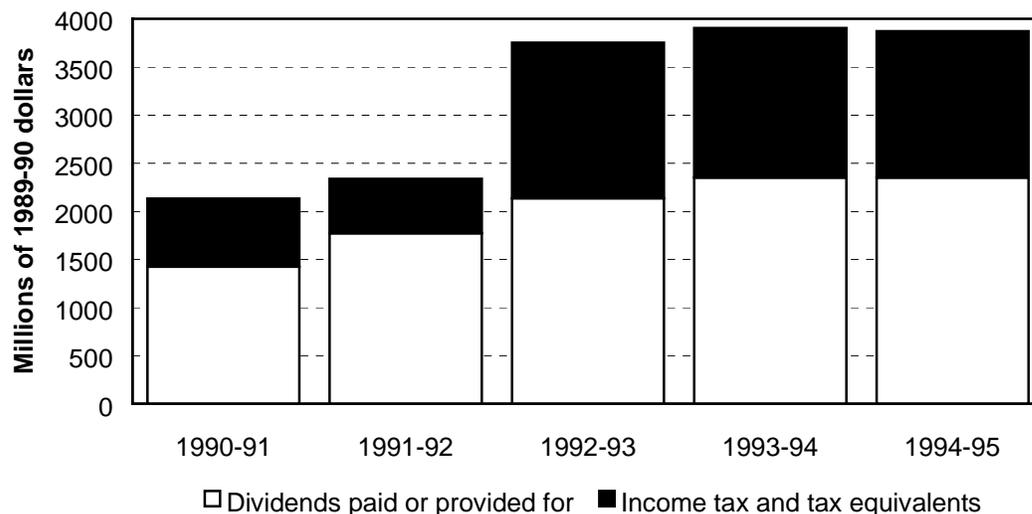
Assets and Debt

Over the past five years, total assets of the GTEs covered have risen from \$113 billion to \$143 billion in real terms (see Figure 1.6). This is partly due to asset revaluations, which increase the recorded amount of total real assets and thus increase recorded equity, while leaving debt unaffected.

Over the same period, debt remained at almost the same level as in 1990–91. In some instances, the debts of GTEs (for example, the Public Transport Corporation in Victoria) have been assumed by the government concerned.

⁶ GTEs report the amounts payable rather than amounts actually paid. Because of timing effects, the amounts actually paid during the period under review will usually differ from the amounts payable.

Figure 1.5: Real payments to government



Source: Steering Committee on National Performance Monitoring of GTEs.

Table 1.4: Real payments to government, by industry classification

	1990-91 \$m	1994-95 \$m
Overall	2 136	3 871
Electricity	707	1 660
Gas	59	166
Water	364	317
Urban Transport	0	1
Rail	0	3
Ports	51	80
Commonwealth	955	1 644

Source: Steering Committee on National Performance Monitoring of GTEs.

Productivity

Labour productivity (defined as real revenue per employee) has increased by over 80 per cent since 1990-91, and increased by 10 per cent in 1994-95 (see Figure 1.7). However, although labour productivity is still rising in the monitored GTEs, its rate of growth appears to have slowed in 1994-95. There has been an associated slowing down in the rate of employment reductions.⁷ An

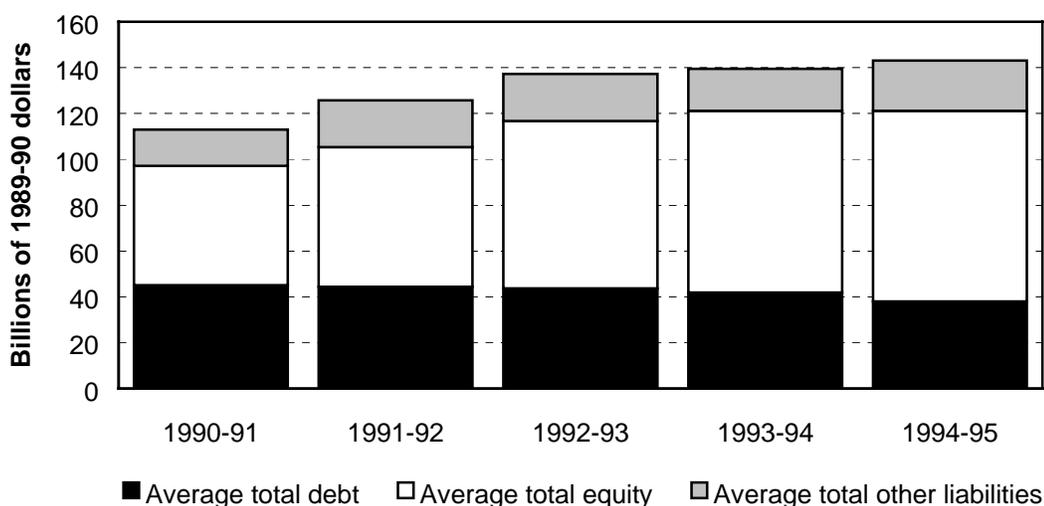
⁷ Information on the extent to which employment reductions were accompanied by an increase in contracting out is not available.

exception was Telstra, where both labour productivity and total employment increased.

Total factor productivity takes into account all the inputs used to produce output in a production process. It is a more comprehensive and thus a more reliable measure than labour productivity.⁸

At this stage only a minority of GTEs report their total factor productivity. Their results show that productivity is improving.

Figure 1.6: Composition of total assets



Notes: Excludes South East Qld Electricity Corp., Capricornia Electricity Corp., Gosford City Council (Water), Gold Coast Water, DPI(Water), Qld Rail.

Source: Steering Committee on National Performance Monitoring of GTEs.

Service Quality

Limited information on service quality is available. As the indicators relating to service quality are industry specific (and often inconsistently reported between GTEs) comparisons between sectors cannot be made. It is also difficult to devise indicators that capture important aspects of GTEs' responsiveness to their customers, such as consumer choice.

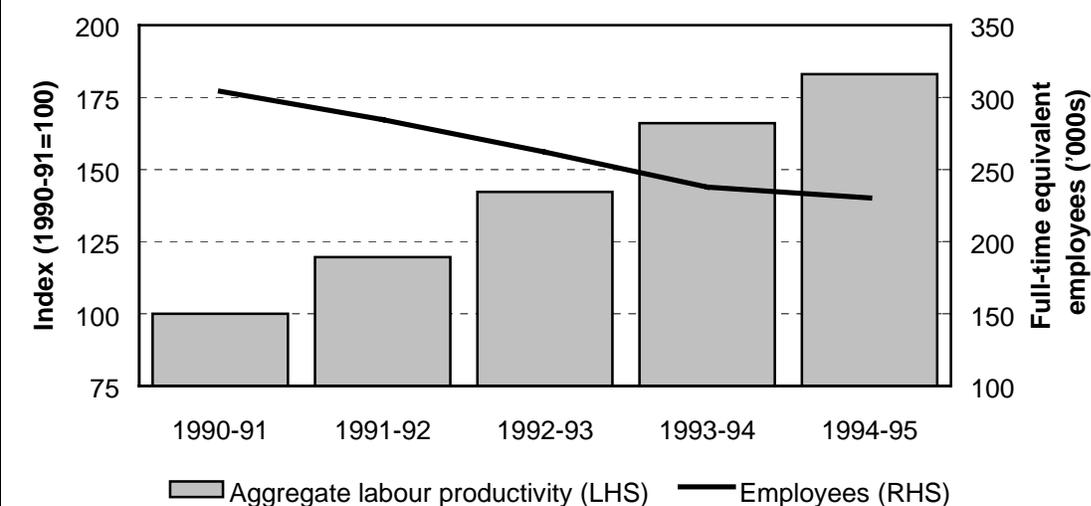
Many GTEs fail to report quality indicators. For example, of the eleven 'container' ports surveyed only five provided their *average port turnaround*

⁸ All indicators, including total factor productivity, need to be examined in context.

times, and of the eleven 'bulk' and 'other cargo' ports, only four reported this indicator.

On the limited data available, there is no evidence that the overall reduction in prices and employment within the GTEs covered has been at the expense of service quality.

Figure 1.7: Labour productivity and employment



Notes: Excludes Gas Transmission Corp., Alinta Gas, Gosford City Council (Water), Gold Coast Water, DPI Water Resources, Wyong Shire Council (Water), Fremantle Port Authority, ANL Limited, Civil Aviation Authority, Federal Airports Corp. South East Qld. Electricity Corp. and Capricornia Electricity Corp. not included prior to 1992.

Source: Steering Committee on National Performance Monitoring of GTEs.

As documented elsewhere in this report, reliability appears to have improved within electricity generation and distribution. It appears to have changed little for rail passenger and freight services. In particular, on-time running for freight services remains unimpressive, with only 62 per cent of services arriving within 30 minutes of schedule, compared with 66 per cent in 1991–92.

An encouraging sign that standards have improved within urban transport is an increase in patronage over the last two years. However, this may be associated with an improvement in economic conditions. The picture is also complicated by the fact that the downward trend in service cancellations and delays, evident since 1990–91, appears to have halted last year.

Water GTEs were asked to provide information on the average duration of interruptions to service, but few did so. The number of main breaks in urban water services showed no clear trend, but the number of sewerage chokes per 100 kilometres has risen consistently since 1990–91.

Recent policy initiatives affecting GTEs

Generally, government policy initiatives have been aimed at removing impediments to competition and giving GTEs a clear commercial focus. The methods used have varied, but have included:

- *The removal of legislation and other barriers to competition in the markets for GTEs' services.* This has led to such initiatives as the removal of the reservation of certain goods to rail transport, the imposition of non-discriminatory access to essential facilities (eg rail, postal services, telecommunications) and the introduction of competitive tendering for certain service areas.
- *The imposition of competitive neutrality, that is, the removal of the special advantages and disadvantages entailed by government ownership.* Examples of initiatives designed with this objective in mind are the now widespread requirement to pay dividends and tax or tax equivalents, the removal of certain statutory monopolies and immunities, and the explicit funding of CSOs.
- *Administrative and legislative changes such as corporatisation, the separation of regulatory and service delivery functions, and the division of GTEs into distinct entities on the basis of the activities in which they engage or the regions in which they operate.*
- *Direct restrictions on monopoly power* such as the imposition of price surveillance and quality standards by independent regulators.
- *Pricing reform to ensure that charging structures reflect cost structures.* This has led to a heavier reliance on payment by measure (as opposed to property based charges) for water, and to tariff reductions for commercial and industrial users of electricity.

Reform strategies and initiatives

Different jurisdictions are adopting different approaches to GTE reform and the pace of reform varies between the jurisdictions. However, the overall direction appears broadly compatible with the *Competition Principles Agreement* signed

by all jurisdictions, following the release of the Hilmer Report.⁹ Below is a brief outline of the broad strategy followed and major initiatives undertaken by jurisdictions.

The approach taken by *New South Wales* has been to corporatise all its major GTEs. The former Hunter Water Board was corporatised in 1992, Sydney Water Board was corporatised in January 1995 and the Maritime Services Board was restructured as three separate port corporations at Newcastle, Sydney and Port Kembla in July 1995.

New South Wales has introduced competition into electricity generation within a publicly owned framework. Effective from March 1996, the generation sector has been split into three competing generators — Macquarie Generation, Pacific Power and First State Power. The latter two have been corporatised. The distribution sector has been reformed through the merger of the 25 former distributors to form six corporatised entities. In anticipation of the establishment of a national wholesale electricity market, New South Wales has established a State market.

The rail sector is to be restructured. Effective 1 July 1996, the State Rail Authority has been restructured into four new entities. Of these, Freight Rail Corporation and Rail Access Corporation will be corporations, while the new Rail Services Authority and the new State Rail Authority will remain as statutory authorities. All essential infrastructure will be vested in the Rail Access Corporation which will allow access to both public and private operators. The new State Rail Authority will operate passenger services.

The Independent Pricing and Regulatory Tribunal (formerly the Government Pricing Tribunal) determines maximum prices for monopoly services provided by Government agencies and also has a role in arbitrating access issues.

Victoria's approach has been to separate elements of its GTEs that are potentially competitive from the natural monopoly elements. It further separates these potentially competitive elements into separate businesses, which are then corporatised and, in some cases, privatised. For example, the former Gas and Fuel Corporation has been divided into Gascor and Gas Transmission Corporation and the former Melbourne Water Corporation has been disaggregated into three retail businesses and a wholesale water and sewerage business, which retains the name of Melbourne Water.

⁹ Under this agreement, particular strategies are to be followed in the Electricity, Gas and Water industries. Details are provided in the chapters covering these industries.

Privatisation is a major element of the Victorian strategy. Regionally based electricity distributors, created by the division of a fully integrated former GTE, have been privatised. There are plans for access arrangements to ensure that customers of monopolies have some choice of supplier. An independent regulator (the Office of Regulator-General) oversees pricing and access.

In *Queensland*, over the past three years, most State owned GTEs have been corporatised, with the exception of the water sector, which is undergoing commercialisation. This includes all the Port authorities, Queensland Rail and the electricity industry. In Queensland, water and transport services are also provided by local government, where there is considerable scope for corporatisation and commercialisation. Brisbane Transport, operated by the Brisbane City Council, has been commercialised.

The former vertically integrated Queensland Electricity Commission has been divided into separate corporations. One is responsible for generation, and a holding company is responsible for a corporation undertaking transmission and a number of distributors established in various regions. Gladstone Power Station has been sold.

Western Australia has initiated major structural reform of its electricity and water GTEs and has corporatised these entities. It has also taken steps to expose a number of GTEs to greater competition. It has separated the former State Energy Commission into gas and electricity businesses and allowed competition to develop in the gas component. It has also introduced competition into its rail transport system by removing restrictions on the carriage of certain bulk commodities by road. It has introduced competitive tendering for its metropolitan bus and ferry services. In the electricity industry, open access to Western Power's transmission facilities is foreshadowed.

Separate independent regulators have been appointed for the water and energy sectors, and transport is regulated by the Department of Transport.

South Australia's approach is to corporatise (for example, South Australian Water), to separate regulatory from service delivery functions and to contract out (for example, metropolitan water supply, TransAdelaide bus routes).

In 1995, *Tasmania* introduced the *Government Business Act* to further improve the governance, performance and accountability of the State's GTEs.

A legislative package to reform the Tasmanian electricity supply industry is expected to take effect during 1996. Reforms include the removal of regulatory functions from the Hydro-Electric Commission and the opening of the market to entry by other suppliers. In 1996, the Government Prices Oversight

Commission was established to investigate and report on the prices charged by monopoly providers in the State public sector.

To date, the *Commonwealth Government's* approach has been to introduce competition into some sections of its GTE's markets, regulating prices and access where the GTE has a monopoly. Some GTEs or parts of GTEs have been privatised or are being considered for privatisation.

Financial performance by jurisdiction

Financial performance indicators are examined for the Commonwealth and each State and Territory.¹⁰ The indicators discussed — the operating sales margin, return on assets, percentage change in real prices, percentage change in labour productivity, percentage change in real debt, and payments to government — are presented for each jurisdiction in Figures 1.8 to 1.13.

Commonwealth

Aggregate results for the Commonwealth-owned GTEs are dominated by Telstra, with Australia Post also having some effect. Aggregate profitability deteriorated as a result of a fall in Telstra's profitability (as measured by operating sales margin), despite an improvement for Australia Post.

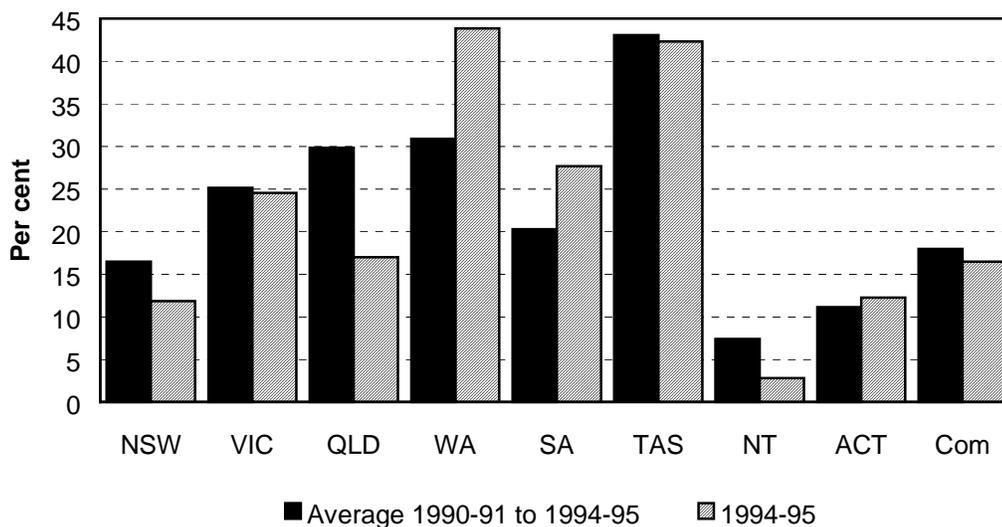
Telstra's prices fell in real terms. The real prices reported by Australia Post fell, prices in current dollar terms remaining constant. (No other Commonwealth GTEs included in Chapter 8 supplied a real price index).

Over the five year period, and again last year, labour productivity improved within both Telstra and Australia Post. This is despite there having been no change in full-time equivalent employment within Australia Post and an increase within Telstra.

Payments to government by the Commonwealth GTEs have fallen since 1993–94. However, reductions in tax payments resulting from the decline in profitability have tended to be offset by increases in dividends by both Telstra and Australia Post.

¹⁰ The validity of comparisons between jurisdictions is limited by many factors. Where the scale of operation and nature of GTEs' activities varies between jurisdictions, it is difficult to be sure that like is being compared with like. When comparing changes, a GTE's performance that is already satisfactory may leave less scope for further improvements. Changes in indexes or ratios, when used as evidence of progress, may be misleading, since the starting point may differ.

Figure 1.8: Operating sales margin



Notes: South East Qld. Electricity Corp. and Capricornia Electricity Corp. not included prior to 1992.
 Source: Steering Committee on National Performance Monitoring of GTEs.

New South Wales

The overall profitability of the NSW GTEs monitored, as indicated by their operating sales margin, remained relatively stable during the last five years, but decreased significantly in 1994–95. The major factors underlying this decrease have been asset revaluations, particularly by the State Rail Authority, and a reduction in electricity prices. As explained above, increases in the recorded value of assets, by increasing depreciation allowances, reduce future recorded operating profit.

Average prices fell over the five year period for the New South Wales GTEs being monitored, with a further fall in 1994–95, substantially in the electricity and water industries.

Labour productivity improved in 1994–95. Almost all this improvement was attributable to the electricity and water sectors.

Figure 1.9: Return on assets

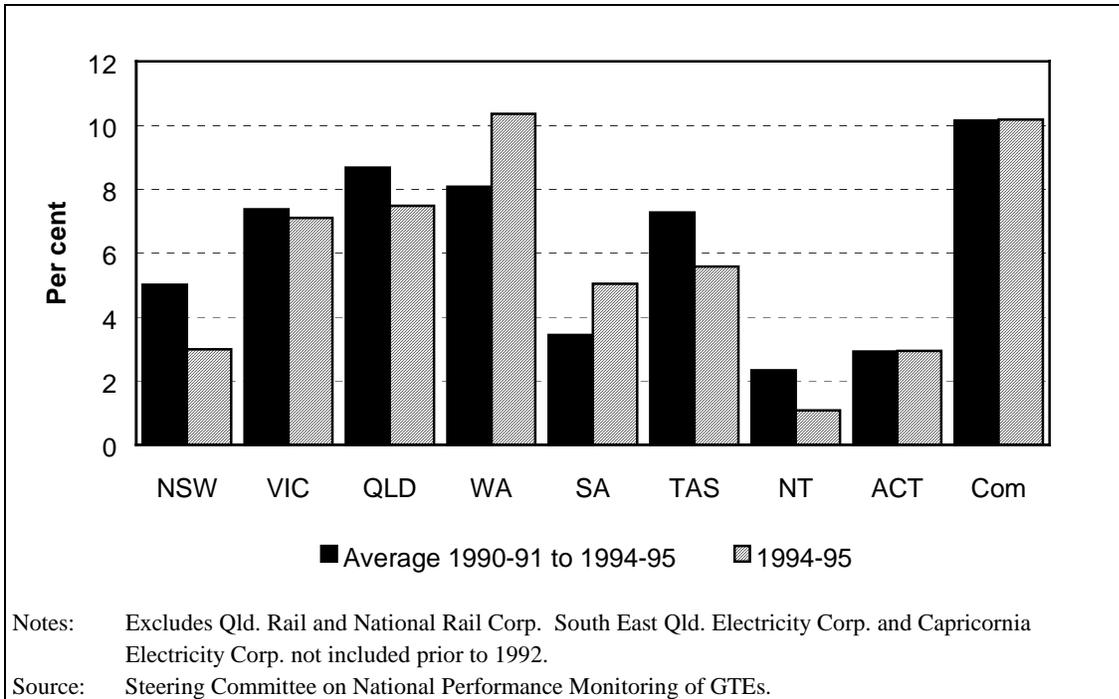
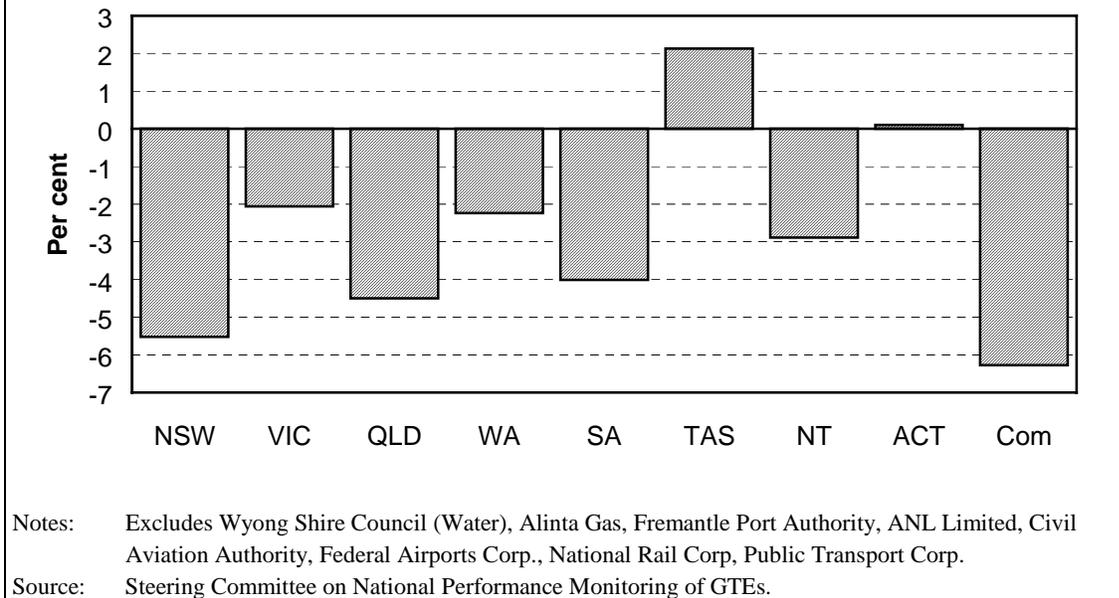


Figure 1.10: Percentage change in average real prices, 1993–94 to 1994–95



Victoria

The overall profitability of GTEs monitored in Victoria, as indicated by the operating sales margin, was above the Australia-wide average for all monitored GTEs in 1994–95.

The average real price index of the Victorian GTEs monitored rose over the five year period covered by this report.¹¹ However, in 1994–95, there was a fall in this index for Victoria of just over 2 per cent, in part due to a decrease in electricity prices.

Over the last five years, the aggregate labour productivity index for the Victorian GTEs covered increased at almost twice the rate of the national average. This increase was the highest of all the States and was also associated with a rate of employment reduction almost twice the average for all GTEs subject to monitoring.

Queensland

The operating sales margin of the Queensland GTEs was above the national average over the five years covered by the report. However, it showed a declining trend over the period and a relatively sharp reduction in 1994–95. This appears to have been due to price reductions within the electricity industry.

Average prices fell. As in other jurisdictions, the most significant contributing factor was reductions for electricity charges in 1994–95.

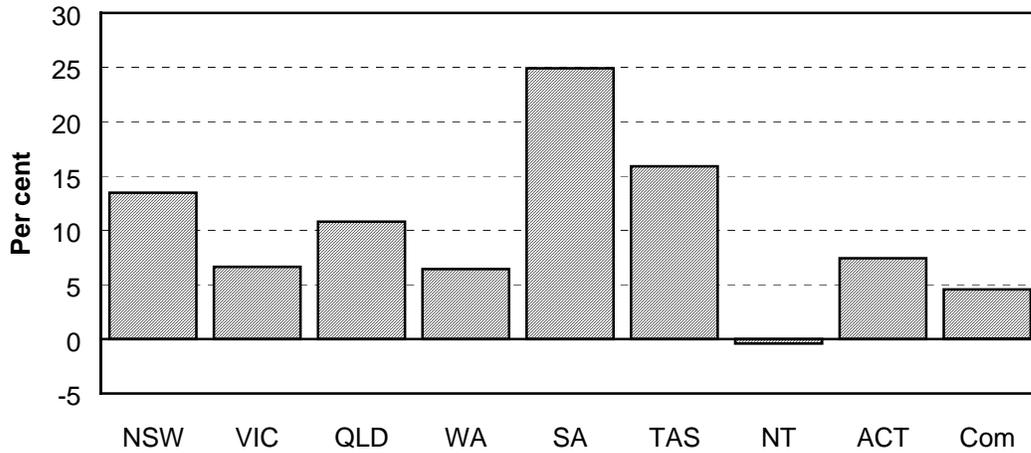
Like Victoria, Queensland experienced increases in labour productivity almost twice the national average over the period covered by this report, but this was associated with a slower rate of employment decline than in Victoria.

Western Australia

Profitability has followed an upward trend over the last five years for the Western Australian GTEs subject to monitoring, and remains relatively high compared with the Australian average. This is despite a decline in average real prices, the result of reductions in charges for electricity. It may be due to the fact that the majority of GTEs in Western Australia use historical costs for asset valuations and, as a result, have lower depreciation charges than many GTEs in other States. Labour productivity increased, mainly because of sustained improvements within Westrail.

¹¹ This does not indicate that average prices were higher in Victoria than Australia-wide, since these price indexes give no indication of relative price levels.

Figure 1.11: Percentage change in labour productivity, 1993–94 to 1994–95



Notes: Excludes Wyong Shire Council (Water), Alinta Gas, Fremantle Port Authority, ANL Limited, Civil Aviation Authority, Federal Airports Corp., National Rail Corp., Queensland Rail, MetroBus. Public Transport Corp. is rail only. Abnormals have been excluded from Westrail for 1993–94.
 Source: Steering Committee on National Performance Monitoring of GTEs.

Figure 1.12: Percentage change in real debt, 1993–94 to 1994–95



Source: Steering Committee on National Performance Monitoring of GTEs.

South Australia

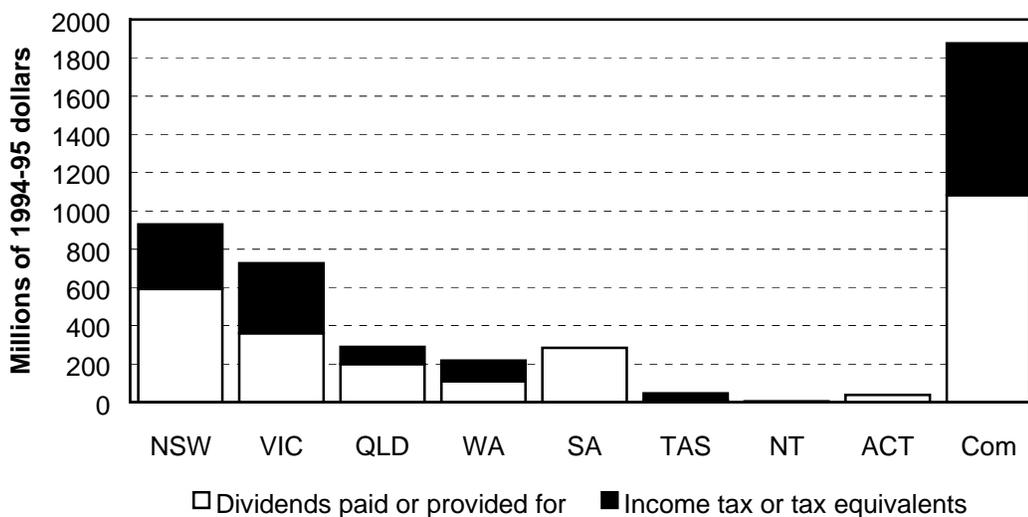
Over the past five years, both average profitability and labour productivity improved in the South Australian GTEs covered. Average real prices also fell, with the rate of decline increasing in 1994–95, mainly due to price reductions in electricity, which offset price increases in other sectors.

Tasmania

The Tasmanian aggregate results are dominated by the Hydro-Electric Commission (HEC). There were increases in profitability and labour productivity, both overall and within the HEC.

Overall, real prices increased as a result of increases in the electricity and transport sectors.

Figure 1.13: Payments to government, 1994–95



Source: Steering Committee on National Performance Monitoring of GTEs.

Northern Territory

There are only two GTEs included in the aggregate results for the Northern Territory. These are the Darwin Port Authority and the Power and Water Authority (PAWA), which supplies electricity, water and sewerage services. PAWA dominates the results.

Overall profitability showed little change over the five year period, but appears to have fallen sharply in the latest year. Contributory factors are asset revaluations (influencing depreciation and recorded profit) and falling real prices.

Labour productivity changed little and is low compared with the other jurisdictions.

Australian Capital Territory

The only GTEs monitored in the ACT are ACTEW, which supplies electricity and water, and ACTION, which is responsible for urban transport.

Real prices have not changed. Labour productivity has improved slightly, but is still low compared with other jurisdictions, as is profitability, which has changed little.

2 ELECTRICITY SUMMARY

Reform in the Australian electricity supply industry has, in recent years, been influenced mainly by inter-governmental undertakings made as part of the development of the National Electricity Market (NEM). The result has been a strong focus on the vertical separation of contestable and non-contestable elements of the industry and this is now visible in the structure of the industry. In the last year, undertakings made as part of the *Competition Principles Agreement* have also influenced the structure of the industry.

Key Results 1994–95

- **Significant structural change occurred in 1994–95.**

- **Profitability and return on assets remained stable ...**

Distribution GTEs reported a modest rise in return on assets and operating sales margin while other electricity GTEs experienced a small decline in both indicators.

- **... while consumers benefited from lower prices ...**

There was a decrease of just over 2 per cent in average residential real prices in 1994–95 compared to 1993–94 while average industrial and commercial real prices declined by almost 8 per cent over the year.

- **... and real payments to governments continued to rise ...**

Total real payments to government increased by just under 5 per cent, made up entirely of increases in tax equivalents.

- **... as labour productivity increased ...**

The rate at which employment declined in the industry slowed and the rate of improvement in measured labour productivity fell slightly.

- **... with an improvement in the reliability of the service provided.**

The reliability of supply, measured by ‘outage rates’ for generation and ‘loss of supply factors’ for distribution, has improved.

Source: Steering Committee on National Performance Monitoring of GTEs.

Reforms continued in 1994–95, although at substantially different rates across jurisdictions. These events have created discontinuities in some of the data series published by the Steering Committee. Moreover, several newly created or newly corporatised GTEs have supplied results for less than a full financial year.¹

2.1 Industry structure

Policy initiatives in the electricity supply industry have sought to create an environment where contestable elements are exposed to competition, thereby creating pressures for adjustment and continuous improvement. This has resulted in significant change within the industry.

At the July 1991 Special Premiers Conference, Heads of Government agreed to establish the National Grid Management Council (NGMC). The Council comprises representatives of the Commonwealth, New South Wales, Victoria, Queensland, South Australia, Tasmania and the Australian Capital Territory, plus an independent arbitrator. It is required to encourage open access and free trade in bulk electricity and the development of the interstate electricity supply industry in eastern and southern Australia in a way which is as efficient, economical and environmentally sound as possible.

In 1993, governments represented on the Council agreed that a Multiple Network Corporation (MNC) structure would be in place by 1 July 1995. The MNC model requires each jurisdiction to separate the network (transmission and distribution) businesses from the other elements and subsequently to corporatise the new network business.²

As at June 1995, New South Wales, Victoria and Queensland had progressed farthest toward restructuring in line with the MNC model. South Australia corporatised ETSA in July 1995 and separate business units were established through ring-fencing arrangements. In Tasmania, the *HEC Enterprises Corporation Act* received Royal Assent in September 1995. The Tasmanian Government also passed legislation to remove regulatory functions from the Hydro-Electric Commission (HEC) and to introduce independent investigation of pricing policies.

¹ Historical data have been used to develop a profile of the industry over time. Data have been aggregated and adjusted on a jurisdictional basis. Some data have been annualised and adjustments for the impact of the gas business have been made for SECWA. The industry aggregates were not highly sensitive to the assumptions underlying these adjustments.

² For a detailed description of the MNC model, see NGMC, March 1993.

Activities undertaken by GTEs in the industry vary widely (see Table 2.1). As at 30 June 1995, four electricity GTEs remained fully vertically integrated — Western Power (WA), ETSA (SA), the Hydro-Electric Commission (Tas) and the Power and Water Authority (NT). Reforms to 30 June 1995 are summarised in Table 2.2.

The Queensland Transmission and Supply Corporation (transmission and distribution) and AUSTA Electric (generation) were formed from the Queensland Electricity Commission and regional distributors. In New South Wales, TransGrid (transmission) was separated from Pacific Power (generation). In Western Australia, Western Power (vertically integrated) was created from SECWA, which had previously been a combined gas and electricity business. In Victoria, PowerNet (transmission) and the Victorian Power Exchange (system management) were created from National Electricity, the latter representing an interim phase in the restructuring process in that State.

In Victoria and New South Wales, generation, transmission and distribution have been fully separated. New South Wales and Victoria have multiple distribution businesses, and generation in Victoria has been separated into five separate companies. In Queensland, the Queensland Transmission Supply Corporation is structured as a holding company with one transmission subsidiary and several distribution subsidiaries, while generation operates independently, trading as Austa Electric. Both Victoria and Queensland have sold interests in power stations, Loy Yang B and Gladstone respectively.³

2.2 Market conditions and regulation

The focus of reform in the electricity supply industry has been on structural change, aimed at introducing competitive pressures to stimulate greater efficiency. In several jurisdictions the natural monopoly elements of the industry, transmission and distribution, have been separated from the contestable segments and regulated.

³ Between August 1995 and March 1996, the five Victorian distributors and one generator, Yallourn Energy, were privatised.

Table 2.1: Electricity supply industry activities, June 1995

<i>Authority</i>	<i>Activity</i>			<i>System Operator^a</i>
	<i>Generation</i>	<i>Transmission</i>	<i>Distribution</i>	
New South Wales				
Pacific Power	✓			
TransGrid		✓		✓
Prospect Electricity			✓	
Sydney Electricity			✓	
Orion Energy			✓	
Illawarra Electricity			✓	
Victoria				
Generation:	✓			
Loy Yang Power, Hazelwood Power, Yallourn Energy, Southern Hydro, Generation Victoria.				
PowerNet		✓		
Victorian Power Exchange				✓
Distribution:			✓	
Powercor, Solaris, CitiPower, United Energy, Eastern Energy.				
Queensland				
Austa Electric	✓			
Qld. Transmission and Supply Corp.		✓	✓	✓
South East Qld. Electricity Corp.			✓	
Capricornia Electricity Corp.			✓	
South Australia				
ETSA Corporation	✓	✓	✓	✓
Western Australia				
Western Power	✓	✓	✓	✓
Tasmania				
Hydro-Electric Commission	✓	✓	✓	✓
Northern Territory				
Power and Water Authority ^b	✓	✓	✓	✓
Australian Capital Territory				
ACTEW ^b			✓	
Commonwealth				
Snowy Mountains Hydro Authority	✓	✓		

a System operations refers to the day to day operations of the system such as the dispatch of generators as well as system planning functions.

b PAWA (NT) and ACTEW (ACT) are responsible for the provision of electricity and water services.

Source: Steering Committee on National Performance Monitoring of GTEs.

Table 2.2: Policy initiatives affecting the electricity industry, to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
New South Wales	Aug 1991	Electricity Commission of NSW was renamed Pacific Power and internally restructured into six commercially oriented business units — three generating groups, a pool trading unit, a network business and a services unit. The twenty five distribution businesses remained separate.
	July 1994	Pacific Power's network business unit established as a legally separate subsidiary, Pacific Grid.
	Feb 1995	High voltage transmission and system control activities removed to become the responsibility of the Electricity Transmission Authority — trading as TransGrid. TransGrid given authority to develop and operate the state wholesale electricity market.
	May 1995	Government endorsement for restructuring of the generation and distribution sectors, introduction of interim State wholesale market and the development of policy for retail competition.
	June 1995	Announcement that the number of distribution companies be reduced from twenty five to six, through mergers: four rural and two metropolitan distributors. Each distributor will have a 'wires' and retail supply business.
Victoria	Dec 1992	Majority interest in Loy Yang B power station sold.
	Oct 1993	The vertically integrated State Electricity Commission is separated into three businesses — Generation Victoria, National Electricity (transmission and pool) and Electricity Services Victoria (distribution).
	July 1994	The Office of Regulator-General (ORG) is established. With regard to electricity, the key tasks of the ORG are to oversee franchise customer tariffs, service standards, pool rules and operating procedures, transmission and distribution access and pricing, and market conduct.
	Sep 1994	Government tariff policy announced: Residential customer tariffs frozen until June 1996, followed by a 2 per cent real price fall in July 1996, and a 1 per cent real price fall each year thereafter to the year 2000.
	Oct 1994	A framework for the electricity industry established. Eight State owned companies created: <ul style="list-style-type: none"> • Victorian Power Exchange (VPX) established to administer the new wholesale electricity market and to oversee System Control; • Power Net Victoria established as a separate commercial corporation responsible for the maintenance of high voltage transmission assets;

Table 2.2 Policy initiatives affecting the electricity industry (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>
Victoria (continued)	Oct 1994 (cont.)	<ul style="list-style-type: none"> • five regionally based distribution businesses are formed from the eighteen business units of the former Electricity Services Victoria and the eleven Municipal Electricity Undertakings. Each distribution business also comprises a ring fenced retail arm; and • Generation Victoria, an interim structure comprising five groups of power stations which are trading as independent producers.
	Jan 1995	Generation Victoria disaggregated into five corporatised, regionally based companies.
Queensland	Mar 1994	Gladstone Power Station sold to a consortium headed by Comalco.
	Jan 1995	<p>The vertically integrated Queensland Electricity Commission was divided into two corporations — Queensland Generation (trading as AUSTA Electric) and Queensland Transmission and Supply Corporation (QTSC).</p> <p>QTSC is a holding company for eight subsidiary corporations — seven regional distribution corporations and the Queensland Electricity Transmission Corporation, trading as Powerlink Queensland.</p> <p>QTSC has responsibility for planning, coordinating and supplying electricity.</p>
Western Australia	Jan 1995	Western Power Corporation formed when the State Energy Commission is split into separate electricity and gas utilities. The independent Office of Energy is created and given responsibility for regulatory functions. Western Power is corporatised and retained as a vertically integrated entity.
Tasmania	July 1990	HEC designated a State Authority under the State Authorities Financial Management Act 1990 and required to meet target returns on assets.
Commonwealth	July 1994	Snowy Mountains Hydro-Electric Authority is commercialised.

Source: Steering Committee on National Performance Monitoring of GTEs (adapted from Industry Commission, 1996).

Administrative reform has also been undertaken, through the establishment of independent pricing authorities, corporatisation and the separation of commercial and regulatory functions. These are particularly significant in the natural monopoly sectors. Administrative arrangements to deal with transitional issues include the franchising of some customers to specific retailers and vesting

contracts for generators. Although it is expected that increased competition in the industry will yield the most significant long term benefits, at least parts of the industry will remain subject to regulation. In addition, there have been privatisations in generation and distribution.

Pricing reform

In most jurisdictions, tariffs have been traditionally regarded as being structured to provide cross-subsidies between business consumers and residential consumers and between city consumers and consumers in rural areas. The NSW Independent Pricing and Regulatory Tribunal presented a price determination to apply from 1 July 1994 requiring maximum residential, off-peak and rural electricity prices to remain at levels set in July 1992, while other customers received price reductions. In Victoria, a general tariff reduction plan has applied since September 1994. Under this plan, residential customer tariffs are frozen until June 1996, to be followed by a series of decreases through to 2000.

Other jurisdictions are less advanced in transferring responsibility for price setting and oversight to independent bodies. In Western Australia, the Office of Energy has recently been established and in Tasmania, legislation has been passed to introduce independent investigation of HEC's pricing policies.

Corporatisation and restructuring

Within the electricity supply industry there has been a close association between corporatisation and structural reform through the adoption of the Multiple Network Corporation model and other inter-governmental agreements. The separation of the industry into the natural monopoly elements (transmission and distribution), contestable activities (generation and retail) and regulatory functions is intended to promote access to the market on a non-discriminatory basis, for actual and potential competitors in generation and retailing.⁴ The resulting competitive pressure is expected to lead to improved performance.

Although corporatisation models differ between jurisdictions, corporatisation is generally aimed at providing clear and non-conflicting objectives for managers. This can be achieved through separating commercial and regulatory functions, imposing competitive neutrality, providing for dividend and tax equivalent payments, and subjecting GTEs to State and Federal corporations law.

During 1994–95, all electricity GTEs in Queensland were corporatised as part of the restructuring of the industry in that State. Plans were announced for the rationalisation, through mergers, and corporatisation of the distribution sector in

⁴ However, distribution and retail have not been physically separated in any jurisdiction.

New South Wales. The distribution and generation sectors in Victoria were separated and corporatised in preparation for privatisation. In other jurisdictions, Western Power, ETSA and ACTEW were corporatised.⁵

In October 1994, the Victorian Power Exchange (VPX) was established to develop and administer the wholesale electricity pool (Vic Pool) in that State. In addition, VPX has responsibility for control and planning functions. PowerNet was established as a separate statutory body to operate the high voltage transmission system in Victoria. In New South Wales and Queensland, planning and control functions remain with the transmission authorities, TransGrid and the Queensland Electricity Transmission Corporation (trading as PowerLink).

2.3 Financial performance

Profitability

The *operating sales margin* is an indicator of business profitability and efficiency, capturing the relationship between operating profit and total revenue. However, the operating sales margin is influenced both by the scope a GTE has to raise prices and its ability to control costs.

The operating sales margin for electricity GTEs as a whole declined by 4 per cent over the period 1990–91 to 1994–95 (see Figure 2.1). However, the range of operating margins remained large — between minus 6.7 per cent and 48 per cent in 1994–95.

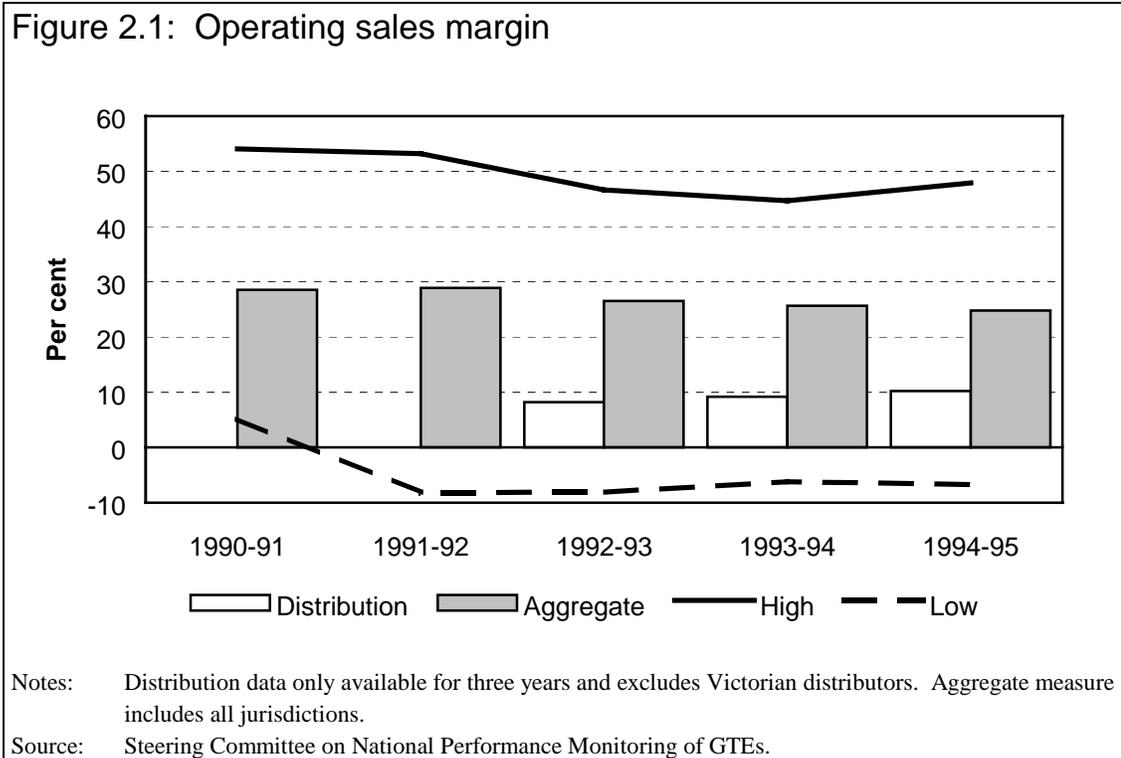
The slight fall in operating sales margin in 1994–95 resulted from the combination of a fall in Pacific Power's operating sales margin from 41 per cent to 27 per cent and small improvements in several other GTEs' operating margins. Pacific Power's result was mainly influenced by the 8 per cent reduction in the bulk supply tariff in New South Wales from 1 July 1994.

Distribution-only GTEs exhibit a lower weighted average operating sales margin with less variation between GTEs. This can be partially explained by government restrictions on output pricing, limiting the pass-through of cost increases to consumers.

Operating sales margins have stabilised in the distribution sector, following a dramatic fall in 1991–92 resulting from increased depreciation expenses arising

⁵ ETSA and ACTEW were corporatised in July 1995.

from asset revaluations.⁶ Increases in depreciation expenses contributed to a lesser extent to the fall in aggregate operating sales margins in 1991–92 and 1992–93.



Prices

The real price indexes are reported for retail sales to all customers (aggregate), residential customers only and business customers, the latter covering both commercial and industrial users (see Figure 2.2).⁷ Data have been provided by the GTEs for NSW, Qld, SA, Tas, NT and the ACT. Some of the data for Vic and WA are sourced from the ESAA (1995, 1996).

Aggregate retail prices have fallen each year since 1991–92. Real residential prices are 3.7 per cent higher in 1994–95 than they were in 1990–91. However, real residential prices remained the same or fell in all jurisdictions in 1994–95. Real industrial and commercial prices have fallen by around 11 per cent over

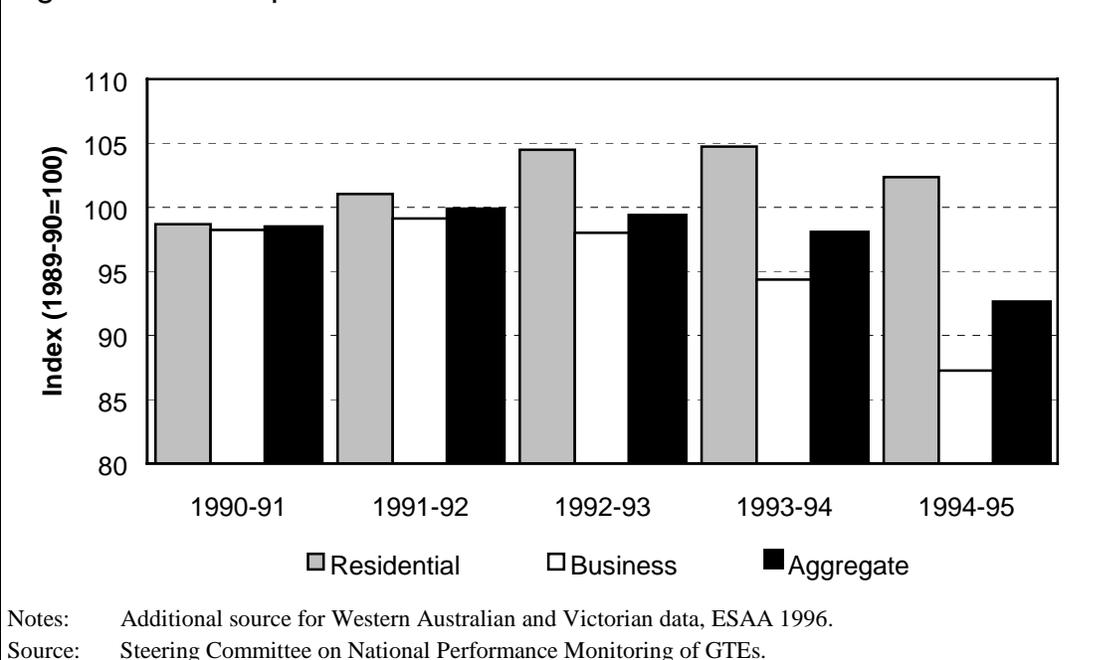
⁶ See Steering Committee on National Performance Monitoring of GTEs, 1995, p. 33.

⁷ The GTEs do not provide a complete set of customer classes and it has not been possible to separate industrial and commercial users into separate categories. Sales in MWh have been used to weight industrial and commercial indexes, where these have been provided.

the five year period. As business sales make up, on average, about 65 per cent of the income from sales of electricity in Australia, price changes for business customers have a proportionally larger impact on revenues.

In most jurisdictions, the incidence of these price changes reflects tariff restructuring strategies aimed at changing existing price differentials between customer classes.

Figure 2.2: Real prices



Shareholders' returns

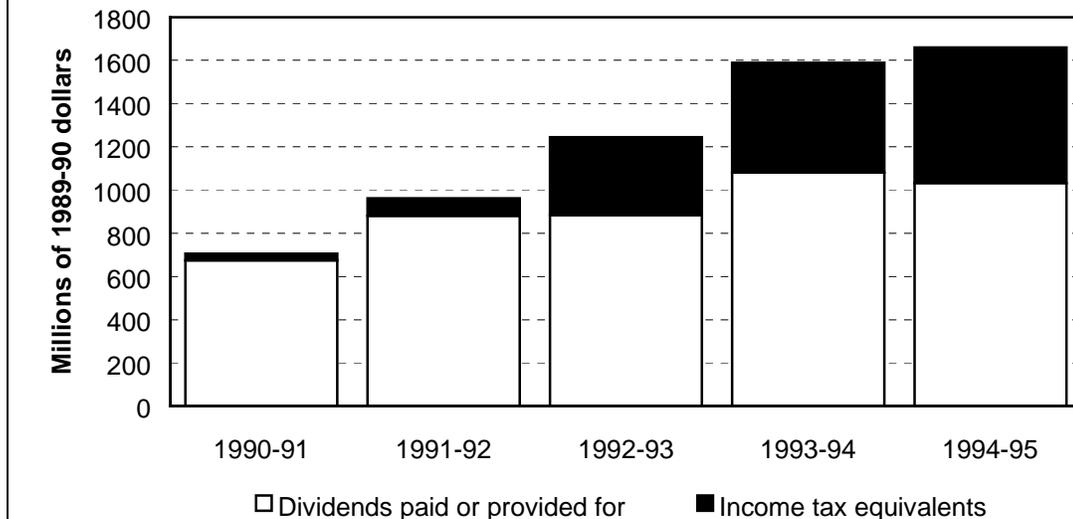
Real payments to government have increased substantially over the five year period, although the 4.5 per cent increase in 1994–95 is proportionally lower than in the previous four years (see Figure 2.3).

The growth in real payments to government in 1994–95 resulted from an increase in tax equivalents, which rose by \$119.9 million (1989–90 dollars) in the year, and a decline in dividends paid or provided for of \$47.6 million (1989–90 dollars).

In New South Wales, electricity GTEs are subject to the Government Financial Distribution Policy which applies a full Income Tax Equivalent regime. In addition, several NSW GTEs reported paying sales tax equivalents in 1994–95. Tax equivalent regimes are imposed under legislation in Victoria, Queensland

and Tasmania. In Western Australia, a tax equivalent regime operates under guidelines approved by government. In South Australia, ETSA pay a 5 per cent charge on revenue from the sales of electricity under the *Electricity Trust of South Australia Act, 1946*. ETSA is subject to local government rates and will become subject to a tax equivalent regime in 1995–96.

Figure 2.3: Real payments to government



Source: Steering Committee on National Performance Monitoring of GTEs.

The methodology employed by GTEs to value assets is not consistent between GTEs and within GTEs over time. However, most GTEs in the industry have moved away from historical cost valuations and have active revaluation programs.⁸ In 1991–92, NSW distributors revalued their assets, (previously reported at historical cost). This increased the value of the assets reported by 67 per cent and explains much of the large fall in the average reported returns on assets observed in that year for distribution companies.⁹ Since that time, average returns for distributors have risen moderately each year.

The assets of Pacific Power were also revalued in 1991–92 and, combined with the NSW distributors, accounted for the bulk of the change in total assets in the electricity industry due to revaluations in that year (an increase of around

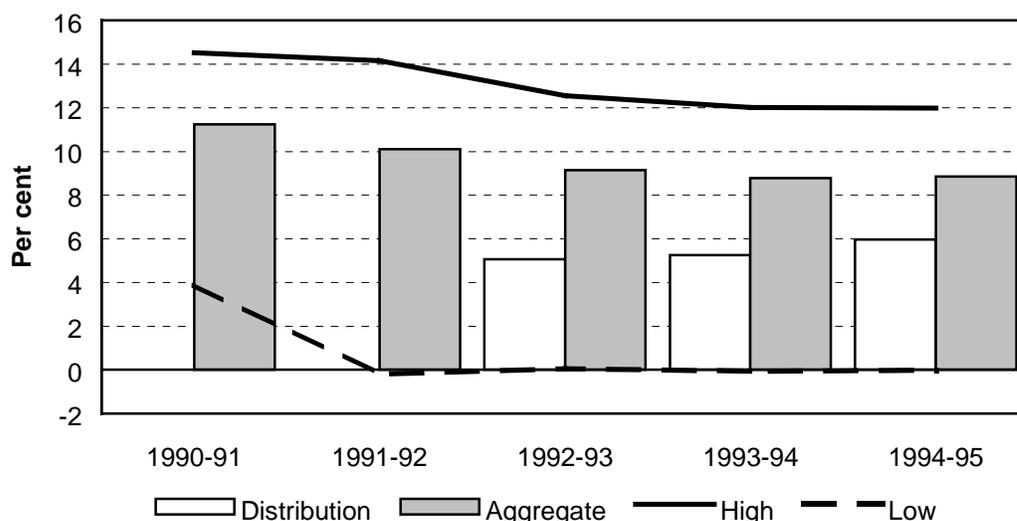
⁸ An exception to this is Western Power which reports assets at historical cost.

⁹ See Steering Committee on National Performance Monitoring of GTEs, 1995.

26 per cent). Since 1991–92, the impact of revaluations on total assets has been relatively small in any one year.

In 1994–95, average returns on assets for electricity GTEs remained relatively steady, at just under 9 per cent. This reflects a modest growth in earnings and low asset growth over the year.

Figure 2.4: Return on assets



Notes: Distribution data only available for three years and excludes Victorian distributors.

Source: Steering Committee on National Performance Monitoring of GTEs.

Productivity and employment

Aggregate employment continued to fall in 1994–95, although at a much lower rate than in 1993–94.¹⁰ Total employment by electricity GTEs covered in this report fell from 56 000 in 1990–91 to 40 000 in 1994–95. Labour productivity, as measured by real revenue per employee, has improved in all monitored electricity GTEs, rising by over 80 per cent between 1990–91 and 1994–95 (see Figure 2.5). However, changes in labour productivity need to be considered in context. For example, demand growth leading to the higher utilisation of capital will result in higher measured labour productivity, but not necessarily imply greater efficiency. Comparing changes in labour productivity between GTEs is

¹⁰ Some employment data for regional distributors in Queensland, not included in earlier years, have been captured in the 1994–95 figure. Even so, most GTEs reported a slowing in the fall in employment.

also difficult, given different technologies and different initial levels of productivity.

Measured labour productivity in Victoria increased dramatically after 1992–93. This started from a relatively low base with low growth in demand. In New South Wales labour productivity was relatively high to start with, but has continued to improve. It has experienced moderate growth in demand. Real revenue per employee in Queensland has improved by around 12 per cent since 1992–93, from a high initial level and with the highest growth in demand of any State.

ETSA reports labour productivity increasing by 25 per cent between 1993–94 and 1994–95. This result has been influenced by significant increases in imports of energy from Victoria during 1994–95. Although the rate of growth in ETSA's labour productivity has been amongst the highest reported for the industry over the five year period, its level is still relatively low.



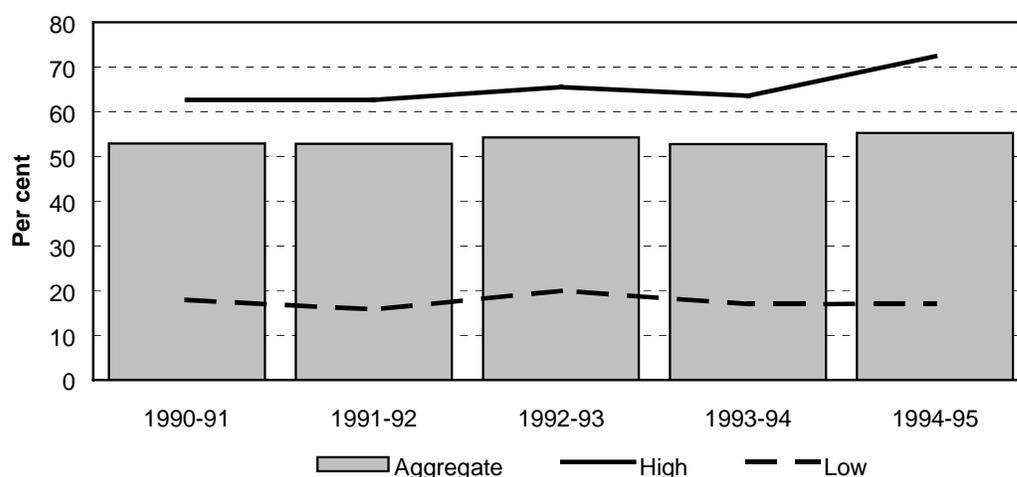
Growth in real revenue per employee for Western Power (SECWA) has been similar to Queensland, with both starting from a high base and experiencing moderate growth in demand. Labour productivity reported by the Hydro-Electric Commission in Tasmania has improved at a steady rate over the five

year period, starting from the lowest level but with the lowest rate of growth in demand.

ACTEW and PAWA both reported increases in labour productivity of around 30 per cent over the five year period.

The *capacity factor* is a measure of capacity utilisation of generation assets. There has been little change in this indicator within the Australian industry, and it has remained between 52 per cent and 55 per cent over the period (see Figure 2.6).

Figure 2.6: Capacity factor



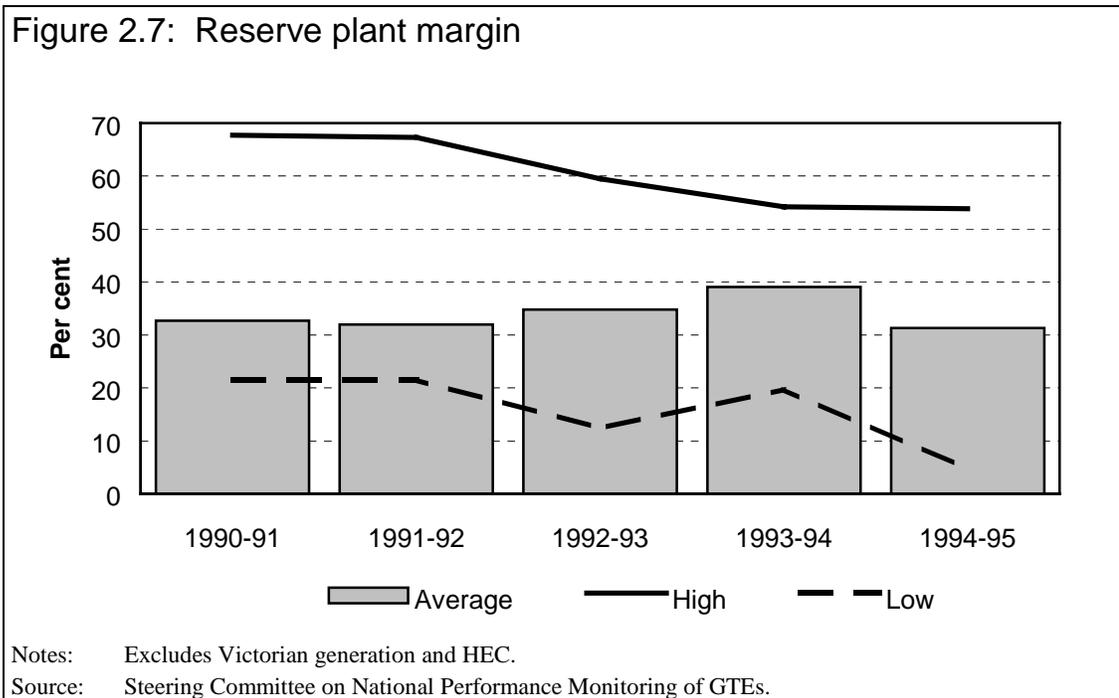
Notes: Data for Victorian generation 1990–92 sourced from ESAA, 1995.

Source: Steering Committee on National Performance Monitoring of GTEs.

The range of *reserve plant margins* in the Australian electricity industry is large and reflects a wide variation in load factors, the availability and utilisation of interconnected supply networks, generation technology and past investment decisions (see Figure 2.7).¹¹ The increase in the reserve plant margin in 1993–94 was mainly a result of the commissioning of the first of two 660 MW units at Mt. Piper (NSW) in April 1993. Although data are available for the Hydro-Electric Commission, it has been excluded from Figure 2.7 because it is predominantly a hydro system.

¹¹ The load factor is the ratio of annual generation to peak generated load multiplied by the number of hours in the year (8760). The higher the load factor, the lower are the fluctuations in the utilisation of generation assets.

The optimal reserve plant margin is dependent on some environmental factors. A low load factor, for example, due to high peak demand relative to average demand, may result in a lower reserve plant margin. The opportunity to import electricity from adjacent electricity suppliers can also result in a lower reserve plant margin than would otherwise be needed to schedule adequate maintenance programs and so on.



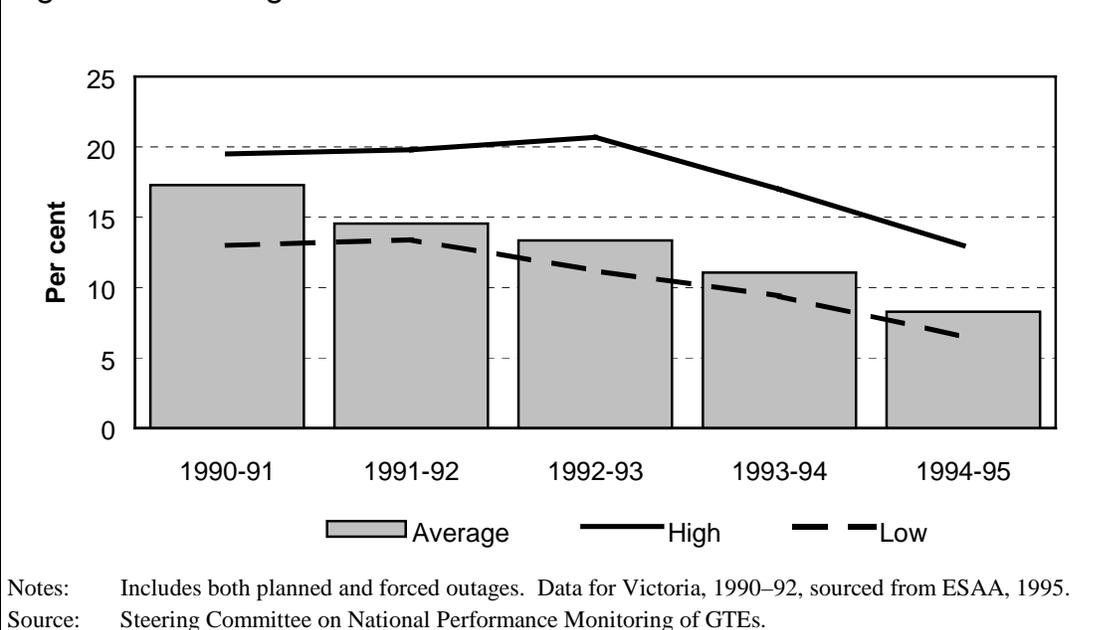
Overall, the observed increase in the average weighted capacity factor and the fall in the average weighted reserve plant margin indicate a small improvement in capital productivity in 1994–95.

2.4 Service quality

A key measure of quality in the electricity supply industry is the reliability of supply. A weighted average of planned and forced outages of generation plant across all States and Territories is presented in Figure 2.8. It is possible, by delaying planned maintenance, to reduce measured outages in the short term. However, this is likely to cause an increase in the incidence of unplanned outages over time. In fact, there has been a decline in both average planned and average unplanned outages over the five year period. This indicates that

generation firms are improving their performance, rather than delaying maintenance to reduce planned outages in the short term.

Figure 2.8: Outage factor



Although most generation GTEs have reported falls in the forced outage rate over the five year period, the bulk of the improvement in the average rate is due to Pacific Power (thermal generation), which has reduced forced outages steadily over the five year period, and (aggregated) Victorian generators, which reported a pronounced fall in forced outages, from 7 per cent in 1993–94 to 2.5 per cent in 1994–95.

The loss of supply factor (distribution) is influenced from year to year by major events such as bushfires and storms.¹² The weighted average duration of outages fell in 1994–95 (see Figure 2.9). In addition, the weighted average of frequency of outages, measured by the number of outages per customer, also fell over the year.

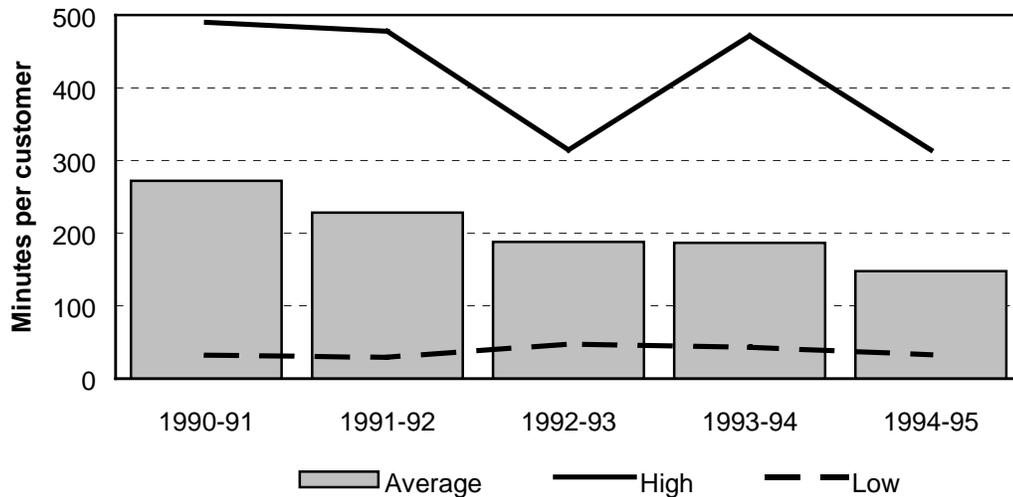
Loss of supply factor is expected to fluctuate widely between years, depending on weather conditions and the incidence of natural disasters.¹³ However, there

¹² Prior to 1994–95, some GTEs adjusted their loss of supply factor to exclude the effects of major disasters. Beginning in 1994–95, data is not adjusted and disasters that substantially affect the loss of supply factor are reported in footnotes in Volume 2.

¹³ For example, the highest observation in 1993–94 was a result of extreme weather conditions in one State.

has been a consistent fall in this indicator over the five year period and, in conjunction with the improvement in the average outage factor in generation, it can be concluded that there has been a substantial improvement in the reliability of electricity supply.

Figure 2.9: Loss of supply factor (distribution)



Notes: Data for Victoria sourced from ESAA, 1996.

Source: Steering Committee on National Performance Monitoring of GTEs.

2.5 Performance summary

Structural reform of the electricity industry is most advanced in New South Wales and Victoria, with other jurisdictions beginning to undertake more extensive reforms. The physical size of the industry in New South Wales and Victoria, relative to the other jurisdictions, means that these two states have the greatest influence on aggregate indicators. However, the trends in most indicators are reasonably consistent across jurisdictions.

Real prices fell again in 1994–95, but more significantly, residential prices fell after having increased for several years. At the same time, the electricity supply industry maintained its profitability, increased payments to government and improved the reliability of supply. This result implies that there has been an improvement in total factor productivity. The indicators available to the Steering Committee do not permit this improvement to be allocated to specific

factors, although there is some evidence of an improvement in the productivity of both labour and capital.

3 GAS SUMMARY

Private ownership of gas supply, transmission and reticulation infrastructure continued to increase during 1994–95. Two GTEs previously monitored by the Steering Committee were privatised — the Pipelines Authority’s assets were sold to East Australian Pipelines in June 1994, and the Pipeline Authority of South Australia was sold to Tenneco Gas Australia during May 1995. Neither is now monitored by the Steering Committee.

Key Results 1994–95

- **There was substantial restructuring of the Victorian and Western Australian gas industries.**
- **The three gas GTEs monitored (AlintaGas, GASCOR and GTC) came into being in 1994–95 and hence are being monitored for the first time.**

As a result it is not possible to make a comprehensive evaluation of the performance of these GTEs over time.

- **Real prices for gas supplied to residential customers in Western Australia and Victoria declined in 1994–95.**

Residential gas prices in Western Australia have been constant in nominal terms since 1991–92.

- **By comparison with selected private gas distribution businesses, the three gas GTEs are generally performing well by most financial and non-financial indicators.**

The Gas Transmission Corporation (Vic), in particular, proved to be profitable (the operating sales margin was 67 per cent), and produced a high return on assets (29 per cent).

AlintaGas and GASCOR performed in line with their private sector counterparts.

Source: Steering Committee on National Performance Monitoring of GTEs.

In 1994–95, only three public sector gas utilities were monitored by the Steering Committee. These were GASCOR (trading as ‘Gas and Fuel’) and the Gas Transmission Corporation, both in Victoria, and AlintaGas in Western

Australia. The substantial differences in the size and scope of operations of these organisations make comparisons difficult to make, and in some cases relatively meaningless.

3.1 Industry structure

Changes in the structure and activities of gas GTEs continued during 1994–95, with one gas authority privatised, another corporatised, and a third disaggregated to form two new gas GTEs.

The activities of gas utilities can be broadly classified as:

- production (exploration, extraction, processing);
- transmission (transportation of gas to distribution networks via pipelines);
- distribution or reticulation (transportation of gas once it has reached the city gate); and
- marketing (selling of gas and associated appliances).

Following the separation of GFE Resources from the Gas and Fuel Corporation of Victoria (GFCV) and its sale to Cultus Petroleum NL in August 1995, gas production is not carried out within the public sector. Most transmission, distribution and marketing of gas are carried out by private firms, with the main exceptions being Victoria and parts of Western Australia. This represents a higher involvement by the private sector than exists in most other infrastructure industries.

The extent of private ownership can be illustrated by New South Wales, where gas is sourced from a joint venture of gas producers operating in the Cooper Basin in South Australia and Queensland (Santos is the largest joint venture partner and operator). The gas is transported to the city-gate by East Australian Pipelines Ltd and distributed throughout New South Wales by the Australian Gas Light Company Ltd (AGL).¹ Similar privately owned structures are present in Queensland and South Australia. However, the Victorian and Western Australian gas utilities still account for over 65 per cent of all the gas sold in Australia.²

The activities undertaken by the gas GTEs monitored, together with those of some private gas utilities used for comparison, are presented in Table 3.1.

¹ ‘City-gate’ is the junction between the high pressure transmission system and the lower pressure distribution system.

² ABS Cat. No. 8208.0

Table 3.1: Gas industry activities, 1994–95

<i>Organisation</i>	<i>Activity</i>		
	<i>Transmission</i>	<i>Distribution</i>	<i>Marketing</i>
Public sector authorities			
GASCOR		✓	✓
Gas Transmission Corporation	✓		
AlintaGas	✓	✓	✓
Private sector companies			
Australian Gas Light Company ^a	✓	✓	✓
Allgas ^b		✓	✓
The Gas Company (Boral Ltd) ^c		✓	✓

^a Australian Gas Light Company is a publicly listed gas company serving New South Wales, the Australian Capital Territory, Queensland and the Northern Territory.

^b Allgas is a publicly listed gas company distributing gas in parts of Queensland.

^c The Gas Company is a private gas company wholly owned by Boral. It predominantly services South Australia.

Source: Steering Committee on National Performance Monitoring of GTEs.

Table 3.2 presents information on the size of each GTE and comparisons with some private gas companies in Australia. GASCOR is the largest gas utility in Australia, whilst Gas Transmission Corporation and AlintaGas are considerably smaller.

Table 3.2: Gas industry size, 1994–95

<i>Organisation</i>	<i>Employment</i>	<i>Total revenue</i>
	No.	\$m
Public sector authorities		
GASCOR ^a	3295	1225
Gas Transmission Corporation ^{a,b}	150	95
AlintaGas ^b	578	201
Private sector companies^c		
Australian Gas Light Company	2272	868
Allgas	317	83
The Gas Company (Boral Ltd)	784	265

^a Employment figures for average full time equivalent employment over the year.

^b Revenue figures relate to six months revenue only. GTC for the period 20 December 1994 to 30 June 1995, AlintaGas for the period 1 January to 30 June 1995.

^c Private sector statistics from annual reports and reviews.

Source: Steering Committee on National Performance Monitoring of GTEs.

Change occurred in the structure of all the public sector gas GTEs subject to monitoring. On 20 December 1994, the GFCV was vertically separated into GASCOR and the Gas Transmission Corporation (GTC). Both entities were corporatised (as was the GFCV) and all preference share capital held by private investors was bought back by the Victorian Government to increase its holding in the new gas GTEs to one hundred per cent.

GASCOR became responsible for distribution and marketing of natural gas throughout Victoria and Albury and Moama in New South Wales. The GTC assumed ownership and operation of the 2330 kilometres of natural gas transmission pipeline throughout Victoria, natural gas storage and vaporisation facilities, as well as projects relating to construction and operation of gas transmission pipelines.

In Western Australia, AlintaGas was created on 1 January 1995, following the horizontal separation of the former SECWA into electricity (Western Power) and gas (AlintaGas) utilities. AlintaGas was also corporatised in the process and remains wholly owned by the Western Australian Government. An independent Office of Energy was also established. This took responsibility for energy policy and regulation in Western Australia, formerly undertaken by SECWA.

Responsibilities acquired by AlintaGas included the operation of the Dampier to Bunbury pipeline, distribution of natural gas to Perth, Bunbury and Geraldton regions, distribution of tempered liquid petroleum gas in Albany and distribution of simulated natural gas in Mandurah.

AlintaGas was structured internally into transmission, distribution, retail marketing and sales, and trading groups. The transmission group has been ring-fenced from the rest of AlintaGas to assist in creating a more transparent system for pricing services provided to third-party gas shippers.

3.2 Market conditions and regulation

The transmission and distribution of gas are generally regarded as natural monopolies, by which it is meant that one set of pipelines will offer the least cost solution to meeting a particular market's needs.³ Since some elements of the gas production to marketing chain are contestable, access to pipeline transport services is the key to encouraging competition in the industry.

³ Even as demand grows and exceeds the installed capacity of existing pipelines the owner/operator of those pipelines is in a better position than possible new entrants to offer incremental services by way of compression or looping.

Table 3.3: Policy initiatives affecting the gas industry, to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
Victoria	May 1994	Gas and Fuel Corporation of Victoria (GFCV) contract out support services.
	Dec 1994	Gas Transmission Corporation and East Australian Pipelines Ltd undertake joint study into the connection of the New South Wales and Victorian transmission grids by a pipeline between Albury and Wagga Wagga. GFCV separated vertically into transmission (the Gas Transmission Corporation) and distribution businesses (GASCOR trading as the 'Gas and Fuel').
	June 1995	GFCV wound up.
South Australia	Oct 1993	SA Government sells its majority holding in SAGASCO Holdings Limited to Boral. The group included a gas and oil producer/explorer (SAGASCO Resources), and LPG business (SAGASCO LPG), and the distributor retailer of gas in SA (The Gas Company).
	June 1995	Assets of the Pipeline Authority of South Australia sold to Tenneco Gas Australia together with haulage contracts. Gas purchase and sale contracts transferred to newly established Natural Gas Authority of South Australia.
Western Australia	Jan 1995	Separation of the State Energy Commission into two corporatised businesses — Western Power (electricity), and AlintaGas (gas), and creation of an independent Office of Energy responsible for regulatory functions. AlintaGas retained as a vertically integrated transmission and distribution/retail entity but with ring fencing of business units. Retail market to be deregulated over time allowing progressively smaller users to deal directly with gas producers/wholesalers.

Source: Steering Committee on National Performance Monitoring of GTEs.

Access to pipelines

For some years Australian governments have been developing and introducing schemes for third party access to pipelines. For example, the sale of the Moomba Adelaide pipeline was preceded by the passage of transmission pipeline access legislation in South Australia. The aim is to allow gas users to negotiate directly with gas sellers (producers, wholesalers or retailers).

In February 1994, the Council of Australian Governments (COAG) met and adopted a uniform framework for encouraging free and fair trade in gas. The framework includes, among other things, agreements to:

- remove legislative and regulatory barriers to trade in gas both within and across state and territory boundaries by 1 July 1996;
- implement complementary legislation to apply a uniform national framework for third party access to all gas transmission pipelines by 1 July 1996;
- place publicly owned gas utilities on a commercial footing;
- vertically separate transmission and distribution facilities; and
- consider price control in the broader context of national competition policy.

COAG also noted that legislation facilitating third party access should be developed co-operatively between jurisdictions. To this end, a Gas Reform Task Force was established on 23 June 1995, to determine the actions necessary to put the COAG commitments in place.

In the meantime, third party access to pipelines has been on a State-by-State basis. Arrangements for access to GASCOR and Gas Transmission Corporation pipelines have yet to be formalised.

Significant progress was made in introducing third party access in Western Australia. From 1 January 1995, access to the Dampier to Bunbury pipeline to supply South West gas markets began to be phased in to permit the orderly run down of the North West Shelf contracts entered into by the former SECWA. New gas customers taking more than 1000 TJ per year through a single metered connection are able to negotiate directly with gas suppliers.⁴

Regulation

Whether privately or publicly owned, the presence of natural monopoly in gas transmission and distribution means gas utilities are almost invariably regulated in one way or another. The approach taken to regulation, and the effectiveness of that regulation, can be influenced by the degree of vertical integration present in the transport to marketing chain.

⁴ Although this means only large users connected directly to the *transmission* system can currently bypass AlintaGas, as from 1 January 1997, access to the *distribution* system will also be introduced. This will enable access to be extended to any customer taking at least 500 TJ through a single metered connection either through the Dampier to Bunbury pipeline or the downstream distribution system. Ultimately, customers taking more than 100 TJ will have the right to third party access.

A vertically integrated gas supplier controlling transmission, distribution and marketing may be able to exploit its market power in the natural monopoly elements to protect the more contestable elements of the business from external competition. Accordingly, COAG has called for the vertical separation of distribution and transmission to encourage the competitive marketing of gas. Some separation of marketing from distribution may also be required.

Vertical separation was pursued in different ways in Victoria and Western Australia. AlintaGas is required to operate its transmission activities separately from its distribution and sales activities, and its distribution arm is required to negotiate with its transmission arm for capacity and access to the Dampier to Bunbury pipeline.⁵

In Victoria vertical separation was taken one step further with the creation of two differently managed, and legally separate, organisations — GASCOR and GTC.

The *Gas Industry Act 1994*, which created GASCOR and GTC, also established a means for the regulation of gas and transmission prices on an interim basis. Until formal third party access regimes are introduced for the transmission and distribution networks, both the GTC and GASCOR must obtain Ministerial endorsement for increases in prices. Currently neither organisation is regulated by the Office of the Regulator-General.

In Western Australia, access fees for gas transmission services can be disputed by users of that service, or by the Office of Energy. In the event of a dispute, the authority is required to divulge the full details of its costings. Furthermore, access fees are set every three years and AlintaGas cannot increase these unless further investment occurs in the transmission system. The Minister set an opening price for transmission services in January 1995, and a review is not expected until January 1998.

Grid interconnection

During 1994–95 further important developments occurred in developing an interconnecting grid of transmission pipelines in the South East. A pipeline was installed between Ballera in Queensland and Moomba in South Australia. That pipeline carries partly processed gas from fields in the Queensland portion of the Cooper Basin. Hence, New South Wales and South Australia are now supplied by joint venture producers in each producing area. Since that time

⁵ As from 1 January 1997 it is also expected that the distribution group within AlintaGas will be ring-fenced. The objective is to improve the transparency with which access prices are set, and encourage more confidence among users that those prices are set fairly.

work has commenced on a pipeline to run from Ballera to Wallumbillah, enabling Cooper Basin Gas to supply south east Queensland and replace the dwindling supplies currently sourced from the Bowen–Surat Basins.

Two feasibility studies for gas transmission links between Victoria and New South Wales were commenced during 1994–95. If either pipeline proceeds, producers from the Cooper Basin and Gippsland Basin will have the potential to compete in south east Australia.⁶

In Western Australia, BHP Minerals, Normandy Poseidon and Western Mining Corporation have commenced construction of a privately funded pipeline, running from the North West Shelf through the Western Australian interior to Kalgoorlie. The pipeline is expected to be completed by June 1996. Separate access regimes have been introduced for the Goldfields and Pilbara pipelines.

Petroleum resource rent tax

The liability for the payment of petroleum resource rent tax remains an unresolved issue in the pricing of Victorian gas. This issue relates to whether Gippsland Basin producers can pass on the cost of the tax to GASCOR. Until a settlement or arbitration between the parties is reached, the contract market and, to a lesser extent, the tariff market, will have difficulties entering into long term price arrangements.

3.3 Financial performance

It is not possible to analyse the performance of the gas GTEs in the same manner as other GTE sectors. This is because many of the gas GTEs monitored in the past have either left the survey or been restructured so that their operations are now entirely different. The following analysis, therefore, largely uses a cross sectional approach, comparing the 1994–95 performance of the individual GTEs. Where appropriate, some privately owned gas companies have been included for comparison.

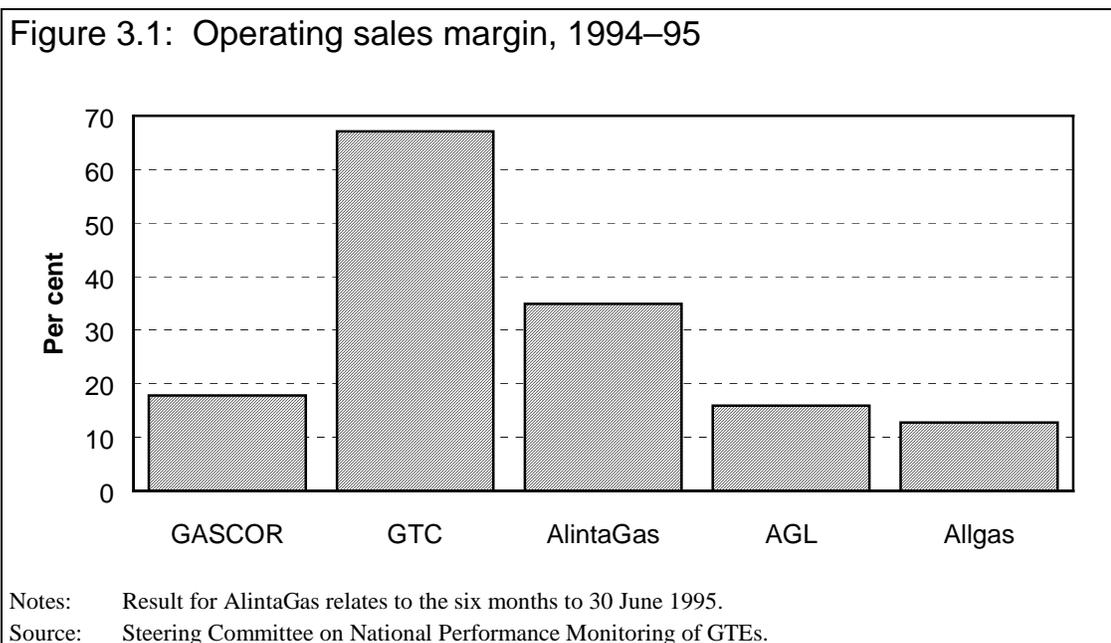
In the following analysis it is important to note that, although the disaggregation of the former GFCV into its constituent parts (GASCOR and GTC) occurred on 20 December 1994, the financial accounts for the two new entities have been

⁶ The first feasibility study, initiated in January 1995 by the GTC and East Australia Pipelines Ltd, examined a possible interconnection between Wodonga in Victoria and Wagga Wagga in New South Wales. It also examined the progressive reinforcement of the existing GTC system, and had a target commencement date for the interconnection of 1997. The second, by BHP Petroleum and Westcoast Energy International, is a feasibility study of a pipeline from Longford (Victoria) to Sydney via Canberra.

prepared as if they had traded for the full financial year. The financial statistics for AlintaGas, though, relate only to the six months January to June 1995 inclusive.

Profitability

The *operating sales margin* is an indicator of the profitability of a GTE. Among the organisations covered, the spread of operating sales margins for 1994–95 was quite large, ranging from the Gas Transmission Corporation at 67 per cent to GASCOR at 18 per cent (see Figure 3.1). GASCOR and AlintaGas have operating sales margins comparable to private gas distributors, in this case represented by AGL and Allgas. However, it should be noted that the result for AlintaGas is based on the last six months of the financial year only, and may therefore differ from what it might have been, had it been trading for the full 12 months.

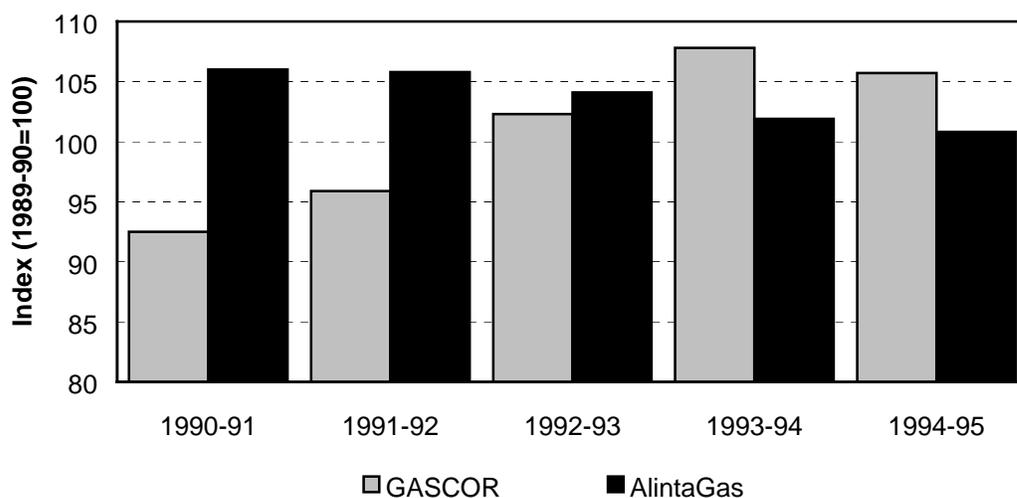


Prices

Although there are discontinuities in most data for the gas GTEs monitored, it is possible to compare the residential price indexes of GASCOR and AlintaGas (and their respective predecessors) over the full five year period. These indicate that real prices charged by AlintaGas have fallen over the five year period,

whereas the residential price charged by GASCOR increased in real terms every year for the first four years, but fell by 1.9 per cent in 1994–95.

Figure 3.2: Real residential Gas Prices — GASCOR and AlintaGas



Source: Steering Committee on National Performance Monitoring of GTEs.

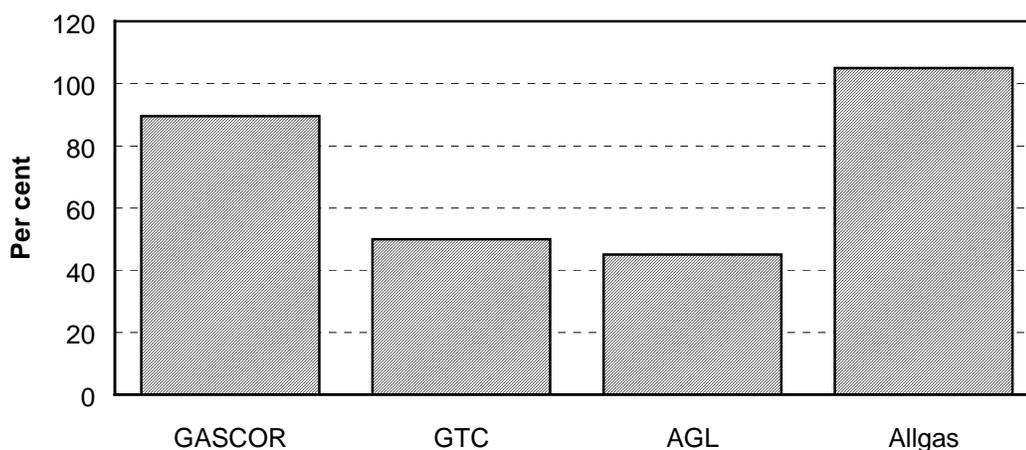
Shareholder returns

All gas GTEs are subject to income tax equivalent payments and pay dividends at rates determined between shareholders and the GTE. They are also liable for State wholesale sales tax equivalents. In addition, GASCOR must pay the Public Authorities Contribution which is set at a percentage rate of gas sales.

The high operating sales margins recorded by GASCOR and GTC allowed relatively high levels of payments to Government. The dividend payout ratios range from that of AlintaGas, which did not pay a dividend in 1994–95, to GASCOR's payout ratio of 89 per cent. The two private gas companies used as a comparison produced dividend payout ratios that are not dissimilar to those produced by the two Victorian gas GTEs (see Figure 3.3).

The GTC and GASCOR also incurred income tax equivalent expenses of \$13.9 million and \$48.5 million respectively in 1994–95. This represents some 36 per cent and 27 per cent of pre tax profit respectively. With the agreement of the Western Australian Government, AlintaGas will not pay a dividend until its debt to equity ratio is closer to 80:20.

Figure 3.3: Dividend payout ratio, 1994–95



Source: Steering Committee on National Performance Monitoring of GTEs.

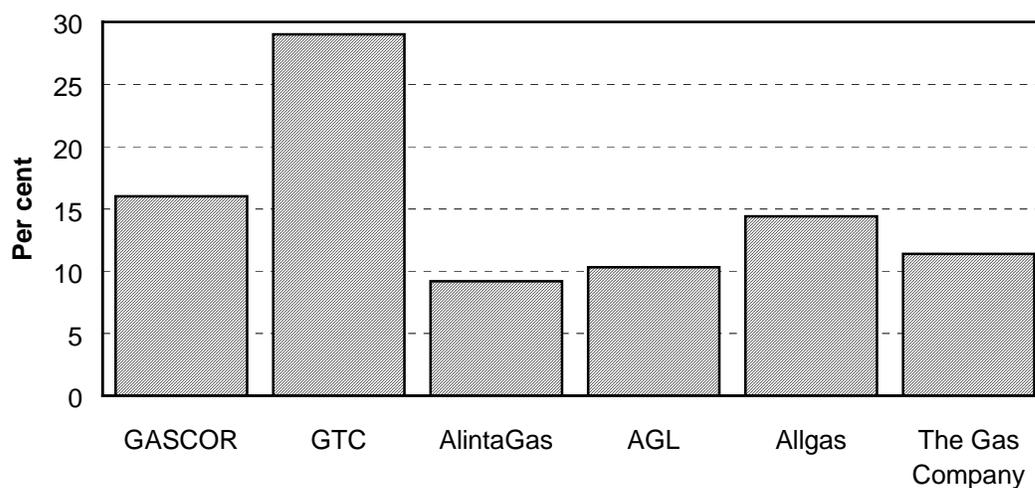
Accounting rates of return are commonly used in financial markets and by governments as indicators of the profitability and viability of a business. The rates of return achieved by the gas GTEs again varied significantly (see Figure 3.4). As was the case with its operating sales margin, the GTC achieved a high return on assets (29 per cent). This was struck, however, on an asset base valued at historical cost.

By comparison, AlintaGas recorded a return on assets of 9.2 per cent (annualised), based on accounts for six months of earnings before interest and tax. And GASCOR achieved a return of around 16 per cent on a full year's trading, though this result was affected to some extent by the transfer of transmission assets to the GTC. As with the GTC, GASCOR's result was struck on an asset base valued predominantly at historical cost.

The average return on assets for the three private companies used in this analysis was approximately 12 per cent in 1994–95.

Given the various qualifications that must be made in such comparative analysis, it is possible to make only the broadest inferences about the performance of the gas GTEs relative to private sector gas companies. It is important to consider the market and institutional environments in which each supplier operates. In this respect it is possible that in 1994–95, AlintaGas was already starting to feel the effects of competition from North West Shelf suppliers for customers using at least 1000 TJ. A host of other factors also influence returns from supplying gas to particular markets.

Figure 3.4: Return on assets, 1994–95



Notes: Earnings before interest and tax for AlintaGas are based on six month results only (1 January to 30 June 1995).

Source: Steering Committee on National Performance Monitoring of GTEs.

All that can really be said therefore is that the gas GTEs appeared to be performing relatively well overall, and that the GTC's return on assets was high.

Productivity

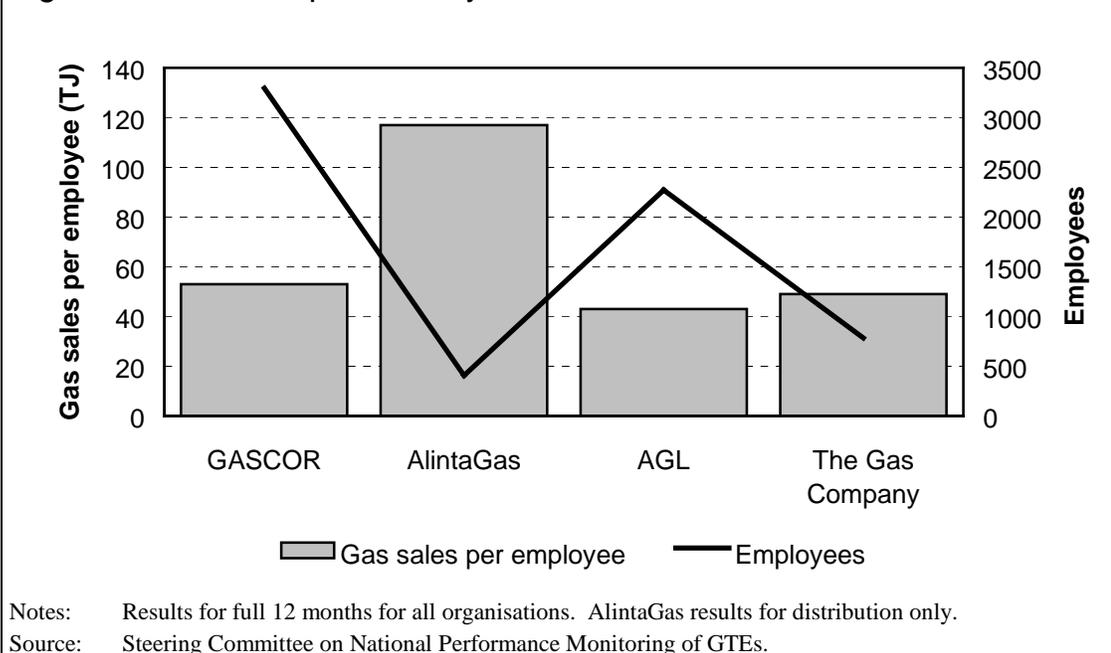
In the absence of data on total factor productivity, this section examines changes in labour and capital productivity of the gas GTEs. However, the different nature of the transmission-only activities of GTC mean they cannot be meaningfully compared with the distribution activities of GASCOR and AlintaGas. Consequently, GTC has been excluded from this analysis.

Labour productivity, using gas sales (TJ) per employee, shows AlintaGas (117 TJ per employee) as achieving the greatest labour productivity among the organisations compared (see Figure 3.5). GASCOR had a similar labour productivity to the two private sector companies used for comparison, the Gas Company and AGL.

Capital productivity in the gas industry can be measured as gas sold (TJ) per kilometre of main. Network sizes are a particularly important influence in this measure, as is the nature of the customer base. Other things being the same, distribution networks required to span large rural areas will not be able to achieve the same level of capital productivity as distributors servicing a more concentrated urban customer base.

GASCOR achieved the highest capital productivity of the gas distributors selling 7.7 TJ per kilometre of main. The next closest was the Gas Company, which sold 6.0 TJ per kilometre (see Figure 3.6). The high figure for GASCOR was partly attributable to the large number of customers per km of main. In 1994–95, GASCOR had 58.1 customers per km of main compared to 36.1 customers per km for AlintaGas.

Figure 3.5: Labour productivity, 1994–95

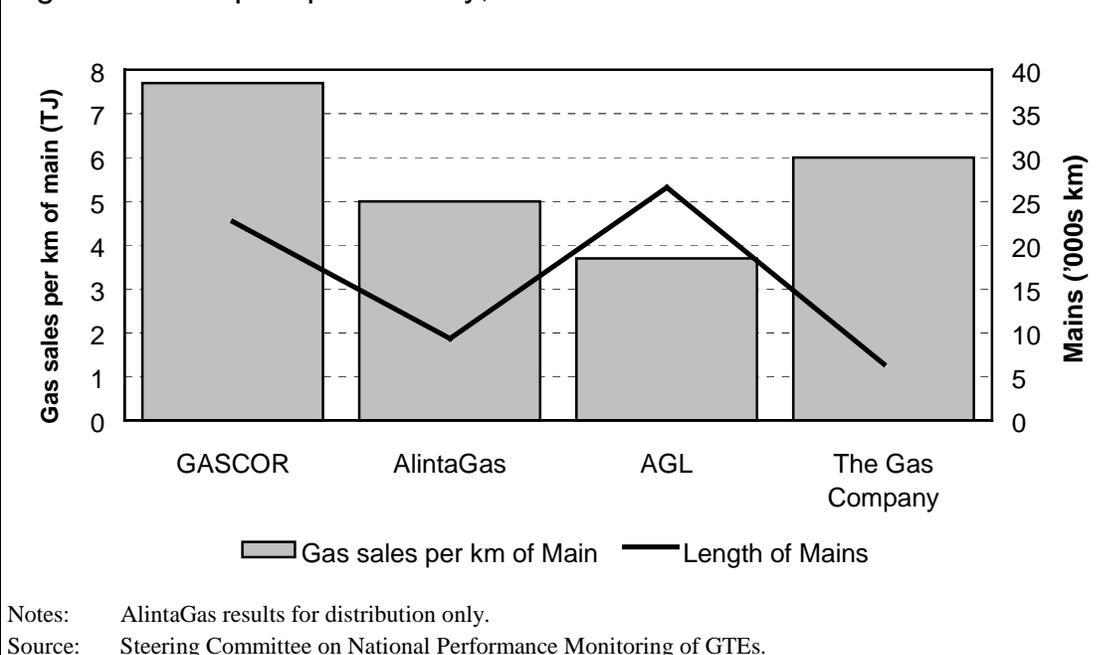


GASCOR also had a relatively larger residential market to service than AlintaGas. A large residential customer base requires more employees to service than a similar sized gas market more dependent on large industrial consumers. With approximately 1.3 million residential customers in Victoria, compared with approximately 0.34 million residential customers in Western Australia, this could be an important factor influencing labour productivity.

The effect of a small number of very large gas consumers in the industrial market can also have marked effects on capital and labour productivity. For example, in 1993–94 the then SECWA delivered 115 372 TJ of gas to only eight commercial and industrial customers. This compares with the Victorian market where 39 commercial and industrial customers consumed 92 064 TJ.⁷

⁷ Figures taken from Australian Gas Association, 1995.

Figure 3.6: Capital productivity, 1994–95



3.4 Summary

The gas industry has undergone substantial restructuring in 1994–95. Some gas GTEs were privatised during the year, and those remaining were restructured in line with State and Federal priorities for encouraging competition in gas supply.

Discontinuities in time series data mean that the analysis of performance presented is largely dependent on cross sectional information. The performance of some private gas companies was used to broaden the sample. However, differences in market and institutional environments mean it is difficult to draw firm conclusions about comparative performance.

Given these caveats, the general conclusion is that, by comparison with selected private gas distribution businesses, the three gas GTEs generally performed well by most financial and non-financial indicators. In particular, the Gas Transmission Corporation (Vic) proved to be profitable (the operating sales margin was 67 per cent), and produced a high return on assets (29 per cent). AlintaGas and GASCOR seemed to be performing more in line with their private sector counterparts.

4 WATER, SEWERAGE, DRAINAGE AND IRRIGATION SUMMARY

The overall performance of water GTEs changed little in 1994–95. Performance in the largest authorities remained stable, but there were considerable improvements among the country operations of some authorities.

Key Results 1994–95

- **Reforms emphasised efficient pricing rather than structural change.**
Further progress was made in implementing user pays pricing systems.
- **Real prices for water services decreased, but only in the urban sector...**
Rural and bulk water suppliers have increased prices, partly because of an ongoing emphasis on cost recovery.
- **... and average profitability has changed little in recent years.**
The average operating sales margin was 31.4 per cent in 1994–95, but there is a large gap between the highest and lowest margins.
- **The return on assets increased marginally over last year...**
The overall result masks some improvement over the last two years in the negative returns of the Rural and Bulk authorities.
- **... but payments to Government decreased quite markedly.**
Real payments to Government fell by over 12 per cent to \$318 million in 1994–95, but this was largely associated with the restructuring of the Melbourne metropolitan water industry.
- **Continued gains were made in labour productivity...**
Labour productivity has risen by over 64 per cent since 1990–91, but it is not certain to what extent this is attributable to contracting out.
- **... but with mixed results in terms of quality standards.**
Compliance with service standards remained high for both water and sewerage, but some deterioration in reliability was evident.

Source: Steering Committee on National Performance Monitoring of GTEs..

A number of water authorities were monitored for the first time last year. They are Gosford City Council and Wyong Shire Council (New South Wales), Gold Coast Water (Queensland) and Barwon Water (Victoria).

On 1 January 1995 the former Melbourne Water Corporation was separated into three retailers, and a bulk water and sewerage operator. As these authorities had only operated for six months at the time of the survey, the results are presented as though Melbourne Water had remained a single entity.

Reforms included tariff restructuring and the separation of regulatory and operational functions. In particular, further progress was made in the introduction of 'user-pays' principles.

Corporatisation was also a feature. Following the corporatisation of the Sydney, Hunter and Melbourne Water Corporations, the Engineering and Water Supply Department and ACTEW were corporatised and renamed as the South Australian Water Corporation (effective 1 July 1995) and the ACTEW Corporation, respectively. On 1 January 1996, the Water Authority of Western Australia was also corporatised, becoming the Water Corporation of Western Australia.

4.1 Industry structure

Unlike the electricity and gas industries, the structure of most water authorities remained largely unchanged during 1994–95, although some separation of regulatory and operational functions occurred.

The division of the Melbourne Water Corporation into a bulk water and sewerage treatment supplier, and three regional reticulation businesses was regarded as a way of encouraging 'yardstick competition' amongst the retailers, and allowing clear service oriented objectives to be set for the new organisations.

In addition, the merger of the former Albert Shire Council and the Gold Coast City Council (Queensland) was followed by the formation of Gold Coast Water. The merger is expected to achieve some economies of scale and scope for the new authority.

Typically, 'water' GTEs undertake a range of activities, including bulk water supply and its reticulation, sewerage collection and treatment, drainage and customer billing. The monitored GTEs take a variety of structural forms (see Table 4.1).

Table 4.1: Water industry activities, 1994–95

<i>Authority</i>	<i>Headworks</i>	<i>Reticulation</i>	<i>Tailworks</i>	<i>Drainage</i>	<i>Irrigation</i>
New South Wales					
Hunter Water Corporation	✓	✓	✓	✓	
Gosford City Council	✓	✓	✓	✓	
Sydney Water Corporation	✓	✓	✓	✓	
Wyong Shire Council	✓	✓	✓	✓	
Victoria					
Barwon Water	✓	✓	✓	✓	
Melbourne water industry ^a	✓	✓	✓	✓	
Queensland					
Brisbane City Council	✓	✓	✓	✓	
DPI-Water Resources					✓
Gold Coast Water	✓	✓	✓	✓	
South Australia					
Engineering and Water Supply Department (now SA Water) ^b	✓	✓	✓	✓	✓
Western Australia					
Water Authority of WA ^b	✓	✓	✓	✓	✓
Tasmania					
Hobart Regional Water Board	✓				
North West Regional Water Board	✓				
Rivers and Water Supply Comm.	✓				
Northern Territory					
Power and Water Authority ^b	✓	✓	✓	✓	
Australian Capital Territory					
ACTEW Corporation	✓	✓	✓	✓	

a Prior to 1994–95 the Melbourne water industry comprised only Melbourne Water Corporation. For 1994–95, results for the three regional distribution companies and the headworks and sewerage businesses have been aggregated as the ‘Melbourne water industry’.

b These authorities separately supply statistics for their metropolitan and country operations.

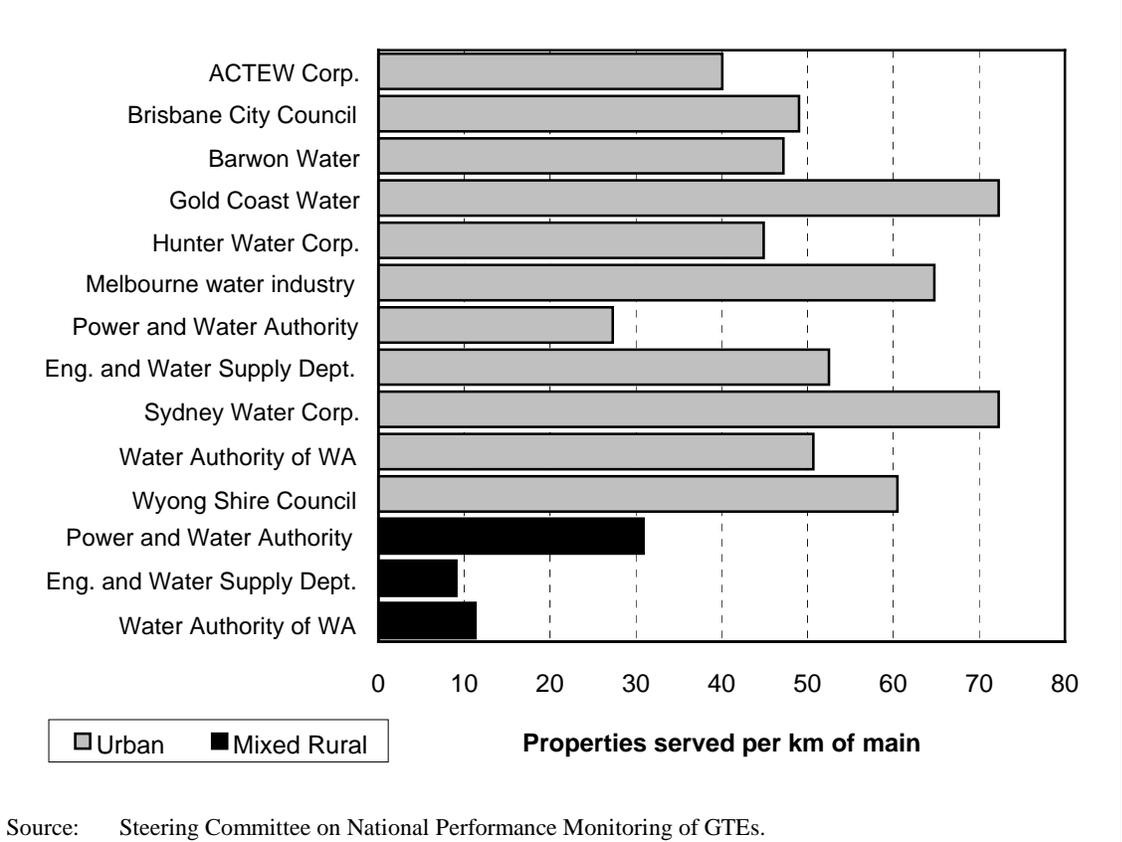
Source: Steering Committee on National Performance Monitoring of GTEs.

Significant differences in the activities, geography, size, and legal structure of the water authorities monitored make performance comparisons difficult, even when the range of services provided is similar. For example, Sydney Water Corporation, which provides a range of services to a predominantly urban area cannot readily be compared to Water Authority of Western Australia which supplies similar services, in addition to irrigation, to most of Western Australia.

The Steering Committee has this year divided the water authorities covered by its survey into four groups — *urban, mixed rural, bulk water, and irrigation*. Although the distinction between urban and rural is not always clear-cut, it is

possible to use indicators such as the number of properties served per kilometre of main to separate these two groups (see Figure 4.1).

Figure 4.1: Properties Served per km of Main, 1994–95



Source: Steering Committee on National Performance Monitoring of GTEs.

The first and largest group comprises the ‘Urban’ authorities, that is those providing the majority of their services to an urban population, and which are integrated through all stages of water supply, sewerage and drainage.

This category is dominated by Sydney Water and the ‘Melbourne water industry’ who accounted for 33.4 per cent and 31.7 per cent, respectively, of total revenue in 1994–95. Total revenue for Sydney Water alone was over \$1.3 billion in 1994–95. This compares with some of the GTEs newly included in the survey, such as Barwon Water and the Wyong Shire Council (Water Department) which accounted for 1.7 per cent and 1.2 per cent, respectively, of the sector’s total revenue. The large range in the size of GTEs in this group means that economies of scale was probably the reason for performance differences within the group.

Table 4.2: Water authority groupings and service areas

<i>Authority</i>	<i>Service area</i>
Urban Authorities	
Hunter Water Corporation	Newcastle, Lake Macquarie, Maitland, Cessnock, and the Shire of Port Stephens
Gosford City Council	City of Gosford
Sydney Water Corporation	Greater Sydney, Illawarra, and the Blue Mountains
Wyong Shire Council	Wyong Shire
Barwon Water	Geelong, Bellarine Peninsula and surrounding areas
Melbourne Water	Greater Melbourne and the Mornington Peninsula
Brisbane City Council	Greater Brisbane
Gold Coast Water	Gold Coast and Albert Shire
Engineering & Water Supply Department (urban)	Adelaide and surrounding areas
ACTEW Corporation	Greater Canberra
Water Authority of WA (urban)	Perth, Mandurah and surrounding areas
Power and Water Authority (urban)	Darwin
Mixed Rural	
Power and Water Authority (rural)	Alice Springs and remainder of the Northern Territory
Water Authority of WA (rural)	Remainder of Western Australia
Engineering & Water Supply Department (rural)	Remainder of South Australia
Bulk Water Suppliers	
Hobart Regional Water Board	Greater Hobart
North West Regional Water Board.	Devonport and the Municipalities of Circular Head, Waratah–Wynyard, Central Coast, Latrobe and Kentish
Rivers and Water Supply Comm.	Launceston, George Town, Prospect Vale, Hadspen and Bell Bay
Irrigation	
DPI-Water Resources	Rural Queensland

Source: Steering Committee on National Performance Monitoring of GTEs.

A second ‘Mixed Rural’ group has been created from those parts of State and Territory GTEs supplying water, drainage and sewerage services in rural areas. Two of these, the country operations of each of the former Engineering and Water Supply Department, and the Water Authority (WA), also operate irrigation schemes. By way of comparison with the ‘Urban’ group, the authority with the largest revenue in this group was the former Engineering and Water Supply Department (Country). In 1994–95, the revenue from its country operations was \$130.4 million, or about one tenth the size of Sydney Water’s.

The third category, ‘Bulk Water’ suppliers, have no retail function, and are involved only in providing bulk water and sewerage services to regional

distribution businesses. This group currently includes only Tasmanian authorities, but it is anticipated that Melbourne Water Corporation will join this list next year. Currently only the Department of Primary Industries, Water Resources (DPI) fits the 'Irrigation' category.

Table 4.3: Policy initiatives affecting the water industry, to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
New South Wales	1982–94	In 1982, the then Hunter Water Board initiated a process of demand management through 'user pays' pricing reforms and gradually eliminated property value based charges. This process was completed on 1 July 1994.
	July 1990	Sydney Water Board (SWB) begin phasing in a policy to decrease the property tax component of each customers water bill and increase the usage component.
	Jan 1992	Hunter Water Corporation established under the <i>State-Owned Corporations Act 1989</i> (previously known as Hunter Water Board). Regulatory framework includes a licence from the state government, and prices monitoring by the Government Pricing Tribunal (GPT).
	1993–94	The SWB adopts a holding company subsidiary model for operations. Three subsidiaries established: Utilities, Bulk Water and Waste Water, and Australian Water Technologies (AWT). Internal services provided by AWT are opened up to market competition.
		Regulatory responsibility for drinking water quality removed from SWB and placed with the Department of Health.
		The SWB's prices are set for the first time as a result of a determination process involving the GPT. The GPT endorses a single water price replacing a four tier water charging arrangement.
	1994–95	Negotiation of a five year package of regulatory arrangements for Hunter Water Corporation for the period 1995 to 2000 covering access to raw water, service standards, pricing and discharge standards. The property valuation component of HWC's tariffs was removed.
	Introduction of Build, Own, Operate Schemes as a means of developing and financing capital works. A contract is signed for the construction, operation and maintenance of water filtration plants at Illawarra and Woronora.	

Table 4.3: Policy initiatives affecting the water industry (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
New South Wales (continued)	Jan 1995	Sydney Water Board corporatised under the <i>State Owned Corporations Act 1989</i> and placed under similar regulatory regime to HWC (see above). Renamed as Sydney Water Corporation (SYW). Regulatory and operational functions begin to be separated. SYW is required to enter into a memoranda of understanding with three regulatory agencies: the Dept. of Health, the Environment Protection Agency, and the Dept. of Land and Water Conservation. Instruments of corporatisation include an operating licence from the state Government, a statement of corporate intent, and a customer contract.
Victoria	1991	Melbourne Water Corporation established from the merger of the Melbourne and Metropolitan Board of Works with six other authorities to the east and west of Melbourne.
	June 1994	Introduction of policy to increase user pays proportion of water bills for the Melbourne metropolitan region.
	July 1994	Melbourne Parks and Waterways becomes a separate organisation.
	Jan 1995	Melbourne Water disaggregated into three retail water businesses (City West Water, South East Water, and Yarra Valley Water) and a wholesale water and sewerage business, which retained the name of Melbourne Water.
	1995	Amalgamation of 83 non-metropolitan water authorities into 18 regional authorities. Rural Water Corporation disaggregated into four rural water authorities. Policy and regulatory functions removed.
Queensland	May 1995	Gold Coast Water was formed as a Department of the new City of Gold Coast which was formed from the amalgamation of the Gold Coast City Council and Albert Shire Council.
South Australia	July 1994	Irrigation Act proclaimed. All Government irrigation districts licensed under the <i>Water Resources Act</i> . Includes provision for private management of districts supported by Advisory Boards chaired by irrigators.
	Dec 1994	Volumetric water pricing for residential users announced. Commercial users retained on a value based system with some usage charges.
	1994-95	Regulatory functions transferred from the EWSD to non commercial government agencies and sale of manufacturing and fabrication businesses of the EWSD to the private sector.

Table 4.3: Policy initiatives affecting the water industry (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
Western Australia	1993–94	Two year program to phase out the free water consumption allowance begins. Commencement of the phasing in for metropolitan non-residential customers of water charges based on meter size and volume of water consumed. This replaces valuation-based charging.
	1995–96	The phasing in of meter based water service charges was extended to country non-residential customers. A five year program begins to replace valuation based charges with fixture-based and volumetric charges for metropolitan non-residential sewerage customers.
Tasmania	July 1995	Passage of <i>Government Business Enterprises Act 1995</i> . The three water authorities surveyed (Hobart Regional Water Board, North West Regional Water Authority, and Rivers and Water Supply Commission) become classified as GBEs. Includes the introduction of competitive neutrality disciplines, and the planned oversight of pricing in 1998.
Northern Territory	1987	Power and Water Authority (PAWA) established by the amalgamation of the Northern Territory Electricity Commission, the Northern Territory Water Authority and the Water Resources Division of the Department of Mines and Energy.
	1995	Increased water and sewerage tariffs and development of a trade waste tariff policy based on user pays.
Australian Capital Territory	July 1988	ACTEW formed from the amalgamation of the ACT Electricity Authority and ACT Water.
	1994–95	Removal of free water allowance.

Source: Steering Committee on National Performance Monitoring of GTEs.

4.2 Market conditions and regulation

The behaviour of firms in any industry will be influenced by the degree of competition. There is limited scope for introducing competition into the water industry. Water and sewerage networks are natural monopolies, which means that one set of facilities will be less costly in meeting a particular market's needs than two or more.

The industry is also characterised by a number of externalities. These include, for example, the environmental effects of sewerage disposal, or the implications of irrigation for downstream pollution in river management. Regulatory issues are therefore important in the water industry.

In response to resource and environmental concerns, water authorities have been changing slowly from asset management to demand management. A heavier emphasis is being put on sustainable resource management. Reforms along these lines are now being co-ordinated by the Council of Australian Governments (COAG).

Major developments have related closely to the implementation by the States of the 'Strategic Framework for the Efficient and Sustainable Reform of the Australian Water Industry' as outlined by the Working Group on Water Resource Policy to COAG. The key elements of the framework adopted by COAG at its 25 February 1994 meeting encompass pricing reform, water allocations and entitlements, reform of irrigation systems and corporatisation.

Of these, the major issues of concern to the water authorities monitored by the Steering Committee in 1994–95 were pricing and corporatisation. Contracting out became a more prominent feature of efforts to improve the commercial approach of many water GTEs. To some extent, integrated catchment management was also an issue.

Pricing reform

Water pricing was an important issue, particularly following the COAG agreement on water pricing.¹ Significant changes in the incidence of charges between customer classes occurred, and the emphasis in revenue raising shifted from property-based rates based to user charges. In 1994–95 Sydney Water lowered its rates for commercial and industrial ratepayers without changing the rates for residential consumers, thus shifting the incidence of property-based charges towards the residential sector.² It eliminated property rates for residential customers (effective October 1995) and now bills only according to usage.

Sydney Water's initiative follows the removal by the Hunter Water Corporation of the property valuation component of charges for all customer classes (effective 1 July 1994). The NSW Independent Pricing and Regulatory Tribunal

¹ Cross subsidies have traditionally been regarded as present in the tariff structures and rate bases of water authorities. Implicit cross subsidisation of residential consumers by commercial and industrial customers, through property-value based charging structures, has been identified. It has been argued that such tariff structures provide little incentive to economise on consumption. This is believed to have led to over-utilisation of water resources and premature augmentation of water infrastructure.

² The rates in the dollar property-based charges for water and sewerage fell by almost 30 per cent for non-residential customers.

determined that Hunter Water Corporation (HWC) had all but eliminated cross subsidies between their business and residential customers.

In the ACT free water allowances were eliminated for all customer classes. The Water Authority of Western Australia eliminated all remaining free water allowances, aligned country and metropolitan water prices and commenced to phase out valuation based charges. Other authorities commenced reviews of their water pricing policies following the COAG agreement on pricing structure. These included the Hobart Regional Water Board and the Power and Water Authority.

Corporatisation

Many States have corporatised their water authorities. Corporatisation models differ between States and Territories, but have as central themes the setting of clear and non-conflicting objectives relating to commercial performance, and improved accountability. Separation of regulatory and operational functions, competitive neutrality, performance based pay for managers, and the imposition of dividends at levels equivalent to similar private companies, are similarly common features. Adherence to State or Federal corporations law is required.

During 1994–95 a water GTE was corporatised and renamed as Sydney Water Corporation. A further two, ACTEW and South Australian Water Corporation, were corporatised on 1 July 1995, and a fourth, the Water Authority of Western Australia, on 1 January 1996.³

Most of the smaller water authorities in the survey retained some other legal form. City and shire councils continue to operate water operations in Brisbane, Gold Coast, Gosford and Wyong. Barwon Water, Hobart Regional Water Board, North West Regional Water Board, Rivers and Water Supply Commission North Esk and the Power and Water Authority remain statutory authorities. Among the authorities monitored, the Queensland Department of Primary Industries (Water Resources) is the only State or Territory government department providing water services.

Contracting out

Contracting out was a feature of the year under review. In some instances this followed corporatisation. For instance, the EWS (now SA Water) prepared for the contracting out of Adelaide's water and waste water systems operations, maintenance and construction work, to commence on 1 January 1996. The

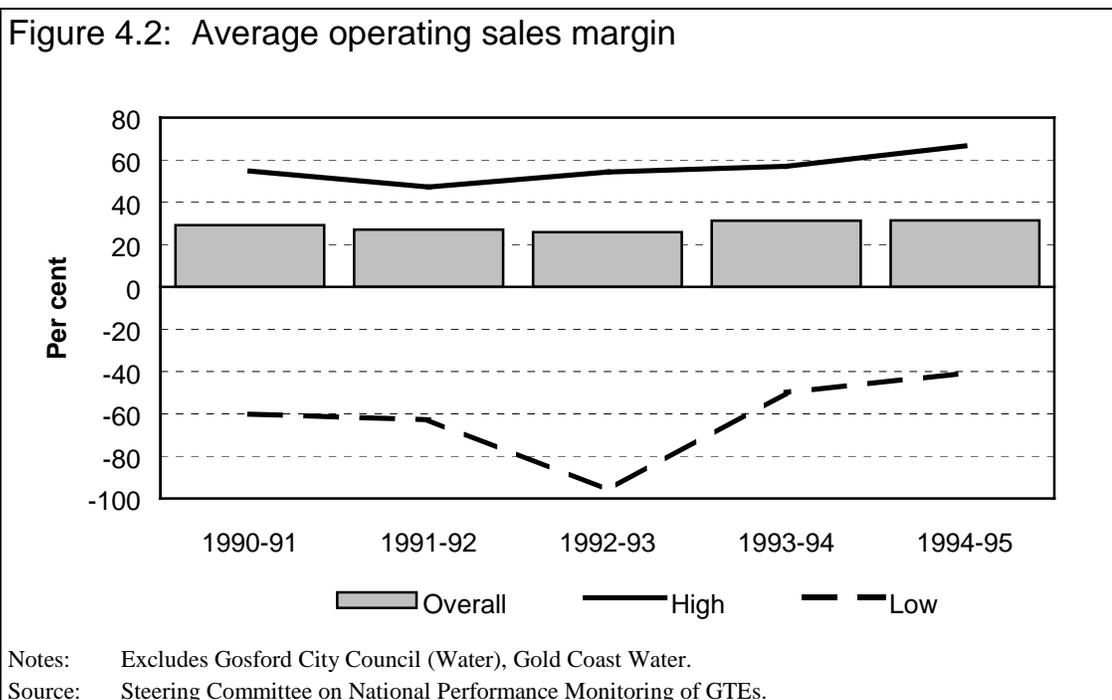
³ The three retailers created from the break up of Melbourne Water Corporation, City West Water, South East Water and Yarra Valley Water, are also corporatised entities.

EWS has also let a contract to the private sector for the provision of filtered water to Adelaide Hills and country areas. The Water Authority of Western Australia also announced in July 1995 that it was contracting out some of the operation and maintenance of the metropolitan Perth services.

4.3 Financial performance

Profitability

The *average operating sales margin*, which is an indicator of profitability, has been relatively stable in the water industry since 1990–91 (see Figure 4.2). Between 1990–91 and 1994–95, the weighted average operating sales margin for water GTEs ranged from just under 26 per cent (in 1992–93) to 31.4 per cent (in 1994–95). In 1994–95, little change occurred in this indicator at the overall level, and a significant gap between the highest and lowest margins remained (ranging from minus 41 per cent to positive 67 per cent).



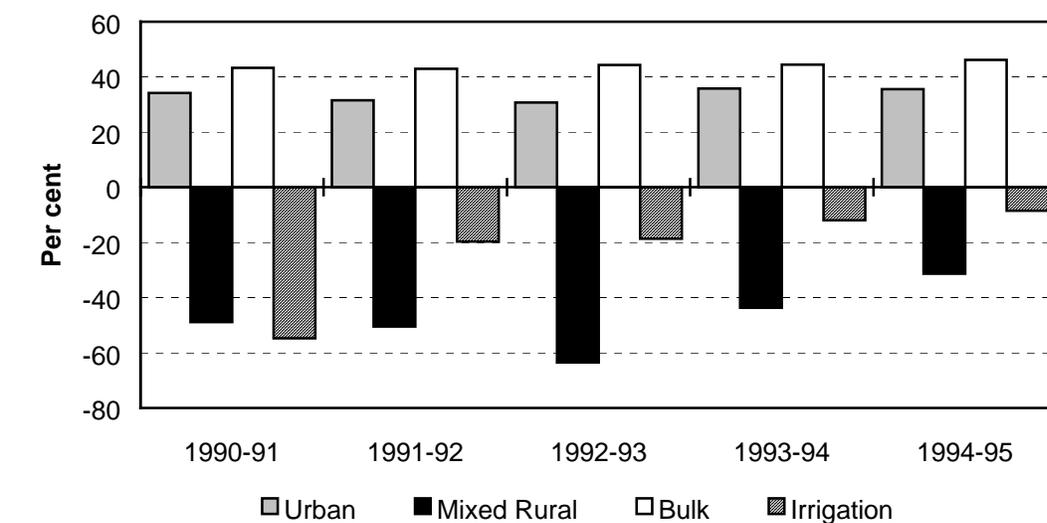
The operating sales margin varies considerably across the four water industry groups, with the highest margin in the 'Bulk' water sector (see Figure 4.3). Traditionally, rural water authorities have lower operating sales margins than

metropolitan authorities. This is partly because of the higher infrastructure costs of providing water services to more sparsely populated regions.

Over the last two years of the monitored period, the margin for the ‘Mixed Rural’ group improved considerably (from minus 63.5 per cent to minus 31.3 per cent). This was largely the result of an improvement in the country operations of the then Engineering and Water Supply Department (now SA Water), with its operating sales margin increasing from almost minus 96 per cent in 1992–93 to minus 19 per cent in 1994–95. This improvement was due to a combination of factors including cost reductions, and increases in water deliveries.

The DPI also recorded steady annual improvements in its operating sales margin — from approximately minus 54.8 per cent in 1990–91 to minus 8.5 per cent in 1994–95 (see ‘Irrigation’ in Figure 4.3).

Figure 4.3: Operating sales margin, by group



Notes: Urban excludes Gosford City Council (Water), Gold Coast Water.
 Source: Steering Committee on National Performance Monitoring of GTEs.

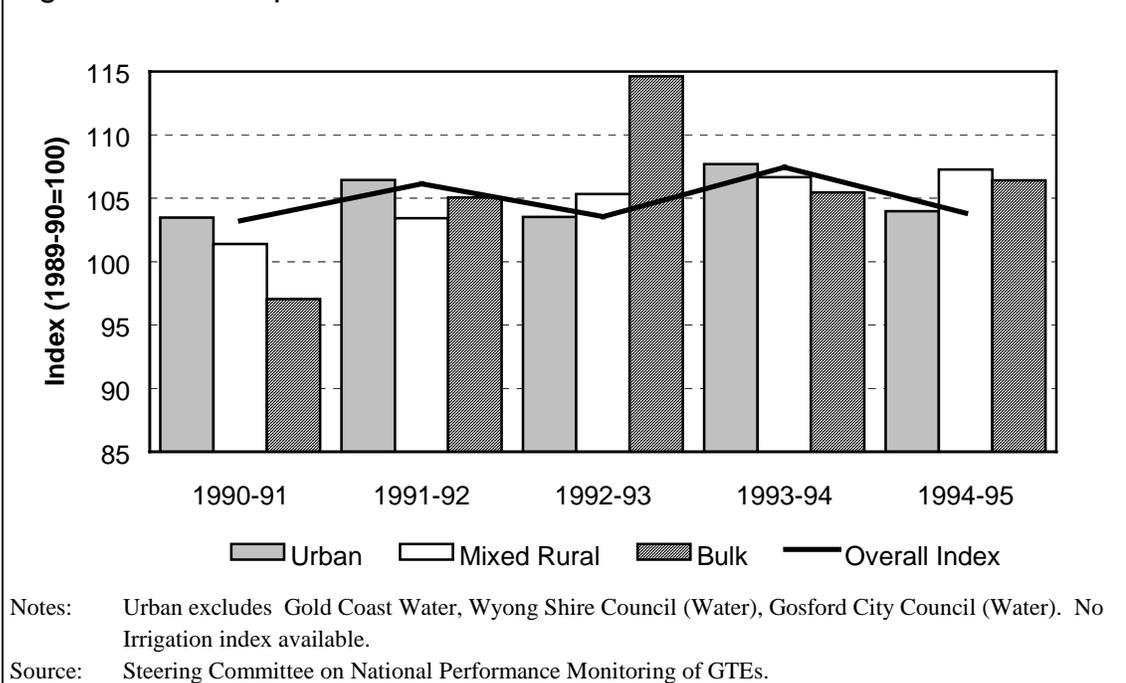
Significant variability existed within the different groups of water authorities. For instance, in the ‘urban’ category, the ‘Melbourne water industry’ has steadily improved its sales margin from over 39 per cent in 1991–92 to over 53 per cent in 1994–95, whereas the sales margin for Sydney Water Corporation declined 6.9 percentage points in 1994–95. In other results, the former Engineering and Water Supply Department (metro operations) improved its

sales margin significantly, from almost 19 per cent in 1992–93 to over 39 per cent in 1994–95.⁴

Prices

In 1994–95, the overall price index for all water GTEs fell (see Figure 4.4). This result was influenced considerably by a fall in the average price of water services supplied by Sydney Water, which has a marked effect on the weighted averages for the ‘Overall’ and ‘Urban’ results.

Figure 4.4: Real prices



Sydney Water’s result stems, in part, from a large decrease in the rate component of its commercial and industrial water charges. However, care needs to be taken in interpreting this result. This is because the average water price indexes reported by Sydney Water (and some other GTEs) are influenced by changes in the pattern of consumption. If the water consumption of one group goes down relative to another’s, its contribution to the overall GTE price index will decrease. Consequently, a change in the price index could occur, even in the absence of any change in per unit rates or charges. In addition, Sydney Water adopted a new method for calculating the number of households,

⁴ Now the South Australian Water Corporation (SA Water)

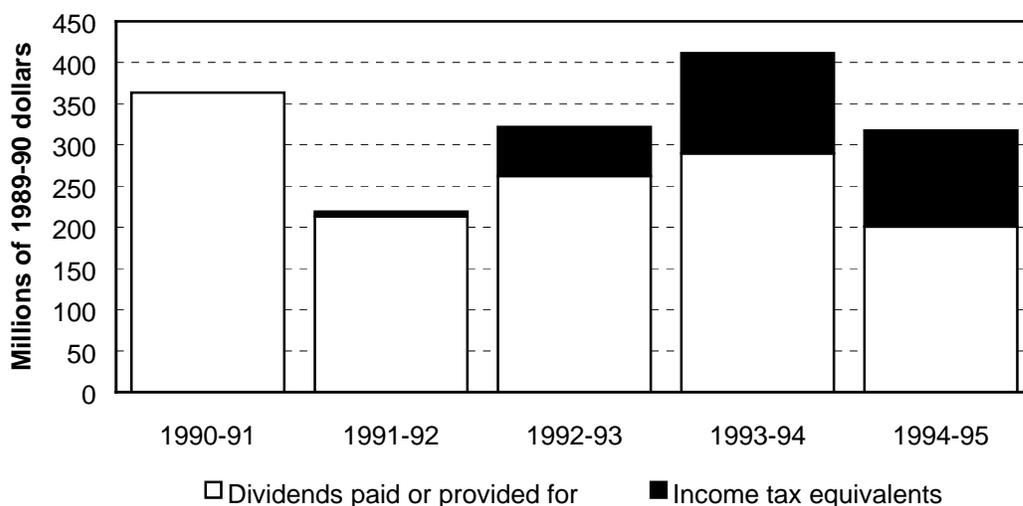
the effect of which was to bias downwards the average revenue per household, and water deliveries decreased in 1994–95.

At the overall level, the index of prices for water GTEs fluctuated over the period, but has increased by less than 1 per cent since 1990–91.

Shareholders’ returns

Dividends paid or provided for, and income tax equivalents required from, water GTEs were \$318 million in 1994–95, down in real terms from \$411 million in 1993–94 (see Figure 4.5). This was the result of a large decrease in the dividend payable by the ‘Melbourne water industry’, which more than offset dividends being paid for the first time by the Engineering and Water Supply Department (SA).

Figure 4.5: Real payments to government



Notes: Dividends paid or provided for includes Melbourne water industry, Sydney Water, Hunter Water, Eng. and Water Supply Dept., Water Authority of WA, ACTEW. Special revenue based payments by Barwon Water also included. Income tax equivalents include Melbourne water industry, Sydney Water and Hunter Water.

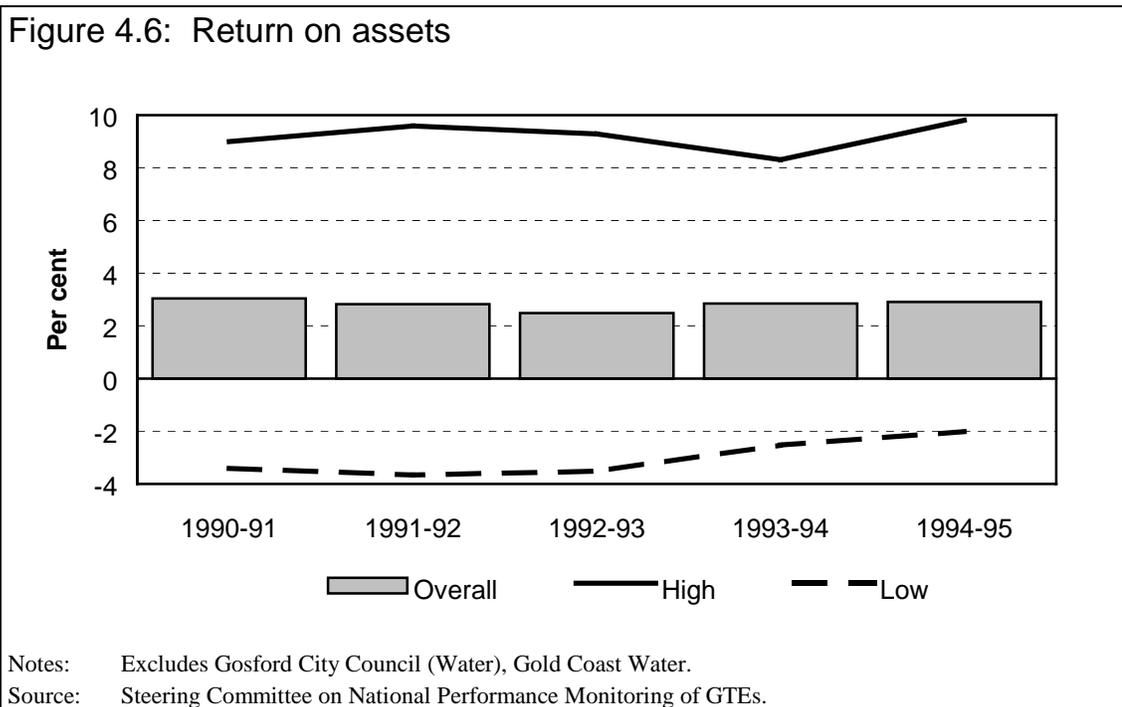
Source: Steering Committee on National Performance Monitoring of GTEs

In 1994–95, only three water GTEs were required to make tax-equivalent payments to their State governments (Sydney Water and Hunter Water in NSW, and the ‘Melbourne water industry’ in Victoria). The requirement to make such payments was consistent with the corporatisation of these GTEs. South Australia was the only ‘Mixed Rural’ water GTE paying dividends (none paid

income tax equivalents), and no ‘Bulk Water’ or ‘Irrigation’ authorities paid either a dividend or income tax equivalent over the period.

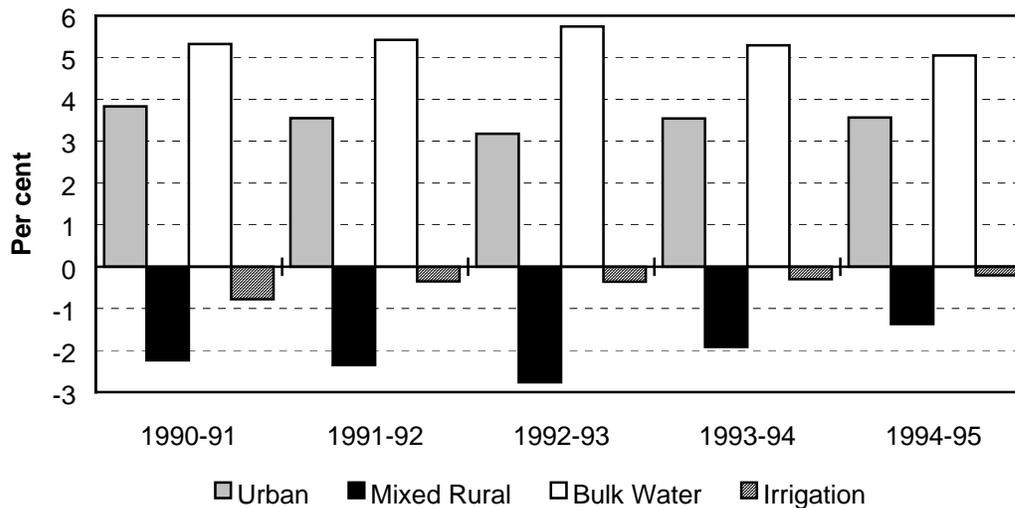
Although the data on return on assets should be treated with caution, average returns in the water sector appear to have remained at low levels over the monitoring period (see Figure 4.6).⁵

Although most water GTEs achieved a return of between 2 and 3 per cent, some providers of irrigation and rural water had negative rates of return. Only the ‘Urban’ and ‘Bulk’ water groups have been able to consistently produce a positive rate of return (see Figure 4.7). However, the negative returns of most of the ‘Mixed Rural’ and ‘Irrigation’ groups have become progressively smaller over the last three years. The exception was the Power and Water Authority (country operations) in the Northern Territory, which recorded a slight deterioration in 1994–95.



⁵ The recorded return on assets is heavily influenced by the method of asset valuation adopted.

Figure 4.7: Return on assets, by group



Notes: Urban excludes Gosford City Council (Water), Gold Coast Water.

Source: Steering Committee on National Performance Monitoring of GTEs.

Productivity

With the exception of the Water Authority of Western Australia (WAWA), none of the water authorities monitored supplied a comprehensive measure of productivity such as Total Factor Productivity (TFP). Meaningful analysis of the water industry's productivity performance is therefore difficult.

The results for the combined operations of WAWA (metro and country), show an increase in the TFP index from the base of 100 in 1992–93 to 104.5 in 1994–95.

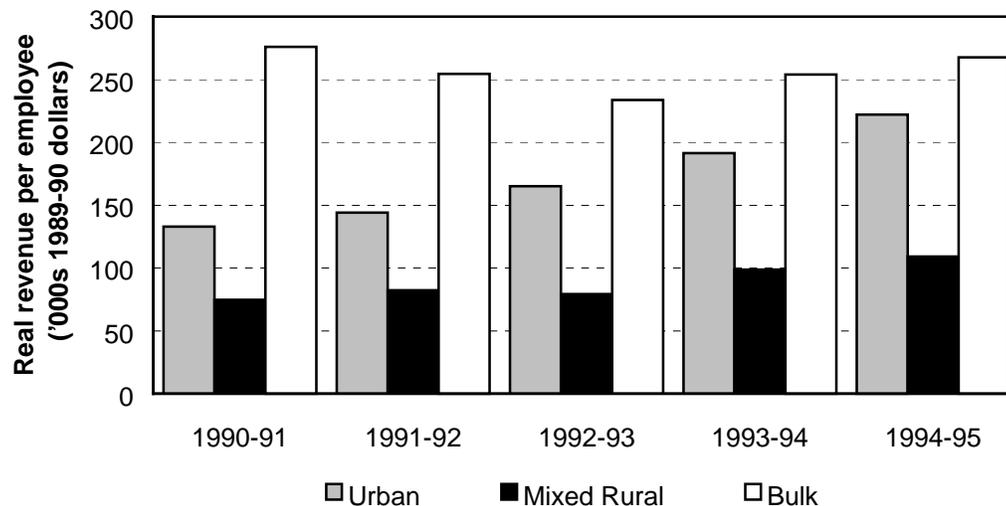
In the absence of information about their TFP, the productivity of other water GTEs can only be measured using such partial measures as labour productivity.

Annual improvements in labour productivity were achieved by all groups for which data were available (see Figure 4.8). Overall labour productivity in water GTEs rose by over 64 per cent between 1990–91 and 1994–95 (see Figure 4.9). Over the same period, the number of employees in water GTEs fell from 27 000 to 17 000 (a reduction of approximately 37 per cent). With the exception of ACTEW (ACT) and Rivers and Water Supply (Tas), all water GTEs reduced their employment over the five year period.

These productivity results may be affected by changes in other factor inputs. For example, contracting out of some services is not picked up in the measure of

total employment. Other things remaining the same, contracting out will mean a decline in direct employment, and this could result in an apparent increase in labour productivity. If all inputs were taken into account a different result might occur.

Figure 4.8: Labour productivity, by group



Notes: Urban excludes Gosford City Council (Water), Gold Coast Water, Wyong Shire Council (Water). No corresponding data for DPI (Water Resources/Irrigation).

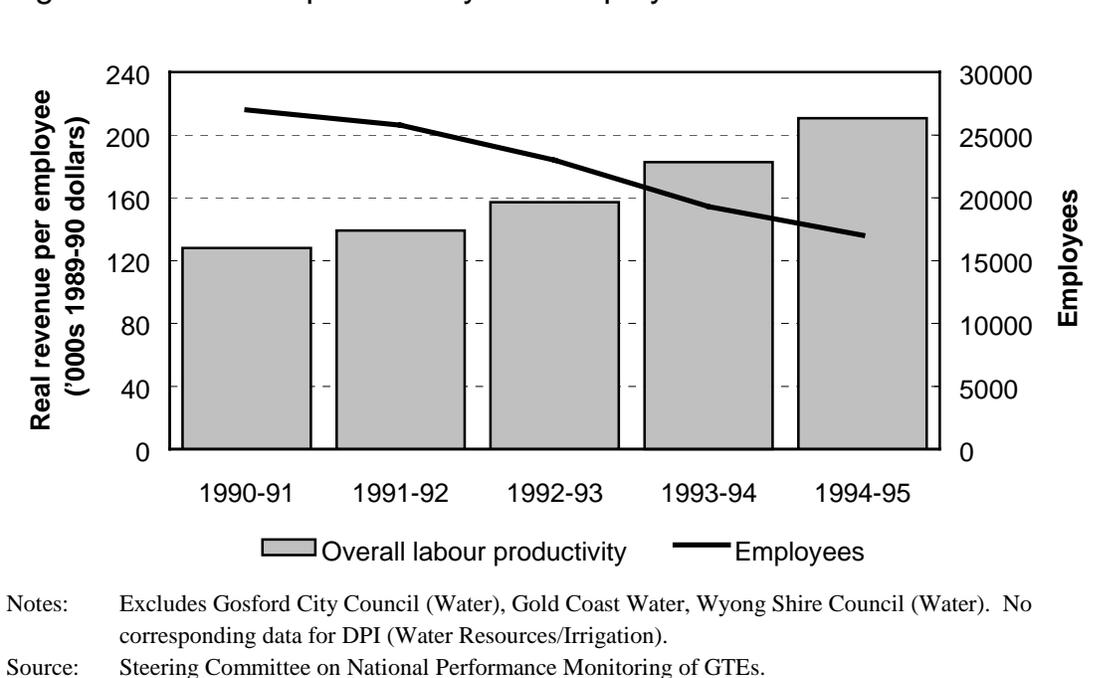
Source: Steering Committee on National Performance Monitoring of GTEs.

Further concerns about the apparent increase in labour productivity arise when the result is examined against the backdrop of the performance of water GTEs using other indicators. For example, at the overall level, both the average return on assets and average operating sales margin increased only marginally. The large apparent gains recorded in labour productivity do not seem to be consistent with these results. Given that there was a small increase in real prices overall, consumers of water GTE services do not appear to be benefiting either.⁶

These results emphasise the importance of using a more comprehensive approach than labour productivity to measuring productivity changes.

⁶ Note, however, that some re-balancing between customer classes is evident in the pricing reforms of many water GTEs, such that traditional cross subsidies from commercial and industrial users to residential users are being phased-out.

Figure 4.9: Labour productivity and employment



4.4 Service quality

Service quality is difficult to measure in the water industry. From consumers' perspectives, the quality and reliability of a water supply are important. From the perspective of water authorities, the resources required to maintain a given level of quality are important. As water and sewerage infrastructure age, it is to be expected that breaks and interruptions will occur with greater frequency, or that maintenance expenses will rise. At a broader level, the quality of sewer discharges may be an important indicator of how well water GTEs are meeting community expectations.

In this year's survey, water GTEs were asked to provide information on the average duration of interruptions to service. This measure was chosen because it directly affects consumers. However, very few responses were received. Consequently, it is not possible to provide meaningful comments at the industry level.

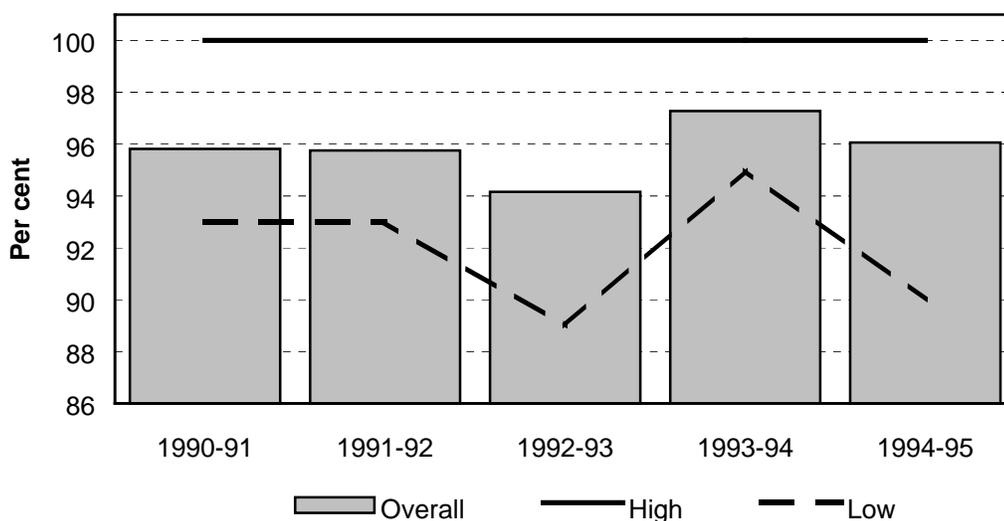
The approach taken, therefore, was to use 'Compliance with Water Quality Standards' as a measure of quality having a direct and tangible meaning for consumers. 'Compliance with sewerage effluent standards' was examined to give some perspective on the quality of sewerage treatment. Both of these

indicators measure the percentage of samples meeting guidelines with respect to microbiological, pH, colour and turbidity measures.

This is complemented by an examination of two reliability indexes that indirectly bear on quality — ‘Main Breaks per 100 km (water)’, and ‘Sewer Chokes per 100 km’. The weakness of these measures is that consumers may not necessarily suffer a noticeable reduction in the quality of service when a break or choke occurs.

Compliance with water quality and sewerage effluent standards was generally high throughout the period 1990–91 to 1994–95. With respect to water quality, the weighted average performance for all water GTEs ranged between roughly 94 and 97 per cent and was 96 per cent in 1994–95 (see Figure 4.10). Some GTEs are claiming almost continual achievement of 100 per cent compliance. The worst performing authority was Sydney Water, which consistently recorded the lowest score among the GTEs monitored. However, it should be noted that not all GTEs supplied figures for all years.

Figure 4.10: Compliance with water quality standards



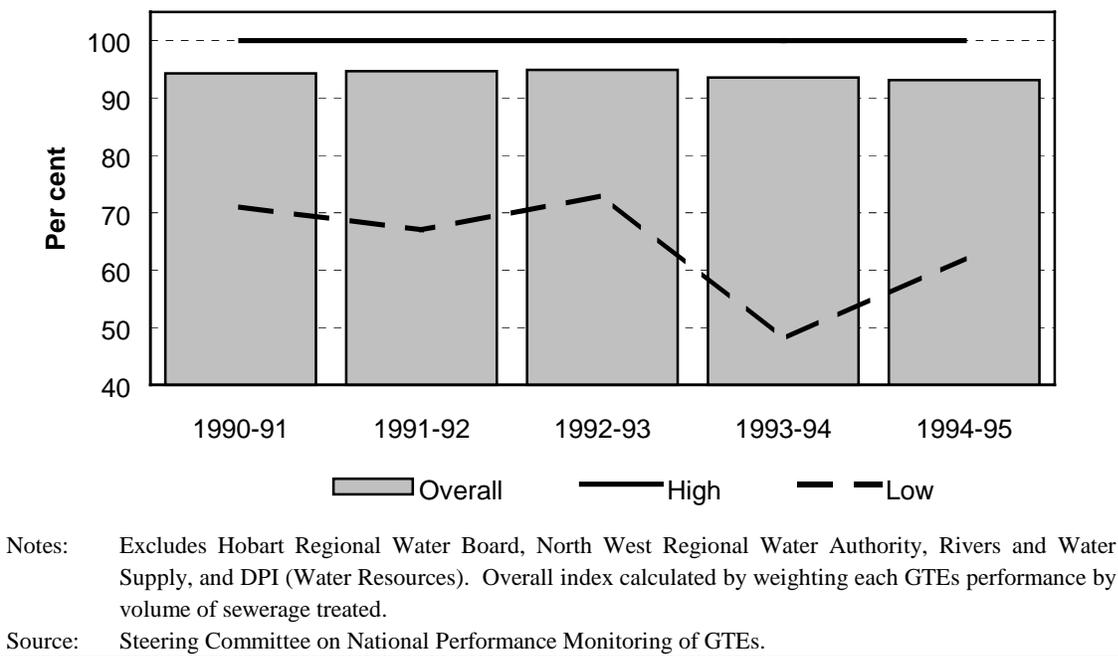
Notes: Excludes Brisbane City Council. Overall index calculated by weighting each GTEs performance by volume of water supplied.

Source: Steering Committee on National Performance Monitoring of GTEs.

There was little change in the weighted average performance of water GTEs in meeting sewerage effluent standards (see Figure 4.11). The best performing GTEs consistently performed at or near the 100 per cent compliance level.

However, there was a large gap between the best and poorest performing GTE by this measure. In practice, the poorest performing GTE has consistently been the Engineering and Water Supply Department (Metro operations).

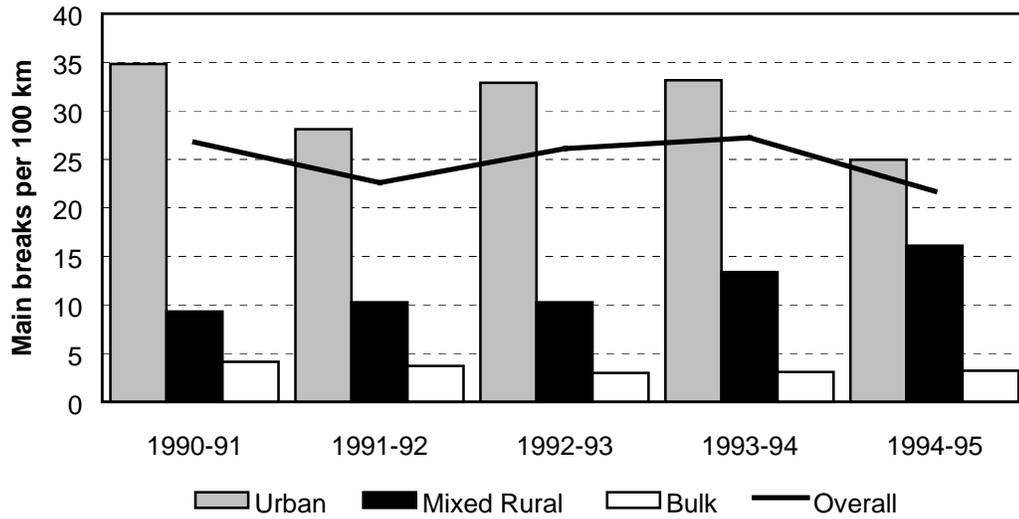
Figure 4.11: Compliance with sewerage effluent standards



Main Breaks per 100 km (water) — a measure of reliability of service — fluctuated over the five year period. At the industry wide or ‘overall’ level, this index was at its lowest (almost 22 per cent) in 1994–95 (see Figure 4.12). A large decrease in the indicator for ‘Urban’ authorities contributed to the industry result, more than offsetting a rise in the average result for the ‘Mixed Rural’ group. Differences between the groups are also evident. The Bulk Water group recorded much lower figures than other groups. A narrowing of the gap between the Urban and Mixed Rural groups was evident.

Sewer chokes per 100 km have steadily increased over the survey period (see Figure 4.13).

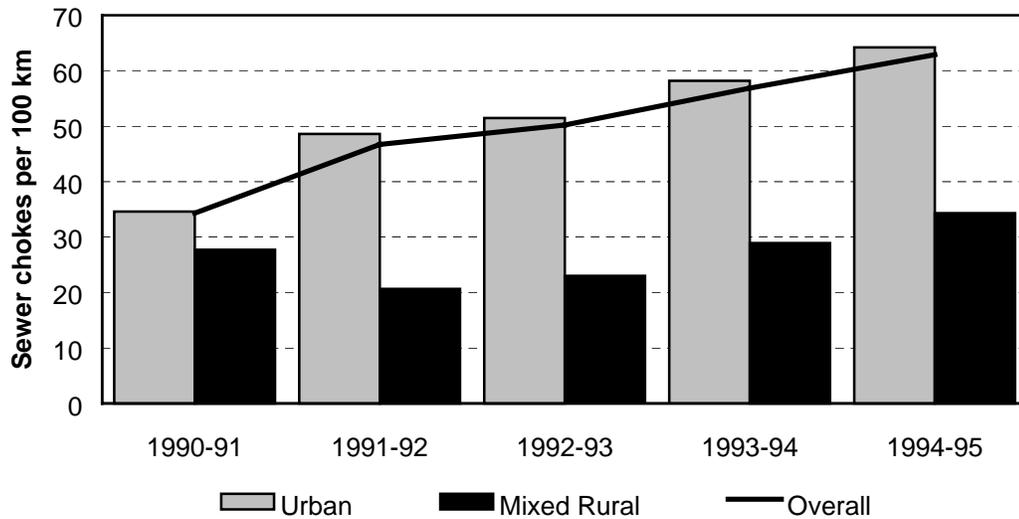
Figure 4.12: Main Breaks per 100 km (water)



Notes: Includes all GTEs for each group, but only where data was available.

Source: Steering Committee on National Performance Monitoring of GTEs.

Figure 4.13: Sewer chokes per 100 km



Notes: Includes all GTEs for each group, but only where data available. This indicator not relevant to the 'Bulk' and 'Irrigation' groups.

Source: Steering Committee on National Performance Monitoring of GTEs.

4.5 Summary

The water industry has been undergoing reforms in recent years, with further progress evident in 1994–95. Developments were closely related to COAG’s ‘Strategic Framework for the Efficient and Sustainable Reform of the Australian Water Industry’.

Reforms occurred particularly in the areas of pricing reform and corporatisation. As a rule, water GTEs now base their revenue raising more on usage charges and less on rates and allowances. Some GTEs eliminated rates based charges altogether, altering the incidence of charges between customer classes.

During 1994–95, Sydney Water Board was corporatised and renamed Sydney Water Corporation. A further two — ACTEW and South Australian Water Corporation — were corporatised on 1 July 1995.⁷

Despite these reforms, little overall change is evident in the performance of the water GTEs monitored. While real revenue per employee has increased substantially, this has not flowed through to better financial results. Over the five years 1990–91 to 1994–95, profitability (as measured by operating sales margin) and return on assets have improved little. Furthermore, real prices have increased slightly.

These results emphasise the importance of using a more comprehensive measure of productivity change, such as total factor productivity. However, in 1994–95, only one water GTE measured productivity in this way.

The wide variety of water authorities covered has prompted the Steering Committee to undertake further analysis at a more disaggregated level. The water GTEs were split into four groups — Urban, Mixed Rural, Bulk Water and Irrigation. This approach emphasised how differently the groups performed, when assessed according to the partial indicators available.

There do not seem to be any clear trends. One possible exception is the ‘Mixed Rural’ group (these represent the country operations of the SA, WA and NT authorities), which have shown improvements in profitability and rates of return since 1992–93.

⁷ The Water Authority of Western Australia was corporatised on 1 January 1996.

5 URBAN TRANSPORT SUMMARY

Urban transport GTEs are undergoing reforms designed to increase their efficiency and their responsiveness to their customers. Most importantly, many authorities are about to face greater competition for some of their services. MetroBus (formerly TransPerth) and TransAdelaide have recently undergone a reorganisation of their functions to increase transparency. Some governments have recently strengthened the commercial focus of their GTEs by creating separate business units (Queensland Rail, State Rail Authority, Public Transport Corporation). State Rail Authority, State Transit Authority, and Queensland Rail have introduced explicit funding for community service obligations.

Key Results 1994–95

- **Prices fell — after four year years of rising prices.**
Average prices fell over 2 per cent.
- **Cost recovery improved, reflecting higher customer receipts and lower operating costs.**
Cost recovery rose by 4 percentage points to 38 per cent.
- **Return on assets for the industry rose ...**
Return on assets for the industry reached 8.5 per cent (compared with 6.4 per cent in 1993–94).
- **... while productivity results were mixed.**
Over the year, total factor productivity (for four authorities) improved over 4 per cent while labour productivity for the other urban transport authorities covered declined 1 per cent.
- **There were encouraging signs of increasing patronage ...**
Patronage in catchment areas jumped 4 per cent over the year.
- **... but service quality appeared to have deteriorated.**
Service cancellations and delays both rose after a 4 year period of decline.

Source: Steering Committee on National Performance Monitoring of GTEs.

5.1 Industry structure

Ten authorities providing urban transport services in Australia are covered in this chapter.¹ Different transport services are provided by each (see Table 5.1). With the exception of TransAdelaide, all authorities running urban passenger trains also provide freight and non-urban passenger services.²

Table 5.1 GTE Urban transport industry services, 1994–95

<i>Authority</i>	<i>Service</i>			
	<i>Trains</i>	<i>Trams</i>	<i>Buses</i>	<i>Ferries</i>
New South Wales				
State Transit Authority			✓	✓
State Rail Authority	✓			
Victoria				
Public Transport Corporation	✓	✓	✓	
Queensland				
Brisbane Transport			✓	
Queensland Rail	✓			
South Australia				
TransAdelaide	✓	✓	✓	
Western Australia				
MetroBus			✓	
Westrail	✓			
Tasmania				
Metropolitan Transport Trust			✓	
Australian Capital Territory				
ACTION			✓	

Source: Steering Committee on National Performance Monitoring of GTEs.

Urban transport authorities monitored employed almost 28 000 people, carried 855 million passengers and earned \$1.4 billion in revenue in 1994–95.³ The authorities in New South Wales and Victoria — State Rail Authority (SRA),

¹ Rail GTEs providing urban train services are discussed twice in this report. They are included in both this Chapter and the railways summary (Chapter 5). The only urban transport GTE not included in this chapter is the Darwin Bus Service, the government owned operator of buses in Darwin, Northern Territory.

² Refer to the railways summary (Chapter 5) for a discussion of these services.

³ All figures include urban operations of rail GTEs. Number of passengers are measured in terms of passenger boardings. Revenue is from operations only (excludes abnormal revenue, investment income and receipts from governments to cover operating deficits).

State Transit Authority (STA) and the Public Transport Corporation (PTC) — are the largest service providers, together accounting for 77 per cent of operating revenues and 71 per cent of urban passenger journeys.

High sunk costs for some modes (such as trains), combined with government restrictions, prevent new firms entering the industry and competing directly with GTEs.⁴ However, competitive tendering for designated bus and ferry routes is emerging as an important method of introducing competitive pressures within the industry. Private bus and ferry companies operate services licensed by governments for particular urban routes.

Population densities along public transport corridors are crucial to patronage and hence financial performance. Larger cities have higher load factors, and this is reflected in some of the performance information presented in Volume 2. The transport modes that are available also affect the ability of authorities to cater for changing transport preferences. For example, the de-centralisation of work locations around urban centres makes it difficult (and costly) for urban rail services to satisfy transport demands.

Cost structures are influenced by the mix of transport services which authorities provide. Some transport modes (such as trains) have higher fixed costs than others (such as buses). For example, ACTION, which only operates buses, has a lower proportion of fixed costs compared to the Public Transport Corporation, which operates trams, trains and buses. An appreciation of the underlying cost structures within different authorities provides useful information when assessing comparative financial performance.

A wide cross-section of the community uses public urban transport. A number of factors govern demand, including fare levels, comfort, speed, convenience and reliability. In most cases, the purpose of travel determines the importance of each. The Industry Commission (1994) and more recently the NSW Independent Pricing and Regulatory Tribunal (1995) have argued that journeys to work or school are generally quite unresponsive to changes in fare levels. More important factors exist for these commuters.

⁴ Sunk costs are fixed costs that cannot be recovered even if the firm goes out of business. Rail tracks is an example in the urban transport industry.

Table 5.2 Policy initiatives affecting the urban transport industry,
to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>	
New South Wales	1992–93	Commercialisation initiatives introduced for the State Transit Authority (STA) include: performance monitoring arrangements; transparent funding for community service obligations provided under contract; restructuring to enhance accountability and debt reduction. STA brought under the full provisions of the <i>Passenger Transport Act</i> requiring it to operate under the same conditions as private bus operators. STA opened its information technology and fuel maintenance activities to competitive tendering.	
	1993–94	Automatic ticketing introduced within the CityRail (State Rail Authority) network.	
	1994–95	Integration of ticketing across various public transport modes.	
Victoria	1993–94	Legislative changes to clarify the roles of the Department of Transport and the PTC and the development of formal annual service agreements. Restructured the PTC into business units. Ancillary administrative and trading activities within the PTC contracted out to the private sector. 80 per cent of former government bus services in Melbourne contracted to private company. Continuing introduction of driver only suburban trains.	
	Queensland	1994–95	Commercialisation of Brisbane Transport
	Western Australia	1992–93	Urban transport pricing reforms for Transperth with fares based on distance-based costs.
		1994–95	Transfer of all monitoring, regulatory and policy related functions from urban transport authorities to the Department of Transport. The provision of bus services around Perth put up for tender. To 30 June 1995, two contracts had been won by MetroBus, and one by a private contractor. Transperth ferry services contracted out to a private operator commencing February 1995.

Table 5.2 Policy initiatives affecting the urban transport industry (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
South Australia	1994–95	<p>New <i>Passenger Transport Act</i> takes effect. Selected public bus transport routes competitively tendered beginning March 1995.</p> <p>Transfer of the majority of TransAdelaide bus, depot and workshop assets to the Department of Transport and the ticketing system to the new Passenger Transport Board. The board will undertake the regulation, co-ordination and funding of public transport services including bus, rail, tram and taxi services.</p>
Tasmania	1990–91	<p>Metro was included as a State Authority on the schedules to the <i>State Authorities Financial Management Act 1990</i> (SAFMA) on 1 July 1990. The SAFMA provides for the financial management of State Authorities consistent with contemporary accounting standards and financial practices. It requires adequate returns to the State from the assets and operation of State Authorities.</p>
	1994–95	<p>Metropolitan Transport Trust (Metro) is a GBE under the <i>Government Business Enterprises Act 1995</i> from 1 July 1995. The Act provides for full competitive neutrality including the identification, costing, determination and funding of community service obligations.</p>

Notes: See railways summary (Chapter 6) for a more detailed discussion of initiatives in rail GTEs that provide urban passenger services.

Source: Steering Committee on National Performance Monitoring of GTEs.

5.2 Market conditions and regulation

Owner governments have tight control over all aspects of pricing. In New South Wales and Tasmania, independent bodies provide advice on appropriate pricing regimes. However, ultimate decisions rest with governments. The Industry Commission (1994) noted that governments have, for many reasons (including political), restrained fare levels. The level of increase has often been below that of the consumer price index. Governments have traditionally imposed pricing regimes that bear little or no relation to attributable costs.

Fare restructuring in recent years has seen moves to align fare levels more closely with the cost of provision. However, fare structures still differ substantially across authorities (see Table 5.3).

Urban public transport investments for capital items such as rail tracks, bus depots and rolling stock usually involve large financial outlays. In all States and Territories, significant investment proposals by transport authorities need government approval. Often, the expenditure forms part of the government's capital works budget. In some instances, the Commonwealth and local governments contribute funds for these investments. State treasuries have taken over responsibility for the repayment of the debt of some authorities — such as

Public Transport Corporation and State Rail Authority — either at the time of borrowing or later.

Table 5.3: Public transport fare structures in Australian cities, 1994–95

<i>City</i>	<i>Availability of intermodal tickets</i>	<i>Per trip basis or time period basis</i>	<i>Related to distance travelled</i>	<i>Variation with time of travel</i>
Sydney	Yes	Single trip	Yes	To some extent
Melbourne	Yes	Unlimited travel for two-hour period within designated zone; single trip tickets available for short trips	Yes	To some extent
Brisbane	Limited	Single trip	Yes	Yes
Adelaide	Yes	Unlimited travel for two-hour period; single trip tickets available for short trips	Yes	Yes
Perth	Yes	Unlimited travel for two hour period	Yes	No
Hobart	Not applicable	Single trip	Yes	No
Canberra	Not applicable	Single trip	No	To some extent

Source: Steering Committee on National Performance Monitoring of GTEs.

5.3 Financial performance

Apart from an appreciation of the industry structure there are two other factors to take into account when assessing performance.

First, asset valuation methods differ between urban transport authorities and also across asset classes within some authorities. This limits useful comparison. Historical cost is used as the valuation method for all MetroBus's (WA) assets and some of the assets of TransAdelaide and ACTION (ACT).⁵ Brisbane

⁵ In 1994–95, TransAdelaide revalued at current costs all non-current assets associated with its bus transport business. It also revalued a proportion of its property holdings. ACTION values its buildings at current cost.

Transport, State Transport Authority (NSW) and Metro (Tas) value all or most of their assets using current cost methods.⁶

Second, public urban transport services provide economic and social benefits to the community that exceed the direct benefits for which the users pay. These benefits include reduced road congestion and damage, and greater mobility for disadvantaged groups.

Traditionally, these benefits were recognised implicitly by governments and paid for through general subsidies to fund the operating deficits incurred by urban transport authorities. Recently, however, in the interests of transparency, many governments have decided to account explicitly for the social benefits of urban transport and fund them through payments to the authorities as community service obligations (CSOs).⁷

Some urban transport authorities, however, do not receive direct CSO payments. Moreover, among those doing so, differences exist in the definitions and methods of calculation used. For example, State Transport Authority (STA) receives payments for both 'service level' CSOs and 'pricing' CSOs. 'Service level' CSOs are non-commercial services provided in excess of the contract minimum level. 'Pricing' CSOs attract payments reflecting the difference between the fare scales charged by STA and an equivalent 'commercial' fare scale. The CSO payments Queensland Rail receives for its urban passenger services are more general in nature and equal estimated operating losses.⁸

Cost recovery

Cost recovery provides a useful indicator of profitability for consistently loss making enterprises such as urban transport authorities. Cost recovery reported in Figure 5.1 uses two different revenue figures. One is *customer revenue*, that is, all revenue from non-government sources such as fares and advertising. The other is *total operating revenue*, defined as customer revenue plus all government funding for specifically agreed services (such as CSOs). This does not include payments by government to fund operating deficits.

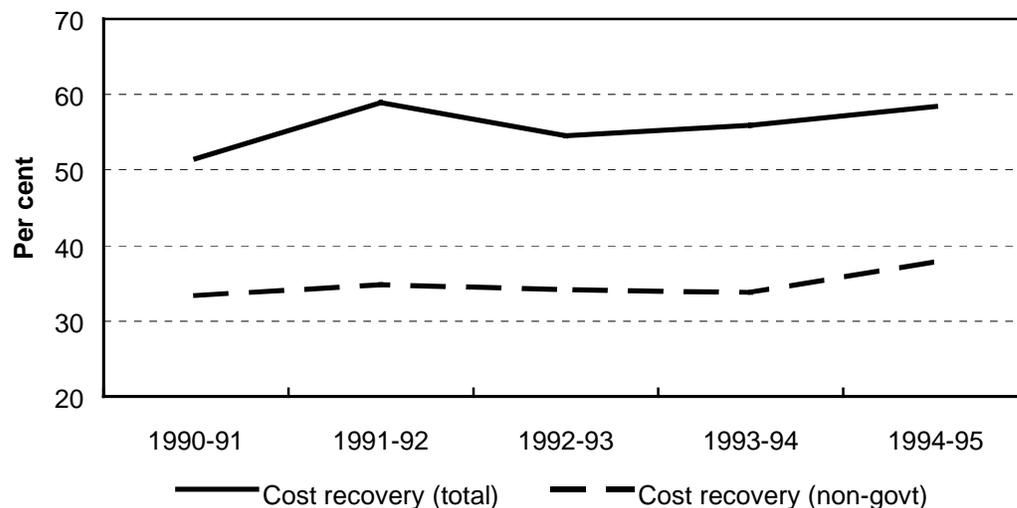
⁶ Metro carries out three year revaluations of its property, plant and equipment.

⁷ A CSO arises when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, and which the government does not require other businesses to generally undertake, or which it would only do commercially at higher prices. (Steering Committee on National Performance Monitoring of GTEs, 1994, p. xi).

⁸ A number of urban transport GTEs (including Queensland Rail) are in the process of introducing CSO payments or changing current policies in relation to CSOs.

The industry achieved higher total cost recovery (which includes government funding) in 1994–95 than five years earlier, rising from 52 to 58 per cent (see Figure 5.1). Over that period, there were significant increases in revenues (more than 10 per cent) while operating costs declined by over 2.5 per cent. The proportion of operating costs covered by customer revenues rose from 33 per cent in 1990–91 to 38 per cent in 1994–95. Although government payments grew over the period (from \$460 to \$506 million), higher customer revenues have been the main factor behind improved cost recovery.

Figure 5.1: Cost recovery



Notes: Unpublished estimates provided to the Secretariat are used for Public Transport Corporation and Queensland Rail respectively. Neither GTEs produce separate financial accounts for their urban transport operations. Revenue from operations for CityRail from various annual reports of the State Rail Authority.

Source: Steering Committee on National Performance Monitoring of GTEs.

A cost recovery of less than 100 per cent does not necessarily imply a negative cash flow, because depreciation costs form part of the definition of operating costs.

The sharp rise in cost recovery in 1991–92 is chiefly explained by a large CSO payment to the State Transit Authority that was reduced in subsequent years.

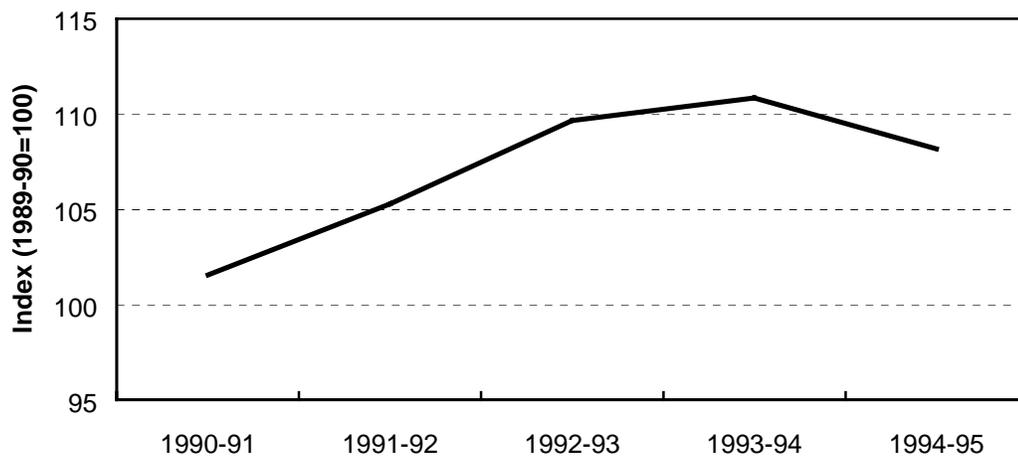
Prices

Real prices for urban transport services were over 6.5 per cent higher in 1994–95 than in 1990–91 (see Figure 5.2). However, real prices fell over 2 per cent

last year. The pattern of price change since 1990–91 remains mixed across the industry, ranging from a decline of 8 per cent to a 23.5 per cent increase.

Price rises over the period reflect the introduction of commercial reforms by some authorities that align prices more closely with the cost of provision. For example, this was a chief objective of pricing reforms introduced in Perth in 1992–93.

Figure 5.2: Real prices



Notes: The Secretariat estimated Westrail's (urban) price index. Unpublished estimates of customer revenue were provided by Public Transport Corporation and Queensland Rail. They do not produce separate financial statements for their urban transport operations.

Excludes MetroBus/Transperth because of inconsistencies in their real price index associated with the restructuring of their operations in 1994–95.

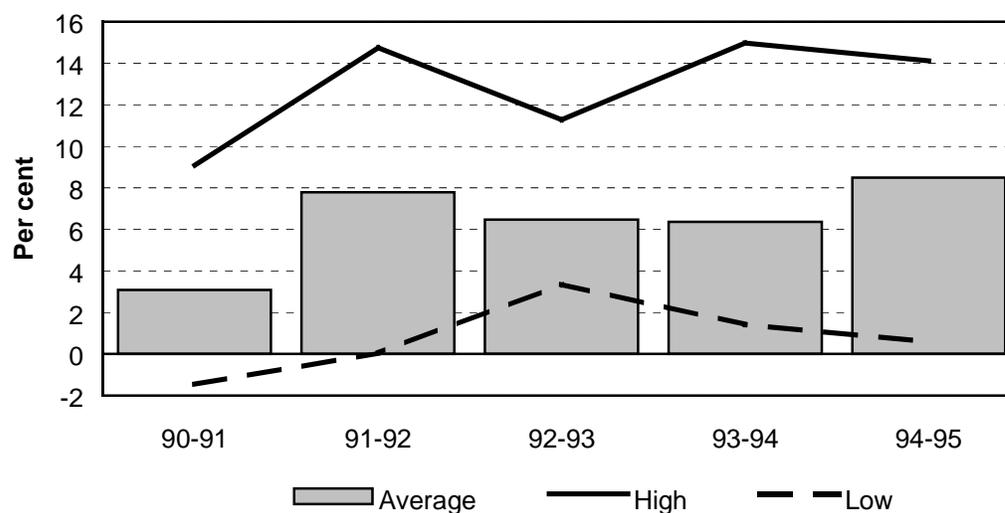
Source: Steering Committee on National Performance Monitoring of GTEs.

Shareholders' returns

Return on assets improved from 3 per cent in 1990–91 to 8.5 per cent in 1994–95 (see Figure 5.3). Over this period earnings before interest and tax (EBIT) rose by almost 200 per cent and average total assets rose by 6 per cent. The rise in EBIT is chiefly the result of a 6 per cent reduction in total expenses.

Total assets declined by nearly \$110 million in 1994–95. The major contributors to this decline were MetroBus and TransAdelaide. Perth's ferry services were contracted out to a private operator and TransAdelaide's bus, depot and workshop assets were transferred to the SA Department of Transport.

Figure 5.3: Return on assets



Notes Excludes Public Transport Corporation, State Rail Authority, Queensland Rail and Westrail because of inadequate information.

Source: Steering Committee on National Performance Monitoring of GTEs.

Governments require urban transport authorities to provide many non-commercial services. Explicit CSO payments attempt to account for these services so that financial measures give a more accurate indication of performance.

The calculation of return on assets includes payments by governments to fund operating deficits as part of EBIT. This was excluded from revenue in the calculation of cost recovery (presented in Figure 5.1). This accounts for the apparently contradictory results of positive returns on assets and less than 100 per cent cost recovery.

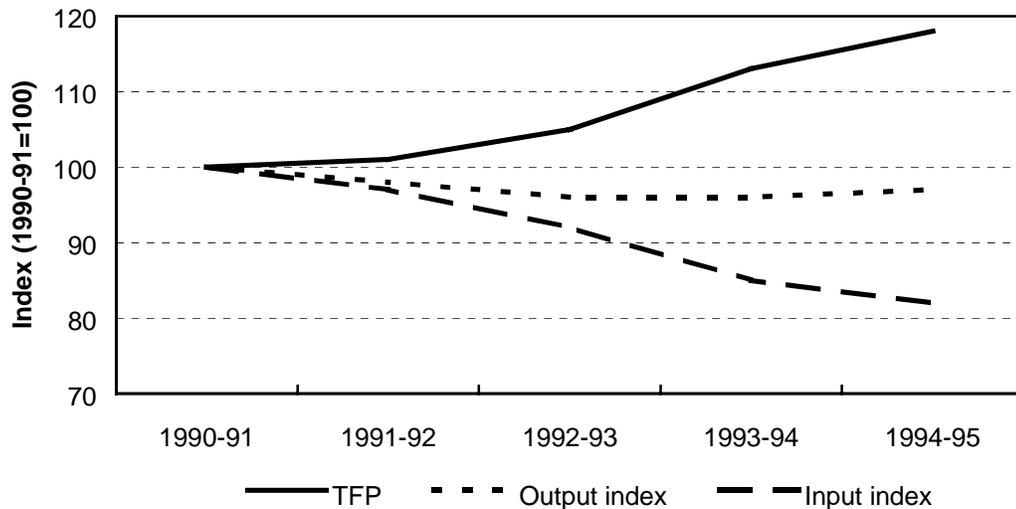
Productivity

Four urban transport authorities provided information enabling the measurement of Total Factor Productivity (TFP).⁹ This group accounts for almost 60 per cent of both industry revenue and passenger boardings.

⁹ Public Transport Corporation (Vic), State Transit Authority (NSW), TransAdelaide (SA) and MetroBus (WA).

TFP rose by 18 per cent over the five year period (see Figure 5.4). The index of inputs fell 18 per cent and the output index (measured by seat-kilometres) fell 3 per cent.¹⁰ The decline in the input index was due almost entirely to improved labour productivity (up 40 per cent).¹¹ This change in labour productivity was associated with a 31 per cent decline in employment.

Figure 5.4: Total Factor Productivity of four urban transport authorities



Notes: Includes Public Transport Corporation, State Transport Authority, TransAdelaide and MetroBus (buses only). The output measured in this chart is seat-kilometres. The input measure comprises the following inputs: labour, capital, energy and materials.

Source: Steering Committee on National Performance Monitoring of GTEs.

The rise in TFP across individual authorities ranged from 8 to 18 per cent. A reduction in input usage explains the majority of these TFP gains. Over the period, some transport modes (such as MetroBus buses) achieved higher output using fewer inputs. For other modes (such as Public Transport Corporation trains) output fell but inputs fell proportionately more, causing the TFP for that mode to rise. The TFP results for each GTE by mode are presented in Volume 2.

¹⁰ The output measure only considers seats supplied by GTEs. No account is taken of the ratio of standing passengers on urban transport services. This may understate TFP for transport modes where standing passengers are more common (such as trams). Ideally, demand and supply measures are needed to take full account of TFP change.

¹¹ The productivity of capital, which is the other major contributor to the index, actually declined by almost 15 per cent over the period.

The TFP of buses provided by the Public Transport Corporation has increased over the period, despite the contracting out of around 80 per cent of their services. The output index for PTC buses fell by 60 per cent over the period but the input index fell by more (73 per cent). TFP rose as a result.

An alternative measure of productivity for authorities not providing TFP estimates is labour productivity. Although not as comprehensive as TFP, labour productivity provides insights into productivity in the industry. Labour productivity (measured as real revenue per employee) for the remaining authorities was 15 per cent higher in 1994–95 than in 1990–91 (see Figure 5.5). This rise in productivity was associated with a 15 per cent fall in employment.

Labour productivity was also calculated for those authorities providing TFP data. This enables a comparison to be made between changes in labour productivity for the group of authorities providing TFP information and for those not doing so.

Labour productivity growth was much higher for the group of authorities providing TFP information (41 per cent compared to 15 per cent for the rest). Two factors may explain this. First, the method of calculating labour productivity was different for each group.¹² Second, the extent of employment shedding over the period differed between the two groups. The total decline in employment for the four authorities providing TFP information was more than double that of the other authorities (31 per cent compared to 15 per cent).

The Steering Committee considers TFP to be a more comprehensive measure of productivity and therefore superior to partial measures, such as labour productivity. The calculation of TFP by all urban transport authorities would provide a more informative picture of performance for the industry.

¹² The measure of output used to calculate labour productivity differed for the two groups. Seat kilometres was used for the authorities which provided TFP data (Figure 5.4), whereas real revenue was used for those which did not (Figure 5.5).

Figure 5.5: Labour productivity and employment of urban transport authorities not providing TFP information



Notes: Includes State Rail Authority (CityRail), Queensland Rail (urban), Brisbane Transport, ACTION, and Metropolitan Transport Trust. Excludes Public Transport Corporation (urban), State Transport Authority, TransAdelaide, MetroBus and Westrail (urban). Westrail excluded because of incomplete information on urban rail revenue. Labour productivity is defined as real revenue per employee. Industry revenue excludes abnormal revenue but includes government payments to cover operating deficits. Deflated urban passenger revenue is used as a proxy for total revenue for the State Rail Authority, which does not publish separate financial statements for its urban transport operations. Unpublished estimates (sourced from Queensland Rail) are used for urban transport revenue for Queensland Rail.

Source: Steering Committee on National Performance Monitoring of GTEs.

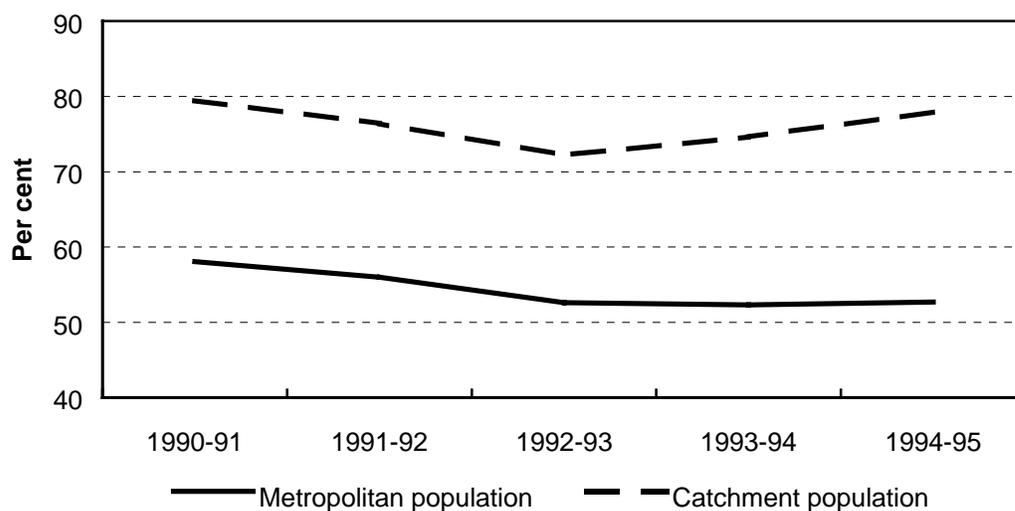
5.4 Patronage and service quality

Boardings per head of population is an indicator of the use of urban transport services by potential customers. It is calculated for both metropolitan and catchment populations.¹³ The ‘catchment’ measure indicates the extent to which patronage is changing in urban areas serviced by public transport. The ‘metropolitan’ measure broadly shows the degree to which urban transport authorities are responding to changing urban transport needs over time. If population densities within city areas change, there may be a long delay before the mix of transport services is changed in response to the new circumstances.

¹³ Data from the Australian Bureau of Statistics are used for metropolitan and catchment populations. Catchment populations are located along public transport corridors.

There are tentative signs that the long-term decline in patronage numbers across the industry has stopped — and actually reversed in catchment areas. Since 1992–93 both measures of patronage have begun to rise with boardings in catchment areas rising almost 8 per cent (see Figure 5.6). The chief contributors to this improvement were State Rail Authority, Public Transport Corporation (Trams) and Brisbane Transport. However, TransAdelaide has experienced a 10 per cent decline in patronage in catchment areas since 1990–91.¹⁴

Figure 5.6: Average boardings per head of population



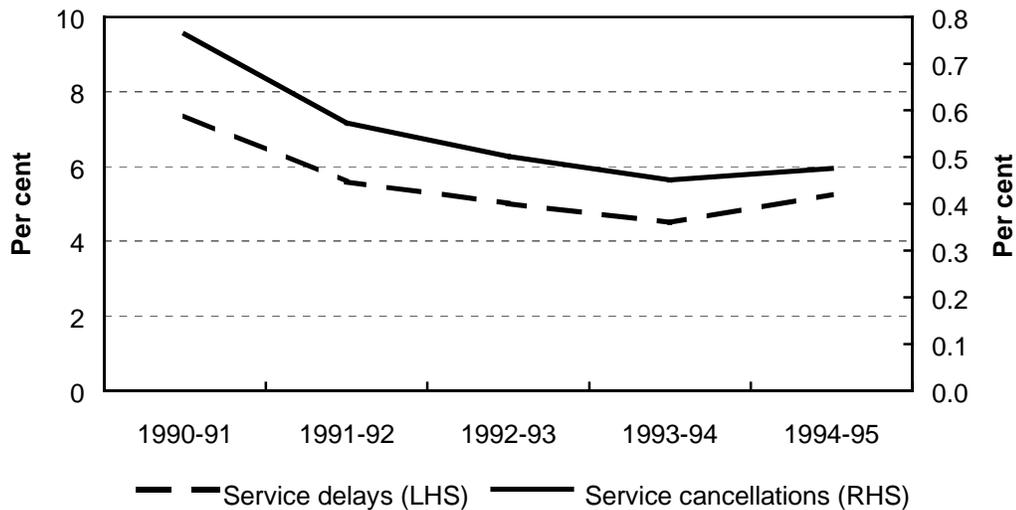
Notes: Excludes Queensland Rail, Public Transport Corporation (Buses), Westrail, MetroBus because of inadequate information.

Source: Steering Committee on National Performance Monitoring of GTEs.

The level of service delays and cancellations in 1994–95 is significantly lower than that experienced by commuters in 1990–91. The percentage of scheduled service delays has fallen from 7.4 to 5.2 per cent between 1990–91 and 1994–95 (see Figure 5.7). The proportion of services cancelled in 1994–95 was 0.5 per cent (0.8 per cent in 1990–91). The authorities included in Figure 5.7 account for almost 75 per cent of total industry passenger boardings.

¹⁴ This is after an adjustment for a decline in the recorded numbers of journeys, following the removal of School Card Travel.

Figure 5.7: Service cancellations and delays on urban transport services



Notes: Excludes Metropolitan Transport Trust, Public Transport Corporation (Trams and Buses), Brisbane Transport, TransAdelaide, MetroBus, because of inadequate information.

Source: Steering Committee on National Performance Monitoring of GTEs.

5.5 Performance summary

The industry is showing encouraging signs of improved performance across a range of financial and non-financial measures. However, improvement has occurred from a low base. Cost recovery and return on assets have both improved, reflecting a combination of higher prices and patronage and reduced operating costs. A better quality service (in terms of service cancellations and delays) may have partly contributed to higher patronage across the industry. However, other factors, such as improved economic conditions, would also have had positive effects on patronage and hence financial performance.

This chapter presented information on the total factor productivity of four authorities. The steady improvement in TFP over the period indicates that efficiency improvements have contributed to financial gains.

The two authorities mainly responsible for the improved performance of the industry as a whole (STA and PTC) have undergone significant reform. Both have recently achieved above average performance across a range of indicators including cost recovery, productivity and patronage.

6 RAILWAYS SUMMARY

Over the period covered by this report, the rail authorities monitored were subject to reforms designed to increase their commercial focus. The extent and nature of these reforms differed between the various jurisdictions. The overall performance of the industry was mixed.

Key Results 1994–95

- **Prices fell across all segments of the industry.**

Overall, average prices fell 3.5 per cent over the year; the result of reductions in freight rates (2 per cent), urban fares (7 per cent) and non-urban fares (2 per cent).

- **Labour productivity continued to rise and employment continued to fall ...**

Labour productivity rose by almost 1.5 per cent, while employment fell 9 per cent.

- **... but cost recovery fell as a result of higher operating costs.**

Total cost recovery (including government revenue) fell 5 per cent to 83 per cent while cost recovery from customers fell 4 per cent to 70 per cent. Operational expenses were higher (an increase of over 6 per cent). Government payments represented nearly 16 per cent of industry revenues.

- **Returns on assets remained negative.**

Return on assets was minus 2.8 per cent (minus 1.5 per cent in 1993–94).

- **There was a slight reduction in the reliability of rail services, and the reliability of freight services remained poor.**

Only 62 per cent of rail freight services ran on-time (66 per cent in 1993–94). On-time running was 89 per cent for urban passenger services (91 per cent in 1993–94).

Source: Steering Committee on National Performance Monitoring of GTEs.

Structural and administrative changes continued in the rail industry. Changes associated with the establishment of National Rail in 1991, which took over responsibility for interstate freight operations from state authorities, neared completion. Over the coming years, third party rail access arrangements will be put in place. In response to this prospect, the authorities covered in this chapter have changed their operations. This has affected their performance. Moves towards single corridor management for interstate passenger services also affected the operations of some authorities.

Many country rail passenger services have been rationalised over recent years — some have been replaced by coach services and others franchised to private sector providers. An expansion of the rail network in some cities took place, most notably in Perth. Several initiatives designed to improve system efficiencies (such as the introduction of driver only trains and electronic ticketing) occurred in different authorities to varying degrees (see Table 6.3 for details of the list of initiatives introduced for each GTE).

6.1 Industry structure

In Australia, seven authorities provide rail transport services. Their operations differ substantially in terms of their size and the mix of services they provide (see Table 6.1).

The State Rail Authority (SRA) and Queensland Rail (QR) are the largest, accounting for 33 and 31 per cent, respectively, of the industry's operating revenue. Rail freight is the most important contributor to the industry's operating revenue (76 per cent) followed by urban (17 per cent) and non-urban passenger services (7 per cent).

Rail authorities employ over 51 000 people. Most are employed in the delivery of rail freight services (28 500) followed by urban passenger services (17 500) and non-urban passenger services (5 000).

Rail freight services accounted for \$2.7 billion of revenue in 1994–95. SRA and QR dominate this segment of the industry. Rail freight provides services mainly to the mining and agricultural industries. Bulk freight comprises about 85 per cent of freight tonnes moved by government railways. Intra-state freight (comprising coal and other minerals and, to a lesser extent, agricultural products) is the main source of revenue for the industry.

Table 6.1 Rail industry activities, 1994–95

<i>Authority</i>	<i>Activity</i>			
	<i>Urban passenger</i>	<i>Non-urban passenger</i>	<i>Intrastate freight</i>	<i>Interstate freight</i>
State Rail Authority (NSW)	✓	✓	✓	
Public Transport Corporation (Vic)	✓	✓	✓	✓ ^a
Queensland Rail (Qld)	✓	✓	✓	
Westrail ^b (WA)	✓	✓	✓	
Australian National Railways Commission (C'wealth) ^c		✓	✓	
TransAdelaide (SA)	✓			
National Rail Corporation (C'wealth, NSW, Vic)				✓

a The Public Transport Corporation operates a small number of grain freight services in the border regions of eastern South Australia and southern New South Wales.

b Transperth contracts Westrail to provide urban rail services in metropolitan Perth.

c Australian National provides intra-freight services within South Australia and Tasmania. Its business operations have changed significantly since the establishment of National Rail. In particular, maintenance and contract work is now one of its main sources of revenue. It remains involved in interstate freight through its track operations and minor services to Kalgoorlie.

Source: Steering Committee on National Performance Monitoring of GTEs.

Urban passenger services had nearly 410 million passenger boardings and earned almost \$620 million in passenger revenue in 1994–95.¹ SRA (CityRail) accounted for 66 per cent of total passenger revenue and 61 per cent of total passenger boardings.

Non-urban passenger services ran 2.1 billion passenger-kilometres, earning over \$240 million in 1994–95. SRA (CountryLink) again accounted for more than any other authority, collecting 45 per cent of industry revenue and accounting for 43 per cent of total passenger-kilometres.²

An important structural characteristic of the industry is the presence of large sunk costs associated with rail infrastructure (such as rail tracks and signalling). These constitute high barriers to entry which, combined with government

¹ Data presented excludes urban rail operations of TransAdelaide. Passenger revenue includes government contributions for Community Service Obligations and fare re-imbursments.

² SRA, which provides three interstate passenger services, dominates the non-urban passenger rail business.

controls and the vertically integrated nature of the industry, has contributed to the development of monopolies for rail services.³

Within the freight business, competition has also been constrained by government imposed regulations restricting certain freight tasks to rail transport, ostensibly for social or safety reasons. Although many have been removed in recent years, some still existed as at June 30, 1995 (see Table 6.2).

Table 6.2 Regulated commodity traffic by State, June 1995

<i>State</i>	<i>Traffic</i>
NSW	Export coal, and new coal production must use rail where a rail line exists.
Vic	Intrastate grains (including those moving to export ports).
Qld	Intrastate grain, LPG and raw sugar as well as nearly all coal and minerals. ^a
WA	Major bulks (ie ores and minerals), related processing feed stocks and woodchips.
SA	No restrictions.
Tas	Road transport operators required to pay a fee for freight tasks that could be performed by rail.

a In Queensland, permits must be obtained to carry certain goods by road. An outcome of the system is that many commodities are effectively restricted to using rail. Restricted goods typically include coal, limestone and raw sugar. The Queensland Department of Transport states that the criteria for issuing permits are economic, social and environmental rather than support for any particular transport mode. [Bureau of Industry Economics (1995), pp. 12-13]

Notes: Further deregulation of traffic has occurred since June 30 1995 (see Table 5.3 for details). In particular, freight was completely deregulated in Western Australia on July 1, 1995. Rail protection fee in Tasmania removed on 1 July 1995.

Source: Steering Committee on National Performance Monitoring of GTEs (adapted from Bureau of Industry Economics, 1995b, p. 13).

Rail authorities are usually unable to compete with each other because their markets are geographically determined by the rail infrastructure they own. However, rail competes with alternative transport modes. For example, rail freight competes with road and sea, and to a lesser extent, air transport.

BHP and CRA are the main customers of the public rail bulk freight business, mainly using the system to transport coal and, in BHP's case, steel. A more diverse customer base exists for other bulk freight tasks, such as grain. Major

³ Rail authorities are vertically integrated in that they own both above and below rail assets.

freight forwarding companies such as TNT and Brambles use the system to transport non-bulk items such as containerised freight and motor vehicles.

The industry is in a period of major change (see Table 6.3). Structural reforms and administrative changes (including commercialisation and corporatisation) within particular GTEs continue to be implemented in an effort to improve performance. The traditional structure of the industry is changing as a result of the separation of the management of rail infrastructure from the management of 'above rail' operations. The main objective of this is to separate the potentially competitive segments of the industry from the natural monopoly elements and to encourage new entrants.

Table 6.3 Policy initiatives affecting the rail industry, to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
New South Wales	1993–94	SRA began single corridor management of the Brisbane to Melbourne passenger route Introduction of separate financial structures, balance sheets and transfer pricing arrangements for SRA business groups Contracting out of revenue collection and maintenance of CityRail automatic ticketing machines. Leasing arrangements introduced for new rolling stock and locomotives. They are owned and maintained by private firms.
	1994–95	Non-core functions of SRA's business groups transferred to Rail Services Group. These include construction and maintenance of tracks/signals, and maintenance of locomotives and rolling stock. Establishment of a separate business unit (RailNet) to manage SRA's infrastructure assets and to provide both the public and private sectors with access to the rail network. It is to be corporatised by 1 July 1996.
	Ongoing	Outsourcing and introduction of competition to selected internal areas within SRA.
	1993–95	Removal of restrictions applying to the transport by road of bulk oil, minor bulk commodities, timber, cement and briquettes.
Victoria	1993–95	Removal of restrictions applying to the transport by road of bulk oil, minor bulk commodities, timber, cement and briquettes.

Table 6.3 Policy initiatives affecting the rail industry (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
Victoria (cont.)	1993–94	The Public Transport Corporation (PTC) continued the introduction of driver only trains for suburban and country passenger and freight services. Benchmarking of PTC rail vehicle maintenance activities against external suppliers.
Queensland	1993–94	Review of the Government’s export coal royalty/rail haulage policy which will result in a phased removal of ‘de-facto’ royalties collected through rail freight rates by 2000. Collections of ‘de-facto’ royalties will be reimbursed to Government. International benchmarking of Queensland Rail (QR) coal haulage services. Transparent funding of CSOs introduced.
	1994–96	Introduction of two driver and driver only operations throughout Queensland.
Western Australia	1992–93	Transport of bulk fuels, minor bulks and timber deregulated.
	1994–95	Corporatisation of Westrail abandoned in favour of financial reforms under the ‘Right Track’ program. Planned financial reforms include the explicit funding of all CSOs associated with passenger services, reduced debt and the introduction of a tax equivalent regime. Transport of major bulk traffic (that is, ores, minerals and woodchips) deregulated. One of the principal objectives of the Right Track program is to achieve international best practice by 1 July 1996. Consideration is to be given to subjecting urban passenger services to competitive tendering.
Commonwealth	1991–92	National Rail Corporation (NRC) established with the Commonwealth, New South Wales and Victorian governments as shareholders.
	1992–93	Australian National (AN) began single corridor management of the Sydney to Perth passenger route (the Indian-Pacific).
	1993–95	AN transferred all its interstate freight business to the NRC. Contract revenue (including maintenance and construction services for other Rail GTEs and third party operators) became the major source of revenue for AN.

Source: Steering Committee on National Performance Monitoring of GTEs.

6.2 Market conditions and regulation

Pricing regulations do not apply to the carriage of freight. However, Australian National, Queensland Rail and State Rail Authority received explicit CSO payments, intended to make certain train services financially viable. Other rail GTEs received support, in the form of general deficit subsidies, for freight services that were not commercially viable.

Passenger rail fares are regulated in all mainland States, except South Australia. Fares are not regulated for Australian National's inter-state services, or the intra-state segments of those services.

Within many rail GTEs an increased commercial focus has prompted the introduction of new and innovative services. For example, National Rail has introduced a number of new services including a premium express freight bi-modal service (RoadRailer), which commenced in November 1994.

A stronger commercial focus has also prompted many authorities to discontinue some services. Some Victorian country passenger services have been replaced by coach services while two other services have been franchised to private rail operators.

Following the negotiation of access to the rail networks in Victoria, South Australia and Western Australia, Specialised Container Transport began running interstate freight services in direct competition with National Rail in 1995. The approach to third party access arrangements — a crucial factor for potential competitors — has taken different forms across jurisdictions.

New South Wales has established a separate business group (RailNet) responsible for the negotiation of access to the rail network as well as setting access rates.⁴ In Victoria, the Department of Infrastructure is responsible for the negotiation of access to the Victorian rail network, and the setting of access rates. Access charges are negotiated individually with interested parties.

An independent business unit, *Track Access*, has been created within Australian National. It is responsible for network capacity planning, train control, infrastructure management, track safety and access pricing and negotiations. Rail infrastructure under its control stretches from the eastern states to Western Australia and the Northern Territory. A two-part tariff forms the basis of the pricing regime. The *flagfall* or fixed charge depends on the train type and time of day, while the variable charge depends on the weight of the load. These prices are publicly available.

⁴ RailNet is earmarked for corporatisation in 1996.

Queensland Rail recently established a network access unit which is independent of its operating business groups. Separation of accounting information for 'above' and 'below rail' assets will ensure that third party operators and internal business groups are treated equally for the purposes of access pricing. There appear to be a number of potential third party operators.

In summary, substantial changes are reshaping the rail industry. In particular, the trend to separate above and below rail operations nationally is expected to strengthen competitive pressure.⁵

6.3 Financial performance

Apart from the changes in the industry structure (as noted above), there are two other factors that should be taken into account when assessing performance. First, the methods of valuing assets differ between rail GTEs, hindering useful comparisons. The largest authorities, State Rail Authority and Queensland Rail, value most of their assets at current cost (using deprival value methods). All other rail authorities use historical cost.⁶

Second, rail provides economic and social benefits to the community over and above the direct benefits purchased by the users of public transport services. These benefits include reduced road congestion and road damage, and greater mobility for disadvantaged groups.

Traditionally, these benefits have been implicitly acknowledged by owner governments and paid for by funding the authorities' operating deficits. Recently, however, many governments have commenced making specific payments to their rail authorities to account explicitly for the social benefits of rail transport.

Australian National, State Rail Authority and Queensland Rail receive Community Service Obligation (CSO) payments.⁷ Performance comparisons

⁵ In 1996, transport ministers agreed in-principle to the establishment of a national track authority, to take over responsibility for the management and control (but not ownership) of all interstate rail infrastructure in Australia. It will set prices for access and have responsibility for setting appropriate investment priorities for the entire interstate network.

⁶ Certain items of the PTC's property, plant and equipment are recorded at the Corporation's valuation. Australian National calculates current asset values but these values are not used in the construction of its balance sheet.

⁷ A Community Service Obligation arises when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, and which the government does not require other businesses to generally undertake, or which it would only do commercially at higher prices. (SCNMPGTE, 1994a, p. xi).

across the industry are difficult because other rail authorities do not receive explicitly measured CSO payments. For example, the Public Transport Corporation receives funding from the Victorian Government to fund general operating deficits. The Corporation received general payments to assist in meeting a number of identified, but not explicitly measured, CSOs.

There are differences in the definition and level of CSO payments. For example, the State Rail Authority (SRA) receives CSO payments for freight and passenger services.⁸ The payments for freight cover expenditure incurred in operating the portion of the freight network which is not commercially viable. CSO payments to SRA for passenger services are made to improve community mobility and to promote an optimum balance between private and public transport. Payments include reimbursements for revenue foregone as a result of fare reductions to selected community groups and the cost of providing services beyond levels which would be provided in a commercial environment. However, CSO payments to Queensland Rail are calculated to equal all estimated operating losses for that year.⁹

Cost recovery

Cost recovery provides a useful indicator of profitability for businesses such as rail authorities, many of which consistently make losses. These losses arise from the passenger transport side of their operations. As a consequence, the two authorities operating the largest urban transport systems, the PTC and SRA, achieved the lowest level of cost recovery (excluding government payments) — 40 and 51 per cent respectively, in 1994–95. Westrail achieved 123 per cent cost recovery in 1994–95 (excluding government payments).

Cost recovery for the rail industry is examined using two different revenue figures. One is *customer revenue*, that is, all revenue such as fares and advertising from non-government sources. The other is *total operating revenue*, which comprises customer revenue plus all government funding for specifically agreed services (such as CSOs).

Cost recovery, exclusive of government payments, rose to its highest level (74 per cent) in 1993–94. It subsequently declined to 70 per cent in 1994–95, mainly because of rising depreciation charges associated with a revaluation of SRA's assets, but also associated with fare increases within the PTC.

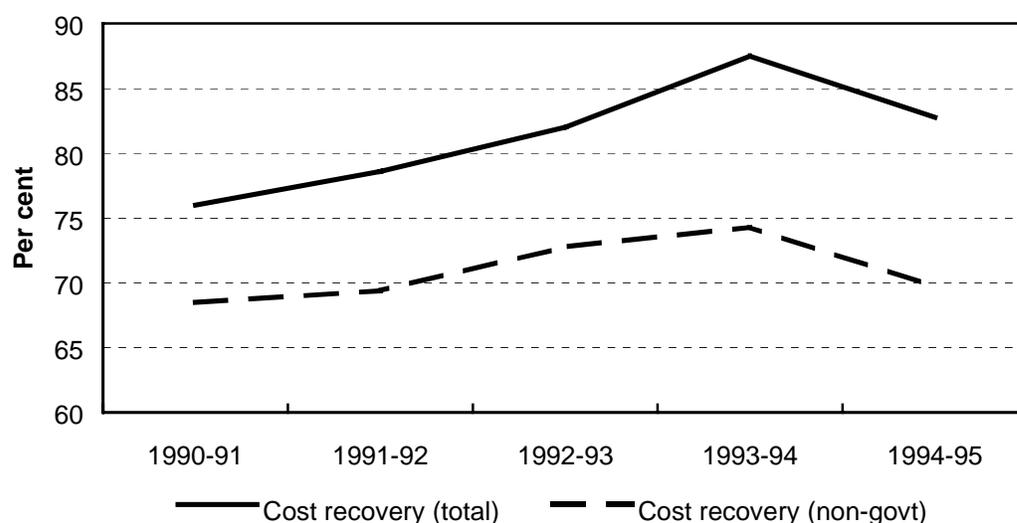
⁸ SRA calls these payments Social Program payments.

⁹ The Queensland government is currently developing a new approach to CSO funding for Queensland Rail.

Total cost recovery (which includes government payments) rose to its highest level over the five year period in 1993–94 (87 per cent), before falling back by 5 per cent in 1994–95 (see Figure 6.1). Nearly 70 per cent of operating costs were recovered from customers in 1994–95 (2 per cent higher than in 1990–91).

The widening gap between the two indicators of cost recovery since 1992–93 is the result of government payments for specifically agreed services (such as CSOs). These have increased by nearly \$350 million over the five year period and nearly \$270 million since 1992–93.

Figure 6.1: Cost recovery



Notes: Excludes information on SA urban rail operations. Unpublished estimates are used for Public Transport Corporation (rail operations) for all years and for Queensland Rail prior to 1992–93. These were supplied by the GTE concerned.

Source: Steering Committee on National Performance Monitoring of GTEs.

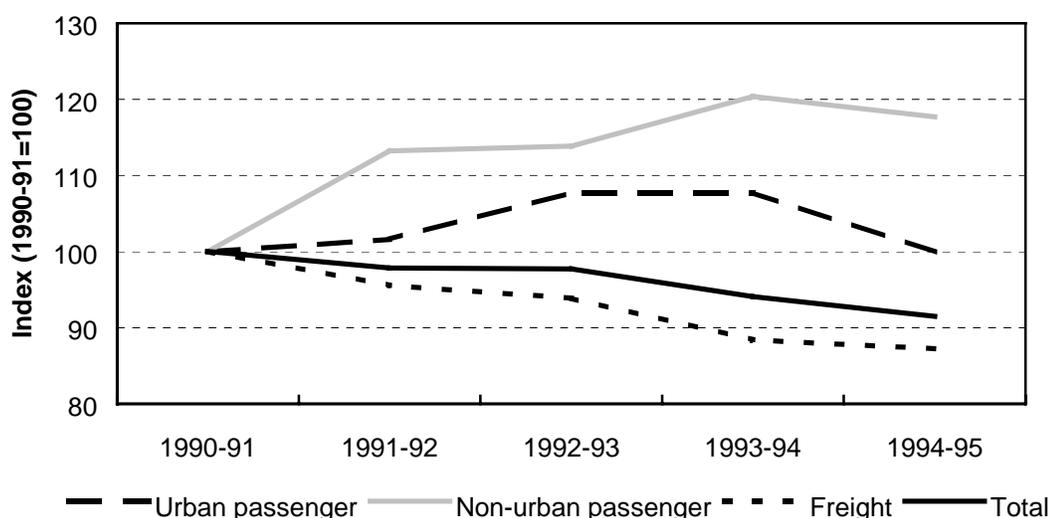
Prices

Average prices for the industry fell 9 per cent over the five year period to 1994–95 (see Figure 6.2). The average masks different trends within different sectors of the industry. However, some key trends can be noted.

First, in broad terms, freight rates have been declining steadily since 1990–91 (an average annual decline of 2.6 per cent). Average prices for the industry as a whole largely reflect movements in freight rates because rail freight generates the majority of revenue.

Second, movements in passenger fares have not followed the downward movement of freight rates. Non-urban passenger fares rose 18 per cent in real terms over the period while urban passenger fares were unchanged. Many rail authorities are pursuing higher cost recovery for their services by moving to a more commercial pricing policy. For example, Public Transport Corporation increased real passenger fares for both urban and non-urban services by 10 per cent over the period. These fare increases were associated with a 5 per cent increase in non-government cost recovery (from customers).

Figure 6.2: Real prices



Notes: Excludes information on SA urban rail operations. There is a problem of double counting of net freight tonne kilometres between National Rail and rail authorities which carry interstate freight on behalf of National Rail. To overcome this, information on industry net freight tonne kilometres for 1993-94 and 1994-1995 was provided by the Bureau of Transport and Communication Economics.

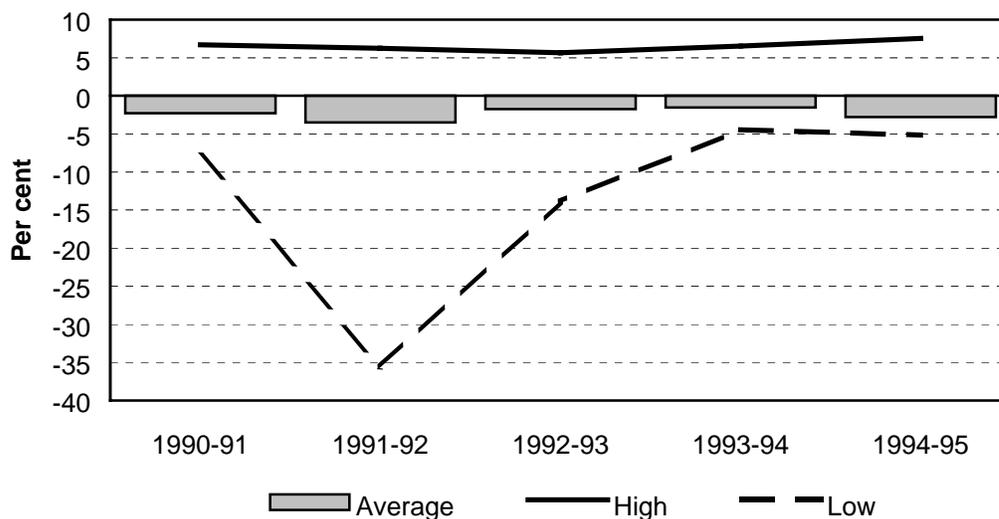
Source: Steering Committee on National Performance Monitoring of GTEs.

Shareholders' returns

Return on assets remained negative throughout the five year period to 1994-95, fluctuating between minus 1.5 and 3.5 per cent (see Figure 6.3). *Earnings before interest and tax (EBIT)* were over \$250 million lower in 1994-95 than in 1990-91. This fall in EBIT is the result of a 13 per cent rise in expenses coupled with a 2 per cent fall in revenues. Higher expenses are partly the result of higher depreciation expense caused by asset revaluations by some authorities.

Over the same period, average total assets rose sharply (87 per cent) reflecting both an increase in rail investment and a significant revaluation of SRA's assets (in 1994–95).

Figure 6.3: Return on assets



Notes: Excludes SA urban rail operations (not available) and Queensland Rail (incomplete time series).

Source: Steering Committee on National Performance Monitoring of GTEs.

Most authorities showed improving trends with Westrail the outstanding performer. National Rail has moved from a significantly negative position to register positive returns in 1994–95. The return on assets of Australian National deteriorated significantly in 1994–95, declining to minus 3 per cent (4 per cent in 1993–94). State Rail Authority showed little improvement over the period remaining at around negative 2 per cent before dropping to below negative 5 per cent in 1994–95, largely as a result of asset revaluations.

The calculation of return on assets includes payments by governments to fund operating deficits. This was excluded from revenue in the calculation of cost recovery reported in Figure 6.1.

As mentioned earlier, a rigorous analysis of return on assets is hampered by inconsistencies in the valuation of assets across the industry.

Productivity

Overall, real revenue per employee (that is, labour productivity) rose 69 per cent over the five years to 1994–95, chiefly influenced by growth in labour

productivity in the freight business (see Figure 6.4). This growth was associated with a 32 per cent decline in employment. Double counting of freight revenues from services run on behalf of National Rail by other rail GTEs occurred. This problem is most evident in 1993–94 as this was the first financial year of operations for National Rail. It accounts for the sharp rise recorded in labour productivity in that year. The potential for double counting declined in 1994–95, as the majority of inter-state rail assets (except track) had been transferred from other rail GTEs to National Rail.

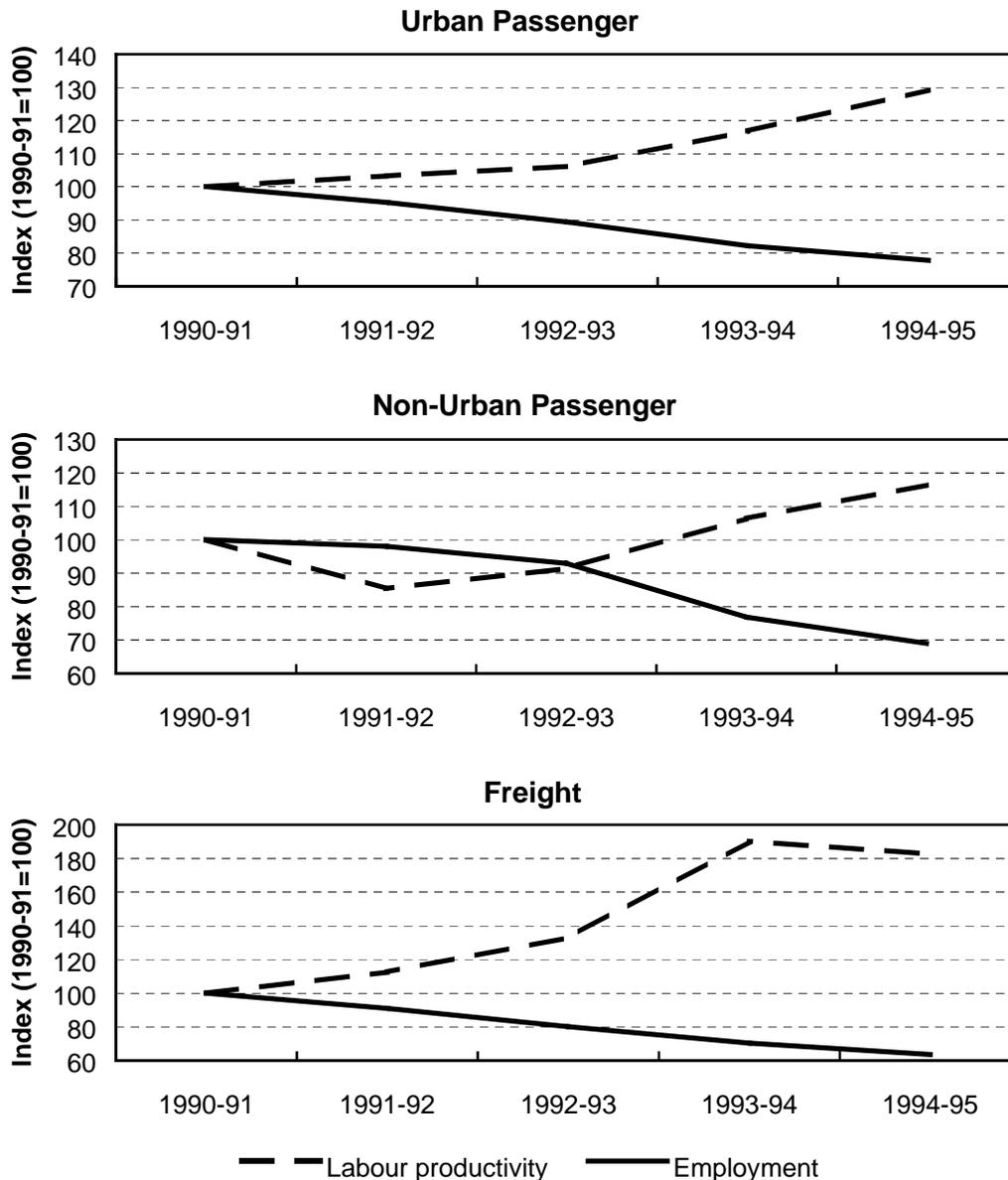
Figure 6.4: Labour productivity and employment, overall



Notes: Industry revenue used to calculate real revenue per employee excludes abnormal revenue but includes government payments to cover operating deficits. Revenue for Queensland Rail prior to 1992–93 is based on unpublished estimates supplied by Queensland Rail. Excludes information on SA urban rail operations.

Source: Steering Committee on National Performance Monitoring of GTEs.

Figure 6.5: Labour productivity and employment



Notes: For the purpose of this chart, labour productivity is defined as real revenue per employee. Real revenue is calculated by deflating GTE revenue by each GTEs own nominal price index (calculated by Secretariat). This provides a quantity estimate of revenue. Revenue items included for urban passenger, non-urban passenger and freight are outlined in Attachment B (Railways) in Volume two of this report. Revenue for Queensland Rail prior to 1992-93 is based on unpublished estimates supplied by Queensland Rail. Excludes information on SA urban rail operations (not available).

Source: Steering Committee on National Performance Monitoring of GTEs.

Changes in labour productivity and employment over the period varied between different segments of the industry (see Figure 6.5). Labour productivity growth is associated with employment reductions in all three segments (that is, urban passenger, non-urban passenger and freight). However, since 1990–91, productivity growth in the freight business (83 per cent) easily outstripped that achieved in both the urban passenger business (29 per cent) and the non-urban passenger business (16 per cent). Employment numbers declined across all business segments, with freight recording the largest decrease (36.5 per cent).

The impressive growth in labour productivity within the rail freight sector partly reflects extensive contracting out by National Rail. This observation reinforces the need for measures of total productivity change. In the absence of recent estimates of total factor productivity, it is difficult to assess to what extent the use of all inputs has become more efficient.

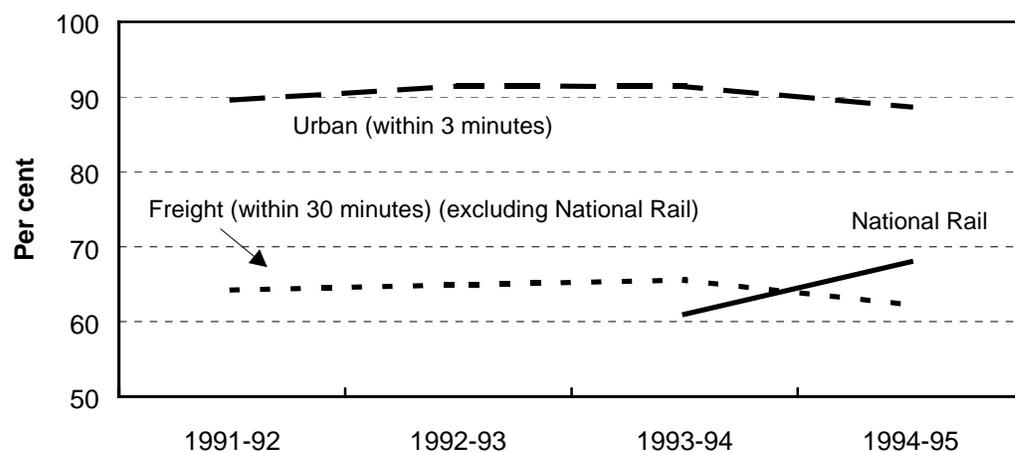
6.4 Service quality

Prices are not the only concern for users of rail services. Train reliability can be a crucial factor for certain passengers and for certain freight customers (for example where rail is but one link in a transport chain).

Information from a selection of authorities suggests some deterioration in the reliability of freight and urban rail passenger services over the four year period to 1994–95 (see Figure 6.6). Urban passenger services arrived within three minutes of schedule 89 per cent of the time in 1994–95 (91 per cent 1991–92). In 1994–95, Queensland Rail (72 per cent) performed poorly compared to the State Rail Authority (91 per cent) and Westrail (94 per cent).

For freight services, average on-time running (within 30 minutes) stood at 62 per cent in 1994–95, a 4 per cent decline since 1991–92. Queensland Rail performed significantly below the average in 1994–95 with only 46 per cent of services running on-time. This contrasts with the best performers, State Rail Authority (90 per cent) and Public Transport Corporation (86 per cent).

Figure 6.6: On-time running



Notes: Urban on-time running excludes SA urban rail operations (not available) and Public Transport Corporation rail operations (not consistent). National Rail reported separately (1993-94 first year of reporting). The 1994-95 freight on-time running figure for Westrail was not provided. The 1993-94 figure is used instead as an estimate.

Source: Steering Committee on National Performance Monitoring of GTEs.

6.5 Performance summary

Compared to five years ago, cost recovery increased, and prices and return on assets fell. These results give mixed signals about financial performance. Lower average prices were associated with a rise of over 13 per cent in non-government revenues. Cost recovery, inclusive of government payments, was boosted not only by higher customer revenues but also by larger CSO payments. However, higher expenses dampened the combined effect of these two factors on cost recovery levels. The higher expenses related partly to higher depreciation charges following the revaluations of assets by some authorities. Returns on assets were also affected by these revaluations.

Labour shedding was associated with significant gains in labour productivity. However, in the absence of recent estimates of total factor productivity, it is difficult to assess the extent to which improved labour productivity contributed to greater efficiencies within the industry.

However, a paucity of service quality information makes judgements difficult. Service reliability has not shown any improvement and remains low for freight services.

In summary, present trends do not point to major performance improvements within the industry. However, the industry is undergoing major structural and administrative changes designed to improve performance. Performance during such transition periods may not always show consistent trends.

7 PORT AUTHORITIES SUMMARY

The overall trend in the performance of the port authorities monitored in this report is largely influenced by the performance of the two largest authorities, the Maritime Services Board of New South Wales (MSB) and the Port of Melbourne Authority (PMA). Together, these authorities accounted for 60 per cent of total port authority revenue and 45 per cent of total port authority employment in 1994–95.

Key Results 1994–95

- **The average return on assets and profitability of port authorities remained steady.**

Port authorities achieved an average return on assets and operating sales margin of 8 and 36 per cent, respectively. However, the levels achieved by individual port authorities varied widely.

- **Prices of port authority services fell...**

The average index of real prices for port authority services fell by 10 per cent.

- **...and labour productivity improved.**

Labour productivity increased by 33 per cent. However, the change in labour productivity varied widely between a rise of 45 per cent and a fall of 3 per cent.

- **Total payments to government fell.**

Port authorities paid around \$56 million in real dividends and \$24 million in real income tax payments, compared with \$98 million and \$2 million, respectively, in 1993–94.

- **There was mixed performance in ship turnaround times.**

On the basis of the limited data supplied, average median ship turnaround times for container operations deteriorated to levels experienced in 1990–91, while average times for bulk operations improved marginally.

Source: Steering Committee on National Performance Monitoring of GTEs.

7.1 Industry structure

Characteristics of port authorities

The eleven port authorities monitored in this report administer major Australian ports. Factors that distinguish these authorities from each other include:

- Wide variations in the *size* of operations. In 1994-95, the largest authority, the Maritime Services Board, generated approximately \$234 million in revenue and employed an average of 626 full-time equivalent staff. The smallest, the Port of Launceston Authority, generated \$8.8 million in revenue and employed an average of 60 full-time equivalent staff.
- Different *combinations of services and activities*. As a minimum, each port authority provides 'core' safety and infrastructure functions that are common to all authorities. Most also undertake additional 'non-core' activities ranging from the provision of cargo handling facilities to airport management and property rental for non-port operations (see Table 7.1).
- Administration of distinct *types* of port. Variations in the range of facilities at each port reflect a unique mix of cargo (bulk, container, motor vehicles), trade (imports and exports) and ships (commercial, passenger, recreational) passing through each port.
- The unique *natural characteristics* of ports. These include geography, weather, distances and proximity to land transport links. Each of these factors can influence the cost structures faced by port authorities. For example, the need to dredge channels can greatly increase port charges.

Market structures

All public port authorities carry out a number of safety and infrastructure activities in common (core services). They include providing safe access and harbouring for ships, planning and providing port infrastructure, and port promotion and marketing.¹

Where they do not themselves provide them, port authorities nevertheless exercise some control over non-core services and activities, such as the provision of cargo handling equipment, stevedoring, towage and pilotage.

The market for the supply of stevedoring, towage and pilotage services in Australian ports is highly concentrated. A duopoly exists in international container stevedoring at most capital city ports.² In addition, towage and

¹ Port infrastructure includes channels, breakwaters, navigation aids and berths.

² Conaust Limited and Australian Stevedores.

pilotage services are generally provided by a sole operator, which is either the holder of an exclusive licence (such as Port Phillip Sea Pilots servicing the Port of Melbourne) or, at smaller ports, the port authority itself (such as Darwin Port Authority).

The Industry Commission (1993) found that container terminal operations and towage markets in all but the larger capital city ports are likely to be natural monopolies — able to be supplied by a single firm at a lower cost than by any combination of two or more firms. The number of operators at capital city ports is influenced by market size, available economies of scale, and port authority policy and regulations.

Table 7.1 Port Authority non-core activities 1994–95

<i>Port Authority</i>	<i>Pilotage</i>	<i>Towage</i>	<i>Stevedoring</i>	<i>Cargo handling equipment^a</i>	<i>Commercial real estate</i>
MSB Illawarra Ports Auth. ^b	✓				
MSB Sydney Ports Auth.					
MSB Hunter Ports Auth. ^b	✓				
Port of Melbourne Authority					✓
Gladstone Port Authority ^c			✓	✓	✓
Port of Brisbane Corporation				✓	
SA Ports Corporation	✓			✓	
Fremantle Port Authority				✓	✓
Darwin Port Authority	✓	✓	✓	✓	✓
Burnie Port Authority				✓	
Launceston Port Authority ^d				✓	✓
Devonport Port Authority ^d				✓	
Marine Board of Hobart				✓	✓

a Equipment includes container cranes, bulk loaders and other cargo handling equipment.

b Port authority owned cargo handling equipment leased to private sector service providers.

c Bulk stevedoring operations jointly operated by the port authority and a private sector operator.

d Port authority also manages airport facilities.

Source: Steering Committee on National Performance Monitoring of GTEs.

Port authority models

In recent years there has been an increasing tendency among port authorities to adopt the role of a *landlord*, that is, provide only minimum core services and activities.³ This has been achieved by divesting or contracting out most non-core port services and activities.

Of the authorities monitored, the Maritime Service Board (MSB) has moved farthest toward the ‘landlord’ model. For example, it has recently removed the management of commercial real estate from its activities and contracted out waterfront construction and navigational aids.

Other notable examples of promoting the ‘landlord’ model include Fremantle Port Authority’s decision to contract out pilotage, stevedoring maintenance and fork lift training to private operators. In addition, Darwin Port Authority, which undertakes the most complete range of key port services and activities (that is, the ‘comprehensive’ model), is undertaking a gradual move toward the ‘landlord’ model.⁴

7.2 Market conditions and regulation

The scope for inter-port competition is restricted by such factors as distance, the concentration of population in coastal cities and the relatively high cost of land transport.⁵ As a consequence, the opportunities to increase competition between port authorities are limited. Instead, governments have sought to enhance the performance of their port authorities through administrative reforms (see Table 7.2).

³ The role of a *landlord* authority is similar to that of an industrial park manager, supplying and maintaining facilities which are leased to private operators. The rationale is that the port authority is left to concentrate on safety, structural integrity and ensuring a rate of return that will satisfy its own financial constraints. Ideally the tenant would concentrate on maximising the opportunities for operational efficiency. This model contrasts with the ‘comprehensive’ model, where the authority provides a full range of port services.

⁴ During 1994–95 Darwin Port Authority replaced outgoing employees involved in trades-related functions with marketing and management appointments.

⁵ Cheaper and improved land transport links can provide some opportunities for land bridging, that is, the substitution of a sea transport link with a land transport link as part of an international and inter-state cargo movement.

Table 7.2 Policy initiatives affecting port authorities, to June 1995

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
New South Wales	1989–90	The Maritime Services Board reorganised. An independent Board appointed with a clear and commercial focus. Three subsidiary port authorities (the MSB Hunter Ports Authority, the MSB Sydney Ports Authority and MSB Illawarra Ports Authority) and the Waterways Authority, formed, each having its own Board. Pricing reform undertaken aiming to introduce <i>user-pays</i> principles and remove cross-subsidies. Coal and other bulk loading operations in Newcastle transferred to private sector. Reduction in wharf operations and port vessel crews.
	1990–91	Adoption of <i>landlord</i> model of port management. Separation of commercial, non-commercial and regulatory functions and divestment of non-core assets and responsibilities. Port Kembla Coal Loader leased to the private sector.
	1991–92	Closure of Balmain Coal Loader and Goat Island shipyard. Staff rationalisation and subsequent relocation of marine operations.
	1993–94	Closure of Sydney maintenance workshop and increase in contracting out of services. Waterfront construction and navigational aids businesses contracted out. Introduction of Maritime Services Board Enterprise Agreement.
	June 1995	Dissolution of Maritime Services Board.
	Victoria	1994
1995		Legislation to remove non-commercial community ports from the scope of port authorities and place under the management of local committees, with separate budget funding.
Queensland	July 1994	Brisbane Port Authority, Gladstone Port Authority and Ports Corporation of Queensland corporatised through the application of the <i>Government Owned Corporations Act 1993</i> . The Act provides for a range of reforms, including direct funding of Community Service Obligations.

Table 7.2 Policy initiatives affecting port authorities (cont.)

<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
Western Australia	1994	Fremantle Port Authority closes non-core Stevedoring Maintenance Unit.
	1994–95	Pricing reform undertaken with an increased focus on <i>user-pays</i> .
South Australia	1993	Reform of Marine and Harbors Agency's pricing policy.
	Nov 1994	Marine and Harbors Agency corporatised forming the South Australian Ports Corporation.
Tasmania	June 1993	Introduction of competitive neutrality principles to Tasmanian's main port authorities requiring them to pay income tax equivalents and guarantee fees. Community service obligations are to be recognised and separately funded.
Northern Territory	1995	First stage of the construction of new port facilities.
Commonwealth	1989	Towage Industry Reform established to achieve reductions in tug crew sizes and greater work place flexibility.
	1989–92	Waterfront Industry Reform Authority established to coordinate and monitor stevedoring reform. Industry based employment framework is replaced by enterprise employment arrangements.

Source: Steering Committee on National Performance Monitoring of GTEs (adapted from Industry Commission Annual Reports, various years, and Annual Reports of relevant GTEs, various years).

Corporatisation and commercialisation

Governments have sought to sharpen the commercial focus of port authorities through corporatisation and commercialisation. Port authority managements have been provided with commercial objectives. For example, three authorities were corporatised during 1994–95 (Gladstone Port Authority, Brisbane Port Corporation and South Australian Ports Corporation) and are now required to earn commercial rates of return on assets.⁶

In addition, the community service obligations of port authorities have been clarified and separately costed. For example, the South Australian Ports Corporation now undertakes non-commercial functions (such as Marine Safety

⁶ The commercial ports of Newcastle, Port Kembla and Sydney were corporatised in July 1995. The Cairns, Townsville, Mackay, Rockhampton and Bundaberg Port Authorities were also corporatised in July 1995.

and Regulatory service) for the Department of Transport on a cost recovery basis.

Furthermore, governments have sought to replicate the commercial environment applying to private firms by requiring port authorities to pay dividends and tax equivalent payments. With some exceptions (Tasmanian port authorities, Fremantle Port Authority and Darwin Port Authority), all port authorities paid dividends to their respective governments in 1994–95. While only the Tasmanian port authorities and the Maritime Services Board made tax equivalent payments last year, the majority of ports have been paying tax equivalents since 1 July 1995.

Pricing reform

Port authorities levy a mixture of ship based (such as, tonnage) and cargo based (such as, wharfage) charges for their core activities. Traditionally, these charges have not necessarily related directly to the particular services provided.

Recent pricing reforms have followed reviews of the structure and level of port authority prices and charges. These have sought to more closely align prices with costs and to introduce charges that are more user and service specific, that is, ‘user–pays’. With the exception of Tasmania, Western Australia and the Northern Territory, all jurisdictions have altered the previous balance of charges between shipping lines and cargo owners, with shipping lines being levied a higher proportion than previously.

7.3 Financial performance

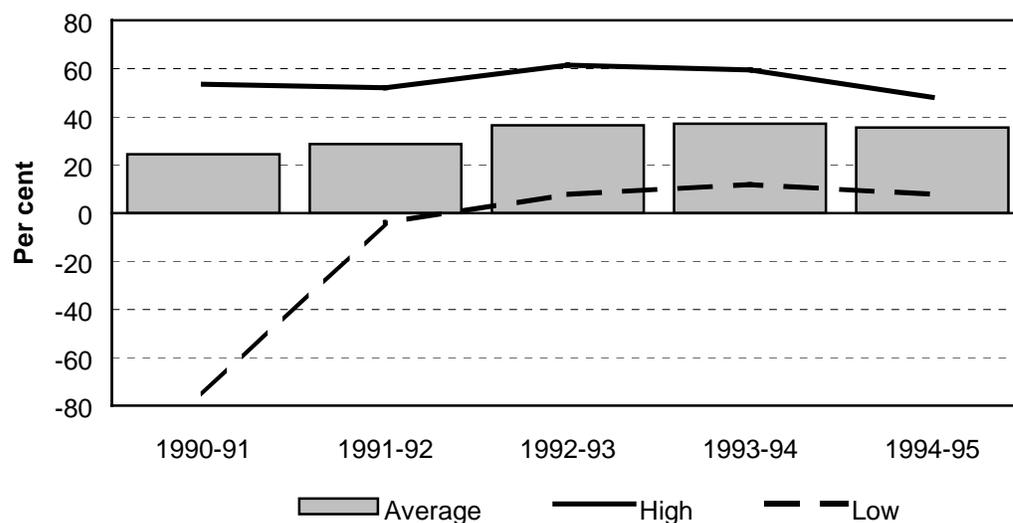
Profitability

The *operating sales margin* measures the relationship between operating profit and revenue and is an indicator of profitability. Since 1991–92, the average operating sales margin for port authorities has remained stable at around 36 per cent (see Figure 7.1). While the gap between port authorities with the highest and lowest operating sales margin has narrowed, the margin achieved by authorities within the sector varied widely.

Port authorities adopting the ‘landlord’ model recorded the largest improvements in profitability. In particular, downsizing and rationalisation at

the Maritime Services Board, Fremantle Port Authority and Port of Melbourne Authority contributed to significant cost reductions.⁷

Figure 7.1: Operating sales margin



Source: Steering Committee on National Performance Monitoring of GTEs.

In 1994–95, the total earnings of port authorities remained stable at \$237 million. The profitability of Darwin Port Authority, the Marine Board of Hobart and Port of Melbourne Authority improved during 1994–95. This was associated with increased trade levels, coupled with slower rates of growth, or reductions, in their operating expenses. A range of factors, including expenses associated with corporatisation and major maintenance dredging costs, contributed to a significant deterioration in profitability at Burnie Port Authority, Port of Devonport Authority and South Australia Ports Corporation during 1994–95. The Port of Brisbane’s reported profitability for 1994–95 was adversely affected by a significant increase in depreciation expense associated with a revaluation of its assets.

Prices

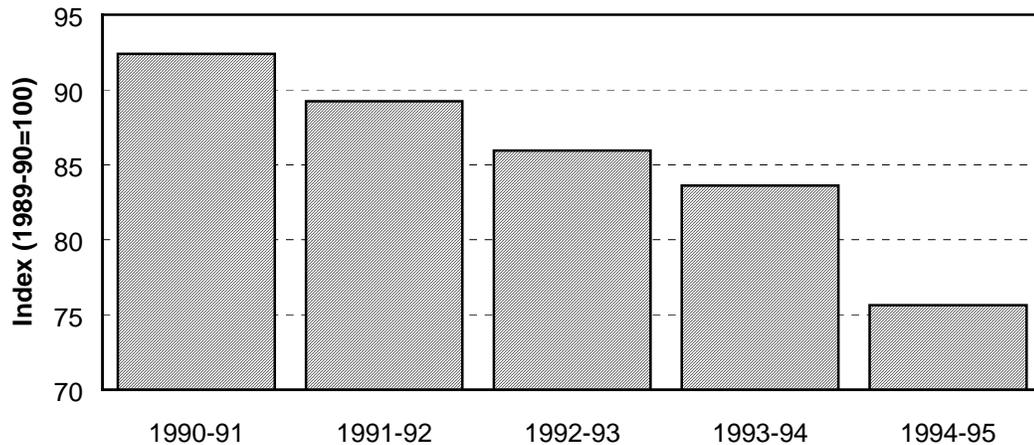
The average real price index for port authority services declined by 18 per cent between 1990–91 and 1994–95 (see Figure 7.2). Over the same period most

⁷ Between 1990–91 and 1994–95 total expenses (for definition see Attachment B) fell by 38, 16 and 44 per cent, respectively, in these authorities.

port authorities revamped their charges. For instance, wharfage, the principal charge levied on cargo owners, has been reduced at large capital city ports.

In 1994–95, port authorities reduced their average real prices by 10 per cent, the largest annual reduction over the period monitored. Although each of the port authorities monitored achieved price reductions, the magnitude of price falls varied considerably. The Maritime Services Board and the Port of Melbourne Authority reduced their real prices by 8 and 20 per cent respectively, and were largely responsible for the overall reduction in average prices. The Port of Devonport Authority, Burnie Port Authority, Port of Brisbane Corporation, Darwin Port Authority and South Australian Ports Corporation each reduced their real prices by approximately 3 per cent.

Figure 7.2: Real prices



Note: Excludes Fremantle Port Authority.

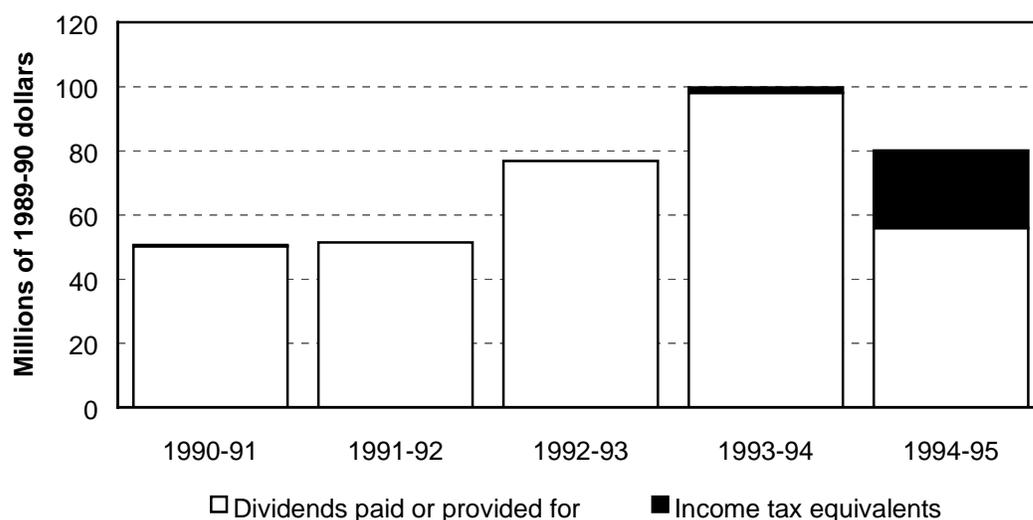
Source: Steering Committee on National Performance Monitoring of GTEs.

Shareholders' returns

Following two years of substantial growth, total payments to government by port authorities declined by 20 per cent in real terms to \$80 million in 1994–95 (see Figure 7.3). The reduction reflects the fact that no special dividend to government was paid by Maritime Services Board in 1994–95. Of the authorities monitored, the only four other port authorities to pay dividends in 1994–95 (Port of Melbourne Authority, South Australian Ports Corporation, Port of Brisbane Corporation and Gladstone Port Authority) increased their payments to government by between 6 and 40 per cent.

Of the eleven port authorities, only four (Maritime Services Board, Marine Board of Hobart, Port of Devonport Authority and Port of Launceston Authority) made tax equivalent payments in 1994–95. Total income tax equivalent payments, \$24.3 million in real terms, accounted for a higher proportion of total payments to government. This was largely associated with an increase in payments by the Maritime Services Board, which became subject to State Government income tax equivalent payments for the first time.

Figure 7.3: Real payments to government



Source: Steering Committee on National Performance Monitoring of GTEs.

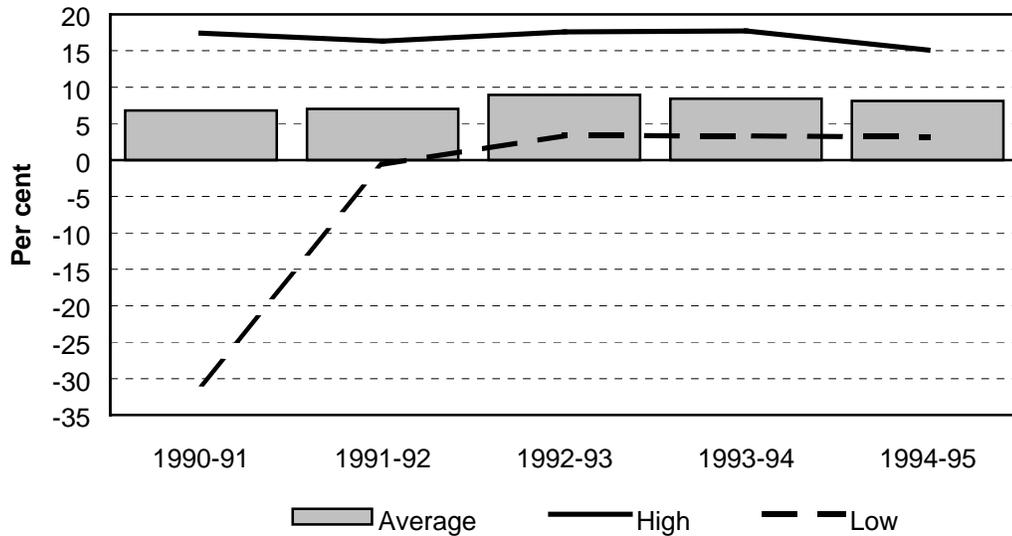
Return on assets

Since 1991–92, average returns for port authorities have remained relatively stable at around 8 per cent (see Figure 7.4). The gap between the highest and lowest rate of return continued to narrow.

In 1994–95, Darwin Port Authority, Marine Board of Hobart and the Port of Melbourne Authority improved their return on assets. This increase can be attributed to increased profitability during a period of modest growth in average total assets. The return on assets for Burnie Port Authority, Port of Brisbane Corporation, Port of Devonport Authority and South Australia Ports Corporation declined significantly as a result of lower earnings (see earlier discussion on operating sales margin).

Traditionally, port authorities have valued their non-current assets at their written down historical cost. Compared to current cost methods of asset valuation, such as deprival value (involving regular asset revaluations), historic cost asset valuations may bias measured returns on assets upwards.

Figure 7.4: Return on assets



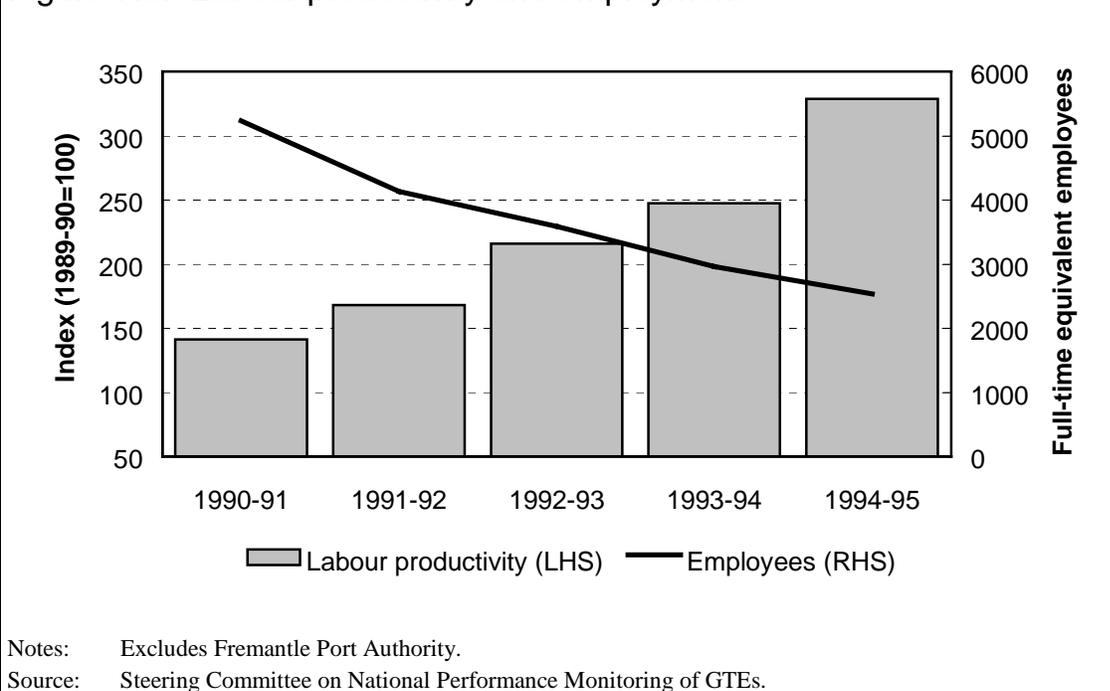
Source: Steering Committee on National Performance Monitoring of GTEs.

Productivity

The overall labour productivity of port authorities rose significantly over the period monitored (see Figure 7.5). This is associated with a significant decline in total port authority employment, which has more than halved since 1990–91.

In 1994–95, the two largest authorities recorded the largest increases in labour productivity (45 per cent for the Maritime Services Board and 35 per cent for the Port of Melbourne Authority). The Port of Brisbane Corporation and Port of Devonport Authority went against the trend, recording slight falls in labour productivity and a slight increase in the number of employees.

Figure 7.5: Labour productivity and employment



7.4 Port service quality indicators

Turnaround times

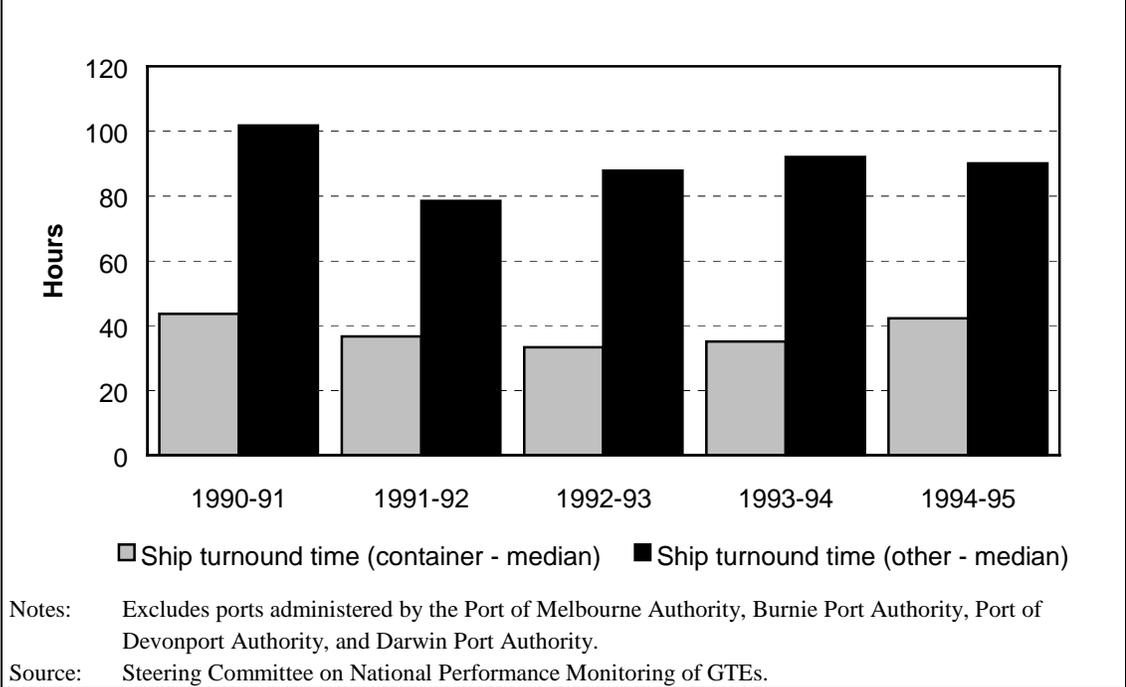
Ship turnaround times provide an indication of how quickly ships enter, unload, load and depart from a port. The indicator therefore captures the collective performance of a wide range of port service providers (pilotage, towage and stevedoring), which usually include port authorities. However, comparisons between ports are precluded since each port uses a different set of parameters to measure turnaround time. Moreover, not all ports supply these data.⁸

Median ship turnaround times at container terminals deteriorated during 1994–95, rising to levels recorded in 1990–91 (see Figure 7.6). During the year, increased turnaround times at Sydney (44 per cent), Hobart (9 per cent) and Brisbane (9 per cent) were only partly offset by improvements at the ports of Fremantle (24 per cent) and Adelaide (4 per cent).

⁸ Five ports (Hobart, Adelaide, Fremantle, Sydney and Brisbane) reported turnaround times for container ships. Four ports (Gladstone, Fremantle, Port Kembla and Newcastle) reported turnaround times for other (bulk) ships.

Median ship turnaround times at other (bulk) operations improved marginally during 1994–95. Increases in turnaround times at the ports of Fremantle (6 per cent) and Newcastle (20 per cent) were more than offset by improvements at Port Kembla (42 per cent) and Gladstone (1 per cent).

Figure 7.6: Ship turnaround time



7.5 Summary

The waterfront industry is an amalgam of interdependent service providers, not all under the direct control of port authorities. Within this context, the overall performance of the port authorities monitored has improved over the period covered by this report. However, their performance is mixed.

Those authorities in the process of divesting themselves of their non-core activities have achieved above average asset utilisation (leading to higher returns on assets), significant reductions in costs (leading to increased profitability), and above average labour productivity growth. Moreover, they have also been able to deliver greater benefits to customers through lower prices, and to governments through higher dividend payments.

8 COMMONWEALTH GTEs SUMMARY

The five Commonwealth GTEs reported in this chapter are ANL Limited, Australia Post, the Civil Aviation Authority, the Federal Airports Corporation, and Telstra. Policy initiatives affecting these GTEs are listed in Table 8.1. Each GTE is discussed separately because these enterprises operate in different industries or are engaged in different activities within the same industry.

The Snowy Mountains Hydro-Electric Authority, the National Rail Corporation and the Australian National Rail Commission are also Commonwealth GTEs, but are discussed in other chapters. The performance of the Australian Maritime Safety Authority is no longer included because it is no longer a GTE.

Key Results 1994–95

- **Australia Post**

Profitability continued to rise — operating sales margin increased by 2 percentage points to almost 12 per cent.

Labour productivity, as measured by real revenue per employee, increased by just over 8 per cent.¹

Real payments to Government rose by 20 per cent.

- **Federal Airports Corporation**

Profitability, as measured by operating sales margin, remained high, enabling real payments to Government to increase by 46 per cent.

- **Telstra**

Labour productivity increased by 8.5 per cent and real prices were reduced by the same percentage.

Operating sales margin declined by 5 percentage points to 20 per cent.

Source: Steering Committee on National Performance Monitoring of GTEs.

¹ The measure of real revenue used to calculate labour productivity throughout Volume 1 is nominal revenue divided by the respective GTE's price index. Measures of labour productivity supplied by individual GTEs and reported in Volume 2 differ from the Steering Committee's measure because different methods of estimation were used.

Table 8.1 Policy initiatives affecting Commonwealth GTEs, to June 1995

<i>Commonwealth GTE</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
ANL Limited	Aug 1991	The sale of a substantial part of ANL announced.
	Aug 1994	Price Waterhouse–Saloman Brothers report favoured an effective liquidation as a sale was not considered practicable. The Government withdrew ANL from sale and appointed a new Board to reconstruct the company.
	Sept 1994	ANL's 25 per cent stake in Australian Stevedores sold.
	April 1995	In the context of exploring joint ventures to facilitate restructuring, purchase interest in ANL was expressed. The Government opened ANL for purchaser due diligence and contract negotiations were conducted with P&O in order to compare a sale option with continued restructuring. ^a
Australia Post	Dec 1994	<p>Competition in the letter market was increased through amendments to the <i>Australian Postal Corporation Act, 1989</i>. New services to be opened to direct competition were:</p> <ul style="list-style-type: none"> • domestic letters carried within Australia where the charge is not less than four times the standard letter rate or weighing more than 250 gram (the thresholds for competition had been 10 times the standard letter rate and 500 gram); • carriage of bulk letters between cities (ie interconnection); • movement of letters within a document exchange service and the transfer of letters within an organisation by third parties; and • outbound international letters and the carriage of overseas mail for lodgement with Australia Post for final delivery.
Civil Aviation Authority	1993	The Directorate of Aviation Safety Regulation established as a separate body within CAA with responsibility for aviation safety regulation. ^b
Federal Airports Corporation	May 1994	The former Federal Government announced its intention to divest FAC's airports as part of its 'Working Nation: Policies and Programs'.

Table 8.1 Policy initiatives affecting Commonwealth GTEs (cont.)

<i>Commonwealth GTE</i>	<i>Date</i>	<i>Nature of reform or policy initiative</i>
Telstra Corporation Ltd	June 1991	The regulatory arrangements and the structure of the telecommunications industry for the transition to open competition period, 1 July 1991 to 30 June 1997, were established in the <i>Telecommunications Act 1991</i> . Key elements were: <ul style="list-style-type: none"> • the establishment of a duopoly on fixed network provision until 30 June 1997; • the merger of Telecom and OTC, and the sale of AUSSAT to the second national carrier; • the issuing of three public mobile telephone licences; • the full resale of domestic and international capacity; and • extended responsibilities and powers for the industry specific regulator AUSTEL.
	Jan 1992	Optus licensed as the second national carrier.
	Feb 1992	Telecom Australia and OTC merged to form AOTC.
	June 1992	Optus commenced operations in the mobile telephone service market.
	Nov 1992	Optus interconnected with the AOTC network to provide domestic long distance and international services.
	Dec 1992	The third mobile licence was granted to Vodafone.
	April 1993	AOTC became Telstra Corporation Ltd, but retained the trading name 'Telecom Australia' for domestic purposes. ^c
	Oct 1993	Vodafone commenced operations, competing with Optus and Telstra in the provision of digital mobile telephone services.

a In November 1995 it was announced that ANL was to be restructured rather than sold to P&O. After this restructuring ANL was to be sold.

b In July 1995 CAA was replaced by two new separate bodies — Airservices Australia which now provides CAA's commercial services, and the Civil Aviation Safety Authority which comprises the former Directorate of Aviation Safety Regulation.

c Telecom Australia changed its trading name to Telstra in July 1995.

Source: Steering Committee on National Performance Monitoring of GTEs, (adapted from Bureau of Industry Economics 1995c, and Annual Reports of respective GTEs, various years).

8.1 ANL Limited

ANL's activities encompass international liner cargo shipping, liner and bulk shipping in Australia's coastal waters, land based transport operations, and ship management.

The transportation of bulk cargo dominates coastal shipping — non-bulk cargo made up only 8.5 per cent of total coastal tonnage in 1993–94 (BIE 1995a). Over 80 per cent of bulk cargo is shipped by bulk carriers operated by users to service in-house needs. ANL is one of a number of independent operators shipping the remainder of bulk cargo and most of the non-bulk cargo.

Australian coastal shipping is protected by the provision of cabotage. Cargo transported around the Australian coast must be carried by licensed ships unless such a ship is unavailable.² In these instances, single voyage permits (SVPs) and continuing voyage permits (CVPs) can be issued to unlicensed foreign-flag ships. An available licensed vessel must be used even if an unlicensed vessel offering lower rates or better service is available. Consequently, cabotage has the effect of protecting Australian lines from competition. This tolerates inefficiency to the disadvantage of shippers. In 1994–95, foreign-flag ships holding SVPs carried 7 per cent of the total tonnage of coastal cargo. As at June 1995, no CVPs had been issued.

In contrast to the domestic market, international shipping is highly competitive, although competition can be diminished through the actions of shipping conferences.³ ANL's international operations are predominantly in East, and South-East Asia (including a trans-Tasman service). In 1994–95, ANL also offered a European service.⁴

ANL was corporatised in 1989 and in the 1991–92 Budget, the former Federal Government announced its intention to sell a substantial part of ANL. However, as at June 1995 a sale had not been achieved.

Performance

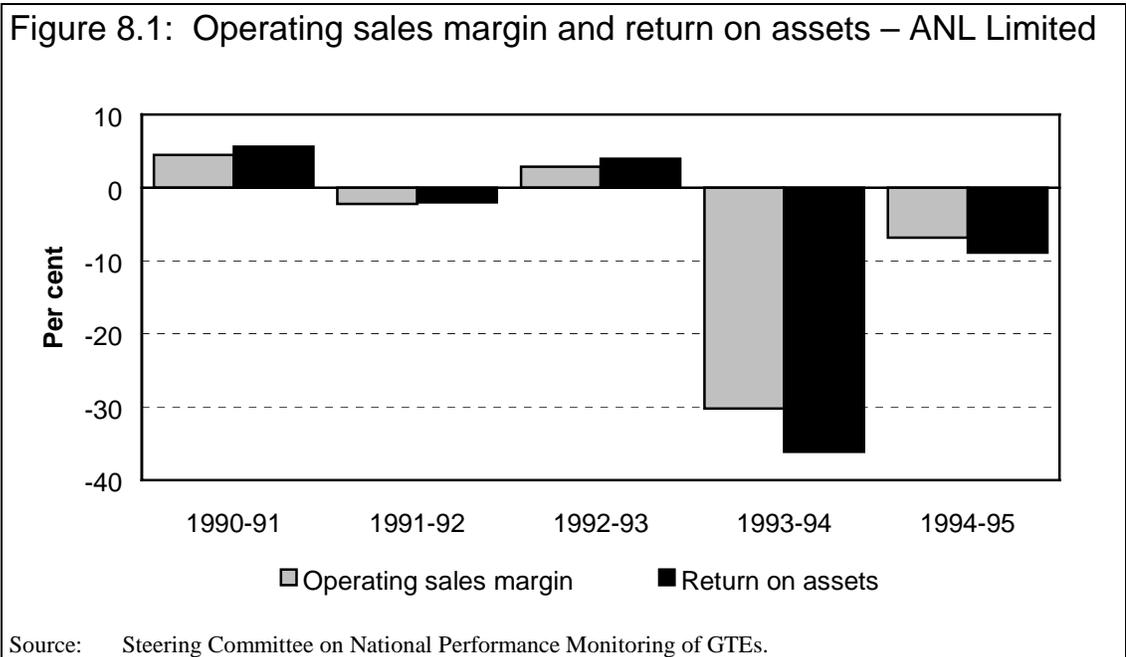
ANL remained unprofitable in 1994–95 although its financial performance improved on 1993–94 results (see Figure 8.1). Its operating loss (before

² Licences are subject to the condition that crews be paid Australian wage rates while engaged in coastal trades and that the ship(s) involved is not in receipt of foreign government subsidies.

³ A shipping conference is a consortium of shipping lines that negotiate the terms, conditions, and prices for freight carriage.

⁴ ANL withdrew from its UK–European trade in January 1996.

abnormal items and income tax) of just under \$20 million represented a fall of 15.5 per cent on the previous year's result.⁵



8.2 Australia Post

Australia Post provides letter and parcel delivery services. It also sells postal related items and is a major provider of third party agency services.

The articles delivered by Australia Post can be classified into directed messages, broadcast messages, parcels and small freight, and international mail.

The directed messages market encompasses the processing and delivery of addressed letters, newspapers, magazines, catalogues and leaflets. The market is serviced principally by Australia Post, but also by document exchanges, letterbox distributors, and couriers. Along with the international mail market, it has become increasingly competitive through regulatory change and the advent of new technology.

Under the *Australian Postal Corporation Act 1989*, Australia Post has statutory protection over the carriage of letters within Australia, and between Australia

⁵ Operating sales margin, as calculated for all GTEs in this report, includes abnormal items.

and overseas. However, amendments to the Act in December 1994 widened the scope for competition in the delivery of letters:

- The weight and price thresholds for competition were reduced from 500 to 250 grams and from 10 times to 4 times the standard letter rate.
- The operation of document exchange networks was formally recognised by allowing the movement of documents within an exchange service.
- The carriage of bulk letters between cities for lodgement at specified mail centres was deregulated. The letters are on-delivered by Australia Post at a reduced rate, with the discount based on the average transport costs avoided by Australia Post.

The 1994 amendments also reduced Australia Post's monopoly over international mail. Although the delivery of international mail within Australia continued to be reserved for Australia Post, the carriage of mail into, and out of, Australia was deregulated.

These amendments reduced the proportion of Australia Post's total revenue from reserved services by approximately 10 percentage points. However, half its revenue continues to be derived from services protected under its statutory monopoly.

Australia Post competes against private deliverers of broadcast messages (unaddressed material such as catalogues and brochures) and also against private couriers in the parcels and small freight market.

All deliverers of printed messages are facing increased indirect competition from electronic services such as telephones, facsimile machines, and electronic data interchange facilities.

Non-mail services account for about 11 per cent of Australia Post's revenue. It competes with newsagents and others in the sale of postal related items, and against banks in the provision of facilities for the payment of bills.

Australia Post was corporatised in January 1989. Corporatisation encourages, although does not ensure, a more explicit treatment of community service obligations (CSOs).

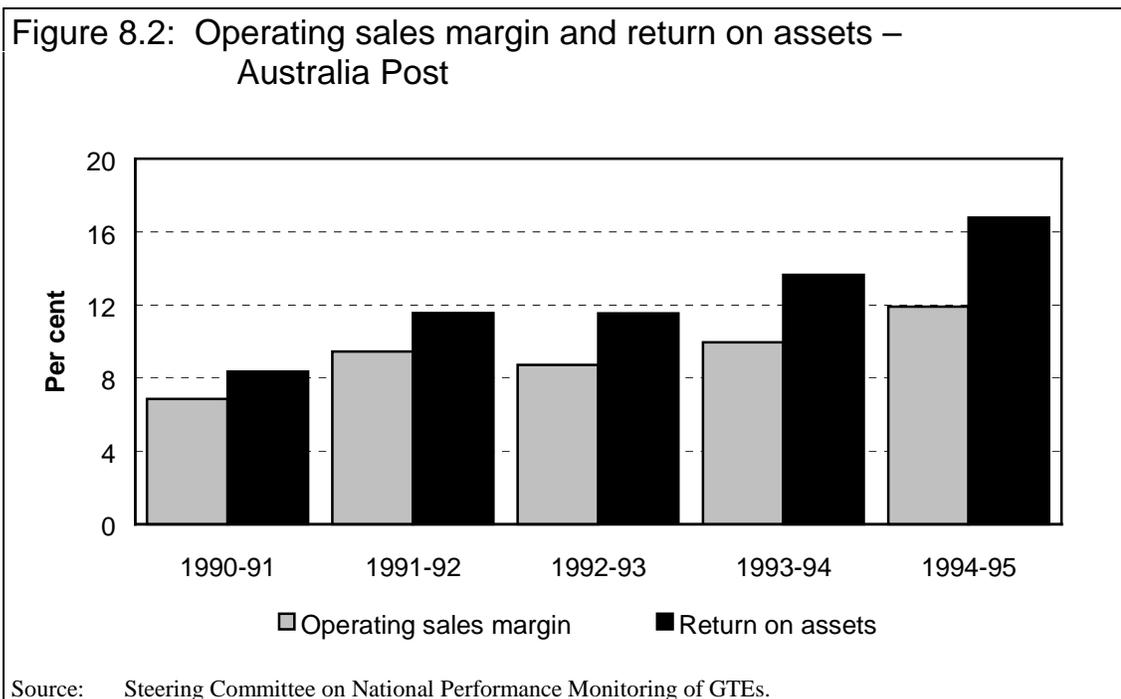
Australia Post has a number of statutory CSOs. It must provide an Australia-wide, uniform-priced letter service which is reasonably accessible to all Australians and is provided at a standard which reasonably meets the needs of the Australian community. Australia Post's statutory monopoly over standard letter services allows it to absorb the costs of providing its CSOs.

In response to the deregulation of carriage of bulk mail for lodgement at specified mail centres, Australia Post introduced a form of third party access in February 1995. Through a scheme called *PreSort* it offers various discounts on partially pre-sorted bulk mail which is delivered to specified mail centres. Both intrastate and interstate rates apply for the services that Australia Post subsequently provides. A bulk mailer may transport its inter-state mail to the mail centre closest to the point of destination and thus receive the lower intrastate rate. Also, a larger discount is given for mail pre-sorted down to the post code level compared with, for instance, sorting by state or mail centre.

The prices which Australia Post charges for its reserved services, including *PreSort*, were subject to scrutiny by the Prices Surveillance Authority (PSA).⁶ The standard letter rate has been 45 cents since January 1992.

Performance

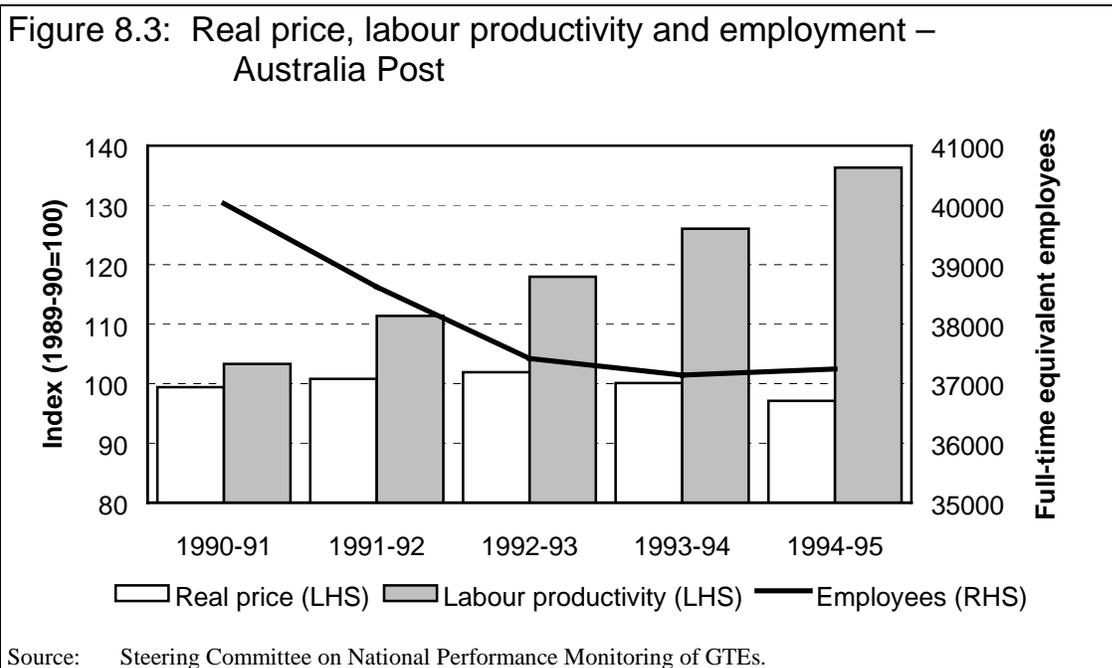
Australia Post's profitability continued to increase. Its *operating sales margin* has risen from just under 7 per cent in 1990–91 to almost 12 per cent in 1994–95 (see Figure 8.2).



⁶ The responsibilities of the PSA were taken over by the Australian Competition and Consumer Commission upon its establishment in July 1995.

As part of its continued focus on Industrial Participation, Australia Post established a second Enterprise Agreement which has a best practice framework.⁷ Labour productivity has risen by 32 per cent since 1990–91.⁸ In 1994–95 it rose by over 8 per cent, with the number of full-time equivalent employees remaining steady at just over 37 000 (see Figure 8.3).

Australia Post was the only GTE discussed in this chapter to provide the Steering Committee with information on Total Factor Productivity (TFP). Its TFP rose by 4.7 per cent in 1994–95 and has risen by 15.4 per cent since 1990–91.



The standard letter rate fell, in real terms, by 3.2 per cent (the inflation rate) in 1994–95 but has fallen by just 2.3 per cent since 1990–91. The prices Australia Post charges for its other services — many of which have become subject to increased competition — are not included in the reported index.

⁷ The Enterprise Agreement was certified by the Industrial Relations Commission in October 1994.

⁸ Except where stated otherwise, labour productivity is defined as real revenue per employee throughout Volume 1. Real revenue is calculated as nominal revenue divided by the respective GTE's nominal price index. As such it is an implicit measure of the quantity of output. Measures of labour productivity supplied by individual GTEs and reported in Volume 2 will differ from the Steering Committee's measure when different methods of estimation were used.

In 1994–95, Australia Post was required to pay the Government a dividend of \$120 million and income taxation of just under \$100 million. This represents an increase in real payments to Government of 20 per cent over the previous year, and a rise of 165 per cent since 1990–91.

8.3 Civil Aviation Authority

The Civil Aviation Authority (CAA) is responsible for the control of aircraft within controlled airspace and the provision of a traffic information service to aircraft in other areas.⁹ It also provides search and rescue services to Australian civil aircraft, and rescue and fire fighting services at 16 airports throughout Australia, including the seven international airports.

The Directorate of Aviation Safety Regulation was established as a separate body within CAA in 1993. It is responsible for safety regulation such as establishing and enforcing safety standards.

CAA is required to generate sufficient revenue from its commercial services so as to meet its target rate of return on assets of 7.5 per cent.¹⁰ It is not expected to make a profit on the provision of its safety regulatory services. Rather, the cost of these services is met partly by the Government and partly by the aviation industry through direct fees and charges, and the excise on aviation fuel. The Commonwealth Government's contribution to the costs of setting and enforcing safety standards has been progressively reduced, with the shortfall being offset by increased revenue from the fuel excise. CAA's search and rescue costs were fully met by the Government.

Performance

Two large abnormal items significantly affected CAA's 1994–95 financial performance. CAA was required to 'top up' its Staff Superannuation Fund by \$48 million and, following a decision by the High Court, was required to pay the liquidators of Compass Airlines \$13.7 million. Excluding these items from 1994–95 figures results in a positive operating sales margin of 4.7 per cent

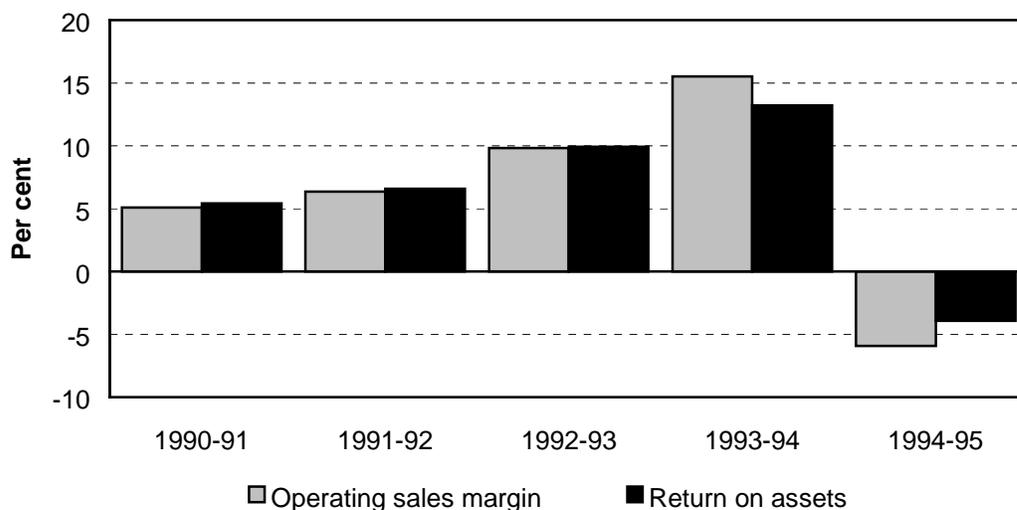
⁹ On 5 July 1995, CAA was split into two bodies — Airservices Australia, which now provides CAA's commercial airways services, and the Civil Aviation Safety Authority which has taken over the responsibilities of the Directorate of Aviation Safety. This was considered to be an appropriate way to address the inherent conflict between CAA's commercial and regulatory functions. Airservices Australia will operate as a GTE and its performance will be monitored by the Steering Committee.

¹⁰ Excludes assets principally associated with safety regulatory functions and search and rescue services.

(compared with minus 5.9 per cent) and return on assets of 3.7 per cent (compared with minus 3.9 per cent) (see Figure 8.4). Nonetheless, CAA's profitability (excluding abnormal items) declined in 1994–95, due largely to a 13 per cent increase in operating expenses.

Although not supplied to the Steering Committee, information regarding CAA charges is available from its Annual Report. Since 1990–91, airways charges and rescue and firefighting charges are reported to have declined in real terms by approximately 36 per cent and 23 per cent respectively (CAA 1995).

Figure 8.4: Operating sales margin and return on assets – Civil Aviation Authority



Source: Steering Committee on National Performance Monitoring of GTEs.

8.4 Federal Airports Corporation

The Federal Airports Corporation (FAC) owns, operates and is responsible for developing 22 of Australia's major international, regional and general aviation airports. Its core businesses include both aeronautical and non-aeronautical activities. FAC is not subject to competition in its aeronautical activities such as the provision of airport infrastructure. Limited competition exists for some of its non-aeronautical activities. For example, it competes against other shopping centres when leasing space in airport terminals for trading and retail outlets.

FAC has operated on a commercial basis since it began operations in 1988. It is required to earn a target rate of return on assets (before interest and tax) of 7.5 per cent.

FAC operates a network pricing regime.¹¹ Uniform aeronautical charges apply across a wide range of airports, although there is some differentiation between groups of airports and categories of aircraft. In many cases, aeronautical charges have not covered the full cost of providing aeronautical activities, with revenue from non-aeronautical activities covering the shortfall. Aeronautical services contributed 40 per cent of total revenue in 1994–95. Changes in aeronautical charges must meet with Ministerial approval and were monitored by the PSA.¹² Non-aeronautical charges are not subject to scrutiny.

Performance

FAC's *operating sales margin* remained high and stable at just under 37 per cent in 1994–95. It also achieved its required rate of return on assets (see Figure 8.5). However, only 12 (including the five major airports) of FAC's 22 airports were profitable in 1994–95. The rate of return on assets at the profitable airports was high enough to allow FAC to cover the negative returns at the non-profitable smaller general aviation airports.

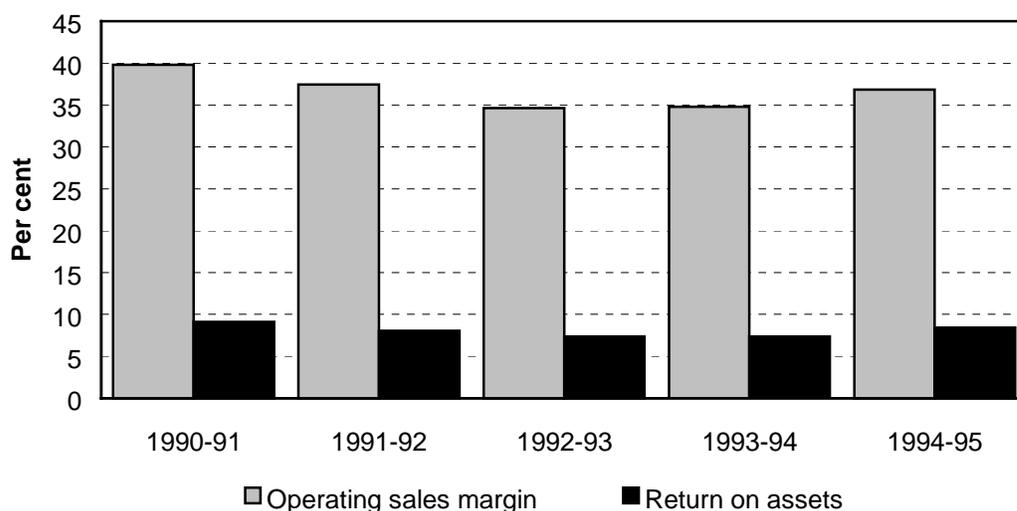
Furthermore, as aeronautical charges do not always cover the costs of providing aeronautical services, it is likely that FAC's high operating sales margin is largely a result of high profit margins on non-aeronautical activities — especially at the major city airports.

A real price index was not supplied to the Steering Committee by the FAC. However, information regarding FAC's nominal aeronautical charges is available from its Annual Report. There was no increase in aeronautical user charges during 1994–95 and the general landing fee, which accounts for approximately 90 per cent of all FAC's aeronautical revenue, has not increased since 1991 (FAC 1995).

¹¹ In September 1995, it was announced that location and service specific pricing, rather than FAC's network pricing regime, would operate at the 22 FAC controlled airports in 1996.

¹² The responsibilities of the PSA were taken over by the Australian Competition and Consumers Commission upon its establishment in July 1995.

Figure 8.5: Operating sales margin and return on assets – Federal Airports Corporation



Source: Steering Committee on National Performance Monitoring of GTEs.

8.5 Telstra

Telstra is a fully vertically integrated provider of telecommunications products and services. These services are recognised by AUSTEL (1995) as belonging to five broad product groups, namely:

- access and local calls together with some local exchange functions;
- long distance domestic calls;
- international calls;
- public mobile telecommunication services; and
- sundry (ie all other services).

The reforms introduced in the *Telecommunications Act 1991* for the July 1991 to June 1997 period were designed to promote network competition and improve efficiencies within the industry. However, competition has not developed uniformly across all segments of the industry.

Telstra has retained its monopoly over access to the local loop and the provision of local calls. Although it is licensed to provide local calls, the second fixed network carrier, Optus, did not offer this service as at June 1995.

International and domestic long distance telecommunications services are provided by Telstra, Optus, other service providers, and call back operators.¹³ However, as at June 1995, Telstra was deemed by AUSTEL to be dominant in both markets.¹⁴

The public mobile telecommunications services market is serviced by Telstra, Optus, and Vodafone. Telstra and Optus offer analogue mobile services and all three carriers operate digital (GSM) mobile networks.¹⁵

The 1991 regulatory reforms for the telecommunications industry included 'competitive safeguards' which were designed to foster the entrance of the new competitors. The powers of the industry specific regulator AUSTEL were extended and strict controls over the pricing and conduct of Telstra were introduced.

Telstra operates under a regime of CPI-X price caps which are based on a series of revenue weighted baskets of services. Telstra faces an overall price cap of CPI-5.5 which means that it must reduce its real price by an average of 5.5 per cent per annum. In the absence of competition, such price caps are intended to promote productivity gains and ensure that at least a proportion of these gains is passed on to consumers through lower prices. Telstra is prevented from offering 'anti-competitive' prices and products in any market in which it is deemed to be dominant.

As the designated universal service carrier, Telstra is required to provide reasonable access for all Australians, on an equitable basis, to the standard telephone service and pay phones. Although this imposes considerable costs on Telstra, the other two carriers assist by making a contribution to Telstra via the Universal Service Obligation Levy Trust Fund.

Telstra, together with the other GTEs discussed in this chapter, is liable to pay all government taxes and charges. In July 1993, a dividend payout ratio of 50 per cent (after tax and abnormals) was set as a benchmark for Commonwealth GTEs.¹⁶

¹³ Call back operators provide international calls only.

¹⁴ AUSTEL concluded in August 1995 that Telstra remained in a position to dominate the international services market.

¹⁵ Optus re-sells capacity on Telstra's analogue mobile network.

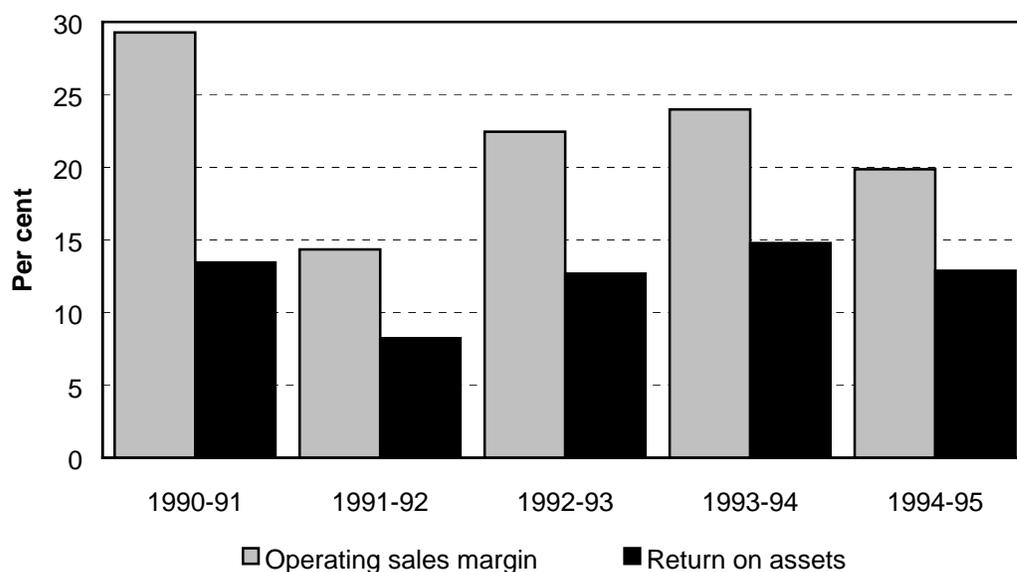
¹⁶ The benchmark dividend payout ratio for most Commonwealth GTEs was raised to 60 per cent in the 1995-96 Budget. Telstra's benchmark dividend payout ratio was set at 55 per cent plus special dividend payments for the 1995-96 and 1996-97 financial years, rising to 60 per cent in 1997-98.

With \$24 billion worth of assets and revenue of \$14 billion, Telstra is by far the largest GTE included in this report.¹⁷

Performance

The introduction of competition into the telecommunications industry has placed pressure on the profit margins of some of Telstra's services. Profitability, as indicated by the *operating sales margin*, declined from 24 per cent in 1993–94 to 20 per cent in 1994–95 but showed no discernible trend over the five year period (see Figure 8.6).

Figure 8.6: Operating sales margin and return on assets – Telstra



Source: Steering Committee on National Performance Monitoring of GTEs.

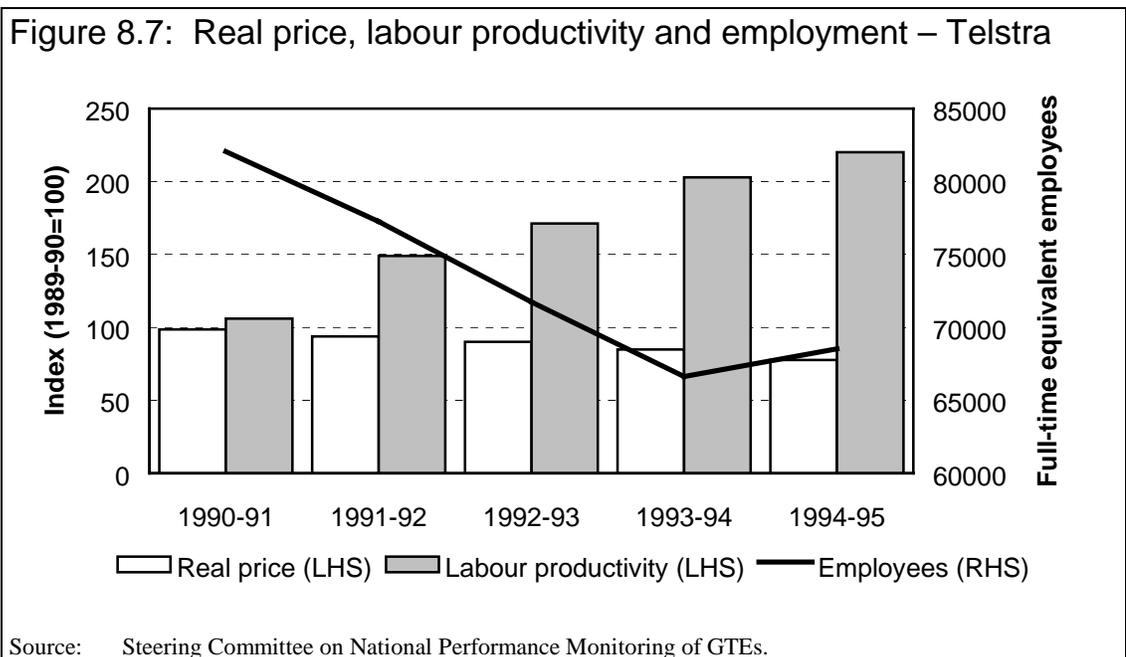
Labour productivity, as measured by real revenue per employee, continued to increase — doubling between 1990–91 and 1994–95.¹⁸ In 1994–95 it rose by 8.5 per cent despite a marginal increase in employment, the first in five years (see Figure 8.7).

¹⁷ Assets as at 30 June 1995, revenue for 1994–95.

¹⁸ Real revenue is calculated as nominal revenue divided by the respective GTE's nominal price index. As such it is an implicit measure of the quantity of output. Telstra reports nominal revenue per employee in Volume 2.

There has been recent growth in higher revenue calls (such as those made from mobile phones) as a proportion of all calls. This trend limits the comparability, between years, of revenue based measures of labour productivity.

Labour productivity, irrespective of how it is measured, is only a partial indicator of overall productivity. Increases in capital productivity, due to higher network capacity utilisation for example, will impact favourably on labour productivity. Contracting out will also increase reported labour productivity, even in the absence of genuine improvements in overall efficiency. A measure of total factor productivity would provide a better indication of Telstra's overall productivity performance.



Telstra's *real price index* fell by 8.5 per cent in 1994–95 and has fallen 21 per cent since 1990–91. This more than satisfied Telstra's statutory requirement to cut real prices by an average of at least 5.5 per cent per annum.

These price reductions were largely implemented through changes in non-standard prices such as 'Flexi-plans' and other discount arrangements, rather than through lowering standard charges.

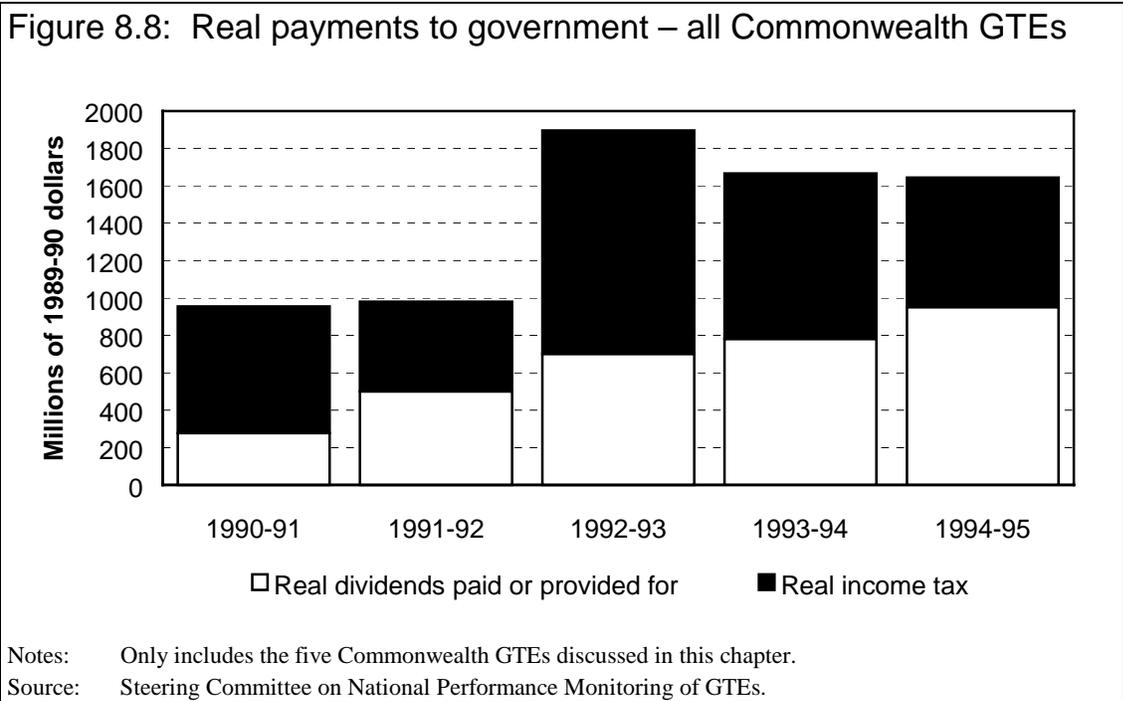
Also, Telstra did not reduce prices uniformly across the full range of its services.

... Telstra's discounting was more intense in its most competitive domestic markets – those of mobiles, leased lines and long distance services (AUSTEL 1995, p. 29).

The average real price of access and local calls fell by less than 4.5 per cent in 1994–95 (AUSTEL 1995).¹⁹

Telstra’s real payments to government remained at much the same level (\$1.4 billion, 1989-90 base) as in 1993–94, with a decline in taxation being offset by an increase in dividends. Since 1990–91, real payments to Government by Telstra have increased by 61 per cent.

In 1994–95, Telstra’s payments to government accounted for 85 per cent of the payments made by the GTEs discussed in this chapter. Payments to government by all Commonwealth GTE’s remained stable in 1994–95, with the 21.5 per cent increase in dividend payments off-setting the 21.6 per cent decline in taxation payments (see Figure 8.8).



¹⁹ The average price is calculated by revenue weighting standard and non-standard charges for connection, rental and local calls.

ATTACHMENTS

A	ENTERPRISE LISTINGS	
	by Jurisdiction	143
	by Industry Classification	147
B	DETAILS OF CHARTS CONSTRUCTION	149

A ENTERPRISE LISTINGS

PARTICIPATING ENTERPRISES BY JURISDICTION

<i>Jurisdiction/Enterprise</i>	<i>Industry classification</i>
NEW SOUTH WALES	
Pacific Power	Electricity Generation
TransGrid	Electricity Transmission
Illawarra Electricity	Electricity Distribution
Prospect Electricity	Electricity Distribution
Orion Electricity	Electricity Distribution
Sydney Electricity	Electricity Distribution
Gosford City Council (Water Department)	Water
Hunter Water Corporation	Water
Sydney Water Board	Water
Wyong Shire Council (Water Department)	Water
State Transit Authority	Urban Transport
State Rail Authority of NSW	Railways/Urban Transport
Maritime Services Board of NSW	Ports
VICTORIA	
Vic. Govt. owned generation companies (aggregation)	Electricity Generation
PowerNet	Electricity Transmission
Vic. Govt. owned distribution businesses (aggregation)	Electricity Distribution
Victorian Power Exchange	Electricity System Operator
GasCor	Gas and Transmission
Barwon Water	Water
Melbourne water industry ^b	Water
Public Transport Corporation	Railways/Urban Transport
Port of Melbourne Authority	Ports
QUEENSLAND	
Austa Electric	Electricity Generation
Queensland Transmission and Supply Corporation	Electricity Transmission/Distribution
South East Queensland Electricity Corporation	Electricity Distribution
Capricornia Electricity Corporation	Electricity Distribution
Brisbane City Council (Water Department)	Water
DPI Water Resources	Water
Gold Coast Water	Water
Brisbane Transport	Urban Transport
Queensland Rail	Railways/Urban Transport
Gladstone Port Authority	Ports
Port of Brisbane Corporation	Ports

<i>Jurisdiction/Enterprise</i>	<i>Industry classification</i>
SOUTH AUSTRALIA	
ETSA Corporation	Electricity GTD ^a
Pipelines Authority of South Australia	Gas and Transmission
Engineering and Water Supply Department	Water
– Metropolitan	Water
– Country	Water
TransAdelaide	Urban Transport
South Australian Ports Corporation	Ports
WESTERN AUSTRALIA	
State Energy Commission of Western Australia ^c	Electricity GTD ^a / Gas and Transmission
Western Power	Electricity GTD ^a
Alinta Gas	Gas and Transmission
Water Authority of Western Australia	Water
– Metropolitan	Water
– Country	Water
MetroBus	Urban Transport
Westrail	Railways/Urban Transport
Fremantle Port Authority	Ports
TASMANIA	
Hydro-electric Commission	Electricity GTD ^a
Hobart Regional Water Board	Water
Rivers and Water Supply Commission, North Esk	Water
North West Regional Water Authority	Water
Metropolitan Transport Trust	Urban Transport
Burnie Port Authority	Ports
Marine Board of Hobart	Ports
Port of Devonport Authority	Ports
Port of Launceston Authority	Ports
NORTHERN TERRITORY	
Power and Water Authority	Electricity GTD ^a
- Water Metropolitan	Water
- Water Country	Water
Darwin Port Authority	Ports
AUSTRALIAN CAPITAL TERRITORY	
ACTEW Corporation	Electricity Distribution
– Water	Water
ACTION	Urban Transport

<i>Jurisdiction/Enterprise</i>	<i>Industry classification</i>
COMMONWEALTH	
Snowy Mountains Hydro-electric Authority	Electricity Generation/Transmission
Australian National Railways Commission	Railways
National Rail Corporation	Railways
Australia Post	Other Commonwealth
ANL Limited	Other Commonwealth
Civil Aviation Authority	Other Commonwealth
Federal Airports Corporation	Other Commonwealth
Telstra	Other Commonwealth

- a Electricity GTD indicates a combination of generation, transmission and distribution services.
- b Melbourne water industry represents the aggregation, in 1994–95, of Melbourne Water Corporation, South East Water, City West Water and Yarra Valley Water.
- c State Energy Commission of WA ceased operation on 31 December 1994.

PARTICIPATING ENTERPRISES BY INDUSTRY CLASSIFICATION

Main Activity/Enterprise	Jurisdiction	Other Activity
ELECTRICITY		
Pacific Power	NSW	
Illawarra Electricity	NSW	
Prospect Electricity	NSW	
Orion Electricity	NSW	
Sydney Electricity	NSW	
TransGrid	NSW	
Vic. Govt. owned generation companies (aggregation)	Vic	
PowerNet	Vic	
Victorian Power Exchange	Vic	
Vic. Govt. owned distribution businesses (aggregation)	Vic	
Queensland Transmission and Supply Corporation	Qld	
Capricornia Electricity Corporation	Qld	
South East Queensland Electricity Corporation	Qld	
ETSA Corporation	SA	
State Energy Commission of Western Australia ^b	WA	Gas and Transmission
Western Power	WA	
Hydro-electric Commission	Tas	
Power and Water Authority	NT	Water
Snowy Mountains Hydro-electric Authority	C'wlth	
ACT Electricity and Water	ACT	Water
GAS AND TRANSMISSION		
Gas and Fuel Corporation of Victoria	Vic	
Pipelines Authority of South Australia	SA	
State Energy Commission of Western Australia ^b	WA	Electricity GTD ^a
Alinta Gas	WA	
WATER		
Gosford City Council (Water Department)	NSW	
Hunter Water Corporation	NSW	
Sydney Water Corporation	NSW	
Wyong Shire Council (Water Department)	NSW	
Barwon Water	Vic	
Melbourne water industry ^c	Vic	
Brisbane City Council (Water Department)	Qld	
DPI Water Resources	Qld	
Gold Coast Water	Qld	
Engineering and Water Supply Department	SA	
Water Authority of Western Australia	WA	
Hobart Regional Water Board	Tas	
Rivers and Water Supply Commission, North Esk	Tas	
North West Regional Water Authority	Tas	
Power and Water Authority	NT	Electricity GTD ^a
ACTEW Corporation	ACT	Electricity Distribution

<i>Main Activity/Enterprise</i>	<i>Jurisdiction</i>	<i>Other Activity</i>
URBAN TRANSPORT		
State Rail Authority	NSW	Railways
State Transit Authority	NSW	
Public Transport Corporation	Vic	Railways
Brisbane Transport	Qld	
Queensland Rail	Qld	Railways
TransAdelaide	SA	
MetroBus	WA	
Westrail	WA	Railways
Metropolitan Transport Trust	Tas	
ACTION	ACT	
RAIL		
State Rail Authority	NSW	Urban Transport
Public Transport Corporation	Vic	Urban Transport
Queensland Rail	Qld	Urban Transport
Westrail	WA	Urban Transport
Australian National Railways Commission	C'wlth	
National Rail Corporation	C'wlth	
PORTS		
Maritime Services Board	NSW	
Port of Melbourne Authority	Vic	
Gladstone Port Authority	Qld	
Port of Brisbane Corporation	Qld	
South Australian Ports Corporation	SA	
Fremantle Port Authority	WA	
Burnie Port Authority	Tas	
Marine Board of Hobart	Tas	
Port of Devonport Authority	Tas	
Port of Launceston Authority	Tas	
Darwin Port Authority	NT	
OTHER COMMONWEALTH		
Australia Post	C'wlth	
ANL Limited	C'wlth	
Federal Airports Corporation	C'wlth	
Telstra	C'wlth	
Civil Aviation Authority	C'wlth	

- a Electricity GTD indicates a combination of generation, transmission and distribution services.
- b Melbourne Water Industry represents the aggregate, in 1994–95, of Melbourne Water Corporation, South East Water, City West Water and Yarra Valley Water.
- c State Energy Commission of WA ceased operation on 31 December 1994.

B DETAILS OF CHARTS CONSTRUCTION

General

Charts for each industry were constructed using data from all GTEs which provided relevant data for each of the five years covered by this report (1990–91 to 1994–95). Exceptions are the charts for *on-time-running* (rail authorities) and *ship turnaround time* (ports) and *operating sales margin* and *return on assets* for electricity distributors, where not all GTEs provided data for all five years and the chart covers a shorter period in order to have as many GTEs as possible included.

In general an attempt has been made to utilise data from as many GTEs as possible. Where a GTE has supplied more than one set of financial data, the decision as to which to use is based on comparability with data supplied by other GTEs in the relevant sample.

The recognition of accrued superannuation liabilities by MetroBus, Fremantle Port Authority (FPA) and Westrail results in each authority having a significant negative *equity* recorded. This affects the charts of financial ratios where information about *equity* is utilised. Where appropriate, this is acknowledged by a footnote.

The size of *abnormal revenue* and *expenses* in rail and urban transport prompted an adjustment to the charts, *real labour productivity* and *real price index*.

Real total revenue

Real total revenue is calculated by deflating each GTE's total revenue by the consumer price index relevant to that GTE's operations.

Operating sales margin

The *operating sales margin* for each GTE is calculated as the ratio of EBIT less investment income to total revenue less investment income. The average operating sales margin, for the relevant sample of GTEs, is then calculated by taking the ratio of the total industry EBIT less industry investment income to total industry revenue less industry investment income.

Composition of real total assets

Asset, debt and equity levels over the five year period are calculated through aggregation of *deflated average assets, debt and equity*. *Other liabilities* are calculated as the residual of real average total assets less real average equity and debt.

Real price index

In order to chart real prices, an *average real price index* is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in aggregate total revenue. For urban transport GTEs, the *average real price index* is constructed by weighting each GTE's price index by its share of customer revenue (that is, cash-box and other non-government revenue minus investment income). The Secretariat calculated price indices for the rail industry. They were constructed by deflating average selling prices by the appropriate capital city Consumer Price Index. Industry aggregates were calculated by weighting each GTE's selling price by its revenue share. The aggregate price index is an average of the price indices of urban and non-urban passenger and freight weighted by revenue shares. The *real urban price index* is an index of change in real urban passenger revenue per passenger kilometre. The *real non-urban price index* is an index of change in real non-urban passenger revenue per passenger journey. The *real freight price index* is an index of real freight revenue per net freight tonne kilometres. This method provides an estimate of price change in the industry and assumes that prices are related to changes in the quantity variable used (such as passenger kilometres). Individual GTEs may use a more sophisticated method of calculating price change.

Labour productivity

Labour productivity is defined as the ratio of real total revenue to the number of full time equivalent employees. *Real total revenue* is calculated by deflating each GTE's total revenue by its price index (recovered from the real price index supplied in their responses). The *average labour productivity* measure is calculated for the relevant sample of GTEs as the ratio of real total revenue to aggregate employment. For urban transport GTEs, total revenue is calculated by subtracting abnormal revenue from total revenue. For State Rail Authority and Westrail (1994–95), *urban passenger revenue* is used instead because of the lack of information.

Employment

The industry specific and Australia-wide *employment* graphs represent the number of *full time equivalent employees* summed across all GTEs in the relevant sample.

Real payments to government

Aggregate dividend is calculated as the sum of individual deflated dividends paid or provided for over the relevant sample of GTEs. Similarly, *income tax* is calculated as the sum of individual deflated income tax over the relevant sample of GTEs.

Return on assets

Return on assets for each GTE is defined as earnings before interest and tax (EBIT) divided by average total assets. Average return on assets is calculated as industry aggregate EBIT divided by industry aggregate average total assets. For all industries these graphs are based on asset valuations provided by the GTEs.

For rail and urban transport GTEs, *EBIT* includes government payments to fund operating deficits and excludes abnormal items.

System average supply loss (electricity supply)

An average measure of *system average supply loss* is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in industry total customers.

Outage factor (electricity supply)

An average measure of *outage factor* is calculated as the weighted average of the individual measures of planned plus forced outages for generation, with weights corresponding to each GTEs share in total physical output generated.

Reserve plant margin (electricity supply)

Average reserve plant margin is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in industry total physical output generated.

Capacity factor (electricity supply)

Average capacity factor is calculated as the weighted average of the individual measures, with weights corresponding to each GTEs share in total physical output generated.

Boardings per head of population (urban transport)

Average boardings per head of population (both catchment and metro) is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share of total passenger boardings.

Service delays and cancellations (urban transport)

Average service delays and cancellations is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share of total passenger boardings.

Cost recovery (urban transport and railways)

Total cost recovery is calculated as total industry revenue from operations divided by industry expenses from operations. *Cost recovery (non-Government)* is calculated as total industry cash-box and other non-government revenue minus total industry investment income divided by industry expenses from operations. Operating revenue excludes government payments to cover operating deficits.

On-time running (railways)

Average measures for *on-time running* are calculated using urban passenger and freight data. For urban passenger services, it is calculated as the sum of each GTE's measure weighted by its share of total urban passenger journeys. For freight services, each GTE's measure is weighted by its share of net freight tonne-kilometres. *On-time running* for non-urban passenger services is not included due to inconsistencies in definitions across GTEs.

Ship turnaround time (ports)

As most GTEs did not supply the five years of data required for this chart, a shorter time series is used to increase the coverage of GTEs. *Average ship turnaround time* is calculated separately for other cargoes and container cargoes, as the weighted average of the individual measures, with weights corresponding to each GTE's share in the total tonnage of (other) cargo handled and the number of containers handled.

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GOVERNMENT TRADING ENTERPRISES

PERFORMANCE INDICATORS

1990-91 TO 1994-95

VOLUME 2: DATA

**STEERING COMMITTEE ON NATIONAL PERFORMANCE
MONITORING OF GOVERNMENT TRADING ENTERPRISES**

JUNE 1996

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The Industry Commission acts as the Secretariat for the Steering Committee on National Performance Monitoring of Government Trading Enterprises. The Industry Commission is merging with the Bureau of Industry Economics and the Economic Planning Advisory Commission to form the Productivity Commission, which will continue the role of Secretariat for the Committee.

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Steering Committee on National Performance Monitoring of Government Trading Enterprises

The Steering Committee on National Performance Monitoring of Government Trading Enterprises was established at the Special Premiers' Conference in July 1991. It consists of representatives of the Commonwealth Government and each of the States and Territories. Its role is to produce consistent performance measures for Government Trading Enterprises and to publish these on an annual basis.

Results

On the evidence presented in this report, the reform process under way within GTEs covered is continuing to deliver tangible benefits both to their customers and their governments (therefore, to the taxpayer). Their real prices fell substantially in all sectors last year, having fallen continuously overall during the five years that this report covers. At the same time these GTEs have been able to maintain payments to governments at levels which, by the standards of 1990-91, are high. GTEs also reduced their average reported debt once again.

The report indicates that, although labour productivity is still increasing, its growth has slowed. A more comprehensive measure, total factor productivity — although currently available for some GTEs only — tends to confirm this result.

Overall the profitability of GTEs, as indicated by the average operating sales margin, deteriorated in 1994-95. To some extent this was due to reforms designed to reduce GTE's monopoly power, such as increased competition in GTEs' markets and independent price regulation.

While GTEs covered in this report have generally improved their performance, not all have shown the same rate of improvement. Even within industries which have made the most progress there are individual GTEs who are falling behind. The picture, though complicated, seems to provide some evidence that the rate of performance improvement is faster in those industries and jurisdictions where the pace of reform is faster.

Why monitor performance?

As explained in the preface to Volume 1, over the period covered by this report (1990-91 to 1994-95) governments have implemented a number of reforms aimed at improving the efficiency of their GTEs. Performance monitoring is important for assessing both the outcomes of these changes and the performance of the

community's continuing investment in GTEs. It brings information about significant directions and trends into the public domain. By facilitating benchmark comparisons, it assists governments to improve GTE performance.

This report covers 68 GTEs. They account for approximately 80 per cent of the total revenue earned by all GTEs and approximately 75 per cent of total employment within GTEs. They include the major State authorities involved in the provision of electricity, gas, water, urban transport, rail and port services as well as Commonwealth GTEs engaged in transport and communications.

About this volume

This is Volume 2 of the fourth annual report of the Steering Committee for National Performance Monitoring, which covers the years 1990–1991 to 1994–95. The report is published in two volumes. Volume 1 consists of an overview, commentaries on the performance of each industry and explanatory appendices. Volume 2 consists of financial and non-financial indicators of performance for each GTE, each participating GTE's commentary on its own performance and explanatory appendices.

The suite of indicators reported on in Volume 2 is similar to that published in previous years. Definitions of all indicators included are to be found in Attachments B and D of this volume.

During the five years covered by the 1996 report, and particularly during the 1994-95 financial year, there have been many changes to the complement of GTEs participating in national performance monitoring. This now includes a number of additional GTEs. For example, some suppliers of urban water services appear in this year's report for the first time. Other additions are the result of the disaggregation of former GTEs into separate new entities, either according to their activities or on regional lines. Former GTEs that have been privatised are no longer required to supply data for national performance monitoring.

As a result of these changes there are discontinuities in the data. These have made it infeasible to include in this volume any of the charts comparing the performance of individual GTEs with their peers, which were a feature of previous years' reports. However, charts constructed on an industry basis continue to be provided in Volume 1.

Bill Scales AO
Chairperson

CONTENTS

VOLUME II

1	ELECTRICITY SUPPLY INDUSTRY	
	Pacific Power (NSW)	3
	Transgrid (NSW)	9
	Prospect Electricity (NSW)	15
	Sydney Electricity (NSW)	21
	Orion Energy (NSW)	27
	Illawarra Electricity (NSW)	31
	Statistical re-aggregation of Victorian Government controlled electricity generation entities	37
	PowerNet (Victoria)	41
	Victorian Power Exchange	45
	Statistical re-aggregation of Victorian Government controlled electricity distribution entities	49
	AUSTA Electric (Queensland)	53
	Queensland Transmission and Supply Corporation	59
	South East Queensland Electricity Corporation	63
	Capricornia Electricity Corporation (Queensland)	67
	ETSA Corporation (South Australia)	71
	State Energy Commission of Western Australia	77
	Western Power (WA)	83
	Hydro-Electric Commission (Tasmania)	89
	Power and Water Authority (Electricity) (NT)	99
	ACTEW (Electricity) (ACT)	105
	Snowy Mountains Hydro-Electric Authority (Commonwealth)	109
2	GAS AND TRANSMISSION	
	GASCOR (Victoria)	117
	Gas Transmission Corporation (Victoria)	125
	AlintaGas	129

3	WATER, SEWERAGE, DRAINAGE AND IRRIGATION	
	Hunter Water Corporation (NSW)	137
	Sydney Water Corporation (NSW)	141
	Gosford City Council Water and Sewerage Programs (NSW)	147
	Wyong Shire Council (Water Department) (NSW)	153
	Melbourne Water Industry (Victoria)	159
	Barwon Water (Victoria)	163
	Brisbane City Council Water and Sewerage Dept. (Queensland)	169
	Gold Coast Water (Queensland)	175
	Department of Primary Industries Water Resources (Queensland)	179
	Engineering and Water Supply Department (SA)	189
	Water Authority of Western Australia	199
	Hobart Regional Water Board (Tasmania)	213
	Rivers and Water Supply Commission, North Esk (Tasmania)	219
	North West Regional Water Authority (Tasmania)	225
	Power and Water Authority (Water) (NT)	231
	ACTEW (Water) (ACT)	239
4	URBAN TRANSPORT	
	State Transit Authority (NSW)	245
	Brisbane Transport (Queensland)	255
	TransAdelaide (SA)	261
	MetroBus (WA)	269
	Metropolitan Transport Trust (Tasmania)	277
	ACTION (ACT)	281
5	RAILWAYS	
	State Rail Authority of NSW	287
	Public Transport Corporation (Victoria)	293
	Queensland Rail	305
	Westrail (WA)	311
	Australian National Railways Commission (Commonwealth)	317
	National Rail Corporation (Commonwealth)	321
6	PORT AUTHORITIES	
	Maritime Services Board of NSW	329
	Port of Melbourne Authority (Victoria)	339
	Gladstone Port Authority (Queensland)	345
	Port of Brisbane Corporation (Queensland)	349

6	PORT AUTHORITIES (continued)	
	South Australian Ports Corporation	353
	Fremantle Port Authority (WA)	357
	Burnie Port Authority (Tasmania)	361
	Marine Board of Hobart (Tasmania)	365
	Port of Devonport Authority (Tasmania)	369
	Port of Launceston Authority (Tasmania)	373
	Darwin Port Authority (NT)	377
7	OTHER COMMONWEALTH GTEs	
	ANL Limited	385
	Australia Post	389
	Civil Aviation Authority	393
	Federal Airports Corporation	397
	Telstra	401

ATTACHMENTS

A	ENTERPRISE LISTINGS	
	by Jurisdiction	406
	by Industry Classification	409
B	DEFINITIONS OF FINANCIAL INDICATORS COLLECTED	411
C	ACRONYMS AND UNITS OF QUANTITY USED IN NON-FINANCIAL RATIOS	417
D	DEFINITIONS OF NON-FINANCIAL INDICATORS COLLECTED	
	Electricity	418
	Gas and Transmission (including pipelines)	425
	Water, Sewerage, Drainage and Irrigation	430
	Urban Transport	435
	Railways	439
	Ports	444
	Other Commonwealth	1 447

1 ELECTRICITY SUPPLY INDUSTRY

Pacific Power (NSW)	3
Transgrid (NSW)	9
Prospect Electricity (NSW)	15
Sydney Electricity (NSW)	21
Orion Energy (NSW)	27
Illawarra Electricity (NSW)	31
Statistical re-aggregation of Victorian Government controlled electricity generation entities	37
PowerNet (Victoria)	41
Victorian Power Exchange	45
Statistical re-aggregation of Victorian Government controlled electricity distribution entities	49
AUSTA Electric (Queensland)	53
Queensland Transmission and Supply Corporation	59
South East Queensland Electricity Corporation	63
Capricornia Electricity Corporation (Queensland)	67
ETSA Corporation (South Australia)	71
State Energy Commission of Western Australia	77
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Comments on own performance

In July 1994 Pacific Power's transmission functions were transferred to a legally separate subsidiary, PacificGrid. In February 1995 the transmission functions were transferred to the Electricity Transmission Authority (ETA), a separate statutory body leaving Pacific Power to concentrate on being an independent power producer able to focus clearly on, and forge closer ties with its customers. After extensive discussion of the report by the Generation Reform Working Group, led by Professor Hilmer, Pacific Power's generating capacity will be restructured into two state owned corporations.

The generation corporations will be established, subject to Government approval, for the commencement of the interim State electricity market, scheduled for March 1996 and the national market due to start operating in the 3rd quarter of 1996.

Financial performance

The past year has been another in which Pacific Power achieved an excellent performance while providing continued price reductions. A 8 per cent price reduction, which came into force on 1 July 1994, had a substantial impact on revenue levels but, by aggressive cost containment in all areas of expenditure, Pacific Power nonetheless managed to turn in an excellent profit. Profit was \$563 million before tax for the Pacific Power entity.

Prices have been consistently reduced over recent years. Bulk Supply Tariff reduced 3 per cent in July 1993, 3 per cent in February 1994 and 8 per cent in July 1994. The real average price fell 12 per cent from 1993-94 bringing significant savings to customers.

Pacific Power maintained its program of debt reduction. \$1.1 billion of debt was transferred to ETA and overall debt has been reduced from \$3.7 billion to \$2.3 billion. At \$520 million, dividend and tax equivalent payments represent 85 per cent of pre-tax profits of Pacific Power and ETA.

Increased use of electricity resulted in higher sales volume for the year, with overall sales of 53,600 GWh representing a 2.8 per cent increase over the year.

Non-financial performance

Plant performance has continued at a high level during the year. At 87.5 per cent, Pacific Power's equivalent availability is at world-class levels of performance. The equivalent forced outage rate fell to 3.2 per cent, reflecting improved plant performance. Thermal efficiency reached a new record of 35.7 per cent, a result of technological developments and greater efficiencies in plant operation. Using less coal to generate the same amount of energy brings benefits from both environmental and economic viewpoints.

Comments on own performance (continued)

Safety performance has been maintained throughout Pacific Power at a high level. Munmorah, Eraring and Vales Point have all attained the National Safety Council of Australia 5 Star Safety Award. This is the highest recognition made by the NSCA as part of its industrial safety program and puts the power stations in the top 5 per cent of safe organisations around Australia.

Pacific Power and the Hunter Water Corporation have signed an agreement that will see Eraring power station using treated waste water for industrial purposes instead of fresh water. The project is the largest and most sophisticated waste-water re-use scheme in Australia and will satisfy 95 per cent of the station's water needs for demineralising plant, auxiliary cooling, ash and dust disposal and fire systems.

In February 1995 Pacific Power and Unisearch Limited formed a \$64 million joint venture company, Pacific Solar Pty Limited to develop low cost, high efficiency solar cells for mass production within five years, at a projected cost equivalent to black coal fired power station costs. The joint venture will build on breakthrough research by the University of NSW Centre for Photovoltaic Devices and Systems of which Pacific Power is a founding sponsor. This initiative will involve Pacific Power investing \$45 million over the five years of the research and development phase.

Pacific Power International (PPI) has been invited to sign a contract jointly with Japanese Electric Power Development Company International and Power Company No. 1 in Vietnam to undertake Phase 1 design work for the Pha Lai No. 2 power station project. PPI work is worth some \$1.5m.

PACIFIC POWER**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets (2,3,4)	%	11.8	14.2	12.5	11.8	8.9
Return on operating assets	%	11.0	13.7	12.6	12.3	8.9
Operating sales margin	%	26.9	35.5	37.9	41.1	27.7
Return on equity (5)	%	18.0	20.8	10.1	9.9	6.8
Dividend to equity ratio (6,7)	%	17.2	16.5	7.2	6.5	8.1
Dividend payout ratio (8)	%	95.6	79.3	71.1	65.7	118.9
Debt to equity	%	271.1	117.3	99.1	61.5	57.9
Total liabilities to equity	%	330.6	162.0	142.1	91.5	101.7
Current ratio	%	109.2	105.8	106.5	105.0	90.6
Interest cover	%	154.9	188.0	215.0	246.7	256.4
Cost recovery ratio	%	137.8	156.5	161.8	169.8	138.2
Operational performance	%	11.2	13.3	12.5	12.3	8.8

Non-financial Ratios**General*****Economic Factors***

Total factor productivity (9)	Index	1.18	1.19	1.24	1.26	1.13
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost: (10)						
- industrial disputes	%	0.0	0.4	0.0	0.0	0.0
- sick leave	%	8.2	7.4	6.5	7.3	6.9
- industrial accidents	%	0.8	0.6	0.5	0.2	0.2
- all	%	9.0	8.4	7.0	7.5	7.1

Effectiveness

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other	%	n.r.	n.r.	n.r.	n.r.	n.r.
- overall (11)	%	3.70	5.00	-2.20	-4.40	-8.76
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- other	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- overall (11)	Index	98.90	102.20	98.70	93.10	82.00

PACIFIC POWER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<u>General (continued)</u>						
<i>Size</i>						
Total assets	\$M	7,668	10,463	10,495	11,708	8,111
Total revenue	\$M	3,081	3,437	3,369	3,178	3,070
System maximum demand	MW	9,374	9,519	9,792	9,888	10,613
Average total employment	No	6,972	6,553	6,122	5,769	4,486
Service area	Sq km	659,000	659,000	659,000	659,000	659,000
Energy imported (17)	GWh	581	708	514	465	88
Energy exported	GWh	813	918	1,500	21	61
Energy wheeled	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Safety</i>						
Lost injury time per million employee hours	1/Mill	35	24	22	11	11
<u>Generation</u>						
<i>Efficiency</i>						
Load factor (12)	%	62.3	61.9	64.6	64.9	63.2
Capacity factor:						
- includes Snowy Mts and NSW Hydro (13)	%	44.5	44.9	46.7	44.8	42.2
- excludes Snowy Mts and NSW Hydro	%	51.7	52.0	53.4	51.2	52.7
Reserve plant margin: (14)						
- includes Snowy; excl. Blowering and non-winter hydro (14)	%	38.2	36.2	41.6	48.2	38.1
- excludes Snowy; excl. Blowering and non-winter hydro	%	11.2	9.7	15.3	22.0	13.6
Equivalent available factor (15)	%	80.5	86.1	88.8	90.6	87.5
Labour productivity (excl. construction & mine emp.) (20)	GWh/Emp	10.6	11.2	12.4	13.2	34.1
Thermal efficiency	%	34.9	35.0	35.2	35.5	35.7
<i>Service Quality</i>						
Equivalent forced outage factor	%	8.5	5.0	3.4	2.8	2.3
Planned outage factor	%	11.0	8.8	7.8	6.6	8.7
<i>Size</i>						
Total physical output generated	GWh	48,885	49,485	51,412	52,252	54,232
Generating plant capacity (16)	MW	10,790	10,830	11,490	12,150	12,150
	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>

PACIFIC POWER (continued)***Generation (continued)******Size (continued)***

Changes in generating plant capacity

- plant added	MW	0	0	660	660	0
- plant decommissioned	MW	1,050	0	0	0	0
- plant in dry storage	MW	600	600	600	600	600

Cost & Revenue Measures

Operation and maintenance costs: (18)

- excluding fixed costs:

- - excluding fuel cost	\$/MWh	8.49	9.43	8.78	6.43	6.86
- - including fuel cost	\$/MWh	23.78	24.46	22.90	20.30	20.73

- including fixed costs:

- - excluding fuel cost	\$/MWh	16.50	19.00	19.10	14.40	13.20
- - including fuel cost	\$/MWh	31.80	34.00	33.20	28.22	27.10

Environmental Indicators

CO2 emissions (19)	kg/MWh	880	880	870	860	857
Particulate emissions (19)	kg/MWh	0.27	0.25	0.23	0.10	0.10
NOX emissions (19)	kg/MWh	2.2	2.2	2.2	2.2	2.2

NOTES TO INDICATORS FOR PACIFIC POWER

Key: n.p. - not provided; n.r. - not relevant.

- 1) All figures are audited Pacific Power results with unaudited adjustments for Eraring. As of 1991–92, all figures include Eraring Power Station as a Pacific Power asset and are fully audited. There may be some discrepancy between financial ratios and figures published in the Annual Report and those contained in this publication because of differences in formulas used.
- 2) Assets were revalued in 1991–92 and 1993–94.
- 3) Financial assets include Pacific Power's investments in subsidiary companies.
- 4) Asset values have been depreciated and revalued.
- 5) Income tax was introduced as of 1992–93. If we were to use operating profit before tax as the numerator (B15/B34) the results would be

1992–93	1993–94
16.9	14.9
- 6) Dividend paid in 1991–92 includes a notional tax payment of \$219,600,000.

PACIFIC POWER (continued)

NOTES TO INDICATORS FOR PACIFIC POWER (continued)

- 7) Pacific Power entered an income tax equivalent regime on 1 July 1992, adopting the Liability method of Tax Effect Accounting. This has resulted in an Income Tax Equivalent of \$272,796,000 (at 39 percent) and an adjustment in Net Reduction in Future Income (at 33 per cent) of \$9,552,000 for 1992–93.
- 8) Income tax payments were introduced as of 1992–93. If we were to use operating profit before tax as the denominator and use dividends paid plus income tax as the numerator ($(B18+B31)/B15$), the ratios would be

1992–93	1993–94
82.7	77.1

Income tax expense figures relate to the accounting entries on the Profit and Loss Statement, rather than the actual agreed amounts paid to the NSW State Treasury as stated in the Annual Report.

- 9) The TFP ratio is based at 1978–79=1. The TFP series up to 1993–94 is based on both generation and transmission activities. The 1994–95 result is based on generation activities only. Break in series due to structural changes at Pacific Power. These are unilateral TFP results measuring Pacific Power's TFP growth (decline) over time. Therefore the TFP index result for 1994–95 cannot be compared to TFP results recorded in previous years.
- 10) Records adjusted to use average FTE's with 230 working days per annum.
- 11) Based on total sales.
- 12) The numerator used includes the annual generation of all Pacific Power units, including the Snowy Mountains system and NSW hydro plant.
- 13) Capacity Factor figures include both energy limited and non-limited plant.
- 14) Reserve Plant Margin is calculated on a calendar year basis so that 1994–95 represents the calendar year 1995.
- 15) Only applies to Pacific Power's thermal plant.
- 16) Generating plant capacity is based on maximum dependable capacity and includes NSW hydro and 50 per cent of Hume (25MW), but excludes Snowy plant.
- 17) The figures also exclude energy imports for areas in NSW but do not form part of Pacific Power Grid.
- 18) O&M costs include site costs, as well as Head Office labour and O&M costs. All labour employed in capital works has been excluded. Consistency across utilities might be difficult to obtain due to differences in the valuation and treatment of on-costs, and in accounting practices in relation to fixed costs.
- 19) These results are indicative figures only, and are based on MWh generated. The definition for NOx Emissions should read NOx emitted (kg)/Electricity generated (MWh) The appropriate explanation of the definition should be: NOx calculated as NO2 at a 7 per cent oxygen reference level.
- 20) Core generation staff only for 1994–95.

Comments on own performance*Background*

TransGrid was formed as a Government body on February 1, 1995 under the Electricity Transmission Authority Act 1994. TransGrid's role was previously performed by Pacific Power until June 30, 1994 and then by PacificGrid Pty Limited from July 1, 1994 to January 31, 1995.

Prior to 1st July 1994, the transmission assets were owned and operated by Pacific Power (electricity Commission of NSW). Because of the integrated nature of Pacific Power and the fact that it is a separate organisation, it has not been considered appropriate to provide financial or labour data before the establishment of TransGrid.

Current operations

The nature of TransGrid's core business since its inception on 1st February 1995 is the bulk transmission of electricity from its generator customers to its distributor and bulk industrial customers as well as interchange connections with interstate utilities. The organisation has six separate business units and is structured around its core processes of Manage the Network, Manage the Market and Support the Business. TransGrid has a prime role in the development and operation of the NSW electricity market and the National Grid.

Financial performance

For the five months of operation TransGrid successfully established itself as an independent business and produced a satisfactory commercial return with an operating surplus of \$38.7 million and operating profit (after abnormal items and before income tax) of \$27.4 million. A dividend of \$16.3 million was paid to the NSW State Government.

Non-financial performance

The transmission system reliability figure increased this year due in part to a current transformer failure at Sydney South 330 kV substation which caused a two hour interruption to two 132 kV busbars.

Transmission losses have reduced from 3.14% to 2.76% since 1990–91 due to the commissioning of the Mt Piper Marulan 330 kV double circuit line and increased generation at Mt Piper.

Comments on own performance (continued)*Other*

TransGrid achieved quality assurance certification to ISO 9001 for the whole organisation as from 1st February 1995. Thus it commenced life as a Quality Endorsed Company. This has enabled it to provide a uniform standard of network services throughout its system.

TRANSGRID**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,2)

Return on assets	%	n.r.	n.r.	n.r.	n.r.	3.6
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	3.6
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	44.2
Return on equity	%	n.r.	n.r.	n.r.	n.r.	2.0
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	1.7
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	86.2
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	99.8
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	112.9
Current ratio	%	n.r.	n.r.	n.r.	n.r.	22.7
Interest cover	%	n.r.	n.r.	n.r.	n.r.	159.1
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	204.1
Operational performance	%	n.r.	n.r.	n.r.	n.r.	4.2

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.r.	n.r.	n.r.	n.r.	1.00
Economic rate of return	%	n.r.	n.r.	n.r.	n.r.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.r.	n.r.	n.r.	n.r.	0.0
- sick leave	%	n.r.	n.r.	n.r.	n.r.	0.6
- industrial accidents	%	n.r.	n.r.	n.r.	n.r.	0.1
- all	%	n.r.	n.r.	n.r.	n.r.	0.7

Effectiveness

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other	%	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	%	n.r.	n.r.	n.r.	n.r.	n.r.
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- other	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	Index	n.r.	n.r.	n.r.	n.r.	n.r.

TRANSGRID (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	n.r.	n.r.	n.r.	n.r.	2,021
Total revenue	\$'000	n.r.	n.r.	n.r.	n.r.	165
System maximum demand	MW	8,810	9,393	9,504	9,548	10,245
Average total employment	Emp	n.r.	n.r.	n.r.	n.r.	1,298
Service area	Sq km	659,000	659,000	659,000	659,000	659,000
<i>Safety</i>						
Lost injury time per million employee hours	1/Mill	n.r.	n.r.	n.r.	n.r.	5.8
<i>Transmission</i>						
<i>Efficiency</i>						
Transmission system reliability (3)	1/Mill	n.p.	n.p.	11.7	11.7	14.6
Transmission labour productivity	GWh/Emp	n.p.	n.p.	n.p.	n.p.	41.7
Transmission equipment utilisation factor (4)	Ratio	0.3	0.3	0.3	0.3	0.3
Transmission losses	%	3.1	3.1	2.9	2.8	2.8
<i>Size</i>						
Transmission transformer capacity (5)	MVA	26,204	25,984	26,954	26,954	27,719
Transmission circuit kilometres (6)	km	13,115	12,632	12,840	12,839	12,798
<i>Cost & Revenue Measures (7)</i>						
Operation and maintenance costs:						
- excluding fixed costs:						
- - per circuit km	\$/km	9,668	8,852	8,972	9,169	3,307
- - per MWh sold	\$/MWh	2.6	2.3	2.2	2.3	1.9
- including fixed costs:						
- - per circuit km	\$/km	n.p.	21,439	24,226	20,253	9,890
- - per MWh sold	\$/MWh	n.p.	5.5	6.1	5.0	5.7
- excluding fixed costs:						
- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
- including fixed costs:						
- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.

TRANSGRID (continued)

NOTES TO INDICATORS FOR TRANSGRID

Key: n.p. - not provided; n.r. - not relevant.

- * Transgrid was formed in February 1995. Data has been supplied for the five months from February 1995 to June 30 1995.
- 1) There may be some discrepancy between financial ratios and figures published in the Annual Report and those contained in this publication because of differences in formulas used.
- 2) Income tax expense figures relate to the accounting entries on the Profit and Loss Statement, rather than the actual agreed amounts paid to the NSW State Treasury as stated in the Annual Report.
- 3) Transmission system reliability has been calculated as a parts per million ratio of energy not supplied to energy demanded.
- 4) The equipment utilisation factor includes transmission transformers MVA capacity only ie 500kV, 330kV or 220kV and excludes all transformers less than or equal to 132kV.
- 5) Station spare (or disconnected) transformers are not included in the Transmission Transformer Capacity figure. The figure also excludes generator transformers, auxillary transformers, and all transformers less than 77kV.
- 6) The transmission circuit kilometers figure includes transmission overhead lines and underground cables 77kV and above.
- 7) Consistency across utilities for OM costs might be difficult to obtain due to differences in the valuation and treatment of on-costs, and in accounting practices in relation to fixed costs.

Comments on own performance

Originally formed in 1957, Prospect Electricity is one of the largest electricity distributors in New South Wales, servicing an area of operation which covers over 160,000 square kilometres, from the western and north-western suburbs of Sydney out to Lithgow and beyond. It serves a community of 1.5 million, has an annual revenue of around \$900 million and assets valued at over \$1.5 billion.

With the pending re-regulation of the electricity supply industry, the organisation has focussed on its two key businesses - Network and Retail - using quality principles to strengthen its business purpose “To be the best in customer energy services”. These quality principles have also helped Prospect to achieve a steady improvement in all areas of the business, both financial and non-financial, over the last few years.

There has been a steady increase in gross margin and return on assets over the last four years and the operating cost per customer has been reduced in this time from \$259 per customer to \$221 per customer (\$1994–95). Efficiency and service indicators have also continued their upward trend.

The financial management of Prospect has been recognised by the organisation maintaining its qualified Triple A credit rating from the Standard and Poor’s Ratings Group for the third year in a row.

Prospect was also included for the first time within the top 30 of Top Performing Public Enterprises compiled by the Australia Financial Review. Other highlights for 1994–95 included:

- Won the large organisation category of the Australian Quality Awards;
- Named by the US based UMS Group as among the world’s best electricity distributors;
- With the approaching competitive electricity market, Prospect was the first to negotiate a cross border energy deal - a contract with the Commonwealth Bank worth up to \$1 million a year;
- The first distributor to have signed a major deal to purchase power from an alternative generation source, with a 30 year deal to purchase power from a new gas powered co-generation plant;

At the time of writing of this report, the merger of Prospect Electricity and Illawarra Electricity was well underway and, as Integral Energy, the new organisation is gearing up to face the competitive marketplace with confidence.

PROSPECT ELECTRICITY**New South Wales**

<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
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Financial Ratios

Return on assets	%	13.5	-0.2	1.1	4.0	5.5
Return on operating assets	%	13.3	-1.3	0.7	3.9	5.3
Operating sales margin	%	12.1	-1.7	1.2	7.3	9.1
Return on equity	%	20.5	-1.4	0.6	3.2	3.9
Dividend to equity ratio	%	2.6	1.0	5.4	10.7	2.1
Dividend payout ratio	%	12.9	-71.7	830.0	329.7	53.0
Debt to equity	%	32.2	13.3	9.2	21.8	21.7
Total liabilities to equity	%	67.8	29.0	21.8	46.2	44.0
Current ratio	%	222.6	218.5	128.8	103.4	92.7
Interest cover	%	740.4	-23.4	195.7	1268.0	410.6
Cost recovery ratio	%	113.7	114.3	103.1	108.5	110.2
Operational performance	%	13.3	9.8	1.7	4.2	5.4

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	1.30	1.37	1.36	1.40	1.50
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.00	0.00	0.00
- sick leave	%	n.p.	n.p.	2.37	2.07	2.30
- industrial accidents	%	n.p.	n.p.	0.12	0.12	0.13
- all	%	2.20	2.50	2.49	2.22	2.40

Effectiveness

Percentage price change:						
- residential	%	4.7	3.0	3.8	0.0	0.0
- other	%	4.2	2.6	-1.3	-5.7	-9.7
- overall	%	2.4	3.4	0.6	-3.6	-6.2
Real price index:						
- residential	Index	99.90	101.20	103.00	98.60	96.35
- other	Index	95.75	100.01	97.87	92.97	87.33
- overall	Index	97.21	101.60	99.53	95.10	90.56

PROSPECT ELECTRICITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (continued)***Size***

Total assets	\$M	893	1,527	1,957	1,538	1,594
Total revenue	\$'000	839	871	917	918	901
System maximum demand	MW	n.p.	1,756	1,834	1,923	1,977
Average total employment	No	2,695	2,585	2,498	2,302	2,190
Service area	Sq km	16,115	16,115	16,115	16,115	16,115
Energy imported	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
Energy exported	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
Energy wheeled	GWh	n.p.	n.p.	n.p.	n.p.	n.p.

Safety

Lost injury time per million employee hours	1/Mill	n.p.	261.8	145.9	181.8	144.8
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Distribution***Efficiency***

Distribution labour productivity	Cus/Emp	174	190	203	237	247
Distribution equipment utilisation factor	Ratio	0.3	0.3	0.3	0.3	0.3
Distribution losses	%	4.5	4.4	5.9	5.2	4.8

Service Quality

Outage response time factor	Mins	145.7	138.4	143.3	125.5	138.0
- planned	Mins	314.4	324.1	346.9	332.4	345.4
- unplanned	Mins	125.1	99.3	104.7	94.4	118.5
System average outage frequency factor	No/Cus	1.62	0.88	0.79	0.67	0.87
- planned	No/Cus	0.17	0.16	0.13	0.09	0.08
- unplanned	No/Cus	1.45	0.72	0.67	0.59	0.79
Loss of supply factor	Min/Cus	236	122	113	84	121
- planned	Min/Cus	56	50	44	29	27
- unplanned	Min/Cus	181	72	69	55	94

Size

Total number of customers:

- residential	'000	432	441	438	454	466
- other	'000	n.p.	n.p.	58	60	61
- overall	'000	479	491	496	514	527

PROSPECT ELECTRICITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Size (continued)***

Total physical output sold to:

- residential	GWh	3,308	3,355	3,430	3,428	3,537
- other	GWh	4,957	5,105	5,303	5,675	5,960
- overall	GWh	8,265	8,460	8,733	9,103	9,497
Distribution transformer capacity	MVA	3,550	3,627	3,709	3,788	3,929
Distribution circuit kilometres	km	23,872	24,165	24,377	24,582	24,109
Customer density:						
- customers per distribution circuit kilometre	Cus/km	18.5	18.7	18.8	20.7	21.6
- sales (MWh) per circuit kilometre	MWh/km	319	323	331	342	394

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	88.1	90.7	94.3	94.2	94.0
- other	\$/MWh	n.p.	n.p.	102.8	96.9	87.5
- overall	\$/MWh	95.8	99.0	99.5	95.9	90.0

Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	4,923	4,574	4,660	4,833	4,455
- - per MWh sold	\$/MWh	15.4	14.2	14.1	13.0	12.3
- including fixed costs:						
- - per circuit km	\$/km	6,768	6,030	7,478	7,430	7,710
- - per MWh sold	\$/MWh	21.1	18.7	22.6	20.1	21.3

PROSPECT ELECTRICITY (continued)

NOTES TO INDICATORS FOR PROSPECT ELECTRICITY

Key: n.p. - not provided: n.r. - not relevant.

- 1) Prospect Electricity incurred an abnormal expenditure of \$121 million in 1991–92 due to increased provision for accumulated depreciation as a consequence of revised estimates of the lives of assets (in accordance with the Australian Accounting Standard AAS4(36)). As a result financial performance for 1991–92 has been adversely affected and is not comparable with other years. From 1991–92 Prospect valued all assets at current replacement value. In 1993–94 an Optimised Deprival Value approach was adopted following an extensive review.
- 2) All financial indicators, including those for 1991–92 and 1992–93, are based on historical cost accounts.
- 3) The dividend in the case of Prospect Electricity includes contributions to the Electricity Development Fund and does not include CSO's funded by Prospect Electricity.
- 4) Distribution is deemed to be 22kv and below.
- 5) Payments totalling \$175 million have been made to the State Government between 1992 and 1994 in special dividends.
- 6) 1999–94 Loss of Supply includes 36/minutes/customer/annum caused by severe storm and TransGrid outages to more than 10 per cent of total customers.
- 7) 1993–94 Distribution circuit kilometres have been revised following computerisation of data.
- 8) O & M costs for 1994–95 are not comparable, due to change in accounting practice.

SYDNEY ELECTRICITY**New South Wales****Comments on own performance**

Under the Sydney Electricity Act 1990, Sydney Electricity is responsible to the Minister for Energy for the performance of all functions related to the distribution of electricity. Sydney Electricity's supply district covers 3,579 square kilometres, spans 33 local government areas and represents more than 40 per cent of the electricity sold by distributors in the State. Sydney Electricity is one of the largest New South Wales Government Trading Enterprises serving a community of 2.4 million and having in 1994–95 almost 1.1 million customers, annual revenue of \$1.63 billion, operating and capital expenses of \$390 million, and assets valued at \$3.1 billion.

Since commencing operations as a statutory body in 1991, Sydney Electricity has undergone breakthrough change to a customer focussed, commercially driven business enterprise. Total Quality Management and commercialisation were adopted as the key strategies to achieve the culture change needed to drive the organisation towards its new goals and vision.

Financial and non-financial performance

The major external factors that have affected financial performance in recent years are:

- the purchase of Pacific Power's 132kV system in December 1989 for \$410 million;
- an increase in loan debt in 1990 of over \$550 million as a consequence of 132kV asset purchase and contributions to the Electricity Development Fund; and
- a reduction in gross margin from 43 per cent in 1978 to 32 per cent in 1995.

In 1992–93 Sydney Electricity made major advances towards its Vision, which is that 'We intend to be a world class performer and the Australian leader in energy retailing and to be recognised as such by our customers'. The 1994–95 highlights include:

- best metropolitan performer in 1994 State wide, domestic and business customer satisfaction survey;
- best electrical utility in customer service world-wide, as measured by independent benchmarking consultants;
- operating costs per customer reduced by a further 7 per cent from 1993–94;
- labour productivity improved a further 15 per cent from 1993–94;
- attainment of Australian Quality Award - Large Organisation;
- lost time accident rate reduced by a further 30 per cent from 1993–94;
- effective distribution to Government increased by 30 per cent from 1993–94; and
- domestic and business prices remain frozen at 93–94 levels;

Comments on own performance (continued)*Comments on merger*

As part of the NSW Government Electricity Distribution sector reforms, on 1 October 1995 Sydney Electricity and most of Orion Energy merged to form MetNorth Energy - the largest electrical distributor and energy services company in Australia. Such a merge along with the impending competitive market will give rise to a challenging 1995–96 and the continued quest for world class performance.

SYDNEY ELECTRICITY**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (1)	%	14.5	9.0	5.7	4.6	5.7
Return on operating assets (1)	%	14.6	8.3	5.3	4.5	5.6
Operating sales margin	%	11.8	9.6	8.9	8.2	10.4
Return on equity (1,2)	%	42.0	9.3	3.8	3.0	4.0
Dividend to equity ratio (1,3)	%	35.2	4.6	1.3	1.1	1.1
Dividend payout ratio (3)	%	83.7	49.5	33.5	36.3	27.9
Debt to equity (1)	%	211.3	40.7	26.3	25.8	23.3
Total liabilities to equity	%	388.0	71.8	48.2	47.7	45.1
Current ratio	%	116.1	108.7	71.7	90.1	90.5
Interest cover	%	236.9	222.9	246.0	240.8	268.9
Cost recovery ratio	%	113.5	111.8	108.0	109.2	112.0
Operational performance	%	14.8	9.1	4.3	4.6	5.8

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	1.35	1.45	1.51	1.65	1.94
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes (4)	%	0.00	0.39	0.00	0.00	0.00
- sick leave	%	3.83	3.39	2.65	2.78	2.58
- industrial accidents	%	1.23	0.88	0.39	0.20	0.10
- all	%	5.06	4.66	3.04	2.90	2.68

Effectiveness

Percentage price change:						
- residential	%	4.6	4.5	2.9	0.6	-0.1
- other	%	4.0	3.1	-1.5	-4.9	-8.9
- overall	%	4.5	3.6	-0.1	-2.9	-5.8
Real price index:						
- residential	Index	99.73	102.48	104.50	103.63	100.01
- other	Index	99.13	100.44	97.99	91.93	80.94
- overall	Index	99.61	101.47	100.44	96.20	87.61

SYDNEY ELECTRICITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (continued)***Size***

Total assets	\$M	1,562	2,714	3,243	3,088	3,137
Total revenue	\$M	1,667	1,716	1,725	1,690	1,630
System maximum demand	MW	3,258	3,210	3,427	3,411	3,706
Average total employment	No	5,869	5,070	4,452	4,018	3,606
Service area	Sq km	3,579	3,579	3,579	3,579	3,579
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	62.5	47.9	29.6	14.7	10.3
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Distribution (5)***Efficiency***

Distribution labour productivity (6)	Cus/Emp	177	207	238	272	310
Distribution equipment utilisation factor	Ratio	0.21	0.20	0.20	0.20	0.20
Sub-transmission equipment utilisation factor	Ratio	0.25	0.25	0.25	0.25	0.23
Distribution losses	%	3.9	4.2	4.3	4.5	4.7

Service Quality

Outage response time factor	Min	65	56	51	48	39
- planned	Min	232	303	381	290	325
- unplanned	Min	57	49	44	43	38
System average outage frequency factor	No/Cus	1.62	1.54	1.59	1.57	2.03
- planned	No/Cus	0.03	0.02	0.02	0.02	0.01
- unplanned	No/Cus	1.43	1.36	1.43	1.40	2.03
Loss of supply factor (7)	Min/Cus	105	86	81	76	80
- planned	Min/Cus	7	6	8	6	4
- unplanned	Min/Cus	82	67	63	60	77

Size

Total number of customers:						
- residential	'000	927.8	936.1	946.3	959.0	973.0
- other	'000	107.1	108.6	109.5	110.2	111.5

SYDNEY ELECTRICITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued) (5)***Size (continued)***

Total number of customers:

- overall	'000	1,034.9	1,044.7	1,055.8	1,069.2	1,084.5
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Total physical output sold to:

- residential	GWh	6,145	6,136	6,234	6,164	6,281
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- other	GWh	9,735	9,643	9,844	10,010	10,492
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- overall	GWh	15,880	15,779	16,078	16,290	16,773
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Distribution transformer capacity	MVA	19,138	19,323	19,609	19,804	19,979
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Distribution circuit kilometres	km	32,935	33,099	33,168	33,405	33,495
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Customer density: (8)

- customers per distribution circuit kilometre	Cus/km	31.30	31.40	31.70	31.80	32.20
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- sales (MWh) per circuit kilometre	MWh/km	482	477	485	488	501
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Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	88.70	92.70	95.40	95.90	95.80
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- other	\$/MWh	108.2	111.7	110.2	105.3	95.6
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- overall	\$/MWh	101	105	105	101	96
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Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	8,635	7,465	7,173	7,022	6,577
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- - per MWh sold	\$/MWh	17.90	15.60	14.80	14.40	13.10
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- including fixed costs:

- - per circuit km	\$/km	13,271	13,500	12,788	13,085	12,993
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- - per MWh sold	\$/MWh	27.50	28.30	26.40	26.80	25.90
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SYDNEY ELECTRICITY (continued)

NOTES TO INDICATORS FOR SYDNEY ELECTRICITY

Key: n.p. - not provided: n.r. - not relevant.

- 1) Asset revaluations in 1991–92 and 1992–93 make comparisons between years misleading. Because of revaluation distortions year end asset, equity and liability figures are used rather than average values.
- 2) Return on Equity before Tax was 6.7 per cent in 1991–92 and 4.6 per cent in 1992–93.
- 3) Tax equivalent payments in 1991–92 and 1992–93 are treated as Dividend Payments in calculating Dividend Payout Ratio. Explicitly identified Community Service Obligations payments are also included in this calculation.
- 4) A one day state wide strike in 1991–92 involved most Sydney Electricity Employees.
- 5) A significant portion of Sydney Electricity's distribution system is at a voltage of 132kV. International studies would generally define these assets as Transmission. However in this study all costs associated with the 132kV system are assigned to Distribution.
- 6) Staff working in non-regulated business outside electricity supply are not included.
- 7) The effects of the January 1991 storms and January 1994 bushfires are not included customer per year.
- 8) Distribution circuit kilometres include Street Lighting circuits

Comments on own performance

1994–95 saw Shortland Electricity undergo a name change to become Orion Energy. This change reflects Orion’s commitment to becoming a competitive provider of electricity and other energy related services.

Orion Energy’s main commercial activities vest in its two product businesses, Energy Trading and Network Management. In addition, Orion has ancillary operations in Appliance Sales, Appliance Services and specialist engineering services.

Orion intends to pursue both Energy Trading and Network Management as core businesses on a commercial basis subject to regulatory constraints imposed on those operations.

The Network Management company is structured on the network asset base located within Orion’s area of operations currently supplying 237,555 customers over a network operations base covering the cities of Newcastle, Lake Macquarie, Maitland and Cessnock, together with the shires of Dungog, Merriwa, Muswellbrook, Scone, Singleton, Great Lakes and Port Stephens.

Orion achieved electricity sales growth of 6 per cent in 1994–95. Orion’s increasing proportion of off-peak purchases has increased its gross margin by 4 per cent on the previous year.

Orion Energy was merged with Sydney Electricity on 1 October 1995 as a result of government intervention in relation to its microeconomic reform program. The new organisation holds the interim title Met-North. The regions of Great Lakes and Dungog, previously part of Orion’s supply area, have been lost to another distributor.

ORION ENERGY**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	5.9	0.6	1.5	1.8	1.4
Return on operating assets	%	4.8	-0.7	0.9	1.4	0.8
Operating sales margin	%	5.1	-0.8	1.3	2.1	1.4
Return on equity	%	8.1	-0.5	1.4	1.3	1.0
Dividend to equity ratio (1)	%	0.0	0.0	0.0	1.9	0.5
Dividend payout ratio (1)	%	0.0	0.0	0.0	141.4	46.0
Debt to equity	%	29.3	16.5	13.5	9.6	7.5
Total liabilities to equity	%	70.0	43.5	39.4	29.8	24.3
Current ratio	%	176.5	167.9	173.9	186.5	196.3
Interest cover	%	467.5	61.9	276.9	532.0	641.9
Cost recovery ratio	%	105.4	98.9	101.4	102.2	101.4
Operational performance	%	4.8	-0.9	0.9	1.4	0.8

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	1.61	1.65	1.70	1.75	1.81
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	0.02	0.94	0.00	0.78	0.00
- sick leave	%	5.36	4.65	5.11	4.99	6.21
- industrial accidents	%	0.37	0.32	0.74	0.28	0.56
- all	%	5.84	6.85	5.84	6.03	6.77

Effectiveness

Percentage price change:						
- residential	%	5.4	2.5	2.1	0.0	-0.6
- other	%	1.9	0.3	-1.6	-4.7	-11.9
- overall	%	3.1	1.1	-0.5	-3.1	-8.0
Real price index:						
- residential	Index	100.5	101.2	102.5	101.0	97.0
- other	Index	97.10	95.80	93.10	87.70	74.70
- overall	Index	98.30	97.70	96.30	92.00	81.80

ORION ENERGY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	453	584	584	619	622
Total revenue	\$M	348	355	360	349	343
System maximum demand	MW	705	733	732	762	858
Average total employment	No	1,271	1,215	1,146	1,087	1,047
Service area	Sq km	27,200	27,200	27,200	27,200	27,200
Energy imported (2)	GWh	3,624	3,693	3,780	3,859	4,099
Energy exported (2)	GWh	3,477	3,520	3,616	3,667	3,888
Energy wheeled (5)	GWh	n.r.	n.r.	n.r.	2,653	2,804
<i>Safety</i>						
Lost injury time per million employee hours	1/Mill	33.80	23.70	20.40	14.00	18.70
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus/Emp	169	180	195	211	224
Distribution equipment utilisation factor	Ratio	0.16	0.15	0.15	0.15	0.16
Sub-transmission equipment utilisation factor	Ratio	0.08	0.09	0.08	0.09	0.09
Distribution losses	%	4.05	4.68	4.26	4.98	5.15
<i>Service Quality</i>						
Outage response time factor	Mins	n.p.	n.p.	n.p.	61.7	85.2
- planned	Mins	n.p.	n.p.	n.p.	136.4	160.0
- unplanned	Mins	n.p.	n.p.	n.p.	49.7	69.5
System average outage frequency factor	No/Cus	n.p.	n.p.	n.p.	2.0	1.4
- planned	No/Cus	1.4	1.9	1.6	0.3	0.2
- unplanned	No/Cus	n.p.	n.p.	n.p.	1.7	1.1
Loss of supply factor	Min/Cus	151	225	180	123	118
- planned	Min/Cus	55	64	55	36	38
- unplanned	Min/Cus	96	161	125	87	79
<i>Size</i>						
Total number of customers:						
- residential	'000	190	195	200	205	210
- other	'000	26.00	26	26	27	27

ORION ENERGY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Size (continued)***

Total number of customers:

- overall	'000	216	221	226	232	238
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Total physical output sold to:

- residential	GWh	1,229	1,231	1,291	1,307	1,338
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- other	GWh	2,248	2,288	2,325	2,360	2,550
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- overall	GWh	3,477	3,520	3,616	3,667	3,888
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Distribution transformer capacity	MVA	5,162	5,181	5,218	5,030	5,156
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Distribution circuit kilometres	km	19,726	19,885	19,229	19,421	19,642
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Customer density:

- customers per distribution circuit kilometre	Cus/km	11	11	12	12	12
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- sales (MWh) per circuit kilometre (4)	MWh/km	176	177	188	189	198
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Cost & Revenue Measures (3)

Average price of product:

- residential	\$/MWh	87.70	89.90	91.80	91.80	91.25
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- other	\$/MWh	100.8	100.8	99.3	94.0	82.8
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- overall	\$/MWh	96.20	96.90	96.60	93.20	85.72
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Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	3,331	3,304	3,219	3,127	3,252
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- - per MWh sold	\$/MWh	19	19	17	17	16
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- including fixed costs:

- - per circuit km	\$/km	4,261	4,825	4,474	4,356	4,555
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- - per MWh sold	\$/MWh	24	27	24	23	23
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NOTES TO INDICATORS FOR ORION ELECTRICITY

Key: n.p. - not provided; n.r. - not relevant.

- 1) Dividends have not been required from Orion prior to 1993-94.
- 2) Energy imported = Units purchased. Energy exported = Units sold.
- 3) Operation and maintenance costs in period is defined as total sub-transmission and distribution expenses plus customer service and administration expenses per revenue statement.
- 4) Total electricity sales/Total circuit kilometres.
- 5) Wheeled Energy for 1993-94 estimated relative to 5 months of actual data from 1994-95.

Comments on own performance

Illawarra is the fourth largest distributor of electricity in New South Wales. Our franchise area covers 17,737 square kilometres along a narrow coastal strip, stretching from Helensburgh in the north to the NSW/Victorian border in the south, and west to the Southern Highlands region centred on Bowral. Illawarra services 197,500 customers in the Cities of Wollongong and Shoalhaven, and in Shellharbour, Kiama, Wingecarribee, Eurobodalla and Bega Valley Councils.

We purchase electricity in bulk from Pacific Power, and reduce it to appropriate supply levels through an extensive network of zone and distribution substations. We are also involved in retail appliance trading. Illawarra Electricity promotes the efficient and commercial operation of government business enterprises, with considerable operating efficiency and productivity improvements having been achieved over recent years. 1994-95 saw further reductions in the operation and maintenance costs per circuit km and per MWh indicators, and especially in operating cost per customer and customer staff ratio, considered by the electricity industry to be primary indicators of productivity and operating efficiency.

The NSW Government Pricing Tribunal (GPT) released an Interim Report from its major inquiry into electricity pricing during the year. Illawarra presented its comments on the report to further public hearings of the inquiry, and has continued consultation with the GPT on a variety of pricing issues throughout 1994-95. The Report foreshadowed wholesale and retail price reductions for electricity in coming years, proposed five year revenue paths for each of the State's distributors, and targeted reductions in operating costs per customer of between 20 per cent and 30 per cent throughout the distribution industry over the same period.

Illawarra Electricity is committed to realising these efficiency savings, and initiated a major review of its business, organisation structure and future strategies in order to identify the best method of achievement. The review was a proactive response to the dramatic changes occurring in the electricity industry, particularly the forthcoming establishment of a national competitive electricity market. The study encompassed an audit of Illawarra's capital works program, in conjunction with the GPT, and a comprehensive independent examination of all of our existing operational activities. The review identified potential cost savings of around 25 per cent by restructuring and streamlining operations.

The Government announced its electricity reform strategy in May 1995. A Distribution Review Group was established to make recommendations on distribution industry reform issues, including an appropriate industry structure for corporatised distributors within the national competitive market. As a result of the Government's subsequent decision to reduce the number of electricity distributors from 25 to 6 prior to corporatisation next

Comments on own performance (continued)

year, Illawarra was merged with Prospect Electricity, and the Eurobodalla and Bega Valley Shires transferred from Illawarra to the new southern distributor.

ILLAWARRA ELECTRICITY**New South Wales**

Unit 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	8.2	8.2	0.9	1.7	2.3
Return on operating assets	%	8.1	8.4	0.8	1.5	1.9
Operating sales margin	%	6.8	9.9	1.3	2.5	3.5
Return on equity	%	15.8	11.9	1.2	1.4	1.6
Dividend to equity ratio	%	0.0	0.0	0.0	1.6	0.8
Dividend payout ratio	%	0.0	0.0	0.0	117.7	49.2
Debt to equity	%	41.0	9.2	8.0	4.8	4.0
Total liabilities to equity	%	101.0	31.0	28.7	26.1	24.2
Current ratio	%	114.4	117.7	114.2	119.2	109.7
Interest cover	%	932.3	3340.4	2000.9	6645.2	3407.5
Cost recovery ratio	%	108.7	105.6	104.0	104.4	105.0
Operational performance	%	9.4	4.2	2.3	2.5	2.6

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	1.11	1.07	1.10	1.10	1.20
Economic rate of return (2)	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	0.00	0.40	0.10	0.00	0.09
- sick leave	%	2.80	2.70	2.11	2.34	3.13
- industrial accidents	%	0.20	0.20	0.20	0.10	0.27
- all	%	3.00	3.30	2.40	2.40	3.49

Effectiveness

Percentage price change:						
- residential	%	5.6	5.5	2.7	-0.5	-0.2
- other	%	4.6	2.9	-1.0	-3.7	-8.6
- overall	%	5.0	3.9	0.3	-2.4	-5.3
Real price index:						
- residential	Index	66.50	69.00	70.20	68.90	66.50
- other	Index	90.50	91.60	89.80	85.30	75.40
- overall	Index	81.20	83.00	82.50	79.50	72.70

ILLAWARRA ELECTRICITY (continued)

	<i>Unit</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	259	481	491	503	532
Total revenue	\$M	256	292	277	281	275
System maximum demand	MW	485	475	507	496	518
Average total employment	No	1,064	1,033	980	961	945
Service area	Sq km	17,737	17,737	17,737	17,737	17,737
Energy imported	GWh	0.00	0.00	0.00	0.00	0.00
Energy exported	GWh	0.00	0.00	0.00	0.00	0.00
Energy wheeled	GWh	n.p.	n.p.	1,016	1,109	1,131
<i>Safety</i>						
Lost injury time per million employee hours (3)	1/Mill	42.30	34.40	29.80	20.98	18.10
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus/Emp	168.5	178.0	194.2	203.3	211.5
Distribution equipment utilisation factor	Ratio	0.14	0.14	0.14	0.14	0.14
Distribution losses	%	6.2	6.5	6.2	6.0	6.5
<i>Service Quality</i>						
Outage response time factor	Mins	92.6	84.8	n.p.	76.1	88.8
System average outage frequency factor	No/Cus	4.4	4.4	n.p.	3.2	3.6
Loss of supply factor	Min/Cus	396	381	300	242	315
<i>Size</i>						
Total number of customers:						
- residential	'000	157.8	161.8	165.8	170.3	174.8
- other	'000	19.2	19.8	19.8	20.1	20.4
- overall	'000	176.9	181.3	185.6	190.4	195.2
Total physical output sold to:						
- residential	GWh	1,011	1,025	1,053	1,062	1,086
- other	GWh	1,461	1,484	1,511	1,574	1,580
- overall	GWh	2,472	2,509	2,547	2,636	2,666
Distribution transformer capacity (4)	MVA	1,980	2,105	2,125	2,156	2,263
Distribution circuit kilometres	km	14,449	14,670	14,943	15,217	15,678

ILLAWARRA ELECTRICITY (continued)

Unit 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Size (continued)***

Customer density:

- customers per distribution circuit kilometre	Cus/km	12.2	12.4	12.4	12.5	12.5
- sales (MWh) per circuit kilometre	MWh/km	171.1	171.0	170.4	173.2	170.0

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	85.20	90.60	92.90	92.60	92.40
- other	\$/MWh	100.7	103.6	102.5	98.8	90.3
- overall	\$/MWh	94.60	98.30	98.50	96.30	91.20

Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	3,427	3,373	3,285	3,250	3,238
- - per MWh sold	\$/MWh	20.03	19.72	19.28	18.76	19.04

- including fixed costs:

- - per circuit km	\$/km	3,998	4,680	4,831	4,864	4,929
- - per MWh sold	\$/MWh	23.37	27.36	28.35	28.08	28.99

ILLAWARRA ELECTRICITY (continued)

NOTES TO INDICATORS FOR ILLAWARRA ELECTRICITY

Key: n.p. - not provided; n.r. - not relevant.

- 1) Data has not been adjusted prior to 1991–92 for changes resulting from the initial revaluation of assets which took place in that year in accordance with changes to the electricity industry's Code of Accounting Practice. The only exceptions are average total assets and average total equity, for which imputed asset values and reserves were used in the 1991–92 opening balances. Data for the preceding years is based on the old reported valuations as given in the audited financial statements of each financial year. Illawarra Electricity was not subject to taxation prior to 1993–94, but this year provided for an income tax equivalent payment of \$3.788 million, to be paid in 1995–96.
- 2) Economic rate of return has not been provided as it has not been calculated for any other statistical purpose.
- 3) Lost time per million employee hours is lost time injuries per million employee hours, a common industry indicator.
- 4) Distribution transformer capacity excludes the 132kV system.
- 5) Community service obligations consist of pensioner rebates on electricity accounts, the traffic route lighting subsidy and, in some years, the bulk supply equalisation quotient and contributions to the electricity development fund. The cost in each year was : 1990–91 \$6,163,000; 1991–92 \$6,609,000; 1992–93 \$7,044,000; 1993–94 \$4,054,000 and 1994–95 \$4,407,000.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY GENERATION ENTITIES

Comments on own performance

Generation Victoria (GenVic) was established in October 1993 upon the initial disaggregation of the former State Electricity Commission of Victoria (SECV). GenVic itself was disaggregated into five separate generation companies on 1 February 1995.

Where possible, indicative statistics for the generation businesses treated as one sector have been compiled predominantly from annual reports of the five main generators and particular performance data collected by the Victorian Government as part of its electricity reform program.

(NB: Four of the five main generators prepared Annual Reports for only a five month period from 1 February 1995 to 30 June 1995).

Extrapolation of part year figures has been necessary to compile many of the statistics.

The disaggregation of GenVic has added to the complexity of compiling statistics which are comparable with previous years' data. Care must be taken in making comparisons across time, and the need for this care is increased when it is remembered that the SECV incorporated all of the large Loy Yang B power station until 31 December 1992, when partial privatisation of Loy Yang B occurred. Statistics for Loy Yang B power station are **not** included in the data series but in recent years this station has become bigger and claimed a larger share of Victorian electricity sales.

Entitlements from the Snowy Mountain Scheme and the data from some minor generation units are **not** included in this data series.

The disaggregation of GenVic has resulted in difficulty in compiling the range of indicators previously collected or provided.

To the extent that information has been able to be compiled, it provides evidence that the productivity and efficiency of the Victorian generation sector continued to improve in 1994-95.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY GENERATION ENTITIES

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (1)	%	n.r.	n.r.	n.r.	n.r.	2.1
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	2.1
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	9.1
Return on equity	%	n.r.	n.r.	n.r.	n.r.	-6.4
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	63.1
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	79.7
Current ratio	%	n.r.	n.r.	n.r.	n.r.	40.8
Interest cover	%	n.r.	n.r.	n.r.	n.r.	48.2
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	141.8
Operational performance	%	n.r.	n.r.	n.r.	n.r.	6.7

Non-financial Ratios

General

Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	0.12
- sick leave	%	n.p.	n.p.	n.p.	n.p.	8.83
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	0.95
- all	%	n.p.	n.p.	n.p.	n.p.	9.90

Effectiveness

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	n.p.
- other	%	n.r.	n.r.	n.r.	n.r.	n.p.
- overall	%	n.r.	n.r.	n.r.	n.r.	n.p.
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.p.
- other	Index	n.r.	n.r.	n.r.	n.r.	n.p.
- overall	Index	n.r.	n.r.	n.r.	n.r.	n.p.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY GENERATION ENTITIES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (continued)

Size

Total assets	\$M	n.p.	n.p.	n.p.	n.p.	6,007
Total revenue	\$M	n.p.	n.p.	n.p.	n.p.	1,360
System maximum demand	MW	n.p.	n.p.	n.p.	n.p.	6,533
Average total employment	No	n.p.	n.p.	n.p.	n.p.	3,124
Service area	Sq km	n.r.	n.r.	n.r.	n.r.	n.r.
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	n.p.	n.p.	n.p.	n.p.	1.2
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Generation

Efficiency

Load factor	%	n.p.	n.p.	n.p.	n.p.	62.1
Capacity factor (Gen Vic only)	%	n.p.	n.p.	n.p.	n.p.	60.9
Capacity factor inc. Snowy entitlement	%	n.p.	n.p.	n.p.	n.p.	61.4
Reserve plant margin (Gen Vic only)	%	n.p.	n.p.	n.p.	n.p.	1.9
Reserve plant margin inc. Snowy entitlement	%	n.p.	n.p.	n.p.	n.p.	n.r.
Available capacity factor (Gen Vic only)	%	n.p.	n.p.	n.p.	n.p.	93.7
Available capacity factor (Gen Vic inc. Snowy entitlement)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Labour productivity (exc. construction and mine emp)	GWh/Emp	n.p.	n.p.	n.p.	n.p.	11.1
Thermal efficiency	%	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Equivalent forced outage factor	%	n.p.	n.p.	n.p.	n.p.	2.5
Planned outage factor	%	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total physical output generated	GWh	n.p.	n.p.	n.p.	n.p.	34,695
Generating plant capacity:						

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY GENERATION ENTITIES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Size (continued)***

- Gen Vic only	MW	n.p.	n.p.	n.p.	n.p.	6,500
- Gen Vic & Snowy entitlement	MW	n.p.	n.p.	n.p.	n.p.	n.p.
Changes in generating plant capacity:						
- plant added	MW	n.p.	n.p.	n.p.	n.p.	n.p.
- plant decommissioned	MW	n.p.	n.p.	n.p.	n.p.	n.p.
- plant in dry storage	MW	n.p.	n.p.	n.p.	n.p.	n.p.

Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- - including fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.

- including fixed costs:

- - excluding fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- - including fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.

Environmental Indicators

CO2 emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
Particulate emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
NOX emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	n.p.

NOTES TO INDICATORS FOR STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY GENERATION ENTITIES

Key: n.p. - not provided; n.r. - not relevant.

- 1) Abnormals more than doubled in 1994-95 due to redundancies and associated costs of disaggregation and corporatisation. Assets were substantially revalued and the year end assets figure has been used to calculate return on assets.

Comments on own performance

PowerNet was established under the Electricity Industry Act 1993 and commenced operations on 3 October 1994. The principal functions as set out in the Act, subject to and in accordance with its license, are to provide for the transmission of electricity in Victoria, and to design, operate, augment and maintain the electricity system for Victoria.

The Act also establishes that PowerNet:

- provides services, including management services, in connection with the transmission and supply of electricity;
- engages in any business, undertaking or activity incidental to the performance of its functions; and
- undertakes the transmission of electricity outside Victoria.

It should be recognised that as a result of the reforms in the Victorian Electricity Supply Industry, the level of comparability of a number of the indicators with previous financial years and other utilities may have been significantly reduced.

Financial performance

PowerNet has completed 1994–95 in a strong financial position with an agreed principal revenue stream in place for the next 5 years and cost containment well in hand. Profit levels were excellent at \$74.3M after tax, with a return on revenue of 20.8% and a return on equity of 15.4% despite the fact that PowerNet was allocated a guaranteed real price reduction of almost 2%.

In the technical areas of the business, PowerNet continued its previous history of excellence with circuit availability of greater than 99.6% and better than targeted performance on almost all system code performance standards. Safety performance during the year was exceptionally good with a Lost Time Frequency Rate of 3.98.

POWERNET**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	n.r.	n.r.	n.r.	n.r.	9.0
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	7.9
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	42.6
Return on equity (1)	%	n.r.	n.r.	n.r.	n.r.	14.5
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	7.1
Dividend payout ratio (2)	%	n.r.	n.r.	n.r.	n.r.	49.1
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	375.8
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	386.4
Current ratio	%	n.r.	n.r.	n.r.	n.r.	6.3
Interest cover	%	n.r.	n.r.	n.r.	n.r.	154.9
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	210.7
Operational performance	%	n.r.	n.r.	n.r.	n.r.	9.8

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.r.	n.r.	n.r.	n.r.	n.p.
Economic rate of return	%	n.r.	n.r.	n.r.	n.r.	n.p.

Efficiency

Total days lost:						
- industrial disputes (3)	%	n.r.	n.r.	n.r.	n.r.	0.0
- sick leave	%	n.r.	n.r.	n.r.	n.r.	4.7
- industrial accidents	%	n.r.	n.r.	n.r.	n.r.	0.0
- all	%	n.r.	n.r.	n.r.	n.r.	4.7

Effectiveness

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other	%	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	%	n.r.	n.r.	n.r.	n.r.	n.r.
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- other	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	Index	n.r.	n.r.	n.r.	n.r.	n.r.

POWERNET (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	n.r.	n.r.	n.r.	n.r.	2,339
Total revenue	\$M	n.r.	n.r.	n.r.	n.r.	357
System maximum demand	MW	n.r.	n.r.	n.r.	n.r.	6,533
Average total employment	No	n.r.	n.r.	n.r.	n.r.	465
Service area	Sq km	n.r.	n.r.	n.r.	n.r.	228,000
<i>Safety</i>						
Lost injury time per million employee hours (4)	1/Mill	n.r.	n.r.	n.r.	n.r.	4.0
<i>Transmission</i>						
<i>Efficiency</i>						
Transmission system reliability	1/Mill	n.r.	n.r.	n.r.	n.r.	0.1
Transmission labour productivity	GWh/Emp	n.r.	n.r.	n.r.	n.r.	77.0
Transmission equipment utilisation factor	Ratio	n.r.	n.r.	n.r.	n.r.	0.22
Transmission losses	%	n.r.	n.r.	n.r.	n.r.	2.5
<i>Size</i>						
Transmission transformer capacity	MVA	n.r.	n.r.	n.r.	n.r.	19,236
Transmission circuit kilometres	km	n.r.	n.r.	n.r.	n.r.	6,740
<i>Cost & Revenue Measures</i>						
Operation and maintenance costs:						
- excluding fixed costs:						
- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	8,650
- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	1.6
- including fixed costs:						
- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	27,840
- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	5.1
- excluding fixed costs:						
- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
- including fixed costs:						
- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.

POWERNET (continued)

NOTES TO INDICATORS FOR POWERNET

Key: n.p. - not provided; n.r. - not relevant.

- | | | | | | | | |
|----|--|---------|---------|---------|---------|---------|---------|
| 1) | Return on equity ratio (%) using operating profit before tax | | | | | | |
| | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1994-95 |
| | 9.6 | 16.4 | 17.2 | 12.1 | 9.9 | 11.9 | 22.5 |
-
- | | | | | | | | |
|----|--|---------|---------|---------|---------|---------|---------|
| 2) | Dividend payout ratio (%) using operating profit before tax as a denominator | | | | | | |
| | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1994-95 |
| | 73.6 | 68.8 | 70.0 | 74.9 | 100.6 | 72.8 | 43.2 |
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- 3) Figures do not include Generation employees data withheld by Generation Victoria.
 - 4) Includes transmission and distribution only. Generation figures withheld by Generation Victoria.
 - 5) Based on total Victorian System demand.
 - 6) Based on SECV plant only.
 - 7) Based on SECV plant plus entitlements from Snowy Mountains.
 - 8) Excluding construction and mining personnel
 - 9) Potential maximum demand (including interrupted load was 6 518 MW).
 - 10) Generation Victoria Brown Coal and Gas Plant
 - 11) Includes sub transmission capacity.
 - 12) Sales (MWH) excludes bulk supply sales as distribution circuit kilometres excludes MEU assets.
 - 13) Other includes customer groupings of commercial and industrial.
 - 14) Includes sub transmission costs.

Comments on own performance*Background*

The Victorian Power Exchange (VPX) is a State Government owned statutory business established under the Electricity Industry (Amendment) Act of 1994, it commenced operations on 3 October 1994.

VPX acquired a share of the assets and liabilities of National Electricity as identified in an Allocation Statement approved by the responsible Ministers as at 1 July 1994. The assets and liabilities were transferred at book value and formed the opening balanced in the accounts of VPX as at 1 July 1994.

The operating expenses and capital expenditure of VPX require Treasurer and Ministerial approval, and the Regulator General monitors VPX Pool Fees and Use of System charges.

Current operations

VPX's principle activities are:

- managing the wholesale electricity market;
- operating the electricity transmission network;
- controlling security of the main power system;
- planning the development of the electricity transmission network; and
- educating market participants and the community about the wholesale electricity market.

Financial performance

VPX is a not for profit organisation which serves, and is funded by, the electricity industry in Victoria via Pool Fees and Use of System charges. In 1994–95 VPX's operating expenses totalled \$30.7 million. Operating expenses are expected to show a minimal increase in 1995–96 and then decline in the two following years.

Non-financial performance

The major component of VPX's expenditure is salaries. At the end of 1994–95 VPX employed 191 people. This may rise slightly during 1995–96 and is then expected to decline in the two forward years. This reduction in staff is the major reason for VPX's reduced operating costs discussed above and is due to the rationalisation of existing regional control centres which will result in three existing centres being reduced to one.

Comments on own performance (continued)*Other*

Substantial progress has been made in developing plans for the establishment of a National Electricity Market including Victoria, Queensland, New South Wales, South Australia and possibly Tasmania. Ultimately this model will see state boundaries disappear in the electricity industry. While the timing of the National Market is uncertain it will impact on the role and responsibilities of VPX in the future.

VICTORIAN POWER EXCHANGE**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	n.r.	n.r.	n.r.	n.r.	15.4
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	15.4
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	16.2
Return on equity	%	n.r.	n.r.	n.r.	n.r.	22.7
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	60.4
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	651.1
Current ratio	%	n.r.	n.r.	n.r.	n.r.	87.7
Interest cover	%	n.r.	n.r.	n.r.	n.r.	604.2
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	119.4
Operational performance	%	n.r.	n.r.	n.r.	n.r.	15.4

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.r.	n.r.	n.r.	n.r.	n.p.
Economic rate of return	%	n.r.	n.r.	n.r.	n.r.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.r.	n.r.	n.r.	n.r.	0.0
- sick leave	%	n.r.	n.r.	n.r.	n.r.	4.9
- industrial accidents	%	n.r.	n.r.	n.r.	n.r.	0.0
- all	%	n.r.	n.r.	n.r.	n.r.	4.9

Size

Total assets	\$M	n.r.	n.r.	n.r.	n.r.	40
Total revenue (1)	\$M	n.r.	n.r.	n.r.	n.r.	36
System maximum demand	MW	n.r.	n.r.	n.r.	n.r.	6,378
Average total employment	No	n.r.	n.r.	n.r.	n.r.	191
Service area	Sq km	n.r.	n.r.	n.r.	n.r.	n.r.
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	0
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	2,704
Transmission transformer capacity	MVA	n.r.	n.r.	n.r.	n.r.	n.r.
Transmission circuit kilometres	km	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	n.r.	n.r.	n.r.	n.r.	0
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VICTORIAN POWER EXCHANGE (continued)

NOTES TO INDICATORS FOR VICTORIAN POWER EXCHANGE

Key: n.p. - not provided: n.r. - not relevant.

- 1) Total revenue includes use of system fees collected of \$211.2m net of \$196.97m system fees paid to PowerNet Victoria.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY DISTRIBUTION ENTITIES

Comments on own performance

ESV was a successor body of the former SECV and the old municipal electricity undertakings. It was established in October 1993 (its accounts and reports commenced on 1 July 1993), and ceased operations in October 1994. At that time, five new, separate distribution businesses were created.

The 1994–95 statistics for the distribution sector of the electricity supply industry in Victoria have been compiled predominantly from annual reports and performance data collected by the Victorian Government from the five successor distribution businesses as part of its reform program. This statistical re-aggregation process has given rise to some inconsistencies in the comparability of the data compiled with previous years. It would be inappropriate to make major inferences in regard to trends comparisons with previous years or other States.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY DISTRIBUTION ENTITIES

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	n.r.	n.r.	n.r.	n.r.	11.0
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	10.8
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	15.8
Return on equity	%	n.r.	n.r.	n.r.	n.r.	9.6
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	7.9
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	83.0
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	121.1
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	175.0
Current ratio	%	n.r.	n.r.	n.r.	n.r.	27.3
Interest cover	%	n.r.	n.r.	n.r.	n.r.	257.5
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	122.0
Operational performance	%	n.r.	n.r.	n.r.	n.r.	12.3

Non-financial Ratios

General

Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	11.95
- sick leave	%	n.p.	n.p.	n.p.	n.p.	4.85
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	0.42
- all	%	n.p.	n.p.	n.p.	n.p.	17.22

Effectiveness

Percentage price change:						
- residential	%	n.p.	n.p.	n.p.	n.p.	n.p.
- other	%	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	%	n.p.	n.p.	n.p.	n.p.	n.p.
Real price index:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- other	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	Index	n.p.	n.p.	n.p.	n.p.	n.p.

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY DISTRIBUTION ENTITIES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (continued)

Size

Total assets	\$M	n.p.	n.p.	n.p.	n.p.	4,353
Total revenue	\$M	n.p.	n.p.	n.p.	n.p.	2,992
System maximum demand	MW	n.p.	n.p.	n.p.	n.r.	6,378
Average total employment	No	n.p.	n.p.	n.p.	n.p.	5,161
Service area	Sq km	n.p.	n.p.	n.p.	n.p.	228,304
Energy imported	GWh	n.p.	n.p.	n.p.	n.r.	n.p.
Energy exported	GWh	n.p.	n.p.	n.p.	n.r.	n.p.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.p.

Safety

Lost injury time per million employee hours	1/Mill	n.p.	n.p.	n.p.	n.p.	n.p.
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Distribution

Efficiency

Distribution labour productivity	Cus/Emp	n.p.	n.p.	n.p.	n.p.	387
Distribution equipment utilisation factor	Ratio	n.p.	n.p.	n.p.	n.p.	n.p.
Sub-transmission equipment utilisation factor	Ratio	n.p.	n.p.	n.p.	n.p.	n.p.
Distribution losses	%	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Outage response time factor	Min	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	Min	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	Min	n.p.	n.p.	n.p.	n.p.	n.p.
System average outage frequency factor	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
Loss of supply factor	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total number of customers:						
- residential	'000	n.p.	n.p.	n.p.	n.p.	1,779
- other	'000	n.p.	n.p.	n.p.	n.p.	220
- overall	'000	n.p.	n.p.	n.p.	n.p.	1,999

STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY DISTRIBUTION ENTITIES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Size (continued)***

Total physical output sold to:

- residential	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
- other	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	GWh	n.p.	n.p.	n.p.	n.p.	27,924
Distribution transformer capacity	MVA	n.p.	n.p.	n.p.	n.p.	36,815
Distribution circuit kilometres	km	n.p.	n.p.	n.p.	n.p.	n.p.
Customer density:						
- customers per distribution circuit kilometre	Cus/km	n.p.	n.p.	n.p.	n.p.	n.p.
- sales (MWh) per circuit kilometre	MWh/km	n.p.	n.p.	n.p.	n.p.	n.p.

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.

Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	n.p.	n.p.	n.p.	n.p.	n.p.
- - per MWh sold	\$/MWh	n.p.	n.p.	n.p.	n.p.	30.10

- including fixed costs:

- - per circuit km	\$/km	n.p.	n.p.	n.p.	n.p.	n.p.
- - per MWh sold	\$/MWh	n.p.	n.p.	n.p.	n.p.	36.12

NOTES TO INDICATORS FOR STATISTICAL RE-AGGREGATION OF VICTORIAN GOVERNMENT CONTROLLED ELECTRICITY DISTRIBUTION ENTITIES

Key: n.p. - not provided; n.r. - not relevant.

Comments on own performance*Background*

The Queensland electricity industry was restructured and corporatised on 1 January 1995. At that time, the operations and assets of QEC and the seven Electricity Boards were transferred to two newly formed Government Owned Corporations responsible for Queensland's electricity generation, transmission and distribution. These new Corporations are Queensland Generation Corporation, trading as AUSTA Electric, and the Queensland Transmission and Supply Corporation (QTSC). Queensland Electricity Transmission Corporation, trading as Powerlink Queensland, is a subsidiary of QTSC. The seven Electricity Boards also became subsidiary Corporations of QTSC.

The new Corporations were established under the Government Owned Corporations Act 1993. The Corporations' shareholding Ministers are the Minister for Minerals and Energy and the Treasurer. The Electricity Act 1994 provides the framework for the Queensland electricity industry and regulates participation in the industry.

In the corporatised environment, the State Government is responsible for the regulatory functions of the Queensland electricity industry. The Regulator is the Director-General of the Department of Minerals and Energy.

Current operations

Queensland Generation Corporation, trading as AUSTA Electric, took over the operations of the Generation Business Unit of the former Queensland Electricity Commission (QEC) on 1 January 1995.

AUSTA Electric is a Government Owned Corporation that operates most of Queensland's generating installations and generates more than 80% of the State's electricity. The prime function of AUSTA Electric is to generate electricity for sale. This involves the construction, operation and maintenance of generation installations.

AUSTA Electric has a total installed capacity of 4 966 megawatts (MW) from four coal-fired, three hydro-electric and five gas turbine stations. The four main coal-fired stations, Tarong, Callide, Stanwell and Swanbank, are capable of generating 4 178 MW, and meet more than 75% of Queensland's electricity needs. Almost 1 400 people work for AUSTA Electric in a variety of technical, professional, trade and administrative positions.

Financial performance

The financial statements of AUSTA Electric were prepared for the period 1 January 1995 - 30 June 1995. Net profit of \$95.3 million for the six month period to 30 June 1995 represents an annualised return on equity of 6.8 per cent. This return was depressed by abnormal outlays in interest payments to the State Government due to 100 per cent debt refinancing from 1 January until the final capital structure was in

Comments on own performance (continued)

place in March. The debt to debt plus equity ratio was 31.1 per cent at 30 June 1995. An operating profit before tax of \$130.4 million was earned from total operating revenue of \$580.9 million. Comparisons with the results of the previous corresponding period are generally not applicable due to the restructuring of the electricity industry by corporatisation on 1 January 1995.

Non-financial performance

Demand for electricity continued to rise during the six month period, with a record peak demand on the total Queensland interconnected system of 4 863 MW being reached on 31 January. In meeting more than 80 per cent of the State's demand, the total plant capacity of AUSTA Electric (4 966 MW) continued to perform at levels comparable to world's best practice. Average baseload plant availability for the period was 96.8 per cent and the forced outage rate for all coal-fired plant was 1.7 per cent.

AUSTA ELECTRIC**Queensland**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,2)

Return on assets	%	n.p.	n.p.	n.p.	n.p.	5.0
Return on operating assets	%	n.p.	n.p.	n.p.	n.p.	4.9
Operating sales margin	%	n.p.	n.p.	n.p.	n.p.	36.8
Return on equity	%	n.p.	n.p.	n.p.	n.p.	3.4
Dividend to equity ratio	%	n.p.	n.p.	n.p.	n.p.	2.6
Dividend payout ratio	%	n.p.	n.p.	n.p.	n.p.	75.0
Debt to equity	%	n.p.	n.p.	n.p.	n.p.	45.1
Total liabilities to equity	%	n.p.	n.p.	n.p.	n.p.	56.3
Current ratio	%	n.p.	n.p.	n.p.	n.p.	77.0
Interest cover	%	n.p.	n.p.	n.p.	n.p.	250.9
Cost recovery ratio	%	n.p.	n.p.	n.p.	n.p.	158.2
Operational performance	%	n.p.	n.p.	n.p.	n.p.	4.9

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.c
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	0.3
- sick leave	%	n.p.	n.p.	n.p.	n.p.	2.9
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	0.2
- all	%	n.p.	n.p.	n.p.	n.p.	3.3

Size

Total assets	\$M	n.p.	n.p.	n.p.	n.p.	4,366
Total revenue	\$M	n.p.	n.p.	n.p.	n.p.	581
System maximum demand (3)	MW	n.p.	n.p.	n.p.	n.p.	4,863
Average total employment	No	n.p.	n.p.	n.p.	n.p.	1,403
Service area	Sq km	n.p.	n.p.	n.p.	n.p.	n.r.
Energy imported	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
Energy exported	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
Energy wheeled	GWh	n.p.	n.p.	n.p.	n.p.	n.r.

AUSTA ELECTRIC (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Safety</i>						
Lost injury time per million employee hours	1/Mill	n.p.	n.p.	n.p.	n.p.	14.20
<u>Generation</u>						
<i>Efficiency</i>						
Load factor	%	n.p.	n.p.	n.p.	n.p.	n.p.
Capacity factor	%	n.p.	n.p.	n.p.	n.p.	72.4
Reserve Plant Margin	%	n.p.	n.p.	n.p.	n.p.	19.2
Equivalent available factor	%	n.p.	n.p.	n.p.	n.p.	93.5
Labour productivity (exc. construction and mine emp)	GWh/Emp	n.p.	n.p.	n.p.	n.p.	18.8
Thermal efficiency	%	n.p.	n.p.	n.p.	n.p.	38.1
<i>Service Quality</i>						
Equivalent forced outage factor	%	n.p.	n.p.	n.p.	n.p.	1.7
Planned outage factor	%	n.p.	n.p.	n.p.	n.p.	4.8
<i>Size</i>						
Total physical output generated	GWh	n.p.	n.p.	n.p.	n.p.	12,970
Generating plant capacity	MW	n.p.	n.p.	n.p.	n.p.	4,966
Changes in generating plant capacity:						
- plant added	MW	n.p.	n.p.	n.p.	n.p.	350
- plant decommissioned	MW	n.p.	n.p.	n.p.	n.p.	0
- plant in dry storage	MW	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Cost & Revenue Measures</i>						
Operation and maintenance costs:						
- excluding fixed costs:						
- - excluding fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	6.0
- - including fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	17.5
- including fixed costs:						
- - excluding fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	20.6
- - including fuel cost	\$/MWh	n.p.	n.p.	n.p.	n.p.	32.0
<i>Environmental Indicators</i>						
CO2 emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	890
Particulate emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	0.6
NOX emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	3.40

AUSTA ELECTRIC (continued)

NOTES TO INDICATORS FOR AUSTA ELECTRIC

Key: n.p. - not provided: n.r. - not relevant.

- (1) AUSTA Electric is subject to the Queensland State Tax Equivalent Regime at a rate of 36%.
- (2) AUSTA Electric conforms with the Australian Accounting Standards and the requirement of the Government Owned Enterprises Act in that it has a policy of physically revaluing its assets every five years and applying an annual revaluation indices to the written down value at the mid point of each of the intervening four years.
- (3) System demand as generated.

Comments on own performance*Background*

The Queensland Transmission and Supply Corporation (QTSC) was formed as a result of the Queensland Government's decision to restructure the Queensland electricity supply industry and commenced operating on 1 January 1995.

Within the new framework QTSC is the holding company for eight subsidiary corporations responsible for major transmission and electricity distribution in Queensland.

The subsidiary corporations of QTSC are:

- Queensland Electricity Transmission Corporation;
- Far North Queensland Electricity Corporation;
- North Queensland Electricity Corporation;
- Mackay Electricity Corporation;
- Capricornia Electricity Corporation
- Wide Bay-Burnett Electricity Corporation;
- South West Queensland Electricity Corporation; and
- South East Queensland Electricity Corporation.

General

Data supplied in this return is for the QTSC group of corporations only and refers to the results for the six month period to 30 June 1995 unless otherwise indicated.

Financial performance

Retail tariffs were reduced, particularly for the small commercial/industrial customer bracket during the six months to 30 June 1995. Despite this QTSC has maintained a strong financial performance through sustained growth in sales and lower operating costs relative to the size of the market. Investment in the capital works program of QTSC was fully funded out of operating profits.

Non-financial performance

Valid comparisons on operating performance cannot be made due to the restructuring of the electricity industry on 1 January 1995 and the availability of data for six months only.

**QUEENSLAND TRANSMISSION AND SUPPLY
CORPORATION****Queensland***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios (1a,2)**

Return on assets (5)	%	n.r.	n.r.	n.r.	n.r.	8.2
Return on operating assets (5)	%	n.r.	n.r.	n.r.	n.r.	8.2
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	18.8
Return on equity (5)	%	n.r.	n.r.	n.r.	n.r.	4.6
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	2.2
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	93.1
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	49.5
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	67.2
Current ratio	%	n.r.	n.r.	n.r.	n.r.	141.1
Interest cover	%	n.r.	n.r.	n.r.	n.r.	201.1
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	123.3
Operational performance (5)	%	n.r.	n.r.	n.r.	n.r.	8.2

Non-financial Ratios**General (Transmission and Distribution)*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency (1b)

Total days lost: (4)						
- industrial disputes	%	n.r.	n.r.	n.r.	n.r.	0.0
- sick leave	%	n.r.	n.r.	n.r.	n.r.	3.0
- industrial accidents	%	n.r.	n.r.	n.r.	n.r.	0.4
- all	%	n.r.	n.r.	n.r.	n.r.	3.4

Effectiveness (1b)

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	0.3
- other	%	n.r.	n.r.	n.r.	n.r.	-2.1
- overall (3)	%	n.r.	n.r.	n.r.	n.r.	-1.3
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	92.0
- other	Index	n.r.	n.r.	n.r.	n.r.	89.0
- overall (3)	Index	n.r.	n.r.	n.r.	n.r.	90.0

QUEENSLAND TRANSMISSION AND SUPPLY CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Transmission and Distribution) (continued)

Size (1b)

Total assets	\$M	n.r.	n.r.	n.r.	n.r.	5,742
Total revenue (1)	\$M	n.r.	n.r.	n.r.	n.r.	1,196
System maximum demand	MW	n.r.	n.r.	n.r.	n.r.	4,853
Average total employment (6)	No	n.r.	n.r.	n.r.	n.r.	6,185
Service area	Sq km	n.r.	n.r.	n.r.	n.r.	924,000
Transmission transformer capacity	MVA	n.r.	n.r.	n.r.	n.r.	10,135
Transmission circuit kilometres	km	n.r.	n.r.	n.r.	n.r.	9,044

Safety (1b)

Lost injury time per million employee hours (1)	1/Mill	n.r.	n.r.	n.r.	n.r.	18.7
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Transmission (1c)

Efficiency (1c)

Transmission system reliability	1/Mill	n.r.	n.r.	n.r.	n.r.	5.3
Transmission labour productivity	GWh/Emp	n.r.	n.r.	n.r.	n.r.	26.0
Transmission equipment utilisation factor	Ratio	n.r.	n.r.	n.r.	n.r.	0.3
Transmission losses	%	n.r.	n.r.	n.r.	n.r.	5.3

Size (1c)

Transmission transformer capacity	MVA	n.r.	n.r.	n.r.	n.r.	10,135
Transmission circuit kilometres	km	n.r.	n.r.	n.r.	n.r.	9,044

Cost & Revenue Measures (1c)

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	2,499
- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	1.6

- including fixed costs:

- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	7,513
- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	4.8

- excluding fixed costs:

- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
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- including fixed costs:

- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
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QUEENSLAND TRANSMISSION AND SUPPLY CORPORATION (continued)

NOTES TO INDICATORS FOR QUEENSLAND TRANSMISSION AND SUPPLY CORPORATION

Key: n.p. - not provided: n.r. - not relevant.

- 1a) 1994–95 operating results are for the six month period 1/1/95 to 30/6/95.
- 1b) Operating results with a prefix “E.” represent the total results for the QTSC group of corporations.
- 1c) Operating results with the prefix “Et.” Are based on data of the Queensland Electricity Transmission Corporation.
- 2) Total expenses 1994–1995 data includes cost of purchases from Queensland Generation Corporation. Previous years’ data includes cost of generation only.
- 3) Price increases represent movement of average price for six months to 30/6/95 over the average price for the corresponding period in 1994. The Price Index is on a base of 1993-94 = 100.
- 4) These indicators are based on data for twelve months.
- 5) Annualised.
- 6) Average total employment for the whole of the QTSC group.

SOUTH EAST QUEENSLAND ELECTRICITY CORPORATION

Comments on own performance

Background

South East Queensland Electricity Corporation (SEQEB), became a subsidiary of the Queensland Transmission and Supply Corporation (QTSC) on 1 January 1995.

SEQEB is the largest of the seven electricity distribution corporations in Queensland supplying electricity to over 910,000 customers and more than 50 per cent of the State's sales.

Financial performance and Non-financial performance

In the six months to 30 June 1995, SEQEB achieved a net profit of \$46 million after providing \$13.3 million for income tax. This was achieved while domestic prices remained unchanged and commercial and industrial customers received price reductions.

SOUTH EAST QUEENSLAND ELECTRICITY CORPORATION

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	n.r.	0.0	7.8	8.0	4.0
Return on operating assets	%	n.r.	0.0	7.7	8.0	3.9
Operating sales margin	%	n.r.	n.r.	13.8	14.1	13.4
Return on equity	%	n.r.	0.0	7.2	6.9	2.0
Dividend to equity ratio	%	n.r.	0.0	0.0	1.6	2.1
Dividend payout ratio	%	n.r.	n.r.	0.0	23.3	107.8
Debt to equity	%	n.r.	0.0	31.5	19.9	50.7
Total liabilities to equity	%	n.r.	46.6	35.1	26.0	70.7
Current ratio	%	n.r.	n.r.	252.9	110.1	140.2
Interest cover	%	n.r.	n.r.	287.0	443.9	195.9
Cost recovery ratio	%	n.r.	n.r.	116.0	116.4	115.1
Operational performance	%	n.r.	0.0	7.7	8.0	3.8

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency (2)

Total days lost:						
- industrial disputes	%	0.00	0.00	0.00	0.00	0.00
- sick leave	%	3.00	3.20	3.10	3.30	2.86
- industrial accidents	%	0.10	0.20	0.20	0.20	0.28
- all	%	3.10	3.40	3.20	3.40	3.14

Effectiveness

Percentage price change:						
- residential	%	0.6	2.5	1.5	0.6	0.3
- other	%	0.4	2.4	0.5	0.2	-1.2
- overall	%	0.5	2.5	0.9	0.3	-0.6
Real price index:						
- residential	Index	95.90	96.40	96.60	95.20	92.0
- other	Index	95.80	96.10	95.30	93.60	89.2
- overall	Index	95.80	96.20	95.80	94.20	90.3

SOUTH EAST QUEENSLAND ELECTRICITY CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	n.r.	2,176	2,190	2,209	2,321
Total revenue (1)	\$M	n.r.	n.r.	1,145	1,197	628
System maximum demand	MW	1,960	2,024	2,090	2,181	2,330
Average total employment	No	2,993	3,017	2,857	2,814	2,760
Service area	Sq km	24,830	24,830	24,830	24,830	24,830
Energy imported (1)	GWh	10,831	11,262	11,683	12,336	6,580
Energy exported	GWh	0	0	0	0	0
Energy wheeled	GWh	0	0	0	0	0
<i>Safety (2)</i>						
Lost injury time per million employee hours	1/Mill	6.40	9.00	7.80	10.50	14.50
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus/Emp	253	260	286	304	318
Distribution equipment utilisation factor	Ratio	0.22	0.22	0.22	0.23	0.20
Distribution losses	%	4.90	5.70	4.90	5.60	5.50
<i>Service Quality</i>						
Outage response time factor	Mins	87	87	86	91	87
System average outage frequency factor (1)	No/Cus	1.75	1.63	2.06	1.24	0.71
Loss of supply factor (1)	Min/Cus	174	144	160	106	62
<i>Size</i>						
Total number of customers:						
- residential	'000	688	716	751	787	823
- other	'000	83	84	85	87	89
- overall	'000	771	801	836	875	912
Total physical output sold to: (1)						
- residential	GWh	4,196	4,333	4,548	4,752	2,392
- other	GWh	6,053	6,262	6,559	6,928	3,826
- overall	GWh	10,250	10,595	11,107	11,654	6,218
Distribution transformer capacity	MVA	5,285	5,467	5,659	5,800	6,086
Distribution circuit kilometres	km	38,414	39,211	39,947	40,497	41,520
	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>

SOUTH EAST QUEENSLAND ELECTRICITY CORPORATION (continued)
Distribution (continued)***Size (continued)***

Customer density:

- customers per distribution circuit kilometre	Cus/km	20.10	20.40	20.90	21.60	21.97
- sales (MWh) per circuit kilometre (1)	MWh/km	266.8	270.2	278.0	287.8	149.8

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	92.47	94.80	96.18	96.72	97.0
- other	\$/MWh	95.14	97.43	97.89	98.05	96.9
- overall	\$/MWh	94.04	96.36	97.19	97.51	96.9

Operating and maintenance costs

- excluding fixed costs: (1)

- - per circuit km	\$/km	3,029	3,157	3,235	3,101	1,953
- - per MWh sold	\$/MWh	11.35	11.68	11.63	10.78	13.00

- including fixed costs: (1)

- - per circuit km	\$/km	4,276	4,482	7,153	6,704	4,347
- - per MWh sold	\$/MWh	16.02	16.59	25.73	23.30	29.00

NOTES TO INDICATORS FOR SOUTH EAST QUEENSLAND ELECTRICITY CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) Operating results are for the six month period 1/1/95 to 30/6/95.
- 2) Indicators for 1994–95 are based on data for twelve months.

Comments on own performance*Background*

Capricornia Electricity Corporation (Capelec), became a subsidiary of the Queensland Transmission and Supply Corporation (QTSC) on 1 January 1995. CAPELEC supplies electricity to customers over most of central Queensland and services a variety of large industrial customers, including internationally competitive export oriented customers, involved in coal and metal mining, chemical and metal processing and primary industry processing.

Financial performance

Financial results supplied for 1994–95 represent the results for the six month period to 30 June 1995. For this reason commentary on financial performance on a comparative basis with previous years can not be made. On 1 July 1992, full accrual accounting was adopted, assets were revalued, a commercial bulk supply cost structure was instituted, and an allocation of loan debt established an independent capital structure. Financial statements prior to 1992–93 were prepared on a cash accounting basis.

Non-financial performance

Major factors influencing performance in recent years include:

- the QEC's transmission operations for the central region and Capelec were integrated on 1 July 1990 when 151 former QEC staff became Capelec employees. Capelec assumed functional responsibility for QEC transmission assets on a contract basis, and assumed ownership of non-system assets;
- enterprise bargaining was adopted in 1993 with pay increases being gained through recognised productivity improvements;
- identified as International Best Performer in Billing and Metering Services in an international performance benchmarking project; and
- 1993–94 first year income tax equivalent and dividend provisions made.

CAPRICORNIA ELECTRICITY CORPORATION**Queensland***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios (1)**

Return on assets	%	n.r.	n.r.	9.3	8.6	4.0
Return on operating assets	%	n.r.	n.r.	9.5	8.8	3.9
Operating sales margin	%	n.r.	n.r.	17.4	16.3	14.0
Return on equity	%	n.r.	n.r.	7.5	7.3	1.9
Dividend to equity ratio	%	n.r.	n.r.	0.0	1.7	1.6
Dividend payout ratio	%	n.r.	n.r.	0.0	23.5	84.1
Debt to equity	%	n.r.	n.r.	35.8	25.6	48.0
Total liabilities to equity	%	n.r.	n.r.	39.2	31.7	67.6
Current ratio	%	n.r.	n.r.	267.8	161.9	192.7
Interest cover	%	n.r.	n.r.	318.2	375.8	184.2
Cost recovery ratio	%	n.r.	n.r.	121.1	119.5	115.4
Operational performance	%	n.r.	n.r.	9.5	8.8	3.7

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost: (2)						
- industrial disputes	%	0.00	0.00	0.00	0.00	0.00
- sick leave	%	2.37	2.57	2.62	2.25	2.08
- industrial accidents	%	n.p.	n.p.	n.p.	0.38	0.72
- all	%	2.37	2.57	2.62	2.63	2.80

Effectiveness

Percentage price change:						
- residential (3)	%	0.1	2.4	1.1	0.5	0.7
- other	%	-0.8	0.5	0.5	-0.5	-1.1
- overall	%	-0.6	0.8	0.1	0.0	-1.1
Real price index:						
- residential (3)	Index	95.40	95.90	95.60	94.30	91.7
- other	Index	94.60	93.20	92.40	90.20	85.5
- overall	Index	94.70	93.70	92.50	90.70	86.2

CAPRICORNIA ELECTRICITY CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (continued)***Size***

Total assets	\$M	n.r.	445	485	498	529
Total revenue (1)	\$M	n.r.	n.r.	243	253	136
System maximum demand (1)	MW	371	394	429	428	455
Average total employment (1)	No	674	654	636	615	588
Service area	Sq km	432,000	432,000	432,000	432,000	432,000
Energy imported (1)	GWh	2,401	2,595	2,772	2,914	1,503
Energy exported	GWh	0	0	0	0	0
Energy wheeled	GWh	n.p.	n.p.	n.p.	n.p.	0
Total physical output generated (1)	GWh	1.6	1.7	1.7	1.8	1.0

Safety

Lost injury time per million employee hours (2)	1/Mill	19.0	21.0	20.0	12.0	12.1
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Distribution***Efficiency***

Distribution labour productivity	Cus/Emp	118	125	133	145	144
Distribution equipment utilisation factor	Ratio	0.2	0.2	0.2	0.2	0.2
Distribution losses (1)	%	3.4	4.1	4.1	4.9	2.2

Service Quality

Outage response time factor	Mins	79	74	85	145	66
System average outage frequency factor (1)	No/Cus	13.3	14.0	9.1	5.2	2.1
- planned	No/Cus	0.7	0.6	0.6	0.7	0.3
- unplanned	No/Cus	12.1	13.4	8.6	4.6	1.8
Loss of supply factor (1)	Min/Cus	307	478	257	341	136
- planned	Min/Cus	120	130	102	116	73
- unplanned	Min/Cus	186	348	155	225	63

Size

Total number of customers:						
- residential	'000	63.5	65.2	67.5	71.6	69.8
- other	'000	11.0	11.4	11.6	15.5	18.8
- overall	'000	74.5	76.6	79.1	87.0	88.6

CAPRICORNIA ELECTRICITY CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)**Size (continued)**

Total physical output sold to: (1)

- residential	GWh	416	430	442	453	251
- other	GWh	1,904	2,062	2,218	2,321	1,254
- overall	GWh	2,320	2,492	2,660	2,774	1,471
Distribution transformer capacity	MVA	1,405	1,436	1,579	1,625	1,628
Distribution circuit kilometres	km	30,079	30,704	31,100	31,392	32,766
Customer density:						
- customers per distribution circuit kilometre	Cus/km	2.5	2.5	2.5	2.7	2.7
- sales (MWh) per circuit kilometre (1)	MWh/km	77.1	81.1	85.5	88.4	44.9

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	92.60	94.80	95.90	96.40	97.3
- other	\$/MWh	77.70	78.10	78.50	78.10	76.9
- overall	\$/MWh	80.40	81.00	81.10	81.10	80.1

Operating and maintenance costs

- excluding fixed costs: (1)

- - per circuit km	\$/km	774	723	723	648	423
- - per MWh sold	\$/MWh	10.60	9.30	8.40	7.90	9.40

- including fixed costs: (1)

- - per circuit km	\$/km	n.p.	n.p.	1,679	1,712	1,094
- - per MWh sold	\$/MWh	n.p.	n.p.	19.60	19.40	24.40

NOTES TO INDICATORS FOR CAPRICORNIA ELECTRICITY CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) Operating results are for the six month period 1/1/95 to 30/6/95.
- 2) Indicators for 1994-95 are based on data for twelve months.
- 3) The data collected for the second six months of 1994-95 excluded figures for the ESAA Class consumers 'Residential-Commercial' from Residential. This had the effect of raising the average Residential price and reducing the average Other marginally for CEB. SEQEB had previously reported on this basis.

ETSA CORPORATION

South Australia

Comments on own performance

ETSA Corporation did not provide the Steering Committee with any comments on its own performance during 1994–95.

ETSA CORPORATION**South Australia**

<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
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Financial Ratios

Return on assets	%	8.0	7.8	10.5	6.1	12.0
Return on operating assets	%	8.0	7.8	10.5	6.0	11.8
Operating sales margin	%	23.8	23.0	30.2	16.9	31.8
Return on equity	%	6.4	7.6	12.8	5.7	15.4
Dividend to equity ratio	%	5.7	7.3	10.2	10.5	15.0
Dividend payout ratio	%	88.9	95.5	79.7	182.6	97.7
Debt to equity	%	66.4	60.3	56.1	60.7	54.3
Total liabilities to equity	%	79.4	75.1	67.5	72.9	66.1
Current ratio	%	62.9	66.3	83.2	77.2	95.9
Interest cover	%	179.9	220.6	340.7	223.5	411.1
Cost recovery ratio	%	133.2	138.2	144.3	145.7	150.8
Operational performance	%	8.3	9.4	10.6	11.1	12.5

Non-financial Ratios**General (Generation, Transmission and Distribution)*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.c
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.c

Efficiency

Total days lost:						
- industrial disputes	%	0.0	0.2	0.0	0.1	0.1
- sick leave	%	7.3	7.4	7.3	7.8	7.6
- industrial accidents	%	0.6	0.6	0.4	1.8	2.1
- all	%	7.9	8.3	7.7	9.7	9.7

Effectiveness

Percentage price change						
- residential	%	4.3	5.5	2.8	1.9	0.1
- commercial	%	0.7	4.4	-1.2	-7.2	-11.8
- industrial	%	0.1	5.2	-2.8	-5.3	-5.2
- other	%	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	%	2.0	5.2	0.1	-3.2	-5.4
Real price index						
- residential	Index	98.25	101.11	101.84	101.77	98.79
- commercial	Index	94.81	96.53	93.41	84.99	73.70
- industrial	Index	94.22	96.63	92.03	85.46	78.59
- other	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	Index	96.05	98.55	96.87	91.92	84.31

ETSA CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution)***Size***

Total assets	\$M	2,501	2,589	2,591	2,479	2,420
Total revenue	\$M	830	862	897	899	915
System maximum demand	MW	1,935	1,934	2,090	2,078	2,132
Average total employment	No	5,441	4,770	4,288	3,746	3,220
Service area	Sq km	127,000	128,000	128,000	128,000	128,000
Energy imported	GWh	2,281	1,291	1,325	1,232	2,420
Energy exported	GWh	3	2	4	1	0
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	29.10	31.80	29.20	22.70	14.00
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Generation***Efficiency***

Load factor	%	48.3	47.7	45.8	47.1	49.5
Capacity factor	%	34.7	39.7	40.6	44.5	41.7
Reserve Plant Margin	%	21.5	21.5	12.4	19.7	4.6
Equivalent available factor	%	86.4	80.3	79.3	83.2	87.6
Labour productivity (exc. construction and mine emp)	GWh/Emp	5.6	7.5	8.7	14.1	13.3
Thermal efficiency	%	n.p.	n.p.	n.p.	35.0	35.0

Service Quality

Equivalent forced outage factor	%	1.5	1.4	1.9	4.6	5.1
Planned outage factor	%	12.1	18.4	18.8	9.4	5.1

Size

Total physical output generated	GWh	7,138	8,171	8,359	8,693	8,137
Generating plant capacity	MW	2,350	2,350	2,350	2,230	2,230
Changes in generating plant capacity:						
- plant added	MW	0	0	0	0	0
- plant decommissioned	MW	0	0	0	0	0
- plant in dry storage	MW	0	0	0	120	120

ETSA CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost	\$/MWh	11.9	10.0	7.9	7.1	7.2
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- - including fuel cost	\$/MWh	38.8	35.6	33.2	32.4	31.8
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- including fixed costs:

- - excluding fuel cost	\$/MWh	27.3	23.3	21.3	17.0	17.7
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- - including fuel cost	\$/MWh	56.7	51.1	48.6	42.3	42.3
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Environmental Indicators

CO2 emissions	kg/MWh	758	747	713	719	705
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Particulate emissions	kg/MWh	0.5	0.5	0.4	0.4	0.4
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NOX emissions	kg/MWh	3.2	3.4	2.9	2.3	2.4
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Transmission***Efficiency***

Transmission system reliability	1/Mill	n.p.	20.0	111.0	n.p.	n.p.
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Transmission labour productivity	GWh/Emp	26.3	29.7	33.6	39.5	48.1
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Transmission equipment utilisation factor	Ratio	0.2	0.2	0.2	0.2	0.2
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Transmission losses	%	1.2	1.3	1.3	0.8	2.0
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Size

Transmission transformer capacity	MVA	5,855	5,726	5,751	5,869	5,869
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Transmission circuit kilometres	km	5,338	5,371	5,417	5,646	5,791
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Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km	\$/km	4,407	4,124	4,056	2,730	2,354
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- - per MWh sold	\$/MWh	2.7	2.5	2.4	1.7	1.4
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- including fixed costs:

- - per circuit km	\$/km	12,499	11,595	11,354	8,194	5,699
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- - per MWh sold	\$/MWh	7.6	7.0	6.7	5.1	3.4
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- excluding fixed costs:

- - per customer	\$/cus	n.p.	n.p.	n.p.	n.p.	n.p.
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- including fixed costs:

- - per customer	\$/cus	n.p.	n.p.	n.p.	n.p.	n.p.
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ETSA CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus/emp	217	246	277	340	393
Distribution equipment utilisation factor	Ratio	0.2	n.p.	0.2	0.2	0.2
Distribution losses	%	n.p.	n.p.	n.p.	n.p.	6.4
<i>Service Quality</i>						
Outage response time factor	%	n.p.	n.p.	70.0	94.0	88.0
System average outage frequency factor	No/Cus	n.p.	1.4	1.9	1.3	1.3
Loss of supply factor	Min/Int	263	106	171	120	116
<i>Size</i>						
Total number of customers						
- residential	'000	577	587	591	602	613
- other	'000	93	93	85	85	86
- overall	'000	670	681	675	687	699
Total physical output						
- residential	GWh	3,131	3,073	3,255	3,167	3,359
- other	GWh	5,054	5,001	5,132	5,423	5,886
- overall	GWh	8,186	8,074	8,387	8,590	9,245
Distribution transformer capacity	MVA	8,864	9,528	9,593	8,233	8,772
Distribution circuit kilometres	km	72,394	72,958	73,640	82,636	83,369
Customer Density						
- Customers per distrib. circuit kilometre	Cus/km	9.0	9.1	9.2	8.3	8.4
- Sales (MWh) per circuit kilometre	MWh/km	113.1	110.7	110.4	100.7	110.9
<i>Cost & Revenue Measures</i>						
Average price of product						
- residential	\$/MWh	100.90	106.50	109.50	111.60	111.70
- other	\$/MWh	97.40	102.30	100.50	94.70	86.13
- overall	\$/MWh	98.70	103.90	104.00	100.90	95.42
Operation and maintenance costs:						
- excluding fixed costs:						
- - per circuit km	\$/km	2,159	2,036	2,196	2,002	1,798
- - per MWh sold	\$/MWh	19.7	19.0	19.9	20.0	16.2
- including fixed costs:						
- - per circuit km	\$/km	3,052	2,875	3,032	3,041	2,600
- - per MWh sold	\$/MWh	27.8	26.8	27.5	30.3	23.5

ETSA CORPORATION (continued)

NOTES TO INDICATORS FOR ETSA CORPORATION

Key: n.p. - not provided: n.r. - not relevant.

Comments on own performance

The State Energy Commission of Western Australia (SECWA) was split into separate electricity and gas businesses on 1 January 1995.

Data for SECWA as a whole, inclusive of the gas and electricity businesses, are presented up to 31 December 1994.

Data for the six months 1 January 1995 to 30 June 1995 for the new businesses, Alinta Gas and Western Power, are presented separately.

STATE ENERGY COMMISSION OF WESTERN AUSTRALIA

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	11.8	12.5	12.5	12.0	15.6
Return on operating assets	%	11.2	12.0	12.5	12.0	15.6
Operating sales margin	%	30.2	32.7	32.5	30.7	81.0
Return on equity	%	38.1	60.5	58.6	44.0	111.5
Dividend to equity ratio	%	20.6	28.5	22.8	19.2	20.8
Dividend payout ratio	%	54.2	47.2	38.8	43.6	18.6
Debt to equity	%	1754.2	1851.3	1104.7	724.0	1196.2
Total liabilities to equity	%	1962.5	2059.3	1238.0	807.2	1376.9
Current ratio	%	136.6	151.9	162.5	250.3	293.3
Interest cover	%	116.5	129.6	139.6	151.0	414.4
Cost recovery ratio	%	143.4	148.5	148.2	146.1	527.6
Operational performance	%	11.2	12.0	12.5	12.3	15.6

Non-financial Ratios**General (Generation, Transmission and Distribution)*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	1.0	0.1	0.3	0.4	n.p.
- sick leave	%	4.2	4.7	4.5	4.6	n.p.
- industrial accidents	%	2.3	1.9	1.5	1.4	n.p.
- all	%	3.2	2.8	2.7	2.7	n.p.

Effectiveness

Percentage price change:						
- residential	%	8.8	2.3	0.0	0.0	0.0
- other	%	6.1	4.9	-6.2	-4.8	0.0
- overall	%	6.9	2.4	-2.7	-3.5	-0.2
Real price index:						
- residential	Index	97.78	98.50	96.26	91.04	n.p.
- other	Index	90.10	87.80	84.46	92.86	n.p.
- overall	Index	89.80	88.16	89.80	90.97	n.p.

STATE ENERGY COMMISSION OF W.A (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution) (continued)***Size***

Total assets	\$M	4,801	4,595	4,697	4,568	4,433
Total revenue	\$M	1,753	1,749	1,775	1,799	864
System maximum demand	MW	1,864	1,906	1,971	2,070	1,946
Average total employment	No	3,473	3,229	3,198	3,100	3,100
Service area	Sq km	n.p.	250,000	260,000	260,000	260,000
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.p.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	43	35	19	18	n.p.
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Generation***Efficiency***

Load factor	%	61.9	61.6	63.0	64.0	65.4
Capacity factor	%	49.1	44.5	45.8	48.5	47.5
Reserve Plant Margin	%	26.1	38.4	33.8	36.7	26.0
Equivalent available factor	%	85.7	83.7	85.2	85.3	87.1
Labour productivity (exc. construction and mine emp)	GWh/Emp	7.6	9.2	9.5	10.9	n.p.
Thermal efficiency	%	33.0	32.8	33.0	33.1	32.9

Service Quality

Equivalent forced outage factor	%	7.2	10.2	9.0	7.4	n.p.
Planned outage factor	%	7.1	5.9	6.2	7.3	n.p.

Size

Total physical output generated	GWh	10,116	10,288	10,603	11,238	5,775
Generating plant capacity	MW	2,352	2,638	2,638	2,754	2,754
Changes in generating plant capacity:						
- plant added	MW	72.0	284.0	0.0	116.0	0.0
- plant decommissioned	MW	0.0	0.0	0.0	0.0	0.0
- plant in dry storage	MW	n.r.	n.r.	n.r.	n.r.	n.r.

STATE ENERGY COMMISSION OF W.A (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost \$/MWh 10.8 11.4 11.8 9.6 n.r.

- - including fuel cost \$/MWh 40.0 42.7 43.2 37.5 n.r.

- including fixed costs:

- - excluding fuel cost \$/MWh 22.4 24.0 24.4 23.4 n.r.

- - including fuel cost \$/MWh 51.6 55.4 57.2 51.3 n.r.

Environmental Indicators

CO2 emissions kg/MWh 942 928 920 915 902

Particulate emissions kg/MWh n.p. n.p. n.p. n.p. 6.10

NOX emissions kg/MWh n.p. n.p. n.p. n.p. 3.20

Transmission***Efficiency***

Transmission system reliability l/Mill n.p. n.p. n.p. n.p. 3.08

Transmission labour productivity GWh/Emp 28.10 31.60 32.10 35.40 33.80

Transmission equipment utilisation factor Ratio 0.23 0.20 0.21 0.23 0.33

Transmission losses % n.p. n.p. n.p. n.p. 1.00

Size

Transmission transformer capacity MVA 9,112 9,500 9,500 9,528 9,580

Transmission circuit kilometres km 6,396 6,396 6,396 6,323 6,621

Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km \$/km 3,086 3,538 3,634 3,946 n.p.

- - per MWh sold \$/MWh 2.2 2.4 2.2 2.6 n.p.

- including fixed costs:

- - per circuit km \$/km 12,296 12,511 12,796 18,177 n.p.

- - per MWh sold \$/MWh 8.6 8.5 8.3 11.8 n.p.

- excluding fixed costs:

- - per customer \$/cus n.p. n.p. n.p. n.p. n.p.

- including fixed costs:

- - per customer \$/cus n.p. n.p. n.p. n.p. n.p.

STATE ENERGY COMMISSION OF W.A (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution***Efficiency***

Distribution labour productivity	Cus/Emp	335	365	393	400	468
Distribution equipment utilisation factor	Ratio	14.2	13.8	14.4	14.8	15.2
Sub-transmission equipment utilisation factor	Ratio	0.2	0.2	0.2	0.2	0.2
Distribution losses	%	n.p.	n.p.	n.p.	n.p.	8.3

Service Quality

Outage response time factor	Min	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	Min	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	Min	n.p.	n.p.	n.p.	n.p.	n.p.
System average outage frequency factor	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	No/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
Loss of supply factor	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- planned	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.
- unplanned	Min/Cus	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total number of customers:

- residential	'000	n.p.	n.p.	n.p.	n.p.	1,779
- other	'000	n.p.	n.p.	n.p.	n.p.	220
- overall	'000	n.p.	n.p.	n.p.	n.p.	1,999

Total physical output:

- residential	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
- other	GWh	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	GWh	n.p.	n.p.	n.p.	n.p.	27,924

Distribution transformer capacity MVA n.p. n.p. n.p. n.p. 36,815

Distribution circuit kilometres km n.p. n.p. n.p. n.p. n.p.

Customer density:

- customers per distribution circuit kilometre	Cus/km	n.p.	n.p.	n.p.	n.p.	n.p.
- sales (MWh) per circuit kilometre	MWh/km	n.p.	n.p.	n.p.	n.p.	n.p.

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
- overall	\$/MWh	n.p.	n.p.	n.p.	n.p.	n.p.

STATE ENERGY COMMISSION OF W.A (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Cost & Revenue Measures (continued)***

Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	n.p.	n.p.	n.p.	n.p.	n.p.
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- - per MWh sold	\$/MWh	n.p.	n.p.	n.p.	n.p.	30.10
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- including fixed costs:

- - per circuit km	\$/km	n.p.	n.p.	n.p.	n.p.	n.p.
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- - per MWh sold	\$/MWh	n.p.	n.p.	n.p.	n.p.	36.12
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NOTES TO INDICATORS FOR STATE ELECTRICITY COMMISSION OF WESTERN AUSTRALIA

Key: n.p. - not provided; n.r. - not relevant.

Comments on own performance

Western Power Corporation was established in January 1995 from the split of the former energy monopoly, SECWA, into separate electricity and gas businesses. Western Power is a vertically integrated utility, undertaking generation, transmission and distribution functions. Western Power is the principal supplier of electricity to a major power grid in the South West of the State (93 percent of sales), a smaller grid in the North West (4 percent), and 28 isolated power systems throughout the state. The installed generation capacity of the South West Interconnected System is 2754 MW of which 1160 MW is coal fired plant, 712 MW gas turbines, 2040 MW is steam plant capable of burning coal, gas or oil and 2 MW hydro. The installed generation capacity of the North West interconnected system and isolated systems is approximately 200 MW of diesel plant and 2 MW of wind.

Western Power currently has approximately 700,000 customers, and is facing direct competition within an increasingly deregulated energy environment. Owned by the Western Australian Government, Western Power is a commercial organisation meeting all of its costs from its own revenue. Under the *Electricity Corporation Act 1994*, Western Power must endeavour to make a profit consistent with maximising its long term value.

Financial performance

This financial reporting, unless otherwise stated, is based on six month audited figures which represents the first six months of operation for the Western Power Corporation. Figures previously reported for SECWA are difficult to compare with Western Power results due to the significant organisational restructuring. Some figures, especially financial ratios, are not available for comparison with previous annual results due to the limited time frame of operations.

Although Western Power continues to be exempt from paying Commonwealth company and sales taxes, it must pay their equivalent to the state government. A Tax Equivalent Regime (TER) has been introduced to deal with this obligation.

Non-financial performance

Western Power has made substantial efforts to position itself for competition through the development of a strategic planning process based on the identification of a corporate mission and corporate values. Progress toward corporate objectives will be measured by indicators in Strategic Result Areas (SRAs). Specific plans with clear achievable targets have been developed at a corporate, division and branch level and are being taken right through the work place through a comprehensive change management program. Many of the performance indicators are not comparable with annual results as they are calculated on only six months of statistics.

WESTERN POWER**Western Australia**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (10,11,12)

Return on assets	%	n.r.	n.r.	n.r.	n.r.	13.9
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	13.9
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	48.9
Return on equity	%	n.r.	n.r.	n.r.	n.r.	49.9
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	342.1
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	427.6
Current ratio	%	n.r.	n.r.	n.r.	n.r.	232.3
Interest cover	%	n.r.	n.r.	n.r.	n.r.	382.4
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	195.7
Operational performance	%	n.r.	n.r.	n.r.	n.r.	13.9

Non-financial Ratios**General (Generation, Transmission and Distribution)*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.r.	n.r.	n.r.	n.r.	n.p.
- sick leave	%	n.r.	n.r.	n.r.	n.r.	n.p.
- industrial accidents	%	n.r.	n.r.	n.r.	n.r.	n.p.
- all	%	n.r.	n.r.	n.r.	n.r.	n.p.

Effectiveness

Percentage price change:						
- residential	%	n.r.	n.r.	n.r.	n.r.	0.0
- other	%	n.r.	n.r.	n.r.	n.r.	0.0
- overall	%	n.r.	n.r.	n.r.	n.r.	0.0
Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.p.
- other	Index	n.r.	n.r.	n.r.	n.r.	n.p.
- overall	Index	n.r.	n.r.	n.r.	n.r.	n.p.

WESTERN POWER (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution) (continued)*Size*

Total assets	\$M	n.r.	n.r.	n.r.	n.r.	3,168
Total revenue	\$M	n.r.	n.r.	n.r.	n.r.	896
System maximum demand	MW	n.r.	n.r.	n.r.	n.r.	2,181
Average total employment (8)	No	n.r.	n.r.	n.r.	n.r.	3,646
Service area	Sq km	n.r.	n.r.	n.r.	n.r.	260,000
Energy imported (4)	GWh	n.r.	n.r.	n.r.	n.r.	202
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	n.r.	n.r.	n.r.	n.r.	n.p.
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Generation*Efficiency*

Load factor	%	n.r.	n.r.	n.r.	n.r.	65.1
Capacity factor (3)	%	n.r.	n.r.	n.r.	n.r.	47.5
Reserve Plant Margin	%	n.r.	n.r.	n.r.	n.r.	35.6
Equivalent available factor	%	n.r.	n.r.	n.r.	n.r.	87.1
Labour productivity (exc. construction and mine emp)	GWh/Emp	n.r.	n.r.	n.r.	n.r.	n.p.
Thermal efficiency	%	n.r.	n.r.	n.r.	n.r.	32.3

Service Quality

Equivalent forced outage factor	%	n.r.	n.r.	n.r.	n.r.	n.p.
Planned outage factor	%	n.r.	n.r.	n.r.	n.r.	n.p.

Size

Total physical output generated	GWh	n.r.	n.r.	n.r.	n.r.	6,217
Generating plant capacity	MW	n.r.	n.r.	n.r.	n.r.	2,958
Changes in generating plant capacity:						
- plant added	MW	n.r.	n.r.	n.r.	n.r.	0
- plant decommissioned	MW	n.r.	n.r.	n.r.	n.r.	0
- plant in dry storage	MW	n.r.	n.r.	n.r.	n.r.	n.r.

WESTERN POWER (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost	\$/MWh	n.r.	n.r.	n.r.	n.r.	7.7
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- - including fuel cost	\$/MWh	n.r.	n.r.	n.r.	n.r.	43.6
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- including fixed costs:

- - excluding fuel cost	\$/MWh	n.r.	n.r.	n.r.	n.r.	27.1
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- - including fuel cost	\$/MWh	n.r.	n.r.	n.r.	n.r.	63.0
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Environmental Indicators

CO2 emissions (2)	kg/MWh	n.r.	n.r.	n.r.	n.r.	902
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Particulate emissions (2)	kg/MWh	n.r.	n.r.	n.r.	n.r.	6.1
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NOX emissions (2)	kg/MWh	n.r.	n.r.	n.r.	n.r.	3.2
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Transmission***Efficiency***

Transmission system reliability (2)	1/Mill	n.r.	n.r.	n.r.	n.r.	3.1
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Transmission labour productivity (6,7)	GWh/Emp	n.r.	n.r.	n.r.	n.r.	31.6
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Transmission equipment utilisation factor	Ratio	n.r.	n.r.	n.r.	n.r.	0.1
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Transmission losses	%	n.r.	n.r.	n.r.	n.r.	0.0
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Size

Transmission transformer capacity (5)	MVA	n.r.	n.r.	n.r.	n.r.	9,580
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Transmission circuit kilometres (5)	km	n.r.	n.r.	n.r.	n.r.	6,221
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Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	3,663
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- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	4.2
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- including fixed costs:

- - per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	9,015
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- - per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	10.2
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- excluding fixed costs:

- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	192.9
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- including fixed costs:

- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	78.4
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WESTERN POWER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus	n.r.	n.r.	n.r.	n.r.	449
Distribution equipment utilisation factor	Ratio	n.r.	n.r.	n.r.	n.r.	16.0
Sub-transmission equipment utilisation factor	Ratio	n.r.	n.r.	n.r.	n.r.	0.2
Distribution losses	%	n.r.	n.r.	n.r.	n.r.	9.0
<i>Service Quality</i>						
Outage response time factor	%	n.r.	n.r.	n.r.	n.r.	n.p.
- planned	%	n.r.	n.r.	n.r.	n.r.	n.p.
- unplanned	%	n.r.	n.r.	n.r.	n.r.	n.p.
System average outage frequency factor	No/Cus	n.r.	n.r.	n.r.	n.r.	n.p.
- planned	No/Cus	n.r.	n.r.	n.r.	n.r.	n.p.
- unplanned	No/Cus	n.r.	n.r.	n.r.	n.r.	n.p.
Loss of supply factor	Min/Int	n.r.	n.r.	n.r.	n.r.	n.p.
- planned	Min	n.r.	n.r.	n.r.	n.r.	n.p.
- unplanned	Min	n.r.	n.r.	n.r.	n.r.	n.p.
<i>Size</i>						
Total number of customers:						
- residential	'000	n.r.	n.r.	n.r.	n.r.	616
- other	'000	n.r.	n.r.	n.r.	n.r.	90.7
- overall	'000	n.r.	n.r.	n.r.	n.r.	707
Total physical output sold to:						
- residential	GWh	n.r.	n.r.	n.r.	n.r.	1,490
- other	GWh	n.r.	n.r.	n.r.	n.r.	3,981
- overall	GWh	n.r.	n.r.	n.r.	n.r.	5,472
Total energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Distribution transformer capacity	MVA	n.r.	n.r.	n.r.	n.r.	4,350
Distribution circuit kilometres	km	n.r.	n.r.	n.r.	n.r.	77,115
Customer Density:						
- customers per distribution circuit kilometre	Cus/km	n.r.	n.r.	n.r.	n.r.	9.2
- sales (MWh) per circuit kilometre	MWh/km	n.r.	n.r.	n.r.	n.r.	138
<i>Cost & Revenue Measures</i>						
Average price of product:						
- residential	\$/MWh	n.r.	n.r.	n.r.	n.r.	141
- other	\$/MWh	n.r.	n.r.	n.r.	n.r.	108
- overall	\$/MWh	n.r.	n.r.	n.r.	n.r.	117

WESTERN POWER (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Cost & Revenue Measures (continued)***

Operation and maintenance costs:

- excluding fixed costs:

- per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	709
- per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	10.5

- including fixed costs:

- per circuit km	\$/km	n.r.	n.r.	n.r.	n.r.	1,329
- per MWh sold	\$/MWh	n.r.	n.r.	n.r.	n.r.	19.8

NOTES TO INDICATORS FOR WESTERN POWER

Key: n.p. - not provided: n.r. - not relevant.

* **These data cover six months from 1 January to 30 June 1995.**

- 2) Only available as a 1994-95 financial year figure.
- 3) Period hours in formula for calculation are adjusted to six months figures (4380 hrs).
- 4) Purchases from private enterprise.
- 5) Data provided in the past was based on the manual system and included double counted figures which resulted from the frequent districts' boundaries changes.
- 6) Electricity sent out, minus one third of line loss divided by transmission employees SWIS transmission staff and support services staff.
- 7) Transmission employees include maintenance, systems operations, systems, project services apprentices, graduate engineers and cadets.
- 8) Employee numbers are average for 1995, by sentout figure for 1994-95.
- 9) Reporting of generation, transmission, distribution and environment divisions relate only to the South West Interconnected System (SWIS).
- 10) Statistics relating to general finances ie 'B' queries, relate to the corporation as a whole.
- 11) All figures, unless otherwise noted are for a SIX MONTH PERIOD ONLY. Seasonal fluctuations may influence accuracy in annualising the data. Many of the financial ratios and queries relating to productivity therefore are not suitable for comparison.
- 12) Financials incorporate non-refundable capital contributions from customers for energy supply assets.

Comments on own performance

The Hydro Electric Commission (HEC) was created by an act of Parliament in 1931 and has operated as a Statutory Authority since 1944.

Current Operations

The HEC operates a predominantly hydro system with an oil fired thermal plant acting as back up during periods of drought. Two thirds of the energy generated is sold to 19 major energy intensive industrial customers which are supplied under long term contracts. The remainder of the energy is sold to approximately 240,000 smaller industrial, commercial and residential customers. The HEC is vertically integrated, being solely responsible for public generation, transmission and the sale of electrical energy.

In 1995 a legislative package was passed to reform the Tasmanian electrical supply industry (ESI). This package received Royal Assent in 1995 and the legislation is expected to take effect during 1996. It will result in significant reform to the operation of that industry, and the HEC. The HEC Act will be replaced by the *Hydro Electric Corporation Act 1995*, which establishes the HEC as a Government Business Enterprise and defines its functions which are centred on generation, transmission and distribution of electricity.

The *Government Prices Oversight Act 1995* provides for the establishment of an independent commission to investigate and report on the pricing policies of GBEs that are monopoly or near monopoly suppliers of goods and services. The HEC's retail prices are the subject of investigation during the first half of the 1996 calendar year.

Financial Performance

In 1992–93 the HEC initiated a fixed assets accounting review to ensure that the Profit and Loss Statement and Balance Sheet much more realistically present the business position of the Commission than has previously been possible. The value of the Commission's fixed assets at 30 June 1993 was thus assessed at \$3.6 billion (an earnings based valuation), whereas the previous historic cost basis showed these assets at a carrying amount of approximately \$2.2 billion. As a result, the provision for depreciation in 1992–93 increased by \$50 million. Revaluation of the HEC's fixed assets (earnings based) as at the 30 June 1995, was \$3.83 billion, which resulted in an increase in the provision for depreciation of \$96.7 million.

The HEC contributes to the finances of the Government of Tasmania in a number of ways. In 1994–95, around \$36 million was provided through Contribution to Consolidated Funds, Dividend Payment, Loan Guarantee Fee and Payroll tax.

In addition, the total cost associated with providing pensioner discounts and subsidised sales of electrical energy on the Bass Strait Islands have been assessed to be around \$11.0 million.

Comments on own performance (continued)

As the earnings before tax equivalent payments and interest payments continue to rise, the operating sales margin and return on assets indicators have improved.

The total number of Commission employees has fallen over each of the last six years. This is due to the completion of the West Coast dam construction projects, and continuing efficiency and effectiveness gains throughout the Commission. This, in turn, has led to increases in labour productivity.

HYDRO-ELECTRIC COMMISSION**Tasmania**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (2,3)	%	8.9	10.3	7.2	5.4	5.8
Return on operating assets (2,(3))	%	8.5	10.3	7.1	5.3	5.8
Operating sales margin (2,3)	%	44.3	53.2	46.6	44.7	47.9
Return on equity (2,3,14)	%	-5.7	4.5	-0.6	-0.5	-0.2
Dividend to equity ratio (2)	%	0.0	1.9	0.6	0.6	0.5
Dividend payout ratio (2,3,14)	%	0.0	41.7	-95.6	-112.5	-233.0
Debt to equity (2)	%	594.6	456.8	92.7	81.9	77.8
Total liabilities to equity (2)	%	737.2	579.4	116.6	102.6	99.1
Current ratio	%	56.8	32.3	37.4	46.2	50.4
Interest cover (2,3)	%	92.9	113.7	106.9	105.8	113.9
Cost recovery ratio	%	188.1	232.8	183.4	193.1	195.1
Operational performance	%	9.0	11.0	6.6	5.7	5.8

Non-financial Ratios**General (Generation, Transmission and Distribution)*****Efficiency***

Total days lost:

- industrial disputes	%	0.4	0.1	0.0	0.0	0.0
- sick leave	%	1.9	1.4	2.4	3.1	3.0
- industrial accidents	%	0.9	0.6	0.5	0.6	0.5
- all	%	3.2	2.1	3.0	4.1	4.3

Effectiveness

Percentage price change

- residential (6,7)	%	13.3	6.5	4.4	3.4	-2.8
- other (6)	%	6.9	6.6	1.7	3.2	11.7
- overall (6)	%	9.2	6.9	2.8	1.9	5.3

Real price index

- residential (6)	Index	108.6	112.8	116.5	116.9	109.7
- other (6)	Index	107.9	113.9	114.4	105.3	107.8
- overall (6)	Index	104.2	108.6	111.5	110.3	113.0

Size

Total assets (2c)	\$M	2,315	2,483	3,927	4,098	4,106
Total revenue (2b,3)	\$M	431	455	478	471	487
System maximum demand	MW	1,445	1,451	1,436	1,376	1,396
Average total employment (8)	No	3,696	3,296	2,772	2,232	1,784

HYDRO-ELECTRIC COMMISSION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution) (continued)***Size (continued)***

Service area	Sq km	45,400	45,400	45,400	45,400	45,400
Energy imported	GWh	8.6	2.3	5.2	4.7	0.0
Energy exported	GWh	0	0	0	0	0

Safety

Lost injury time per million employee hours	1/Mill	56.6	53.1	49.0	26.1	19.8
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Generation***Economic Factors***

Total factor productivity	Index	1.10	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Load factor (9)	%	71.0	70.0	70.0	73.6	71.0
Capacity factor (9,16)	%	45.0	41.0	41.0	40.6	39.6
Reserve Plant Margin (9,16)	%	60.0	70.0	70.0	81.3	79.2
Equivalent available factor (9,18)	%	87.4	83.8	84.5	90.2	87.2
Labour productivity (exc. construction and mine emp)	GWh/Emp	20.0	27.1	27.2	41.1	48.7
Thermal efficiency	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality (9,18,20)

Equivalent forced outage factor	%	3.5	3.0	0.1	0.9	1.4
Planned outage factor	%	9.1	13.2	15.4	8.9	8.0

Size

Total physical output generated (9)	GWh	9,026	8,923	8,849	8,885	8,679
Generating plant capacity (9)	MW	2,315	2,460	2,435	2,494	2,502
Changes in generating plant capacity						
- plant added (9)	MW	n.p.	145.0	n.p.	165.6	8.4
- plant decommissioned (10)	MW	n.p.	n.p.	25.0	24.0	0.0
- plant in dry storage	MW	n.p.	n.p.	n.p.	n.p.	n.p.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

HYDRO-ELECTRIC COMMISSION (continued)**Generation (continued)*****Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost (12,17)	\$/MWh	5.1	5.6	3.9	3.6	3.7
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- - including fuel cost (12)	\$/MWh	11.0	5.6	4.2	3.8	3.7
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- including fixed costs:

- - excluding fuel cost (2d,12,22)	\$/MWh	24.8	26.4	34.8	34.0	33.3
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- - including fuel cost (2d,12,22)	\$/MWh	30.8	26.5	35.0	34.2	33.3
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Environmental Indicators

CO2 emissions	kg/MWh	n.r.	n.r.	n.r.	n.r.	n.r.
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Particulate emissions	kg/MWh	n.r.	n.r.	n.r.	n.r.	n.r.
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NOX emissions	kg/MWh	n.r.	n.r.	n.r.	n.r.	n.r.
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Transmission***Economic Factors***

Total factor productivity	Index	0.97	n.p.	n.p.	n.p.	n.p.
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Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
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Efficiency

Transmission system reliability	1/Mill	2.6	2.5	2.6	1.6	1.6
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Transmission labour productivity (8,13,17,20)	GWh/Emp	39.8	47.7	46.4	41.1	47.3
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Transmission equipment utilisation factor (11)	Ratio	0.3	0.3	0.3	0.3	0.3
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Transmission losses	%	n.p.	n.p.	n.p.	5.0	5.0
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Size

Transmission transformer capacity (11)	MVA	n.p.	5,886	5,886	5,886	5,886
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Transmission circuit kilometres	km	3,536	3,536	3,559	3,571	3,571
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Cost & Revenue Measures (12)

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km (12)	\$/km	5,431	4,623	4,382	3,612	3,089
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- ² per MWh sold (12)	\$/MWh	2.3	2.0	1.9	1.6	1.4
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HYDRO-ELECTRIC COMMISSION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Transmission (continued)***Cost & Revenue Measures (12)***

Operation and maintenance costs:

- including fixed costs:

- - per circuit km (2d,12,22)	\$/km	12,725	11,917	12,334	12,191	12,050
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- ' per MWh sold (2d,12,22)	\$/MWh	5.4	5.1	5.4	5.3	5.3
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- excluding fixed costs:

- - per customer	\$/cus	86.6	72.2	67.7	54.9	46.2
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- including fixed costs:

- - per customer	\$/cus	202.9	186.2	190.4	235.7	180.3
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Distribution***Economic Factors***

Total factor productivity	Index	1.15	n.p.	n.p.	n.p.	n.p.
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Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
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Efficiency

Distribution labour productivity (8,17)	Cus	263	338	356	391	429
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Distribution equipment utilisation factor	Ratio	0.2	0.2	0.2	0.2	0.2
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Sub-transmission equipment utilisation factor	Ratio	0.2	0.3	0.2	0.2	0.3
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Distribution losses	%	n.p.	n.p.	n.p.	3.0	3.6
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Service Quality

Outage response time factor	%	n.p.	n.p.	n.p.	n.p.	n.p.
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System average outage frequency factor	No/Cus	2.9	2.6	3.0	2.4	2.2
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Loss of supply factor	Min/Int	278	267	274	166	162
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Size

Total number of customers

- residential	'000	180	184	189	196	199
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- other (6)	'000	41.0	42.0	42.0	42.0	41.1
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- overall	'000	222	226	230	238	240
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Total physical output

- residential	GWh	n.p.	n.p.	n.p.	1,782	1,751
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- other (6)	GWh	n.p.	n.p.	n.p.	1,240	1,419
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- overall	GWh	n.p.	n.p.	n.p.	3,022	3,168
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HYDRO-ELECTRIC COMMISSION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Distribution (continued)</i>						
<i>Size (continued)</i>						
Distribution transformer capacity	MVA	2,094	2,172	2,192	2,360	2,369
Distribution circuit kilometres	km	23,604	23,833	24,211	24,452	24,602
Customer Density						
- Customers per distrib. circuit kilometre	Cus/km	9.3	9.4	9.4	9.4	9.8
- Sales (MWh) per circuit kilometre	MWh/km	124.2	122.5	120.0	122.9	128.8
<i>Cost & Revenue Measures</i>						
Average price of product						
- residential (6)	\$/MWh	81.70	87.00	90.80	94.00	91.40
- other	\$/MWh	103.2	110.5	112.5	108.4	113.0
- major industrials	\$/MWh	23.30	24.10	24.50	24.60	26.30
- overall	\$/MWh	46.90	50.10	51.60	52.60	55.80
Operation and maintenance costs:						
- excluding fixed costs:						
- - per circuit km	\$/km	2,209	2,108	2,761	2,081	1,721
- - per MWh sold	\$/MWh	17.00	16.40	22.00	16.40	13.36
- including fixed costs:						
- - per circuit km	\$/km	3,365	3,254	4,554	4,621	3,479
- - per MWh sold	\$/MWh	25.90	25.30	36.30	36.30	27.02

HYDRO-ELECTRIC COMMISSION (continued)

NOTES TO INDICATORS FOR HYDRO-ELECTRIC COMMISSION

Key: n.p. - not provided; n.r. - not relevant.

- 1) These data were based on accounts prepared on an accrual basis under the historical cost convention, with the exception of the Property, Plant and Equipment which has been revalued. (note 2(c) below)
- 2) There were four major accounting changes that may impact comparisons of 1992–93 data with previous years. (a) The 1992–93 data relating to operating expenses are not directly comparable since 1992–93 is the first full year of the Business Unit organisation structure introduced under Commercialisation in March 1992. Some other minor changes in definitions have also been made eg 'Energy Supplied to HEC Operations' is no longer reported as Operating Revenue. (b) Customer contributions towards capital works, which had previously been reported as a capital contribution through the Customer Contributions Reserve, are treated as revenue for 1992–93, and subsequent years. The balance of the Customer Contributions Reserve at 30 June 1992 has been transferred to Retained Earnings. (c) The Commission has revalued its fixed assets (Property, Plant and Equipment) as at 1 July 1993 to the lower of deprival value and recoverable amount. In previous years these assets were valued at historical cost. The assessed recoverable amount was used for the final valuation of the Commission's fixed assets. The impact of this change has been to increase the carrying amount of the Commission's non-current fixed assets as at 1 July 1992 by \$1.5 billion. The Commission continues to revalue fixed assets at the 30 June each year to the lower of deprival and recoverable amount.

Category of asset	Method of valuation	Date of revaluation	\$ Impact of revaluation
Generation	Recoverable Amount	30-Jun-95	-\$38,468
Transmission	Recoverable Amount	30-Jun-95	-\$41,382,006
Substations	Recoverable Amount	30-Jun-95	\$2,973,921
Distribution	Recoverable Amount	30-Jun-95	\$13,977,884
Ancillary	Recoverable Amount	30-Jun-95	\$3,466,217
Meters	Recoverable Amount	30-Jun-95	-\$567,844
Motor Vehicles	Historic Cost	30-Jun-95	\$3,395,711
Minor Assets	Historic Cost	30-Jun-95	\$324,923
Bass Strait Is.	Historic Cost	30-Jun-95	-\$20,207
Land/Buildings	Market Valuation	30-Jun-95	-\$3,736,613

HYDRO-ELECTRIC COMMISSION (continued)

NOTES TO INDICATORS FOR HYDRO-ELECTRIC COMMISSION (continued)

- (d) In years prior to 1992–93, the sinking fund method of depreciation was used for completed works assets while the straight line method was used for other assets. Applying these methods to assets at historical cost, the depreciation charge for 1992–93 would have been \$51 million. The impact of the asset revaluation (note 2(c)) and the adoption of a depreciation charge method based on units of output energy production was to increase the depreciation charge for the year 1992–93 by an additional \$50 million. Based on the 1994–95 recoverable amount valuation of fixed assets, the 1994–95 depreciation charge was \$96.8 million.
- 3) The electricity consumption levy charged separately by the Tasmanian Government to the major industrial customers is excluded from revenue calculations. Revenue from trading excludes abnormal revenue.
 - 4) Dividend policy as per State Treasury advice.
 - 5) The Total Factor Productivity data are based on the results of the London Economics study submitted to the ESAA: “Measuring the Efficiency of the Australian Electricity Supply Industry Report 1, August 1993”.
 - 6) Price of electricity has been calculated from total unit sales and sales revenue. ‘Other’ includes the major industrial customers except in Ed 316, Ed 346 & Ed 416 where the major industrial customers are excluded. Sales revenue excludes the statutory levy of 5 percent on retail sales collected on behalf of the Tasmanian Government.
 - 7) In 1990, the annual tariff adjustment was moved from January to August. This change introduced two consecutive tariff adjustments within seven months (January 1990 & August 1990). Since the 8 percent tariff increase in January 1990 was applied only to half of the financial year's revenues, while the 8.3 percent tariff increase in August 1990 was applied to 11 months of the 1990–91 financial year revenue, this caused an abnormal jump in the percentage price change in 1990–91.
 - 8) Staff numbers are reported as number of employees including construction, casual and part time staff, but excluding contractors.
 - 9) Annual generation and capacity data exclude those for the Bass Strait Islands.
 - 10) Waddamana power station no. 1 & 2 machines decommissioned in 1992–93. Lake Margaret came under Commission in December 1994, providing an additional 8.4 Mw capacity.
 - 11) Transmission transformer capacity for 1991–92 and 1992–93 include generator transformers; while the capacities reported for 1987–88 to 1990–91 exclude auto, tie and generator transformers.

HYDRO-ELECTRIC COMMISSION (continued)

NOTES TO INDICATORS FOR HYDRO-ELECTRIC COMMISSION (continued)

- 12) Within the reporting period 1987–88 to 1992–93, the Commission organisationally re-structured twice (1988–89 & 1991–92) resulting in changed reporting formats and policies. Minor changes have also been made in response to the implementation of SAC 4 and in accordance with the SAFM Act and with the Treasurer's instruction. Consequently, the disaggregation of operating expenses into Generation, Transmission and Distribution for previous years are best estimates which may not be on a fully consistent basis with the 1992–93 data.
- 13) Transmission sales include sales at high voltage to major industrial customers and sales to the distribution system.
- 14) Under the *State Authorities Financial Management Act 1990* the Commission is required to calculate a tax equivalent, excluding capital gains tax, as if it were a company under Commonwealth income tax laws. As a result the Commission applies tax effect accounting principles using the tax rate of 40 percent for the 1991–92 and the 1992–93 financial results. On a before tax basis, Return on Equity (B.04) are 9.34 percent (1991–92) and 1.36 percent (1992–93); while the Dividend Payout Ratio (B.06) are 20.01 percent (1991–92) and 41.78 percent (1992–93).
- 15) Gross interest expense includes loan guarantee fee and interest made good on SAF and RBF.
- 16) The HEC hydro schemes are designed to be operated in an integrated system to maximise the average long term energy output from the integrated system while minimising spill. Therefore, capacity factor and reserve plant margin for a hydro system are less meaningful for measuring technical performance.
- 17) These do not include any allocation of Corporate except in situation where services were purchased and charged.
- 18) The relevance of the outage factors to the service quality of the Commission's generation system is questionable, because the Commission's hydro system is energy constrained and not capacity constrained. Generator outage does not necessarily mean outage to customers because the generation system has sufficient capacity to maintain reliable service required by the customers.
- 20) Should include electricity leaving the transmission system to include both sales to HV major industrial customers and sales to the distribution system.
- 21) This should read outage factor instead of outage rate to be consistent with last year's definition. It was agreed last year that since the denominator of the ratio is the period hours (8760 hours per year) the ratio should be defined as a factor and not a rate in which case the denominator would have been in the service hour.
- 22) 1993–94 data has been estimated.

Comments on own performance

The Power and Water Authority was established in 1987 by the amalgamation of the Northern Territory Electricity Commission, the Northern Territory Water Authority and the Water Resources Division of the Department of Mines and Energy. The Authority is the sole provider of public electricity, water and sewerage services throughout the Northern Territory.

Current operations

The Authority conducts its business in the four main regions of the Northern Territory, namely Darwin, Katherine, Tennant Creek and Alice Springs. In addition to the provision of services to these urban centres the Authority provides services to remote Aboriginal communities throughout the Territory. The latter is a major part of the Authority's community service obligations. The Authority provides a total of 59,000 electricity services across the Territory.

Financial performance

The Authority maintains infrastructure over a large area for a relatively small customer base. At self government in 1978, the Commonwealth entered into a special arrangement to continue to subsidise the supply of electricity to Territory urban and minor centres. The highest subsidy payments by the Commonwealth reached around \$80m. No subsidies are payable from 1994–95 onwards. The Authority started reporting its assets on a replacement value basis in 1994–95.

Non-financial performance

Labour productivity on electricity operations has steadily improved from 3.4 GWh per employee in 1987–88 to 7.2 GWh per generation employee. This is partly due to the Authority moving from diesel powered generation to gas for its major generation centres since 1987–88.

POWER AND WATER AUTHORITY (Electricity) Northern Territory

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	3.9	4.5	4.2	6.6	2.4
Return on operating assets	%	3.6	4.3	4.1	6.6	2.1
Operating sales margin	%	8.2	9.5	9.0	14.4	5.5
Return on equity	%	-7.3	-6.8	-6.6	1.7	-0.8
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	1.7
Dividend payout ratio	%	0.0	0.0	0.0	0.0	-215.2
Debt to equity	%	125.3	122.5	115.4	110.9	49.4
Total liabilities to equity	%	145.7	141.4	131.6	130.6	57.7
Current ratio	%	187.2	193.9	225.9	179.3	208.2
Interest cover	%	55.3	61.9	60.4	112.4	84.8
Cost recovery ratio	%	92.1	98.3	107.5	111.2	106.3
Operational performance	%	-3.2	-0.7	3.0	4.4	2.3

Non-financial Ratios**General (Generation, Transmission and Distribution)*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost: (1,8)						
- industrial disputes	%	0.1	0.1	0.0	0.2	0.1
- sick leave	%	n.p.	n.p.	n.p.	3.4	3.7
- industrial accidents	%	0.2	0.3	0.4	0.4	0.4
- all	%	n.p.	n.p.	n.p.	4.0	4.2

Effectiveness

Percentage price change:						
- residential	%	1.5	5.7	1.3	0.6	0.0
- other	%	0.8	4.8	3.0	1.2	0.0
- overall	%	1.1	4.9	2.6	0.8	0.0
Real price index:						
- residential	Index	88.59	91.67	91.61	90.52	87.94
- other	Index	86.28	88.31	89.54	89.11	85.31
- overall	Index	87.14	89.35	90.28	89.46	86.08

POWER AND WATER AUTHORITY (Electricity) (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution) (continued)***Size***

Total assets (1,10)	\$M	410	412	425	443	645
Total revenue (1,2)	\$M	195	187	191	195	203
System maximum demand (3)	MW	150.2	150.0	157.3	159.1	170.1
Average total employment (1)	No	710	616	633	539	529
Service area	Sq km	n.p.	n.p.	n.p.	n.p.	n.p.
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours (1)	1/Mill	2,185	2,763	3,588	4,377	4,066
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Generation***Efficiency***

Load factor	%	62.3	64.5	62.7	63.6	67.9
Capacity factor	%	37.1	38.6	39.3	41.2	44.1
Reserve Plant Margin	%	67.7	67.3	59.5	54.2	53.9
Equivalent available factor	%	98.9	98.9	98.9	98.7	98.8
Labour productivity (exc. construction and mine emp)	GWh/Emp	3.8	4.1	4.4	6.1	7.2
Thermal efficiency	%	34.7	35.6	34.8	35.3	36.1

Service Quality

Equivalent forced outage factor	%	n.p.	0.0	0.0	0.0	n.p.
Planned outage factor	%	n.p.	n.p.	0.1	0.0	n.p.

Size

Total physical output generated	GWh	1,144	1,199	1,198	1,209	1,317
Generating plant capacity	MW	373	381	381	368	391
Changes in generating plant capacity						
- plant added (4)	MW	2.3	7.9	0.0	0.0	22.8
- plant decommissioned (4)	MW	0.0	0.0	0.3	12.6	0.0
- plant in dry storage	MW	0.0	0.0	0.0	0.0	0.0

POWER AND WATER AUTHORITY (Electricity) (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost (1,9)	\$/MWh	27.4	28.0	30.9	28.2	35.9
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- - including fuel cost (1,9)	\$/MWh	115.5	101.6	96.3	94.2	73.4
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- including fixed costs:

- - excluding fuel cost (1,9,10)	\$/MWh	55.3	54.1	56.9	52.7	87.3
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- - including fuel cost (1,9,10)	\$/MWh	143.3	127.8	122.3	118.7	124.7
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Environmental Indicators

CO2 emissions	kg/MWh	172.3	170.5	173.8	172.6	175.3
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Particulate emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	n.p.
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NOX emissions	kg/MWh	n.p.	n.p.	n.p.	n.p.	2.08
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Transmission***Efficiency***

Transmission system reliability (5)	1/Mill	34.9	17.2	n.p.	35.4	n.p.
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Transmission labour productivity (5)	GWh/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
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Transmission equipment utilisation factor (5)	Ratio	0.2	0.2	0.2	0.2	0.2
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Transmission losses (5)	%	0.1	0.1	0.5	2.4	3.0
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Size

Transmission transformer capacity (5)	MVA	465	492	485	518	543
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Transmission circuit kilometres (5,6)	km	341	341	341	341	341
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Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km	\$/km	5,193	5,188	5,129	3,434	3,094
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- - per MWh sold	\$/MWh	2.2	2.2	2.1	1.4	1.2
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- including fixed costs:

- - per circuit km	\$/km	25,490	27,235	27,126	12,971	16,144
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- - per MWh sold	\$/MWh	11.0	11.4	11.1	5.4	6.2
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- excluding fixed costs:

- - per customer	\$/cus	50.5	48.6	46.4	30.1	26.0
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- including fixed costs:

- - per customer	\$/cus	252.6	252.1	245.6	113.6	135.4
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POWER AND WATER AUTHORITY (Electricity) (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution***Efficiency***

Distribution labour productivity	Cus/Emp	118	165	155	168	172
Distribution equipment utilisation factor	Ratio	0.2	0.2	0.2	0.2	0.2
Distribution losses (7)	%	8.4	10.5	4.4	6.2	6.4

Service Quality

Outage response time factor	%	51	62	47	41	n.p.
System average outage frequency factor	No/Cus	5.0	4.7	4.3	5.1	n.p.
Loss of supply factor	Min/Int	257	291	199	209	n.p.

Size

Total number of customers:

- residential	'000	40	45	46	48	50
- other	'000	8	9	9	9	10
- overall	'000	48	54	56	58	59

Total physical output sold to:

- residential	GWh	268	280	300	313	331
- other	GWh	743	753	806	779	858
- overall	GWh	1,011	1,033	1,105	1,092	1,190

Distribution transformer capacity

MVA	600	657	690	712	700
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Distribution circuit kilometres

km	5,062	5,353	5,243	5,225	5,438
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Customer Density:

- customers per distribution circuit kilometre	Cus/km	9	10	11	11	11
- sales (MWh) per circuit kilometre	MWh/km	200	193	211	209	219

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	124.2	131.3	133.0	133.8	133.7
- other	\$/MWh	144.7	151.4	155.6	157.7	155.3
- overall	\$/MWh	139.3	145.9	149.5	150.8	149.3

Operation and maintenance costs:

- excluding fixed costs: (1)

- - per circuit km	\$/km	3,806	3,844	4,340	3,912	1,903
- - per MWh sold	\$/MWh	19.1	19.9	20.6	19.1	8.7

- including fixed costs: (1,10)

- - per circuit km	\$/km	8,999	8,442	8,749	8,592	6,336
- - per MWh sold	\$/MWh	43.8	43.7	42.7	40.4	29.1

POWER AND WATER AUTHORITY (Electricity) (continued)

NOTES TO INDICATORS FOR POWER AND WATER AUTHORITY (ELECTRICITY)

Key: n.p. - not provided; n.r. - not relevant.

- 1) PAWA is an integrated service provider and care should be taken in interpreting trends in assets, equity, revenue and expenses. A significant component of capital assets has been allocated between power and water segments. Total revenue includes a significant component of government contributions for CSOs and to cover operating deficits up to 1993–94. A significant component of corporate level expense and headcount have been allocated between power and water segments, in the published accounts, and between generation and distribution for calculation of OM&A costs. The basis for this allocation has changed from year to year.
- 2) CSO's - Govt contributions fund the cash deficit in the Authority's Aboriginal Essential Services and Water Resources Divisions.
- 3) Only relates to Darwin Katherine interconnected system rather than NT as whole.
- 4) Only net movements available
- 5) Darwin and Katherine have power transmitted at 132kV. The line is privately owned and operated. Any other transmission employment and OM&A costs are included with distribution.
- 6) 11-66kV. Includes 168km private lines.
- 7) Station sent out rather than sent out from transmission system used to calculate distribution losses.
- 8) Days lost = days lost / employee days worked.
- 9) The lease cost component of energy charges was treated as part of fuel costs until 1993–94 and as part of fixed costs in 1994–95.
- 10) Revalued assets and current value depreciation used from 1994–95. Historical values used in previous years.

Comments on own performance

ACTEW was formed in 1988 by the amalgamation of the ACT Electricity Authority with ACT Water. The Electricity Authority had functioned as a separate commercially orientated organisation for many years prior to amalgamation. ACTEW purchases most power from NSW, and a fixed allocation from the Snowy Mountains hydro-electricity scheme, thereafter distributing that power throughout the ACT.

ACTEW supplies electricity to a population of approximately 300 000 people in the Canberra region. Whilst the great majority of ACTEW's operations occur within the urban or town area, care needs to be exercised in interpreting this as a particular benefit for ACTEW's performance data.

The following factors should be taken into account :

- ACTEW's customers are required to expend considerably more on heating requirements than their counterparts in other cities;
- the ACT lacks a substantial industry base, with its larger customers being Parliament House and the Universities;
- the ACT's planned nature and development as a bush city has dictated large open spaces between areas of development, necessitating extensive infrastructure provision for very low population density ratios.

In general stringent planning requirements have often required higher service provision standards than would have been required elsewhere. The ACT has a negligible rural area to service when compared to the urban domestic electrical network and as such its ringed 132kV system permits the isolation of faults and the restoration of service in fairly quick time.

On 1 July 1995, ACTEW became a corporation and is now subject to equivalent income and sales taxes which are included as part of the dividend payment to ACT Government.

ACTEW (Electricity)**A.C.T**

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
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Financial Ratios

Return on assets	%	9.4	7.7	7.7	6.1	8.0
Return on operating assets	%	8.9	7.4	7.5	6.0	7.8
Operating sales margin	%	14.1	11.5	11.9	10.1	13.5
Return on equity	%	10.1	8.2	8.4	6.7	9.0
Dividend to equity ratio	%	7.3	5.7	6.7	3.2	10.5
Dividend payout ratio	%	72.3	69.2	79.5	48.5	116.6
Debt to equity	%	14.0	7.0	5.5	4.1	2.9
Total liabilities to equity	%	30.1	24.0	21.9	16.2	20.5
Current ratio	%	106.2	98.6	99.1	118.2	76.5
Interest cover	%	554.2	591.0	871.5	1,216.3	2,107.7
Cost recovery ratio	%	115.1	113.0	113.6	111.8	114.6
Operational performance	%	8.2	7.4	7.6	6.3	7.4

Non-financial Ratios**General*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	0.0	0.0
- sick leave	%	n.p.	n.p.	n.p.	4.7	3.5
- industrial accidents	%	n.p.	n.p.	n.p.	1.5	0.4
- all	%	n.p.	n.p.	n.p.	6.2	4.0

Effectiveness

Percentage price change:						
- residential	%	3.9	3.5	5.1	0.4	-0.6
- other	%	4.4	2.8	3.5	1.7	-3.5
- overall	%	4.2	3.2	3.9	1.5	-2.4
Real price index:						
- residential	Index	98.77	99.71	103.13	101.82	97.98
- other	Index	99.28	99.58	101.45	101.38	94.73
- overall	Index	97.85	93.56	83.27	82.42	78.06

ACTEW (Electricity) (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>General (continued)</i>						
<i>Size</i>						
Total assets	\$M	371	379	409	421	428
Total revenue	\$M	224	232	242	241	241
System maximum demand	MW	524	562	572	547	556
Average total employment	No	794	798	796	780	751
Service area	Sq km	n.p.	n.p.	2,359	2,359	2,359
Energy imported (1)	GWh	1,569	1,623	1,678	1,648	1,707
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Safety</i>						
Lost injury time per million employee hours	1/Mill	n.p.	62	46	43	40
<i>Distribution</i>						
<i>Efficiency</i>						
Distribution labour productivity	Cus/Emp	139	142	148	157	167
Distribution equipment utilisation factor	Ratio	0.19	0.19	0.19	0.18	0.18
Distribution losses	%	3.33	5.58	4.22	4.41	4.38
<i>Service Quality</i>						
Outage response time factor	Mins	55.0	64.5	70.7	73.8	67.1
- planned	Mins	28.7	36.1	34.9	34.7	30.4
- unplanned	Mins	26.3	28.4	35.8	39.2	36.7
System average outage frequency factor	No/Cus	0.9	1.0	1.3	1.1	0.9
- planned	No/Cus	0.2	0.2	0.3	0.3	0.2
- unplanned	No/Cus	0.7	0.7	1.1	0.9	0.7
Loss of supply factor	Min/Cus	32.5	29.7	47.7	43.5	32.9
- planned	Min/Cus	6.3	8.7	8.7	9.0	5.8
- unplanned	Min/Cus	18.9	21.0	39.0	34.5	27.2
<i>Size</i>						
Total number of customers:						
- residential	'000	99.20	101.90	105.60	109.01	112.76
- other	'000	11.50	11.80	12.20	12.67	11.95
- overall	'000	110.70	113.70	117.80	121.70	124.70

ACTEW (Electricity) (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Distribution (continued)***Size (continued)***

Total physical output sold to:

- residential	GWh	1,004.4	1,001.0	1,051.9	1,015.9	1,041.0
- other	GWh	1,159.7	1,163.8	1,196.6	1,200.0	1,231.3
- overall	GWh	2,164.1	2,164.8	2,248.5	2,215.9	2,272.3
Distribution transformer capacity	MVA	1,287	1,282	1,349	1,379	1,415
Distribution circuit kilometres	km	4,242	4,373	4,483	4,581	4,801
Customer density:						
- customers per distribution circuit kilometre	Cus/km	25.69	25.66	25.81	26.13	25.66
- sales (MWh) per circuit kilometre	MWh/km	510	495	502	484	473

Cost & Revenue Measures

Average price of product:

- residential	\$/MWh	74.20	76.80	80.70	81.02	80.56
- other	\$/MWh	106.40	109.40	113.20	115.10	111.20
- overall	\$/MWh	91.40	94.30	98.00	99.49	97.14

Operating and maintenance costs

- excluding fixed costs:

- - per circuit km	\$/km	6,643	6,537	5,873	5,817	5,588
- - per MWh sold	\$/MWh	13.00	13.20	11.70	12.00	11.81

- including fixed costs:

- - per circuit km	\$/km	14,077	14,085	13,836	14,673	14,381
- - per MWh sold	\$/MWh	27.60	28.50	27.60	30.30	30.39

NOTES TO INDICATORS FOR ACTEW (ELECTRICITY)

Key: n.p. - not provided; n.r. - not relevant.

1) Energy imported from Pacific Power.

**SNOWY MOUNTAINS
HYDRO-ELECTRIC AUTHORITY****Commonwealth****Comments on own performance**

The Snowy Mountains Hydro-electric Authority (SMHEA) was established in 1949 under Commonwealth legislation to construct, and manage the Snowy Mountains Scheme, a dual purpose hydro-electric and irrigation development in the Snowy Mountains. The Scheme's main operations are the collection, storage, diversion and release of water for irrigation purposes and the generation and transmission of environmentally friendly renewable electricity for New South Wales, Victoria and the Australian Capital Territory. The Scheme operates on a cost recovery basis with the costs met by the three electricity customers.

Financial performance

In recent years, the cost recovery basis of operations has resulted in a focus on minimisation of costs rather than on profits or return on assets. The performance data illustrates this, showing increased labour productivity ratios and decreased prices from 1988-89. At the same time low return on assets and low sales margin ratios are indicated. The construction of the Scheme (completed in 1974) has been financed entirely by debt. This capital structure is reflected in the very high gearing ratios. SMHEA's assets were valued on an historical cost basis until 1991-92 when current replacement cost and written down value of the Scheme assets were determined. SMHEA has recorded a loss since 1991-92 as the higher depreciation charges which followed revaluation cannot be recovered under the current pricing arrangements. These accounting changes have caused the reductions in the financial indicators.

Non-financial performance

The Scheme has been designed with mainly peak load generators with low utilisation factors. It provides important support services to the south-east Australian interconnected electricity grid and provides the key electricity transmission link between New South Wales and Victoria. The Authority is confident that the Scheme has a viable future in the forthcoming competitive electricity market.

Over the past five years total employee numbers have reduced significantly, with skills development including multi-skilling being actively addressed. This is reflected in the improving trend in both generation and transmission labour productivity, although influenced by the significant variances in generation. Major refurbishment work will commence in 1997-99 at Murray 1 and Murray 2 power stations.

**SNOWY MOUNTAINS
HYDRO-ELECTRIC AUTHORITY**

Commonwealth

Units 1990-91 1991-92 1992-93 1993-94 1994-95
Financial Ratios (1)

Return on assets	%	9.0	0.0	0.0	-0.1	0.0
Return on operating assets	%	8.7	-0.5	-0.3	-0.3	-0.3
Operating sales margin	%	54.0	-8.2	-8.1	-6.2	-6.7
Return on equity	%	39.7	-6.0	-3.1	-3.4	-3.5
Dividend to equity ratio (3)	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (3)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	5707.6	33.1	34.8	36.2	37.7
Total liabilities to equity	%	6205.5	36.5	38.6	39.9	41.6
Current ratio	%	353.6	59.7	36.8	30.6	18.6
Interest cover (2)	%	106.3	-0.3	2.1	-2.7	-1.0
Cost recovery ratio	%	217.6	92.4	92.5	94.2	93.7
Operational performance	%	8.7	-0.5	-0.3	-0.3	-0.3

Non-financial Ratios
General (Generation, Transmission and Distribution)
Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:						
- industrial disputes	%	0.1	0.3	0.0	0.0	0.0
- sick leave	%	3.6	2.5	1.9	2.3	2.5
- industrial accidents	%	0.2	0.3	0.1	0.1	0.2
- all	%	3.9	3.0	2.1	2.4	2.7

Effectiveness

Percentage price change:						
- residential (6)	%	n.r	n.r	n.r	n.r	n.r
- other	%	-23.1	16.4	-22.7	26.8	1.2
- overall	%	-23.1	16.4	-22.7	26.8	1.2
Real price index:						
- residential (6)	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- other (4)	Index	73.06	83.39	63.83	79.65	78.11
- overall (4)	Index	73.06	83.39	63.83	79.65	78.11

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

General (Generation, Transmission and Distribution) (continued)***Size***

Total assets	\$M	1,051	3,923	3,866	3,774	3,687
Total revenue	\$M	164	166	165	169	175
System maximum demand	MW	2,705	2,938	2,550	2,598	3,083
Average total employment (5)	No	813	758	707	688	668
Service area	Sq km	3,200	3,200	3,200	3,200	3,200
Energy imported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy exported	GWh	n.r.	n.r.	n.r.	n.r.	n.r.
Energy wheeled	GWh	n.r.	n.r.	n.r.	n.r.	n.r.

Safety

Lost injury time per million employee hours	1/Mill	30.0	26.6	27.5	22.0	20.0
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Generation***Efficiency***

Load factor	%	24.8	20.0	29.3	24.3	20.7
Capacity factor	%	17.9	15.7	20.0	16.9	17.0
Reserve Plant Margin	%	38.3	27.3	46.7	44.0	21.8
Equivalent available factor (10)	%	86.9	86.6	84.8	83.0	87.0
Labour productivity (exc. construction & mine emp) (7)	GWh/Emp	9.5	9.1	12.6	11.0	10.8
Thermal efficiency	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Equivalent forced outage factor	%	2.2	1.4	1.2	1.5	1.6
Planned outage factor	%	10.8	12.0	14.0	15.5	11.4

Size

Total physical output generated	GWh	5,870	5,151	6,535	5,539	5,582
Generating plant capacity	MW	3,740	3,740	3,740	3,740	3,756
Changes in generating plant capacity:						
- plant added (9)	MW	0	0	0	0	16
- plant decommissioned	MW	0	0	0	0	0
- plant in dry storage	MW	0	0	0	0	0

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Generation (continued)***Cost & Revenue Measures***

Operation and maintenance costs:

- excluding fixed costs:

- - excluding fuel cost	\$/MWh	7.3	8.2	6.2	8.5	9.5
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- - including fuel cost	\$/MWh	7.3	8.2	6.2	8.5	9.5
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- including fixed costs:

- - excluding fuel cost (7)	\$/MWh	21.7	39.7	30.3	38.9	43.6
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- - including fuel cost	\$/MWh	21.7	39.7	30.3	38.9	43.6
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Environmental Indicators

CO2 emissions	kg/MWh	0	0	0	0	0
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Particulate emissions	kg/MWh	0	0	0	0	0
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NOX emissions	kg/MWh	0	0	0	0	0
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Transmission***Efficiency***

Transmission system reliability	1/Mill	0	0	0	0	0
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Transmission labour productivity (7)	GWh/Emp	29.7	26.8	34.5	29.8	44.9
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Transmission equipment utilisation factor	Ratio	0.2	0.1	0.2	0.2	0.2
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Transmission losses	%	0	0	0	0	0
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Size

Transmission transformer capacity	MVA	4,062	4,062	4,062	4,062	4,062
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Transmission circuit kilometres	km	270	270	270	270	270
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Cost & Revenue Measures

Operation and maintenance costs:

- excluding fixed costs:

- - per circuit km (7,11)	\$/km	41,455	38,813	43,072	39,997	21,260
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- - per MWH sold	\$/MWh	1.3	1.5	1.3	1.5	0.8
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- including fixed costs:

- - per circuit km (7,11)	\$/km	122,985	187,819	210,030	182,965	97,808
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- - per MWH sold	\$/MWh	5.7	10.0	8.6	8.8	4.8
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- excluding fixed costs:

- - per customer (6)	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
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- including fixed costs:

- - per customer	\$/cus	n.r.	n.r.	n.r.	n.r.	n.r.
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SNOWY MOUNTAINS HYDRO–ELECTRIC AUTHORITY (continued)

NOTES TO INDICATORS FOR SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

Key: n.p. - not provided; n.r. - not relevant.

- 1) Notes to Financial ratios: The Authority's assets were valued at historical cost until 1991–92, when the current replacement cost and written down value were determined by independent consultants and subjected to audit. Due to the increased depreciation charges SMHEA recorded a loss since that time. These accounting changes have caused the reductions in the financial ratios. The Authority operates under a cost recovery process and cannot accumulate equity. The earnings consist mainly of profit on sale of land and buildings. The Authority is not subject to income tax nor pay tax equivalents.
- 2) Gross interest expense includes amortisation of inscribed stock discount.
- 3) The Authority does not pay dividends nor distribute profits in any way.
- 4) Weighted capital city CPI used for Sydney, Canberra and Melbourne.
- 5) Number of staff is equivalent full time personnel of the Authority (including trainees and apprentices) plus EC operators. The distribution of employee numbers to generation and transmission has been achieved by allocating the total workforce uniformly across areas in proportion to total labour costs.
- 6) The Authority is not involved in distribution to retail customers.
- 7) All support costs and employee numbers have been proportionally distributed to Transmission or Generation.
- 8) The Authority does not buy or sell electricity across State borders other than in normal operations.
- 9) Additional plant capacity results from refurbishment of Tumut 1 and Tumut 2 Power Stations.
- 10) MWh losses have been defined as scheduled and unscheduled outages.
- 11) This measure in \$/MWh.
- 12) The Authority's grid system consists of small number of kilometers and six substations.

2 GAS AND TRANSMISSION

GASCOR (Victoria)	117
Gas Transmission Corporation (Victoria)	125
AlintaGas	129

Comments on own performance

The Gas and Fuel Corporation of Victoria (GFCV) was formed by the Victorian Government in 1950 from two privately owned gas companies. One of its long term goals was the unification of the Victorian Gas Industry. This was completed in 1973. In 1965 Natural Gas was discovered in Bass Strait by Esso/BHP and by 1969 gas production had ceased in the metropolitan area. Natural gas penetration of the Victorian energy market rose spectacularly from less than 10 per cent in 1970 to around 57 per cent by 1985. In more recent years, energy market share has stabilised in what has become a mature market.

Restructuring

Since 1991 the Corporation has been restructuring and downsizing. At 30th June 1995, GASCOR (trading as Gas and Fuel) had a total of 3091 employees. GASCOR is the new distribution and marketing entity created after the separation of transmission functions into a new Gas Transmission Corporation. The exploration arm has also been divested. Gas and Fuel is now 100 per cent owned by the Victorian Government.

Gas and Fuel is focusing on core activity which covers the construction and maintenance of distribution mains, purchase of gas and transmission services, marketing and supply of gas to domestic, industrial, and commercial customers, and technical and support activities related to these. Such non-core activity as appliance maintenance is being reorganised as a third-party activity. Core distribution work is also being restructured to introduce competition.

Financial performance.

The Corporation paid State Equivalent Income Tax for the first time in 1993–94 and Wholesale Sales Tax Equivalent for the first time in 1994–95. An operating profit of \$128.1 million was achieved from operating revenue of \$1225 million. Higher sales were partly achieved by colder than normal weather but profit mainly reflects the increased efficiency from major restructuring. The rewards are being passed on to customers. A significant increase in the producer cost of gas bought for industrial contract customers was absorbed with no tariff increases.

Non-financial Performance

Gas and Fuel maintains a high penetration of domestic and industrial markets with very high connection rates and high consumption in residential homes. These in turn are the result of competitive gas prices and a strong marketing presence. Utilisation of distribution assets is influenced by high penetrations and by the peaky domestic winter heating load.

Comments on own performance (continued)

In 1994–95, Healesville in the upper Yarra Valley was reticulated with natural gas and Moama in NSW was being reticulated by the end of the year. Tempered liquefied petroleum gas was replaced by natural gas supply in Hamilton.

GASCOR**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	14.0	15.0	31.1	16.0	16.0
Return on operating assets	%	13.4	14.5	32.7	16.5	16.0
Operating sales margin	%	15.3	16.0	35.6	21.3	17.8
Return on equity	%	24.6	29.6	80.7	23.8	28.5
Dividend to equity ratio	%	25.0	30.2	57.0	22.3	25.5
Dividend payout ratio	%	101.5	101.8	70.7	93.6	89.5
Debt to equity	%	266.6	258.4	128.4	143.2	105.4
Total liabilities to equity	%	340.8	344.5	174.3	216.8	192.7
Current ratio	%	77.6	73.3	83.1	54.8	54.1
Interest cover	%	161.2	180.5	470.1	322.2	519.3
Cost recovery ratio	%	118.1	120.7	132.5	132.4	124.3
Operational performance	%	13.4	15.6	19.2	18.9	17.5

Non-financial Ratios**GENERAL****Economic Factors**

Total factor productivity	Index	n.c.	n.c.	n.c.	n.c.	n.c.
Economic rate of return	%	n.c.	n.c.	n.c.	n.c.	n.c.

Efficiency

Load factor (6)	%	54.1	52.7	56.0	52.2	51.0
Energy delivered per employee:						
- transmission (4,7)	TJ/Emp	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution (4,7,10,12)	TJ/Emp	n.c.	n.c.	n.c.	n.c.	52.9
- overall (4,7,10,12)	TJ/Emp	29.1	32.4	37.5	41.6	n.c.
Total days lost: (10,11)						
- industrial disputes	%	0.1	0.2	0.4	0.1	1.3
- sick leave	%	4.8	4.9	4.3	3.9	3.5
- industrial (including workcare claims)	%	0.3	0.4	0.4	0.6	0.4
- overall	%	5.2	5.4	5.0	4.5	5.3

Effectiveness

Real price index:						
- residential	Index	92.50	95.90	102.30	107.80	105.70
- commercial	Index	89.80	95.90	96.70	95.90	93.10
- industrial	Index	95.40	99.40	98.30	94.10	94.10

GASCOR (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
GENERAL (continued)						
Effectiveness (continued)						
Real price index:						
- contract (commercial)	Index	96.90	99.90	102.70	100.80	94.10
- contract (industrial)	Index	101.10	104.50	106.80	102.90	101.10
- overall average (all classes)	Index	99.00	103.80	109.60	111.00	110.30
Effectiveness (continued)						
Kilometres of main per employee:						
- transmission (4)	Km/Emp	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution (4,10,12)	Km/Emp	n.c.	n.c.	n.c.	n.c.	6.8
- overall (4,10,12)	Km/Emp	4.3	4.8	5.5	6.3	n.c.
Methane loss between entry and exit points (5)	%	1.8	1.7	1.7	1.6	2.7
Size						
Total assets	\$M	1,181	1,173	1,514	1,468	1,273
Total revenue (9)	\$M	1,004	1,063	1,168	1,102	1,225
Average total employment:						
- transmission (4)	Emp	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution (4,8,10,12)	Emp	n.c.	n.c.	n.c.	n.c.	3,295
- overall (4,8,10,12)	Emp	5,417	4,909	4,326	3,850	n.c.
Gas storage facilities maintained:						
- transmission	'000m ³	n.p.	n.p.	n.p.	n.p.	n.r.
- distribution (4)	'000m ³	n.p.	n.p.	n.p.	n.p.	n.r.
- overall (4)	'000m ³	13,000	13,000	13,000	13,000	n.r.
Total km of mains operated:						
- transmission	Km	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution	Km	n.c.	n.c.	n.c.	n.c.	22,673
- overall	Km	23,394	23,664	24,089	24,438	n.r.
Cost & Revenue Measures						
Operation & maintenance unit costs per GJ delivered: (4)						
- transmission	\$/GJ	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution	\$/GJ	n.c.	n.c.	n.c.	n.c.	1.5
- overall	\$/GJ	1.7	1.6	1.5	1.3	n.c.
Operation & maintenance unit costs per GJ sold: (4)						
- transmission	\$/GJ	n.c.	n.c.	n.c.	n.c.	n.r.
- distribution	\$/GJ	n.c.	n.c.	n.c.	n.c.	1.5
- overall	\$/GJ	2.1	2.0	1.9	1.6	n.c.

GASCOR (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
GENERAL (continued)						
<i>Safety</i>						
Lost time injury frequency rate	No. per mill. hrs	18.4	19.8	13.2	5.4	4.8
DISTRIBUTION						
<i>Efficiency</i>						
Customers per employee (10,11,12)	Cus	222	251	291	334	400
Gas sales per employee (12)	TJ/Emp	n.c.	n.c.	n.c.	n.c.	52.9
<i>Reliability:</i>						
- unplanned customer interruptions per 1000 customers	1/1000	0.5	1.4	0.9	1.6	1.2
- length of customer interruptions	Sec/Cus	9.2	93.8	17.3	349.5	60.0
<i>Telephone response times:</i>						
- calls answered within 20 seconds	%	79.1	64.1	82.1	83.8	83.8
- calls abandoned	%	4.1	5.4	5.7	2.0	2.6
<i>Effectiveness</i>						
Customers per kilometre of main (4a)	Cus/Km	51.4	52.0	52.2	52.7	58.1
Gas sold per kilometre of main (4a)	TJ/Km	6.7	6.7	6.7	6.6	7.7
Unaccounted for gas	%	1.8	1.7	1.7	1.6	2.7
<i>Size</i>						
Total customers (12):						
- residential	'000	1,165	1,192	1,219	1,268	1,277
- commercial	'000	32	33	34	35	36
- industrial	'000	5	5	4	4	4
- contract (commercial)	No	136	142	141	135	133
- contract (industrial)	No	417	407	394	386	393
- contract (large industrial)	No	n.p.	n.p.	n.p.	n.p.	n.c.
- overall (all classes)	'000	1,202	1,230	1,257	1,308	1,318
Peak day delivery	TJ/Day	813	854	813	857	875

GASCOR (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

DISTRIBUTION (continued)***Size (continued)***

Total gas sales:

- residential	\$M	485	535	592	618	692
- commercial	\$M	99	109	116	118	132
- industrial	\$M	254	265	271	271	288
- contract (commercial)	\$M	17	20	19	21	26
- contract (industrial)	\$M	216	224	227	225	242
- contract (large industrial)	\$M	n.p.	n.p.	n.p.	n.p.	n.c.
- total	\$M	836	911	992	1,007	1,112

Cost & Revenue Measures

Average price of product

- residential	\$/GJ	7.4	7.8	8.4	9.1	9.1
- commercial	\$/GJ	6.0	6.4	6.6	6.6	6.4
- industrial	\$/GJ	3.4	3.6	3.6	3.6	3.7
- contract (commercial)	\$/GJ	3.4	3.6	3.7	3.7	3.6
- contract (industrial)	\$/GJ	3.2	3.4	3.4	3.4	3.4
- contract (large industrial)	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.c.
- overall average (all classes)	\$/GJ	5.3	5.7	6.1	6.3	6.4
Operating and maintenance costs per customer (12)	\$/Cus	281	259	241	203	199

GASCOR (continued)

NOTES TO INDICATORS FOR GASCOR

Key: n.p. - not provided: n.r. - not relevant.

- 1) The statutory revenue-based levy called Public Authority Contribution (PAC) is excluded in order to achieve consistency with Profit Before Tax as shown in our Annual Report. PAC is included in Total Expenses (B.25) and is as follows:-

	\$000's
1990-91	242,659
1991-92	264,631
1992-93	287,252
1993-94	291,477
1994-95	921,934

- 2) It should be noted that the 'Dividends Paid' is the amount actually transferred to reserves/provision accounts.
- 3) Total expenses have been revised. They now include cost of sales as well as Public Authority Contributions but exclude extraordinary items.
- 4) Where statistics are broken down into transmission and distribution components, the transmission component can no longer be provided because a separate entity, the Gas Transmission Corporation, now controls gas transmission functions. In this questionnaire, "overall" data cannot hereafter be provided.
- 4a) 1994-95 data reflects distribution only and does not compare with previous years which included transmission data.
- 5) A new method of assessing proportions of unaccounted for gas was undertaken in 1994-95 "Methane lost between entry and exit points" is taken to be the same as Unaccounted For Gas.
- 6) The Corporation's load factor is low compared to other utilities because the Victorian market has an exceptionally 'peaky' domestic winter heating load.
- 7) Energy delivered is assumed to be gas sales.
- 8) The reduction in 1992-93 was due to restructuring. Subsequent reductions are due to downsizing and, in 1994-95, separation of transmission from distribution.
- 9) Does not include abnormal revenue.
- 10) Based on assumptions for FTEs for 1990-91 to 1992-93.
- 11) Affected by separation of transmission functions in 1994-95.
- 12) Year averages for customers, employees, and kilometres of main have been applied throughout.

GAS TRANSMISSION CORPORATION**Victoria****Comments on own performance**

The Gas Transmission Corporation (GTC) was established as a State-owned Corporation on 20 December 1994 following the proclamation of the *Gas Industry Act, 1994*. On its formation, GTC assumed responsibility for ownership and operation of the 2,330 km natural gas transmission pipeline system throughout Victoria and the ownership and operation of liquefied natural gas storage and vaporisation facilities, all formerly owned by the Gas and Fuel Corporation of Victoria (GFCV).

GTC's major customer is the Victorian gas distribution corporation, GASCOR, for which GTC transports natural gas from Esso/BHPP's Longford gas treatment plant supplied from the gas fields and Bass Strait, and from Cultus Resources Ltd's on shore gas treatment plant near Port Campbell supplied from its Otway Basin gasfields. GTC's other major customer is Generation Victoria, which uses gas for use in electricity generation at the Jeeralang and Newport power stations.

GTC's regulatory environment and therefore customer profile is expected to change significantly when open access is introduced to Victoria in the near future.

Financial data for GTC at this stage largely reflects historical valuations inherited from the GFCV.

GAS TRANSMISSION CORPORATION**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	n.r.	n.r.	n.r.	n.r.	n.r.	29.0
Return on operating assets	n.r.	n.r.	n.r.	n.r.	n.r.	29.0
Operating sales margin	n.r.	n.r.	n.r.	n.r.	n.r.	67.1
Return on equity	n.r.	n.r.	n.r.	n.r.	n.r.	279.8
Dividend to equity ratio	n.r.	n.r.	n.r.	n.r.	n.r.	139.9
Dividend payout ratio	n.r.	n.r.	n.r.	n.r.	n.r.	50.0
Debt to equity	n.r.	n.r.	n.r.	n.r.	n.r.	1,835.8
Total liabilities to equity	n.r.	n.r.	n.r.	n.r.	n.r.	2,332.0
Current ratio	n.r.	n.r.	n.r.	n.r.	n.r.	15.9
Interest cover	n.r.	n.r.	n.r.	n.r.	n.r.	259.6
Cost recovery ratio	n.r.	n.r.	n.r.	n.r.	n.r.	339.2
Operational performance	n.r.	n.r.	n.r.	n.r.	n.r.	30.1

Non-financial Ratios**GENERAL****Economic Factors**

Total factor productivity	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Economic rate of return	%	n.r.	n.r.	n.r.	n.r.	n.r.

Efficiency

Load factor	%					
Energy delivered per employee:						
- transmission	TJ/Emp	n.r.	n.r.	n.r.	n.r.	1,494
- distribution	TJ/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	TJ/Emp	n.r.	n.r.	n.r.	n.r.	1,494
Total days lost:						
- industrial disputes	%	n.r.	n.r.	n.r.	n.r.	0.9
- sick leave	%	n.r.	n.r.	n.r.	n.r.	2.7
- industrial (including workcare claims)	%	n.r.	n.r.	n.r.	n.r.	0.0
- overall	%	n.r.	n.r.	n.r.	n.r.	3.6

Effectiveness

Real price index:						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	Index	n.r.	n.r.	n.r.	n.r.	n.r.

GAS TRANSMISSION CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

GENERAL (continued)**Effectiveness (continued)**

- contract (commercial)	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- contract (industrial)	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- overall average (all classes)	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Kilometres of main per employee:						
- transmission	Km/Emp	n.r.	n.r.	n.r.	n.r.	15.6
- distribution	Km/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	Km/Emp	n.r.	n.r.	n.r.	n.r.	15.6
Methane loss between entry and exit points	%	n.r.	n.r.	n.r.	n.r.	1.4

Size

Total assets	\$M	n.r.	n.r.	n.r.	n.r.	219
Total revenue	\$M	n.r.	n.r.	n.r.	n.r.	95
Average total employment:						
- transmission	Emp	n.r.	n.r.	n.r.	n.r.	150
- distribution	Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	Emp	n.r.	n.r.	n.r.	n.r.	150
Gas storage facilities maintained:						
- transmission	'000m ³	n.r.	n.r.	n.r.	n.r.	13,000
- distribution	'000m ³	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	'000m ³	n.r.	n.r.	n.r.	n.r.	13,000
Total km of mains operated:						
- transmission	Km	n.r.	n.r.	n.r.	n.r.	2,330
- distribution	Km	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	Km	n.r.	n.r.	n.r.	n.r.	2,330

Cost & Revenue Measures

Operation & maintenance unit costs

per GJ delivered:						
- transmission	\$/GJ	n.r.	n.r.	n.r.	n.r.	0.3
- distribution	\$/GJ	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	\$/GJ	n.r.	n.r.	n.r.	n.r.	0.3

Operation & maintenance unit costs

per GJ sold:						
- transmission	\$/GJ	n.r.	n.r.	n.r.	n.r.	n.r.
- distribution	\$/GJ	n.r.	n.r.	n.r.	n.r.	n.r.
- overall	\$/GJ	n.r.	n.r.	n.r.	n.r.	n.r.

GAS TRANSMISSION CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

GENERAL (continued)**Safety**

Lost time injury frequency rate	No. per mill. hrs	n.r.	n.r.	n.r.	n.r.	10.3
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Transmission**Efficiency**

Additional demand capacity	%	n.r.	n.r.	n.r.	n.r.	108.7
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Size

Compressor stations operated	No	n.r.	n.r.	n.r.	n.r.	2
Peak day delivery	TJ/Day	n.r.	n.r.	n.r.	n.r.	1,078
Total kilometres of pipeline operated	Km	n.r.	n.r.	n.r.	n.r.	2,330

NOTES TO INDICATORS FOR GAS TRANSMISSION CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

Comments on own performance

There has been substantial changes in the natural gas market in WA during 1994–95. AlintaGas was created on 1 January 1995 and took over the gas business previously operated by SECWA. Pre-existing purchase and sales contracts were changed and gas is now supplied direct by Woodside to Alcoa, Western Power and Hamersley Iron and Robe River in the Pilbara. AlintaGas's gas market share is now 30 per cent compared to the 92 per cent previously existing for SECWA. AlintaGas is concerned with the transmission and distribution of gas in Perth and four regional centres. Regulatory functions are managed by the Office of Energy. Gas is transported through AlintaGas's 1500 kilometre pipeline from the North West to the populous South West of the State. Access to this transmission line is now available at transparent prices to gas shippers and capacity has been granted to five shippers. Gas sales are made to tariff customers and to larger contract customers. Tariff prices have not increased since 1991.

Financial performance

Gas is a seasonal business and the six month result is not indicative of half of one years performance. Because of the change of the business, previous years financial data does not reflect the present business. Significant financial aspects for the six months of operation are:

- a high debt to equity ratio is carried by AlintaGas;
- the largest item of expense is interest payments; and
- AlintaGas is required to pay equivalent taxes including company income tax each year to the State Government.

Non-financial performance

Close control over staff numbers has ensured a high labour productivity ratio in both transmission and distribution. A serious break to the distribution system caused by accidental damage by an external party impacted on the reliability measures during the period. Separate data where possible is provided for the transmission business and for the distribution business.

ALINTAGAS**Western Australia**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,8)

Return on assets	n.r.	n.r.	n.r.	n.r.	n.r.	4.6
Return on operating assets	n.r.	n.r.	n.r.	n.r.	n.r.	4.5
Operating sales margin	n.r.	n.r.	n.r.	n.r.	n.r.	34.9
Return on equity	n.r.	n.r.	n.r.	n.r.	n.r.	1.7
Dividend to equity ratio	n.r.	n.r.	n.r.	n.r.	n.r.	0.0
Dividend payout ratio	n.r.	n.r.	n.r.	n.r.	n.r.	0.0
Debt to equity	n.r.	n.r.	n.r.	n.r.	n.r.	1,369.1
Total liabilities to equity	n.r.	n.r.	n.r.	n.r.	n.r.	1,417.4
Current ratio	n.r.	n.r.	n.r.	n.r.	n.r.	60.3
Interest cover	n.r.	n.r.	n.r.	n.r.	n.r.	102.1
Cost recovery ratio	n.r.	n.r.	n.r.	n.r.	n.r.	153.6
Operational performance	n.r.	n.r.	n.r.	n.r.	n.r.	4.5

Non-financial Ratios***GENERAL (both Transmission and Distribution)******Economic Factors***

Total factor productivity	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Economic rate of return	%	n.r.	n.r.	n.r.	n.r.	n.r.

Efficiency

Load factor (1)	%	83	72	67	81	82
Energy delivered per employee: (3)						
- transmission	TJ/Emp	n.p.	n.p.	1,073	1,132	1,054
- distribution	TJ/Emp	n.p.	n.p.	n.p.	n.p.	117
- overall	TJ/Emp	205	222	232	266	316
Total days lost:						
- industrial disputes	%	4.2	0.1	0.1	0.1	0.1
- sick leave	%	2.2	2.0	2.0	1.9	1.2
- industrial (including workcare claims)	%	2.3	0.4	0.1	0.1	0.3
- overall	%	3.2	2.5	2.2	2.1	1.5

Effectiveness

Real price index:						
- residential	Index	106.0	105.8	104.1	101.9	100.8
- commercial (6)	Index	110.1	96.9	104.1	94.5	n.r.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.

ALINTAGAS (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

GENERAL (both Transmission and Distribution) (continued)**Effectiveness**

- contract (commercial)	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (industrial)	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- overall average (all classes) (2)	Index	113.7	101.3	107.9	98.9	n.r.
Kilometres of main per employee:						
- transmission	Km/Emp	n.p.	n.p.	n.p.	n.p.	10.8
- distribution	Km/Emp	n.p.	n.p.	n.p.	n.p.	23.1
- overall	Km/Emp	12.8	13.8	15.0	15.5	19.4
Methane loss between entry and exit points	%	n.c.	n.c.	n.c.	n.c.	n.c.

Size

Total assets (8)	\$M	n.r.	n.r.	n.r.	n.r.	1,548
Total revenue (1,8)	\$M	n.r.	n.r.	n.r.	n.r.	201
Average total employment: (4)						
- transmission	No	125	129	138	147	173
- distribution	No	551	514	469	458	405
- overall	No	676	643	607	605	578
Gas storage facilities maintained:						
- transmission	'000m ³	0	0	0	0	0
- distribution	'000m ³	n.r.	n.r.	0	0	0
- overall	'000m ³	0	0	0	0	0
Total km of mains operated:						
- transmission	Km	n.p.	n.p.	n.p.	n.p.	0
- distribution	Km	n.p.	n.p.	n.p.	n.p.	9,368
- overall (5)	Km	8,649	8,842	9,102	9,400	9,368

Cost & Revenue Measures

Operation & maintenance unit costs per GJ delivered: (2)

- transmission	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.
- distribution	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.
- overall	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.

Operation & maintenance unit costs per GJ sold: (2)

- transmission	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.
- distribution	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.
- overall	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.r.

ALINTAGAS (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

GENERAL (both Transmission and Distribution) (continued)**Safety**

Lost time injury frequency rate	No per mill. hrs	43.0	35.0	19.0	18.2	12.0
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TRANSMISSION**Efficiency**

Additional demand capacity	%	110	97	99	97	102
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Size

Compressor stations operated	No	5	8	8	8	8
Peak day delivery (3)	TJ/Day	398	478	493	485	509
Total kilometres of pipeline operated	Km	1,833	1,833	1,833	1,833	1,876

DISTRIBUTION**Efficiency**

Customers per employee	Cus	378	424	481	519	585
Gas sales per employee (3)	TJ/Emp	n.p.	n.p.	n.p.	n.p.	117
Reliability: (1)						
- unplanned customer interruptions per 1000 customers	1/1000	n.c.	n.c.	1.5	4.0	28.0
- length of customer interruptions	Sec/Cus	11.0	9.0	8.0	18.1	41.0
Telephone response times: (1)						
- calls answered within 20 seconds	%	n.c.	n.c.	n.c.	n.c.	52.2
- calls abandoned	%	n.c.	n.c.	n.c.	n.c.	6.0

Effectiveness

Customers per kilometre of main	Cus/Km	29.5	30.8	32.1	33.5	36.1
Gas sold per kilometre of main (8)	TJ/Km	n.r.	n.r.	n.r.	n.r.	5.1
Unaccounted for gas	%	0.6	0.4	0.3	0.9	n.r.

Size

Total customers:						
- residential	No	257,835	274,000	295,374	320,361	342,855
- commercial	No	5,930	7,100	7,657	6,187	6,320
- industrial	No	n.p.	n.p.	n.p.	n.p.	234.00

ALINTAGAS (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

DISTRIBUTION (continued)***Size (continued)***

Total customers:

- contract (commercial)	No	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (industrial)	No	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (large industrial)	No	n.p.	n.p.	n.p.	n.p.	n.p.
- overall (all classes)	No	263,765	281,100	303,031	326,548	349,409

Peak day delivery (3)

TJ/Day	398	478	493	485	509
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Total gas sales: (1)

- residential	\$M	71	73	82	84	38
- commercial	\$M	473	432	460	449	10
- industrial	\$M	n.p.	n.p.	n.p.	n.p.	73
- contract (commercial)	\$M	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (industrial)	\$M	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (large industrial)	\$M	n.p.	n.p.	n.p.	n.p.	n.p.

Cost & Revenue Measures

Average price of product

- residential (3)	\$/GJ	14.7	14.8	14.6	14.6	14.9
- commercial (3)	\$/GJ	4.4	3.9	4.2	3.9	14.2
- industrial (7)	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (commercial)	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (industrial)	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.p.
- contract (large industrial)	\$/GJ	n.p.	n.p.	n.p.	n.p.	n.p.
- overall average (all classes) (2)	\$/GJ	4.9	4.4	4.7	4.4	n.r.

Operating and maintenance costs
per customer (2)

\$/Cus	n.c.	n.c.	n.c.	n.c.	n.r.
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ALINTAGAS (continued)

NOTES TO INDICATORS FOR ALINTAGAS

Only the 1994–95 figures relate to AlintaGas. Previous year's data relate to the gas business of SECWA. AlintaGas commenced business on 1 January 1995.

Key: n.p. - not provided; n.r. - not relevant.

- 1) The data relates to AlintaGas for 6 months to 30 June 1995.
- 2) Not relevant because of only 6 months operation of AlintaGas.
- 3) This operational data relates to the 1994–95 full year period.
- 4) For 1994–95 the number of employees at 30 June 1995 has been used.
- 5) The length of the gas distribution system has been determined through a more accurate computer based system. Data previous to 1995 did not have the same degree of accuracy.
- 6) Based on no tariff increase since 1991 for commercial customers. This is the best estimate of the average price to business tariff customers for the 1994–95 year. Previous years data includes contract sales and business tariff sales and is not comparable.
- 7) Industrial customers are considered to be the contract customers.
- 8) Prior years data deleted as not meaningful for comparison purposes.

3 WATER, SEWERAGE, DRAINAGE AND IRRIGATION

Hunter Water Corporation (NSW)	137
Sydney Water Corporation (NSW)	141
Gosford City Council Water and Sewerage Programs (NSW)	147
Wyong Shire Council (Water Department) (NSW)	153
Melbourne Water Industry (Victoria)	159
Barwon Water (Victoria)	163
Brisbane City Council Water and Sewerage Dept. (Queensland)	169
Gold Coast Water (Queensland)	175
Department of Primary Industries Water Resources (Queensland)	179
Engineering and Water Supply Department (SA)	189
Water Authority of Western Australia	199
Hobart Regional Water Board (Tasmania)	213
Rivers and Water Supply Commission, North Esk (Tasmania)	219
North West Regional Water Authority (Tasmania)	225
Power and Water Authority (Water) (NT)	231
ACTEW (Water) (ACT)	239

HUNTER WATER CORPORATION**New South Wales****Comments on own performance**

In January 1992, the Hunter Water Board changed from a traditional statutory public authority supplying water, waste water and drainage services to a State Owned Corporation known as the Hunter Water Corporation.

The Hunter Water Corporation now supplies water, waste water and drainage services to nearly half a million people living in the Lower Hunter Valley. The customer base is approximately 95 per cent residential, four per cent commercial and one per cent industrial. Its charter is to be commercially successful while delivering value for money water, waste water and associated services in an environmentally responsible manner.

Corporatisation has given Hunter Water clear lines of responsibility and empowers the organisation to pursue commercial objectives while being held accountable for its actions within the defined framework of its Operating Licence, Statement of Corporate Intent & Customer Charter.

The provision of water and waste water services is a highly capital intensive operation involving assets with a replacement value of \$1.6 billion. Since 1982 Hunter Water has been following a process of demand management through 'user pays' price reform. This has significantly reduced water use. Hunter households now use over 30 per cent less water, only 204 kilolitres per annum, which is considerably less than elsewhere in Australia. This reduction has permitted the deferment of major capital expenditure, and has enabled the reduction of a backlog of sewerage services, and an increased emphasis on the quality of service provided and environmental improvement works.

At the same time outstanding debt has been reduced. The cost of financing the large asset base is 10 per cent of recurrent income. Full current cost depreciation provisions of 34 per cent of recurrent income have been introduced to ensure ongoing asset renewal. Significant improvements in operational efficiencies also have been achieved. The number of employees required per property has fallen by almost 40 per cent since 1991-92 and overall operations, maintenance and administration costs per property served have been reduced by over 18 per cent in real terms over the same four year period.

Corporatisation encourages further gains in efficiency, and higher returns to the State as owner, and will establish a clear commercial objective for the Corporation, with community service obligations clearly identified and funded by the Government.

HUNTER WATER CORPORATION**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (1)	%	2.4	2.7	2.4	2.2	1.8
Return on operating assets	%	1.3	2.0	2.0	2.0	1.6
Operating sales margin	%	15.2	24.2	24.2	24.4	20.7
Return on equity (2)	%	0.8	0.9	0.1	0.3	0.4
Dividend to equity ratio	%	0.4	0.6	0.8	0.9	1.2
Dividend payout ratio (2)	%	46.5	69.3	1,052.6	287.2	329.7
Debt to equity	%	16.7	14.4	11.7	10.7	5.6
Total liabilities to equity	%	26.1	22.2	17.3	16.2	9.8
Current ratio	%	138.1	98.7	94.4	109.8	135.7
Interest cover	%	138.7	168.7	171.2	187.6	275.6
Cost recovery ratio	%	123.2	124.8	132.0	132.2	126.1
Operational performance	%	1.6	1.6	2.0	2.0	1.6

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	1.72	1.67	1.69	2.02	1.62

Efficiency

System water loss	%	20.00	22.00	19.00	18.00	17.00
OMA cost per 100km of main:						
- water	\$'000/ 100km	1,024	1,045	881	841	885
- sewerage	\$'000/ 100km	878	759	736	687	622
- drainage	\$'000/ 100km	1,702	1,459	1,436	1,250	1,221
Employees per 1000 properties served	Emp/ '000Prop	6.69	6.25	5.65	4.96	4.37
Total days lost	%	4.10	4.00	3.60	3.70	3.90

Effectiveness

Real price index	Index	95.00	93.00	92.00	86.00	81.00
Real price movement by customer group:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.

HUNTER WATER CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Properties served per km of main:						
- water	No/km	42.90	43.20	43.60	44.00	44.90
- sewerage	No/km	45.40	45.40	45.60	45.40	46.30
- drainage	No/km	563.8	563.8	574.5	574.5	595.7
Unsewered properties (% of total properties)	%	15.60	14.10	11.00	10.00	8.00
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	83.00	96.70	97.90	99.50	99.90
Compliance with water quality standards	%	97.00	94.00	96.00	97.00	96.20
Water restrictions	%	0.00	17.00	0.00	0.00	8.50
Properties with service interruption	%	n.p.	26.40	23.20	24.50	29.05
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	88.00	91.00	89.00	88.00	90.00
Main breaks per 100 km (water)	No/100km	54.80	43.00	38.70	46.60	49.30
Sewer chokes per 100 km	No/100km	145.4	175.1	144.5	171.9	170.6
<i>Size</i>						
Total assets (1)	\$M	1,686	1,739	1,705	1,675	1,675
Total revenue (3)	\$M	147	143	140	137	130
Total employment	No	1,106	1,021	934	799	740
Pipeline length:						
- water	km	3,895	3,936	3,965	4,015	4,052
- sewerage	km	3,107	3,215	3,373	3,499	3,604
- drainage	km	94.00	94.00	94.00	94.00	94.00
Properties served:						
- water	'000	167	170	173	177	182
- sewerage	'000	141	146	154	159	167
- drainage	'000	53	54	54	54	56
New housing allotments served	No	2,900	3,300	3,018	3,678	4,893
Megalitres of water supplied	'000MI	84.60	81.20	74.40	76.50	74.80
Volume of sewage treated	'000MI	34.70	36.10	37.60	39.30	42.80
Sewage treatment ratios:						
- primary	%	46.00	46.00	6.00	2.00	0.00
- secondary	%	15.00	15.00	49.00	53.00	57.00
- tertiary	%	39.00	39.00	45.00	45.00	43.00

HUNTER WATER CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	388.4	371.6	366.9	369.0	343.7
- sewerage	\$/Prop	351.3	352.8	331.6	300.6	259.8
- drainage	\$/Prop	42.46	41.28	41.10	40.91	40.22
Average revenue per kl:						
- residential	\$/kl	n.p.	n.p.	2.28	2.25	2.31
- commercial	\$/kl	n.p.	n.p.	2.37	1.88	1.38
- industrial	\$/kl	n.p.	n.p.	0.98	0.93	0.85
- other	\$/kl	n.p.	n.p.	1.40	1.54	1.85
- total	\$/kl	0.99	1.00	1.95	1.84	1.74
OMA costs per property served:						
- water	\$/Prop	238.8	241.7	202.1	191.2	197.1
- sewerage	\$/Prop	193	167	162	151	134
- drainage	\$/Prop	30.31	25.56	24.97	21.65	20.59

NOTES TO INDICATORS FOR HUNTER WATER CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) Assets are valued at written down replacement cost. Estimates of current replacement values prior to 1990-91 have not been audited.
- 2) On 1 January 1992 Hunter Water became a State Owned Corporation, with a liability for income tax at the standard company rate.
- 3) The Community Service Obligations included in total revenue are dominated by rebates to pensioners. Receipts from the State Government for CSOs have been : 1987-88 \$2.165M, 1988-89 \$2.521M, 1989-90 \$2.565M, 1990-91 \$2.594M, 1991-92 \$4.559M and 1992-93 \$6.348M, 1993-94 \$7.111M 1994-95 \$7.706M.

Comments on own performance

Sydney Water was established as a State Owned Corporation on 1 January 1995 with the key objectives of being a successful business, protecting the environment and protecting public health.

In order to improve efficiency and operate as a successful business, Sydney Water has divested itself of any regulatory functions. In addition, it has implemented a Holding Company/Subsidiary model to enhance the delivery of services to its customers.

Financial performance:

The key financial outcomes of 1994–95 were:

- maintenance of sound profitability and financial performance ratios;
- continued efficiency improvements;
- positive cashflow generated and no recourse to new borrowings in financing capital investment;
- commercial dividend recommended to voting shareholders; and
- further progress in pricing reform and the elimination of property tax.

Non-financial performance

Efficiency of overall performance has continued to improve. The operating result increased by over 5.4 per cent in 1994–95. Over the past twelve months, the number of employees required to serve 1,000 properties fell from 5.4 to 4.4.

Efficiency improvements were achieved whilst meeting all regulatory requirements and achieving improvements in system operation, eg, a reduction in system water loss.

SYDNEY WATER CORPORATION**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (2)	%	4.3	3.1	2.2	2.5	2.2
Return on operating assets	%	3.8	2.7	2.0	2.5	2.0
Operating sales margin	%	35.4	27.2	22.3	27.9	21.0
Return on equity	%	3.0	1.8	0.6	1.1	0.6
Dividend to equity ratio (1)	%	1.7	0.6	0.3	0.5	0.5
Dividend payout ratio	%	56.6	34.4	50.0	40.3	88.2
Debt to equity	%	16.2	14.9	14.2	14.2	15.8
Total liabilities to equity	%	22.1	20.4	19.7	19.2	21.8
Current ratio	%	68.0	33.8	32.0	37.4	70.6
Interest cover	%	231.7	190.6	161.4	203.0	158.9
Cost recovery ratio	%	141.1	130.9	128.7	134.7	130.6
Operational performance	%	2.8	2.3	2.0	2.2	2.2

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	2.94	2.48	2.40	2.60	2.66

Efficiency

System water loss	%	n.p.	n.p.	21.0	20.0	16.8
OMA cost per 100km of main:						
- water	\$'000/ 100km	1,373	1,459	1,483	1,466	1,364
- sewerage	\$'000/ 100km	1,559	1,656	1,742	1,598	1,593
- drainage	\$'000/ 100km	2,483	2,656	1,491	1,661	2,988
Employees per 1000 properties served	Emp/ '000 Prop	7.1	6.8	6.4	5.4	4.4
Total days lost	%	3.5	2.9	4.5	3.7	4.0

Effectiveness

Real price index (11)	Index	104.7	106.7	105.3	100.6	89.0
Real price movement by customer group:						
- residential	Index	98.7	97.9	98.5	100.7	98.8
- commercial	Index	109.8	117.4	113.1	98.8	72.0
- industrial	Index	106.9	107.5	104.4	91.0	69.8

SYDNEY WATER CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Properties served per km of main:						
- water	No/km	65.70	66.10	66.50	67.20	72.29
- sewerage	No/km	59.80	60.20	60.80	61.70	66.42
Unsewered properties (% of total properties)	%	5.2	4.9	4.7	4.1	3.7
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	64.6
<i>Service Quality</i>						
Compliance with sewerage effluent standards (3)	%	99.0	99.0	97.0	98.4	n.p.
Compliance with water quality standards	%	93.0	93.0	89.0	95.0	90.0
Water restrictions	%	0.0	0.0	0.0	0.0	100.0
Properties with service interruption (4)	%	n.p.	n.p.	n.p.	3.1	10.7
Average interruption duration (5)	Hr	n.p.	n.p.	n.p.	n.p.	4.5
Service restored within 5 hours (6)	%	n.p.	n.p.	n.p.	n.p.	92.0
Customer satisfaction results (7)	%	88.0	92.0	70.0	76.0	n.p.
Main breaks per 100 km (water)	No/100km	41.3	35.0	37.2	35.3	26.5
Sewer chokes per 100 km	No/100km	24.6	57.8	60.1	73.4	85.7
<i>Size</i>						
Total assets (2)	\$M	13,374	14,273	14,627	14,931	13,570
Total revenue	\$M	1,415	1,404	1,319	1,302	1,318
Total employment	No	9,367	9,142	8,629	7,326	5,965
Pipeline length:						
- water	km	20,160	20,295	20,413	20,561	20,686
- sewerage	km	21,010	n.p.	21,302	21,448	21,676
- drainage	km	321	321	354	354	354
Properties served:						
- water (8)	'000	1,325	1,342	1,358	1,380	1,495
- sewerage (9)	'000	1,256	1,275	1,295	1,324	1,440
- drainage	'000	325	330	332	410	377
New housing allotments served (10)	No	6,500	7,900	8,068	8,100	8,956
Megalitres of water supplied	'000MI	673	634	595	625	569
Volume of sewage treated	'000MI	454	455	485	463	426
Sewage treatment ratios:						
- primary	%	79.10	83.30	81.80	83.10	83.00
- secondary	%	6.70	1.20	4.20	3.90	4.00
- tertiary	%	14.00	15.30	14.00	13.00	13.00

SYDNEY WATER CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per						
property:						
- water	\$/Prop	359	363	357	372	345
- sewerage	\$/Prop	516	547	550	497	417
- drainage	\$/Prop	61	66	67	59	55
Average revenue per kl:						
- residential	\$/kl	1.88	1.97	2.18	2.17	2.26
- commercial	\$/kl	5.99	6.74	6.81	5.83	4.71
- industrial	\$/kl	2.58	2.81	3.02	2.71	2.32
- other	\$/kl	1.37	1.60	1.78	1.63	1.49
- total	\$/kl	2.15	2.44	2.60	2.38	2.41
OMA costs per property served:						
- water	\$/Prop	209	221	223	218	189
- sewerage	\$/Prop	261	275	287	259	240
- drainage	\$/Prop	25	26	16	17	28

SYDNEY WATER CORPORATION (continued)

NOTES TO INDICATORS FOR SYDNEY WATER CORPORATION

Key: n.p. - not provided: n.r. - not relevant.

- 1) This indicator was affected by a special dividend of \$100 million in 1991–92.
- 2) The system assets are valued at written down current replacement cost based on estimates of modern engineering equivalent replacement asset values.
- 3) Sydney Water’s licensing regime does not permit reporting as a single percentage figure any longer. Reports are detailed and are made on each license.
- 4) Properties with service interruption - water supply only.
- 5) Average interruption duration - water supply only.
- 6) Service restored within 5 hours - sewerage only.
- 7) Sydney Water collected customer satisfaction survey data in September 1995 relating to 1994–95. Our overall performance was a mean rating of 7.2 out of 10 for residential customers and 7.4 out of 10 for commercial/industrial customers.
- 8) In 1994–95 the method for calculating property numbers was amended. This caused the number of properties served to increase significantly. Applying the amended method retrospectively, the number of properties served (water) would be 1,409,058 for 1990–91, 1,424,416 for 1991–92, 1,443,447 for 1992–93 and 1,466,667 for 1993–94.
- 9) In 1994–95 the method for calculating property numbers was amended. This caused the number of properties served to increase significantly.
- 10) The total number of new residential allotments created plus the number of multi-unit dwellings completed in the Sydney region release areas in the State Government’s Urban Development Program.
- 11) Real price indices have been determined on the basis of average bill per service per property weighted by each service’s contribution to total revenue. Because the customer base is dynamic, both in terms of numbers served and their demands on services, such methodology does not provide a true indication of movement in the prices an authority charges for the services it provides. For example, revenue may increase merely because of an increase in water use. All other things being equal, the average bill per property would also increase without there being any increase in the prices charged by the water authority. Because revenue is derived from a combination of fixed and usage charges which vary from property to property and do not necessarily correlate with units of output, it is difficult to isolate in a single index the true movement in the prices for services

SYDNEY WATER CORPORATION (continued)

NOTES TO INDICATORS FOR SYDNEY WATER CORPORATION (continued)

- 11) (continued) provided. Caution therefore needs to be exercised in using the indices to compare price movements from authority to authority. (Perhaps a more appropriate indicator of price movements would be to establish a series of benchmark properties and look at the impact of prices on those properties from year to year, assuming a constant demand for service.)

GOSFORD CITY COUNCIL**New South Wales****WATER AND SEWERAGE PROGRAMS****Comments on own performance***Background*

Gosford City Council is a multi-purpose local government organisation which provides water and sewerage services to its local government area as well as other traditional local government services such as transport facilities, community facilities, drainage, parks, reserves, etc. The water and sewerage activities are carried out under the provisions of the *Water Supply Authorities Act 1987* and the Council operates under a joint water supply headworks infrastructure with the adjacent Wyong Council under the coordination of a Joint Water Supply Committee. The Committee contains representatives of both staff and elected members of each Council.

Current operations

Gosford City Council currently provides approximately 130,000 residents with water and sewerage services. Water supply is sourced from a number of dams located within the Council's local government area and effluent from its sewerage treatment works is discharged to the South Pacific Ocean. Regulations and operating environment are similar to most New South Wales multi-purpose local government councils. The Council as a general purpose authority has the power to effectively manage environmental issues in accordance with total catchment management principles.

Financial performance

Gosford City Council is subject to the Independent Pricing and Regulatory Tribunal which regulates the Council's prices of services. In recent years the Council's charging policies have been subjected to scrutiny by the Government Pricing Tribunal and the Tribunal is expected to determine a five year price path for the Council for the forthcoming five years in early 1996.

Performance

Council has generally continued to perform satisfactorily in the delivery of water and sewerage services and water quality and waste water standards have been met on a continuing basis. The Tribunal in its 1995–96 determination commented

... Council provided information based on the work of consultants engaged jointly by Gosford City and Wyong Councils, relating to efficiency of water and sewerage operations. This information shows that both Councils' cost of provision of water and sewerage compares favourably with other water suppliers in Australia and overseas. The consultant's report also indicates that both Councils have recorded high levels of compliance with current environmental standards for drinking water quality and effluent discharge from treatment plants.

GOSFORD CITY COUNCIL WATER AND SEWERAGE PROGRAMS

Comments on own performance (continued)

Other issues

The Council continues to support review of workplace practices and implementation of changes which result in improved performance and enhanced levels of services or reduced cost of services to its customers/shareholders.

Community service obligations

Community service obligations provided by the Council are subsidies to various community-based groups whereby the Council may provide reduction in cost of services or connection of services non a group by group basis dependent on the merits of the situation. Further, subsidies are provided to pensioners on the basis of \$87.70 per assessment for both water and sewerage. The costs of these community service obligations are shared across all other consumers. Accounts maybe waved or reduced to individual customers who can show hardship of payment if enforced by the Council.

Asset valuation

Since 1994 asset values shown have been based on replacement cost of assets. Depreciation has been applied using the straight line method on the life of the asset. Previous to 1994, historical cost accounting applied.

**GOSFORD CITY COUNCIL
WATER AND SEWERAGE PROGRAMS**
New South Wales

	<i>Units</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994(2)</i>	<i>1994-95</i>
Financial Ratios						
Return on assets (1,3)	%	8.60	8.05	4.18	n.r.	6.30
Return on operating assets (3)	%	8.43	8.15	3.98	n.r.	6.30
Operating sales margin	%	40.46	39.57	20.67	n.r.	36.39
Return on equity (3)	%	4.58	3.89	-0.18	n.r.	4.60
Dividend to equity ratio	%	0.00	0.00	0.00	n.r.	0.00
Dividend payout ratio	%	0.00	0.00	0.00	n.r.	0.00
Debt to equity (3)	%	86.90	83.89	79.67	n.r.	61.10
Total liabilities to equity (3)	%	89.54	88.12	83.43	n.r.	64.20
Current ratio	%	149.25	186.94	182.62	n.r.	220.38
Interest cover	%	139.11	134.44	97.68	n.r.	178.79
Cost recovery ratio	%	167.95	165.48	183.20	n.r.	157.21
Operational performance (3)	%	8.43	8.15	8.74	n.r.	6.30
Non-financial Ratios						
<i>Economic Factors</i>						
Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
System water loss (as % of total volume supplied)	%	8.90	7.20	9.90	n.p.	n.p.
OMA cost per 100km of main						
- water	\$'000/ 100km	1,059	938	458	n.p.	1,135
- sewerage	\$'000/ 100km	737	753	613	n.p.	n.p.
- drainage	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	n.p.
Employees per 1000 properties served	Emp/ '000Prop	4.10	3.80	3.60	n.p.	3.60
Total days lost	%	0.00	0.00	0.00	0.00	0.00
<i>Effectiveness</i>						
Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.

GOSFORD CITY COUNCIL WATER AND SEWERAGE PROGRAMS (continued)

	<i>Units</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994(2)</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Properties served per km of main:						
- water	No/km	67.00	68.00	63.00	n.p.	n.p.
- sewerage	No/km	44.00	45.00	49.00	n.p.	n.p.
- drainage	No/km	n.p.	n.p.	n.p.	n.p.	n.p.
Unsewered properties (% of total properties)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Flooding incidents per 100 km of main (sewers)	No/100km	20.00	19.00	59.00	n.p.	n.p.
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	100.00	100.00	100.00	n.p.	100.00
Compliance with water quality standards	%	100.00	100.00	100.00	n.p.	100.00
Water restrictions	%	0.00	0.00	0.00	0.00	0.00
Properties with service interruption	%	8.20	8.90	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	24.70	27.00	19.30	n.p.	0.05
Sewer chokes per 100 km	No/100km	13.90	61.40	121.00	n.p.	91.50
<i>Size</i>						
Total assets (1)	\$M	332	342	330	n.p.	664
Total revenue	\$M	66	66	61	n.p.	54
Total employment	No	n.p.	213.00	215.00	223.00	223.00
Pipeline length						
- water	km	808	815	887	n.p.	896
- sewerage	km	1,076	1,131	1,160	n.p.	1,172
- drainage	km	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served						
- water	'000	54	55	57	n.p.	58
- sewerage	'000	47	51	57	n.p.	60
- drainage	'000	n.p.	n.p.	n.p.	n.p.	n.p.
New housing allotments served	No	1,006	1,187	n.p.	n.p.	n.p.
Megalitres of water supplied	'000MI	16.8	20.8	15.1	n.p.	16.7
Volume of sewage treated	'000MI	9.9	12.9	11.3	n.p.	12.8
Sewage treatment ratios						
- primary	%	100.00	100.00	100.00	n.p.	100.00
- secondary	%	100.00	100.00	100.00	n.p.	100.00
- tertiary	%	0.00	0.00	0.00	n.p.	0.00

GOSFORD CITY COUNCIL WATER AND SEWERAGE PROGRAMS (continued)

	<i>Units</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994(2)</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	274	261	201	n.p.	n.p.
- sewerage	\$/Prop	539	542	494	n.p.	553
- drainage	\$/Prop	n.p.	n.p.	n.p.	n.p.	n.p.
Average revenue per kl:						
- residential		n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per property served:						
- water	\$/Prop	157	137	71	n.p.	n.p.
- sewerage	\$/Prop	167	168	124	n.p.	119
- drainage	\$/Prop	n.p.	n.p.	n.p.	n.p.	n.p.

**GOSFORD CITY COUNCIL WATER AND SEWERAGE PROGRAMS
(continued)**

NOTES TO INDICATORS FOR GOSFORD CITY COUNCIL WATER AND SEWERAGE PROGRAMS.

Key: n.p. - not provided: n.r. - not relevant.

- 1) Total assets valued at historical cost for 1990–91 to 1992–93. Assets were revalued to written down replacement cost for 1994–95.
- 2) Results for 1 January to 30 June only.
- 3) Figures for 1994–95 based on year end value, not average value.

Comments on own performance

The Central Coast encompasses the City of Gosford and the Wyong Shire. It is considered to be one of the most rapidly developing areas in Australia and forms Sydney's second major growth area after Campbelltown.

Wyong Shire is a multi-purpose Local Government Authority and Water Supply Authority. The Council became a Water Supply Authority in December 1987 having accepted an invitation from the NSW Government to become an Authority and enjoy the greater flexibility in operation provided by the *Water Supply Authorities Act 1987*. The *Water Supply Authorities Act 1987* provides a modern legislative base and greater flexibility to the Council in the management of water and sewerage facilities. State Government Subsidy Schemes as part of the Country Towns Water Supply and Sewerage Program are accommodated by an agreement between the Council and the Minister for Public Works under the *Local Government Act*.

All raising of revenue, operation, maintenance and management of the water supply and sewerage undertakings including any requirements on developers to contribute to the cost of the works provided to service them are administered under the *Water Supply Authorities Act 1987*.

Water and sewerage services are provided to a population of approximately 115,000 of which a significant proportion are retirees. Current growth rate is three to four per cent per annum. As the area is also a major tourist destination the Shire population increases to over 200,000 in holiday periods. This imposes an additional load on water and sewer facilities.

Wyong Shire Council, as a Water Supply Authority, is responsible for the operation, maintenance and construction of the Shire's water supply and sewerage system. Sewerage service is available to all but a handful of properties within the Shire, removing the need for alternate methods of disposal to be installed in urban areas. The Council continues to meet all the water quality parameters required by the Australian National Health and Medical Research Council (NHMRC). It also fully complies with its EPA license for effluent discharges to the ocean from both Norah Head and Bateau Bay outfalls.

The Shire's water supply system is relatively new with most of its infrastructure being less than 30 years old. The system has a replacement value of approximately \$271 million.

In 1994-95 the Council spent \$2.97 million on the water supply system operation and maintenance. This included \$1.1 million on pump stations, \$37,000 on reservoirs, \$879,000 on water supply mains and \$982,000 on water treatment costs.

Comments on own performance (continued)

A formal agreement known as the Gosford/Wyong Joint Water Supply Agreement exists between Wyong Shire Council and Gosford City Council. This agreement provides for the construction, operation, maintenance, use and cost sharing of the joint water supply system which provides water resources to the Central Coast.

WYONG SHIRE COUNCIL (WATER DEPT.)**New South Wales**

Units 1991(1) 1992(1) 1993(1) 1994(2) 1994-95

Financial Ratios - water

Return on assets (3)	%	6.5	5.6	9.3	4.4	6.5
Return on operating assets	%	6.1	5.1	9.1	4.6	6.5
Operating sales margin	%	38.3	36.2	48.8	49.9	47.1
Return on equity (4)	%	3.9	2.8	4.8	4.3	6.2
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (4)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	39.9	35.2	32.0	26.1	10.3
Total liabilities to equity	%	46.2	36.4	34.0	28.0	11.2
Current ratio	%	106.9	128.9	147.2	184.4	133.5
Interest cover	%	168.5	154.5	161.7	378.3	544.6
Cost recovery ratio	%	157.9	148.8	174.3	181.4	185.8
Operational performance	%	5.7	4.4	7.1	3.7	6.3

Financial Ratios - sewerage

Return on assets (3)	%	6.6	7.7	9.3	4.7	4.7
Return on operating assets	%	5.8	7.4	9.0	4.7	4.7
Operating sales margin	%	41.1	47.1	52.9	52.9	38.2
Return on equity (4)	%	0.5	3.0	-0.5	3.7	3.4
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (4)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	73.0	62.1	63.8	51.1	23.2
Total liabilities to equity	%	69.5	65.7	66.4	53.4	24.8
Current ratio	%	117.8	93.6	38.3	57.1	63.6
Interest cover	%	104.3	129.6	97.0	198.1	217.5
Cost recovery ratio	%	166.6	181.3	198.8	206.9	157.5
Operational performance	%	5.5	6.7	7.9	4.5	4.3

Non-financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
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WYONG SHIRE COUNCIL (WATER DEPT.) (continued)

	<i>Units</i>	<i>1991(1)</i>	<i>1992(1)</i>	<i>1993(1)</i>	<i>1994(2)</i>	<i>1994-95</i>
<i>Efficiency (continued)</i>						
OMA cost per 100km of main:						
- water	\$'000/ 100km	n.p.	n.p.	1,277.3	1,295.7	1,203.7
- sewerage	\$'000/ 100km	n.p.	n.p.	1,885.3	1,754.4	1,725.2
- drainage	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	n.p.
Employees per 1000 properties served	Emp/ '000Prop	4.55	4.45	4.35	4.22	4.10
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Effectiveness</i>						
Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main:						
- water	No/km	n.p.	n.p.	60.40	60.50	60.50
- sewerage mains	No/km	n.p.	n.p.	62.10	61.80	61.80
- drainage (5)	No/km	n.p.	n.p.	n.p.	n.p.	n.p.
Unsewered properties (% of total properties)	%	6.50	4.60	4.70	5.20	5.20
Flooding incidents per 100 km of main (sewers)	No/100km	1.00	0.70	0.70	0.70	0.70
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	100.00	100.00	100.00	100.00	100.00
Compliance with water quality standards	%	100.00	100.00	100.00	100.00	100.00
Water restrictions	%	0.00	0.00	0.00	0.00	0.00
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	10.70	2.60	5.38	3.92	3.92
Sewer chokes per 100 km	No/100km	28.00	29.00	35.00	35.00	36.80
<i>Size</i>						
Total assets (3)						
- water	\$'000	116,287	111,065	114,437	114,051	216,838
- sewerage	\$'000	163,589	163,078	162,953	155,912	243,453

WYONG SHIRE COUNCIL (WATER DEPT.) (continued)

	<i>Units</i>	<i>1991(1)</i>	<i>1992(1)</i>	<i>1993(1)</i>	<i>1994(2)</i>	<i>1994-95</i>
<i>Size (continued)</i>						
Total revenue						
- water	\$M	18	16	21	10	22
- sewerage	\$M	24	26	28	14	24
Total employment	No	203	203	203	203	203
Pipeline length:						
- water	km	n.p.	n.p.	772.00	794.00	818.00
- sewerage	km	n.p.	n.p.	715.00	737.00	759.00
- drainage	km	n.p.	n.p.	n.p.	n.p.	180.00
Properties served:						
- water	'000	45	46	47	48	50
- sewerage	'000	42	43	44	46	47
- drainage	'000	n.p.	n.p.	n.p.	n.p.	n.p.
New housing allotments served	No	1,068	937	937	1,185	1,850
Megalitres of water supplied	'000 MI	16.62	13.71	13.63	13.96	13.90
Volume of sewage treated	'000 MI	9.45	9.37	9.72	10.03	10.35
Sewage treatment ratios:						
- primary	%	100.00	100.00	100.00	100.00	100.00
- secondary	%	100.00	100.00	100.00	100.00	100.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00
<i>Cost & Revenue Measures</i>						
Average revenue received per property: (6)						
- water	\$/Prop	n.p.	n.p.	258.37	115.17	291.74
- sewerage	\$/Prop	n.p.	n.p.	446.53	217.96	432.08
- drainage (7)	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Average revenue per kl: (6)						
- residential (8)	\$/kl	n.p.	n.p.	0.79	0.40	1.03
- commercial (8)	\$/kl	n.p.	n.p.	2.37	0.85	1.97
- industrial (9)	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	n.p.	n.p.	1.58	0.61	1.50
OMA costs per property served:						
- water	\$/Prop	157.2	238.7	211.6	214.1	198.9
- sewerage	\$/Prop	213.9	311.3	303.5	283.7	279.0
- drainage	\$/Prop	n.p.	n.p.	n.p.	n.p.	n.p.

WYONG SHIRE COUNCIL (WATER DEPT.) (continued)

NOTES TO INDICATORS FOR WYONG SHIRE COUNCIL (WATER DEPARTMENT)

Key: n.p. - not provided: n.r. - not relevant.

- 1) Council's financial reports were prepared on a calendar year basis until 1994. Figures reported are for the calendar year unless otherwise stated.
- 2) Results for 1 January to 30 June 1994 only.
- 3) All assets brought onto system for 1994-95.
- 4) Council is not subject to taxation.
- 5) To a certain degree all properties are served by drainage.
- 6) Figures calculated for financial years.
- 7) No charge for drainage.
- 8) Water only.
- 9) Included in commercial.

Comments on own performance

In 1991, Melbourne Water Corporation was established from the merger of the Melbourne and Metropolitan Board of Works with six other authorities to the east and south west of Melbourne. Until the end of calendar 1994, Melbourne Water provided integrated water, sewerage, trade waste disposal and drainage services. From 1 January 1995, Melbourne Water was disaggregated into three retail water businesses (City West Water, South East Water and Yarra Valley Water) and a wholesale water business, which retained the name Melbourne Water. The wholesale business provides bulk water and sewerage services to the three retail businesses, and drainage services for Melbourne.

Figures prior to the 1991 merger represent the former Board of Works operations only. In 1991–92 the accounting treatment for development contributions changed — they are now reported as revenue in the profit and loss statement in the year of receipt. Up to and including 1993–94, Melbourne Water's performance indicators were prepared using replacement cost valuations for fixed assets. However, in 1994–95 Melbourne Water reported assets at historic cost.

With the disaggregation of the vertically integrated Melbourne Water in the middle of 1994–95, to facilitate comparative analysis the decision was taken to re-aggregate the statistics for the three retail businesses back into the statistics for the wholesale Melbourne Water business. This process, together with the fact that the data had to be derived for four new businesses has given rise to the need for caution to be exercised in interpreting the 1994–95 statistics published in the following tables. In particular, caution should be expressed to readers against placing too much reliance on apparent trends over the last few years.

Further significant reforms to water pricing were announced in June 1994. The Victorian Government announced that domestic water charges in the Melbourne metropolitan area would increasingly reflect the amount of water a consumer used, and decreasingly the valuation of the consumer's property. The "user pays" proportion of the average water bill was increased from 24 per cent to 31 per cent. This proportion is expected to continue to increase until 2002, when 50 per cent of the average customer's water bill will be for water used and 50 per cent will be property valuation based. The Government has announced that domestic prices and rates are frozen until 1 January 1997.

The data for 1994–95 excludes activities formerly undertaken by Melbourne Water Corporation which are now undertaken by Melbourne Parks and Waterways.

MELBOURNE WATER INDUSTRY**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	4.7	5.1	7.1	12.9	12.7
Return on operating assets	%	4.2	4.8	6.9	12.6	12.8
Operating sales margin	%	41.9	39.4	42.3	49.4	53.3
Return on equity	%	1.0	0.9	3.1	14.5	14.3
Dividend to equity ratio	%	3.1	2.0	5.3	16.7	4.4
Dividend payout ratio	%	320.8	228.3	172.2	115.9	30.5
Debt to equity	%	51.2	50.7	274.6	263.4	261.4
Total liabilities to equity	%	55.5	55.3	299.0	290.7	295.0
Current ratio	%	34.3	17.9	22.9	14.3	22.8
Interest cover	%	115.4	112.6	128.3	164.4	166.9
Cost recovery ratio	%	182.2	203.2	209.2	228.6	243.3
Operational performance	%	4.5	5.8	8.1	13.5	14.1

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.r.
Economic rate of return	%	4.40	5.60	5.80	6.39	n.r.

Efficiency

System water loss	%	18.00	11.00	18.00	21.00	19.90
OMA cost per 100km of main: (3)						
- water	\$'000/ 100km	849	748	752	680	n.p.
- sewerage	\$'000/ 100km	710	715	707	626	n.p.
Employees per 1000 properties served (4)	Emp/ '000 Prop	1.80	1.50	1.10	1.10	1.90
Total days lost	%	5.50	5.40	4.30	3.50	2.00

Effectiveness

Real price index	Index	104.0	107.5	96.5	112.6	n.r.
Real price movement by customer group:						
- residential	Index	110.5	102.6	114.2	123.2	n.r.
- commercial	Index	99.50	111.30	85.80	102.90	n.r.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.r.
Properties served per km of main:						
- water	No/km	65.10	57.00	64.20	64.80	64.80
- sewerage	No/km	61.70	57.50	62.70	63.80	64.80

MELBOURNE WATER INDUSTRY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Unsewered properties (% of total properties)	%	9.62	4.45	6.97	6.70	5.80
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	11.60	15.50	18.40
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	97.00	98.00	98.30	97.10	>97
Compliance with water quality standards	%	97.50	96.50	96.00	98.80	>99
Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	79.0	84.0	80.0	74.0	n.p.
Main breaks per 100 km (water)	No/100km	43.4	30.4	49.8	47.5	n.p.
Sewer chokes per 100 km	No/100km	22.5	37.6	30.5	24.8	27.8
<i>Size</i>						
Total assets (1)	\$M	9,574	10,503	5,213	5,297	5,251
Total revenue (2)	\$M	963	1,251	1,293	1,355	1,253
Total employment	No	5,353	5,057	3,996	2,742	2,450
Pipeline length:						
- water	km	16,276	18,900	19,000	19,110	19,318
- sewerage	km	15,520	17,900	18,100	18,110	18,200
- drainage	km	n.p.	n.p.	n.p.	1,021	1,036
Properties served:						
- water	'000	1,060	1,078	1,219	1,239	1,253
- sewerage	'000	958	1,030	1,134	1,156	1,180
- drainage	'000	910	1,219	1,273	1,304	1,337
New housing allotments served	No	17,000	14,000	117,000	19,000	23,067
Megalitres of water supplied	'000MI	466	482	447	453	482
Volume of sewage treated	'000MI	341	366	330	358	327
Sewage treatment ratios:						
- primary	%	0.0	0.0	0.0	0.0	0.0
- secondary	%	97.3	97.3	98.4	97.8	97.5
- tertiary	%	2.7	2.7	1.7	2.2	2.5

MELBOURNE WATER INDUSTRY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per property: (6)						
- water	\$/Prop	300.5	346.0	316.9	338.1	362.0
- sewerage	\$/Prop	404.5	448.1	422.8	437.7	467.0
- drainage	\$/Prop	65.70	60.84	63.01	64.75	65.65
Average revenue per kl:						
- residential	\$/kl	0.74	0.62	0.86	1.03	n.r.
- commercial	\$/kl	1.66	1.72	1.69	1.77	n.r.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.r.
- other	\$/kl	0.51	0.40	0.43	0.65	n.r.
- total	\$/kl	0.94	0.85	1.04	1.20	n.r.
OMA costs per property served:						
- water	\$/Prop	130	131	117	105	n.r.
- sewerage	\$/Prop	115	124	113	98	n.r.
- drainage (6)	\$/Prop	30	30	36	30	32

NOTES TO INDICATORS FOR MELBOURNE WATER INDUSTRY

Key: n.p. - not provided; n.r. - not relevant.

- (1) Current cost of assets no longer reported. Asset values reported using historic costs from 1992–93.
- (2) 1994–95 figures are net of inter business transactions. Figures for prior years include Metropolitan Improvement Fund activities now undertaken by Melbourne Parks and Waterways.
- (3) Transitional year.
- (4) Basis of 1994–95 figures for properties served not comparable with prior years.
- (5) Excludes billings and collection fee.
- (6) Prior year figures revised to include both rates and charges.

Comments on own performance

The Barwon Region Water Authority (Barwon Water), formally the Geelong and District Water Board - was created on February 1 1994. The Government appointed a Chairman and six skills based members, as the Authority's Board of Management.

Barwon Water's primary role is in the provision of an environmentally sound quality water supply and sewage treatment and disposal system. In the 1994-95 year Barwon Water's structure went through a major reorganisation into five new departments to enable greater business efficiencies to be achieved with improved customer service.

Current operations

The permanent population served by Barwon Water's water supply system was estimated to be 206,660 people. During summer the population of coastal resort townships increases and at such times up to an extra 50,000 people are reliant on Barwon Water for water supply. As at June 30 1995, 90,745 properties were connected to Barwon Water's water supply system.

Financial performance

Barwon Water introduced full 'user pays' pricing in 1993 and has maintained a freeze on tariffs from that time. An operating surplus of \$23.068 million was recorded for the 1994-95 year which will be used to fund capital works and make payments to the State Government. This result was due to a reduction in operating and administrative expenses and unseasonally dry periods.

Costs of servicing debt continued to fall as a percentage of overall costs to 30.29 per cent. Future capital investments are to be funded from retained earnings, with no new borrowings and reductions in the level of existing debt. A steady decline in the debt equity ratio is indicative of the strategy to reduce debt to a long term sustainable position.

The 10 Year Capital Works Investment Plan adopted in April 1995 provides for total expenditure of \$163 million on major projects, system improvements, asset replacements and other works and services.

Non-financial performance

Construction of the \$42 million Black Rock Sewage Treatment Plant Upgrade is well advanced and the plant is expected to be operational during 1996. The plant funded from the Special Environmental Protection Levy meets EPA requirements, provides for environmentally safe disposal of the treated effluent to the ocean and allows for future reuse.

Comments on own performance (continued)

Barwon Water measures performance throughout the organisation using both physical and financial performance measures to review the effectiveness of the various corporate strategies adopted. Key areas of performance measured within Barwon Water include customer service, quality and efficiency of our products and services, benchmarking business performance and allocation of resources to best meet environmental needs with overall performance measurement supporting service quality targets.

BARWON WATER**Victoria**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	7.7	9.6	8.0	8.3	9.8
Return on operating assets	%	6.7	9.6	8.2	8.6	10.2
Operating sales margin	%	34.8	43.7	41.2	42.4	49.5
Return on equity	%	3.3	7.4	4.9	6.6	10.2
Dividend to equity ratio	%	0.0	0.0	1.0	2.1	2.0
Dividend payout ratio	%	0.0	0.0	20.8	31.5	19.7
Debt to equity	%	107.0	100.1	88.9	75.0	75.3
Total liabilities to equity	%	116.3	108.5	95.3	81.5	82.1
Current ratio	%	90.6	140.0	212.4	115.4	82.6
Interest cover	%	124.6	157.5	144.1	172.5	232.8
Cost recovery ratio	%	153.3	162.8	169.9	175.5	192.2
Operational performance	%	6.7	7.8	8.2	8.8	9.6

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss	%	8.00	7.30	10.40	3.80	6.90
OMA cost per 100km of main						
- water	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	666.42
- sewerage	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	691.52
Employees per 1000 properties served	Emp/ '000Prop	n.p.	4.70	4.50	4.10	4.00
Total days lost	%	n.p.	n.p.	n.p.	n.p.	2.32

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement:						
- residential (1)	Index	92.40	110.50	146.70	125.70	118.50
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.

BARWON WATER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Properties served per km of main:						
- water	No/km	45.70	46.80	47.00	46.50	47.20
- sewerage mains	No/km	53.30	55.20	55.20	55.10	55.40
Unsewered properties (% of total properties)	%	10.60	9.10	9.00	7.90	8.80
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	18.60
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	n.p.	n.p.	n.p.	n.p.	92.00
Compliance with water quality standards (2)	%	n.p.	n.p.	n.p.	n.p.	93.00
Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	2.40
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	44.40	30.30	32.10	33.90	27.80
Sewer chokes per 100 km	No/100km	n.p.	n.p.	49.40	55.30	63.30
<i>Size</i>						
Total assets	\$M	292	315	333	334	370
Total revenue	\$M	55	63	59	63	68
Total employment	No	445	440	433	396	395
Pipeline length:						
- water	km	1,858	1,879	1,894	1,915	1,927
- sewerage	km	1,427	1,450	1,467	1,487	1,497
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	85	88	89	89	91
- sewerage	'000	63	80	81	82	83
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.p.	n.p.	n.p.	n.p.	1,214
Megalitres of water supplied	'000 MI	38.20	35.40	31.50	32.10	35.80
Volume of sewage treated	'000 MI	20.60	20.40	19.70	20.80	19.50
Sewage treatment ratios:						
- primary	%	96.10	96.10	95.40	96.10	95.40
- secondary	%	3.90	3.90	4.60	3.90	4.60
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.

BARWON WATER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per						
property:						
- water (3)	\$/Prop	252.8	293.1	272.0	311.1	331.3
- sewerage	\$/Prop	310.0	270.7	272.1	251.5	264.5
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Average revenue per kl						
- residential	\$/kl	n.p.	n.p.	n.p.	1.00	0.98
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	0.68	0.70
- total	\$/kl	n.p.	n.p.	n.p.	0.87	0.87
OMA costs per property served						
- water	\$/Prop	n.p.	n.p.	n.p.	n.p.	141.52
- sewerage	\$/Prop	n.p.	n.p.	n.p.	n.p.	124.80
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

BARWON WATER (continued)

NOTES TO INDICATORS FOR BARWON WATER

Key: n.p. - not provided: n.r. - not relevant.

- 1) Calculated as the average effective price per unit consumed based on fixed and variable charges.
Does not include Special Environment Protection Levy.
- 2) Microbiological compliance only, % sample with zero E.coli and zero coliforms.
- 3) Does not include Special Environment Protection Levy.

BRISBANE CITY COUNCIL
WATER AND SEWERAGE DEPARTMENT
Comments on own performance**Queensland**

The City of Brisbane is Australia's biggest municipality with more than 780,000 residents. The Department of Water Supply and Sewerage within the City Council is responsible for provision of water supply, sewerage and liquid hazardous waste services to the city and for the bulk supply of water to five adjoining local authorities. Water Supply and Sewerage are separate programs in the city council. The goals of the two programs are:

- Water Supply: to meet the community needs for potable water by the purchase, storage, treatment and distribution of water to Brisbane customers and the surrounding local authorities.
- Sewerage: to protect the public health, safety and the environment by the provision of an economical system for the safe collection, transportation and disposal of domestic and trade wastes.

Financial performance

The Council has adopted the standard AAS27. Balance sheet items are still not fully reported as they are controlled by the Brisbane City Council on a corporate basis and cannot always be disaggregated. From 1993–94 debt and interest expense reflects the real cost of funds, including market value effects. The Department has funded the greater portion of capital acquisitions from revenue (donated and contributed assets and other revenue sources), and it has continued to use loan raising as an appropriate method of financing long term asset acquisitions which enhance or expand exiting capital base.

Non-financial performance

It is proposed that all sewerage treatment comply with licence conditions set by Queensland Dept. of Environment and Heritage within two years. To ensure a continuously safe water supply, the department has a standard of service for water quality based on World Health Organisation guidelines.

BRISBANE CITY COUNCIL
WATER AND SEWERAGE DEPARTMENT

Queensland

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - water

Return on assets (1)	2.5	2.8	2.5	1.5	1.8
Return on operating assets (2)	2.5	2.8	2.5	1.5	1.8
Operating sales margin	26.2	28.7	25.4	15.9	17.8
Return on equity	1.0	1.6	0.9	0.6	0.6
Dividend to equity ratio	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0	0.0	0.0	0.0	0.0
Debt to equity	14.6	15.7	16.7	15.3	15.7
Total liabilities to equity	14.6	15.7	16.7	15.3	15.7
Current ratio (2)	n.r.	n.r.	n.r.	n.r.	n.r.
Interest cover	148.8	196.0	146.7	151.3	140.1
Cost recovery ratio	135.6	140.3	134.0	118.9	121.6
Operational performance	2.5	2.8	2.5	1.5	1.8

Financial Ratios - sewerage

Return on assets (1)	2.2	2.4	2.1	1.8	2.1
Return on operating assets (2)	2.20	2.4	2.1	1.8	2.1
Operating sales margin	28.9	30.6	25.2	21.8	25.1
Return on equity	0.4	0.9	0.2	0.3	0.7
Dividend to equity ratio	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0	0.0	0.0	0.0	0.0
Debt to equity	17.4	18.8	20.5	18.8	19.2
Total liabilities to equity	17.4	18.8	20.5	18.8	19.2
Current ratio (2)	n.r.	n.r.	n.r.	n.r.	n.r.
Interest cover	120.5	144.9	106.7	118.7	140.7
Cost recovery ratio	140.7	144.0	133.7	127.9	133.5
Operational performance	2.2	2.4	2.1	1.8	2.1

Non-financial Ratios***Economic Factors***

Total factor productivity:

- water	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- sewerage	Index	n.p.	n.p.	n.p.	n.p.	n.p.

Economic rate of return:

- water	%	2.76	3.16	2.80	3.19	3.45
- sewerage	%	1.78	2.01	2.23	1.97	2.31

BRISBANE CITY COUNCIL WATER AND SEWERAGE DEPT.
(continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Efficiency</i>						
System water loss - water (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
System water loss - sewerage (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA cost per 100km of main:						
- water	\$'000/ 100km	1,118	1,115	1,151	1,041	1,046
- sewerage	\$'000/ 100km	730	757	756	796	757
Employees per 1000 properties served:						
- water	Emp/ '000Prop	2.90	2.90	1.60	1.50	1.40
- sewerage	Emp/ '000Prop	3.00	2.90	1.90	1.70	1.60
Total days lost:						
- water	%	5.00	5.00	4.40	4.70	4.90
- sewerage	%	5.00	5.00	4.40	4.70	4.90
<i>Effectiveness</i>						
Real price index:						
- water	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- sewerage	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement:						
- residential (3)	Index	103.00	106.00	108.00	109.00	107.00
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main:						
- water	No/km	47.70	47.70	48.60	49.10	49.00
- sewerage	No/km	48.20	48.20	48.50	49.00	48.40
Unsewered properties (% of total properties)	%	2.90	2.50	3.10	2.40	2.36
Flooding incidents per 100 km of main (sewers)	No/100km	4.50	20.90	0.00	0.70	1.40
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	85.00	85.00	90.00	91.00	96.00
Compliance with water quality standards	%	n.p.	n.p.	n.p.	n.p.	n.p.
Water restrictions (4)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours (5)	%	100.00	100.00	100.00	97.30	99.00

BRISBANE CITY COUNCIL WATER AND SEWERAGE DEPT.**(continued)**

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality (continued)</i>						
Customer satisfaction results:						
- water	%	n.p.	n.p.	95.00	n.p.	n.p.
- sewerage	%	n.p.	n.p.	98.00	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	34.50	34.30	36.10	32.70	36.70
Sewer chokes per 100 km	No/100km	23.50	32.60	33.60	42.50	32.60
<i>Size</i>						
Total assets: (1)						
- water	\$M	1319	1358	1378	1402	1426
- sewerage	\$M	1203	1254	1275	1302	1327
Total revenue:						
- water	\$M	123	132	132	135	146
- sewerage	\$M	89	97	103	106	111
Total employment: (6)						
- water	No	812	799	472	454	424
- sewerage	No	813	799	520	485	463
Pipeline length:						
- water	km	5,787	5,862	5,942	5,987	6,059
- sewerage	km	5,561	5,649	5,775	5,855	5,991
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	276	279	289	294	297
- sewerage	'000	268	272	280	287	290
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.p.	n.p.	n.p.	4,730	3,250
Megalitres of water supplied	'000MI	196.2	193.2	197.3	171.3	203.8
Volume of sewage treated	'000MI	108	113	103	103	102
Sewage treatment ratios:						
- primary	%	25.00	15.00	10.00	2.00	0.00
- secondary	%	75.00	85.00	90.00	98.00	100.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00
<i>Cost & Revenue Measures</i>						
Average revenue received per property						
- water	\$/Prop	447	472	457	459	490
- sewerage	\$/Prop	364	383	390	382	384
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

BRISBANE CITY COUNCIL WATER AND SEWERAGE DEPT.
(continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures (continued)</i>						
Average revenue per kl						
- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	0.63	0.68	0.67	0.77	0.70
OMA costs per property served (7)						
- water	\$/Prop	226	226	228	204	213
- sewerage	\$/Prop	152	157	156	162	156

NOTES TO INDICATORS FOR BRISBANE CITY COUNCIL WATER AND SEWERAGE DEPARTMENT

Key: n.p. - not provided; n.r. - not relevant.

- 1) Assets are valued at written down replacement cost
- 2) It is not possible to extract this information from the Brisbane City Council accounting system.
- 3) Residential real price movement for Sewerage only.
- 4) There have been no water restrictions except that garden sprinklers not held by hand are restricted to 36 hours per week.
- 5) This information does not include leaks & is where service is resumed within 8 hours.
- 6) For 1990–91 to 1991–92 the number of employees have been split 50/50 to Water/Sewerage
- 7) Derived from the Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ) database in real 1994–95 dollars.

BRISBANE CITY COUNCIL WATER AND SEWERAGE DEPT.
(continued)

Comments on own performance*Background*

Gold Coast Water was formed on the 28 May 1995, as a Department of the new City of Gold Coast. The Council itself was only recently formed on the 23 March 1995, from the amalgamation of the two previous local authorities of Gold Coast City Council and Albert Shire Council. Prior to the amalgamation, the provision of water supply and sewerage services was the responsibility of the Departments and branches of the two former Councils.

Current operations

Gold Coast Water provides integrated urban water supply, sewerage and trade waste services to consumers in the Gold Coast region. The provision of these services is inclusive of the ownership and operation of the Hinze Dam, which supplies some 90 per cent of urban water throughout the City. The range of customers include residential, commercial, and industrial, and there are some 154,000 properties serviced with water and 144,000 properties serviced with sewerage. Environmental regulation of the business is provided by the State Government Department of Environment and Heritage. The Council, in conjunction with the State Government, is presently determining the application of COAG's Competition Principles Agreement to the business of Gold Coast Water.

Financial performance

All indicators provided in this survey are drawn from an aggregation of data from the two former Councils. As a result of the amalgamation, it was not possible to undertake a retrospective analysis of data prior to 1994–95 for most indicators. As such commentary on financial trends or movements is not possible. The current cost provided for fixed assets is determined by a broad based valuation using non-rigorous current cost data for aggregated asset systems, and estimated asset economic life estimates. Council is currently working towards a more sophisticated valuation model.

Non-financial performance

Again indicators are an aggregation of the former Council's data and retrospective data is not available for most indicators to determine trends. Operation, maintenance and administration costs per property is comparatively high for sewerage in part due to a lack of natural catchments, and hence a higher than average dependency upon pumping for sewage conveyance. Council commissioned this year a tertiary treatment plant bringing the volume of sewage treated to that standard to 13 per cent. Due to the regional economic reliance upon its waterways, and pending State Government legislation, Council is committed to increasing the percentage of sewage treated to a tertiary standard.

GOLD COAST WATER**Queensland**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	n.r.	n.r.	n.r.	n.r.	7.8
Return on operating assets	%	n.r.	n.r.	n.r.	n.r.	7.4
Operating sales margin	%	n.r.	n.r.	n.r.	n.r.	71.5
Return on equity	%	n.r.	n.r.	n.r.	n.r.	n.r.
Dividend to equity ratio	%	n.r.	n.r.	n.r.	n.r.	n.r.
Dividend payout ratio	%	n.r.	n.r.	n.r.	n.r.	0.0
Debt to equity	%	n.r.	n.r.	n.r.	n.r.	n.r.
Total liabilities to equity	%	n.r.	n.r.	n.r.	n.r.	n.r.
Current ratio	%	n.r.	n.r.	n.r.	n.r.	n.p.
Interest cover	%	n.r.	n.r.	n.r.	n.r.	469.2
Cost recovery ratio	%	n.r.	n.r.	n.r.	n.r.	339.0
Operational performance	%	n.r.	n.r.	n.r.	n.r.	7.0

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	6.2

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	28.5
OMA cost per 100km of main:						
- water	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	759
- sewerage	\$'000/ 100km	n.p.	n.p.	n.p.	n.p.	1,226
Employees per 1000 properties served	Emp/ '000Prop	n.p.	n.p.	n.p.	n.p.	2.6
Total days lost	%	n.p.	n.p.	n.p.	n.p.	5.4

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	100.0
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.

GOLD COAST WATER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Properties served per km of main:						
- water	No/km	n.p.	n.p.	n.p.	n.p.	72.3
- sewerage mains	No/km	n.p.	n.p.	n.p.	n.p.	81.6
Unsewered properties (% of total properties)	%	n.p.	n.p.	n.p.	n.p.	6.3
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	95.3	96.2	95.6	95.3	97.4
Compliance with water quality standards	%	n.p.	n.p.	n.p.	n.p.	99.0
Water restrictions	%	57.0	57.0	57.0	57.0	57.0
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	2.0	2.0	2.0	2.0	2.0
Service restored within 5 hours	%	n.p.	n.p.	92.0	93.0	94.0
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	n.p.	n.p.	n.p.	n.p.	20.2
Sewer chokes per 100 km	No/100km	n.p.	n.p.	n.p.	n.p.	81.0
<i>Size</i>						
Total assets	\$M	n.p.	n.p.	n.p.	n.p.	1,254
Total revenue	\$M	n.p.	n.p.	n.p.	n.p.	135
Total employment	No	n.p.	n.p.	n.p.	n.p.	399
Pipeline length:						
- water	km	n.p.	n.p.	n.p.	n.p.	2,128
- sewerage	km	n.p.	n.p.	n.p.	n.p.	1,767
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	n.p.	n.p.	n.p.	n.p.	154
- sewerage	'000	n.p.	n.p.	n.p.	n.p.	144
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.p.	n.p.	n.p.	n.p.	4,448
Megalitres of water supplied	'000 MI	56	55	58	54	60
Volume of sewage treated	'000 MI	29	35	41	37	36
Sewage treatment ratios:						
- primary	%	0	0	0	0	0
- secondary	%	100	100	100	100	87
- tertiary	%	0	0	0	0	13

GOLD COAST WATER (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	n.p.	n.p.	n.p.	n.p.	453
- sewerage	\$/Prop	n.p.	n.p.	n.p.	n.p.	453
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Average revenue per kl:						
- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	3.13
OMA costs per property served:						
- water	\$/Prop	n.p.	n.p.	n.p.	n.p.	157
- sewerage	\$/Prop	n.p.	n.p.	n.p.	n.p.	240
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

NOTES TO INDICATORS FOR GOLD COAST WATER

Key: n.p. - not provided; n.r. - not relevant.

DPI WATER RESOURCES**Queensland****Comments on own performance**

DPI – Water Resources is a business unit within the Department of Primary Industries. It is charged with the responsibility of developing and managing Queensland’s water resources and associated environment for the continuing benefit of the community.

Current operations

DPI Water Resources' responsibilities are to:

- evaluate and plan for the rural, domestic and industrial water requirements of Queensland;
- construct and manage works for water conservation and supply;
- monitor and manage the State's surface water and ground water resources;
- allocate rights to the use of surface water and ground water; and
- advise rural and Local Authority clients on effective and efficient use and conservation of water.

Financial performance

At the time of calculation of the data for use in this review, cash accounting practices were still in use and many of the indicators were either unavailable or irrelevant. The Water Resources’ asset register was substantially completed and asset values recorded as modern equivalent replacement value. DPI (WR) is moving to a more commercial entity including adoption of accrual accounting, however considerable work is yet required to achieve consistency in the data and the interpretation of raw data needed to provide reliable performance indicators. Although significant improvements in performance have been achieved during the period, low returns on investment reflects past government multi-objective investment priorities and a number of community service obligations undertaken by the organisation. A number of indicators have changed in response to reviews and reclassification’s to different sectors.

Non financial performance

Many of the non financial indicators requested were not available due to the nature of DPI Water Resources’ activities, which are quite different from those of urban utilities. As part of the commercialisation/corporatisation process currently being undertaken, development and strengthening of approaches to a number of indicators, including customer service related indicators in particular, is being addressed.

DPI WATER RESOURCES**Queensland***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios**

Return on assets	%	-0.8	-0.4	-0.4	-0.3	-0.2
Return on operating assets	%	-0.8	-0.4	-0.4	-0.3	-0.2
Operating sales margin	%	-54.8	-19.7	-18.6	-12.0	-8.5
Return on equity	%	n.p.	n.p.	n.p.	n.p.	n.p.
Dividend to equity ratio	%	n.p.	n.p.	n.p.	n.p.	n.p.
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	n.p.	n.p.	n.p.	n.p.	n.p.
Total liabilities to equity	%	n.p.	n.p.	n.p.	n.p.	n.p.
Current ratio	%	n.p.	n.p.	n.p.	n.p.	n.p.
Interest cover	%	n.p.	n.p.	n.p.	n.p.	n.p.
Cost recovery ratio	%	64.6	83.5	84.3	89.3	92.2
Operational performance	%	-0.8	-0.4	-0.4	-0.3	-0.2

Non-financial Ratios**GENERAL***Size*

Total assets (1)	\$'000	1,495	1,515	1,531	1,837	1,840
Total revenue (2)	\$'000	20	27	29	42	46

PUMPED IRRIGATION*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of mains (3)	\$'000/ 100km	909	816	1,007	1,111	1,033
Employees per 1000 properties served	Emp/ '000Prop	n.p.	59.0	60.0	52.0	50.2
Total days lost - total	%	n.p.	n.p.	n.p.	n.p.	n.p.

DPI WATER RESOURCES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PUMPED IRRIGATION (continued)***Effectiveness***

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main	No	2.1	2.1	2.1	2.4	2.5
Unsewered properties (% of total properties)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Flooding incidents per 100 km of main (sewers)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.r.	n.r.	n.r.	n.r.	n.r.
Average interruption duration	Hr	n.r.	n.r.	n.r.	n.r.	n.r.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.r.	n.r.	n.r.	n.r.	n.r.
Main breaks per 100 km (water)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
Sewer chokes per 100 km	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Total employment	No	n.p.	116	120	120	120
Pipeline length:						
- water (3)	km	942	954	968	968	968
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	1.9	2.0	2.0	2.3	2.4
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.r.	n.r.	n.r.	n.r.	n.r.
Megalitres of water supplied	'000MI	378.7	434.3	806.4	693.3	602.0
Volume of sewage treated	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.

DPI WATER RESOURCES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PUMPED IRRIGATION (continued)***Cost & Revenue Measures***

Average revenue received per property:

- water	\$/Prop	5,362	7,415	7,650	8,099	7,938
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Average revenue per kl:

- residential	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	0.03	0.03	0.02	0.03	0.03

OMA costs per property served	\$/Prop	4,483	3,973	4,876	4,634	4,494
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GRAVITY IRRIGATION***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	622	675	784	834	558
Employees per 1000 properties served	Emp/ '000Prop	n.p.	47.5	41.9	48.2	43.8
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main	No	1.9	2.2	2.3	2.1	2.2
Flooding incidents per 100 km of main (sewers)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

DPI WATER RESOURCES (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

GRAVITY IRRIGATION (continued)**Service Quality**

Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.r.	n.r.	n.r.	n.r.	n.r.
Average interruption duration	Hr	n.r.	n.r.	n.r.	n.r.	n.r.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
Sewer chokes per 100 km	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Total employment	No	n.p.	95	84	84	84
Pipeline length:						
- water	km	786	682	682	829	911
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	1.5	1.5	1.6	1.7	2.1
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.r.	n.r.	n.r.	n.r.	n.r.
Megalitres of water supplied	'000MI	275	384	342	478	421
Volume of sewage treated	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.

Cost & Revenue Measures

Average revenue received per property						
- water	\$/Prop	4,481	5,674	6,357	5,324	4,453
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

DPI WATER RESOURCES (continued)**GRAVITY IRRIGATION (continued)****Cost & Revenue Measures (continued)**

Average revenue per kl

- residential	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	0.02	0.02	0.03	0.02	0.02
OMA costs per property served	\$/Prop	3,258	3,030	3,452	3,973	3,330

PRIVATE DIVERSION IRRIGATION**Economic Factors**

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of mains (3)	\$/100km	n.p.	n.p.	n.p.	n.p.	n.p.
Employees per 1000 properties served	Emp/1000Prop	n.p.	22.2	22.3	27.7	21.8
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main	No	n.p.	n.p.	n.p.	n.p.	n.p.
Unsewered properties (% of total properties)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Flooding incidents per 100 km of main (sewers)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	n.r.	n.r.	n.r.	n.r.	n.r.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

DPI WATER RESOURCES (continued)**PRIVATE DIVERSION IRRIGATION (continued)****Service Quality (continued)**

Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.r.	n.r.	n.r.	n.r.	n.r.
Average interruption duration	Hr	n.r.	n.r.	n.r.	n.r.	n.r.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.r.
Main breaks per 100 km (water)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
Sewer chokes per 100 km	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Total employment	No	n.p.	58	70	70	70
Pipeline length:						
- water (3)	km	84	86	86	86	86
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	2,150	2,610	3,000	3,100	3,100
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.r.	n.r.	n.r.	n.r.	n.r.
Megalitres of water supplied	'000MI	298	344	406	308	459
Volume of sewage treated	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.

Cost & Revenue Measures

Average revenue received per property:						
- water	\$/Prop	1,457	1,427	1,223	1,907	1,541
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Average revenue per kl:						
- residential	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	0.01	0.01	0.01	0.02	0.01
OMA costs per property served	\$/Prop	1,336	971	1,028	1,124	1,110

Units 1990-91 1991-92 1992-93 1993-94 1994-95

DPI WATER RESOURCES (continued)***DRAINAGE SCHEMES******Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	95	68	25	n.p.	n.p.
Employees per 1000 properties served	Emp/ '000Prop	n.p.	n.p.	n.p.	n.p.	n.p.
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main	No	0.50	0.60	0.60	0.57	0.46
Unsewered properties (% of total properties)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Flooding incidents per 100 km of main (sewers)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Water restrictions	%	n.r.	n.r.	n.r.	n.r.	n.r.
Properties with service interruption	%	n.r.	n.r.	n.r.	n.r.	n.r.
Average interruption duration	Hr	n.r.	n.r.	n.r.	n.r.	n.r.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
Sewer chokes per 100 km	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Total employment	No	n.p.	n.p.	n.p.	n.p.	n.p.
Pipeline length:						
- water	km	n.r.	n.r.	n.r.	n.r.	n.r.
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
	Units	1990-91	1991-92	1992-93	1993-94	1994-95

DRAINAGE SCHEMES (continued)

DPI WATER RESOURCES (continued)*Size (continued)*

Pipeline length:						
- drainage	km	513	513	513	546	720
Properties served:						
- water	'000	300	300	300	315	346
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.r.	n.r.	n.r.	n.r.	n.r.
Megalitres of water supplied	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Volume of sewage treated	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.

Cost & Revenue Measures

Average revenue received per property:						
- water	\$/Prop	1,804	2,218	2,233	n.p.	n.p.
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.p.	n.p.	n.p.	n.p.	n.p.
Average revenue per kl:						
- residential	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per property served (4)	\$/Prop	1,626	1,161	443	n.p.	n.p.

DPI WATER RESOURCES (continued)

NOTES TO INDICATORS FOR DPI WATER RESOURCES

Key: n.p. - not provided: n.r. - not relevant.

- 1) Asset values have been revised to the most recent valuation / identification review values. Values adjusted (from 1990–91) to reflect changes in valuation and depreciation (based on revised asset lives).
- 2) Previous abnormal revenue and expense excluded - as funds for specific capital works.
- 3) Private diversion primarily from regulated streams and groundwater areas.
- 4) Separate O&M costs for drainage components not available.

**ENGINEERING AND WATER SUPPLY DEPARTMENT South Australia
(Now South Australian Water Corporation)****Comments on own performance**

The Engineering and Water Supply Department (E&WS) originated in 1856. The organisation has expanded since then to provide water and sewer services to approximately 1.050 million South Australians across the State. In 1986 it became a Government Trading Enterprise. The E&WS was corporatised to form the South Australian Water Corporation from 1 July 1995.

Current operations

EWS Water manages six government programs. These include the provision of services to both the metropolitan and country areas for water and sewerage, irrigation and drainage and, community services. The function responsibility for water resources management within the community services program transferred from EWS to the Department of Environment and Natural Resources (DENR) in January 1994. These services are embodied in legislation and carried out in accordance with government policies.

Financial performance

In July 1988, the agency moved to a single deposit account enabling the matching of revenues and expenditures for the first time. Prior to that time, the recurrent and capital operations of the department were controlled through the State Consolidated Account. For the first time in 1991–92, EWS achieved a zero draw on the consolidated account. The 1992–93 result was affected by a decline in consumption revenues caused by unseasonable conditions, a new rating system and the impact of a number of abnormal items including a voluntary separation program and the move to full accrual accounting. Some re-allocation of costs between programs occurred in 1988–89 and again in 1992–93.

Non financial performance

Over the reporting period, EWS's average workforce has reduced from 3,845 to 2,163 employees as a result of changed work practices, productivity improvements and award restructuring. These initiatives resulted in a reduction in operations and maintenance expenses per property served across all programs. Fluctuations in trends for bursts and chokes are considered to be, to a large extent, a result of changes in seasonal conditions. The level of water quality has improved during the year and surpasses agreed levels of service. There has been considerable effort associated with water quality improvements including planning for new water filtration plants under a Build - Own - Operate (BOO) scheme involving the private water industry and the development of plans for continuous improvement to comply with the health related policies of the draft 1995 ARMCANZ/NHMRC Australian Drinking Water Guidelines.

Comments on own performance (continued)

**ENGINEERING AND WATER SUPPLY DEPARTMENT South Australia
(Now South Australian Water Corporation)**

In December 1994, the Government introduced a new water pricing system to apply from the beginning of the 1995–96 consumption year. Increased sewerage revenue resulted from the introduction in 1990–91 of a 10 percent sewer levy to fund environmental works

**ENGINEERING AND WATER SUPPLY DEPARTMENT South Australia
(Now South Australian Water Corporation)**
Units 1990-91 1991-92 1992-93 1993-94 1994-95
Financial Ratios - all undertakings (1,2)

Return on assets	%	0.5	-0.1	-0.5	0.3	1.5
Return on operating assets	%	0.5	-0.1	-0.5	0.2	1.4
Operating sales margin	%	8.1	-2.2	-9.6	4.1	20.3
Return on equity (3)	%	-2.0	-2.5	-2.8	-1.7	-0.4
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	1.3
Dividend payout ratio (3)	%	0.0	0.0	0.0	0.0	-283.8
Debt to equity	%	18.6	18.5	19.0	18.3	22.4
Total liabilities to equity	%	19.5	19.5	20.3	19.6	23.9
Current ratio	%	274.5	256.4	117.8	78.3	85.5
Interest cover	%	24.2	-3.9	-27.1	16.3	80.4
Cost recovery ratio	%	106.9	104.3	99.4	104.3	129.5
Operational performance	%	0.4	0.2	0.0	0.2	1.6

Non-financial Ratios - all undertakings
Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	0.50	0.50	0.20	1.30	2.70

Efficiency

OMA costs per 100km of main	\$'000	n.r.	n.r.	n.r.	n.r.	n.r.
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	104.7	108.7	110.0	109.1	112.2
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Size

Total assets	\$M	6,243	6,291	6,314	6,325	5,369
Total revenue	\$M	368	366	345	376	417
Total employment	No	3,842	3,705	3,254	2,601	2,153

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)
Units 1990-91 1991-92 1992-93 1993-94 1994-95
Financial Ratios - Metropolitan (1,2)

Return on assets	%	2.0	1.7	1.8	1.9	2.7
Return on operating assets	%	2.0	1.6	1.7	1.9	n.r.
Operating sales margin	%	24.8	20.9	22.0	24.9	31.7
Return on equity (3)	%	-0.3	-0.5	-0.1	-0.2	0.6
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	2.2
Dividend payout ratio (3)	%	0.0	0.0	0.0	0.0	393.0
Debt to equity	%	19.8	19.8	20.3	19.6	28.1
Total liabilities to equity	%	20.9	20.9	21.9	21.0	29.8
Current ratio	%	299.4	281.1	111.2	78.4	99.7
Interest cover	%	89.2	78.9	95.6	92.6	120.0
Cost recovery ratio	%	138.2	133.2	141.7	133.2	147.5
Operational performance	%	2.2	1.9	2.3	1.9	2.7

Non-financial Ratios - Metropolitan
Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	2.20	2.20	2.10	3.40	3.80

Efficiency

System water loss (as % of total volume supplied)	%	11.5	8.8	16.8	23.0	18.4
OMA cost per 100km of main:						
- water	\$'000/ 100km	771	750	692	697	828
- sewerage	\$'000/ 100km	747	767	663	698	735
Employees per 1000 properties served: (4)						
- water	Emp/ '000Prop	3.3	3.0	2.8	2.3	1.7
- sewerage	Emp/ '000Prop	2.9	2.8	1.9	1.4	1.5
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement residential:						
- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)
Units 1990-91 1991-92 1992-93 1993-94 1994-95
*Metropolitan (continued)**Effectiveness (continued)*

Real price movement commercial:

- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

Real price movement industrial:

- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

Properties served per km of
main: (4)

- water	No/km	48.00	48.30	48.70	49.10	52.50
- sewerage mains	No/km	64.50	64.50	64.90	65.20	65.90

Unsewered properties (% of total
properties) (4)

%	0.10	0.10	0.10	0.10	0.09
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Flooding incidents per 100 km of
main (sewers) (6)

No/100km	9.2	15.5	25.1	24.7	23.6
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*Service Quality*Compliance with sewerage effluent
standards

%	71.0	67.0	73.0	48.0	62.0
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Compliance with water quality
standards (7)

%	99.5	98.1	97.2	97.8	99.0
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Water restrictions

%	0.0	0.0	0.0	0.0	0.0
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Properties with service interruption

%	n.p.	n.p.	n.p.	n.p.	n.p.
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Average interruption duration

Hr	n.p.	n.p.	n.p.	n.p.	n.p.
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Service restored within 5 hours

%	91.01	93.64	92.54	92.67	94.25
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Customer satisfaction results

%	n.p.	n.p.	n.p.	n.p.	n.p.
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Main breaks per 100 km (water)

No/100km	20.9	19.7	17.7	25.9	29.1
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Sewer chokes per 100 km

No/100km	48.0	49.8	45.4	56.8	63.8
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Size

Total assets

\$M	3,514	3,549	3,569	3,582	3,147
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Total revenue

\$M	274	283	271	284	318
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Total employment

No	2,460	2,360	1,985	1,572	1,390
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Pipeline length: (5)

- water

km	8,768	8,882	8,968	9,060	8,621
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- sewerage

km	5,907	6,022	6,101	6,174	6,227
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- drainage

km	n.r.	n.r.	n.r.	n.r.	n.r.
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Properties served: (4)

- water

'000	421	429	437	445	453
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- sewerage

'000	381	389	396	403	410
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- drainage

'000	n.r.	n.r.	n.r.	n.r.	n.r.
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ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Metropolitan (continued)**Size (continued)*

New housing allotments served	No	8,167	2,840	8,313	19,855	9,073
Megalitres of water supplied	'000MI	187	167	150	187	189
Volume of sewage treated	'000MI	90.00	92.00	92.00	93.00	90.00
Sewage treatment ratios:						
- primary	%	0.00	0.00	0.00	0.00	0.00
- secondary	%	100.00	100.00	100.00	100.00	100.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00

Cost & Revenue Measures

Average revenue received per property: (4)

- water	\$/Prop	410	386	339	382	340
- sewerage	\$/Prop	309	317	320	381	334
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Average revenue per kl:

- residential	\$/kl	0.87	0.92	0.98	0.93	0.93
- commercial	\$/kl	2.37	2.52	2.69	2.44	2.22
- industrial	\$/kl	0.86	0.93	1.02	0.96	0.94
- other	\$/kl	0.91	1.01	1.11	1.02	0.98
- total	\$/kl	0.94	1.01	1.09	1.02	1.00

OMA costs per property served: (4)

- water	\$/Prop	161	155	142	142	158
- sewerage	\$/Prop	116	119	102	107	112

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)
Units 1990-91 1991-92 1992-93 1993-94 1994-95
Financial Ratios - Country (1,2)

Return on assets	%	-1.7	-1.8	-2.4	-1.5	-0.7
Return on operating assets	%	-1.7	-1.8	-2.5	-1.5	-0.7
Operating sales margin	%	-60.2	-62.9	-96.1	-49.9	-19.1
Return on equity (3)	%	-4.2	-4.1	-4.7	-3.0	-2.1
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (3)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	15.4	15.3	15.6	15.2	13.1
Total liabilities to equity	%	16.1	15.9	16.5	16.0	14.0
Current ratio	%	197.4	183.6	111.2	78.4	59.8
Interest cover	%	-93.8	-106.6	-149.8	-135.4	-57.1
Cost recovery ratio	%	63.0	63.4	54.5	66.7	84.9
Operational performance	%	-1.7	-1.7	-2.1	-1.5	-0.6

Non-financial Ratios - Country
Economic Factors

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	-1.60	-1.60	-2.00	-1.30	-0.60

Efficiency

System water loss (as % of total volume supplied)	%	25.60	18.70	28.60	27.80	24.00
OMA cost per 100km of main:						
- water	\$'000/ 100km	281	278	270	235	259
- sewerage	\$'000/ 100km	778	768	889	969	911
Employees per 1000 properties served: (4)						
- water	Emp/ '000Prop	5.50	5.20	5.20	3.50	3.00
- sewerage	Emp/ '000Prop	4.00	3.70	3.80	3.20	2.30
Total days lost - total	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Real price movement residential:						
- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

Units 1990-91 1991-92 1992-93 1993-94 1994-95

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)
*Country (continued)**Effectiveness*

Real price movement commercial:

- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

Real price movement industrial:

- sewerage	Index	108.4	112.7	113.6	113.5	121.3
- water	Index	100.1	103.7	105.5	103.5	100.5

Properties served per km of

main: (4)						
- water	No/km	9.10	9.10	9.20	9.40	9.10
- sewerage	No/km	52.80	53.30	53.60	53.50	52.60

Unsewered properties (% of total properties) (4)	%	0.60	0.60	0.60	0.60	0.60
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Flooding incidents per 100 km of main (sewers) (6)	No/100km	n.p.	n.p.	n.p.	n.p.	n.p.
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Service Quality

Compliance with sewerage effluent standards	%	n.p.	n.p.	77.00	79.00	n.p.
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Compliance with water quality standards (7)	%	95.50	96.00	96.10	96.90	96.00
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Water restrictions	%	0.00	0.00	0.00	0.00	0.00
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Properties with service interruption (4)	%	n.p.	n.p.	n.p.	n.p.	n.p.
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Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
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Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
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Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
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Main breaks per 100 km (water)	No/100km	8.60	7.40	8.40	7.60	7.60
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Sewer chokes per 100 km (6)	No/100km	17.30	17.40	17.20	19.00	18.50
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Size

Total assets	\$M	2,486	2,497	2,497	2,492	2,147
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Total revenue	\$M	70	72	64	74	82
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Total employment	No	970	924	930	676	552
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Pipeline length: (5)

- water	km	15,257	15,268	15,288	15,303	15,781
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- sewerage	km	978	978	991	1,010	1,041
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- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
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Units 1990-91 1991-92 1992-93 1993-94 1994-95

Country (continued)

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)
Size (continued)

Properties served: (4)

- water	'000	138	140	141	143	144
- sewerage	'000	52	52	53	54	55
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	1,411	379	1,824	5,901	1,673
Megalitres of water supplied	'000MI	86.00	74.00	65.00	78.00	79.00
Volume of sewage treated	'000MI	8.00	8.00	9.00	9.00	n.r.
Sewage treatment ratios:						
- primary	%	0.00	0.00	0.00	0.00	0.00
- secondary	%	100.00	100.00	100.00	100.00	100.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00

Cost & Revenue Measures

Average revenue received per property: (4)

- water	\$/Prop	454	438	359	425	402
- sewerage	\$/Prop	233	243	266	307	279
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Average revenue per kl:

- residential	\$/kl	0.84	0.89	0.97	0.96	0.95
- commercial	\$/kl	1.30	1.44	1.64	1.62	1.61
- industrial	\$/kl	0.81	0.89	0.91	0.87	0.92
- other	\$/kl	0.90	0.94	1.01	0.96	0.95
- total	\$/kl	0.88	0.93	1.00	0.97	0.96

OMA costs per property served:

- water	\$/Prop	310	304	292	250	284
- sewerage	\$/Prop	147	144	166	181	173

ENGINEERING AND WATER SUPPLY DEPARTMENT (continued)
(Now South Australian Water Corporation)

NOTES TO INDICATORS FOR ENGINEERING AND WATER SUPPLY DEPARTMENT (NOW SOUTH AUSTRALIAN WATER CORPORATION)

Key: n.p. - not provided; n.r. - not relevant.

- 1) The financial data used in these returns is based on the 1990–91 to 1994–95 Annual Reports.
- 2) The aggregations used for the financial performance measures in this return are: Metropolitan (M) - being the aggregate results for metropolitan water supply and metropolitan sewerage services; Country (C) - being the aggregation of country water supply country sewerage undertakings; Total (T) - being the result for the full range of EWS Water undertakings, including to the metropolitan and country aggregates, non-business undertakings and contributions by the South Australian Government towards the provision of services.
- 3) The EWS Water was not subject to income tax (or an equivalent) during the survey period.
- 4) A number of measures in the non-financial section relate to the number of properties served. The figures used for the return to this survey do not align with those given in the Annual Reports for the same period due to the change in definition of a property served. Annual Report figures are based on the number of connections, while this survey requests numbers based on the number of assessments.
- 5) Pipeline length - Water: Supply zone boundaries were redefined in 1994–95.
- 6) There has been no differentiation between floodings and chokes for country centres.
- 7) Water quality targets: In many cases they are based on the NHMRC Guide-lines. Because of difficulties in determining appropriate weighting between various types of testing the figures given relate to the results for Faecal Coliforms as defined below : Metropolitan Filtered Faecal coliforms - absent (in 101 mL) in 95 percent of routine samples; count in remainder should not exceed 2/100 mL. Non Metropolitan (Adelaide Hills and Country Centres with population of 1 000 or more) Type 1 : faecal coliforms - absent (in 100 mL) in 95 percent of routine samples; count in remainder should not exceed 2/100 mL. Type 2 : faecal coliforms - absent (in 100 mL) in 90 percent of routine samples; count in remainder should not exceed 2/100 mL. Type 1 includes filtered, disinfected and good ground waters. Type 2 - unfiltered and others.

WATER AUTHORITY OF WESTERN AUSTRALIA**Comments on own performance***Background and current operations*

The Water Authority is a GTE formed on 1 July 1985 by the merger of the Metropolitan Water Authority and the Country Water supply division of the then Public Works Department. The Authority provides public water supply, sewerage, drainage and irrigation services to a population of almost 1.7 million in more than 300 towns and communities throughout Western Australia. The Authority is also responsible for management of water resources for the continuing benefit of the community.

Financial performance

For the period up until 1992–93, the overall results for the Water Authority reflected a gradual decline in the operating results, despite an underlying growth in productivity. The major factors of this decline were:-

- the phasing out of the Country Operating Grant and the associated increases in the cost of CSOs, the value of which are not recognised in the Authority's accounts;
- an increasing level of abnormal expenditure as the Authority moved to fully recognise accrued liabilities for employee entitlements, and
- from 1992–93 the Authority had interest on General Loan Fund debt associated with country assets; these payments had previously been funded from CRF.

For 1993–94 and 1994–95, the Water Authority achieved surpluses in excess of ten million dollars. The improvement in the operating result for 1993–94 resulted from a combination of improved productivity, higher water sales, and a decrease in the assessed liability of the Authority's superannuation provision as determined by an actuary. For 1994–95 the operating result was slightly down, which was mainly due to the increase in community service obligations of approximately \$50 million. This increased cost, however, was largely offset by increases in water sales, water rates and interest received.

Non-financial performance

The Water Authority's effectiveness indicators have generally shown steady improvement over recent years. Customer satisfaction improved in all areas, which highlights the Authority's commitment to the overall needs of the community of Western Australia.

Other

In 1993–94, the Authority undertook a comprehensive review of asset revaluations. At 1 July 1994, the Authority restated all of its fixed assets at current written down replacement value. It is intended that the Authority will continue to comprehensively revalue its fixed assets every three to five years.

WATER AUTHORITY OF WESTERN AUSTRALIA

Comments on own performance (continued)

As a result of the restructure of the State's Water Industry, the Water Authority was corporatised on the 1 January 1996. This resulted in a new Water Corporation being established, with the Water Resources function being shifted to the new Water and Rivers Commission.

WATER AUTHORITY OF WESTERN AUSTRALIA

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - all undertakings

Return on assets	%	1.5	1.4	1.6	1.9	1.9
Return on operating assets	%	1.1	1.1	1.3	1.8	1.6
Operating sales margin	%	12.8	12.9	15.7	23.6	23.6
Return on equity	%	-0.2	-0.1	-0.3	0.7	0.9
Dividend to equity ratio	%	0.3	0.4	0.4	0.4	0.4
Dividend payout ratio	%	-153.9	-291.8	-142.4	59.7	39.8
Debt to equity	%	15.5	14.5	17.3	11.2	10.5
Total liabilities to equity	%	18.7	18.0	21.6	14.4	13.9
Current ratio	%	380.2	480.6	442.0	466.4	480.1
Interest cover	%	91.0	92.8	87.2	143.1	172.0
Cost recovery ratio	%	123.2	123.0	124.6	131.8	130.9
Operational performance	%	1.6	1.6	1.7	1.8	1.6

Non-financial Ratios - all undertakings***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	100.00	103.40	104.52
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	509.8	539.6	537.5	599.4	585.7
Employees per 1000 properties served	Emp/ '000Prop	n.p.	3.02	2.90	2.66	2.39
Total days lost	%	3.30	3.50	4.00	3.20	n.p.

Effectiveness

Real price index	Index	99.30	101.10	101.60	105.70	107.90
Real price movement:						
- residential	Index	100.4	104.7	103.3	108.9	112.4
- commercial	Index	100.4	104.7	103.4	104.7	105.3
- industrial	Index	96.20	100.30	99.10	100.30	100.85
Properties served per km of main:						
- water	No/km	25.4	25.7	25.8	26.5	26.9
- sewerage	No/km	57.7	57.3	57.1	58.4	59.2
- drainage	No/km	94.2	95.7	94.4	86.9	90.3
- irrigation	No/km	1.8	1.9	1.7	1.8	1.9

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*All undertakings (continued)**Effectiveness (continued)*

Unsewered properties (% of total properties)	%	35.4	34.3	33.7	32.7	31.7
Flooding incidents per 100 km of main (sewers)	No/100km	8.6	3.8	8.2	4.4	12.2

Service Quality

Compliance with sewerage effluent standards	%	n.p.	n.p.	88.00	100.00	100.00
Compliance with water quality standards	%	97.00	96.00	96.00	98.00	97.00
Water restrictions	%	0.10	1.20	0.36	0.72	54.73
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results						
- water	%	n.p.	85	83	82	86
- sewerage	%	n.p.	92	96	96	98
- drainage	%	n.p.	82	n.p.	63	71
Main breaks per 100 km (water)	No/km	15	11	19	17	19
Sewer chokes per 100 km	No/km	26	25	29	36	37

Size

Total assets	\$M	5,269	5,547	5,807	7,913	8,236
Total revenue	\$M	446	466	479	519	560
Total employment	Emp	4,392	4,042	3,956	3,757	3,519
Pipeline length:						
- water	km	25,161	25,382	25,872	26,038	26,446
- sewerage	km	7,264	7,587	7,865	8,107	8,345
- drainage	km	2,594	2,595	2,603	2,896	2,899
Properties served:						
- water	'000	640	653	668	690	712
- sewerage	'000	419	435	449	471	494
- drainage	'000	244	249	246	252	262
New housing allotments served	No	11,202	13,084	16,416	19,211	18,850
Megalitres of water supplied	'000MI	311	295	297	335	315
Volume of sewage treated	'000MI	89	91	91	95	96
Sewage treatment ratios:						
- primary	%	42	38	38	36	36
- secondary	%	58	62	62	64	64
- tertiary	%	0	0	0	0	0

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*All undertakings (continued)**Cost & Revenue Measures*

Average revenue received per

property:

- water	\$/Prop	358	371	369	393	398
- sewerage	\$/Prop	376	395	406	415	425
- drainage	\$/Prop	54	57	61	56	57

Average revenue per kl:

- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.

OMA costs per property served:

- water	\$/Prop	177	182	176	187	195
- sewerage	\$/Prop	112	122	123	140	142
- drainage	\$/Prop	26	29	31	37	35
- irrigation	\$/Prop	4,208	4,268	4,761	5,759	4,644

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - Metropolitan

Return on assets	%	3.9	3.8	3.8	4.0	3.7
Return on operating assets	%	3.5	3.5	3.7	4.1	3.6
Operating sales margin:						
- water	%	31.4	33.1	35.2	48.2	44.5
- sewerage	%	40.8	39.6	42.8	45.0	45.8
- drainage	%	10.9	14.6	14.8	12.8	17.7
- total	%	35.0	35.3	37.9	45.4	44.1
Return on equity	%	2.4	2.4	2.7	3.3	3.1
Dividend to equity ratio	%	0.3	0.4	0.4	0.5	0.4
Dividend payout ratio:						
- water	%	13.1	16.2	15.4	11.5	12.0
- sewerage	%	13.1	19.8	15.9	15.9	134.4
- drainage	%	-1,491.7	109.2	87.2	129.4	38.9
- total	%	13.7	18.3	16.1	13.8	13.0
Debt to equity	%	19.9	17.8	15.1	9.6	8.9
Total liabilities to equity	%	23.6	21.7	19.8	13.2	12.4
Current ratio	%	1,293.4	1,681.0	1,073.2	1,648.3	1,688.0
Interest cover:						
- water	%	234.8	273.1	309.6	495.9	532.1
- sewerage	%	180.1	177.9	212.6	270.9	317.2
- drainage	%	98.9	121.1	131.8	130.8	207.4
- total	%	198.4	211.1	245.7	351.1	392.8
Cost recovery ratio:						
- water	%	161.0	164.3	166.6	194.8	180.3
- sewerage	%	183.8	179.9	185.4	183.1	184.6
- drainage	%	124.8	130.6	128.9	115.7	121.4
- total	%	168.8	169.2	172.7	184.6	179.0
Operational performance	%	4.0	4.1	4.1	4.2	3.6

Non-financial Ratios - Metropolitan***Efficiency***

System water loss (as % of total volume supplied)	%	13.10	7.00	11.30	13.30	n.p.
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WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
Metropolitan (continued)						
Efficiency (continued)						
OMA cost per 100km of main:						
- water	\$'000/ 100km	540.23	570.77	557.98	582.00	673.32
- sewerage	\$'000/ 100km	657.70	693.70	679.04	798.00	827.29
- drainage	\$'000/ 100km	603.40	673.50	719.35	923.00	879.51
- total	\$'000/ 100km	579.28	618.91	608.66	676.00	738.58
Employees per 1000 properties served	Emp/ '000Prop	n.p.	2.66	2.56	2.33	2.09
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.
Effectiveness						
Real price index	Index	99.30	101.20	101.70	105.90	108.20
Real price movement:						
- residential	Index	99.40	101.20	101.70	107.20	110.70
- commercial	Index	99.30	101.10	101.60	103.90	104.30
- industrial	Index	99.30	101.10	101.60	103.90	104.30
Properties served per km of main:						
- water	No/100km	47.40	48.30	48.90	50.10	50.70
- sewerage	No/100km	61.50	61.10	61.30	62.20	63.50
- drainage	No/100km	284	289	282	287	295
Unsewered properties (% of total properties)	%	27.00	25.90	25.30	24.30	23.30
Flooding incidents per 100 km of main (sewers)	No/100km	10.50	4.50	10.00	5.40	11.23
Service Quality						
Compliance with sewerage effluent standards	%	n.p.	n.p.	n.p.	100.00	100.00
Compliance with water quality standards	%	n.p.	99.00	97.00	99.00	99.00
Water restrictions	%	0.00	0.00	0.00	0.00	66.30
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results:						
- water	%	n.p.	n.p.	n.p.	83.00	86.00
- sewerage	%	n.p.	n.p.	n.p.	96.00	97.00
- drainage	%	n.p.	n.p.	n.p.	63.00	71.00
	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)*Metropolitan (continued)**Service Quality (continued)*

Main breaks per 100 km (water)	No/100km	11.50	7.80	11.00	12.80	9.75
Sewer chokes per 100 km	No/100km	24.00	26.00	29.00	36.00	34.40

Size

Total assets	\$M	3,550	3,852	4,005	5,365	5,666
Total revenue:						
- water	\$M	172	182	184	201	213
- sewerage	\$M	160	164	172	182	201
- drainage	\$M	13	14	15	15	16
- total	\$M	345	361	370	398	429
Total employment	No	n.p.	2,859	2,806	2,653	2,425
Pipeline length:						
- water	km	10,013	10,057	10,182	10,270	10,511
- sewerage	km	5,638	5,890	6,064	6,266	6,438
- drainage	km	797	798	806	812	815
Properties served:						
- water	'000	475	486	498	515	533
- sewerage	'000	347	360	372	390	409
- drainage	'000	226	230	227	233	241
New housing allotments served	No	5,163	10,769	13,000	14,104	14,476
Megalitres of water supplied	'000 MI	214	203	217	229	215
Volume of sewage treated	'000 MI	74.00	77.00	76.00	78.00	80.00
Sewage treatment ratios:						
- primary	%	42.00	42.00	44.00	43.00	43.00
- secondary	%	58.00	59.00	56.00	57.00	57.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00

Cost & Revenue Measures

Average revenue received per property:

- water	\$/Prop	329	345	344	362	364
- sewerage	\$/Prop	394	412	422	431	439
- drainage	\$/Prop	54.00	57.00	61.00	61.00	62.00

Average revenue per kl :

- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)*Metropolitan (continued)**Cost & Revenue Measures (continued)*

OMA costs per property served:

- water	\$/Prop	113	118	114	116	133
- sewerage	\$/Prop	106	114	111	128	130
- drainage	\$/Prop	21.00	23.00	26.00	32.00	30.00

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - Country

Return on assets	%	-3.4	-3.7	-3.5	-2.5	-2.0
Return on operating assets	%	-3.2	-3.4	-3.2	-2.3	-1.8
Operating sales margin:						
- water	%	-51.9	-52.1	-50.5	-37.3	-30.3
- sewerage	%	0.8	-2.7	-1.1	6.4	10.5
- drainage	%	-357.1	-378.7	-251.8	-3,921.0	-3,098.1
- irrigation	%	-196.3	-251.3	-214.0	-155.2	-129.7
- water resources	%	-1,393.0	-1,583.0	-1,442.5	-2,301.9	-2,107.5
- total	%	-58.1	-59.8	-56.8	-45.8	-40.8
Return on equity	%	-4.9	-5.1	-6.9	-5.2	-4.0
Dividend to equity ratio	%	0.2	0.3	0.3	0.3	0.3
Dividend payout ratio:						
- water	%	-4.1	-5.9	-4.7	-6.5	-8.3
- sewerage	%	-12.2	-15.7	-9.2	-14.7	-22.3
- drainage	%	-0.8	-0.8	-0.9	-1.1	-0.1
- irrigation	%	-1.1	-1.7	-1.3	-2.5	-3.6
- water resources	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	-3.6	-5.0	-4.1	-5.7	-6.8
Debt to equity		7.6	7.6	22.4	14.5	14.2
Total liabilities to equity	%	9.8	10.4	25.7	17.0	17.1
Current ratio	%	-1,178.4	-1,591.0	-899.5	-2,275.4	-2,333.9
Interest cover:						
- water	%	-365.1	-365.2	-144.9	-120.4	-101.8
- sewerage	%	4.6	-12.9	-2.5	17.6	37.6
- drainage	%	-419.6	-499.9	-137.5	-195.7	-197.7
- irrigation	%	-707.0	-972.5	-449.1	-2,177.5	-1,509.2
- water resources	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	-338.2	-362.9	-151.0	-139.8	-132.2
Cost recovery ratio:						
- water	%	68.9	68.2	67.9	73.3	76.7
- sewerage	%	106.1	102.7	101.6	107.6	111.7
- drainage	%	23.1	22.4	29.4	2.5	3.1
- irrigation	%	35.2	29.6	32.7	39.5	43.5
- water resources	%	6.8	6.0	6.5	4.2	4.5
- total	%	66.1	65.1	65.2	69.0	71.0
Operational performance	%	-2.8	-3.0	-3.1	-2.3	-1.8

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
Non-financial Ratios - Country						
<i>Efficiency</i>						
System water loss (as % of total volume supplied)	%	13.80	10.50	14.30	16.80	n.p.
OMA cost per 100km of main						
- water	\$'000/ 100km	400.16	400.39	388.41	437.00	425.60
- sewerage	\$'000/ 100km	641.50	729.50	792.58	855.00	893.24
- drainage	\$'000/ 100km	94.20	108.40	105.12	89.00	97.99
- irrigation	\$'000/ 100km	779.70	797.30	816.06	1,064	902.85
- total	\$'000/ 100km	450.94	471.96	477.20	484.70	454.99
Employees per 1000 properties served	Emp/ '000Prop	n.p.	4.54	4.33	4.03	3.65
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Effectiveness</i>						
Real price index	Index	99.30	101.20	101.70	105.30	107.20
Real price movement:						
- residential	Index	99.40	101.20	101.70	107.00	109.90
- commercial	Index	99.30	101.10	102.70	103.90	104.90
- industrial	Index	99.30	101.10	102.70	103.90	104.90
Properties served per km of main:						
- water	No/km	10.90	10.90	10.80	11.10	11.30
- sewerage mains	No/km	44.60	44.10	43.60	43.90	44.70
- drainage	No/km	9.90	9.90	10.00	8.80	10.20
- irrigation	No/km	1.80	1.90	1.70	1.80	1.90
Unsewered properties (% of total properties)	%	56.10	55.40	54.70	53.80	52.60
Flooding incidents per 100 km of main (sewers)	No/100km	1.80	1.20	2.30	1.00	15.63
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	n.p.	n.p.	n.p.	n.p.	86.00
Compliance with water quality standards	%	n.p.	97.00	96.00	97.00	97.00
Water restrictions	%	0.10	1.20	1.43	2.82	20.86
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Country Service (continued)**Service Quality (continued)*

Customer satisfaction results:

- water	%	n.p.	n.p.	n.p.	81.00	85.00
- sewerage	%	n.p.	n.p.	n.p.	96.40	99.00
- drainage	%	n.p.	n.p.	n.p.	n.p.	n.p.
- irrigation	%	n.p.	n.p.	n.p.	64.00	77.00
Main breaks per 100 km (water)	No/100km	10.00	13.00	12.00	19.00	24.60
Sewer chokes per 100 km	No/100km	34.00	24.00	27.00	36.00	46.10

Size

Total assets	\$M	1,720	1,696	1,802	2,549	2,571
Total employment	No	n.p.	1,183	1,150	1,104	1,094
Pipeline length;						
- water	km	15,148	15,325	15,690	15,768	15,935
- sewerage	km	1,626	1,697	1,766	1,841	1,907
- drainage	km	1,797	1,797	1,797	2,084	2,084
Properties served;						
- water	'000	165	168	170	175	180
- sewerage	'000	73	75	77	81	85
- drainage	'000	18	18	18	18	21
New housing allotments served	No	6,039	2,315	3,416	5,117	4,374
Megalitres of water supplied	'000MI	97.00	91.00	80.00	107.00	101.00
Volume of sewage treated	'000MI	15.00	14.00	15.00	17.00	17.00
Sewage treatment ratios:						
- primary	%	n.p.	n.p.	6.00	2.00	2.00
- secondary	%	n.p.	n.p.	94.00	98.00	98.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00

Cost & Revenue Measures

Average revenue received per property:

- water	\$/Prop	444	446	444	485	499
- sewerage	\$/Prop	291	316	331	344	359
- drainage	\$/Prop	54.00	56.00	56.00	2.00	0.00
- irrigation	\$/Prop	2,711	2,423	2,762	3,365	3,297

Average revenue per kl:

- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Country Service (continued)**Cost & Revenue Measures (continued)*

OMA costs per property served:

- water	\$/Prop	360	366	358	394	377
- sewerage	\$/Prop	143	165	182	195	200
- drainage	\$/Prop	94.00	108.00	103.00	101.00	96.00
- irrigation	\$/Prop	4,207	4,268	4,760	5,759	4,644

NOTES TO INDICATORS FOR WATER AUTHORITY OF WESTERN AUSTRALIA

Key: n.p. - not provided: n.r. - not relevant.

WATER AUTHORITY OF WESTERN AUSTRALIA (continued)

Comments on own performance

The Hobart Regional Water Board was established in July 1984 as the successor to the Metropolitan Water Board. The Board is responsible for collecting, treating and conserving water in bulk and supplying it to constituent municipalities in the Hobart Regional Water District. The Board is a bulk water supplier only and is not concerned with reticulation, sewage or stormwater.

Current operations

The Authority is a Government Business Enterprise subject to the *Government Business Enterprise Act 1995* (GBE Act). The GBE Act provides a framework that enables Tasmania's GBEs to manage their operational affairs with greater independence, whilst providing for improved strategic oversight and accountability. In this way, the economic efficiency of the commercial operations of Government can be enhanced, maximising the long term sustainable returns to the State and improving the efficient operation of the whole economy.

The *Government Prices Oversight Act 1995* provides for the establishment of an independent commission to investigate and report on the pricing policies of GBE's that are monopoly, or near monopoly suppliers of goods and services. The prices of the Board will be the subject of investigation during the first half of the 1988 calendar year.

Employing about sixty people, the Board has an annual income of over \$17 million and assets of around \$139 million in written down current cost terms. The Board is financed through revenue from constituent councils and borrowings from the Tasmanian Public Finance Corporation. The Board is responsible for the effective management of about \$51 million of debt. The water supply system comprises a major water treatment plant, eight large storage dams, 25 pumping stations and approximately 400 kilometres of pipelines. Around 40,000 megalitres of water are supplied to councils each year.

Financial performance

Large variations in the unit rate charged for water are not unusual as the quantity of water supplied is substantially influenced by seasonal conditions, whereas the majority of the Board's costs are fixed. Accordingly, this variation is reflected in some of the financial performance indicators. Asset values have been based on unaudited current written down replacement cost valuations.

Comments on own performance (continued)*Other information*

The Board is progressively moving towards the introduction of current replacement cost depreciation. This will enable the Board to reduce its reliance on external funds to finance its Capital Works Program with no 'new money' borrowings from 1994–95 onwards. The Board has also agreed to maintain a constant real price for water for five years, with all excess funds being used to reduce external debt.

HOBART REGIONAL WATER BOARD**Tasmania***Units* 1990-91 1991-92 1992-93 1993-94 1994-95**Financial Ratios**

Return on assets (1)	%	4.3	4.9	5.3	5.0	4.9
Return on operating assets	%	4.0	4.7	5.3	5.0	5.0
Operating sales margin	%	38.3	41.2	41.7	40.1	40.3
Return on equity (7)	%	-1.5	-0.2	-0.3	1.2	1.5
Dividend to equity ratio (2)	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (2)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	60.6	68.0	68.9	59.6	56.4
Total liabilities to equity	%	67.6	76.9	78.8	70.0	65.6
Current ratio	%	82.2	71.9	195.1	67.2	68.1
Interest cover	%	82.7	97.4	96.5	116.4	122.3
Cost recovery ratio	%	162.1	165.7	173.2	166.8	167.4
Operational performance	%	4.0	4.4	5.4	5.0	5.0

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	3.20	4.12	4.59	4.08	4.58

Efficiency

System water loss (as % of total volume supplied) (3)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	1,601	1,663	1,534	1,521	1,581
Employees per 1000 properties served	Emp/ '000Prop	0.90	0.90	0.90	0.90	0.79
Total days lost (4)	%	3.10	3.20	3.80	5.10	6.65

Effectiveness

Real price index	Index	95.00	102.00	109.20	97.90	102.60
Real price movement: (5)						
- residential	Index	95.30	102.40	109.00	97.50	102.00
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	95.40	102.90	110.60	99.20	105.00
Properties served per km of main	No	180.8	182.6	175.2	173.0	178.3
Unsewered properties (% of total properties) (6)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Flooding incidents per 100 km of main (sewers) (6)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

HOBART REGIONAL WATER BOARD (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	94.80	96.20	96.90	98.30	98.80
Water restrictions	%	0.00	0.00	0.00	0.00	3.00
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	2.90	3.70	2.00	1.80	1.00
Sewer chokes per 100 km (6)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Size</i>						
Total assets (1)	\$M	155	145	140	149	150
Total revenue	\$M	16	17	17	17	18
Total employment	No	58.00	59.00	60.00	59.00	53.80
Pipeline length: (6)						
- water	km	374	374	394	401	401
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served: (6)						
- water	'000	68	68	69	69	71
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	1,378	677	711	385	2,127
Megalitres of water supplied	'000 MI	41.60	39.60	38.80	41.40	39.90
Volume of sewage treated	'000 MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios: (6)						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	208	215	226	251	224
- sewerage (6)	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage (6)	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

HOBART REGIONAL WATER BOARD (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Cost & Revenue Measures (continued)

Average revenue per kl:

- residential (5)	\$/kl	0.40	0.40	0.40	0.40	0.42
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	0.20	0.20	0.30	0.20	0.27
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	0.30	0.40	0.40	0.40	0.40
OMA costs per property served	\$/Prop	88.50	91.00	87.50	87.90	88.69

NOTES TO INDICATORS FOR HOBART REGIONAL WATER BOARD

Key: n.p. - not provided; n.r. - not relevant.

- 1) Audited historical cost and unaudited asset replacement cost asset valuation has been used in the financial performance indicators.
- 2) The Board is not required to pay a dividend to the Tasmanian Government.
- 3) The bulk water supply system is not fully metered, so information for some indicators are not available.
- 4) Available number of working days is defined as 365 days less 104 days for 52 weekends and less 12 days for public holidays. No allowance has been made for annual leave or long service leave.
- 5) Residential customer group includes all consumers, other than special consumers. The Board does not differentiate between residential, commercial and industrial consumers - other than special consumers who are any consumers who consume or agree to consume 225 megalitres in a year. The Board shows its special consumers as industrial consumers.
- 6) The Board is a bulk water supply authority only and is not concerned with reticulation, sewerage or stormwater.
- 7) The Board is not required to pay taxation or taxation equivalence to the Tasmanian Government.

HOBART REGIONAL WATER BOARD (continued)

**RIVERS AND WATER SUPPLY COMMISSION,
NORTH ESK****Tasmania****Comments on own performance***Background*

The North Esk Regional Water Supply Scheme, established in 1948, first arose out of a marriage of necessity between a scheme originally envisaged by the St Leonards Council for its own purposes and the Government's task of providing an adequate supply of water to aluminium works sited at Bell Bay. The Scheme is managed by a business unit established within the Rivers and Water Supply Commission - a statutory authority subject to the *Government Business Enterprises Act 1995*.

Current operations

The *Government Business Enterprises Act 1995* provides a framework that enables Tasmania's GBEs to manage their operational affairs with greater independence, whilst providing for improved strategic oversight and accountability. In this way, the economic efficiency of the commercial operations of the government can be enhanced, maximising the long term sustainable returns to the state and improving the efficient operation of the whole economy.

The Scheme operates under the provisions of the *North Esk Regional Water Act 1960*. It has sole responsibility for the supply of bulk water to the George Town Council, Prospect Vale and Hadspen in the Meander Valley Council, the northern, eastern and southern suburbs of the of the Launceston City Council, the Bell Bay/Longreach industrial area and around 170 wayside consumers. The Scheme is a bulk water supplier only and is not involved with water reticulation, sewage or stormwater.

Financial performance

The financial performance of the Scheme has improved dramatically since 1990–91 when it had retained losses of \$414,000. Since that time effective cost management combined with necessary increases in the water price have combined to result in retained profits at the end of 1994–95 of \$2,546,000. Other factors affecting the financial performance of this Scheme are :

- from 1990–91 to 1992–93 the scheme incurred foreign currency exchange losses of approximately \$500,000 per annum on a Yen loan. The loan was paid out and refinanced domestically in June 1994 at which time a foreign currency profit of \$137,000 was made;
- it should be noted that for the period 1990–91 to 1993–94 the scheme's assets were valued on the basis of estimated current replacement cost. This valuation was not audited; and

Comments on own performance (continued)

- a full asset revaluation was conducted as at 30 June 1995 in accordance with an independent valuation undertaken by the Australian Valuation Office — the basis of valuation was deprival value. The valuation is consistent with the recommendations of the Steering Committee on National Performance Monitoring of Government Trading Enterprises and has received the approval of the Auditor-General. Full revaluations will be performed at least on a five yearly basis with application of the relevant industry or technological index on an annual basis in the intervening years.

**RIVERS AND WATER SUPPLY COMMISSION,
NORTH ESK****Tasmania**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets	%	4.2	4.4	3.7	6.0	6.9
Return on operating assets	%	3.7	4.1	3.4	6.2	6.8
Operating sales margin	%	38.2	41.4	34.7	57.0	66.5
Return on equity	%	-0.4	0.3	-1.0	3.3	5.0
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	57.3	56.1	60.3	62.9	36.5
Total liabilities to equity	%	62.5	61.6	65.8	68.7	40.8
Current ratio	%	657.8	120.7	1,430.4	1,028.1	463.2
Interest cover	%	94.4	103.7	85.4	149.9	191.9
Cost recovery ratio	%	195.9	196.2	205.5	226.5	298.9
Operational performance	%	4.8	4.8	5.0	5.9	6.8

Non-financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	3.67	3.69	3.73	4.70	5.32

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	18.68	19.39	19.32	20.14	18.19
Employees per 1000 properties served	Emp/ '000Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Total days lost	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	108.3	114.9	125.2	132.6	137.2
Real price movement:						
- residential	Index	108.3	114.9	125.2	132.6	137.2
- commercial	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	Index	108.3	114.9	125.2	132.6	137.2
Properties served per km of main	No	n.r.	n.r.	n.r.	n.r.	n.r.
Unsewered properties (% of total properties)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	n.p.

**RIVERS AND WATER SUPPLY COMMISSION, NORTH ESK
(continued)**

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	n.p.	n.p.	n.p.	n.p.	n.p.
Compliance with water quality standards	%	95.00	95.00	95.00	98.00	98.00
Water restrictions	%	n.p.	n.p.	n.p.	n.p.	n.p.
Properties with service interruption	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.p.	n.p.	n.p.	n.p.	n.p.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	8.40	4.70	6.50	6.50	8.98
Sewer chokes per 100 km	No/100km	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Size</i>						
Total assets	\$M	45	46	52	57	75
Total revenue	\$M	4	5	5	6	7
Total employment	No	20.00	21.00	21.00	22.00	23.00
Pipeline length:						
- water	km	111.1	111.1	111.1	111.1	111.1
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	n.p.	n.p.	n.p.	n.p.	n.p.
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	n.p.	n.p.	n.p.	n.p.	n.p.
Megalitres of water supplied	'000 MI	8.81	8.54	8.07	8.24	9.32
Volume of sewage treated	'000 MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Cost & Revenue Measures</i>						
Average revenue received per property						
- water	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

RIVERS AND WATER SUPPLY COMMISSION, NORTH ESK
(continued)
Cost & Revenue Measures (continued)

Average revenue per kl	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- residential						
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- total	\$/kl	0.45	0.49	0.54	0.60	0.64
OMA costs per property served	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

NOTES TO INDICATORS FOR RIVERS AND WATER SUPPLY COMMISSION, NORTH ESK

Key: n.p. - not provided: n.r. - not relevant.

- 1) The Rivers and Water Supply Commission is presently exempt from taxation or taxation equivalent payments with the exception of payroll tax and fringe benefits tax. The Commission is not presently required to pay dividends to the Tasmanian Government.

Comments on own performance*Background*

The North West Regional Water Authority came into being on 1 July 1977. It took over responsibility for water treatment and reticulation from seven municipalities on the north-west coast of Tasmania. In July 1987 the Authority handed back to constituent municipalities all reticulation works and became a bulk water supplier.

Current operations

The Authority is a Government Business Enterprise subject to the *Government Business Enterprise Act 1995* (GBE Act). The GBE Act provides a framework that enables Tasmania's GBEs to manage their operational affairs with greater independence, whilst providing for improved strategic oversight and accountability. In this way, the economic efficiency of the commercial operations of Government can be enhanced, maximising the long term sustainable returns to the State and improving the efficient operation of the whole economy.

The Authority's mission is "to provide a safe, high quality and reliable bulk water supply in an efficient, environmentally responsible and economically sound manner." The Authority sells water in bulk to six constituent councils on the North West Coast following the amalgamation of two councils in 1993. The Authority employs 25 permanent staff, casuals and contractors. It has an annual income of approximately \$8.5 million, and assets of \$92 million in written down current cost terms. The Authority is financed through revenue from sales of water in bulk and borrowings. Borrowings at 30 June 1995 totalled \$28 million. The water supply system comprises six water treatment plants, a maintenance depot, a regional control centre, 12 pump stations, 28 reservoirs/storages and 142 kilometres of pipeline spanning the six municipalities.

Financial performance

The impact of user pays policies progressively being adopted by constituent councils, together with seasonal conditions, are reflected in the contraction of water demanded having a direct effect on the unit rate charged for water. This variation in the price is evident in some of the financial performance indicators. In the years 1987–92 revenue was based on covering historical cost depreciation with the objective of breaking even. From the 1st of July 1993 the performance indicators reflect asset values based on audited current written down replacement cost valuations.

Comments on own performance (continued)*Non-financial performance*

Whilst the continuing decline in water demand is a concern to the Authority, from a pricing point of view, it does continue to reflect an attitude of conservation of the resource and should lengthen the lives of the assets. The performance indicators show improved and sustained high levels of compliance with water quality standards, and delivery of service.

NORTH WEST REGIONAL WATER AUTHORITY**Tasmania***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios**

Return on assets (2)	%	9.0	7.5	8.6	5.4	4.1
Return on operating assets	%	8.7	7.5	9.0	5.4	4.0
Operating sales margin	%	54.7	47.2	54.2	45.7	43.6
Return on equity (3)	%	-0.8	-2.6	-0.1	1.0	0.1
Dividend to equity ratio (3)	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	161.1	159.5	152.0	57.4	44.9
Total liabilities to equity	%	170.0	170.5	165.3	62.6	49.5
Current ratio	%	278.5	242.3	209.8	191.1	81.9
Interest cover (2), (6)	%	97.1	88.5	99.5	110.7	100.9
Cost recovery ratio	%	219.4	196.1	218.4	185.2	177.0
Operational performance	%	8.7	7.8	9.0	5.5	4.0

Non-financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	8.28	7.67	9.05	4.35	4.13

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA costs per 100km of main	\$'000/ 100km	2,039	2,497	2,222	2,002	2,068
Employees per 1000 properties served	Emp/ '000Prop	1.00	1.00	1.00	1.00	0.90
Total days lost	%	2.69	3.20	1.76	2.14	3.30

Effectiveness

Real price index	Index	95.30	105.90	119.50	103.40	90.70
Real price movement						
- residential	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	Index	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served per km of main	No	183.1	183.1	190.1	190.1	190.1
Unsewered properties (% of total properties)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Flooding incidents per 100 km of main (sewers)	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.

NORTH WEST REGIONAL WATER AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	n.r.	n.r.	n.r.	n.r.	n.r.
Compliance with water quality standards	%	96.00	98.00	98.00	98.90	99.70
Water restrictions	%	0.00	0.00	0.00	0.00	0.00
Properties with service interruption	%	0.00	0.00	0.00	0.00	0.00
Average interruption duration	Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Service restored within 5 hours	%	n.r.	n.r.	n.r.	n.r.	n.r.
Customer satisfaction results	%	n.p.	n.p.	n.p.	n.p.	n.p.
Main breaks per 100 km (water)	No/100km	4.00	3.00	3.00	4.00	5.00
Sewer chokes per 100 km	No/100km	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Size</i>						
Total assets (1,7)	\$M	59	60	60	94	95
Total revenue	\$M	9	9	9	9	9
Total employment	No	27.00	27.00	27.00	26.00	25.00
Pipeline length:						
- water	km	142	142	142	142	142
- sewerage	km	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	26.00	26.00	27.00	27.00	27.00
- sewerage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served	No	228	273	361	185	658
Megalitres of water supplied	'000MI	14.00	13.00	12.00	13.00	14.00
Volume of sewage treated	'000MI	n.r.	n.r.	n.r.	n.r.	n.r.
Sewage treatment ratios:						
- primary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- secondary	%	n.r.	n.r.	n.r.	n.r.	n.r.
- tertiary	%	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	319	323	333	305	296
- sewerage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

NORTH WEST REGIONAL WATER AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost & Revenue Measures (continued)</i>						
Average revenue per kl:	\$/Prop					
- residential		n.r.	n.r.	n.r.	n.r.	n.r.
- commercial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	0.57	0.63	0.74	0.64	0.59
- total	\$/kl	0.57	0.63	0.74	0.64	0.59
OMA costs per property served	\$/Prop	93.00	112.00	95.00	105.00	109.00

NOTES TO INDICATORS FOR NORTH WEST REGIONAL WATER BOARD

Key: n.p. - not provided: n.r. - not relevant.

- 1) Average total assets includes written down replacement cost values of assets as at 30 June. These figures are unaudited for the years up to but not including 1993–94.
- 2) Earnings before interest and tax (EBIT) include depreciation based on the current replacement cost value of assets. These figures are unaudited for the years up to but not including 1993–94.
- 3) Average total equity includes the written down replacement cost value of assets, which are unaudited for the years up to but not including 1993–94.
- 4) Total equity includes the written down replacement cost value of assets, which are unaudited for the years prior to 1993–94.
- 5) Total expenses includes depreciation based on the current replacement cost value of assets. These figures are unaudited for the years up to but not including 1993–94.
- 6) Gross interest expenses includes a government guarantee fee as follows : 1990–91 \$252,000; 1991–93 \$210,000; 1992–93 \$218,000; 1993–94 \$194,000; and 1994–95 \$183,553.
- 7) Asset valuation information can be supplied if required. However, it is currently not in the form requested.
- 8) Community Service Obligations are as follows:
 - Fluoridation (as per Act of State Parliament): Reimbursement from the State for expenditure sustained totalled \$20,865 for 1994–95.
 - Discounted rate for large users (as per regulation, N.W.R.W.Act 1987): This discount is given to Councils who have customers that consume 100 megalitres of water or more per annum. The amount of this discount can be expressed as a value of \$792,721 for 1994–95 or an increase in the unit rate for water from 61.334172558 cents/kl. to 67.954670 cents/kl. It should be noted that the Authority operates to breakeven and therefore passes on this discount to it's customers.

POWER AND WATER AUTHORITY**Northern Territory****Comments on own performance (Water/Sewerage/Water Resources)**

The Power and Water Authority was established in 1987 by the amalgamation of the Northern Territory Electricity Commission, the Northern Territory Water Authority and the Water Resources Division of the Department of Mines and Energy. The Authority is the sole provider of public electricity, water and sewerage services throughout the Northern Territory.

Current operations

The Authority conducts its business in the four main regions of the Northern Territory, namely Darwin, Katherine, Tennant Creek and Alice Springs. In addition to the provision of services to these urban centres the Authority provides services to remote Aboriginal communities throughout the Territory. The latter is a major part of the Authority's community service obligations. The Authority provides a total of 33,000 water and 37,000 sewerage services across the Territory.

Financial performance

The Authority maintains infrastructure over a large area for a relatively small customer base. All water requires pumping for delivery to customers, adding to reticulation costs. Water tariffs have been increased by 44 per cent in real terms since 1987–88 to achieve full cost recovery. The Authority started reporting its assets on a replacement value basis in 1994–95.

Non-financial performance

Over the period 1987–88 to 1994–95, labour productivity (employees/thousand properties) has improved from 6.2 to 4.0 for metro water, 3.4 to 2.8 for metro sewerage, and 21.3 to 8.9 for country water. Country sewerage fluctuated around 2.2.

POWER AND WATER AUTHORITY**Northern Territory***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios - Metropolitan**

Return on assets	%	1.3	0.6	-0.3	-2.0	-0.2
Return on operating assets	%	1.3	0.6	-0.4	-2.1	-0.4
Operating sales margin	%	8.6	4.6	-3.2	-16.5	-3.2
Return on equity	%	0.4	-0.3	-1.9	-3.7	-1.6
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	11.6	11.6	16.6	10.0	19.4
Total liabilities to equity	%	14.9	14.4	19.1	13.0	26.6
Current ratio	%	323.9	323.2	594.5	430.6	155.3
Interest cover	%	138.5	68.1	-23.3	-178.0	-17.9
Cost recovery ratio	%	91.3	98.9	93.4	82.7	97.7
Operational performance	%	-1.2	-0.2	-0.9	-2.6	-0.3

Non-financial Ratios - Metropolitan***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (5)	%	15.7	5.7	15.9	14.5	13.6
OMA cost per 100km of main:						
- water	\$'000/ 100km	1,298	1,150	1,426	1,432	1,380
- sewerage	\$'000/ 100km	1,225	1,030	1,169	1,121	1,378
Employees per 1000 properties served						
- water	Emp/ '000Prop	6.2	7.3	6.9	3.1	4.0
- sewerage	Emp/ '000 Prop	3.4	3.4	3.3	2.1	2.8
Total days lost	%	n.p.	n.p.	n.p.	3.9	3.6

Effectiveness

Real price index:						
- water	Index	111.4	124.0	141.0	145.6	143.9
- sewerage	Index	102.5	107.0	117.3	117.4	116.2
Real price movement - residential:						
- water	Index	111.4	124.0	132.5	134.2	132.9
- sewerage	Index	102.5	107.0	117.3	117.4	116.2

POWER AND WATER AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
Metropolitan (continued)						
Effectiveness (continued)						
Real price movement - commercial:						
- water	Index	111.4	124.0	132.5	134.2	132.9
- sewerage	Index	102.5	107.0	117.3	117.4	116.2
Real price movement - government:						
- water	Index	111.4	124.0	164.4	176.8	175.0
- sewerage	Index	102.5	107.0	117.3	117.4	116.2
Properties served per km of main:						
- water	No/km	27.8	25.1	26.1	26.3	27.3
- sewerage (12)	No/km	45.4	45.4	45.4	45.4	45.4
Unsewered properties (% of total properties) (7)	%	-1.8	-18.4	-16.3	-19.0	-18.8
Flooding incidents per 100 km of main (sewers) (10)	No/100km	n.p.	0.2	0.2	5.1	1.1
Service Quality						
Compliance with sewerage effluent standards (8)	%	100	100	100	100	100
Compliance with water quality standards: (9)						
- health	%	95	96	98	99	99
- aesthetics	%	n.p.	n.p.	n.p.	91	91
Water restrictions (10)	%	0.00	0.00	0.00	0.00	0.90
Properties with service interruption (10)	%	n.p.	n.p.	n.p.	18.00	0.70
Average interruption duration (10)	Hr	n.p.	n.p.	n.p.	2.00	2.00
Service restored within 5 hours (10)	%	100	100	100	100	100
Customer satisfaction results (10,11)	%	n.p.	n.p.	92	93	91
Main breaks per 100 km (water) (10)	No/100km	n.p.	23.5	23.1	13.1	18.8
Sewer chokes per 100 km (10)	No/100km	n.p.	34.7	32.1	59.3	68.7
Size						
Total assets (1,2,4)	\$M	261	260	259	263	267
Total revenue (2,3)	\$M	40	37	37	34	36
Total employment	Emp	359	353	345	239	278
Pipeline length: (12)						
- water	km	800	800	800	800	800
- sewerage	km	498	525	536	551	571
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.

POWER AND WATER AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Metropolitan (continued)**Size (continued)**

Properties served:

- water	'000	22	20	21	21	22
- sewerage	'000	23	24	24	25	26
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.
New housing allotments served (6,13)	No	n.p.	n.p.	800	100	400
Megalitres of water supplied	'000MI	32.5	35.2	34.0	35.0	35.1
Volume of sewage treated	'000MI	13.9	10.2	11.9	13.1	15.6
Sewage treatment ratios:						
- primary	%	35	35	35	35	35
- secondary	%	65	65	65	65	65
- tertiary	%	0	0	0	0	0

Cost & Revenue Measures

Average revenue received per property:

- water	\$/Prop	451	545	573	631	627
- sewerage	\$/Prop	358	403	385	384	370
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.
Average revenue per kl:						
- residential	\$/kl	0.37	0.33	0.42	0.40	0.40
- commercial	\$/kl	0.37	0.33	0.42	0.41	0.41
- industrial	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- government	\$/kl	0.37	0.33	0.42	0.52	0.57
- total	\$/kl	0.37	0.33	0.42	0.44	0.45
OMA costs per property served:						
- water	\$/Prop	270	227	258	247	304
- sewerage	\$/Prop	468	458	546	546	506

POWER AND WATER AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - Country

Return on assets	%	1.6	2.2	-0.4	-1.0	-2.0
Return on operating assets	%	1.6	2.2	-0.4	-1.2	-2.2
Operating sales margin	%	11.4	15.7	-4.1	-11.7	-21.8
Return on equity	%	1.4	2.0	-0.7	-2.1	-3.8
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	3.0	2.8	2.7	8.0	21.0
Total liabilities to equity	%	4.9	4.3	4.3	10.2	24.7
Current ratio	%	307.8	435.8	373.9	472.6	153.2
Interest cover	%	598.0	817.7	-151.3	-117.5	-156.6
Cost recovery ratio	%	76.3	106.3	88.3	82.4	82.0
Operational performance	%	-3.0	0.7	-1.3	-2.0	-2.2

Non-financial Ratios - Country*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied) (5)	%	n.p.	n.p.	n.p.	n.p.	19.00
OMA cost per 100km of main:						
- water	\$'000/ 100km	5,938.6	5,270.3	4,045.5	3,961.1	4,849.8
- sewerage	\$'000/ 100km	907.8	800.2	1,755.8	2,231.9	1,773.1
Employees per 1000 properties served:						
- water	Emp/ '000Prop	21.30	12.30	4.60	6.30	8.90
- sewerage	Emp/ '000Prop	2.10	3.50	3.50	2.90	2.20
Total days lost - total	%	n.p.	n.p.	n.p.	3.90	3.30

Effectiveness

Real price index:						
- water	Index	111.4	124.0	141.0	145.6	143.9
- sewerage	Index	102.5	107.0	117.3	117.4	116.2

POWER AND WATER AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Country (continued)**Effectiveness (continued)*

Real price movement residential:

- sewerage	Index	111.4	124.0	132.5	134.2	132.9
- water	Index	102.5	107.0	117.3	117.4	116.2

Real price movement commercial:

- sewerage	Index	111.4	124.0	132.5	134.2	132.9
- water	Index	102.5	107.0	117.3	117.4	116.2

Real price movement government:

- sewerage	Index	111.4	124.0	164.4	176.8	175.0
- water	Index	102.5	107.0	117.3	117.4	116.2

Effectiveness

Properties served per km of main:

- water	No/km	31.90	28.80	30.00	30.80	30.90
- sewerage	No/km	37.70	35.90	36.00	36.00	39.70
Unsewered properties (% of total properties) (7)	%	55.40	52.20	53.10	52.40	48.70
Flooding incidents per 100 km of main (sewers) (10)	No/100km	n.p.	3.70	2.60	1.10	1.10

Service Quality

Compliance with sewerage effluent standards (8)	%	100.00	100.00	100.00	100.00	100.00
Compliance with water quality standards: (9)						
- health	%	n.p.	n.p.	98.00	98.00	98.00
- aesthetics	%	n.p.	n.p.	n.p.	n.p.	n.p.
Water restrictions (10)	%	0.00	0.00	0.00	0.00	0.00
Properties with service interruption (10)	%	n.p.	n.p.	n.p.	0.50	0.30
Average interruption duration (10)	Hr	n.p.	n.p.	n.p.	n.p.	3.70
Service restored within 5 hours (10)	%	100.00	100.00	100.00	100.00	100.00
Customer satisfaction results (10,11)	%	n.p.	n.p.	92.00	93.00	91.00
Main breaks per 100 km (water) (10)	No/100km	n.p.	14.40	15.00	13.90	10.40
Sewer chokes per 100 km (10)	No/100km	n.p.	11.20	18.30	18.00	12.80

Size

Total assets (1,2,4)	\$M	201	212	219	230	231
Total revenue (2,3,14)	\$M	29	28	23	23	23
Total employment	No	232	145	77	90	112

POWER AND WATER AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Country (continued)**Size (continued)*

Pipeline length: (12)

- water	km	310.7	312.3	313.9	315.4	317.0
- sewerage	km	262.6	267.6	272.6	277.6	282.0
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.

Properties served:

- water	'000	9.90	9.00	9.40	9.70	9.80
- sewerage	'000	9.90	9.60	9.80	10.00	11.19
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.

New housing allotments served (6,13)

Megalitres of water supplied	'000MI	27.00	31.00	25.90	25.20	25.60
Volume of sewage treated	'000MI	6.90	5.10	5.60	4.20	4.10

Sewage treatment ratios:

- primary	%	0.00	0.00	0.00	0.00	0.00
- secondary	%	100.00	100.00	100.00	100.00	100.00
- tertiary	%	0.00	0.00	0.00	0.00	0.00

Cost & Revenue Measures

Average revenue received per property:

- water	\$/Prop	1,343.0	1,986.0	1,426.1	1,424.7	1,696.4
- sewerage	\$/Prop	612.6	782.6	757.1	711.3	601.9
- drainage	\$/Prop	n.r.	n.r.	n.r.	n.r.	n.r.

Average revenue per kl:

- residential	\$/kl	0.31	0.44	0.38	0.40	0.41
- commercial	\$/kl	0.31	0.44	0.38	0.39	0.41
- government	\$/kl	n.r.	n.r.	n.r.	n.r.	n.r.
- other	\$/kl	0.31	0.44	0.38	0.45	0.53
- total	\$/kl	0.31	0.44	0.38	0.41	0.44

OMA costs per property served:

- water	\$/Prop	1,717.1	1,721.7	1,289.5	1,251.8	1,568.8
- sewerage	\$/Prop	221.8	210.0	466.2	602.1	446.7

POWER AND WATER AUTHORITY (continued)

NOTES TO INDICATORS FOR POWER AND WATER AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

- 1) Metro includes all of the Water Resources Division.
- 2) PAWA is an integrated service provider and care should be taken in interpreting trends in assets, equity, revenue and expenses. A significant component of capital assets has been allocated between power and water segments. Total revenue includes a significant component of government contributions for CSOs and to cover operating deficits up to 1993–94. A significant component of corporate level expense and headcount have been allocated between power and water segments, in the published accounts. The basis for this allocation has changed from year to year.
- 3) CSO's - Govt contributions fund the cash deficit in the Authority's Aboriginal Essential Services and Water Resources Divisions.
- 4) Based on revalued assets and current value depreciation for all years- actual for 1994–95 and estimated for previous years using WSAA model.
- 5) Calculated as (production-billed)/production. No estimate of unmetered consumption available.
- 6) Real OM&A cost (1994–95 dollars) as per WSAA survey. Defined by WSAA to exclude interest and depreciation.
- 7) Sewerage services include vacant sewer blocks, of which there were 2000 in 1992–93, largely metro. Services exclude septic tanks.
- 8) There are no licensing agreements. PAWA currently monitors coastal outfalls at end of pipe, as mixing zones are yet to be determined. Inland regions are designed for zero release.
- 9) NHMRC 1987 guidelines used. The average % compliance across the country areas including AES communities is weighted by population of each centre on total country population rather than on total % samples.
- 10) Covers major urban centres only.
- 11) Rating covers power, water and sewerage services.
- 12) Extrapolated back from 1994–95 using number of services as guide.
- 13) Based on change in number of services.
- 14) Capital contributions not separately identified before 1993–94 and no deduction made from total revenue for this period.

Comments on own performance

ACTEW was formed in 1988 by amalgamation of the ACT Electricity Authority with ACT Water. Before this, water and sewer supply was provided by the Federal Government's Department of Territories. The revenue collection and engineering functions were undertaken in separate organisations with funding provided by the Federal Government. As such the cost of service provision was not mirrored in the cost to the consumer, and this is being progressively addressed.

ACTEW's water function requires both production and distribution activities, with the sewerage function requiring the collection and safe disposal of sewage. ACTEW supplies water and sewerage services to a population of about 330,000 people in the ACT and Queanbeyan (water only). The following factors should be taken into account in interpreting ACTEW's performance data.

- The ACT has arguably the most stringent discharge licence conditions of any sewage treatment plant in Australia and the best performance in terms of effluent discharged consistently;
- The extremes in climatic conditions have seen, over the period in question, a peak summer to mid winter ratio water demand of the order of five to one. Also Canberra receives less rainfall, has higher evaporation levels, and its cool land grasses require more water than virtually all other capital cities. The 'garden image' of Canberra as the national capital also adds to demand for water in the ACT;
- Planning of the ACT has dictated large open spaces between areas of development necessitating extensive infrastructure provision for very low population density ratios, and higher service provision standards than would have been required elsewhere.

Financial Performance

ACTEW has developed a long range water supply strategy directed at deferring infrastructure investment in pursuit of alternative water sources. The success of this plan has seen a significant per capita reduction in water consumption. Effectively this means the \$200 per property increase required to build the next dam has been deferred from 2000 until 2040, but it also means that short term revenue and hence real productivity will be changed. The strategy has also seen the ACT adopt a new pricing structure as of 1 July 1994 with a reduced access charge and a consumption rate that now applies from the first litre consumed. Despite the sewerage treatment works high performance standard, considerable additional capital work has been requested by the community to protect the river. Work on bypass dams has recently been completed and have already been used to stop sewage flowing into the river system.

ACTEW (Water)**A.C.T**

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
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Financial Ratios

Return on assets	%	1.0	1.1	1.1	0.6	0.9
Return on operating assets	%	0.7	0.8	1.0	0.4	0.8
Operating sales margin	%	9.0	10.9	12.5	5.3	9.3
Return on equity	%	0.2	0.3	0.4	-0.2	0.3
Dividend to equity ratio	%	0.3	0.3	0.3	0.0	0.0
Dividend payout ratio	%	129.7	108.4	82.5	0.0	0.0
Debt to equity	%	8.5	8.2	6.9	6.6	6.0
Total liabilities to equity	%	9.7	9.7	8.1	8.1	8.0
Current ratio	%	232.2	164.8	220.9	124.7	119.7
Interest cover	%	122.4	130.2	144.6	78.5	135.9
Cost recovery ratio	%	96.6	101.7	104.3	103.8	99.7
Operational performance	%	-0.2	0.1	0.3	0.3	0.0

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

System water loss (as % of total volume supplied)	%	n.p.	n.p.	n.p.	n.p.	n.p.
OMA cost per 100km of main:						
- water	\$'000/ 100km	873	814	788	848	956
- sewerage	\$'000/ 100km	971	914	942	1,115	1,189
Employees per 1000 properties served:						
- water	Emp/ '000Prop	3.00	2.90	2.80	2.90	2.71
- sewerage	Emp/ '000Prop	2.90	2.90	2.80	2.80	2.79
Total days lost - total	%	n.p.	n.p.	3.20	4.70	3.98

Effectiveness

Real price index:						
- water	Index	107.5	104.8	107.3	109.6	111.9
- sewerage	Index	104.0	106.5	121.8	129.5	128.7
- overall	Index	116.8	122.8	137.5	148.5	159.5

ACTEW (Water) (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Real price movement:						
- residential	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Properties served per km of main:						
- water	No/km	38.20	38.30	39.20	38.80	40.06
- sewerage	No/km	38.30	37.80	39.10	39.60	40.87
Unsewered properties (% of total properties)	%	0.00	0.00	0.00	0.00	0.00
Flooding incidents per 100 km of main (sewers)	No/100km	n.p.	n.p.	n.p.	n.p.	99.50
<i>Service Quality</i>						
Compliance with sewerage effluent standards	%	100.00	99.00	100.00	98.00	95.95
Compliance with water quality standards:						
- health	%	99.60	98.50	98.50	99.50	99.90
- aesthetics	%	97.00	96.50	97.00	97.10	92.40
Water restrictions	%	0.00	0.00	0.00	0.00	0.00
Properties with service interruption	%	0.20	0.21	0.16	0.41	0.05
Average interruption duration:						
- water	Hr	n.p.	n.p.	n.p.	n.p.	4.50
- sewerage	Hr	n.p.	n.p.	n.p.	n.p.	1.00
Service restored within 5 hours	%	97.24	96.69	99.90	99.30	98.80
Customer satisfaction results	%	n.p.	74.00	74.00	75.00	74.00
Main breaks per 100 km (water)	No/100km	n.p.	n.p.	14.00	13.00	14.31
Sewer chokes per 100 km	No/100km	80.00	n.p.	89.00	109.00	120.00
<i>Size</i>						
Total assets	\$M	1,014	1,010	1,118	1,111	1,125
Total revenue	\$M	79	79	84	92	96
Total employment	No	578	590	601	637	611
Pipeline length:						
- water	km	2,587	2,631	2,694	2,793	2,830
- sewerage	km	2,577	2,669	2,704	2,737	2,774
- drainage	km	n.r.	n.r.	n.r.	n.r.	n.r.
Properties served:						
- water	'000	99.00	101.00	106.00	108.00	113.37
- sewerage	'000	99.00	101.00	106.00	108.00	113.37
- drainage	'000	n.r.	n.r.	n.r.	n.r.	n.r.

ACTEW (Water) (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Size (continued)</i>						
New housing allotments served	No	n.p.	n.p.	n.p.	n.p.	n.p.
Megalitres of water supplied	'000 MI	77.26	60.05	50.16	59.39	60.57
Volume of sewage treated	'000 MI	33.30	33.16	34.77	32.72	30.07
Sewage treatment ratios:						
- primary	%	100.00	100.00	100.00	100.00	100.00
- secondary	%	100.00	100.00	100.00	100.00	100.00
- tertiary	%	100.00	100.00	100.00	100.00	100.00
<i>Cost & Revenue Measures</i>						
Average revenue received per property:						
- water	\$/Prop	327	336	315	338	320
- sewerage	\$/Prop	274	287	334	361	369
- drainage	\$/Prop	n.p.	n.p.	n.p.	n.p.	n.p.
Average revenue per kl:						
- residential	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- commercial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- other	\$/kl	n.p.	n.p.	n.p.	n.p.	n.p.
- total	\$/kl	0.42	0.56	0.66	0.62	0.60
<i>Cost & Revenue Measures</i>						
OMA costs per property served:						
- water	\$/Prop	222	210	201	218	239
- sewerage	\$/Prop	247	240	241	281	291

NOTES TO INDICATORS FOR ACTEW (WATER)

Key: n.p. - not provided; n.r. - not relevant.

4 URBAN TRANSPORT

State Transit Authority (NSW)	245
Brisbane Transport (Queensland)	255
TransAdelaide (SA)	261
MetroBus (WA)	269
Metropolitan Transport Trust (Tasmania)	277
ACTION (ACT)	281

Comments on own performance

State Transit Authority operates bus and ferry services in Sydney and Newcastle. These services are provided under commercial contracts issued by the Department of Transport as required by the *Passenger Transport Act, 1990*.

State Transit operates in the same commercial environment as private transport operators, and is required to meet the same contractual standards for all aspects of its business. In 1994-95 progress was made towards reducing deficit funding through increased operating efficiencies and the continued disposal of unused assets. Income was increased through the introduction of new bus and ferry services.

Sydney ferries introduced new stops on the Parramatta River and in the Inner Harbour. A lunchtime RiverCat service was introduced to link the City and Milsons Point with Watsons Bay. During the summer months a ferry service was introduced to the harbour beaches of Clifton Gardens and Balmoral, and the Quarantine Station at North Head. Sydney Buses further improved its Airport Express service to provide a more efficient link between airport and hotel, introducing service variations to timetables and routes to better meet customers' needs. Newcastle Bus and Ferry Services started the year in new premises at the Hamilton Depot.

Improved access for people with disabilities was a major area of progress. Sydney Ferries unveiled its new hydraulic ramp for JetCats at Manly Wharf and completed its program of introducing wheelchair accessible gangplanks. Sydney Buses and Newcastle Services took delivery of a new low floor bus, which underwent extensive trials in metropolitan Sydney and Newcastle. Customer feedback was very positive. Other features on the latest State Transit buses include non-slip floors, brightly coloured handrails for the sight impaired, permanent seating for the elderly and people with disabilities and anti-slip coated support poles and other safety aids such as improved handgrips.

Protecting the environment is high on State Transit's agenda. Our use of Compressed Natural Gas and Diesel contributes to cleaner air.

State Transit returned a surplus of \$19.9 million for 1994-95. At the same time STA reduced its reliance on Government contributions by \$9.9 million in real terms, with a further reduction of \$15.5 million planned for 1995-96., State Transit funded its own capital works program of \$23.7 million reduced external debt by a further \$13.6 million through the sale of assets surplus to core business needs and through improved management of inventory and receivables.

STATE TRANSIT AUTHORITY**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios

Return on assets (4)	%	3.7	21.0	27.2	2.8	6.9
Return on operating assets (4)	%	1.5	22.8	30.7	1.9	6.4
Operating sales margin (4)	%	1.6	19.3	24.9	1.9	5.9
Return on equity (2,4)	%	1.2	102.8	116.3	4.0	16.7
Dividend to equity ratio (1)	%	0.0	75.0	0.0	0.0	1.3
Dividend payout ratio (1)	%	0.0	73.0	0.0	0.0	7.5
Debt to equity	%	165.4	118.2	91.8	56.9	37.2
Total liabilities to equity	%	537.2	377.8	355.6	254.2	182.0
Current ratio	%	84.9	71.1	74.2	115.6	104.2
Interest cover (4)	%	104.2	917.2	1,208.2	155.2	444.2
Cost recovery ratio	%	94.8	116.6	135.1	104.0	111.3
Operational performance	%	-4.8	15.4	31.5	3.9	10.9

Non-financial Ratios - All Operations***Economic Factors***

Total factor productivity (6)	Index	1.83	1.87	2.09	2.15	2.15
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total assets (3)	\$'000	440,978	412,969	399,050	382,595	363,155
Total revenue	\$'000	357,569	434,914	334,431	350,562	339,540
Cash box and other non-government revenue	\$'000	137,738	138,251	153,538	156,771	185,760

Non-financial Ratios - Sydney Buses***Economic Factors***

Total factor productivity (1)	Index	1.00	1.07	1.22	1.29	1.26
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	5.20	5.35	4.98	4.53	5.20
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	6.33	6.35	6.15	5.34	5.30
Employees per vehicle	Emp/Veh	3.3	3.0	2.6	2.5	2.6

STATE TRANSIT AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Sydney Buses (continued)</i>						
<i>Efficiency (continued)</i>						
Vehicles in excess of maximum daily demand	%	10.5	8.6	9.3	13.7	11.1
Kilometres per vehicle	km/Veh	45,387	46,027	45,905	46,522	47,111
Vehicle kilometres per employee	km/Emp	15,336	16,897	19,246	20,865	20,297
Vehicle capacity kilometres per employee	'000 TVCkm/ Emp	1,001	1,103	1,256	1,494	1,324
Total days lost:						
- industrial disputes	%	0.20	0.50	0.00	0.00	0.00
- sick leave	%	5.00	4.90	4.90	5.10	5.00
- industrial accidents	%	2.20	1.30	1.50	2.00	0.70
- total	%	7.40	6.80	6.40	7.10	5.70
<i>Effectiveness</i>						
Real price index (5)	Index	102.8	103.5	107.4	108.3	106.4
Boardings per vehicle kilometre	Bd/km	2.9	2.9	2.8	2.7	2.7
Boardings per employee	Bd/Emp	45,005	48,869	54,004	56,984	55,634
Boardings per head of population:						
- metro	Bd/Hd	47.2	46.0	44.6	44.7	45.4
- catchment	Bd/Hd	101.5	99.0	95.9	96.2	97.7
<i>Service Quality</i>						
Service cancellations	%	0.80	0.10	0.70	0.20	0.20
Service delays	%	1.90	0.70	1.50	0.40	0.60
<i>Size</i>						
Total employment	No	3,880	3,484	3,053	2,903	3,022
Total vehicle kilometres	'000 km	59,503	58,869	58,759	60,571	61,339
Total passenger boardings	'000	174,620	170,260	164,873	165,424	168,126
Number of scheduled services	'000	4,946	4,774	4,741	5,026	3,980
Revenue vehicle fleet	No	1,311	1,279	1,280	1,302	1,302
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	1.16	1.21	1.16	1.19	1.20
Passenger revenue per vehicle kilometre	\$/km	3.4	3.5	3.2	3.2	3.4
Passenger revenue per employee	\$/Emp	52,028	58,981	62,549	67,653	69,463
Expenditure per vehicle kilometre	\$/km	4.10	4.10	4.00	3.80	3.50
Expenditure per boarding	\$/Bd	1.41	1.43	1.43	1.40	1.30
Government operating subsidy (1)	%	56.5	62.9	51.9	52.2	52.7

STATE TRANSIT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Non-financial Ratios - Sydney Ferries*Economic Factors*

Total factor productivity (6)	Index	1.16	1.02	0.98	0.88	0.94
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	5.30	5.50	5.40	5.60	4.30
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	9.50	9.80	8.50	9.00	7.20
Employees per vehicle	Emp/Veh	24.3	21.5	19.2	17.0	17.6
Vehicles in excess of maximum daily demand	%	26.3	21.1	21.1	18.2	18.2
Kilometres per vehicle	km/Veh	44,958	44,826	43,609	47,308	49,962
Vehicle kilometres per employee	km/Emp	2,335	2,527	2,755	3,298	3,357
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,401	1,555	1,719	1,744	2,014
Total days lost:						
- industrial disputes	%	0.30	0.40	0.10	0.00	0.00
- sick leave	%	4.10	4.70	4.70	4.20	5.00
- industrial accidents	%	1.00	2.40	1.20	3.10	0.60
- total	%	5.40	7.50	6.10	7.30	5.60

Effectiveness

Real price index (5)	Index	102.8	103.5	107.4	108.4	106.4
Boardings per vehicle kilometre	Bd/km	12.7	12.6	12.5	10.6	10.3
Boardings per employee	Bd/Emp	29,732	31,824	34,407	35,040	34,561
Boardings per head of population:						
- metro	Bd/Hd	3.7	3.5	3.4	3.5	3.6
- catchment	Bd/Hd	137.4	129.8	125.2	130.7	133.8

Service Quality

Service cancellations	%	1.10	3.90	0.30	0.40	0.50
Service delays	%	0.20	0.30	0.00	0.30	0.40

Size

Total employment	No	462	408	364	373	387
Total vehicle kilometres	'000 km	1,079	1,031	1,003	1,230	1,299
Total passenger boardings	'000	13,736	12,984	12,524	13,070	13,375
Number of scheduled services	'000	101	157	161	171	181
Revenue vehicle fleet	No	24	23	23	26	26

STATE TRANSIT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Sydney Ferries (continued)****Cost and Revenue Measures***

Average fare per boarding	\$/Bd	2.50	2.70	2.70	2.80	2.50
Passenger revenue per vehicle kilometre	\$/km	31.60	34.00	33.80	29.60	25.70
Passenger revenue per employee	\$/Emp	73,740	85,794	93,209	97,523	86,408
Expenditure per vehicle kilometre	\$/km	56.90	60.60	53.10	47.80	43.30
Expenditure per boarding	\$/Bd	4.50	4.80	4.20	4.50	4.20
Government operating subsidy (1)	%	36.9	46.5	52.2	42.4	38.9

Non-financial Ratios - Newcastle services***Economic Factors***

Total factor productivity (6)	Index	1.37	1.41	1.55	1.62	1.69
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	3.30	3.50	3.10	3.30	2.70
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	4.50	4.80	4.50	4.60	4.20
Employees per vehicle	Emp/Veh	3.21	2.95	2.53	2.53	2.46
Vehicles in excess of maximum daily demand	%	8.67	8.72	8.72	8.84	8.28
Kilometres per vehicle	km/Veh	57,945	56,512	55,809	57,719	58,112
Vehicle kilometres per employee	km/Emp	19,595	20,854	23,981	24,825	25,593
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,279	1,361	1,565	1,620	1,670
Total days lost:						
- industrial disputes	%	0.40	1.00	0.20	0.00	0.00
- sick leave	%	6.90	7.80	5.40	4.40	4.70
- industrial accidents	%	2.20	1.30	1.50	0.40	0.50
- total	%	9.50	10.10	7.20	4.90	5.20

Effectiveness

Real price index (5)	Index	102.8	103.5	107.4	108.4	106.4
Boardings per vehicle kilometre	Bd/km	1.43	1.41	1.43	1.39	1.35
Boardings per employee	Bd/Emp	28,060	29,392	34,318	34,581	34,676
Boardings per head of population:						
- metro	Bd/Hd	51.6	49.2	49.4	49.1	51.1
- catchment	Bd/Hd	60.9	58.1	58.3	57.9	60.3

STATE TRANSIT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Sydney Newcastle Services (continued)***Service Quality**

Service cancellations	%	0.03	0.03	0.03	0.03	0.05
Service delays	%	7.31	8.22	7.53	6.92	7.88

Size

Total employment	No	482	439	377	372	386
Total vehicle kilometres	'000 km	9,445	9,155	9,041	9,235	9,879
Total passenger boardings	'000	13,525	12,903	12,938	12,864	13,385
Number of scheduled services	'000	438	438	438	438	438
Revenue vehicle fleet	No	163	162	162	160	170

Cost and Revenue Measures

Average fare per boarding	\$/Bd	1.50	1.60	1.43	1.57	1.30
Passenger revenue per vehicle kilometre	\$/km	2.20	2.30	2.10	2.20	1.80
Passenger revenue per employee	\$/Emp	42,164	47,055	49,239	54,142	45,039
Expenditure per vehicle kilometre	\$/km	2.90	3.10	3.00	3.00	2.80
Expenditure per boarding	\$/Bd	2.00	2.20	2.10	2.20	2.00
Government operating subsidy (1)	%	86.2	74.4	65.5	67.5	58.6

Non-financial Ratios - Corporate Policy and Resources**Economic Factors**

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	n.r.	n.r.	n.r.	n.r.	n.r.
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	n.r.	n.r.	n.r.	n.r.	n.r.
Employees per vehicle	Emp/Veh	n.r.	n.r.	n.r.	n.r.	n.r.
Vehicles in excess of maximum daily demand	%	n.r.	n.r.	n.r.	n.r.	n.r.
Kilometres per vehicle	km/Veh	n.r.	n.r.	n.r.	n.r.	n.r.
Vehicle kilometres per employee	km/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	n.r.	n.r.	n.r.	n.r.	n.r.

STATE TRANSIT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

*Corporate Policy and Resources (continued)**Efficiency (continued)*

Total days lost:

- industrial disputes	%	0.00	0.00	0.00	0.00	0.00
- sick leave	%	4.00	3.30	3.40	3.70	2.00
- industrial accidents	%	0.10	0.00	0.00	0.00	0.00
- total	%	4.10	3.40	3.40	3.70	2.00

Effectiveness

Real price index	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Boardings per vehicle kilometre	Bd/km	n.r.	n.r.	n.r.	n.r.	n.r.
Boardings per employee	Bd/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
Boardings per head of population:						
- metro	Bd/Hd	n.r.	n.r.	n.r.	n.r.	n.r.
- catchment	Bd/Hd	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Service cancellations	%	n.r.	n.r.	n.r.	n.r.	n.r.
Service delays	%	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Total employment	No	92	92	92	81	79
Total vehicle kilometres	'000 km	n.r.	n.r.	n.r.	n.r.	n.r.
Total passenger boardings	'000	n.r.	n.r.	n.r.	n.r.	n.r.
Number of scheduled services	'000	n.r.	n.r.	n.r.	n.r.	n.r.
Revenue vehicle fleet	No	n.r.	n.r.	n.r.	n.r.	n.r.

Cost and Revenue Measures

Average fare per boarding	\$/Bd	n.r.	n.r.	n.r.	n.r.	n.r.
Passenger revenue per vehicle kilometre	\$/km	n.r.	n.r.	n.r.	n.r.	n.r.
Passenger revenue per employee	\$/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
Expenditure per vehicle kilometre	\$/km	n.r.	n.r.	n.r.	n.r.	n.r.
Expenditure per boarding	\$/Bd	n.r.	n.r.	n.r.	n.r.	n.r.
Government operating subsidy (1)	%	0	401.7	0	0	0

STATE TRANSIT AUTHORITY (continued)

NOTES TO INDICATORS FOR STATE TRANSIT AUTHORITY

Key: n.p. - not provided; n.r. - not relevant.

- 1) In 1991–92 the method for calculating CSOs included a return on assets which resulted in a profit which was returned to the Government by payment of a dividend of \$58,359. CSOs of \$57,671 have been excluded from the calculation of Product Group non-financial ratios in 1991–92 to ensure comparability of results. This profit element has been excluded from calculation of CSOs in later years.
- 2) This return is based on the average of the current and prior years.
- 3) Property assets have been included at a valuation which passes the Recoverable Amount Test. They were last valued in the 1993–94 financial year. Buses, ferries and other assets have been included at historical cost, with the exception of a number of ferries which have reduced in value to reflect a change in the assessment of their economic life.
- 4) Operating revenue and expenses include the following abnormal items:

	1990–91	1991–92	1992–93	1993–94	1994–95
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE					
Profit on sale of property	4,8959	2,0000	3,1787	9,5828	
Government contribution to redundancy package	29,8717	34,7969			
Recovery of back rent			3,7000	1,7797	
Interest on deferred property sal				1,3363	7111
TOTAL ABNORMAL REVENUE	34,7666	36,7969	6,8787	12,6979	7111
EXPENSES					
Redundancy	2,4939	9,9414	7,0757	1,0474	
Interest on early redemption of debt					2,5545
Depreciation - AFC equipment					1,7515
Asset write downs	9,5111			7,3131	
Parramatta River dredging			2,7626		
Major periodic maintenance provision - buses and wharves				10,8747	10,3525
TOTAL ABNORMAL EXPENSES	12,0040	9,9414	9,8373	19,2343	14,6575

- 5) The real price index used is a weighted average for all Product Groups. During the period the index has been affected both by increases in ticket prices and a change in the mix of ticket types.

STATE TRANSIT AUTHORITY (continued)

NOTES TO INDICATORS FOR STATE TRANSIT AUTHORITY (continued)

Key: n.p. - not provided: n.r. - not relevant.

- 6) The method of calculating Total Factor Productivity indices for this publication differs from previous years. For individual modes, the data for bus services in 1990–91 has been used as a base. For GTE aggregate TFP indices (ie. across modes) data for 1990–91 has been used as a base. In previous years, weighted average data was used as a base for all TFP indices.

Comments on own performance

Brisbane Transport is now unique in Australia as the only major public transport undertaking by a local Government. The Brisbane City Council is committed to public transport as an integral component of the overall economic, environmental and social framework of the Brisbane region, the hub of the rapidly expanding south east region of Queensland.

Brisbane Transport became the first commercialised business unit of Brisbane City Council on 1 July 1995 and other departments are expected to follow suit in the near future. Commercialisation will extend to independent reporting and accounting systems and the establishment of a Board of Directors.

Brisbane Transport's goal is to deliver quality, value for money passenger transport for the benefit of the community and to the growing number of visitors to Brisbane. To accomplish this task, a fleet of over 570 buses operate 6000 services daily, and carry in excess of 48 million bus customers per year and 1.7 million ferry passengers.

The area of operations is the largest in Brisbane, licensed by State Department of Transport. Queensland Rail is in direct competition for commuter services, and private operators run services around the city fringe and direct commuter services to the CBD.

The operations of Brisbane Transport are the subject reform to achieve a 30 per cent productivity improvement and significant patronage increases within three years.

Among the major initiatives of the reform process to date:

- a bus network review involving more than 500 service changes and other improvements throughout the city's bus network;
- the commercialisation of Brisbane Transport as a business unit of Council from 1 July 1995 and the adoption of community service obligation (CSO) funding arrangements at an aggregate level to replace deficit funding from Brisbane City Council;
- an organisational re-structure aimed at improving operational performance and customer service, based on the self-managed team concept in operational and maintenance areas;
- more flexible work practices developed in conjunction with employees and union representatives.

Brisbane Transport is continuing a process of restructuring, which includes separation of infrastructure assets from bus operations. The commercialisation process recognises Enterprise Bargaining, asset valuations at current replacement cost and full accrual accounting encompassing all relevant accounting standards.

Comments on own performance (continued)

Balance sheet data continued to be refined, through increasing disaggregation from Brisbane City Council financial data. The 1994–95 financial year consisted of a 53 week accounting period. All non-financial data reflects the 53 week accounting period in order to provide relevant accounting ratios.

Real price index is based on average fare per passenger and has reduced over the reporting period to reflect the goal of providing value for money. Over 90 per cent of customers continue to regard Brisbane Transport bus and ferry services as having met this goal.

BRISBANE TRANSPORT**Queensland**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,3,5,8,9)

Return on assets	%	9.1	6.3	6.4	1.4	5.3
Return on operating assets	%	9.1	6.3	6.4	1.4	5.4
Operating sales margin	%	7.2	6.4	7.9	2.1	7.7
Return on equity (4)	%	0.0	0.0	0.0	0.0	0.0
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (4)	%	%	%	%	%	%
Debt to equity (2)	%	69.3	56.8	57.7	100.9	147.4
Total liabilities to equity	%	0.0	0.0	9.4	108.7	199.9
Current ratio	%	%	%	24.0	95.0	59.7
Interest cover	%	100.0	100.0	100.0	100.0	100.0
Cost recovery ratio	%	50.8	54.3	49.5	47.8	59.3
Operational performance	%	-57.3	-42.0	-37.3	-33.5	-26.3

Non-financial Ratios (9)*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.60	1.80	1.80	1.90	2.01
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	0.04	0.04	0.04	0.04	0.04
Employees per vehicle	Emp/Veh	3.18	3.21	3.22	3.21	2.87
Vehicles in excess of maximum daily demand	%	10.70	10.40	12.10	13.60	13.54
Kilometres per vehicle	km/Veh	50,562	51,667	52,797	54,340	53,452
Vehicle kilometres per employee	km/Emp	18,507	19,034	18,600	19,255	21,129
Vehicle capacity kilometres per employee	000 TVCKm/ Emp	1,418	1,415	1,456	1,403	1,579
Total days lost:						
- industrial disputes	%	0.05	0.03	0.01	0.05	0.00
- sick leave	%	4.56	4.40	4.24	4.51	4.84
- industrial accidents	%	1.22	1.14	1.50	1.23	1.25
- total	%	5.83	5.57	5.75	5.79	6.09

BRISBANE TRANSPORT (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index (6)	Index	95.0	94.0	92.0	91.0	87.0
Boardings per vehicle kilometre	Bd/km	1.39	1.36	1.37	1.41	1.54
Boardings per employee	Bd/Emp	25,760	25,953	25,522	27,079	32,484
Boardings per head of population:						
- metro	Bd/Hd	57.4	57.6	53.8	55.3	60.6
- catchment	Bd/Hd	75.4	73.1	66.8	64.7	70.5
<i>Service Quality</i>						
Service cancellations	%	n.p.	n.p.	n.p.	n.p.	n.p.
Service delays	%	n.p.	n.p.	n.p.	n.p.	10.00
<i>Size</i>						
Total assets (1)	\$'000	75,262	110,269	134,461	167,291	117,329
Total revenue	\$'000	84,323	91,066	98,234	98,986	96,768
Cash box and other non-government revenue	\$'000	40,599	45,005	44,744	46,175	52,967
Total employment	No	1,642	1,645	1,618	1,603	1,485
Total vehicle kilometres	'000 km	30,388	31,310	30,094	30,865	31,376
Total passenger boardings	'000	42,298	42,693	41,294	43,406	48,239
Number of scheduled services (7)	'000	2,160	2,032	2,099	2,088	1,704
Revenue vehicle fleet	No	572	575	570	568	587
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	0.94	1.03	0.99	0.99	0.98
Passenger revenue per vehicle kilometre	\$/km	1.22	1.32	1.35	1.39	1.51
Passenger revenue per employee	\$/Emp	22,605	25,209	25,059	26,830	31,864
Expenditure per vehicle kilometre	\$/km	2.77	2.91	3.26	3.34	3.08
Expenditure per boarding	\$/Bd	2.00	2.13	2.38	2.37	2.01
Government operating subsidy	%	52.8	49.2	54.4	53.1	46.2

BRISBANE TRANSPORT (continued)

NOTES TO INDICATORS FOR BRISBANE TRANSPORT

Key: n.p. - not provided: n.r. - not relevant.

- 1) From 1994-95 Current Assets include a notional account for bank accounts and short term investments, previously controlled and reported by the Brisbane City Council (BCC) Corporate Finance Division.
- 2) Debt calculation includes long term debt pool and floating rate debt pool, recalculated annually at market valuation.
- 3) Abnormal Revenue and Expenditure cannot be identified in the FMIS system.
- 4) Income Tax does not apply to local government authorities.
- 5) Reported and controlled by BCC Corporate Finance Division.
- 6) Real price index is based on average fare per passenger has been recalculated for all years for consistency.
- 7) Number of scheduled services has been reviewed for 1993-94. The definition of service was reviewed in 1994-95, and is therefore inconsistent with all previous years.
- 8) All balance sheet data have been taken to be the balance at 1 July 1995 to reflect commercialisation and associated changes that occurred at that date.
- 9) All data supplied have not been audited, and exclude infrastructure, Transport planning and policy branch, ferries and private operators.

BRISBANE TRANSPORT (continued)

Comments on own performance

As part of the South Australian Government's transport reform program, TransAdelaide was formed in July 1994, assuming the operating functions of the former State Transport Authority. The policy, planning and regulatory functions of the former STA were assumed by the new Passenger Transport Board, which has developed an area-based competitive tendering program for the entire Adelaide metropolitan public transport system. This program commenced with the Outer North and Outer South bus regions, for which tenders were called in March 1995. TransAdelaide was required to compete with private sector firms on the basis of a set of costing rules which ensured competitive neutrality.

In order for TransAdelaide to have a future as a major player in Adelaide public transport, a more streamlined cost structure is required and a more proactive approach to marketing is sought. Major reforms to the TransAdelaide cost structure have been commenced in the 1994-95 financial year. Administration and overhead cost reductions have been vigorously pursued and TransAdelaide has committed to a "Best Practice" reform program with each major worksite involved in developing productivity and marketing initiatives designed to ensure competitiveness in the new tendering environment.

Unit cost reductions are already evident in the 1994-95 indicator results. Despite a reduction in employee numbers of over 10 per cent during the financial year, revenue vehicle kilometres actually increased by 2 per cent. Overall, expenditure per vehicle capacity kilometre fell by 6 per cent in 1994-95.

However, due largely to circumstances beyond the control of TransAdelaide, patronage performance continues to be disappointing. With the stabilisation of fares policy and the upturn in economic activity, it is expected that the 1995-96 patronage result will be more encouraging.

TRANSADELAIDE**South Australia**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - All operations

Return on assets	%	7.5	6.0	6.5	5.2	6.7
Return on operating assets	%	7.3	6.0	6.4	5.2	6.7
Operating sales margin	%	13.6	12.3	14.4	11.7	14.1
Return on equity	%	-2.5	-1.9	2.7	1.0	1.6
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	237.3	142.3	157.3	151.9	143.3
Total liabilities to equity	%	310.2	185.5	198.2	186.0	188.2
Current ratio	%	39.9	44.6	51.8	38.0	59.0
Interest cover	%	93.3	91.3	116.7	107.2	109.0
Cost recovery ratio	%	46.4	43.5	42.4	38.5	41.3
Operational performance	%	-24.3	-23.7	-21.5	-24.0	-23.8

Non-financial Ratios - All operations***Economic Factors***

Total factor productivity (10)	Index	1.35	1.38	1.37	1.38	1.51
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.70	1.70	1.70	1.59	1.50
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	4.90	5.00	5.20	5.31	4.90
Employees per vehicle	Emp/Veh	4.50	4.40	4.20	3.79	3.50
Vehicles in excess of maximum daily demand	%	16.10	15.50	13.50	12.97	13.30
Kilometres per vehicle	km/Veh	54,335	55,071	53,255	53,065	54,920
Vehicle kilometres per employee	km/Emp	14,000	14,321	14,449	15,802	17,628
Total days lost: (1)						
- industrial disputes	%	0.28	0.00	0.00	0.00	0.04
- sick leave	%	n.p.	3.35	3.26	3.67	4.52
- industrial accidents	%	2.11	2.06	1.67	1.57	0.56
- total	%	n.p.	5.42	4.93	5.24	5.12

Effectiveness

Real price index (4)	Index	82.3	94.5	103.3	101.6	101.7
Boardings per vehicle kilometre	Bd/km	1.63	1.54	1.47	1.42	1.32
Boardings per employee	Bd/Emp	22,878	22,064	21,296	22,370	23,285

TRANSADELAIDE (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>All operations (continued)</i>						
<i>Effectiveness (continued)</i>						
Boardings per head of population:						
- metro (2)	Bd/Hd	73.4	67.4	61.4	60.9	57.9
- catchment (3)	Bd/Hd	74.3	68.3	62.3	61.7	58.7
<i>Size</i>						
Total assets (7)	\$'000	418,690	509,166	510,446	501,665	422,058
Total revenue	\$'000	215,319	222,558	224,221	222,187	217,214
Cash box and other non-government revenue	\$'000	51,503	53,122	55,681	53,355	54,982
Total employment (8)	No	3,392	3,261	3,107	2,925	2,683
Total vehicle kilometres	'000 km	47,489	46,700	44,894	46,220	47,286
Total passenger boardings	'000	77,601	71,952	66,168	65,433	62,463
Number of scheduled services	'000	2,434	2,388	2,430	2,585	2,494
Revenue vehicle fleet	No	874	848	843	871	861
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	0.95	1.02	1.05	1.01	1.04
Passenger revenue per vehicle kilometre	\$/km	1.55	1.58	1.54	1.42	1.38
Passenger revenue per employee	\$/Emp	21,751	22,599	22,295	22,510	24,297
Expenditure per vehicle kilometre	\$/km	4.47	4.72	4.75	4.77	4.44
Expenditure per boarding	\$/Bd	2.74	3.07	3.23	3.37	3.36
Government operating subsidy	%	78.44	78.19	76.36	76.60	79.72
Non-financial Ratios - Buses						
<i>Economic Factors</i>						
Total factor productivity (10)	Index	1.00	1.03	1.08	1.11	1.25
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre (5)	Cents/ TVCKm	2.0	2.0	2.0	1.9	1.8
Expenditure per total vehicle capacity kilometre (5,6)	Cents/ TVCKm	4.5	4.9	5.0	5.2	4.8
Employees per vehicle	Emp/Veh	3.9	3.7	3.5	3.2	2.9
Vehicles in excess of maximum daily demand	%	14.60	11.10	11.70	11.24	11.30
Kilometres per vehicle	km/Veh	55,379	56,232	53,486	52,860	55,001
Vehicle kilometres per employee	km/Emp	16,394	16,813	17,071	18,624	20,763

TRANSADELAIDE (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Buses (continued)</i>						
<i>Efficiency (continued)</i>						
Vehicle capacity kilometres per employee	'000 TVCkm/ Emp	1,192	1,257	1,266	1,353	1,513
<i>Effectiveness</i>						
Boardings per vehicle kilometre	Bd/km	1.62	1.53	1.43	1.33	1.23
Boardings per employee	Bd/Emp	26,632	25,749	24,333	24,729	25,638
<i>Service Quality</i>						
Service cancellations	%	n.p.	n.p.	n.p.	0.21	0.19
Service delays (9)	%	n.p.	n.p.	n.p.	0.29	0.13
<i>Size</i>						
Total employment (8)	No	2,442	2,348	2,237	2,038	1,931
Total vehicle kilometres	'000 km	40,039	39,475	38,189	39,222	40,096
Total passenger boardings	'000	65,042	60,457	54,435	52,080	49,511
Number of scheduled services	'000	2,250	2,200	2,236	2,389	2,303
Revenue vehicle fleet	No	723	702	714	742	729
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	0.91	0.99	1.04	1.02	1.04
Passenger revenue per vehicle kilometre	\$/km	1.48	1.52	1.48	1.35	1.28
Passenger revenue per employee	\$/Emp	24,345	25,530	25,224	25,130	26,601
Expenditure per vehicle kilometre	\$/km	3.29	3.65	3.70	3.76	3.52
Expenditure per boarding	\$/Bd	2.02	2.38	2.59	2.83	2.85
Government operating subsidy	%	75.76	76.08	74.11	74.49	76.32
Non-financial Ratios - Trains						
<i>Economic Factors</i>						
Total factor productivity (10)	Index	0.66	0.68	0.57	0.58	0.62
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre (5)	Cents/ TVCkm	0.90	0.80	0.90	0.86	0.90
Expenditure per total vehicle capacity kilometre (5,6)	Cents/ TVCkm	5.5	5.0	5.5	5.4	5.0
Employees per vehicle	Emp/Veh	7.6	8.9	8.3	7.8	7.1

TRANSADELAIDE (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Trains (continued)</i>						
<i>Efficiency (continued)</i>						
Vehicles in excess of maximum daily demand	%	18.20	38.90	17.40	17.39	19.40
Kilometres per vehicle	km/Veh	51,769	52,296	55,296	58,157	58,712
Vehicle kilometres per employee	km/Emp	8,098	8,182	7,845	8,760	9,915
Vehicle capacity kilometres per employee	'000 TVCkm/Emp	1,629	1,714	1,512	1,686	1,902
<i>Effectiveness</i>						
Boardings per vehicle kilometre	Bd/km	1.48	1.42	1.64	1.78	1.68
Boardings per employee	Bd/Emp	11,978	11,595	12,879	15,628	16,652
<i>Service Quality</i>						
Service cancellations	%	n.p.	n.p.	0.1	0.0	n.p.
Service delays (9)	%	n.p.	n.p.	13.8	7.9	n.p.
<i>Size</i>						
Total employment (8)	No	831	799	761	694	657
Total vehicle kilometres	'000 km	6,730	6,537	5,972	6,281	6,517
Total passenger boardings	'000	9,954	9,264	9,804	11,205	10,945
Number of scheduled services	'000	140	144	150	151	147
Revenue vehicle fleet	No	130	125	108	108	111
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	1.18	1.15	1.07	0.92	1.04
Passenger revenue per vehicle kilometre	\$/km	1.74	1.63	1.76	1.65	1.75
Passenger revenue per employee	\$/Emp	14,111	13,373	13,769	14,448	17,312
Expenditure per vehicle kilometre	\$/km	11.06	10.52	10.68	10.46	9.56
Expenditure per boarding	\$/Bd	7.48	7.42	6.51	5.87	5.69
Government operating subsidy	%	83.46	83.34	80.98	81.82	88.35
Non-financial Ratios - trams						
<i>Economic Factors</i>						
Total factor productivity (10)	Index	0.54	0.45	0.51	0.56	0.57
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

TRANSADELAIDE (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Trams (continued)</i>						
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre (5)	Cents/ TVCKm	2.8	3.6	2.6	2.8	2.8
Expenditure per total vehicle capacity kilometre (5,6)	Cents/ TVCKm	6.8	9.0	9.2	8.0	7.2
Employees per vehicle	Emp/Veh	9.9	9.5	9.1	8.5	7.8
Vehicles in excess of maximum daily demand	%	75	75	75	75	75
Kilometres per vehicle	km/Veh	34,286	32,762	34,905	34,143	32,048
Vehicle kilometres per employee	km/Emp	6,065	6,028	6,741	7,029	7,156
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	794	751	845	901	917
<i>Effectiveness</i>						
Boardings per vehicle kilometre	Bd/km	3.62	3.24	2.63	3.00	2.98
Boardings per employee	Bd/Emp	21,942	19,547	17,739	21,059	21,341
<i>Service Quality</i>						
Service cancellations	%	n.p.	n.p.	n.p.	0.0	0.0
Service delays (9)	%	n.p.	n.p.	n.p.	0.0	0.0
<i>Size</i>						
Total employment (8)	No	119	114	109	99	94
Total vehicle kilometres	'000 km	720	688	733	717	673
Total passenger boardings	'000	2,605	2,231	1,929	2,148	2,007
Number of scheduled services	'000	44	44	44	45	44
Revenue vehicle fleet	No	21	21	21	21	21
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	1.00	1.38	1.22	1.19	1.21
Passenger revenue per vehicle kilometre	\$/km	3.61	4.46	3.22	3.57	3.61
Passenger revenue per employee	\$/Emp	21,867	26,898	21,721	25,088	25,829
Expenditure per vehicle kilometre	\$/km	8.84	11.26	11.48	10.29	9.20
Expenditure per boarding	\$/Bd	2.44	3.47	4.36	3.44	3.08
Government operating subsidy	%	75.20	71.84	78.94	72.48	70.31

TRANSADELAIDE (continued)

NOTES TO INDICATORS FOR TRANSADELAIDE

Key: n.p. - not provided: n.r. - not relevant.

- 1) Based on 230 available working days per person.
- 2) Population estimates for metro area based on figures for Adelaide Statistical Division, (ABS Cat. No. 3202.4) for June 1988 to June 1993. Figure for 30 June 1995 based on assumed 1993-96 growth of 0.4 percent.
- 3) Catchment population derived as Adelaide Statistical Division minus D.C. of Willunga.
- 4) Calculated on the basis of movements in fare revenue per journey.
- 5) For the purposes of inter-system comparison, vehicle capacity figures (ie number of seated-standees for each vehicle) are calculated here on the notional basis of seated plus 50 percent for buses and seated plus 100 percent for trams and railcars. In practice, the number of standees permitted on all STA vehicles is determined by safety considerations on an individual vehicle basis. In the case of trams and railcars, the number standees permitted never exceeds 32.
- 6) Expenditure here includes abnormal.
- 7) Asset figures provided are written down values based on the following valuation methods :
 - a) replacement cost adjusted for age and condition;
 - b) current market valuation; and
 - c) historical cost less accumulated depreciation.
- 8) Employee numbers here are average employees not full time equivalents a at 30 June 1995.
- 9) Service delay figure based on arrivals within 0-3 minutes of schedule.
- 10) The method of calculating Total Factor Productivity indices for this publication differs from previous years. For individual modes, the data for bus services in 1990-91 has been used as a base. For GTE aggregate TFP indices (ie. across modes) data for 1990-91 has been used as a base. In previous years, weighted average data was used as a base for all TFP indices.

TRANSADELAIDE (continued)

Comments on own performance

The Metropolitan (Perth) Passenger Transport Trust was established by an Act of Parliament that was proclaimed in January 1958. Prior to its establishment public transport services were provided by private operators. The faltering financial viability of private operators resulted in government intervention to ensure a reliable public transport system. The public transport system adopted the trading name of Transperth in 1986 to provide a strong visual cohesion to the bus, train and ferry services and facilities it provided. As part of the government's transport reform strategy Transperth was restructured during the latter part of 1993–94. The reforms included the establishment of a Public Transport Coordinator within the Department of Transport which is responsible for public transport policy, planning and the coordination of competitive tendering of route service contracts. MetroBus was the trading name adopted by the Metropolitan (Perth) Passenger Transport Trust (MTT) subsequent to the restructure. The change has allowed MetroBus to concentrate on the provision of cost effective public transport services. As the government owned operator it is competing for service contracts as they are tendered.

The Ferry Service was operated by MetroBus till February, 1995 when its operation was taken over by Perth Water Transport which had successfully tendered for the contract. The train operations were handed over to Westrail as the service provider at the start of the 1994–95 year.

Since the commencement of the reform plan MetroBus has achieved cost savings to date of \$17.0 million and are on target for the proposed cost savings of \$29.5 million over three years. During 1994–95 MetroBus achieved an operating surplus of \$8.1 million that resulted in net earnings of \$4.0 million. Nevertheless, MetroBus managed to introduce five new services into new areas, and also introduced a number of entrepreneurial services at no additional cost to the Government. During the year MetroBus arranged the transfer of \$66.0 million of common user assets to the Department of Transport in order to reduce its debt servicing costs.

With 450 less staff (a 23 per cent reduction), MetroBus increased passenger boardings by 500,000 in 1994–95 (reversing a six year downward trend). With the co-operation of its staff MetroBus is achieving increased productivity levels in all aspects of its operations.

MetroBus has embraced the reform plan for public transport and has become a leaner and more innovative organisation, focussing on customers and core business. MetroBus is increasingly well placed to meet the challenges that lie ahead, and looks forward to continuing as Perth's leading people mover.

METROBUS**Western Australia**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios - All operations (5)

Return on assets (1)	%	-0.9	7.9	4.1	36.3	183.7
Return on operating assets (1)	%	-1.4	8.1	4.3	39.0	205.9
Operating sales margin	%	-1.4	6.9	3.4	23.6	71.4
Return on equity	%	31.2	0.0	13.7	-128.4	-878.1
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	-252.8	-217.8	-250.9	-360.9	-216.9
Total liabilities to equity	%	-492.8	-423.0	-477.3	-640.6	-555.2
Current ratio	%	219.9	95.3	154.0	424.1	316.7
Interest cover	%	-13.0	99.9	51.0	489.6	2,012.3
Cost recovery ratio	%	63.5	61.2	63.3	64.9	64.5
Operational performance	%	-37.7	-42.4	-42.7	-44.4	-29.2

Non-financial Ratios - All operations***Economic Factors***

Total factor productivity (4)	Index	1.98	1.96	1.87	2.07	2.12
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.40	1.40	1.25	1.27	1.44
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	4.70	5.20	4.90	4.70	4.06
Employees per vehicle	Emp/Veh	3.10	3.10	3.20	3.20	2.40
Vehicles in excess of maximum daily demand	%	16.90	16.10	15.70	15.10	11.30
Kilometres per vehicle	km/Veh	54,120	55,623	58,554	62,692	56,809
Vehicle kilometres per employee	km/Emp	20,400	20,597	21,010	22,852	26,724
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,427	1,482	1,667	1,944	1,823
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	n.p.
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	n.p.	n.p.	n.p.	n.p.	n.p.

METROBUS (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>All operations (continued)</i>						
<i>Effectiveness</i>						
Real price index	Index	106.6	113.3	120.5	140.1	142.5
Boardings per vehicle kilometre (2)	Bd/km	1.20	1.10	1.10	1.10	1.00
Boardings per employee (2)	Bd/Emp	23,659	23,249	23,757	25,804	26,819
Boardings per head of population:						
- metro (2)	Bd/Hd	54.50	52.30	52.10	54.30	38.90
- catchment (2)	Bd/Hd	n.r.	n.r.	n.r.	n.r.	n.r.
<i>Size</i>						
Total assets (1)	\$'000	176,609	187,136	196,482	195,287	130,066
Total revenue (5)	\$'000	165,042	204,419	230,791	301,705	418,354
Cash box and other non-government revenue	\$'000	40,487	40,262	41,908	54,352	32,841
Total employment	No	2,664	2,665	2,734	2,694	1,815
Total vehicle kilometres	'000 km	54,337	54,900	57,442	61,564	48,514
Total passenger boardings (2)	'000	63,016	61,969	64,953	69,516	48,757
Number of scheduled services	'000	2,351	2,358	2,413	2,532	2,212
Revenue vehicle fleet	No	1,004	987	981	982	854
<i>Cost and Revenue Measures</i>						
Average fare per boarding (2)	\$/Bd	0.84	0.89	0.88	0.96	0.98
Passenger revenue per vehicle kilometre	\$/km	0.98	1.01	1.00	1.08	0.98
Passenger revenue per employee	\$/Emp	19,934	20,723	20,916	24,722	26,216
Expenditure per vehicle kilometre	\$/km	3.28	3.72	3.91	3.98	2.77
Expenditure per boarding (2)	\$/Bd	2.83	3.30	3.46	3.53	2.75
Government operating subsidy	%	69.81	75.38	84.11	83.86	81.87
Non-financial Ratios - Buses						
<i>Economic Factors</i>						
Total factor productivity	Index	1.00	0.99	0.95	1.04	1.08
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.36	1.39	1.30	1.40	1.44
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	3.70	4.00	4.30	4.40	4.03
Employees per vehicle	Emp/Veh	2.70	2.70	2.80	2.70	2.37
Vehicles in excess of maximum daily demand	%	16.5	16.8	16.3	15.8	11.2

METROBUS (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Buses (continued)</i>						
<i>Efficiency (continued)</i>						
Kilometres per vehicle	km/Veh	53,512	53,664	54,215	54,483	56,983
Vehicle kilometres per employee	km/Emp	22,957	23,099	22,722	23,279	26,747
Vehicle capacity kilometres per employee	'000 TVCkm/ Emp	1,560	1,569	1,522	1,543	1,825
<i>Effectiveness</i>						
Boardings per vehicle kilometre (2)	Bd/km	1.11	1.05	1.02	0.95	1.00
Boardings per employee (2)	Bd/Emp	25,545	24,254	23,077	22,071	26,728
<i>Service Quality</i>						
Service cancellations	%	0.09	0.09	0.08	0.10	0.11
Service delays	%	0.11	0.13	0.14	0.18	0.15
<i>Size</i>						
Total employment	No	2,124	2,130	2,176	2,090	1,813
Total vehicle kilometres	'000 km	48,750	49,210	49,443	48,653	48,492
Total passenger boardings (2)	'000	54,244	51,671	50,215	46,129	48,459
Number of scheduled services	'000	2,212	2,214	2,227	2,275	2,198
Revenue vehicle fleet	No	911	917	912	893	851
<i>Cost and Revenue Measures</i>						
Average fare per boarding (2)	\$/Bd	0.83	0.90	0.85	0.98	0.98
Passenger revenue per vehicle kilometre	\$/km	0.92	0.94	0.87	0.93	0.98
Passenger revenue per employee	\$/Emp	21,230	21,773	19,660	21,565	26,183
Expenditure per vehicle kilometre	\$/km	2.54	2.74	2.86	2.89	2.75
Expenditure per boarding (2)	\$/Bd	2.28	2.61	2.82	3.04	2.75
Non-financial Ratios - Ferries						
<i>Economic Factors</i>						
Total factor productivity	Index	0.53	0.53	0.54	0.58	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre	Cents/ TVCkm	10.88	11.95	13.40	9.10	8.62
Expenditure per total vehicle capacity kilometre	Cents/ TVCkm	13.50	15.60	14.50	13.90	10.93
Employees per vehicle	Emp/Veh	4.5	4.5	4.5	4.0	2.5

METROBUS (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Ferries (continued)</i>						
<i>Efficiency (continued)</i>						
Vehicles in excess of maximum daily demand	%	100.0	50.0	50.0	50.0	50.0
Kilometres per vehicle	km/Veh	11,033	13,895	13,462	14,601	7,440
Vehicle kilometres per employee	km/Emp	4,904	4,632	4,487	5,476	4,464
Vehicle capacity kilometres per employee	'000 TVCkm/ Emp	490,000	463,000	449,000	535,000	446,420
<i>Effectiveness</i>						
Boardings per vehicle kilometre (2)	Bd/km	14.10	15.40	12.70	11.10	13.35
Boardings per employee (2)	Bd/Emp	68,778	71,667	57,000	60,625	59,600
<i>Size</i>						
Total employment	No	9	9	9	8	5
Total vehicle kilometres	'000 km	44.00	42.00	40.00	44.00	22.32
Total passenger boardings (2)	'000	619	645	513	485	298
Number of scheduled services	'000	22	23	23	23	14
Revenue vehicle fleet	No	4	3	3	3	3
<i>Cost and Revenue Measures</i>						
Average fare per boarding (2)	\$/Bd	0.78	0.77	1.06	0.80	0.65
Passenger revenue per vehicle kilometre	\$/km	10.91	11.86	13.42	8.88	8.62
Passenger revenue per employee	\$/Emp	53,333	55,333	60,235	48,639	38,472
Expenditure per vehicle kilometre	\$/km	13.59	15.49	14.49	13.62	10.93
Expenditure per boarding (2)	\$/Bd	0.97	1.01	1.14	1.23	0.82
Non-financial Ratios - Trains						
<i>Economic Factors</i>						
Total factor productivity	Index	0.72	0.58	0.81	1.08	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Efficiency</i>						
Passenger revenue per total vehicle capacity kilometre	Cents/ TVCkm	1.60	1.40	1.10	1.10	0.90
Expenditure per total vehicle capacity kilometre	Cents/ TVCkm	11.10	11.40	6.60	5.20	5.21
Employees per vehicle	Emp/Veh	7.10	8.30	8.90	7.50	5.65
Vehicles in excess of maximum daily demand	%	18.70	6.30	6.50	7.50	5.00
Kilometres per vehicle	km/Veh	62,278	84,297	120,568	149,617	102,801
	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>

METROBUS (continued)*Trains (continued)**Efficiency (continued)*

Vehicle kilometres per employee	km/Emp	10,438	10,737	14,494	21,589	29,785
Vehicle capacity kilometres per employee	'000 TVCkm/Emp	911	1,148	2,261	3,368	4,646

Effectiveness

Boardings per vehicle kilometre	Bd/km	1.47	1.71	1.80	1.80	1.75
Boardings per employee	Bd/Emp	15,354	18,352	25,911	38,426	51,978
Boarding per head of population:						
- metro	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.
- catchment	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Service cancellations	%	2.88	0.32	0.42	0.37	0.34
Service delays	%	5.17	5.79	4.34	6.75	5.62

Size

Total employment	No	531	526	549	596	452
Total vehicle kilometres	'000 km	5,543	5,648	7,957	12,867	13,463
Total passenger boardings	'000	8,150	9,650	14,225	22,902	23,494
Number of scheduled services	'000	117	121	163	234	233
Revenue vehicle fleet	No	89	67	66	86	86

Cost and Revenue Measures

Average fare per boarding	\$/Bd	0.92	0.87	0.97	0.92	0.80
Passenger revenue per vehicle kilometre	\$/km	1.36	1.48	1.74	1.64	1.41
Passenger revenue per employee	\$/Emp	14,186	15,878	25,246	35,472	41,860
Expenditure per vehicle kilometre	\$/km	9.72	12.19	10.37	8.09	8.14
Expenditure per boarding	\$/Bd	6.61	7.13	5.80	4.54	5.79

METROBUS (continued)

NOTES TO INDICATORS FOR METROBUS

Key: n.p. - not provided: n.r. - not relevant.

- 1) It should be noted that prior to 1994–95 assets pertaining to rail infrastructure are not MetroBus (Transperth) assets but belong to Westrail who provided the suburban rail services under contract to MetroBus (Transperth). MetroBus was not associated with the provision of train services during 1994–95.
- 2) Boardings include charter boardings calculated for this report on the basis of number of charter trips times average rigid bus fleet capacity. These boardings are only used for this particular report.
- 3) Asset valuation by MetroBus utilises an historical costing methodology.
- 4) The method of calculating Total Factor Productivity indices for this publication differs from previous years. For individual modes, the data for bus services in 1990–91 has been used as a base. For GTE aggregate TFP indices (ie. across modes) data for 1990–91 has been used as a base. In previous years, weighted average data was used as a base for all TFP indices.
- 5) 1994–95 financial ratios and total revenue are affected by abnormal items of \$275,932,000 which relate to actuarial adjustments to superannuation provisions.

METROBUS (continued)

Comments on own performance

Metro was established by Act of Parliament in 1954 to take over public transport supplied by local authorities in Hobart and Launceston, both because the cost of subsidising the services became too high and because of the need to expand the network.

Current operations

Metro's operating environment is regulated by the Metropolitan Transport Act 1954, which prescribes the areas in which it may operate and its powers and functions. Metro became a Government Business Enterprise subject to the Government Business Enterprise Act 1995 (GBE Act) on 1 July 1995. The GBE Act provides a framework that enables Tasmania's GBE's to manage their operational affairs with greater independence, whilst providing for improved strategic oversight and accountability. In this way, the economic efficiency of the commercial operations of Government can be enhanced, maximising the long term sustainable returns to the State and improving the efficient operation of the whole economy.

The Government Prices Oversight Act 1995 provides for the establishment of an independent commission to investigate and report on the pricing policies of Government Business Enterprises (GBEs) that are monopoly, near monopoly, suppliers of goods and services. Metro's prices will be the subject of investigation during the second half of the 1996 calendar year.

Metro does not exercise those powers to their full extent. Fares, service levels and concession eligibility are effectively subject to Government endorsement. Services are heavily, and increasingly so, patronised by children and adult concession passengers. In the period under review, the percentage of full fare paying adult passengers decreased from 35 per cent in 1989-90 to less than 27 per cent in 1994-95.

Financial Performance

Service levels have improved and patronage, as measured by first boardings, has increased 1.5 per cent for the financial year. The deficit before "abnormal items" decreased by 0.5 per cent in actual terms, (4.5 per cent in real terms) in 1994-95. Metro obtains reimbursement from the government for costs incurred in providing transport for school travel. Although no reimbursement is received explicitly for uneconomic activities other than school travel, Metro received a contribution to its operations of \$12.7 million in 1994-95.

METROPOLITAN TRANSPORT TRUST**Tasmania***Units 1990-91 1991-92 1992-93 1993-94 1994-95***Financial Ratios**

Return on assets (1,9,10)	%	0.8	2.6	29.4	-3.2	-5.5
Return on operating assets (1,2,9,10)	%	-10.9	-9.9	46.8	-16.9	-16.1
Operating sales margin (1,9)	%	-11.1	-10.1	32.1	-20.5	-22.6
Return on equity (3,9,10)	%	-7.2	0.8	53.9	-10.1	-13.4
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (3)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity (4)	%	68.7	53.3	23.3	21.6	21.1
Total liabilities to equity	%	243.7	227.5	84.6	86.0	92.7
Current ratio (5)	%	106.2	185.7	120.9	87.9	399.0
Interest cover (1,9,10)	%	26.2	109.4	1,530.1	-194.2	-352.6
Cost recovery ratio (1,6)	%	35.2	35.3	37.8	46.4	50.4
Operational performance (1,2,6)	%	-66.0	-70.1	-61.7	-47.2	-38.5

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.r.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre (8)	Cents/ TVCKm	1.60	1.50	1.50	1.51	1.46
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	5.32	4.82	4.62	5.20	4.84
Employees per vehicle	Emp/Veh	2.47	2.47	2.38	2.28	2.22
Vehicles in excess of maximum daily demand	%	17.0	14.1	14.1	13.0	13.2
Kilometres per vehicle	km/Veh	36,553	42,790	43,588	44,165	44,630
Vehicle kilometres per employee	km/Emp	17,332	19,753	20,850	21,857	22,680
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,090	1,273	1,331	1,383	1,507
Total days lost:						
- industrial disputes	%	0.00	0.00	0.00	0.00	0.00
- sick leave	%	4.09	5.04	2.52	3.52	3.30
- industrial accidents	%	0.09	0.10	0.13	0.44	3.00
- total	%	4.17	5.15	2.65	3.96	6.30

METROPOLITAN TRANSPORT TRUST (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index	Index	103.5	109.2	107.3	104.1	110.5
Boardings per vehicle kilometre	Bd/km	1.30	1.17	1.13	1.10	1.06
Boardings per employee	Bd/Emp	22,533	23,098	23,539	23,935	24,521
Boardings per head of population:						
- metro	Bd/Hd	46.8	46.6	45.8	43.9	43.9
- catchment	Bd/Hd	51.6	51.5	50.7	48.6	48.6
<i>Service Quality</i>						
Service cancellations	%	n.p.	n.p.	n.p.	n.p.	n.p.
Service delays	%	n.p.	n.p.	n.p.	n.p.	n.p.
<i>Size</i>						
Total assets	\$'000	56,436	61,050	64,311	65,200	62,909
Total revenue (7,9)	\$'000	30,997	32,399	48,470	31,903	30,895
Cash box and other non-government revenue	\$'000	11,949	13,236	12,754	11,836	11,604
Total employment	Emp	538	526	508	491	480
Total vehicle kilometres	'000 km	9,321	10,398	10,592	10,732	11,068
Total passenger boardings	'000	12,118	12,159	11,958	11,752	11,770
Number of scheduled services (11)	'000	770	880	880	808	808
Revenue vehicle fleet	No	255	243	243	243	248
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	0.80	0.86	0.90	0.87	0.91
Passenger revenue per vehicle kilometre (8)	\$/km	1.04	1.01	1.01	0.95	0.97
Passenger revenue per employee	\$/Emp	18,075	19,937	21,071	20,872	22,064
Expenditure per vehicle kilometre	\$/km	3.35	3.10	2.95	3.26	2.85
Expenditure per boarding	\$/Bd	2.57	2.65	2.61	2.98	2.68
Government operating subsidy	%	60.3	60.6	62.1	58.2	61.1

METROPOLITAN TRANSPORT TRUST (continued)

NOTES TO INDICATORS FOR METROPOLITAN TRANSPORT TRUST

Key: n.p. - not provided; n.r. - not relevant.

- 1) Gross interest charges excludes operating lease charges.
- 2) Bank overdraft not netted off against financial assets.
- 3) Income tax equivalent payable to State Government commencing 1990–91 at company tax rate.
- 4) Debt includes bank overdraft.
- 5) Current assets include stores.
- 6) No Community Service Obligation payments of Fares Make-up payments are received.
- 7) Included profit on fixed asset disposals, but not proceeds.
- 8) No Fare Make-up payments are received, however, notional fares have been included for school children allowed free travel as a result of Government policy.
- 9) 1992–93 includes abnormal revenue of \$116.3 million (adjustments to superannuation provisions).
- 10) 1993–94 includes abnormal revenue of \$3.8 million (loss on property revaluation).
- 11) 1993–94 figure used.

ACTION**A.C.T.****Comments on own performance**

ACTION (Australian Capital Territory Internal Omnibus Network) is a division of the ACT Government Department of Urban Services. ACTION was established in 1977 under the provisions of the Motor Omnibus Services Act 1955 but had operated previously as the Canberra Bus Service as a unit of various Federal Government departments with responsibility for the ACT.

ACTION provides public transport services in the form of scheduled urban and school bus services throughout the entire Canberra metropolitan area. As the ACT private bus sector is small and concentrates on tourist/charter work plus some special school services, ACTION has an almost non-competitive environment. Following the introduction of self government for the ACT in May 1989 there have been substantial changes in ACTION's financial arrangements. It is now liable for 'the payment of State and Federal taxes and charges (excluding payroll tax), has assumed responsibility for a range of corporate service functions and costs' previously provided centrally by the Department, and pays debt servicing charges on capital advances, including on the assets transferred to the ACT on self government.

1992-93 was the first year of operation under a budget strategy agreed between ACTION, the ACT Treasury and the Government. The strategy required improvements in efficiency and productivity in order to reduce the real level of Government contributions by \$10m (or about 20 per cent) over three years (1992-93 to 1994-95). This was successfully achieved and now a further agreement is currently being finalised that will continue the savings by a further \$12.7m over the next three years (1995-96 to 1997-98).

ACTION services will not deteriorate as a result of the reduced level of funds. In fact it is expected that services will improve and expand with ACTION resources being placed to better meet the demands of the travelling public. This will be facilitated by utilising data from the recently implemented automated fares system (ATS).

Since 1989-90 there had been a steady decline in patronage (5.2 per cent), a trend experienced by most State public transport operators. This decline was arrested in 1993-94, albeit only slightly, with an increase of .06 per cent followed by a further increase in 1994-95 of .8 per cent.

The impact of the budget strategy and associated productivity measures has resulted in a continuation of improved performance against most indicators for 1994-95. In particular statistics utilising "employees" and "vehicles" are showing significant improvements reflecting the reform that is occurring within the organisation. This has been achieved while maintaining the same level of services (refer to statistics in regard to "passengers" and "kilometres").

ACTION**A.C.T**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets (2)	%	4.2	1.5	4.9	10.7	6.8
Return on operating assets (2)	%	4.2	1.5	4.9	10.8	6.8
Operating sales margin	%	6.8	2.8	8.9	18.1	11.9
Return on equity	%	-7.5	-12.1	-4.4	10.2	0.2
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	118.6	128.0	142.7	118.3	112.9
Total liabilities to equity	%	148.6	157.0	172.9	143.1	138.9
Current ratio	%	60.1	54.3	59.0	71.1	58.1
Interest cover	%	62.0	24.3	74.5	159.2	101.1
Cost recovery ratio	%	37.5	33.8	41.9	58.5	61.2
Operational performance	%	-35.9	-34.9	-27.7	-20.2	-19.2

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.00	1.00	1.00	1.27	1.34
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	5.00	6.00	5.00	4.94	4.98
Employees per vehicle	Emp/Veh	2.70	2.73	2.70	2.57	2.49
Vehicles in excess of maximum daily demand	%	18.40	15.30	10.80	10.24	9.22
Kilometres per vehicle	km/Veh	43,177	42,294	47,820	50,010	53,866
Vehicle kilometres per employee	km/Emp	18,967	17,850	19,649	21,411	23,404
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,297	1,222	1,351	1,451	1,585
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	n.p.
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

Real price index	Index	106.9	111.0	115.9	122.1	121.4
Boardings per vehicle kilometre	Bd/km	1.25	1.29	1.18	1.13	1.15
Boardings per employee	Bd/Emp	23,718	22,948	23,135	24,234	26,847

ACTION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness (continued)</i>						
Boardings per head of population:						
- metro	Bd/Hd	87.8	84.5	80.2	78.8	78.8
- catchment	Bd/Hd	87.8	84.5	80.2	78.8	78.8
<i>Service Quality</i>						
Service cancellations	%	0.19	1.48	0.27	1.25	0.60
Service delays	%	0.06	0.03	0.03	0.06	0.04
<i>Size</i>						
Total assets (2)	\$'000	131,420	135,400	128,372	126,703	122,053
Total revenue	\$'000	70,257	69,807	71,736	75,337	70,597
Cash box and other non-government revenue	\$'000	15,849	15,190	18,884	17,555	19,174
Total employment	Emp	1,054	1,071	1,027	981	893
Total vehicle kilometres	'000 km	19,991	19,117	20,180	21,004	20,900
Total passenger boardings	'000	24,999	24,577	23,760	23,774	23,974
Number of scheduled services	'000	1,109	1,125	1,066	1,077	995
Revenue vehicle fleet	No	463	452	422	420	391
<i>Cost and Revenue Measures</i>						
Average fare per boarding	\$/Bd	0.66	0.66	0.72	0.76	0.79
Passenger revenue per vehicle kilometre	\$/km	0.82	0.85	0.84	0.86	0.91
Passenger revenue per employee	\$/Emp	15,574	15,246	16,598	18,421	21,278
Expenditure per vehicle kilometre	\$/km	3.66	3.99	3.66	3.35	3.37
Expenditure per boarding	\$/Bd	2.93	3.10	3.11	2.96	2.94
Government operating subsidy	%	74.3	71.7	69.7	65.3	56.6

NOTES TO INDICATORS FOR ACTION

Key: n.p. - not provided; n.r. - not relevant.

- 1) Financial data is from audited financial statements.
- 2) Assets are valued at historical cost with the exception of land which is subject to periodic current market valuation (last revalued 1992-93).

ACTION (continued)

5 RAILWAYS

State Rail Authority of NSW	287
Public Transport Corporation (Victoria)	293
Queensland Rail	305
Westrail (WA)	311
Australian National Railways Commission (Commonwealth)	317
National Rail Corporation (Commonwealth)	321

STATE RAIL AUTHORITY**New South Wales****Comments on own performance**

The State Rail Authority of NSW (SRA) operates passenger and freight services throughout NSW and provides railway network infrastructures. At 30 June 1995 it was structured into four separate business groups: CityRail, Freight Rail, Countrylink and the Railway Services Group (RSG).

City Rail provides passenger services throughout the Sydney metropolitan area and to regional areas of NSW. Countrylink operates long distance passenger services throughout NSW and interstate services are also provided to Brisbane and Melbourne under agreements with Queensland Rail and the Victorian Public Transport Corporation. Freight Rail provides rail based freight transportation throughout NSW.

The RSG, established in December 1994, controls the “non-core” functions of the three business groups and corporate and capital works functions (eg. overhaul and manufacture of components for locomotives and rollingstock, construction and maintenance services for railway track, signalling and electrical infrastructures). As well as providing services to State Rail, it also has significant external customers within Australia who are primarily but not exclusively within the railway industry.

In late 1995 the NSW Government announced a number of significant reforms that will increase competition in the rail sector by separating the management of the rail network (a natural monopoly) from the provision of rail services, which will be opened up to competition. Key elements of the reform package include:

- Responsibility for managing the rail network and administering access by public and private rail operators will be removed from SRA and transferred to the Rail Access Corporation. This new corporation will be established by 1 July 1996;
- Freight Rail will be separated from the SRA and corporatised by 1 July 1996;
- The Railway Services Authority will be responsible for track maintenance, repair of SRA trains and construction services;
- The SRA will continue to operate CityRail and Countrylink passenger services.

Financial performance

In the four years to June 1994 the operating deficit before abnormal items and government contributions decreased each year from \$436m in 1990–91 to \$325m in 1993–94, a reduction of 26 per cent. However, during 1994–95 a revaluation of fixed assets and reduced freight revenue as a result of drought combined to produce an increase in the deficit compared with the previous year. Government contributions (excluding grants for capital works) have decreased each year from \$351m in 1990–91 to \$151m in 1994–95, down 57 per cent.

STATE RAIL AUTHORITY**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	-0.5	-4.0	-1.7	-2.5	-5.2
Return on operating assets	%	-0.6	-4.2	-1.9	-2.8	-5.5
Operating sales margin	%	-1.4	-10.3	-5.1	-8.6	-29.5
Return on equity	%	-1.1	-7.2	-3.5	-4.8	-7.5
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	3.9	6.6	6.2	12.7	5.7
Total liabilities to equity	%	74.2	71.3	63.3	63.5	23.0
Current ratio	%	65.8	82.0	92.7	76.0	64.8
Interest cover	%	-1,161.7	-1,718.8	-435.6	-632.0	-1,466.5
Cost recovery ratio	%	76.7	78.6	82.3	83.1	70.0
Operational performance	%	-11.0	-9.4	-6.9	-5.9	-7.2

Non-financial Ratios**RAIL (Non-urban and urban) unless otherwise specified***Economic Factors*

Total factor productivity (4)	Index	118.5	123.1	144.6	165.7	161.3
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Employee productivity:						
- urban rail pass journeys per employee (average) (5)	No/Emp	20,051	20,804	20,774	21,928	24,224
- non-urban passenger kilometres per employee (average) (5)	'000 Pkm/ Emp	853	731	762	815	817
- net freight tonne-kilometres per employee (average) (5)	'000 NFTkm/ Emp	1,017	1,088	1,295	1,572	1,642
Net freight tonne-kilometres per wagon (average) (12)	'000 NFTkm/ Wag	1,755	1,903	2,097	2,246	1,436
Net freight tonne-kilometres per locomotive (average) (12)	'000 NFTkm/ Loco	25,351	25,482	27,994	31,523	29,033
Total days lost:						
- industrial disputes	%	0.00	0.30	0.00	0.00	0.00
- sick leave	%	4.40	3.50	4.60	4.70	4.40
- industrial accidents	%	0.80	0.50	0.70	0.80	0.70
- total	%	5.20	4.30	5.40	5.50	5.00

STATE RAIL AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>RAIL (Non-urban and urban) (continued)</i>						
<i>Effectiveness</i>						
Real price index (overall) (6)	Index	101.7	103.1	104.5	103.4	100.0
Real urban fare revenue index	Index	103.1	105.5	109.7	110.6	109.5
Real non-urban fare revenue index	Index	103.2	106.8	109.6	113.5	113.5
Real freight revenue index	Index	100.8	101.2	101.1	98.3	92.6
Train kilometres per level crossing accident	'000 km/ Acc	1,008	1,709	1,683	1,176	3,866
Number of level crossing accidents	No	57	32	31	47	15
Train kilometres	'000 km	57,471	54,694	52,183	55,289	57,992
<i>Service Quality</i>						
Service cancellations (urban only)	%	0.70	0.60	0.50	0.70	0.70
Train trips cancelled	No	845	682	578	706	732
Total trips scheduled	No	113,571	108,847	105,374	106,072	105,961
On time running:						
- urban (within 3 minutes) (7)	%	86.6	90.3	92.0	92.2	90.8
- non-urban (various) (8)	%	76.8	84.8	87.9	84.8	86.3
- freight (within 30 minutes) (9)	%	79.1	78.4	81.1	85.0	90.0
<i>Size</i>						
Total assets (1,13)	\$M	4,188	4,663	5,213	6,031	12,283
Total revenue (1)	\$M	1,820	1,725	1,740	1,751	1,684
Cash box and other non-government revenue	\$M	1,127	1,084	1,113	1,150	1,094
Total route-kilometres operated	No	7,830	7,476	7,281	7,410	7,605
Urban rail passenger journeys	'000	251,600	243,800	229,800	234,800	249,600
Non-urban passenger kilometres (10)	Mill. Pkm	1,020	819	848	834	913
Number of employees (average): (5)						
- urban	No	12,548	11,719	11,062	10,708	10,304
- non-urban passenger	No	1,196	1,120	1,113	1,023	1,117
- freight	No	13,979	12,697	11,461	10,306	9,308
- total	No	27,723	25,536	23,636	22,037	20,729
Net freight tonne-kilometres	Mill.NFTkm	14,222	13,811	14,837	16,203	9,000
Net freight tonne-kilometres per route-kilometres (average)	'000 NFTK/ Rkm	1,975	2,020	2,238	2,397	2,198
Route-kilometres (freight)(average)	Rkm	7,201	6,837	6,630	6,759	6,954
Number of wagons (average)	No	8,104	7,256	7,074	7,213	6,269
Number of locomotives (average)	No	561	542	530	514	310

STATE RAIL AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

RAIL (Non-urban and urban) (continued)**Cost and Revenue Measures (1)**

Revenue per passenger:

- urban (per journey)	Cents	157	161	175	174	164
- non-urban (per passenger km)	Cents	10	12	12	13	12
Urban passenger revenue	\$'000	395,699	392,703	401,906	408,493	408,279
Non-urban passenger revenue	\$'000	105,639	98,853	102,951	103,914	108,676
Revenue per net freight tonne-kilometre	Cents/ NFTkm	4.8	4.8	4.6	4.4	5.7
Freight revenue	\$'000	685,202	660,681	684,645	711,686	510,371

URBAN TRANSPORT OPERATIONS**Efficiency**

Passenger revenue per total vehicle capacity kilometre (1)	Cents/ TVCKm	1.02	1.06	1.13	1.09	0.98
Expenditure per total vehicle capacity kilometre (1,11)	Cents/ TVCKm	0.02	0.02	0.02	0.02	0.02
Employees per vehicle (5)	Emp/Veh	9.6	9.1	8.7	8.4	8.1
Vehicles in excess of maximum daily demand	%	28.60	21.80	19.70	20.70	19.00
Kilometres per vehicle	km/Veh	114,176	116,233	112,792	117,258	123,846
Vehicle kilometres per employee (5)	km/Emp	15,350	15,562	15,570	16,951	18,305
Vehicle capacity kilometres per employee (5)	'000 TVCKm/ Emp	3,077	3,167	3,215	3,495	4,025
Total days lost:						
- industrial disputes	%	0.00	0.20	0.10	0.00	0.00
- sick leave	%	3.60	3.20	4.60	4.60	3.80
- industrial accidents	%	0.40	0.50	0.60	0.90	0.80
- total	%	4.00	3.90	5.30	5.50	4.60

Effectiveness

Real price index	Index	103.1	105.5	109.7	110.6	109.5
Boardings per vehicle kilometre	Bd/km	1.60	1.60	1.60	1.60	1.60
Boardings per employee (5)	Bd/Emp	24,061	24,965	24,929	26,313	29,068
Boardings per head of population:						
- metro	Bd/Hd	77.10	74.10	69.50	n.p.	68.10
- catchment	Bd/Hd	96.30	92.60	86.70	n.p.	100.80

Units 1990-91 1991-92 1992-93 1993-94 1994-95

STATE RAIL AUTHORITY (continued)*URBAN TRANSPORT OPERATIONS (continued)**Service Quality*

Service cancellations	%	0.7	0.6	0.5	0.7	0.7
Service delays	%	12.6	8.9	7.4	7.1	8.3

Size

Total assets	\$M	4,188	4,663	5,213	6,031	12,283
Total employment (5)	No	12,548	11,719	11,062	10,708	10,304
Total vehicle kilometres	'000 km	192,615	182,370	172,234	181,516	188,618
Total passenger boardings	'000	301,920	292,560	275,760	281,760	299,520
Number of scheduled services	'000	114	109	105	106	106
Revenue vehicle fleet	No	1,687	1,569	1,527	1,548	1,523

Cost and Revenue Measures

Average fare per boarding (1)	\$/Bd	1.31	1.34	1.46	1.45	1.36
Passenger revenue per vehicle kilometres (1)	\$/km	2.05	2.15	2.33	2.25	2.16
Passenger revenue per employee (1,5)	\$/Emp	31,535	33,510	36,332	38,148	39,623
Expenditure per vehicle kilometre (1)	\$/km	3.99	4.20	4.56	4.52	4.83
Expenditure per boarding (1)	\$/Bd	2.55	2.62	2.85	2.91	3.04
Government operating subsidy	%	50.9	41.1	37.5	35.3	30.0

STATE RAIL AUTHORITY (continued)

NOTES TO INDICATORS FOR STATE RAIL AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

- 1) All dollar amounts are in actual dollars, ie no adjustment has been made for inflation during the comparison period.
- 2) Return on assets ratio includes Government contributions (excluding capital grants).
- 3) Return on equity - operating result includes Government contributions and excludes capital grants.
- 4) Total factor productivity ratios are for Freight Rail only. Base year = 1988–89. The TFP results measures Freight Rails TFP growth (or decline) over time. The TFP measures do not reflect absolute TFP levels and therefore cannot be compared to the TFP results of other agencies presented in this publication.
- 5) Employee based ratios and employee numbers includes proportion of Corporate Group (head office) staff.
- 6) The overall real price index (total SRA) is the weighted average index for CityRail, Countrylink and Freight Rail.
- 7) Urban (CityRail) on time running is for suburban services only ie excludes Intercity services.
- 8) Countrylink on time running statistics are for train services only ie excludes feeder coach services. 1993–94 reflects introduction of new service pattern.
- 9) Freight on time running figures are for all freight except Blue Ribbon.
- 10) Countrylink passenger kilometres data to June 1992 includes the Indian-Pacific. Passenger km data from year ended June 1990 onwards includes intercity and peak period coach kms. A factor in the reduction of Countrylink passenger kms has been the re-defining of the boundaries of CityRail services.
- 11) CityRail expenditure includes its share of railway joint costs but does not include finance charges recouped from the government. From 1991–92 Prime User methodology used to allocate railway joint costs thus previous years results are not directly comparable.
- 12) Freight Rail NFTkm/loco and NFTkm/wagon for 1994–95 exclude National Rail Corporation statistics.
- 13) Fixed assets were revalued in 1994–95.

Comments on own performance

The Public Transport Corporation was established on 1 July 1989 by merging the Metropolitan Transit Authority (The Met) and the State Transport Authority (V/Line).

The PTC is contracted by the Department of Transport to operate trains, trams and buses in the Melbourne metropolitan area and both passenger and freight services in rural Victoria. Each year the PTC has more than 200 million passenger boardings and carries more than 5 million tonnes of freight.

The PTC is divided into five businesses - Met Trains, Met Tram, Met bus, V/Line Passenger and V/Line Freight. Each of these core units is responsible for managing its own finances, human resources, planning, safety, product development, services delivery and marketing.

Three commercial services divisions - Infrastructure, Rail Vehicle Maintenance and Central Services - provided the businesses with support services including training, engineering maintenance, commercial development and property management.

The Corporation has continued along the path of considerable change during the 1994–95 financial year, with tangible improvements in financial performance, service delivery and productivity. Patronage has increased across all sectors of the passenger businesses and financial targets have either been exceeded or met once again.

In real terms, between 1990–91 and 1994–95, the PTC reduced its call on Government funding for operations by \$250 million, or 41 percent. During this period over 9,800 staff (49%) left the Corporation.

In 1993–94, financial performance was improved by an abnormal surplus of \$603.8m comprising superannuation of \$571.6m, and a reduction in employee leave entitlements of \$32.2m as a result of staff downsizing.

The time series for many performance indicators are primarily reflecting significant changes in service range rather than in performance.

Interstate rail freight services have been progressively transferred and are managed by National Rail Corporation but the PTC continues to provide resources and to maintain track infrastructure. During 1993–94, private operators took over operation of rail passenger services on the Shepparton and Warrnambool corridors and the majority of PTC-operated urban bus services were transferred to National Bus Company. In 1994–95, responsibility for interstate passenger services has been transferred to State Rail Authority (NSW) and Australian National Railways Commission.

PUBLIC TRANSPORT CORPORATION**Victoria***Units 1990-91 1991-92 1992-93 1993-94 1994-95***ALL SERVICES (Trains, Trams & Government Buses but excluding contracted buses)****Financial Ratios (1,2)**

Return on assets	%	-7.8	-4.6	-0.2	8.8	4.2
Return on operating assets	%	-7.9	-4.7	-0.2	8.8	4.2
Operating sales margin	%	-16.3	-10.0	-0.5	34.9	14.5
Return on equity	%	-70.1	-42.3	-0.6	16.1	6.6
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity (3)	%	3.2	2.1	0.2	0.1	0.0
Total liabilities to equity	%	871.6	759.4	108.5	65.7	70.9
Current ratio	%	25.1	21.7	21.5	15.2	24.1
Interest cover	%	-2,097.8	-8,584.2	-386.9	26,194	1,307
Cost recovery ratio	%	35.0	37.6	38.3	40.6	71.4
Operational performance	%	-36.7	-31.9	-25.6	-17.6	-6.9

Non-financial Ratios*Size*

Total assets	\$M	2,755	2,799	4,560	4,565	4,520
Total revenue	\$M	1,351	1,291	1,353	1,147	1,062
Cash box and other non-government revenue	\$M	507	491	509	458	429

RAIL (Non-urban and urban)*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Employee Productivity:

-urban rail pass journeys per employee (average)	No/Emp	15,678	16,659	18,098	21,435	25,294
-non-urban passenger kilometres per employee (average) (5)	'000 Pkm/ Emp	227	210	227	271	295
-net freight tonne-kilometres per employee (average) (15)	'000 NFTkm/ Emp	764	740	998	1,599	852
Net freight tonne-kilometres per wagon (average) (15,17)	'000 NFTkm/ Wagon	884	803	1,037	1,226	848
Net freight tonne-kilometres per locomotive (average) (15)	'000 NFTkm/ Loco	24,027	21,954	28,075	36,788	20,112

PUBLIC TRANSPORT CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

RAIL (Non-urban and urban) (continued)**Efficiency (continued)**

Total days lost:

- industrial disputes (18,28)	%	n.r.	n.r.	0.6	0.1	0.3
- sick leave	%	n.r.	n.r.	5.8	5.4	4.3
- industrial accidents	%	n.r.	n.r.	2.3	1.6	1.5
- other scheduled	%	n.r.	n.r.	0.2	0.2	0.2
- total	%	n.r.	n.r.	8.9	7.2	6.2

Effectiveness

Real price index (overall) (7,19,20)	Index	96.4	97.9	99.0	96.3	n.r.
Real urban fare revenue index (7)	Index	104.5	110.9	116.5	121.1	115.3
Real non-urban fare revenue index (19)	Index	99.1	104.5	105.6	108.9	108.4
Real freight revenue index (20)	Index	89.2	85.2	83.2	74.7	n.r.
Train kilometres per level crossing accident (21)	'000 km/ Acc	377	399	329	388	404
Number of level crossing accidents	No	68	61	76	67	55
Train kilometres (21)	'000 km	25,639	24,328	25,000	25,987	22,200

Service Quality

Service cancellations (urban only)	%	1.3	1.0	0.6	0.3	0.5
Train trips cancelled (22)	No	6,664	4,927	2,919	1,587	2,338
Total trips scheduled (22)	No	502,523	507,000	499,869	482,201	478,106
On time running:						
- urban (within 5 mins.) (22)	%	92.0	91.0	91.3	92.3	92.3
- non-urban commuter peak (within 5 mins.) (23)	%	88.0	90.0	87.8	89.1	92.2
- non-urban regional (within 10 mins.) (23)	%	89.0	91.0	92.0	92.4	95.7
- non-urban - interstate (23)	%	82.0	86.0	80.0	78.0	n.r.
- freight - interstate (23)	%	75.0	81.0	69.0	70.0	n.r.
- freight - intrastate (within 30 mins.) (24)	%	92.0	96.0	89.0	78.0	86.0

Size

Cash-box and other non-government revenue	\$'000	404,100	380,900	395,400	385,700	350,700
Total route kilometres operated	No	5,188	5,144	5,107	5,107	5,012
Urban rail passenger journeys (25)	'000	106,800	108,900	106,000	101,000	105,400
Non-urban passenger-kilometres (5)	'000 Pkm	859,000	755,000	727,000	607,000	501,000

PUBLIC TRANSPORT CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

RAIL (Non-urban and urban) (continued)**Size (continued)**

Number of employees (average)

- urban	Emp	6,812	6,537	5,857	4,712	4,167
- non-urban passenger	Emp	3,787	3,588	3,208	2,242	1,696
- freight	Emp	4,846	4,391	3,685	2,635	2,102
- total	Emp	15,445	14,516	12,750	9,589	7,965
Net freight tonne-kilometres (15)	Mill. NFTkm	3,700	3,249	3,678	4,212	1,790
Net freight tonne-kilometres per route kms (average) (15,29)	'000 NFTkm/ Rkm	732	652	749	862	371
Route kilometres (freight) (average) (16)	No	5,055	4,982	4,908	4,887	4,822
Number of wagons (average) (15,17)	No	4,185	4,044	3,545	3,435	2,110
Number of locomotives (average) (15)	No	154	148	131	115	89

Cost and Revenue Measures

Revenue per passenger:

- urban (per passenger journey) (25)	Cents	109	119	126	133	130
- non-urban (per pass. km) (5,26)	Cents	7.70	8.30	8.40	8.70	9.10
Urban passenger revenue	\$'000	116,900	129,200	133,100	134,400	137,200
Non-urban passenger revenue	\$'000	66,149	62,453	60,934	52,585	45,634
Revenue per net freight tonne-kilometre (15,20)	Cents/ NFTkm	4.3	4.2	4.1	3.8	6.2
Freight revenue (26)	\$'000	158,885	135,393	151,311	158,747	111,243

URBAN - excluding contracted bus services**Economic Factors**

Total factor productivity (31)	Index	1.00	1.00	1.03	1.13	1.18
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.29	1.46	1.51	1.54	1.57
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	5.38	4.95	4.92	4.85	4.85
Employees per vehicle	Emp/Veh	n.r.	7.29	6.95	6.20	5.87
Vehicles in excess of maximum daily demand (4)	%	n.r.	23.00	27.40	29.50	26.30

PUBLIC TRANSPORT CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

URBAN - excluding contracted bus services (continued)**Efficiency (continued)**

Kilometres per vehicle (14)	km/Veh	52,384	51,562	49,622	48,946	50,953
Vehicle kilometres per employee	km/Emp	8,443	8,699	9,306	10,891	12,081
Vehicle capacity kilometres per employee	'000 TVCkm/ Emp	1,250	1,259	1,358	1,663	1,897
Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.62	0.11	0.33
- sick leave	%	n.p.	n.p.	5.51	5.26	4.22
- industrial accidents (6,28)	%	n.p.	n.p.	2.24	1.59	1.25
- other scheduled	%	n.p.	n.p.	0.21	0.15	0.11
- total	%	n.p.	n.p.	8.58	7.12	5.90

Effectiveness

Real price index (7)	Index	103.1	107.7	114.4	117.2	114.3
Boardings per vehicle kilometre (8)	Bd/km	2.37	2.46	2.36	2.43	2.51
Boardings per employee (8)	Bd/Emp	19,983	21,410	21,950	26,464	30,355
Boardings per head of population:						
- metro (8,9,14)	Bd/Hd	79.70	81.20	75.10	71.00	70.70
- catchment (8,10,14)	Bd/Hd	85.40	87.00	80.40	75.90	75.60

Service Quality

Service cancellations (11)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Service delays (11)	%	n.r.	n.r.	n.r.	n.r.	n.r.

Size

Cash box and other non-government revenue (30)	\$'000	238,800	255,500	263,100	221,500	236,400
Total employment	Emp	11,925	11,457	10,433	8,259	7,246
Total vehicle kilometres (12,14)	'000 km	100,683	99,669	97,085	89,949	87,537
Total passenger boardings (14)	'000	238,300	245,300	229,000	218,600	220,000
Number of scheduled services (11)	'000	n.p.	n.p.	n.p.	n.p.	n.p.
Revenue vehicle fleet (13,14)	No	1,922	1,933	1,957	1,838	1,718

Cost and Revenue Measures

Average fare per boarding	\$/Bd	0.81	0.86	0.93	0.97	0.98
Passenger revenue per vehicle kilometre	\$/km	1.91	2.12	2.20	2.36	2.46
Passenger revenue per employee	\$/Emp	16,168	18,425	20,473	25,681	29,713
Expenditure per vehicle kilometre	\$/km	7.97	7.16	7.24	7.40	7.63
Expenditure per boarding	\$/Bd	3.37	2.91	3.07	3.05	3.03
Government operating subsidy	%	58.5	59.9	62.7	52.2	52.1

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PUBLIC TRANSPORT CORPORATION (continued)**URBAN - Trams***Economic Factors*

Total factor productivity (31)	Index	0.53	0.53	0.51	0.52	0.57
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	2.62	2.81	2.85	3.16	3.16
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	9.74	8.76	9.07	10.29	9.85
Employees per vehicle	Emp/Veh	n.r.	7.85	7.97	7.33	6.98
Vehicles in excess of maximum daily demand (4)	%	n.r.	40.10	46.10	46.10	36.50
Kilometres per vehicle	km/Veh	33,935	33,512	30,918	28,230	30,286
Vehicle kilometres per employee	km/Emp	5,749	5,983	6,048	6,694	7,606
Vehicle capacity kilometres per employee	'000TVCKm/ Emp	592,573	617,202	671,853	712,759	809,674
Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.69	0.15	0.37
- sick leave	%	n.p.	n.p.	4.83	4.98	3.77
- industrial accidents (6,28)	%	n.p.	n.p.	1.97	1.51	1.18
- other scheduled	%	n.p.	n.p.	0.08	0.14	0.09
- total	%	n.p.	n.p.	7.56	6.78	5.41

Effectiveness

Real price index (7)	Index	98.7	100.8	109.0	108.8	110.0
Boardings per vehicle kilometre	Bd/km	4.83	4.97	4.72	5.19	5.00
Boardings per employee	Bd/Emp	27,772	29,732	28,543	32,830	38,048
Boardings per head of population:						
- metro (9)	Bd/Hd	36.00	37.10	33.10	33.80	34.90
- catchment (10)	Bd/Hd	38.60	39.70	35.40	36.10	37.30

Service Quality

Service cancellations	%	n.r.	n.r.	n.r.	2.90	0.20
Service delays	%	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total employment	Emp	3,878	3,767	3,535	2,994	2,853
Total vehicle kilometres	'000 km	22,295	22,537	21,380	20,043	21,700
Total passenger boardings	'000	107,700	112,000	100,900	104,000	108,600
Number of scheduled services	'000	n.p.	n.p.	n.p.	n.p.	n.p.
Revenue vehicle fleet	No	657	673	692	710	717

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PUBLIC TRANSPORT CORPORATION (continued)*URBAN - Trams (continued)**Cost and Revenue Measures*

Average fare per boarding	\$/Bd	0.56	0.58	0.64	0.65	0.67
Passenger revenue per vehicle kilometre	\$/km	1.00	0.95	0.98	0.96	0.84
Passenger revenue per employee	\$/Emp	12,632	14,310	15,658	18,626	22,566
Expenditure per vehicle kilometre	\$/km	4.63	3.74	4.08	4.00	3.93
Expenditure per boarding	\$/Bd	3.03	2.66	3.08	3.17	3.92
Government operating subsidy	%	61.80	65.60	72.10	57.90	54.40

URBAN - Trains*Economic Factors*

Total factor productivity (31)	Index	1.02	1.01	1.05	1.15	1.21
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.00	1.16	1.21	1.22	1.24
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	4.32	4.01	3.92	3.67	3.75
Employees per vehicle	Emp/Veh	n.r.	8.32	7.70	6.36	5.58
Vehicles in excess of maximum daily demand	%	n.r.	16.90	21.10	23.30	21.60
Kilometres per vehicle	km/Veh	68,021	65,099	64,110	64,726	65,823
Vehicle kilometres per employee	km/Emp	9,227	9,147	10,081	12,555	14,351
Vehicle capacity kilometres per employee	Mill. TVCKm/ Emp	1,721	1,699	1,872	2,330	2,662
Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.58	0.09	0.30
- sick leave	%	n.p.	n.p.	6.00	5.49	4.56
- industrial accidents (6,28)	%	n.p.	n.p.	2.45	1.66	1.33
- other scheduled	%	n.p.	n.p.	0.09	0.16	0.13
- total	%	n.p.	n.p.	9.12	7.40	6.32

Effectiveness

Real price index (7)	Index	104.5	110.9	116.5	121.1	115.3
Boardings per vehicle kilometre	Bd/km	1.70	1.82	1.70	1.71	1.76
Boardings per employee	Bd/Emp	15,678	16,659	18,098	21,425	25,284
Boardings per head of population:						
- metro (9)	Bd/Hd	35.70	36.10	34.80	32.80	33.90
- catchment (10)	Bd/Hd	38.30	38.60	37.20	35.10	36.20

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PUBLIC TRANSPORT CORPORATION (continued)*URBAN - Trains (continued)**Service Quality*

Service cancellations	%	1.30	1.00	0.60	0.30	0.50
Service delays	%	8.50	9.00	8.70	7.70	7.70

Size

Total employment	Emp	6,812	6,537	5,857	4,712	4,167
Total vehicle kilometres	'000 km	62,851	59,793	59,045	59,160	59,800
Total passenger boardings	'000	106,800	108,900	106,000	101,000	105,400
Number of scheduled services	'000	503	507	500	482	478
Revenue vehicle fleet	No	924	919	921	914	909

Cost and Revenue Measures

Average fare per boarding	\$/Bd	1.09	1.19	1.26	1.33	1.30
Passenger revenue per vehicle kilometre	\$/km	1.86	2.16	2.25	2.27	2.29
Passenger revenue per employee	\$/Emp	17,161	19,764	22,725	28,523	32,925
Expenditure per vehicle kilometre	\$/km	8.06	7.44	7.29	6.81	6.96
Expenditure per boarding	\$/Bd	4.74	4.08	4.06	3.99	3.95
Government operating subsidy	%	57.40	58.40	62.90	49.00	49.00

URBAN - Buses (excludes contract operations)*Economic Factors*

Total factor productivity (30,31)	Index	1.00	1.19	1.17	1.35	1.51
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/TVCKm	1.76	1.67	1.71	1.67	1.45
Expenditure per total vehicle capacity kilometre	Cents/TVCKm	8.12	6.55	7.14	6.97	6.75
Employees per vehicle	Emp/Veh	n.r.	3.78	3.50	3.04	2.88
Vehicles in excess of maximum daily demand	%	n.r.	12.10	15.60	16.60	16.60
Kilometres per vehicle (5,30)	km/Veh	45,563	50,699	48,430	50,636	65,978
Vehicle kilometres per employee (30)	km/Emp	12,581	15,038	16,004	19,432	26,712
Vehicle capacity kilometres per employee (30)	Mill. TVCKm/Emp	718	859	915	1,116	1,553
Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.64	0.01	0.29
- sick leave	%	n.p.	n.p.	5.02	4.58	3.48
	Units	1990-91	1991-92	1992-93	1993-94	1994-95

PUBLIC TRANSPORT CORPORATION (continued)*URBAN - buses(excludes contract operations) (continued)**Efficiency (continued)*

- industrial accidents (6,28)	%	n.p.	n.p.	2.05	1.39	0.62
- other scheduled	%	n.p.	n.p.	0.19	0.13	0.00
- total	%	n.p.	n.p.	7.90	6.10	4.39

Effectiveness

Real price index	Index	109.6	110.7	119.8	120.8	n.r.
Boardings per vehicle km (30)	Bd/km	1.53	1.41	1.33	1.26	1.00
Boardings per employee (30)	Bd/Emp	19,271	21,162	21,230	24,552	26,721
Boardings per head of population:						
- metro (9,30)	Bd/Hd	8.00	8.10	7.20	4.40	n.r.
- catchment (10,30)	Bd/Hd	8.50	8.70	7.80	4.70	n.r.

Service Quality

Service cancellations	%	5.00	2.00	3.10	0.20	0.20
Service delays	%	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total employment (30)	Emp	1,235	1,153	1,041	553	226
Total vehicle kilometres (30)	'000 km	15,537	17,339	16,660	10,746	6,037
Total passenger boardings (30)	'000	23,800	24,400	22,100	13,577	6,000
Number of scheduled services	'000	n.p.	n.p.	n.p.	n.p.	n.p.
Revenue vehicle fleet (30)	No	341	342	344	212	92

Cost & Revenue Measures

Average fare per boarding (30)	\$/Bd	0.66	0.68	0.74	0.76	0.84
Passenger revenue per vehicle kilometre (30)	\$/km	1.91	2.12	2.20	2.36	2.46
Passenger revenue per employee (30)	\$/Emp	16,168	18,425	204,473	25,681	29,713
Expenditure per vehicle kilometre	\$/km	7.97	7.16	7.24	7.40	7.63
Expenditure per boarding (30)	\$/Bd	3.37	2.91	3.07	3.05	3.03
Government operating subsidy	%	58.50	59.90	62.70	52.20	52.10

PUBLIC TRANSPORT CORPORATION (continued)

NOTES TO INDICATORS FOR PUBLIC TRANSPORT CORPORATION

Key: n.p. - not provided: n.r. - not relevant.

- 1) In 1992–93, due to revaluation of property, total equity and total assets (asset revaluation reserve) have increased by \$ 1317.768 million.
- 2) In 1993–94, PTC had an abnormal surplus of \$603.8 million comprising superannuation of \$571.6 million and a reduction in employee leave entitlements of \$32.2 million as a result of staff downsizing. In 1994–95, the figure includes the total funding for capital works (\$204.1m) previously shown in Annual Report as contributed capital. Offsetting this, in 1994/95, the result shown has been reduced by the transfer of subsidies of \$182.4 m for contracted private bus services and other associated administrative functions to Department of Transport.
- 3) Debt progressively transferred to Victorian Treasury Corporation.
- 4) Excludes trams of historical significance which are permanently stored.
- 5) Figures available for 1994–95 are based on passenger boardings and are more accurate than those previously available for earlier years. Figures for previous years tended to overstate passenger kilometres. Interstate services have been transferred to other rail operators. Coach services are included in 1994–95.
- 6) The figure shown is for workcover based on days lost data for all PTC employees (not just urban transport.).
- 7) Index is affected by change in mix of fare types (especially concession Vs full fare) as well as being affected by changes in fares and ticket types.
- 8) In December 1993, the majority of buses operated by the PTC were transferred to National Bus Company. Boardings figures shown are only for PTC operated services.
- 9) Population estimates for total Melbourne Statistical Division based on first counts for statistical local areas: census, 1991.
- 10) Includes local Government areas in which PTC services are provided.(trains, trams or buses)
- 11) Data is provided only on a disaggregated basis for trains, trams and buses. (Averaging across modes is not appropriate.)
- 12) The figures shown are thousand vehicle kilometres where vehicles include rail carriages, trams and PTC operated buses.
- 13) The figures shown are for the total of rail carriages, trams and PTC operated buses.
- 14) In 1993–94 and 1994–95, these figures have been affected by the transfer of the majority of PTC- operated buses to National Bus Company (from Dec. 1993)

PUBLIC TRANSPORT CORPORATION (continued)

NOTES TO INDICATORS FOR PUBLIC TRANSPORT CORPORATION (continued)

- 15) Responsibility for the movement of interstate traffic and relevant staff were progressively transferred to National Rail Corporation during 1993–94. The above figures for net tonne kilometres include interstate traffic until 1993–94 but not in 1994–95. As a result, it is not possible to make a valid comparison between 1994–95 and earlier years when a significantly different mix of freight business was involved.
- 16) Figures shown are for all railway lines on which there is some freight carried other than parcels moved by passenger train. All route km of track shown is PTC owned.
- 17) Figures for wagons include parcels vans, works and services vehicles but exclude stored vehicles.
- 18) In 1992–93 and in 1993–94, the figure shown for work cover is based on days lost data for all PTC employees not just rail employees.
- 19) On- train trading and catering revenue has been excluded from non-urban passenger revenue. Due to the major change in the range of services provided, real non-urban fare index for 1994–95 is based on weighted average fare increase instead of revenue per passenger kilometre.
- 20) This series has been heavily influenced by changing ‘product mix’. Whilst freight rates have fallen significantly, growth of container traffic at the expense of higher rated business has had a further downward impact on this index. No result is shown in 1994–95 as the business in 1994–95 is not comparable to the business in earlier years. The longer haul interstate traffic has been transferred to NRC.
- 21) Train kilometres figure in 1992–93 is an unpublished estimate derived solely for this submission.
- 22) The figures shown are for urban services only.
- 23) Within 10 minutes.
- 24) Average of results for each of three train groups : scheduled block; freightgate ; grain.
- 25) Based on passenger boardings.
- 26) Responsibility for movement of interstate traffic has been progressively transferred to NRC. Interstate traffic has been excluded from the 1994–95 figure.
- 27) In PTC cost recovery results, revenue includes a Government subsidy for partial reimbursement of concessions on fares but no Community Service Obligation Payments are included.
- 28) Including industrial accidents
- 29) PTC is only one user of the rail network. Private rail operators and National Rail Corporation are now also users of the network.
- 30) In December 1993, the majority of PTC-operated urban bus services were transferred to National Bus Company. As a result, indicators for the past three years relate to significantly differing ranges of services.

PUBLIC TRANSPORT CORPORATION (continued)

NOTES TO INDICATORS FOR PUBLIC TRANSPORT CORPORATION (continued)

- 31) The method of calculating Total Factor Productivity indices for this publication differs from previous years. For individual modes, the data for bus services in 1990–91 has been used as a base. For GTE aggregate TFP indices (ie. across modes) data for 1990–91 has been used as a base. In previous years, weighted average data was used as a base for all TFP indices.

Comments on own performance

Queensland Rail (QR) began operations in 1865 and for the first 126 years was operationally structured and engineering driven. In 1990 QR's management was restructured into Business Groups with a focus on customer service and with a charter to operate on sound commercial principles. It now trades under the name Queensland Rail.

Since August 1991 QR has been governed by a Board consisting of seven directors, none of whom are public sector employees. QR is managed by a Chief Executive appointed by the Board. QR was corporatised on 1 July 1995 on a competitively neutral basis.

QR is a major transport operator involved in heavy haul (coal and minerals), express freight, bulk primary products, small freight, livestock, suburban and long-distance passenger services. QR provides significant transport services to the mining, agricultural, manufacturing and tourism industries. In addition QR operates an urban transit service carrying approximately 145,000 passengers a day and has become the preferred transport choice for nearly 60 per cent of public transport commuters travelling to and from the city during peak periods. QR faces competition for its services in all sectors except the coal mining market (at present).

No organisation (public or private) is obliged to purchase freight services from QR but certain traffic (coal and minerals) requires a permit to be hauled by alternative means. The Department of Transport administers this permit system. In 1991 QR was given legislative power to allow other operators to run trains over the QR network. From July 1995, all QR's non-coal rail business has been opened up to competition from other rail operators.

QR has been proactive in introducing improvements and developments over recent years to improve efficiency, eg main line electrification, main line upgrade, driver only trains etc. Since 1990–91 these and other initiatives have led to an increase in wagon productivity of 56 per cent, locomotive productivity of 40 per cent and labour productivity of 72 per cent.

Note that financial ratios for years previous to 1992–93 are not available because QR was at that time accounting only on a cash basis. Accrual accounting was adopted from the start of the 1992–93 year.

QUEENSLAND RAIL**Queensland**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,6,7)

Return on assets	%	n.r.	0.0	2.4	2.2	2.6
Return on operating assets	%	n.r.	0.0	2.4	2.2	2.6
Operating sales margin	%	n.r.	n.r.	7.9	8.6	11.4
Return on equity	%	n.r.	0.0	-2.2	-0.5	-0.2
Dividend to equity ratio	%	n.r.	0.0	0.0	0.0	0.0
Dividend payout ratio	%	n.r.	n.r.	0.0	0.0	0.0
Debt to equity	%	n.r.	0.0	77.1	57.7	56.0
Total liabilities to equity	%	n.r.	107.6	102.1	74.4	78.8
Current ratio	%	n.r.	n.r.	64.4	54.2	52.8
Interest cover	%	n.r.	n.r.	68.4	88.4	95.5
Cost recovery ratio	%	n.r.	n.r.	108.5	109.4	111.0
Operational performance	%	n.r.	0.0	2.4	2.2	2.1

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Employee productivity:

- urban rail pass. journeys per employee (average)	No/Emp	16,713	15,487	16,189	16,324	15,408
- non-urban passenger kilometres per employee (average)	'000 Pkm/ Emp					
- net freight tonne-kilometres per employee (average)	'000 NFTkm/ Emp					
Net freight tonne-kilometres per wagon (average)	'000 NFTkm/ Wag	1,403	1,642	1,797	2,004	2,191
Net freight tonne-kilometres per locomotive (average)	'000 NFTkm/ Loco	38,601	45,214	47,453	50,223	54,065
Total days lost:						
- industrial disputes	%	0.08	0.04	0.18	0.01	0.09
- sick leave	%	4.17	4.45	4.20	4.45	4.17
- industrial accidents	%	1.11	0.89	0.83	0.86	0.71
- total	%	5.36	5.38	5.21	5.32	4.97

QUEENSLAND RAIL (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index (overall)	Index	91.9	85.9	87.8	85.7	81.2
Real urban fare revenue index	Index	97.6	100.3	101.6	104.4	104.1
Real non-urban fare revenue index	Index	68.0	68.5	67.9	70.9	66.7
Real freight revenue index	Index	91.9	85.6	87.4	85.1	80.5
Train kilometres per level crossing accident	000 km/ Acc	n.p.	743	747	797	846
Number of level crossing accidents	No	n.p.	39	38	36	35
Train kilometres	000 km	31,172	28,971	28,404	28,674	29,604
<i>Service Quality</i>						
Service cancellations (urban only)	%	n.p.	0.28	0.22	0.29	0.36
Train trips cancelled (11)	No	n.p.	543	427	560	716
Total trips scheduled (10)	No	n.p.	194,000	194,000	193,000	199,000
On time running:						
- urban (within 3 minutes)	%	n.p.	84.2	87.1	85.6	71.6
- non-urban (various)	%	n.p.	64.1	67.3	63.3	56.0
- freight (within 30 minutes)	%	n.p.	45.0	48.4	50.0	45.8
<i>Size</i>						
Total assets	\$M	n.p.	4,245	4,388	6,024	7,202
Total revenue (5)	\$M	n.p.	n.p.	1,299	1,355	1,510
Cash box and other non-government revenue	\$M	n.p.	n.p.	1,299	1,118	1,264
Total route-kms operated (4,11)	No	9,740	9,565	9,409	9,231	9,059
Urban rail passenger journeys	000	42,067	40,080	39,404	38,393	37,026
Non-urban passenger kilometres	000 Pkm	298,081	295,570	308,453	307,258	302,830
Number of employees (average):						
- urban	No	2,517	2,588	2,434	2,352	2,403
- non-urban passenger	No	1,364	1,484	1,387	1,330	1,227
- freight	No	16,102	14,789	12,767	11,817	10,942
- total (2)	No	19,983	18,861	16,588	15,499	14,572
Net freight tonne-kilometres (3)	Mill. NFTkm	22,620	24,461	24,391	25,011	26,492
Net freight tonne-kilometres per route kilometre (average)	000 NFTK/ Rkm	2,397	2,631	2,673	2,797	3,017
Route kilometres (freight) (av.) (4)	No	9,438	9,298	9,126	8,941	8,783
Number of wagons (average)	No	16,127	14,897	13,571	12,478	12,094
Number of locomotives (average)	No	586	541	514	498	490

QUEENSLAND RAIL (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost and Revenue Measures</i>						
Revenue per passenger:						
- urban (per journey)	Cents	114	121	124	136	144
- non-urban (per pass. km.)	Cents	5.87	10.60	10.99	12.57	12.74
Urban passenger revenue	\$'000	47,809	48,382	48,701	52,398	53,215
Non-urban passenger revenue	\$'000	17,501	31,330	33,914	38,615	38,589
Revenue per net freight tonne-kilometre	Cents/ NFTkm	4.90	4.65	4.82	4.78	4.69
Freight revenue	\$M	1,108	1,138	1,175	1,196	1,242

URBAN TRANSPORT OPERATIONS***Efficiency***

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.12	1.12	1.12	1.23	1.19
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	3.48	3.48	4.09	4.40	4.57
Employees per vehicle	Emp/Veh	7.72	7.94	7.47	7.21	7.37
Vehicles in excess of maximum daily demand	%	21.5	25.8	19.6	10.1	11.7
Kilometres per vehicle	km/Veh	90,225	88,459	93,526	98,479	101,967
Vehicle kilometres per employee	km/Emp	14,195	14,014	14,986	15,031	15,446
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	1,696	1,675	1,787	1,809	1,853
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	0.00	0.00
- sick leave	%	n.p.	n.p.	n.p.	4.92	4.17
- industrial accidents	%	n.p.	0.95	0.92	0.90	1.00
- total	%	n.p.	n.p.	n.p.	5.82	5.17

Effectiveness

Real price index	Index	97.6	100.3	101.6	104.4	104.1
Boardings per vehicle kilometre (9)	Bd/km	1.26	1.18	1.16	1.16	1.07
Boardings per employee (9)	Bd/Emp	17,883	16,571	17,322	17,466	16,844
Boardings per head of population:						
- metro	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.
- catchment	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Service cancellations	%	n.p.	0.28	0.22	0.29	0.36
Service delays	%	n.p.	15.80	12.90	14.40	28.36

QUEENSLAND RAIL (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

URBAN TRANSPORT OPERATIONS (continued)*Size*

Total assets	\$M	n.p.	4,245	4,388	6,024	7,202
Total employment	No	2,517	2,588	2,434	2,352	2,403
Total vehicle kilometres	'000 km	35,729	36,268	36,475	35,354	37,116
Total passenger boardings (9)	'000	45,011	42,886	42,162	41,080	39,618
Number of scheduled services (10)	'000	n.p.	194	194	193	199
Revenue vehicle fleet	No	396	410	390	359	364

Cost and Revenue Measures

Average fare per boarding	\$/Bd	1.06	1.13	1.16	1.28	1.34
Passenger revenue per vehicle km	\$/km	1.34	1.33	1.34	1.48	1.43
Passenger revenue per employee	\$/Emp	18,994	18,695	20,009	22,278	22,145
Expenditure per vehicle kilometre	\$/km	4.15	4.16	4.90	5.29	5.49
Expenditure per boarding	\$/Bd	3.30	3.52	4.24	4.56	5.14
Government operating subsidy	%	3.10	3.50	2.90	0.49	0.46

QUEENSLAND RAIL (continued)

NOTES TO INDICATORS FOR QUEENSLAND RAIL

Key: n.p. - not provided; n.r. - not relevant.

- 1) Due to the adoption of accrual accounting in July 1992, no comparable financial data is available for the years prior to 1992–93.
- 2) Total number of employees is the sum of employees allocated to urban, non-urban and freight. It excludes employees charged to capital works, and those allocated to standard gauge railway and minor business activities such workshops external work.
- 3) All NTkm were carried Queensland Rail.
- 4) Route km are owned or controlled by Queensland Rail.
- 5) Excludes contributions from customers for capital works.
- 6) Abnormal sale and lease back revenue.
- 7) Comprised of \$50.106m sale and lease back expense offsetting the abnormal revenue and \$8.303M costs incurred as a direct result of the Black Mountain export coal train derailment.
- 8) In previous years U.12 & U.13 were based on boardings being equal to journeys. This year the number of boardings has been estimated and the series back to 1990–91 recalculated for reporting in the Urban Transport section for Queensland Rail.
- 9) In previous years number of scheduled services was actually number of services surveyed for calculation of service cancellations. This year and back to 1991–92, actual number of scheduled services is shown.
- 10) Number of trips cancelled is calculated as the proportion of cancellations from a survey sample multiplied by the total scheduled services.
- 11) Previous years data showed route km at end of year. This year's series back to 1990–91 is an average of beginning and end. Excludes 1435mm line Border to Brisbane.

Comments on own performance*Background*

Westrail is a statutory authority which competes in the freight, passenger and related transport markets in southern Western Australia. Westrail transports freight over a 2250 kilometre network. Responsibility for freight operations is segregated into three business units: Agriculture, Forestry and General; Ores and Minerals; and Interstate. Westrail's passenger services are operated with country trains and road coaches. The Perth metropolitan rail service is owned by Westrail and operated under contract to the Department of Transport. June 30 marked the end of an era for Westrail with the deregulation of the transport of major bulks. This is the last freight area in Western Australia that was regulated to rail and, from 1995–96, the change results in Westrail competing in a fully open transport market.

Financial performance

One of the main factors impacting on Westrail's financial performance has been the recognition in the 1993–94 financial statements of abnormal superannuation expenditure totalling \$0.8 billion. This has resulted in a significant negative equity position and has affected all related financial ratios. Reported expenditure includes a CSO component (\$17.4 in 1994–95) in relation to interstate and country passenger services. Westrail currently does not receive reimbursement for these activities and its financial indicators are subsequently adversely affected.

Non-financial performance

The underlying profitability of Westrail's operations has improved over the last 5 years due to continuous productivity improvements in labour and capital utilisation as evidenced by the 40 per cent reduction in employment over the period and increases in average net tonne kilometres per wagon (81 per cent) and locomotive (44 per cent). Structural changes based on the establishment of business units have provided greater commercial focus.

On May 9 the Government announced a major modernisation strategy to put Westrail in the best position to meet competition and continue its commercial growth.

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,2,3)

Return on assets	%	23.0	3.4	5.4	48.6	4.5
Return on operating assets	%	24.0	3.3	5.7	52.8	4.5
Operating sales margin	%	36.3	7.3	14.5	59.5	10.8
Return on equity	%	-8.7	3.1	1.1	-50.4	5.7
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	-45.0	-54.5	-74.1	-125.8	-125.1
Total liabilities to equity	%	-163.9	-176.5	-201.1	-258.0	-254.9
Current ratio	%	54.1	96.0	147.4	42.5	34.3
Interest cover	%	278.3	43.5	80.7	661.3	55.0
Cost recovery ratio	%	111.5	116.4	118.1	121.1	123.4
Operational performance	%	4.7	6.3	6.1	7.0	7.7

Non-financial Ratios*Economic Factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	-1.50	-0.40	29.80	0.95

Efficiency

Employee productivity:						
- urban rail pass. journeys per employee (average)	No/Emp	10,777	13,333	15,065	23,859	28,257
- non-urban pass. kilometres per employee (average)	'000 Pkm/ Emp	687	835	319	190	346
Net freight tonne-kilometres per wagon (average)	'000 NFTkm/ Wagon	986	1,133	1,199	1,418	1,784
Net freight tonne-kilometres per locomotive (average)	'000 NFTkm/ Loco	30,149	34,594	37,653	45,392	53,750
Total days lost:						
- industrial disputes	%	0.20	0.05	0.24	0.02	0.03
- sick leave	%	n.p.	2.99	3.06	3.53	2.91
- industrial accidents	%	n.p.	1.07	1.09	1.16	0.20
- total	%	0.20	4.11	4.39	4.71	3.14

WESTRAIL (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index (overall)	Index	100.0	100.7	96.1	94.4	79.8
Real urban fare revenue index	Index	105.5	96.1	108.8	101.4	91.5
Real non-urban fare revenue index	Index	84.9	76.0	71.7	73.3	70.4
Real freight revenue index	Index	101.1	101.9	97.3	94.4	79.8
Train kilometres per level crossing accident	000 km/ Acc	n.p.	n.p.	585	n.p.	n.p.
Number of level crossing accidents	No	n.p.	n.p.	12	n.p.	n.p.
Train kilometres	000 km	7,731	7,549	7,018	7,561	8,114
<i>Service Quality</i>						
Service cancellations (urban only)	%	2.88	0.32	0.42	0.37	0.34
Train trips cancelled	No	n.p.	n.p.	n.p.	n.p.	n.p.
Total trips scheduled	No	n.p.	n.p.	n.p.	n.p.	n.p.
On time running:						
- urban (within 3 minutes)	%	92.0	94.0	95.0	93.0	94.0
- non-urban (various)	%	n.p.	76.0	85.0	75.0	n.p.
- freight (within 30 minutes)	%	n.p.	72.0	83.0	70.0	n.p.
<i>Size</i>						
Total assets	\$M	820	922	1,150	1,049	1,052
Total revenue	\$000	500,901	366,267	368,020	896,273	428,354
Cash box and other non-government revenue	\$000	346,601	366,267	368,020	404,495	414,564
Total route-kilometres operated	No	5,193	5,124	5,139	5,153	5,137
Urban rail passenger journeys	000	6,100	7,200	10,500	16,200	16,700
Non-urban passenger-kilometres	000 Pkm	183,346	161,327	160,096	148,558	152,563
Number of employees (average)						
- urban	No	566	540	697	679	591
- non-urban passenger	No	267	254	375	403	441
- freight	No	4,566	4,283	3,846	2,870	2,204
- total	No	5,399	5,077	4,832	3,952	3,236
Net freight tonne-kilometres	Mill. NFTkm	4,583	4,878	4,970	5,447	6,235
Net freight tonne-kilometres per route kilometres (average)	000 NFTkm/ Rkm	890	961	979	1,073	1,236
Route kilometres (freight) (average)	No	5,146	5,077	5,077	5,077	5,044
Number of wagons (average)	No	4,647	4,305	4,146	3,840	3,421
Number of locomotives (average)	No	152	141	132	120	116

WESTRAIL (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost and Revenue Measures</i>						
Revenue per passenger:						
- urban (per journey)	Cents	128	119	135	131	113
- non-urban (per pass. kilometre)	Cents	7.00	7.30	7.00	6.10	8.01
Urban passenger revenue	\$'000	7,800	8,600	14,200	21,200	18,900
Non-urban passenger revenue	\$'000	12,735	11,759	11,174	12,470	12,221
Revenue per net freight tonne-kilometres	Cents/ NFTkm	5.14	5.22	5.00	4.95	4.43
Freight revenue	\$'000	235,420	254,617	248,314	269,494	277,361

URBAN TRANSPORT OPERATIONS***Economic Factors***

Total factor productivity	Index	0.72	0.58	0.81	1.08	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passenger revenue per total vehicle capacity kilometre	Cents/ TVCKm	1.60	1.40	1.10	1.10	0.90
Expenditure per total vehicle capacity kilometre	Cents/ TVCKm	11.10	11.40	6.60	5.20	5.21
Employees per vehicle	Emp/Veh	7.10	8.30	8.90	7.50	5.65
Vehicles in excess of maximum daily demand	%	18.70	6.30	6.50	7.50	5.00
Kilometres per vehicle	km/Veh	62,278	84,297	120,568	149,617	102,801
Vehicle kilometres per employee	km/Emp	10,438	10,737	14,494	21,589	29,785
Vehicle capacity kilometres per employee	'000 TVCKm/ Emp	911	1,148	2,261	3,368	4,646

Effectiveness

Boardings per vehicle kilometre	Bd/km	1.47	1.71	1.80	1.80	1.75
Boardings per employee	Bd/Emp	15,354	18,352	25,911	38,426	51,978
Boarding per head of population:						
- metro	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.
- catchment	Bd/Hd	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Service cancellations	%	2.88	0.32	0.42	0.37	0.34
Service delays	%	5.17	5.79	4.34	6.75	5.62

WESTRAIL (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

URBAN TRANSPORT OPERATIONS (continued)*Size*

Total employment	No	531	526	549	596	452
Total vehicle kilometres	'000 km	5,543	5,648	7,957	12,867	13,463
Total passenger boardings	'000	8,150	9,650	14,225	22,902	23,494
Number of scheduled services	'000	117	121	163	234	233
Revenue vehicle fleet	No	89.00	67.00	66.00	86.00	86.00

Cost and Revenue Measures

Average fare per boarding	\$/Bd	0.92	0.87	0.97	0.92	0.80
Passenger revenue per vehicle km.	\$/km	1.36	1.48	1.74	1.64	1.41
Passenger revenue per employee	\$/Emp	14,186	15,878	25,246	35,472	41,860
Expenditure per vehicle kilometre	\$/km	9.72	12.19	10.37	8.09	8.14
Expenditure per boarding	\$/Bd	6.61	7.13	5.80	4.54	5.79

NOTES TO INDICATORS FOR WESTRAIL

Key: n.p. - not provided; n.r. - not relevant.

- 1) Accounts are prepared on an accrual basis.
- 2) Westrail is not subject to income tax.
- 3) Fixed assets are shown at cost less accumulated depreciation. Depreciation is applied at rates necessary to write off assets over their estimated useful lives by using the straight line method.

WESTRAIL (continued)

AUSTRALIAN NATIONAL RAILWAYS COMMISSION Commonwealth**Comments on own performance**

Formed in 1975, Australian National (AN) has undergone a major restructuring of its operations as a result of the Federal Government's micro-economic reform program. In this environment of change, the National Rail Corporation's new role as an interstate freight carrier — together with the transfer of associated activities, facilities and assets — has impacted significantly on AN's performance in 1994–95.

Operating loss before abnormals was \$48.5 million compared with an operating profit for 1993–94 of \$9.6 million. AN's freight traffic, measured in NTKs, and now confined to South Australia and Tasmania, dropped dramatically (84 per cent). As a result, equally dramatic falls in a number of non-financial performance indicators have occurred compared to previous years. However this is less a sign of deteriorating performance and more a reflection of a change in business direction as AN undergoes its business restructuring to develop a more focused approach to customer needs and achieve world best practice service standards. Comparison of some indicators with previous years or with other rail systems is therefore to some extent meaningless, typified by the Total Factor Productivity index dropping to around 42 compared with 189 in 1993–94, a point which cannot be under-emphasised.

AN continued to win business for its maintenance and construction services during the year. Several achievements in this area included the completion of the design and prototype manufacture of a skeletal wagon for NR. AN also secured the contract to manufacture 25 cement hopper wagons for the State Rail Authority of NSW and 27 slab wagons for NR, and its contract with NR for the maintenance of wagons and locomotives was extended. Concrete re-sleepering of the main south line was completed, and AN was responsible for the conversion (from broad to standard gauge) of the line from Belair to the Victorian border. The \$60 million (22 per cent) reduction in freight revenue was therefore partially offset by an increase in contract revenue of \$38 million (355 per cent).

AN is continuing to heavily market its long distance passenger services. The upgrade and refurbishment of the Indian Pacific carriages has been completed, and all carriages are now in service. Single corridor management of the Overland, along with the Ghan and Indian Pacific, now provides the possibility to exploit the Eastern seaboard corridor and greatly increase volumes and profitability.

AN will continue to meet the challenges ahead and adapt to the many changes in the Australian rail industry and new market expectations. AN's skills and expertise in railway engineering and the provision of rail-related services will be developed to the full. Its future security will depend on its ability to develop cost-effective and efficient competitive services in a competitive market. Continued rationalisation of the workforce will lead to long term improvements in labour productivity. A new corporate structure and the establishment of separate business units is providing AN with a new customer and market focus, ensuring the best possible business future for AN's range of activities.

AUSTRALIAN NATIONAL RAILWAYS COMMISSION Commonwealth

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (2)

Return on assets	%	10.1	-22.2	0.4	3.1	-4.0
Return on operating assets	%	10.0	-26.3	-1.2	1.5	-5.4
Operating sales margin	%	20.4	-63.4	-2.7	3.8	-15.8
Return on equity	%	26.5	-172.2	-56.6	-12.4	-47.3
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	245.5	756.7	924.1	278.9	401.1
Total liabilities to equity	%	344.1	1,059.8	1,132.0	341.4	478.3
Current ratio	%	135.3	83.5	49.0	47.5	56.2
Interest cover	%	225.1	-439.5	7.2	61.9	-74.8
Cost recovery ratio	%	95.2	62.0	87.2	95.1	81.9
Operational performance	%	-1.9	-20.6	-5.1	-1.8	-6.9

Non-financial Ratios*Economic Factors*

Total factor productivity (1,3)	Index	154	145	166	189	55
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Employee Productivity:

-urban rail passenger journeys per employee (average)	No/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
-non-urban passenger kilometres per employee (average)	'000 Pkm/ Emp	373	225	260	395	417
-net freight tonne-kilometres per employee (average)	'000 NFTkm/ Emp	1420	1636	2185	2787	511
Net freight tonne-kilometres per wagon (average)	'000 NFTkm/ Wagon	1,397	1,440	1,670	1,917	323
Net freight tonne-kilometres per locomotive (average)	'000 NFTkm/ Loco	38,753	41,704	49,019	54,678	8,850
Total days lost:						
- industrial disputes	%	9.10	22.20	8.80	1.40	3.50
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	n.p.	n.p.	n.p.	n.p.	n.p.

AUSTRALIAN NATIONAL RAILWAYS COMMISSION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index (overall) (3)	Index	85.50	81.20	76.00	70.90	n.r.
Real urban fare revenue index	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Real non-urban fare revenue index	Index	104.9	111.4	107.5	110.4	112.2
Real freight revenue index (3)	Index	83.20	78.70	73.10	65.90	n.r.
Train kilometres per level crossing accident	'000 km/ Acc	1,947	1,736	1,123	3,284	931
Number of level crossing accidents	No	5.00	5.00	8.00	3.00	10.00
Train kilometres	'000 km	9,733	8,679	8,983	9,853	9,309
<i>Service Quality</i>						
Service cancellations (urban only)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Train trips cancelled	No	n.r.	n.r.	n.r.	n.r.	n.r.
Total trips scheduled	No	n.r.	n.r.	n.r.	n.r.	n.r.
On time running:						
- urban (within 3 minutes)	%	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban (various)	%	66.80	85.00	63.00	76.60	75.70
- freight (within 30 minutes)	%	72.30	81.20	63.20	65.10	61.30
<i>Size</i>						
Total assets	\$M	1,025	960	1,044	1,095	1,148
Total revenue	\$'000	441,174	384,037	403,112	393,381	351,171
Cash box and other non-government revenue	\$'000	337,216	313,981	331,394	355,181	322,712
Total route kilometres operated	No	6,612	6,559	6,235	6,235	6,152
Urban rail passenger journeys	'000	n.r.	n.r.	n.r.	n.r.	n.r.
Non-urban passenger kilometres	'000 Pkm	266,129	165,999	187,374	247,977	240,485
Number of employees (average):						
- urban	Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban passenger	Emp	713	738	722	629	577
- freight	Emp	5,486	4,766	3,882	3,286	2,934
- total	Emp	6,199	5,503	4,604	3,915	3,511
Net freight tonne-kilometres	Mill. NFTkm	7,789	7,799	8,480	9,159	1,500
Net freight tonne-kilometres per route kilometre (average)	'000 NFTkm/ Rkm	1,165	1,184	1,326	1,469	242
Route-kilometres (freight)(average)	No	6,687	6,586	6,397	6,235	6,193
Number of wagons (average)	No	5,575	5,415	5,077	4,778	4,651
Number of locomotives (average)	No	201	187	173	168	170

AUSTRALIAN NATIONAL RAILWAYS COMMISSION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Cost and Revenue Measures

Revenue per passenger:

- urban (per journey)	Cents	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban (per pass-km)	Cents	12.50	13.60	13.40	14.00	14.70
Urban passenger revenue	\$'000	n.r.	n.r.	n.r.	n.r.	n.r.
Non-urban passenger revenue	\$'000	33,153	22,517	25,041	34,732	35,268
Revenue per net freight tonne-kilometres	Cents NFTkm	3.5	3.4	3.2	3.0	5.0
Freight revenue	\$'000	274,210	266,363	274,663	272,656	74,893

NOTES TO INDICATORS FOR AUSTRALIAN NATIONAL RAILWAYS COMMISSION

Key: n.p. - not provided: n.r. - not relevant.

- 1) TFP index base year = 1979-80.
- 2) Several balance sheet accounts in 1992-93 have been revised to make in comparable with 1993-94 figures.
- 3) A break in the time series occurred in 1994-95 caused by the transfer of AN's interstate freight traffic to National Rail

Comments on own performance*Background*

National Rail Corporation Limited is a company incorporated in 1991 for the purpose of providing interstate freight transport services by rail. It was formed pursuant to a Shareholders' Agreement by the governments of the Commonwealth and States of New South Wales, Victoria, Queensland and Western Australia. Current shareholders are the Commonwealth, New South Wales and Victoria. The shareholders are subscribing shares totalling \$406.5 million over a period of six years up to 30 June 1997.

Shareholders agreed the date of commencement of operations to be 1 February 1993. All functions of interstate rail freight business operated by the shareholders' Rail Authorities, where nominated by National Rail, are to be transferred within a three year "transition period" commencing on this date. By the end of the 1993–94 financial year, National Rail had assumed responsibility for the bulk of interstate rail freight customers (marketing and revenue collection) all relevant freight terminals except Perth, for train crew on the east coast and for wagon deployment. The company expects to have full responsibility for all freight transportation activity ("above rail") within the 1995 calendar year. The company operates in the unregulated interstate freight market. Most of its customers are interstate freight forwarders and other intermodal (container) freight operators, and major industrial clients (BHP, other major manufacturers). The interstate freight transport market is generally regarded to be among the most competitive in the world.

Financial performance

National Rail's financial performance is governed largely by arrangements under the Shareholders' Agreement which provides certain financial safeguards to National Rail. Prior to January 1994, the arrangements effectively quarantined the losses associated within the interstate rail freight business to the Rail Authorities. For the remainder of the 1994 financial year (and to January 1996) National Rail has taken pricing responsibility and has assumed the revenue risk. Prices paid for services provided by the Rail Authorities are capped.

Non-financial performance

Non-financial performance reflects the transition arrangements for the company. During the 1994–95 year, services were provided by a combination of Rail Authority and National Rail resources. As a consequence, National Rail has not had full control of the services it provides. Productivity indicators, particularly workforce indicators, are incomplete.

Comments on own performance (continued)

In conclusion, NRC's continued performance improvements in 1994–95 can be viewed as its determination to meet the challenges of a more dynamic and competitive environment. These results reflect NRC's ability to rationalise and transform the organisation to lift its productivity in order to deliver a quality service that is at par with world best practice.

NATIONAL RAIL CORPORATION**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	n.r.	-35.6	-13.9	0.2	5.8
Return on operating assets	%	n.r.	-49.6	-53.8	-15.8	1.0
Operating sales margin	%	n.r.	-1,345.0	-23.3	-1.9	0.2
Return on equity	%	n.r.	-53.8	-17.3	0.3	5.6
Dividend to equity ratio	%	n.r.	0.0	0.0	0.0	0.0
Dividend payout ratio	%	n.r.	0.0	0.0	0.0	0.0
Debt to equity	%	n.r.	0.9	0.0	0.0	0.0
Total liabilities to equity	%	n.r.	51.3	23.7	14.0	18.7
Current ratio	%	n.r.	78.7	496.4	758.1	612.6
Interest cover (2)	%	n.r.	-207,300	-91,773	4,727	297,366
Cost recovery ratio	%	n.r.	6.9	81.1	98.1	100.2
Operational performance	%	n.r.	-49.6	-53.8	-15.8	1.0

Non-financial Ratios***Economic Factors***

Total factor productivity	Index	n.r.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.r.	n.p.	n.p.	n.p.	n.p.

Efficiency

Employee productivity:						
-urban rail pass journeys per employee (average)	No/Emp	n.r.	n.r.	n.r.	n.r.	n.r.
-non-urban passenger kilometres per employee (average)	'000 Pkm/ Emp	n.r.	n.r.	n.r.	n.r.	n.r.
-net freight tonne-kilometres per employee (average)	'000 NFTkm/ Emp	n.r.	n.r.	n.r.	19,545	15,271
Net freight tonne-kilometres per wagon (average)	'000 NFTkm/ Wagon	n.r.	n.r.	n.p.	2,454	3,192
Net freight tonne-kilometres per locomotive (average)	'000 NFTkm/ Loco	n.r.	n.r.	n.p.	n.p.	n.p.
Total days lost:						
- industrial disputes	%	n.r.	n.r.	n.p.	0.00	0.00
- sick leave	%	n.r.	n.r.	n.p.	n.p.	n.p.
- industrial accidents	%	n.r.	n.r.	n.p.	n.p.	n.p.
- total	%	n.r.	n.r.	n.p.	n.p.	n.p.

NATIONAL RAIL CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Effectiveness</i>						
Real price index (overall)	Index	n.r.	n.r.	n.r.	100.0	87.9
Real urban fare revenue index	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Real non-urban fare revenue index	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Real freight revenue index	Index	n.r.	n.r.	n.r.	100.0	87.9
Train kilometres per level crossing accident	'000 km/ Acc	n.r.	n.r.	n.r.	n.p.	n.p.
Number of level crossing accidents	No	n.r.	n.r.	n.r.	n.p.	n.p.
Train kilometres	'000 km	n.r.	n.r.	n.r.	n.p.	n.p.
<i>Service Quality</i>						
Service cancellations (urban only)	%	n.r.	n.r.	n.r.	n.r.	n.r.
Train trips cancelled	No	n.r.	n.r.	n.r.	n.p.	n.p.
Total trips scheduled	No	n.r.	n.r.	n.r.	n.p.	n.p.
On-time running:						
- urban (within 3 minutes)	%	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban (various)	%	n.r.	n.r.	n.r.	n.r.	n.r.
- freight (within 30 minutes)	%	n.r.	n.r.	n.r.	61	68
<i>Size</i>						
Total assets	\$'000	n.r.	5,830	192,715	258,404	361,198
Total revenue	\$'000	n.r.	239	61,140	452,644	497,054
Cash box and other non-government revenue	\$'000	n.r.	239	61,000	452,644	497,054
Total route kilometres operated	No	n.r.	n.r.	n.r.	8,100	8,100
Urban rail passenger journeys	'000	n.r.	n.r.	n.r.	n.r.	n.r.
Non-urban passenger kilometres	'000 Pkm	n.r.	n.r.	n.r.	n.r.	n.r.
Number of employees:						
- urban	Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban passenger	Emp	n.r.	n.r.	n.r.	n.r.	n.r.
- freight	Emp	n.r.	n.r.	378	712	1,087
- total	Emp	n.r.	n.r.	378	712	1,087
Net freight tonne-kilometres	Mill. NFTkm	n.r.	n.r.	n.r.	13,916	16,600
Net freight tonne-kilometres per route-kilometres (average)	'000 NFTkm/ Rkm	n.r.	n.r.	n.r.	1,718	2,049
Route kilometres (freight)(average)	No	n.r.	n.r.	n.r.	8,100	8,100
Number of wagons (average)	No	n.r.	n.r.	n.r.	5,670	5,200
Number of locomotives (average)	No	n.r.	n.r.	n.r.	n.p.	n.p.

NATIONAL RAIL CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Cost and Revenue Measures</i>						
Revenue per passenger:						
- urban	Cents	n.r.	n.r.	n.r.	n.r.	n.r.
- non-urban	Cents	n.r.	n.r.	n.r.	n.r.	n.r.
Urban passenger revenue	\$'000	n.r.	n.r.	n.r.	n.r.	n.r.
Non-urban passenger revenue	\$'000	n.r.	n.r.	n.r.	n.r.	n.r.
Revenue per net freight tonne-kilometre	Cents/ NFTkm	n.r.	n.r.	n.r.	3	3
Freight revenue	\$'000	n.r.	n.r.	n.r.	443,408	479,677

NOTES TO INDICATORS FOR NATIONAL RAIL CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) While NRC did not begin interstate freight operations until the 1992-93 financial year, revenue from government and other sources was received in 1991-92. This accounts for the financial ratios appearing prior to 1992-93.
- 2) Interest cover ratios are affected by the insignificant level of borrowings entered into to date by the Corporation.

6 PORT AUTHORITIES

Maritime Services Board of NSW	329
Port of Melbourne Authority (Victoria)	339
Gladstone Port Authority (Queensland)	345
Port of Brisbane Corporation (Queensland)	349
South Australian Ports Corporation	353
Fremantle Port Authority (WA)	357
Burnie Port Authority (Tasmania)	361
Marine Board of Hobart (Tasmania)	365
Port of Devonport Authority (Tasmania)	369
Port of Launceston Authority (Tasmania)	373
Darwin Port Authority (NT)	377

Comments on own performance

With the introduction of the Marine Administration Act in 1989, the Maritime Services Board of NSW (MSB) embarked upon an ambitious reform program. The Act established four subsidiary authorities, three of which are responsible for the commercial ports of New South Wales; in Newcastle, Port Kembla and Sydney. The fourth, the MSB Waterways Authority, is responsible for recreational boating in New South Wales. By contracting its port authority role from a hands-on operator to that of port landlord, the MSB has been able to dramatically reduce the size and scope of the organisation. One measure of this contraction of the MSB's role has been the reduction of 78 per cent in total staff numbers since 1988-89.

At the same time, surplus non-core assets and functions have been identified and progressively disposed of. The overall result of this reform process has been a strengthening of the MSB's financial performance. This improved performance has allowed average charges for port users in New South Wales to be significantly reduced, whilst, at the same time permitting an increased dividend payment to the NSW Government.

Financial performance

Virtually every financial indicator underneath reflects the strengthened financial performance of the MSB since 1988-89. For example, operating expenses before abnormal items has reduced by \$118.5m, whilst external debt has been reduced by \$174.5m over the period. At the same time, dividend payment to the NSW Government has increased to \$56.5m in 1994-95, which includes an income tax equivalent of \$26.4m and represents by far the highest return to government by any port authority in Australia.

Non-financial performance

Since 1988-89 the average cost per tonne for MSB port users has reduced by 34 per cent. This has been made possible through staff productivity gains of over 275 per cent and a trade growth of 41 per cent over the period.

Whilst these results relate to the consolidated MSB, where relevant, non-financial indicators have also been provided for each of the three MSB port authorities. These show that average vessel times at the berth and average total turnaround times have generally improved over the period, despite the record levels of trade in recent years.

Further future improvements can be expected within the NSW ports portfolio with the creation of the Newcastle Port Corporation, the Port Kembla Port Corporation and the Sydney Ports Corporation, following the dissolution of the MSB on 30 June 1995.

MARITIME SERVICES BOARD**New South Wales**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets (1,2,6)	%	13.2	9.6	11.1	9.8	10.4
Return on operating assets (2)	%	13.0	9.0	11.4	10.5	10.8
Operating sales margin	%	34.7	38.3	44.6	46.8	47.1
Return on equity (4)	%	26.8	12.3	15.5	12.6	8.9
Dividend to equity ratio (3)	%	10.3	5.5	13.6	12.6	4.4
Dividend payout ratio (3,7)	%	38.4	44.6	87.7	99.5	49.9
Debt to equity (4)	%	113.8	50.6	41.5	36.5	33.8
Total liabilities to equity (4)	%	187.0	86.9	80.2	64.7	57.1
Current ratio	%	86.0	93.8	72.1	47.4	125.4
Interest cover (5)	%	278.4	308.4	420.2	396.8	423.3
Cost recovery ratio	%	146.0	162.0	181.1	187.6	181.8
Operational performance	%	10.8	9.0	10.4	10.5	10.0

Non-Financial Ratios***MSB CONSOLIDATED NON-FINANCIAL INDICATORS******Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (9)	\$/MT	1.97	1.76	1.63	1.50	1.44
Port authority costs/unit of cargo (9)	\$/MT	1.56	1.25	0.96	0.84	0.78
Total days lost:						
- industrial disputes	%	0.1	0.1	0.0	0.0	0.0
- sick leave	%	3.4	3.1	3.1	3.6	2.2
- industrial accidents	%	0.8	0.5	0.6	0.6	0.2
- total	%	4.4	3.7	3.8	4.2	2.4

Effectiveness

RPI of port authority charges (11)	Index	89.00	78.00	71.00	65.00	60.00
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Size

Total assets (2)	\$M	923	1,218	1,196	1,094	1,090
Total revenue	\$'000	317,420	272,637	282,297	234,230	234,488
Total employment	No	1,867	1,373	1,201	865	626

MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS (continued)**MSB HUNTER PORTS AUTHORITY NON-FINANCIAL INDICATORS*****Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (9)	\$/MT	0.96	0.82	0.74	0.74	0.62
Port authority costs/unit of cargo (9)	\$/MT	0.79	0.59	0.50	0.49	0.37
Total days lost: (17)						
- industrial disputes	%	n.p.	0.1	0.0	0.0	0.1
- sick leave	%	n.p.	2.9	2.3	2.9	2.2
- industrial accidents	%	n.p.	0.3	0.4	0.1	0.1
- total	%	n.p.	3.4	2.7	3.0	2.3

Effectiveness

RPI of port authority charges (11)	Index	83.00	70.00	62.00	62.00	49.00
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Size

Total employment	No	346	221	198	156	123
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MSB ILLAWARRA PORTS AUTHORITY NON-FINANCIAL INDICATORS***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (9)	\$/MT	0.88	0.69	0.71	0.71	0.67
Port authority costs/unit of cargo (9)	\$/MT	0.79	0.55	0.43	0.43	0.52
Total days lost: (17)						
- industrial disputes	%	n.p.	0.1	0.0	0.0	0.0
- sick leave	%	n.p.	2.3	2.3	3.4	2.4
- industrial accidents	%	n.p.	0.0	0.3	0.2	0.3
- total	%	n.p.	2.5	2.7	3.7	2.7

MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS (continued)***MSB ILLAWARRA PORTS AUTHORITY NON-FINANCIAL INDICATORS (continued)******Effectiveness***

RPI of port authority charges (11)	Index	76.00	58.00	59.00	59.00	53.00
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Size

Total employment	No	127	100	89	69	54
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MSB SYDNEY PORTS AUTHORITY NON-FINANCIAL INDICATORS***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (17)	\$/MT	5.50	5.30	5.28	4.71	4.58
Port authority costs/unit of cargo (17)	\$/MT	4.19	3.72	2.88	2.51	2.25
Total days lost: (17)						
- industrial disputes	%	n.p.	0.1	0.0	0.0	0.0
- sick leave	%	n.p.	4.4	3.9	4.4	2.3
- industrial accidents	%	n.p.	1.4	1.0	1.0	0.4
- total	%	n.p.	6.0	4.9	5.4	2.7

Effectiveness

RPI of port authority charges (11)	Index	104	99	97	86	80
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Size

Total employment	No	515	511	513	329	209
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MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**MSB CONSOLIDATED*****Effectiveness***

Berth occupancy: (12,13)

- container terminal	%	See individual MSB subsidiary authority results				
- other than at a container terminal	%	See individual MSB subsidiary authority results				
- whole port	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Average time at berth (median) (12) Hours See individual MSB subsidiary authority results

Turnaround time: (12)

- container ships at container terminals:

- - median Hours See individual MSB subsidiary authority results

- - 95 percentile Hours See individual MSB subsidiary authority results

- other:

- - median Hours See individual MSB subsidiary authority results

- - 95 percentile Hours See individual MSB subsidiary authority results

Cargo processed/ship working time (12) MT/Hr n.p. n.p. n.p. n.p. n.p.

Cargo processed/gross ship time (12) MT/Hr n.p. n.p. n.p. n.p. n.p.

Stevedoring idle time (15) % n.p. n.p. n.p. n.p. n.p.

Average delay time per ship due to industrial disputes Hours n.p. n.p. n.p. n.p. n.p.

Size

Cargo handled:

- non-containerised general cargo '000 MT 3,777 3,703 3,934 3,806 4,070

- bulk cargo '000 MT 80,860 83,635 87,571 90,375 92,306

- all cargo '000 MT 89,390 92,640 97,220 100,288 103,153

Number of containers handled TEUs 481,344 526,816 565,354 601,735 679,687

MSB HUNTER PORTS AUTHORITY***Effectiveness***

Berth occupancy: (13)

- container terminal % n.r. n.r. n.r. n.r. n.r.

- other than at a container terminal % 78 75 83 87 79

- whole port % n.r. n.r. n.r. n.r. n.r.

MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS (continued)***MSB HUNTER PORTS AUTHORITY (continued)******Service Quality***

Average time at berth (median)	Hours	36	35	35	36	39
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- other:						
- - median	Hours	98	79	109	118	133
- - 95 percentile	Hours	255	167	295	269	275
Cargo processed/ship working time	MT/Hr	2,177	2,083	2,299	2,269	2,477
Cargo processed/gross ship time	MT/Hr	669	879	583	586	561
Stevedoring idle time (15)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled: (16)						
- non-containerised general cargo	'000 MT	785	749	800	730	844
- bulk cargo	'000 MT	43,958	44,652	49,897	52,362	55,899
- all cargo	'000 MT	44,795	45,445	50,751	53,189	56,821
Number of containers handled	TEUs	3,812	3,322	3,943	8,334	9,035

MSB ILLAWARRA PORTS AUTHORITY***Effectiveness***

Berth occupancy: (13)						
- container terminal	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other than at a container terminal	%	84	83	81	75	65
- whole port	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Average time at berth (median)	Hours	34	27	27	27	28
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- other:						
- - median	Hours	178	106	98	97	62
- - 95 percentile	Hours	601	268	246	247	185

MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS (continued)***MSB ILLAWARRA PORTS AUTHORITY (continued)******Service Quality (continued)***

Cargo processed/ship working time (16)	MT/Hr	2,042	2,202	2,061	2,028	2,163
Cargo processed/gross ship time	MT/Hr	367	657	585	619	941
Stevedoring idle time (15)	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	1,561	1,682	1,875	1,994	2,125
- bulk cargo	'000 MT	21,462	24,290	24,376	24,995	22,198
- all cargo	'000 MT	23,024	25,978	26,251	26,989	24,323
Number of containers handled	TEUs	133	1,745	0	1	0

MSB SYDNEY PORTS AUTHORITY***Effectiveness***

Berth occupancy: (13)

- container terminal	%	38	35	39	43	50
- other than at a container terminal	%	n.r.	n.r.	n.r.	n.r.	n.r.
- whole port	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Average time at berth (median)	Hours	45	38	36	37	45
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	50	42	39	40	51
- 95 percentile	Hours	113	80	81	89	109
- other:						
- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
Cargo processed/ship working time (16)	MT/Hr	15	18	23	20	19
Cargo processed/gross ship time	MT/Hr	10	14	16	14	13
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

MARITIME SERVICES BOARD of NSW (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS (continued)***MSB SYDNEY PORTS AUTHORITY (continued)******Size***

Turnaround time:

- non-containerised general cargo	'000 MT	1,408	1,257	1,238	1,066	1,095
- bulk cargo	'000 MT	14,124	13,515	12,309	11,993	13,106
- all cargo	'000 MT	20,407	20,025	19,209	19,068	20,899
Number of containers handled	TEUs	477,395	521,749	561,401	593,290	670,674

MARITIME SERVICES BOARD of NSW (continued)

NOTES TO INDICATORS FOR MARITIME SERVICES BOARD OF NSW

Key: n.p. - not provided: n.r. - not relevant.

- 1) The financial results and indicators have been calculated as per the definitions provided. Corresponding indicators stated in the MSB'S 1995 Annual Report and in previous MSB publications may show different values, as slightly different definitions (eg exclusion of abnormal items) may have been used in their calculation. Information for all financial performance indicators has been taken from audited financial statements.
- 2) Up until the 1990–91 financial year, MSB assets were valued at historic cost. A revaluation of MSB assets at 1 July 1991 increased the asset base by \$289.475M to \$1,212.353M. Financial results and indicators from 1991–92 to 1994–95 are based on revalued asset values.
- 3) The 1992–93 and 1993–94 dividend payments included an additional \$25M return of capital and a \$25M special dividend to Government respectively. These additional payments are included in the financial indicators relating to dividends for those years. An income tax equivalent was first paid in 1994–95.
- 4) Increase in current assets for 1994–95 due to conversion of investments from long term to short term.
- 5) The MSB does not have any non-repayable, non-interest bearing borrowings from governments.
- 6) Gross interest expense : The MSB records all financial expenses, and not just interest, as an item in its profit and loss statements. As well as interest payments, smaller items such as loan guarantee fees and bank charges are also included. Gains or losses on foreign currency translation are excluded.
- 7) Net proceeds from property sales have been excluded from abnormal revenue (but included in total revenue) since 1992–93.
- 8) CSO payments to the MSB for 1992–93, 1993–94 and 1994–95 of \$1.855M, \$2.176M and \$2.249M respectively are not classed as receipts from government to cover operating deficits, as defined. These were agreed CSO payments for the MSB Waterways Authority to operate its harbour cleaning and vessel sewage pump-out services and for the MSB Hunter Ports Authority to manage a lease for land associated with the Kooragang Coal Terminal. The effect of the CSO payments is relatively small as they comprise less than 1.0 percent of total revenue.
- 9) Consolidated MSB and port authority charges and costs exclude coal loading, reflecting the MSB's strategic move out of coal loading during 1990–91. Unit of cargo is the mass tonne. Port authority charges have been equated to port management income. Port authority costs include port management, administration, expenditure, depreciation and financial charges. MSB consolidated from 1991–92 to 1994–95 includes the regional ports (Yamba, Trial Bay and Eden) which had previously been included within the Hunter and Illawarra results. Trade through Trial Bay ceased in March 1992.
- 10) Consolidated MSB includes the MSB Waterways Authority and MSB Head Office.

MARITIME SERVICES BOARD of NSW (continued)

NOTES TO INDICATORS FOR MARITIME SERVICES BOARD OF NSW (continued)

- 11) For consolidated MSB and the subsidiaries, the index is corrected for CPI and based on the movement in the average port management income per mass tonne of cargo, excluding all coal loading related income.
- 12) The use of this indicator, derived by aggregating across all MSB ports, is considered of limited meaning. Instead, specific data is provided for the major cargo category in each port authority (Hunter and Illawarra - coal; Sydney - containers).
- 13) The revised indicator for berth occupancy has only been used for the dedicated container berths in Sydney (Brotherson Dock) and an inter-ship gap of 25 metres has been assumed. The previous indicator has been applied to coal vessels only for Hunter and Illawarra.
- 14) The average number of full time equivalent (FTE) employees is used for MSB consolidated only. The staff count number approximating the FTE is used for Hunter, Illawarra and Sydney Ports.
- 15) Not applicable to MSB as NSW waterside workers are not employed by MSB.
- 16) Ship working times are not recorded. Ship time at berth has been used in calculation.
- 17) Not provided for Hunter, Illawarra and Sydney Ports prior to 1991–92.

Comments on own performance

The Port of Melbourne is currently administered by the Port of Melbourne Authority, which is responsible for safe navigation, shipping channels, traffic management, mooring of ships, port planning, management of port vested land and the provision of a small number of common user facilities. Most port activities are in the hands of private enterprise, including pilotage, towage, stevedoring, storage and transport. The Authority's main roles are that of landlord and trade facilitator. The PMA works closely with Melbourne's port community in carrying out its role as a facilitator.

Located in Victoria, Australia's most heavily industrialised and major manufacturing state, the Port of Melbourne is Australia's largest container port by TEU throughput and posted a record throughput in 1994–95 of 833,977 TEU, up 10.1 per cent on the previous year.

In January 1995 the Victorian Government issued details of its reform program relating to the Victorian Port Authorities. In accordance with this program the Port Services Act 1995 received Royal Assent on 28 November 1995; proclamation dates have not yet been finalised. The Act creates the Victorian Channel Authority (VCA) and the Melbourne Port Corporation (MPC). These two public authorities will replace the PMA. The VCA will be responsible for management of shipping channels and navigation, and the Melbourne Port Corporation will be port landlord (with a boundary at the berth face).

The Port of Hastings is currently also managed by the Port of Melbourne Authority. The major trades handled at the port are crude oil, LPG and steel. It is the Government's intention to sell the Port of Hastings in the near future.

Financial performance

The PMA has undertaken an extensive program of cost reduction in recent years and as a result has achieved increasing real returns on assets (excluding abnormal items) since 1990–91. The State Government funded Associated Ports activities in 1994–95 and it is intended that these functions be divested. This funding for CSOs has removed a significant financial burden from the PMA.

The PMA's improving financial performance has enabled significant price reductions to be passed on to users. From 1 December 1994 State Tonnage Duty was abolished and Wharfage charges reduced by 15 per cent; an additional reduction of 10 per cent applies to wharfage on Bass Strait general cargo, bringing the total reduction in wharfage to 25 per cent for this trade. The benefit to port users will be approximately \$18.5 million over a full year. The Government is committed to total reductions of 33 per cent as part of the port reform process and further major reductions will be delivered over the next two years.

Comments on own performance (continued)*Non-financial performance*

Employee numbers were reduced by 58 per cent from 30 June 1991 to 30 June 1995. The PMA and its' successors', MPC and VCA, will continue to vigorously pursue improvements in efficiency and the quality of its service delivery.

PORT OF MELBOURNE AUTHORITY**Victoria***Units 1990-91 1991-92 1992-93 1993-94 1994-95***PORT AUTHORITY INDICATORS****Financial Ratios (1)**

Return on assets	%	1.0	0.2	4.9	5.3	7.0
Return on operating assets	%	0.8	0.0	4.9	5.3	7.1
Operating sales margin	%	5.6	-0.2	22.6	26.1	33.7
Return on equity	%	-3.3	-5.3	2.5	3.3	6.6
Dividend to equity ratio	%	1.6	1.9	1.0	2.2	2.3
Dividend payout ratio	%	-46.5	-35.3	40.3	67.5	35.2
Debt to equity	%	45.4	58.5	56.5	52.9	44.4
Total liabilities to equity	%	64.1	77.9	76.5	69.0	63.7
Current ratio	%	16.2	82.9	121.2	136.4	116.1
Interest cover	%	30.8	4.7	141.3	156.2	228.8
Cost recovery ratio	%	112.1	114.0	122.6	143.9	147.6
Operational performance	%	1.6	1.9	3.2	6.2	6.2

Non-Financial Ratios***Economic Factors***

Total factor productivity (4)	Index	n.r.	n.r.	n.r.	n.r.	n.r.
Economic rate of return (4)	%	n.r.	n.r.	n.r.	n.r.	n.r.

Efficiency

Port authority charges/unit of cargo (2)	\$/MT	5.53	5.71	5.38	5.24	4.82
Port authority costs/unit of cargo (2)	\$/MT	6.62	6.77	5.83	5.23	4.63
Total days lost:						
- industrial disputes	%	0.1	0.1	0.3	0.0	0.6
- sick leave (3)	%	4.3	6.2	7.3	4.7	4.6
- industrial accidents	%	2.3	2.7	2.6	2.2	1.6
- total	%	6.7	8.9	10.3	6.9	6.8

Effectiveness

RPI of port authority charges	Index	94.52	98.06	97.34	95.41	76.65
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Size

Total assets	\$M	952	889	854	851	874
Total revenue	\$M	145	142	183	166	174
Total employment	No	1,265	946	707	561	527

PORT OF MELBOURNE AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy: (4)

- container terminal	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other than at a container terminal	%	n.r.	n.r.	n.r.	n.r.	n.r.
- whole port	%	n.r.	n.r.	n.r.	n.r.	n.r.

Service Quality

Average time at berth (median) (4)

Hours n.r. n.r. n.r. n.r. n.r.

Turnaround time: (4)

- container ships at container terminals:

- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.r.	n.r.	n.r.	n.r.	n.r.

- other:

- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.r.	n.r.	n.r.	n.r.	n.r.

Cargo processed/ship working time

MT/Hr n.r. n.r. n.r. n.r. n.r.

Cargo processed/gross ship time

MT/Hr n.r. n.r. n.r. n.r. n.r.

Stevedoring idle time

% n.r. n.r. n.r. n.r. n.r.

Average delay time per ship due to industrial disputes

Hours n.r. n.r. n.r. n.r. n.r.

Size

Cargo handled: (5)

- non-containerised general cargo	'000 MT	2,834	2,722	2,991	3,101	2,885
- bulk cargo	'000 MT	9,939	8,861	10,216	10,362	11,885
- all cargo	'000 MT	19,133	18,489	20,772	21,705	22,732
Number of containers handled	TEUs	668,152	673,676	733,789	802,782	883,977

PORT OF MELBOURNE AUTHORITY (continued)

NOTES TO INDICATORS FOR PORT OF MELBOURNE AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

- 1) The financial performance indicators are based on information contained in the Authority's audited financial statements. With the exception of fixed asset related details, the financial information has been prepared in accordance with the historic cost accounting convention. Fixed asset related information has been prepared in accordance with the principle of the current cost accounting convention using the financial equity concept of capital maintenance as detailed in Accounting Policy Statement No. 1 - 'Rate of Return Reporting' issued by the Victorian Government's Department of Finance. In accordance with this policy statement, fixed assets are valued at the lower of market replacement or reproduction value. These assets are re-valued every three years and indexed in the intervening years.
- 2) Mass tonnes may not be the most appropriate measure of volume. Revenue tonnes or TEUs may be more appropriate. In 1987-88 and 1988-89 ship based charges levied at the Port of Hastings and State Navigational Operations were collected on behalf of the Victorian Government and not reported as the Authority's revenue.
- 3) In 1987-88 only sick leave is included as the other components are not available or estimable. In 1988-89 data includes sick leave and industrial disputes but excludes industrial accidents.
- 4) These are not relevant as the PMA has no direct control over performance relating to them.
- 5) Revenue tonnes may be a more appropriate measure of volume of cargo.

General Comments

Community Service Obligations: On the 1 October 1986 the Ministry of Transport transferred to the Authority certain non commercial operations (community service obligations) which were previously the responsibility of the ex Ports and Harbours Division of the Victorian Ministry of Transport. These operations principally relate to marine activities and foreshore protection works undertaken at the Ports of Andersons Inlet, Corner Inlet and Port Albert, Gippsland Lakes, Snowy River and Mallacoota, within Port Phillip Bay and along the Victorian coastline east of Melbourne.

PORT OF MELBOURNE AUTHORITY (continued)

NOTES TO INDICATORS FOR PORT OF MELBOURNE AUTHORITY (continued)

Revenue, expenditure and fixed asset values relating to these operations are as follows :

	Note	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	A	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue	B	12 520	2 122	2 884	1 877	1 749	1 034	10 739
Expenditure		17 722	10 331	13 853	12 899	11 425	11 495	13 714
Abnormal Items		429	852		1 308	23	590	214
Return on Assets		-4 773	-7 357	-10 969	-12 330	-9 699	-11 051	-3 189
Total Asset Value		32 158	55 150	51 461	48 330	43 760	47 576	40 627

- A) In 1987-88 and 1988-89, Port of Hastings and State Navigational Operations were classified as non commercial operations as these operations were fully funded by the Victorian Government.
- B) Revenue includes Victorian Government funding and miscellaneous charges for services provided at associated Ports.

Until 1988-89 the Authority's non-commercial operations were funded by way of a subsidy received from the Victorian Government and miscellaneous charges received for services provided at Associated ports. From 1989-90 these operations have been increasingly funded from the Authority's commercial operations. The following cash funding has been provided from surplus operating funds generated from the Authority's commercial operations :

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	\$000	\$000	\$000	\$000	\$000	\$000
Cash Funding from Comm. Operations	3 448	7 706	8 113	5 514	8 817	111

Comments on own performance

Pursuant to the provisions of the Government Owned Corporation (Ports) Regulation 1994, the Gladstone Port Authority (GPA) acquired all of the assets and liabilities of the former Gladstone Port Authority on 1 July 1994.

The consideration for the net assets acquired was debt to its shareholding Ministers. In accordance with clause 21 (4) of the regulation the net asset cost was derived by subtracting the value of liabilities assumed from the market value of the assets acquired at 1 July 1994.

The market value of the assets was determined as follows:

- (a) Property, plant and equipment assets were valued by the Australian Valuation Office, based on deprival value in accordance with the Treasurer's guidelines "Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector".
- (b) No value has been ascribed to intangible assets. All other assets were acquired at the value shown at 30 June 1994 in the annual financial statements of the former Gladstone Port Authority.

All liabilities were acquired at the value shown in the annual financial statements of the former Gladstone Port Authority at 30 June 1994 except for employee entitlements and loan liabilities. Employee entitlements were restated to take account of the requirements of Australian Standard AAS30 which became operative in relation to the first reporting period that ends on or after 30 June 1995. Loan liabilities are stated at the market value of the underlying securities.

Current operations

The major activities of the GPA are:

- the provision of port infrastructure: dredged shipping channels, wharves, cargo handling and storage facilities, port lands and land access routes;
- the provision of cargo handling services: coal, grain and other bulk commodities;
- the provision and control of facilities for private pleasure craft, fishing vessels and charter/ferry boats, and
- the management of areas of reclaimed land not required for commercial port activities and available for leasing to light industry.

The GPA differs from other Queensland port authorities in that it conducts its own stevedoring activities for some bulk cargoes; for example, coal, grain, magnesite, calcite and woodchips.

Comments on own performance (continued)*Financial performance*

Earnings before interest and tax were \$18.7 million in 1994–95 representing a return on total assets of 4.3 per cent. Provision has been made for a dividend payment of \$4.4 million. The Authority will be required to pay tax equivalents to the Queensland Government commencing 1 July 1995.

Non-financial performance

The volume of cargo handled continues to rise with another record in 1994-95. Volumes have increased during the five years under review, with the bulk of the growth occurring in commodity exports, of which growth in coal exports was the main contributor. Employee numbers have increased in each of the past five years. This has been due to the continued expansion of the port's facilities and the growth in trade throughput. While the average total turnaround time continues to improve over the period under review, average berth occupancy has levelled out. However the average time at berth, though variable between years, has trended upwards, reflecting increased vessel size.

GLADSTONE PORT AUTHORITY**Queensland***Units 1990-91 1991-92 1992-93 1993-94 1994-95***PORT AUTHORITY INDICATORS****Financial Ratios**

Return on assets	%	10.3	10.6	8.3	5.9	5.0
Return on operating assets	%	10.0	10.5	8.4	5.9	4.9
Operating sales margin	%	45.2	44.9	38.8	29.0	27.0
Return on equity	%	9.6	10.9	8.6	5.0	4.6
Dividend to equity ratio	%	1.7	1.6	0.9	1.1	1.5
Dividend payout ratio	%	17.5	14.4	10.0	21.8	31.8
Debt to equity	%	30.5	27.7	36.6	29.7	17.1
Total liabilities to equity	%	35.7	34.4	42.7	34.2	22.1
Current ratio	%	106.5	126.5	87.3	71.0	67.9
Interest cover	%	306.3	417.3	404.5	258.7	376.0
Cost recovery ratio	%	174.2	174.7	149.8	147.4	140.8
Operational performance	%	9.0	9.6	7.2	6.5	5.2

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	0.82	0.92	0.96	0.86	0.79
Port authority costs/unit of cargo	\$/MT	1.23	1.29	1.36	1.62	1.46
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	0.0	0.5
- sick leave	%	2.8	2.0	1.8	2.8	2.6
- industrial accidents	%	n.p.	0.2	0.4	0.5	0.1
- total	%	2.8	2.2	2.2	3.3	3.2

Effectiveness

RPI of port authority charges	Index	93.00	101.00	101.00	101.00	97.00
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Size

Total assets	\$M	264	287	325	321	431
Total revenue	\$M	57	64	64	65	68
Total employment	No	300	316	322	332	333

GLADSTONE PORT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other than at a container terminal	%	35.3	36.3	34.8	37.2	36.2
- whole port	%	35.3	36.3	34.8	37.2	36.2

Service Quality

Average time at berth (median)	Hours	48	42	44	44	37
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- other:						
- - median	Hours	68	65	64	66	58
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/gross ship time	MT/Hr	716	727	755	710	896
Stevedoring idle time	%	n.r.	n.r.	n.r.	n.r.	n.r.
Average delay time per ship due to industrial disputes	Hours	0.6	0.2	0.5	0.1	2.4

Size

Cargo handled:

- non-containerised general cargo	'000 MT	189	195	209	24	25
- bulk cargo	'000 MT	31,665	31,781	32,913	32,531	36,804
- all cargo	'000 MT	31,854	31,976	33,122	32,555	36,829
Number of containers handled	TEUs	n.r.	n.r.	n.r.	n.r.	1,318

NOTES TO INDICATORS FOR GLADSTONE PORT AUTHORITY

Key: n.p. - not provided; n.r. - not relevant.

Comments on own performance

The Port of Brisbane Authority (now the Port of Brisbane Corporation) was established in 1976 by the Queensland Government with an independent and commercially focussed Board of Directors to manage the port's business and to implement development of the port at Fisherman Islands. Prior to 1976, the responsibility for managing the Port of Brisbane rested with the Department of Harbours and Marine. The Port of Brisbane Authority was corporatised on 1 July 1994.

Since its inception, the Corporation has been actively involved in creating channels, reclaiming land and providing wharves, buildings and other capital infrastructure. Investment of more than \$300 million by the Port of Brisbane Corporation and commercial interests has created a deep water port with modern container terminals and bulk cargo facilities for oil, coal, clinker, grain, sand and woodchips.

Fisherman Islands and the upriver facilities currently offer 26 berths and 5,960 m of quay line. Since 1976, total trade through the port has doubled to 18,581,200 tonnes and container trade has increased four fold to 232,873 TEU's, making Brisbane the third largest, and fastest growing container port in Australia.

In 1992, the Corporation's KEY PORT BRISBANE STRATEGIC PLAN TO 2005 AND BEYOND was released, a blueprint for an ambitious expansion program to handle anticipated trade growth to 29 million tonnes per annum by the year 2005. This includes over 400,000 TEU's and 1,200,000 tonnes of general cargo annually.

Financial performance

Consistent with one of the Corporations major objectives — trade maximisation — port charges were not increased over the five years under review (nor for the eight before). In fact berthage charges on cargo carrying vessels were abolished with effect from 1 July 1994. Port charges in real terms have therefore fallen considerably. The increase in net assets resulting from the revaluation required by corporatisation has resulted in a reduction in the return on assets and equity ratios. These reductions are more a reflection of revenue restraint rather than a reduction in performance.

The financial position of the Corporation remains very strong and was enhanced during the period by large successive retirements of debt; the Corporation's debt to equity ratio falling from 25 per cent to zero during the last five years. Total revenue increased by about 17 per cent during the last five years whilst there was no appreciable increase in expenditure. (Refer to note 2.)

Non-financial performance

Total trade increased by 5.7 per cent in 1994–95 to 18,581,200 tonnes. Container trade increased by 2.1 per cent in 1994–95 to 232,873 TEU's, representing growth of 35 per cent over the past five years.

PORT OF BRISBANE CORPORATION**Queensland**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets (1)	%	17.4	16.3	17.6	17.7	10.1
Return on operating assets (1)	%	17.5	16.8	18.5	18.9	10.3
Operating sales margin	%	53.5	52.0	61.4	59.4	48.0
Return on equity	%	20.4	18.7	19.8	19.6	10.9
Dividend to equity ratio	%	2.2	2.3	4.5	3.3	3.6
Dividend payout ratio	%	10.7	12.3	22.7	16.6	33.0
Debt to equity	%	25.2	7.8	0.0	0.0	0.0
Total liabilities to equity	%	37.7	18.0	11.2	10.0	5.9
Current ratio	%	141.8	146.0	115.6	198.9	142.3
Interest cover	%	462.6	995.7	5479.7	5479.7	5479.7
Cost recovery ratio	%	215.1	208.3	259.4	246.2	192.4
Operational performance (1)	%	17.5	16.8	18.5	18.9	10.3

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	1.92	1.96	2.06	2.03	1.94
Port authority costs/unit of cargo (2)	\$/MT	1.89	1.72	1.32	1.35	1.60
Total days lost:						
- industrial disputes	%	0.0	0.0	0.0	0.0	0.0
- sick leave	%	n.p.	n.p.	n.p.	n.p.	2.5
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	1.6
- total	%	2.7	3.0	2.6	1.8	4.1

Effectiveness

RPI of port authority charges	Index	97.60	97.70	95.20	92.20	89.40
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Size

Total assets	\$M	178	180	190	214	359
Total revenue	\$M	55	55	53	60	59
Total employment	No	245	238	233	226	227

PORT OF BRISBANE CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal (4)	%	48	43	35	40	48
- other than at a container terminal	%	21	19	15	20	23
- whole port	%	24	22	18	23	27

Service Quality

Average time at berth (median) (3)	Hours	37	34	29	21	24
Turnaround time: (3)						
- container ships at container terminals:						
- - median	Hours	34	24	19	28	30
- - 95 percentile	Hours	73	49	39	50	61
- other:						
- - median	Hours	17	26	n.p.	23	32
- - 95 percentile	Hours	51	32	n.p.	48	53
Cargo processed/ship working time	MT/Hr	88	195	252	168	168
Cargo processed/gross ship time	MT/Hr	57	157	184	109	135
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	481	570	612	574	574
- bulk cargo	'000 MT	13,886	14,075	12,849	14,721	15,671
- all cargo	'000 MT	16,122	16,672	15,598	17,585	18,581
Number of containers handled	TEUs	183,380	200,105	213,518	228,055	232,873

PORT OF BRISBANE CORPORATION (continued)

NOTES TO INDICATORS FOR PORT OF BRISBANE CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) The PBC acquired all assets and liabilities of its predecessor body the PBA on 1 July 1994. All assets were listed at cost to the Corporation following an independent revaluation which increased the opening asset values by 67.7% including vested land not previously included in the balance sheet.
- 2) Mainly due to increased depreciation expenditure owing to the revaluation of assets. The increased amount for 1994/95 directly attributable to the increased depreciation is 0.31 out of the 1.60.
- 3) This data relates to Fisherman Islands container wharves only. "Other" is defined as other vessel types at container terminals.
- 4) Berth occupancy is calculated as a percentage of the sum of time at berth divided by the available hours times the number of berths.
- 5) Data to 1992–93 is ATAC June quarter only. Data not tabulated in annual format. Data for 1994–95 relates to Fisherman Islands container wharves only.
- 6) Audited financial data, extracted from the annual financial statements included in annual reports, has been used in all financial ratios provided.

Comments on own performance

In South Australia, Ports Corporation manages the Port of Adelaide and nine regional ports. The Corporation's primary function is to manage the ports and related facilities vested in the Corporation on a sound commercial basis as a business enterprise. The South Australian Ports Corporation was established on 24 October 1994 to take over the commercial activities of Marine and Harbours. The Corporation is a statutory corporation to which all the provisions of the South Australian Public Corporations Act 1993 apply. The Corporation is subject to control and direction of the Minister.

Current operations

The majority of the Agency's throughput and income is from bulk commodities. Containers and general cargo represent about one quarter of total trade. In 1994–95 total cargo tonnages were 1.75M less than that achieved in 1993–94 and was largely due to the impact of the drought. Total container movements in 1994–95 were 66,605 TEU which was a 4.0 per cent increase from 1993–94. Ships calls decreased by 8.5 per cent in the same period.

Financial performance.

In 1994–95 financial performance improved significantly even with reduced charges and a decrease in overall tonnage throughput. The base commercial profit increased more than 20 percent compared to 1993–94. A new financial charter to reflect the Corporation's business was finalised during the year. Key elements to be introduced effective from 1 July 1995: a re-valuation of assets vested to the Corporation; payment of tax equivalents; agreed dividend on net profit; and a capital restructure.

Non-financial performance

Significant improvements in the past two years largely reflect the major reductions in work force size, improved workplace practices, OH&S initiatives and increased capacity at the container terminal.

SOUTH AUSTRALIAN PORTS CORPORATION**South Australia***Units 1990-91 1991-92 1992-93 1993-94 1994-95***PORT AUTHORITY INDICATORS****Financial Ratios (1,2)**

Return on assets	%	11.1	10.1	10.4	9.0	3.9
Return on operating assets	%	11.1	10.1	10.3	9.0	3.3
Operating sales margin	%	44.5	46.2	46.0	39.1	14.3
Return on equity	%	9.4	3.6	8.9	10.0	-1.0
Dividend to equity ratio	%	9.4	3.6	4.6	5.0	6.7
Dividend payout ratio (3)	%	100.0	100.0	52.1	50.0	-702.7
Debt to equity	%	186.4	195.4	198.8	79.8	71.8
Total liabilities to equity	%	198.1	213.7	213.7	87.3	80.3
Current ratio	%	256.6	174.0	348.2	572.2	260.5
Interest cover	%	136.2	113.1	137.6	191.1	88.3
Cost recovery ratio	%	181.7	190.2	189.7	170.0	180.9
Operational performance	%	11.2	10.4	10.6	9.5	10.3

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (9,10)	\$/MT	2.99	2.82	2.81	2.77	2.24
Port authority costs/unit of cargo (10)	\$/MT	2.86	2.63	2.41	2.23	1.24
Total days lost:						
- industrial disputes	%	n.p.	n.p.	0.0	0.0	0.0
- sick leave	%	n.c	n.c	3.3	2.5	2.5
- industrial accidents	%	n.p.	n.p.	0.1	1.4	1.4
- total (5)	%	4.1	2.5	3.4	4.0	3.9

Effectiveness

RPI of port authority charges (6)	Index	97.6	97.7	95.2	92.2	89.4
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Size

Total assets	\$M	205	214	215	221	192
Total revenue	\$M	47	45	47	48	46
Total employment (7)	No	538	402	384	348	263

SOUTH AUSTRALIAN PORTS CORPORATION (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	12.2	13.1	20.0	20.8	25.8
- other than at a container terminal	%	5.6	5.9	5.9	6.5	6.8
- whole port	%	6.2	6.2	6.7	6.8	7.7

Service Quality

Average time at berth (median)	Hours	26	24	24	17	19
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	38	33	30	26	24
- - 95 percentile	Hours	49	43	39	47	52
- other:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	18
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	106
Cargo processed/ship working time (8)	MT/Hr	342	385	386	469	469
Cargo processed/gross ship time (8)	MT/Hr	173	221	247	307	426
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	955	1,125	871	847	795
- bulk cargo	'000 MT	14,233	14,417	15,342	19,508	18,222
- all cargo	'000 MT	15,670	16,020	16,813	20,355	19,754
Number of containers handled	TEUs	42,800	42,738	54,007	64,031	66,605

SOUTH AUSTRALIAN PORTS CORPORATION (continued)

NOTES TO INDICATORS FOR PORT OF SOUTH AUSTRALIAN PORTS CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) All figures are on a consolidated commercial basis covering Port Adelaide and nine regional ports.
- 2) The calculation of all financial figures and cargo tonnages include indenture ports. However, they have been omitted from calculation of Port Indicators as Ports Corp has no control over the operations of these ports.
- 3) Dividend is calculated on total commercial profits, and for 1994–95 includes a special dividend for indenture ports income.
- 4) Revenue per employee figures have been calculated by dividing the Total Receipts by average number of employees employed during a particular financial year.
- 5) The total days lost performance indicator is related to normal working hours, excluding travelling to and from work, recess periods, shiftwork and overtime.
- 6) Methodology used in calculating real price index of port charges included weighting the average of ship based charges (conservancy, tonnage, and pilotage) for all types of ship/cargo.
- 7) Average full time employees include employees engaged in non-commercial operations up to the 5 January 1995.
- 8) The performance indicators cargo processed/working time and cargo processed/gross time are calculated for container ships only for 1990–91 to 1993–94. For 1994–95 all ports were included by incorporating a best-estimate of ship turnaround times at non-container terminals. Ship working time has been substituted with actual time at berth for all but the container terminal.
- 9) Port authority charges/unit of cargo and Port authority costs/unit of cargo excludes Pt Stanvac until 1994–95. The 1994–95 ratios include Port Stanvac charges, costs and tonnages.
- 10) The calculation of charges and cost per unit of cargo has been revised for each of the years. While this has significantly changed individual figures, the trends have remained constant.

Comments on own performance

The Fremantle Port Authority (FPA) is a Corporate Body which strategically manages the Port of Fremantle. Fremantle is the largest general cargo port in Western Australia and handles more than 80 per cent by value of the State's imports and around 36 per cent by value of the State's exports. In 1994–95 Fremantle Port handled around 68 per cent of the nation's live sheep exports and around 45 per cent of the nation's wheat exports.

The FPA has undergone significant changes in recent years involving a major restructuring of its operations and re-organisation along commercial lines and a major down sizing of employee numbers. The changes have been successful in improving the efficiency of the FPA, its financial performance and its customer relationships.

Financial performance

1994–95 saw the FPA record a profit of \$7.2 million. Strong trade growth, underpinned by improved productivity and efficiencies, resulted in a 4.8 per cent increase in shipping and cargo related revenue. This solid financial performance allowed us to further reduce debt by \$7.2 million and this will provide future annual savings of \$0.7 million in interest payments.

Debt levels remain high and the lack of Government equity results in unrealistic performance indicators being shown for equity ratios and leads to a lack of comparability in some financial indicators with other ports which have equity levels often some 70 per cent to 100 per cent of total assets.

Non-financial performance

The efficiency indicators show a 5.4 per cent real term reduction in FPA charges per unit of cargo over the last five year period 1990–91 to 1994–95. FPA charges will reduce on average by a further 9.5 per cent in 1995–96.

Average Port Authority costs per unit of cargo have also reduced significantly over the last five year period as a result of efficiency improvements in operating expenditure and increased cargo throughput. Average berth time and vessel turnaround time have improved significantly since 1990–91. The total volume of cargo handled increased by 1.6 per cent in 1994–95. This included a 11.9 per cent increase in the number of containers handled - to a record 189,300 TEU's and a record level of import and export trade.

FREMANTLE PORT AUTHORITY**Western Australia**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets	%	-30.7	-0.6	7.4	14.3	15.1
Return on operating assets	%	-37.3	-1.7	7.5	15.2	16.3
Operating sales margin	%	-75.1	-3.9	15.9	27.8	26.1
Return on equity (1b)	%	241.7	25.0	4.2	-16.2	-30.3
Dividend to equity ratio	%	-10.4	-3.3	-2.9	0.0	0.0
Dividend payout ratio	%	-4.3	-13.3	-68.4	0.0	0.0
Debt to equity	%	-203.2	-209.7	-198.7	-248.3	-319.5
Total liabilities to equity	%	-367.9	-351.4	-330.5	-424.6	-571.9
Current ratio	%	211.1	206.7	75.0	92.8	114.9
Interest cover	%	-385.3	-7.0	80.7	172.5	208.0
Cost recovery ratio	%	90.6	98.9	130.3	156.7	144.4
Operational performance	%	-5.1	-0.5	11.0	19.1	18.9

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.c	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.c	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	1.84	1.60	1.78	1.80	1.86
Port authority costs/unit of cargo	\$/MT	3.33	2.63	2.45	2.09	2.01
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.c	n.p.
- sick leave (2)	%	n.p.	n.p.	n.p.	n.c	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.c	n.p.
- total	%	n.p.	n.p.	n.p.	n.c	n.p.

Effectiveness

RPI of port authority charges	Index	n.p.	n.p.	n.p.	n.p.	n.p.
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Size

Total assets (1a)	\$M	90	88	87	90	94
Total revenue	\$M	41	36	38	44	50
Total employment	No	664	524	410	300	226

FREMANTLE PORT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	43	38	38	44	46
- other than at a container terminal	%	34	32	35	42	36
- whole port	%	35	33	36	43	38

Service Quality

Time at berth:

- container hours	Hours	31	28	23	24	26
- bulk hours	Hours	46	43	39	39	39

Turnaround time:

- container ships at container terminals:

- - median	Hours	36	33	26	27	30
- - 95 percentile	Hours	115	95	85	81	86

- other:

- - median	Hours	71	60	57	59	62
- - 95 percentile	Hours	279	171	203	185	240

Cargo processed/ship working time (5)

Cargo processed/gross ship time (6)	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
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- container

- general

- bulk

Stevedoring idle time (7)

Average delay time per ship due to industrial disputes (8)	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
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Size

Cargo handled:

- non-containerised general cargo	'000 MT	405	414	475	561	565
- bulk cargo	'000 MT	14,595	15,235	16,135	17,460	17,533
- all cargo	'000 MT	16,332	17,199	18,289	20,008	20,329
Number of containers handled	TEUs	120,645	132,093	146,118	169,174	189,272

FREMANTLE PORT AUTHORITY(continued)

NOTES TO INDICATORS FOR FREMANTLE PORT AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

- 1a) All fixed assets other than Navigational Aids are recorded at their written down cost. The Navigational Aids were revalued at the start of the 1993–94 financial year with the valuations being based on market value for existing use as determined by independent valuers and also at management's valuation.
- 1b) The FPA was not subject to tax or tax equivalent payments for 1994–95.
- 2) Total days lost information not available due to change in recording system.
- 3) Turnaround time collected for container and bulk vessels only as from 1.7.89.
- 4) Berth occupancy based on total days of berth usage divided by total days available for use.
- 5) The FPA is not involved in Stevedoring, thus total working time on ships is not recorded.
- 6) Recording of this indicator commenced as from 1.7.90. This indicator is collected for container, general and bulk vessels.
- 7) The FPA ceased employment of “A” register waterside workers on 21.1.91 (exit from Stevedoring).
- 8) Average delay time information not available to the FPA.

Comments on own performance

The Burnie Port Authority (BPA), is a statutory authority constituted under the Marine Act 1976. The Authority is responsible for the planning, development and operation of the seaport of Burnie on the north-west coast of Tasmania. It also operates the Burnie airport which is located at Wynyard, 20 kilometres west of Burnie. The airport is excluded from this commentary.

Current operations

The BPA's primary functions are to provide for the safe and efficient movement of ships into and out of port, to ensure the efficient and reliable handling of cargo, and the availability of adequate infrastructure, labour and facilities.

Financial performance

Total revenue in 1994–95 of \$12.74 million was marginally in excess of the previous year's figure of \$12.64 million. Small increases were achieved in wharfage, ships charges, plant hire, property rentals and weighbridge income but these were largely offset by reduced revenue from cold stores, stevedoring, and services rendered.

Due to substantial increases in leasing charges, interest payments, depreciation and administration expenses the surplus before abnormal items was \$41,031 down from \$1,503,991 in 1993–94.

The requirement to make taxation equivalence payments was introduced in 1992–93, however in each of the past three financial years taxation losses have occurred.

Non-financial performance

The BPA handled 5,243,338 tonnes of cargo in 1994–95, a 1.14 per cent increase on the previous year's 5,184,303 tonnes.

A total of 451 ships visited the port during the year with a gross tonnage of 5,498,884. Although the number of ships was down by 5.5% on the previous 12 months, tonnage showed a healthy increase of 40.69 per cent.

BURNIE PORT AUTHORITY**Tasmania**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets	%	9.0	4.7	4.6	5.8	3.2
Return on operating assets	%	8.5	3.7	4.3	6.1	2.6
Operating sales margin	%	33.2	14.7	11.5	15.8	7.7
Return on equity	%	-3.2	-4.3	-3.1	4.0	-1.9
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	68.9	119.0	122.2	104.7	102.2
Total liabilities to equity	%	71.6	125.4	133.0	123.7	121.4
Current ratio	%	327.2	194.7	467.5	250.8	267.7
Interest cover	%	91.3	67.7	77.6	143.1	78.8
Cost recovery ratio	%	149.8	108.0	128.7	87.5	108.3
Operational performance	%	8.5	1.7	8.3	-4.0	2.6

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	3.25	2.63	2.65	2.81	2.97
Port authority costs/unit of cargo	\$/MT	1.18	1.46	1.17	0.98	1.02
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	n.p.
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	n.p.	n.p.	n.p.	n.p.	n.p.

Effectiveness

RPI of port authority charges	Index	95.33	93.37	92.17	89.53	86.81
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Size

Total assets (1)	\$M	38	31	34	43	43
Total revenue (2)	\$M	9	8	10	13	13
Total employment	No	49	44	59	70	69

BURNIE PORT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	51.8	45.8	40.3	35.4	36.7
- other than at a container terminal	%	45.1	40.1	23.2	21.1	18.5
- whole port	%	46.5	41.3	27.5	24.7	23.1

Service Quality

Average time at berth (median)	Hours	21	21	21	19	19
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- other:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/ship working time	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/gross ship time	MT/Hr	189	209	258	311	319
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	14	11	87	176	197
- bulk cargo	'000 MT	1,077	1,180	1,438	1,382	1,299
- all cargo	'000 MT	2,156	2,197	2,592	2,755	2,698
Number of containers handled	TEUs	84,251	77,148	85,035	97,084	104,382

NOTES TO INDICATORS FOR BURNIE PORT AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

1) All assets have been recorded using historical costs, except for industrial land, which has been revalued.

2) The authority has not sought to have any of its activities recognised as CSOs.

Comments on own performance

The Marine Board of Hobart (MBH) is a statutory authority established in 1858 and is constituted under the *Tasmanian Marine Act 1976*. The MBH is managed by a Board elected from port users (both cargo owners and shipowners-operators).

Current operations

The MBH's primary function is to control and manage navigation of vessels and provide cargo handling facilities in the jurisdiction of the Board. Diversification into mainly port-related property has occurred in the last decade to obtain returns from surplus wharves and cargo transit sheds which are only partly utilised for shipping.

The MBH does not conduct stevedoring operations although port authority employees are hired to stevedoring companies as supplementary labour.

Financial performance

Because of the geographical disadvantage of the Port of Hobart compared with northern Tasmanian ports the financial strategy has been to reduce real prices by improved efficiencies to remain competitive. To this end external debt has been reduced considerably over the last decade and whenever possible, port infrastructure improvements have been financed from internal funds. In 1992–93 a regime of income tax equivalent payments for the Tasmanian port authorities was introduced. The 1994–95 MBH Surplus before provision for Tax was \$2,081,204 which is an increase of \$435,973 or 26.5% over the last year. The increase was largely attributable to total revenue of \$11,865,290 being \$722,990 ahead of budget and total expenditure, excluding capital works of \$9,783,888 being \$675,112 below budget.

Non-financial performance

The MBH does not conduct stevedoring operations and therefore is unable to provide data on the efficiency and effectiveness of stevedoring in the Port of Hobart. Analysis of shipping trends indicates fewer but larger vessels calling at the port.

MARINE BOARD OF HOBART**Tasmania**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets (1)	%	5.6	5.1	3.3	4.1	4.7
Return on operating assets (1)	%	4.4	4.1	2.1	3.8	4.4
Operating sales margin (2)	%	19.0	18.2	7.7	11.9	13.7
Return on equity (2)	%	5.3	4.9	3.1	1.3	3.6
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	5.6	4.9	4.1	3.4	9.9
Total liabilities to equity	%	10.3	9.8	10.2	12.1	19.4
Current ratio	%	503.1	598.3	683.3	614.6	450.1
Interest cover (2)	%	798.1	865.7	675.7	1079.8	1630.1
Cost recovery ratio	%	121.0	120.7	115.4	124.1	115.8
Operational performance	%	3.9	3.8	3.7	6.2	4.4

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.c
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.c

Efficiency

Port authority charges/unit of cargo (3)	\$/MT	1.85	1.79	1.60	1.62	1.73
Port authority costs/unit of cargo (4)	\$/MT	2.94	2.59	3.02	3.15	3.09
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	2.1
- sick leave	%	n.p.	2.5	3.2	2.4	2.1
- industrial accidents	%	n.p.	0.3	0.2	0.3	0.2
- total	%	4.7	2.8	3.4	2.7	0.9

Effectiveness

RPI of port authority charges	Index	95.30	93.40	89.30	83.80	77.70
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Size

Total assets	\$M	54	43	44	45	49
Total revenue	\$M	12	10	10	11	12
Total employment	No	105	100	95	94	94

MARINE BOARD OF HOBART (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy: (8)

- container terminal	%	n.p.	n.p.	n.p.	n.p.	n.p.
- other than at a container terminal	%	n.p.	n.p.	n.p.	n.p.	n.p.
- whole port	%	n.p.	n.p.	n.p.	20.0	21.7

Service Quality

Average time at berth (median) (6)	Hours	44	45	69	57	56
Turnaround time: (7)						
- container ships at container terminals:						
- - median	Hours	40	45	67	55	57
- - 95 percentile	Hours	105	106	97	122	125
- other:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/ship working time	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.c
Cargo processed/gross ship time (9)	MT/Hr	n.p.	113	69	20	92
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.c
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.c

Size

Cargo handled:

- non-containerised general cargo	'000 MT	118	97	100	118	80
- bulk cargo	'000 MT	1,861	1,878	2,030	2,085	2,095
- all cargo	'000 MT	2,530	2,525	2,614	2,634	2,680
Number of containers handled	TEUs	38,187	35,468	31,735	29,559	30,967

MARINE BOARD OF HOBART (continued)

NOTES TO INDICATORS FOR MARINE BOARD OF HOBART

Key: n.p. - not provided: n.r. - not relevant.

- 1) Value of assets based on audited written-down historical cost.
- 2) Total expenses include \$118,000 claimed for CSOs which is yet to be accepted by Treasury.
- 3) Charges per unit of cargo based upon revenue from wharfage, tonnage dues, conservancy dues, pilotage, services to ships, (eg: water power, mooring lines etc).
- 4) Port Authority costs includes all operating costs including non-port activity related costs.
- 5) Revenue per employee based on total revenue from all sources based on non-port revenues.
- 6) Berth occupancy statistics first recorded from 1st July 1993 according to this formula.
- 7) Turnaround time only recorded for total port.
- 8) Berth occupancy statistics first recorded from 1st July 1993 according to this formula.
- 9) Gross ship time includes non-cargo vessels and laid-up vessels which results in the indicator being understated.

Comments on own performance

The Port of Devonport Authority (formerly the Marine Board of Devonport) was first formed in 1868. It is a State Government statutory authority with the governing legislation being the *Tasmanian Marine Act 1976*. It is controlled by a Board of six locally elected Wardens, which operates independently from government.

Current operations

These include administration of the sea and airports at Devonport. The Authority controls the largest cold storage operation in Tasmania. Major trades are general cargo, petroleum products, wheat, paper pulp, gypsum, salt, tourist vehicles, cement, tallow, onions and other primary produce. Devonport is the home port for the Bass Strait passenger ferry the 'Spirit of Tasmania'. It should be noted that the Devonport Airport is excluded from all indicators.

Financial performance

The Authority's Seaport and Airport operations both achieved outstanding results for the 1994-95 financial year. The Seaport operation experienced record throughput with a total of 1.72 million mass tonnes passing across the Port's wharves. This represented a 12.3 per cent increase over 1993-94 bringing the total increase in trade over the past two years to 32 per cent. There were 470 ship visits for the year compared to 447 in 1993-94. The results reflect a solid performance in the Bass Strait general cargo trade by both the TT-Line's Spirit of Tasmania and Coastal Expressline's Searoad Mersey as well as growth and diversification in the Port's broad cargo base.

Maintenance dredging of the port has historically been carried out in-house utilising the PDA dredge "Port Frederick". In December 1994 a contract maintenance dredge was undertaken utilising the Westham Dredging Company trailer suction dredge "W.H. Resolution". The cost of this program was \$886,896 and this was expensed in 1994/95 significantly impacting on the profit results achieved and consequently also on the financial ratios.

PORT OF DEVONPORT AUTHORITY**Tasmania**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets	%	6.2	9.3	11.4	8.8	5.0
Return on operating assets	%	5.4	9.5	12.6	9.8	4.7
Operating sales margin	%	20.6	33.3	31.0	25.5	11.8
Return on equity	%	4.2	8.7	9.8	6.0	2.4
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	37.0	52.1	45.1	36.7	29.3
Total liabilities to equity	%	43.6	61.3	54.1	44.6	36.4
Current ratio	%	204.0	197.0	215.2	272.3	345.1
Interest cover	%	176.6	263.6	359.9	340.3	233.7
Cost recovery ratio	%	134.4	140.0	142.2	134.2	113.7
Operational performance	%	5.3	7.6	10.7	9.8	4.8

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	5.15	4.83	4.50	3.93	3.48
Port authority costs/unit of cargo	\$/MT	6.51	6.08	4.11	3.60	3.82
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	0.0	0.0
- sick leave	%	2.5	2.0	1.6	1.3	3.3
- industrial accidents	%	1.4	1.8	3.3	4.3	1.4
- total	%	n.p.	n.p.	n.p.	5.6	4.7

Effectiveness

RPI of port authority charges	Index	95.20	93.10	87.10	83.50	80.90
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Size

Total assets	\$M	35	25	27	27	26
Total revenue	\$M	8	8	9	9	9
Total employment	No	64	68	67	63	64

PORT OF DEVONPORT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	n.p.	n.p.	n.p.	n.p.	n.p.
- other than at a container terminal	%	n.p.	n.p.	n.p.	n.p.	n.p.
- whole port	%	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Average time at berth (median)	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- other:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/ship working time	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/gross ship time	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	n.p.	n.p.	n.p.	n.p.	n.p.
- bulk cargo	'000 MT	438	473	826	1,043	1,141
- all cargo	'000 MT	808	975	1,280	1,530	1,718
Number of containers handled	TEUs	15,439	31,700	37,573	40,555	46,649

NOTES TO INDICATORS FOR PORT OF DEVONPORT AUTHORITY

Key: n.p. - not provided: n.r. - not relevant.

Comments on own performance

The Port of Launceston Authority (originally Marine Board of Launceston) was set up by an Act of Parliament in 1857. There has been no change to the PLA's corporate structure during the period under review.

Current operations

The PLA provides port infrastructure and services within its jurisdiction for shipping operators and cargo interests. The main functions are: provision and maintenance of wharves and shipping channels; pilotage; provision of stevedoring and cargo storage areas; including terminals, sheds, cold stores and roads, and hire of wharf cranes and other plant and equipment; 24 hour radio watch; and port emergency services. In addition, the PLA performs regulatory functions under the Marine Act. The PLA has also two ship repair facilities, which it leases out, and a small number of commercial rental properties.

Financial performance

Three major factor have affected the financial indicators during recent years. Firstly, in late 1989 the PLA rationalised its operations by withdrawing from ship repair work and selling its fork-lift fleet. These moves were accompanied by a general redundancy program which reduced employee numbers by about 40 per cent and affected the financial outcomes in 1989-90 and 1990-91. Withdrawing from non-core activities has also reduced revenue. Revenue from core activities has remained static over the period because of reduced activity levels and competitive and commercial pressures which have restricted and at times reduced charges. The second main factor has been the adoption in 1991-92 of generally accepted accounting principles. This resulted in a large increase in depreciation expenses as previously only plant was depreciated. The effect is seen in reduced profit and earnings and a reduction in asset values.

Finally, prior to 1992-93 the port was not subject to any form of tax, however a system of taxation equivalent payments was introduced in 1992-93, with the Authority adopting the liability method of tax effect accounting.

Non-financial performance

The rationalisation of the Authority shows up in the reduction in employee numbers and associated indicators. Employee numbers increased marginally during 1994-95. Increased charges were kept to a minimum.

A 17 per cent increase in cargo throughput during the year was reflected in increased sales revenue but operating profits remained approximately the same as the previous year due to increases in maintenance costs.

PORT OF LAUNCESTON AUTHORITY**Tasmania***Units 1990-91 1991-92 1992-93 1993-94 1994-95***PORT AUTHORITY INDICATORS****Financial Ratios**

Return on assets	%	5.4	4.1	4.1	3.3	3.6
Return on operating assets	%	5.0	4.0	4.0	3.3	3.4
Operating sales margin	%	24.6	22.6	16.8	16.3	15.7
Return on equity (1)	%	4.5	2.0	1.9	1.5	1.5
Dividend to equity ratio	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	25.5	30.2	29.4	36.1	43.2
Total liabilities to equity	%	44.8	34.4	39.8	47.7	56.8
Current ratio	%	320.9	344.5	215.7	232.3	276.5
Interest cover	%	231.5	154.4	213.2	184.8	163.3
Cost recovery ratio	%	132.6	129.3	113.2	119.5	118.6
Operational performance	%	5.0	4.0	2.5	3.3	3.4

Non-Financial Ratios***Economic Factors***

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo	\$/MT	1.20	1.30	1.30	1.50	1.42
Port authority costs/unit of cargo	\$/MT	0.40	0.70	0.30	1.76	1.66
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	n.p.
- sick leave	%	n.p.	n.p.	n.p.	1.4	1.0
- industrial accidents	%	n.p.	n.p.	n.p.	1.0	1.6
- total	%	2.0	1.7	2.9	2.4	2.6

Effectiveness

RPI of port authority charges	Index	95.40	93.50	90.40	88.90	84.30
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Size

Total assets	\$M	50	38	40	42	46
Total revenue	\$M	10	8	9	8	9
Total employment	No	67	65	61	58	60

PORT OF LAUNCESTON AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal	%	n.p.	n.p.	n.p.	18.3	11.9
- other than at a container terminal	%	n.p.	n.p.	n.p.	13.1	16.8
- whole port	%	17.8	18.6	17.6	15.1	17.7

Service Quality

Average time at berth (median)	Hours	32	28	25	27	28
Turnaround time:						
- container ships at container terminals:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	12
- - 95 percentile	Hours	34	33	30	31	n.p.
- other:						
- - median	Hours	n.p.	n.p.	n.p.	n.p.	49
- - 95 percentile	Hours	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/ship working time	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/gross ship time	MT/Hr	381	338	371	308	310
Stevedoring idle time	%	n.p.	n.p.	n.p.	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo	'000 MT	0	0	0	0	0
- bulk cargo	'000 MT	3,011	2,804	2,920	3,108	3,818
- all cargo	'000 MT	3,516	3,296	3,462	3,655	4,309
Number of containers handled	TEUs	31,297	37,164	48,115	47,291	44,065

NOTES TO INDICATORS FOR PORT OF LAUNCESTON AUTHORITY

Key: n.p. - not provided; n.r. - not relevant.

1) Pre-tax return on equity 1992-93 was 2.98 per cent.

PORT OF LAUNCESTON AUTHORITY (continued)

Comments on own performance

The Darwin Port Authority (DPA) is responsible for the control and management of land, waterways and facilities within the Port of Darwin. The Authority also facilitates marine associated activities as well as industrial and trade development in support of the Territory Government's economic objectives.

Current operations

The DPA provides facilities and services for both commercial and recreational users of the Port of Darwin. In particular, the Authority provides berthage facilities, pilotage and navigation services, cargo storage areas and sheds as well as common user mechanical equipment. It also leases land to enterprises with port related businesses. Facilities for entertainment and recreational purposes for residents and tourists are also provided by the Authority.

Financial performance

The DPA is continuing to realise the NT Government's objective of commercial viability without Government appropriations. 1994–95 marked the fourth successive year of full cost recovery with revenue from charges. The 1994–95 improvement is due to the higher revenue generated by a 12 per cent increase in cargo movement through the port and a 44 per cent increase in vessels using DPA facilities and/or requiring the services of a DPA pilot.

Non-financial performance

The real price index declined in 1994–95 after the rise in 1993–94 due to movements in the fuel wharfage rates. Excluding “fuel imports”, the index shows that real prices have declined each year since 1990–91 and are at their lowest level for the reporting period. DPA unit costs increased marginally (2 per cent) in 1994–95 but are still at the second lowest level on record.

The nature of cargo passing through DPA facilities continues to diversify with live cattle becoming an important export commodity. The decrease in containerised cargo throughput is the result of a large drop in empty containers exported. Throughput of loaded containers experienced a 22 per cent increase in 1994–95.

DARWIN PORT AUTHORITY**Northern Territory**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT AUTHORITY INDICATORS**Financial Ratios**

Return on assets (1,2,3,4)	%	7.9	5.0	5.2	4.2	5.8
Return on operating assets (1,2,3,4)	%	7.6	4.9	5.2	4.2	5.7
Operating sales margin (1,2,3,4)	%	30.4	23.0	24.4	18.6	24.3
Return on equity (1,2,3,4)	%	5.4	1.8	2.3	1.2	4.6
Dividend to equity ratio (5)	%	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio (5)	%	0.0	0.0	0.0	0.0	0.0
Debt to equity	%	41.4	39.5	36.0	33.0	55.7
Total liabilities to equity	%	44.7	42.8	39.0	35.6	58.9
Current ratio	%	96.2	91.3	99.4	174.4	204.9
Interest cover (1,2,3,4,6,7)	%	181.3	133.8	146.7	126.4	215.5
Cost recovery ratio	%	98.8	110.0	113.3	123.1	132.0
Operational performance	%	-0.2	1.6	2.1	4.1	5.7

Non-Financial Ratios***Economic Factors***

Total factor productivity (8)	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return (8)	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Port authority charges/unit of cargo (9,10,11)	\$/MT	8.97	8.86	9.05	9.99	10.56
Port authority costs/unit of cargo (11,12)	\$/MT	6.30	6.70	6.44	5.89	6.02
Total days lost:						
- industrial disputes (13)	%	0.0	0.0	0.1	0.1	0.0
- sick leave	%	3.1	3.2	3.4	4.2	3.0
- industrial accidents	%	1.6	2.4	1.4	0.1	0.2
- total	%	4.7	5.7	4.9	4.3	3.2

Effectiveness

RPI of port authority charges (14)	Index	100.8	98.6	97.3	109.5	106.5
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Size

Total assets	\$M	43	42	42	42	50
Total revenue	\$M	11	9	9	9	11
Total employment	No	72	55	49	48	48

DARWIN PORT AUTHORITY (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

PORT INDICATORS**Non-Financial Ratios*****Effectiveness***

Berth occupancy:

- container terminal (16)	%	n.r.	n.r.	n.r.	n.r.	n.r.
- other than at a container terminal	%	n.p.	n.p.	n.p.	n.p.	n.p.
- whole port	%	n.p.	n.p.	n.p.	n.p.	n.p.

Service Quality

Average time at berth (median) (15)	Hours	n.p.	21	16	n.p.	n.p.
Turnaround time:						
- container ships at container terminals:						
- - median (16)	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- - 95 percentile (17)	Hours	n.r.	n.r.	n.r.	n.r.	n.r.
- other:						
- - median (17)	Hours	n.p.	26	27	n.p.	n.p.
- - 95 percentile (17)	Hours	n.p.	199	152	n.p.	n.p.
Cargo processed/ship working time (19)	MT/Hr	n.p.	n.p.	n.p.	n.p.	n.p.
Cargo processed/gross ship time (15)	MT/Hr	n.p.	71	70	n.p.	n.p.
Stevedoring idle time (19,20)	%	30	33	27	n.p.	n.p.
Average delay time per ship due to industrial disputes	Hours	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Cargo handled:

- non-containerised general cargo (11)	'000 MT	106	115	90	142	146
- bulk cargo (11,18)	'000 MT	581	553	565	570	650
- all cargo (11)	'000 MT	710	695	675	737	828
Number of containers handled (11)	TEUs	3,066	4,679	5,261	7,905	4,033

DARWIN PORT AUTHORITY (continued)

NOTES TO INDICATORS FOR DARWIN PORT AUTHORITY

Key: n.p. - not provided; n.r. - not relevant.

- 1) The growth in total assets and total liabilities is attributed to the bringing to account of investments in the new port facilities at East Arm.
- 2) In accordance with the guidelines for preparing the GTE Performance Indicators government appropriations have been treated as total revenue. The level of appropriation fluctuated significantly during the reporting period 1990–91 to 1994–95. Accordingly caution must be exercised in inter-port comparisons.
- 3) The data provided is based on audited financial data extracted from annual reports of the Darwin Port Authority (DPA). All DPA annual report financial statements comply with Australian Statements of Accounting Concepts and Australian Accounting Standards.
- 4) Assets such as property, plant and equipment are recorded at cost and depreciated over their estimated useful lives using the straightline method of depreciation. Monies advanced to construct non-current assets are recorded as Capital Works in Progress until the project is completed at which time it will be capitalised and depreciated in accordance with the depreciation policies of the DPA.
- 5) No dividend payable
- 6) The reduction in the level of gross interest expense despite the rise in debt levels, is due to interest charged on advances currently being capitalised.
- 7) The Darwin Port Authority is not liable for Income Tax.
- 8) These factors have not been calculated for other statistical purposes.
- 9) Fluctuations in Port Authority charges during the period 1990–91 to 1992–93 were entirely due to changes in the mix of cargo during the period.
- 10) The change in charges per unit of cargo between 1992–93 and 1994–95 is mainly due to movements in the fuel wharfage rate.
- 11) Total cargo trade for the past five years has been reassessed in light of improved information relating to cattle movements. The adjustment for overestimation in cattle weight has been reflected in an upward adjustment to Port authority costs and charges per unit of cargo.
- 12) Actual operating costs includes personnel costs, utilities, repairs, maintenance, fuel and vehicles. Excluded are financial costs such as amortisation of lease assets capitalised, depreciation, interest, insurance and administrative expenses.
- 13) With the establishment of Darwin Port Services Pty Ltd (DPS) in 1991 as an employer of stevedoring labour the DPA ceased to be directly engaged in the provision of waterside labour. The Authority's labour force is integrated with that of DPS and provides a labour resource during periods of high demand.

DARWIN PORT AUTHORITY (continued)

NOTES TO INDICATORS FOR DARWIN PORT AUTHORITY (continued)

- 14) Prices prior to and after 1993–94 have not been weighted in accordance with revenue earned as in most cases percentage increases have been applied fairly consistently and hence there would appear to be limited advantage in applying weighting. In 1993–94 a new wharfage rate for petroleum products resulted in an upward movement in the Real Price Index. Exclusion of petroleum products from the Real Price Index would result in a continuing decline in the index.
- 15) Reported average time at berth is the median value for the period. Time at berth is heavily influenced by vessel type and handling time especially for containerised cargo where cellular vessels have inherently quicker cargo handling times. All container carrying vessels serviced in Darwin were of a non-cellular nature and due care should be exercised when drawing comparisons with ports handling cellular vessels.
- 16) There is no container terminal in the Port of Darwin and accordingly no separate turnaround details. Vessels involved in container transportation which visit the Port of Darwin are mainly general cargo vessels and usually carry non-containerised cargo in addition to containers.
- 17) This indicator recognises anomalies in turnaround times due to 'time awaiting orders' by using the median value. Such anomalies are present in a substantial proportion of vessels, especially livestock carriers, visiting the Port of Darwin often incurred while at berth. Livestock vessels accounted for 29 percent and 44 percent of cargo vessel visits in 1991–92 and 1992–93 respectively recording times at berth of up to 513 hours. See also note 15.
- 18) Live cattle movements have not been included in bulk cargo. Kerosene products have been included in bulk cargo, with previous years totals being adjusted accordingly.
- 19) Darwin Port Services Pty Ltd is the sole provider of stevedoring labour for vessels in the Port of Darwin. The Darwin Port Authority's involvement is limited to the provision of supplementary labour during periods of high demand.
- 20) Reported idle times prior to 1992–93 are the median of monthly idle times within the reporting periods as provided to the DPA whereas the value for 1992–93 is calculated.

DARWIN PORT AUTHORITY (continued)

7 OTHER COMMONWEALTH GTEs

ANL Limited	385
Australia Post	389
Civil Aviation Authority	393
Federal Airports Corporation	397
Telstra	401

Comments on own performance

ANL's profitability has fluctuated over the reporting period. The drop in 1991–92 resulted from the recession, and the improved result in 1992–93 was driven by management focus on poorly performing businesses and a consequent increase in revenue quality. The significant drop in 1993–94 is mainly due to substantial abnormal items, and in particular a provision for restructure following the appointment of a new Board on 22 August 1994 with a mandate to restructure the company to improve its viability. Otherwise, the profitability ratios are consistent with the low returns associated with the maritime transport industry. The significant loss result in 1993–94 also gives rise to substantial changes in other ratios, notably a higher debt to equity ratio, with a much reduced equity base, lower interest cover, and increased total liabilities to equity, with the provision for restructure included in the liabilities figure. The 1994–95 result also includes significant abnormal items which compound these ratio movements.

However, efficiency improvements have been experienced by ANL since 1988–89 to the present in the number of seagoing employees per vessel.

The efficiency improvements have largely been the result of the introduction of new tonnage which employs state of the art technology combined with manning reductions as a result of the Shipping Industry Reform Authority and Waterfront Industry Reform Authority initiatives. The large increase in 1991–92 seagoing employees is due to the formation of ASP Ship Management, a partnership between ANL Limited and McIlwraith McEacharn. The large decrease in total employees in 1992–93 is due to the deconsolidation from the accounts of ANL's interest in stevedoring following the partial sale of ANL's share in National Terminals. ANL's remaining interest in terminals was sold in the 1993–94 financial year.

The decline in revenue per vessel and per DWT from 1990–91 onwards is essentially due to changes in the company's investment holdings in businesses relating to terminals and coastal shipping.

ANL LIMITED**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	5.6	-2.0	4.0	-36.1	-8.9
Return on operating assets	%	5.3	-2.8	4.0	-42.2	-10.8
Operating sales margin	%	4.5	-2.2	2.9	-30.2	-6.8
Return on equity	%	2.7	-7.0	-4.8	-137.4	-300.0
Dividend to equity ratio	%	0.5	0.0	0.0	0.0	0.0
Dividend payout ratio	%	18.8	0.0	0.0	0.0	0.0
Debt to equity	%	97.4	54.6	46.0	344.4	-1,349.3
Total liabilities to equity	%	177.9	141.4	123.4	1,108.8	-4,592.1
Current ratio	%	101.2	64.2	79.1	44.6	51.3
Interest cover	%	120.2	-102.0	236.6	-2,252.4	-517.3
Cost recovery ratio	%	102.2	94.5	100.2	96.2	96.1
Operational performance	%	2.4	-7.1	0.2	-5.6	-6.4

Non-financial Ratios*Economic factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Seagoing employees per vessel	Emp/Vess	51	51	49	46	40
TEUs per terminal employee	TEU/TEmp	435	495	n.r.	n.r.	n.r.
Total bulk tonnes carried per bulk ship	Mill Tonnes/Vess	0.91	0.66	0.62	0.69	0.64

Size

Total assets	\$M	565	404	352	317	259
Total revenue	\$M	620	592	461	405	406
Average number of employees						
- seagoing (2)	Emp	715	1,521	1,465	1,298	1,208
- shorebased	Emp	574	647	556	515	480
- terminal	Emp	1,270	1,142	0	0	0
- total	Emp	2,559	3,310	2,021	1,813	1,688
Throughput (TEU)	TEU	553	565	n.r.	n.r.	n.r.
Average number of vessels	No	14	14	14	13	12
Average number of DWT	'000 DWT	405	413	413	406	397

ANL LIMITED (continued)

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Cost and Revenue Measures

Revenue per average number of

- employees	\$'000/Emp	242.1	178.9	228.1	223.3	240.3
- vessels	\$'000/Vess	44,259	42,297	32,921	31,142	33,795
- DWT	\$'000/DWT	1,529.9	1,433.8	1,116.0	997.2	1,021.5
Profit per average number of employees	\$'000/Emp	1.95	-5.73	4.30	-71.11	-18.07

NOTES TO INDICATORS FOR ANL LIMITED

Key: n.p. - not provided; n.r. - not relevant.

- 1a) In comparing ANL's results between years it is important to consider the following significant event that took place in 1991-92. On 3 June 1992, ANL Ltd sold a 10 per cent share holding in 'Terminals' (being National Terminals (Australia) Ltd, Brisbane Gateway Terminals Ltd, & Gateway Holdings Ltd) to James Patrick & Co Pty Ltd. The sale resulted in ANL Ltd and James Patrick & Co Pty Ltd each holding 50 per cent of the issued capital of these companies.
- 1b) In accordance with Accounting Standard AASB 1024 the results of NTAL, BGTL, and GHM were consolidated in ANL's accounts up to 3 June 1992 (ie revenue and expenses for the year include Terminals results).
- 1c) The effect of the change of control has been reflected in the profit & loss account through an abnormal item. The impact on the consolidated balance sheet is reflected in significant reductions in assets and liabilities.
- 2) The 1991-92 calculation of seagoing employees is based on around 30 vessels as this is the number managed by ASP Ship Management (a partnership between ANL Ltd and McIlwraith McEachern).

ANL LIMITED (continued)

AUSTRALIA POST**Commonwealth****Comments on own performance**

Australia Post was created in 1975, following the separation of the Postmaster-General's Department into postal and telecommunications authorities. In 1989, it was corporatised as part of the Commonwealth Government Business Enterprise reform process.

The Corporation's principal function is to supply postal services within Australia and between Australia and overseas. Subsidiary functions are those related to postal services, and incidental additional activities are also allowed.

Australia Post has three main operations: letter delivery, parcel delivery and third party agency services (eg receiving bill payments for other companies). While Australia Post has a degree of statutory monopoly on letter delivery, it faces full direct private sector competition in its other operations. A community service obligation is inherent in the letter service, broadly as follows:

- Australia Post is to provide a letter service, charging a uniform price for standard letters carried within Australia by ordinary post; and
- standards of performance (including delivery) must reasonably meet the needs of the community, and the service must be reasonably accessible to all Australians.

All areas of performance — customer service, human relations, operational efficiency and financial results — have undergone strong, steady improvement as shown in the accompanying tables. The progressive introduction of Industrial Participation throughout the Corporation has been a key factor in this success. Cost control and improved labour productivity have underpinned Australia Post's improved financial performance. In this regard, it is noteworthy that the standard letter rate has been held at 45 cents since January 1992, and that the Corporation intends to hold the rate at this level until 1997.

One additional influence on profitability ratios has been the regular revaluation of Australia Post's property assets. Improved 1990–91, 1991–92 and 1992–93 results partially reflect the fall in commercial property values around Australia, but in 1993–94 the decline in property values resulted in an abnormal loss of \$21 million.

During the period under review, Australia Post has begun a restructuring of the Corporation's balance sheet. Major initiatives in 1993–94 included a \$200 million return of capital to the Government as shareholder and an increase in gearing towards commercially normal levels. As part of this process, the Corporation sought a Standard and Poor's credit rating, and was awarded a AAA classification. Only a small number of Australian companies has this high rating, which is a strong endorsement of Australia Post's management performance and prospects.

AUSTRALIA POST**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1,2)

Return on assets	%	8.4	11.6	11.5	13.6	16.8
Return on operating assets	%	7.9	12.4	13.1	16.4	19.8
Operating sales margin	%	6.9	9.5	8.7	9.9	11.9
Return on equity	%	10.5	12.5	12.8	20.2	28.3
Dividend to equity ratio	%	2.1	4.6	6.3	10.2	14.2
Dividend payout ratio	%	20.2	36.6	49.5	50.2	50.3
Debt to equity	%	3.6	4.2	4.5	29.3	34.0
Total liabilities to equity	%	80.5	100.6	106.4	144.3	157.7
Current ratio	%	89.6	86.0	84.8	98.9	90.4
Interest cover	%	7,265.2	6,839.3	8,736.3	5,534.7	1,944.8
Cost recovery ratio	%	105.7	107.4	110.6	112.1	113.3
Operational performance	%	6.4	9.0	14.4	17.7	19.4

Non-financial Ratios*Economic factors*

Total factor productivity	Index	136	138	143	150	157
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Total days lost:

- industrial disputes	%	0.0	0.0	0.0	0.0	0.0
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	0.4	0.4	0.4	0.4	0.4
- total	%	n.p.	n.p.	n.p.	n.p.	n.p.
Labour productivity	Index	100.0	104.3	109.1	115.8	123.2
Mail volume rise (3)	%	1.9	1.6	4.6	5.7	6.0
Delivery points rise (3)	%	3.0	1.4	1.2	2.2	2.6
Articles handled per employee (3)	'000	80	85	91	97	103
Delivery points per employee	No/Emp	178	185	193	199	203

Effectiveness

Mail volume (3)	Million	3,215	3,265	3,416	3,611	3,828
Real standard letter price	Index	99.4	100.8	101.9	100.1	97.1

Service Quality

Articles delivered (4)

- within advertised time	%	94	96	92	93	94
- within advertised time or one day later	%	99	100	98	98	99

AUSTRALIA POST (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality (continued)</i>						
Delivery standards						
- across town	Days	1	1	1	1	1
- major centres (intrastate)	Days	1-2	1-2	1-2	1-2	1-2
- major centres (interstate)	Days	2-3	2-3	2-3	2-3	2-3
- distant areas	Days	3-4	3-4	3-4	3-4	3-4
<i>Size</i>						
Total assets	\$M	2,123	2,047	1,951	2,023	2,217
Total revenue	\$M	2,149	2,310	2,421	2,568	2,788
Cost of CSOs (5)	\$M	60	52	46	62	65
Average number of						
- post offices	No	1,354	1,350	1,325	1,251	1,168
- post office agencies	No	3,027	2,993	2,953	2,859	2,806
- community mail agencies	No	176	201	231	297	357
Average number of						
- postage points (3)	No	22,383	22,083	22,680	22,006	20,875
- delivery points (3)	'000s	7,034	7,131	7,215	7,377	7,571
Average number of employees	No	40,027	38,627	37,423	37,146	37,245

NOTES TO INDICATORS FOR AUSTRALIA POST

Key: n.p. - not provided; n.r. - not relevant.

- 1a) Revaluation of the Corporation's assets is required at least once every three years in accordance with Department of Finance regulations. By agreement with that Department, revaluations are confined to land and buildings having regard to the nature and materiality of the Corporation's other asset classes. Valuations are carried out by independent valuers and are brought to account at the date of valuation.
- 1b) Buildings under construction at 30 June are carried at cost. Properties scheduled for disposal are valued at market value on the basis of highest and best use/vacant possession adjusted for estimated selling costs. These buildings are valued at 30 June.
- 1c) Development Properties: this asset class comprises major properties considered to have the potential for development. Development properties are valued annually at market value on the basis of highest and best use/vacant possession.
- 1d) Special Purpose Properties: this class, established in 1993-94, comprises properties purpose-built to meet mail processing and network needs of the Corporation's mail services. Special purpose properties will be valued every three years on the basis of market value existing use. The only valuation on this basis was carried out on 30 June 1994.

AUSTRALIA POST (continued)

NOTES TO INDICATORS FOR AUSTRALIA POST (continued)

- 1e) General Properties: this class comprises other owned properties and improvements to leased properties. It includes post offices, administrative and operational support properties not included in other classes. Owned general properties are valued every three years on the basis of highest and best use/vacant possession, and were valued at 30 June 1994. Improvements to leased properties are carried at cost less depreciation.
- 2) Taxation: the Corporation became fully liable for sales tax in 1987–88, payroll tax in 1988–89, local government charges in 1989–90, and corporate income tax in 1990–91. In 1994–95, total taxes and government charges were \$254 million.
- 3) Three data series differ from those contained in the previous edition of this publication. First, mail volumes in this edition have been estimated on a new basis for the five years shown; the mail volume series and others derived from that series will therefore differ from those previously reported. Second, the delivery point data have been changed from an end-year basis in last year's publication to an average-year basis here. Finally, the total number of postage points is reported here rather than merely the number of street posting boxes in last year's publication.
- 4) Delivery Performance: as from January 1993, Australia Post's letter delivery performance has been assessed through an independent monthly end-to-end audit conducted by KPMG Peat Marwick, working with the Australian Bureau of Statistics. Data for 1990–91 to 1991–92 are not compatible with those for the new system, but are shown as a matter of record. Adjusting for the effect of the different measurement systems, there has been continual improvement in delivery performance.
- 5) Community Service Obligations: costing of the Corporation's CSOs involves a methodology based on avoidable costs. The methodology assumes that a CSO involves 'a government requirement to provide products or services to a community group at a price less than the cost of supplying them'. Under the avoidability approach, the cost of the CSO is the net cost avoided in the long run if the service were not supplied. Net cost is the cost avoided less the revenue lost. Calculated according to this methodology, the cost of Australia Post's CSOs rose from \$60 million in 1990–91 to \$65 million in 1994–95. A new cost of capital was used to calculate CSO costs for 1993–94 and 1994–95.

Comments on own performance

The Civil Aviation Authority (CAA) commenced operation on 1 July 1988 as a Statutory Authority. Prior to this, the services provided by the CAA were performed by the Department of Transport and Communications and before this by the Department of Aviation and its predecessors. The CAA became a Government Business Enterprise (GBE) on 20 June 1990.

The CAA's services to the public and aviation industry during 1994–95 included: aviation safety and regulatory services, airspace management, air traffic control, traffic and flight information, navigation services, aeronautical information, search and rescue and rescue and firefighting services.

Significantly higher than forecast domestic and international airline activity led to a substantial increase in revenue beyond the original 1994–95 budget. However, higher than anticipated operating expenses and abnormal expenses associated with the CAA's liability concerning the liquidation of (the first) Compass Airlines and a shortfall in the Civil Aviation Staff Superannuation Fund, combined to result in a loss of \$46.6 million.

The CAA continued to provide safe, efficient and cost effective air traffic services within the airspace under Australian control. Some significant achievements included: modernisation of the radar displays at Sydney and Brisbane, as part of a major re-equipment program for the air traffic services infrastructure; commissioning of the new radar chain from Cairns to Adelaide and Perth; playing a leading role in the FAA certification of the Boeing Future Air Navigation System Phase 1 (FANS1) airborne avionics package for the Boeing 747-400 aircraft, enabling its use on US/Australasia routes across the Pacific; revision of Australia's air route structure above 20 000 feet; harmonisation of Australia's airspace classification system with ICAO standards; and expansion of the noise and flight path monitoring system to include all the major capital city airports.

On 6 July 1995, the CAA was separated into two new organisations; a GBE known as Airservices Australia and a Statutory Authority known as the Civil Aviation Safety Authority. Airservices Australia is responsible for the provision of air traffic services, air navigation facilities, an aeronautical information service, a rescue and fire-fighting service and a search and rescue service. The Civil Aviation Safety Authority is responsible for setting safety standards, registration of aircraft, licensing, ensuring compliance with safety regulations, safety promotion and education and the regulatory oversight of Airservices Australia's services.

CIVIL AVIATION AUTHORITY**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	5.4	6.6	9.9	13.2	-3.9
Return on operating assets	%	4.8	6.8	10.3	14.2	-4.6
Operating sales margin	%	5.1	6.4	9.8	15.5	-5.9
Return on equity	%	1.1	1.1	6.9	14.5	-7.5
Dividend to equity ratio	%	0.0	1.2	4.9	7.3	0.0
Dividend payout ratio	%	0.0	109.1	71.4	50.0	0.0
Debt to equity	%	118.2	49.8	45.9	31.2	36.2
Total liabilities to equity	%	171.2	115.4	107.2	76.6	98.3
Current ratio	%	126.6	85.3	124.2	107.9	37.3
Interest cover	%	108.6	198.5	386.2	609.0	-210.8
Cost recovery ratio (2)	%	99.8	95.0	110.7	106.3	93.4
Operational performance (2)	%	-0.1	-5.0	9.2	4.7	-4.9

Non-financial Ratios*Economic factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Size

Total assets	\$M	794	712	653	781	835
Total revenue	\$M	685	747	670	590	582
Average employment	No	7,300	6,370	5,149	4,847	4,845
Employment cost in real terms (3)	\$M	n.p.	n.p.	307.4	284.4	286.1

Safety

Air traffic service incidents per 100 000 aircraft movements	No	n.p.	n.p.	3.5	4.1	6.9
Lost injury time per million employee hours (4)	1/Million	n.p.	n.p.	41,176	49,708	20,608
Workers compensation cost in real terms per employee	\$/Emp	495	512	429	405	349

Service Quality

Number of airways facilities in service	No	3,677	3,687	3,411	3,298	3,329
Number of airways facilities failures	No	4,766	5,222	4,909	5,127	4,320
Average outage time (5)	Hours	11.6	11.1	7.2	9.1	6.9

CIVIL AVIATION AUTHORITY (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality (continued)</i>						
Aircraft delays greater than 5 min.: (6)						
- Sydney	%	n.p.	n.p.	23.8	23.9	24.8
- Melbourne	%	n.p.	n.p.	4.7	4.0	4.6
- Brisbane	%	n.p.	n.p.	9.1	11.5	12.3
- Adelaide	%	n.p.	n.p.	8.3	5.6	4.9
- Perth	%	n.p.	n.p.	8.6	3.2	3.6
Average delay per movement: (6,7)						
- Sydney	Min	n.p.	n.p.	3.3	3.3	3.5
- Melbourne	Min	n.p.	n.p.	0.5	0.6	0.7
- Brisbane	Min	n.p.	n.p.	1.9	2.0	2.1
- Adelaide	Min	n.p.	n.p.	1.1	0.6	0.4
<i>Cost and Revenue Measures</i>						
Maintenance cost of national airways facilities	\$M	n.p.	n.p.	51.8	47.1	50.4
Annual cost per aircraft (MTOW) tonne landed	\$/tn	22.58	23.73	17.65	15.84	16.09
Annual cost per tonne kilometre flown	\$/Tkm	0.01	0.01	0.01	0.01	0.01

NOTES TO INDICATORS FOR CIVIL AVIATION AUTHORITY

- 1) General notes to Financial Ratios :
 - 1a) All financial data has been extracted from the audited financial statements of the Authority prepared using the accrual basis of accounting.
 - 1b) The financial statements are prepared in accordance with applicable accounting standards and Guidelines for Financial Statements of Commonwealth Authorities issued by the Minister for Finance.
 - 1c) The Authority is not subject to Community Service Obligations (CSOs).
 - 1d) The Authority has been subject to Australian income tax at the prevailing company tax rate since 1 July 1991.
 - 1e) The Authority has been subject to State payroll tax and Australian Fringe Benefits Tax since inception (1 July 1988).

CIVIL AVIATION AUTHORITY (continued)

NOTES TO INDICATORS FOR CIVIL AVIATION AUTHORITY (continued)

1f) The Authority revalued assets as follows:

<i>Asset</i>	<i>Method of Valuation</i>	<i>Date of Revaluation</i>	<i>Impact of Revaluation</i>
Land and Buildings	Market value	N/A	N/A
Assets used in operations and for which an active secondary market exists	Market Value	N/A	N/A
Assets used in operations and for which an active secondary market is non-existent or inappropriate	Depreciated Replacement Cost	N/A	N/A
Assets with no usage value and/or which are surplus as at balance date	N/A	N/A	N/A
			\$8.1m

- 2) The 1990–91 to 1993–94 cost recovery and operational performance ratios have been revised in this year’s publication due to the availability of receipts from Government data.
- 3) This indicator has been changed to reflect costs in real dollars.
- 4) 1992–93 and 1993–94 data based upon sick days statistics. The 1994–95 figure removes sick days and is a more accurate representation of the indicator. Future returns will be made on the same basis.
- 5) The apparent trend reversal in this indicator for 1993–1994 is due to a change in the basis for analysis and does not indicate a reduction in serviceability achieved.
- 6a) Aircraft delay includes any delay experienced by operators from achieving nominated departure and arrival time. This measure does not differentiate between factors within or outside CAA’s control, such as weather conditions, airline cluster scheduling and airport ground infrastructure limitations.
- 6b) Delays of less than 5 minutes are generally considered within the industry to be on-time.
- 7) One movement equals one departure or one arrival.

Comments on own performance

The Corporation assumed control of 17 airports on 1 January 1988 and purchased an additional six airports in April 1989. One airport (Cambridge) has been sold. Operations include the management and development of existing Federal Airports and the provision of airport facilities. However, responsibilities exclude the provision of fire, search and rescue services, non-visual navigational aids, air traffic control and flight service.

Financial performance

The Corporation's \$1.7 billion capital works program approved to June 1995 created additional costs which will not be offset by additional revenues until future years. The 1990–91 reporting period was changed by legislation to a 15 month period to bring it in line with the financial year 1 July to 30 June. Figures have been adjusted to account for this. Financial indicators most relevant to the Corporation's performance are return on assets/operating assets, sales margin, return on equity, interest cover, and earnings before interest and tax, all of which show improving performance. On the other hand, debt related indicators reflect an increasing level of capital expenditure in line with the Corporation's capital works program.

Non-financial performance

The indicators used may not adequately measure the Corporation's efficiency. For example, measures based on aircraft movements, passenger numbers and tonnes landed are outside the control of the Corporation. The decline in movements reflects increased load factors and the move to larger aircraft (accounting for the increase in tonnes landed) in commercial aviation as well as recessionary pressures on general aviation traffic. Performance indicators over which the Corporation has some level of control, such as aeronautical and commercial revenue per employee, passengers per employee, movements per employee and real changes in aeronautical and commercial revenue, all reveal improving trends.

FEDERAL AIRPORTS CORPORATION**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets	%	9.1	8.1	7.4	7.4	8.4
Return on operating assets	%	9.0	8.1	7.5	7.9	8.7
Operating sales margin	%	39.8	37.5	34.6	34.8	36.9
Return on equity	%	7.1	3.0	1.9	2.9	5.3
Dividend to equity ratio	%	1.6	0.4	0.6	0.6	1.5
Dividend payout ratio	%	22.5	14.6	32.6	22.2	27.9
Debt to equity	%	48.9	55.3	64.3	67.2	58.7
Total liabilities to equity	%	54.5	66.5	74.4	77.8	71.4
Current ratio	%	69.5	123.1	106.5	115.4	76.7
Interest cover	%	200.6	242.7	215.6	190.4	283.2
Cost recovery ratio	%	166.1	159.9	157.1	154.3	161.0
Operational performance	%	9.0	8.1	7.8	8.0	8.9

Non-financial Ratios*Economic factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Passengers per average number of employees	Pass/Emp	25,514	31,465	34,271	39,422	45,043
Movements per average number of employees	Mov/Emp	2,136	2,056	2,220	2,447	2,584
Landed tonnes per movement	T/Mov	7.4	8.3	8.5	8.5	9.6
Change in movements	%	0.30	-2.10	4.70	2.30	0.03
Percentage change in landed tonnes	%	20.4	8.9	7.7	1.9	13.1
Real change in commercial revenue	Index	109.2	131.7	143.0	152.2	160.4
Real change in aeronautical revenue	Index	118.6	135.8	144.2	148.6	162.4
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	0.00	0.00
- sick leave	%	n.p.	n.p.	n.p.	0.05	0.03
- industrial accidents	%	n.p.	n.p.	n.p.	0.11	0.01
- total	%	0.24	0.33	0.33	0.16	0.04

Effectiveness

Aircraft movements against total capacity

- Sydney	%	89.4	96.1	97.7	99.5	74.0
- Melbourne	%	56.2	63.3	67.5	67.1	73.2
- Brisbane	%	56.4	62.2	67.7	70.1	80.0
- Adelaide	%	41.8	46.2	48.7	39.4	42.4
- Perth	%	26.2	25.7	27.2	28.0	33.0
- Hobart	%	7.8	7.3	7.2	7.5	8.6

FEDERAL AIRPORTS CORPORATION (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Size</i>						
Total assets	\$M	1,736	2,019	2,141	2,256	2,259
Total revenue	\$M	330	394	430	457	505
Average number of employees	No	1,402	1,408	1,366	1,268	1,201
Passengers						
- domestic	Million	26.4	35.2	35.7	38.5	42.0
- international	Million	9.4	9.2	11.1	11.5	11.4
- total	Million	35.8	44.3	46.8	50.0	54.1
Total aircraft movements	'000	2,995	2,897	3,033	3,103	3,104
Tonnes landed	Million	22.0	24.0	25.8	26.3	29.8
<i>Cost and Revenue Measures</i>						
Share of revenue						
- aeronautical	%	41.1	40.2	39.6	39.0	39.8
- commercial	%	56.7	58.1	58.8	59.8	60.2
Commercial revenue						
- per passenger	\$/Pass	5.24	5.16	5.39	5.47	5.63
- per employee	\$'000/Emp	134	162	185	216	253
Aeronautical revenue per average number of employees	\$'000/Emp	97	113	124	141	167

NOTES TO INDICATORS FOR FEDERAL AIRPORTS CORPORATION

Key: n.p. - not provided; n.r. - not relevant.

- 1) The 1993-94 figures for gross interest expense and abnormal expenses have been revised. The financial ratios based on these two items are thus different from those presented in last years publication.

Comments on own performance

Telstra Corporation Limited, created in April 1993, replaced the previous corporate identity of the Australian & Overseas Telecommunications Corporation Limited (AOTC). The corporation commenced trading in Australia as Telstra on 1 July 1995. Telstra continued to face substantial challenges in 1994–95 as it progressed along the path of competition, striving for closer customer ties and responsiveness through excellence in service, price competitiveness and provision of the full range of telecommunications products and services.

Current operations

Telstra's principal activity and that of the entities it controlled during the financial year was to provide telecommunications products and services. Telstra operates under a regulatory regime set up under the *Telecommunications Act 1991* and administered by the industry regulator, AUSTEL.

Financial performance

Despite ongoing pressures from intensifying competition Telstra achieved revenue growth of 5.4 per cent in 1994–95 taking annual total revenue to \$14.1 billion. This reflected the improving economic environment as well as increased demand for telecommunication services, especially for mobile services. Expenses (including abnormals) grew by 7.8 per cent to \$11.7 billion, in line with the increase in activity, but also boosted by the addition of labour primarily servicing new growth initiatives such as cable TV and multimedia. Operating profit after abnormals and income tax rose by 3.0 per cent to \$1.76 billion. Telstra recommended a substantial increase in the total yearly dividend to the Government from \$738 million to \$944 million in 1994–95. Telstra achieved a return on assets of 12.9 per cent in 1994–95, down from 14.8 per cent in 1993–94. Telstra continued to improve its financial structure with interest cover increasing to 5.7 times and the debt ratio falling to 35 per cent.

Non-financial performance

During 1994–95 a number of initiatives were undertaken to continue improvement in the delivery of customer service and providing value for money. Improvements included, the introduction of service teams to improve the installation and maintenance of telephones, achieving greater billing accuracy through the launch of a flexible billing system, improvement in payphone services maintenance and service, improving customer equipment reliability, increasing levels of recovered plant, the continuation of the modernisation and upgrade of the Public Switched and Mobile Telephone Networks and the roll-out of a world class broadband cable network.

TELSTRA**Commonwealth**

Units 1990-91 1991-92 1992-93 1993-94 1994-95

Financial Ratios (1)

Return on assets (2)	%	13.5	8.2	12.7	14.8	12.9
Return on operating assets	%	13.4	8.0	13.1	15.3	13.3
Operating sales margin	%	29.3	14.3	22.4	24.0	19.9
Return on equity (2)	%	10.8	3.2	8.7	15.8	15.6
Dividend to equity ratio	%	2.8	4.8	6.5	6.8	8.4
Dividend payout ratio	%	26.0	152.5	74.5	43.3	53.8
Debt to equity	%	94.1	90.1	70.9	54.9	52.4
Total liabilities to equity	%	128.7	130.4	112.7	96.5	105.4
Current ratio	%	90.9	96.0	77.2	93.4	87.1
Interest cover	%	231.8	154.4	316.6	438.1	574.9
Cost recovery ratio	%	142.7	135.9	133.9	137.2	131.5
Operational performance	%	13.5	14.8	14.8	17.3	16.0

Non-financial Ratios*Economic factors*

Total factor productivity	Index	n.p.	n.p.	n.p.	n.p.	n.p.
Economic rate of return	%	n.p.	n.p.	n.p.	n.p.	n.p.

Efficiency

Telephone calls per average number of employees	No/Emp	142,454	151,969	171,762	196,202	190,177
Telephone services per average number of employees	No/Emp	98	107	119	133	132
Telephone calls per \$m of fixed assets	No/\$M	666,260	698,825	727,270	843,354	799,356
Total days lost:						
- industrial disputes	%	n.p.	n.p.	n.p.	n.p.	n.p.
- sick leave	%	n.p.	n.p.	n.p.	n.p.	n.p.
- industrial accidents	%	n.p.	n.p.	n.p.	n.p.	n.p.
- total	%	5.9	5.9	5.3	4.7	4.2

Effectiveness

Households with standard telephone service	%	n.p.	n.p.	n.p.	n.p.	n.p.
Real price index	Index	98.5	93.8	90.0	84.8	77.6

Service Quality

Faults cleared						
- within 2 working days of notification	%	91	93	92	91	88
- within 3 working days of notification	%	97	97	96	96	94

TELSTRA (continued)

	<i>Units</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>
<i>Service Quality (continued)</i>						
Operator assisted services, percentage of calls answered:						
- directory assistance	%	78	87	90	83	88
- international operator assisted calls	%	85	89	83	89	97
- national operator assisted calls	%	90	91	89	84	89
- service difficulties and faults	%	89	90	86	93	92
Calls not answered due to network loss:						
- local calls	%	1.1	0.8	0.8	0.4	0.2
- STD calls	%	2.2	1.8	1.7	1.1	0.7
- mobile calls	%	2.2	2.3	1.7	1.1	0.9
- mobile calls prematurely disconnected	%	3.5	3.5	4.0	3.8	3.7
Average number of payphones operating:						
- external survey	%	89	91	90	94	n.p.
- internal estimate	%	94	95	95	96	96
<i>Size</i>						
Total assets	\$M	22,527	22,824	23,160	21,139	24,083
Total revenue (1)	\$M	9,531	12,229	12,656	13,363	14,081
Average number of customer services with access to:						
- itemised IDD/0055 bills	%	71	72	77	84	94
- itemised STD bills	%	49	71	77	84	94
Telephone calls:						
- local	Million	9,480	9,364	n.p.	n.p.	n.p.
- trunk	Million	1,828	1,938	n.p.	n.p.	n.p.
- international	Million	117	120	n.p.	n.p.	n.p.
- cellular mobile	Million	265	319	n.p.	n.p.	n.p.
Average number of employees	No	82,059	77,255	71,736	66,641	68,532
New service connections	'000	507	483	511	563	582
Services in operation	'000	8,046	8,257	8,539	8,851	9,078
<i>Cost and Revenue Measures</i>						
Profit as a percentage of fixed assets	%	9.3	3.9	11.8	16.3	14.8
Revenue per employee	\$'000/Emp	116.2	158.3	176.4	200.5	205.5
Profit per employee	\$'000/Emp	19.8	8.5	27.8	37.9	35.1
Revenue as a percentage of fixed assets:						
- nominal	%	54.3	72.8	74.7	86.2	86.4
- real	%	62.1	86.5	93.3	110.7	117.4
Return on assets (before CSOs)	%	14.7	n.p.	13.3	15.8	13.9
Return on equity (before CSOs)	%	21.3	n.p.	20.6	25.5	23.5

TELSTRA (continued)

NOTES TO INDICATORS FOR TELSTRA

Key: n.p. - not provided; n.r. - not relevant.

- 1) The profit and loss data, financial ratios and cost and revenue measures for 1991–92 have been annualised where appropriate.
- 2) Telstra is required to provide the standard telephone service to everyone in Australia wherever they reside or carry on business. This universal service requirement involves considerable cost and a commercially oriented business would not provide such service. This requirement impacts adversely on Telstra's measured financial performance.

ATTACHMENTS

- A Enterprise Listings
 - by Jurisdiction
 - by Industry Classification

- B Definitions of Financial Indicators Collected

- C Acronyms used in Non-Financial Indicators Definitions

- D Definitions of Non-Financial Indicators Collected
 - Electricity
 - Gas and Transmission (including pipelines)
 - Water, Sewerage, Drainage and Irrigation
 - Urban Transport
 - Railways
 - Ports
 - Other Commonwealth

- E Details of Construction of Summary Graphs

ATTACHMENT A

LIST OF PARTICIPATING ENTERPRISES BY JURISDICTION

<i>Jurisdiction/Enterprise</i>	<i>Industry classification</i>	<i>Acronym (a)</i>
NEW SOUTH WALES		
Pacific Power	Electricity GTD (b)	PAC
TransGrid	Electricity GTD (b)	TGD
Illawarra Electricity	Electricity Distribution	ILL
Prospect Electricity	Electricity Distribution	PRO
Orion Electricity	Electricity Distribution	ORI
Sydney Electricity	Electricity Distribution	SYD
Hunter Water Corporation	Water	HWC
Sydney Water Corporation	Water	SWB
Gosford City Council	Water	GOS
Wyong Shire Council	Water	WCC
State Transit Authority	Urban Transport	STN
State Rail Authority of NSW	Railways/Urban Transport	SRA
Maritime Services Board of NSW	Ports	MSB
VICTORIA		
PowerNet	Electricity GTD (b)	PNV
Victorian Govt. Owned Electricity Generation	Electricity GTD (b)	GVC
Victorian Power Exchange	Electricity GTD (b)	VPX
Victorian Govt. Owned Electricity Distribution	Electricity Distribution	ELV
Gas Transmission Corporation	Gas and Transmission (c)	GFCT
GASCOR	Gas and Transmission (c)	GFCD
Melbourne Water Corporation	Water	MWC
Barwon Water	Water	BRW
Public Transport Corporation	Railways/Urban Transport	PTC
Port of Melbourne Authority	Ports	PMA
QUEENSLAND		
Austa Electric	Electricity GTD (b)	AEL
Queensland Transmission and Supply Corp.	Electricity GTD (b)	QTS
South East Queensland Electricity Corporation	Electricity Distribution	SEQ
Capricornia Electricity Corporation	Electricity Distribution	CAP
DPI Water Resources	Water	DPI
Brisbane City Council	Water	BCC
Gold Coast Water	Water	GCC
Brisbane Transport	Urban Transport	BRT
Queensland Rail	Railways/Urban Transport	QRL
Gladstone Port Authority	Ports	GPA
Port of Brisbane Authority	Ports	PBA

(Continued on next page)

<i>Jurisdiction/Enterprise</i>	<i>Industry classification</i>	<i>Acronym</i>
SOUTH AUSTRALIA		
Electricity Trust of South Australia Corporation	Electricity GTD (b)	ESA
South Australian Water Corporation	Water	EWS
TransAdelaide	Urban Transport	STS
South Australian Ports Corporation	Ports	DMH
WESTERN AUSTRALIA		
Western Power	Electricity GTD (b)/	WPR
AlintaGas	Gas and Transmission (c)	ALI
Water Authority of WA	Water	WAWA
MetroBus	Urban Transport	TRP
Westrail	Railways	WSR
Fremantle Port Authority	Ports	FPA
TASMANIA		
Hydro-electric Commission	Electricity GTD (b)	HEC
Hobart Regional Water Board	Water	HRW
Rivers and Water Supply Comm, North Esk	Water	RWS
North West Regional Water Authority	Water	NWR
Metropolitan Transport Trust	Urban Transport	MTT
Burnie Port Authority	Ports	BPA
Marine Board of Hobart	Ports	MBH
Port of Devonport Authority	Ports	PDA
Port of Launceston Authority	Ports	PLA
NORTHERN TERRITORY		
Power and Water Authority	Electricity GTD (b)/Water	PAW
Darwin Port Authority	Ports	DPA
AUSTRALIAN CAPITAL TERRITORY		
ACT Electricity and Water Corporation	Electricity Distribution/Water	AEW
ACTION	Urban Transport	ACN
COMMONWEALTH		
Snowy Mountains Hydro-electric Authority	Electricity GTD (b)	SMH
Australian National Railways Commission	Railways	ANR
National Rail Corporation	Railways	NRC
Australia Post	Other Commonwealth	AP
ANL Limited	Other Commonwealth	ANL
Airservices Australia	Other Commonwealth	CAA
Federal Airports Corporation	Other Commonwealth	FAC
Telstra	Other Commonwealth	TEL

- (a) These acronyms are used as line labels during processing.
- (b) Electricity GTD covers all combinations of electricity generation, transmission and distribution services, except electricity distribution services alone.
- (b) Gas and Transmission includes pipelines

LIST OF PARTICIPATING ENTERPRISES BY INDUSTRY CLASSIFICATION

<i>Main Activity/Enterprise</i>	<i>Jurisdiction</i>	<i>Other Activity</i>
ELECTRICITY GTD (a)		
Pacific Power	NSW	
TransGrid	NSW	
PowerNet	Vic	
Victorian Govt. Owned Electricity Generation	Vic	
Victorian Power Exchange	Vic	
Austa Electric	Qld	
Queensland Transmission and Supply Corp.	Qld	
Electricity Trust of South Australia Corporation	SA	
Western Power	WA	
Hydro-electric Commission	Tas	
Power and Water Authority	NT	Water
Snowy Mountains Hydro-electric Authority	C'wlth	
ELECTRICITY DISTRIBUTION		
Illawarra Electricity	NSW	
Prospect Electricity	NSW	
Orion Electricity	NSW	
Sydney Electricity	NSW	
Victorian Govt. Owned Electricity Distribution	Vic	
Capricornia Electricity Corporation	Qld	
South East Queensland Electricity Corporation	Qld	
ACT Electricity and Water Corporation	ACT	Water
GAS AND TRANSMISSION (b)		
Gas Transmission Corporation	Vic	
GASCOR	Vic	
AlintaGas	WA	
WATER		
Hunter Water Corporation	NSW	
Sydney Water Corporation	NSW	
Gosford City Council	NSW	
Wyang Shire Council	NSW	
Melbourne Water Corporation	Vic	
Barwon Water	Vic	
Brisbane City Council	Qld	
DPI Water Resources	Qld	
Gold Coast Water	Qld	
South Australian Water Corporation	SA	
Water Authority of WA	WA	
Hobart Regional Water Board	Tas	
R&WS Commission, North Esk	Tas	

(Continued on next page)

<i>Main Activity/Enterprise</i>	<i>Jurisdiction</i>	<i>Other Activity</i>
WATER (continued)		
North West Regional Water Authority	Tas	
Power and Water Authority	NT	Electricity GTD
ACT Electricity and Water	ACT	Electricity Distribution
URBAN TRANSPORT		
State Rail Authority	NSW	Railways
State Transit Authority	NSW	
Public Transport Corporation	Vic	Railways
Brisbane Transport	Qld	
Queensland Rail	Qld	Railways
TransAdelaide	SA	
MetroBus	WA	
Metropolitan Transport Trust	Tas	
ACTION	ACT	
RAIL		
State Rail Authority	NSW	Urban Transport
Public Transport Corporation	Vic	Urban Transport
Queensland Rail	Qld	Urban Transport
Westrail	WA	
Australian National Railways Commission	C'wlth	
National Rail Corporation	C'wlth	
PORTS		
Maritime Services Board	NSW	
Port of Melbourne Authority	Vic	
Gladstone Port Authority	Qld	
Port of Brisbane Authority	Qld	
South Australian Ports Corporation	SA	
Fremantle Port Authority	WA	
Burnie Port Authority	Tas	
Marine Board of Hobart	Tas	
Port of Devonport Authority	Tas	
Port of Launceston Authority	Tas	
Darwin Port Authority	NT	
OTHER COMMONWEALTH		
Australia Post	C'wlth	
ANL Limited	C'wlth	
Federal Airports Corporation	C'wlth	
Telecom Australia	C'wlth	
Airservices Australia	C'wlth	

- (a) Electricity GTD covers all combinations of electricity generation, transmission and distribution services, except electricity distribution services alone.
- (b) Gas and Transmission includes pipeline operation.

ATTACHMENT B

DEFINITIONS OF FINANCIAL PERFORMANCE INDICATORS

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.01 Return on assets	$\frac{\text{Earnings before interest \& tax and after abnormals (EBIT)}}{\text{Average total assets}}$ [B.16/B.19]	$\frac{\text{Earnings before interest \& tax (EBIT)}}{\text{Average total assets}}$	%
B.02 Return on operating assets	$\frac{\text{EBIT less investment income}}{\text{Average total assets less average financial assets}}$ [B.17/B.20]	$\frac{\text{EBIT less interest income}}{\text{Average total assets less average financial assets}}$	%
B.03 Operating sales margin	$\frac{\text{EBIT less investment income}}{\text{Total revenue - investment income}}$ [(B.17)/(B.14 - B.33)]	$\frac{\text{EBIT}}{\text{Total revenue}}$	%
B.04 Return on equity ¹	$\frac{\text{Operating profit after income tax}}{\text{Average total equity}}$ [(B.15 - B.31)/B.34]	$\frac{\text{Operating profit before tax and after abnormals}}{\text{Total equity}}$	%
B.05 Dividend to equity ratio ²	$\frac{\text{Dividends paid or provided for}}{\text{Average total equity}}$ [B.18/B.34]	$\frac{\text{Dividends paid or provided for}}{\text{Total equity}}$	%
B.06 Dividend payout ratio ^{2 3}	$\frac{\text{Dividends paid or provided for}}{\text{Operating profit after tax}}$ [B.18/(B.15 - B.31)]	$\frac{\text{Dividends paid or provided for}}{\text{Operating profit before tax \& after abnormals}}$	%
B.07 Debt to equity	$\frac{\text{Debt}}{\text{Total equity}}$ [B.27/B.26]	$\frac{\text{Interest bearing debt}}{\text{Total equity}}$	%

STEERING COMMITTEE ON NATIONAL PERFORMANCE MONITORING OF GTEs

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.08 Total liabilities to equity	$\frac{\text{Total liabilities}}{\text{Total equity}}$ [B.22/B.26]	Same as 1992-93 survey	%
B.09 Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$ [B.21/B.23]	Same as 1992-93 survey	%
B.10 Interest cover	$\frac{\text{EBIT}}{\text{Gross interest expense}}$ [B.16/B.28]	Same as 1992-93 survey	%
B.11 Cost recovery ratio	$\frac{\text{Revenue from operations}}{\text{Expenses from operations}}$ [B.24/B.36]	No equivalent indicator	%
B.12 Operational performance	$\frac{\text{Revenue from operations} - \text{expenses from operations}}{\text{Average total assets} - \text{average financial assets}}$ [(B.24 - B.36)/B.20]	No equivalent indicator	%
B.13 Total assets	Assets are service potential or future economic benefits, as at the end of the reporting period, controlled by the entity as a result of past transactions or other past events.	Not included as a published indicator	\$'000
B.14 Total revenue	Includes revenue from sales and levies, revenue from asset sales, investment income, receipts from governments for specific agreed services (eg community service obligations), other revenue from operations, receipts from governments to cover deficits on operations. Excludes funds received for specific capital works from Governments or other parties, and equity contributions from Governments. Includes abnormal revenue.	Not included as a published indicator	\$'000

FINANCIAL INDICATOR DEFINITIONS

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.15 Operating profit before income tax and after abnormals	Operating profit equals total revenue less total expenses, ie B.14-B.25. The variable includes minority interests but excludes extraordinary items. For a precise definition of operating profit AASB1 issued by the Australian Accounting Standards Board.	Same as 1992-93 survey	\$'000
B.16 Earnings before interest and tax (EBIT)	Operating profit before income tax plus gross interest expense, ie B.15+B.28.	Same as 1992-93 survey	\$'000
B.17 EBIT – investment income	Operating profit before income tax plus gross interest expense less investment income, ie B.15+B.28- B.33.	EBIT less interest income	\$'000
B.18 Dividends paid or provided for	Equals the amount included in the profit and loss statement for dividends. Includes normal and special dividends and statutory levies on profits and revenues (especially), but excludes returns of capital. Negative values are not relevant and hence should not be recorded. If dividends do not relate to activity during current reporting period, please explain in a footnote.	Same as 1992-93 survey	\$'000
B.19 Ave. total assets	Start of reporting period total assets (B13) plus end of reporting total assets divided by two.	Same as 1992-93 survey	\$'000
B.20 Ave. total assets - ave financial assets	Average total assets (ie B.19) less [start of reporting period financial assets plus end of reporting period financial assets divided by two (refer to B.32)].	Same as 1992-93 survey. See B.32	\$'000
B.21 Current assets	Cash and other assets that would, in the ordinary course of operations of the reporting entity, be available for conversion into cash within 12 months after the end of the reporting period.	Same as 1992-93 survey	\$'000

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.22 Total liabilities	The future sacrifice of service potential or future economic benefits that the entity is obliged, as at the end of the reporting period, to make to other entities, as a result of past transactions or other events; includes, among other things, provisions for employee entitlements, creditors, deferred revenue, all repayable borrowings, interest bearing non-repayable borrowings and redeemable preference shares. The classification of non-repayable, non-interest bearing borrowings from governments (which could be as either liabilities or equity) should be the same as the treatment of them in the audited accounts of the GTE. The classification which has been adopted should be recorded in a footnote.	Same as 1992-93 survey	\$'000
B.23 Current liabilities	Liabilities, that would, in the ordinary course of operations of the reporting entity, be due and payable within 12 months after the end of the reporting period.	Same as 1992-93 survey	\$'000
B.24 Revenue from operations	Equal to total revenue less abnormal revenue less investment income less receipts from governments to cover deficits on operations, ie B.14 - B.29 - B.33 - B.35.	No equivalent variable	\$'000
B.25 Total expenses	Includes salaries and wages, interest, bad and doubtful debts, material losses from the sale of non-current assets, charges for depreciation, amortisation or diminution in value of assets; includes abnormal expenses.	No equivalent variable	\$'000
B.26 Total equity	Total assets less total liabilities, ie B.13-B.22. The classification of non-repayable, non-interest bearing borrowings from governments (which could be as either liabilities or equity) should be the same as the treatment of them in the audited accounts of the GTE. The classification which has been adopted should be recorded in a footnote.	Same as 1992-93 survey	\$'000

FINANCIAL INDICATOR DEFINITIONS

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.27 Debt	Includes all repayable borrowings, both interest bearing and non-interest bearing, all interest bearing non-repayable borrowings, redeemable preference shares and finance leases; excludes creditors or provisions; offsetting assets such as contributions to sinking funds should not be deducted.	Interest bearing debt. Excludes non-interest bearing repayable borrowings	\$'000
B.28 Gross interest expense	Equal to amounts charged to the profit and loss account; includes finance charges on finance leases and all debt related financial expenses.	May not include all of the items listed in the adjacent column.	\$'000
B.29 Abnormal revenue	Items of revenue included in operating profit or loss after income tax for the reporting period and which are considered abnormal by reason of their size and effect on the operating result for the reporting period. Abnormal items differ from extraordinary items, which are items of revenue and expense which are attributable to events or transactions of a type that are outside the ordinary operations of the entity and are not of a recurring nature. Extraordinary items are not included in operating profit/loss and are recorded, net of tax, in the profit and loss statement.	No equivalent variable	\$'000
B.30 Abnormal expenses	Same as description for B.29, except for expenses.	No equivalent variable	\$'000
B.31 Income tax	Income tax expense, or income tax equivalent expense, on operating profit before tax (including abnormal items) calculated using tax effect accounting (AAS3).	No equivalent variable	\$'000
B.32 Financial assets	Includes cash, bank deposits, negotiable securities, promissory notes, bank accepted bills, certificates of deposits, shares and other assets of a like nature which generate income in the form of interest, dividends or equity income; excludes trade and other debtors.	Excludes assets which generate income in the form of dividends and equity income.	\$'000

Indicator label and name	Definitions used in the 1994-95, 1993-94 and 1992-93 publications	Definitions used in 1991-92 publication	Unit
B.33 Investment income	Income received and receivable on financial assets, ie interest, dividends, etc.	No equivalent variable	\$'000
B.34 Average total equity	Start of reporting period total equity plus end of reporting period total equity divided by two.	Total equity	\$'000
B.35 Receipts from Govt. to cover deficits on operations	Excludes receipts from governments for specific agreed services (eg community service obligations).	No equivalent variable	\$'000
B.36 Expenses from operations	Total expenses less abnormal expenses less gross interest expense (B.25 - B.30 - B.28)	No equivalent variable	\$'000
B.37 Revenue or deferred revenue from customers for capital works which become GTE assets		No equivalent variable	\$'000

NOTES TO FINANCIAL INDICATORS DEFINITIONS.

- 1) GTEs that pay income tax, or income tax equivalent, should also include in a footnote the return on equity ratio using profit before tax as the numerator (ie B.15/B.34).
- 2) Where dividends are affected by extraordinary revenue and/or extraordinary expenses, this should be noted in a footnote.
- 3) Where dividends are affected by extraordinary revenue and/or extraordinary expenses, this should be noted in a footnote. GTEs that pay income tax, or income tax equivalent, should also include in a footnote the dividend payout ratio using operating profit before tax as the denominator (ie B.18/B.15).

ATTACHMENT C

ACRONYMS AND UNITS OF QUANTITY USED IN
NON-FINANCIAL RATIOS

	MONEY		TIME
C	Cents	Sec	Seconds
\$	Dollars	Min	Minutes
\$'000	Thousand dollars	Hr	Hours
\$Mill or \$M	Million dollars	Pa	Per annum
	NUMBERS		RATIOS
No	Numbers	%	Per cent
'000	Thousands	Ratio	Ratio
Mill	Millions	Index	Index
Prop (or 'prs')	Properties		
Cus	Customers		DISTANCE AND DERIVATIVES
Bd	Boardings	Km	Kilometres
Hd	Head of population	RKm	Route kilometres
Pass	Passengers	PKm	Passenger kilometres
Emp	Employees	TVCKm	Tonne vehicle capacity kilometres
FTE	Full time equivalents	NFTKm	Net freight tonne kilometres
TEmp	Terminal employees	Sq Km	Square kilometres
Veh	Vehicles		
Wag	Wagons		MASS AND DERIVATIVES
Loco	Locomotives	Kg	Kilograms
Vess	Vessels	T	Tonnes
Mov	Movements	DWT	Deadweight tonnes
Acc	Accidents	'000 Mass tonnes	Thousand mass tonnes
Aid	Navigation aid		
Assess	Assessments		
Trans	Transactions		
	POWER AND ENERGY		VOLUME
MVA	Mega (10 ⁶) volt amps	Vol	Volume
MW	Mega (10 ⁶) watts	'000m ³	Thousand cubic metre
MWh	Mega (10 ⁶)-watt hours	TEU	Twenty feet equivalent units
GW	Giga (10 ⁹) watts	Kl	Kilolitres
GWh	Giga (10 ⁹)-watt hours	MI	Megalitres
TJ	Tera-joules (10 ¹²)		
GJ	Giga-joules (10 ⁹)		

ATTACHMENT D

DEFINITIONS OF NON-FINANCIAL PERFORMANCE INDICATORS COLLECTED

ELECTRICITY

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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General (Generation, Transmission and Distribution)

Economic Factors

E.001 Total factor productivity		Ratio
E.002 Economic rate of return		%

Efficiency

Total days lost	$\frac{\text{Total days lost} * 100}{\text{Total days worked}}$	
E.061 - industrial disputes		%
E.062 - sick leave		%
E.063 - industrial accidents		%
E.064 - total		%

Suggestion : Days worked can be estimated from the average number of employees multiplied by the available number of working days per year (often taken as 230).

Effectiveness

Percentage price change	$\frac{(\text{Current year average price} - \text{Previous year average price}) * 100}{\text{Previous year average price}}$	%
E.111 - residential		%
E.116 - other		%
E.117 - overall		%
Real average price index by customer group	$\frac{\text{Current year average selling price index} * 100}{\text{Current year local State Capital CPI index}}$	
E.121 residential	(see Guidelines)	Index
E.126 - other	(with a base of 100.0 in 1987-88)	Index
E.127 - overall		Index

N.B. Average selling price equals the total of prices for individual services weighted by their contribution to total revenue.

(a) A single price index constructed for enterprise to identify how customer charges have changed, relative to relevant State or Territory Capital City CPI (as set out in the Guidelines).

Size

E.32 System maximum demand		MW
E.35 Average total employment	Number of full time equivalent employees	Emp

(Continued on next page)

ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Average total employment should be the average of full time equivalents at the beginning and end of the reporting period, or can be based on monthly data if available.		
E.36 Service area		Sq Km
Eg.376 Energy imported	Energy purchased from interstate suppliers	GWh
Eg.377 Energy exported	Energy sold to interstate consumers	GWh
Ed.348 Energy wheeled	Energy wheeled is the amount of electrical energy being transported through the distribution system on behalf of electricity market participants other than the distribution authority.	GWh
Safety		
Eg.61 Lost injury time per million employee hours		1/Million
<u>Generation</u>		
Efficiency		
Eg.01 Load factor	$\frac{\text{Annual generation (MWh)} * 100}{\text{Peak generated load (MW)} * \text{Period hours (8,760)}}$	%
Eg.02 Capacity factor	$\frac{\text{Annual generation (MWh)} * 100}{\text{Installed plant capacity (MW)} * \text{Period hours (8 760)}}$	%
Eg.03 Reserve plant margin	$\frac{\{\text{Installed plant capacity (MW)} - \text{Peak demand (MW)}\} * 100}{\text{Peak demand (MW)}}$	%
Eg.04 Available capacity factor	$\frac{[\{\text{Installed plant capacity (MW)} * \text{Period hours (8 760)}\} - \text{MWh Losses}] * 100}{\text{Installed capacity (MW)} * \text{Period hours (8 760)}}$ $\frac{[\{\text{Installed Plant Capacity (MW)} - \text{Period Hours (8,760)}\} - \text{MWh Losses}] * 100}{\text{Installed Capacity (MW)} * \text{Period Hours (8,760)}}$	%
Eg.05 Labour productivity (excludes construction & mining personnel)	$\frac{\text{Electricity generated (GWh)}}{\text{Average number of generation staff}}$	GWh/Emp
Average number of generation staff equals average of full time equivalent staff at start and end of reporting period, if more sophisticated monthly based data not available.		
Eg.08 Thermal efficiency	$\frac{\text{Electrical energy output(ie available for sale)}}{\text{Combustible energy consumed}}$	%

(Continued on next page)

ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Service Quality		
Eg.21 Equivalent forced outage factor	$\frac{\text{MWh out of service due to breakdown} * 100}{\{\text{Installed plant capacity (MW)} * \text{Period hours (8 760)}\}}$	%
Eg.22 Equivalent scheduled outage factor	$\frac{\text{MWh out of service due to maintenance} * 100}{\text{Installed plant capacity (MW)} * \text{Period hours (8 760)}}$	%
Size		
Eg .33 Total physical output generated		GWh
Eg.371 Generating plant capacity		MW
Changes in generating plant capacity:		
Eg.381 - plant added		MW
Eg.382 - plant decommissioned		MW
Changes in generating plant capacity		
Eg.381 - plant added		MW
Eg.382 - plant decommissioned		MW
Eg.383 - plant in dry storage		MW
Cost & Revenue Measures		
Operation & Maintenance Costs - excluding fixed costs	$\frac{\text{Total operation and maintenance costs}}{\text{Electricity sent out to grid (MWh)}}$	
Eg.42 - - excluding fuel costs		\$/MWh
Eg.43 - - including fuel costs		\$/MWh
- including fixed costs		
Eg.44 - - excluding fuel costs		\$/MWh
Eg.45 - - including fuel costs		\$/MWh

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ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Environmental Indicators		
Eg.51 CO ₂ emissions	$\frac{\text{CO}_2 \text{ emitted (kg)}}{\text{Electricity generated (MWh)}}$	kg/MWh
Eg.52 Particulate emissions	$\frac{\text{Particulants emitted (kg)}}{\text{Electricity generated (MWh)}}$	kg/MWh
Eg.53 NO _x emissions (NO ₂ at a 7% oxygen reference level)	$\frac{\text{NO}_2 \text{ emitted (kg)}}{\text{Electricity generated (MWh) from NO}_2 \text{ generating sources}}$	kg/MWh
<i>Transmission (These data are not required from electricity GTEs whose prime activity is electricity distribution.)</i>		
Efficiency		
Et.011 Transmission system reliability	$\frac{\text{Units not supplied}}{\text{Million units demanded}}$	1/Million
Et.03 Transmission labour productivity	$\frac{\text{Electricity sold to distribution system (GWh)}}{\text{Number of transmission staff}}$	GWh/Emp
The number of transmission staff should be the average of the number at the beginning and end of a reporting period, if an average using monthly data is not available.		
Et.04 Transmission equipment utilisation factor	$\frac{\text{Annual energy bulk sales in period (MWh)}}{\text{Aggregate transformer capacity (MVA) * Hours in period}}$	Ratio
Et.07 Transmission losses	$\frac{[\text{Electricity generated (MWh)} - \text{Electricity sent out to Distributors (MWh)}] * 100}{\text{Electricity generated (MWh)}}$	%
Size		
Et.372 Transmission transformer capacity		MVA
Et.373 Transmission circuit kilometres		Km
Operation & maintenance costs		
- excluding fixed costs		
Et.42 - - per circuit km	$\frac{\text{Operation \& maintenance costs in period} * 100}{\text{Total circuit kilometres}}$	\$/Km
Et.43 - - per MWh sold	$\frac{\text{Operation \& maintenance costs in period} * 100}{\text{MWh sold}}$	\$/MWh

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ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
- including fixed costs		
Et.44 - - per circuit km	$\frac{\text{Operation \& maintenance costs in period} * 100}{\text{Total circuit kilometres}}$	\$/Km
Et.45 - - per mwh sold	$\frac{\text{Operation and Maintenance Costs in Period} * 100}{\text{MWh Sold}}$	\$/MWh
<u>Distribution</u>		
Efficiency		
Ed.01 Distribution labour productivity	$\frac{\text{Average number of customers}}{\text{Number of employees in distribution and consumer services}}$	Cus/Emp
Average number of customers should be half the total number of customers at the beginning and end of a reporting period, if similar monthly data are not available. The number of employees in distribution and consumer services should be the average of the number at the beginning and end of a reporting period, if an average using monthly data is not available.		
Ed.02 Distribution equipment utilisation factor	$\frac{\text{Annual energy sales in period (MWh)}}{\text{Aggregate transformer capacity (MVA)} * \text{Hours in period}}$	Ratio
Ed.05 Sub-transmission equipment utilisation factor	$\frac{\text{Annual energy bulk sales in period (MWh)}}{\text{Aggregate transformer capacity (MVA)} * \text{Hours in period}}$	Ratio
Ed.07 Distribution losses	$\frac{\text{Electricity purchased (MWh)} - \text{Electricity sold (MWh)}}{\text{Electricity purchased (MWh)}}$	%
Service Quality		
Ed.231 Outage response time factor	$\frac{\text{Total number of customer minutes interrupted}}{\text{Total number of customer interruptions}}$	%
Ed.232 - planned		%
Ed.232 - unplanned		%
Ed.241 System average outage frequency factor	$\frac{\text{Total number of customer interruptions}}{\text{Average number of customers}}$	No/Cus
Ed.242 - planned		No/Cus
Ed.242 - unplanned		No/Cus
Average number of customers - see Ed.01.		
Ed.251 Loss of supply factor	$\frac{\text{Total number of customer minutes interrupted}}{\text{Average number of customers}}$	Min/Int
Ed.252 - planned		Min/Int
Ed.252 - unplanned		Min/Int
Average number of customers - see Ed.01.		

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ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Size		
Total customers by customer group		
Ed.311 - residential		'000
Ed.316 - other		'000
Ed.317 - overall		'000
Average number of customers - see Ed.01.		
Total physical output		
Ed.341 - residential		GWh
Ed.346 - other		GWh
Ed.347 - overall		GWh
Ed.374 Distribution transformer capacity		MVA
Ed.375 Distribution circuit kilometres		Km
Ed.391 Customers per distribution circuit kilometre	$\frac{\text{Average number of customers}}{\text{Distribution circuit kilometres}}$	Cus/Km
Average number of customers - see Ed.01. Distribution circuit kilometres - see also Ed.375.		
Ed.392 Sales (MWh) per circuit kilometre		MWh/Km
Cost & Revenue Measures		
Average price of product by relevant customer group	$\frac{\text{Total revenue of customer group}}{\text{Total sales (MWh) of customer group}}$	
Ed.411 - residential		\$/MWh
Ed.416 - other		\$/MWh
Ed.417 - overall		\$/MWh

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ELECTRICITY (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Operation & maintenance costs		
- excluding fixed costs		
Ed.42 - - per circuit km	$\frac{\text{Operation and maintenance costs in period} * 100}{\text{Distribution circuit kilometres}}$	\$/Km
Distribution circuit kilometres - see also Ed.375.		
Ed.43 - - per MWh sold	$\frac{\text{Operation and maintenance costs in period} * 100}{\text{MWh Sold}}$	\$/MWh
Operation and maintenance costs in period - see Ed.42.		
- including fixed costs		
Ed.44 - - per circuit km	$\frac{\text{Operation and maintenance costs in period} * 100}{\text{Distribution circuit kilometres}}$	\$/Km
Operation and maintenance costs in period - see Ed.42.		
Distribution circuit kilometres - see also Ed.375.		
Ed.45 - - per MWh sold	$\frac{\text{Operation and maintenance costs in period} * 100}{\text{MWh Sold}}$	\$/MWh
Operation and maintenance costs in period - see Ed.42.		

GAS AND TRANSMISSION (INCLUDING PIPELINES)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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General (both Transmission and Distribution)**Economic Factors**

To be provided only where these ratios have been calculated for other statistical purposes.

Gg.001 Total factor productivity		Ratio
Gg.002 Economic rate of return		%

Efficiency

Gg.03 Load factor	$\frac{\text{Gas sales in accounting year} * 100}{\text{Peak demand in period (TJ / day)} * (\text{Period days})}$	%
Gg.05 Energy delivered per employee	$\frac{\text{Total energy delivered (TJ)}}{\text{Employees}}$	TJ/Emp

Average total employment should include half the sum of full time equivalent staff numbers at the beginning and end of a reporting period, if monthly based data are not available. Where a GTE is active in both transmission and distribution, please first assign such staff as can be readily identified with these activities, and then ratio the remainder (eg corporate or headquarters staff) between the two activities using the figures first obtained as a basis for splitting.

Total days lost	$\frac{\text{Total days lost} * 100}{\text{Days worked during reporting period}}$	%
Gg.071 - industrial disputes		%
Gg.072 - sick leave		%
Gg.073 - industrial accidents (including workcare claims)		%
Gg.074 - overall		%

Days worked can be estimated as (Average number of employees [see Gg.321-323]; (Available number of working days (often taken as 230)) if specific data are not available. Number of days worked in a reporting period (eg a year) should be the standard number for this industry, or can be calculated, for example: days in year (365) - weekend (104) - annual leave (20) - public holidays (10) = days worked (231).

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GAS AND TRANSMISSION (INCLUDING PIPELINES) (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Effectiveness		
Real Price Index	(If involved in both transmission and distribution, it may be preferred to supply indexes for both, and to arrange categorisation to suit.)	Index
Gg.111 residential		Index
Gg.112 commercial		Index
Gg.113 industrial		Index
Gg.114 contract (commercial)		Index
Gg.115 contract (industrial)	<u>Current year average selling price index * 100</u>	Index
Gg.119 overall av. (of all classes)	Current year local State Capital CPI index (see Guidelines) (with a base of 100.0 in 1987-88)	Index
Average selling price index equals the total of prices for individual services weighted by their contribution to total revenue.		
G.14 Km of main per employee - transmission - distribution - overall	$\frac{\text{Total kilometres of distribution mains operated}}{\text{Average total employment}}$	Km/Emp
Total kilometres of distribution mains operated - see also Gd.12. Average total employment - see Gd.04.		
G.16 Methane loss between entry point and exit point		%
Size		
Average total employment		
Gg.321 transmission		Emp
Gg.322 distribution		Emp
Gg.323 total		Emp
Average total employment should include half the sum of full time equivalent staff numbers at the active in both transmission and distribution, please first assign such staff as can be readily identified with these activities, and then ratio the remainder (eg corporate or headquarters staff) between the two activities using the figures first obtained as a basis for splitting.		
Gg.33 Gas storage facilities maintained - transmission - distribution - overall	'000s of cubic metres of storage	'000m ³
Gg.37 Total km of distribution mains operated - transmission - distribution - overall		Km

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GAS AND TRANSMISSION (INCLUDING PIPELINES) (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Cost & Revenue Measures

Gg.42 Operating and maintenance unit costs - transmission - distribution - overall	$\frac{\text{Total costs for accounting year}}{\text{Total energy transported in accounting year}}$	\$/GJ
Gg.43 Operating and maintenance unit costs - transmission - distribution - overall	$\frac{\text{Total costs for accounting year}}{\text{Total gas sales}}$	\$/GJ
Gg.51 Lost time per injury frequency rate	$\frac{\text{Incidents}}{\text{Hours worked (million)}}$	Number per million hours

Transmission**Efficiency**

Gt.01 Additional demand capacity	$\frac{\text{Peak day delivered energy} * 100}{\text{Peak day pipeline capacity}}$	%
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Size

Gt.34 Compressor stations operated		No
Gt.35 Peak day delivery	Maximum energy delivered during accounting period	TJ/Day
Gt.38 Total km of pipeline operated		Km

Distribution**Efficiency**

Gd.04 Customers per employee	$\frac{\text{Average number of customers}}{\text{Average total employment}}$	Cus/Emp
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Average number of customers should include half the sum of customers at the beginning and end of a reporting period, if monthly based data are not available. Average total employment should include half the sum of full time equivalent staff numbers at the beginning and end of a reporting period, if monthly based data are not available. Where a GTE is active in both transmission and distribution, please first assign such staff as can be readily identified with these activities, and then ratio the remainder (eg corporate or headquarters staff) between the two activities using the figures first obtained as a basis for splitting.

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GAS AND TRANSMISSION (INCLUDING PIPELINES) (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Gd.06 Gas sales per employee	$\frac{\text{Total gas sales (TJ)}}{\text{Average total employment}}$	TJ/Emp
Average total employment - see Gt.05.		
Reliability		
Gd.081 - unplanned customer interruptions per 1 000 customers		1/1000
Gd.082 - length of customer interruption (seconds per customer)		Sec/Cus
Telephone response times		
Gd.091 - calls answered within 20 seconds		%
Gd.092 - calls abandoned		%
Effectiveness		
Gd.12 Customers per km of main	$\frac{\text{Average number of customers}}{\text{Total km of distribution mains operated}}$	Cus/Km
Average number of customers - see Gd.04.		
Gd.13 Gas sold per km of main	$\frac{\text{Gas sold (TJ)}}{\text{Total km of distribution mains operated}}$	TJ/Km
Gd.15 Unaccounted for gas (UAFG)	$\frac{\text{Gas entering system (GJ)} - \text{Gas billings (GJ)} - \text{Utility gas use (GJ)}}{\text{Gas entering system (GJ)}}$	%
Size		
Total customers		
G.311 - residential		No
G.312 - commercial		No
G.313 - industrial		No
G.314 - contract (commercial)		No
G.315 - contract (industrial)		No
G.316 - contract (large industrial)		No
G.317 overall average (of all classes)		No

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GAS AND TRANSMISSION (INCLUDING PIPELINES) (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Gd.35 Peak day delivery	Maximum energy delivered during accounting period	TJ/Day
Total gas sales :		
G.361 residential		\$ Million
G.362 commercial		\$ Million
G.363 industrial		\$ Million
G.364 contract (commercial)		\$ Million
G.365 contract (industrial)		\$ Million
G.366 contract (large industrial)		\$ Million
Cost & Revenue Measures		
Average price of product by relevant customer category :	$\frac{\text{Total revenue from customer class} * 100}{\text{Total energy sales to customer class}}$	
Gd.411 - residential		\$/GJ
Gd.412 - commercial		\$/GJ
Gd.413 - industrial		\$/GJ
Gd.414 - industrial industrial		\$/GJ
Gd.415 - contract (commercial)		\$/GJ
Gd.416 - contract (industrial)		\$/GJ
Gd.417 - contract (large industrial)		\$/GJ
Gd.418 - overall average (of all classes)		\$/GJ
Gd.44 Operating and maintenance costs per customer	Total costs (distribution and <u>transmission components</u>) Average number of customers	\$/Cus

WATER, SEWERAGE, DRAINAGE AND IRRIGATION

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Economic Factors

To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.

W.001 Total factor productivity		Ratio
W.002 Economic rate of return		%

Efficiency

W.01 System water loss (as % of total volume supplied)	$\frac{\{ \text{Master meter volumes} - \text{consumer volumes} \\ \text{(including non-metered consumption)} \} * 100}{\text{Master meter volume}}$	%
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The master meters measure the volume of water flowing from main storages into reticulation systems.

W.02 OMA costs per 100 km of mains	$\frac{\text{Total operations, maintenance} \\ \text{\& admin. costs} * 100}{\text{Kms of mains employed} \\ \text{(water or sewerage or drainage)}}$	\$'000/100km
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OMA costs are defined as for ARMCANZ studies, and include, principally: award wages, overhead on wages, materials, plant, chemicals, power, contracts salaries, overhead on salaries, all superannuation and accommodation.

W.03 Employees per 1000 properties served	$\frac{\text{Average number of FTE employees} \\ \text{engaged in provision of service} * 1000}{\text{Number of properties} \\ \text{receiving specified service}}$	Emp/ '000 Prop
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The number of employees is expressed in terms of average Full Time Equivalents (FTE) for the period, including administrative functions, engaged in the provision of a service. The average may be of the values at the beginning and end of a reporting period, or might be based on monthly data.

The number of properties is the number of assessments; an assessment being a unique numeric identifier through which the GTE identifies the provision of service to a consumer.

A service is the provision of water supply or sewerage or drainage services to an assessment.

W.04 Total days lost	$\frac{\text{Total days lost} * 100}{\text{Total days worked}}$	%
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Total days lost includes losses for all reasons, including days lost from industrial disputes, sick leave & industrial accidents. Total days worked can be estimated as average number of employees (FTE) * available number of working days (usually 230).

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WATER, SEWERAGE, DRAINAGE AND IRRIGATION (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Effectiveness		
W.11 Real price index	$\frac{\text{Current year average selling price index} * 100}{\text{Current year local State Capital CPI index}}$ (see Guidelines) (with a base of 100.0 in 1987-88)	Index
N.B. Average selling price equals the total of prices for individual services weighted by their contribution to total revenue.		
W.12 Real price movement by customer group	(see above)	
- residential		Index
- commercial		Index
- industrial		Index
W.13 Properties served per km of main	$\frac{\text{Number of properties (receiving specified service)}}{\text{Kilometres of mains employed (water or sewerage or drainage)}}$	No/Km
Number of properties - see W.03. Service - see W.03. Kilometres of mains employed (water or sewerage or drainage): separation of data by type of service will avoid any need to aggregate this variable over type of service.		
W.14 Unsewered properties (% of total properties)	$\frac{(\text{Number of properties receiving water services} - \text{Number of properties receiving sewerage services}) * 100}{\text{No. of properties receiving water services}}$	%
Number of properties - see W.03. Service - see W.03.		
W.15 Flooding incidents per 100 km of main (sewers)	$\frac{\text{Total number of confirmed sewage overflows} * 100}{\text{Kilometres of sewerage mains}}$	No/ 100 Km
Flooding incidents are confirmed sewage overflows from any water agency assets and burst rising mains. It does not include overflows occasioned by the malfunction of internal drains. Kilometres of sewerage mains includes all reticulation and trunk mains operated by the agency, expressed in kilometres.		

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WATER, SEWERAGE, DRAINAGE AND IRRIGATION (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Service Quality

W.21 Compliance with sewage effluent standards	$\frac{\text{Number of samples complying with licensing agreements} * 100}{\text{Total number of samples}}$	%
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Licensing agreements refers to existing State/Territory based licensing agreements. The performance measure is the percentage of samples meeting licensing standards. Please use footnotes to identify the nature of the compliance sought.

W.22 Compliance with water quality standards	$\frac{\text{Number of samples meeting NHMRC \& AWRC Guidelines} * 100}{\text{Total number of samples}}$	%
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The performance measure is the percentage of samples meeting the guidelines with respect to both microbiological and compliance for pH, colour and turbidity measures. Please use footnotes to identify the version of NHMRC and AWRC guidelines being employed and the related targets.

W.23 Water restrictions	$\frac{\text{Number of properties affected} * \text{Days of restrictions} * 100}{\text{Total number of properties served} * 365}$	%
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Number of properties - see W.03. Service - see W.03.

Interruptions to supply :

W.241 - Properties with service interruption	$\frac{\text{Number of properties that experienced a service interruption}}{\text{Total properties receiving water}} * 100$	%
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Number of properties - see W.03.

W.242 - Average interruption duration	Average time taken in hours to restore an interrupted service.	Hours
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Main bursts includes bursts and leaks. Leaks include mains faults that can be fixed without shutting down the main. The figure does not include bursts and leaks associated with the service connection to internal plumbing.

W.243 - Services restored within 5 hours	$\frac{\text{Number of chokes for which a resumption of service is acheived within 5 hours}}{\text{Total number of chokes}} * 100$	%
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Chokes are confirmed partial or total blockages occasioning an interruption to service. The number should not include any blockages that occur in the service connection of internal drains.

(Continued on next page)

WATER, SEWERAGE, DRAINAGE AND IRRIGATION (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
W.25 Customer satisfaction results	$\frac{\text{Number of positive survey returns} * 100}{\text{Total number of survey returns}}$	%
W.26 Main breaks per 100 km	$\frac{\text{Total number of main breaks} * 100}{\text{Kilometres of water mains}}$	No/ 100 Km
Main bursts - see W.242. Length of water mains includes all reticulation, distribution and trunk mains operated by the agency, expressed in kilometres.		
W.27 Sewer chokes per 100 km	$\frac{\text{Total number of confirmed chokes} * 100}{\text{Kilometres of sewer mains}}$	No/ 100 Km
Chokes - see W.243. Kilometres of sewerage mains - see W.15.		
Size		
W.31 Total employment	Full-time equivalent employees	Emp
Number of employees - see W.03.		
Pipeline length (for each service provided) :		
W.321 - water		Km
W.322 - sewerage		Km
W.323 - drainage		Km
The length of each type of mains should include all trunk and reticulation mains operated by the agency, expressed in kilometres (as per individual definitions used previously).		
Properties served :		
W.331 - water		No
W.332 - sewerage		No
W.333 - drainage		No
Number of properties - see W.03. Service - see W.03.		
W.34 New housing allotments served		No
The number of new domestic water services installed within the financial year.		
W.35 Megalitres of water supplied		'000 MI
Volume of water from all sources measured via the master meters - see also W.01.		
W.36 Volume of sewage treated		'000 MI
Total volume of sewage treated by the agency.		

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WATER, SEWERAGE, DRAINAGE AND IRRIGATION (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Sewage treatment ratios:

W.371 primary		%
W.372 secondary		%
W.373 tertiary		%

The current total percentage of sewage, by volume, receiving treatment at each level.

Primary treatment involves comminution, maceration, grit and detritus removal, preparation and grease removal, primary sedimentation, including where assisted by the addition of chemicals.

Secondary treatment involves activated sludge treatment (diffuse air aeration, coarse bubble aeration, mechanical aeration, oxygen injection and submerged filters, deep shaft process) and biological treatment (rotating biological contractors and biological filtration).

Tertiary treatment refers to a secondary activated or biological sludge where the sewage is subsequently passed through grass plots, sand filters, microstrainers, tertiary nitrifying filters and all facilities for the removal of ammonia and phosphates.

Cost & Revenue Measures

Average revenue received per property served (by service type)

W.411 - water	$\frac{\text{Total revenue received for service provision}}{\text{Total number of properties served}}$	\$/Prop
W.412 - sewerage		\$/Prop
W.413 - drainage		\$/Prop

Total revenue received for service provision includes only revenue from base charges and consumption charges. Number of properties - see W.03. Service - see W.03.

Average revenue per kilolitre, by customer group :

W.421 residential	$\frac{\text{Total revenue received from customer group}}{\text{Water consumption attributed to group}}$	\$/Kl
W.422 commercial		\$/Kl
W.423 industrial		\$/Kl
W.424 other		\$/Kl
W.425 total		\$/Kl

Total revenue here consists of base rates and charges plus consumption charges.

W.43 Operating, maintenance & administration (OMA) cost per property served	$\frac{\text{Total operations, maintenance \& administration expenditure (by service)}}{\text{Total number of properties served}}$	\$/Prop
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Total operations, maintenance & administration expenditure - see W.02.

Number of properties - see W.03. Service - see W.03.

URBAN TRANSPORT

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Economic Factors

To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.

U.001 Total factor productivity

U.002 Economic rate of return

Efficiency

U.01 Passenger revenue per total vehicle capacity km	$\frac{\text{Total passenger revenue}}{\text{Total vehicle capacity kilometres}}$	\$/TVCKm
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Total passenger revenue : Includes all revenue earned from running transport modes, such as cash fares, prepaid fares, charter hire revenue and government compensation for concession fares. Excluded from this measure are property rentals, asset sales, advertising and investment income and all government revenues for community service obligations and deficit funding.

Total vehicle capacity kilometres: Determined by multiplying the total number of kilometres of normal service running (including schools , charters, special events, non-revenue kilometres such as dead running, etc.) by the calculated vehicle capacity by type. This latter measure would be determined by the number of seats plus 50% of seats for standees on buses, 100% for standees on trains and trams and 0% for standees on ferries.

U.02 Expenditure per total vehicle capacity km	$\frac{\text{Total expenditure}}{\text{Total vehicle capacity kilometres}}$	\$/TVCKm
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Total expenditure: Measured by including all operating expenditure, as well as depreciation, leasing and interest costs. Abnormal expenditure should be included but extraordinary should be excluded. Total vehicle capacity kilometres - see U.01.

U.03 Employees per vehicle	$\frac{\text{Total employees}}{\text{Maximum daily vehicle demand}}$	Emp/Veh
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Total employees : Includes all employees on an agency's payroll, calculated on a full time equivalent basis. Total employees should be measured on a monthly basis so that an average figure can be determined for the year. Contract staff should not be included in this measure.

Maximum daily vehicle demand : The number of vehicles required to meet the highest peak traffic demand.

U.04 Vehicles in excess of maximum daily demand	$\frac{(\text{Revenue vehicle fleet} - \text{Maximum daily vehicle demand})}{\text{Maximum daily vehicle demand}} * 100$	%
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Revenue vehicle fleet : Calculated as the difference between the total vehicles in stock less vehicles that are awaiting disposal, vehicles used for heritage purposes and training vehicles where these vehicles are not configured for operations. Maximum daily vehicle demand - see U.03.

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URBAN TRANSPORT (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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U.05 Kilometres per vehicle	$\frac{\text{Total vehicle kilometres}}{\text{Revenue vehicle fleet}}$	Km/Veh
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Total vehicle kilometres : All kilometres done by the revenue vehicle fleet for all purposes (ie for normal service running, including schools, charter, special events, non-revenue kilometres positioning and dead running and for maintenance and depot running). Revenue vehicle fleet - see U.04.

U.06 Vehicle kilometres per employee	$\frac{\text{Total vehicle kilometres}}{\text{Total employees}}$	Km/Emp
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Total vehicle kilometres - see U.05. Total employees - see U.03.

U.07 Vehicle capacity kms per employee	$\frac{\text{Total vehicle capacity kilometres}}{\text{Total employees}}$	TVCKm/Emp
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Total vehicle capacity kilometres - see U.01. Total employees - see U.03.

U.08 Total days lost		%
- industrial disputes	$\frac{\text{Total days lost} * 100}{\text{Days worked}}$	
- sick leave		
- industrial accidents		
- total		

Days worked can be estimated as the average number of employees multiplied by the available number of working days (often nominally 230), if a direct measure is not available.

Effectiveness

U.11 Real price index	$\frac{\text{Current year average selling price index} * 100}{\text{Current year local State Capital CPI index}}$ (see Guidelines) (with a base of 100.0 in 1987-88)	Index
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U.12 Boardings per km	$\frac{\text{Total passenger boardings}}{\text{Total vehicle kilometres}}$	Bd/Km
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Total passenger boardings : The total number of passenger boardings for the mode, including charter passengers. Total vehicle kilometres - see U.05.

U.13 Boardings per employee	$\frac{\text{Total passenger boardings}}{\text{Total employees}}$	Bd/Emp
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Total passenger boardings - see U.12. Total employees - see U.03.

U.141 Boardings per head of population (metro)	$\frac{\text{Total passenger boardings}}{\text{Population of metropolitan area}}$	Bd/Hd
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Total passenger boardings - see U.12.
Population of metropolitan area, as measured by the Australian Bureau of Statistics.

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URBAN TRANSPORT (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
U.142 Boardings per head of population (catchment)	$\frac{\text{Total passenger boardings}}{\text{Population of catchment area}}$	Bd/Hd
<p>Total passenger boardings - see U.12. Population of catchment area - measured using Australian Bureau of Statistics' statistical area measures.</p>		
Service Quality		
U.21 Service cancellations	$\frac{\text{Number of services cancelled} * 100}{\text{Number of scheduled services}}$	%
<p>Number of services cancelled : Measured as the number of services cancelled for the year due to all causes such as breakdown, industrial disputes, lack of vehicles, etc. Number of scheduled services : The total number of scheduled route services per annum (treat up and down services (inbound/outbound services) separately; split through services at the CBD; circular services should be treated as one service trip from a selected point).</p>		
U.22 Service delays	$\frac{\text{Number of services delayed} * 100}{\text{Number of scheduled services}}$	%
<p>Number of services delayed : Measured as the number of services that were delayed more than a targeted time beyond the scheduled timetable. Number of scheduled services - see U.21.</p>		
Size		
U.31 Total employment		Emp
<p>Total employment - see U.03.</p>		
U.32 Total vehicle kilometres		'000 Km
<p>Total vehicle kilometres - see U.05.</p>		
U.33 Total passenger boardings		'000
<p>Total passenger boardings - see U.12.</p>		
U.34 Number of scheduled services		'000
<p>Number of scheduled services - see U.21.</p>		
U.35 Revenue vehicle fleet		No
<p>Revenue vehicle fleet - see U.04.</p>		

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URBAN TRANSPORT (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Cost & Revenue Measures		
U.41 Average fare per boarding	$\frac{\text{Total passenger revenue}}{\text{Total passenger boardings}}$	\$/Bd
	Total passenger revenue - see U.01. Total passenger boardings - see U.12.	
U.42 Revenue per vehicle km	$\frac{\text{Total passenger revenue}}{\text{Total vehicle kilometres}}$	\$/Km
	Total passenger revenue - see U.01. Total vehicle kilometres - see U.05.	
U.43 Passenger revenue per employee	$\frac{\text{Total passenger revenue}}{\text{Total employees}}$	\$/Emp
	Total passenger revenue - see U.01. Total employees - see U.03.	
U.44 Expenditure per vehicle km	$\frac{\text{Total expenditure}}{\text{Total vehicle kilometres}}$	\$/Km
	Total expenditure - see U.02. Total vehicle kilometres - see U.05.	
U.45 Expenditure per boarding	$\frac{\text{Total expenditure}}{\text{Total passenger boardings}}$	\$/Bd
	Total expenditure - see U.02. Total passenger boardings - see U.12.	
U.47 Government operating subsidy	$\frac{\text{Total revenue from government} * 100}{\text{Total expenditure}}$	%
	Total revenue from Government : Defined as all revenue from Government, including for concession funding, CSOs and deficit funding. Total expenditure -see U.02.	

RAILWAYS

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Economic Factors	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
R.001 Total factor productivity		Ratio
R.002 Economic rate of return		%
Efficiency		
<u>Employee Productivity</u>		
R.011 - urban rail passenger journeys per employee (average)		No/Emp
	Urban rail passenger journeys - see R.013. Number of employees (average) - see R.015.	
R.012 - non-urban passenger kms per employee (average)		'000 PKm /Emp
	Non-urban passenger-kms - see R.014. Number of employees (average) - see R.015.	
R.013 Urban rail passenger-journeys		No
	Urban passenger journeys should include journeys undertaken by coach service provided by rail operators.	
R.014 Non-urban passenger-kms		No
	Non-urban passenger-kms should include journeys undertaken by coach services provided by rail operators.	
Number of employees (average)		
R.015 - urban		Emp
R.016 - non-urban passenger		Emp
R.017 - freight		Emp
R.018 - total		Emp
	Number of employees to be on the basis of full time equivalents. Employees not readily assignable to urban passenger, non-urban passenger and freight (eg corporate head office staff) to be split according to the ratios of staff that can be so split. Average to be, as a minimum the sum of staff numbers on the above basis at the start and end of the financial year divided by two, or some more sophisticated averaging system if preferred.	
R.021 Net freight tonne-kms per employee (average)		'000 NFTKm /Emp
	Net freight tonne-kilometres - see R.022. Number of employees (average) - see R.017.	

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RAILWAYS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
R.022 Net freight tonne-kilometres		NFTKm
R.031 Net tonne-kilometres per route-km (average)		'000 NTKm /Rkm
	Net freight tonne-kilometres - see R.022. Route-km (average) - see R.032.	
R.032 Route-km (freight) (average)		Rkm
	Route-km to include only operational track and to exclude track that is unused or not maintained. Average to be, as a minimum, the sum of route-km at the start and end of the financial year divided by two, or some more sophisticated averaging system if preferred. Can include multi-user track. Only includes track over which freight trains run (ie excludes passenger only lines).	
R.041 Net tonne-kilometres per wagon (average)		'000 NFTKm /Wagon
	Net freight tonne-kilometres - see R.022. Number of wagons (average) - see R.042.	
R.042 Number of wagons (average)		Wagons
	Number of wagons includes wagons under repair or overhaul, or stored for seasonal traffic, but excludes wagons withdrawn from service awaiting disposal, and non-revenue (or departmental) wagons. Average to be, as a minimum, the sum of wagons at the start and end of the financial year divided by two, or some more sophisticated averaging system if preferred.	
R.051 Net tonne-kilometres per locomotive (average)		'000 NFTKm /Loco
	Net freight tonne-kilometres - see R.022. Number of locomotives (average) - see R.052.	
R.052 Number of locomotives (average)		Locos
	Number of locomotives includes shunt locomotives, locomotives under repair or overhaul, or stored for seasonal traffic, but excludes wagons withdrawn from service awaiting disposal, and locomotives used for passenger services. Average to be, as a minimum, the sum of locomotives at the start and end of the financial year divided by two, or some more sophisticated averaging system if preferred.	
R.06 Total days lost	$\frac{\text{Total days lost} * 100}{\text{Days worked}}$	%
- industrial disputes		
- sick leave		
- industrial accidents		
- total		
	Days worked can be estimated as average number of employees multiplied by the available number of working days (often taken as 230 days), if a direct measure is not available.	

(Continued on next page)

RAILWAYS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Effectiveness		
R.11 Real price index (overall)	1. Calculate R.121, R.121 & R.13 as : $\frac{\text{Current year average price index} * 100}{\text{Current year local State Capital CPI index}}$ (see Guidelines) (with a base of 100.0 in 1987-88) 2. Use revenue shares from R.121, R.122 and R.13 applied each year to R.121, R.122 and R.13 to calculate R.11.	Index
R.121 Real urban fare revenue index	Current year average price defined as: $\frac{\text{Urban passenger revenue}}{\text{Urban rail passenger journeys}}$ Urban passenger revenue - see R.413. Urban rail passenger journeys - see R.013.	Index
R.122 Real non-urban fare revenue index	Current year average price defined as: $\frac{\text{Non-urban passenger revenue}}{\text{Non-urban passenger kms}}$ Non-urban passenger revenue - see R.414. Non-urban passenger kms - see R.014.	Index
R.13 Real freight revenue index	Current year average selling price defined as: $\frac{\text{Freight revenue}}{\text{Net freight tonne-kilometres}}$	Index
R.143 Train kilometres per level crossing accident	Level crossing accidents - see R.147. Train kilometres - see R.148.	'000 Km /Accident
R.147 Number of level crossing accidents		No
R.148 Train kilometres		'000 Km
Service Quality		
R.211 Service cancellations (urban only)	$\frac{\text{Train trips cancelled} * 100}{\text{Total trips scheduled}}$ Train trips cancelled - see R.212. Total trips scheduled - see R.213.	%

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RAILWAYS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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R.212 Train trips cancelled No

R.213 Total trips scheduled No

On time running :

R.221 urban (within 3 minutes) %

R.222 non-urban (various) %

R.223 freight (within 30 minutes) %

Train trips cancelled include cancellations for any reason, including industrial action, however, once a trip is commenced, it should not then be recorded as a cancellation for any reason.

Size

R.320 Route km operated Km

Route-km to include only operational track and to exclude track that is unused or not maintained. Average to be, as a minimum, the sum of route-km at the start and end of the financial year divided by two, or some more sophisticated averaging system if preferred. Can include multi-user track. Includes all track, whether used by passenger or freight trains.

Cost & Revenue Measures

Revenue per passenger journey

R.411 - urban (per journey)
$$\frac{\text{Total passenger revenue, including reimbursement for concession}}{\text{Total urban passenger kilometres}}$$
 Cents

Urban passenger revenue - see R.413. Urban rail passenger journeys - see R.013.

R.412 - non-urban (per passenger km)
$$\frac{\text{Total passenger revenue, including reimbursement for concession}}{\text{Total nonurban passenger kilometres}}$$
 Cents

Non-urban passenger revenue - see R.414. Non-urban passenger kms - see R.014.

R.413 Urban passenger revenue \$'000

Total urban passenger revenue includes all revenue earned from urban passenger operations, such as cash fares, pre-paid fares, charter hire revenue, Government compensation for concession fares and on-train catering, but excludes property rentals, assets sales, advertising and investment income, off-train catering and all Government revenues for community service obligations (other than fare concessions) and deficit funding.

(Continued on next page)

RAILWAYS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
R.414 Non-urban passenger revenue		\$'000
	Total non-urban passenger revenue includes all revenue earned from non-urban passenger operations, such as cash fares, pre-paid fares, charter hire revenue, Government compensation for concession fares and on-train catering, but excludes property rentals, assets sales, advertising and investment income, off-train catering and all Government revenues for community service obligations (other than fare concessions) and deficit funding.	
R.421 Revenue per net freight tonne kilometre	$\frac{\text{Freight revenue excluding government subsidies}}{\text{Net tonne kilometres}}$	Cents /NFTKm
	Freight revenue - see R.422. Net freight tonne kms - see R.022.	
R.422 Freight revenue		\$'000
	Freight revenue includes all revenue earned from freight operations, but excludes property rentals, assets sales, advertising and investment income, and all Government, revenues for community service obligations and deficit funding.	

PORTS

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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Economic Factors

To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.

P.001 Total factor productivity		Ratio
P.002 Economic rate of return		%

Efficiency

P.01 Port authority charges/ unit of cargo	$\frac{\text{Port authority charges}}{\text{Total tonnage}}$	\$/Tonne
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Port authority charges should include all actual cargo-related & directly identifiable ship based charges of the Port Authority in the reporting period.
Total tonnage of cargo (measured in mass tonnes).

P.02 Port authority costs per unit of cargo	$\frac{\text{Port authority costs}}{\text{Total tonnage}}$	\$/Tonne
--	--	----------

Port authority costs should include all actual operating costs in reporting period.
Total tonnage of cargo (measured in mass tonnes).

Operating revenue per employee :	$\frac{\text{Operating revenue}}{\text{Number of employees}}$	\$'000/Emp
P.031 - constant 1987-88 dollars		
P.032 - dollars of reporting period		

Operating revenue includes revenue received by the Port Authority from all its operations.
Number of employees - see P.31.

P.04 Total days lost - industrial disputes, - sick leave - industrial accidents - total	$\frac{\text{Total days lost} * 100}{\text{Total days worked}}$	%
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Total days worked can be estimated (if not readily available) from the number of employees multiplied by the available number of working days (often taken as 230).

Effectiveness

P.11 Real price index of port charges	$\frac{\text{Current year average price index} * 100}{\text{Current year local State Capital CPI index}}$ (see Guidelines) (with a base of 100.0 in 1987-88)	Index
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Average price equals the total of prices for individual services weighted by their contribution to total revenue.

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PORTS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
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P.12 Average time at berth Hours

Time at berth is calculated from the elapsed time from first line ashore to last line off.

Turnaround time

- container ships at
container terminals

P.131 - - median Hours

P.132 - - 95 percentile Hours

- other

P.133 - - median Hours

P.134 - - 95 percentile Hours

Turnaround time is the elapsed time from incoming arrival at the port boundary, dropping anchor, taking a pilot on board, passing some suitable mark, or however this is generally defined locally to time of departure after passing that same point on the way out.

Berth occupancy	Sum over vessels using berth(s) of	
P.141 - container terminal	(Length of vessel (including inter - ship gap)	%
P.142 - other than a	* Time vessel was at berth * 100)	%
container terminal	Sum over berth(s) of (Wharf length	
P.143 - whole port	* Time available during reporting period)	%

The previous definition of berth occupancy has been augmented in order to allow for multi-ship berths. This definition follows that being developed by the Association of Australian Ports and Marine Authorities and a number of its members. At this stage there is no recommendation concerning the inter-ship gap. Until this is resolved, it is suggested that ports use their own judgement of what is appropriate in their local circumstances. Footnoting may be needed to clarify any difficult situations.

Size

P.31 Total employment No

Number of employees is the average of the number of full time equivalent employees at both the start and the end of the reporting period, unless some more sophisticated average based on monthly data is available.

Total tonnage of cargo handled

P.321 - non-containerised	
general cargo	'000 Mass Tonnes
P.322 - bulk cargo	'000 Mass Tonnes
P.323 - all cargo	'000 Mass Tonnes

N.B. Tonnage of cargo is to be measured in MASS tonnes only. P.323 will only be the sum of P.321 and P.322 where a port does not have any container traffic.

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PORTS (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
P.324 Number of containers handled		TEUs
P.33 Cargo processed/ship working time	$\frac{\text{Total cargo processed in reporting period}}{\text{Total working time on all ships in period}}$	Mass Tonnes /Hour
P.34 Cargo processed/gross ship time	$\frac{\text{Total cargo processed in reporting period}}{\text{Sum of ship turnaround times in period}}$	Mass Tonnes /Hour
P.35 Stevedoring idle time	$\frac{\text{Time "A" register waterside workers are available for work but are not required to work} * 100}{\text{Total time "A" register waterside workers are available for work}}$	%
P.36 Average delay time per ship due to industrial stoppages in the port	$\frac{\text{Average delay time to ships due to industrial stoppages}}{\text{Number of ships using the port in the reporting period}}$	Hours

OTHER COMMONWEALTH**AUSTRALIAN NATIONAL LINE**

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Economic Factors	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
C1.001 Total factor productivity		Ratio
C1.002 Economic rate of return		%
Efficiency		
C1.01 Seagoing employees per vessel	$\frac{\text{Average number of seagoing employees}}{\text{Average number of vessels}}$	Emp/Vess
	Average number of seagoing employees should be the average of full time equivalents of appropriate employees at the beginning and end of the reporting period, or can be based on monthly data if available. Average number of vessels should be the average of the number of vessels at the beginning and end of the reporting period, or can be based on monthly data if available.	
C1.02 TEUs per terminal employee	$\frac{\text{TEUs}}{\text{Average number of terminal employees}}$	TEU/TEmp
	Average number of terminal employees should be the average of full time equivalents of appropriate employees at the beginning and end of the reporting period, or can be based on monthly data if available.	
C1.03 Total bulk tonnes carried per bulk ship	$\frac{\text{Total bulk tonnes carried by bulk ships}}{\text{Average number of bulk ships}}$	Million Tonnes/Vess
	Average number of bulk ships should be the average of the number of bulk ships at the beginning and end of the reporting period, or can be based on monthly data if available.	
Size		
Average number of employees		
C1.311 - seagoing		Emp
C1.312 - shorebased		Emp
C1.313 - terminal		Emp
C1.310 - total		Emp
	Average number of employees of different classifications should be the average of full time equivalents of appropriate employees at the beginning and end of the reporting period, or can be based on monthly data if available.	
C1.32 Throughput		TEU

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AUSTRALIAN NATIONAL LINE (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
C1.33 Average number of vessels		No
Average number of vessels - see C1.01.		
C1.34 Average number of DWT		'000 DWT
Average number of DWT should be the average of the number of DWT of vessels at the beginning and end of the reporting period, or can be based on monthly data if available.		
Cost & Revenue Measures		
C1.41 Revenue per average number of employees		\$'000/Emp
Average number of employees - see C1.310.		
C1.42 Revenue per average number of vessels		\$'000/Vess
Average number of vessels - see C1.01.		
C1.43 Revenue per average number of DWT		\$'000/DWT
Average number of DWT - see C1.34.		
C1.44 Profit per average number of employees		\$'000/Emp
Average number of employees - see C1.310.		

OTHER COMMONWEALTH (continued)**AUSTRALIA POST**

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Economic Factor	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
C2.001 Total factor productivity		Ratio
C2.002 Economic rate of return		%
Efficiency		
C2.01 Total time lost per average number of employees	$\frac{\text{Total days lost} * 100}{\text{Total days worked}}$	%
- industrial disputes		
- sick leave		
- industrial accidents		
- total		
Total days worked can be estimated from multiplying average number of employees by the available number of working days (often taken as 230). Average number of employees - see C2.35.		
C2.02 Labour productivity	Revenue at constant prices per paid work year	\$
C2.03 Rise in labour productivity		%
C2.03 Mail volume rise		%
C2.04 Delivery points rise		%
C2.05 Articles handled per employee		'000
Average number of employees - see C2.35.		
C2.06 Delivery points per employee		No/Emp
Average number of employees - see C2.35.		
Effectiveness		
C2.11 Mail volume		Million
C2.12 Real standard letter price		Index
Service Quality		
Articles delivered		
C2.211 - within advertised times		%
C2.212 - within advertised times or one day later		%

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OTHER COMMONWEALTH (continued)

AUSTRALIA POST (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
C2.220 Delivery standards		
C2.221 - across town		Days
C2.222 - major centres (intrastate)		Days
C2.223 - major centres (interstate)		Days
C2.224 - distant areas		Days
Size		
C2.31 Cost of CSOs		\$M
C2.32 Average number of:		
- post offices		No
- post office agencies		No
- community mail agencies		No
Average number should be the average of the number at the beginning and end of the reporting period, or can be based on monthly data if available.		
C2.33 Average number of postage points		No
Average number of postage points should be the average of the number of postage points at the beginning and end of the reporting period, or can be based on monthly data if available.		
C2.34 Average number of delivery points		No
Average number of delivery points should be the average of the number of delivery points at the beginning and end of the reporting period, or can be based on monthly data if available.		
C2.35 Average number of employees		No
Average number of employees should be the average of full time equivalents of employees at the beginning and end of the reporting period, or can be based on monthly data if available.		

OTHER COMMONWEALTH (continued)**FEDERAL AIRPORTS CORPORATION**

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Economic Factor	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
C3.001 Total factor productivity		Ratio
C3.002 Economic rate of return		%
Efficiency		
C3.01 Passengers per average number of employees		Pass/Emp
Average number of employees - see C3.35.		
C3.02 Movements per average number of employees		Mov/Emp
Average number of employees - see C3.35.		
C3.03 Landed tonnes per movement		Tonnes/Mov
C3.04 Change in movements		%
C3.05 Percentage change in landed tonnes		%
C3.06 Real change in commercial revenue		Index
C3.07 Real change in aeronautical revenue		Index
C3.08 Total time lost per average number of employees		%
- industrial disputes		
- sick leave		
- industrial accidents		
- total		
	$\frac{\text{Total days lost} * 100}{\text{Number of employees}}$	
	* (available number of working days)	
	Total days worked can be estimated from multiplying average number of employees by the available number of working days (often taken as 230).	
	Average number of employees - see C3.35.	

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OTHER COMMONWEALTH (continued)

FEDERAL AIRPORTS CORPORATION (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Effectiveness		
Aircraft movements against total capacity		
C3.111 - Sydney		
C3.112 - Melbourne		%
C3.113 - Brisbane		%
C3.114 - Adelaide		%
C3.115 - Perth		%
C3.116 - Hobart		%
Size		
C3.35 Average number of employees	Full time equivalent employees	No
Average number of employees of different classifications should be the average of full time equivalents of appropriate employees at the beginning and end of the reporting period, or can be based on monthly data if available.		
Passengers		
C3.361 - domestic		Million
C3.362 - international		Million
C3.360 - total		Million
C3.37 Total aircraft movements		'000
C3.38 Tonnes landed		Mill Tonnes
Cost & Revenue Measures		
Share of revenue		
C3.411 - aeronautical		%
C3.412 - commercial		%
Commercial revenue		
C3.421 per passenger		\$/Pass
C3.422 per employee		\$'000/Emp
Average number of employees - see C3.35.		
C3.43 Aeronautical revenue per average number of employees		\$'000/Emp
Average number of employees - see C3.35.		

OTHER COMMONWEALTH (continued)**TELECOM AUSTRALIA**

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Economic Factor	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
C4.001 Total factor productivity		Ratio
C4.002 Economic rate of return		%
Efficiency		
C4.01 Telephone calls made per average number of employees		No/Emp
Average number of employees - see C4.32.		
C4.02 Telephone services per average number of employees		No/Emp
Average number of employees - see C4.32.		
C4.03 Telephone calls per \$m of fixed assets		No/\$M
C4.04 Lost time per average number of employees - industrial disputes - sick leave - industrial accidents - total	$\frac{\text{Total days lost} * 100}{\text{Number of employees}}$ * (available number of working days)	%
Total days worked can be estimated from multiplying average number of employees by the available number of working days (often taken as 230). Average number of employees - see C.4.32.		
Effectiveness		
C4.11 Households with standard telephone service		%
C4.12 Real price index	$\frac{\text{Current year average price index} * 100}{\text{Current year local State Capital CPI index}}$ (see Guidelines) (with a base of 100.0 in 1987-88)	Index
Faults cleared :		
C4.231 - within 2 working days of notification		%
C4.232 - within 3 working days of notification		%

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OTHER COMMONWEALTH (continued)

TELECOM AUSTRALIA (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Operator assisted services :		
C4.242-directory assistance		%
C4.243-international operator assisted calls		%
C4.244 - national operator assisted calls		%
C4.245 - service difficulties and faults		%
C4.250 Calls not answered due to network loss :		
C4.251 local calls		%
C4.252 STD calls		%
C4.253 mobile calls		%
C4.254 mobile calls prematurely disconnected		%
C4.260 Average number of pay phones operating at any one time		%
C4.261 - external survey		
C4.262 - internal estimate		
Average number of pay phones should be the average of operating pay phones at the beginning and end of the reporting period, or can be based on monthly data if available.		
Size (all operations)		
C4.270 Average number of customer services with access to		
C4.271 itemised IDD/0055 billing		%
C4.272 itemised STD billing		%
Average number of these services should be the average of the number at the beginning and end of the reporting period, or can be based on monthly data if available.		
Telephone calls :		
C4.311 - local		Million
C4.312 - trunk		Million
C4.313 - international		Million
C4.313 - cellular mobile		Million
C4.32 Average number of employees		No
Average number of employees should be the average of full time equivalent employees at the beginning and end of the reporting period, or can be based on monthly data if available.		
C4.33 New service connections		'000
C4.34 Services in operation		'000

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OTHER COMMONWEALTH (continued)**TELECOM AUSTRALIA** (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Cost & Revenue Measures		
C4.41 Profit per \$m of fixed assets		%
C4.42 Revenue per employee		\$'000/Emp
Average number of employees - see C4.32.		
C4.43 Profit per employee		\$'000/Emp
Average number of employees - see C4.32.		
C4.44 Revenue per \$m of fixed assets (nom.)		%
C4.45 Revenue per \$m of fixed assets (real)		%
C4.46 Return on assets (before CSOs)		%
C4.47 Return on equity (before CSOs)		%

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OTHER COMMONWEALTH (continued)

AIRSERVICES AUSTRALIA

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
Non-financial ratios indicators being discussed.		
Economic Factors	To be provided only where these ratios have been calculated for other statistical purposes. Please expand this classification and footnote as necessary.	
C6.001 Total factor productivity		Ratio
C6.002 Economic rate of return		%
Size		
C6.01 Average employment		No
C6.02 Employment costs in real terms		\$M
Safety		
C6.11 Air traffic service incidents per 100 000 aircraft movements		No
C6.12 Lost injury time per million employee hours		1/Million
C6.13 Workers compensation cost in real terms per employee		\$/Emp
Service Quality		
C6.21 Number of airways facilities in service		No
C6.22 Number of airways facilities failures		No
C6.23 Average outage time		Hours
Cost & Revenue Measures		
C6.31 Maintenance cost of national airways facilities		\$M
C6.32 Annual cost per aircraft (MTOW) tonne landed		\$/Tonne
C6.33 Annual cost per kilometre flown		\$/Km

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OTHER COMMONWEALTH (continued)**AIRSERVICES AUSTRALIA** (continued)

<i>Indicator Label & Name</i>	<i>Definition</i>	<i>Units</i>
<i>Service Quality</i>		
Aircraft delays greater than 5 minutes:		
C6.371 - Sydney		%
C6.372 - Melbourne		%
C6.373 - Brisbane		%
C6.374 - Adelaide		%
C6.375 - Perth		%
Average delay per movement:		
C6.381 - Sydney		Min
C6.382 - Melbourne		Min
C6.383 - Brisbane		Min
C6.384 - Adelaide		Min

ATTACHMENT E

Details of Construction of Summary Graphs

Industry summary charts were constructed for GTEs which provided relevant data for the five year sample period. Exceptions to this are the *on-time-running* (rail authorities), *ship turnaround time* (ports) and *service delays and cancellations* from the urban transport authorities. In these cases, data availability for the full five year period is limited. Data from a smaller sample period is utilised in these charts to increase the number of GTEs included.

Where a GTE has supplied more than one five year set of financial data on different conceptual bases, the choice of which to use is based on comparability with data supplied by other GTEs in the relevant sample (eg. Australia-wide, electricity supply, etc.). For instance, the *return on assets* graphs for all industries are based on historical cost asset valuation; the exception being the water, sewerage, drainage and irrigation authorities where a replacement cost asset valuation methodology is used.

The recognition of accrued superannuation liabilities by Transperth, Fremantle Port Authority (FPA) and Westrail resulted in a significant negative equity position for each Authority. This affected related financial ratios and where appropriate, this is acknowledged by a footnote on individual GTE and industry summary graphs.

For urban transport and rail authorities, the extent of government subsidies prompted an adjustment to some graphs. This adjustment excludes government financing of operating deficits and affects the *real labour productivity*, *real total revenue*, *operating sales margin and return on assets* graphs. The basis for weighting together individual measures is, however, unaffected. The size of abnormal revenue and expenses in rail and urban transport also prompted an adjustment to some graphs. *Real labour productivity*, *real total revenue and real price index* are the affected graphs.

Real total revenue

Real total revenue is calculated by deflating each GTE's total revenue by the consumer price index relevant to that GTEs operations.

Operating sales margin

The *operating sales margin* for each GTE is calculated (in accordance with the definition in Attachment B) as the ratio of EBIT less investment income to total revenue less investment income. The average operating sales margin ratio, for the relevant sample of GTEs, is then calculated by taking the ratio of the industry sum of

EBIT less the industry sum of investment income to the industry sum of revenue less industry investment income.

Cost recovery (urban transport and railways)

Average cost recovery is calculated as the industry sum of revenue from operations divided industry expenses from operations.

Real debt (urban transport and railways)

To enable comparison of debt levels over the sample period, aggregate debt is calculated by first summing deflated total debt over all the GTEs in the relevant industry.

Composition of real total assets

Asset, debt and equity levels over the sample are period are calculated through aggregation of deflated average assets, debt and equity. Other liabilities are calculated as the residual of real average total assets less real average equity and debt.

Real price index

In order to graph *real prices*, an average real price index is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in aggregate total revenue.

Real labour productivity

Real labour productivity is defined as the ratio of real total revenue to the number of full time equivalent employees. Real total revenue is calculated by deflating each GTE's total revenue by its price index (recovered from the real price index supplied in their responses). The average real labour productivity measure is calculated for the relevant sample of GTEs as the ratio of real total revenue to aggregate employment.

Employment

The industry specific and Australia-wide *employment* graphs represent the number of full time equivalent employees summed across all GTEs in the relevant sample.

Return on assets

Return on assets for each GTE is defined as earnings before interest and tax (EBIT) divided by average total assets. Average return on assets is calculated as industry aggregate EBIT divided by industry aggregate average total assets. Across all industries these graphs are based on historical cost asset valuation; the exception being the water, sewerage, drainage and irrigation industry where a replacement cost asset valuation methodology is used.

Real payments to government

Aggregate dividend is calculated as the sum of individual deflated dividends paid or provided for over the relevant sample of GTEs. Similarly income tax is calculated as the sum of individual deflated income tax over the relevant sample of GTEs.

System average supply loss (electricity supply)

An average measure of *system average supply loss* is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in industry total customers.

Reserve plant margin (electricity supply)

Average reserve plant margin is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in industry total physical output generated.

Boardings per head of population (urban transport)

Average boardings per head of population (both catchment and metro) is calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share of total revenue.

Service delays and cancellations (urban transport)

The *service delays and cancellations* measure is calculated for each GTE as the sum of service delays and service cancellations. Average service delays and cancellations is then calculated as the weighted average of the individual measures, with weights corresponding to each GTE's share in industry number of scheduled services.

On-time running (railways)

Average measures for *on-time running* are calculated using urban passenger and freight data. Average on-time running for urban passenger services is calculated as the sum of each GTE's measure weighted by its share of total urban passenger journeys. For freight services, each GTE's measure is weighted by its share of net freight tonne-km.

Ship turnaround time (ports)

Most GTEs did not supply the five years of data required for this graph, so restricted data series are used to increase GTE coverage. *Average ship turnaround time* is calculated separately for other cargoes and container cargoes, as the weighted average of the individual measures, with weights corresponding to each GTE's share in the total tonnage of (other) cargo handled and the number of containers handled.