

YEAR IN REVIEW

In 2008–09, we put in place a range of strategies and action plans, which will have a long lasting impact on the performance of the organisation. These include preparing for emissions trading, aligning with the Queensland Government's *Climate Smart 2050* strategy, researching lower emission technology and responding to changes in the electricity industry structure and composition.

Performance indicators

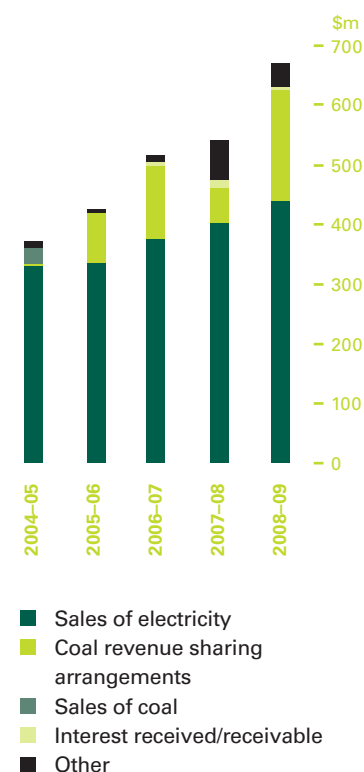
Indicator	2008–09		Annual change (%)**	2007–08	
	Budget	Actual		Budget	Actual
Financial					
Total revenue (\$m)	559.7	670.4	23.9	468.0	540.9
Earnings before interest and tax (\$m)	177.1	278.5	65.2	160.9	168.6
Profit after tax (\$m)	102.3	195.6	44.3	108.9	135.6
Net assets (\$m)	860.2	957.0	30.6	1,062.9	733.0
Return on total assets (%)	11.3	14.5	93.3	9.6	7.5
Return on equity (after interest and tax) (%)	12.0	23.1	(8.8)	10.3	25.4
Debt/debt + equity (%)	20.1	21.2	40.1	5.7	15.1
Interest cover (times)*	9.7	22.1	(86.8)	30.4	167.8
Current ratio (times)	0.7	1.4	83.2	1.3	0.8
Operational					
Annual availability (Stanwell Power Station) (%)	92.30	95.06	(0.4)	94.10	95.42
Forced outage factor (Stanwell Power Station) (%)	2.40	0.49	(70.8)	2.20	1.68
Health and safety					
Lost Time Injury Frequency Rates					
- employees	0	1.52	(50.7)	0	3.08
- contractors and employees	0	9.73	172.6	0	3.57
Environment					
Environmental incidents					
- Level 1, 2 or 3	-	93	72	-	54
- Level 4 or 5	0	0	0	0	0

* Interest cover has been calculated using net interest received.

** Annual change (%) calculation for financial indicators is based on unrounded values.

Total revenues

Sharing of export coal revenues from the Curragh North coal mine contributed to this year's strong revenue result.



Challenges and opportunities

Developed strategic carbon risk management initiatives ahead of an emissions trading scheme, despite regulatory uncertainty (Market trading page 37).

Monitored renewable energy options and potential research and development opportunities (Project development page 40).

Continued the development of a revised Gladstone Interconnection and Power Pooling Agreement (IPPA) and associated arrangements, which is scheduled to be completed in late 2009 (Project development page 42).

Right people

Successfully negotiated new workplace agreements for Stanwell Power Station, Kareeya and Barron Gorge hydros and the corporate offices (Employee relations page 25).

Recruited nine people into Stanwell's Apprentice and Trainee Program in January 2009 (Employee relations page 24).

Recorded 11 lost time injuries for employees and contractors (Health and safety page 21).

Continued to implement EcoChoices initiatives within non-operational areas of the business to reduce and offset carbon emissions in the areas of office buildings and air and car travel (Environmental performance page 44 and 45).

Right markets

Focused on our customers' needs and increased our range of contracts tailored to individual customer requirements, creating mutually beneficial situations for both the customer and Stanwell (Market trading page 37).

Implemented a financial risk and valuation system to enable us to better manage our risks through more reliable product valuations (Market trading page 37).

Delivered a record net profit of \$195.6 million (2007–08: \$135.6 million) (Economic performance page 49).

Achieved average plant availability of 94.53% across all operating sites—2.6% more than budget (Operations page 36).

Right fuels

Reviewed potential solar thermal, geothermal, biomass and wind projects (Project development page 40).

Funded and actively participated in a range of clean coal research and development initiatives (Project development page 40–41).

Achieved renewable energy production of 914.4 GWh sent out against a budget of 587.3 GWh (2007–08: 740.7 GWh) (Environmental performance page 47).

Reviewed the performance and cost of a broad range of low emission generation options and particularly the impact of recent global increases on capital costs (Project development page 40).

Right plant

Conducted our largest ever overhaul at Stanwell Power Station on Unit 2, including an upgrade of the low pressure turbine and a generator rewind, in October 2008 (Operations page 32 and 34).

Prepared for the installation of low NOx burners in August 2009 at Stanwell Power Station (Environmental performance page 44).

Continued to develop a water management strategy to manage our use of water and our impact on the environment (Environmental performance page 44 and 46).

Prepared for the Unit 1 generator rewind at Barron Gorge Hydro to commence in July 2009 (Operations page 33).

Right organisation

Continued negotiations with Wesfarmers Resources to further monetise our coal assets (subject to investment approvals) (Project development page 40).

Acquired an equity interest in Blue Energy Limited and finalised a farm-in agreement with Icon Energy Limited (Project development page 40).

Addressed recommendations from stakeholder surveys to enhance stakeholder engagement practices (Community relations page 29).

Improved existing carbon reporting processes to meet new requirements under the *National Greenhouse and Energy Reporting Act 2007* (Environmental performance page 44).

Right locations

Pursued opportunities that examined the construction of a cleaner coal-fired power station in the Surat Morton Basin (Project development page 40).

Established the Sponsorships Regional Fund and realigned our approach to corporate giving to more effectively address regional social interests of education, environment and health and safety (Community relations page 28).

Recorded no Level 4 or 5 environmental incidents for the third consecutive year (Environmental performance page 44).