

QUESTION ON NOTICE

No. 599

asked on Wednesday, 18 April 2007

MR KNUTH ASKED THE MINISTER FOR MINES AND ENERGY (MR WILSON)—

QUESTION:

Will he advise by type and region and reported separately, the dollar cost and amount of hours for work outsourced by Queensland power distributors for 2004-05, 2005-06 and budgeted and actual figures so far for 2006-07?

ANSWER:

Ergon Energy Corporation Limited and ENERGEX Limited are the main power distributors in Queensland, with ENERGEX servicing South East Queensland and Ergon Energy most of the rest of Queensland. The New South Wales distributor Country Energy also supplies about 5,500 customers in the southern border area.

ENERGEX's electricity distribution network spans more than 25,000 square kilometres throughout South East Queensland including the regions of Brisbane and the Gold and Sunshine Coasts. Attachment 1 shows the figures provided by ENERGEX who advises that contracts generally apply to work across the entire ENERGEX service area and therefore, it is impossible to break down the information by geographic area.

ENERGEX also advises that it is using additional contracting capability to do work associated with the South East Queensland Infrastructure Plan, together with additional preventative maintenance using funds which have become available due to a light storm season. Due to these factors, contractor expenditure is likely to exceed the original budget.

Ergon Energy's expenditures for contract works are shown in attachment 2. Ergon Energy advised that construction expenditure is not available on a regional basis as the work is contracted on the basis of individual projects which may cover more than one region or parts of different regions. Ergon Energy also advises that data for miscellaneous contracts, labour hires, consultants and professional contractors are not included in the table.

Both ENERGEX and Ergon Energy have advised that it is not possible to provide information on the basis of hours of work because all contracts are awarded on a lump sum basis based on schedule of rates arrangements.

Table 1: Contracted Expenditure of ENERGEX

Major Category	2004-2005	2005-2006	2006-2007	
	Actual (\$m)	Actual (\$m)	YTD Actual (\$m)	Budget
Asset inspection and maintenance	15	19	15	na
Construction	55	101	87	na
Electrical	41	64	54	na
Metering	7	7	5	na
Vegetation	35	36	28	na
Total	153	227	189	218

na = not available. ENERGEX advises that the budget is not broken down to that level of detail.

Descriptions for the categories of work:

Asset inspection and maintenance: Routine inspection of distribution and transmission assets.

Construction: Civil construction work (buildings, concrete structures, etc) associated with major capital projects, and trenching for new cables.

Electrical: Work on the distribution and transmission network – switches, extensions, cable installation.

Metering: Installation of new meters, including smart meters, replacing old meters and load control relays.

Vegetation: Vegetation management, that is cutting trees away from powerlines.

Table 2: Contracted Expenditure of Ergon Energy

Major Category	2004-2005 Actual (\$ Million)				2005-2006 Actual (\$ Million)				2006-2007 (\$ Million)							
	Northern	Central	Southern	Total	Northern	Central	Southern	Total	Northern		Central		Southern		Total	
									Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
Vegetation Maintenance	11	11	12	34	16	10	17	43	14	10	12	7	22	12	48	29
Asset Inspections	7	5	7	19	8	6	9	23	7	6	7	4	10	7	24	17
Streetlights	0	0	0	0	1	1	0	2	2	1	1	0	1	1	4	2
Meter Reading	2	2	0	4	2	2	0	4	2	2	2	2	0	0	4	4
Construction	na	na	na	52	na	na	na	79	na	na	na	na	na	na	80	56
Total	20	18	19	109	27	19	26	151	25	19	22	13	33	20	160	108

na = not available. Ergon Energy advises that construction expenditure cannot be extracted on a regional basis as the work is contracted on the basis of individual project, not by region.

Descriptions for the categories of work:

Vegetation maintenance: Trimming and removal of vegetation around powerlines.

Asset inspections: Inspection of the network assets for defects.

Streetlights: Streetlight maintenance.

Meter reading: Reading customers' meters.

Construction: Direct contractor costs for capital infrastructure projects.